FIBRA TERRAFINA

CI Banco, S.A. Institución de Banca Múltiple, Trust F/00939 and subsidiaries

Condensed consolidated interim financial statements for the period ended June 30, 2021

Unaudited

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FIBRA Terrafina

CI Banco, S.A. Institución de Banca Múltiple, Trust F/00939 and subsidiaries
Condensed Consolidated interim statements of financial position
(Expressed in thousands of Mexican Pesos)

	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Assets			
Non-current assets			
Investment properties	3	$ 46,996,888	$ 46,600,309
(Cost: 06/30/2021 - $41,870,997; 12/31/2020 - $41,471,141)			
Investments accounted using equity method	3 and 4	774,889	777,773
Deferred rents receivable		240,271	231,750
Other accounts receivable		134,064	16,882
Restricted cash		31,128	31,358
Total non-current assets		**48,177,240**	**47,658,072**
Current assets			
Other accounts receivable		131,855	197,818
Recoverable taxes		70,035	97,993
Prepaid expenses		55,982	30,671
Deferred rents receivable		16,632	18,919
Accounts receivable		97,193	122,694
(Net of allowance for doubtful accounts: 06/30/2021 - $139,382; 12/31/2020 - $118,890)			
Cash		975,914	1,443,720
Total current assets		**1,347,611**	**1,911,815**
Total assets		**49,524,851**	**49,569,887**
Net assets attributable to the investors			
Contributions, net		18,701,218	18,701,218
Retained earnings (losses)		1,298,638	(431,334)
Translation from functional to reporting currency		9,185,560	9,419,599
Own credit risk reserve		10,097	975,122
Total net assets attributable to the investors	7	**29,195,513**	**28,664,605**
Liabilities			
Non-current liabilities			
Borrowings	3 and 6	18,987,505	19,544,562
(Principal balance: 06/30/2021 - $17,898,831; 12/31/2020 - $18,175,643)			
Tenant deposits		295,666	273,057
Accounts payable		11,151	6,851
Total non-current liabilities		**19,294,322**	**19,824,470**
Current liabilities			
Borrowings	3 and 6	534,503	534,861
(Principal balance: 06/30/2021 - $534,503; 12/31/2020 - $534,861)			
Derivative financial instruments	3 and 5	15,985	32,329
Tenant deposits		116,853	125,264
Accounts payable		367,675	388,358
Total current liabilities		**1,035,016**	**1,080,812**
Total liabilities (excluding net assets attributable to the investors)		**20,329,338**	**20,905,282**
Total net liabilities and assets attributable to the investors		**$ 49,524,851**	**$ 49,569,887**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

FIBRA Terrafina

CI Banco, S.A. Institución de Banca Múltiple, Trust F/00939 and subsidiaries
Condensed consolidated interim statements of income and other comprehensive income
(Expressed in thousands of Mexican Pesos)
(Unaudited)

	Note	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Rental revenues		$ 946,865	$ 1,906,817	$ 1,177,876	$ 2,188,358
Other operating income		35,877	71,516	19,667	47,300
Real estate operating expenses		(156,693)	(310,022)	(156,412)	(325,919)
Fees and other expenses		(107,209)	(214,052)	(118,365)	(230,338)
Realized gain (loss) from disposal of investment properties		30,338	30,338	-	-
Reserve on collection of proceeds from disposal of investment properties		-	-	(13,130)	(13,130)
Net unrealized gain (loss) from fair value adjustment on investment properties	3	230,544	343,901	(1,726,554)	(1,708,969)
Net unrealized gain (loss) from fair value adjustment on borrowings	3	498,810	1,261,042	(28,042)	(1,126,493)
Net unrealized gain (loss) from fair value adjustment on derivative financial instruments	3	7,793	16,616	(2,856)	(43,092)
Net realized gain (loss) from derivative financial instruments		(8,033)	(16,211)	412	1,517
Foreign exchange gain		21,661	48,116	23,692	86,701
Foreign exchange loss		(11,191)	(34,252)	(39,734)	(132,103)
Operating profit (loss)		**1,488,762**	**3,103,809**	**(863,446)**	**(1,256,168)**
Finance income		724	1,611	671	1,540
Finance costs		(216,586)	(437,774)	(316,822)	(560,393)
Finance costs - net		**(215,862)**	**(436,163)**	**(316,151)**	**(558,853)**
Share of profit from equity accounted investments	4	23,047	16,689	(13,213)	(11,694)
Profit (loss) for the period		**$ 1,295,947**	**2,684,335**	**$ (1,192,810)**	**(1,826,715)**
Other comprehensive income:					
Items that can be reclassified subsequently to gain (loss) for the period					
Translation gain (loss) from functional to reporting currency		(1,184,768)	(234,039)	(889,779)	5,908,286
Items that can not be reclassified subsequently to gain (loss) for the period					
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income		(548,543)	(965,025)	274,959	2,309,151
Comprehensive income (loss)		**(1,733,311)**	**(1,199,064)**	**(614,820)**	**8,217,437**
Total comprehensive income (loss) for the period		**$ (437,364)**	**$ 1,485,271**	**$ (1,807,630)**	**$ 6,390,722**
Earnings per CBFI					
Basic earnings per CBFI			$ 3.3953		$ (2.3105)
Diluted earnings per CBFI			$ 3.3953		$ (2.3105)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

