



Prologis Park Grande, Mexico City

# Investor Presentation

May 2023

# Forward-Looking Statements / Non-Solicitation

This presentation includes certain terms and non-IFRS financial measures that are not specifically defined herein. These terms and financial measures are defined and, in the case of the non-IFRS financial measures, reconciled to the most directly comparable IFRS measure, in our first quarter Earnings Release and Supplemental Information that is available on our website at [www.fibraprologis.com](http://www.fibraprologis.com) and on the BMV's website at [www.bmv.com.mx](http://www.bmv.com.mx).

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, (ix) risks related to the current coronavirus pandemic, and (x) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

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Agua Fria, Monterrey

## Resilient Investment Strategy



# Why invest in FIBRA Prologis?

**US\$4B**

Assets under management

**US\$239M**

2022 Annual Net Operating Income

**US\$0.13**

2023E Distribution per CBF

**BBB/BBB+**

Credit Ratings

**43.6 M**

Square Feet

**225**

Buildings<sup>(1)</sup>

**240**

Customers

**World class Sponsor: PLD**

Note: Information as of March 31, 2023

1. Includes value-added acquisition properties that are not in the operating pool.

# FIBRA Prologis at a Glance

FIBRA Prologis is a leading Mexican real estate investment trust formed to acquire, own and manage Class-A industrial real estate in Mexico

Attractive industrial real estate in Mexico in the six most dynamic markets

Strong Balance Sheet

Reliable and sustainable cash flow

300.4% Total Return Since IPO<sup>(1)</sup>

Supported by Prologis and access to its development pipeline

Strong organic growth

Main growth drivers:

- Manufacturing and nearshoring
- Consumption and e-commerce
- Supply chain constraints and Labor Shortages

## KEY FINANCIAL AND OPERATIONAL METRICS <sup>(2)</sup>

	2015	Today
Stock Price (MXN)	26.0	65.2
NOI (USD\$M)	145.4	239.2
Total Assets (USD\$B)	2.1	4.0
Distributions (USD\$M)	63	105
Total Debt (USD\$M) & Wtd. avg. rate (%)	658 @ 4.8%	920 @ 4.0%
Buildings	188	225
GLA (MSF)	32.6	43.6

1. IPO was June 4, 2014; total return calculated in Mexican Pesos on March 31, 2023. Source: Bloomberg.

2. 2015 column numbers are as of December 31, 2015, including the stock price. Today column numbers are as of March 31, 2023. Except NOI and Distributions that are YE 2022.

# Unmatched Portfolio Focused on the Top Consumption and Manufacturing Markets

6

Markets

98.4%

Period End Occupancy<sup>(1)</sup>

98.4%

Average Occupancy<sup>(1)</sup>

43.6

Million Square Feet

225

Operating Properties<sup>(2)</sup>

17.5 years

Average Age



Data as of March 31, 2023.

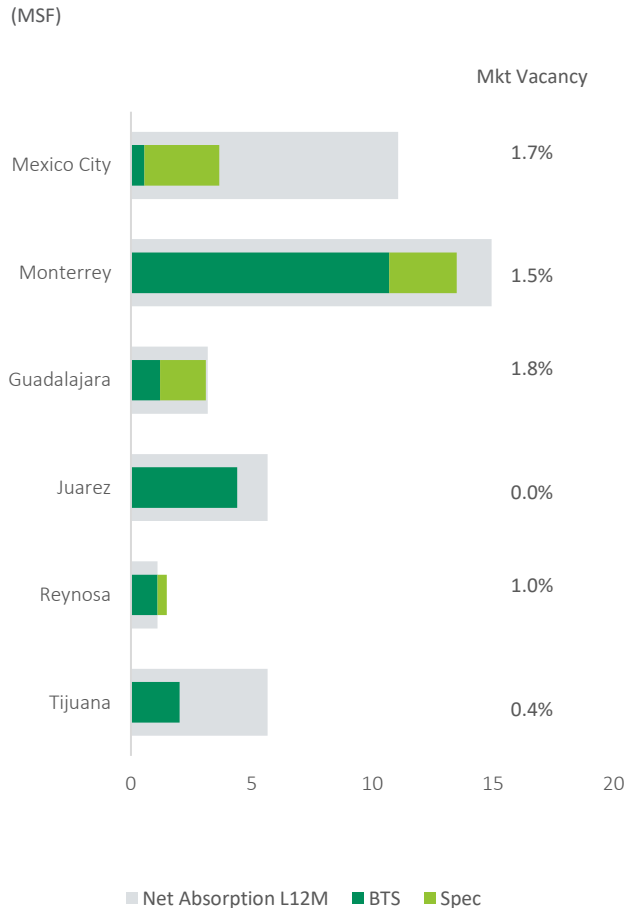
Note: GLA is defined as gross leasable area.

