FIRST QUARTER 2021
EARNINGS REPORT

Contacts:

Francisco Martinez
Investor Relations Officer
Tel: +52 (55) 5279-8107
E-mail: francisco.martinez@terrafina.mx

Ana Maria Ybarra
Miranda IR
Tel: +52 (55) 3660-4037
E-mail: ana.ybarra@miranda-ir.com

Disclaimer

Mexico City, April 29th, 2021 – 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 first quarter 2021 (1Q21) 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.

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 March 31st, 2021

OPERATING

- As of March 31st, 2021, the **occupancy rate** was 94.6%, a 150 basis point decrease compared to the first quarter of 2020 (1Q20).

- **Renewal rate** for 1Q21 was 83.2%.

- 1Q21 **annualized average leasing rate** per square foot was US$5.30, a 2.1% or US$0.11 increase compared to 1Q20.

- In 1Q21, Terrafina reported a total of 39.2 million square feet (msf) of **Gross Leasable Area** (GLA) comprised of 274 properties and 296 tenants.

- 1Q21 **leasing activity** reached 2.4 msf, of which 13.5% corresponded to new leases, 63.0% to lease renewals and 23.5% to early renewals. Leasing activity was concentrated in the Cuatitlán Izcalli, Toluca, Ciudad Juárez, Chihuahua, Silao, Gómez Palacio, Saltillo, Derramadero, Monterrey, Ramos Arizpe, Durango, Irapuato, Querétaro, Guadalajara and San Luis Potosí markets.

FINANCIAL

- 1Q21 **net collections** (rental revenues - uncollected revenues + collected revenues) reached US$48.0 million, a 1.5% or US$0.7 million decrease compared to 1Q20.

- 1Q21 **rental revenues** reached US$47.0 million, a 6.5% or US$3.3 million decrease compared to 1Q20.

- 1Q21 **NOI** was US$46.0 million, a 2.4% or US$1.1 million decrease compared to 1Q20.

- The **NOI margin** for 1Q21 was 94.0%, a 28 basis points decrease compared to 1Q20.

- 1Q21 **EBITDA** reached US$41.0 million, a 2.9% decrease or US$1.2 million compared to 1Q20.

- The **EBITDA margin** for 1Q21 was 83.7%, a 67 basis points decrease compared to 1Q20.

- 1Q21 **adjusted funds for operations** (AFFO) reached US$27.6 million, an increase of 4.3% or US$1.1 million compared to 1Q20.

- The **AFFO margin** for 1Q21 was 56.1%, a 376 basis points increase compared to 1Q20.

- 1Q21 **distributions** totaled US$23.5 million. As a result, Terrafina will distribute Ps.0.6026 per CBFI (US$0.0297 per CBFI) for the January 1st to March 31st, 2021 period; considering the average share price of US$1.47 for 1Q21 (Ps.29.89), Terrafina's annualized dividend yield for the quarter was 8.1%.

Operating and Financial Highlights

Operating	Mar21	Mar20	Var.
Number of Developed Properties	274	289	-15
Gross Leasable Area (GLA) (msf)[1]	39.2	42.3	-3.1
Land Reserves (msf)	5.5	5.6	-0.1
Occupancy Rate[2]	*94.6%*	*96.1%*	*-150 bps*
Avg. Leasing Rent/ Square Foot (dollars)	5.30	5.19	0.11
Weighted Average Remaining Lease Term (years)	3.8	3.5	0.2
Renewal Rate[3]	*83.2%*	*86.0%*	*-281 bps*

Quarterly Financial	1Q21	1Q20	Var.	1Q21	1Q20	Var.
			fx	20.3323	19.8578	
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections [4]	975.3	966.9	0.9%	48.0	48.7	-1.5%
Rental Revenues [5]	955.7	998.2	-4.3%	47.0	50.3	-6.5%
Other Operating Income	35.6	25.6	39.2%	1.7	1.3	36.4%
Cash-basis Revenues [6]	995.8	994.7	0.1%	49.0	49.5	-1.1%
Cash-basis Revenues + Tenant Improvement Reimbursments [7]	999.9	1,004.7	-0.5%	49.2	50.0	-1.7%
Net Revenues	995.6	1,036.1	-3.9%	49.0	52.2	-6.1%
*Net Operating Income (NOI)**	935.5	937.1	-0.2%	46.0	47.1	-2.4%
NOI Margin	*94.0%*	*94.2%*	*-28 bps*	*94.0%*	*94.2%*	*-28 bps*
*EBITDA [8]**	832.4	832.0	0.0%	41.0	42.2	-2.9%
EBITDA Margin	*83.7%*	*84.4%*	*-67 bps*	*83.7%*	*84.4%*	*-67 bps*
*Funds from Operations (FFO)**	622.2	596.6	4.3%	30.6	30.3	1.0%
FFO Margin	*62.6%*	*60.6%*	*193 bps*	*62.6%*	*60.6%*	*193 bps*
*Adjusted Funds from Operations (AFFO)**	560.5	514.6	8.9%	27.6	26.5	4.3%
AFFO Margin	*56.1%*	*52.4%*	*376 bps*	*56.1%*	*52.4%*	*376 bps*
Distributions	476.4	437.4	8.9%	23.5	22.5	4.3%
Distributions per CBFI [9]	0.6026	0.5532	8.9%	0.0297	0.0284	4.3%

(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. Please refer to the "1Q21 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting

Balance Sheet	Mar21	Dec20	Var.	fx	Mar21	Dec20	Var.
					20.6047	19.9487	
	(millions of pesos unless otherwise stated)				*(millions of dollars unless otherwise stated)*		
Cash & Cash Equivalents	1,329.6	1,443.7	-7.9%		64.5	72.4	-10.8%
Investment Properties	48,272.5	46,600.3	3.6%		2,342.8	2,336.0	0.3%
Land Reserves	882.9	854.9	3.3%		42.8	42.9	0.0%
Total Debt	20,223.8	20,079.4	0.7%		981.5	1,006.6	-2.5%
Net Debt	18,894.2	18,635.7	1.4%		917.0	934.2	-1.8%

Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period.
Source: PGIM Real Estate – Asset Management and Fund Accounting

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

Terrafina's operating and financial results in the first quarter of 2021 continued to show progress, demonstrating the strength of our tenants' manufacturing and logistics activities. Today, a year after witnessing some of the disruptions generated by the pandemic, we see a gradual recovery in industrial activity driven by a better U.S. economic growth outlook as well as a trend to relocate production facilities from Asia into Mexico. “Nearshoring” has become an added value to better supply the U.S. market and ensure the exports supply chains’ continuity. As for our collections level, we are at pre-pandemic levels and have recovered 90% of the rent deferrals that were granted during 2020. Additionally, it is important to mention that we have had no new requests for rent support programs from our customers since the last request received in the third quarter of 2020.

As part of our growth strategy, this quarter we acquired a land plot for development located in the country’s Northern region. With it, we intend to take advantage of growth opportunities that arose from an increased demand for manufacturing and logistics spaces. This will allow us to increase our presence in key sectors that have stood out over the past year.

As for our key operating results for the first quarter of 2021, leasing activity in the quarter comprised 2.4 million square feet, of which 2.1 million square feet were renewals (with a retention rate of 83%) and 320,000 square feet were new leases. Our average annualized rent per square foot was US$5.30. The overall occupancy rate was 94.6%. In terms of regions, the occupancy rate was 96.1% in the North, 87.9% in the Bajío, and 97.2% in the Central region.

With respect to financial results, net collections reached US$48.0 million, rental revenues were US$47.0 million, Net Operating Income was US$46.0 million on a 94.0% margin, and we distributed US$23.5 million. The dividend rate was 8.1%, considering the average price of the CBFI during the first quarter of 2021.