FIBRA Terrafina

CI Banco, S.A. Institución de Banca Múltiple, Trust F/00939 and subsidiaries
Condensed consolidated interim statements of changes in net assets attributable to the investors
For the period ended June 30, 2021 and June 30, 2020
(Expressed in thousands of Mexican Pesos)
(Unaudited)

	Note	Attributable to investors				
		Net contributions	**Translation from functional to reporting currency**	**Own credit risk reserve**	**Retained earnings (losses)**	**Total net assets**
Balance at January 1, 2020		$ 18,701,218	$ 7,783,691	$ 669,393	$ 414,187	$ 27,568,489
Transactions with investors						
Distributions to investors		-	-	-	(936,485)	(936,485)
Total transactions with investors		**-**	**-**	**-**	**(936,485)**	**(936,485)**
Comprehensive income						
Loss for the period		-	-	-	(1,826,715)	(1,826,715)
Other comprehensive income						
Translation from functional to reporting currency		-	5,908,286	-	-	5,908,286
Changes in the fair value adjustment on borrowings		-	-	2,309,151	-	2,309,151
Total comprehensive (loss) income		**-**	**5,908,286**	**2,309,151**	**(1,826,715)**	**6,390,722**
Net assets attributable to the investors at June 30, 2020		**$ 18,701,218**	**$ 13,691,977**	**$ 2,978,544**	**$ (2,349,013)**	**$ 33,022,726**
Balance at January 1, 2021		$ 18,701,218	$ 9,419,599	$ 975,122	$ (431,334)	$ 28,664,605
Transactions with investors						
Distributions to investors	7	-	-	-	(954,363)	(954,363)
Total transactions with investors		**-**	**-**	**-**	**(954,363)**	**(954,363)**
Comprehensive income						
Profit for the period		-	-	-	2,684,335	2,684,335
Other comprehensive income						
Translation from functional to reporting currency		-	(234,039)	-	-	(234,039)
Changes from fair value adjustment on borrowings		-	-	(965,025)	-	(965,025)
Total comprehensive income (loss)		**-**	**(234,039)**	**(965,025)**	**2,684,335**	**1,485,271**
Net assets attributable to the investors at June 30, 2021		**$ 18,701,218**	**$ 9,185,560**	**$ 10,097**	**$ 1,298,638**	**$ 29,195,513**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

FIBRA Terrafina

CI Banco, S.A. Institución de Banca Múltiple, Trust F/00939 and subsidiaries
Condensed consolidated interim statements of cash flows
(Expressed in thousands of Mexican Pesos)
(Unaudited)