1. Operating properties only.

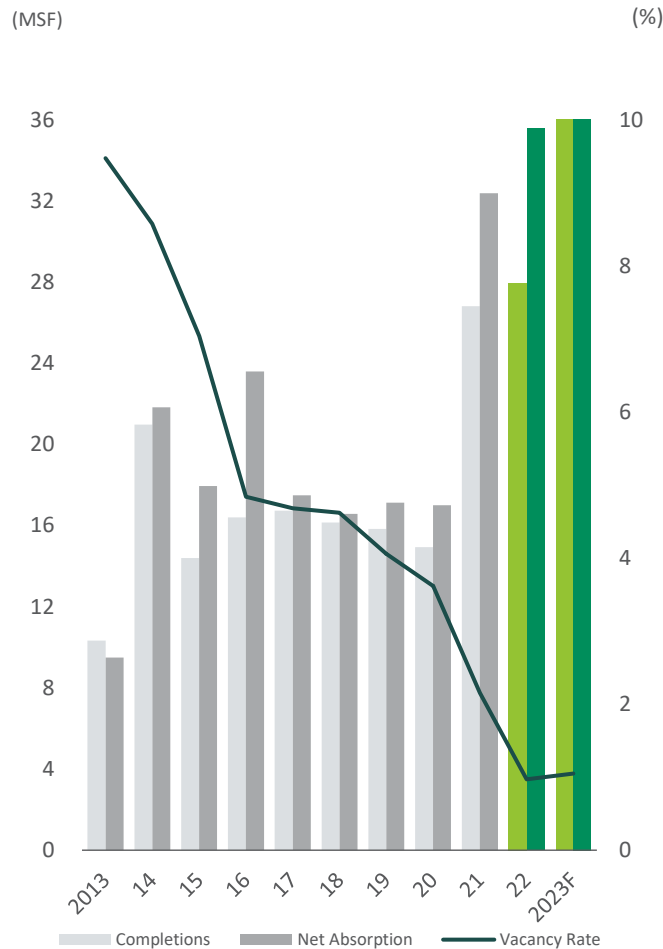
2. Includes value-added acquisition properties that are not in the operating pool.

# Logistics Real Estate Fundamentals<sup>1</sup>

## DEMAND (T12M) VS SUPPLY PIPELINE (MSF)



## DEMAND VS SUPPLY (MSF)



- **Market vacancy of 1.1%**, historical lows
- We expect **increasing demand** due to supply chain reconfigurations and **limited supply** caused by enhanced supply barriers to continue driving high occupancies and rent growth
- **Rent Growth in 2022 was 16%**
- **Nearshoring** in Northern Mexico and **e-commerce adoption** are the main drivers of demand

Sources: Prologis Research

1. Note: Defined as modern logistics market, inclusive of only those facilities with advanced functional features and/or superior locations, deemed to be competitive with Prologis.

Data as of March 31, 2023

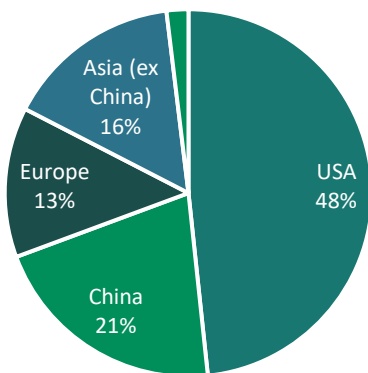
Sources: Prologis Research

Note: Completions equate to supply while net absorption is equivalent to demand

# Nearshoring is the Main Structural Shift

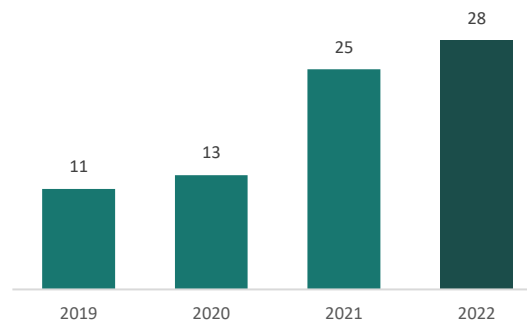
Mexican logistics real estate gain momentum due to manufacturing activity

NEARSHORING DEMAND BY COUNTRY OF ORIGIN<sup>1</sup>



NEARSHORING-RELATED NET ABSORPTION<sup>1</sup>

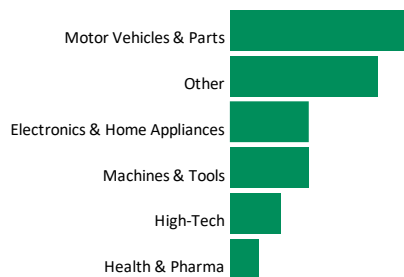
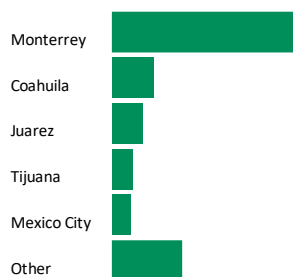
(FIBRA PL MARKETS, MSF)



- **Nearshoring is the main driver of demand**, accelerating since the pandemic due to global supply chain disruptions, tensions in U.S.-China relations, and the USMCA
- **Monterrey and border markets are the main beneficiaries**, but regional markets are becoming more attractive as other markets saturate
- **Auto has been the main driver**, yet other industries are taking up importance, for example electronics & appliances
- **~75% of total demand in 2022 was related to Nearshoring**, including Tier 1 & 2 <sup>2</sup>
- **We expect nearshoring to continue** as companies bring production processes closer to the U.S. consumer.

