

FIBRA TERRAFINA

Fideicomiso Irrevocable number F/00939 and subsidiaries

**Consolidated financial statements as of
December 31, 2024 and 2023**

LIST OF CONTENTS

Page(s)

Independent auditor's report	1-5
Consolidated financial statements:	
Consolidated statements of financial position	6
Consolidated statements of income and other comprehensive income	7
Consolidated statements of changes in net assets attributable to the investors	8
Consolidated statements of cash flows	9
Notes to the consolidated financial statements	10 - 45



Independent Auditor's Report

To the Holders Assembly of Real Estate Certificates of
Fideicomiso Irrevocable número F/00939 and subsidiaries

Opinion

We have audited the consolidated financial statements of Fideicomiso Irrevocable número F/00939 and subsidiaries (the Trust), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of income and other comprehensive income, of changes in net assets attributable to the investors and of cash flows for the year then ended and the notes to the consolidated financial statements, comprising the material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants that are relevant to our audit of the financial statements in Mexico. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Professional Code of Ethics of Mexican Institute of Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter

Fair value of investment properties

As mentioned in notes 4E. and 7a. to the consolidated financial statements, the Trust recognizes its investment properties at its fair value in the consolidated statement of financial position. Changes in fair value from year to year are recognized as a profit or loss in the consolidated statement of income and other comprehensive income. The relevant assumptions and the corresponding valuation method are disclosed in the same Note 7a.

We have focused on this item in our audit, due to: 1) the importance of the value of the investment properties for \$64,187,025 thousands of Mexican pesos, which represent 91% of the total assets, 2) for being the asset from which the main activity of the Trust derives and 3) because the assumptions used in the determination of fair value require judgments from the Management.

In particular, we focused on the process to determine the cash flows and the following significant assumptions that the Trust considered to estimate the valuation of financial projections: discount rate, terminal capitalization rate, direct capitalization rate and rental prices used for income projections of non-stabilized properties.

How our audit addressed the key audit matter

We analyzed the investment portfolio of the Trust, evaluating any relevant variation in the significant assumptions and particular characteristics of each investment, as follows:

- With the support of our valuation specialists, we evaluate the discount rate, terminal capitalization rate, and direct capitalization rate against comparable market rates for the investments of the Trust.
- For properties with occupancy less than 80% (non-stabilized properties), we compared the rental prices of properties used as a basis for income projections, with information available in the market for comparable properties.
- We compared against the previous year of the fair value of the year, the performance of the net operating income of the financial projection's base year, and the occupancy rate of the investment properties.
- To evaluate the financial projections of the cash flows of investment properties, we performed on a selective basis:
 - We compared historical and current year income and expenses, considered for the preparation of cash flow projections, against the terms of current contracts, including the consideration of adjustments for inflation.
 - Evaluation of the assumptions used in projected revenues, comparing the rental prices of properties used as a basis, with information available in the market for comparable properties.



Key audit matter

How our audit addressed the key audit matter

- Evaluation of the assumptions used in the projected figures considered in the calculations of the determination of cash flows, evaluating the consistent application of these assumptions in the determination of the fair value of the properties.
- Test arithmetic accuracy of the model used for the determination and projection of cash flows.
- We compared the model applied in the determination of fair values of the assets against methods used and recognized in the industry in the valuation of assets of similar characteristics.

Additionally, we evaluated the consistency of the valuation information disclosed in the footnotes to the financial statements with the information provided by the Trust Management as described in the preceding paragraphs.

Other Information

Management is responsible for the other information. The other information comprises the annual report presented to CNBV, which is expected to be made available to us after the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business unit within the group to forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is stated below.

PricewaterhouseCoopers, S. C.

A handwritten signature in black ink, appearing to read "Nicolás Germán Ramírez", written over a horizontal line.

C.P.A. Nicolás Germán Ramírez
Audit Partner

México City, April 9, 2025.

FIBRA Terrafina

Fideicomiso Irrevocable Trust number F/00939 and subsidiaries
Consolidated statements of financial position
(Expressed in thousands of Mexican Pesos)

	Note	December 31, 2024	December 31, 2023
Assets			
Non-current assets			
Investment properties	7 and 18	\$ 64,187,025	\$ 50,732,940
(Cost: 12/31/2024 - \$43,369,481; 12/31/2023 - \$43,680,371)			
Investments accounted using equity method	7 and 8	3,627,602	2,010,024
Recoverable taxes	10	355,795	-
Deferred rents receivable	13	256,512	224,729
Other accounts receivable	9	149,727	48,951
Restricted cash	13	-	26,588
Total non-current assets		68,576,661	53,043,232
Current assets			
Other accounts receivable	9	327,088	99,994
Recoverable taxes	10	18,743	239,262
Prepaid expenses		10,190	35,239
Derivative financial instruments	11	-	28,874
(Cost: 12/31/2024 - \$0; 12/31/2023 - \$48,086)			
Deferred rents receivable	13	43,166	40,769
Accounts receivable	12 and 13	204,566	75,036
(Net of allowance for doubtful accounts: 12/31/2024 - \$39,453; 12/31/2023 - \$88,421)			
Cash and cash equivalents	13 and 17	1,207,506	635,618
Total current assets		1,811,259	1,154,792
Total assets		70,387,920	54,198,024
Net assets attributable to the investors			
Contributions, net		18,402,436	17,828,573
Retained earnings (losses)		16,657,897	15,080,636
Translation from functional to reporting currency	5	11,397,075	3,325,588
Own credit risk reserve		261,390	215,261
Total net assets attributable to the investors	5 and 16	46,718,798	36,450,058
Liabilities			
Non-current liabilities			
Borrowings	5, 7, 13, 14 and 17	14,505,192	15,630,289
(Cost: 12/31/2024 - \$14,997,131; 12/31/2023 - \$16,048,825)			
Tenant deposits	5 and 13	386,861	309,474
Accounts payable	5, 13 and 15	210,449	91,804
Total non-current liabilities		15,102,502	16,031,567
Current liabilities			
Borrowings	5, 7, 13, 14 and 17	7,851,276	1,107,417
(Cost: 12/31/2024 - \$7,851,276; 12/31/2023 - \$1,107,417)			
Tenant deposits	5 and 13	120,889	89,816
Other Accounts Payable		-	235,966
Accounts payable	5, 13 and 15	594,455	283,200
Total current liabilities		8,566,620	1,716,399
Total liabilities (excluding net assets attributable to the investors)		23,669,122	17,747,966
Total liabilities and net assets attributable to the investors		\$ 70,387,920	\$ 54,198,024

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

FIBRA Terrafina

Fideicomiso Irrevocable Trust number F/00939 and subsidiaries
Consolidated statements of income and other comprehensive income
(Expressed in thousands of Mexican Pesos)

	Note	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Rental revenues	18 y 19	\$ 4,108,595	\$ 3,814,861
Other operating income	19	90,881	40,224
Real estate operating expenses	20	(662,209)	(625,114)
Other real estate expenses net	21	(2,379)	51,417
Fees and other expenses	22	(1,726,386)	(471,480)
Realized gain (loss) from disposal of investment properties	7	9,141	7,629
Loss on other accounts receivable from disposal of investment properties		-	(30,549)
Net unrealized gain (loss) from fair value adjustment on investment properties	7	2,624,454	4,143,540
Net unrealized gain (loss) from fair value adjustment on borrowings		(58,967)	377,576
Net unrealized gain (loss) from fair value adjustment on derivative financial instruments		(19,959)	(47,790)
Net realized gain (loss) from derivative financial instruments		(12,396)	-
Foreign exchange gain		114,807	161,718
Foreign exchange loss		(139,815)	(163,730)
Operating profit (loss)		4,325,767	7,258,302
Finance income	23	34,783	30,062
Finance costs	23	(1,120,412)	(1,018,022)
Finance costs - net		(1,085,629)	(987,960)
Share of profit from equity accounted investments	8	604,626	413,106
Profit (loss) for the period		3,844,764	6,683,448
Other comprehensive income:			
<i>Items that can be reclassified subsequently to gain (loss) for the period</i>			
Translation gain (loss) from functional to reporting currency		8,071,487	(4,795,178)
<i>Items that can not be reclassified subsequently to gain (loss) for the period</i>			
Changes in the fair value adjustment on borrowings at fair value through other comprehensive income		46,129	(683,689)
Comprehensive income (loss)		8,117,616	(5,478,867)
Total comprehensive income (loss) for the period		\$ 11,962,380	\$ 1,204,581
Earnings per CBFi			
Basic earnings per CBFi (Pesos)		\$ 4.9384	\$ 8.6519
Diluted earnings per CBFi (Pesos)		\$ 4.9384	\$ 8.6519

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

FIBRA Terrafina

Fideicomiso Irrevocable Trust number F/00939 and subsidiaries
Consolidated statements of changes in net assets attributable to the investors
For the periods ended December 31, 2024 and December 31, 2023
(Expressed in thousands of Mexican Pesos)

	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, 2023		\$ 17,871,392	\$ 8,120,766	\$ 898,950	\$ 9,709,610	\$ 36,600,718
Transactions with investors						
Distributions to investors	16	(42,819)	-	-	(1,312,423)	(1,355,242)
Total transactions with investors		(42,819)	-	-	(1,312,423)	(1,355,242)
Comprehensive income						
Profit for the period		-	-	-	6,683,448	6,683,448
Other comprehensive income						
Translation from functional to reporting currency		-	(4,795,178)	-	-	(4,795,178)
Changes in the fair value adjustment on borrowings		-	-	(683,689)	-	(683,689)
Total comprehensive (loss) income		-	(4,795,178)	(683,689)	6,683,448	1,204,581
Net assets attributable to the investors at December 31, 2023		\$ 17,828,573	\$ 3,325,588	\$ 215,261	\$ 15,080,635	\$ 36,450,057
Balance at January 1, 2024		\$ 17,828,573	\$ 3,325,588	\$ 215,261	\$ 15,080,636	\$ 36,450,058
Transactions with investors						
Capital contribution, net of issuing costs	16	573,863	-	-	-	573,863
Distributions to investors	16	-	-	-	(2,267,503)	(2,267,503)
Total transactions with investors		573,863	-	-	(2,267,503)	(1,693,640)
Comprehensive income						
Profit for the period		-	-	-	3,844,764	3,844,764
Other comprehensive income						
Translation from functional to reporting currency		-	8,071,487	-	-	8,071,487
Changes from fair value adjustment on borrowings		-	-	46,129	-	46,129
Total comprehensive income (loss)		-	8,071,487	46,129	3,844,764	11,962,380
Net assets attributable to the investors at December 31, 2024		\$ 18,402,436	\$ 11,397,075	\$ 261,390	\$ 16,657,897	\$ 46,718,798

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

FIBRA Terrafina

Fideicomiso Irrevocable Trust number F/00939 and subsidiaries Consolidated statements of cash flows (Expressed in thousands of Mexican Pesos)

