



Presentation to CBFI Holders

Ordinary and Extraordinary Holders Meeting
April 11, 2018

Ordinary Meeting

- I. Approval of the Audited Annual Financial Statements for 2017
- II. Approval of the 2017 Annual Report
- III. Ratification of the Technical Committee's members
- IV. Approval of 230 million CBFIs

Extraordinary Meeting

- I. Terrafina's Committee Members' compensation

I. Presentation, discussion, and approval of the **Audited Annual Financial Statements**¹ for fiscal year 2017.

1) The audited annual financial statements are available in:
<https://s3.amazonaws.com/irdublin/companies/terrafinadocuments/financialreports/2017-4T-fstatements-consolidated-4Q17-vf.pdf>

II. Presentation, discussion, and approval for the **Annual Report as of December 31, 2017**

Operational Highlights

- Occupancy rate as of December 31, 2017 was **95.5%**, a 64 basis point increase with the fourth quarter of 2016 (4Q16).
- The average leasing rate for the portfolio at year-end was **US\$5.04.**
- At year-end, TerraFina reported a total of **40.6 million square feet** (msf) of Gross Leasable Area (GLA) comprised of **284 properties and 299 tenants.**
- 2017 leasing activity totaled **6.3 msf**, of which **24.1%** corresponded to new leases, **47.6%** to lease renewals, and **28.3%** to early renewals. Leasing activity was mainly concentrated in the Chihuahua, Ciudad Juarez, Cuatitlan Izcalli, Ramos Arizpe, Reynosa, Monterrey, Queretaro, San Luis Potosi, Toluca, Tijuana, Apodaca, Irapuato, Puebla and Monclova markets.
- Total M&A activity for 2017 was **US\$661mm** adding over 10 million square feet of income-producing GLA to the portfolio.

Financial Highlights

- 2017 rental revenues reached **US\$166.9 million**, of which **US\$43.8 million** were generated during 4Q17; a 31.2% or US \$10.4 million increase compared to 4Q16.
- FY2017 NOI was **US\$166.8 million**, of which **US\$44.0 million** were generated during 4Q17; a 32.9% or US\$10.9 million increase compared to 4Q16. The NOI margin reached **92.0%** for FY2017 and **93.0%** in 4Q17, a 7 basis point increase compared to 4Q16.
- FY2017 EBITDA reached **US\$150.3 million**, of which **US\$39.6 million** were generated in 4Q17, an increase of 33.9% or US\$10.0 million compared to 4Q16. The EBITDA margin for 2017 was **83.0%** and **83.6%** for 4Q17, a 67 basis point increase compared to 4Q16.
- FY2017 adjusted funds for operations (AFFO) reached **US\$95.0 million**, of which, **US\$25.6 million** were generated in 4Q17, an increase of US\$5.3 million compared to 4Q16. AFFO margin for 2017 was **52.4%** and **54.1%** for 4Q17, a 276 basis point decrease compared to 4Q16.
- FY2017 distributions totaled **US\$95.0 million**. As a result of 4Q17 operations, distributions corresponding to the October 1 to December 31, 2017 period of **Ps.0.6130 per CBFI (US\$0.0324 per CBFI)** were paid to our shareholders.
- The result of distributions per CBFI for 2017 was a total of **US\$0.1286**; considering the average share price of the year of **US\$1.62 (Ps.30.65)**, TerraFina's dividend yield for the year was **8.0%**.

III. The Technical Committee recommends ratifying the existing

Technical Committee Members:

Technical Committee Member	Independent
Alberto Chretin Castillo	No
Alfonso Munk Alba	No
Eduardo Solis Sanchez	Yes
Arturo D'Acosta Ruiz	Yes
Jose Luis Barraza Gonzalez	Yes
Victor David Almeida Garcia	Yes
Carmina Abad Sanchez	Yes
Julio Ignacio Cardenas Sarre	Yes

ALBERTO CHRETIN CASTILLO

CANDIDATE'S INFORMATION

Engineer, 66 years old

Seniority: 5 years

Proposed position:	Chairman of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☒ No ☐	If so, what position does he/she hold?	Employee ☐ Executive ☒
Is he/she an independent member?	Yes ☐ No ☒	If not, why?	Current Chief Executive Officer of Terrafina
Is he/she member of another of Terrafina's committees?	Yes ☐ No ☒	If so, which one(s)?	