REGIONS AND SECTORS EXPECTED TO ATTRACT NEARSHORING<sup>1</sup>

(PROBABILITY)



1. Source: Prologis Research with information from Market Analysis and CBRE.

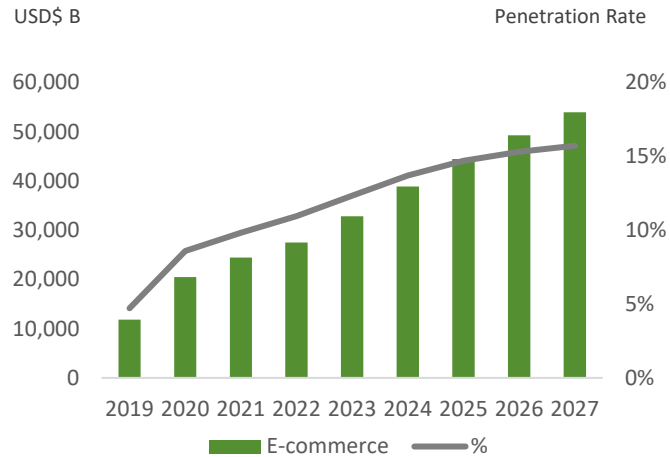
2. Tier 1 nearshoring refer to the direct demand of companies nearshoring from abroad; Tier 2 demand accounts for local suppliers and previously established firms expanding operations as an effect of nearshoring.



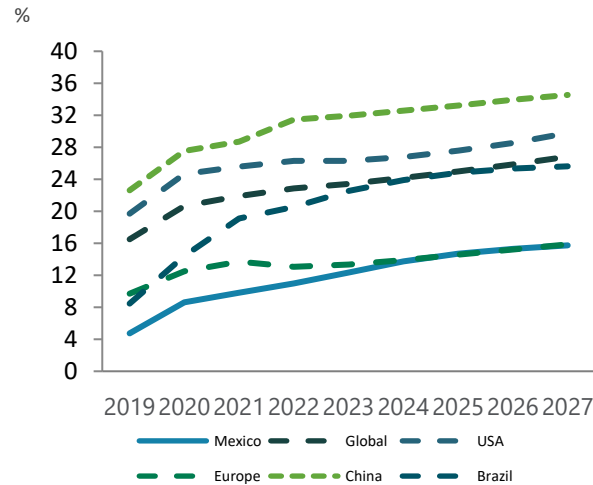
# E-commerce is a Resilient Driver of Expansion

By 2026, E-commerce penetration<sup>1</sup> in Mexico is expected to have doubled vs 2021

**E-COMMERCE SALES AND PENETRATION RATE IN MEXICO<sup>1</sup>**



**E-COMMERCE GLOBAL PENETRATION RATE<sup>1</sup>**



- E-commerce is tailwind for logistics real estate demand, especially in Mexico City
- Nascent e-commerce penetration relative to global market peers: penetration in Mexico is expected to double in the next 5 years
- E-commerce companies are more intense users of space versus brick-and-mortar retailers (+3x), due to:
  - High inventory turn levels
  - Broader product variety
  - Reverse logistics
- Last-Touch® facilities ensure customers have well-located facilities in large, dense, constrained urban areas

**TOP E-COMMERCE COMPANIES IN MEXICO<sup>2</sup>**

Retailer	Market Share	FIBRA PROLOGIS
Mercado Libre	15%	✓
Amazon.com Inc	13%	✓
Walmart Inc	10%	✓
El Puerto de Liverpool	7%	✓