	Note	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Cash flows from operating activities:			
Profit (loss) for the period		\$ 3,844,764	\$ 6,683,448
Adjustments:			
Net unrealized gain (loss) from fair value adjustment on investment properties	7	(2,624,454)	(4,143,540)
Net unrealized gain (loss) from fair value adjustment on borrowings	7	58,967	(377,576)
Net unrealized gain (loss) from fair value adjustment on derivative financial instruments	7	19,959	47,790
Net realized gain (loss) from derivative financial instruments		12,396	-
Realized gain (loss) from disposal of investment properties		(9,141)	(7,629)
Loss on other accounts receivable from disposal of investment properties		-	30,549
Bad debt expense		(14,633)	8,543
Accrued interest expense	23	1,104,079	929,523
Interest income on bank accounts	23	(34,783)	(30,062)
Accrued fees and other expenses		573,863	-
Share of profit from equity accounted investments	8	(604,626)	(413,106)
(Increase) decrease in:			
Deferred rents receivable		(34,180)	66,779
Accounts receivable		(114,897)	(18,572)
Recoverable taxes		(60,598)	(94,109)
Prepaid expenses		25,049	(8,699)
Other accounts receivable		(323,897)	244,653
Increase (decrease) in:			
Tenant deposits		108,460	(10,215)
Accounts payable		355,221	(144,539)
Net cash generated from operating activities		2,281,549	2,763,238
Cash flows from investing activities:			
Acquisition of investment properties	7	-	(2,969)
Improvements of investment properties	7	(492,980)	(1,082,341)
Advances from disposition of investment properties		-	235,966
Proceeds from disposition of investment properties	7	452,220	45,948
Interest income on bank accounts		34,783	30,062
Investments accounted using equity method	7 y 8	(225,834)	(1,111,726)
Net cash used in investing activities		(231,811)	(1,885,060)
Cash flows from financing activities:			
Acquisition of derivative financial instruments	13	(14,879)	(48,086)
Proceeds from derivative financial instruments	13	2,828	-
Proceeds from borrowings		8,351,407	5,570,736
Principal payments on borrowings		(6,770,625)	(4,157,913)
Interest paid on borrowings		(1,035,121)	(935,207)
Restricted cash		32,281	-
Distributions to investors	16	(2,267,503)	(1,355,241)
Net cash used in financing activities		(1,701,612)	(925,711)
Net increase (decrease) in cash and cash equivalents		348,126	(47,533)
Cash and cash equivalents at the beginning of the period		635,618	733,100
Exchange rate effects on cash and cash equivalents		223,762	(49,949)
Cash and cash equivalents at the end of the period		\$ 1,207,506	\$ 635,618

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

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

(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. On November 19, 2024, the trust agreement was amended so that TF Administradora, S.R.L de C.V. (the “Manager”) acts as the Trustor of the Trust and Prologis Property México, S.A. de C.V. acts as the new advisor to the Trust (the “Prologis Advisor”), effective January 1, 2025.

The Prologis Advisor is the trustor and manager of the irrevocable Trust 1721 Banco Actinver, S. A. Institución de Banca Múltiple, Grupo Financiero Actinver, Fiduciary division or “FIBRA Prologis”, a Mexican real estate investment trust, which has acquired during 2024 a significant majority of Terrafina’s CBFI’s, representing 89.88% of the outstanding CBFI’s. As the controlling entity, FIBRA Prologis has the ability to direct financial and operational decisions of Terrafina.

Terrafina is a Mexican trust with 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 Paseo de los Tamarindos No 90, torre 2, Piso 22, Col Bosques de las Lomas, CP 05120.

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 America, which provides advisory and real estate investment management services, as well as other related services. On November 19, 2024, the termination agreement to the advisory contract was signed, and the contractual relationship between the Trust and the Advisor was terminated.
- (ii) A management agreement with TF Administradora, S. de R.L. de C.V. (“the Manager”), for the latter to carry out certain management services on behalf of the Trust. On November 19, 2024, a second amendment to the management agreement was entered into, with the purpose of, among others, modifying the services to be provided by the Manager in favor of the Trust as of the date of the second amendment agreement. As of that date, the Manager’s employees relationship was terminated.
- (iii) A temporary transition of services agreement with the Advisor and the Manager, signed on September 18, 2024, to execute the transition of the administration and operation of the services provided to the Trust, which will be concluded between January 1, 2025 and the date that all fees have been paid subject to the terms defined in the transition of services agreement.
- (iv) A new advisory agreement entered into with Prologis Property México, S.A. de C.V. (the “Prologis Advisor”), effective January 1, 2025, as the new advisor and the trustee of the Trust, which will provide advisory and real estate investment management services, as well as related services.

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.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

2. BASIS OF PREPARATION

(a) Compliance statement

The enclosed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and its interpretations, issued by the International Financial Reporting Interpretations Committee (“IFRIC”), applicable at December 31, 2024.

The consolidated 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, investments under the equity method of accounting and borrowings, which have been measured at fair value.

(b) Criteria and estimates

Preparation of consolidated financial statements in accordance with IFRS requires to make certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust’s accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period in which the assumptions change. Management believes that the underlying assumptions are appropriate.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant for the consolidated financial statements are disclosed in Note 6.

(c) Standards and amendments to existing standards effective from January 1, 2024

The Trust has applied for the first time to its annual financial statements that began on January 1, 2024, the amendment to the IAS 1 Classification of liabilities as current or non-current and has therefore made disclosures thereon in Note 14.

In addition to the modification mentioned in the previous paragraph, there were other rules and modifications:

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

These modifications, were not applicable to the Trust and therefore have no impact to these consolidated financial statements.

(d) New standards, modifications, and interpretations to existing standards effective after December 31, 2024, and that have not been adopted in advance

Other new standards and amendments to standards effective for annual periods beginning after January 1, 2025, that have not been early adopted include:

- Amendments to IAS 21: Lack of Exchangeability.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7).
- IFRS 18 ‘Presentation and Disclosure in Financial Statements’.

Management is evaluating these new standards and amendments to the consolidated financial statements; however, these standards are not expected to have a material impact on the Trust in future reporting periods and on foreseeable future transactions.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

3. SIGNIFICANT TRANSACTIONS

On May 5, 2023, Terrafina made a disposition of \$250,684 (\$14 million dollars) from the BBVA RCF revolving credit facility (see Note 14).

On June 26, 2023, Terrafina completed the sale of a land located in Apodaca, Nuevo Leon for \$9,769 (\$560,671 dollars) as part of the capital recycling strategy.

On July 12, 2023, the Trust refinanced the sustainability-linked credit line BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México BBVA Term Loan and BBVA México, S.A Institución de Banca Múltiple, Grupo Financiero BBVA México BBVA RCF through a new sustainable unsecured syndicated credit line of \$500 million Dollars composed of two tranches: (i) US\$200 million Term Loan ("New BBVA Term Loan") and (ii) US\$300 million Revolving Credit Facility ("New BBVA RCF") with BBVA as sole lead arranger and other financial institutions. The new credit line includes the following terms: (1) it is sustainability-linked with a Key Performance Indicators ("KPI") to the Green Building Certifications, (2) up to 5 basis points increase (premium) or decrease (discount) to the applicable margin if the Trust complies with the KPI, (3) principal payment at the maturity (see Note 14).

On July 17, 2023, Terrafina made a disposition of \$3,378,100 (\$200 million dollars) and another of \$979,649 (\$58 million dollars) from the new credit line New BBVA Term Loan and New BBVA RCF, respectively, and used the proceeds to prepay and fully liquidate the previous credit line, BBVA Term Loan and BBVA RCF, of \$3,124,743 (\$185 million dollars) and \$776,963 (\$46 million dollars), respectively.

On July 28, 2023, Terrafina made a disposition for \$962,302 (\$57 million dollars) of the New BBVA RCF revolving credit facility (see Note 14).

During August 2023, Terrafina, through its joint venture partner Monarch Member LLC ("Monarch Member"), acquired two Class A industrial portfolios located in Tijuana and the State of Mexico for \$3,644,628 (\$217 million Dollars) (see Note 8).

On September 21, 2023, Terrafina prepaid \$256,207 (\$15 million dollars) of the New BBVA RCF revolving credit facility (see Note 14).

On December 20, 2023, Terrafina renewed the one-year unsecured promissory note for a total amount of \$50 million dollars with BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México ("BBVA"). The cost of the \$50 million was SOFR plus a margin of 95 basis points, which represents 55 basis points less than the current margin of the New BBVA RCF revolving credit facility (see Note 14).

On December 21, 2023, Terrafina, through its joint venture with Monarch Member LLC ("Monarch Member"), acquired a Class A industrial property, located in Monterrey for \$883,405 (\$52 million dollars) (see Note 8).

On January 24, 2024, Terrafina completed the sale of two properties located in Villahermosa, Tabasco for \$452,295 (\$26 million Dollars) as part of the capital recycling strategy.

On February 8, 2024, Terrafina completed the sale of one property located in San Luis Potosí, San Luis Potosí for \$41,824 (\$2 million Dollars) as part of the capital recycling strategy.

On March 15, 2024, Terrafina completed the sale of property located in Chihuahua, Chihuahua for \$106,543 (\$6 million Dollars) as part of the capital recycling strategy.

On March 20, 2024, Terrafina provided a performance fee to the Advisor and the incentive derived from the compensation plan for the Trust's directors, which were paid on July 27, 2024, through an issuance and delivery of 13,140,040 and 641,466 CBFIs, respectively, corresponding to \$547,152 and \$26,711, respectively (see Notes 16 and 24).

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

3. SIGNIFICANT TRANSACTIONS (continued)

On June 28, 2024, Terrafina completed the sale of one property located in Saltillo, Coahuila, for \$107,142 (\$6 million Dollars) as part of the capital recycling strategy.

On July 24, 2024, Terrafina reported the payment of the performance fee to the Advisor and Terrafina's executives incentive plan through the issuance and grant of 13,140,064 CBFIs and 641,466 CBFIs, respectively.

On August 6, 2024, FIBRA Prologis acquired a majority stake in Terrafina's CBFIs, thereby gaining control of the Trust. As a result of this acquisition, and in addition to certain relevant changes in the corporate structure of the Trust, Terrafina paid a success fee to Goldman Sachs & Co. LLC ("Financial Advisor") in the amount of \$323,335 (equivalent to \$16.9 million dollars). The Financial Advisor provided advisory services related to the public tender offer process for Terrafina's certificates. The success fee was recorded under fees and other expenses in the consolidated statements of income and other comprehensive income.

On August 20, 2024, Terrafina contributed two lands located in Apodaca, Nuevo León through its joint venture agreement with Monarch Member LLC in the amount of \$199,263 (US\$10.7 million).

On November 26, 2024, FIBRA Prologis acquired an additional controlling interest of 12.75% in Terrafina, increasing its ownership from 77.13% to 89.88%.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in preparing these consolidated financial statements are set out below, these policies have been consistently applied to all the years presented:

A. CONSOLIDATION BASIS

These consolidated financial statements include net assets and results of operations of the entities listed below controlled by Terrafina as of December 31, 2024 and 2023. All significant intercompany balances and transactions have been eliminated from the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities over which the Trust has control. The Trust controls an entity when it is exposed or has rights to variable returns as a result of their involvement in it, also could affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Trust. They are deconsolidated from the date that control ceases.

Contributions to the subsidiaries have been made with the purpose of investing in investment properties, as well as the management of these investment properties.

As of December 31, 2024 and 2023, the Trust has 100% interest participation in all the subsidiaries mentioned below:

Trustee: HSBC México, S. A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria as trustee of the following trust:

- Trust F/307939

Trustee: Banco Invex, S. A., Institución de Banca Múltiple, Invex Grupo Financiero as trustee of the following trust:

- Trust F/2609
- Trust F/1411
- Trust F/1412

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

A. CONSOLIDATION BASIS (continued)

Trustee: CI Banco, S. A., Institución de Banca Múltiple, as trustee of the following trusts:

- Trust F/128
- Trust F/129
- Trust F/824
- Trust F/666
- Trust F/2989
- Trust F/2991
- Trust F/2996
- Trust F/3275
- Trust F/3276
- Trust F/3277
- Trust F/3457 ⁽¹⁾
- Trust F/3458 ⁽¹⁾
- Trust F/3459

Trustee: Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver as trustee of the following trusts:

- Trust F/3186
- Trust F/3230
- Trust F/3231
- Trust F/3232 ⁽²⁾
- Trust F/3233
- Trust F/3234 ⁽³⁾
- Trust F/3235
- Trust F/3236
- Trust F/4581 ⁽⁴⁾
- Trust F/4582
- Trust F/4583

⁽¹⁾ Trusts liquidated on June 29, 2023

⁽²⁾ Trust liquidated on April 08, 2024

⁽³⁾ Trust liquidated on September 28, 2023

⁽⁴⁾ Trust liquidated on September 4, 2023

TF Administradora, S. de R.L. de C.V. (“the Manager”). All related party transactions between the Manager and the Trust have been eliminated in these consolidated financial statements, to comply with the requirements of accounting standards and for other business information purposes; other transactions of the Manager are included in the consolidated financial statements (see Note 24).

B. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures are accounted for using the equity method. The carrying amount of the investment in joint ventures is increased or decreased to recognize the Trust’s share of the profit or loss and other comprehensive income of the joint venture, adjusted whenever necessary to ensure consistency with the accounting policies of the Trust. Unrealized gains and losses on transactions between the Trust and joint ventures are eliminated to the extent of the Trust’s interest in those entities.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

B. INVESTMENTS IN JOINT VENTURES (continued)

As of December 31, 2024, and 2023, the Trust's interest participation in joint ventures is 50% for both periods.

Investment in joint ventures, in its interest participation, includes net assets and the results of operations of the entities mentioned below:

Trustee: Monex Casa de Bolsa, S.A. de C.V., as trustee of the following trusts:

- Trust F/2717
- Trust F/3485

Trustee: CI Banco, S. A., Institución de Banca Múltiple, as trustee of the following trusts:

- Trust F/3927
- Trust F/4090 ⁽⁵⁾

⁽⁵⁾ Trust created on May 8, 2023

Trustee: Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, as trustee of the following trust numbers:

- Trust F/5456 ⁽⁶⁾

⁽⁶⁾ Trust created on June 2, 2023

Terrafina is entitled to receive an incentive fee once the performance returns on the investments have been met, in accordance with the provisions of the beneficiary agreement, and it is paid until the liquidation of such investments. Terrafina recognizes the incentive fee as if the investments were realized at the fair value at the date of this consolidated financial statements. The accrued incentive fee is recognized in the statement of income and other comprehensive income (see Note 8).

C. FOREIGN CURRENCY TRANSLATION

a. Functional and reporting currency

Items included in these consolidated financial statements are measured using the United States dollar ("Dollar" or "USD") which is the Trust's functional currency, since its cash sources and uses environment, a representative percentage of its income and costs, as well as various operating expenses are denominated in Dollars. The Mexican Peso ("Peso") is the Trust's reporting currency. This functional currency applies to all consolidated and non-consolidated project trusts.

b. Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of these transactions and from the translation of the monetary items in foreign currency at the exchange rate at the date of the consolidated statement of financial position are included in foreign exchange gain (losses) in the consolidated statements of income and other comprehensive income, as part of the results of operations.

Non-monetary items are not translated using the end of period exchange rate but are measured at historical cost (using the exchange rates in effect at the date of the transaction), except for non-monetary items measured at fair value, which are translated using the exchange rates on the date on which the fair value was determined.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

C. FOREIGN CURRENCY TRANSLATION (continued)

c. Conversion from functional currency to reporting currency

The Trust's consolidated financial statements as of December 31, 2024 and 2023 were translated as follows:

- (i) All assets and liabilities were translated using the exchange rate at the date of the consolidated financial position.
- (ii) Net assets components were translated at the historical exchange rate.
- (iii) Income and expenses of the consolidated statements of income and comprehensive income are translated at a monthly average exchange rate (corresponding to the days in which operations were carried out, unless that average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the transaction dates.); and
- (iv) All exchange differences resulting from net assets translation to their historical amounts are recognized in other comprehensive income.

The exchange rates used for preparation of these consolidated financial statements were as follows:

Reporting period	Year-end rate	Average rate (*)
December 31, 2024 USD/MXN	20.5103	18.3047
December 31, 2023 USD/MXN	16.8935	17.7512

(*) For the years from January 1 to December 31, 2024 and 2023.

D. LEASES

Leases in which a significant portion of the property risks and benefits are retained by the lessor are classified as operating leases (see Note 25). Operating lease income where the Trust operates as a lessor is recognized in consolidated statements of income and other comprehensive income on a straight-line basis during the term of the lease. When the Trust offers incentives to tenants ("free months"), these costs are recognized throughout the lease life, on a straight-line basis, as a reduction in lease income. These incentives are presented in the deferred rents receivable in the consolidated statement of financial position.

The other components that are not leasing (maintenance and other services) are recognized in accordance with IFRS 15 "Revenue from Contracts with Customers" (see Note 4L and Note 19).

Properties leased under operating leases are included on Investment Properties in the consolidated statement of financial position (see Note 7a).

The Trust makes payments (leasing commissions) to certain agents for services related to lease agreement negotiations with the lessees. The initial leasing commissions are capitalized as part of the carrying amount of the related investment property; subsequent leasing fees are expensed.

E. INVESTMENT PROPERTIES

Investment Properties held for long-term rental yields or for capital appreciation or both, that are not used by the owners, are classified as Investment Properties. Investment Properties are comprised of freehold land, freehold industrial buildings, and properties under construction or development for future use as Investment properties. Investment properties are initially measured at acquisition cost, including related transaction costs. After initial recognition, the Investment properties are measured at fair value.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

E. INVESTMENT PROPERTIES (continued)

As of November 19, 2024, the Chief Real Estate Appraiser of PGIM, Inc., an affiliate company of the Advisor and Administrator, was responsible for ensuring that the valuation process provided independent and reasonable fair values estimated. On November 20, 2024 going forward, the Prologis Advisor, is responsible for ensuring that the valuation process provides fair value estimates, through an internal specialist, based on appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization). The purpose of an appraisal is to estimate the fair value of a property as of a specific date. Fair value estimates require the exercise of significant judgment.

The fair value of Investment Properties is subject to numerous and various assumptions and limitations as of the valuation date. Many different individual assumptions may be supportable and reasonable, and the interplay and compounding of different assumptions, or the use of different accepted methodologies, may produce very different estimates of value for the same property.

The fair value of Investment Properties is an estimate of value and not a measure of realizable value. In addition, such valuations may be viewed as subject to change with the simple passage of time.

The fair value of Investment Properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. Fair value also reflects, on a similar basis, any cash outflows that could be expected in relation to the property.

The fair value measurement of investment property under construction is only applied if the fair value can be reliably measured. It may sometimes be difficult to reliably determine the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be reliably determined, management considers the following factors, among others:

- The terms and conditions of the construction contract.
- The percentage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- The status of construction permits.

Subsequent expenditure is added to the investment property's carrying value only when it is probable that future financial benefits associated with the item will flow to the Trust and the cost of the item can be measured in a reliable manner. All other repairs and maintenance costs are charged to the consolidated statement of income and other comprehensive income during the financial period in which they are incurred.

Changes in fair value are recorded as net unrealized gain (loss) from fair value adjustment on investment properties in the consolidated statement of income and other comprehensive income.

Investment Properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future financial benefit is expected from its disposal.

Gains or losses from sales or dispositions of investment properties are recorded as realized gain (loss) from disposal of investment properties in the consolidated statement of income and other comprehensive income.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks and short-term investments with initial maturity of less than three months and that are subject to insignificant risk of change in value. Interest income on short term investments is recognized as it is earned.

G. RESTRICTED CASH

Restricted cash represents funds held in guaranty trusts for payment of maintenance, interest and long-term principal related to borrowings.

Reserves included in restricted cash are required by the lenders under loan documents, in order to cover interest payments in an event of default.

H. FINANCIAL INSTRUMENTS

a. Recognition, initial measurement and derecognition of financial instruments

Financial assets and liabilities are recognized when the Trust is part of the contractual clauses of a financial instrument.

Financial assets are derecognized when the contractual rights over the financial asset cash flows is expired or when the asset and substantially all its risks and benefits are transferred. A financial liability is derecognized when it is extinguished, canceled or expired.

Classification and initial measurement of financial assets

All financial assets are measured initially at their fair value.

Financial assets are classified in the following categories:

- Amortized cost.
- Fair value through profit or loss ("FVTPL").
- Fair value through other comprehensive income ("FVOCI").

During presented periods, the Trust does not have financial assets categorized as amortized cost and FVOCI.

The above classification is determined by:

- The business model within which the entity holds the financial asset, also by,
- The contractual characteristics of the cash flows arising from the financial asset.

All income related to financial assets are recognized in the consolidated statements of comprehensive income.

b. Subsequent measurement of financial assets

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

Financial assets at amortized cost

Financial assets are measured at amortized cost if the following conditions are met (and are not designated at VRCR):

- The financial asset is held within a business model which objective is to collect the contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest.

After the initial recognition, these are measured at amortized cost using the effective interest method. The discount is omitted when the effect is not material. Cash and cash equivalents and accounts receivable are included in this category of financial instruments.

Impairment of accounts receivable and other accounts receivable

The Trust uses a simplified approach to book the accounts receivable and recognizes the estimated impairment as credit losses expected in the lifetime of the instrument. These are the expected deficits in the contractual cash flows, considering the potential default at any time during the life of the financial instrument. When calculating, the Trust uses its historical experience, external indicators and future information to calculate expected credit losses using a provision matrix.

Trust assesses the impairment of accounts receivable on a collective basis, since they have shared credit risk characteristics that have been grouped based on days past due (see Note 12).

c. Classification and measurement of financial liabilities

Financial liabilities are measured initially at their fair value.

Subsequently, they are measured at amortized cost using the effective interest method. Tenant deposits and accounts payable are included as financial liabilities. Accounts payable are liquidated within a period of 60 days. These are included in current liabilities, except when their maturities are greater than 12 months after the closing date of the year, in which case they are classified as non-current liabilities.

Borrowings are subsequently measured at fair value (FVTPL) and recognized in net unrealized gain (loss) from fair value adjustment on borrowings. Borrowings include one bond as of December 31, 2024.

For most loans, the fair values are equal to their cost basis, since the interest rates are very close to current market; however, there is a significant difference in the bonds, whose rates are related to changes in their own credit risk, these effects are recognized as a reserve in the consolidated statements of changes in net assets and, changes in the reserve, are recognized in other comprehensive income (FVOCI). The own credit risk reserve is derecognized when the bonds are liquidated, and the derecognition effect is reclassified to retained earnings.

Since the Trust manages and evaluates performance based on fair value in accordance with its investment strategy (Investment Properties), the use of the fair value option to measure borrowings is a practice that is consistent with the risk management and investment strategy of the Trust.

All charges related to interest and changes in the fair value of financial liabilities are recognized in statements of income and other comprehensive income.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

d. Derivative financial instruments

Derivative financial instruments (DFI) are accounted at fair value through profit or loss (FVTPL), except for derivatives designated as hedging instruments in cash flow hedging relationships, which require a specific accounting treatment. During the reporting periods, the Trust has not made any designation as a hedge relationship.

All DFI are recognized and subsequently measured at fair value, the changes in fair value are recognized as net unrealized gain (loss) from fair value adjustment on derivative financial instruments in the consolidated statement of income and other comprehensive income.

DFI are derecognized when they no longer meet the recognition criteria, whether due to extinction, transfer, substantial modification, or early termination. The difference between the carrying amount of the derivative financial instrument and the amount received (paid) in the derecognition transaction is immediately recognized in net realized gain (loss) from DFI in the consolidated statements of income and other comprehensive income.

I. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, or construction of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to be ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

J. TENANT DEPOSITS

Tenant deposits are recognized when received in accordance with the relevant lease terms and they are retained by the Trust until the lease expiration under certain circumstances established in the respective lease agreements.

According to IFRS 9, these items are recognized as financial liabilities with initial recognition at fair value, and subsequently at their cost, which approximates their nominal value.

