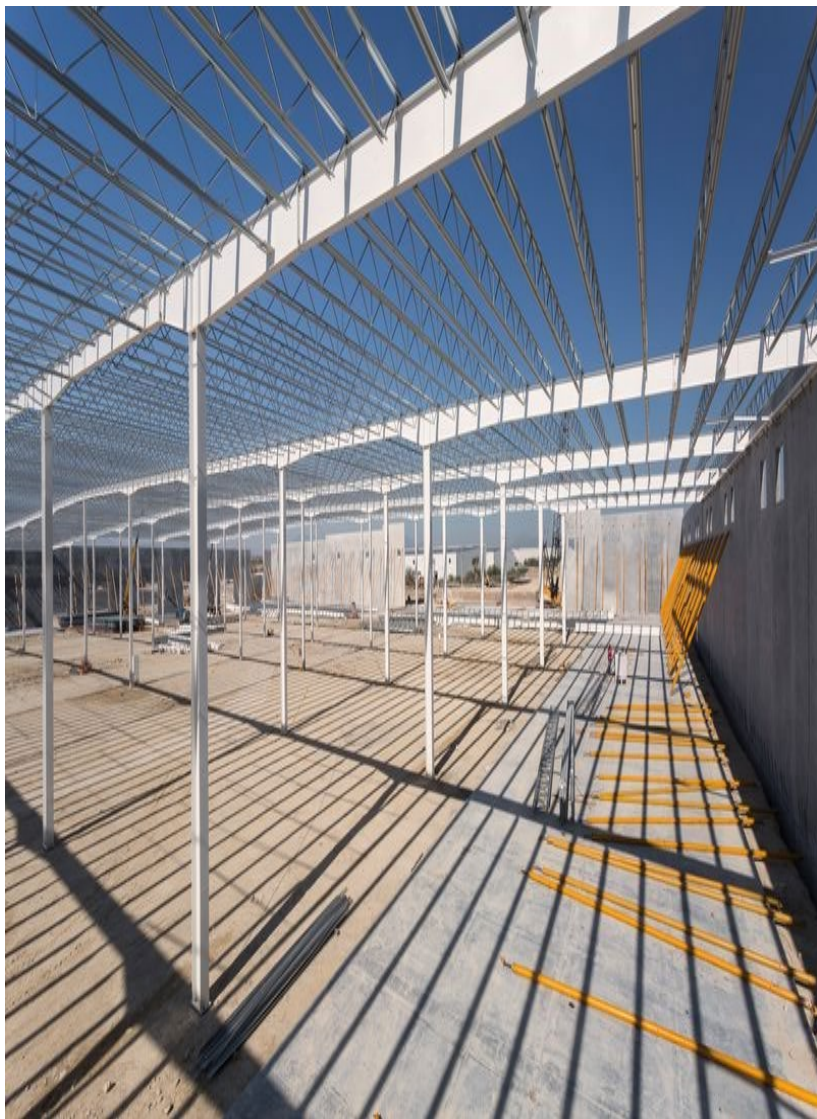




Second Quarter 2019

FIBRA Prologis Financial Information



Agua Fria Building #8, Monterrey

Interim Condensed Financial
Statements

Supplemental Financial
Information



FIBRA Prologis Announces Second Quarter 2019 Earnings Results

MEXICO CITY (July 18, 2019) – FIBRA Prologis (BMV:FIBRAPL 14), a leading owner and operator of Class-A industrial real estate in Mexico, today reported results for the second quarter of 2019.

HIGHLIGHTS FROM THE QUARTER:

- Period-end occupancy was 96.6 percent.
- Net effective rents on rollover increased 16.0 percent.
- Weighted average customer retention was 85.1 percent.
- Same store cash NOI grew 3.9 percent.
- Completed net asset dispositions of US\$10 million.

Net earnings per CBFi was Ps. 0.7487 (US\$0.0395) for the second quarter compared with Ps. 1.3285 (US\$0.0709) for the same period in 2018.

Funds from operations (FFO) per CBFi was Ps. 0.5647 (US\$0.0298) for the second quarter compared with Ps. 0.4620 (US\$0.0263) for the same period in 2018. The current period included an incentive fee paid to FIBRA Prologis' sponsor of Ps. 0.2678 (US\$0.0136) per CBFi. Excluding the incentive fee, FFO per CBFi was Ps. 0.8325 (US\$0.0434).

STRONG RESULTS

"Our results in the second quarter are evidence that our investment strategy of focusing on the six most dynamic markets in Mexico is working," said Luis Gutiérrez, CEO, Prologis Property Mexico. "Rent change on rollover was a record 16 percent, while occupancy remained elevated. This combination led to strong Cash Same Store NOI generation, demonstrating our internal growth capabilities."

Operating Portfolio	2Q19	2Q18	Notes
Period End Occupancy	96.6%	95.9%	<i>Driven by declines in Juarez and Mexico City, partly offset by increases in Monterrey</i>
Leases Commenced	2.0MSF	2.3MSF	<i>82% of leasing activity related to renewals, led by Monterrey and Mexico City</i>
Customer Retention	85.1%	87.1%	
Net Effective Rent Change	16.0%	15.1%	<i>Led by Mexico City and Monterrey</i>
Cash Same Store NOI	3.9%	2.5%	<i>Higher rent change on leases commenced and annual rent escalators, as well as increased average occupancy partly offset by higher bad debt and operating expenses</i>

SOLID FINANCIAL POSITION

As of June 30, 2019, FIBRA Prologis' leverage was 32.1 percent and liquidity was Ps. 6.6 billion (US\$344.4 million), which included Ps. 6.2 billion (US\$325.0 million) of available capacity on its unsecured credit facility and Ps. 372.4 million (US\$19.4 million) of unrestricted cash.

GUIDANCE UPDATE

"We delivered solid operating and financial results in the first half of the year, which highlights, now more than ever, the importance of maintaining a focused investment strategy and adhering to a prudent approach to our balance sheet," said Jorge Girault, senior vice president, Finance, Prologis Property Mexico. "Our updated guidance reflects this prudence in our balance sheet and capital, as well as the positive effect of our risk management strategy."

(US\$ in million, except per CBFi amounts)			
FX = Ps\$20.0 per US\$1.00			
	Low	High	Notes
FFO per CBFi excluding incentive fee	US\$0.1600	US\$0.1650	<i>Excludes the impact of peso movements</i>
FFO per CBFi including incentive fee	US\$0.1425	US\$0.1500	
Full Year 2019 Distributions per CBFi	US\$0.1240	US\$0.1240	
Year End Occupancy	96.0%	97.0%	
Same Store NOI (Cash)	3.0%	4.0%	<i>Based in U.S. dollars</i>
Annual Capital Expenditures as % of NOI	14.0%	15.0%	
Asset Management and Professional Fees	US\$20.0	US\$22.0	<i>Excludes incentive fee</i>
Building Dispositions	US\$50.0	US\$70.0	

WEBCAST & CONFERENCE CALL INFORMATION

FIBRA Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook. Here are the event details:

- Friday, July 19, 2019, at 9 a.m. CT/10 a.m. ET
- Live webcast at www.fibraprologis.com, in the Investor Relations section, by clicking Events
- Dial in: +1 877 256 7020 or +1 973 409 9692 and enter Passcode 2336099.

A telephonic replay will be available July 19 - July 26 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 2336099. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.



ABOUT FIBRA PROLOGIS

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2019, FIBRA Prologis was comprised of 190 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.8 million square feet (3.2 million square meters) of gross leasable area.

FORWARD-LOOKING STATEMENTS

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.

MEDIA CONTACTS

Kosta Karmaniolas, Tel: +1 415 733 9592, kkarmani@prologis.com, San Francisco

Montserrat Chavez, Tel: +52 55 1105 2941, mchavez@prologis.com, Mexico City



Fideicomiso Irrevocable 1721 Banco Actinver, S. A.,
Institución de Banca Múltiple, Grupo Financiero Actinver,
División Fiduciaria.

Interim Condensed Financial Statements as of
June 30, 2019 and for the three and six months
periods then ended

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Second Quarter 2019 Earnings Report

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

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Second Quarter 2019 Management Overview

Letter from Luis Gutierrez, Chief Executive Officer, Prologis Property Mexico

Strong re-leasing spreads and maintaining occupancy have been key components of our internal growth strategy. In the second quarter, FIBRA Prologis delivered on both, resulting in terrific operating and financial results. Leasing volume was 2.0 million square feet with an average term of 69 months and renewals comprising 82 percent of second quarter activity. Net effective rents on rollover increased a record 16.0 percent while occupancy remained elevated at 96.6 percent. Cash same store NOI grew 3.9 percent on higher rents and average occupancy, offset partly by higher bad debt and expenses. Our performance demonstrates the internal growth capabilities of FIBRA Prologis, all of which stem from our investment strategy; our high-quality, well-located properties; and our best-in-class customer service.

In the second quarter, we sold two properties for \$10 million, in-line with appraised values. Year-to-date, we have sold ten properties for \$72 million. Our efforts have further streamlined the portfolio toward submarkets we think have greater growth potential. Additionally, through these transactions, we have seen firsthand that there is an abundance of capital, both domestic and foreign, chasing after industrial product in Mexico.

Geopolitical uncertainty and slowing economic growth have dampened market rental growth in Mexico. Labor market conditions and positive output gap are tailwinds, particularly in the manufacturing sector. Consumption indicators are mixed. As a result, real GDP expectations have been cut in half to approximately 1 percent in 2019.

The growth of Mexico's logistics operating environment decelerated in the second quarter due to the prolonged duration of geopolitical uncertainty and mixed economic conditions. In the consumption-oriented markets of Mexico City, Guadalajara and Monterrey, demand slowed to 3.4 million square feet in the first half of the year. The border markets remain healthy, particularly with Tijuana and Ciudad Juarez reporting growing net absorption. We see increased interest from existing companies exploring expansion in our border markets, which could further lift demand.

The development cycle in Mexico is slowing across most markets. Land constraints in Mexico City and Tijuana have kept supply subdued. In Ciudad Juarez and Reynosa, the overhang from an unratified USMCA agreement has muted supply. We are watching Guadalajara closely as the supply pipeline there remains higher than what the market has historically been able to absorb within twelve months. Net absorption in our six markets was 3.9 million square feet in the second quarter with completions slightly higher at 4.3 million square feet. As a result, market vacancy remains low at 4.5 percent for modern-grade product, and unchanged year-over-year.

In closing, despite changes to the macroeconomic and operating environment, we are committed to delivering positive operating and financial results. We will remain prudent with our capital, particularly as geopolitical activity exerts uneven effects on the operating environment and capital markets. We are disciplined, experienced and, most importantly, fully aligned with our certificate holders. This, along with best-in-class corporate governance, positions FIBRA Prologis as Mexico's premier real estate investment vehicle.

Thank you for your continued support.

Sincerely,

Luis Gutierrez

Chief Executive Officer

The interim condensed financial statements included in this report were prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

Please read this in conjunction with the interim condensed financial statements.

Management Overview

FIBRA Prologis (BMV: FIBRAPL 14) is a leading owner and operator of Class-A logistics real estate in Mexico. As of June 30, 2019, FIBRA Prologis owned 190 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.8 million square feet (3.2 million square meters) of gross leasable area (GLA). These properties were leased to 232 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 65.7 percent of our net effective rents are in global logistics markets (Global Markets) and the remaining 34.3 percent are in regional manufacturing markets (Regional Markets). Global Markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and consumption-driven. They benefit from proximity to principal highways, airports and rail hubs, and their presence in highly populated areas offers tangible benefits from the sustained growth of the middle class. Regional Markets include Cd. Juarez, Tijuana and Reynosa—industrial centers for the automotive, electronics, medical and aerospace industries, among others. These markets benefit from a ready and qualified workforce as well as proximity to the U.S. border.

The operating results that follow are consistent with how management evaluates the performance of the portfolio.

Our second quarter financial information includes results from April 1, 2019, through June 30, 2019. During the quarter ended June 30, 2019, and through the date of this report, the following activity supported our business priorities and strategy:

- Operating results:

Operating Portfolio	2Q 2019	2Q 2018	Notes
Period End Occupancy	96.6%	95.9%	<i>Driven by declines in Juarez and Mexico City, partly offset by increases in Monterrey</i>
Leases Commenced	2.0MSF	2.3MSF	<i>82% of leasing activity related to renewals and led by Monterrey and Mexico City</i>
Customer Retention	85.1%	87.1%	
Net Effective Rent Change	16.0%	15.1%	<i>Led by Mexico City and Monterrey</i>
Same Store Cash NOI	3.9%	2.5%	<i>Higher rent change on leases commenced and annual rent escalators, as well as increased average occupancy partly offset by higher bad debt and operating expenses</i>
Turnover Cost on Leases Commenced (per square feet)	US\$1.86	US\$1.77	<i>Increase driven primarily by higher customer improvements and concessions related to longer lease term</i>

- Capital deployment activities:

US\$ in millions	2Q 2019	2Q 2018	Notes
Dispositions			
Sale Price	US\$10.0	US\$0.0	<i>Two properties in Ciudad Juarez with sale price in line with appraised value</i>
Building GLA (thousand sf)	192	0.0	
Weighted avg. stabilized cap rate	8.8%	0.0%	

We use a same store analysis to evaluate the performance of our owned operating properties. The population of the properties in this analysis is consistent from period to period, which eliminates the effects of changes in portfolio composition on performance metrics. In our view, the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as they are across the total portfolio. Our same store is measured in U.S. dollars and includes the effect of year-over-year movements in the Mexican peso. The increase in SSNOI of 140 basis points year-over-year is mainly due to positive rent change on leasing activity, higher contractual rent escalators and average occupancy.

Operational Outlook

Market vacancy in the six main logistics markets in Mexico remains unchanged quarter-over-quarter at 4.5 percent for modern-grade product. In the three main Global Markets, demand in the first half of 2019 slowed to 3.35 million square feet—. The Border markets remain relatively healthy and act as a benchmark for overall national conditions with market vacancy below 2.0% in the three main markets.

Geopolitical uncertainty and slowing economic growth have dampened market rental growth in Mexico. Customer demand for logistics real estate remains stable overall but is weak in Guadalajara. The operating environment remains strong in Mexico City, Tijuana and Ciudad Juarez, where the realized market rent growth is the highest.

Acquisitions

Our exclusivity agreement with Prologis gives us access to an important proprietary acquisition pipeline. As of June 30, 2019, Prologis had 5.2 million square feet under development or pre-stabilization, of which 91 percent was leased or pre-leased as of the end of the second quarter. This exclusive access to the Prologis pipeline is a competitive advantage for FIBRA Prologis as it gives us the option to acquire high-quality buildings in our existing markets.

While third-party acquisitions are also possible for FIBRA Prologis, they depend on the availability of product that meets our stringent criteria for quality and location. All potential acquisitions, regardless of source, are evaluated by management, factoring in real estate and capital market conditions, and are subject to approval by FIBRA Prologis' Technical Committee.

Currency Exposure

At quarter end, our U.S.-dollar-denominated revenues represented 67.3 percent of annualized net effective rents. Peso exposure increased 100 basis points quarter-over-quarter and was the result of a renewal in Monterrey and an expansion in Mexico City. In the near term, we expect peso-denominated revenues to range between 30 to 35 percent of annualized net effective rents.

Liquidity and Capital Resources

Overview

We believe our ability to generate cash from operating activities and available financing sources (including our line of credit), as well as our disciplined balance sheet management, will allow us to meet anticipated operating, debt service, distribution and acquisition requirements.

