



First Quarter 2018

# FIBRA Prologis Financial Information

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Supplemental Financial  
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Fideicomiso Irrevocable 1721 Banco Actinver, S. A.,  
Institución de Banca Múltiple, Grupo Financiero Actinver,  
División Fiduciaria.  
(formerly Fideicomiso Irrevocable F/1721 Deutsche Bank México,  
S. A., Institución de Banca Múltiple, División Fiduciaria)

**Interim Condensed Financial Statements as of  
March 31, 2018 and for the three month period  
then ended**

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## First Quarter 2018 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.

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.

## First Quarter 2018 Management Overview

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

FIBRA Prologis started 2018 with terrific operating and financial results building upon the positive momentum from last year. Net effective rents increased 13.8 percent in the first quarter while occupancy remained elevated at 96.0 percent. This translated to cash same store net operating income growth of 6.6 percent. Our results further differentiate the operating environment from headlines focused on elections and trade negotiations.

Logistics real estate has outperformed the broader economy in Mexico due to favorable consumer demographics and an undersupply of modern stock. Consumption has been resilient to any political uncertainty and has been a key driver of growth. We recently surveyed our customers, and more than 80 percent reported their business activity was as good or better than the prior year. In addition, more than 60 percent of these customers reported utilizing more of their existing space. This is particularly important as utilization is a positive indicator of future demand for logistics real estate.

The rising middle class, along with growth in higher wage sectors and retail sales, is propelling logistics real estate in Mexico. On top of that, e-commerce continues to accelerate meaningfully. Today, 30 percent of leases signed are e-commerce related and we expect this will continue and spread to the major population centers outside of Mexico City.

The operating environment in our six markets remains healthy but we are starting to see some challenges. In the first quarter, net absorption in our six markets totaled 2.6 million square feet while completions were 3.7 million square feet. Mexico City demand continued to be constrained by the available supply while the border markets absorbed more product than delivered. The imbalance was driven by Monterrey and, to a lesser extent, Guadalajara. Undisciplined supply has driven market vacancies in those two markets above 8%. Despite the first quarter imbalance, demand remains broad based across multiple sectors. Market vacancy was 4.5 percent with Mexico City holding under 1.0 percent. We continue to expect a balanced market – supply equaling demand – in 2018. With net absorption constrained to incoming supply, we continue to expect healthy market rent growth which in turn translates to higher net operating income, as evidenced by our first quarter results.

The success of our strategy is evident in both our operating and financial results. By maintaining high occupancy levels and harvesting the gap between in-place and market rents, we will continue to grow organically. Additionally, access to the Prologis development pipeline is a competitive advantage that will allow for external growth in the right conditions. We remained focus on driving growth and creating value for our certificate holders.

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 March 31, 2018, FIBRA Prologis owned 196 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.6 million square feet (3.2 million square meters) of gross leasable area (“GLA”). These properties were leased to 231 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 65.5 percent of our net effective rents are in global logistics markets (“Global Markets”) and the remaining 34.5 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 first quarter financial information includes results from January 1, 2018, through March 31, 2018. During the quarter ended March 31, 2018, and through the date of this report, the following activity supported our priorities and strategy:



- Operating results:

Operating Portfolio	1Q 2018	1Q 2017	Notes
Period End Occupancy	96.0%	97.4%	<i>97.4% of occupancy in global markets</i>
Leases Commenced	1.6MSF	2.4MSF	<i>89% of leasing activity is related to renewals</i>
Customer Retention	73.7%	72.2%	
Net Effective Rent Change	13.8%	8.0%	<i>Positive rent change led by regional markets at 18.4%</i>
Same Store Cash NOI	6.6%	(1.3)%	<i>Increase led by rent change on rollover and decrease on bad debt</i>
Same Store NOI	7.1%	(3.0)%	
Avg. Turnover Cost per SF leased	US\$1.65	US\$1.94	<i>Decrease driven lower tenant improvements due to higher renewals</i>

We use a same store analysis to evaluate the operating 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 790 basis points year-over-year is driven mainly by re-leasing spreads, contractual rent bumps and a decrease in bad debt.

### Operational Outlook

The constructive operating environment continues to be led by Mexico City and the Border markets; as a result, the national vacancy rate in the markets we operate continued in 4.5% in the first quarter. Given the limited stock presently available in the overall market along with market rental growth in Mexico City, FIBRA Prologis had a strong start to the year with positive rent change of 13.8 percent on lease turnover in the first quarter and in-place rents are around 5.9 percent below market.

Despite modest economic growth, our customers remain optimistic about current business conditions. Logistics real estate in Mexico is a growth industry, underpinned by demographics and a structural undersupply of modern logistics product. We continue to track a rising share of demand from e-commerce customers in Mexico.

## Acquisitions

Under an exclusivity agreement with Prologis, we have access to a proprietary acquisition pipeline. As of March 31, 2018, Prologis had 5.1 million square feet under development or pre-stabilization of which 81 percent was leased or pre-leased as of the end of the quarter. This exclusive access to the Prologis pipeline is a competitive advantage for FIBRA Prologis because we can acquire high-quality buildings in our existing markets.

Third-party acquisitions are also possible for FIBRA Prologis but are dependent on available 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 70.2 percent of annualized net effective rents, resulting in peso exposure for the first quarter of approximately 22.8 percent of NOI. Further, three leases in Mexico City were changed to pesos during the quarter. In the near term, we expect peso-denominated revenues to range between 25 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 acquisition, operating, debt service and distribution 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.

- Acquisition of industrial buildings as discussed in the Acquisition section.

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. 159.2 million (approximately US\$8.7 million) as of March 31, 2018, the result of cash flow from operating properties.
- Borrowing capacity of Ps. 5.7 billion (US\$312.0 million) under our unsecured credit facility.

#### *Debt*

As of March 31, 2018, we had approximately Ps. 13.8 billion (US\$750.0 million) of debt at par value with a weighted average effective interest rate of 4.3 percent (a weighted average coupon rate of 4.0 percent) and a weighted average maturity of 4.5 years.

We are committed to continuing to maintain an overall low cost of debt, extend our maturities and increase our liquidity.

- On March 15, 2018, we fully prepaid a US\$72.1 million secured debt facility that was scheduled to mature in December 15, 2018. The secured debt facility had a weighted average interest rate of 5.0 percent and was repaid at par avoiding prepayment penalties. The secured debt was repaid with a new unsecured term loan of US\$225.0 million, which matures on March 15, 2022, and a debt cost of LIBOR plus 245 basis points.
- On March 28, 2018, we entered into two interest rate swap contracts to hedge the exposure to variable rate of the new term loan of US\$225.0 million at a fixed rate of interest of 2.486%. The contract was effective on April 16, 2018.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of March 31, 2018, were 33.2 percent and 8.1 times, respectively.



## Independent Auditors' Report on Review of Interim Financial Information

To the Technical Committee and Trustors  
FIBRA Prologis Fideicomiso Irrevocable 1721

### Introduction

We have reviewed the accompanying March 31, 2018 and 2017 condensed interim financial information of FIBRA Prologis Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (formerly Fideicomiso Irrevocable 1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria) (“the Trust”), which comprises:

- The interim condensed statement of financial position as of March 31, 2018;
- The interim condensed statements of comprehensive income for the three-month periods ended March 31, 2018 and 2017;
- The interim condensed statements of changes in equity for the three-month periods ended March 31, 2018 and 2017;
- The interim condensed statements of cash flows for the three-month periods ended March 31, 2018 and 2017; 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 March 31, 2018 and 2017 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG CARDENAS DOSAL, S. C.

Jose Angel Chairez Garza

Mexico City, April 17, 2018.



## Interim condensed statements of financial position

As of March 31, 2018 and December 31, 2017

in thousands Mexican Pesos	Note	March 31, 2018	December 31, 2017
<b>Assets</b>			
Current assets:			
Cash		\$ 159,167	\$ 371,364
Trade receivables	7	55,875	44,220
Value added tax and other receivables	8	49,275	73,553
Prepaid expenses	9	79,074	1,600
		343,391	490,737
Non-current assets:			
Investment properties	10	41,006,745	43,932,382
Interest rate swaps	14	110,244	84,319
Exchange rate options	14	2,712	-
Other assets		44,332	45,240
		41,164,033	44,061,941
<b>Total assets</b>		<b>\$ 41,507,424</b>	<b>\$ 44,552,678</b>
<b>Liabilities and equity</b>			
Current liabilities:			
Trade payables		\$ 145,986	\$ 112,875
Due to affiliates	13	93,455	98,895
Current portion of long term debt	11	66,333	21,847
		305,774	233,617
Non-current liabilities:			
Long term debt	11	13,579,823	14,893,139
Security deposits		277,031	291,840
		13,856,854	15,184,979
Total liabilities		14,162,628	15,418,596
Equity:			
CBFI holders capital	12	13,746,963	13,746,963
Other equity accounts		13,597,833	15,387,119
Total equity		27,344,796	29,134,082
<b>Total liabilities and equity</b>		<b>\$ 41,507,424</b>	<b>\$ 44,552,678</b>

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

## Interim condensed statements of comprehensive income

For the three months ended March 31, 2018 and 2017

in thousands Mexican Pesos, except per CBFi amounts	Note	For the three months ended March 31,	
		2018	2017
<b>Revenues:</b>			
Lease rental income		801,185	\$ 814,262
Rental recoveries		73,879	75,212
Other property income		15,612	18,733
		890,676	908,207
<b>Costs and expenses:</b>			
Property operating expenses:			
Operating and maintenance		44,616	45,241
Utilities		8,543	12,203
Property management fees	13	25,438	26,196
Real estate taxes		17,259	17,237
Non-recoverable operating		(3,735)	12,391
		92,121	113,268
<b>Gross profit</b>		<b>798,555</b>	<b>794,939</b>
<b>Other expenses (income):</b>			
(Gain) loss on valuation of investment properties	10	(33,646)	613,011
Asset management fees	13	76,641	79,982
Professional fees		13,137	16,701
Interest expense		133,807	181,388
Amortization of debt premium		(4,639)	(37,927)
Amortization of deferred financing cost		11,877	8,002
Net (gain) loss on early extinguishment of debt		(4,797)	553
Unused credit facility fee		5,028	9,327
Unrealized loss on exchange rate options	14	3,618	-
Unrealized loss on exchange rate forwards	14	-	15,354
Exchange gain, net		(20,542)	(7,720)
Other general and administrative expenses		2,395	3,635
		182,879	882,306
<b>Net income (loss)</b>		<b>615,676</b>	<b>(87,367)</b>
<b>Other comprehensive income:</b>			
<i>Items that are not reclassified subsequently to profit or loss:</i>			
Translation loss from functional currency to reporting currency		2,083,158	2,782,781
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Unrealized gain on interest rate swaps	14	(31,868)	(11,877)
		2,051,290	2,770,904
<b>Total comprehensive loss for the period</b>		<b>(1,435,614)</b>	<b>\$ (2,858,271)</b>
<b>Earnings (loss) per CBFi</b>	<b>6</b>	<b>\$ 0.96</b>	<b>\$ (0.14)</b>