K. REVENUE RECOGNITION

Lease agreements include lease revenues, variable revenues from insurance and property taxes. Lease revenues are recognized on a straight-line basis over the lease term as described in the leases policy previously mentioned.

The non-leasing components are recognized in accordance with IFRS 15. To determine the recognition of these revenues, the Trust follows a 5-step process:

1. Identify the contract with a customer
2. Identifying performance obligations
3. Determining the transaction price
4. Allocating the transaction price to separate performance obligations
5. Recognizing revenue as the performance obligations are fulfilled

Revenues are recognized at a specific time or over time, when the Trust fulfills performance obligations by transferring the promised goods or services to its customers. In the case of revenues from non-lease components, being the maintenance income, the main revenue related to this concept, the Trust satisfies the performance obligation as customers receive the corresponding services during the term of the contract, therefore the revenue is recognized over time. The transaction price for revenue from non-lease components is identified in each of the contracts and corresponds to the market sale prices, and they do not include variable payments, financing or any other.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

K. REVENUE RECOGNITION (continue)

The Trust obtains other income that mainly includes reimbursable costs such as water supply, electricity, which are billed to the tenants. The Trust recognizes this revenue as an agent, so the income, if any, corresponds to the differential between the expense incurred by the client and the amount invoiced for this concept by the Trust and is presented in the consolidated statement of income as other operating income.

L. FEES AND OTHER EXPENSES

Fees and other expenses include legal fees, accounting fees, audit fees and other professional fees. They are recognized in the consolidated statement of income and comprehensive income in the period in which they are incurred (on an accruals basis).

M. TAXATION

The Trust's intention is to operate in a manner enabling it to maintain its tax status as a Real Estate Investment Trust or FIBRA. The Trust will not be subjected to Income Tax ("ISR") to the extent that it distributes taxable income to its shareholders and complies with certain other requirements. The Trust meets the requirements of the LISR for the FIBRAS. Based on this, income tax provision is not accrued in the accompanying consolidated financial statements.

Recoverable taxes include recoverable income tax withholdings ("ISR") and value added taxes ("VAT") paid to suppliers of goods and services and declared to the tax authority periodically in compliance with applicable law. The current VAT rate throughout the national territory is 16%, with limited number of exceptions.

N. NET ASSETS

The net assets comprise: (i) the CBFI's, that are classified as net contributions and recognized at the fair value based on the consideration received (issuance proceeds) by Terrafina, the transaction costs arising from the issuance of CBFI's attributable to investors, that are recognized in net assets as a reduction in the proceeds from CBFI's related to such costs; (ii) the own credit risk reserve, described previously in section H; and (iii) the retained earnings (losses).

All cash distributions reduce the net assets and will be made at the sole discretion of the Technical Committee based on the results of the Trust's operations, the economic situation of the Trust and other factors considered as relevant by the Technical Committee.

Any consideration paid in the purchase of CBFIs issued by the Trust, including costs directly attributable to such acquisition, is recognized as a decrease in net assets until the CBFIs are canceled or reissued.

O. CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

The Trust elected to present the statement of income and other comprehensive income in a single financial statement. Costs and expenses were classified according to their function and not to their nature as this presentation is considered to provide more relevance and value to the users of these consolidated financial statements.

P. EARNINGS PER CBFI

The result or earnings by basic CBFI is calculated by dividing the Trust's profits attributable to CBFI holders by the weighted average number of CBFI's outstanding during the financial period.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

P. EARNINGS PER CBFI

The basic and diluted earnings per CBFI are as follows:

	2024	2023
Basic and diluted earnings per CBFI (Pesos)	\$ 4.94	\$ 8.65
Profit for the period	3,844,764	6,683,448
Weighted average number of CBFI's	778,543,122	772,480,755

Q. ASSET ACQUISITION CLASSIFIED AS INVESTMENT PROPERTIES

It is necessary to carry out an in-depth analysis and determine whether, an acquisition of investment properties should be reflected in accounting as the acquisition of an asset or group of assets or, as the case may be, a business combination in accordance with IFRS 3 Business Combinations ("IFRS 3"). According to the analysis carried out by the management of the Trust, it determined to account the acquisitions of the investment properties as an asset acquisition.

Management determines the acquisitions did not meet the definition of a Business as required under IFRS 3 in order to qualify for business combination treatment since no substantive business processes, employees or operational systems from the sellers were retained by the Terrafina to be able to operate the Property Investments after the acquisition was executed.

R. INFORMATION BY SEGMENTS

Segment information is presented in a manner consistent with the internal reports provided to the highest authority responsible for operational decision-making, resource allocation, and evaluation of the performance of the operating segments. The highest authority responsible for operational decision-making has been identified as the Strategic Committee, appointed by the Technical Committee.

5. FINANCIAL RISK MANAGEMENT

The Trust's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow risk and interest rate risk), credit risk, liquidity risk, financial risk, fair value estimation and net assets management risk. There are no changes to the risk management policies during the period ended December 31, 2024 and 2023.

a. Market risk

Foreign exchange risk

The Trust is exposed to foreign exchange risk arising from different currency exposures considering the functional currency used in its operations, primarily with respect to Investment Properties, leasing agreements and borrowings, which are mostly denominated in Dollar. Foreign exchange risk also arises from services provided by foreign vendors.

The Trust has not contracted hedging instruments to offset the effect of currency rate changes, mainly because its investments and revenues are denominated in Dollar.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

5. FINANCIAL RISK MANAGEMENT (continued)

a. Market risk (continued)

The effect on net assets resulting from converting Dollar denominated assets and liabilities to Mexican Pesos for the periods ended December 31, 2024 and 2023 were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Translation from functional currency to reporting currency	\$ 11,397,075	\$ 3,325,588

A sensitivity analysis prepared by management illustrates how changes in the currency rates affect the net assets in Mexican Pesos at December 31, 2024 and 2023 as a result of the conversion of functional currency to reporting currency, is shown as follows:

Sensitivity analysis	10% (+) (-) December 31, 2024	10% (+) (-) December 31, 2023
Exchange rate of mexican peso	20.5103	16.8935
Weakening of mexican peso	22.5613	18.5829
Strengthening of mexican peso	18.4593	15.2042
Net assets attributable to the investors	\$ 46,718,798	\$ 36,450,058
Adjusted Net Assets attributable to the investors (weakness)	51,390,610	40,095,171
Adjusted Net Assets attributable to the investors (strength)	42,046,987	32,805,160

Price risk

The Trust is exposed to Investment Properties price and market rental risks. The Trust uses local knowledge and experience plus local property managers to minimize these risks (see Note 7a).

The future rental income was estimated depending on the location, type and quality of the properties, and taking into account market data and projections at the valuation date.

Cash flow and interest rate risk

As the Trust has no significant interest-bearing assets, its income and operating cash flows are substantially independent from changes in market interest rates except for items related to its borrowings. Borrowings issued at variable rates expose the Trust to interest rate risk. The Trust's exposure to risk due to changes in interest rates is mostly related to the long-term loans contracted by them.

The Trust manages its interest rate risk through a combination of fixed rate and variable rate loans. In general, short-term loans can be subject to a floating rate, while longer-term loans are usually subject to a fixed rate. The risk of changes in variable interest rates related to loans payable contracted was reduced due to the use of DFI contracted during 2024 and 2023. Credit agreements are not subject to DFI contracts for coverage or protection. Any decision on the use of DFI is made at the discretion of the Trust's management based on market conditions and the financial strategy adopted..

As of December 31, 2024, and 2023, 44.7% and 64.2% of the borrowings are contracted at fixed interest rate and the remaining at variable interest rate, respectively. All borrowings are denominated in Dollar.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

5. FINANCIAL RISK MANAGEMENT (continued)

a. Market risk (continued)

In order to cover this risk, during the years 2024 and 2023 the Trust held DFI, which were liquidated before their maturity (see Note 11).

The Trust's exposure to changes in interest rates and the contractual revaluation at the end of the reporting period are shown below:

	December 31, 2024	%	December 31, 2023	%
Borrowings at variable rates	\$ 12,364,271	55%	\$ 5,986,860	36%
Borrowings at fixed rates – maturity date:				
Less than 1 year	-	0%	188,607	1%
1 – 2 years	-	0%	-	0%
More than 2 years	9,992,197	45%	10,562,239	63%
Borrowings	\$ 22,356,468	100%	\$ 16,737,706	100%

Risk of instruments used

The Trust has an unhedged exposure to floating-rate indexed loans payable of 55.3% as of December 31, 2024, due to the early termination of the DFI. The unhedged exposure of the DFI refers to the lack of protection against risks associated with rising interest rates that could affect the financial stability of the Trust.

The notional amount of the DFI entered into by the Trust, plus the principal amount indexed to a fixed rate, represents approximately 97% of the outstanding loan balance as of December 31, 2023. For 2023, the CAP strike price was 4.5%, and the floating rate of the loans is 83 basis points above the reference rate (3-month SOFR).

b. Credit risk

The Trust has no significant concentrations of credit risk. Policies have been implemented to ensure that rental agreements are made with customers with an adequate credit history. To reduce such risk, the Trust has security deposits or bonds. Cash transactions are limited to high-credit-quality financial institutions, these institutions are selected taking into account certain corporate criteria and are monitored every quarter. The Trust aims at limiting the amount of credit exposure to any financial institution. In addition, the Trust covers its credit risk through detailed analysis of clients with whom it has entered into lease agreements focusing on triple "A" customers, which ensure the return on investment. Accounts receivables are written off when there is no reasonable expectation of recovery, which include, among others, that the client does not suggest a payment plan and the impossibility of making contractual payments.

c. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash and cash equivalents, availability of funding through an adequate amount of committed credit facilities and the ability to close out or settle market positions.

In the normal course of business, the Trust enters into loan agreements with certain lenders to finance its real estate investment transactions. Unfavorable economic conditions could increase borrowing-related costs, limit access to the capital markets or result in a decision by lenders to not extend credit to the Trust.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

5. FINANCIAL RISK MANAGEMENT (continued)

c. Liquidity risk (continue)

There is no guarantee that the Trust's loan arrangements or ability to obtain leverage will continue to be available, or if available, will be available on terms and conditions acceptable to the Trust. Further, these loan agreements include, among other conditions, events of default and various covenants and representations. As of December 31, 2024, and December 31 2023, the Trust had no past due/callable loans.

A decline in market value of the Trust's assets may also have adverse consequences in instances where the Trust borrowed money based on the fair value of specific assets. A decrease in fair value of such assets may result in the lender requiring the Trust to post additional securities or otherwise repay the loans.

In the event the Trust's current portfolio and investment obligations are not refinanced or extended when they become due and/or the Trust is required to repay such borrowings and obligations, management anticipates that operating cash flow, investor's contributions, new debt refinancing, and real estate investment sales will provide the repayment of these obligations.

If the Trust finds it necessary to sell its investments expeditiously to comply with the above commitments, the Trust may sell them at their fair value on the date on which a value considerably lower than the value at which such investments were recorded in the past may be required.

The following table shows the analysis of liabilities, presented for the periods between the date of the consolidated statement of financial position and their maturity date. Amounts shown in the following table correspond to non-discounted cash flows, including interests.