Looking at our balance sheet’s liquidity, we currently have approximately US$65 million in cash and a US$300 million revolving credit line available. Our leverage ratio is stable at 37.4%, after last quarter’s debt payment.

Thank you for your interest in Terrafina.

Sincerely,

Alberto Chretin
Chief Executive Officer and Chairman of the Board

Operating Highlights

Highlights by Region	North	Bajío	Central	Total
(as of March 31st, 2021)				
# Buildings	191	54	29	274
# Tenants	190	64	42	296
GLA (msf)	25.1	8.0	6.1	39.2
Land Reserves (msf)	2.6	0.2	2.7	5.5
Occupancy Rate	*96.1%*	*87.9%*	*97.2%*	*94.6%*
Average Leasing Rent / Square Foot (dollars)	5.24	5.22	5.62	5.3
Annualized Rental Base %	*64.4%*	*18.7%*	*16.8%*	*100.0%*

Source: PGIM Real Estate – Asset Management

Leasing Activity	1Q21	1Q20	Var.
Operating Portfolio (msf):			
Renewals	1.5	1.0	0.5
Early Renewals	0.6	0.3	0.3
New Leases	0.3	0.1	0.2
Total Square Feet of Leases Signed	**2.4**	**1.4**	**1.0**

Source: PGIM Real Estate – Asset Management

Operating Highlights (continued)

Occupancy and Rents by Region	Occupancy Rate	Avg. Leasing Rent/ Square Foot *(dollars)*
(As of March 31st, 2021)		
North	**96.1%**	**5.24**
Baja California	91.9%	4.82
Tijuana	91.9%	4.82
Sonora	75.9%	4.63
Hermosillo	75.9%	4.63
Chihuahua	96.6%	5.21
Camargo	100.0%	3.00
Casas Grandes	100.0%	4.40
Chihuahua	94.6%	5.46
Ciudad Juárez	97.9%	4.97
Delicias	100.0%	6.24
Gómez Farías	0.0%	0.00
Coahuila	96.0%	5.31
Arteaga	100.0%	4.44
Ciudad Acuña	100.0%	5.40
Monclova	100.0%	5.61
Ramos Arizpe	97.4%	5.26
Saltillo	67.6%	4.97
Derramadero	100.0%	6.82
San Pedro de las Colinas	89.3%	2.10
Torreón	100.0%	4.39
Nuevo León	96.3%	5.43
Apodaca	100.0%	6.72
Monterrey	95.6%	5.19
Tamaulipas	100.0%	5.04
Reynosa	100.0%	5.04
Durango	100.0%	5.73
Durango	100.0%	6.28
Gómez Palacio	100.0%	3.23
Bajío	**87.9%**	**5.22**
San Luis Potosí	80.2%	5.00
San Luis Potosí	80.2%	5.00
Jalisco	100.0%	5.76
Guadalajara	100.0%	5.76
Aguascalientes	100.0%	4.00
Aguascalientes	100.0%	4.00
Guanajuato	84.0%	5.07
Celaya	100.0%	5.29
Irapuato	81.8%	5.63
Silao	83.2%	4.79
Querétaro	95.6%	5.18
Querétaro	95.6%	5.18
Central	**97.2%**	**5.62**
State of Mexico	96.8%	5.79
Cuautitlan Izcalli	100.0%	5.87
Huehuetoca	43.8%	4.31
Toluca	95.1%	5.54
Mexico City	100.0%	9.39
Azcapotzalco	100.0%	9.39
Puebla	0.0%	0.00
Puebla	0.0%	0.00
Tabasco	100.0%	4.15
Villahermosa	100.0%	4.15
Total	**94.6%**	**5.30**

Source: PGIM Real Estate – Asset Management

Maturities and Renewals by Region	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
North	**16**	**55.2%**	**11**	**68.8%**
Baja California	0	0.0%	0	0.0%
Tijuana	0	0.0%	0	0.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	7	24.1%	5	71.4%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	3	10.3%	2	66.7%
Ciudad Juárez	4	13.8%	3	75.0%
Delicias	0	0.0%	0	0.0%
Gómez Farías	0	0.0%	0	0.0%
Coahuila	5	17.2%	3	60.0%
Arteaga	0	0.0%	0	0.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	2	6.9%	1	50.0%
Saltillo	2	6.9%	1	50.0%
Derramadero	1	3.4%	1	100.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreón	0	0.0%	0	0.0%
Nuevo León	2	6.9%	1	50.0%
Apodaca	0	0.0%	0	0.0%
Monterrey	2	6.9%	1	50.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	2	6.9%	2	100.0%
Durango	1	3.4%	1	100.0%
Gómez Palacio	1	3.4%	1	100.0%
Bajío	**6**	**20.7%**	**4**	**66.7%**
San Luis Potosí	1	3.4%	0	0.0%
San Luis Potosí	1	3.4%	0	0.0%
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	4	13.8%	3	75.0%
Celaya	0	0.0%	0	0.0%
Irapuato	3	10.3%	2	66.7%
Silao	1	3.4%	1	100.0%
Querétaro	1	3.4%	1	100.0%
Querétaro	1	3.4%	1	100.0%
Central	**7**	**24.1%**	**6**	**85.7%**
State of Mexico	7	24.1%	6	85.7%
Cuautitlan Izcalli	1	3.4%	1	100.0%
Huehuetoca	0	0.0%	0	0.0%
Toluca	6	20.7%	5	83.3%
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	**29**	**100.0%**	**21**	**72.4%**

Source: PGIM Real Estate – Asset Management
**Over the number of matured leases in the quarter*

1Q21 OPERATING PERFORMANCE

Composition by Geographical Diversification

In 1Q21, the geographic diversification of Terrafina's properties (by GLA) was as follows: 64.1% in the Northern region, 20.5% in the Bajío, and 15.5% in the Central region.

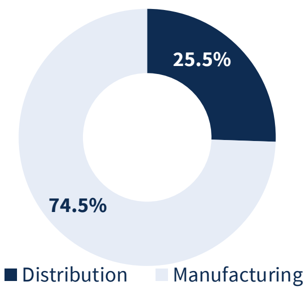
Geographic Distribution by Region and State	1Q21	as a % of Total GLA 1Q21	1Q20	as a % of Total GLA 1Q20
North	**25.14**	**64.1%**	**26.53**	**62.7%**
Baja California	0.73	1.8%	0.88	2.1%
Tijuana	0.73	1.8%	0.88	2.1%
Sonora	0.33	0.8%	0.33	0.8%
Hermosillo	0.33	0.8%	0.33	0.8%
Chihuahua	14.29	36.4%	14.94	35.3%
Chihuahua	6.02	15.3%	6.23	14.7%
Ciudad Juárez	7.64	19.5%	8.00	18.9%
Delicias	0.52	1.3%	0.52	1.2%
Gómez Farías	0.00	0.0%	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	18.1%	7.09	16.8%
Arteaga	0.12	0.3%	0.12	0.3%
Ciudad Acuña	0.24	0.6%	0.24	0.6%
Monclova	0.35	0.9%	0.35	0.8%
Ramos Arizpe	4.67	11.9%	4.67	11.0%
Saltillo	0.44	1.1%	0.44	1.0%
Derramadero	0.73	1.9%	0.73	1.7%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	1.0%	0.39	0.9%
Nuevo León	1.86	4.7%	2.06	4.9%
Apodaca	0.28	0.7%	0.28	0.7%
Monterrey	1.58	4.0%	1.78	4.2%
Tamaulipas	0.47	1.2%	0.47	1.1%
Reynosa	0.47	1.2%	0.47	1.1%
Durango	0.38	1.0%	0.78	1.8%
Durango	0.31	0.8%	0.71	1.7%
Gómez Palacio	0.07	0.2%	0.07	0.2%
Bajío	**8.03**	**20.5%**	**9.52**	**22.5%**
San Luis Potosí	3.33	8.5%	3.33	7.9%
San Luis Potosí	3.33	8.5%	3.33	7.9%
Jalisco	1.64	4.2%	1.66	3.9%
Guadalajara	1.64	4.2%	1.66	3.9%
Aguascalientes	0.06	0.2%	0.99	2.3%
Aguascalientes	0.06	0.2%	0.99	2.3%
Guanajuato	1.57	4.0%	1.57	3.7%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.1%	0.44	1.0%
Silao	1.01	2.6%	1.01	2.4%
Querétaro	1.43	3.7%	1.98	4.7%
Querétaro	1.43	3.7%	1.98	4.7%
Central	**6.06**	**15.5%**	**6.25**	**14.8%**
State of Mexico	5.39	13.7%	5.39	12.7%
Cuautitlan Izcalli	4.26	10.9%	4.26	10.1%
Toluca	0.90	2.3%	0.22	0.5%
Huehuetoca	0.22	0.6%	0.90	2.1%
Mexico City	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Puebla	0.00	0.0%	0.18	0.4%
Puebla	0.00	0.0%	0.18	0.4%
Tabasco	0.65	1.7%	0.65	1.5%
Villahermosa	0.65	1.7%	0.65	1.5%
Total	**39.24**	**100.0%**	**42.30**	**100.0%**