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

## Interim condensed statements of changes in equity

For the months ended March 31, 2018 and 2017

in thousands Mexican Pesos	CBFI holder's capital	Other equity accounts	Retained earnings	Total
Balance as of January 1, 2017	\$ 14,313,287	\$ 10,605,719	\$ 5,146,619	\$ 30,065,625
Return of equity	(362,204)	-	-	(362,204)
Comprehensive loss:				
Translation loss from functional currency to reporting currency	-	(2,782,781)	-	(2,782,781)
Unrealized gain on interest rate swap	-	11,877	-	11,877
Net loss	-	-	(87,367)	(87,367)
Total comprehensive loss	-	(2,770,904)	(87,367)	(2,858,271)
<b>Balance as of March 31, 2017</b>	<b>\$ 13,951,083</b>	<b>\$ 7,834,815</b>	<b>\$ 5,059,252</b>	<b>\$ 26,845,150</b>
Balance as of January 1, 2018	\$ 13,746,963	\$ 9,373,971	\$ 6,013,148	\$ 29,134,082
Dividends	-	-	(353,672)	(353,672)
Comprehensive (loss) income:				
Translation loss from functional currency to reporting currency	-	(2,083,158)	-	(2,083,158)
Unrealized gain on interest rate swaps	-	31,868	-	31,868
Net income	-	-	615,676	615,676
Total comprehensive (loss) income	-	(2,051,290)	615,676	(1,435,614)
<b>Balance as of March 31, 2018</b>	<b>\$ 13,746,963</b>	<b>\$ 7,322,681</b>	<b>\$ 6,275,152</b>	<b>\$ 27,344,796</b>

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

## Interim condensed statements of cash flows

For the three months ended March 31, 2018 and 2017

in thousands Mexican Pesos	For the three months ended March 31,	
	2018	2017
<b>Operating activities:</b>		
Net income (loss)	\$ 615,676	\$ (87,367)
<i>Adjustments for:</i>		
(Gain) loss on valuation of investment properties	(33,646)	613,011
Allowance for uncollectible trade receivables	(8,046)	8,017
Interest expense	133,807	181,388
Net (gain) loss on early extinguishment of debt	(4,797)	553
Amortization of deferred financing cost	11,877	8,002
Unrealized loss on exchange rate forwards	-	15,354
Unrealized loss on exchange rate options	3,618	-
Unrealized exchange (gain) loss, net	(16,803)	1,607
Amortization of debt premium	(4,639)	(37,927)
Rent leveling	(24,779)	21,218
<i>Change in:</i>		
Trade receivables	(3,609)	6,314
Value added tax and other receivables	24,278	78,279
Prepaid expenses	(77,474)	(76,276)
Other assets	908	-
Trade payables	33,111	(4,293)
Due to affiliates	(5,440)	(75,238)
Security deposits	(14,809)	(24,342)
Exchange rate options	(6,330)	-
Net cash flow provided by operating activities	622,903	628,300
<b>Investing activities:</b>		
Capital expenditures on investment properties	(110,273)	(72,859)
Net cash flow used in investing activities	(110,273)	(72,859)
<b>Financing activities:</b>		
Equity Distribution	-	(362,204)
Dividends paid	(353,672)	-
Long term debt borrowings	1,545,630	265,412
Long term debt payments	(1,756,611)	(286,159)
Interest paid	(140,465)	(177,669)
Cash used for early extinguishment of debt	(12,212)	-
Net cash flow used in financing activities	(717,330)	(560,620)
Net decrease in cash	(204,700)	(5,179)
Effect of foreign currency exchange rate changes on cash	(7,497)	(84,594)
Cash at beginning of the period	371,364	370,909
<b>Cash at the end of the period</b>	<b>\$ 159,167</b>	<b>\$ 281,136</b>

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

## Notes to interim condensed financial statements

As of March 31, 2018 and for the three months then ended and December 31, 2017

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) with its address on Avenida Prolongación Paseo de la Reforma No. 1236, Piso 9, Desarrollo Santa Fe, Cuajimalpa de Morelos, C. P. 05348. 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:

<b>Trustor:</b>	Prologis Property México, S. A. de C. V.
<b>First beneficiaries:</b>	Certificate holders.
<b>Trustee:</b>	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)
<b>Common representative:</b>	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
<b>Manager:</b>	Prologis Property México, S. A. de C. V.



## Significant events

### i. Long term debt transactions:

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
<b>Borrowings:</b>					
Citibank (Unsecured)	March 15, 2018	U. S. dollars	LIBOR +245bps	4,181.7	\$ 225.0
<b>Total borrowings</b>				<b>\$ 4,181.7</b>	<b>\$ 225.0</b>

\* LIBOR (London Interbank Offered Rate)

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
<b>Payments:</b>					
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	March 15, 2018	U. S. dollars	5.04%	1,180.2	\$ 63.5
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	March 15, 2018	U. S. dollars	4.78%	159.8	8.6
Citibank, NA Credit facility (Unsecured)	March 15, 2018	U. S. dollars	LIBOR +250bps	1,542.6	83.0
Citibank, NA Credit facility (Unsecured)	March 28, 2018	U. S. dollars	LIBOR +250bps	917.2	50.0
Citibank, NA Credit facility (Unsecured)	March 23, 2018	U. S. dollars	LIBOR +250bps	1,665.7	90.0
Citibank, NA Credit facility (Unsecured)	March 15, 2018	U. S. dollars	LIBOR +250bps	185.9	10.0
Citibank, NA Credit facility (Unsecured)	February 20, 2018	U. S. dollars	LIBOR +250bps	92.7	5.0
Citibank, NA Credit facility (Unsecured)	February 7, 2018	U. S. dollars	LIBOR +250bps	130.9	7.0
<b>Total payments</b>				<b>\$ 5,875.0</b>	<b>\$ 317.1</b>

\* LIBOR (London Interbank Offered Rate)

### ii. Distributions:

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
<b>Distributions:</b>					
Dividends	March 16, 2018	353.7	18.9	0.5536	0.0298
<b>Total distributions</b>		<b>\$ 353.7</b>	<b>\$ 18.9</b>		

## 2. Basis of presentation

- a. **Interim financial reporting** - The accompanying interim condensed financial statements as of March 31, 2018 and for the three 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, 2017, 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 financial statements as of March 31, 2018 and 2017 and for the three 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 11. 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, 2017.

FIBRAPL has completed our assessment of the impact of the adoption of the following new standards:

- i. *IFRS 15 Revenue from Contracts with Customers.* Addresses revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The application of IFRS 15 beginning January 1, 2018 has no material impact on the FIBRAPL financial statements.
- ii. *IFRS 9 Financial Instruments.* The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. FIBRAPL has elected under IFRS 9 to continue to apply hedge accounting on certain concepts defined in IAS 39, and as a result, all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9. The application of IFRS 9 beginning January 1, 2018 has no material impact on the FIBRAPL financial statements.

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

- i. *IFRS 16 Leases.* The adoption of IFRS 16, Leases, is not expected to have a material impact to FIBRAPL financial statements.

### 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 a minimum rental payment 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 March 31, 2018 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos	Amount
<b>Rental revenues:</b>	
2018 (nine months)	\$ 2,161,422
2019	2,236,012
2020	1,458,680
2021	986,621
2022	626,443
Thereafter	922,979
	<b>\$ 8,392,157</b>

## 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 months ended March 31, 2018 and 2017, while assets and liabilities are included as of March 31, 2018 and December 31, 2017. 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 March 31, 2018						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
<b>Revenues:</b>							
Lease rental income	\$ 302,878	\$ 126,527	\$ 92,150	\$ 95,765	\$ 107,222	\$ 76,643	\$ 801,185
Rental recoveries	15,450	8,208	10,042	8,829	17,478	13,872	73,879
Other property income	6,262	6,811	1,086	328	991	134	15,612
	324,590	141,546	103,278	104,922	125,691	90,649	890,676
<b>Cost and expenses:</b>							
Property operating expenses	37,300	11,921	6,331	10,943	11,576	14,050	92,121
<b>Gross Profit</b>	<b>\$ 287,290</b>	<b>\$ 129,625</b>	<b>\$ 96,947</b>	<b>\$ 93,979</b>	<b>\$ 114,115</b>	<b>\$ 76,599</b>	<b>\$ 798,555</b>

in thousands Mexican Pesos	For the three months ended March 31, 2017						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
<b>Revenues:</b>							
Lease rental income	\$ 295,124	\$ 140,444	\$ 97,999	\$ 99,360	\$ 103,692	\$ 77,643	\$ 814,262
Rental recoveries	29,880	9,593	8,976	8,394	7,161	11,208	75,212
Other property income	2,596	12,832	1,754	378	1,099	74	18,733
	327,600	162,869	108,729	108,132	111,952	88,925	908,207
<b>Cost and expenses:</b>							
Property operating expenses	38,907	21,666	11,703	11,782	11,636	17,574	113,268
<b>Gross Profit</b>	<b>\$ 288,693</b>	<b>\$ 141,203</b>	<b>\$ 97,026</b>	<b>\$ 96,350</b>	<b>\$ 100,316</b>	<b>\$ 71,351</b>	<b>\$ 794,939</b>

in thousands Mexican Pesos	As of March 31, 2018							
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
<b>Investment properties:</b>								
Land	\$ 3,341,695	\$ 1,343,077	\$ 937,701	\$ 869,459	\$ 958,507	\$ 682,585	\$ -	\$ 8,133,024
Buildings	13,366,778	5,372,309	3,750,806	3,477,837	3,834,027	2,730,338	-	32,532,095
	16,708,473	6,715,386	4,688,507	4,347,296	4,792,534	3,412,923	-	40,665,119
Rent leveling	148,287	35,390	39,238	46,212	38,490	34,009	-	341,626
<b>Investment properties</b>	<b>\$ 16,856,760</b>	<b>\$ 6,750,776</b>	<b>\$ 4,727,745</b>	<b>\$ 4,393,508</b>	<b>\$ 4,831,024</b>	<b>\$ 3,446,932</b>	<b>\$ -</b>	<b>\$ 41,006,745</b>
<b>Long term debt</b>	<b>\$ 1,602,627</b>	<b>\$ 911,765</b>	<b>\$ 1,348,576</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 105,815</b>	<b>\$ 9,677,373</b>	<b>\$ 13,646,156</b>

in thousands Mexican Pesos	As of December 31, 2017							Unsecured debt	Total
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez			
<b>Investment properties:</b>									
Land	\$ 3,584,544	\$ 1,448,059	\$ 1,006,784	\$ 930,118	\$ 1,022,807	\$ 726,983	\$ -	\$ 8,719,295	
Buildings	14,338,173	5,792,237	4,027,139	3,720,473	4,091,227	2,907,933	-	34,877,182	
	17,922,717	7,240,296	5,033,923	4,650,591	5,114,034	3,634,916	-	43,596,477	
Rent leveling	140,107	33,186	33,536	48,408	44,800	35,868	-	335,905	
<b>Investment properties</b>	<b>\$ 18,062,824</b>	<b>\$ 7,273,482</b>	<b>\$ 5,067,459</b>	<b>\$ 4,698,999</b>	<b>\$ 5,158,834</b>	<b>\$ 3,670,784</b>	<b>\$ -</b>	<b>\$ 43,932,382</b>	
<b>Long term debt</b>	<b>\$ 1,754,827</b>	<b>\$ 980,797</b>	<b>\$ 1,450,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113,838</b>	<b>\$ 10,614,865</b>	<b>\$ 14,914,986</b>	