December 31, 2024							
	3 months	1 year	1-2 years	2-7 years	Total contractual cash flows	Book value	
Borrowings	\$ 3,744,023	\$ 4,107,253	\$ 4,741,981	\$ 10,255,150	\$ 22,848,407	\$ 22,356,468	
Tenant deposits	61,728	59,161	81,812	305,049	507,750	507,750	
Accounts payable	-	594,455	210,449	-	804,904	804,904	
Total	\$ 3,805,751	\$ 4,760,869	\$ 5,034,242	\$ 10,560,199	\$ 24,161,061	\$ 23,669,122	

December 31, 2023							
	3 months	1 year	1-2 years	2-7 years	Total contractual cash flows	Book value	
Borrowings	\$ 262,742	\$ 844,675	\$ -	\$ 16,048,825	\$ 17,156,242	\$ 16,737,706	
Tenant deposits	30,694	59,122	67,333	242,141	399,290	399,290	
Accounts payable	-	283,200	-	91,804	375,004	375,004	
Total	235,966	-	-	-	235,966	235,966	
	\$ 529,402	\$ 1,186,997	\$ 67,333	\$ 16,382,770	\$ 18,166,502	\$ 17,747,966	

As of December 31, 2024 and 2023, borrowings include short term interest payable of \$323,996 and \$262,742, respectively.

d. Net assets risk

The Trust defines the managed contributions as the Trust's total net assets. The Trust's objectives when managing net assets are:

- Safeguarding the Trust's ability to continue as a going concern, so that it can continue carrying out multiple investments in exchange for returns from capital appreciation, investment income (such as "rental income", "dividends" or "interest"), or both.
- Providing an adequate return to investors based on the level of undertaken risk.
- Ensuring the necessary financial resources to allow the Trust to invest in areas that may deliver future benefits.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

5. FINANCIAL RISK MANAGEMENT (continued)

d. Net assets risk

- Maintaining enough financial resources to mitigate risks and unforeseen events.

Management reviews on a quarterly basis if the Trust complies with the covenants related to current borrowings.

e. Risk related to Environmental, Social and Governance (ESG)

Investment properties could be physically affected by extreme weather events and natural disasters, which may impact the operations and cause a negative effect on the Trust's financial condition and results. The main risks include events derived from extreme climate changes such as: heat waves, water stress, fires, and floods. These events can generate damage to the infrastructure that could result in a temporary closure, partial or total loss of the property, causing impacts on the operation of the tenants and financial losses for the business due to the costs of repairs.

The Trust has insurance policies with comprehensive insurance coverage in investment property, casualty and business interruption for all properties that could be affected by natural disasters, accidents and other similar events. These climate changes effects, even if anticipated, could have a material impact on the Trust's cash flows, performance and future financial condition. As of December 31, 2024, no material impacts derived from these risks have been identified that should be added to the assumptions already used in the preparation of the Trust's consolidated financial statements.

6. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management prepares estimates and assumptions based on historical experience adjusted for current market conditions and other factors. Actual results could differ from those estimates and assumptions.

Estimate of fair value of Investment Properties

The best evidence of fair value is current prices in an active market for similar Investment Properties. Management determines the fair value of Investment Properties based on appraisal reports prepared by independent third-party real estate appraisers in accordance with international valuation standards based on comparable prices in the local market or of net cash inflows to present value using a discounted cash flow method. Valuations are made based on estimated future cash flows supported by the term of existing leases or other contracts and current market leases of similar properties in similar locations and conditions, related property operating expenses and discount rates that reflect market assessments on the uncertainty in the amount and timing of cash flows (see Note 7a for further details on assumptions).

Fair value of DFI and other financial instruments

The fair value of DFI that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Trust determines the fair value of DFI and other financial instruments based on valuations prepared by a third party (see Note 7d for further details on assumptions).

Fair value of borrowings

The fair value of borrowings is determined by using valuation techniques. The Trust determines the fair value of borrowings based on valuations prepared by a third party. The Trust has been using generally accepted valuation methods (see Note 7c for further details on assumptions).

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

7. 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 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.

For the years ending December 31, 2024 and 2023, there were no transfers between categories.

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 the operating properties. Acquisitions are carried at purchase price and valued within a reasonable amount of time following the acquisition (typically within 3 months). As of November 19, 2024, the Chief Real Estate Appraiser of PGIM, Inc., an affiliated company of the Advisor and the Manager, was responsible for ensuring that the valuation process provides independent and reasonable property fair value estimates. On November 20, 2024 going forward, the Advisor Prologis oversees, through an internal specialist, all significant fair value measurements to ensure that the valuation process provides independent and reasonable 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 projections of rental income and expense, 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.

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.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

7. FAIR VALUE MEASUREMENTS (continued)

a. Investment Properties (continued)

Most significant unobservable inputs:

- **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 December 31, 2024 and 2023, was 9.48% (ranges between 8.00% and 13.00%) and 9.50% (ranges between 8.00% and 12.75%), respectively.
- **Capitalization Rate:** Based on the location, size, and quality of the properties, and taking into account market data at the valuation date. The capitalization rates used as of December 31, 2024, and 2023 were 7.78% (ranges between 6.25% and 10.75%) and 7.73% (ranges between 6.25% and 10.75%), respectively.
- **Projected rental income and expenses:** These are based on the actual location, type and quality of the properties, and supported by the terms of any existing leases, other contracts, or external evidence, such as current market rents for similar properties. The annual growth rate for revenue projections as of December 31, 2024, and 2023, ranges from 1% to 3% for both periods.

If the discount rates and capitalization rates used in the analysis increase or decrease by 25 basis points, the carrying amount of the Investment Properties would change as of December 31, 2024 as follows:

As of December 31, 2024:

		Capitalization Rate			
		-25 bps	Actual		+25 bps
Discount Rate	-25 bps	\$ 2,324,029	\$ 1,135,673	\$	23,876
	Actual	\$ 1,160,903	\$ -	\$	(1,087,085)
	+25 bps	\$ 24,099	\$ (1,111,027)	\$	(2,173,024)

As of December 31, 2023:

		Capitalization Rate			
		-25 bps	Actual		+25 bps
Discount Rate	-25 bps	\$ 1,811,387	\$ 887,779	\$	18,664
	Actual	\$ 907,503	\$ -	\$	(849,798)
	+25 bps	\$ 18,838	\$ (868,513)	\$	(1,698,699)

For the purposes of the lease income projections, if the market rents assumed in the discounted cash flow analysis increase or decrease by 25 cents of Dollar per square foot, the carrying amount of the Investment Properties would change as of December 31, 2024 and 2023 as follows:

		Market Rents	
		-\$0.25 US/sqft/yr	+\$0.25 US/sqft/yr
Change in Investment Property value as of december 2024	\$	(2,000,636)	\$ 1,999,615
Change in Investment Property value as of december 2023	\$	(1,649,791)	\$ 1,649,790

It is probable that significant increases (decreases) in the discount rate, vacancy and collection loss assumptions would result in a significantly lower (higher) fair value measurement. However, an increase (decrease) in the market yield growth would result in a higher (lower) fair value measurement.

Unrealized gains (losses) from fair value adjustments on Investment Properties is included in the consolidated 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 because their main assets and liabilities are recognized, in the financial statements of these investments, at fair value, in accordance with IFRS guidance on fair value measurements and disclosures.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

7. FAIR VALUE MEASUREMENTS (continued)

c. Borrowings

The valuations of the borrowings 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 Chief Real Estate Appraiser and the third-party appraiser at least once per year.

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

- Reference 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 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 reference rate the credit risk of comparable debts, as of December 31, 2024, and 2023, ranges between 1.30% and 2.65%, and 3.75% and 8.77%, respectively.

A significant increase (decrease) in the 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.

d. Derivative financial instruments

Until September 26, 2024 the Trust had DFI to cover the potential impacts of fluctuations in interest rates on the borrowings described in Note 13. The DFI included interest rate Caps and stated that if the SOFR rate was higher than the strike price, the counterparty would pay to the Trust an amount equal to the difference between the strike price and the SOFR rate. These DFI were handled over the counter ("OTC") and were classified at Level 2 of the fair value hierarchy.

The tables below present a summary of the assets and liabilities measured at fair value on a recurring basis, except for investments using the equity method, since these are accounted for using the equity method, which approximates the fair value of investments in non-consolidated subsidiaries and their respective level in the fair value hierarchy:

Fair Value Measurements at December 31, 2024

	Cost	Amounts measured at fair value	Level 1	Level 2	Level 3
<u>Assets:</u>					
Investment properties	\$ 43,369,481	\$ 64,187,025	\$ -	\$ -	\$ 64,187,025
Investment accounted using equity method	1,806,761	3,627,602	-	-	3,627,602
Total assets	\$ 45,176,242	\$ 67,814,627	\$ -	\$ -	\$ 67,814,627
<u>Liabilities:</u>					
Borrowings	\$ 22,848,407	\$ 22,356,468	\$ -	\$ 22,356,468	\$ -
Total liabilities	\$ 22,848,407	\$ 22,356,468	\$ -	\$ 22,356,468	\$ -

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

7. FAIR VALUE MEASUREMENTS (continued)

Fair Value Measurements at December 31, 2023

	Cost	Amounts measured at fair value	Level 1	Level 2	Level 3
<u>Assets:</u>					
Investment properties	\$ 43,680,371	\$ 50,732,940	\$ -	\$ -	\$ 50,732,940
Investment accounted using equity method	1,270,945	2,010,024	-	-	2,010,024
Derivative financial instruments	48,086	28,874	-	28,874	-
Total assets	\$ 44,999,402	\$ 52,771,838	\$ -	\$ 28,874	\$ 52,742,964
<u>Liabilities:</u>					
Borrowings	\$ 17,156,242	\$ 16,737,706	\$ -	\$ 16,737,706	\$ -
Total liabilities	\$ 17,156,242	\$ 16,737,706	\$ -	\$ 16,737,706	\$ -

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 years ended December 31, 2024 and 2023:

Fair value measurements using significant unobservable inputs
(Level 3)

	Beginning balance 01/01/2024	Realized and unrealized net gain (loss)	Currency translation	Acquisitions and improvements of investment properties	Dispositions	Ending balance 12/31/2024	Unrealized gain (loss) for the twelve months ended 12/31/2024
<u>Assets:</u>							
Investment properties	\$ 50,732,940	\$ 2,736,207	\$ 11,028,766	\$ 371,575	\$ (682,463)	\$ 64,187,025	\$ 2,624,454
Investment accounted using equity method	2,010,024	604,626	585,887	499,436	(72,371)	3,627,602	495,876
Total assets	\$ 52,742,964	\$ 3,340,833	\$ 11,614,653	\$ 871,011	\$ (754,834)	\$ 67,814,627	\$ 3,120,330

i. Net realized and unrealized gain (loss) is recorded in the line items “Net unrealized gain (loss) on adjustment to fair value of investment property” and “Realized gain (loss) on sale of investment property” for an amount of \$2,624,454 and \$9,141 respectively in the Consolidated Statements of Income and Other Comprehensive Income.

ii. Net realized and unrealized income (loss) from investments accounted for using the equity method is recorded in the “Share of results from investments accounted for using the equity method” line item in the Consolidated Statements of Income and Other Comprehensive Income of \$604,626 in the Consolidated Statements of Income and Other Comprehensive Income.

Fair value measurements using significant unobservable inputs
(Level 3)

	Beginning balance 01/01/2023	Realized and unrealized net gain (loss)	Currency translation	Acquisitions and improvements of investment properties	Dispositions	Ending balance 12/31/2023	Unrealized gain (loss) for the twelve months ended 12/31/2023
<u>Assets:</u>							
Investment properties	\$ 52,411,408	\$ 4,250,975	\$ (6,846,544)	\$ 974,981	\$ (57,880)	\$ 50,732,940	\$ 4,143,540
Investment accounted using equity method	539,639	413,106	(83,168)	1,236,366	(95,919)	2,010,024	400,332
Total assets	\$ 52,951,047	\$ 4,664,081	\$ (6,929,712)	\$ 2,211,347	\$ (153,799)	\$ 52,742,964	\$ 4,543,872

i. The net realized and unrealized gain (loss) is recorded under “Net unrealized gain (loss) on adjustment to fair value of investment property” and “Realized gain (loss) on sale of investment property” for \$4,143,540 and (\$30,549), respectively, in the Consolidated Statements of Income and Other Comprehensive Income.

ii. The net realized and unrealized gain (loss) on equity method investments is recorded under “Equity in earnings” of equity method investments for \$413,106 in the Consolidated Statements of Income and Other Comprehensive Income.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

7. FAIR VALUE MEASUREMENTS (continued)

Investments accounted using equity method are considered in the measurements at fair value using unobservable inputs due to the investment properties held in the joint ventures.