1. Source: Euromonitor. Penetration rate defined as % of retail sales made online vs total retail sales.

2. Source: Prologis Research with sales data and forecasts with information from Euromonitor.

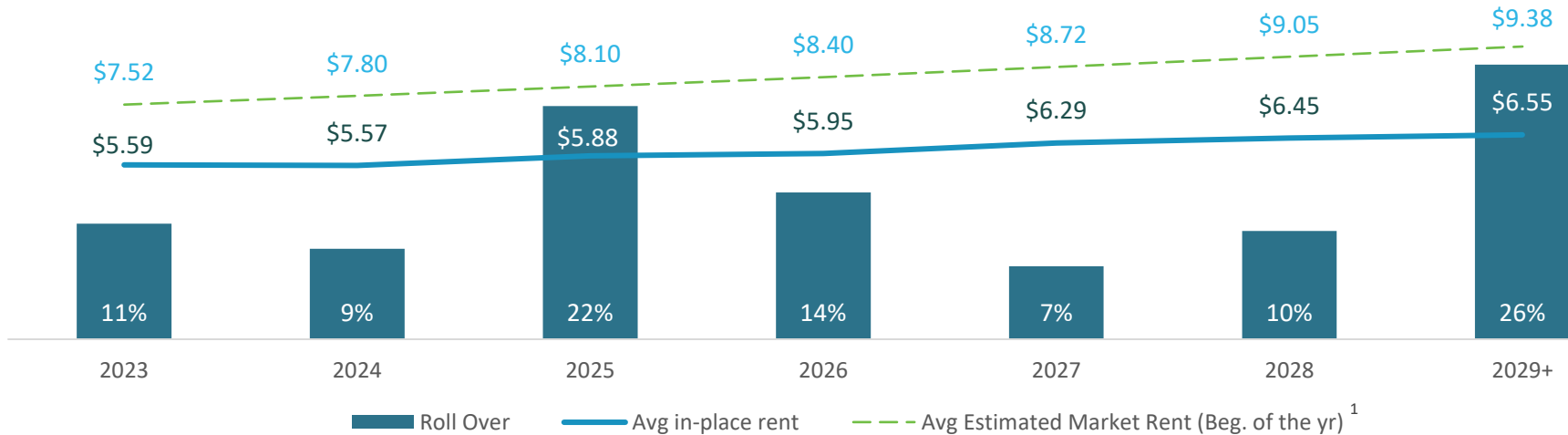


Prologis Park Los Altos, Guadalajara

## Low Risk Business Model

# Potential Market Rental Growth

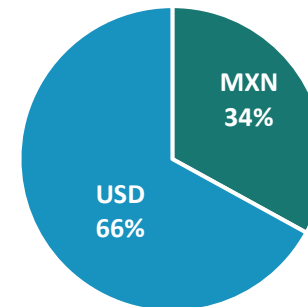
## LEASE EXPIRY PROFILE BY GLA & AVERAGE IN-PLACE RENT



## PORTFOLIO STATISTICS

Avg in Place Rent per Sq Ft	\$6.08
Avg Market Rent per Sq Ft	\$7.52
Avg Contractual Rent Escalator <sup>(2)</sup>	~3.0%
WARLT <sup>(3)</sup>	~39.4 months

## CURRENCY OF LEASES, % OF NET EFFECTIVE RENT



Source: Prologis. Data as of March 31, 2023.

1. Estimated Market rent based on latest growth rates. Assumptions might differ, as market conditions change. For current year the market rent is for the current period March 31, 2023.
2. For USD denominated leases only. Leases in Mexican pesos are tied to Mexican inflation.
3. Weighted Average Remaining Lease Term

# Diversified Customer Base

**240**  
customers in Mexico have

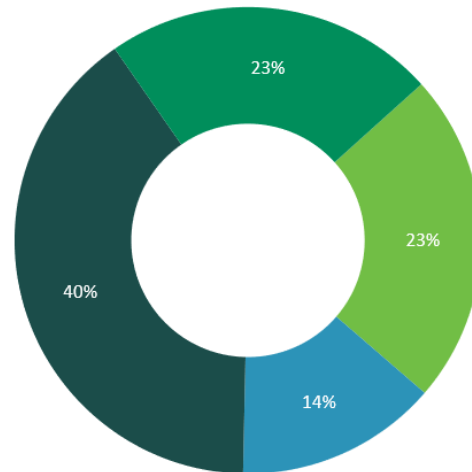
**351** leases with FIBRA  
Prologis

**84.1%** of FIBRA Prologis' customers are or are affiliated with multinational companies<sup>(1)</sup>

Our top 10 customers represent

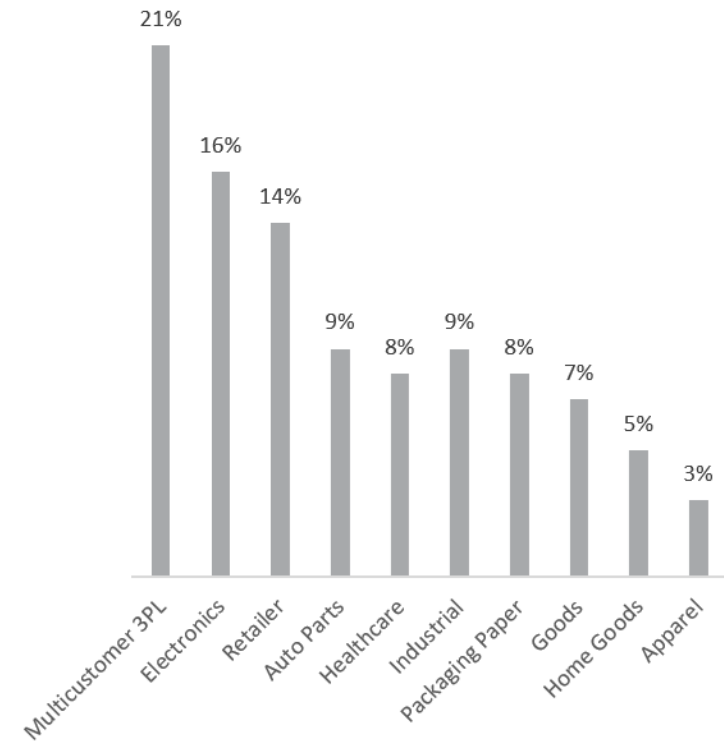
**24.2%**  
of net effective rent

**CUSTOMER TYPE**  
%, NER basis



- 3PL
- E-Commerce
- Manufacturing
- Other Logistics

**CUSTOMER INDUSTRY**  
%, NRA basis



Source: Prologis Research. Data as of March 31, 2023.