## 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 March 31,	
	2018	2017
Basic and diluted earnings (loss) per CBFi (pesos)	\$ 0.96	\$ (0.14)
Net income (loss)	615,676	(87,367)
<b>Weighted average number of CBFis ('000)</b>	<b>638,863</b>	<b>634,480</b>

As of March 31, 2018, FIBRAPL had 638,862,771 CBFis outstanding. See note 12.

## 7. Trade receivables

As of March 31, 2018 and December 31, 2017, trade receivable of FIBRAPL were as follows:

in thousands Mexican Pesos	March 31, 2018	December 31, 2017
Trade receivable	\$ 65,170	\$ 66,371
Allowance for uncollectable trade receivables	(9,295)	(22,151)
	<b>\$ 55,875</b>	<b>\$ 44,220</b>



## 8. Value added tax and other receivables

As of March 31, 2018 and December 31, 2017, value added tax and other receivables were as follows:

in thousands Mexican Pesos	March 31, 2018	December 31, 2017
Value added tax	\$ 1,251	\$ 23,782
Other receivables	48,024	49,771
	<b>\$ 49,275</b>	<b>\$ 73,553</b>

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 March 31, 2018 and December 31, 2017, prepaid expenses of FIBRAPL were as follows:

in thousands Mexican Pesos	March 31, 2018	December 31, 2017
Real estate tax	\$ 46,597	\$ -
Insurance	26,546	593
Other prepaid expenses	5,931	1,007
	<b>\$ 79,074</b>	<b>\$ 1,600</b>

## 10. Investment properties

FIBRAPL obtained a valuation as of March 31, 2018 from independent appraisers in order to determine the fair value of its investment properties which resulted in a (gain) loss of (\$33,646) and \$613,011 for the three months ended March 31, 2018 and 2017, respectively.

a) As of March 31, 2018, investment properties were as follows:

Market	Fair value as of March 31, 2018 in thousands of Mexican Pesos	# of properties	Lease area in thousands square feet
Mexico City	\$ 16,856,760	53	13,494
Guadalajara	6,750,776	26	5,838
Monterrey	4,727,745	24	3,868
Tijuana	4,393,508	33	4,214
Reynosa	4,831,024	30	4,712
Juarez	3,446,932	31	3,566
<b>Total</b>	<b>\$ 41,006,745</b>	<b>197</b>	<b>35,692</b>

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 \$278,835.

As of March 31, 2018, the fair value of investment properties includes excess land in the Monterrey market of \$131,348.

As of March 31, 2018 and December 31, 2017, the balance of investment properties included rent leveling assets of \$341,626 and \$335,905, respectively.

b) The reconciliation of investment properties for the three months ended March 31, 2018 and for the year ended December 31, 2017 are as follows:

in thousands Mexican Pesos	For the three months ended March 31, 2018	For the year ended December 31, 2017
Beginning balance	\$ 43,932,382	\$ 45,064,110
Translation effect from functional currency	(3,075,277)	(1,866,196)
Acquisition of investment properties	-	545,552
Acquisition costs	-	15,109
Capital expenditures, leasing commissions and tenant improvements	110,273	421,199
Rent leveling	5,721	36,960
Gain (loss) on valuation of investment properties	33,646	(284,352)
<b>Ending balance of investment properties</b>	<b>\$ 41,006,745</b>	<b>\$ 43,932,382</b>

- c) During the three months ended March 31, 2018 and 2017, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the three months ended March 31,	
	2018	2017
Capital expenditures	\$ 42,209	\$ 14,288
Leasing commissions	24,688	20,892
Tenant improvements	43,376	37,679
	<b>\$ 110,273</b>	<b>\$ 72,859</b>

## 11. Long term debt

As of March 31, 2018 and December 31, 2017, 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	March 31, 2018		December 31, 2017	
				thousands U. S. Dollars	thousands Mexican Pesos	thousands U. S. Dollars	thousands Mexican Pesos
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	USD	December 15, 2018	5.04%	-	-	63,807	1,259,257
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	USD	December 15, 2018	4.78%	-	-	8,671	171,126
Citibank (Unsecured) #1	USD	December 18, 2020	LIBOR+ 245bps	255,000	4,677,846	255,000	5,032,527
Citibank N.A. Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	13,000	238,479	175,000	3,453,695
Citibank (Unsecured) #2	USD	July 18, 2022	LIBOR + 245bps	150,000	2,751,675	150,000	2,960,310
Citibank (Unsecured) #3	USD	March 15, 2023	LIBOR+ 245bps	225,000	4,127,513	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2027	4.67%	53,500	981,431	53,500	1,055,844
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2027	4.67%	53,500	981,431	53,500	1,055,844
<b>Total</b>				<b>750,000</b>	<b>13,758,375</b>	<b>759,478</b>	<b>14,988,603</b>
Long term debt interest accrued				564	10,354	677	13,368
Debt premium, net				-	-	1,175	23,188
Deferred financing cost				(6,682)	(122,573)	(5,583)	(110,173)
<b>Total debt</b>				<b>743,882</b>	<b>13,646,156</b>	<b>755,747</b>	<b>14,914,986</b>
Less: Current portion of long term debt				3,616	66,333	1,107	21,847
<b>Total long term debt</b>				<b>740,266</b>	<b>\$ 13,579,823</b>	<b>754,640</b>	<b>\$ 14,893,139</b>

During three months ended March 31, 2018 and 2017, FIBRAPL paid interest on long term debt of \$140,465 and \$177,669, respectively, and principal of \$1,756,611 and \$286,159, respectively.

On March 15, 2018, FIBRA borrowed \$225.0 million U.S. dollars (\$4,128.0 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.

On July 18, 2017, FIBRAPL renegotiated its credit facility with Citibank N.A. As of March 31, 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 March 31, 2018, FIBRAPL had an outstanding balance of \$13.0 million U. S. dollars (\$239.0 million Mexican pesos) under the Credit Facility.

On July 18, 2017, FIBRA borrowed \$150.0 million U.S. dollars (\$2,752.0 million Mexican pesos) on a new unsecured term loan with Citibank (Citibank (Unsecured) #2), 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, incur 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 March 31, 2018, FIBRAPL was in compliance with all of its covenants.

## 12. FIBRAPL certificates

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.

As of March 31, 2018, total CBFIs outstanding were 638,862,771.

### 13. 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. As of March 31, 2018, given the historical volatility and uncertainty of future CBFi performance, FIBRAPL has not recorded an incentive fee expense or liability for the next possible incentive fee ending in June 2018.
- 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 March 31, 2018 and December 31, 2017, the outstanding balances due to related parties were as follows:

in thousands Mexican Pesos	March 31, 2018		December 31, 2017	
Asset management fees	\$	76,656	\$	80,445
Property management fees		16,799		18,450
	\$	93,455	\$	98,895

As of March 31, 2018 and December 31, 2017, asset management fees and property management fees are due to the Manager while maintenance costs are due to affiliates of the Manager.

**c. Transactions with affiliates**

Transactions with affiliated companies for the three months ended March 31, 2018 and 2017, were as follows:

in thousands Mexican Pesos	For the three months ended March 31,			
	2018		2017	
Return of equity	\$	-	\$	166,144
Dividends	\$	163,562	\$	-
Asset management fee	\$	76,641	\$	79,982
Property management fee	\$	25,438	\$	26,196
Leasing commissions	\$	9,776	\$	9,925
Development fee	\$	83	\$	3,650
Maintenance costs	\$	1,416	\$	2,463



## 14. Hedging activities

### *Interest Rate Swaps*

On March 28, 2018, FIBRAPL entered into two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank in 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 11.

On October 13, 2017, FIBRAPL entered into two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank in 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 11.

On January 21, 2016, FIBRAPL entered into 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 11.

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 March 31, 2018, of \$110.2 million Mexican pesos has been recognized in other comprehensive income as unrealized gain 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*	Fair Value as of March 31,	
				2018	2017
Bank of Nova Scotia	June 23, 2016	July 23, 2019	100	\$ 27,615	\$ 25,209
HSBC Bank USA	June 23, 2016	July 23, 2019	150	41,329	37,632
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75	22,460	10,723
HSBC Bank USA	October 18, 2017	October 18, 2020	75	22,459	10,755
Bank of Nova Scotia	April 16, 2018	March 15, 2021	112.5	(1,809)	-
HSBC Bank USA	April 16, 2018	March 15, 2021	112.5	(1,810)	-
				<b>\$ 110,244</b>	<b>\$ 84,319</b>

\* (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 February 27, 2018, FIBRAPL entered into foreign currency rate options with HSBC Bank USA, National Association to fix an option rate over its quarterly Mexican peso transactions.

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 (gain) loss on exchange rate options.

Start date	End date	Settlement date	Forward rate	Fair Value	Notional amount Thousands of Mexican pesos	Fair value amount as of March 31, 2018 Thousands of Mexican pesos	Thousands of U.S. dollars
April 2, 2018	June 29, 2018	July 3, 2018	20.0000 USD-MXN	Level 2	\$ 100,000	\$ 18	\$ 1
July 2, 2018	September 30, 2018	October 2, 2018	20.0000 USD-MXN	Level 2	100,000	963	52
October 1, 2018	December 31, 2018	January 3, 2019	20.0000 USD-MXN	Level 2	100,000	1,731	94
<b>Total</b>					<b>\$ 300,000</b>	<b>\$ 2,712</b>	<b>\$ 147</b>

**15. Commitments and contingencies**

FIBRAPL had no significant commitments or contingencies except as described in these notes as of March 31, 2018.