As of December 31, 2024 and 2023, there were no transfers between the hierarchy levels, neither from level 3 to other levels.

8. INVESTMENTS ACCOUNTED USING EQUITY METHOD

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.

On December 7, 2022, Terrafina signed a joint venture agreement with Monarch Member to invest through the Trust F/3927 (“Sidecar”) in the acquisition, development and leasing of commercial properties in Mexico. At December 31, 2024 and 2023, the accrued incentive fee were \$37,306 y \$15,791, respectively, and were recognized in the consolidated statement of income and other comprehensive income.

At December 31, 2024, and 2023, the Trust had a 50% interest participation in the joint venture agreements signed with American Industries, Avante and Monarch Member for both years.

The tables below present a reconciliation of the ending balances at December 31, 2024 and December 31, 2023:

	December 31, 2024				December 31, 2023			
	Fid. 2717	Fid. 3485	Fid. 3927	Total	Fid. 2717	Fid. 3485	Fid. 3927	Total
Beginning Balance	\$ 340,001	\$ 379,536	\$ 1,290,487	\$ 2,010,024	\$ 288,442	\$ 250,861	\$ 336,00	\$ 539,639
Contributions (distributions) ⁽¹⁾	(12,703)	91,106	348,662	427,065	(11,463)	123,710	1,028,199	1,140,446
Share of profit from equity accounted investments	59,976	185,885	358,765	604,626	102,092	44,634	266,380	413,106
Currency translation	82,678	122,674	380,535	585,887	(39,070)	(39,669)	(4,428)	(83,167)
Ending balance	\$ 469,952	\$ 779,201	\$ 2,378,449	\$ 3,627,602	\$ 340,001	\$ 379,536	\$ 1,290,487	\$ 2,010,024

⁽¹⁾ On August 20, 2024, Terrafina made a non cash contribution through its joint venture agreement with Monarch Member LLC in the amount of \$199,263 (US\$10.7 million) that did not require cash flow.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

8. INVESTMENTS ACCOUNTED USING EQUITY METHOD (continued)

The following information summarizes financial data and principal activities of the Trust's unconsolidated joint ventures:

Condensed financial position	December 31, 2024				December 31, 2023			
	Fid. 2717	Fid. 3485	Fid. 3927	Total	Fid. 2717	Fid. 3485	Fid. 3927	Total
Assets								
Cash and cash equivalents	\$ 44,994	\$ 1	\$ 54,114	\$ 99,109	\$ 36,941	\$ 4,815	\$ 37,707	\$ 79,463
Accounts receivables	16,402	24,040	29,706	70,148	2,062	4,844	12,105	19,011
Deferred rents receivable	18,336	13,900	34,421	66,657	15,385	2,159	3,300	20,844
Derivative financial instruments	-	-	19,156	19,156	14,048	-	40,406	54,454
Other assets and advances for acquisition	-	9,884	327,260	337,144	788	53,920	857,329	912,037
Total assets - current	79,732	47,825	464,657	592,214	69,224	65,738	950,847	1,085,809
Investments properties	1,906,637	1,724,301	8,013,472	11,644,410	1,479,533	837,574	5,390,716	7,707,823
Total assets - non current	1,906,637	1,724,301	8,013,472	11,644,410	1,479,533	837,574	5,390,716	7,707,823
Total assets	1,986,369	1,772,126	8,478,129	12,236,624	1,548,757	903,312	6,341,563	8,793,632
Liabilities								
Borrowings	1,023,634	145,426	3,557,660	4,726,720	854,630	121,633	3,364,514	4,340,777
Accounts payable	12,732	13,785	69,980	96,497	6,009	13,577	344,782	364,368
Total liabilities - current	1,036,366	159,211	3,627,640	4,823,217	860,639	135,210	3,709,296	4,705,145
Tenant deposits	10,102	54,513	93,588	158,203	8,116	9,030	51,294	68,440
Total liabilities - non current	10,102	54,513	93,588	158,203	8,116	9,030	51,294	68,440
Total liabilities	1,046,468	213,724	3,721,228	4,981,420	868,755	144,240	3,760,590	4,773,585
Net assests	\$ 939,901	\$ 1,558,402	\$ 4,756,901	\$ 7,255,204	\$ 680,002	\$ 759,072	\$ 2,580,973	\$ 4,020,047
Trust share (%)	50%	50%	50%	50%	50%	50%	50%	50%
Trust share (\$)	\$ 469,951	\$ 779,201	\$ 2,378,451	\$ 3,627,602	\$ 340,001	\$ 379,536	\$ 1,290,487	\$ 2,010,024

Condensed comprehensive income	Twelve months ended December 31, 2024				Twelve months ended December 31, 2023			
	Fid. 2717	Fid. 3485	Fid. 3927	Total	Fid. 2717	Fid. 3485	Fid. 3927	Total
Income:								
Rental revenues	\$ 113,947	\$ 80,788	\$ 391,052	\$ 585,787	\$ 104,549	\$ 20,914	\$ 110,519	\$ 235,982
Net unrealized (gain) loss from fair value adjustment on investment properties	89,606	302,509	650,401	1,042,516	180,900	80,644	577,728	839,272
Net unrealized gain (loss) from fair value adjustment on derivative financial instruments	(9,583)	-	(31,690)	(41,273)	(17,207)	-	(28,493)	(45,700)
Other income	998	6,036	53,093	60,127	397	1,298	2,732	4,427
Total revenues	194,968	389,333	1,062,856	1,647,157	268,639	102,856	662,486	1,033,981
Expenses:								
Real estate operating expenses	10,004	3,991	60,377	74,372	13,338	4,021	7,091	24,450
Fees and other expenses	2,834	4,754	77,793	85,381	3,340	3,533	54,931	61,804
Financial income	(856)	(67)	(4,609)	(5,532)	(806)	(11)	(2,615)	(3,432)
Interest expenses	63,035	8,885	211,764	283,683	48,582	4,114	70,319	123,015
Borrowing expenses	-	-	-	-	-	1,932	-	1,932
Total expenses	75,017	17,562	345,325	437,904	64,454	13,589	129,726	207,769
Total operating (loss) profit	\$ 119,951	\$ 371,771	\$ 717,532	\$ 1,209,252	\$ 204,185	\$ 89,267	\$ 532,760	\$ 826,212
Trust share (%)	50%	50%	50%	50%	50%	50%	50%	50%
Trust share (\$)	\$ 59,976	\$ 185,885	\$ 358,765	\$ 604,626	\$ 102,092	\$ 44,634	\$ 266,380	\$ 413,106

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

9. OTHER ACCOUNTS RECEIVABLE

The other accounts receivable is broken down as follows:

	December 31, 2024	December 31, 2023
Accounts receivable from sale of investment properties	\$41,021	\$59,127
Payments in advance for construction	20,431	45,170
Outstanding recoverable VAT	57,771	12,550
Security deposits paid	1,210	1,269
Promote Sidecar	149,727	15,164
Others ⁽¹⁾	206,655	15,665
Total	\$476,815	\$148,945
Other accounts receivable – Non-current	149,727	48,951
Other accounts receivable – Current	327,088	99,994

⁽¹⁾ Payments pending to be applied in the following periods

10. RECOVERABLE TAXES

Recoverable taxes consist of the following:

	December 31, 2024	December 31, 2023
Recoverable VAT	\$ 364,260	\$ 237,420
Federal income tax withheld	10,278	1,842
Total	\$ 374,538	\$ 239,262
Recoverable taxes – Non-current	\$ 355,795	\$ -
Recoverable taxes – Current	\$ 18,743	\$ 239,262

For the years ended December 31, 2024, and 2023, there were no refunds for VAT to the Trust.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Trust held economic hedges into interest rate derivatives contracts in order to manage the potential impact of interest rate fluctuations on the borrowings described in Note 14. The DFI include interest rate Caps and states that in the case the underlying reference rate becomes higher than the strike price; the counterparty will pay the Trust an amount equal to the difference between the strike price and the reference rate on a monthly or quarterly basis.

On August 29, 2024, Terrafina terminated before the maturity date all DFI. The settlement amount received was \$2,828, resulting a realized loss on DFI of \$12,396, recognized in the consolidated statement of income and other comprehensive income.

For the periods ended December 31, 2024, and 2023, the difference between the strike price and the reference rate resulted in an interest reimburse by the counterparty to the Trust of \$29,874 and \$43,288, respectively. Interest reimburses are recognized in finance costs net in the consolidated statement of income and other comprehensive income (see Note 23).

On September 26, 2024, the Trust early terminated the DFI contracts it had in force at the discretion of Trust management. As a result, a loss of \$19,959 was recognized in the consolidated statement of income and other comprehensive income.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

11. DERIVATIVE FINANCIAL INSTRUMENTS (continue)

DFI held as of December 31, 2023, are summarized as follows:

December 31, 2023							
Derivative Type	Bank	National amount USD	Underlying variable rate	Strike price	Fair Value	Inception date	Maturity date
Caps	BBVA	258,000,000	3M SOFR	4.5%	\$ 23,836	July 17, 2023	July 17, 2024
Caps	BBVA	57,000,000	3M SOFR	4.5%	5,038	July 28, 2023	July 29, 2024
Total					\$ 28,874		

12. ACCOUNTS RECEIVABLES

At December 31, 2024 and 2023, the aging of accounts receivables are presented as follows:

	<u>< 3 months</u>	<u>3 – 6 months</u>	<u>> 6 months</u>	<u>Total</u>
December 31, 2024	\$ 204,564	\$ 22,136	\$ 17,319	\$ 244,019
December 31, 2023	\$ 71,483	\$ 5,619	\$ 86,355	\$ 163,457

At December 31, 2024 and 2023, allowance for doubtful accounts are shown as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Beginning balance	\$ 88,421	\$ 101,069
Increases	109,656	72,940
Decreases	(124,290)	(64,397)
Write offs	(48,369)	(41,307)
Currency translation	14,035	20,116
Ending Balance	\$ 39,453	\$ 88,421

The accounts receivables are an approximate to the fair value as they are short-term. Accounts receivables are mostly denominated in Dollars.