	Note	Six months ended June 30, 2021	Six months ended June 30, 2020
Cash flows from operating activities:			
Profit (loss) for the period		$ 2,684,335	$ (1,826,715)
Adjustments:			
Net unrealized gain (loss) from fair value adjustment on investment properties	3	(343,901)	1,708,969
Net unrealized gain (loss) from fair value adjustment on borrowings	3	(1,261,042)	1,126,493
Net unrealized gain (loss) from fair value adjustment on derivative financial instruments	3	(16,616)	43,092
Realized gain (loss) from disposal of investment properties		(30,338)	-
Reserve on collection of proceeds from disposal of investment properties		-	13,130
Bad debt expense		23,906	12,947
Accrued interest expense		418,927	551,477
Interest income on bank accounts		(1,611)	(1,540)
Share of profit from equity accounted investments	4	(16,689)	11,694
(Increase) decrease in:			
Deferred rents receivable		(6,234)	(77,203)
Accounts receivable		1,595	(118,908)
Recoverable taxes		(32,233)	1,217
Value added tax refunded		60,191	(8,743)
Prepaid expenses		(25,311)	(40,154)
Other acconts receivable		(51,219)	13,339
Increase (decrease) in:			
Tenant deposits		14,198	113,353
Accounts payable		(16,383)	30,664
Net cash generated from operating activities		**1,401,575**	**1,553,112**
Cash flows from investing activities:			
Acquisition of investment properties		(254,748)	-
Improvements of investment properties		(173,722)	(386,557)
Proceeds from disposition of investment properties		51,513	-
Interest income on bank accounts		1,611	1,540
Investments accounted using equity method	4	13,968	(27,997)
Net cash used in investing activities		**(361,378)**	**(413,014)**
Cash flows from financing activities:			
Proceeds from borrowings		-	3,928,031
Principal payments on borrowings	6	(161,053)	(1,304,631)
Interest paid on borrowings	6	(421,620)	(518,842)
Distributions to investors	7	(954,363)	(936,485)
Net cash (used in) generated from financing activities		**(1,537,036)**	**1,168,073**
Net increase (decrease) in cash		(496,839)	2,308,171
Cash at the beginning of the period		1,443,720	1,266,322
Exchange rate effects on cash		29,033	35,119
Cash at the end of the period		**$ 975,914**	**$ 3,609,612**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements for the period ended June 30, 2021 (Unaudited)

(All amounts in thousands of Mexican Pesos, unless otherwise stated)

1. GENERAL INFORMATION

Terrafina ("Terrafina" or "the Trust") is a Mexican trust created pursuant to trust agreement F/00939 dated January 29, 2013 (as amended on March 15, 2013) entered into by and among PLA Administradora Industrial, S. de R.L. de C.V. as Trustor and beneficiary ("the Trustor") and CI Banco S.A., Institución de Banca Múltiple, as trustee ("the Trustee") and Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative ("the Common Representative") of the real estate trust certificate ("Certificados Bursátiles Fiduciarios Inmobiliarios" or "CBFI's") holders. The Trust agreement is for an indefinite term.

Terrafina is an industrial portfolio created mainly to acquire, develop, lease and manage real estate properties in Mexico, as well as to provide financing for said purposes secured by the respective related leased real estate properties.

Terrafina's registered address is Presidente Masaryk 61, 7th floor, Chapultepec Morales, Miguel Hidalgo, México City, 11570.

Terrafina is treated as a Real Estate Investment Trust (also known as a Mexican "FIBRA") according with Articles 187 and 188 of the Mexican Federal Income Tax Law ("Ley del Impuesto sobre la Renta" or "LISR") for tax purposes.

In order to carry out its operations, the Trust has entered into the following agreements:

(i) An advisory agreement with PLA Administradora Industrial, S. de R.L. de C.V. ("the Advisor"), an affiliated company of PGIM Real Estate, which will provide advisory and real estate investment management services, as well as other related services.

(ii) A management agreement with TF Administradora, S. de R.L. de C.V. ("the Manager"), in order for the latter to carry out certain management services on behalf of the Trust.

Capitalized terms used herein without definition shall have the meanings assigned to them in the Trust Agreement F/00939, or in the Management and Advisory Agreement of the Trust.

2. BASIS OF PREPARATION

(a) Compliance statement

The enclosed condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" which is part of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and its interpretations, issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed consolidated interim financial statements do not include all the information and disclosure required in annual consolidated financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS.

The condensed consolidated interim financial statements have been prepared under the assumption of going concern and on a historical cost basis, except for the real estate investments included within the scope of the definition provided under International Accounting Standard ("IAS") 40 ("Investment Properties"), derivative financial instruments and borrowings, which have been measured at fair value.

(b) Criteria and estimates

Preparation of condensed consolidated interim financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to apply its judgment in the process of applying the Trust's accounting policies. Changes in assumptions may have a significant impact on the condensed consolidated financial statements in the period in which the assumptions change. Management believes that the underlying assumptions are appropriate. The accounting policies, judgments and estimates used in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements as of and for the year ended December 31, 2020.

2. BASIS OF PREPARATION (continued)

(c) Standards and amendments to existing standards effective January 1, 2021

IFRS 7 'Financial instruments', IFRS 9 'Financial instruments' and IAS 39 'Financial instruments' Reform of the reference interest rate (Phase 2).