CURRICULUM

Alberto Chretin is Terrafina's Chief Executive Officer and Chairman of the Board. Mr. Chretin is responsible for the preparation of our business strategy and the execution of our vision, goals and business plan. Before joining Terrafina, Mr. Chretin served as a Minister of Economy for the state of Chihuahua, Mexico, and as Executive Advisor of PGIM in connection with Terrafina's initial portfolio. Prior to joining PGIM, Mr. Chretin was Managing Director at Verde Corporate Realty Services, where his duties included marketing, promotion, leasing, development, investment and property management. Previously in his career, Mr. Chretin was CEO at Intermex, Chihuahua, where he doubled the size of the Company's industrial portfolio, and Executive Director of Parques Industriales de Chihuahua, S.A. de C.V. Mr. Chretin has also served as Executive Director of the Mexican Association of Industrial Parks (AMPIP) from 2009 to 2010. Alberto Chretin holds a Bachelor's degree in Management and Mechanical Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and attended the AD-2 program at the IPADE Business School in Mexico.

ALFONSO MUNK ALBA

CANDIDATE'S INFORMATION

MBA, 44 years old

Seniority: 5 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☒ No ☐	If so, what position does he/she hold?	Employee ☐ Executive ☒
Is he/she an independent member?	Yes ☐ No ☒	If not, why?	Current Managing Director and Chief Investment Officer of PREI in the Americas
Is he/she member of another of Terrafina's committees?	Yes ☐ No ☒	If so, which one(s)?	

CURRICULUM

Alfonso Munk is Managing Director of PGIM Real Estate in the Americas. Mr. Munk is responsible for managing PGIM's investment management business in Latin America, including the development and implementation of its business strategy. Prior to joining PGIM, he served as Managing Director at Morgan Stanley Real Estate Investing (MSREI), where he held various roles over the last ten years. Most recently, he was responsible for real estate investing activities of MSREI in southern Europe, as well as pan-European hospitality investments. He also served as regional head of MSREI for South America, based in Sao Paulo. Mr. Munk holds an MBA from Wharton School of Business with a major in Finance and Real Estate, and a Bachelor's degree in Business and Hospitality Administration from Cornell University. Mr. Munk is a member of the Urban Land Institute and has been a board member of various companies, including Icade, Eurosic SA, Abyara Planejamento Imobiliario SA, and Compagnie La Lucette, where he was Chairman of the Board.

EDUARDO SOLÍS SÁNCHEZ

CANDIDATE'S INFORMATION

PHD, 55 years old

Seniority: 5 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Practices Committee Audit Committee Indebtedness Committee

CURRICULUM

Eduardo Solís is President of the Mexican Association of the Automotive Industry (AMIA). Prior to his current position, Mr. Solís worked at the Ministry of Economy, where he served as a Head of the Unit for the Promotion of Investment. He was responsible for attracting key strategic projects to Mexico. Previously, Mr. Solís was responsible for the administration of NAFTA and was Mexico's Chief Trade Negotiator with Latin America. He negotiated free trade agreements with Chile, Nicaragua, Uruguay, Guatemala, Honduras and El Salvador, as well as bilateral agreements with Brazil, Argentina, Panama and Peru. Mr. Solís was also Mexico's Chief Negotiator in the Free Trade Agreement of the Americas, and worked at the Ministry of Commerce and Trade as Head of Negotiations for the agricultural chapter of NAFTA, as well as for the free trade agreements with Costa Rica, Bolivia, Colombia and Venezuela, and the World Trade Organization (WTO) Uruguay Round. Mr. Solís has a Bachelor's degree in Economics from the Universidad Autónoma de Nuevo León, and received a Master's degree and a Ph.D. from The University of Chicago and the University of Rochester, respectively.

ARTURO D'ACOSTA RUIZ

CANDIDATE'S INFORMATION

MBA, 60 years old

Seniority: 5 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Audit Committee: President Indebtedness Committee: President Nominating Committee

CURRICULUM

Arturo D'Acosta is Executive Director of Actinver. Previously, he held the Executive Director position at Alvarez & Marsal (A&M) in Mexico City. Mr. D'Acosta is responsible for providing consulting services to companies in Mexico as a specialist in financial administration. Mr. D'Acosta also serves as President of the Securities Listing Committee for the Mexican Stock Exchange, where he analyzes and authorizes capital and debt placements. Previously, he was Managing Partner at Serficor Partners, where he ran several projects in the construction, food, and agriculture industries. Prior to his work at Serficor Partners, Mr. D'Acosta was General Manager of Finance and Administration for the Grupo Industrial Saltillo and Corporate Director of Finance and Administration at DESC, where he was responsible for various financial restructurings and bond issuances in Mexico and the U.S. Mr. D'Acosta earned a B.B.A. from the Escuela Bancaria y Comercial and holds an MBA from the Instituto Tecnológico Autónomo de México (ITAM).