13. FINANCIAL INSTRUMENTS

The details of financial instruments at December 31, 2024 and 2023 are presented as follows:

Assets	Classification	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current assets			
Deferred rents receivable	amortized cost	\$ 256,512	\$ 224,729
Other accounts receivable	amortized cost	149,727	48,951
Restricted cash	amortized cost	-	26,588
Total non-current financial assets		\$ 406,239	\$ 300,268
Current assets			
Other accounts receivable	amortized cost	\$ 327,088	\$ 99,994
Derivative financial instruments	FVTPL	-	28,874
Deferred rents receivable	amortized cost	43,166	40,769
Accounts receivable	amortized cost	204,566	75,036
Cash and cash equivalents	amortized cost	1,207,506	635,618
Total current financial assets		\$ 1,782,326	\$ 880,291

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

13. FINANCIAL INSTRUMENTS (continue)

Liabilities	Classification	December 31, 2024	December 31, 2023
Non-current liabilities			
Borrowings	FVTPL/ Own credit risk in other comprehensive income	\$ 14,505,192	\$ 15,630,289
Tenant deposits	amortized cost	386,861	309,474
Accounts payable	amortized cost	210,449	91,804
Total non-current financial liabilities		\$ 15,102,502	\$ 16,031,567
Current liabilities			
Borrowings	FVTPL/ Own credit risk in other comprehensive income	\$ 7,851,276	\$ 1,107,417
Tenant deposits	amortized cost	120,889	89,816
Other Accounts payable	amortized cost	-	235,966
Accounts payable	amortized cost	594,455	283,200
Total current financial liabilities		\$ 8,566,620	\$ 1,716,399

14. BORROWINGS

Borrowings includes mortgage loans payable as summarized below:

Credit entity / Instrument	December 31, 2024		December 31, 2023		Interest rate (p.a.)^{[1],[2]}	Maturity date	Terms^[3]
	Principal balance at cost	Fair value	Principal balance at cost	Fair value			
BONO 2029	\$ 10,484,137	\$ 9,992,197	\$ 8,635,357	\$ 8,216,821	Fixed - 4.962%	July, 2029	I
Metlife	-	-	2,534,025	2,534,025	Fixed - 4.75%	January, 2027	I
BBVA Promissory Note 2023	-	-	846,303	846,303	1 month SOFR + 0.95%	December, 2024	I
BBVA Promissory Note 2024	1,030,708	1,030,708	-	-	1 month SOFR + 1.00%	September, 2025	I
New BBVA Term Loan	4,155,728	4,155,728	3,428,697	3,428,697	3 month SOFR + 1.65% ^[4]	July, 2027	I
New BBVA RCF ^[5]	649,278	649,278	1,711,860	1,711,860	3 month SOFR + 1.45% ^[4]	July, 2026 ^[6]	I
BBVA Promissory Note (August 2024)	1,380,888	1,380,888	-	-	1 month SOFR + 0.95%	February, 2025	I
BBVA Promissory Note (A)	1,544,890	1,544,890	-	-	1 month SOFR + 1.00%	June, 2025	I
BBVA Promissory Note (B)	1,544,890	1,544,890	-	-	1 month SOFR + 1.00%	June, 2025	I
Scotiabank	2,057,889	2,057,889	-	-	1 month SOFR + 0.99%	April, 2025	I
Total borrowings	\$ 22,848,407	\$ 22,356,468	\$ 17,156,242	\$ 16,737,706			

^[1] p.a. = per year.

^[2] At December 31, 2024 and December 31, 2023, the 3 months SOFR was 4.69% and 5.59%, respectively, and the 1 month SOFR was 4.53% and 5.35%, respectively.

^[3] I = Interest.

^[4] The applicable margin may vary according to the Loan to Value ("LTV") ratio.

^[5] Unsecured committed revolving credit, up to an amount of US \$100 million Dollars

^[6] Maturity date: July 2026 – with an option to extend two additional years.

On May 5, 2023, Terrafina made a disposition of \$250,684 (\$14 million) from the BBVA RCF revolving credit facility.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

14. BORROWINGS (continued)

On July 12, 2023, the Trust refinanced the sustainability-linked credit line BBVA Term Loan and BBVA RCF through a new sustainable unsecured syndicated credit line of \$500 million Dollars composed of two tranches: (i) US\$200 million Term Loan ("New BBVA Term Loan") and (ii) US\$300 million Revolving Credit Facility ("New BBVA RCF") with BBVA as sole lead arranger and other financial institutions and used the resources to prepay and fully liquidate the previous lines of credit, BBVA Term Loan and BBVA RCF, for \$3,124,743 (\$185 million Dollars) and \$776,963 (\$46 million Dollars), respectively. The new credit line includes the following terms: (1) it will be sustainability-linked with a Key Performance Indicators ("KPI") to the Green Building Certifications, (2) up to 5 basis points increase (premium) or decrease (discount) to the applicable margin if the Trust complies with the KPI, (3) principal payment at the maturity.

On July 17, 2023, Terrafina made a disposition for \$3,378,100 (\$200 million) and another \$979,649 (\$58 million) of the New BBVA Term Loan and New BBVA RCF credit lines, respectively.

On July 28, 2023, Terrafina made a disposition of \$962,302 (\$57 million dollars) from the new BBVA RCF revolving credit facility.

On September 21, 2023, Terrafina prepaid \$256,207 (\$15 million dollars) of the Nuevo BBVA RCF revolving credit facility.

On December 20, 2023, Terrafina renewed the one-year \$50 million unsecured note with BBVA. The cost of the US\$50 million is SOFR plus a margin of 95 basis points, which represents 55 basis points less than the current margin of the New BBVA RCF revolving credit facility.

On January 18, 2024, Terrafina made a disposition of \$343,196 (\$20 million dollars) from the New BBVA RCF revolving credit facility.

On February 1, 2024, Terrafina prepaid \$343,864 (\$20 million dollars) of the New BBVA RCF revolving credit facility.

On February 29, 2024, Terrafina made a disposition of \$1,354,254 (\$81.2 million dollars) from the New BBVA RCF revolving credit facility.

On August 29, 2024, Terrafina closed an unsecured promissory note with BBVA México, S.A. ("BBVA Promissory Note August 2024") for a total amount of \$1,317,836 (\$67 million dollars).

On August 29, 2024, Terrafina prepaid \$1,317,836 (\$67 million dollars) of the New BBVA RCF revolving credit facility and elected to reduce the committed of the revolving credit facility to \$131.2 million dollars.

On August 30, 2024, Terrafina made a disposition of \$336,885 (\$17 million dollars) of the Nuevo BBVA RCF revolving credit facility.

On October 9, 2024, Terrafina entered into a promissory note (unsecured) for a total amount of \$1,921,270 (\$100 million USD) with Scotiabank Inverlat, S.A.

On October 10, 2024, Terrafina prepaid \$2,043,570 (\$100 million) of the Nuevo BBVA RCF revolving credit facility and reduced the amount committed of the revolving credit facility to \$100 million.

On December 3, 2024, Terrafina entered into a promissory note (unsecured) for a total amount of \$1,532,678 (\$75 million dollars) with BBVA México, S.A. ("BBVA Promissory Note A").

On December 3, 2024, Terrafina entered into a promissory note (unsecured) for a total amount of \$1,532,678 (\$75 million dollars) with BBVA México, S.A. ("BBVA Promissory Note B").

On December 4, 2024, Terrafina prepaid \$3,065,355 (\$150 million) of the credit facility with Metlife.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

14. BORROWINGS (continued)

On December 20, 2024, Terrafina renewed the \$50 million (unsecured) promissory note until September 2025 with BBVA. The cost for the \$50 million was SOFR plus a margin of 100 basis points.

As of December 31, 2023, Metlife loans were secured by Investment Properties with an estimated aggregate fair value of \$7,824,224.

As of December 31, 2024, and 2023, fair value borrowings are payable as follows:

	< 1 year		1 – 3 years		> 3 years		Total
December 31, 2024	\$	7,851,276	\$	4,741,981	\$	9,763,210	\$ 22,356,467
December 31, 2023	\$	1,107,417	\$	1,689,350	\$	13,940,939	\$ 16,737,706

All loans payable are denominated in Dollars and are not subject to principal amortizations until their respective maturity dates.

During 2024 and 2023, the Trust repaid principal amounts under the borrowings contracted as follows:

Bank	December 31, 2024					Total
	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
New BBVA RCF	\$ 343,864	\$ -	\$ 1,317,836	\$ 2,043,570	\$	3,705,270
Metlife	-	-	-	3,065,355		3,065,355
	\$ 343,864	\$ -	\$ 1,317,836	\$ 5,108,925	\$	6,770,625

Bank	December 31, 2023					Total
	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
BBVA Term Loan	\$ -	\$ -	\$ 3,126,886	-	\$	3,126,886
BBVA RCF	-	-	777,496	-		777,496
New BBVA RCF	-	-	253,531	-		253,531
BBVA Promissory Note 2023	-	-	-	861,385		861,385
	\$ -	\$ -	\$ 4,157,913	\$ 861,385	\$	5,019,298

According to the terms of the agreements, only the New BBVA Term Loan and New BBVA RCF have financial covenants that the Trust is obligated to fulfill at the end of each annual and interim reporting period:

Leverage ratio <55%; this ratio was 32.5% and 33.3% as of December 31, 2024 and 2023, respectively.

Secured debt ratio <40%; this ratio was 3.3% and 8.2% as of December 31, 2024 and 2023, respectively.

Unsecured debt ratio <50%; this ratio was 32.6% and 36.4% as of December 31, 2024 and 2023, respectively.

Fixed-charge coverage ratio >1:60 to 1:00, this ratio was 3.2 and 3.5 as of December 31, 2024 and 2023, respectively.

Unencumbered debt service coverage ratio >1:60 to 1:00, this ratio was 2.6 and 2.6 as of December 31, 2024 and 2023, respectively.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

14. BORROWINGS (continued)

Net Asset Value (Equity Value): Not less than USD \$843.8 million plus 70% of the net proceeds from all offerings of principal interest borrowed after the Closing Date (excluding net proceeds to the extent such proceeds have been used for repurchases of any Equity Interests of the Trust. This ratio was USD \$2,276.9 million and USD \$2,157.6 million as of December 31, 2024 and 2023, respectively.

During the periods presented, the Trust has complied with the covenants, as well as with the payment of principal and/or interest, and has not encountered any causes of default. There are no indications that the Trust could have difficulties complying with its covenants in the next twelve months after the reporting date.

The component of fair value changes related to the Trust's own credit risk is recognized in other comprehensive income. Amounts recorded in OCI related to credit risk are not subject recycling in profit or loss but are transferred to retained earnings when realized. Fair value changes relating to market risk are recognized in income and other comprehensive income as follows:

	December 31, 2024	December 31, 2023
Carrying amount	\$ 22,356,468	\$ 16,737,706
Includes:		
Cumulative change in fair value on borrowings attributable to changes in credit risk recognized in the FVOCI	261,390	215,261
Amount the Trust is contractually obligated to pay for borrowings	22,848,407	17,156,242
Difference between carrying amount and the amount that the Trust is contractually obligated to pay for borrowings	\$ (491,939)	\$ (418,536)

The details of borrowings are shown below:

	December 31, 2024	December 31, 2023
Beginning balance	\$ 16,737,706	\$ 17,203,117
Principal payment on borrowings ^[1]	(6,770,625)	(5,019,298)
Proceeds from borrowings ^[1]	8,351,407	6,432,121
Interest expenses net	61,253	(31)
Changes in the fair value adjustment on borrowings	12,838	306,113
Translation gain (los) from functional currency to reporting currency	3,963,889	(2,184,316)
Ending balance	\$ 22,356,468	\$ 16,737,706
Borrowings - non-current	\$ 14,505,192	\$ 15,630,289
Borrowings - current	\$ 7,851,276	\$ 1,107,417

^[1] During 2024 and 2023, there were \$1,006,975 (\$50 million Dollars) and \$861,385 (\$50 million Dollars), respectively, of the refinanced promissory note with BBVA not included as they did not require cash flow.

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

15. ACCOUNTS PAYABLE

Accounts payable are integrated as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accrued fees	\$ 251,941	\$ 130,975
Other deposits	208,250	-
Accrued management fee	229,931	75,858
Tax payable	64,137	51,012
Accounts payable to suppliers	28,422	30,546
Retainage payable	6,734	42,525
Payroll payable	-	38,470
Other	15,489	5,618
Total	<u>\$ 804,904</u>	<u>\$ 375,004</u>
Accounts payable – non-current	\$ 210,449	\$ 91,804
Accounts payable – current	\$ 594,455	\$ 283,200

16. NET ASSETS ATTRIBUTABLE TO THE INVESTORS

On July 27, 2024, Terrafina issued 13,140,064 CBFIs and 641,466 CBFIs, corresponding to \$547,152 and \$26,711 respectively, and were used for the payment of the performance fee to the Advisor (see Note 24) and for the payment of the incentive derived from the compensation plan to the Trust's directors, respectively.