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves is not included.
Source: PGIM Real Estate - Asset Management

Composition by Asset Type

At the end of 1Q21, 74.5% of Terrafina's portfolio was leased to tenants with manufacturing activities, while 25.5% was leased to tenants with distribution and logistics activities.

Composition by Asset Type as of 1Q21
(as a % of total GLA)



Use of Property Diversification	1Q21	1Q20	Var.
Distribution	25.5%	27.3%	-181 bps
Manufacturing	74.5%	72.7%	181 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of March 31st, 2021, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification	1Q21	1Q20	Var.
Automotive	34.8%	34.0%	83 bps
Industrial Goods	20.0%	19.4%	58 bps
Consumer Goods	12.8%	14.5%	-167 bps
Logistics and Trade	11.2%	10.3%	91 bps
Aviation	10.3%	10.5%	-14 bps
Non-durable Consumer Goods	2.2%	3.5%	-129 bps
Electronics	8.6%	7.8%	79 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 1Q21, Terrafina's top client represented 3.8% of total revenues, while top 10 clients and top 20 clients represented 18.3% and 29.9% of total revenues, respectively.

Top Clients	Leased Square Feet (million)	% Total GLA	% Total Revenues
(as of March 31st, 2021)			
Top Client	1.43	3.9%	3.8%
Top 10 Clients	7.13	19.2%	18.3%
Top 20 Clients	11.07	29.8%	29.9%

Source: PGIM Real Estate - Asset Management

Occupancy

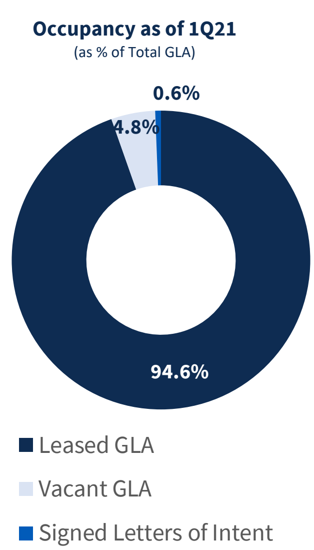
1Q21 occupancy rate was 94.6%, a 150 basis point decrease compared to 1Q20. Note these occupancy rate indicators reflect the rate as of quarter end.

For 1Q21, Terrafina's leasing activity reached 2.4 msf, 13.5% of which corresponded to new leases (including expansions), 63.0% were lease renewals and 23.5% were early lease renewals.

Leasing activity in 1Q21 mainly took place in the Cuatitlán Izcalli, Toluca, Ciudad Juárez, Chihuahua, Silao, Gómez Palacio, Saltillo, Derramadero, Monterrey, Ramos Arizpe, Durango, Irapuato, Querétaro, Guadalajara and San Luis Potosí markets.

Occupancy	1Q21	1Q20	Var.
Leased GLA	94.6%	96.1%	-150 bps
Vacant GLA	4.8%	3.9%	83 bps
Signed Letters of Intent	0.6%	0.0%	62 bps
Total	**100.0%**	**100.0%**	

Source: PGIM Real Estate - Asset Management



Lease Maturities

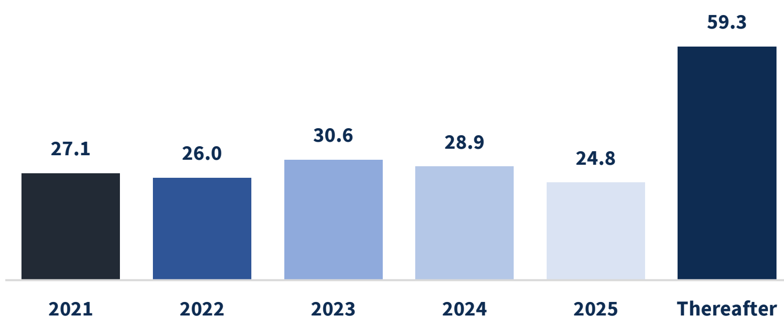
Terrafina had 296 tenants under leasing contracts at the end of 1Q21. These contracts have an average maturity of three to five years for logistics and distribution properties, and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) will remain at levels of between 13% to 16% 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 Square Feet (million)	% of Total
2021	27.1	13.8%	5.25	14.1%
2022	26.0	13.2%	4.93	13.3%
2023	30.6	15.5%	5.73	15.4%
2024	28.9	14.7%	5.61	15.1%
2025	24.8	12.6%	4.57	12.3%
Thereafter	59.3	30.2%	11.04	29.7%

Source: PGIM Real Estate - Asset Management

Maturities per Annual Base Rent
(millions of dollars)



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.

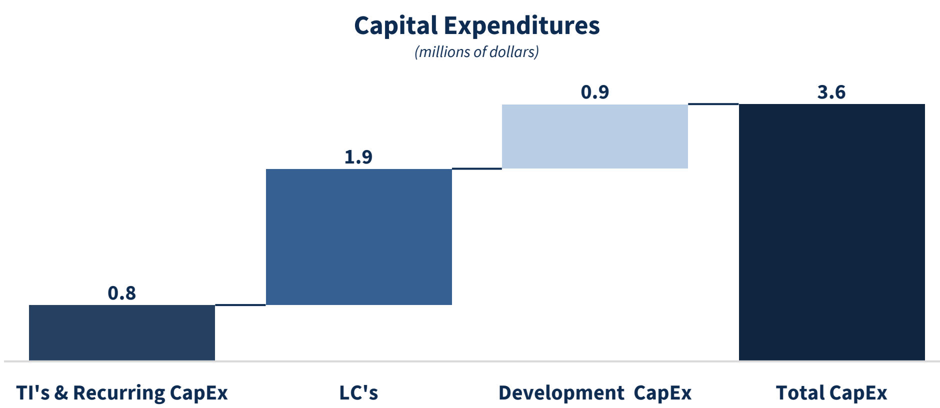
Additionally, it is important to consider that CapEx intended for expansions and new developments is not financed with Terrafina's operating cash flow, and therefore does not appear on the income statement.
Capital expenditure accounts are comprised as follows:

1) Resources used for tenant's property improvements, 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 1Q21, Terrafina's investments in tenant improvements and recurring CapEx was US$0.8 million. Total CapEx for 1Q21 is broken down in the following table:

Capital Expenditures	**1Q21** *(millions of pesos)*	**1Q21** *(millions of dollars)*
TI's & Recurring CapEx	15.8	0.8
LC's	38.9	1.9
Development CapEx	19.3	0.9
Total CapEx	**74.0**	**3.6**

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring Capex figures.
(1) CAPEX for expansions/new developments.
Source: PGIM Real Estate - Asset Management



Land Reserves

Terrafina's land reserve as of March 31st, 2021 comprised nine land reserve properties, equivalent to 5.5 msf of potential GLA for the development of future industrial properties.

