



SECOND QUARTER 2021 EARNINGS REPORT



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Disclaimer

Mexico City, July 22nd, 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 second quarter 2021 (2Q21) 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 June 30th, 2021

OPERATING

- As of June 30th, 2021, the **occupancy rate** was 93.9%, a 180 basis point decrease compared to the second quarter of 2020 (2Q20).
- **Renewal rate** for 2Q21 was 75.8%.
- 2Q21 **annualized average leasing rate** per square foot was US\$5.31, a 2.7% or US\$0.14 increase compared to 2Q20.
- In 2Q21, Terrafina reported a total of 38.9 million square feet (msf) of **Gross Leasable Area** (GLA) comprised of 274 properties and 287 tenants.
- 2Q21 **leasing activity** reached 2.2 msf, of which 17.4% corresponded to new leases, 65.2% to lease renewals and 17.0% to early renewals. Leasing activity was concentrated in the Ciudad Juárez, Cuautitlán Izcalli, Chihuahua, San Luis Potosí, Monterrey, Silao, Ramos Arizpe, Derramadero, Huehuetoca, Guadalajara and Irapuato markets.

FINANCIAL

- 2Q21 **net collections** (rental revenues - uncollected revenues + collected revenues) reached US\$47.0 million, a 1.2% or US\$0.5 million increase compared to 2Q20.
- 2Q21 **rental revenues** reached US\$47.1 million, a 6.4% or US\$3.2 million decrease compared to 2Q20.
- 2Q21 **NOI** was US\$45.1 million, a 0.7% or US\$0.3 million increase compared to 2Q20.
- The **NOI margin** for 2Q21 was 93.7%, a 44 basis point decrease compared to 2Q20.
- 2Q21 **EBITDA** reached US\$40.1 million, a 0.5% increase or US\$0.2 million compared to 2Q20.
- The **EBITDA margin** for 2Q21 was 83.3%, a 57 basis point decrease compared to 2Q20.

- 2Q21 **adjusted funds for operations** (AFFO) reached US\$25.9 million, an increase of 11.0% or US\$2.6 million compared to 2Q20.
- The **AFFO margin** for 2Q21 was 53.6%, a 490 basis points increase compared to 2Q20.
- 2Q21 **distributions** totaled US\$18.1 million. As a result, Terrafina will distribute Ps.0.4597 per CBFI (US\$0.0229 per CBFI) for the April 1st to June 30th, 2021 period; considering the average share price of US\$1.53 for 2Q21 (Ps.30.65), Terrafina's annualized dividend yield for the quarter was 6.0%.

Operating and Financial Highlights

Operating	Jun21	Jun20	Var.
Number of Developed Properties	274	289	-15
Gross Leasable Area (GLA) (msf) ¹	38.9	42.3	-3.4
Land Reserves (msf)	5.5	5.7	-0.1
Occupancy Rate ²	93.9%	95.7%	-180 bps
Avg. Leasing Rent/ Square Foot (dollars)	5.31	5.17	0.14
Weighted Average Remaining Lease Term (years)	3.6	3.6	0.1
Renewal Rate ³	75.8%	89.0%	-1,320 bps

Quarterly Financial	2Q21	2Q20	Var.	2Q21	2Q20	Var.
				fx	20.0366	23.3033
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
Net Collections ⁴	941.6	1,084.9	-13.2%	47.0	46.5	1.1%
Rental Revenues ⁵	943.2	1,175.2	-19.7%	47.1	50.3	-6.4%
Other Operating Income	35.9	27.3	31.2%	1.8	1.1	56.2%
Cash-basis Revenues ⁶	963.9	1,109.8	-13.1%	48.2	47.6	1.2%
Cash-basis Revenues + Tenant Improvement Reimbursements ⁷	968.3	1,118.1	-13.4%	48.4	47.9	0.9%
Net Revenues	982.7	1,205.2	-18.5%	49.1	51.6	-4.9%
Net Operating Income (NOI)*	904.0	1,045.2	-13.5%	45.1	44.8	0.7%
NOI Margin	93.7%	94.2%	-44 bps	93.7%	94.2%	-44 bps
EBITDA ^{8*}	803.4	930.2	-13.6%	40.1	39.9	0.5%
EBITDA Margin	83.3%	83.9%	-57 bps	83.3%	83.9%	-57 bps
Funds from Operations (FFO)*	596.3	615.7	-3.1%	29.8	26.5	12.5%
FFO Margin	61.8%	55.6%	623 bps	61.8%	55.6%	623 bps
Adjusted Funds from Operations (AFFO)*	519.2	544.6	-4.7%	25.9	23.3	11.0%
AFFO Margin	53.6%	48.7%	490 bps	53.6%	48.7%	490 bps
Distributions	363.4	462.9	-21.5%	18.1	19.8	-8.6%
Distributions per CBF ⁹	0.4597	0.5855	-21.5%	0.0229	0.0251	-8.6%

(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 "2Q21 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting

Balance Sheet	Jun21	Mar21	Var.	f x	Jun21	Mar21	Var.
					19.8027	20.6047	
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)		
Cash & Cash Equivalents	975.9	1,329.6	-26.6%		49.3	64.5	-23.6%
Investment Properties	46,996.9	48,272.5	-2.6%		2,373.3	2,342.8	1.3%
Land Reserves	848.5	882.9	-3.9%		42.9	42.8	0.1%
Total Debt	19,522.0	20,223.8	-3.5%		985.8	981.5	0.4%
Net Debt	18,546.1	18,894.2	-1.8%		936.5	917.0	2.1%

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

During the second quarter of 2021, Terrafina achieved positive operating and financial results, as well as progress on its three-year growth plan which was recently shared with the market. As part of the new developments announced in 2Q21, we initiated the construction of a 354,000 square foot property, which will be occupied by a tenant in the e-commerce sector. In addition, we have a letter of intent for an additional 200,000 square feet for a packaging company that seeks to serve the activities related to this tenant. The total investment required for both projects will be an estimated US\$43.5 million and will generate approximately US\$4.1 million in net operating income (NOI) per year. Both projects are expected to be completed by the third quarter of 2021. In terms of disposals, we completed the sale of a land plot adjacent to a property in Hermosillo equivalent to 678,000 square feet for a total of US\$2.5 million. This transaction strengthens our vision of reducing exposure in non-strategic markets. We will continue to present our progress to the market as our objectives set forth in this three-year plan materialize.

I am also proud to share with you the publication of our 2020 Sustainability Report, which reflects the progress we have made in our ESG strategy. We highlight the formation of an ESG Committee, Terrafina's adherence to the United Nations Global Compact, and our commitment to increase the certification of the gross leasable area with a greater number of sustainable buildings, as well as to certify all new developments. This is the first year that we included SASB and TCFD analysis indicators and recommendations, aligning ourselves with market best practices. We continued our participation in the S&P CSA and GRESB questionnaires, reflecting our actions and efforts to make Terrafina a better ESG company.