**16. Financial statements approval**

On April 17, 2018, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

\* \* \* \* \*



First Quarter 2018

# 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.



Toluca 3, Mexico City

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## Sponsor

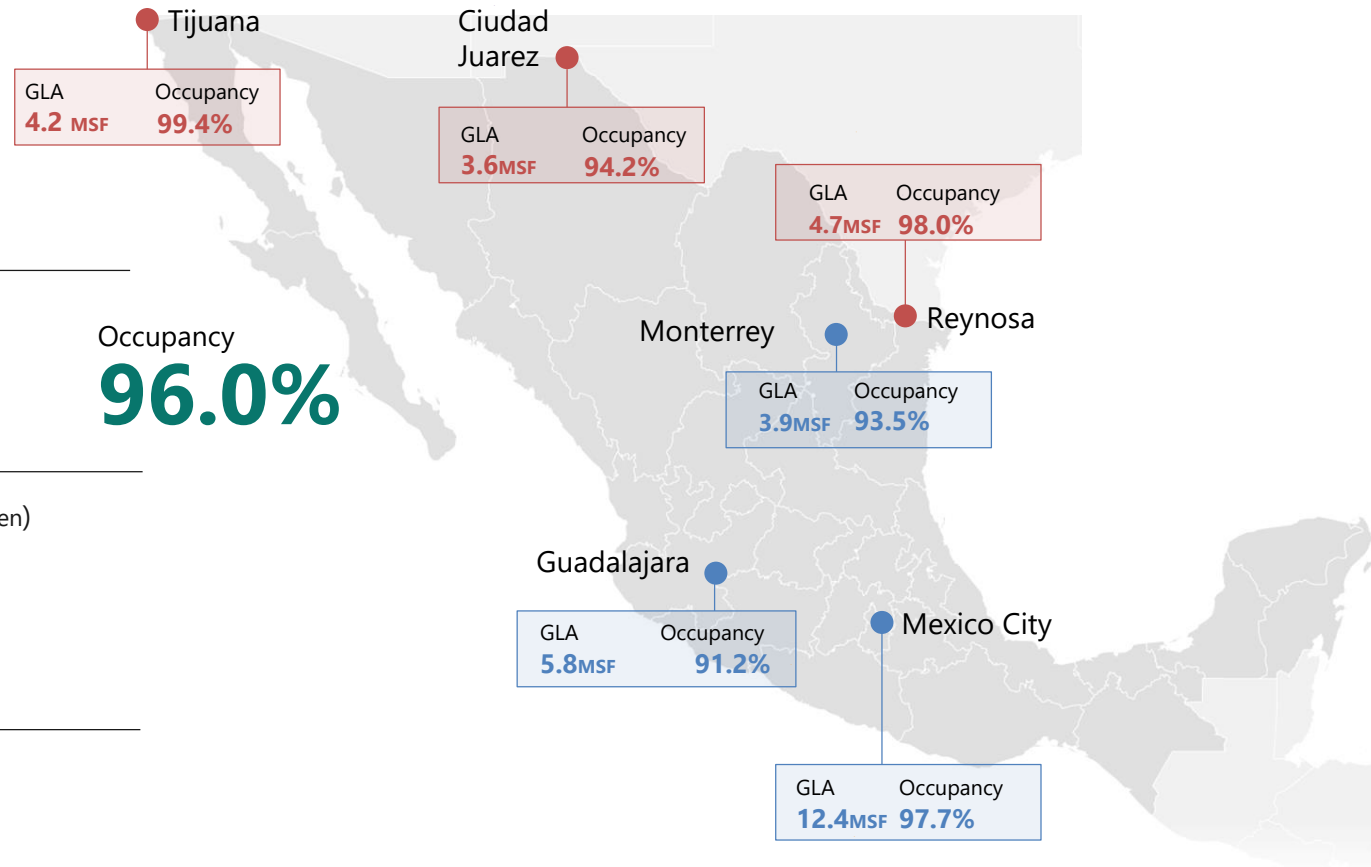
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Prologis Global Customer Relationships	17
Identified External Growth Pipeline	18

## Notes and Definitions

Notes and Definitions <sup>(A)</sup>	20
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FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of March 31, 2018, FIBRA Prologis was comprised of 196 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.6 million square feet (3.2 million square meters) of GLA.

## Market Presence



### Total Markets

GLA	% Net Effective Rent
<b>34.6MSF</b>	<b>100%</b>

Occupancy  
**96.0%**

### Regional Markets (manufacturing-driven) Ciudad Juarez, Reynosa, Tijuana

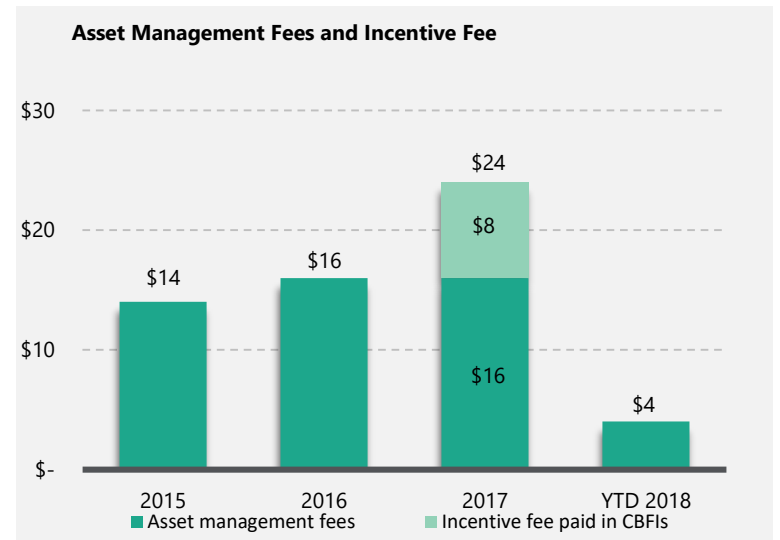
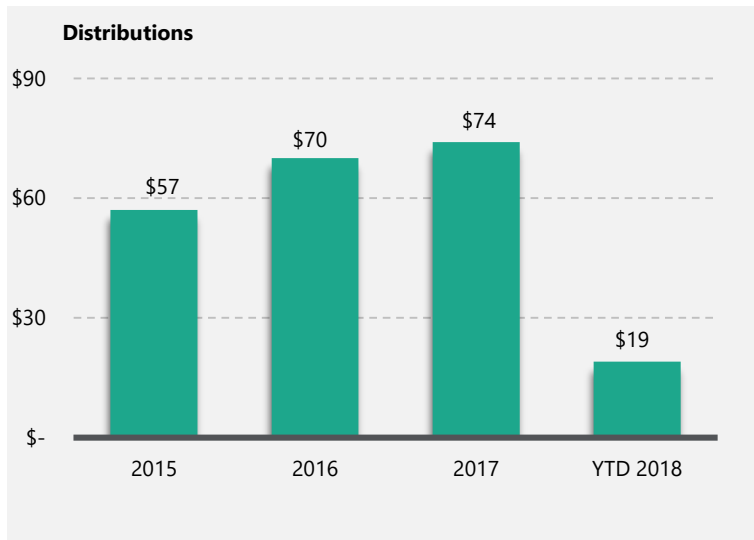
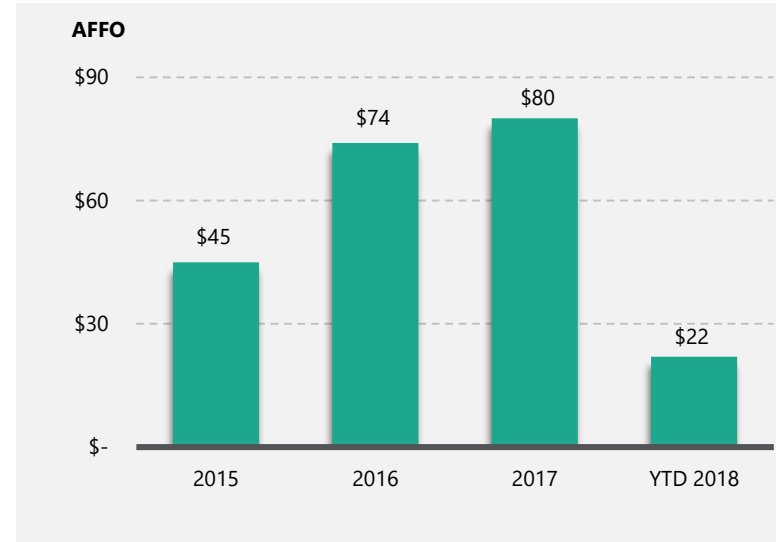
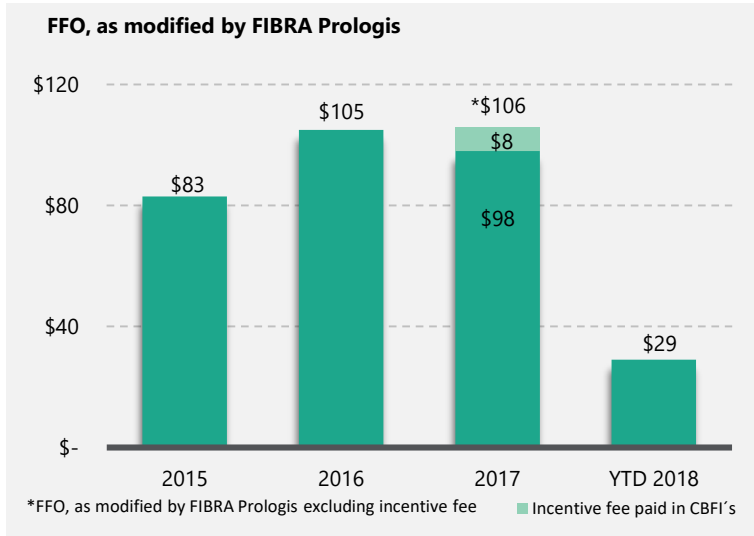
GLA	% Net Effective Rent	Occupancy
<b>12.5MSF</b>	<b>34.5%</b>	<b>97.4%</b>

### Global Markets (consumption-driven) Guadalajara, Mexico City, Monterrey

GLA	% Net Effective Rent	Occupancy
<b>22.1MSF</b>	<b>65.5%</b>	<b>95.2%</b>



(in millions of US\$)

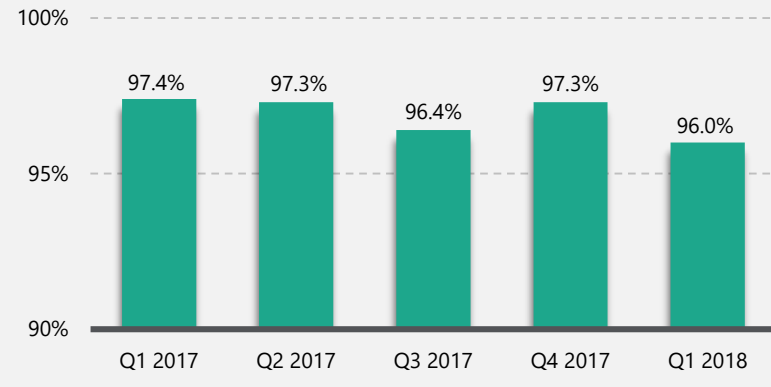


Included below are quarterly comparative highlights in Mexican Pesos and U.S. Dollars as a summary of our company performance.