As of March 31st, 2021, Terrafina's land reserves were distributed as follows:

Land Reserves	**Square Feet** (million)	**Land at Cost** *(millions of pesos)*	**Land at Cost** *(millions of dollars)*	**Market Value** *(millions of pesos)*	**Market Value** *(millions of dollars)*
(as of March 31st, 2021)					
North	2.59	522.1	25.3	691.9	33.6
Bajío	0.18	14.7	0.7	16.5	0.8
Central	2.74	603.6	29.3	174.5	8.5
Total Land Portfolio	**5.51**	**1,140.4**	**55.3**	**882.9**	**42.9**

Source: PGIM Real Estate - Asset Management and Fund Accounting

1Q21 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 the first quarter of 2021 (Ps. 20.3323/dollar). For the balance sheet, figures were converted using the exchange rate at the close of March 31st, 2021 (Ps. 20.6047/dollar).

Terrafina uses best accounting practices when 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 1Q21 same-store highlights and consolidated information:

	Consolidated 1Q21	Same-Store[1] 1Q20	Var.
Number of Properties	274	274	0
Occupancy Rate	*94.6%*	*96.3%*	*-165 bps*
Gross Leasable Area (GLA) (msf)	39.2	39.2	0.0
Avg. Leasing Rent / Square Foot (dollars)	5.30	5.27	0.03

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

	Consolidated 1Q21	Same - Store 1Q20	Var.	Consolidated 1Q21	Same - Store 1Q20	Var.
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections	975.3	951.0	2.6%	48.0	46.4	3.3%
Rental Revenues	955.7	981.5	-2.6%	47.0	48.0	-2.0%
Net Operating Income	935.5	926.1	1.0%	46.0	45.1	2.1%
NOI Margin	*94.0%*	*94.0%*	*-6 bps*	*94.0%*	*94.0%*	*-6 bps*
EBITDA	832.4	821.0	1.4%	41.0	40.3	1.7%
EBITDA Margin	*83.7%*	*84.1%*	*-40 bps*	*83.7%*	*84.1%*	*-40 bps*
FFO	622.2	585.6	6.2%	30.6	28.4	7.8%
FFO Margin	*62.6%*	*59.3%*	*325 bps*	*62.6%*	*59.3%*	*325 bps*
Adjusted Funds from Operations	560.5	505.5	10.9%	27.6	25.5	8.4%
AFFO Margin	*56.1%*	*52.7%*	*345 bps*	*56.1%*	*52.7%*	*345 bps*
Distributions per CBFI	0.6026	0.5435	10.9%	0.0297	0.0274	8.4%

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

Source: PGIM Real Estate - Asset Management and Fund Accounting

Net Collections

In 1Q21, Terrafina reported net collections of US$48.0 million, a 1.5% or US$0.7 million decrease compared to 1Q20. 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 the quarter.

Rental Revenues

In 1Q21, Terrafina reported rental revenues of US$47.0 million, a 6.5% or US$3.3 million decrease compared to 1Q20.

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

Other Operating Income

In 1Q21, other operating income totaled US$1.7 million, a 36.4% or US$0.5 million increase compared to 1Q20.

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$49.0 million in 1Q21, a decrease of US$3.2 million, or 6.1% compared to 1Q20.

Revenues	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos)			*(millions of dollars)*		
Net Collections [1]	**975.3**	**966.9**	**0.9%**	**48.0**	**48.7**	**-1.5%**
Rental Revenue	**955.7**	**998.2**	**-4.3%**	**47.0**	**50.3**	**-6.5%**
Uncollected Revenue from the Quarter	**-44.9**	**-31.3**	**43.3%**	**-2.2**	**-1.6**	**40.2%**
Collected Revenue from the Previous Quarter	**64.4**	**0.0**	**-**	**3.2**	**0.0**	**-**
Accrued Income [2]	4.2	12.3	-65.4%	0.2	0.6	-62.0%
Other Operating Revenues	**35.6**	**25.6**	**39.2%**	**1.7**	**1.3**	**36.4%**
Reimbursable Expenses as Revenues [3]	9.5	15.1	-36.9%	0.5	0.7	-36.3%
Reimbursable Tenant Improvements	4.1	10.0	-59.2%	0.2	0.5	-60.7%
Other non-cash Income	22.0	0.5	4248.7%	1.1	0.0	3970.8%
Net Revenue [4]	**995.6**	**1,036.1**	**-3.9%**	**49.0**	**52.2**	**-6.1%**

(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 *Annex 1* in the last section of this document.

Real Estate Expenses

In 1Q21, real estate expenses totaled US$7.5 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance. Starting on 1Q21, property tax expenses, which were usually booked in the first quarter of the year, will be distributed throughout all quarters 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 *Annex 2* in the last section of this document.

Net Operating Income (NOI)

In 1Q21, NOI totaled US$46.0 million, a 2.4% or US$1.1 million decrease compared to 1Q20. NOI margin decreased by 28 basis points reaching 94.0% compared to 94.2% in 1Q20.

The following table displays the NOI calculation for 1Q21:

Net Operating Income	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars otherwise stated)*		
Net Collections [1]	975.3	966.9	0.9%	48.0	48.7	-1.5%
Other Operating income [2]	20.5	27.8	-26.2%	1.0	1.3	-23.9%
Net Revenues for NOI Calculation	**995.8**	**994.7**	**0.1%**	**49.0**	**50.0**	**-2.1%**
Repair and Maintenance	-4.1	-3.6	15.0%	-0.2	-0.2	16.8%
Property Taxes	-20.5	-21.8	-6.1%	-1.0	-1.1	-8.2%
Property Management Fees	-18.7	-19.0	-1.2%	-0.9	-1.0	-3.4%
Electricity	-1.6	-2.5	-36.8%	-0.1	-0.1	-35.2%
Property Insurance	-7.9	-5.6	39.7%	-0.4	-0.3	36.5%
Security	-5.1	-2.9	76.8%	-0.2	-0.1	74.4%
Other Operational Expenses	-2.4	-2.2	7.9%	-0.1	-0.1	6.5%
Real Estate Operating Expenses for NOI Calculation	**-60.3**	**-57.7**	**4.6%**	**-3.0**	**-2.9**	**2.8%**
Net Operating Income [3]	**935.5**	**937.1**	**-0.2%**	**46.0**	**47.1**	**-2.4%**
NOI Margin	*94.0%*	*94.2%*	*-28 bps*	*94.0%*	*94.2%*	*-28 bps*

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter.
(2) Excludes tenant improvements which are 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 included in 'AFFO')
(3) The incurred during the operation and maintenance of the industrial portfolio.
Source: PGIM Real Estate - Fund Accounting

Fees and Administrative Expenses (G&A)

Fees and administrative expenses for 1Q21 totaled US$5.2 million, a 1.3% or US$0.1 million decrease compared to 1Q20.

The following table breaks down total G&A for 1Q21:

G&A	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
External Advisor Fees [1]	-59.7	-67.5	-11.6%	-2.9	-3.1	-4.5%
Professional and Consulting Services	-11.4	-12.1	-5.9%	-0.6	-0.6	-10.0%
Payroll, Admin. Fees and Other Expenses	-35.8	-32.4	10.5%	-1.7	-1.6	8.4%
Total G&A	**-106.8**	**-112.0**	**-4.6%**	**-5.2**	**-5.3**	**-1.3%**

(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 1Q21, EBITDA totaled US$41.0 million, a decrease of US$1.2 million, or 2.9%, compared to 1Q20. The EBITDA margin was 83.7%, a 67 basis points decrease compared to 1Q20.