Turning to our key operating results for the second quarter of 2021, leasing activity in the quarter comprised 2.2 million square feet, of which 1.8 million square feet were renewals and 382,800 square feet were new leases. Our average annualized rent per square foot was US\$5.31. The overall occupancy rate was 93.9%, while by region, it was 95.3% in the North, 87.1% in the Bajío, and 97.2% in the Central region.

With respect to financial results, net collections reached US\$47.0 million, rental income was US\$47.1 million, Net Operating Income was US\$45.1 million with a margin of 93.7%, and we distributed US\$18.1 million, reflecting the new distribution policy of 70% of AFFO. The dividend rate was 6.0%, considering the average CBFI price during the second quarter of 2021.

Regarding the liquidity of our balance sheet, the cash level as of June 30, 2021, was US\$49.3 million as well as US\$300 million available in the revolving line. The leverage level remains stable at 37.2% (total debt to cost divided by total assets).

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
<i>(as of June 30th, 2021)</i>				
# Buildings	191	54	29	274
# Tenants	182	63	42	287
GLA (msf)	24.8	8.0	6.1	38.9
Land Reserves (msf)	2.6	0.2	2.7	5.5
Occupancy Rate	95.3%	87.1%	97.2%	93.9%
Average Leasing Rent / Square Foot (dollars)	5.23	5.29	5.65	5.31
Annualized Rental Base %	63.7%	19.1%	17.2%	100.0%

Source: PGIM Real Estate – Asset Management



Leasing Activity	2Q21	2Q20	Var.
Operating Portfolio (msf):			
Renewals	1.4	1.0	0.4
Early Renewals	0.4	0.3	0.1
New Leases	0.4	0.1	0.3
Total Square Feet of Leases Signed	2.2	1.4	0.8

Source: PGIM Real Estate – Asset Management

Operating Highlights (continued)

Occupancy and Rents by Region

(as of June 30th, 2021)

	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
North	95.3%	5.23
Baja California	86.7%	5.28
Tijuana	86.7%	5.28
Sonora	75.9%	4.66
Hermosillo	75.9%	4.66
Chihuahua	98.6%	5.18
Camargo	100.0%	3.00
Casas Grandes	100.0%	4.40
Chihuahua	96.7%	5.37
Ciudad Juárez	100.0%	4.97
Delicias	100.0%	6.24
Coahuila	91.0%	5.30
Arteaga	100.0%	5.44
Ciudad Acuña	100.0%	5.40
Monclova	33.9%	5.30
Ramos Arizpe	94.2%	5.27
Saltillo	67.6%	4.97
Derramadero	100.0%	6.58
San Pedro de las Colinas	89.3%	2.10
Torreón	100.0%	4.39
Nuevo León	89.4%	5.45
Apodaca	73.1%	7.07
Monterrey	92.4%	5.22
Tamaulipas	100.0%	5.06
Reynosa	100.0%	5.06
Durango	100.0%	5.84
Durango	100.0%	6.42
Gómez Palacio	100.0%	3.23
Bajío	87.1%	5.29
San Luis Potosí	79.1%	5.05
San Luis Potosí	79.1%	5.05
Jalisco	98.3%	5.90
Guadalajara	98.3%	5.90
Aguascalientes	100.0%	4.00
Aguascalientes	100.0%	4.00
Guanajuato	84.0%	5.16
Celaya	100.0%	5.35
Irapuato	81.8%	5.70
Silao	83.2%	4.89
Querétaro	95.6%	5.25
Querétaro	95.6%	5.25
Central	97.2%	5.65
State of Mexico	96.8%	5.80
Cuautitlan Izcalli	100.0%	5.88
Huehuetoca	43.8%	4.31
Toluca	95.1%	5.55
Mexico City	100.0%	9.86
Azcapotzalco	100.0%	9.86
Tabasco	100.0%	4.34
Villahermosa	100.0%	4.34
Total	93.9%	5.31

Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

(as of June 30th, 2021)

	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
North	13	52.0%	7	53.8%
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	5	20.0%	4	80.0%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	3	12.0%	2	66.7%
Ciudad Juárez	2	8.0%	2	100.0%
Delicias	0	0.0%	0	0.0%
Coahuila	5	20.0%	2	40.0%
Arteaga	0	0.0%	0	0.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	1	4.0%	0	0.0%
Ramos Arizpe	3	12.0%	1	33.3%
Saltillo	0	0.0%	0	0.0%
Derramadero	1	4.0%	1	100.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreón	0	0.0%	0	0.0%
Nuevo León	3	12.0%	1	33.3%
Apodaca	1	4.0%	0	0.0%
Monterrey	2	8.0%	1	50.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gómez Palacio	0	0.0%	0	0.0%
Bajío	6	24.0%	5	83.3%
San Luis Potosí	1	4.0%	1	100.0%
San Luis Potosí	1	4.0%	1	100.0%
Jalisco	2	8.0%	1	50.0%
Guadalajara	2	8.0%	1	50.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	3	12.0%	3	100.0%
Celaya	0	0.0%	0	0.0%
Irapuato	1	4.0%	1	100.0%
Silao	2	8.0%	2	100.0%
Querétaro	0	0.0%	0	0.0%
Querétaro	0	0.0%	0	0.0%
Central	6	24.0%	5	83.3%
State of Mexico	6	24.0%	5	83.3%
Cuautitlan Izcalli	5	20.0%	4	80.0%
Huehuetoca	1	4.0%	1	100.0%
Toluca	0	0.0%	0	0.0%
Mexico City	0	0.0%	0	0.0%
Azcapotzalco	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	25	100.0%	17	68.0%

2Q21 OPERATING PERFORMANCE

Composition by Geographical Diversification

In 2Q21, the geographic diversification of Terrafina's properties (by GLA) was as follows: 63.7% in the Northern region, 20.7% in the Bajío, and 15.6% in the Central region.

Geographic Distribution by Region and State	2Q21	as a % of Total GLA 2Q21	2Q20	as a % of Total GLA 2Q20
North	24.79	63.7%	26.53	62.7%
Baja California	0.38	1.0%	0.88	2.1%
Tijuana	0.38	1.0%	0.88	2.1%
Sonora	0.33	0.9%	0.33	0.8%
Hermosillo	0.33	0.9%	0.33	0.8%
Chihuahua	14.29	36.7%	14.94	35.3%
Chihuahua	6.02	15.5%	6.23	14.7%
Ciudad Juárez	7.64	19.6%	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	18.2%	7.09	16.8%
Arteaga	0.44	1.1%	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	4.35	11.2%	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	4.8%	2.06	4.9%
Apodaca	0.28	0.7%	0.28	0.7%
Monterrey	1.58	4.1%	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	20.7%	9.52	22.5%
San Luis Potosí	3.33	8.6%	3.33	7.9%
San Luis Potosí	3.33	8.6%	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	15.6%	6.25	14.8%
State of Mexico	5.39	13.9%	5.39	12.7%
Cuautitlan Izcalli	4.26	11.0%	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	38.89	100.0%	42.30	100.0%

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

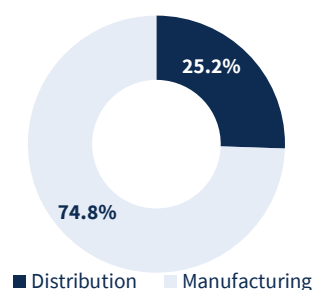
Source: PGIM Real Estate - Asset Management

Composition by Asset Type

At the end of 2Q21, 74.8% of Terrafina's portfolio was leased to tenants with manufacturing activities, while 25.2% was leased to tenants with distribution and logistics activities.

