



FOURTH QUARTER AND FULL YEAR 2021 EARNINGS REPORT



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Disclaimer

Mexico City, February 24th, 2022 – Terrafina® (“TERRA” or “the Company”) (BMV: TERRA13), a leading Mexican industrial real estate investment trust (“FIBRA”), externally advised by PGIM Real Estate and dedicated to the acquisition, development, leasing, and management of industrial real estate properties in Mexico, announced today its fourth quarter 2021 (4Q21) and full year 2021 (FY2021) earnings results.

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

Terrafina’s financial statements that are included in this report have been audited by the external auditors, yet they have not been approved at the Ordinary Shareholders’ Meeting. Once the audited 2021 financial statements are available and have been approved by the Annual Ordinary Shareholders’ Meeting, these will be made available to the market as per applicable law.

This document may include forward-looking statements that may imply risks and uncertainties. Terms such as “estimate”, “project”, “plan”, “believe”, “expect”, “anticipate”, “intend”, and other similar expressions could be construed as previsions or estimates. Terrafina warns readers that declarations and estimates mentioned in this document or realized by Terrafina’s management imply risks and uncertainties that could change as a result of various factors that are out of Terrafina’s control. Future expectations reflect Terrafina’s judgment at the date of this document. Terrafina reserves the right or obligation to update the information contained in this document or derived from this document. Past or present performance is not an indicator of future results.

Operating and Financial Highlights as of December 31st, 2021

OPERATING

- As of December 31st, 2021, the **occupancy rate** was 94.9%, a 30-basis point decrease compared to the fourth quarter of 2020 (4Q20).
- **Renewal rate** for 4Q21 was 88.1%, a 180 basis-point decrease compared to 4Q20.
- **Annualized average leasing rate** per square foot at the end of the year was US\$5.40, a 2.2% or US\$0.12 increase compared to 4Q20.
- At the end of 2021, Terrafina reported a total of 38.6 million square feet (msf) of **Gross Leasable Area** (GLA) comprised of 273 properties and 288 tenants.
- 2021 **leasing activity** reached 10.0 msf, of which 20.0% corresponded to new leases, 55.0% to lease renewals and 25.0% to early renewals. Leasing activity was concentrated in the Cuautitlán Izcalli, Ciudad Juárez, Chihuahua, Ramos Arizpe, Querétaro, Toluca, Silao, Tijuana, Monterrey, San Luis Potosí, Reynosa, Derramadero, Huehuetoca, Saltillo, San Pedro de las Colinas, Arteaga, Irapuato, Apodaca, Gómez Palacio, Guadalajara, and Durango markets.

FINANCIAL

- FY2021 **net collections** (rental revenues - uncollected revenues + collected revenues) reached US\$189.6 million, of which US\$47.4 million were generated during 4Q21. This was a 3.5% or US\$1.7 million decrease compared to 4Q20, and a 2.6% or US\$5.1 million decrease compared to FY2020.
- FY2021 **rental revenues** reached US\$187.4 million, of which US\$46.6 million were generated during 4Q21. This implies a 4.1% or US\$2.0 million decrease compared to 4Q20, and a 5.9% or US\$11.7 million decrease compared to FY2020.
- FY2021 **NOI** was US\$182.1 million, of which US\$45.6 million were generated during 4Q21. This translates into a 5.3% or US\$2.5 million decrease compared to 4Q20, and a 3.2% or US\$6.0 million decrease compared to FY2020.
- The **NOI margin** was 93.8% in FY2021 and 93.6% in 4Q21, a 60-basis point decrease compared to the 4Q20, and a 25-basis point decrease compared to FY2020.

- FY2021 **EBITDA** reached US\$161.3 million, of which US\$40.1 million were generated during 4Q21. This was a 7.2% or US\$3.1 million decrease compared to 4Q20, and a 4.3% or US\$7.2 million decrease compared to FY2020.
- The **EBITDA margin** was 83.1% in FY2021 and 82.4% in 4Q21, a 223-basis point decrease compared to the 4Q20, and a 115-basis point decrease compared to FY2020.
- FY2021 **adjusted funds for operations** (AFFO) reached US\$102.3 million, of which US\$24.7 million were generated in 4Q20, a decrease a decrease of 9.2% or US\$2.5 million compared to 4Q20, and a 0.6% or US\$0.6 million decrease compared to FY2020.
- The **AFFO margin** was 52.5% for FY2021 and 50.7% in 4Q21, a 208-basis point decrease compared to 4Q20, and a 150-basis point increase compared to FY2020.
- Total **distribution** for FY2021 were US\$71.6 million; distributions per CBFI were US\$0.0959. Considering the average share price for 2021 of US\$1.47 (Ps.29.79), Terrafina's dividend yield for the year was 6.5%.

Operating and Financial Highlights

Operating	Mar21	Jun21	Sep21	Dec21	Dec20	Var.
Number of Developed Properties	274	274	275	273	274	-1
Gross Leasable Area (GLA) (msf) ¹	39.2	38.9	39.5	38.6	39.2	-0.7
Land Reserves (msf)	5.5	5.5	5.5	5.5	5.5	0.0
Occupancy Rate ²	94.6%	93.9%	94.0%	94.9%	95.2%	-30 bps
Avg. Leasing Rent/ Square Foot (dollars)	5.30	5.31	5.34	5.40	5.28	0.12
Weighted Average Remaining Lease Term (years)	3.8	3.6	3.9	3.8	3.8	0.0
Renewal Rate ³	83.2%	75.8%	85.7%	88.1%	89.9%	-180 bps

Accumulated Financial	Mar21	Jun21	Sep21	Dec21	Dec20	Var.	Mar21	Jun21	Sep21	Dec21	Dec20	Var.
	fx	20.3323	20.1719	20.1178	20.0083	21.4834						
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Net Collections ⁴	975.3	1,916.9	2,860.8	3,844.0	4,178.8	-8.0%	48.0	95.0	142.2	189.6	194.7	-2.6%
Rental Revenues ⁵	955.7	1,898.9	2,833.1	3,798.9	4,278.2	-11.2%	47.0	94.1	140.8	187.4	199.1	-5.9%
Other Operating Income	35.6	71.5	100.2	144.7	128.8	12.3%	1.7	3.5	5.0	7.1	6.0	17.5%
Cash-basis Revenues ⁶	995.8	1,959.8	2,926.4	3,936.8	4,293.1	-8.3%	49.0	97.1	145.5	194.1	200.0	-2.9%
Cash-basis Revenues + Tenant Improvement Reimbursements ⁷	999.9	1,968.2	2,939.2	3,952.4	4,331.2	-8.7%	49.2	97.6	146.1	194.9	201.8	-3.4%
Net Revenues	995.6	1,978.3	2,945.9	3,975.1	4,362.8	-8.9%	49.0	98.1	146.4	196.0	202.9	-3.4%
Net Operating Income (NOI)*	935.5	1,839.5	2,746.3	3,692.4	4,037.8	-8.6%	46.0	91.2	136.5	182.1	188.1	-3.2%
NOI Margin	94.0%	96.0%	96.0%	93.8%	94.0%	-25 bps	94.0%	95.9%	96.0%	93.8%	94.0%	-25 bps
EBITDA ^{8*}	832.4	1,635.8	2,438.8	3,271.0	3,609.3	-9.4%	41.0	81.1	121.3	161.3	168.5	-4.3%
EBITDA Margin	83.7%	85.3%	85.2%	83.1%	84.3%	-115 bps	83.7%	85.4%	85.3%	83.1%	84.3%	-115 bps
Funds from Operations (FFO)*	622.2	1,218.5	1,815.8	2,433.5	2,565.0	-5.1%	30.6	60.4	90.3	120.0	120.1	-0.1%
FFO Margin	62.6%	63.6%	63.5%	61.8%	60.1%	177 bps	62.6%	63.6%	63.5%	61.8%	60.1%	177 bps
Adjusted Funds from Operations (AFFO)*	560.5	1,079.6	1,561.4	2,074.4	2,197.3	-5.6%	27.6	53.5	77.6	102.3	103.0	-0.6%
AFFO Margin	56.1%	56.3%	54.6%	52.5%	51.0%	150 bps	56.1%	56.3%	54.6%	52.5%	51.0%	150 bps
Distributions	476.4	839.8	1,177.0	1,452.1	1,867.7	-22.3%	23.5	41.6	58.5	71.6	87.5	-18.1%
Distributions per CBF1 ⁹	0.6026	1.0622	1.4888	1.9441	2.3624	-17.7%	0.0297	0.0526	0.0739	0.0959	0.1107	-13.4%

Quarterly Financial	1Q21	2Q21	3Q21	4Q21	4Q20	Var.	1Q21	2Q21	3Q21	4Q21	4Q20	Var.
	fx	20.3323	20.0366	20.0083	20.0083	20.6324						
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Net Collections ⁴	975.3	941.6	943.9	983.2	1,114.5	-11.8%	48.0	47.0	47.2	47.4	49.1	-3.5%
Rental Revenues ⁵	955.7	943.2	934.2	965.8	1,103.6	-12.5%	47.0	47.1	46.7	46.6	48.5	-4.1%
Other Operating Income	35.6	35.9	28.7	44.5	29.7	50.1%	1.7	1.8	1.4	2.1	2.2	-2.3%
Cash-basis Revenues ⁶	995.8	963.9	966.7	1,010.3	1,134.2	-10.9%	49.0	48.2	48.3	48.7	51.1	-4.6%
Cash-basis Revenues + Tenant Improvement Reimbursements ⁷	999.9	968.3	971.0	1,013.2	1,142.1	-11.3%	49.2	48.4	48.5	48.8	51.6	-5.5%
Net Revenues	995.6	982.7	967.6	1,029.2	1,131.5	-9.0%	49.0	49.1	48.4	49.6	47.9	3.5%
Net Operating Income (NOI)*	935.5	904.0	906.8	946.1	1,063.4	-11.0%	46.0	45.1	45.3	45.6	48.1	-5.3%
NOI Margin	94.0%	93.7%	93.8%	93.6%	93.7%	-8 bps	94.0%	93.7%	93.8%	93.6%	94.2%	-60 bps
EBITDA ^{8*}	832.4	803.4	802.9	832.2	956.3	-13.0%	41.0	40.1	40.1	40.1	43.2	-7.2%
EBITDA Margin	83.7%	83.3%	83.1%	82.4%	84.3%	-191 bps	83.7%	83.3%	83.1%	82.4%	84.6%	-223 bps
Funds from Operations (FFO)*	622.2	596.3	597.3	617.7	690.0	-10.5%	30.6	29.8	29.9	29.8	32.2	-7.5%
FFO Margin	62.6%	61.8%	61.8%	61.1%	60.8%	34 bps	62.6%	61.8%	61.8%	61.1%	63.1%	-191 bps
Adjusted Funds from Operations (AFFO)*	560.5	519.2	481.8	513.0	575.8	-10.9%	27.6	25.9	24.1	24.7	27.2	-9.2%
AFFO Margin	56.1%	53.6%	49.6%	50.7%	50.2%	45 bps	56.1%	53.6%	49.6%	50.7%	52.7%	-208 bps
Distributions	476.4	363.4	337.2	359.1	489.5	-26.6%	23.5	18.1	16.9	17.3	23.1	-25.2%
Distributions per CBF1 ⁹	0.6026	0.4597	0.4266	0.4553	0.6191	-26.5%	0.0297	0.0229	0.0213	0.0219	0.0293	-25.0%