Near-Term Principal Cash Sources and Uses

As a FIBRA, we are required to distribute at least 95 percent of our taxable income. In addition to distributions to CBFH holders, we expect our primary cash uses will include:

- asset management fee payment
- capital expenditures and leasing costs on properties in our operating portfolio

We expect to fund our cash needs principally from the following sources, all of which are subject to market conditions:

- available unrestricted cash balances of Ps. 372.4 million (approximately US\$19.4 million) as of June 30, 2019, the result of cash flow from operating properties
- borrowing capacity of Ps. 6.2 billion (US\$325.0 million) under our unsecured credit facility

Debt

As of June 30, 2019, we had approximately Ps. 14.8 billion (US\$772.0 million) of debt at par value with a weighted average effective interest rate of 4.4 percent (a weighted average coupon rate of 4.3 percent) and a weighted average maturity of 4.3 years.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of June 30, 2019, were 32.5 percent and 8.4 times, respectively.



Independent Auditors' Report on Review of Interim Financial Information

To the Technical Committee and Trustors
Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo
Financiero Actinver, División Fiduciaria

Introduction

We have reviewed the accompanying June 30, 2019 condensed interim financial information of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, which comprises:

- The condensed statement of financial position as of June 30, 2019;
- The condensed statements of comprehensive income for the three-month and six-month periods ended June 30, 2019;
- The condensed statements of changes in equity for the six-month period ended June 30, 2019;
- The condensed statements of cash flows for the six-month period ended June 30, 2019; and
- Notes to the interim condensed financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

(Continued)



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2019 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG CARDENAS DOSAL, S. C.

A handwritten signature in black ink, appearing to read 'AVO', enclosed within a circular scribble. A vertical line extends downwards from the bottom of the signature.

Alberto Vazquez Ortiz

Mexico City, July 15, 2019.

Interim condensed statements of financial position

As of June 30, 2019 and December 31, 2018

in thousands Mexican Pesos	Note	June 30, 2019	December 31, 2018
Assets			
Current assets:			
Cash		\$ 372,425	\$ 339,276
Trade receivables	7	63,647	66,167
Other receivables and value added tax	8	56,368	171,082
Prepaid expenses	9	53,801	2,160
Assets held for sale	10	-	1,230,502
		546,241	1,809,187
Non-current assets:			
Investment properties	11	44,916,971	45,727,051
Hedge instruments	15	-	77,201
Exchange rate options	15	1,927	-
Other assets		43,751	47,713
		44,962,649	45,851,965
Total assets		\$ 45,508,890	\$ 47,661,152
Liabilities and equity			
Current liabilities:			
Trade payables		\$ 98,647	\$ 121,559
Due to affiliates	14	9,707	52,476
Current portion of long term debt	12	31,896	23,726
Liabilities related to assets held for sale		-	6,815
		140,250	204,576
Non-current liabilities:			
Long term debt	12	14,726,379	16,464,638
Security deposits		285,361	292,761
Hedge instruments	15	51,794	-
		15,063,534	16,757,399
Total liabilities		15,203,784	16,961,975
Equity:			
CBFI holders' capital	13	14,124,954	13,952,327
Other equity accounts and retained earnings		16,180,152	16,746,850
Total equity		30,305,106	30,699,177
Total liabilities and equity		\$ 45,508,890	\$ 47,661,152

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

Interim condensed statements of comprehensive income

For the three and six months ended June 30, 2019 and 2018

in thousands Mexican Pesos, except per CBFi amounts		Note	For the three months ended June 30,		For the six months ended June 30,	
			2019	2018	2019	2018
Revenues:						
Lease rental income			\$ 831,282	\$ 812,772	\$ 1,702,768	\$ 1,613,957
Rental recoveries			88,747	79,554	188,190	153,433
Other property income			18,784	23,946	39,773	39,558
			938,813	916,272	1,930,731	1,806,948
Costs and expenses:						
Operating expenses:						
Operating and maintenance			53,859	48,973	107,193	93,589
Utilities			10,662	9,582	24,091	18,125
Property management fees	14		28,505	27,860	56,508	53,298
Real estate taxes			17,445	17,343	35,377	34,602
Non-recoverable operating			10,825	7,880	28,544	4,145
			121,296	111,638	251,713	203,759
Gross profit			817,517	804,634	1,679,018	1,603,189
Gain on valuation of investment properties	11		(132,409)	(52,043)	(259,163)	(585,689)
Asset management fees	14		82,278	83,172	166,781	159,813
Incentive fee	14		172,627	205,364	172,627	205,364
Professional fees			7,236	9,343	15,204	22,480
Financial cost			180,899	184,773	374,241	325,818
Net loss (gain) on early extinguishment of debt			2,906	754	18,638	(4,043)
Unused credit facility fee			9,297	8,744	16,535	13,772
Unrealized loss (gain) on exchange rate hedge instruments	15		4,418	(2,628)	11,003	990
Realized loss on exchange rate hedge instruments	15		-	8,995	419	8,995
Net exchange loss (gain)			3,753	3,992	(2,893)	(16,550)
Other general and administrative expenses			3,818	5,437	7,435	7,832
			334,823	(44,097)	520,827	138,782
Net income			482,694	848,731	1,158,191	1,464,407
Other comprehensive income:						
<i>Items that are not reclassified subsequently to profit or loss:</i>						
Translation loss (gain) from functional currency to reporting currency			371,078	(2,275,217)	834,640	(192,059)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Unrealized loss (gain) on interest rate swaps	15		76,563	(35,921)	128,365	(67,789)
			447,641	(2,311,138)	963,005	(259,848)
Total comprehensive income for the period			\$ 35,053	\$ 3,159,869	\$ 195,186	\$ 1,724,255
Earnings per CBFi	6		\$ 0.75	\$ 1.33	\$ 1.80	\$ 2.29

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

Interim condensed statements of changes in equity

For the six months ended June 30, 2019 and 2018

in thousands Mexican Pesos	CBFI holders' capital		Other equity accounts		Retained earnings		Total	
Balance as of January 1, 2018	\$	13,746,963	\$	9,373,971	\$	6,013,148	\$	29,134,082
Dividends		-		-		(710,732)		(710,732)
CBFIs to be issued		205,364		-		-		205,364
Comprehensive income:								
Translation gain from functional currency to reporting currency		-		192,059		-		192,059
Unrealized gain on interest rate swaps		-		67,789		-		67,789
Net income		-		-		1,464,407		1,464,407
Total comprehensive income		-		259,848		1,464,407		1,724,255
Balance as of June 30, 2018	\$	13,952,327	\$	9,633,819	\$	6,766,823	\$	30,352,969
Balance as of January 1, 2019	\$	13,952,327	\$	9,222,542	\$	7,524,308	\$	30,699,177
Dividends		-		-		(761,884)		(761,884)
CBFIs to be issued		172,627		-		-		172,627
Comprehensive income:								
Translation loss from functional currency to reporting currency		-		(834,640)		-		(834,640)
Unrealized loss on interest rate swaps		-		(128,365)		-		(128,365)
Net income		-		-		1,158,191		1,158,191
Total comprehensive (loss) income		-		(963,005)		1,158,191		195,186
Balance as of June 30, 2019	\$	14,124,954	\$	8,259,537	\$	7,920,615	\$	30,305,106

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

Interim condensed statements of cash flows

For the six months ended June 30, 2019 and 2018

in thousands Mexican Pesos	For the six months ended June 30,	
	2019	2018
Operating activities:		
Net income	\$ 1,158,191	\$ 1,464,407
<i>Adjustments for:</i>		
Gain on valuation of investment properties	(259,163)	(585,689)
Incentive fee	172,627	205,364
Allowance for uncollectible trade receivables	14,622	(4,461)
Financial cost	374,241	325,818
Net loss (gain) on early extinguishment of debt	18,638	(4,043)
Realized loss on exchange rate hedge instruments	419	8,995
Unrealized loss on exchange rate hedge instruments	11,003	990
Hedging Instruments	(12,859)	(15,550)
Net unrealized exchange gain	(2,627)	(16,458)
Rent leveling	(22,600)	(50,168)
<i>Change in:</i>		
Trade receivables	(12,102)	(16,875)
Value added tax and other receivables	114,714	18,549
Prepaid expenses	(51,641)	(49,526)
Other assets	3,962	(2,568)
Trade payables	(38,304)	17,781
Due to affiliates	(42,769)	(90,242)
Security deposits	(14,215)	807
Net cash flow provided by operating activities	1,412,137	1,207,131
Investing activities:		
Funds from disposition of investment properties	1,363,020	-
Cost related with disposition of investment properties	(15,310)	-
Capital expenditures on investment properties	(194,630)	(200,601)
Net cash flow provided by (used) in investing activities	1,153,080	(200,601)
Financing activities:		
Dividends paid	(761,884)	(710,732)
Long term debt borrowings	1,354,764	1,922,918
Long term debt payments	(2,706,089)	(2,014,380)
Interest paid	(371,587)	(306,931)
Cash used for early extinguishment of debt	-	(12,212)
Net cash flow used in financing activities	(2,484,796)	(1,121,337)
Net increase (decrease) in cash	80,421	(114,807)
Effect of foreign currency exchange rate changes on cash	(47,272)	15,390
Cash at beginning of the period	339,276	371,364
Cash at the end of the period	\$ 372,425	\$ 271,947
Non-cash transactions:		
Credit facility borrowings in exchange for term loan paydown	\$ 4,484,364	\$ -
CBFIs to be issued	172,627	205,364
Total non-cash transactions	\$ 4,656,991	\$ 205,364

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

Notes to interim condensed financial statements

As of June 30, 2019 and for the three and six months then ended and December 31, 2018
 In thousands of Mexican Pesos, except per CBFi

1. Main activity, structure, and significant events

Main activity – FIBRA Prologis (“FIBRAPL”) is a trust formed according to the Irrevocable Trust Agreement No. F/1721 dated August 13, 2013 (“Date of Inception”). Such agreement was signed between Prologis Property México, S. A. de C. V. as Trustor and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria as Trustee. On December 14, 2017, FIBRAPL completed a trustee substitution from Deutsche Bank México, S. A., Institución de Banca Múltiple to Banco Actinver, S. A., Institución de Banca Múltiple as approved by its Technical Committee and certificate holders in September 2017.

FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raíces, or FIBRA, as per its name in Spanish). As of August 13, 2018 FIBRAPL moved its address to Paseo de los Tamarindos No. 90, Torre 2, Piso 22, Bosques de las Lomas, Cuajimalpa de Morelos, C. P. 05120. The primary purpose of FIBRAPL is the acquisition or construction of industrial real estate in Mexico generally with the purpose of leasing such real estate to third parties under long-term operating leases.

Structure – FIBRAPL’s parties are:

Trustor:	Prologis Property México, S. A. de C. V.
First beneficiaries:	Certificate holders.
Trustee:	Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (Effective December 14, 2017) Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (From August 13, 2013 to December 14, 2017)
Common representative:	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
Manager:	Prologis Property México, S. A. de C. V.

Significant events

i. Long term debt transactions:

in millions	Date	Denomination	Interest rate ⁽¹⁾	Mexican pesos	U. S. dollars
Borrowings:					
	April 29, 2019	U. S. dollars	LIBOR +250bps	\$ 246.2	\$ 13.0
	March 14, 2019	U. S. dollars	LIBOR +250bps	135.3	7.0
	February 6, 2019	U. S. dollars	LIBOR +250bps	305.3	16.0
	February 6, 2019	U. S. dollars	LIBOR +235bps	5,533.9	290.0
Total borrowings				\$ 6,220.7	\$ 326.0

⁽¹⁾ LIBOR (London Interbank Offered Rate)

in millions	Date	Denomination	Interest rate ⁽¹⁾	Mexican pesos	U. S. dollars
Payments:					
	May 29, 2019	U. S. dollars	LIBOR +250bps	\$ 57.5	\$ 3.0
	May 8, 2019	U. S. dollars	LIBOR +250bps	190.5	10.0
	April 10, 2019	U. S. dollars	LIBOR +250bps	132.5	7.0
	March 28, 2019	U. S. dollars	LIBOR +250bps	869.4	45.0
	March 28, 2019	U. S. dollars	LIBOR +250bps	251.2	13.0
	March 6, 2019	U. S. dollars	LIBOR +250bps	57.8	3.0
	February 28, 2019	U. S. dollars	LIBOR +250bps	249.9	13.0
	February 25, 2019	U. S. dollars	LIBOR +250bps	134.0	7.0
	February 11, 2019	U. S. dollars	LIBOR +250bps	38.2	2.0
	February 6, 2019	U. S. dollars	LIBOR +250bps	667.9	35.0
	February 6, 2019	U. S. dollars	LIBOR +245bps	4,866.0	255.0
	January 23, 2019	U. S. dollars	LIBOR +250bps	57.4	3.0
Total payments				\$ 7,572.3	\$ 396.0

⁽¹⁾ LIBOR (London Interbank Offered Rate)

ii. Disposition of investment properties:

in millions except lease area	Date	Market	Lease area square feet	Mexican pesos	U. S. dollars
Disposition:					
	April 10, 2019	Juarez	125,216	\$ 117.6	\$ 6.2
	April 10, 2019	Juarez	66,706	72.8	3.8
	March 22, 2019	Guadalajara	355,209	408.7	21.6
	March 22, 2019	Guadalajara	67,812	71.9	3.8
	March 22, 2019	Guadalajara	95,949	87.0	4.6
	March 22, 2019	Monterrey	71,868	73.7	3.9
	March 22, 2019	Monterrey	120,000	142.3	7.5
	March 22, 2019	Monterrey	127,500	129.5	6.9
	March 22, 2019	Monterrey	96,309	124.1	6.6
	March 22, 2019	Juarez	139,673	155.1	8.2
				1,382.7	73.1
				(20.8)	(1.1)
Total disposition after tenant improvement reimbursement				\$ 1,361.9	\$ 72.0

iii. *Distributions:*

in millions, except per CBFi		Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFi	U. S. dollars per CBFi
Distributions:						
Dividends		April 22, 2019	\$ 377.4	\$ 20.0	0.5854	0.0310
Dividends		March 22, 2019	359.5	18.7	0.5964	0.0310
Dividends		March 13, 2019	25.0	1.3	0.5964	0.0310
Total distributions			\$ 761.9	\$ 40.0		

2. **Basis of presentation**

- a. **Interim financial reporting** - The accompanying interim condensed financial statements as of June 30, 2019 and 2018 and for the three and six months then ended have been prepared in accordance with the International Accounting Standard No. 34, interim financial reporting. Therefore, these financial statements do not include all the information required in a complete annual report prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS or IAS"). The interim condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2018, and for the year then ended, prepared in accordance with IFRS.

FIBRAPL management believes that all adjustments and reclassifications that are required for a proper presentation of the financial information are included in these interim condensed financial statements.

- b. **Functional currency and reporting currency** – The accompanying interim condensed financial statements are presented in thousands of Mexican pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL's functional currency is the U.S. dollar.
- c. **Critical accounting judgments and estimates** – The preparation of the interim condensed financial statements requires the use of certain critical accounting estimates and management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the interim condensed financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements. Estimates and judgments are continually evaluated and are based on management experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the interim condensed financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

- d. **Going concern basis of accounting** – FIBRAPL interim condensed financial statements as of June 30, 2019 and 2018 and for the three and six months then ended have been prepared on a going concern basis, which assumes that FIBRAPL will be able to meet the mandatory repayment terms of the banking facilities disclosed in note 12. Management has a reasonable expectation that FIBRAPL has adequate resources to continue as a going concern and has the ability to realize its assets at their recognized values and to extinguish or refinance its liabilities in the normal course of business.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of, and disclosed in, FIBRAPL’s audited financial statements as of December 31, 2018, in addition of:

Disposition of investment properties

FIBRAPL has opted to disclose the gain or loss on the disposition of property investment into the gain or loss on valuation of investment properties in the statement of comprehensive income, instead of disclosing separately.