As of December 31, 2024 and 2023, the total investor contribution amounts to \$21,390,840 and \$20,816,977, respectively, and are comprised of 786,262,285 and 772,480,755 CBFI's outstanding, respectively, integrated as shown below:

Details	<u>No. of CBFI's</u>	<u>Total contributions</u>
As of December 31, 2022	772,480,755	\$ 20,816,977
No transactions during the year	-	-
As of December 31, 2023	772,480,755	20,816,977
CBFI's exercised on July 27, 2024	13,781,530	573,863
As of December 31, 2024	<u>786,262,285</u>	<u>\$ 21,390,840</u>

As of December 31, 2024 and 2023, the Trust's net contribution amounts to \$18,402,436 and \$17,828,573, respectively, which corresponds to total investor contributions of \$21,390,840 and \$20,816,977, respectively, net of capital returns amounting to \$2,988,404 for both years.

Terrafina paid distributions to investors on the following dates and amounts, which were previously approved by the Technical Committee.

<u>Distribution Date</u>	<u>Amount</u>
March 5, 2024	\$ 1,560,846
June 30, 2024	348,087
August 5, 2024	358,570
Total Distribution 2024	<u>\$ 2,267,503</u>
<u>Distribution Date</u>	<u>Amount</u>
March 9, 2023	\$ 322,927
May 12, 2023	361,109
August 3, 2023	341,798
November 9, 2023	329,407
Total Distribution 2023	<u>\$ 1,355,241</u>

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

16. NET ASSETS ATTRIBUTABLE TO THE INVESTORS (continue)

The 2023 fiscal year distributions were considered a distribution of fiscal results, except for the distribution dated March 9, 2023, which was considered part as distribution of tax result, \$280,107, and part as capital refund, \$42,820.

17. CASH FLOW INFORMATION (continued)

Net debt reconciliation

Analysis of net debt and movements in the net debt for both periods are presented as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash	\$ 1,207,506	\$ 635,618
Borrowings – payable within a year	(7,851,276)	(1,107,417)
Borrowings – payable more than a year	(14,505,192)	(15,630,289)
Net debt	<u>\$ (21,148,962)</u>	<u>\$ (16,102,088)</u>
Cash	\$ 1,207,506	\$ 635,618
Net debt – fixed rate	(9,992,198)	(10,750,846)
Net debt – variable rate	(12,364,270)	(5,986,860)
Net debt	<u>\$ (21,148,962)</u>	<u>\$ (16,102,088)</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Transactions that required cash		
Beginning balance	\$ 16,102,088	\$ 16,470,017
Proceeds from borrowings long term	1,822,850	5,320,052
Proceeds from borrowings short term	6,528,557	250,684
Principal payments on borrowings long term	(6,770,625)	(4,157,913)
Interest payments on borrowings	(1,035,121)	(935,207)
Cash transaction totals	<u>\$ 16,647,749</u>	<u>\$ 16,947,633</u>
Transactions that did not require cash		
Exchange rate effects and others	\$ 4,501,213	\$ (845,545)
Transacciones totals	<u>\$ 21,148,962</u>	<u>\$ 16,102,088</u>

Other non-cash transactions

For the year ended December 31, 2024, the following were the payment of a performance-fee to the Advisor and an incentive derived from the compensation for the Trus's directors plan of \$547,152 and \$26,711, respectively; an in-kind contribution to the joint venture with Monarch Member for \$199,263 (USD \$10.7 million); and a refinanced promissory note with BBVA for \$1,006,975 (USD \$50 million). For the year ended December 31, 2023, a refinanced promissory note with BBVA for \$861,385 (USD \$50 million).

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

18. CONCENTRATION OF RISK

Investment Properties from Terrafina are concentrated in the industrial sector; accordingly, the investment portfolio may be subject to more rapid change in value than would be the case if the Trust was to maintain a wide diversification among investment sectors. The Trust mitigates this risk by concentrating their investment in various regions of Mexico.

As of December 31, 2024 and 2023, the Trust maintains real estate investments in different states of Mexico. Below is the concentration based on reasonable values and established regions:

2024			2023		
	Region	Estimated Fair Value		Region	Estimated Fair Value
North	63.3%	\$ 40,649,643	63.2%	\$ 32,063,218	
Bajio	16.7%	10,693,558	17.3%	8,776,799	
Central	20.0%	12,843,824	19.5%	9,892,923	
Total	100%	\$ 64,187,025	100%	\$ 50,732,940	

The concentration of rental income for the periods from January 1 to December 31, 2024 and 2023 based on the proportion by geographic area, was as follows:

2024			2023		
	Region	Rental Revenues		Region	Rental Revenues
North	63.1%	\$ 2,593,363	66.0%	\$ 2,517,808	
Bajio	18.2%	749,719	17.2%	656,156	
Central	18.6%	765,513	16.8%	640,897	
Total	100%	\$ 4,108,595	100%	\$ 3,814,861	

The occupancy percentage of Investment Properties were on average 94.1% and 98.13%, during 2024 and 2023, respectively, the operating expenses that generate income are considered in that same proportion.

Gross leasable area concentration by segment at December 31, 2024 and 2023, is as follows:

	2024	2023
Automotive	36.9%	33.6%
Industrial properties	10.3%	11.3%
Consumer goods	19.6%	20.2%
Aviation	8.8%	9.1%
Logistics and retail	14.2%	15.1%
Electronics	9.7%	8.7%
Non-durable consumer goods	0.5%	2.0%
Total	100%	100%

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

19. REVENUES

Rental revenues were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Rental revenues	\$ 4,108,595	\$ 3,814,861
Total	\$ 4,108,595	\$ 3,814,861

Rental revenues include variable payments for property insurance and property taxes.

Other operating income were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Maintenance reimbursement	\$ 22,689	\$ 16,566
Recovery of expenses	3,115	14,266
Late charges	58,572	4,729
Other Income	6,505	4,663
Total	\$ 90,881	\$ 40,224

20. REAL ESTATE OPERATING EXPENSES

Real estate operating expenses were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Repair, maintenance and facilities	\$ 208,210	\$ 224,989
Property tax and other taxes	185,329	102,641
Leasing commission	73,791	72,040
Property management fees	79,147	75,689
Broker fees	48,713	48,872
Bad debt expense	(14,634)	8,544
Property insurance	40,895	41,143
Security	14,674	18,497
Property appraisals	6,451	10,634
Electricity	4,070	3,362
Advertising	451	309
Bank commissions	2,363	2,427
Other expenses	12,749	15,967
Total	\$ 662,209	\$ 625,114

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

21. OTHER REAL ESTATE EXPENSES NET

Other real estate expenses net were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Accrued property incentive fee	\$ 2,379	\$ (51,417)
Total	\$ 2,379	\$ (51,417)

22. FEES AND OTHER EXPENSES

Fees and other expenses were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Performance fee	\$ 553,073	\$ -
Management fee	291,196	259,749
Service fee ⁽¹⁾	138,257	-
Administrative fee	438,185	73,600
Payroll	118,477	43,628
Professional fees	57,311	43,806
Legal fees	85,125	26,149
Trustee fees	8,975	9,225
Other expenses	35,787	15,323
Total	\$ 1,726,386	\$ 471,480

⁽¹⁾ Services of the Advisor to execute the transition of the administration and operation of the services provided to the Trust. Note 1 (iii).

23. FINANCE COSTS – NET

Net finance costs were as follows:

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Interest income on bank accounts	\$ 34,783	\$ 30,062
Total	\$ 34,783	\$ 30,062

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Interest expense from borrowings	\$ 1,133,952	\$ 972,811
Interest reimburse	(29,874)	(43,288)
Borrowing costs	16,334	88,499
Total	\$ 1,120,412	\$ 1,018,022

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

24. RELATED PARTIES

The following detail includes the outstanding Trust related parties' activities:

Manager

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

The reimbursed costs for the years ended December 31, 2024, and 2023 were \$138,722 and \$60,240, respectively, and were eliminated at consolidation.

At the end of the year, there was no outstanding balance to be paid.

Advisor

The payment of the commission to the Advisor was equivalent to 0.5% per annum of the fair value of the real estate assets plus VAT. The fee for the periods ended November 19, 2024 (date of termination of the advisory agreement) and December 31, 2023, was \$291,196 and \$259,749, respectively (see Note 1).

In accordance with the provisions of the advisory contract that was in place, Terrafina paid the advisor annually as of March 20, a performance commission. The performance fee was determined based on 10% of the surplus between Terrafina's market capitalization, considering an average price of the certificates in the 60 days prior to the calculation date, and the net capital including certificate issuances and historical distributions increased by a growth rate of 9% per year.

As indicated in note 16, Terrafina issued 13,140,064 CBFIs as part of the payment of the performance fee to the Advisor. This issuance was accounted for in accordance with the provisions of IFRS 2 - Share-Based Payments, which provides that any increase in equity must be recognized based on the date of grant of the certificates to the Advisor. Accordingly, the value of this issuance was reflected in the consolidated statements of changes in net assets attributable to investors, and the performance fee was recorded as an expense in the consolidated statement of income and other comprehensive income in the amount of \$553,072.

25. LEASES

Agreements entered between the Trust and its tenants are classified as operating leases under IFRS 16. The Trust is therefore the lessor in many and varied operating leases on its Investment Properties. Some fixed-term leases include renewal options for tenants. These agreements, without considering renewal options, have expiration dates ranging from January 1, 2025 to July 31, 2036.

The minimum lease payments represent the net accumulated rent over the lease term or up to the earliest possible termination date by the lessee, regardless of the probability of the tenant terminating or not exercising an option to renew.

Minimum lease payments from existing leases that the Trust will receive in future years are as follows:

	< 1 year		1-5 years		> 5 years		Total
December 31, 2024	\$	4,127,011	\$	8,938,002	\$	1,823,700	\$ 14,888,713
December 31, 2023	\$	3,356,144	\$	8,439,305	\$	1,125,137	\$ 12,920,586

FIBRA Terrafina
Fideicomiso Irrevocable number F/00939 and subsidiaries

Notes to the consolidated financial statements
for the years ended December 31, 2024 and 2023

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

26. FINANCIAL INFORMATION BY SEGMENTS

The Strategic Committee ("SC") allocates resources on behalf of the Trust. The Trust has determined a single operating segment, called Industrial, based on reports reviewed by the SC, which are used to make decisions.

The SC's asset allocation decisions are based on a single, integrated investment strategy, and the Trust's performance is evaluated overall.

The Trust operates a portfolio of investment properties, with the objective of generating returns for its CBFI holders.

The internal reports provided to the SC on the Trust's assets, liabilities, and performance are prepared consistent with the measurement and recognition principles of IFRS.

There were no changes in the reportable segments during the year.

The Trust is domiciled in Mexico. All of the Trust's income comes from investment properties in Mexico. The Trust has no investment properties classified as non-current assets. The Trust has a diversified investment property portfolio, with no single investment representing more than 4% of the Trust's revenue.

The SC evaluates the performance of the operating segment primarily using the metrics of Net Operating Income, Earnings before Interest Expenses, Taxes, Depreciation and Amortization, and Funds for Operations. The Committee also receives information on the segment's revenue and assets on a monthly basis. This metric and information are consistent with the balances in the consolidated financial statements.

27. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business there can be various legal actions related to properties of the Trust. At December 31, 2024 and 2023, 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.

28. SUBSEQUENT EVENTS

On January 10, 2025, FIBRA Prologis approved a contribution of \$132,563 (\$6.5 million dollars) to the business in conjunction with Monarch Member. The contribution was paid on January 24, 2025.

On February 12, 2025, BBVA Mexico granted Terrafina the right to automatically renew its short-term notes in the amount of \$5,476,251 (\$267.0 million dollars) for a period of up to 12 months after their maturity date in 2025.

29. AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Trust were authorized for issuance on April 9, 2025 by the Audit Committee and by Terrafina's Technical Committee, which has power to modify the accompanying consolidated financial statements.