(1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases for the period, includes early renewals. (4) Net collections = rental revenue + uncollected revenue from the quarter + revenue collected from previous quarter. (5) Excluding accrued income as it is a non-cash item. (6) Net collections + reimbursable expenses + profit from JVs. This figure is used as denominator for NOI, EBITDA and FFO margin calculation. (7) Cash-basis revenues (as defined in note 6) + tenant improvement reimbursements are used as denominator for AFFO margin calculation. (8) Earnings before interest, taxes, depreciation, and amortization. (9) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. (*) Revenues and expenses have been adjusted for the calculation of the above-mentioned metrics. Please refer to the "2021 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting

Balance Sheet	Mar21	Jun21	Sep21	Dec21	Dec20	Var.	Mar21	Jun21	Sep21	Dec21	Dec20	Var.
	fx	20.6047	19.8027	20.3060	20.3060	19.9487						
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Cash & Cash Equivalents	1,329.6	975.9	853.5	1,834.7	975.9	88.0%	64.5	49.3	42.0	89.1	72.4	23.2%
Investment Properties	48,272.5	46,996.9	49,430.3	50,812.1	46,996.9	8.1%	2,342.8	2,373.3	2,434.3	2,468.6	2,336.0	5.7%
Land Reserves	882.9	848.5	870.1	953.8	848.5	12.4%	42.8	42.9	42.9	46.4	42.9	8.3%
Total Debt	20,223.8	19,522.0	19,993.9	20,203.9	19,522.0	3.5%	981.5	985.8	984.6	981.6	1,006.6	-2.5%
Net Debt	18,894.2	18,546.1	19,140.5	18,369.2	18,546.1	-1.0%	917.0	936.5	942.6	892.4	934.2	-4.5%

Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period.

Source: PGIM Real Estate – Asset Management and Fund Accounting

Comment by Alberto Chretin

Chief Executive Officer and Chairman of the Board

In 2021, Terrafina continued to deliver good operating and financial results, which were in line with our annual expectations. The growth in leasing activity for industrial and logistics spaces, driven by manufacturing-for-export supply chain readjustments, was one of the main factors that continued to support our performance. We also witnessed how resilient the industrial sector continues to be, maintaining a steady growth pace despite continued pandemic pressures. We also continued to see demand increasing, leading to further development opportunities.

Since intend to actively participate in this industrial growth story, during the year we steered our strategy in a more assertive direction with a new three-year growth plan focused on the development of new properties for e-commerce and light manufacturing. This plan also considers asset sales to better position the consolidated portfolio in strategic markets and continue making progress in the certification of properties, as a key ESG objective. It is worth saying that during 2021 we initiated the certification of 1.7 million square feet, which represent 4.4% of our total GLA.

Over the year we launched new developments for one million square feet, in both new properties and expansions. We have already delivered 360,000 square feet in Tijuana, equivalent to an investment of US\$30 million. The buildings have been leased by a well-known e-commerce tenant and expect to see a 9.2% average development yield on them (on an annualized NOI of US\$2.8 million).

As for the asset sales, during the year we closed the sale of two properties in Ramos Arizpe and Ciudad Acuña with 930,500 square feet for a total amount of US\$44.3 million. Both transactions were settled above their respective market values, and the sales proceeds will be used to continue supporting our 2022 development activities.

Leasing activity in 2021 covered a total of 10.0 msf, of which 20% corresponded to new contracts, 55% to renewals, and 25% to anticipated renewals. 54% of the activity was registered in the Northern region (the market with the highest growth rate for the manufacturing-for-export sector), followed by 26% in the Central region (a highly demanded market for logistics and distribution activities), and 20% in the Bajío region. We closed the year with a 94.9% occupancy rate. Occupancy in the Northern region closed at 96.9%, in the Bajío at 87.8%, and in the Central region at 95.9%. As for rent levels, we recorded an average rent per square foot of US\$5.40, which represents a 2.2% increase compared to 2020.

Moving on to the main financial indicators, and looking at same property comparisons considering our asset sales, net collections for the year were US\$189.6 million on a 2.4% year on year increase. Rental income decreased 1.1% in the year to US\$187.4 million. Net Operating Income was US\$182.1 million, on a 1.7% year on year increase, and a 93.8% margin. EBITDA closed at US\$161.3 million, on an 83.1% margin. We generated US\$102.3 million in Adjusted Funds From Operations (AFFO), which implies a 52.5% AFFO margin. Out of this, we distributed a total of US \$71.6 million or US \$0.0959 per CBFI. This implies an 6.5% dividend yield, considering the average price of the CBFI during 2021. Our cash balance, closed at US\$89.1 million, and the leverage level at 35.4% (total debt at cost divided by total assets).

Lastly, for 2022, we are expecting an occupancy rate between 94%—95% and a distribution per CBFI of US\$0.0910—US\$0.0920. We also estimate maintenance capital expenditures between US \$0.30—US\$0.33 for the portfolio's total Gross Leasable Area

Sincerely,



Alberto Chretin
Chief Executive Officer and Chairman of the Board

Operating Highlights

Highlights by Region	North	Bajío	Central	Total
<i>(as of December 31st, 2021)</i>				
# Buildings	190	54	29	273
# Tenants	186	63	39	288
GLA (msf)	24.5	8.0	6.1	38.6
Land Reserves (msf)	2.6	0.2	2.7	5.5
Occupancy Rate	96.9%	87.8%	95.9%	94.9%
Average Leasing Rent / Square Foot (dollars)	5.33	5.31	5.81	5.40
Annualized Rental Base %	63.9%	19.0%	17.1%	100.0%

Source: PGIM Real Estate – Asset Management



Leasing Activity	4Q21	4Q20	Var.
Operating Portfolio (msf):			
Renewals	1.1	2.3	-1.2
Early Renewals	0.7	0.3	0.4
New Leases	0.7	0.2	0.4
Total Square Feet of Leases Signed	2.5	2.8	-0.4

Source: PGIM Real Estate – Asset Management

Operating Highlights (continued)

Occupancy and Rents by Region	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
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(as of December 31st, 2021)

North	96.9%	5.33
Baja California	100.0%	5.89
Tijuana	100.0%	5.89
Sonora	75.9%	4.66
Hermosillo	75.9%	4.66
Chihuahua	98.7%	5.20
Camargo	100.0%	3.00
Casas Grandes	100.0%	4.40
Chihuahua	97.1%	5.38
Ciudad Juárez	99.8%	5.00
Delicias	100.0%	6.29
Coahuila	93.3%	5.51
Arteaga	100.0%	5.44
Ciudad Acuña	0.0%	0.00
Monclova	33.9%	5.30
Ramos Arizpe	97.0%	5.59
Saltillo	87.2%	4.90
Derramadero	100.0%	6.55
San Pedro de las Colinas	89.3%	3.23
Torreón	100.0%	4.43
Nuevo León	96.3%	5.45
Apodaca	100.0%	6.59
Monterrey	95.6%	5.24
Tamaulipas	100.0%	5.18
Reynosa	100.0%	5.18
Durango	100.0%	5.85
Durango	100.0%	6.43
Gómez Palacio	100.0%	3.23
Bajío	87.8%	5.31
San Luis Potosí	79.1%	5.06
San Luis Potosí	79.1%	5.06
Jalisco	100.0%	5.89
Guadalajara	100.0%	5.89
Aguascalientes	100.0%	4.25
Aguascalientes	100.0%	4.25
Guanajuato	81.5%	5.23
Celaya	100.0%	5.72
Irapuato	81.8%	5.79
Silao	79.3%	4.91
Querétaro	100.0%	5.21
Querétaro	100.0%	5.21
Central	95.9%	5.81
State of Mexico	95.4%	6.00
Cuautitlan Izcalli	98.6%	6.09
Huehuetoca	43.8%	4.40
Toluca	93.2%	5.73
Mexico City	100.0%	9.86
Azcapotzalco	100.0%	9.86
Tabasco	100.0%	4.21
Villahermosa	100.0%	4.21
Total	94.9%	5.40

Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
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(as of December 31st, 2021)

North	9	50.0%	9	100.0%
Baja California	0	0.0%	0	0.0%
Tijuana	0	0.0%	0	0.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	6	33.3%	6	100.0%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	2	11.1%	2	100.0%
Ciudad Juárez	4	22.2%	4	100.0%
Delicias	0	0.0%	0	0.0%
Coahuila	2	11.1%	2	100.0%
Arteaga	1	5.6%	1	100.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	1	5.6%	1	100.0%
Saltillo	0	0.0%	0	0.0%
Derramadero	0	0.0%	0	0.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreón	0	0.0%	0	0.0%
Nuevo León	1	5.6%	1	100.0%
Apodaca	0	0.0%	0	0.0%
Monterrey	1	5.6%	1	100.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gómez Palacio	0	0.0%	0	0.0%
Bajío	2	11.1%	0	0.0%
San Luis Potosí	0	0.0%	0	0.0%
San Luis Potosí	0	0.0%	0	0.0%
Jalisco	0	0.0%	0	0.0%
Guadalajara	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	1	5.6%	0	0.0%
Celaya	0	0.0%	0	0.0%
Irapuato	0	0.0%	0	0.0%
Silao	1	5.6%	0	0.0%
Querétaro	1	5.6%	0	0.0%
Querétaro	1	5.6%	0	0.0%
Central	7	38.9%	6	85.7%
State of Mexico	7	38.9%	6	85.7%
Cuautitlan Izcalli	5	27.8%	4	80.0%
Huehuetoca	0	0.0%	0	0.0%
Toluca	2	11.1%	2	100.0%
Mexico City	0	0.0%	0	0.0%
Azcapotzalco	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	18	100.0%	15	83.3%

2021 OPERATING PERFORMANCE

Composition by Geographical Diversification

In 4Q21, the geographic diversification of Terrafina's properties (by GLA) was as follows: 63.5% in the Northern region, 20.9% in the Bajío, and 15.6% in the Central region.