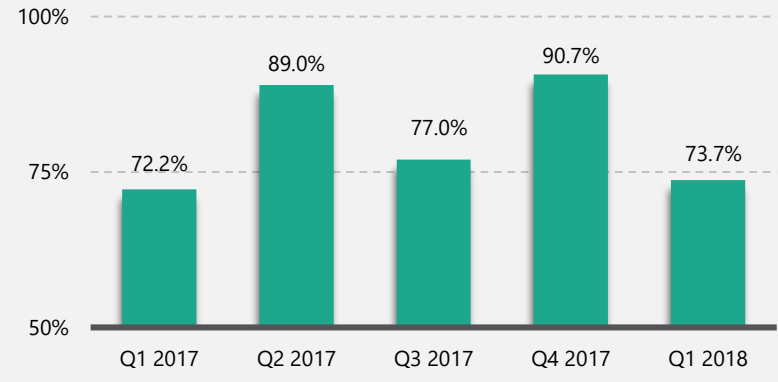
in thousands, except per CBFi amounts

	For the three months ended									
	March 31, 2018		December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>
Revenues	890,676	46,824	882,782	47,354	832,378	46,648	880,011	46,653	908,207	44,419
Gross Profit	798,555	41,843	775,513	41,815	713,061	40,084	759,023	40,155	794,939	38,606
Net Income (loss)	615,676	32,025	777,849	42,734	450,355	25,419	427,124	22,337	(87,367)	(5,150)
FFO, as modified by FIBRA Prologis	564,047	29,261	460,557	26,006	479,632	27,031	368,132	19,204	543,158	25,906
AFFO	436,233	22,419	307,463	18,453	388,182	21,874	375,588	19,586	419,156	19,781
Adjusted EBITDA	710,120	37,101	641,940	35,586	622,249	35,012	651,708	34,419	703,948	33,987
Earnings (loss) per CBFi	0.9637	0.0501	1.2176	0.0669	0.7049	0.0398	0.6729	0.0352	(0.1377)	(0.0081)
FFO per CBFi	0.8829	0.0458	0.7209	0.0407	0.7508	0.0423	0.5800	0.0303	0.8561	0.0408

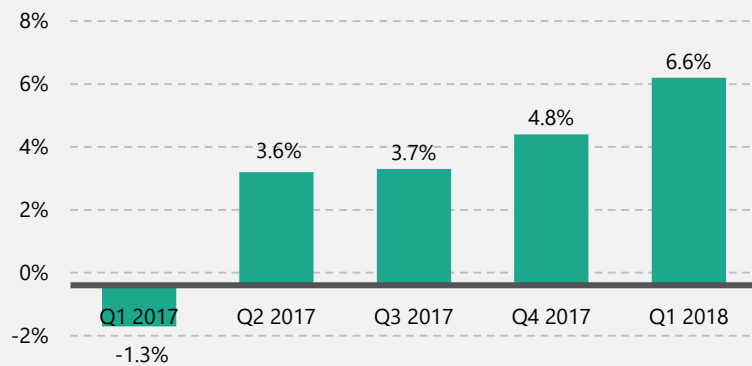
### Period End Occupancy – Operating Portfolio



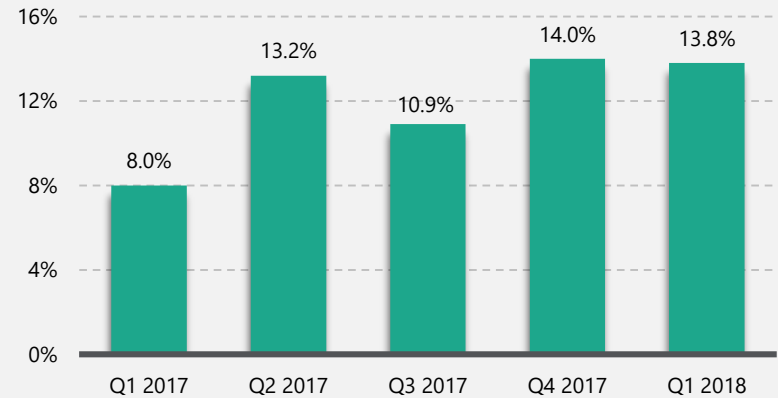
### Weighted Average Customer Retention



### Same Store Cash NOI Change Over Prior Year <sup>(A)</sup>



### Net Effective Rent Change



(A) Same store cash NOI change has been calculated based on actual U.S. Dollars

US Dollars in thousands except per CBFI amounts

2018 Guidance	Low	High
<b>Full year FFO per CBFI <sup>(A)</sup></b>	<b>\$ 0.1550</b>	<b>\$ 0.1650</b>
<b>Operations</b>		
Year-end occupancy	96.0%	97.0%
Same store cash NOI change	4.00%	5.00%
Annual capex as a percentage of NOI	13.0%	14.0%
<b>Capital Deployment</b>		
Building acquisitions	\$ 100,000	\$ 300,000
Building dispositions	\$ -	\$ -
<b>Other Assumptions</b>		
G&A <sup>(B)</sup> (Asset management and professional fees)	\$ 19,500	\$ 21,500
Full year 2018 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

1Q 2018 Supplemental

in thousands	March 31, 2018		December 31, 2017	
	Ps.	US\$	Ps.	US\$
<b>Assets:</b>				
Current assets:				
Cash	159,167	8,676	371,364	18,817
Trade receivables	55,875	3,045	44,220	2,241
Value added tax and other receivables	49,275	2,686	73,553	3,727
Prepaid expenses	79,074	4,311	1,600	81
	<b>343,391</b>	<b>18,718</b>	<b>490,737</b>	<b>24,866</b>
Non-current assets:				
Investment properties	41,006,745	2,235,369	43,932,382	2,226,070
Interest rate swaps	110,244	6,010	84,319	4,272
Exchange rate options	2,712	148	-	-
Other assets	44,332	2,418	45,240	2,293
	<b>41,164,033</b>	<b>2,243,945</b>	<b>44,061,941</b>	<b>2,232,635</b>
<b>Total assets</b>	<b>41,507,424</b>	<b>2,262,663</b>	<b>44,552,678</b>	<b>2,257,501</b>
<b>Liabilities and Equity:</b>				
Current liabilities:				
Trade payables	145,986	7,958	112,875	5,721
Due to affiliates	93,455	5,094	98,895	5,011
Current portion of long term debt	66,333	3,616	21,847	1,107
	<b>305,774</b>	<b>16,668</b>	<b>233,617</b>	<b>11,839</b>
Non-current liabilities:				
Long term debt	13,579,823	740,265	14,893,139	754,640
Security deposits	277,031	15,102	291,840	14,788
	<b>13,856,854</b>	<b>755,367</b>	<b>15,184,979</b>	<b>769,428</b>
<b>Total liabilities</b>	<b>14,162,628</b>	<b>772,035</b>	<b>15,418,596</b>	<b>781,267</b>
Equity:				
CBFI holders capital	13,746,963	1,237,808	13,746,963	1,114,530
Other equity accounts	13,597,833	252,820	15,387,119	361,704
Total equity	<b>27,344,796</b>	<b>1,490,628</b>	<b>29,134,082</b>	<b>1,476,234</b>
<b>Total liabilities and equity</b>	<b>41,507,424</b>	<b>2,262,663</b>	<b>44,552,678</b>	<b>2,257,501</b>

# Financial information

## Interim Condensed Statements of Comprehensive Income

1Q 2018 Supplemental

in thousands, except per CBFi amounts	For the three months ended March 31,			
	2018		2017	
	Ps.	US\$	Ps.	US\$
<b>Revenues:</b>				
Lease rental income	801,185	42,127	814,262	39,855
Rental recoveries	73,879	3,872	75,212	3,643
Other property income	15,612	825	18,733	921
	<b>890,676</b>	<b>46,824</b>	<b>908,207</b>	<b>44,419</b>
<b>Cost and expenses:</b>				
Property operating expenses:				
Operating and maintenance	44,616	2,368	45,241	2,215
Utilities	8,543	449	12,203	595
Property management fees	25,438	1,397	26,196	1,325
Real estate taxes	17,259	892	17,237	825
Non-recoverable operating	(3,735)	(125)	12,391	853
	<b>92,121</b>	<b>4,981</b>	<b>113,268</b>	<b>5,813</b>
<b>Gross profit</b>	<b>798,555</b>	<b>41,843</b>	<b>794,939</b>	<b>38,606</b>
<b>Other expense (income):</b>				
(Gain) loss on valuation of investment properties	(33,646)	(1,795)	613,011	30,128
Asset management fees	76,641	4,117	79,982	4,042
Professional fees	13,137	698	16,701	840
Interest expense	133,807	7,178	181,388	9,101
Amortization of debt premium	(4,639)	(248)	(37,927)	(1,885)
Amortization of deferred financing cost	11,877	639	8,002	400
Net (gain) loss on early extinguishment of debt	(4,797)	(270)	553	28
Unused credit facility fee	5,028	271	9,327	465
Unrealized loss on exchange rate options	3,618	197	-	-
Unrealized loss on exchange rate forwards	-	-	15,354	821
Unrealized exchange (gain) loss, net	(16,804)	(896)	1,607	79
Realized exchange (gain), net	(3,738)	(199)	(9,327)	(458)
Other general and administrative expenses	2,395	126	3,635	195
	<b>182,879</b>	<b>9,818</b>	<b>882,306</b>	<b>43,756</b>
<b>Net income (loss)</b>	<b>615,676</b>	<b>32,025</b>	<b>(87,367)</b>	<b>(5,150)</b>
<b>Other comprehensive income:</b>				
<i>Items that are not reclassified subsequently to profit or loss:</i>				
Translation loss (gain) from functional currency to reporting currency	2,083,158	91	2,782,781	(5,603)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Unrealized gain on interest rate swaps	(31,868)	(1,737)	(11,877)	(635)
	<b>2,051,290</b>	<b>(1,646)</b>	<b>2,770,904</b>	<b>(6,238)</b>
<b>Total comprehensive (loss) income for the period</b>	<b>(1,435,614)</b>	<b>33,671</b>	<b>(2,858,271)</b>	<b>1,088</b>
<b>Earnings (loss) per CBFi (A)</b>	<b>0.9637</b>	<b>0.0501</b>	<b>(0.1377)</b>	<b>(0.0081)</b>