Composition by Asset Type as of 2Q21

(as a % of total GLA)



Use of Property Diversification	2Q21	2Q20	Var.
Distribution	25.2%	27.3%	-217 bps
Manufacturing	74.8%	72.7%	217 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of June 30th, 2021, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification	2Q21	2Q20	Var.
Automotive	34.4%	34.0%	44 bps
Industrial Goods	20.6%	19.4%	118 bps
Consumer Goods	12.5%	14.5%	-202 bps
Logistics and Trade	11.2%	10.3%	91 bps
Aviation	10.3%	10.5%	-20 bps
Non-durable Consumer Goods	2.3%	3.5%	-126 bps
Electronics	8.8%	7.8%	95 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 2Q21, Terrafina's top client represented 3.6% of total revenues, while top 10 clients and top 20 clients represented 18.5% and 30.4% of total revenues, respectively.

Top Clients	Leased Square Feet (million)	% Total GLA	% Total Revenues
<i>(as of June 30th, 2021)</i>			
Top Client	1.43	3.9%	3.6%
Top 10 Clients	7.13	19.5%	18.5%
Top 20 Clients	11.07	30.3%	30.4%

Source: PGIM Real Estate - Asset Management

Occupancy

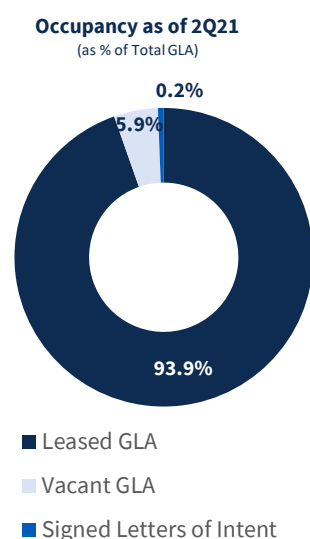
2Q21 occupancy rate was 93.9%, a 180 basis point decrease compared to 2Q20. Note these occupancy rate indicators reflect the rate as of quarter end.

For 2Q21, Terrafina's leasing activity reached 2.2 msf, 17.4% of which corresponded to new leases (including expansions), 65.2% were lease renewals and 17.0% were early lease renewals.

Leasing activity in 2Q21 mainly took place in the Ciudad Juárez, Cuautitlán Izcalli, Chihuahua, San Luis Potosí, Monterrey, Silao, Ramos Arizpe, Derramadero, Huehuetoca, Guadalajara and Irapuato markets.

Occupancy	2Q21	2Q20	Var.
Leased GLA	93.9%	95.7%	-180 bps
Vacant GLA	5.9%	4.3%	153 bps
Signed Letters of Intent	0.2%	0.0%	22 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management



Lease Maturities

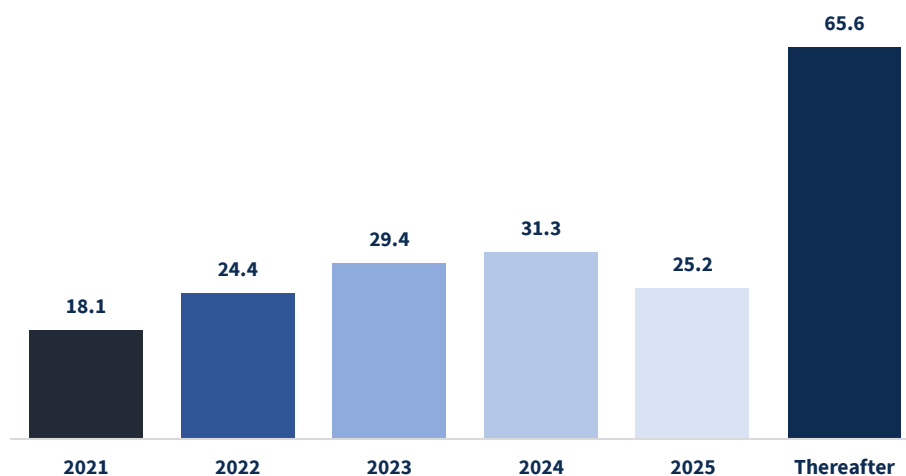
Terrafina had 287 tenants under leasing contracts at the end of 2Q21. These contracts have an average maturity of three to five years for logistics and distribution properties, and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) will remain at levels of between 9% to 16% for the next five years.

The following table breaks down Terrafina's leasing maturity schedule for the upcoming years:

	Annual Base Rent <i>(millions of dollars)</i>	% of Total	Occupied Square Feet <i>(million)</i>	% of Total
2021	18.1	9.3%	3.54	9.7%
2022	24.4	12.6%	4.61	12.6%
2023	29.4	15.2%	5.52	15.1%
2024	31.3	16.1%	6.01	16.5%
2025	25.2	13.0%	4.61	12.6%
Thereafter	65.6	33.8%	12.23	33.5%

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.

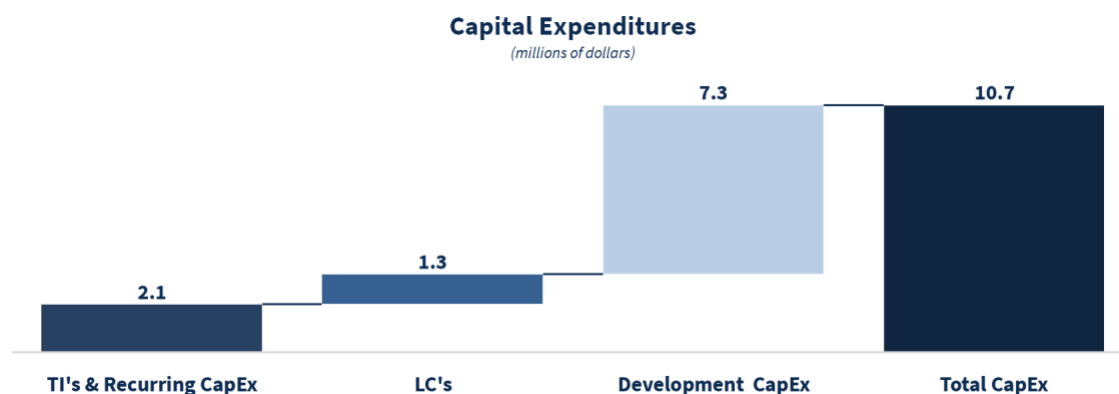
In 2Q21, Terrafina's investments in tenant improvements and recurring CapEx was US\$2.1 million. Total CapEx for 2Q21 is broken down in the following table:

Capital Expenditures	2Q21 (millions of pesos)	2Q21 (millions of dollars)
TI's & Recurring CapEx	41.6	2.1
LC's	26.4	1.3
Development CapEx	146.9	7.3
Total CapEx	214.9	10.7

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring Capex figures.