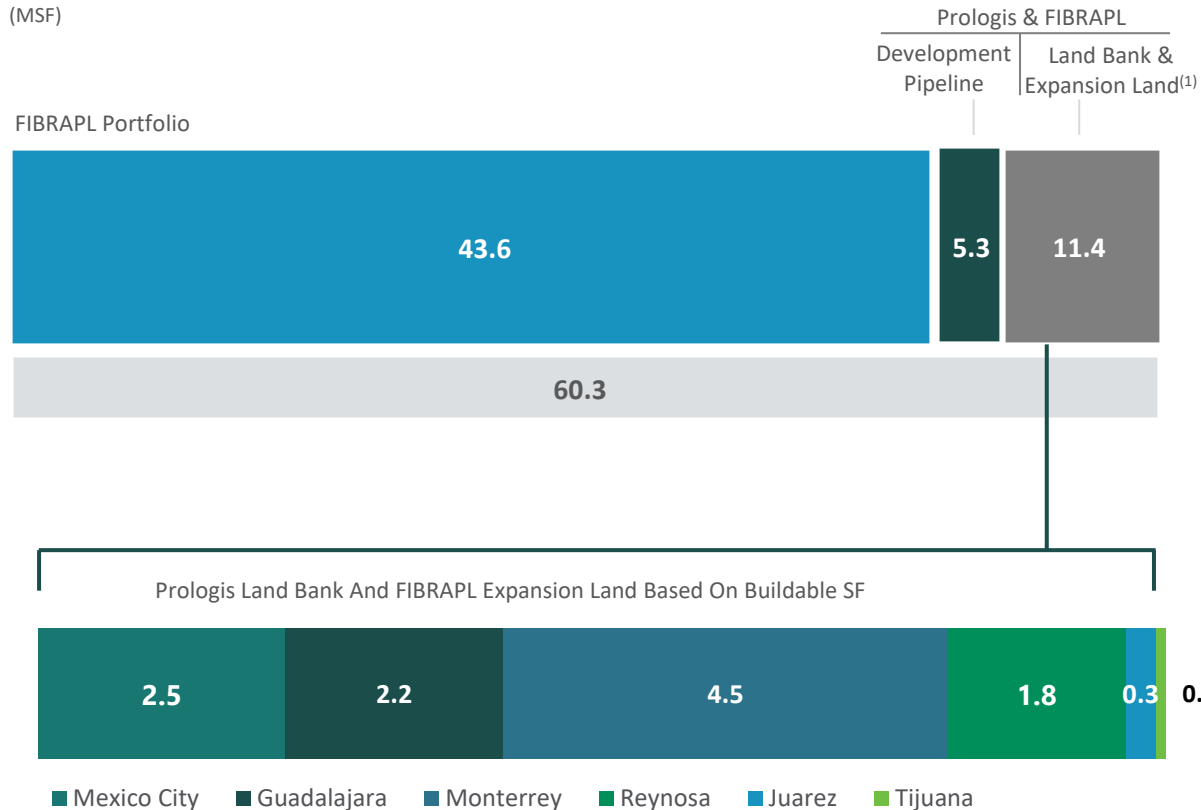
Note: Industry classifications do not sum to 100%; the balance (15%) is ascribable to units where 3PL customers have more than one industry type present.

1. As a percentage of net effective rent

# External Growth: Identified Future Growth Acquisitions

## EXTERNAL GROWTH VIA PROLOGIS DEVELOPMENT PIPELINE

(MSF)



## UNIQUE COMPETITIVE ADVANTAGE

- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis
- 38% growth potential in the next 3 to 4 years, subject to market conditions and financial availability

## PROLOGIS AND FIBRAPL DEVELOPMENT PIPELINE

	GLA (MSF)	% Leased
Mexico City	1.2	14.4%
Monterrey	0.8	100.0%
Ciudad Juarez	1.5	85.3%
Tijuana	0.7	100.0%
Reynosa	1.1	75.5%
<b>Total</b>	<b>5.3</b>	<b>71.6%</b>

Data as of March 31, 2023  
 1. Based on buildable square feet.