# Financial information

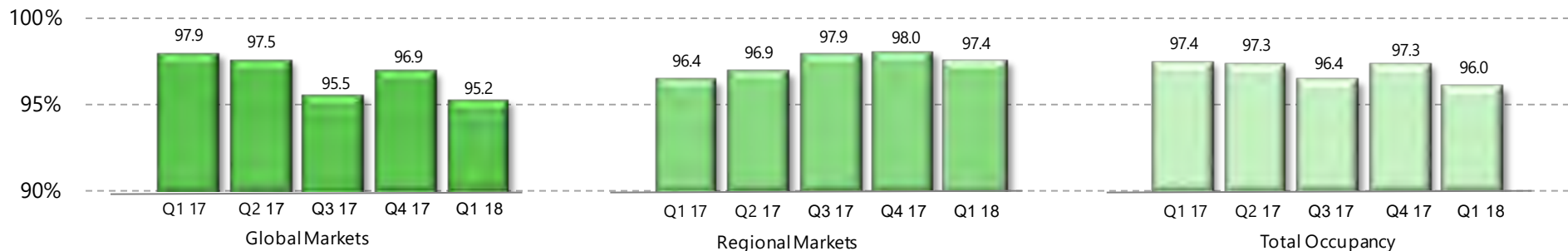
1Q 2018 Supplemental

## Reconciliations of Net Income to FFO, AFFO and EBITDA

in thousands	For the three months ended March 31,			
	2018		2017	
	Ps.	US\$	Ps.	US\$
<b>Reconciliation of Net Income to FFO</b>				
Net income (loss)	615,676	32,025	(87,367)	(5,150)
<b>NAREIT defined FFO</b>	<b>615,676</b>	<b>32,025</b>	<b>(87,367)</b>	<b>(5,150)</b>
Adjustments to arrive at FFO, as defined by FIBRA Prologis:				
(Gain) loss on revaluation of investment properties	(33,646)	(1,795)	613,011	30,128
Unrealized loss on exchange rate options	3,618	197	-	-
Unrealized loss on exchange rate forwards	-	-	15,354	821
Unrealized exchange (gain) loss, net	(16,804)	(896)	1,607	79
Net (gain) loss on early extinguishment of debt	(4,797)	(270)	553	28
<b>FFO, as modified by FIBRA Prologis</b>	<b>564,047</b>	<b>29,261</b>	<b>543,158</b>	<b>25,906</b>
Adjustments to arrive at Adjusted FFO ("AFFO")				
Straight-lined rents	(24,779)	(1,325)	(21,218)	(1,033)
Property improvements	(42,209)	(2,264)	(14,288)	(721)
Tenant improvements	(43,376)	(2,325)	(37,679)	(1,837)
Leasing commissions	(24,688)	(1,319)	(20,892)	(1,049)
Amortization of deferred financing costs	11,877	639	8,002	400
Amortization of debt premium	(4,639)	(248)	(37,927)	(1,885)
<b>AFFO</b>	<b>436,233</b>	<b>22,419</b>	<b>419,156</b>	<b>19,781</b>

in thousands	For the three months ended March 31,			
	2018		2017	
	Ps.	US\$	Ps.	US\$
<b>Reconciliation of Net Income to Adjusted EBITDA</b>				
Net income (loss)	615,676	32,025	(87,367)	(5,150)
(Gain) loss on revaluation of investment properties	(33,646)	(1,795)	613,011	30,128
Interest expense	133,807	7,178	181,388	9,101
Amortization of deferred financing costs	11,877	639	8,002	400
Amortization of debt premium	(4,639)	(248)	(37,927)	(1,885)
Net (gain) loss on early extinguishment of debt	(4,797)	(270)	553	28
Unused credit facility fee	5,028	271	9,327	465
Unrealized loss on exchange rate options	3,618	197	-	-
Unrealized loss on exchange rate forward	-	-	15,354	821
Unrealized exchange (gain) loss, net	(16,804)	(896)	1,607	79
<b>Adjusted EBITDA</b>	<b>710,120</b>	<b>37,101</b>	<b>703,948</b>	<b>33,987</b>

### Period Ending Occupancy - Operating Portfolio



### square feet in thousands

#### Leasing Activity

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Square feet of leases commenced:					
Renewals	1,573	1,122	1,761	1,599	1,423
New leases	793	137	446	431	182
<b>Total square feet of leases commenced</b>	<b>2,366</b>	<b>1,259</b>	<b>2,207</b>	<b>2,030</b>	<b>1,605</b>
Average term of leases commenced (months)	50	26	34	54	53
Operating Portfolio:					
Trailing four quarters - leases commenced	8,508	7,668	7,551	7,862	7,101
Trailing four quarters - % of average portfolio	25.7%	22.7%	22.2%	23.0%	20.7%
<b>Rent change - cash <sup>(A)</sup></b>	<b>-11.0%</b>	<b>1.0%</b>	<b>2.7%</b>	<b>1.2%</b>	<b>2.8%</b>
<b>Rent change - net effective <sup>(A)</sup></b>	<b>8.0%</b>	<b>13.2%</b>	<b>10.9%</b>	<b>14.0%</b>	<b>13.8%</b>

(A) As of January 2018, we established our definitions of these operating metrics to align on consistent methodologies with members of the real estate industry. The changes of the operating metrics were retroactively applied for all prior periods presented. See updated definitions in the Notes and Definition.

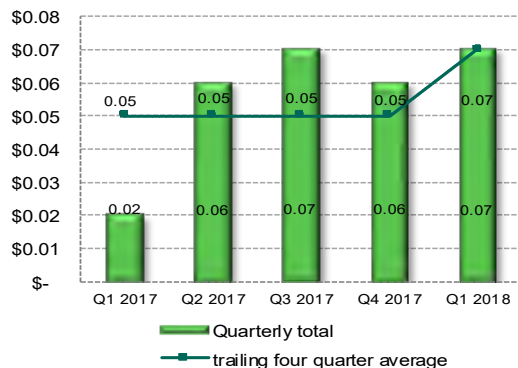
### Capital Expenditures Incurred <sup>(A)</sup> in thousands

	Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Property improvements	14,288	721	39,882	2,179	41,408	2,327	42,480	2,265	42,209	2,264
Tenant improvements	37,679	1,837	48,048	2,596	36,048	2,033	78,547	3,625	43,376	2,325
Leasing commissions	20,892	1,049	21,183	1,152	15,026	854	25,718	1,332	24,688	1,319
Total turnover costs	58,571	2,886	69,231	3,748	51,074	2,887	104,265	4,957	68,064	3,644
<b>Total capital expenditures</b>	<b>72,859</b>	<b>3,607</b>	<b>109,113</b>	<b>5,927</b>	<b>92,482</b>	<b>5,214</b>	<b>146,745</b>	<b>7,222</b>	<b>110,273</b>	<b>5,908</b>
Trailing four quarters - % of gross NOI	12.8%		13.6%		13.6%		13.7%		14.8%	

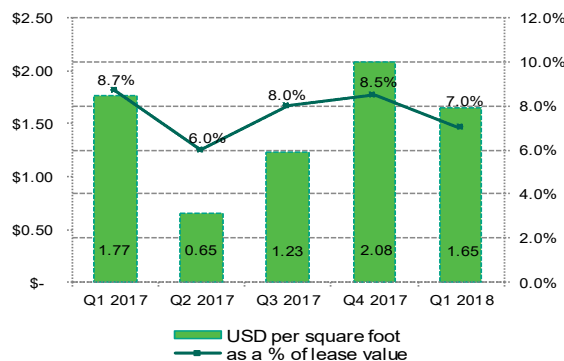
### Same Store Information

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Square feet of population	32,411	32,411	32,411	32,411	34,167
Average occupancy	96.4%	97.3%	96.4%	97.0%	96.0%
Percentage change:					
Rental income- cash	1.3%	4.0%	4.0%	5.2%	3.2%
Rental expenses- cash	16.9%	6.2%	5.5%	7.0%	(13.5%)
<b>NOI - Cash</b>	<b>(1.3%)</b>	<b>3.6%</b>	<b>3.7%</b>	<b>4.8%</b>	<b>6.6%</b>
NOI - net effective	(3.0%)	1.7%	3.6%	3.7%	7.1%
Average occupancy	0.3%	1.5%	0.8%	0.6%	(0.1%)

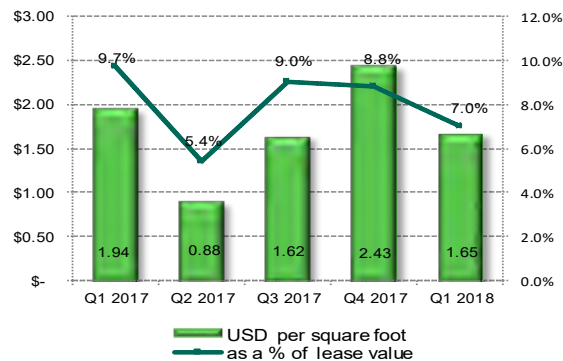
Property Improvements per Square Foot (USD)