FIBRAPL has completed an assessment of the potential impact of the adoption of the following new standard:

- i. *IFRS 16 Leases*. FIBRAPL determined that there is no significant impact on its Financial statements derived from the adoption of this standard.

4. Rental revenues

Most of FIBRAPL’s lease agreements associated with the investment properties contain a lease term of three to ten years. Generally, these leases are based on minimal rental payments in U.S. dollars, plus maintenance fees and recoverable expenses.

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the June 30, 2019 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos	Amount
Rental revenues:	
2019 (six months)	\$ 1,501,767
2020	2,283,877
2021	1,711,420
2022	1,278,267
2023	817,527
Thereafter	1,880,750
	\$ 9,473,608

5. Segment reporting

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three and six months ended June 30, 2019 and 2018, while assets and liabilities are included as of June 30, 2019 and December 31, 2018. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

in thousands Mexican Pesos	For the three months ended June 30, 2019						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	\$ 315,418	\$ 128,204	\$ 96,217	\$ 101,132	\$ 118,747	\$ 71,564	\$ 831,282
Rental recoveries	28,259	11,753	11,939	12,429	11,547	12,820	88,747
Other property income	8,172	9,717	-	84	811	-	18,784
	351,849	149,674	108,156	113,645	131,105	84,384	938,813
Cost and expenses:							
Property operating expenses	56,012	15,302	10,672	11,646	13,733	13,931	121,296
Gross Profit	\$ 295,837	\$ 134,372	\$ 97,484	\$ 101,999	\$ 117,372	\$ 70,453	\$ 817,517

in thousands Mexican Pesos	For the three months ended June 30, 2018						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	\$ 299,986	\$ 127,554	\$ 90,602	\$ 102,762	\$ 111,317	\$ 80,551	\$ 812,772
Rental recoveries	42,292	7,930	9,608	10,905	122	8,697	79,554
Other property income	12,879	8,323	613	380	1,684	67	23,946
	355,157	143,807	100,823	114,047	113,123	89,315	916,272
Cost and expenses:							
Property operating expenses	43,279	17,406	13,013	10,193	12,525	15,222	111,638
Gross Profit	\$ 311,878	\$ 126,401	\$ 87,810	\$ 103,854	\$ 100,598	\$ 74,093	\$ 804,634

in thousands Mexican Pesos	For the six months ended June 30, 2019						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	\$ 635,034	\$ 267,849	\$ 208,624	\$ 202,256	\$ 236,923	\$ 152,082	\$ 1,702,768
Rental recoveries	72,221	20,604	23,029	22,077	22,883	27,376	188,190
Other property income	19,637	17,041	1,197	511	1,387	-	39,773
	726,892	305,494	232,850	224,844	261,193	179,458	1,930,731
Cost and expenses:							
Property operating expenses	108,096	36,325	24,757	26,626	27,725	28,184	251,713
Gross Profit	\$ 618,796	\$ 269,169	\$ 208,093	\$ 198,218	\$ 233,468	\$ 151,274	\$ 1,679,018

in thousands Mexican Pesos	For the six months ended June 30, 2018						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	\$ 602,864	\$ 254,082	\$ 182,751	\$ 198,527	\$ 218,539	\$ 157,194	\$ 1,613,957
Rental recoveries	57,744	16,138	19,650	19,733	17,600	22,568	153,433
Other property income	19,142	15,134	1,699	707	2,675	201	39,558
	679,750	285,354	204,100	218,967	238,814	179,963	1,806,948
Cost and expenses:							
Property operating expenses	80,578	29,327	19,344	21,136	24,101	29,273	203,759
Gross Profit	\$ 599,172	\$ 256,027	\$ 184,756	\$ 197,831	\$ 214,713	\$ 150,690	\$ 1,603,189

in thousands Mexican Pesos	As of June 30, 2019							
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	\$ 3,640,926	\$ 1,392,990	\$ 1,116,712	\$ 995,496	\$ 1,051,269	\$ 703,161	\$ -	\$ 8,900,554
Buildings	14,563,702	5,571,962	4,466,846	3,981,985	4,205,077	2,812,645	-	35,602,217
	18,204,628	6,964,952	5,583,558	4,977,481	5,256,346	3,515,806	-	44,502,771
Rent leveling	144,418	50,719	62,907	74,377	39,911	41,868	-	414,200
Investment properties	\$ 18,349,046	\$ 7,015,671	\$ 5,646,465	\$ 5,051,858	\$ 5,296,257	\$ 3,557,674	\$ -	\$ 44,916,971
Long term debt	\$ 1,385,205	\$ 757,874	\$ 1,286,450	\$ -	\$ -	\$ -	\$ 11,328,746	\$ 14,758,275

in thousands Mexican Pesos	As of December 31, 2018							
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	\$ 3,719,447	\$ 1,566,683	\$ 1,205,130	\$ 992,039	\$ 1,055,230	\$ 772,083	\$ -	\$ 9,310,612
Buildings	14,877,782	6,266,733	4,820,522	3,968,156	4,220,922	3,088,332	-	37,242,447
	18,597,229	7,833,416	6,025,652	4,960,195	5,276,152	3,860,415	-	46,553,059
Rent leveling	153,202	45,932	55,510	62,066	41,450	46,334	-	404,494
Investment properties	\$ 18,750,431	\$ 7,235,595	\$ 5,636,923	\$ 5,022,261	\$ 5,317,602	\$ 3,764,239	\$ -	\$ 45,727,051
Assets held for sale	\$ -	\$ 643,753	\$ 444,239	\$ -	\$ -	\$ 142,510	\$ -	\$ 1,230,502
Long term debt	\$ 1,717,257	\$ 977,274	\$ 1,445,534	\$ -	\$ -	\$ 113,384	\$ 12,234,915	\$ 16,488,364

6. Earnings per CBFi

The calculated basic and diluted earnings per CBFi are the same, as follows:

in thousands Mexican Pesos, except per CBFi	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Basic and diluted earnings per CBFi (pesos)	\$ 0.75	\$ 1.33	\$ 1.80	\$ 2.29
Net income	482,694	848,731	1,158,191	1,464,407
Weighted average number of CBFis ('000)	644,674	638,863	644,674	638,863

As of June 30, 2019, FIBRAPL had 644,673,822 CBFis outstanding. See note 13.

7. Trade receivables

As of June 30, 2019 and December 31, 2018, trade receivable of FIBRAPL were as follows:

in thousands Mexican Pesos	June 30, 2019	December 31, 2018
Trade receivable	\$ 107,569	\$ 95,466
Allowance for uncollectable trade receivables	(43,922)	(29,299)
	\$ 63,647	\$ 66,167

8. Other receivables and value added tax

As of June 30, 2019 and December 31, 2018, value added tax and other receivables were as follows:

in thousands Mexican Pesos	June 30, 2019	December 31, 2018
Value added tax	\$ 8,701	\$ 124,632
Other receivables	47,667	46,450
	\$ 56,368	\$ 171,082

FIBRAPL submits withholding taxes to the Mexican tax authorities as a result of interest paid to foreign creditors. Withholding tax payments are recognized as an expense unless they are expected to be reimbursed to FIBRAPL by the foreign creditor. If FIBRAPL does expect to be reimbursed, the amount is recorded as other receivables.

9. Prepaid expenses

As of June 30, 2019 and December 31, 2018, prepaid expenses of FIBRAPL were as follows:

in thousands Mexican Pesos	June 30, 2019	December 31, 2018
Real estate tax	\$ 34,897	\$ 7
Insurance	16,073	1,274
Other prepaid expenses	2,831	879
	\$ 53,801	\$ 2,160

10. Assets held for sale

On December 27, 2018, FIBRAPL signed a purchase and sale agreement under suspensory conditions of an industrial portfolio of eight properties located in Guadalajara, Monterrey and Juarez markets with a leasable area of 1.07 million square feet and a fair value of \$1,230.5 million, which were sold on March 22, 2019.

11. Investment properties

FIBRAPL obtained a valuation from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of \$259,163 and \$585,689 for the six months ended June 30, 2019 and 2018, respectively.

a) As of June 30, 2019, investment properties were as follows:

Market	Fair value as of June 30, 2019	# of properties	Lease area in thousands of square feet
Mexico City	\$ 18,349,047	53	13,494
Guadalajara	7,015,671	25	5,889
Monterrey	5,646,465	22	4,315
Tijuana	5,051,858	33	4,214
Reynosa	5,296,256	30	4,712
Juarez	3,557,674	28	3,234
Total	\$ 44,916,971	191	35,858

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 square feet and a fair value of \$312,447.

As of June 30, 2019, the fair value of investment properties includes excess land in the Monterrey market of \$137,246.

As of June 30, 2019, and December 31, 2018, the balance of investment properties included rent leveling assets of \$414,200 and \$404,494, respectively.

Disclosed below is the valuation technique used to measure the fair value of investment properties, along with the significant unobservable inputs used.

i) Valuation technique

The valuation model considers the present value of net cash flows to be generated by the property, taking into account the expected rental growth rate, vacancy periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

ii) Significant unobservable inputs

	June 30, 2019
Occupancy rate	97.0%
Risk adjusted discount rates	from 8.0% to 11.25% Weighted average 8.87%
Risk adjusted capitalization rates	from 6.75% to 9.75% Weighted average 7.46%

iii) Interrelationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- a. - Expected market rental income per market were higher (lower);
- b. - Vacancy periods were shorter (longer);
- c. - The occupancy rate were higher (lower);
- d. - Rent-free periods were shorter (longer); or
- e. - The risk adjusted discount rate were lower (higher)

- b) The reconciliation of investment properties for the six months ended June 30, 2019 and for the year ended December 31, 2018 are as follows:

in thousands Mexican Pesos	For the six months ended June 30, 2019		For the year ended December 31, 2018	
Beginning balance	\$	45,727,051	\$	43,932,382
Assets held for sale realized		1,230,502		-
Translation effect from functional currency		(1,141,062)		(189,986)
Acquisition of investment properties		-		1,568,565
Acquisition costs		-		46,435
Disposition of investment properties		(1,363,020)		-
Capital expenditures, leasing commissions and tenant improvements		194,630		457,124
Rent leveling		9,707		68,589
Gain on valuation of investment properties		259,163		1,074,444
Assets held for sale		-		(1,230,502)
Ending balance of investment properties	\$	44,916,971	\$	45,727,051

- c) During the six months ended June 30, 2019 and 2018, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the six months ended June 30,			
	2019		2018	
Capital expenditures	\$	90,446	\$	83,721
Leasing commissions		51,100		34,094
Tenant improvements		53,084		82,786
	\$	194,630	\$	200,601

12. Long term debt

As of June 30, 2019 and December 31, 2018, FIBRAPL had long term debt comprised of loans from financial institutions denominated in U.S. dollars, except if described otherwise, as follows:

	Denomination	Maturity date	Rate	June 30, 2019		December 31, 2018	
				thousands U. S. Dollars	thousands Mexican Pesos	thousands U. S. Dollars	thousands Mexican Pesos
Citibank (Unsecured) #1	USD	December 18, 2020	LIBOR+ 245bps	-	\$ -	255,000	\$ 5,012,433
Citibank NA Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	-	-	105,000	2,063,943
Citibank (Unsecured) #2	USD	July 18, 2022	LIBOR + 245bps	150,000	2,875,275	150,000	2,948,490
Citibank (Unsecured) #3	USD	March 15, 2023	LIBOR + 245bps	225,000	4,312,913	225,000	4,422,735
Citibank (Unsecured) #4	USD	February 6, 2024	LIBOR + 235bps	290,000	5,558,865	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2026	4.67%	53,500	1,025,515	53,500	1,051,628
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2026	4.67%	53,500	1,025,515	53,500	1,051,628
Total				772,000	14,798,083	842,000	16,550,857
Long term debt interest accrued				1,664	31,896	1,207	23,726
Deferred financing cost				(3,741)	(71,704)	(4,387)	(86,219)
Total debt				769,923	14,758,275	838,820	16,488,364
Less: Current portion of long term debt				1,664	31,896	1,207	23,726
Total long term debt				768,259	\$ 14,726,379	837,613	\$ 16,464,638

During the six months ended June 30, 2019 and 2018, FIBRAPL paid interest on long term debt of \$371,587 and \$306,931 respectively, and principal of \$2,706,089 and \$2,014,380, respectively.

On February 6, 2019, FIBRA borrowed \$290.0 million U.S. dollars (\$5,558.9 million Mexican pesos) on a new senior unsecured term loan with Citibank ("Citibank (Unsecured) #4"), which matures on February 6, 2023, and carries an interest rate of LIBOR plus 235 basis points. The terms of the note contain a one-year extension option which may be extended at the borrower's option upon written notice to Administrative Agent. The borrowings were used to repay the unsecured term loan Citibank, N.A. ("Citibank (Unsecured) #1"), in the amount of \$255.0 million U.S. dollars (\$4,866.0 million Mexican pesos) with Citibank N.A. as the administrative agent. FIBRAPL recognized a loss due to the extinguishment of debt by \$0.8 million U.S. dollars (\$15.7 million Mexican pesos). The borrowings were used to pay down \$35.0 million U.S. dollars (\$667.9 million Mexican pesos) of the Credit Facility with Citibank N.A.

As of June 30, 2018, FIBRAPL has an unsecured \$325.0 million U.S. dollar revolving credit facility (the "Credit Facility") with Citibank N.A. as the administrative agent; and \$25.0 million U.S. dollars of the facility can be borrowed in Mexican pesos. FIBRAPL has an option to increase the Credit Facility by \$150.0 million U.S. dollars. The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at (i) LIBOR plus 250 basis points denominated in U. S. dollars and (ii) TIIE (Interbank Balance Interest Rate from its name in Spanish) plus 220 basis points denominated in Mexican pesos, subject to loan to value grid, and an unused facility fee of 60 basis points. This Credit Facility matures on July 18, 2020, and contains two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's Risk Committee. As of June 30, 2019, FIBRAPL have not balance under the Credit Facility.

On March 15, 2018, FIBRA borrowed \$225.0 million U.S. dollars (\$4,312.9 million Mexican pesos) on a new unsecured term loan with Citibank ("Citibank (Unsecured) #3"), which matures on March 15, 2022, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain one year extension options which may be extended at the borrower's option and with approval of the lenders, Risk Committee. The borrowings were used to pay down the existing credit facility.

FIBRAPL has a term loan with Citibank ("Citibank (Unsecured) #2") of \$150.0 million U.S. dollars (\$2,875.3 million Mexican pesos), which matures on July 18, 2020, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain two separate one-year extension options which may be extended at the borrower's option and with approval of the lenders' Risk Committee. The borrowings were used to pay down the existing credit facility.

The loans described above are subject to certain affirmative covenants, including, among others, (i) reporting of financial information; and (ii) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict FIBRAPL's ability to, among other matters and subject to certain exceptions, incurred additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts, enter into derivative transactions for speculative purposes or form any new subsidiary.

The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

As of June 30, 2019, FIBRAPL was in compliance with all of its covenants.

13. Equity

FIBRAPL was formed on August 13, 2013, through an initial contribution from the sponsor to the fiduciary of \$1.00 Mexican peso.

Effective June 4, 2014, FIBRAPL was listed on the Mexican Stock Exchange under the ticker symbol FIBRAPL 14 in connection with its "IPO" (Initial Public Offering).