(1) CAPEX for expansions/new developments.

Source: PGIM Real Estate - Asset Management



Land Reserves

Terrafina's land reserve as of June 30th, 2021 comprised nine land reserve properties, equivalent to 5.5 msf of potential GLA for the development of future industrial properties.

As of June 30th, 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)
<i>(as of June 30th, 2021)</i>					
North	2.59	501.8	25.3	665.0	33.6
Bajío	0.18	14.1	0.7	15.8	0.8
Central	2.74	580.1	29.3	167.7	8.5
Total Land Portfolio	5.51	1,096.0	55.3	848.5	42.9

Source: PGIM Real Estate - Asset Management and Fund Accounting

2Q21 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. 20.0366/dollar). For the balance sheet, figures were converted using the exchange rate at the close of June 30th, 2021 (Ps. 19.8027/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 2Q21 same-store highlights and consolidated information:

	Consolidated 2Q21	Same-Store ¹ 2Q20	Var.
Number of Properties	274	274	0
Occupancy Rate	93.9%	95.7%	-178 bps
Gross Leasable Area (GLA) (msf)	38.9	38.9	0.0
Avg. Leasing Rent / Square Foot (dollars)	5.31	5.25	0.06

(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 2Q21	Same - Store 2Q20	Var.	Consolidated 2Q21	Same - Store 2Q20	Var.
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
Net Collections	941.6	1,027.1	-8.3%	47.0	44.1	6.8%
Rental Revenues	943.2	1,105.9	-14.7%	47.1	47.4	-0.5%
Net Operating Income	904.0	988.4	-8.5%	45.1	42.4	6.5%
NOI Margin	93.7%	94.2%	-43 bps	93.7%	94.2%	-43 bps
EBITDA	803.4	877.4	-8.4%	40.1	37.7	6.5%
EBITDA Margin	83.3%	83.7%	-37 bps	83.3%	83.7%	-37 bps
FFO	596.3	562.8	6.0%	29.8	24.2	23.0%
FFO Margin	61.8%	53.8%	805 bps	61.8%	53.8%	805 bps
Adjusted Funds from Operations	519.2	494.7	4.9%	25.9	21.2	22.1%
AFFO Margin	53.6%	46.9%	672 bps	53.6%	46.9%	672 bps
Distributions per CBF1	0.4597	0.5319	-13.6%	0.0229	0.0228	0.6%

(1) Some 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 2Q21, Terrafina reported net collections of US\$47.0 million, a 1.1% or US\$0.5 million increase compared to 2Q20. 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 2Q21, Terrafina reported rental revenues of US\$47.1 million, a 6.4% or US\$3.2 million decrease compared to 2Q20.

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

Other Operating Income

In 2Q21, other operating income totaled US\$1.8 million, a 56.2% or US\$0.6 million increase compared to 2Q20.

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\$49.1 million in 2Q21, a decrease of US\$2.5 million, or 4.9% compared to 2Q20.

Revenues	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	(millions of pesos)			(millions of dollars)		
Net Collections ¹	941.6	1,084.9	-13.2%	47.0	46.5	1.1%
Rental Revenue	943.2	1,175.2	-19.7%	47.1	50.3	-6.4%
Uncollected Revenue from the Quarter	-62.9	-171.5	-63.3%	-3.1	-7.2	-56.4%
Collected Revenue from the Previous Quarter	61.3	81.3	-24.6%	3.1	3.4	-9.9%
Accrued Income ²	3.7	2.7	35.7%	0.2	0.1	49.0%
Other Operating Revenues	35.9	27.3	31.2%	1.8	1.1	56.2%
Reimbursable Expenses as Revenues ³	6.7	17.9	-62.8%	0.3	0.7	-55.1%
Reimbursable Tenant Improvements	4.3	8.3	-47.7%	0.2	0.4	-39.0%
Other non-cash Income	24.9	1.1	2143.0%	1.2	0.0	2405.3%
Net Revenue ⁴	982.7	1,205.2	-18.5%	49.1	51.6	-4.9%

(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 2Q21, real estate expenses totaled US\$7.8 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance. Starting on 2Q21, 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 2Q21, NOI totaled US\$45.1 million, a 0.7% or US\$0.3 million increase compared to 2Q20. NOI margin decreased by 44 basis points reaching 93.7% compared to 94.2% in 2Q20.

The following table displays the NOI calculation for 2Q21:

Net Operating Income	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	(millions of pesos unless otherwise stated)			(millions of dollars otherwise stated)		
Net Collections ¹	941.6	1,084.9	-13.2%	47.0	46.5	1.1%
Other Operating income ²	22.4	25.0	-10.4%	1.1	1.1	6.0%
Net Revenues for NOI Calculation	963.9	1,109.8	-13.1%	48.2	47.6	1.2%
Repair and Maintenance	-4.7	-4.0	15.4%	-0.2	-0.2	40.2%
Property Taxes	-20.2	-25.5	-20.9%	-1.0	-1.1	-7.2%
Property Management Fees	-18.8	-21.5	-12.9%	-0.9	-0.9	2.4%
Electricity	-1.9	-1.5	24.4%	-0.1	-0.1	39.0%
Property Insurance	-7.7	-6.6	16.8%	-0.4	-0.3	32.5%
Security	-4.5	-3.1	47.2%	-0.2	-0.1	70.4%
Other Operational Expenses	-2.2	-2.3	-3.2%	-0.1	-0.1	21.1%
Real Estate Operating Expenses for NOI Calculation	-60.0	-64.6	-7.2%	-3.0	-2.8	8.9%
Net Operating Income ³	904.0	1,045.2	-13.5%	45.1	44.8	0.7%
NOI Margin	93.7%	94.2%	-44 bps	93.7%	94.2%	-44 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 2Q21 totaled US\$5.4 million, a 6.0% or US\$0.3 million increase compared to 2Q20.

The following table breaks down total G&A for 2Q21:

G&A	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
External Advisor Fees ¹	-60.1	-69.8	-13.9%	-3.0	-3.0	0.5%
Professional and Consulting Services	-13.7	-14.5	-6.0%	-0.7	-0.6	12.0%
Payroll, Admin. Fees and Other Expenses	-33.5	-34.0	-1.6%	-1.7	-1.5	14.7%
Total G&A	-107.2	-118.4	-9.4%	-5.4	-5.1	6.0%

(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 2Q21, EBITDA totaled US\$40.1 million, an increase of US\$0.2 million, or 0.5%, compared to 2Q20. The EBITDA margin was 83.3%, a 57 basis point decrease compared to 2Q20.