In August 2020, the IASB published the benchmark interest rate reform (Phase 2) that complements the amendments issued in 2019 to IFRS 9, IAS 39 and IFRS 7. This final phase of the reform focuses on the effects on financial statements when a company replaces the previous benchmark interest rate with an alternative rate as a result of the reform.

The modifications refer to:

- Changes in contractual cash flows: a company will not have to adjust the book value of financial instruments due to the changes required by the reform, but will update the effective interest rate to reflect the change to the alternative benchmark rate;
- Hedge accounting: a company will not have to discontinue its hedge accounting solely because it makes the changes required by the reform if the hedge meets other hedge accounting criteria, and;
- Disclosures: a company will be required to disclose information on new risks arising from the reform and how it manages the transition from alternative benchmark rates.

Management is still evaluating the possible impacts on the transition to alternative reference rates and does not anticipate a relevant impact on the consolidated financial statements of the Trust.

3. FAIR VALUE MEASUREMENTS

The IFRS 13 guide on fair value measurements and disclosures establishes a fair value measurement framework, provides a sole definition of fair value and requires expanded disclosures summarizing fair value measurements. This standard provides a three levels hierarchy based on inputs used in the valuation process. The level in the fair value hierarchy under within which fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the entity for identical assets or liabilities. These quoted prices generally provide the most reliable evidence and should be used to measure fair value whenever available.

Level 2 – Fair value is based on inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly or indirectly, substantially for the full term of the asset or liability through corroboration of observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset or liability. Such inputs reflect the entity's own assumptions about how market participants would price the asset or liability.

a. Investment Properties

In general terms, the fair value estimations are provided by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) on a quarterly basis for operating properties. Acquisitions are carried at purchase price and valued within a reasonable amount of time following the acquisition (typically within 12 months). The Chief Real Estate Appraiser of PGIM, Inc., an affiliated company of the Advisor and the Manager, is responsible for ensuring that the valuation process provides independent and reasonable property fair value estimates.

The purpose of an appraisal is to estimate the fair value of Investment Properties at a specific date. Fair value is defined as the price to be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value estimate is predominately based on the discounting of a series of income cash flows and their reversion at a specific yield. Key assumptions include rental income and expense amounts, discount rates and capitalization rates.

In general terms, inputs used in the appraisal process are unobservable; therefore, unless otherwise indicated, Investment Properties are classified as Level 3 under the guidance on fair value measurement hierarchy.

3. FAIR VALUE MEASUREMENTS (continued)

a. Investment Properties (continued)

As described above, the estimated fair value of Investments Properties is generally determined through an appraisal process. Those estimated fair values may vary significantly from the prices at which the real estate investments would sell, since market prices of real estate investments can only be determined through negotiations between a willing buyer and a seller. Such differences could be material to the consolidated financial statements.

The independent appraiser used the following unobservable inputs based on discounted cash flow method:

- Discount rate: The internal yield rate ("internal rate of return" or "IRR") is the single rate that discounts all future assets benefits to net present value. The discount rate as of June 30, 2021 and December 31, 2020, was 9.40% (ranges between 8.00% to 12.50%) and 9.32% (ranges between 7.75% to 12.50%), respectively.

- Market yield growth rate: Based on information gathered from surveys, as well as market experience and management's projections. Market yield growth rate ranges between 1.0% and 2.5% for both periods ends.

- Vacancy and collection loss assumptions: This is a function of the interrelationship between absorption, lease expiration, renewal probability, and estimated downtime between leases and a collection loss factor based on the relative stability and credit of the subject´s tenant base. Vacancy assumption used by the Trust's management as of June 30, 2021 and December 31, 2020 was 5% and collection loss 1% for both periods ends.

Significant increases (decreases) in the discount rate would result in a significantly lower (higher) fair value measurement. However, an increase (decrease) in any of the other two factors would result in a higher (lower) fair value measurement.

Unrealized gains (losses) from fair value adjustments on Investment Properties are included in the condensed consolidated interim statements of income and other comprehensive income.

b. Investments under the equity method of accounting

Joint venture agreements are accounted for using the equity method, which approximates the fair value of the investment in unconsolidated subsidiaries. When estimating the fair value of the investment in the unconsolidated subsidiaries, management considers the value of the net assets as reported by the unconsolidated subsidiaries, which value their investment properties at fair value in accordance with the guidance of IFRS on fair value measurements and disclosures.

c. Borrowings

Valuation process for the Trust's borrowings:

The valuations for financial reporting purposes, including Level 2 fair values, are prepared by an independent third party and they are based on discounted cash flows. Discussions of valuation processes and results are held between the corporate vice president of valuations and the appraiser at least once every year.