On December 1, 2014, FIBRAPL registered the issuance of 3,785,280 new CBFIs as part of the new investment in 6 properties.

On October 10, 2017, FIBRAPL issued 4,383,025 CBFIs based on the annual incentive fee that was approved in the ordinary holders meeting on June 26, 2017.

On November 16, 2018, FIBRAPL recorded 5,811,051 CBFIs issued based on the annual incentive fee approved in the ordinary holders meeting on July 5, 2018.

As of June 30, 2019, total CBFIs outstanding were 644,673,822.

14. Related party information

The detail of transactions of FIBRAPL with its related parties is as follows:

a. **Manager**

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as the FIBRAPL Manager, is entitled to receive, according to a management agreement between FIBRAPL and the Manager (the "Management Agreement"), the following fees and commissions:

- 1. Asset Management Fee:** annual fee equivalent to 0.75% of the current appraised value, calculated in accordance with the valuation policies approved by the Technical Committee under Section 14.1 of the Trust Agreement, based on annual appraisals, plus investment cost for assets that have not been appraised, plus the applicable VAT, paid quarterly. The asset management fee will be prorated with respect to any asset that has been owned less than a full calendar quarter.
- 2. Incentive Fee:** annual fee equal to 10% of cumulative total CBFi holder returns in excess of an annual compound expected return of 9%, paid annually in CBFIs, with each payment subject to a six-month lock-up, as established under the Management Agreement. The return measurement related to the incentive fee is based on a cumulative period. During the three and six months ended June 30, 2019 and 2018, FIBRAPL recorded an incentive fee expense in the amount of \$172.6 million Mexican pesos (\$8.7 million U.S. dollars) and \$205.4 million Mexican pesos (\$10.3 million U.S. dollars), respectively.
- 3. Development Fee:** contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.
- 4. Property Management Fee:** fee equal to 3.0% of the revenues generated by the properties, paid monthly.
- 5. Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

b. Due to Affiliates

As of June 30, 2019 and December 31, 2018, the outstanding balances due to related parties were as follows:

in thousands Mexican Pesos	June 30, 2019		December 31, 2018	
Asset management fees	\$	-	\$	34,062
Property management fees		9,707		9,551
Leasing Fee		-		8,863
	\$	9,707	\$	52,476

c. Transactions with affiliates

Transactions with affiliated companies for the three and six months ended June 30, 2019 and 2018, were as follows:

in thousands Mexican Pesos	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Dividends	\$ 176,357	\$ 165,128	\$ 356,038	\$ 328,690
Asset management fee	\$ 82,277	\$ 83,172	\$ 166,780	\$ 159,813
Property management fee	\$ 28,505	\$ 27,860	\$ 56,508	\$ 53,298
Leasing commissions	\$ 8,854	\$ 2,921	\$ 15,543	\$ 12,697
Development fee	\$ 11,439	\$ 4,420	\$ 15,412	\$ 4,503
Maintenance costs	\$ 2,042	\$ 2,305	\$ 4,060	\$ 3,721
Incentive Fee*	\$ 172,627	\$ 205,364	\$ 172,627	\$ 205,364

**The transaction was executed with the Manager and 4,511,692 (\$172.6 million Mexican pesos) in CBFIs which will be issued in the following months.*

15. Hedging activities

As of June 30, 2019, FIBRAPL, has a hedge instruments balance of (\$49.9) million Mexican pesos which includes (\$51.8) million Mexican pesos on interest rate swap contracts and \$1.9 million Mexican pesos on currency option contracts.

Interest Rate Swaps

As of June 30, 2019, FIBRAPL has two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 2.486% and receives a variable rate based on one month LIBOR. The swaps mature on March 15, 2021 and they hedge the exposure to the variable interest rate payments on the \$225.0 million U.S. dollar (each swap maintains a \$112.5 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #3). See note 12.

As of June 30, 2019, FIBRAPL has two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 1.752% and receives a variable rate based on one month LIBOR. The swaps mature on October 18, 2020 and they hedge the exposure to the variable interest rate payments on the \$150.0 million U.S. dollar (each swap maintains a \$75.0 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #2). See note 12.

As of June 30, 2019, FIBRAPL has interest rate swap contracts with the Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 1.064% and 1.066%, respectively, and receives a variable rate based on one month LIBOR. The swaps hedge the exposure to the variable interest rate payments on the Credit Facility. See note 12.

The interest rate swaps meet the criteria for hedge accounting and therefore have been designated as cash flow hedging instruments. Accordingly, the fair value of the swaps as of June 30, 2019, of (\$51.8) million Mexican pesos has been recognized in other comprehensive income as unrealized loss on interest rate swaps.

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and interest rate swaps have the same critical terms.

Counterparty	Effective date	Maturity date	Notional amount*	June 30, 2019	December 31, 2018
Bank of Nova Scotia	June 23, 2016	July 23, 2019	100	\$ 1,567	\$ 16,126
HSBC Bank USA	June 23, 2016	July 23, 2019	150	2,349	24,146
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75	374	19,320
HSBC Bank USA	October 18, 2017	October 18, 2020	75	374	19,315
Bank of Nova Scotia	April 16, 2018	March 15, 2021	112.5	(28,229)	(856)
HSBC Bank USA	April 16, 2018	March 15, 2021	112.5	(28,229)	(850)
				\$ (51,794)	\$ 77,201

* (amount in million U.S. dollars)

In order to determine fair value, FIBRAPL calculates both current and potential future exposure, reflecting the bilateral credit risk present in many derivatives. The approach incorporates all of the relevant factors that can impact fair value calculations, including interest rate and foreign exchange forward curves and the market expectations of volatility around these curves, credit enhancements between counterparties (including collateral posting, mandatory cash settlements, and mutual puts), the term structure of credit spreads and the conditional cumulative probability of default for both counterparties.

Currency Option Contracts

On January 7, 2019, FIBRAPL entered into a foreign currency rate option with HSBC Bank USA, National Association of \$5.0 million U.S. dollar (\$100.0 million Mexican pesos) to fix an option rate over its quarterly Mexican peso transactions.

Start date	End date	Settlement date	Forward rate	Fair Value	Notional amount in thousands of Mexican pesos	Fair value as of June 30, 2019		Unrealized loss on exchange rate hedge in thousands of Mexican pesos
						Thousands of Mexican pesos	Thousands of U.S. dollars	
Assets								
July 1, 2019	September 30, 2019	October 2, 2019	20.0000 USD-MXN	Level 2	\$ 100,000	\$ 236	\$ 12	\$ 5,169
October 1, 2019	December 31, 2019	January 3, 2020	20.0000 USD-MXN	Level 2	\$ 100,000	\$ 1,691	\$ 87	\$ 5,169
Total						\$ 1,927	\$ 99	\$ 10,338

FIBRAPL's exchange rate options do not qualify for hedge accounting. Therefore, the change in fair value related to the contracts is recognized in the results of operations for the year within unrealized loss on exchange hedge instruments.

As of June 30, 2019, the fair value of the currency rate options were \$1.9 million Mexican pesos.

16. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of June 30, 2019.

17. Subsequent Events

On July 11, 2019, FIBRAPL entered into two interest rate swap contracts with the Bank of Nova Scotia and HSBC Bank USA, \$240.0 million U.S. (each swap maintains a \$120.0 million U.S. dollar notional amount) unsecured term loan with Citibank ("Citibank (Unsecured) #4").

On July 2, 2019, as part of the Ordinary Holders Meeting, the Manager was approved to receive the Incentive Fee through issuance of 4,511,692 CBFIs.

18. Financial statements approval

On July 15, 2019, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

* * * * *



Prologis Park Izcalli, Mexico City, Mexico

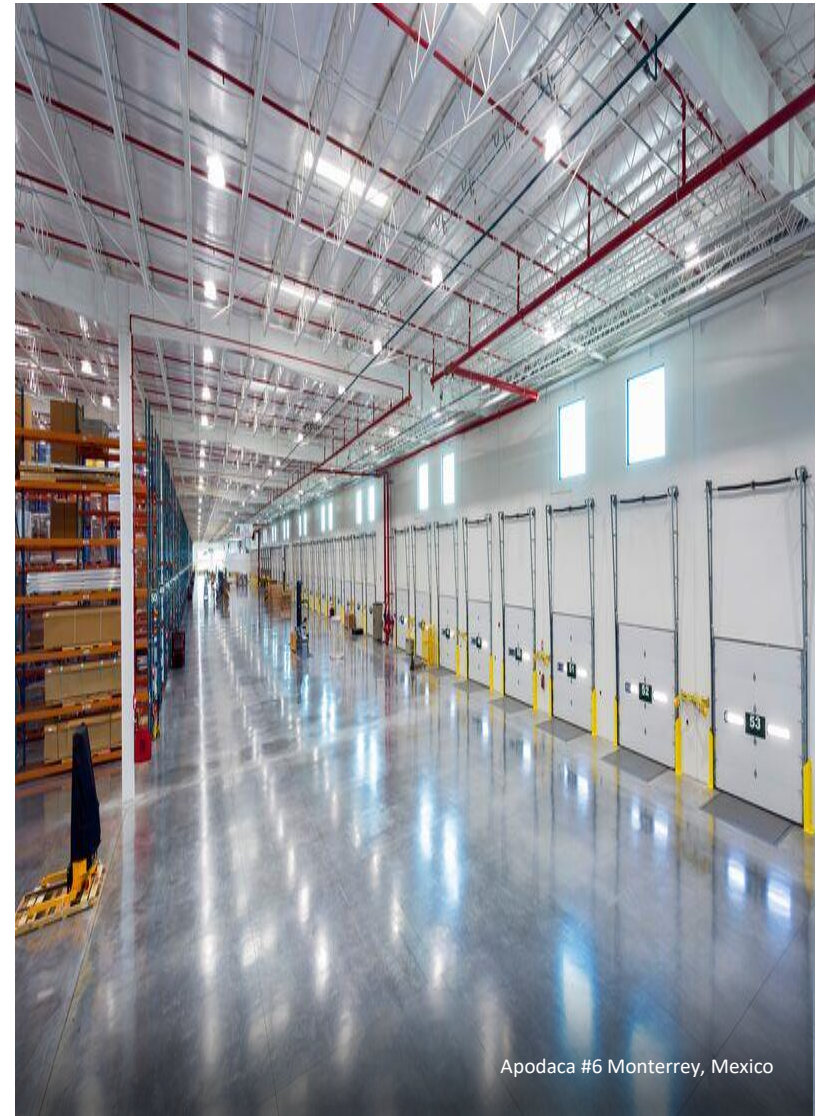
SECOND QUARTER 2019

FIBRA Prologis Supplemental Financial Information

Unaudited

FIBRA Prologis' functional currency is the U.S. Dollar; therefore, FIBRA Prologis' management has elected to present actual comparative U.S. Dollars that represent the actual amounts included in our U.S. Dollar financial statements within this supplemental package, based on the following policies:

- A. Transactions in currencies other than U.S. Dollars (Mexican Pesos) are recognized at the rates of exchange prevailing at the date of the transaction.
- B. Equity items are valued at historical exchange rates.
- C. At the end of each reporting period, monetary items denominated in Mexican Pesos are retranslated into U.S. Dollars at the rates prevailing at that date.
- D. Non-monetary items carried at fair value that are denominated in Mexican Pesos are retranslated at the rates prevailing at the date when the fair value was determined.
- E. Exchange differences on monetary items are recognized in profit or loss in the period in which they occur.



Apodaca #6 Monterrey, Mexico

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FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2019, FIBRA Prologis was comprised of 190 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.8 million square feet (3.2 million square meters) of GLA.

MARKET PRESENCE

96.6% Occupancy

TOTAL MARKETS

GLA	% Net Effective Rent
34.8 MSF	100%

REGIONAL MARKETS

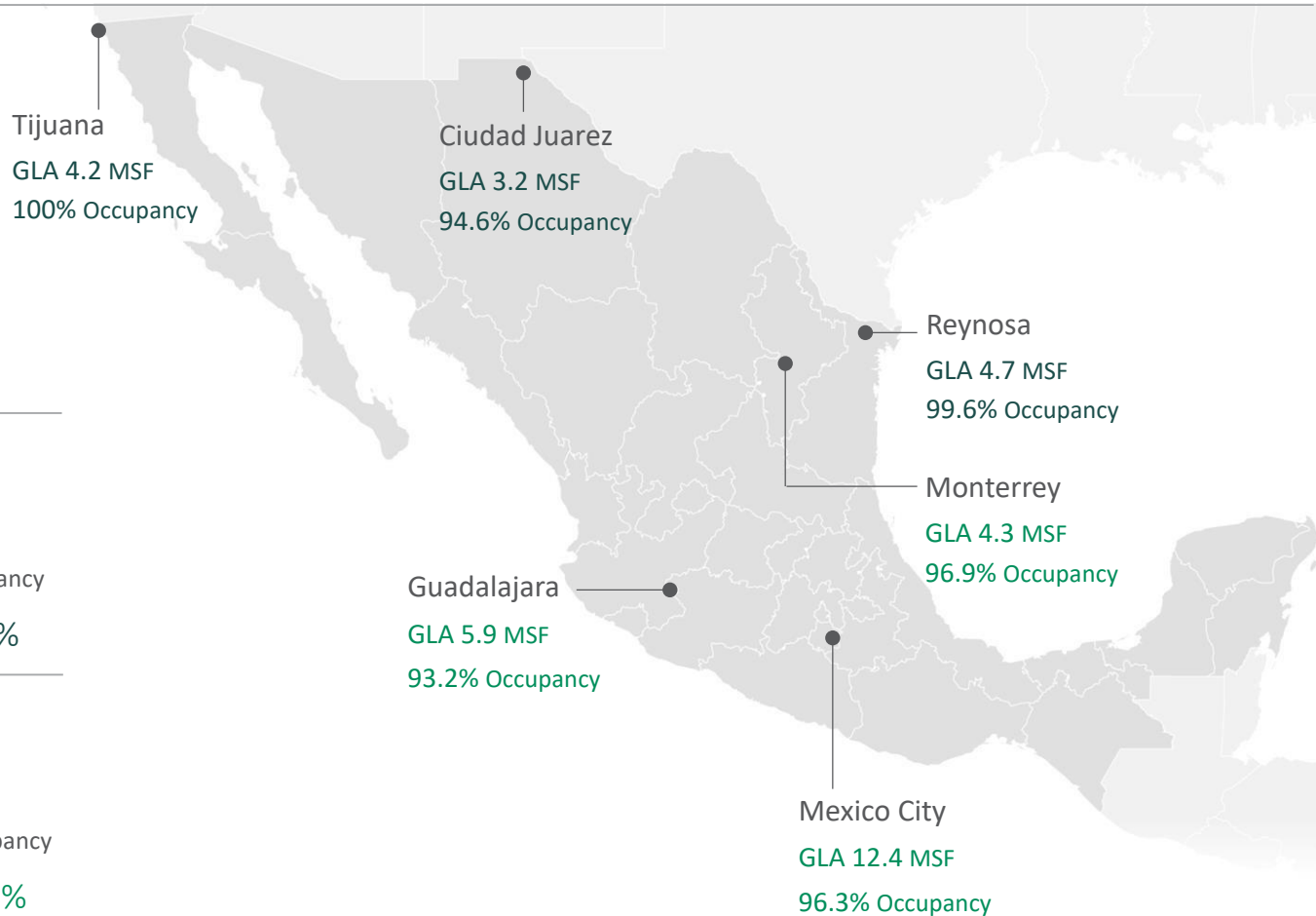
(manufacturing-driven)
Ciudad Juarez, Reynosa, Tijuana