The following shows the EBITDA calculation for 2Q21:

EBITDA	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Collections ¹	941.6	1,084.9	-13.2%	47.0	46.5	1.1%
Other Operating Income ²	22.4	25.0	-10.4%	1.1	1.1	6.0%
Real Estate Expenses for EBITDA Calculation	-62.5	-71.2	-12.2%	-3.1	-3.1	3.1%
Real Estate Operating Expenses for NOI Calculation	-60.0	-64.6	-7.2%	-3.0	-2.8	8.9%
Advertising	-0.1	-0.1	-	0.0	0.0	-
Admin. Property Insurance Expenses	-0.8	-1.0	-16.6%	0.0	0.0	-2.8%
Other Admin. Real Estate Expenses	-1.7	-5.6	-70.2%	-0.1	-0.2	-64.5%
Fees and Admin. Expenses	-98.0	-108.5	-9.6%	-4.9	-4.6	5.9%
External Advisor Fees	-60.1	-69.8	-13.9%	-3.0	-3.0	0.5%
Legal, Admin. and Other Professional Fees	-21.6	-22.7	-5.1%	-1.1	-1.0	11.8%
Trustee Fees	-2.6	-2.2	18.7%	-0.1	-0.1	37.7%
Payroll	-12.6	-11.7	8.1%	-0.6	-0.5	28.8%
Other Expenses	-1.2	-2.1	-43.7%	-0.1	-0.1	-35.3%
EBITDA ³	803.4	930.2	-1.7%	40.1	39.9	0.5%
EBITDA Margin	83.3%	83.9%	-57 bps	83.3%	83.9%	-57 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 2Q21, financing expenses totaled US\$10.8 million, a decrease of 20.3% or US\$2.8 million compared to 2Q20.

Financial Expenses	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	(millions of pesos)			(millions of dollars)		
Interest Paid	-207.8	-315.2	-34.1%	-10.4	-13.5	-23.0%
Borrowing Expenses	-8.8	-1.6	438.3%	-0.4	-0.1	501.7%
Recurring	0.0	0.0	-	0.0	0.0	-
Non-recurring	-8.8	-1.6	438.3%	-0.4	-0.1	501.7%
Interest Income	0.7	0.7	7.9%	0.0	0.0	25.1%
Total	-215.9	-316.2	-31.7%	-10.8	-13.5	-20.3%

Source: PGIM Real Estate - Fund Accounting

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

In 2Q21, FFO increased by US\$3.3 million or 12.5% compared to 2Q20, reaching US\$29.8 million. The FFO margin was 61.8%, a 623 basis points increase compared to 2Q20. As for AFFO, it was US\$25.9 million, an increase of US\$2.6 million, or 11.0% compared to 2Q20. The AFFO margin was 53.6%, an increase of 490 basis points versus 2Q20.

Funds from Operations (FFO)	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	(millions of pesos unless otherwise stated)			(millions of dollars unless otherwise stated)		
EBITDA	803.4	930.2	-13.6%	40.1	39.9	0.5%
Finance Cost ¹	-207.1	-314.5	-34.2%	-10.3	-13.5	-23.2%
Funds from Operations (FFO)	596.3	615.7	-3.1%	29.8	26.5	12.5%
FFO Margin	61.8%	55.6%	623 bps	61.8%	55.6%	623 bps
Tenant Improvements	-41.6	-36.1	15.2%	-2.1	-1.6	30.4%
Leasing Commissions	-26.4	-25.1	5.2%	-1.3	-1.1	20.3%
Other Non Recurring ²	-9.2	-9.9	-7.1%	-0.5	-0.4	7.2%
Adjusted Funds from Operations (AFFO)	519.2	544.6	-4.7%	25.9	23.3	11.0%
AFFO Margin	53.6%	48.7%	490 bps	53.6%	48.7%	490 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 2Q21 amounted to US\$36.9 million, compared to US\$60.7 million in 2Q20.

The following table presents Comprehensive Income calculations for 2Q21:

Comprehensive Income	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Revenues	982.7	1,197.5	-17.9%	49.1	52.2	-5.9%
Real Estate Expenses	-156.7	-156.4	0.2%	-7.8	-8.2	-4.0%
Fees and Other Expenses	-107.2	-118.4	-9.4%	-5.4	-5.3	1.2%
Gain (Loss) from Sales of Real Estate Properties	30.3	-13.1	-	1.5	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	230.5	-1,726.6	-	11.5	0.8	1420.7%
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	7.8	-2.9	-	0.4	-1.8	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	498.8	-28.0	-	24.9	-50.0	-
Realized gain (loss) on Financial Derivative instruments	-8.0	0.4	-	-0.4	0.1	-
Foreign Exchange Gain (loss)	10.5	-16.0	-	0.5	-1.3	-
Operating Profit	1,488.8	-863.4	-	74.3	-13.6	-
Financial Income	0.7	0.7	7.9%	0.0	0.0	-16.8%
Financial Expenses	-216.6	-316.8	-31.6%	-10.8	-12.3	-11.8%
Net Financial Cost	-215.9	-316.2	-31.7%	-10.8	-12.2	-11.8%
Share of Profit from Equity Accounted Investments	23.0	-13.2	-	1.2	0.1	1563.0%
Net Profit (Loss)	1,295.9	-1,192.8	-208.6%	64.7	-25.8	-350.6%
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	-1,184.8	-889.8	33.2%	0.0	0.0	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-548.5	275.0	-	-27.7	86.5	-
Comprehensive Income	-437.4	-1,807.6	-75.8%	36.9	60.7	-39.2%

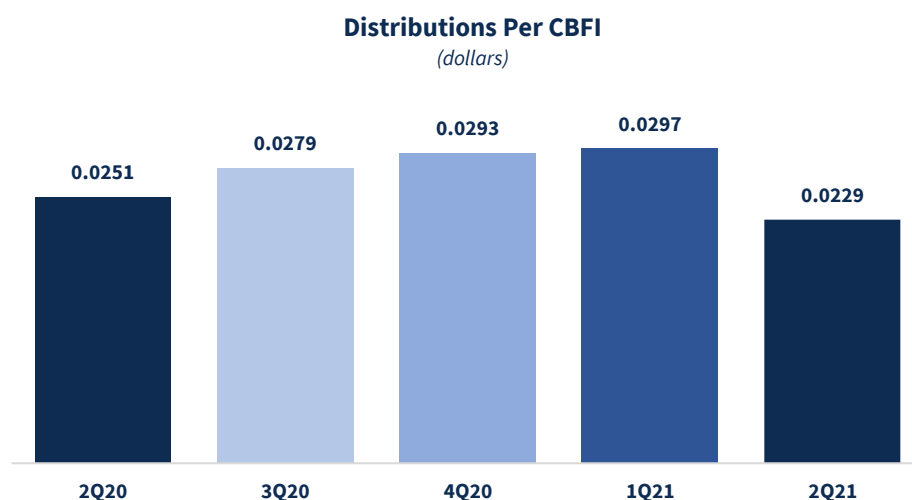
Source: PGIM Real Estate - Fund Accounting

Distributions per CBFIs

In 2Q21, Terrafina distributed US\$18.1 million, or US\$0.0229 per CBFi. 70% of the AFFO generated in the quarter corresponds to the paid distributions.