Geographic Distribution by Region and State	4Q21	as a % of Total GLA 4Q21	4Q20	as a % of Total GLA 4Q20
North	24.45	63.5%	25.38	64.3%
Baja California	0.97	2.5%	0.97	2.5%
Tijuana	0.97	2.5%	0.97	2.5%
Sonora	0.33	0.9%	0.33	0.8%
Hermosillo	0.33	0.9%	0.33	0.8%
Chihuahua	14.29	37.1%	14.29	36.2%
Chihuahua	6.02	15.6%	6.02	15.3%
Ciudad Juárez	7.64	19.8%	7.64	19.3%
Delicias	0.52	1.3%	0.52	1.3%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.16	16.0%	7.09	18.0%
Arteaga	0.44	1.1%	0.44	1.1%
Ciudad Acuña	0.00	0.0%	0.24	0.6%
Monclova	0.35	0.9%	0.35	0.9%
Ramos Arizpe	3.66	9.5%	4.35	11.0%
Saltillo	0.44	1.1%	0.44	1.1%
Derramadero	0.73	1.9%	0.73	1.8%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	1.0%	0.39	1.0%
Nuevo León	1.86	4.8%	1.86	4.7%
Apódaca	0.28	0.7%	0.28	0.7%
Monterrey	1.58	4.1%	1.58	4.0%
Tamaulipas	0.47	1.2%	0.47	1.2%
Reynosa	0.47	1.2%	0.47	1.2%
Durango	0.38	1.0%	0.38	1.0%
Durango	0.31	0.8%	0.31	0.8%
Gómez Palacio	0.07	0.2%	0.07	0.2%
Bajío	8.04	20.9%	8.04	20.4%
San Luis Potosí	3.33	8.6%	3.33	8.4%
San Luis Potosí	3.33	8.6%	3.33	8.4%
Jalisco	1.64	4.3%	1.64	4.2%
Guadalajara	1.64	4.3%	1.64	4.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Guanajuato	1.57	4.1%	1.57	4.0%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.1%	0.44	1.1%
Silao	1.01	2.6%	1.01	2.6%
Querétaro	1.44	3.7%	1.44	3.6%
Querétaro	1.44	3.7%	1.44	3.6%
Central	6.06	15.6%	6.06	15.3%
State of Mexico	5.39	14.0%	5.39	13.6%
Cuautitlan Izcalli	4.26	11.0%	4.26	10.8%
Toluca	0.90	2.3%	0.90	2.3%
Huehuetoca	0.22	0.6%	0.22	0.6%
Mexico City	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Tabasco	0.65	1.7%	0.65	1.6%
Villahermosa	0.65	1.7%	0.65	1.6%
Total	38.56	100.0%	39.49	100.0%

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

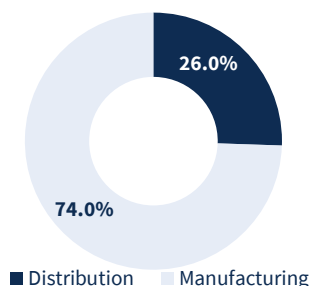
Source: PGIM Real Estate - Asset Management

Composition by Asset Type

At the end of 2021, 74.0% of Terrafina's portfolio was leased to tenants with manufacturing activities, while 26.0% was leased to tenants with distribution and logistics activities.

Composition by Asset Type as of 4Q21

(as a % of total GLA)



Use of Property Diversification	4Q21	4Q20	Var.
Distribution	26.0%	25.4%	66 bps
Manufacturing	74.0%	74.6%	-66 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

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

Industrial Sector Diversification	4Q21	4Q20	Var.
Automotive	34.0%	34.1%	-3 bps
Industrial Goods	20.9%	20.3%	66 bps
Consumer Goods	11.6%	12.9%	-128 bps
Logistics and Trade	12.0%	11.3%	75 bps
Aviation	9.8%	10.5%	-72 bps
Non-durable Consumer Goods	2.3%	2.2%	5 bps
Electronics	9.3%	8.7%	57 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. At 2021, Terrafina's top client represented 3.6% of total revenues, while top 10 clients and top 20 clients represented 19.4% and 31.0% of total revenues, respectively.

Top Clients	Leased Square Feet (million)	% Total GLA	% Total Revenues
<i>(as of December 31st, 2021)</i>			
Top Client	1.43	3.9%	3.6%
Top 10 Clients	7.12	19.5%	19.4%
Top 20 Clients	10.95	29.9%	31.0%

Source: PGIM Real Estate - Asset Management

Occupancy

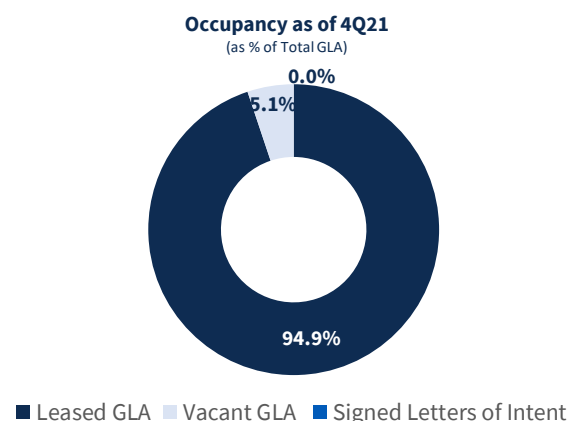
FY2021 occupancy rate was 94.9%, a 30-basis point decrease compared to the fourth quarter of 2020. Note these occupancy rate indicators reflect the rate as of quarter end.

For 4Q21, Terrafina's leasing activity reached 2.5 msf, 26.7% of which corresponded to new leases (including expansions), 46.2% were lease renewals and 27.1% were early lease renewals.

Leasing activity in 4Q21 mainly took place in the Cuautitlán Izcalli, Ciudad Juárez, Ramos Arizpe, Querétaro, Chihuahua, San Pedro de las Colinas, Arteaga, Toluca, Saltillo, Apodaca, Monterrey, Irapuato, Silao, and Guadalajara markets.

Occupancy	4Q21	4Q20	Var.
Leased GLA	94.9%	95.2%	-30 bps
Vacant GLA	5.1%	4.8%	38 bps
Signed Letters of Intent	0.0%	0.0%	0 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management



Lease Maturities

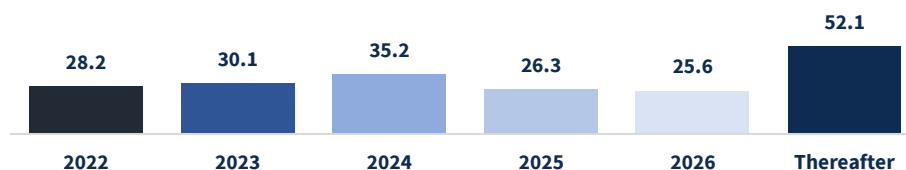
Terrafina had 288 tenants under leasing contracts at the end of 4Q21. These contracts have an average maturity of three to five years for logistics and distribution properties, and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) will remain at levels of between 14% to 18% for the next five years.

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

	Annual Base Rent <i>(millions of dollars)</i>	% of Total	Occupied Square Feet <i>(million)</i>	% of Total
2022	28.2	14.3%	5.30	14.5%
2023	30.1	15.3%	5.55	15.2%
2024	35.2	17.8%	6.53	17.8%
2025	26.3	13.3%	4.79	13.1%
2026	25.6	12.9%	4.49	12.3%
Thereafter	52.1	26.4%	9.92	27.1%

Source: PGIM Real Estate - Asset Management

Maturities per Annual Base Rent
(millions of dollars)



CAPITAL DEPLOYMENT

Capital Expenditure (CapEx)

Terrafina's CapEx is classified as recurring expenses that are based on upcoming lease maturities and property improvements. The main focus of these expenses is on renewals of leasing contracts and improvements in property conditions, while taking into account tenant requirements. Terrafina expects to apply CapEx towards vacant properties as well as towards the development of new GLA by means of expansions and/or new developments.

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

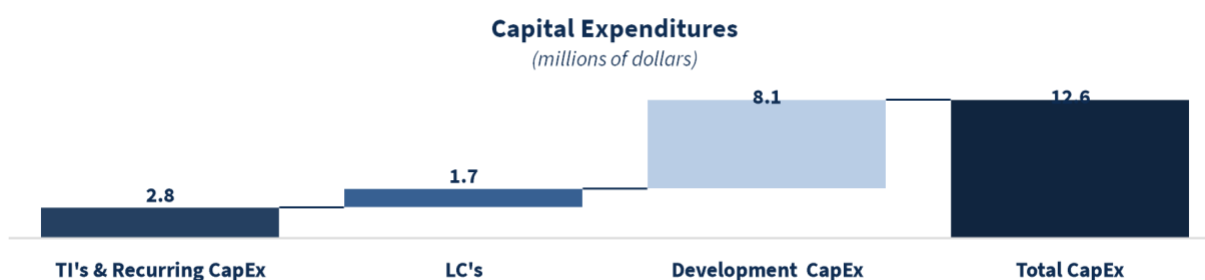
Capital expenditure accounts are comprised as follows:

- 1) Resources used for tenant's property improvements, as well as recurring maintenance CapEx.
- 2) Broker and administrator fees (LC's).
- 3) CapEx for new developments, which—due to their nature—are generally capitalized.

In 2021, Terrafina's investments in tenant improvements and recurring CapEx was US\$9.4 million. Total CapEx for 2021 and 4Q21 is broken down in the following table:

Capital Expenditures	4Q21 (millions of pesos)	4Q21 (millions of dollars)	2021 (millions of pesos)	2021 (millions of dollars)
TI's & Recurring CapEx	58.1	2.8	189.6	9.4
LC's	35.8	1.7	135.3	6.6
Development CapEx	168.0	8.1	521.0	25.6
Total CapEx	261.9	12.6	845.9	41.6

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



New Developments

In 2021, Terrafina completed 1.1 million square feet of new developments. These new developments were distributed 100% in the northern region.

It is important to highlight that these new developments will contribute US\$6.8 million to NOI with a 9.5% estimated development yield, considering a total expected investment of US\$72.1 million.

January - December 2021				
	Square Feet	Total Expected Investment	Total Expected Investment	Cost per Square Feet
North	1.06	1,483.8	72.1	68.32
Bajío	0.00	0.0	0.0	0.00
Central	0.00	0.0	0.0	0.00
Total	1.06	1,483.8	72.1	68.32

Proforma NOI

Estimated Stabilized Yield

6.8

9.5%

(1) Net Operating Income for the next twelve months

(2) Proforma NOI divided by the total expected investment

Source: PGIM Real Estate - Asset Management

Asset Sale

During 4Q21, Terrafina completed the sale of 0.9 million square feet for US\$47.5 million at market value, consisting of two properties located in the Ramos Arizpe and Ciudad Acuña markets, as well as a 0.7 million square foot land reserve located in Hermosillo.