GLA	% Net Effective Rent	Occupancy
12.2 MSF	34.3%	98.4%

GLOBAL MARKETS

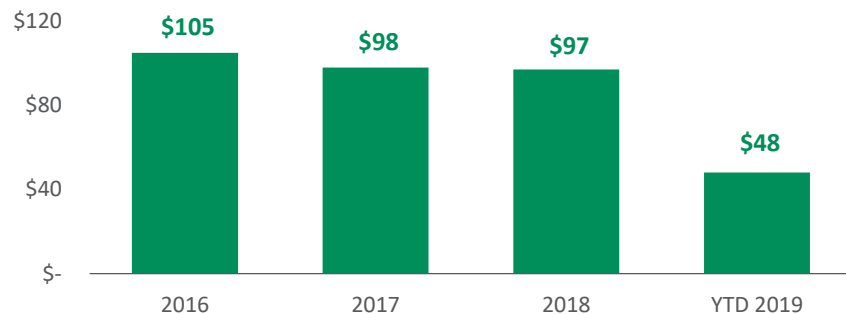
(consumption-driven)
Guadalajara, Mexico City, Monterrey

GLA	% Net Effective Rent	Occupancy
22.6 MSF	65.7%	95.6%



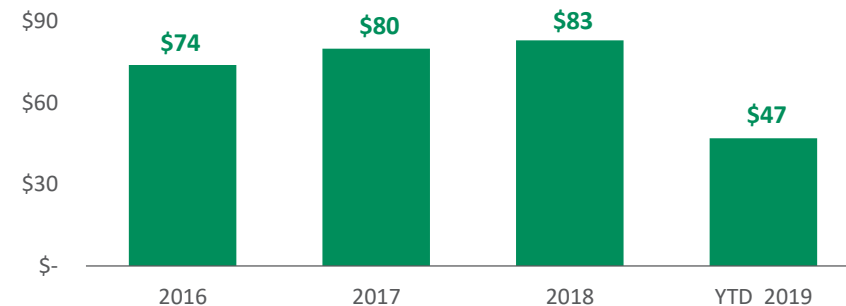
FFO, AS MODIFIED BY FIBRA PROLOGIS

(in millions of US\$)



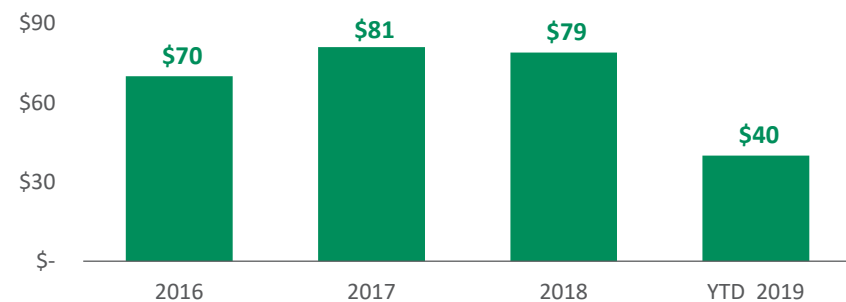
AFFO

(in millions of US\$)



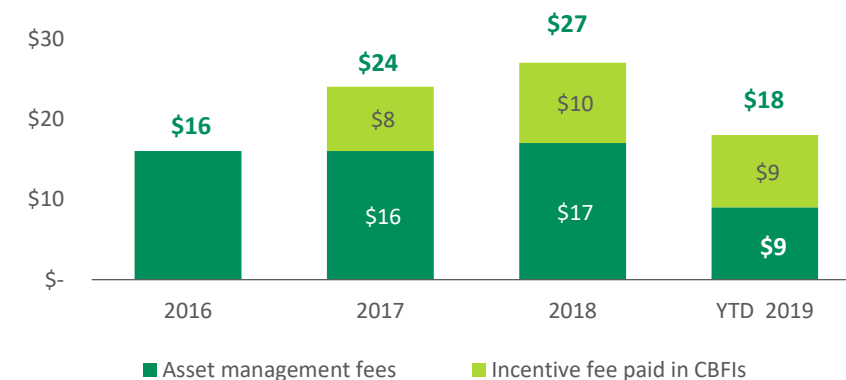
DISTRIBUTIONS

(in millions of US\$)



ASSET MANAGEMENT FEES AND INCENTIVE FEE

(in millions of US\$)



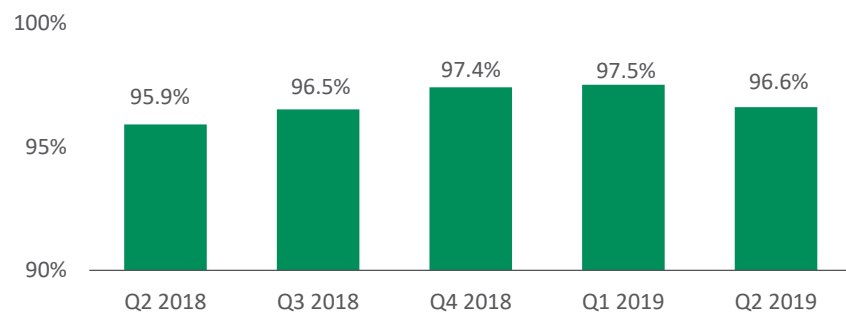
Included below are quarterly comparative highlights in Mexican pesos and U.S. Dollars as a summary of our company performance.

in thousands, except per CBFi amounts

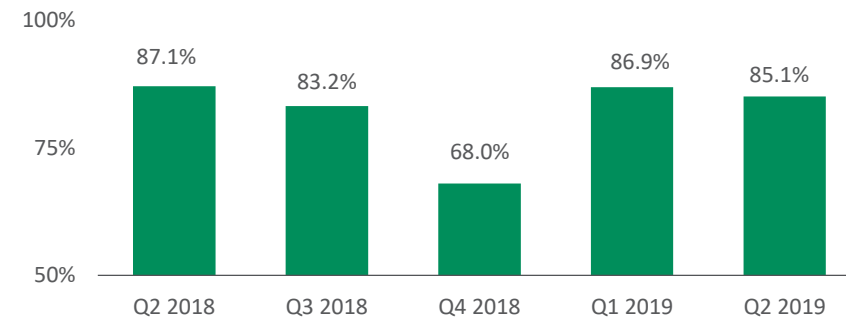
	For the three months ended									
	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018		June 30, 2018	
	Ps.	US\$ ^(A)	Ps.	US\$ (A)	Ps.	US\$ (A)	Ps.	US\$ (A)	Ps.	US\$ (A)
Revenues	938,813	49,128	991,918	51,236	959,053	48,553	907,482	47,338	916,272	48,344
Gross Profit	817,517	42,741	861,501	44,437	815,737	41,361	780,683	40,629	804,634	42,629
Net Income	482,694	25,434	675,497	34,671	887,567	44,248	620,229	32,049	848,731	45,302
FFO, as modified by FIBRA Prologis	364,053	19,226	561,989	28,791	501,703	24,803	503,969	25,901	295,160	16,784
FFO, as modified by FIBRA Prologis excluding incentive fee	536,680	27,962	561,989	28,791	501,703	24,803	503,969	25,901	500,524	27,121
AFFO	455,026	23,580	456,058	23,304	338,575	16,644	428,062	21,867	399,606	21,993
Adjusted EBITDA	722,630	37,655	738,500	38,042	731,378	36,431	685,947	35,584	694,041	37,013
Earnings per CBFi	0.7487	0.0395	1.0478	0.0538	1.3768	0.0686	0.9621	0.0497	1.3285	0.0709
FFO per CBFi	0.5647	0.0298	0.8717	0.0447	0.7782	0.0385	0.7817	0.0402	0.4620	0.0263
FFO per CBFi excluding incentive fee	0.8325	0.0434	0.8717	0.0447	0.7782	0.0385	0.7817	0.0402	0.7835	0.0425

A. Amounts presented in U.S. Dollars, which is FIBRA Prologis' functional currency, represent the actual amounts from our U.S. Dollar financial statements.

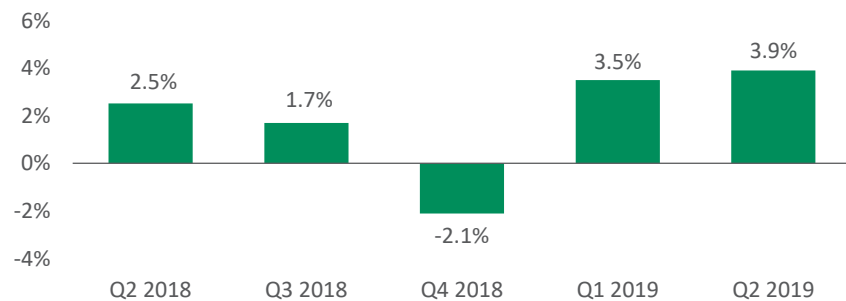
PERIOD END OCCUPANCY – OPERATING PORTFOLIO



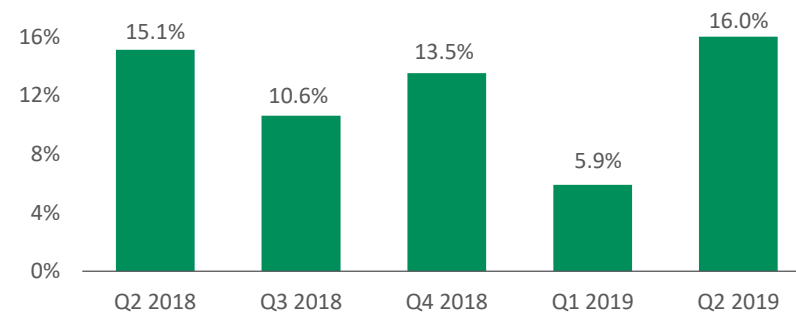
WEIGHTED AVERAGE CUSTOMER RETENTION



SAME STORE CASH NOI CHANGE OVER PRIOR YEAR ^(A)



NET EFFECTIVE RENT CHANGE



US Dollars in thousands except per CBFI amounts

2019 Guidance		Low		High
Full year FFO per CBFI excluding incentive fee ^(A)	\$	0.1600	\$	0.1650
Full year FFO per CBFI including incentive fee	\$	0.1425	\$	0.1500
Operations				
Year-end occupancy		96.0%		97.0%
Same store cash NOI change		3.00%		4.00%
Annual capex as a percentage of NOI		14.0%		15.0%
Capital Deployment				
Building dispositions	\$	50,000	\$	70,000
Other Assumptions				
G&A (Asset management and professional fees) ^(B)	\$	20,000	\$	22,000
Full year 2019 distribution per CBFI (US Dollars)	\$	0.1240	\$	0.1240

(A) FFO guidance excludes the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis.

(B) G&A excludes incentive fee

Note: Guidance based on \$20.00 pesos per \$1.00 U.S Dollar.

Financial Information

Interim Condensed Statements of Financial Position

2Q 2019 Supplemental

in thousands	June 30, 2019		December 31, 2018	
	Ps.	US\$	Ps.	US\$
Assets:				
Current assets:				
Cash	372,425	19,431	339,276	17,261
Trade receivables	63,647	3,319	66,167	3,367
Other receivables and value added tax	56,368	2,941	171,082	8,703
Prepaid expenses	53,801	2,807	2,160	110
Assets held for sale	-	-	1,230,502	62,600
	546,241	28,498	1,809,187	92,041
Non-current assets:				
Investment properties	44,916,971	2,343,270	45,727,051	2,326,293
Hedge instruments	-	-	77,201	3,927
Exchange rate options	1,927	101	-	-
Other assets	43,751	2,282	47,713	2,429
	44,962,649	2,345,653	45,851,965	2,332,649
Total assets	45,508,890	2,374,151	47,661,152	2,424,690
Liabilities and Equity:				
Current liabilities:				
Trade payables	98,647	5,200	121,559	6,185
Due to affiliates	9,707	507	52,476	2,669
Current portion of long term debt	31,896	1,664	23,726	1,207
Liabilities related to assets held for sale	-	-	6,815	347
	140,250	7,371	204,576	10,408
Non-current liabilities:				
Long term debt	14,726,379	768,259	16,464,638	837,613
Security deposits	285,361	14,887	292,761	14,893
Exchange rate forwards	51,794	2,702	-	-
	15,063,534	785,848	16,757,399	852,506
Total liabilities	15,203,784	793,219	16,961,975	862,914
Equity:				
CBFI holders capital	14,124,954	1,025,477	13,952,327	1,016,741
Other equity accounts and retained earnings	16,180,152	555,455	16,746,850	545,035
Total equity	30,305,106	1,580,932	30,699,177	1,561,776
Total liabilities and equity	45,508,890	2,374,151	47,661,152	2,424,690

Financial Information

Interim Condensed Statements of Comprehensive Income

2Q 2019 Supplemental

in thousands, except per CBF1 amounts	For the three months ended June 30,				For the six months ended June 30,			
	2019		2018		2019		2018	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Revenues:								
Lease rental income	831,282	43,503	812,772	42,898	1,702,768	88,508	1,613,957	85,025
Rental recoveries	88,747	4,637	79,554	4,208	188,190	9,783	153,433	8,080
Other property income	18,784	988	23,946	1,238	39,773	2,073	39,558	2,063
	938,813	49,128	916,272	48,344	1,930,731	100,364	1,806,948	95,168
Cost and expenses:								
Property operating expenses:								
Operating and maintenance	53,859	2,809	48,973	2,553	107,193	5,580	93,589	4,921
Utilities	10,662	560	9,582	501	24,091	1,255	18,125	950
Property management fees	28,505	1,512	27,860	1,382	56,508	2,989	53,298	2,779
Real estate taxes	17,445	888	17,343	914	35,377	1,801	34,602	1,806
Non-recoverable operating	10,825	618	7,880	365	28,544	1,561	4,145	240
	121,296	6,387	111,638	5,715	251,713	13,186	203,759	10,696
Gross profit	817,517	42,741	804,634	42,629	1,679,018	87,178	1,603,189	84,472
Other expenses (income):								
Gain on valuation of investment properties	(132,409)	(6,925)	(552,043)	(28,471)	(259,163)	(13,490)	(585,689)	(30,266)
Asset management fees	82,278	4,415	83,172	4,180	166,781	8,820	159,813	8,297
Incentive fee	172,627	8,736	205,364	10,337	172,627	8,736	205,364	10,337
Professional fees	7,236	386	9,343	510	15,204	801	22,480	1,208
Interest expense	166,202	8,657	169,973	8,680	344,594	17,984	303,780	15,858
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Amortization of deferred financing cost	14,697	771	14,800	761	29,647	1,555	26,677	1,400
Net loss (gain) on early extinguishment of debt	2,906	152	754	38	18,638	969	(4,043)	(232)
Unused credit facility fee	9,297	487	8,744	451	16,535	869	13,772	722
Unrealized loss (gain) on exchange rate hedge instruments	4,418	230	(2,628)	(132)	11,003	570	990	65
Realized loss on exchange rate hedge instruments	-	-	8,995	453	419	22	8,995	453
Net Unrealized exchange loss (gain)	6,444	335	346	47	(2,627)	(137)	(16,458)	(849)
Net Realized exchange (gain) loss	(2,691)	(140)	3,646	194	(266)	(14)	(92)	(5)
Other general and administrative expenses	3,818	203	5,437	279	7,435	388	7,832	405
	334,823	17,307	(44,097)	(2,673)	520,827	27,073	138,782	7,145
Net income	482,694	25,434	848,731	45,302	1,158,191	60,105	1,464,407	77,327
Other comprehensive income:								
<i>Items that are not reclassified subsequently to profit or loss:</i>								
Translation loss (gain) from functional currency to reporting currency	371,078	(4,357)	(2,275,217)	(630)	834,640	(3,016)	(192,059)	(539)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>								
Unrealized loss (gain) on interest rate swaps	76,563	3,994	(35,921)	(1,683)	128,365	6,629	(67,789)	(3,420)
	447,641	(363)	(2,311,138)	(2,313)	963,005	3,613	(259,848)	(3,959)
Total comprehensive income (loss) for the period	35,053	25,797	3,159,869	47,615	195,186	56,492	1,724,255	81,286
Earnings per CBF1 (A)	0.7487	0.0395	1.3285	0.0709	1.7966	0.0932	2.2922	0.1210