The significant Level 2 inputs used by the Trust are derived and evaluated as follows:

- Reference interest rates: The interest rate curves applicable to each borrowing are used in accordance with the contractual conditions.

- Credit risk: Estimated based on the spread over the reference interest rate of comparable borrowings available in public sources of information or in other sources available to the Trust.

- Country risk: The index of emerging market bonds applicable to Mexico is used to adjust the credit risk of comparable borrowing when necessary.

The discount rate resulting from adding to the benchmark interest rate the credit risk of comparable debts, as of June 30, 2021 and December 31, 2020, ranges between 2.1% and 9.5% for both periods.

A significant increase (decrease) in discount rate would result in a significantly lower (high) fair value.

Level 2 fair values are analyzed at each reporting period during quarterly valuation discussions between the parties involved in the process.

(All amounts in thousands of Mexican Pesos, unless otherwise stated)

3. FAIR VALUE MEASUREMENTS (continued)

d. Derivative financial instruments

The Trust records fixed rate options at fair value, which is determined by an independent third party, using discounted cash flow models. Key assumptions used in the discounted cash flow model include the contractual terms of the agreement, along with significant observable inputs, including interest rates, credit spreads and other factors, such as the Trust's nonperformance risk as well as that of the Trust's counterparties. Those derivatives are traded in the over-the-counter ("Over the counter" or "OTC") market and are classified within Level 2 in the fair value hierarchy.

The tables below summarize assets and liabilities measured at fair value on a recurring basis and their respective level in the fair value hierarchy:

Fair Value Measurementes at June 30, 2021

	Cost	Amounts measured at fair value	Level 1	Level 2	Level 3
Assets:					
Investment properties	$ 41,870,997	$ 46,996,888	$ -	$ -	$ 46,996,888
Investment accounted using equity method	514,271	774,889	-	-	774,889
Total assets	**$ 42,385,268**	**$ 47,771,777**	**$ -**	**$ -**	**$ 47,771,777**
Liablilities:					
Borrowings	$ 18,433,334	$ 19,522,008	$ -	$ 19,522,008	$ -
Derivative financial instruments	-	15,985	-	15,985	-
Total liabiities	**$ 18,433,334**	**$ 19,537,993**	**$ -**	**$ 19,537,993**	**$ -**

Fair Value Measurementes at December 31, 2020

	Cost	Amounts measured at fair value	Level 1	Level 2	Level 3
Assets:					
Investment properties	$ 41,471,142	$ 46,600,309	$ -	$ -	$ 46,600,309
Investment accounted using equity method	501,433	777,773	-	-	777,773
Total assets	**$ 41,972,575**	**$ 47,378,082**	**$ -**	**$ -**	**$ 47,378,082**
Liablilities:					
Borrowings	$ 18,710,504	$ 20,079,423	$ -	$ 20,079,423	$ -
Derivative financial instruments	-	32,329	-	32,329	-
Total liabiities	**$ 18,710,504**	**$ 20,111,752**	**$ -**	**$ 20,111,752**	**$ -**

(All amounts in thousands of Mexican Pesos, unless otherwise stated)

3. FAIR VALUE MEASUREMENTS (continued)

d. Derivative financial instruments (continued)

The tables below present a reconciliation of the beginning and ending balances for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2021 and for the year ended December 31, 2020.

Fair value measurements using significant unobservable inputs (Level 3)

	Beginning balance 1/1/2021	Realized and unrealized net gain (loss)	Currency translation	Acquisitions and capital expenditures	Dispositions	Ending balance 06/30/2021	Unrealized gain (loss) for the period for investmentes still held at 06/30/2021
Assets:							
Investment properties	$ 46,600,309	$ 360,185	$ (363,461)	$ 416,640	$ (16,785)	$ 46,996,888	$ 343,901
Investment accounted using equity method	777,773	16,689	(5,605)	-	(13,968)	774,889	(10,117)
Total assets	**$ 47,378,082**	**$ 376,874**	**$ (369,066)**	**$ 416,640**	**$ (30,753)**	**$ 47,771,777**	**$ 333,784**

Fair value measurements using significant unobservable inputs (Level 3)