January - December 2021			
	Square Feet (millions)	Total Proceeds (millions of pesos)	Total Proceeds (millions of dollars)
Property Dispositions	0.9	944.0	45.0
Land Dispositions	0.7	51.6	2.5
Total Dispositions	1.6	995.6	47.5

Source: PGIM Real Estate - Asset Management

Land Reserves

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

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

Land Reserves	Square Feet (million)	Land at Cost (millions of pesos)	Land at Cost (millions of dollars)	Market Value (millions of pesos)	Market Value (millions of dollars)
(as of December 31 st , 2021)					
North	2.59	487.6	23.7	759.7	36.9
Bajío	0.18	14.7	0.7	19.8	1.0
Central	2.74	603.0	29.3	174.3	8.5
Total Land Portfolio	5.51	1,105.3	53.7	953.8	46.4

Source: PGIM Real Estate - Asset Management and Fund Accounting

2021 FINANCIAL PERFORMANCE

Financial Results and Calculations

Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 4Q21 (Ps. 20.7483/dollar). For the balance sheet, figures were converted using the exchange rate at the close of December 31st, 2021 (Ps. 20.5835/dollar).

Terrafina uses best accounting practices when measuring the FIBRA's (REIT) performance results by providing relevant metrics to the financial community. Throughout the following financial performance section, additional calculations are available. These metrics must not be considered individually to evaluate Terrafina's results. The recommendation is to use them in conjunction with other International Financial Reporting Standards metrics to measure the Company's performance.

In this earnings report, Terrafina presents additional metrics such as Net Operating Income (NOI), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO). Each breakdown calculation is available in this document.

In addition, Terrafina recommends reviewing the Appendices as a reference to different items of Terrafina's financial statement. This information is available in the last section of this document.

Past performance is not a guarantee or reliable indicator of future results.

Same-Store Results

The following table shows Terrafina's FY2021 and 4Q21 same-store highlights and consolidated information:

	Consolidated 4Q21	Same- Store ¹ 4Q21	Var.
Number of Properties	273	274	-1
Occupancy Rate	94.9%	94.9%	0 bps
Gross Leasable Area (GLA) (msf)	38.6	39.2	-0.6
Avg. Leasing Rent / Square Foot (dollars)	5.40	5.35	0.05

	Consolidated 2021	Same - Store ¹ 2020	Consolidated 4Q21	Same - Store ¹ 4Q20	Var.	Consolidated 2021	Same - Store ¹ 2020	Consolidated 4Q21	Same - Store ¹ 4Q20	Var.
	(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
Net Collections	3,844.0	4,002.3	983.2	975.8	-4.0%	189.6	185.2	47.4	47.3	2.4%
Rental Revenues	3,798.9	4,096.9	965.8	972.4	-7.3%	187.4	189.4	46.6	47.2	-1.1%
Net Operating Income (NOI)	3,692.4	3,870.2	946.1	956.3	-4.6%	182.1	179.0	45.6	46.4	1.7%
NOI Margin	93.8%	94.0%	93.6%	94.3%	-20 bps	93.8%	94.0%	93.6%	94.3%	-20 bps
EBITDA	3,271.0	3,451.9	832.2	857.1	-5.2%	161.3	160.1	40.1	41.6	0.8%
EBITDA Margin	83.1%	84.1%	82.4%	84.5%	-95 bps	83.1%	84.1%	82.4%	84.5%	-95 bps
FFO	2,433.5	2,407.6	617.7	629.1	1.1%	120.0	111.6	29.8	30.6	7.5%
FFO Margin	61.8%	58.6%	61.1%	62.1%	321 bps	61.8%	58.6%	61.1%	62.1%	321 bps
AFFO	2,074.4	2,046.7	513.0	532.0	1.4%	102.3	95.6	24.7	25.8	7.1%
AFFO Margin	52.5%	49.8%	50.7%	51.8%	271 bps	52.5%	49.8%	50.7%	51.8%	271 bps
Distributions per CBFI	1.9441	1.8133	0.4553	0.4721	7.2%	0.0959	0.0847	0.0219	0.0229	13.2%

(1) Same properties information evaluates the performance of the industrial properties without including acquisitions, developments and dispositions made to be comparable to 2021 / 4Q21.
Source: PGIM Real Estate - Asset Management and Fund Accounting

Net Collections

During 2021, Terrafina reported net collections of US\$189.6 million. In 4Q21, Terrafina reported net collections of US\$47.4 million, a 3.5% or US\$1.7 million decrease compared to 4Q20. With the intention of aligning NOI, EBITDA, FFO and AFFO to Terrafina's cash flow generation, the method of calculation for these metrics will be made starting from net collections. This calculation is equal to rental revenue (invoices), minus uncollected revenue from the quarter, plus revenue collected from the quarter.

Rental Revenues

In 2021, Terrafina reported rental revenues of US\$187.4 million. In 4Q21, Terrafina reported rental revenues of US\$46.6 million, a 4.1% or US\$2.0 million decrease compared to 4Q20.

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

Other Operating Income

At the end of 2021, operating income reached US\$7.1 million. In 4Q21, other operating income totaled US\$2.1 million, a 2.3% or US\$0.1 million increase compared to 4Q20.

Other operating income mainly stemmed from tenant refunds from triple-net leases. Expenses reimbursable to Terrafina mainly included electricity, property taxes, insurance costs and maintenance.

Net revenues reached US\$196.0 million for FY2021 and US\$49.6 million in 4Q21, an increase of US\$1.7 million, or 3.5% compared to 4Q20.

Revenues	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)						
Net Collections ¹	3,844.0	4,178.8	-8.0%	983.2	1,012.6	-2.9%	189.6	194.7	-2.6%	47.4	49.1	-3.5%
Rental Revenue	3,798.9	4,278.2	-11.2%	965.8	1,001.3	-3.5%	187.4	199.1	-5.9%	46.6	48.5	-4.1%
Uncollected Revenue from the Quarter	-215.7	-351.1	-38.6%	-52.1	-53.9	-3.4%	-10.7	-15.6	-31.6%	-2.5	-2.6	-1.9%
Collected Revenue from the Previous Quarter	260.7	251.7	3.6%	69.5	65.2	6.5%	12.9	11.2	15.1%	3.3	3.1	7.9%
Accrued Income ²	31.5	-44.3	-171.1%	18.9	-57.6	-132.8%	1.5	-2.2	-170.6%	0.9	-2.8	-132.1%
Other Operating Revenues	144.7	128.8	12.3%	44.5	44.2	0.7%	7.1	6.0	17.5%	2.1	2.2	-2.3%
Reimbursable Expenses as Revenues ³	33.8	79.5	-57.5%	9.8	28.5	-65.5%	1.7	3.7	-55.1%	0.5	1.4	-66.4%
Reimbursable Tenant Improvements	15.7	38.1	-58.9%	2.9	11.9	-75.5%	0.8	1.8	-57.1%	0.1	0.6	-75.8%
Other non-cash Income	95.3	11.2	749.1%	31.8	3.8	731.6%	4.7	0.5	785.2%	1.5	0.2	698.0%
Net Revenue ⁴	3,975.1	4,362.8	-8.9%	1,029.2	987.9	4.2%	196.0	202.9	-3.4%	49.6	47.9	3.5%

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Straight line rent adjustment. (3) Triple net leases expenses reimbursed to Terrafina from its tenants. (4) Rental revenue + accrued income + other operating revenues.

Source: PGIM Real Estate - Fund Accounting

For additional information regarding the revenue breakdown used to calculate additional metrics presented in this earnings report, please refer to *Annex 1* in the last section of this document.

Real Estate Expenses

In 2021, real estate expenses totaled US\$36.8 million and in 4Q21 reached US\$9.0 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance. Starting on 1Q21, property tax expenses, which were usually booked in the first quarter of the year, will be distributed throughout all quarters of the year.

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

The remainder of the accounts included in real estate expenses are considered non-recurring expenses and are used to calculate EBITDA and AFFO.

For additional information regarding the real estate expenses breakdown, please refer to *Annex 2* in the last section of this document.

Net Operating Income (NOI)

In 2021 Net Operating Income (NOI) totaled US\$182.1 million, with an NOI margin of 93.8%.

In 4Q21, NOI totaled US\$45.6 million, a 5.3% or US\$2.5 million decrease compared to 4Q20. NOI margin decreased by 60 basis points reaching 93.6% compared to 94.2% in 4Q20.

The following table displays the NOI calculation for 2021 and 4Q21:

Net Operating Income	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Net Collections ¹	3,844.0	4,178.8	-8.0%	983.2	1,012.6	-2.9%	189.6	194.7	-2.6%	47.4	49.1	-3.5%
Other Operating income ²	92.8	114.3	-18.8%	27.1	39.7	-31.7%	4.6	4.6	0.0%	1.3	2.0	-34.1%
Net Revenues for NOI Calculation	3,936.8	4,293.1	-8.3%	1,010.3	1,052.3	-4.0%	194.1	199.2	-2.6%	48.7	51.1	-4.6%
Repair and Maintenance	-17.2	-22.0	-21.7%	-4.0	-1.8	126.1%	-0.8	-1.0	-17.2%	-0.2	-0.1	99.9%
Property Taxes	-83.7	-94.7	-11.6%	-22.9	-22.5	1.9%	-4.1	-4.4	-6.5%	-1.1	-1.1	0.6%
Property Management Fees	-76.1	-82.6	-7.8%	-19.3	-20.2	-4.2%	-3.8	-3.8	-2.4%	-0.9	-1.0	-4.8%
Electricity	-6.9	-8.3	-16.6%	-2.0	-2.2	-8.7%	-0.3	-0.4	-13.0%	-0.1	-0.1	-11.3%
Property Insurance	-32.3	-25.9	24.5%	-9.1	-7.4	22.1%	-1.6	-1.2	31.2%	-0.4	-0.4	20.4%
Security	-18.5	-12.6	46.1%	-4.3	-3.5	24.7%	-0.9	-0.6	53.9%	-0.2	-0.2	22.4%
Other Operational Expenses	-9.7	-9.2	5.1%	-2.6	-2.6	0.5%	-0.5	-0.4	10.3%	-0.1	-0.1	-1.1%
Real Estate Operating Expenses for NOI Calculation	-244.4	-255.3	-4.3%	-64.2	-60.1	6.9%	-12.0	-11.9	1.1%	-3.1	-2.9	5.2%
Net Operating Income ³	3,692.4	4,037.8	-8.6%	946.1	992.2	-4.7%	182.1	187.3	-2.8%	45.6	48.1	-5.3%
NOI Margin	93.8%	93.7%	14 bps	93.6%	94.2%	-60 bps	93.8%	93.7%	14 bps	93.6%	94.2%	-60 bps

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

Source: PGIM Real Estate - Fund Accounting

Fees and Administrative Expenses (G&A)

Fees and administrative expenses for 2021 totaled US\$21.6 million and US\$5.6 million for 4Q21, a 6.9% or US\$0.4 million increase compared to 4Q20.