Distributions						
<i>(millions of pesos unless otherwise stated)</i>	2Q20	3Q20	4Q20	1Q21	2Q21	Var.%
Total Outstanding CBFIs ¹ (millions of CBFIs)	790.6	790.6	790.6	790.6	790.6	0.0%
CBFi Price ²	25.51	27.79	29.95	29.89	30.65	20.2%
Distributions	462.9	489.5	478.0	476.4	363.4	-21.5%
Distributions Per CBFi	0.5855	0.6191	0.6045	0.6026	0.4597	-21.5%
FX Rate USD/MXN (average closing period)	23.30	22.13	20.63	20.33	20.04	-14.0%
Distributions (millions of dollars)	19.8	22.0	23.1	23.5	18.1	-8.6%
Distributions Per CBFi (dollars)	0.0251	0.0279	0.0293	0.0297	0.0229	-8.6%
Annualized Distribution Yield³	9.2%	8.9%	8.1%	8.1%	6.0%	-318 bps

(1) Number of CBFIs at the end of each period (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFi price of the quarter.
Source: PGIM Real Estate - Fund Accounting



Debt

As of June 30th, 2021, Terrafina's total debt reached US\$985.8 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								
	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
<i>(as of June 30th, 2021)</i>								
Long Term Debt								
Citibank ¹	Dollars	0.0	0.0	Libor + 2.45%	Interest Only	Jan 2023	-	US\$150M cap ⁵
Metlife	Dollars	2,970.4	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	3,561.0	179.8	Libor + 2.45%	Interest Only	Oct 2022	-	US\$105M swap ⁶
Senior Notes (2022) ³	Dollars	1,825.8	92.2	5.25%	Interest Only	Nov 2022	-	-
Senior Notes (2029) ⁴	Dollars	11,164.9	563.8	4.962%	Interest Only	Jul 2029	-	-
Total Debt		19,522.0	985.8					
Net Cash		975.9	49.3					
Net Debt		18,546.1	936.5					

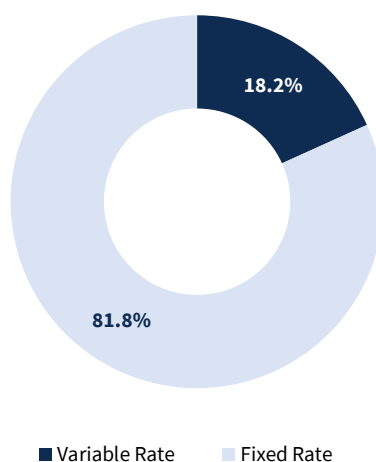
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,388 million.

(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 June 30th, 2021)



The following tables show leverage and debt service coverage as of June 30th, 2021:

Loan-to-Value (LTV)		
(as of June 30 th , 2021)	(millions of pesos)	(millions of dollars)
Total Assets	49,524.9	2,500.9
Total Debt (historical cost)	18,433.3	930.8
Loan-to-Value ¹	37.2%	

(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	June 30 th , 2021	975.9	49.3
Recoverable Taxes	Σ next 6 quarters	70.0	3.5
EBIT ¹ after distributions	Σ next 6 quarters	2,890.5	144.3
Available Credit Line	June 30 th , 2021	5,940.8	300.0
Debt Service Coverage Ratio (DSCR) ²			
		3.2x	

(1) Earnings Before Interest and Taxes
(2) (Cash & Cash Equivalents + Recoverable Taxes + EBIT After Distributions + Available Credit Line) / (Interest Payments + Principal Payments + Recurring CAPEX + Development Expenses)
Source: PGIM Real Estate - Fund Accounting and Capital Markets

Additionally, as of June 30th, 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 June 30 th , 2021)	Terrafina	Bond Covenants
Loan-to-Value (LTV) ¹	39.7%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	4.0x	≥ 1.5x
Secured Debt to Gross Assets Limitation	6.0%	≤ 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	70%
Annual distribution per CBFi	\$0.0830 US cents - \$0.0840 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 2Q21, the following banks and institutions published research reports on Terrafina:

- Banorte	- HSBC
- Barclays	- Interacciones
- BBVA	- Invex
- BofA	- Itaú BBA
- BTG Pactual	- JPMorgan
- BX+	- Monex
- Citi Banamex	- Morgan Stanley
-Credit Suisse	- Scotiabank
	- Santander

ABOUT TERRAFINA

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

Terrafina owns 283 real estate properties, including 274 developed industrial facilities with a collective GLA of approximately 38.9 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.terrafinamx

About PGIM Real Estate

As one of the largest real estate managers in the world with \$190.4 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.7 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 financing², and the deep local expertise of professionals in 31 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit www.pgimrealstate.com.

¹ As of March 31, 2021. Includes \$43.3 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 world¹ with more than \$1.7 trillion in assets under management as of March 31, 2021. 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
Second Quarter 2021 Conference Call**

Friday, July 23rd, 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: 13720744

Audio Webcast Link
<https://www.webcaster4.com/Webcast/Page/2133/41811>

To access the conference replay please dial:
U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 41811

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	
2Q21 Average Price (dollars) ¹	1.53
(x) CBFIs (million of certificates)	790.6
(=) Market Capitalization	1,209.5
(+) Total Debt	985.8
(-) Cash	49.3
(=) Enterprise Value	2,146.1
(-) Landbank	42.9
(=) Implied Operating Real Estate Value	2,103.2
Net Operating Income (NOI) 2021e	177.0
Implied Cap Rate	8.4%

Figures expressed in millions of dollars unless otherwise stated.

(1) Average certificate price of Ps.30.65 and exchange rate of Ps.20.04

Cap Rate Calculation with NAV	
(+) Investment Properties (excluding landbank)	2,330.4
(+) Land	42.9
(+) Cash	49.3
(-) Total Debt and Liabilities	985.8
(=) NAV¹	1,436.7
(/) CBFIs (million of certificates)	790.6
(=) NAV per CBF (dollars)	1.82
CBFI Price (NAV calculation)	1.82
(x) CBFIs (million shares)	790.6
(=) Market Cap	1,436.7
(+) Total Debt and Liabilities	985.8
(-) Cash	49.3
(=) Enterprise Value	2,373.3
(-) Landbank	42.9
(=) Implied Operating Real Estate Value	2,330.4
Net Operating Income (NOI) 2020e	177.0
Implied Cap Rate	7.6%

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		2Q21	2Q20	2Q21	2Q20
		(millions of pesos)		(millions of dollars)	
NOI calculation	Net Collections ¹	941.6	1,084.9	47.0	46.5
NOI calculation	Rental Revenue	943.2	1,175.2	47.1	50.3
NOI calculation	Uncollected Revenue from the Quarter	-62.9	-171.5	-3.1	-7.2
NOI calculation	Collected Revenue from the Previous Quarter	61.3	81.3	3.1	3.4
Non-cash	Accrued Income ²	3.7	2.7	0.2	0.1
	Other Operating Revenues	35.9	27.3	1.8	1.1
NOI calculation	Reimbursable Expenses as Revenues ³	6.7	17.9	0.3	0.7
AFFO calculation	Reimbursable Tenant Improvements	4.3	8.3	0.2	0.4
Non-cash	Other non-cash income	24.9	1.1	1.2	0.0
	Net Revenue	982.7	1,205.2	49.1	51.6
NOI calculation	Share of Profit from Equity Accounted Investments ⁴	15.7	7.0	0.8	0.3