JOSÉ LUIS BARRAZA GONZÁLEZ

CANDIDATE'S INFORMATION

Doctor, 68 years old

Seniority: 5 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Practices Committee Nominating Committee: President

CURRICULUM

José Luis Barraza is the former Chairman of the Administrative Board of Grupo Aeromexico, of which he continues to be a member. In addition, he is President of the Executive Committee of Aeromexico and participates as Permanent Guest of the Audit and Corporate Practices Committees. Mr. Barraza has worked in international commerce and industrial development for over 30 years. He has served as Chairman of the boards of Proyectos Inmobiliarios Impulso, Optima, Administración de Servicios Optima, Realiza y Asociados, e Inmobiliaria Realiza. Mr. Barraza has also been a board member of numerous financial, educational and philanthropic institutions. From 2003 to 2004, he was President of the Employers' Confederation of the Republic (Coparmex), and between 2004 and 2007 served as President of the Council on Business Coordination (CCE). Mr. Barraza has a degree in Chemical Engineering with a specialty in Business from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and he earned his postgraduate degree in Advanced Administration from the IPADE Business School. In addition, he has an Honorary Doctorate from the Mexican Academy of International Law.

VÍCTOR DAVID ALMEIDA GARCÍA

CANDIDATE'S INFORMATION

BA, 59 years old

Seniority: 5 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Practices Committee: President Audit Committee Indebtedness Committee

CURRICULUM

Víctor Almeida has served as General Manager of Interceramic since 1982. Since 1979, when the Company began operations, he has taken on several roles within Interceramic. In 1982, he was named President and General Director of Grupo Cencor, which manages Mercedes Benz, Honda and Chrysler dealerships in the State of Chihuahua. Mr. Almeida has been President of the Director's Council for Banamex in the State of Chihuahua since 1991 and of NAFINSA/TEXAS since 2005. Mr. Almeida holds a Bachelor's degree in Business Administration from the University of Texas in Austin.

CARMINA ABAD SÁNCHEZ

CANDIDATE'S INFORMATION

BA, 55 years old

Seniority: 3 years

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Audit Committee Practices Committee Nominating Committee

CURRICULUM

Carmina Abad has over 30 years of experience in the insurance and risk, as well as in the financial industries and currently is Chief Executive Officer at Swiss Re Corporate Solutions in Mexico. From 2010 to 2015 she served as Chief Executive Officer and Chairman of the Board of MetLife México. Prior to this position, Ms. Abad was Chief Operating Officer (2009-2010) of MetLife Mexico, Vice President of the Government Business Unit (2002-2009), Institutional Development Director of MetLife Spain (2000-2002) and in AFORE (Pension Plan) (1991-2000). Ms. Abad holds a Bachelor's Degree in Actuarial Sciences from the National Autonomous University of Mexico (UNAM). Additionally, Ms. Abad has several certifications including the Harvard Management Mentor Program, the Enterprise Leadership Program (Harvard Business School) and the Executive Education for Women Certification (Smith College), among others.

JULIO IGNACIO CARDENAS SARRE

CANDIDATE'S INFORMATION

MBA, 52 years old

Seniority: 1 year

Proposed position:	Member of the Board	Proposed duration	1 year, to be ratified
Is he/she an Executive Director of Terrafina?	Yes ☐ No ☒	If so, what position does he/she hold?	Employee ☐ Executive ☐
Is he/she an independent member?	Yes ☒ No ☐	If not, why?	
Is he/she member of another of Terrafina's committees?	Yes ☒ No ☐	If so, which one(s)?	Audit Committee Practices Committee Nominating Committee

CURRICULUM

Julio Cardenas is an independent advisor who participates as an independent Member of the Board for Mercado Mexicano de Derivados (MEXDER) and Afore CitiBanamex and also works as senior consultant in Nfoque Advisory Services and Everis Initiatives. Mr. Vallejo was Managing Director, Head of Global Markets and Balance Sheet Management in HSBC as well as CEO of Casa de Bolsa HSBC who overviewed and executed joint-venture initiatives with Commercial Banking and Investment Banking among other activities. He has worked in renowned financial institutions such as Bank of America, JPMorgan, Banpais and Citibank. Mr. Cardenas graduated from the Universidad Panamericana with a degree in Business Administration and Finance, and has participated in different courses and seminars taught by IPADE and Harvard Business School which specializes in risk management, credit, derivatives and advanced math on derivatives among others.

IV. Proposal, discussion, and approval of 230 million CBFIs

- As part of TerraFina's growth strategy for the upcoming years, the company seeks the holders' approval in order to have CBFIs available for potential acquisitions of industrial assets through offers (public or private).
- The company will seek growth opportunities in the medium and long term and does not expect to offer CBFIs in the short term.
- The asset acquisitions will be conditioned to the compliance of several qualitative and quantitative variables with a focus on value-creation for our investors and the strengthening the company's operations in the long run.

- I. Update of the consideration payable¹ to the Independent Members of the Technical Committee, the Audit Committee, the Practices Committee, the Nominations Committee, and the Indebtedness Committee, in accordance to the inflation increases reflected in the National Consumer Price Index (*“Índice Nacional de Precios al Consumidor”*), effective as of 2018.

1) Current compensation was approved in the Ordinary Shareholders Meeting of May 20, 2013.