The following table breaks down total G&A for 2021 and 4Q21:

G&A	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos otherwise stated)						(millions of dollars unless otherwise stated)					
External Advisor Fees ¹	-248.8	-268.6	-7.4%	-66.6	-63.3	5.2%	-12.3	-12.2	0.5%	-3.2	-3.1	4.5%
Professional and Consulting Services	-51.7	-60.8	-15.1%	-15.8	-17.3	-8.7%	-2.5	-2.8	-8.8%	-0.8	-0.8	-8.1%
Payroll, Admin. Fees and Other Expenses	-137.2	-125.1	9.7%	-33.4	-27.2	22.8%	-6.8	-5.8	16.1%	-1.6	-1.3	22.0%
Total G&A	-437.7	-454.5	-3.7%	-115.9	-107.9	7.4%	-21.6	-20.8	3.6%	-5.6	-5.2	6.9%

(1) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PREI, and Advisor as per the Advisory Contract.

Source: PGIM Real Estate - Fund Accounting

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

In 2021, EBITDA reached US\$161.3 million with an EBITDA margin of 83.1%.

In 4Q21, EBITDA totaled US\$40.1 million, a decrease of US\$3.1 million, or 7.2%, compared to 4Q20. The EBITDA margin was 82.4%, a 223-basis point decrease compared to 4Q20.

The following shows the EBITDA calculation for 2021 and 4Q21:

EBITDA	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos otherwise stated)						(millions of dollars unless otherwise stated)					
Net Collections ¹	3,844.0	4,178.8	-8.0%	983.2	1,012.6	-2.9%	189.6	194.7	-2.6%	47.4	49.1	-3.5%
Other Operating income ²	92.8	114.3	-18.8%	27.1	39.7	-31.7%	4.6	4.6	0.0%	1.3	2.0	-34.1%
Real Estate Expenses	-262.3	-275.3	-4.7%	-73.1	-66.1	10.6%	-12.9	-12.8	0.7%	-3.5	-3.2	8.6%
Real Estate Operating Expenses for NOI Calculation	-244.4	-255.3	-4.3%	-64.2	-60.1	6.9%	-12.0	-11.9	1.1%	-3.1	-2.9	5.2%
Advertising	-0.3	-0.4	-	-0.1	-0.1	-	0.0	0.0	-	0.0	0.0	-
Admin. Property Insurance Expenses	-3.4	-3.5	-3.4%	-0.9	-0.8	9.2%	-0.2	-0.2	2.3%	0.0	0.0	8.6%
Other Admin. Real Estate Expenses	-14.3	-16.1	-11.6%	-7.9	-5.1	54.9%	-0.7	-0.7	-6.5%	-0.4	-0.3	48.6%
Fees and Admin. Expenses	-403.5	-408.4	-1.2%	-105.0	-95.3	10.2%	-19.9	-18.7	6.5%	-5.1	-4.6	9.6%
External Advisor Fees	-248.8	-268.6	-7.4%	-66.6	-63.3	5.2%	-12.3	-12.2	0.5%	-3.2	-3.1	4.5%
Legal, Admin. and Other Professional Fees	-103.0	-82.9	24.3%	-26.3	-20.1	31.0%	-5.1	-3.8	33.0%	-1.3	-1.0	31.3%
Trustee Fees	-10.6	-9.5	10.6%	-2.4	-2.3	6.3%	-0.5	-0.4	17.7%	-0.1	-0.1	6.6%
Payroll	-37.4	-41.5	-10.0%	-8.9	-8.8	0.8%	-1.8	-1.9	-5.1%	-0.4	-0.4	-0.9%
Other Expenses	-3.8	-5.9	-35.3%	-0.8	-0.8	-3.6%	-0.2	-0.3	-30.6%	0.0	0.0	-5.7%
EBITDA ³	3,271.0	3,609.3	-20.9%	832.2	890.9	-55.4%	161.3	167.7	-3.8%	40.1	43.2	-7.2%
EBITDA Margin	83.1%	83.9%	-76 bps	82.4%	84.6%	-223 bps	83.1%	83.9%	-76 bps	82.4%	84.6%	-223 bps

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Excludes tenant improvements reimbursements which is included in AFFO calculation. (3) Earnings before interest, taxes, depreciation and amortization.

Source: PGIM Real Estate - Fund Accounting

For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to *Annex 3* located in the last section of this document.

Financing Expenses

During 2021, Terrafina registered financing costs of US\$48.3 million. In 4Q21, financing expenses totaled US\$10.9 million, a decrease of 4.0% or US\$0.5 million compared to 4Q20.

Financial Expenses	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Interest Paid	-840.0	-1047.3	-19.8%	-214.8	-228.6	-6.0%	-41.4	-48.6	-14.7%	-10.4	-11.1	-6.5%
Borrowing Expenses	-140.7	-34.1	313.0%	-11.8	-6.0	97.2%	-7.0	-1.6	338.4%	-0.6	-0.3	88.1%
Recurring	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Non-recurring	-140.7	-34.1	313.0%	-11.8	-6.0	97.2%	-7.0	-1.6	338.4%	-0.6	-0.3	88.1%
Interest Income	2.5	3.0	-17.8%	0.3	0.5	-35.9%	0.1	0.1	-13.0%	0.0	0.0	-36.5%
Total	-978.2	-1078.4	-9.3%	-226.2	-234.0	-3.3%	-48.3	-50.0	-3.5%	-10.9	-11.4	-4.0%

Source: PGIM Real Estate - Fund Accounting

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

For the full year 2021, Terrafina's FFO reached US\$120.0 million, with a margin of 61.8%. As for the AFFO, it was US\$102.3 million, on a 52.5% AFFO margin.

In 4Q21, FFO decreased by US\$2.4 million or 7.4% compared to 4Q20, reaching US\$29.8 million. The FFO margin was 61.1%, a 182-basis point decrease compared to 4Q20. Additionally, AFFO was US\$24.7 million, a decrease of US\$2.5 million, or 9.0% compared to 4Q20. The AFFO margin was 50.7%, a decrease of 199 basis points versus 4Q20.

Funds from Operations (FFO)	2021	2020	Var. %	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
EBITDA	3,271.0	3,609.3	-9.4%	832.2	890.9	-6.6%	161.3	167.7	-3.8%	40.1	43.2	-7.2%
Finance Cost ¹	-837.5	-1,044.3	-19.8%	-214.5	-228.0	-5.9%	-41.3	-48.4	-14.7%	-10.3	-11.1	-6.5%
Funds from Operations (FFO)	2,433.5	2,565.0	-5.1%	617.7	662.8	-6.8%	120.0	119.3	0.6%	29.8	32.1	-7.4%
<i>FFO Margin</i>	<i>61.8%</i>	<i>59.6%</i>	<i>218 bps</i>	<i>61.1%</i>	<i>63.0%</i>	<i>-182 bps</i>	<i>61.8%</i>	<i>59.6%</i>	<i>218 bps</i>	<i>61.1%</i>	<i>63.0%</i>	<i>-182 bps</i>
Tenant Improvements	-189.6	-218.5	-13.2%	-58.1	-60.4	-3.9%	-9.4	-10.2	-8.6%	-2.8	-3.0	-5.9%
Leasing Commissions	-135.3	-105.7	28.0%	-35.8	-27.6	29.7%	-6.6	-4.9	35.1%	-1.7	-1.4	24.1%
Other Non Recurring ²	-34.2	-43.6	-21.7%	-10.8	-12.5	-13.6%	-1.7	-2.0	-16.6%	-0.5	-0.6	-13.3%
Adjusted Funds from Operations (AFFO)	2,074.4	2,197.2	-5.6%	513.0	562.3	-8.8%	102.3	102.1	0.2%	24.7	27.2	-9.0%
<i>AFFO Margin</i>	<i>52.5%</i>	<i>50.6%</i>	<i>191 bps</i>	<i>50.7%</i>	<i>52.6%</i>	<i>-199 bps</i>	<i>52.5%</i>	<i>50.6%</i>	<i>191 bps</i>	<i>50.7%</i>	<i>52.6%</i>	<i>-199 bps</i>

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and other interest income. (3) Related to acquisitions, dispositions, legal expenses, and others.

Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

Comprehensive Income for FY2021 reached US\$260.8 million For 4Q21, this amounted to US\$106.3 million, compared to US\$32.6 million loss in 4Q20.

The following table presents Comprehensive Income calculations for 2021 and 4Q21:

Comprehensive Income	2021	2020	Var.	4Q21	4Q20	Var. %	2021	2020	Var. %	4Q21	4Q20	Var. %
	(millions of pesos unless otherwise stated)						(millions of dollars unless otherwise stated)					
Net Revenues	3,975.1	4,355.1	-8.7%	1,029.2	987.9	4.2%	196.0	202.6	-3.3%	49.6	47.9	3.5%
Real Estate Expenses	-746.9	-709.9	5.2%	-186.2	-176.2	5.7%	-36.8	-33.2	11.1%	-9.0	-8.7	3.3%
Fees and Other Expenses	-437.7	-454.5	-3.7%	-115.9	-107.9	7.4%	-21.6	-20.8	3.6%	-5.6	-5.2	6.9%
Gain (Loss) from Sales of Real Estate Properties	23.8	-81.6	-	-6.5	-81.6	-92.0%	1.2	-4.0	-130.1%	-0.3	-4.0	-92.3%
Reserve on collection of proceeds from disposal of investment properties	-	-13.1	-	0.0	0.0	-	-	-0.6	-	-	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	2,900.5	129.8	2135.3%	1,522.5	1,093.8	39.2%	141.2	12.2	1055.0%	72.5	54.7	32.5%
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	33.1	-33.1	-	-7.9	7.7	-	1.6	-1.5	-	0.4	0.4	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	1,334.5	-1,119.3	-	280.4	-114.1	-	64.6	-51.4	-	13.4	-5.7	-
Realized gain (loss) on Financial Derivative instruments	-32.5	-9.8	233.4%	8.1	-8.6	-	-1.6	-0.4	263.2%	-0.4	-0.4	-
Foreign Exchange Gain (loss)	5.0	-45.9	-	-7.4	-2.1	259.9%	0.3	-2.2	-	-0.3	-0.1	-
Operating Profit	7,054.9	2,017.6	249.7%	2,516.4	1,599.0	57.4%	344.8	100.8	242.1%	120.3	78.9	-
Financial Income	2.5	3.0	-17.8%	0.3	0.5	-35.9%	0.1	0.1	-13.7%	0.0	0.0	-36.5%
Financial Expenses	-980.7	-1,081.4	-9.3%	-226.6	-234.5	-3.4%	-48.4	-50.2	-3.5%	-10.9	-11.4	-4.1%
Net Financial Cost	-978.2	-1,078.4	-9.3%	-226.2	-234.0	-3.3%	-48.3	-50.0	-3.5%	-10.9	-11.4	-4.0%
Share of Profit from Equity Accounted Investments	98.9	104.0	-4.9%	45.8	43.9	4.2%	4.8	5.0	-2.9%	2.2	2.2	-0.8%
Net Profit (Loss)	6,175.5	1,043.3	491.9%	2,335.9	1,409.0	65.8%	301.4	55.8	440.5%	111.6	69.8	59.9%
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	900.2	1,635.9	-45.0%	382.8	-3,572.8	-	0.0	0.0	-	0.0	0.0	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-817.9	408.2	-	-107.7	-740.8	-85.5%	-40.6	5.1	-891.7%	-5.2	-37.1	-
Comprehensive Income	6,257.8	3,087.4	102.7%	2,611.0	-2,904.6	-189.9%	260.8	60.9	328.3%	106.3	32.6	225.7%