(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		2Q21	2Q20	2Q21	2Q20
		(millions of pesos)		(millions of dollars)	
	Repair and Maintenance	-50.6	-48.5	-2.5	-2.1
NOI calculation	Recurring	-4.7	-4.0	-0.2	-0.2
AFFO calculation	Non-recurring	-46.0	-44.4	-2.3	-1.9
	Property Taxes	-31.6	-27.1	-1.6	-1.2
NOI calculation	Operating	-20.2	-25.5	-1.0	-1.1
Non-cash	Non-operating	-11.4	-1.5	-0.6	-0.1
NOI calculation	Property Management Fees	-18.8	-21.5	-0.9	-0.9
NOI calculation	Electricity	-1.9	-1.5	-0.1	-0.1
AFFO calculation	Brokers Fees	-26.4	-25.1	-1.3	-1.1
	Property Insurance	-8.5	-7.5	-0.4	-0.3
NOI calculation	Operating	-7.7	-6.6	-0.4	-0.3
EBITDA calculation	Administrative	-0.8	-1.0	0.0	0.0
NOI calculation	Security	-4.5	-3.1	-0.2	-0.1
EBITDA calculation	Advertising	-0.1	-0.1	0.0	0.0
	Other Expenses	-3.9	-13.8	-0.2	-0.6
NOI calculation	Operational-related	-2.2	-2.3	-0.1	-0.1
Non-cash	Non-operational Related	0.0	-6.0	0.0	-0.3
EBITDA calculation	Administrative	-1.7	-5.6	-0.1	-0.2
Non-cash	Bad Debt Expense	-10.5	-8.3	-0.5	-0.3
Total Real Estate Expenses		-156.7	-156.4	-7.8	-6.7

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		2Q21	2Q20	2Q21	2Q20
		(millions of pesos)		(millions of dollars)	
EBITDA calculation	External Advisor Fees	-60.1	-69.8	-3.0	-3.0
	Legal Fees	-7.7	-8.0	-0.4	-0.3
EBITDA calculation	Recurring	0.0	0.0	0.0	0.0
AFFO calculation	Non Recurring	-7.7	-8.0	-0.4	-0.3
	Other Professional Fees	-5.9	-6.5	-0.3	-0.3
EBITDA calculation	Recurring	-4.5	-4.7	-0.2	-0.2
AFFO calculation	Non Recurring	-1.5	-1.9	-0.1	-0.1
	Administrative Fees	-17.1	-18.1	-0.9	-0.8
EBITDA calculation	Recurring	-17.1	-18.1	-0.9	-0.8
Non Operational related	Non Recurring ¹	0.0	0.0	0.0	0.0
EBITDA calculation	Payroll	-12.6	-11.7	-0.6	-0.5
EBITDA calculation	Trustee Fees	-2.6	-2.2	-0.1	-0.1
EBITDA calculation	Other Expenses	-1.2	-2.1	-0.1	-0.1
Total Fees and Admin. Expenses		-107.2	-118.4	-5.4	-5.1

(1) Nonoperational related administrative fees.

Source: PGIM Real Estate - Fund Accounting

Annex 5 – Reconciliation

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI		
	2Q21 (millions of pesos)	2Q21 (millions of dollars)
Comprehensive Income (Loss)	-437.4	36.9
<i>Add (deduct) Currency Translation Adjustment:</i>		
Currency Translation Adjustment	1184.8	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	548.5	27.7
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Non-recurring Borrowing Expenses	8.8	0.4
<i>Add (deduct) Non-Cash Adjustment:</i>		
Foreign Exchange Adjustments	-10.5	-0.5
Realized gain (loss) on Financial Derivative Instruments	8.0	0.4
Fair Value Adjustment on Borrowings	-498.8	-24.9
Fair Value Adjustment on Financial Derivative Instruments	-7.8	-0.4
Fair Value Adjustment on Investment Properties	-230.5	-11.5
Net gain (loss) from disposal of investment properties	-30.3	-1.5
<i>Add (deduct) Expenses Adjustment:</i>		
Non-recurring Repair and Maintenance	46.0	2.3
Non-operating Property Taxes	11.4	0.6
Brokers Fees	26.4	1.3
Bad Debt Expense	10.5	0.5
Non Recurring Legal Fees	7.7	0.4
Non-recurring Other Professional Fees	1.5	0.1
<i>Add (deduct) Revenues Adjustment:</i>		
Uncollected Revenue from the Quarter	-62.9	-3.1
Collected Revenue from the Previous Quarter	61.3	3.1
Fair Value on Investment Properties JVs	-7.4	-0.4
Accrued Income	-3.7	-0.2
Other Non-cash Income	-24.9	-1.2
Reimbursable Tenant Improvements	-4.3	-0.2
<i>Add (deduct) Non-operational Administrative Fees</i>		
Non-administrative Fees	0.0	0.0
FFO	596.3	29.8
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Interest Paid	207.8	10.4
Recurring Borrowing Expenses	0.0	0.0
Interest Income	-0.7	0.0
EBITDA	803.4	40.1
<i>Add (deduct) Expenses Adjustment:</i>		
External Advisor Fees	60.1	3.0
Recurring Legal Fees	0.0	0.0
Other Recurring Professional Fees	4.5	0.2
Administrative Fees	17.1	0.9
Payroll	12.6	0.6
Trustee Fees	2.6	0.1
Other Expenses	1.2	0.1
Advertising	0.1	0.0
Administrative Property insurance	0.8	0.0
Other Administrative Expenses	1.7	0.1
NOI	904.0	45.1
<i>Add (deduct) Expenses Adjustment:</i>		
Recurring Repair and Maintenance	4.7	0.2
Operating Property Taxes	20.2	1.0
Property Management Fees	18.8	0.9
Electricity	1.9	0.1
Property Operating Insurance	7.7	0.4
Security	4.5	0.2
Other Operational Expenses	2.2	0.1
<i>Add (deduct) Revenues Adjustment:</i>		

Other Non-Cash Income	24.9	1.2
Accrued Income	3.7	0.2
Uncollected Revenue from the Quarter	62.9	3.1
Collected Revenue from the Previous Quarter	-61.3	-3.1
Reimbursable Tenant Improvements	4.3	0.2
Share of Profit from Equity Accounted Investments	-15.7	-0.8
Net Revenue	982.7	49.1