	Beginning balance 1/1/2020	Realized and unrealized net gain (loss)	Currency translation	Acquisitions and capital expenditures	Dispositions	Ending balance 12/31/2020	Unrealized gain (loss) for the period for investmentes still held at 12/31/2020
Assets:							
Investment properties	$ 45,787,261	$ 373,033	$ 2,789,470	$ 472,927	$ (2,822,382)	$ 46,600,309	$ 129,757
Investment accounted using equity method	610,233	104,039	30,859	70,677	(38,035)	777,773	70,277
Total assets	**$ 46,397,494**	**$ 477,072**	**$ 2,820,329**	**$ 543,604**	**$ (2,860,417)**	**$ 47,378,082**	**$ 200,034**

4. INVESTMENTS UNDER THE EQUITY METHOD OF ACCOUNTING

On June 16, 2015, the Trust signed a joint venture agreement with Controladora and Parques American Industries, S.A. de C.V. (“American Industries”) to invest through the Trust F/2717 in the acquisition, development and lease of commercial properties in Mexico.

On December 20, 2016, the Trust signed a joint venture agreement with Avante Parques Industriales, S.A. de C.V. (“Avante Parques”) and Avante Naves Industriales S.A de C.V. (“Avante Naves”) (Avante Naves and Avante Parques collectively named “Avante”) to invest through the Trust F/3485 in the acquisition, development and leasing of commercial properties in Mexico.

At June 30, 2021 and December 31, 2020, the Trust held a 50% interest participation in the joint ventures contracts signed with American Industries and Avante, respectively.

Below is a book value activity reconciliation for the periods between January 1 to June 30, 2021 and January 1 to December 31, 2020:

	June 30, 2021			December 31, 2020		
	Fid. 2717	Fid. 3485	Total	Fid. 2717	Fid. 3485	Total
Begining Balance	$ 683,470	$ 94,303	$ 777,773	$ 521,156	$ 89,077	$ 610,233
Contributions (distributions)	(11,639)	(2,329)	(13,968)	36,376	(3,734)	32,642
Share of profit from equity accounted investments	16,224	465	16,689	100,471	3,568	104,039
Currency translation	(4,965)	(640)	(5,605)	25,467	5,392	30,859
Ending balance	**$ 683,090**	**$ 91,799**	**$ 774,889**	**$ 683,470**	**$ 94,303**	**$ 777,773**

(All amounts in thousands of Mexican Pesos, unless otherwise stated)

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Trust entered into interest rate derivatives contracts in order to manage the potential impact of interest rate fluctuations on the borrowings described in Note 6. The derivative financial instruments include fixed rate options. The fixed rate option provides that in the case the underlying LIBOR rate rises, on the exercise date (as defined in the contract), the Trust will have the right to receive from the counterparty an amount in cash equal to the fair value of the derivative financial instrument with the characteristics described in the fixed rate option contract, particularly in respect to the strike price and maturity.

The outstanding derivate financial instruments at June 30, 2021 and December 31, 2020, are summarized as follows:

				June 30,2021				
Derivative Type	Bank	Notional amount USD	Underlying variable rate	Strike price	Cost	Fair Value	Inception date	Maturity date
Fixed rate options	Barclays	105,000	3M LIBOR	1.768%	$ -	$ (15,985)	May 18, 2017	October 4, 2021
Total					**$ -**	**$ (15,985)**		

				December 31, 2020				
Derivative Type	Bank	Notional amount USD	Underlying variable rate	Strike price	Cost	Fair Value	Inception date	Maturity date
Fixed rate options	Barclays	105,000	3M LIBOR	1.768%	$ -	$ (32,329)	May 18, 2017	October 4, 2021
Total					**$ -**	**$ (32,329)**		

6. BORROWINGS

Borrowings include mortgage loans payable as summarized below:

	June 30, 2021		December 31, 2020				
Credit entity / Instrument	Principal balance	Fair value	Principal balance	Fair value	Interest rate (p.a.) [1], [2]	Maturity date	Terms [3]
BONO 2029	$ 10,122,437	$ 11,164,851	$ 10,197,067	$ 11,532,533	Fixed – 4.962%	July, 2029	I
BONO 2022	1,779,499	1,825,759	1,792,545	1,825,998	Fixed - 5.25%	November, 2022	I
Banamex	3,560,993	3,560,993	3,728,587	3,728,587	3 months LIBOR + 2.45% [4]	October, 2022	P&I
Metlife	2,970,405	2,970,405	2,992,305	2,992,305	Fixed – 4.75%	January, 2027	I [5]
Total borrowings	**$ 18,433,334**	**$ 19,522,008**	**$ 18,710,504**	**$ 20,079,423**			