Source: PGIM Real Estate - Fund Accounting

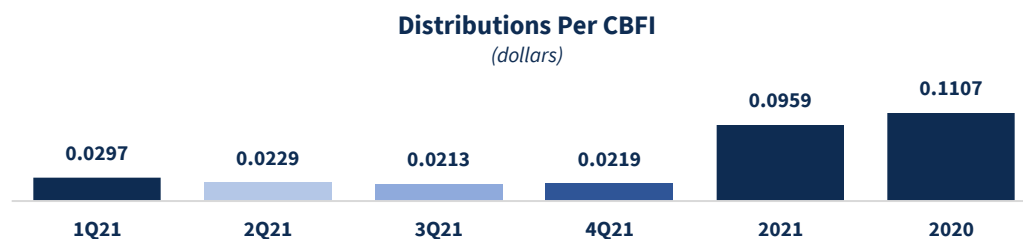
Distributions per CBFIs

In 2021, Terrafina distributed US\$71.6 million, or US\$0.0959 per CBFI. In 4Q21, Terrafina distributed US\$17.3 million, or US\$0.0219 per CBFI. 70% of the AFFO generated in the quarter corresponds to the paid distributions.

Distributions							
(millions of pesos unless otherwise stated)	1Q21	2Q21	3Q21	4Q21	2021	2020	Var. %
Total Outstanding CBFIs ¹ (millions of CBFIs)	790.6	790.6	790.6	788.8	788.8	790.6	-0.2%
CBFI Price ²	29.89	30.65	30.88	27.77	29.79	28.21	5.6%
Distributions	476.4	363.4	337.2	359.1	1,452.1	1,867.7	-22.3%
Distributions Per CBFI	0.6026	0.4597	0.4266	0.4553	1.9441	2.3624	-17.7%
FX Rate USD/MXN (average closing period)	20.33	20.04	20.01	20.75	20.28	21.48	-5.6%
Distributions (millions of dollars)	23.5	18.1	16.9	17.3	71.6	87.5	-18.1%
Distributions Per CBFI (dollars)	0.0297	0.0229	0.0213	0.0219	0.0959	0.1107	-13.4%
Annualized Distribution Yield ³	8.1%	6.0%	5.5%	6.6%	6.5%	8.4%	-185 bps

(1) Number of CBFIs at the end of each period (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFI price of the quarter.

Source: PGIM Real Estate - Fund Accounting



Outstanding Debt

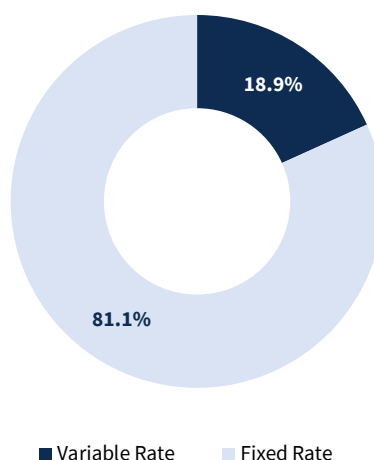
As of December 31st, 2021, Terrafina's total debt reached US\$981.6 million. The average cost of Terrafina's long-term debt was 4.45%. All Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt								
	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
(as of December 31 st , 2021)								
Long Term Debt								
Metlife	Dollars	3,087.5	150.0	4.75%	Interest Only	Jan 2027	-	-
BBVA Term Loan	Dollars	3,826.3	185.9	Libor + 2.30%	Interest Only	Jul 2026	-	US\$105M swap ³
Senior Notes (2022) ¹	Dollars	1,902.9	92.4	5.25%	Interest Only	Nov 2022	-	-
Senior Notes (2029) ²	Dollars	11,387.2	553.2	4.962%	Interest Only	Jul 2029	-	-
Total Debt		20,203.9	981.6					
Net Cash		1,834.7	89.1					
Net Debt		18,369.2	892.4					

(1) Value at Cost: US\$90 million / Ps.1,849.5 million. (2) Value at Cost: US\$500 million / Ps.10,291.8 million. (3) Interest rate Swap fixed rate: 1.768%
Source: PGIM Real Estate - Fund Accounting and Transactions

Interest Rate Breakdown

(as of December 31st, 2021)



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

Loan-to-Value (LTV)		
(as of December 31 st , 2021)	(millions of pesos)	(millions of dollars)
Total Assets	54,435.1	2,644.6
Total Debt (historical cost)	19,285.0	936.9
Loan-to-Value ¹	35.4%	

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

Debt Service Coverage Ratio (DSCR)			
	period	(millions of pesos)	(millions of dollars)
Cash & Cash Equivalents	December 31 st , 2021	1,834.7	89.1
Recoverable Taxes	Σ next 6 quarters	97.1	4.7
EBIT ¹ after distributions	Σ next 6 quarters	3,646.5	179.8
Available Credit Line	December 31 st , 2021	6,175.1	300.0
	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 4 quarters	860.4	41.8
Principal Payments	Σ next 4 quarters	1,836.0	89.2
Recurring CapEx	Σ next 6 quarters	400.0	19.4
Development Expenses	Σ next 6 quarters	1,680.0	81.6
Debt Service Coverage Ratio (DSCR) ²		2.5x	

(1) Earnings Before Interest and Taxes (2) (Cash & Cash Equivalents + Recoverable Taxes + EBIT After Distributions + Available Credit Line) / (Interest Payments + Principal Payments + Recurring CAPEX + Development Expenses)

Source: PGIM Real Estate - Fund Accounting and Capital Markets

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

Unsecured Bond Covenants		
	Terrafina	Bond Covenants
<i>(as of December 31st, 2021)</i>		
Loan-to-Value (LTV) ¹	37.4%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	3.8x	≥ 1.5x
Secured Debt to Gross Assets Limitation	5.7%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	268.3%	≥ 150%

(1) Total Debt divided by Total Assets (without accounts receivable). (2) (Net Income/Loss + Interest on Debt + Unrealized Gain / Loss of fair value changes) / (all interest and principal payments on Debt)
Source: PGIM Real Estate - Capital Markets

CBFI Buyback Activity

Terrafina bought 1,835,318 CBFI during the 4Q21 at an average weighted price of Ps. 27.68 to close the quarter with a total of 788,767,485 outstanding CBFI.

CBFI Buyback Activity	
	4Q21
Total outstanding CBFI at the beginning of the quarter	790,602,803
Buyback activity during the quarter	1,835,318
Total outstanding CBFI at the end of the quarter	788,767,485
Weighted average trade price (pesos)	27.68

GUIDANCE

Terrafina expects to reach the following full-year (same-store) results as part of its 2022 guidance:

2022 Guidance	
Year-end occupancy	94% - 95%
Distribution payout ratio ¹	70%
Annual distribution per CBFI	\$0.0910 US cents - \$0.0920 US cents
CAPEX per square foot (Total GLA)	\$0.30 US cents - \$0.33 US cents

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

ANALYST COVERAGE

At the end of 4Q21, the following banks and institutions published research reports on Terrafina:

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

ABOUT TERRAFINA

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

Terrafina owns 278 real estate properties, including 273 developed industrial facilities with a collective GLA of approximately 38.6 million square feet and five land reserve parcels, designed to preserve the organic growth capability of the portfolio. Terrafina's objective is to provide attractive risk-adjusted returns for the holders of its certificates through stable distributions and capital appreciations. Terrafina aims to achieve this objective through a successful performance of its industrial real estate and complementary properties, strategic acquisitions, access to a high level of institutional support, and an effective management and corporate governance structure. For more information, please visit www.terrafinamx/en/

About PGIM Real Estate

As one of the largest real estate managers in the world with \$201 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.7 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

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

¹ As of September 30, 2021. Includes \$45 billion U.S. dollars in assets under management (AUA).

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

About PGIM and Prudential Financial, Inc.

PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world¹ with more than \$1.7 trillion in assets under management as of September 30, 2021. With offices in 16 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

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

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¹ Prudential Financial, Inc. (PFI) is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on June 1, 2020. This ranking represents global assets under management by PFI as of March 31, 2020.



Conference Call

Terrafina
(BMV: TERRA13)

**Cordially invites you to participate in its
Fourth Quarter and Full Year 2021 Conference Call**

Friday, February 25th, 2022

11:00 a.m. Eastern Time

10:00 a.m. Central Time

To access the call, please dial:

from within the U.S. +1-877-545-0320

from outside the U.S. +1-973-528-0002

from Mexico (toll free) 55-8526-2489

Conference access code: 812529

Audio Webcast Link

<https://www.webcaster4.com/Webcast/Page/2133/44451>

To access the conference replay please dial:

U.S. +1-877-481-4010

International (outside the US) +1-919-882-2331

Passcode: 44451

ANNEXES

Annex 1 – Implied Cap Rate

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

Implied Cap Rate	
4Q21 Average Price (dollars) ¹	1.34
(x) CBFIs (million of certificates)	788.8
(=) Market Capitalization	1,055.7
(+) Total Debt	981.6
(-) Cash	89.1
(=) Enterprise Value	1,948.1
(-) Landbank	46.4
(=) Implied Operating Real Estate Value	1,901.7
Net Operating Income (NOI) 2022e	180.0
Implied Cap Rate	9.5%

Figures expressed in millions of dollars unless otherwise stated.