Financial Information

2Q 2019 Supplemental

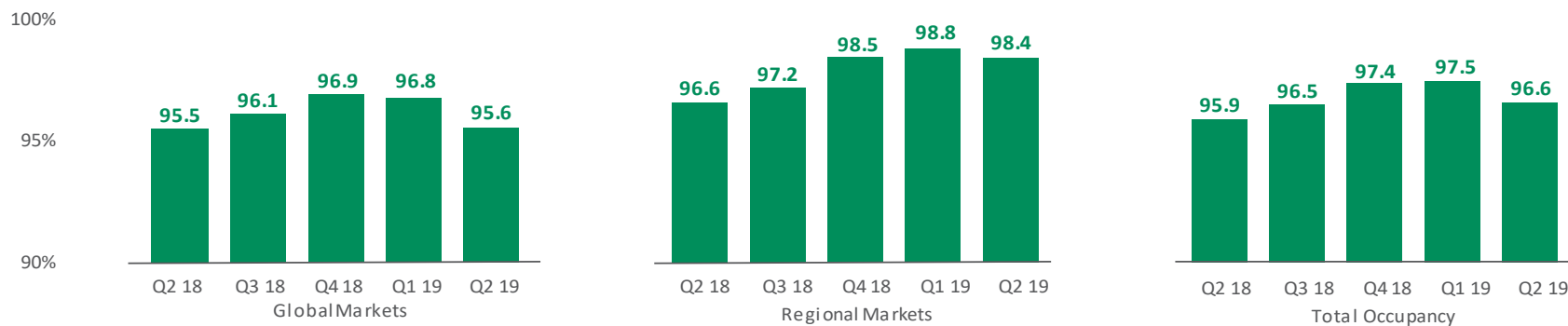
Reconciliations of Net Income to FFO, AFFO and EBITDA

in thousands	For the three months ended Junio 30,				For the six months ended June 30,			
	2019		2018		2019		2018	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Reconciliation of Net Income to FFO								
Net income	482,694	25,434	848,731	45,302	1,158,191	60,105	1,464,407	77,327
NAREIT defined FFO	482,694	25,434	848,731	45,302	1,158,191	60,105	1,464,407	77,327
Adjustments to arrive at FFO, as defined by FIBRA Prologis:								
Gain on valuation of investment properties	(132,409)	(6,925)	(552,043)	(28,471)	(259,163)	(13,490)	(585,689)	(30,266)
Unrealized loss (gain) on exchange rate hedge instruments	4,418	230	(2,628)	(132)	11,003	570	990	65
Net unrealized exchange loss (gain)	6,444	335	346	47	(2,627)	(137)	(16,458)	(849)
Net loss (gain) on early extinguishment of debt	2,906	152	754	38	18,638	969	(4,043)	(232)
FFO, as modified by FIBRA Prologis	364,053	19,226	295,160	16,784	926,042	48,017	859,207	46,045
Incentive fee paid in CBFIs	172,627	8,736	205,364	10,337	172,627	8,736	205,364	10,337
FFO, as modified by FIBRA Prologis excluding incentive fee	536,680	27,962	500,524	27,121	1,098,669	56,753	1,064,571	56,382
FFO, as modified by FIBRA Prologis	364,053	19,226	295,160	16,784	926,042	48,017	859,207	46,045
Adjustments to arrive at Adjusted FFO ("AFFO")								
Straight-lined rents	(3,221)	(272)	(25,389)	(1,274)	(22,600)	(1,245)	(50,168)	(2,599)
Property improvements	(52,734)	(2,764)	(41,513)	(2,116)	(90,447)	(4,734)	(83,722)	(4,380)
Tenant improvements	(20,311)	(1,066)	(39,410)	(2,009)	(53,084)	(2,776)	(82,786)	(4,334)
Leasing commissions	(20,085)	(1,051)	(9,406)	(490)	(51,101)	(2,669)	(34,094)	(1,809)
Amortization of deferred financing costs	14,697	771	14,800	761	29,647	1,555	26,677	1,400
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Incentive fee paid in CBFIs	172,627	8,736	205,364	10,337	172,627	8,736	205,364	10,337
AFFO	455,026	23,580	399,606	21,993	911,084	46,884	835,839	44,412

in thousands	For the three months ended June 30,				For the six months ended June 30,			
	2019		2018		2019		2018	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Reconciliation of Net Income to Adjusted EBITDA								
Net income	482,694	25,434	848,731	45,302	1,158,191	60,105	1,464,407	77,327
Gain on valuation of investment properties	(132,409)	(6,925)	(552,043)	(28,471)	(259,163)	(13,490)	(585,689)	(30,266)
Interest expense	166,202	8,657	169,973	8,680	344,594	17,984	303,780	15,858
Amortization of deferred financing costs	14,697	771	14,800	761	29,647	1,555	26,677	1,400
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Net loss (gain) on early extinguishment of debt	2,906	152	754	38	18,638	969	(4,043)	(232)
Unused credit facility fee	9,297	487	8,744	451	16,519	869	13,772	722
Unrealized loss (gain) on exchange rate hedge instruments	4,418	230	(2,628)	(132)	11,003	570	990	65
Net unrealized exchange loss (gain)	6,444	335	346	47	(2,627)	(137)	(16,458)	(849)
Pro forma adjustments for dispositions	(4,246)	(222)	-	-	(28,315)	(1,464)	-	-
Incentive fee paid in CBFIs	172,627	8,736	205,364	10,337	172,627	8,736	205,364	10,337
Adjusted EBITDA	722,630	37,655	694,041	37,013	1,461,114	75,697	1,404,161	74,114

Operating Metrics

PERIOD ENDING OCCUPANCY - OPERATING PORTFOLIO



square feet in thousands

LEASING ACTIVITY

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Square feet of leases commenced:					
Renewals	1,880	2,432	1,068	1,340	1,650
New leases	407	539	735	253	357
Total square feet of leases commenced	2,287	2,971	1,803	1,593	2,007
Average term of leases commenced (months)	44	46	86	54	69
Operating Portfolio:					
Trailing four quarters - leases commenced	8,129	8,893	8,666	8,654	8,374
Trailing four quarters - % of average portfolio	23.6%	25.7%	24.9%	24.7%	23.8%
Rent change - cash	3.0%	3.7%	-2.0%	-5.2%	-3.6%
Rent change - net effective	15.1%	10.6%	13.5%	5.9%	16.0%

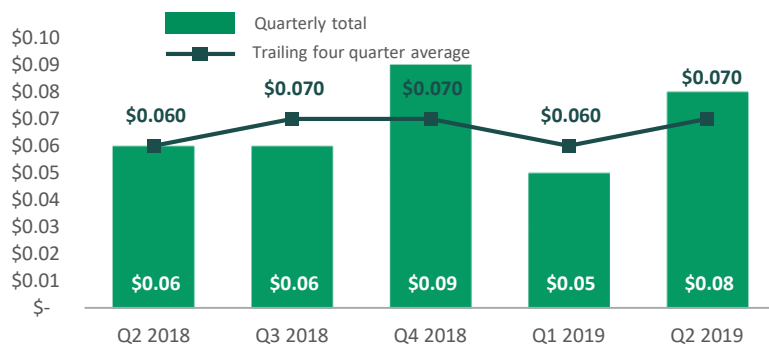
CAPITAL EXPENDITURES INCURRED ^(A) IN THOUSANDS

	Q2 2018		Q3 2018		Q4 2018		Q1 2019		Q2 2019	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Property improvements	41,513	2,116	35,855	1,887	63,492	3,141	37,713	1,970	52,734	2,764
Tenant improvements	39,410	2,009	27,213	1,434	51,138	2,564	32,773	1,710	20,311	1,066
Leasing commissions	9,406	490	31,291	1,648	48,678	2,481	31,016	1,618	20,085	1,051
Total turnover costs	48,816	2,499	58,504	3,082	99,816	5,045	63,789	3,328	40,396	2,117
Total capital expenditures	90,329	4,615	94,359	4,969	163,308	8,186	101,502	5,298	93,130	4,881
Trailing four quarters - % of gross NOI		13.8%		13.6%		14.2%		13.6%		13.8%

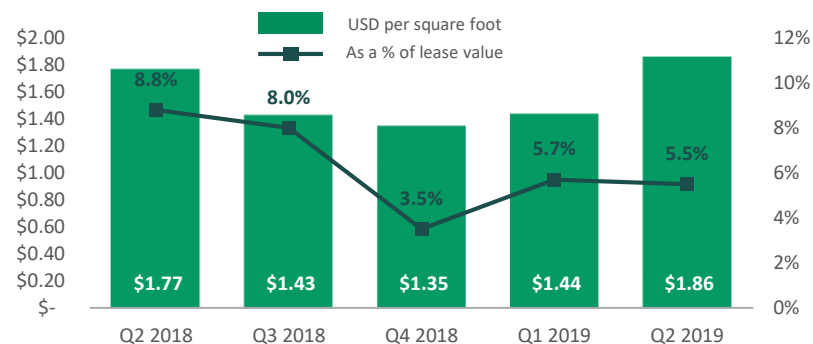
SAME STORE INFORMATION

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Square feet of population	34,167	34,167	34,167	33,362	33,030
Average occupancy	96.0%	96.2%	96.5%	97.1%	100.0%
Percentage change:					
Rental income- cash	0.3%	2.3%	(0.2%)	7.3%	6.3%
Rental expenses- cash	(10.5%)	5.3%	9.4%	30.3%	19.7%
NOI - Cash	2.5%	1.7%	(2.1%)	3.5%	3.9%
NOI - net effective	3.9%	1.0%	(1.9%)	2.1%	0.9%
Average occupancy	(1.7%)	(0.3%)	(2.0%)	1.2%	(1.4%)

PROPERTY IMPROVEMENTS PER SQUARE FOOT (USD)



ESTIMATED TURNOVER COSTS ON LEASES COMMENCED ^(A)



Operations Overview

Investment Properties

2Q 2019 Supplemental

square feet and currency in thousands

	# of Buildings	Square Feet				Net Effective Rent						Investment Properties Value			
		Total	% of Total	Occupied %	Leased %	Second Quarter NOI		Annualized		% of Total	Per Sq Ft		Total		% of Total
						Ps.	US\$	Ps.	US\$		Ps.	US\$	Ps.	US\$	
Global Markets															
Mexico City	52	12,403	35.7	96.3	96.3	290,443	15,185	1,286,092	67,094	38.2	108	5.61	18,036,600	940,950	40.2
Guadalajara	25	5,889	16.9	93.2	93.2	134,372	7,025	512,642	26,744	15.2	93	4.88	7,015,671	366,000	15.6
Monterrey	22	4,315	12.4	96.9	96.9	97,484	5,097	415,036	21,652	12.3	99	5.18	5,509,219	287,410	12.3
Total global markets	99	22,607	64.6	95.6	95.6	522,299	27,307	2,213,770	115,490	65.7	102	5.34	30,561,490	1,594,360	68.1
Regional markets															
Reynosa	30	4,712	13.6	99.6	99.6	117,372	6,136	475,264	24,794	14.1	101	5.28	5,296,257	276,300	11.8
Tijuana	33	4,214	12.1	100.0	100.0	101,999	5,333	392,092	20,455	11.6	93	4.85	5,051,858	263,550	11.2
Ciudad Juarez	28	3,235	9.3	94.6	94.6	70,453	3,683	290,556	15,158	8.6	95	4.95	3,557,674	185,600	7.9
Total regional markets	91	12,161	35.4	98.4	98.4	289,824	15,152	1,157,912	60,407	34.3	97	5.05	13,905,788	725,450	30.9
Total operating portfolio	190	34,768	100.0	96.6	96.6	812,123	42,459	3,371,682	175,897	100.0	100	5.24	44,467,278	2,319,810	99.0
Intermodal facility ^(A)						5,394	282						312,447	16,300	0.7
Excess land ^(B)													137,246	7,160	0.3
Total investment properties		34,768	100.0			817,517	42,741						44,916,971	2,343,270	100.0

A. 100% occupied as of June 30, 2019.

B. We have 20.75 acres of land in Monterrey that has an estimated build out of 362,784 square feet and one expansion project of 203,864 square feet under development as of June 30, 2019

Operations Overview

Customer Information

square feet in thousands

Top 10 Customers as % of Net Effective Rent

	% of Net Effective Rent	Total Square Feet
1 IBM de México, S. de R.L	3.2%	1,301
2 DHL	2.9%	994
3 Geodis	2.8%	796
4 LG, Inc.	2.1%	694
5 Johnson Controls Inc.	1.5%	451
6 Uline	1.4%	501
7 Kuehne & Nagel	1.4%	469
8 Ryder System Inc.	1.4%	407
9 Celestica, Inc.	1.4%	396
10 Panalpina	1.3%	368
Top 10 Customers	19.4%	6,377

square feet and currency in thousands

Lease Expirations - Operating Portfolio

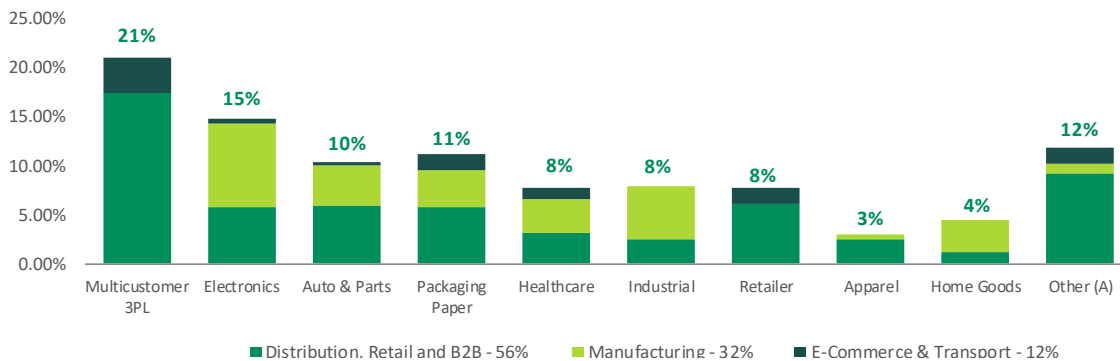
Year	Occupied Sq Ft	Net Effective Rent							
		Total		% of Total		Per Sq Ft		% Currency	
		Ps.	US\$	Ps.	US\$	Ps.	US\$	%Ps.	%US\$
2019	3,422	332,114	17,326	10%	97.05	5.06	51%	49%	
2020	8,576	830,456	43,324	25%	96.84	5.05	22%	78%	
2021	5,426	552,129	28,804	16%	101.75	5.31	45%	55%	
2022	3,772	376,124	19,622	11%	99.71	5.20	40%	60%	
2023	3,790	385,402	20,106	11%	101.68	5.30	30%	70%	
Month to month	575	59,001	3,078	2%	102.61	5.35	64%	36%	
Thereafter	8,024	836,456	43,637	25%	104.25	5.44	26%	74%	
	33,585	3,371,682	175,897	100%	100.4	5.24	33%	67%	