[1] p.a. = per year.
[2] At June 30, 2021 and December 31, 2020, the 3 mothns LIBOR rates were 0.14575% and 0.23838%, respectively.
[3] P&I = Principal and interest; I = Interest only.
[4]] The margin may vary according to the Rating and Loan to Value (“LTV”) ratio.
[5] Interest only until February 2024

At June 30, 2021 and December 31, 2020, the Metlife debt were collateralized by Investment Properties with an aggregate estimated fair value of $7,459,281 and $7,438,870, respectively.

At June 30, 2021 and December 31, 2020, the borrowings at fair value were payable as follows:

	<1 year	1 – 3 years	>3 years	Total
June 30, 2021	$ 534,503	$ 5,073,336	$ 13,914,169	$ 19,522,008
December 31, 2020	$ 534,861	$ 5,242,442	$ 14,302,120	$ 20,079,423

6. BORROWINGS (continued)

The Trust's exposure to risk from changes in interest rates is largely related to the long-term borrowings. The Trust manages its interest rate risk through a combination of fixed and variable rate loans. In general, short-term borrowings may be subject to a floating rate, while longer-term loans are usually subject to a fixed rate.

The Trust has interest rate derivative contracts, as described in Note 5, in order to minimize risk on changes in the variable interest rate related to the loan payables.

7. NET ASSETS ATTRIBUTABLE TO THE INVESTORS

Net Assets consists of the initial contribution and the proceeds from the issued CBFI's. As of June 30, 2021, the investors' net contributions amount to $21,324,824 and consists of 790,602,803 outstanding CBFI's.

On March 12, 2021 the Trust made distribution to the investors, which were previously approved by the Trust's Technical Committee in the amount of $477,954. The distributed amount was considered as a tax result distribution.

On May 13, 2021 the Trust made distribution to the investors, which were previously approved by the Trust's Technical Committee in the amount of $476,409. The distributed amount was considered as a tax result distribution.

8. RELATED PARTIES

The main Trust's related party transactions are detailed as follows:

Manager

The Trust reimburses the Manager for all costs incurred in carrying out its investment management functions plus VAT.

The amounts reimbursed for the periods ended June 30, 2021 and June 30, 2020 were $347 and $0 respectively.

Advisor

The payment of the Advisor's fee is equivalent to 0.5% per annum over the fair market value of the real estate assets plus VAT.

The Advisor's fee accrued for the periods ended June 30, 2021 and June 30, 2020 were $60,102 and $66,360, respectively.

9. RISKS

On March 11, 2020, the World Health Organization ("WHO") declared COVID-19 a pandemic, and national governments have implemented a range of policies and actions to combat it. The impact of the COVID-19 pandemic continues to evolve and has resulted in quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty which causes market volatility. Management believes the estimates and assumptions underlying our condensed consolidated interim financial statements are reasonable and supportable based on the information available, however, uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and on the Trust in particular, makes any estimates and assumptions inherently less certain than they would be absent the current and potential impacts of COVID-19. Therefore, the probability of the fair value of investments exactly coinciding with the price achieved in the event of a sale is reduced. Management will continue to monitor developments, and their impact on the Trust including its operations, lease agreements, net investment income, lending arrangements, debt covenants, the fair value of investments and estimates reported in the condensed consolidated interim financial statements and accompanying notes. If the financial markets and/or the overall economy continue to be impacted by COVID-19 for an extended period, the Trust's investment results may be materially adversely affected.

10. RECLASSIFICATIONS

Certain amounts on the condensed consolidated financial statements of prior periods have been reclassified according with the current year´s presentation. Such reclassifications had not effect over the priory issued condensed consolidated interim financial statements.

11. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business there can be various legal actions related to properties of the Trust. At June 30, 2021, the Trust's management was not aware of any such matter that had or would have a material effect on Trust's financial condition or results of operations.

12. SUBSEQUENT EVENTS

On July 21, 2021, the Technical Committee approved a dividend payment of $363,413 corresponding to $0.4597 cents per CBFI´s.

13. AUTHORIZATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issuance on July 21, 2021 by the Audit Committee and also by Terrafina´s Technical Committee.