



Presentation to CBFI Holders

Ordinary Holders Meeting

April 10, 2019

- I. Approval of the Audited Annual Financial Statements for 2018
 - II. Approval of the 2018 Annual Report
 - III. Ratification of each of the Technical Committee's members
 - IV. Appointment of delegates to comply with the resolutions adopted in the Meeting
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I. Presentation, discussion, and approval of the **Audited Annual Financial Statements**¹ for fiscal year 2018.

1) The annual financial statements are available in: <https://s3.amazonaws.com/irdublin/companies/terrafinadev/documents/financialreports/2018-4T-fstatements-consolidated-4Q18-vf.pdf>

II. Presentation, discussion, and approval for the **Annual Report as
of December 31, 2018**

Operational Highlights

- Occupancy rate as of December 31, 2018 was **95.3%**, a 20 basis point decrease with the fourth quarter of 2017 (4Q17).
- The average leasing rate for the portfolio at year-end was **US\$5.15** per square foot per year.
- At year-end, TerraFina reported a total of **41.1 million square feet** (msf) of Gross Leasable Area (GLA) comprised of **287 properties and 295 tenants**.
- 2018 leasing activity totaled **9.0 msf**, of which **11.7%** corresponded to new leases, **46.1%** to lease renewals, and **42.2%** to early renewals. Leasing activity was mainly concentrated in the Cuautitlan Izcalli, Chihuahua, Ciudad Juarez, San Luis Potosi, Ramos Arizpe, Saltillo, Monterrey, Guadalajara, Silao, Toluca, Irapuato, Reynosa, Queretaro, Hermosillo y Tijuana markets.

Financial Highlights

- 2018 rental revenues reached **US\$191.0 million**, of which **US\$48.0 million** were generated during 4Q18; a 9.6% or US\$4.2 million increase compared to 4Q17.
- FY2018 NOI was **US\$190.0 million**, of which **US\$48.0 million** were generated during 4Q18; a 9.1% or US\$4.0 million increase compared to 4Q17. The NOI margin reached **92.3%** for FY2018 and **93.3%** in 4Q18, a 32 basis point increase compared to 4Q17.
- FY2018 EBITDA reached **US\$170.9 million**, of which **US\$42.8 million** were generated in 4Q18, an increase of 8.0% or US\$3.2 million compared to 4Q17. The EBITDA margin for 2018 was **83.1%** and **83.1%** for 4Q18, a 53 basis point decrease compared to 4Q17.
- FY2018 adjusted funds for operations (AFFO) reached **US\$111.1**, of which, **US\$26.4 million** were generated in 4Q18, an increase of US\$0.7 million compared to 4Q17. AFFO margin for 2018 was **54.0%** and **51.2%** for 4Q18, a 287 basis point decrease compared to 4Q17.
- FY2018 distributions totaled **US\$111.1 million**. As a result of 4Q18 operations, distributions corresponding to the October 1 to December 31, 2018 period of **Ps.0.6611 per CBFI (US\$0.0334 per CBFI)** were paid to our shareholders.
- The result of distributions per CBFI for 2018 was a total of **US\$0.1407**; considering the average share price of the year of **US\$1.44 (Ps.27.71)**, TerraFina's dividend yield for the year was **9.7%**.

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

IV. Appointment of delegate or delegates to comply with the resolutions adopted in the Meeting.