Lease Currency - Operating Portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	57,445	32.7	10,680	31.8
Leases denominated in US\$	118,452	67.3	22,905	68.2
Total	175,897	100	33,585	100

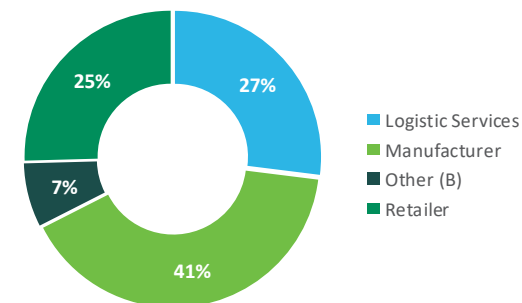
USE OF SPACE BY CUSTOMER INDUSTRY

% of Portfolio NER



CUSTOMER TYPE

% of Portfolio NER



Capital Deployment

Dispositions

2Q 2019 Supplemental

square feet and currency in thousands

	Q2 2019			FY 2019		
	Sq Ft	Sales Price ^(A)		Sq Ft	Sales Price ^(A)	
		Ps.	US\$		Ps.	US\$
BUILDING DISPOSITIONS						
Global Markets						
Mexico City	-	-	-	-	-	-
Guadalajara				518	557,903	29,498
Monterrey				416	461,290	24,400
Total Global Markets	-	-	-	934	1,019,193	53,898
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	192	188,472	9,960	332	340,779	18,062
Total Regional Markets	192	188,472	9,960	332	340,779	18,062
Total Building Dispositions	192	188,472	9,960	1,266	1,359,972	71,960
Weighted average stabilized cap rate			8.8%			8.2%

Capitalization

Debt Summary and Metrics

2Q 2019 Supplemental

currency in millions

Maturity	Unsecured				Secured		Total		Wtd Avg. Cash Interest Rate ^(A)	Wtd Avg. Effective
	Credit Facility		Senior		Mortgage Debt		Ps.	US\$		
	Ps.	US\$	Ps.	US\$	Ps.	US\$				
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	2,875	150	-	-	2,875	150	4.2%	4.5%
Thereafter	-	-	9,872	515	2,051	107	11,923	622	4.7%	4.7%
Subtotal- debt par value	-	-	12,747	665	2,051	107	14,798	772		
Interest payable and deferred financing	-	-	-	-	(40)	(2)	(40)	(2)		
Total debt	-	-	12,747	665	2,011	105	14,758	770	4.3%	4.4%

Weighted average cash interest rate ^(A)	-	4.2%	4.7%	4.3%
Weighted average effective interest rate ^(B)	-	4.4%	4.4%	4.4%
Weighted average remaining maturity in	-	4.0	6.6	4.3

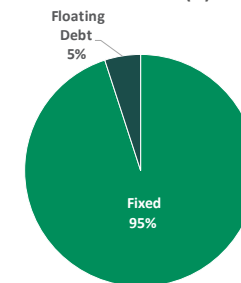
currency in millions

Liquidity	Ps.	US\$
Aggregate lender commitments	6,230	325
Less:	-	-
Borrowings outstanding	-	-
Outstanding letters of credit	-	-
Current availability	6,230	325
Unrestricted cash	372	19
Total liquidity	6,602	344

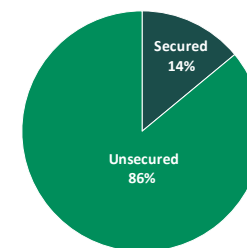
Debt Metrics ^(C)	2019	
	Second Quarter	First Quarter
Debt, less cash and VAT, as % of investment properties	32.1%	32.3%
Fixed charge coverage ratio	4.35x	4.08x
Fixed charge coverage ratio, excluding realized exchange		
Debt to Adjusted EBITDA	4.99x	4.97x

- A. Interest rates are based on the cash rates associated with the respective weighted average debt amounts outstanding.
 B. Interest rate is based on the effective rate, which includes the amortization of related premiums (discounts) and finance costs. The net premiums (discounts) and finance costs associated with the respective debt were included in the maturities by year.
 C. These calculations are based on actual U.S. Dollars as described in the Notes and Definitions section and are not calculated in accordance with the applicable regulatory rules.
 D. Includes the interest rate swap contract.
 E. Based on fair market value as of June 30, 2019.

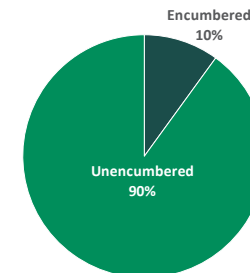
FIXED VS. FLOATING DEBT (D)



SECURED VS. UNSECURED DEBT



ENCUMBERED VS. UNENCUMBERED ASSETS POOL (E)



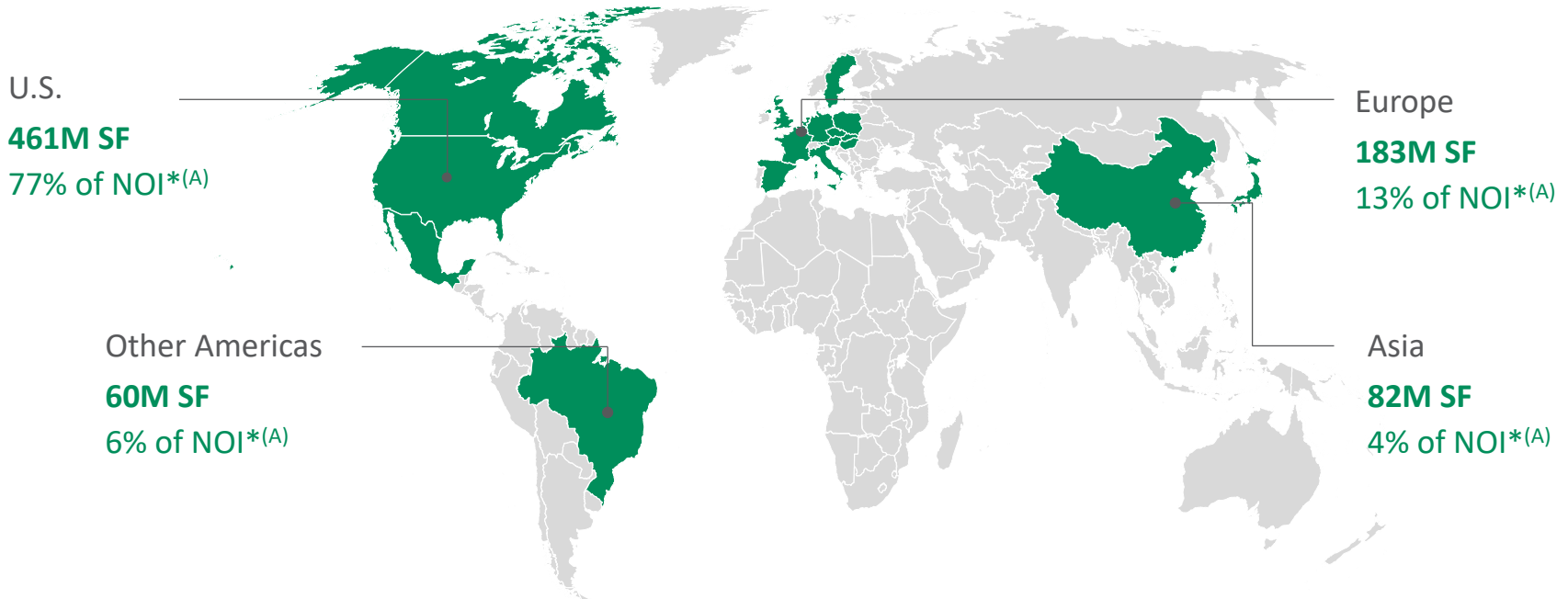
Prologis Unmatched Global Platform ^(A)

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2019, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 786 million square feet (73 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,100 customers across two major categories: business-to-business and retail/online fulfillment.

3,771
Buildings

786M
Square Feet

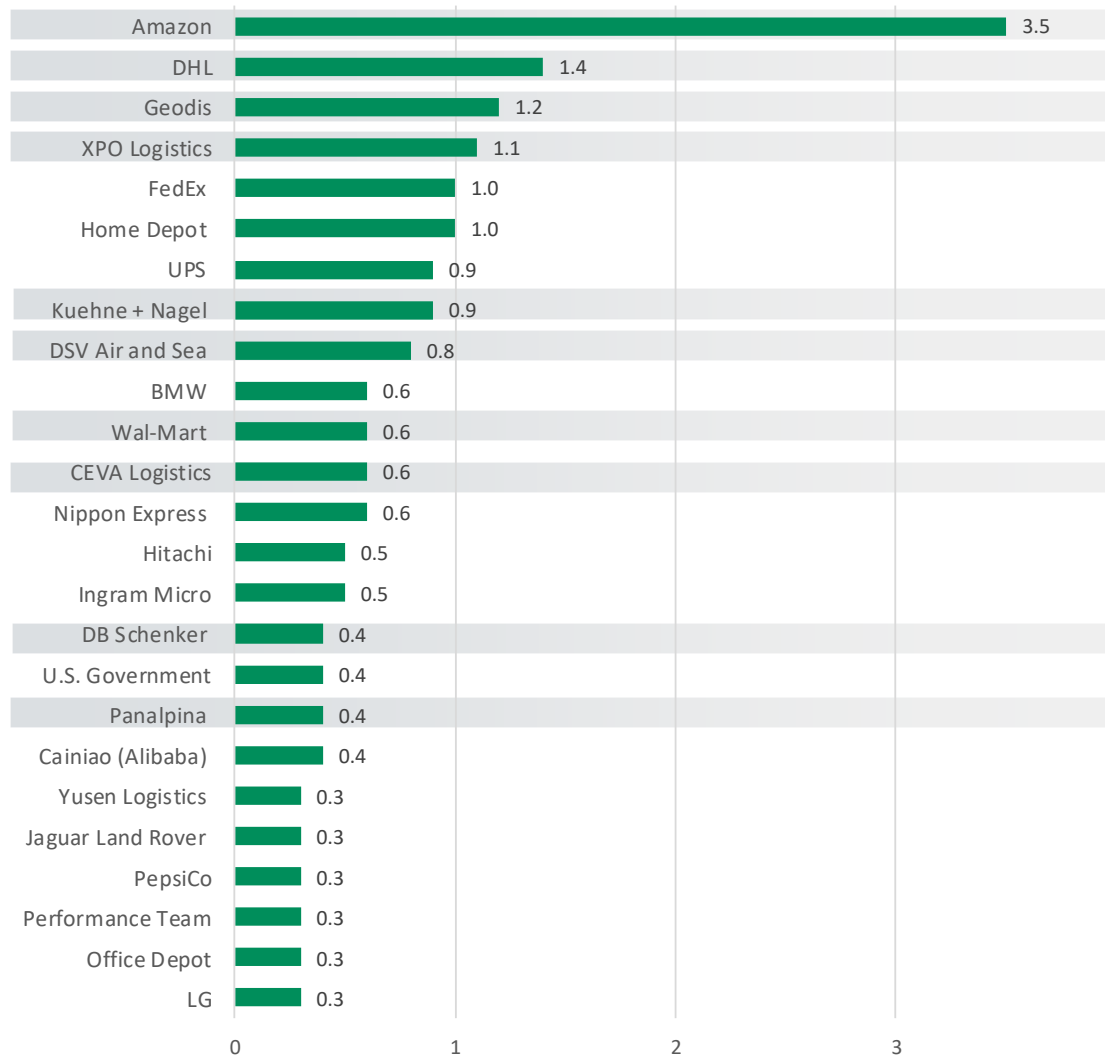
5,100
Customers



Sponsor

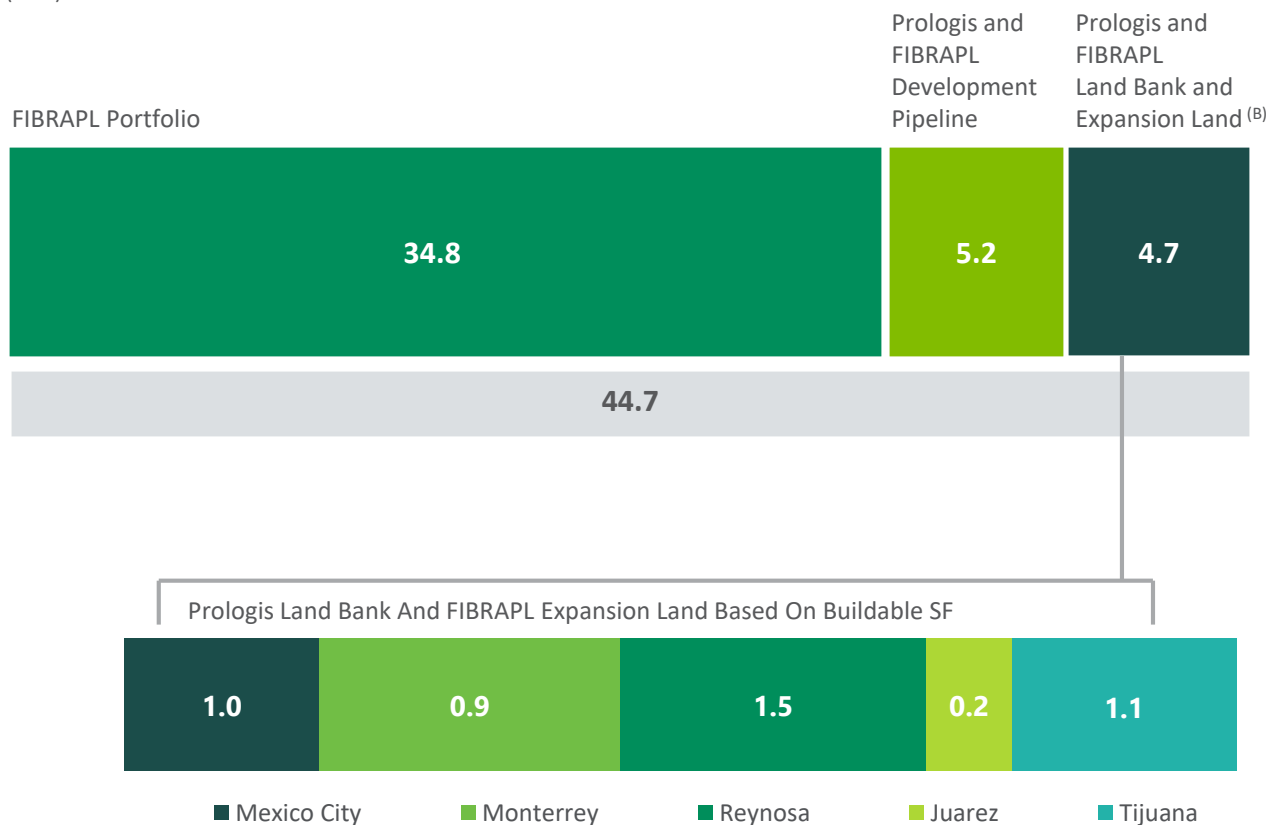
Prologis Global Customer Relationships (A)

(% Net Effective Rent)



EXTERNAL GROWTH VIA PROLOGIS DEVELOPMENT PIPELINE

(MSF) ^(A)



- 28% growth potential in the next 3 to 4 years, subject to market conditions and availability of financing
- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis

	GLA (MSF)	% Leased
Mexico City	4.0	97%
Monterrey	0.8	87%
Ciudad Juárez	0.4	46%
Total	5.2	91%



Periferico Sur#1, Guadalajara

Notes and Definitions

Please refer to our financial statements as prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and filed with the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores (“CNBV”)) and other public reports for further information about us and our business.