Turnover Cost on Leases Commenced



Turnover Costs on Leases Signed



square feet and currency in thousands	# of Buildings	Square Feet		Occupied %	Leased %	First Quarter NOI		Net Effective Rent				Investment Properties Value			
		Total	% of Total					Annualized		% of Total	Per Sq Ft		Total		
						Ps.	US\$	Ps.	US\$		Ps.	US\$	Ps.	US\$	
<b>Global Markets</b>															
Mexico City	52	12,402	35.8	97.7	97.7	282,862	14,822	1,208,003	65,851	38.7	100	5.44	16,577,925	903,699	40.4
Guadalajara	26	5,838	16.9	91.2	91.2	129,625	6,792	487,432	26,571	15.6	92	4.99	6,750,776	368,000	16.5
Monterrey	24	3,868	11.2	93.5	93.5	96,947	5,080	349,206	19,036	11.2	97	5.27	4,596,397	250,560	11.2
<b>Total global markets</b>	<b>102</b>	<b>22,108</b>	<b>63.9</b>	<b>95.2</b>	<b>95.2</b>	<b>509,434</b>	<b>26,694</b>	<b>2,044,641</b>	<b>111,458</b>	<b>65.5</b>	<b>97</b>	<b>5.29</b>	<b>27,925,098</b>	<b>1,522,259</b>	<b>68.1</b>
<b>Regional markets</b>															
Reynosa	30	4,712	13.6	98.0	98.0	114,115	5,979	426,528	23,251	13.7	92	5.04	4,831,024	263,350	11.8
Tijuana	33	4,214	12.2	99.4	99.4	93,979	4,924	358,048	19,518	11.5	85	4.66	4,393,508	239,500	10.7
Ciudad Juarez	31	3,566	10.3	94.2	94.2	76,599	4,014	291,476	15,889	9.3	87	4.73	3,446,932	187,900	8.4
<b>Total regional markets</b>	<b>94</b>	<b>12,492</b>	<b>36.1</b>	<b>97.4</b>	<b>97.4</b>	<b>284,693</b>	<b>14,917</b>	<b>1,076,052</b>	<b>58,658</b>	<b>34.5</b>	<b>88</b>	<b>4.82</b>	<b>12,671,464</b>	<b>690,750</b>	<b>30.9</b>
<b>Total operating portfolio</b>	<b>196</b>	<b>34,600</b>	<b>100.0</b>	<b>96.0</b>	<b>96.0</b>	<b>794,127</b>	<b>41,611</b>	<b>3,120,693</b>	<b>170,116</b>	<b>100.0</b>	<b>94</b>	<b>5.12</b>	<b>40,596,562</b>	<b>2,213,009</b>	<b>99.0</b>
Intermodal facility <sup>(A)</sup>						4,428	232						278,835	15,200	0.7
Excess land <sup>(B)</sup>													131,348	7,160	0.3
<b>Total investment properties</b>		<b>34,600</b>	<b>100.0</b>			<b>798,555</b>	<b>41,843</b>						<b>41,006,745</b>	<b>2,235,369</b>	<b>100.0</b>

(A) 100% occupied as of March 31, 2018.

(B) We have 15 acres of land in Monterrey that has an estimated build out of 284,123 square feet.

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	3.1%	1,249
2 DHL	2.7%	926
3 Geodis	2.3%	681
4 LG, Inc.	2.0%	694
5 Johnson Controls Inc.	1.8%	519
6 APL (Neptune Orient Lines)	1.7%	551
7 Uline	1.5%	501
8 Ryder System Inc.	1.4%	407
9 Panalpina	1.4%	368
10 General Electric Company, Inc.	1.3%	417
<b>Top 10 Customers</b>	<b>19.2%</b>	<b>6,313</b>

square feet and currency in thousands

### Lease Expirations - Operating Portfolio

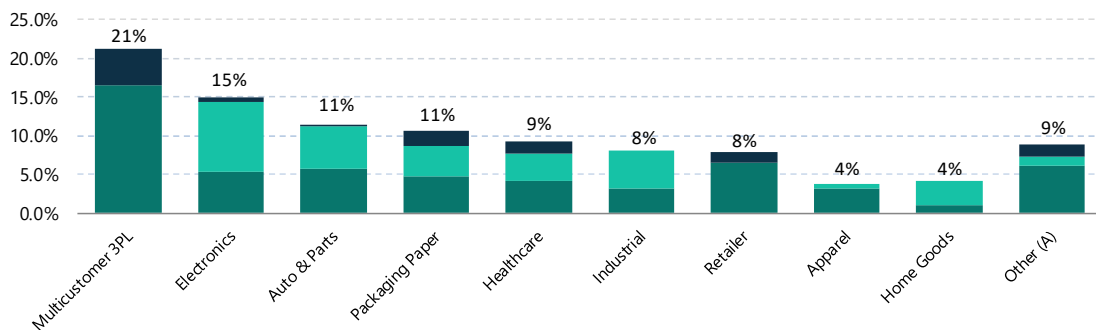
Year	Occupied Sq Ft	Net Effective Rent							
		Total	% of Total	Per Sq Ft		% Currency			
		Ps.	US\$		Ps.	US\$	%Ps.	%US\$	
2018	5,730	548,647	29,908	18%	88.11	4.80	30%	70%	
2019	7,453	714,372	38,942	23%	95.85	5.22	36%	64%	
2020	7,579	688,066	37,508	22%	90.78	4.95	18%	82%	
2021	3,987	402,056	21,917	13%	100.84	5.50	44%	56%	
2022	2,942	278,396	15,176	9%	94.66	5.16	39%	61%	
Thereafter	4,917	489,156	26,665	16%	99.48	5.42	14%	86%	
		<b>32,608</b>	<b>3,120,693</b>	<b>170,116</b>	<b>100%</b>	<b>93.9</b>	<b>5.12</b>	<b>30%</b>	<b>70%</b>
Month to month	609								
<b>Total</b>	<b>33,217</b>								

### Lease Currency - Operating portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	50,739	29.8	9,657	29.1
Leases denominated in US\$	119,377	70.2	23,560	70.9
<b>Total</b>	<b>170,116</b>	<b>100.0</b>	<b>33,217</b>	<b>100.00</b>

### Use of Space by Customer Industry

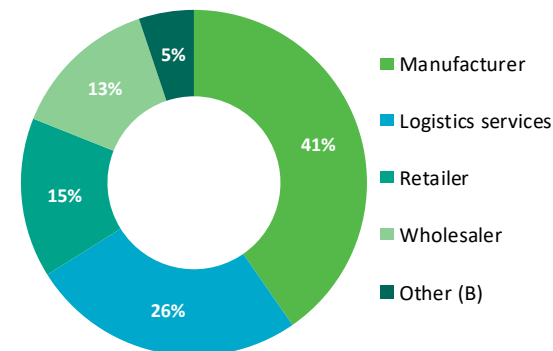
% of Portfolio NER



■ Distribution, Retail and B2B - 56%   ■ Manufacturing - 32%   ■ E-Commerce & Transport - 12%

### Customer Type

% of Portfolio NER



(A) Other includes: transportation, food/ beverages, consumer products, construction, data center/ office  
 (B) Other includes: transport and freight, services

# Capitalization

## Debt Summary and Metrics

1Q 2018 Supplemental

currency in millions

Maturity	Unsecured				Secured		Total		Wtd Avg. Cash. Interest Rate <sup>(A)</sup>	Wtd Avg. Effective Interest Rate <sup>(B)</sup>
	Credit Facility		Senior		Mortgage Debt					
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$		
2018	-	-	-	-	-	-	-	-	0.0%	0.0%
2019	-	-	-	-	-	-	-	-	0.0%	0.0%
2020	-	-	4,678	255	-	-	4,678	255	3.5%	3.8%
2021	-	-	-	-	-	-	-	-	0.0%	0.0%
2022	238	13	2,752	150	-	-	2,990	163	4.2%	4.6%
Thereafter	-	-	4,128	225	1,963	107	6,091	332	4.7%	4.7%
<b>Subtotal- debt par value</b>	<b>238</b>	<b>13</b>	<b>11,558</b>	<b>630</b>	<b>1,963</b>	<b>107</b>	<b>13,759</b>	<b>750</b>		
Interest payable and deferred financing cost	-	-	-	-	(112)	(6)	(112)	(6)		
<b>Total debt</b>	<b>238</b>	<b>13</b>	<b>11,558</b>	<b>630</b>	<b>1,851</b>	<b>101</b>	<b>13,647</b>	<b>744</b>	<b>4.0%</b>	<b>4.3%</b>
Weighted average cash interest rate <sup>(A)</sup>		4.1%		3.9%		4.7%		4.0%		
Weighted average effective interest rate <sup>(B)</sup>		4.1%		4.2%		4.7%		4.3%		
Weighted average remaining maturity in years		4.3		3.9		7.8		4.5		

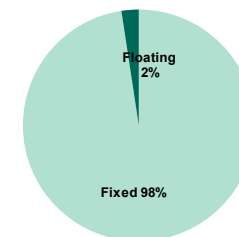
currency in millions

Liquidity	Ps.	US\$
Aggregate lender commitments	5,962	325
Less:		
Borrowings outstanding	238	13
Outstanding letters of credit	-	-
Current availability	5,724	312
Unrestricted cash	159	9
<b>Total liquidity</b>	<b>5,883</b>	<b>321</b>

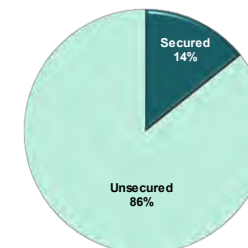
### Debt Metrics <sup>(C)</sup>

	2018	2017
	First Quarter	Fourth Quarter
Debt, less cash and VAT, as % of investment properties	33.2%	33.2%
Fixed charge coverage ratio	5.17x	4.16x
Debt to Adjusted EBITDA	4.99x	5.19x

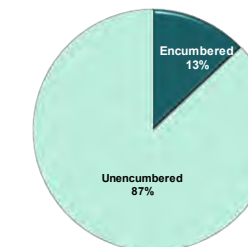
### Fixed vs. Floating Debt <sup>(D)</sup>



### Secured vs. Unsecured Debt



### Encumbered vs. Unencumbered Assets Pool <sup>(E)</sup>



- (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 and 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 March 31, 2018.