The following shows the EBITDA calculation for 1Q21:

EBITDA	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections [1]	975.3	966.9	0.9%	48.0	48.7	-1.5%
Other Operating Income [2]	20.5	27.8	-26.2%	1.0	1.3	-23.9%
Real Estate Expenses for EBITDA Calculation	**-63.6**	**-62.6**	**1.6%**	**-3.1**	**-3.1**	**0.3%**
Real Estate Operating Expenses for NOI Calculation	-60.3	-57.7	4.6%	-3.0	-2.9	2.8%
Advertising	-0.1	0.0	1904.8%	0.0	0.0	-
Admin. Property Insurance Expenses	-0.8	-0.9	-7.6%	0.0	0.0	-9.1%
Other Admin. Real Estate Expenses	-2.4	-4.0	-39.9%	-0.1	-0.2	-37.1%
Fees and Admin. Expenses	**-99.8**	**-100.2**	**-0.3%**	**-4.9**	**-4.7**	**3.4%**
External Advisor Fees	-59.7	-67.5	-11.6%	-2.9	-3.1	-4.5%
Legal, Admin. and Other Professional Fees	-27.5	-17.4	58.5%	-1.4	-0.9	49.7%
Trustee Fees	-3.0	-1.4	116.7%	-0.1	-0.1	44.3%
Payroll	-8.6	-12.6	-31.4%	-0.4	-0.6	-33.6%
Other Expenses	-1.0	-1.3	-24.1%	-0.1	0.0	149.2%
EBITDA [3]	**832.4**	**832.0**	**-26.7%**	**41.0**	**42.2**	**-2.9%**
EBITDA Margin	*83.7%*	*84.4%*	*-67 bps*	*83.7%*	*84.4%*	*-67 bps*

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the 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 *Annex 3* located in the last section of this document.

Financing Expenses

In 1Q21, financing expenses totaled US$10.8 million, a decrease of 11.5% or US$1.4 million compared to 1Q20.

Financial Expenses	1Q21	1Q20 (millions of pesos)	Var. %	1Q21	1Q20 (millions of dollars)	Var. %
Interest Paid	-211.1	-236.3	-10.7%	-10.4	-11.9	-13.0%
Borrowing Expenses	-10.1	-7.3	38.4%	-0.5	-0.3	43.6%
Recurring	0.0	0.0	-	0.0	0.0	-
Non-recurring	-10.1	-7.3	38.4%	-0.5	-0.3	43.6%
Interest Income	0.9	0.9	2.0%	0.0	0.0	0.1%
Total	**-220.3**	**-242.7**	**-9.2%**	**-10.8**	**-12.2**	**-11.5%**

Source: PGIM Real Estate - Fund Accounting

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

In 1Q21, FFO increased by US$0.3 million or 1.0% compared to 1Q20, reaching US$30.6 million. The FFO margin was 62.6%, a 193 basis points increase compared to 1Q20. As for AFFO, it was US$27.6 million, an increase of US$1.1 million, or 12.0% compared to 1Q20. The AFFO margin was 56.1%, an increase of 376 basis points versus 1Q20.

Funds from Operations (FFO)	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
EBITDA	832.4	832.0	0.0%	41.0	42.2	-2.9%
Finance Cost [1]	-210.2	-235.4	-10.7%	-10.4	-11.9	-12.8%
Funds from Operations (FFO)	**622.2**	**596.6**	**4.3%**	**30.6**	**30.3**	**1.0%**
FFO Margin	*62.6%*	*60.6%*	*193 bps*	*62.6%*	*60.6%*	*193 bps*
Tenant Improvements	-15.8	-52.2	-69.7%	-0.8	-2.5	-68.5%
Leasing Commissions	-38.9	-20.4	90.2%	-1.9	-0.9	103.7%
Other Non Recurring [2]	-7.0	-9.4	-25.1%	-0.4	-0.5	-21.7%
Adjusted Funds from Operations (AFFO)	**560.5**	**514.6**	**8.9%**	**27.6**	**26.5**	**4.3%**
AFFO Margin	*56.1%*	*52.4%*	*376 bps*	*56.1%*	*52.4%*	*376 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 1Q21 amounted to US$47.1 million, compared to US$60.7 million in 1Q20.

The following table presents Comprehensive Income calculations for 1Q21:

Comprehensive Income	1Q21	1Q20	Var. %	1Q21	1Q20	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Revenues	995.6	1,036.1	-3.9%	49.0	52.2	-6.1%
Real Estate Expenses	-153.3	-167.5	-8.4%	-7.5	-8.2	-7.8%
Fees and Other Expenses	-106.8	-112.0	-4.6%	-5.2	-5.3	-1.3%
Net Income (Loss) from Fair Value Adjustment on Investment Properties	113.4	17.6	544.6%	5.5	0.8	620.4%
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	8.8	-40.2	-121.9%	0.4	-1.8	-123.2%
Net Income (Loss) from Fair Value Adjustment on Borrowings	762.2	-1,098.5	-	36.7	-50.0	-
Realized gain (loss) on Financial Derivative instruments	-8.2	1.1	-	-0.4	0.1	-
Foreign Exchange Gain (loss)	3.4	-29.4	-	0.2	-1.3	-
Operating Profit	**1,615.0**	**-392.7**	**-**	**78.5**	**-13.6**	**-**
Financial Income	0.9	0.9	2.0%	0.0	0.0	0.1%
Financial Expenses	-221.2	-243.6	-9.2%	-10.9	-12.3	-11.5%
Net Financial Cost	-220.3	-242.7	-9.2%	-10.8	-12.2	-11.5%
Share of Profit from Equity Accounted Investments	-6.4	1.5	-	-0.3	0.1	-
Net Profit (Loss)	**1,388.4**	**-633.9**	**-319.0%**	**67.4**	**-25.8**	**-361.1%**
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	950.7	6,798.1	-86.0%	0.0	0.0	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-416.5	2,034.2	-	-20.2	86.5	-
Comprehensive Income	**1,922.6**	**8,198.4**	**-76.5%**	**47.1**	**60.7**	**-22.4%**

Source: PGIM Real Estate - Fund Accounting

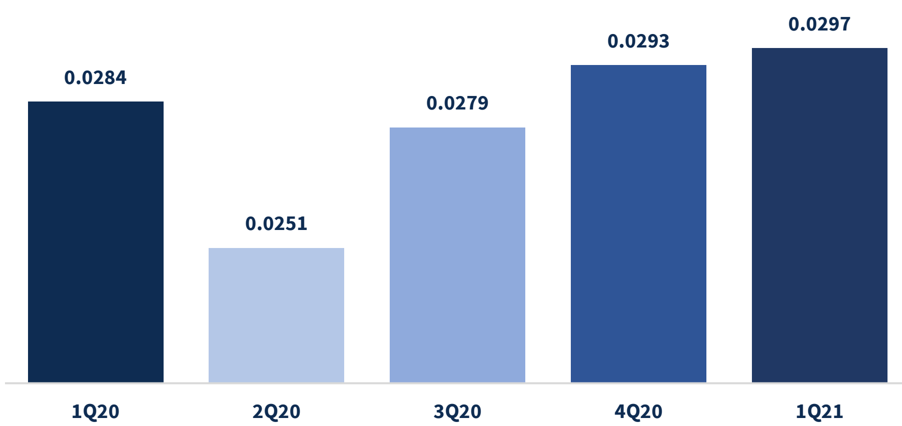
Distributions per CBFIs

In 1Q21, Terrafina distributed US$23.5 million, or US$0.0297 per CBFI. 85% of the AFFO generated in the quarter corresponds to the paid distributions.