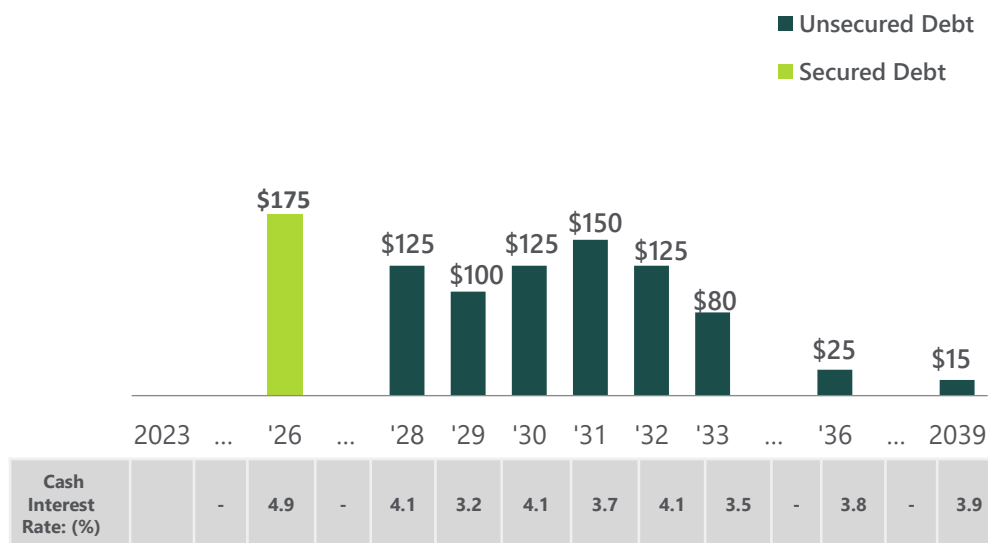
# Strong Financial Position

BBB/BBB+ rated by Fitch/HR Ratings<sup>1</sup>

DEBT METRICS	1Q2023
Total debt	\$920M
Wtd avg rate	4.0%
USD denominated	100%
Wtd avg term	7.3 yrs
Available liquidity USD <sup>2</sup>	\$597 M
Fixed debt	100%

BOND DEBT COVENANTS (RATIOS)	1Q23	Bond Metrics (I & II)
Leverage ratio	23.5%	<60%
Secured debt leverage	4.5%	<40%
Fixed charge coverage	6.2x	>1.5x
Leverage according CNBV	22.8%	<50%

**DEBT MATURITY SCHEDULE**  
(USD\$ in millions)



Cash Interest Rate: (%)	2023	...	'26	...	'28	'29	'30	'31	'32	'33	...	'36	...	2039
	-		4.9	-	4.1	3.2	4.1	3.7	4.1	3.5	-	3.8	-	3.9

	1Q23	Internal limit		1Q23	Internal limit
LTV FMV	20.7%	35%	LTV GAV	27.5%	40%

Data as of March 31, 2023.

1. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating agency

2. Liquidity is comprised of US\$97M of cash, US\$400M undrawn from unsecured credit facility including accordion feature for additional US\$100M.



Prologis Park Salvacar, Juarez

## Best Practices Oriented to Create Value

# Strong Sustainability Focus

## GOALS

- **Net zero and GHG Emissions:** Achieve net zero by 2040 for Scope 1, 2 and 3 emissions.
- **Building Certification:** Achieve sustainable certification for 100% of operating portfolio (by area) (2021 baseline).
- **LED Lighting:** Install 100% LED lighting across our portfolio by 2025.
- **Community Engagement:** Achieve 1,400 hours of volunteer annually.
- **Logistics Workforce Training:** Train +700 people in logistics by 2025 (2022 baseline).
- **Ethics:** Ensure 100% of employees complete ethics training each year

## RECOGNITIONS AND RATINGS



Industrial Regional Sector  
Leader for 3<sup>rd</sup> year in a row



S&P/BMV Total  
Mexico ESG Index

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

Dow Jones Sustainability Index  
(MILA Pacific)



ESG Risk Rating

**11.0** Low Risk

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

## SOLAR PROJECT

- Cheaper energy
- Expected to be finished by 2025
- Investment made by Prologis



# World Class Corporate Governance

## Alignment with Certificate Holders

### DIVERSE AND EXPERIENCED TECHNICAL COMMITTEE<sup>1</sup>

**Luis Gutiérrez**

President for Latin America  
Prologis Inc

**Alberto Saavedra**

Partner  
Santa Marina y Steta

**Carlos Elizondo Mayer-Serra**

Dr. Political Science  
Oxford University

**Eugene F. Reilly**

Vice Chairman  
Prologis Inc

**Gimena Peña Malcampo**

CEO and Co-Founder  
Pier2 Marketing

**Edward S. Nekritz**

Chief Legal Officer  
Prologis Inc

**Miguel Álvarez del Río**

CEO  
Finaccess Mexico

**Dan Letter**

President  
Prologis Inc

**Mónica Flores Barragán**

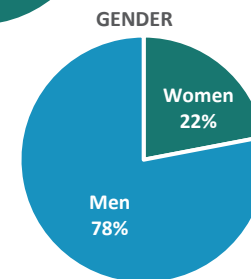
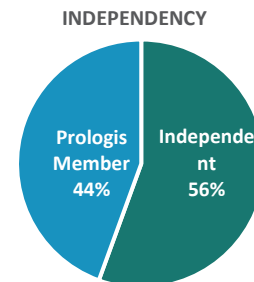
President for Latin America  
ManpowerGroup

### KNOWLEDGE, SKILLS AND EXPERIENCE QUALIFICATIONS

	LG	ER	EN	DL	AS	GP	MA	MF	CE
Real Estate/Logistics	.	.	.	.					
CEO/Executive Management	.	.	.	.	.	.	.	.	.
Strategic Planning	.	.	.	.	.	.	.	.	.
Finance/Accounting	.	.		.			.	.	
Regulatory			.		.				.
Risk Management	.	.	.	.	.	.	.	.	.