Acquisition price, as presented for building acquisitions, represent economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free and discounted rent, if applicable.

Adjusted EBITDA. We use Adjusted EBITDA, a non-IFRS financial measure, as a measure of our operating performance. The most directly comparable IFRS measure to Adjusted EBITDA is net income (loss).

We calculate Adjusted EBITDA beginning with net income (loss) and removing the effect of financing cost, income taxes and similar adjustments we make to our FFO measures (see definition below). We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire during the quarter and to remove NOI on properties we dispose of during the quarter, assuming all transactions occurred at the beginning of the quarter.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make CBFi distributions on an unleveraged basis before the effects of income tax, non-cash amortization expense, gains and losses on the disposition of investments in real estate unrealized gains or losses from mark-to-market adjustments to investment properties and revaluation from Pesos into our functional currency to the U.S. dollar, and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of our net income (loss), such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to IFRS, along with this detailed discussion of Adjusted EBITDA and a reconciliation to Adjusted EBITDA from net-income (loss).

Calculation Per CBFi Amounts is as follows:

in thousands, except per share amounts	For the three months ended				For the six months ended			
	June 30, 2019		June 30, 2018		June 30, 2019		June 30, 2018	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Earnings								
Net income	482,694	25,434	848,731	45,302	1,158,191	60,105	1,464,407	77,327
Weighted average CBFis outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	644,674	644,674	638,863	638,863
Earnings per CBFi - Basic and Diluted	0.7487	0.0395	1.3285	0.0709	1.7966	0.0932	2.2922	0.1210
FFO								
FFO, as modified by FIBRA Prologis	364,053	19,226	295,160	16,784	926,042	48,017	859,207	46,045
Weighted average CBFis outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	644,674	644,674	638,863	638,863
FFO per CBFi - Basic and Diluted	0.5647	0.0298	0.4620	0.0263	1.4365	0.0745	1.3449	0.0721
FFO, as modified by FIBRA Prologis excluding incentive fee	536,680	27,962	500,524	27,121	1,098,669	56,753	1,064,571	56,382
Weighted average CBFis outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	644,674	644,674	638,863	638,863
FFO per CBFi excluding incentive Fee	0.8325	0.0434	0.7835	0.0425	1.7042	0.0880	1.6664	0.0883

Debt Metrics. We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the detailed calculations for the respective period:

in thousands	For the three months ended			
	June 30, 2019		March 31, 2019	
	Ps.	US\$	Ps.	US\$
Debt, less cash and VAT, as a % of investment properties				
Total debt - at par	14,798,083	772,000	15,096,476	779,000
Less: cash	(372,425)	(19,431)	(428,057)	(22,089)
Less: VAT receivable	(8,701)	(454)	-	-
Total debt, net of adjustments	14,416,957	752,115	14,668,419	756,911
Investment properties	44,916,971	2,343,270	45,368,491	2,341,080
Debt, less of cash and VAT, as a % of investment properties	32.1%	32.1%	32.3%	32.3%
Fixed Charge Coverage ratio:				
Adjusted EBITDA	722,630	37,655	738,500	38,042
Interest expense	166,202	8,657	178,392	9,327
Fixed charge coverage ratio	4.35x	4.35x	4.14x	4.08x
Debt to Adjusted EBITDA:				
Total debt, net of adjustments	14,416,957	752,115	14,668,419	756,911
Adjusted EBITDA annualized	2,890,520	150,620	2,954,000	152,168
Debt to Adjusted EBITDA ratio	4.99x	4.99x	4.97x	4.97x

FFO; FFO, as modified by FIBRA Prologis; AFFO (collectively referred to as “FFO”). FFO is a non-IFRS financial measure that is commonly used in the real estate industry. The most directly comparable IFRS measure to FFO is net income.

The National Association of Real Estate Investment Trusts (“NAREIT”) defines FFO as earnings computed under U.S. generally accepted accounting principles (“U.S. GAAP”) to exclude historical cost depreciation and gains and losses from the sales of previously depreciated properties. As we are required to present our financial information per IFRS, our “NAREIT defined FFO” uses net income computed under IFRS rather than U.S. GAAP. The significant differences between IFRS and U.S. GAAP include depreciation, which is not included in IFRS and therefore we exclude gains and losses from the sale of real estate even though it was not depreciated and the mark-to-market adjustment for the valuation of investment properties, which is included in the adjustments to derive FFO, as modified by FIBRA Prologis (see below).

Our FFO Measures

Our FFO measures begin with NAREIT’s definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating *FFO, as modified by FIBRA Prologis* and *AFFO*, as defined below, are subject to significant fluctuations from period to period. Although these items may have a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term. These items have both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that holders of CBFs, potential investors and financial analysts understand the measures management uses. We do not use our FFO measures as, nor should they be considered to be, alternatives to net income computed under IFRS, as indicators of our operating performance, as alternatives to cash from operating activities computed under IFRS or as indicators of our ability to fund our cash needs.

FFO, as modified by FIBRA Prologis

To arrive at *FFO, as modified by FIBRA Prologis*, we adjust the NAREIT defined FFO measure to exclude:

- i. mark-to-market adjustments for the valuation of investment properties;
- ii. foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of assets and liabilities denominated in Pesos;
- iii. income tax expense related to the sale of real estate;
- iv. gains or losses from the early extinguishment of debt; and
- v. Unrealized loss on exchange rate forwards
- vi. expenses related to natural disasters.

We use *FFO, as modified by FIBRA Prologis* to: (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (v) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at *AFFO*, we adjust *FFO, as modified by FIBRA Prologis* to further exclude (i) straight-line rents; (ii) recurring capital expenditures; (iii) amortization of debt premiums (including write-off of premiums) and discounts and financing cost, net of amounts capitalized; and (iv) incentive fees paid in CBFIs.

We use *AFFO* to (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

We analyze our operating performance primarily by the rental revenue of our real estate, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities. Although these items discussed above have had a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term.

We use *FFO, as modified by FIBRA Prologis* and *AFFO* to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) provide guidance to the financial markets to understand our expected operating performance; (v) assess our operating performance as compared to similar real estate companies and the industry in general; and (vi) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of items that we do not expect to affect the underlying long-term performance of the properties we own. As noted above, we believe the long-term performance of our properties is principally driven by rental revenue. We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

Limitations on the use of our FFO measures

While we believe our FFO measures are important supplemental measures, neither NAREIT’s nor our measures of FFO should be used alone because they exclude significant economic components of net earnings computed under IFRS and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- Amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.

- Mark-to-market adjustments to the valuation of investment properties and gains or losses from property acquisitions and dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The foreign currency exchange gains and losses that are excluded from our modified FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.
- The current income tax expenses that are excluded from our modified FFO measures represent the taxes that are payable.
- The gains and losses on extinguishment of debt that we exclude from our defined FFO measures may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The natural disaster expenses that we exclude from our defined FFO measures are costs that we have incurred.

We compensate for these limitations by using our FFO measures only in conjunction with net income computed under IFRS when making our decisions. This information should be read with our complete consolidated financial statements prepared under IFRS. To assist investors in compensating for these limitations, we reconcile our FFO measures to our net income computed under IFRS.

Fixed Charge Coverage is a non-IFRS financial measure we define as Adjusted EBITDA divided by total fixed charges. Fixed charges consist of net interest expense adjusted for amortization of finance costs and debt discount (premium) and capitalized interest. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make dividends to holders of our CBFIs. Our computation of fixed charge coverage may not be comparable to fixed charge coverage reported by other companies and is not calculated in accordance with applicable regulatory rules.

Incentive Fee an annual fee payable under the management agreement to Manager when cumulative total CBFI holder returns exceed an agreed upon annual expected return, payable in CBFIs.

Market Classification

- **Global Markets** include the logistics markets of Mexico City, Guadalajara and Monterrey. These markets feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** include the manufacturing markets of Tijuana, Reynosa and Ciudad Juarez. These markets benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained.

Net Effective Rent ("NER") is calculated at the beginning of the lease using estimated total cash (including base rent and expense reimbursements) to be received over the term and annualized. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

Net Operating Income ("NOI") is a non-IFRS financial measure used to evaluate our operating performance and represents rental income less rental expenses.

Operating Portfolio includes stabilized industrial properties.

Property Improvements are the addition of permanent structural improvements or the restoration of a building's or property's components that will either enhance the property's overall value or increase its useful life. Property improvements are generally independent of any particular lease as part of general upkeep over time (but may be incurred concurrent with a lease commitment).

Rent Change- Cash represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the periods compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (teaser rates) defined as 50% or less of the stabilized rate.

Rent Change - Net Effective represents the percentage change in net effective rental rates (average rate over the lease term), on new and renewed leases, commenced during the period compared with the previous net effective rental rates in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

Retention is the square footage of all leases commenced during the period that are rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease and short-term leases of less than one year are not included in the calculation.

Same Store. Our same store metrics are non-IFRS financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net-effective and cash basis. We evaluate the performance of the operating properties we own and manage using a "same store" analysis because the population of properties in this analysis is consistent from period to period, which allows us to analyze our ongoing business operations.

We have defined the same store portfolio, for the three months ended June 30, 2019, as those properties that were owned by FIBRA Prologis as of January 1, 2018 and have been in operations throughout the same three-month periods in both 2018 and 2019. The same store population excludes properties acquired or disposed of to third parties during the period. We believe the factors that affect lease rental income, rental recoveries and property operating expenses and NOI in the same store portfolio are generally the same as for our total operating portfolio.

As our same store measures are non-IFRS financial measures, they have certain limitations as analytical tools and may vary among real estate companies. As a result, we provide a reconciliation of lease rental income, rental recoveries and property operating expenses from our financial statements prepared in accordance with IFRS to same store property NOI with explanations of how these metrics are calculated. In addition, we further remove certain non-cash items, such as straight-line rent adjustments, included in the financial statements prepared in accordance with IFRS to reflect a cash same store number. To clearly label these metrics, they are categorized as Same Store NOI – Net Effective and Same Store NOI – Cash.

The following is a reconciliation of our lease rental income, rental recoveries and property operating expenses, as included in the Statements of Comprehensive Income, to the respective amounts in our same store portfolio analysis:

in thousands of U.S. Dollars	2019	2018	Change (%)
Rental income			
Per the statements of comprehensive income	49,128	48,344	
Properties not included in same store and other adjustments (a)	(2,310)	(2,559)	
Direct Billables Revenues from Properties incl same store pool	2,254	1,545	
Straight-lined rent	(108)	(1,265)	
Other Adjustments for Properties in Same Store Pool			
Same Store - Rental income - cash	48,964	46,065	6.3%
Rental expense			
Per the statements of comprehensive income	6,387	5,715	
Properties not included in same store and other adjustments	(218)	(225)	
Direct Billables Expenses from Properties incl same store pool	2,254	1,545	
Same Store - Rental expense - cash	8,424	7,035	19.7%
NOI			
Per the statements of comprehensive income	42,741	42,629	
Properties not included in same store	(2,093)	(2,334)	
Straight-lined rent	(108)	(1,265)	
Net Direct Billable Expenses for Properties in Same Store Pool	-	-	
Other Adjustments for Properties in Same Store Pool	-	-	
Same Store - NOI - cash	40,541	39,030	3.9%
Straight-lined rent from properties included in same store	108	1,265	
Same Store NOI - Net Effective	40,648	40,295	0.9%

- a) To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to one-time items that are not indicative of the property's recurring operating performance.

Same Store Average Occupancy represents the average occupied percentage of the Same Store portfolio for the period.

Tenant Improvements are the costs to prepare a property for lease to a new tenant or release to an existing tenant. Tenant improvements are reasonably expected to provide benefit beyond the lease term of the pending lease for future tenants, and are generally deemed to be consistent with comparable buildings in the market place.

Total Expected Investment ("TEI") represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change.

Turnover Costs represent the obligations incurred in connection with the signing of a lease, including leasing commissions and tenant improvements and are presented for leases that commenced during the period. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the current tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property and short – term leases of less than one year).

Valuation Methodology the methodologies applied for the valuation of the assets and the factors which are part of the approaches, at the end we will present the ranges of the rates such as the market rents used for the entire portfolio. There are three basic approaches to value:

- The Income Approach
- The Direct Comparison Approach
- The Cost Approach

In practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Income Approach

The Income Approach reflects the subject's income-producing capabilities. This approach assumes that value is created by expected income. Since the investment is expected to be acquired by an investor who would be willing to pay to receive an income stream plus reversion value from a property over a period, the Income Approach is used as the primary approach to value. The two common valuation techniques are the Discounted Cash Flow (DCF) Method and the Direct Capitalization Method.

Discounted Cash Flow Method

Using this valuation method, future cash flows forecasted over an investment horizon, together with the proceeds of a deemed disposition at the end of the holding period. This method allows for modeling any uneven revenues or costs associated with lease up, rental growth, vacancies, leasing commissions, tenant inducements and vacant space costs. These future financial benefits are discounted to a present value at an appropriate discount rate based on market transactions.

- A discount rate applicable to future cash flows and determined primarily by the risk associated with income, and
- A capitalization rate used to obtain the future value of the property based on estimated future market conditions.

These rates are determined based on:

- The constant interviews we have with the developers, brokers, clients and active players in the market to know their expectation of IRR (before debt or without leverage).

Notes and Definitions (continued)

2Q 2019 Supplemental

- Mainly the real transactions in the market are analyzed. Since we are a leading company in the real estate sector we have extensive experience in most purchase transactions and we have the details of these before and during the purchase, which allows us to have a solid base when selecting our rates.

Direct Capitalization Method

This method involves capitalizing a fully leased net operating income estimate by an appropriate yield. This approach is best utilized with stabilized assets, where there is little volatility in the net income and the growth prospects are also stable. It is most commonly used with single tenant investments or stabilized investments.

Direct Comparison Approach

The Direct Comparison Approach utilizes sales of comparable properties, adjusting for differences to estimate a value for the subject property. This approach is developed in a simplified method to establish a range of unit prices for market comparable sales. This method is typically developed to support the Income Approach rather than to conclude on a value.

Cost Approach

The Cost Approach is based upon the proposition the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements, which represent the Highest and Best Use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties. This approach is not considered reliable because investors do not use this methodology to identify securities for purchase purposes; for this reason, this approach is not used for the valuation of the assets which comprise FIBRA Prologis.

Methodology Selection

The target market for any real estate, is composed of those entities capable of benefiting from the Highest and Best Use of a property, of goodwill and paying a fair price. In the case of the properties under study which are part of FIBRA Prologis, the type of buyer will typically be a developer / investor, therefore, our studies replicate the analysis that both the developer and investor make to take their decisions.

Statistics of the Portfolio

The following chart presents the ranges of Capitalization Rates, Discount Rates, Reversion Rates and Market Rents used in the portfolio that are part of FIBRA Prologis:

FIBRA Prologis Statistics (190 Assets)

**For the Three months ended
June 30, 2019**

Capitalization Rates (%)	From 6.75% to 9.75% Weight Avg. 7.46%
Discount Rates (%)	From 8.00% to 11.25% Weight Avg. 8.87%
Term Cap Rates (%)	From 7.00% to 10.00% Weight Avg. 7.72%
Market Rents (US \$/ Sq ft/ Yr)	From \$4.00 to \$10.00 Weight Avg. \$5.17

Weighted Average Stabilized Capitalized (“Cap”) Rate is calculated as Stabilized NOI divided by the Acquisition Price.