(1) Average certificate price of Ps.27.77 and exchange rate of Ps.20.75

Cap Rate Calculation with NAV	
(+) Investment Properties (excluding landbank)	2,422.2
(+) Land	46.4
(+) Cash	89.1
(-) Total Debt and Liabilities	981.6
(=) NAV	1,576.2
(/) CBFIs (million of certificates)	788.8
(=) NAV per CBFI (dollars)	2.00
CBFI Price (NAV calculation)	2.00
(x) CBFIs (million shares)	788.8
(=) Market Cap	1,576.2
(+) Total Debt and Liabilities	981.6
(-) Cash	89.1
(=) Enterprise Value	2,468.6
(-) Landbank	46.4
(=) Implied Operating Real Estate Value	2,422.2
Net Operating Income (NOI) 2022e	180.0
Implied Cap Rate	7.4%

Annex 2 – Revenues

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

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

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

Revenues		2021	2020	4Q21	4Q20	2021	2020	4Q21	4Q20
		(millions of pesos)	(millions of pesos)	(millions of pesos)	(millions of pesos)	(millions of dollars)	(millions of dollars)	(millions of dollars)	(millions of dollars)
NOI calculation	Net Collections ¹	3,844.0	4,178.8	983.2	1,012.6	189.6	194.7	47.4	49.1
NOI calculation	Rental Revenue	3,798.9	4,278.2	965.8	1,001.3	187.4	199.1	46.6	48.5
NOI calculation	Uncollected Revenue from the Quarter	-215.7	-351.1	-52.1	-53.9	-10.7	-15.6	-2.5	-2.6
NOI calculation	Collected Revenue from the Previous Quarter	260.7	251.7	69.5	65.2	12.9	11.2	3.3	3.1
Non-cash	Accrued Income ²	31.5	-44.3	18.9	-57.6	1.5	-2.2	0.9	-2.8
	Other Operating Revenues	144.7	128.8	44.5	44.2	7.1	6.0	2.1	2.2
NOI calculation	Reimbursable Expenses as Revenues ³	33.8	79.5	9.8	28.5	1.7	3.7	0.5	1.4
AFFO calculation	Reimbursable Tenant Improvements	15.7	38.1	2.9	11.9	0.8	1.8	0.1	0.6
Non-cash	Other non-cash income	95.3	11.2	31.8	3.8	4.7	0.5	1.5	0.2
	Net Revenue	3,975.1	4,362.8	1,029.2	987.9	196.0	202.9	49.6	47.9
NOI calculation	Share of Profit from Equity Accounted Investments ⁴	59.0	34.8	17.3	11.3	2.9	1.6	0.8	0.6

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

Source: PGIM Real Estate - Fund Accounting

Annex 3 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related to operations (used for the Net Operating Profit calculation) as well as non-recurring figures used for the calculation of metrics such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO).

The following table presents the breakdown of real estate expenses, which are used for the calculation of several metrics.

	Real Estate Expenses	2021	2020	4Q21	4Q20	2021	2020	4Q21	4Q20
		(millions of pesos)	(millions of pesos)	(millions of pesos)	(millions of pesos)	(millions of dollars)	(millions of dollars)	(millions of dollars)	(millions of dollars)
	Repair and Maintenance	-222.5	-278.6	-65.0	-74.1	-11.0	-13.1	-3.1	-3.7
NOI calculation	Recurring	-17.2	-22.0	-4.0	-1.8	-0.8	-1.0	-0.2	-0.1
AFFO calculation	Non-recurring	-205.3	-256.6	-61.0	-72.3	-10.1	-12.1	-2.9	-3.6
	Property Taxes	-104.1	-142.6	-29.0	-27.6	-5.1	-6.7	-1.4	-1.3
NOI calculation	Operating	-83.7	-94.7	-22.9	-22.5	-4.1	-4.4	-1.1	-1.1
Non-cash	Non-operating	-20.4	-47.9	-6.1	-5.1	-1.0	-2.3	-0.3	-0.2
NOI calculation	Property Management Fees	-76.1	-82.6	-19.3	-20.2	-3.8	-3.8	-0.9	-1.0
NOI calculation	Electricity	-6.9	-8.3	-2.0	-2.2	-0.3	-0.4	-0.1	-0.1
AFFO calculation	Brokers Fees	-135.3	-105.7	-35.8	-27.6	-6.6	-4.9	-1.7	-1.4
	Property Insurance	-35.7	-29.4	-10.0	-8.3	-1.8	-1.4	-0.5	-0.4
NOI calculation	Operating	-32.3	-25.9	-9.1	-7.4	-1.6	-1.2	-0.4	-0.4
EBITDA calculation	Administrative	-3.4	-3.5	-0.9	-0.8	-0.2	-0.2	0.0	0.0
NOI calculation	Security	-18.5	-12.6	-4.3	-3.5	-0.9	-0.6	-0.2	-0.2
EBITDA calculation	Advertising	-0.3	-0.4	-0.1	-0.1	0.0	0.0	0.0	0.0
	Other Expenses	-146.6	-25.4	-35.0	-7.7	-7.2	-1.2	-1.7	-0.4
NOI calculation	Operational-related	-9.7	-9.2	-2.6	-2.6	-0.5	-0.4	-0.1	-0.1
Non-cash	Non-operational Related	-122.6	0.0	-24.5	0.0	-6.1	0.0	-1.2	0.0
EBITDA calculation	Administrative	-14.3	-16.1	-7.9	-5.1	-0.7	-0.7	-0.4	-0.3
Non-cash	Bad Debt Expense	-1.0	-24.3	14.3	-5.1	-0.1	-1.1	0.7	-0.2
	Total Real Estate Expenses	-746.9	-709.9	-186.2	-176.2	-36.8	-33.2	-9.0	-8.7

Source: PGIM Real Estate - Fund Accounting

Annex 4 – Fees and Administrative Expenses

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

Terrafina's fees and administrative expenses breakdown is available in the following table and indicates the figures used for the calculation of these metrics:

	Fees and Administrative Expenses	2021	2020	4Q21	4Q20	2021	2020	4Q21	4Q20
		<i>(millions of pesos)</i>		<i>(millions of pesos)</i>		<i>(millions of dollars)</i>		<i>(millions of dollars)</i>	
<i>EBITDA calculation</i>	External Advisor Fees	-248.8	-268.6	-66.6	-63.3	-12.3	-12.2	-3.2	-3.1
	Legal Fees	-27.1	-35.5	-8.7	-9.9	-1.3	-1.6	-0.4	-0.5
<i>EBITDA calculation</i>	Recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>AFFO calculation</i>	Non Recurring	-27.1	-35.5	-8.7	-9.9	-1.3	-1.6	-0.4	-0.5
	Other Professional Fees	-24.5	-25.3	-7.1	-7.4	-1.2	-1.2	-0.3	-0.4
<i>EBITDA calculation</i>	Recurring	-17.5	-17.2	-5.0	-4.8	-0.9	-0.8	-0.2	-0.2
<i>AFFO calculation</i>	Non Recurring	-7.0	-8.1	-2.2	-2.7	-0.3	-0.4	-0.1	-0.1
	Administrative Fees	-85.4	-68.1	-21.3	-15.3	-4.2	-3.2	-1.0	-0.7
<i>EBITDA calculation</i>	Recurring	-85.4	-65.6	-21.3	-15.3	-4.2	-3.0	-1.0	-0.7
<i>Non Operational related</i>	Non Recurring ¹	0.0	-2.5	0.0	0.0	0.0	-0.1	0.0	0.0
<i>EBITDA calculation</i>	Payroll	-37.4	-41.5	-8.9	-8.8	-1.8	-1.9	-0.4	-0.4
<i>EBITDA calculation</i>	Trustee Fees	-10.6	-9.5	-2.4	-2.3	-0.5	-0.4	-0.1	-0.1
<i>EBITDA calculation</i>	Other Expenses	-3.8	-5.9	-0.8	-0.8	-0.2	-0.3	0.0	0.0
	Total Fees and Admin. Expenses	-437.7	-454.5	-115.9	-107.9	-21.6	-20.8	-5.6	-5.2

(1) Non-operational related administrative fees.

Source: PGIM Real Estate - Fund Accounting

Annex 5 – Reconciliation

Reconciliation of Net Profit (Loss) to AFFO				
	2021	4Q21	2021	4Q21
	(millions of pesos)	(millions of pesos)	(millions of dollars)	(millions of dollars)
Comprehensive Income (Loss)	6,257.8	2,611.0	260.8	106.3
<i>Add (Deduct) Cost of Financing Adjustment:</i>				
Exchange Rate Adjustments	-900.2	-382.8	0.0	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	817.9	107.7	40.6	5.2
<i>Add (Deduct) Cost of Financing Adjustment:</i>				
Non-recurring Borrowing Expenses	140.7	11.8	7.0	0.6
<i>Add (Deduct) Non-cash Adjustment:</i>				
Foreign Exchange Adjustments	-5.0	7.4	-0.3	0.3
Realized gain (loss) on Financial Derivative Instruments	32.5	-8.1	1.6	0.4
Fair Value Adjustment on Borrowings	-1334.5	-280.4	-64.6	-13.4
Fair Value Adjustment on Financial Derivative Instruments	-33.1	7.9	-1.6	-0.4
Fair Value Adjustment on Investment Properties	-2,900.5	-1,522.5	-141.2	-72.5
Net gain (loss) from disposal of investment properties	-23.8	6.5	-1.2	0.3
<i>Add (Deduct) Expenses Adjustment:</i>				
Non-operating Property Taxes	20.4	6.1	2.3	0.3
Bad Debt Expense	1.0	-14.3	1.1	-0.7
Other Non-Cash Expenses	104.3	17.3	21.8	21.2
<i>Add (Deduct) Revenues Adjustment:</i>				
Uncollected Revenue from the Quarter	-215.7	-52.1	-15.6	-2.5
Collected Revenue from the Previous Quarter	260.7	69.5	11.2	3.3
Fair Value on Investment Properties JVs	-21.3	-21.3	-21.3	-21.3
Accrued Income	-31.5	-18.9	2.2	-0.9
Other Non-Cash Income	-95.3	-31.8	-0.5	-1.5
<i>Add (Deduct) Non-operational Administrative Fees</i>				
Non-administrative Fees	0.0	0.0	0.1	0.0
AFFO	2,074.4	513.0	102.3	24.7

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI				
	2021	4Q21	2021	4Q21
	(millions of pesos)	(millions of pesos)	(millions of dollars)	(millions of dollars)
Comprehensive Income (Loss)	6,257.8	2,611.0	260.8	106.3
<i>Add (Deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	-900.2	-382.8	0.0	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	817.9	107.7	40.6	5.2
<i>Add (Deduct) Cost of Financing Adjustment:</i>				
Non-recurring Borrowing Expenses	140.7	11.8	7.0	0.6
<i>Add (Deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	-5.0	7.4	-0.3	0.3
Realized gain (loss) on Financial Derivative Instruments	32.5	-8.1	1.6	0.4
Fair Value Adjustment on Borrowings	-1,334.5	-280.4	-64.6	-13.4
Fair Value Adjustment on Financial Derivative Instruments	-33.1	7.9	-1.6	-0.4
Fair Value Adjustment on Investment Properties	-2,900.5	-1,522.5	-141.2	-72.5
Net gain (loss) from disposal of investment properties	-23.8	6.5	-1.2	0.3
<i>Add (Deduct) Expenses Adjustment:</i>				
Non-recurring Repair and Maintenance	205.3	61.0	10.1	2.9
Non-operating Property Taxes	20.4	6.1	1.0	0.3
Brokers Fees	135.3	35.8	6.6	1.7
Bad Debt Expense	1.0	-14.3	1.1	-0.7
Other Non-Cash Expenses	104.3	17.3	21.8	21.2
Non Recurring Legal Fees	27.1	8.7	1.3	0.4
Non-recurring Other Professional Fees	7.0	2.2	0.3	0.1
<i>Add (Deduct) Revenues Adjustment:</i>				
Uncollected Revenue from the Quarter	-215.7	-52.1	-15.6	-2.5