Distributions *(millions of pesos unless otherwise stated)*	**1Q20**	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**Var.%**
Total Outstanding CBFIs [1] (millions of CBFIs)	790.6	790.6	790.6	790.6	790.6	0.0%
CBFI Price [2]	29.50	25.51	27.79	29.95	29.89	1.3%
Distributions	437.4	462.9	489.5	478.0	476.4	8.9%
Distributions Per CBFI	**0.5532**	**0.5855**	**0.6191**	**0.6045**	**0.6026**	**8.9%**
FX Rate USD/MXN (average closing period)	19.86	23.30	22.13	20.63	20.33	2.4%
Distributions (millions of dollars)	22.5	19.8	22.0	23.1	23.5	4.3%
Distributions Per CBFI (dollars)	**0.0284**	**0.0251**	**0.0279**	**0.0293**	**0.0297**	**4.3%**
Annualized Distribution Yield[3]	*7.5%*	*9.2%*	*8.9%*	*8.1%*	*8.1%*	*56 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

Distributions Per CBFI
(dollars)



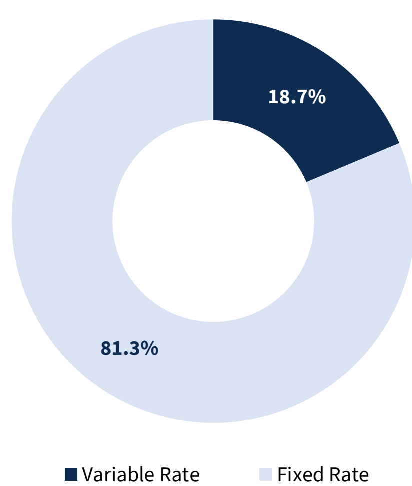
Debt

As of March 31st, 2021, Terrafina's total debt reached US$981.5 million. The average cost of Terrafina's long-term debt was 4.50%. All Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt (as of March 31st, 2021)	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
Long Term Debt								
Citibank [1]	Dollars	0.0	0.0	Libor + 2.45%	Interest Only	Jan 2023	-	US$150M cap[5]
Metlife	Dollars	3,090.7	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex [2]	Dollars	3,778.1	183.4	Libor + 2.45%	Interest Only	Oct 2022	-	US$105M swap[6]
Senior Notes (2022) [3]	Dollars	1,913.8	92.9	5.25%	Interest Only	Nov 2022	-	-
Senior Notes (2029) [4]	Dollars	11,441.2	555.3	4.962%	Interest Only	Jul 2029	-	-
Total Debt		**20,223.8**	**981.5**					
Net Cash		**1,329.6**	**64.5**					
Net Debt		**18,894.2**	**917.0**					

(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 March 31st, 2020)



The following tables show leverage and debt service coverage as of March 31st, 2021:

Loan-to-Value (LTV)		
(as of March 31st, 2021)	*(millions of pesos)*	*(millions of dollars)*
Total Assets	51,195.3	2,484.6
Total Debt (historical cost)	19,148.8	929.3
Loan-to-Value [1]		**37.4%**

(1) Total Debt recorded at historic cost divided by Total Assets.
Source: PGIM Real Estate - Fund Accounting and Capital Markets

Debt Service Coverage Ratio (DSCR)			
	period	*(millions of pesos)*	*(millions of dollars)*
Cash & Cash Equivalents	March 31st, 2021	1,329.6	64.5
Recoverable Taxes	Σ next 6 quarters	70.7	3.4
EBIT [1] after distributions	Σ next 6 quarters	2,135.9	105.1
Available Credit Line	March 31st, 2021	6,181.4	300.0
	period	*(millions of pesos)*	*(millions of dollars)*
Interest Payments	Σ next 6 quarters	858.6	41.7
Principal Payments	Σ next 6 quarters	292.4	14.2
Recurring CAPEX	Σ next 6 quarters	397.8	19.4
Development Expenses	Σ next 6 quarters	1,025.0	*50.0*
Debt Service Coverage Ratio (DSCR) [2]			**3.8x**

(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 March 31st, 2021, Terrafina was in full compliance with its debt covenants related to the bond issuances maturing in 2022 and 2029 as follows:

Unsecured Bond Covenants		
(as of March 31st, 2021)	Terrafina	Bond Covenants
Loan-to-Value (LTV) [1]	39.8%	≤ 60%
Debt Service Coverage Ratio (DSCR) [2]	4.0x	≥ 1.5x
Secured Debt to Gross Assets Limitation	6.1%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	251.8%	≥ 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 expects to reach the following full-year (same-store) results as part of its 2021 guidance:

2021 Guidance	
Year-end occupancy	94% - 95%
Distribution payout ratio[1]	85%
Annual distribution per CBFI	$0.1020 US cents - $0.1030 US cents
CAPEX per square foot (Total GLA)	$0.30 US cents - $0.33 US cents

(1) Relative to 2021 Adjusted Funds from Operations (AFFO)

ANALYST COVERAGE

At the end of 1Q21, the following banks and institutions published research reports on Terrafina:

- Banorte
- 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, Bajio and Northern regions of Mexico. It is internally managed by highly-qualified industry specialists and externally advised by PGIM Real Estate.

Terrafina owns 283 real estate properties, including 274 developed industrial facilities with a collective GLA of approximately 39.2 million square feet and 9 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.terrafina.mx

About PGIM Real Estate

As one of the largest real estate managers in the world with $188.5 billion in gross assets under management and administration[1], 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 $1.7 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 financing[2], 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.pgimrealstate.com.

[1] As of December 31, 2020. Includes $43.0 billion U.S. dollars in assets under management (AUA).
[2] Includes 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 world[1] with more than $1.7 trillion in assets under management as of December. 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.

[1]As ranked in Pensions & Investments' Top Money Managers list, 27 May 2020; 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.

Conference Call

Terrafina
(BMV: TERRA13)

Cordially invites you to participate in its
First Quarter 2021 Conference Call

Friday, April 30th, 2021
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

Conference access code: 13718324

Audio Webcast Link
https://www.webcaster4.com/Webcast/Page/2133/40639

To access the conference replay please dial:
U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 40639

ANNEXES

Annex 1 – Implied Cap Rate

Terrafina's implied cap rate and under NAV (net Asset Value) Calculations are shown in the following tables:

Implied Cap Rate	
1Q21 Average Price (dollars)[1]	1.47
(x) CBFIs (million of certificates)	790.6
(=) Market Capitalization	1,162.2
(+) Total Debt	981.5
(-) Cash	64.5
(=) Enterprise Value	**2,079.2**
(-) Landbank	42.9
(=) Implied Operating Real Estate Value	**2,036.3**
Net Operating Income (NOI) 2021e	177.0
Implied Cap Rate	**8.7%**

Figures expressed in millions of dollars unless otherwise stated.