Reconciliation of Net Profit (Loss) to AFFO		
	2Q21	2Q21
	<i>(millions of pesos)</i>	<i>(millions of dollars)</i>
Comprehensive Income (Loss)	-437.4	36.9
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Exchange Rate Adjustments	1,184.8	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	548.5	27.7
<i>Add (deduct) Cost of Financing Adjustment:</i>		
Non-recurring Borrowing Expenses	8.8	0.4
<i>Add (deduct) Non-cash Adjustment:</i>		
Foreign Exchange Adjustments	-10.5	-0.5
Realized gain (loss) on Financial Derivative Instruments	8.0	0.4
Fair Value Adjustment on Borrowings	-498.8	-24.9
Fair Value Adjustment on Financial Derivative Instruments	-7.8	-0.4
Fair Value Adjustment on Investment Properties	-230.5	-11.5
Net gain (loss) from disposal of investment properties	-30.3	-1.5
<i>Add (deduct) Expenses Adjustment:</i>		
Non-operating Property Taxes	11.4	0.6
Bad Debt Expense	10.5	0.5
<i>Add (deduct) Revenues Adjustment:</i>		
Uncollected Revenue from the Quarter	-62.9	-3.1
Collected Revenue from the Previous Quarter	61.3	3.1
Fair Value on Investment Properties JVs	-7.4	-0.4
Accrued Income	-3.7	-0.2
Other Non-cash Income	-24.9	-1.2
<i>Add (deduct) Non-operational Administrative Fees</i>		
Non-administrative Fees	0.0	0.0
AFFO	519.2	25.9

FINANCIAL STATEMENTS

Income Statement	2Q21	2Q21
	(thousands of pesos)	(thousands of dollars)
Rental revenues	946,865	47,286
Other operating income	35,877	1,792
Real estate operating expenses	-156,693	-7,824
Fees and other expenses	-107,209	-5,354
Net gain (loss) from disposal of investment properties	30,338	1,514
Net gain (loss) from fair value adjustment on investment properties	230,544	11,506
Net gain (loss) from fair value adjustment on borrowings	498,810	24,895
Net gain (loss) unrealized from fair value on financial derivate instruments	7,793	389
Realized gain (loss) on financial derivate instruments	-8,033	-401
Foreign exchange (loss) gain	10,470	524
Operating profit	1,488,762	74,326
Finance income	724	36
Finance cost	-216,586	-10,816
Net Finance cost	-215,862	-10,780
Share of profit from equity accounted investments	23,047	1,150
Net Profit for the period	1,295,947	64,697
Exchange rate gain (loss) from functional to reporting currency	-1,184,768	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	-548,543	-27,700
Total Comprehensive income for the period	-437,364	36,996

Balance Sheet	Jun-30 th -21 (thousands of pesos)	Jun-30 th -21 (thousands of dollars)
Assets		
Non-current assets		
Investment properties (Cost: 30/06/2021 - Ps.41,870,997, US\$2,114,408; 31/03/2021 - Ps.41,490,433, US\$2,013,639)	46,996,888	2,373,257
Investments in joint venture	774,889	39,130
Deferred rents receivable	240,271	12,133
Other accounts receivable	134,064	6,770
Restricted cash	31,128	1,572
Current assets		
Other accounts receivable	131,855	6,658
Recoverable taxes	70,035	3,537
Prepaid expenses	55,982	2,827
Deferred charges receivable	16,632	840
Accounts receivable (Net of allowance for doubtful accounts: 30/06/2021 - Ps. 139,382, US\$7,039; 31/03/2021 - Ps. 136,221, US\$6,611)	97,193	4,908
Cash and cash equivalents	975,914	49,282
Total assets	49,524,851	2,500,914
Net assets attributable to Investors		
Net contributions	18,701,218	1,556,093
Retained earnings	1,298,638	-71,715
Currency translation adjustment	9,185,560	-
Own credit risk reserve	10,097	-10,058
Total net assets (Net Equity)	29,195,513	1,474,320
Liabilities		
Non-current liabilities		
Loans (Cost: 31/06/2021 - Ps. 17,898,831, US\$903,858; 31/03/2021 - Ps. 18,698,531, US\$907,546)	18,987,505	958,834
Financial derivative instruments	15,985	807
Tenant deposits	295,666	14,931
Accounts payable	11,151	363
Current liabilities		
Trade and other payables	367,675	18,767
Loans (Cost: 06/30/2021 - Ps. 534,503, US\$26,991; 03/31/2021 - Ps. 450,310, US\$21,856)	534,503	26,991
Tenant deposits	116,853	5,901
Total liabilities (excluding net assets attributable to the Investors)	20,329,338	1,026,594
Total net assets and liabilities	49,524,851	2,500,914

Cash Flow Statement		
	Jun-21	Jun-21
	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Cash flows from operating activities		
Profit (loss) for the period	2,684,335	64,696
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-343,901	-11,506
Net loss (gain) realized from fair value adjustment on loans	-1,261,042	-24,895
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	-16,616	-389
Net loss (gain) realized from disposal of investment properties	-30,338	-1,514
Bad debt expenses	23,906	522
Interest expenses on loans	418,927	10,379
Interest income on bank accounts	-1,611	-36
Share of profit from equity accounted investments	-16,689	-1,150
Decrease (increase) deferred rents receivable	-6,234	-184
Decrease (increase) in accounts receivable	1,595	59
Decrease (increase) in recoverable taxes	-32,233	-1,085
Decrease (increase) in recoverable value added tax	60,191	980
Decrease (increase) in prepaid expenses	-25,311	1,444
Decrease (increase) in other assets	-51,219	-2,404
Decrease (increase) in tenant deposits	14,198	-962
(Decrease) in accounts payable	-16,383	275
Net cash (used in) generated from operating activities	1,401,575	34,231
Cash flows from investing activities		
Acquisition of investment properties	-	-12,636
Improvements of investment properties	-27,225	-7,316
Dispositions of investment properties	-	2,504
Interest income on bank accounts	887	36
Investments in joint venture	-1,242	765
Net cash (used in) generated from investing activities	-27,580	-16,648
Cash flows from financing activities		
Principal payments on loans	-161,053	-3,520
Interest payments on loans	-421,620	-5,353
Distributions to investors	-954,363	-23,958
Net cash (used in) generated from financing activities	-1,537,036	-32,832
Net (decrease) in cash and cash equivalents	-496,839	-15,249
Cash and cash equivalents at the beginning of the period	1,443,720	64,530
Exchange effects on cash and cash equivalents	29,033	-
Cash and cash equivalents at the end of the period	975,914	49,281

Attributable to Investors

Statement of Changes in Equity

(thousands of pesos)

	Net contributions	Currency translation adjustment	Own credit risk reserve	Retained earnings	Net assets
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	-	-	-	-954,363	-954,363
Comprehensive Income					
Net loss for the period	-	-	-	2,684,335	2,684,335
Other Comprehensive Income					
Currency conversion adjustments	-	-234,039	-	-	-234,039
Fair value loan adjustments	-	-	-965,025	-	-965,025
Total Comprehensive (loss) income	-	-234,039	-965,025	2,684,335	1,485,271
Net Assets as of June 30th, 2021	18,701,218	9,185,560	10,097	1,298,638	29,195,513

(thousands of dollars)

Balance at January 1, 2021	1,556,093	-	17,642	-112,453	1,461,282
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-23,958	-23,958
Comprehensive Income					
Net loss of the period	-	-	-	64,696	64,696
Other Comprehensive Income					
Currency conversion adjustments	-	-	-	-	-
Fair value loan adjustments	-	-	-27,700	-	-27,700
Total Comprehensive (loss) income	-	-	-27,700	64,696	36,996
Net Assets as of June 30th, 2021	1,556,093	-	-10,058	-71,715	1,511,315