**Operating in 19 countries**

- 683 million square feet (63 million square meters)
- 3,260 properties
- Approximately 5,000 customers across a diverse range of industries

**AMERICAS**

Brazil  
Canada  
Mexico  
United States

**EUROPE**

Belgium  
Czech Republic  
France  
Germany  
Hungary  
Italy  
Netherlands  
Poland  
Slovakia  
Spain  
Sweden  
United Kingdom

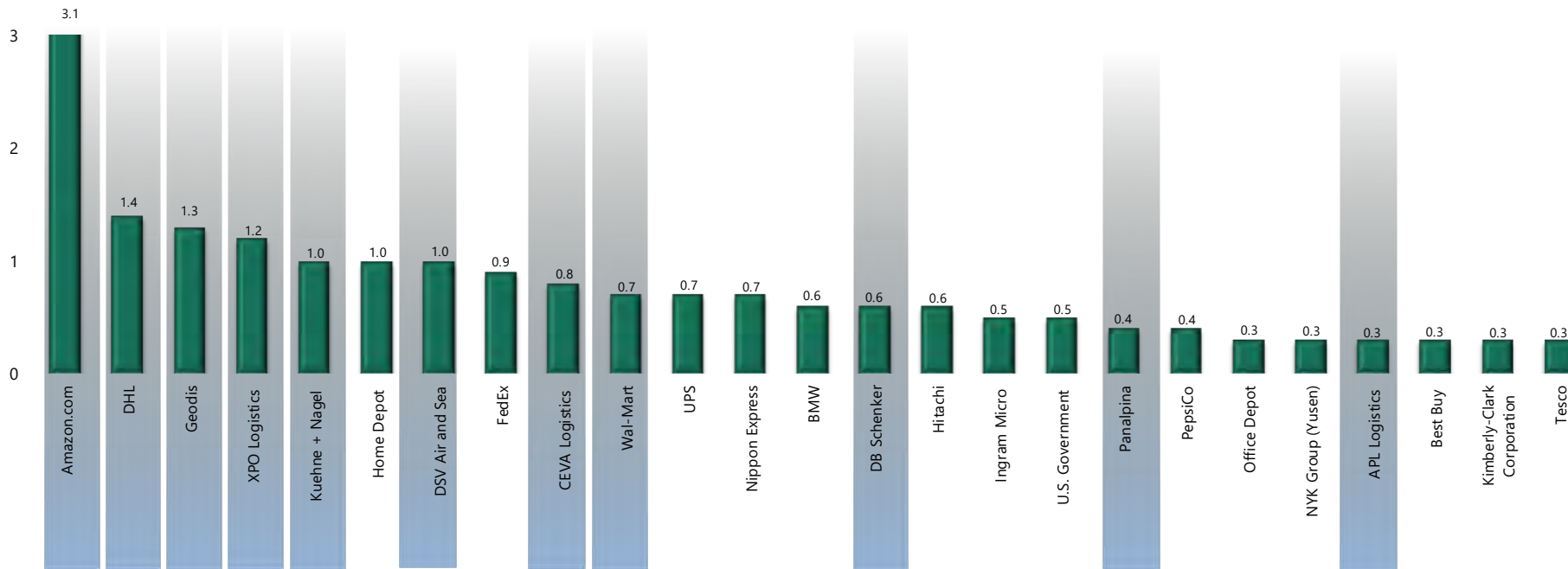
**ASIA**

China  
Japan  
Singapore

**Platform covers more than 70% of global GDP**



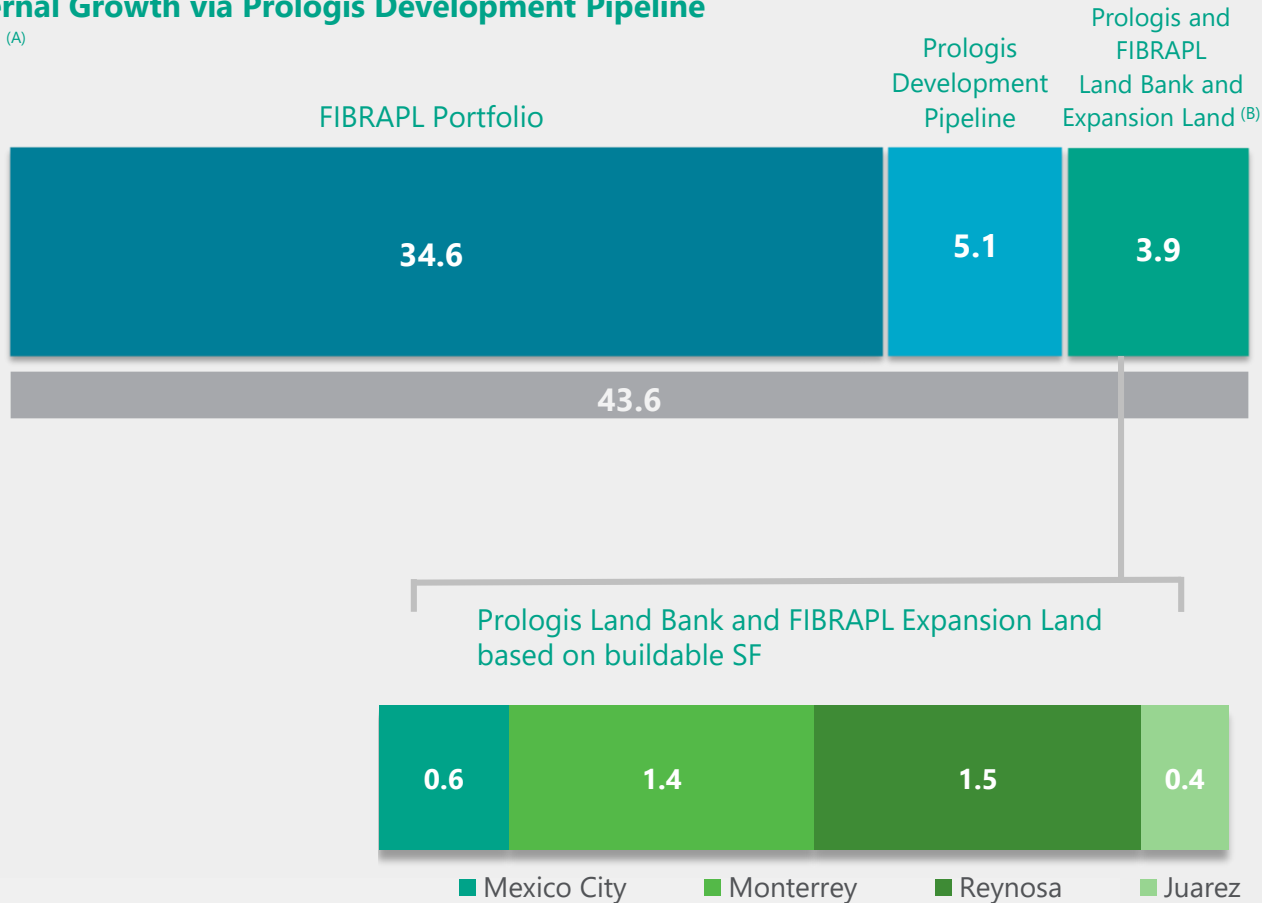
(% Net Effective Rent)



Identified External Growth Pipeline

**External Growth via Prologis Development Pipeline**

(MSF) <sup>(A)</sup>



- 26% growth potential in the next 3 to 4 years
- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis
- Prologis Development Pipeline:

	GLA (MSF)	% Leased
Mexico City	3.5	83%
Guadalajara	0.5	89%
Monterrey	0.9	89%
Ciudad Juarez	0.2	0%
<b>Total</b>	<b>5.1</b>	<b>81%</b>

(A) Million square feet as of March 31, 2018.

(B) Based on buildable square feet



# 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 costs**, 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 CBFIs 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			
	March 31,			
	2018		2017	
	P s.	US\$	P s.	US\$
<b>Earnings</b>				
Net income (loss)	615,676	32,025	( 87,367)	( 5,150)
Weighted average CBFIs outstanding - Basic and Diluted	638,863	638,863	634,480	634,480
<b>Earnings (loss) per CBFI- Basic and Diluted</b>	<b>0.9637</b>	<b>0.0501</b>	<b>( 0.1377)</b>	<b>( 0.0081)</b>
<b>FFO</b>				
FFO, as modified by FIBRA Prologis	564,047	29,261	543,158	25,906
Weighted average CBFIs outstanding - Basic and Diluted	638,863	638,863	634,480	634,480
<b>FFO per CBFI – Basic and Diluted</b>	<b>0.8829</b>	<b>0.0458</b>	<b>0.8561</b>	<b>0.0408</b>

**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			
	March 31, 2018		December 31, 2017	
	P s.	US\$	P s.	US\$
<b>Debt, less cash and VAT, as a % of investment properties</b>				
Total debt - at par	3,758,375	750,000	4,988,603	759,478
Less: cash	( 159,167)	( 8,676)	( 371,364)	( 18,817)
Less: VAT receivable	(1251)	(68)	(23,782)	(1,205)
<b>Total debt, net of adjustments</b>	<b>3,597,957</b>	<b>741,256</b>	<b>4,593,457</b>	<b>739,456</b>
Investment properties	41006,745	2,235,369	43,932,382	2,226,070
<b>Debt, less of cash and VAT, as a % of investment prope</b>	<b>33.2%</b>	<b>33.2%</b>	<b>33.2%</b>	<b>33.2%</b>
<b>Fixed Charge Coverage ratio:</b>				
Adjusted EBITDA	710,120	37,111	641,940	35,586
Fixed charges - interest expense	133,807	7,178	161,980	8,559
<b>Fixed charge coverage ratio</b>	<b>5.31x</b>	<b>5.17x</b>	<b>3.96x</b>	<b>4.16x</b>
<b>Debt to Adjusted EBITDA:</b>				
Total debt, net of adjustments	3,597,957	741,256	4,593,457	739,456
Adjusted EBITDA annualized	2,840,480	148,404	2,567,759	142,343
<b>Debt to Adjusted EBITDA ratio</b>	<b>4.79x</b>	<b>4.99x</b>	<b>5.68x</b>	<b>5.19x</b>

**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 CBFIs, 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 NER on new and renewed leases commenced during the period as compared with the previous NER 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 March 31, 2018, as those properties that were owned by FIBRA Prologis as of January 1, 2017 and have been in operations throughout the same three-month periods in both 2017 and 2018. 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.

# Notes and Definitions

(continued)

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	For the three months ended March 31,		
	2018	2017	Change (%)
<b>Rental income</b>			
Per the statements of comprehensive income	46,824	44,383	
Properties not included in same store and other adjustments (a)	(871)	-	
Direct Billables Revenues from Properties incl same store pool	1,534	1,744	
Straight-lined rent	(1,283)	(1,356)	
Other Adjustments for Properties in Same Store Pool	-	-	
<b>Same Store - Rental income- adjusted cash</b>	<b>46,204</b>	<b>44,771</b>	<b>3.2%</b>
<b>Rental expense</b>			
Per the statements of comprehensive income	4,981	5,760	
Properties not included in same store and other adjustments	(52)	(30)	
Direct Billables Expenses from Properties incl same store pool	1,534	1,744	
<b>Same Store - Rental expense adjusted cash</b>	<b>6,463</b>	<b>7,474</b>	<b>(13.5%)</b>
<b>NOI</b>			
Per the statements of comprehensive income	41,843	38,623	
Properties not included in same store	(89)	30	
Straight-lined rent	(1,283)	(1,356)	
Other Adjustments for Properties in Same Store Pool	-	-	
<b>Same Store - NOI - adjusted cash</b>	<b>39,741</b>	<b>37,297</b>	<b>6.6%</b>
Straight-lined rent from properties included in same store	1,283	1,046	
<b>Same Store NOI</b>	<b>41,024</b>	<b>38,343</b>	<b>7.1%</b>

- 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. 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).

**Weighted Average Stabilized Capitalized ("Cap") Rate** is calculated as Stabilized NOI divided by the Acquisition Cost.