(1) Average certificate price of Ps.29.95 and exchange rate of Ps.20.63

Cap Rate Calculation with NAV	
(+) Investment Properties (excluding landbank)	2,299.9
(+) Land	42.9
(+) Cash	64.5
(-) Total Debt and Liabilities	981.5
(=) NAV[1]	**1,425.8**
(/) CBFIs (million of certificates)	790.6
(=) NAV per CBFI (dollars)	**1.80**
CBFI Price (NAV calculation)	1.80
(x) CBFIs (million shares)	790.6
(=) Market Cap	**1,425.8**
(+) Total Debt and Liabilities	981.5
(-) Cash	64.5
(=) Enterprise Value	**2,342.8**
(-) Landbank	42.9
(=) Implied Operating Real Estate Value	**2,299.9**
Net Operating Income (NOI) 2020e	177.0
Implied Cap Rate	**7.7%**

Annex 2 – 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	1Q21	1Q20	1Q21	1Q20
		(millions of pesos)		(millions of dollars)	
NOI calculation	**Net Collections [1]**	**975.3**	**966.9**	**48.0**	**48.7**
NOI calculation	Rental Revenue	955.7	998.2	47.0	50.3
NOI calculation	Uncollected Revenue from the Quarter	-44.9	-31.3	-2.2	-1.6
NOI calculation	Collected Revenue from the Previous Quarter	64.4	0.0	3.2	0.0
Non-cash	Accrued Income [2]	4.2	12.3	0.2	0.6
	Other Operating Revenues	**35.6**	**25.6**	**1.7**	**1.3**
NOI calculation	Reimbursable Expenses as Revenues [3]	9.5	15.1	0.5	0.7
AFFO calculation	Reimbursable Tenant Improvements	4.1	10.0	0.2	0.5
Non-cash	Other non-cash income	22.0	0.5	1.1	0.0
	Net Revenue	**995.6**	**1,036.1**	**49.0**	**52.2**
NOI calculation	Share of Profit from Equity Accounted Investments [4]	11.0	12.8	0.5	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) Profit from Joint-venture developments.
Source: PGIM Real Estate - Fund Accounting

Annex 3 – 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	1Q21	1Q20	1Q21	1Q20
		(millions of pesos)		*(millions of dollars)*	
	Repair and Maintenance	-24.0	-65.8	-1.2	-3.2
NOI calculation	Recurring	-4.1	-3.6	-0.2	-0.2
AFFO calculation	Non-recurring	-19.9	-62.2	-1.0	-3.0
	Property Taxes	-38.0	-23.1	-1.9	-1.2
NOI calculation	Operating	-20.5	-21.8	-1.0	-1.1
Non-cash	Non-operating	-17.5	-1.3	-0.9	-0.1
NOI calculation	Property Management Fees	-18.7	-19.0	-0.9	-1.0
NOI calculation	Electricity	-1.6	-2.5	-0.1	-0.1
AFFO calculation	Brokers Fees	-38.9	-20.4	-1.9	-0.9
	Property Insurance	-8.7	-6.5	-0.4	-0.3
NOI calculation	Operating	-7.9	-5.6	-0.4	-0.3
EBITDA calculation	Administrative	-0.8	-0.9	0.0	0.0
NOI calculation	Security	-5.1	-2.9	-0.2	-0.1
EBITDA calculation	Advertising	-0.1	0.0	0.0	0.0
	Other Expenses	-4.8	-22.6	-0.2	-1.1
NOI calculation	Operational-related	-2.4	-2.2	-0.1	-0.1
Non-cash	Non-operational Related	0.0	-16.3	0.0	-0.8
EBITDA calculation	Administrative	-2.4	-4.0	-0.1	-0.2
Non-cash	Bad Debt Expense	-13.5	-4.7	-0.7	-0.2
	Total Real Estate Expenses	**-153.3**	**-167.5**	**-7.5**	**-8.2**

Source: PGIM Real Estate - Fund Accounting

Annex 4 – 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	1Q21	1Q20	1Q21	1Q20
		(millions of pesos)		*(millions of dollars)*	
EBITDA calculation	External Advisor Fees	-59.7	-67.5	-2.9	-3.1
	Legal Fees	-6.0	-7.4	-0.3	-0.3
EBITDA calculation	Recurring	0.0	0.0	0.0	0.0
AFFO calculation	Non Recurring	-6.0	-7.4	-0.3	-0.3
	Other Professional Fees	-5.4	-4.7	-0.3	-0.3
EBITDA calculation	Recurring	-4.4	-2.7	-0.2	-0.2
AFFO calculation	Non Recurring	-1.0	-2.0	0.0	-0.1
	Administrative Fees	-23.1	-17.1	-1.1	-0.9
EBITDA calculation	Recurring	-23.1	-14.6	-1.1	-0.7
Non Operational related	Non Recurring [1]	0.0	-2.5	0.0	-0.1
EBITDA calculation	Payroll	-8.6	-12.6	-0.4	-0.6
EBITDA calculation	Trustee Fees	-3.0	-1.4	-0.1	-0.1
EBITDA calculation	Other Expenses	-1.0	-1.3	-0.1	0.0
	Total Fees and Admin. Expenses	**-106.8**	**-112.0**	**-5.2**	**-5.3**

(1) Nonoperational related administrative fees.

Source: PGIM Real Estate - Fund Accounting

Annex 5 – Reconciliation

Reconciliation of Net Profit (Loss) to AFFO	1Q21 (millions of pesos)	1Q21 (millions of dollars)
Comprehensive Income (Loss)	**1,922.6**	**47.1**
Add (deduct) Cost of Financing Adjustment:		
Exchange Rate Adjustments	-950.7	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	416.5	23.9
Add (deduct) Cost of Financing Adjustment:		
Non-recurring Borrowing Expenses	10.1	0.5
Add (deduct) Non-cash Adjustment:		
Foreign Exchange Adjustments	-3.4	-0.2
Realized gain (loss) on Financial Derivative Instruments	8.2	0.4
Fair Value Adjustment on Borrowings	-762.2	-36.6
Fair Value Adjustment on Financial Derivative Instruments	-8.8	-0.4
Fair Value Adjustment on Investment Properties	-113.4	-9.6
Add (deduct) Expenses Adjustment:		
Non-operating Property Taxes	17.5	0.9
Bad Debt Expense	13.5	0.7
Add (deduct) Revenues Adjustment:		
Uncollected Revenue from the Quarter	-44.9	-2.2
Collected Revenue from the Previous Quarter	64.4	3.2
Fair Value on Investment Properties JVs	17.4	1.1
Accrued Income	-4.2	-0.2
Other Non-cash Income	-22.0	-1.1
Add (deduct) Non-operational Administrative Fees		
Non-administrative Fees	0.0	0.0
AFFO	**560.5**	**27.5**

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI	1Q21 (millions of pesos)	1Q21 (millions of dollars)
Comprehensive Income (Loss)	**1,922.6**	**47.1**
Add (deduct) Currency Translation Adjustment:		
Currency Translation Adjustment	-950.7	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	416.5	23.9
Add (deduct) Cost of Financing Adjustment:		
Non-recurring Borrowing Expenses	10.1	0.5
Add (deduct) Non-Cash Adjustment:		
Foreign Exchange Adjustments	-3.4	-0.2
Realized gain (loss) on Financial Derivative Instruments	8.2	0.4
Fair Value Adjustment on Borrowings	-762.2	-36.6
Fair Value Adjustment on Financial Derivative Instruments	-8.8	-0.4
Fair Value Adjustment on Investment Properties	-113.4	-9.6
Add (deduct) Expenses Adjustment:		
Non-recurring Repair and Maintenance	19.9	1.0
Non-operating Property Taxes	17.5	0.9
Brokers Fees	38.9	1.9
Bad Debt Expense	13.5	0.7
Non Recurring Legal Fees	6.0	0.3
Non-recurring Other Professional Fees	1.0	0.0
Add (deduct) Revenues Adjustment:		
Uncollected Revenue from the Quarter	-44.9	-2.2
Collected Revenue from the Previous Quarter	64.4	3.2
Fair Value on Investment Properties JVs	17.4	1.1
Accrued Income	-4.2	-0.2
Other Non-cash Income	-22.0	-1.1
Reimbursable Tenant Improvements	-4.1	-0.2
Add (deduct) Non-operational Administrative Fees		
Non-administrative Fees	0.0	0.0
FFO	**622.2**	**30.6**
Add (deduct) Cost of Financing Adjustment:		
Interest Paid	211.1	10.4
Recurring Borrowing Expenses	0.0	0.0
Interest Income	-0.9	0.0
EBITDA	**832.4**	**41.0**
Add (deduct) Expenses Adjustment:		
External Advisor Fees	59.7	2.9
Recurring Legal Fees	0.0	0.0
Other Recurring Professional Fees	4.4	0.2
Administrative Fees	23.1	1.1
Payroll	8.6	0.4
Trustee Fees	3.0	0.1
Other Expenses	1.0	0.1
Advertising	0.1	0.0
Administrative Property insurance	0.8	0.0
Other Administrative Expenses	2.4	0.1
NOI	**935.5**	**46.0**
Add (deduct) Expenses Adjustment:		
Recurring Repair and Maintenance	4.1	0.2
Operating Property Taxes	20.5	1.0
Property Management Fees	18.7	0.9
Electricity	1.6	0.1
Property Operating Insurance	7.9	0.4
Security	5.1	0.2
Other Operational Expenses	2.4	0.1
Add (deduct) Revenues Adjustment:		
Other Non-Cash Income	22.0	1.1
Accrued Income	4.2	0.2
Uncollected Revenue from the Quarter	44.9	2.2
Collected Revenue from the Previous Quarter	-64.4	-3.2
Reimbursable Tenant Improvements	4.0	0.2
Share of Profit from Equity Accounted Investments	-11.0	-0.5
Net Revenue	**995.6**	**49.0**