Collected Revenue from the Previous Quarter	260.7	69.5	11.2	3.3
Fair Value on Investment Properties JVs	-21.3	-21.3	-21.3	-21.3
Accrued Income	-31.5	-18.9	2.2	-0.9
Other Non-cash Income	-95.3	-31.8	-0.5	-1.5
Reimbursable Tenant Improvements	-15.7	-2.9	-0.8	-0.1
<i>Add (Deduct) Non-operational Administrative Fees</i>				
Non-administrative Fees	0.0	0.0	0.1	0.0
FFO	2,433.5	617.7	120.0	29.8
<i>Add (Deduct) Cost of Financing Adjustment:</i>				
Interest Paid	840.0	214.8	41.4	10.4
Recurring Borrowing Expenses	0.0	0.0	0.0	0.0
Interest Income	-2.5	-0.3	-0.1	0.0
EBITDA	3,271.0	832.2	161.3	40.1
<i>Add (Deduct) Expenses Adjustment:</i>				
External Advisor Fees	248.8	66.6	12.3	3.2
Recurring Legal Fees	0.0	0.0	0.0	0.0
Other Recurring Professional Fees	17.5	5.0	0.9	0.2
Administrative Fees	85.4	21.3	4.2	1.0
Payroll	37.4	8.9	1.8	0.4
Trustee Fees	10.6	2.4	0.5	0.1
Other Expenses	3.8	0.8	0.2	0.0
Advertising	0.3	0.1	0.0	0.0
Administrative Property Insurance	3.4	0.9	0.2	0.0
Other Administrative Expenses	14.3	7.9	0.7	0.4
NOI	3,692.4	946.1	182.1	45.6
<i>Add (Deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	17.2	4.0	0.8	0.2
Operating Property Taxes	83.7	22.9	4.1	1.1
Property Management Fees	76.1	19.3	3.8	0.9
Electricity	6.9	2.0	0.3	0.1
Property Operating Insurance	32.3	9.1	1.6	0.4
Security	18.5	4.3	0.9	0.2
Other Operational Expenses	9.7	2.6	0.5	0.1
<i>Add (Deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	95.3	31.8	4.7	1.5
Accrued Income	31.5	18.9	1.5	0.9
Uncollected Revenue from the Quarter	215.7	52.1	15.6	2.5
Collected Revenue from the Previous Quarter	-260.7	-69.5	-11.2	-3.3
Reimbursable Tenant Improvements	15.7	2.9	0.8	0.1
Share of Profit from Equity Accounted Investments	-59.0	-17.3	-2.9	-0.8
Net Revenue	3,975.2	1,029.2	201.8	49.7

FINANCIAL STATEMENTS

Income Statement	2021	4Q21	2021	4Q21
	(thousands of pesos)		(thousands of dollars)	
Rental revenues	3,830,394	984,677	188,897	47,459
Other operating income	144,711	44,512	7,098	2,132
Real estate operating expenses	-624,299	-161,714	-30,767	-7,785
Other operating expenses related to investment properties	-122,644	-24,490	-6,073	-1,167
Fees and other expenses	-437,668	-115,857	-21,574	-5,585
	23,848			
Net gain (loss) from fair value adjustment on investment properties	2,900,478	1,522,530	141,176	72,537
Net gain (loss) from fair value adjustment on borrowings	1,334,470	280,436	64,575	13,362
Net gain (loss) unrealized from fair value on financial derivate instruments	33,148	8,149	1,621	388
Realized gain (loss) on financial derivate instruments	-32,539	-7,934	-1,619	-388
Foreign exchange (loss) gain	4,986	-7,411	266	-349
Operating profit	7,054,885	2,516,408	344,805	120,297
Finance income	2,487	348	123	17
Finance cost	-980,717	-226,594	-48,415	-10,917
Net Finance cost	-978,230	-226,246	-48,293	-10,900
Share of profit from equity accounted investments	98,894	45,774	4,846	2,181
Net Profit for the period	6,175,549	2,335,936	301,359	111,577
Exchange rate gain (loss) from functional to reporting currency	900,199	382,788	0	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	-817,903	-107,735	-40,597	-5,234
Total Comprehensive income for the period	6,257,845	2,610,989	260,762	106,343

Balance Sheet		Dec-31 st -21	Sep-30 th -21	Dec-31 st -21	Sep-30 th -21
		(thousands of pesos)		(thousands of dollars)	
Assets					
Non-current assets					
Investment properties		50,812,050	49,430,336	2,468,582	2,434,272
(Cost: 31/12/2021 - Ps.41,661,924, US\$2,024,044; 30/09/2021 - Ps.42,057,747, US\$2,071,198)					
Investments in joint venture		889,741	815,095	43,226	40,141
Deferred rents receivable		287,220	255,408	13,954	12,578
Other accounts receivable		139,350	137,472	6,770	6,770
Restricted cash		32,356	31,919	1,572	1,572
Current assets					
Other accounts receivable		188,977	203,099	9,181	10,002
Recoverable taxes		97,095	94,407	4,717	4,649
Prepaid expenses		32,318	32,251	1,570	1,588
Deferred charges receivable		3,217	12,755	156	628
Accounts receivable		118,049	78,490	5,735	3,865
(Net of allowance for doubtful accounts: 31/12/2021 - Ps. 113,779, US\$5,528; 30/09/2021 - Ps. 135,936, US\$6,694)					
Cash and cash equivalents		1,834,691	853,450	89,134	42,029
Total assets		54,435,064	51,944,682	2,644,597	2,558,095
Net assets attributable to Investors					
Net contributions		18,650,342	18,701,218	1,553,644	1,556,093
Retained earnings		4,089,202	2,090,503	62,845	-32,254
Currency translation adjustment		10,319,798	9,937,010	-	-
Own credit risk reserve		157,219	264,954	-2,741	2,493
Total net assets (Net Equity)		33,216,561	30,993,685	1,613,747	1,526,331
Liabilities					
Non-current liabilities					
Loans		18,052,862	19,838,346	877,055	976,970
(Cost: 31/12/2021 - Ps. 17,187,222, US\$834,999; 31/09/2021 - Ps. 18,766,764, US\$924,198)					
Financial derivative instruments		0	7,884	0	388
Tenant deposits		323,797	316,491	15,731	15,586
Accounts payable		137,233	111,252	6,667	5,479
Current liabilities					
Trade and other payables		476,868	430,726	23,167	7,662
Loans		2,151,050	155,581	104,504	21,212
(Cost: 31/12/2021 - Ps. 2,097,769, US\$101,915; 30/09/2021 - Ps. 155,581, US\$7,662)					
Tenant deposits		76,693	90,717	3,726	4,468
Total liabilities (excluding net assets attributable to the Investors)		21,218,503	20,950,997	1,030,850	1,031,764
Total net assets and liabilities		54,435,064	51,944,682	2,644,597	2,558,095

Cash Flow Statement	Dec-21	Dec-21
	(thousands of pesos)	(thousands of dollars)
Cash flows from operating activities		
Profit (loss) for the period	6,175,549	111,577
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-2,900,478	-72,537
Net loss (gain) realized from fair value adjustment on loans	-1,334,470	-13,362
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	-33,148	-388
Net loss (gain) realized from disposal of investment properties	-23,848	309
Bad debt expenses	1,047	-680
Interest expenses on loans	872,073	10,476
Interest income on bank accounts	-2,487	-17
Share of profit from equity accounted investments	-98,894	-2,181
Decrease (increase) deferred rents receivable	-39,768	-904
Decrease (increase) in accounts receivable	3,598	-1,190
Decrease (increase) in recoverable taxes	-90,238	-1,017
Decrease (increase) in recoverable value added tax	91,136	949
Decrease (increase) in prepaid expenses	-1,647	18
Decrease (increase) in other assets	-113,627	821
Decrease (increase) in tenant deposits	2,169	-597
(Decrease) in accounts payable	218,892	3,144
Net cash (used in) generated from operating activities	2,725,859	34,422
Cash flows from investing activities		
Acquisition of investment properties	-254,748	-8,095
Improvements of investment properties	-528,446	44,764
Dispositions of investment properties	986,495	-
Interest income on bank accounts	2,487	17
Investments in joint venture	37,426	346
Net cash (used in) generated from investing activities	243,214	37,031
Cash flows from financing activities		
Received payments	3,735,280	
Principal payments on loans	-3,774,393	
Interest payments on loans	-864,319	-5,421
Distributions to investors	-1,655,013	-16,479
Shares buyback		
Net cash (used in) generated from financing activities	-2,609,321	-24,349
Net (decrease) in cash and cash equivalents	359,752	47,105
Cash and cash equivalents at the beginning of the period	1,443,720	42,029
Exchange effects on cash and cash equivalents	31,219	-
Cash and cash equivalents at the end of the period	1,834,691	89,134

Statement of Changes in Equity	Attributable to Investors				
	Net contributions	Currency translation adjustment	Own credit risk reserve	Retained earnings	TotalNet assets
<i>(thousands of pesos)</i>					
Balance at January 1, 2021	18,701,218	9,419,599	975,122	-431,334	28,664,605
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-1,655,013	-1,655,013
Repurchase of certificates, including transaction costs					
Comprehensive Income					
Net loss for the period	-	-	-	6,175,549	6,175,549
Other Comprehensive Income					
Currency conversion adjustments	-	900,199	-	-	900,199
Fair value loan adjustments	-	-	-817,903	-	-817,903
Total Comprehensive (loss) income	-	900,199	-817,903	6,175,549	6,257,845
Net Assets as of December 31st, 2021	18,650,342	10,319,798	157,219	4,089,202	33,216,561
<i>(thousands of dollars)</i>					
Balance at January 1, 2021	1,556,093	-	-10,058	-71,715	1,474,320
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-	-	-	-16,479	-16,479
Repurchase of certificates, including transaction costs					
Comprehensive Income					
Net loss of the period	-	-	-	111,577	111,577
Other Comprehensive Income					
Currency conversion adjustments	-	-	-	-	0
Fair value loan adjustments	-	0	-5,234	-	-5,234
Total Comprehensive (loss) income	-	0	-5,234	111,577	106,343
Net Assets as of December 31st, 2021	1,553,644	-	-2,741	62,845	1,613,747