1. Technical Committee members are ratified annually by certificate holders

### COMPOSITION



### MANAGING CONFLICT OF INTEREST

- **Only independent members** may vote for **related-party transactions**, such as purchasing stabilized assets from our sponsor, Prologis
- Prologis' **44.3%** ownership of FIBRA Prologis, demonstrates alignment with certificate holders
- Three committees: **Audit Committee** (100% independence), **Practices Committee** (100% independence), **Indebtedness Committee** (67% independence)



Prologis Park Grande, Mexico City

Strong Sponsor



# Strong Sponsor

**US\$208 B**

Assets under management

**US\$5.0 B**

2022 Annual Net Operating Income

**A/A3**

Credit Ratings

**19**

Countries

**1.2 B**

Square Feet

**5,489**

Buildings

**6,600**

Customers

Note: Information as of March 31, 2023



Prologis Park Izcalli, Mexico City

## Appendix

# 2023 Guidance

US Dollars in thousands except per CBFI amounts

FX = Ps\$20.5 per US\$1.00

Financial Performance		Low	High
Full year FFO, as modified by FIBRA Prologis, per CBFI (excludes incentive fees) <sup>(A)</sup>	\$	0.1800	\$ 0.1900
<b>Operations</b>			
Year-end occupancy		97.0%	98.0%
Same store cash NOI change		5.5%	7.5%
Annual capex as a percentage of NOI		13.0%	14.0%
<b>Capital Deployment</b>			
Building Acquisitions	\$	250,000	\$ 450,000
Building Dispositions	\$	-	\$ 50,000
<b>Other Assumptions</b>			
G&A (Asset management and professional fees) <sup>(B)</sup>	\$	31,000	\$ 34,000
Full year 2023 distribution per CBFI (US Dollars)	\$	0.1300	\$ 0.1300

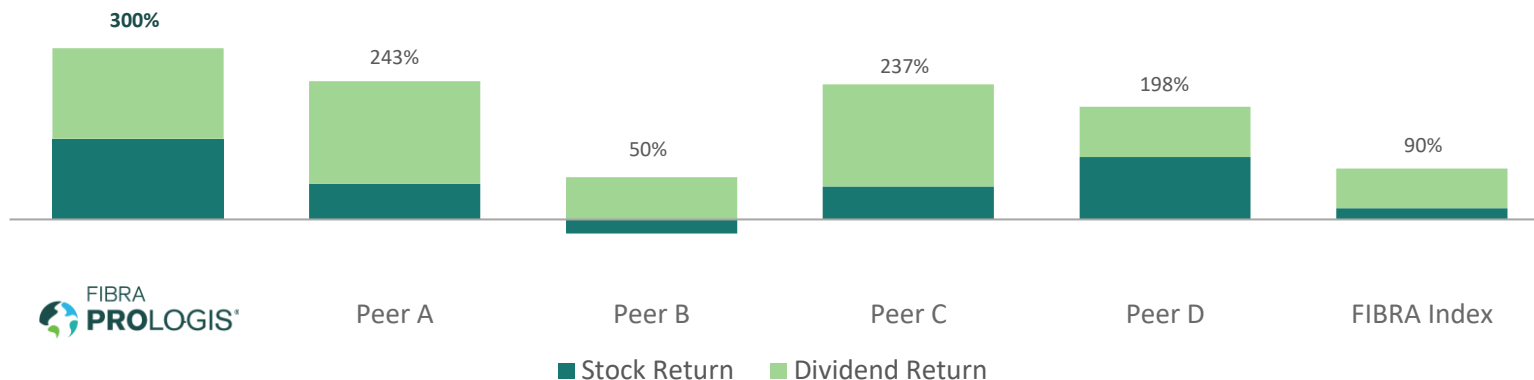
A. FFO (as modified by FIBRA Prologis) guidance excludes the impact of Mexican Peso movements as U.S. Dollar is the functional currency of FIBRA Prologis.

B. G&A excludes any potential incentive fee.

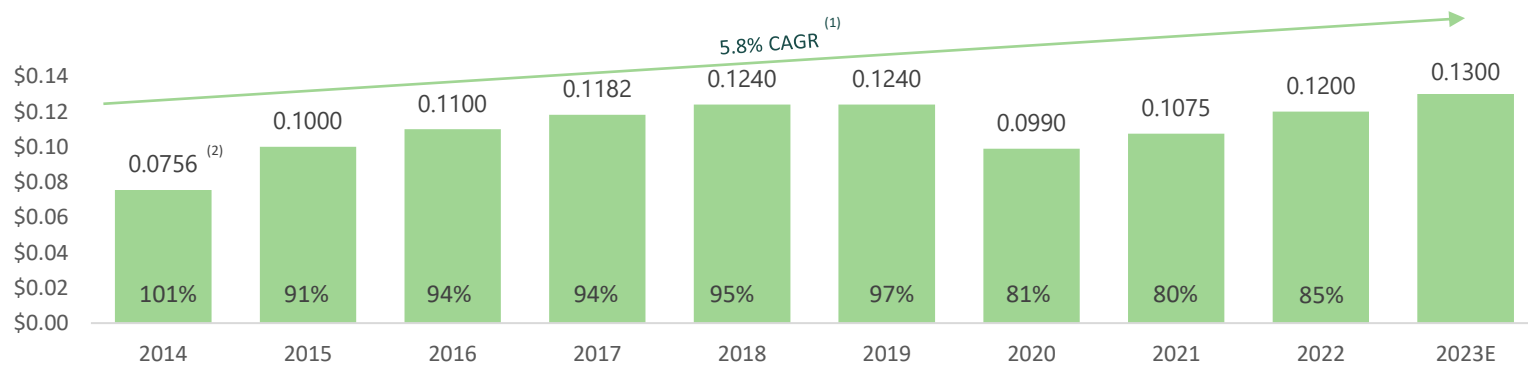
# Creating Value for Certificate Holders