FINANCIAL STATEMENTS

Income Statement	1Q21 (thousands of pesos)	1Q21 (thousands of dollars)
Rental revenues	959,952	47,229
Other operating income	35,639	1,740
Real estate operating expenses	-153,329	-7,535
Fees and other expenses	-106,843	-5,249
Net gain (loss) from fair value adjustment on investment properties	113,357	5,451
Net gain (loss) from fair value adjustment on borrowings	762,232	36,664
Net gain (loss) unrealized from fair value on financial derivate instruments	8,823	424
Realized gain (loss) on financial derivate instruments	-8,178	-411
Foreign exchange (loss) gain	3,394	164
Operating profit	**1,615,047**	**78,477**
Finance income	887	44
Finance cost	-221,188	-10,859
Net Finance cost	**-220,301**	**-10,816**
Share of profit from equity accounted investments	-6,358	-306
Net Profit for the period	**1,388,388**	**67,355**
Exchange rate gain (loss) from functional to reporting currency	950,720	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	-416,482	-20,213
Total Comprehensive income for the period	**1,922,626**	**47,142**

Balance Sheet	Mar-31st-21 (thousands of pesos)	Mar-31st-21 (thousands of dollars)
Assets		
Non-current assets		
Investment properties	48,272,450	2,342,788
(Cost: 31/12/2020 - 31/03/2021 - Ps.41,490,433 US$2,013,639; 31/12/2020 - Ps.41,471,141 US$2,207,451)		
Investments in joint venture	798,331	38,745
Deferred rents receivable	254,769	12,365
Other accounts receivable	139,494	6,770
Restricted cash	32,389	1,572
Current assets		
Other accounts receivable	87,658	4,254
Recoverable taxes	70,728	3,433
Prepaid expenses	87,995	4,271
Deferred charges receivable	8,738	424
Accounts receivable	113,112	5,490
(Net of allowance for doubtful accounts: 31/03/2021 - Ps. 136,221, US$6,611; 31/12/2020 - Ps. 118,890, US$5,960)		
Cash and cash equivalents	1,329,628	64,530
Total assets	**51,195,292**	**2,484,642**
Net assets attributable to Investors		
Net contributions	18,701,218	1,556,093
Retained earnings	479,100	-112,453
Currency translation adjustment	10,370,328	-
Own credit risk reserve	558,640	17,642
Total net assets (Net Equity)	**30,109,286**	**1,461,282**
Liabilities		
Non-current liabilities		
Loans	19,773,492	959,659
(Cost: 31/03/2021 - Ps. 18,698,531, US$907,546; 31/12/2020 - Ps. 18,175,643, US$911,119)		
Financial derivative instruments	24,647	1,196
Tenant deposits	271,463	13,175
Accounts payable	7,279	353
Current liabilities		
Trade and other payables	381,231	18,502
Loans	450,310	21,855
(Cost: 2/31/2020 - Ps. 534,861, US$26,812; 09/30/2020 - Ps. 411,213, US$18,311)		
Tenant deposits	177,584	8,619
Total liabilities (excluding net assets attributable to the Investors)	**21,086,006**	**1,023,359**
Total net assets and liabilities	**51,195,292**	**2,484,641**

Cash Flow Statement	Mar-21 (thousands of pesos)	Mar-21 (thousands of dollars)
Cash flows from operating activities		
Profit (loss) for the period	1,388,388	67,355
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-113,357	-5,451
Net loss (gain) realized from fair value adjustment on loans	-762,232	-36,664
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	-8,823	-424
Bad debt expenses	13,451	659
Interest expenses on loans	211,097	10,371
Interest income on bank accounts	-887	-44
Share of profit from equity accounted investments	6,358	306
Decrease (increase) deferred rents receivable	-12,838	-223
Decrease (increase) in accounts receivable	-3,869	2
Decrease (increase) in recoverable taxes	-13,179	-548
Decrease (increase) in recoverable value added tax	40,444	2,028
Decrease (increase) in prepaid expenses	-57,324	-2,733
Decrease (increase) in other assets	-12,452	-262
Decrease (increase) in tenant deposits	50,726	1,826
(Decrease) in accounts payable	-6,699	-956
Net cash (used in) generated from operating activities	**718,804**	**35,242**
Cash flows from investing activities		
Improvements of investment properties	-27,225	-1,330
Interest income on bank accounts	887	44
Investments in joint venture	-1,242	-62
Net cash (used in) generated from investing activities	**-27,580**	**-1,349**
Cash flows from financing activities		
Received loans	0	0
Principal payments on loans	-91,059	-3,520
Interest payments on loans	-307,168	-15,439
Restricted cash	-	-
Distributions to investors	-477,954	-22,776
Net cash (used in) generated from financing activities	**-876,181**	**-41,735**
Net (decrease) in cash and cash equivalents	-184,957	-7,841
Cash and cash equivalents at the beginning of the period	1,443,720	72,372
Exchange effects on cash and cash equivalents	70,865	-
Cash and cash equivalents at the end of the period	**1,329,628**	**64,530**

Attributable to Investors

Statement of Changes in Equity	Net contributions	Currency translation adjustment	Own credit risk reserve	Retained earnings	Net assets
(thousands of pesos)					
Balance at January 1, 2021	18,701,218	9,419,599	975,122	-431,334	28,664,605
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-477,954	-477,954
Comprehensive Income					
Net loss for the period	-	-	-	1,388,388	1,388,388
Other Comprehensive Income					
Currency conversion adjustments	-	950,729	-	-	950,729
Fair value loan adjustments	-		-416,482	-	-416,482
Total Comprehensive (loss) income	**-**	**950,729**	**-416,482**	**1,388,388**	**1,922,635**
Net Assets as of March 31st, 2021	**18,701,218**	**10,370,328**	**558,640**	**479,100**	**30,109,286**
(thousands of dollars)					
Balance at January 1, 2021	1,556,093	-	37,855	-157,032	1,436,916
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-22,776	-22,776
Comprehensive Income					
Net loss of the period	-	-	-	67,355	67,355
Other Comprehensive Income					
Currency conversion adjustments	-	-	-	-	-
Fair value loan adjustments	-	-	-20,213	-	-20,213
Total Comprehensive (loss) income	**-**	**-**	**-20,213**	**67,355**	**47,142**
Net Assets as of March 31st, 2021	**1,556,093**	**-**	**17,642**	**-112,453**	**1,508,424**