## TOTAL RETURN OF CBFIS IN MEXICAN PESOS

June 4, 2014 – March 31, 2023



## FIBRAPL DISTRIBUTIONS PER CBF (USD\$) & AFFO PAYOUT RATIO (%)

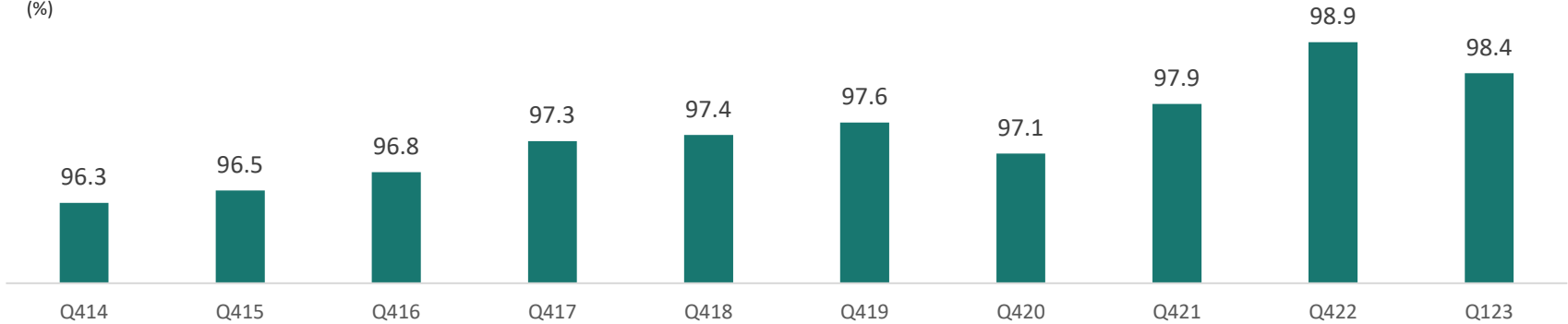


Source: Bloomberg, company filings. FIBRA Prologis' initial public offering was June 4, 2014. Peers include Terrafina, FIBRA Uno, FIBRA Macquarie and Vesta.  
 1. 8-year CAGR based on annualized 2014 figures.  
 2. Represents annualized distributions for 2014 based on period from June 4, 2014 through December 31, 2014. FIBRAPL at IPO price. Since IPO the distribution was US\$0.0435, this was used for the AFFO payout ratio.

# Historical Operating Performance

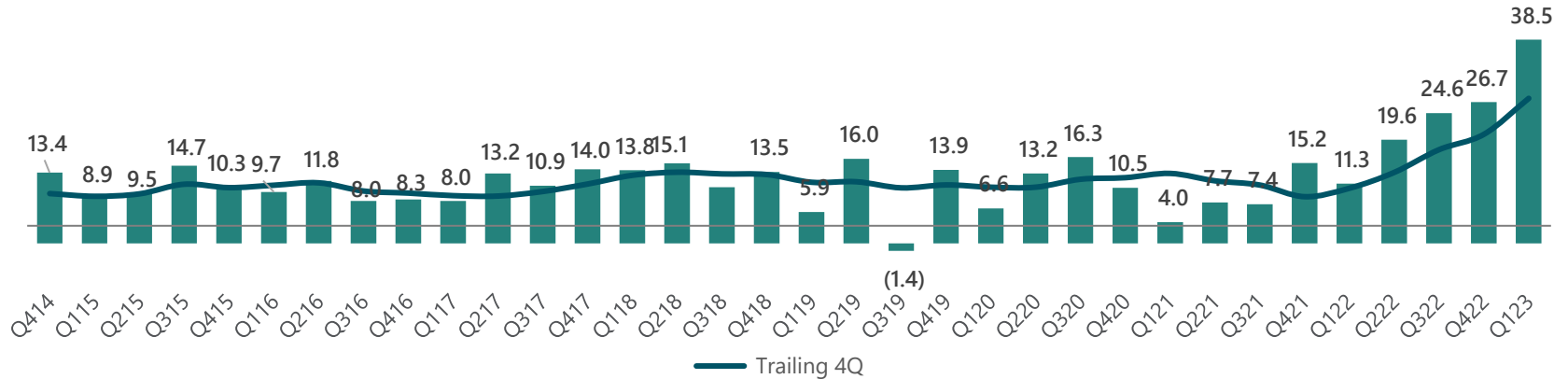
## ELEVATED PERIOD-END OCCUPANCY

(%)



## STRONG POSITIVE RENT CHANGE ON ROLLOVER

(%)



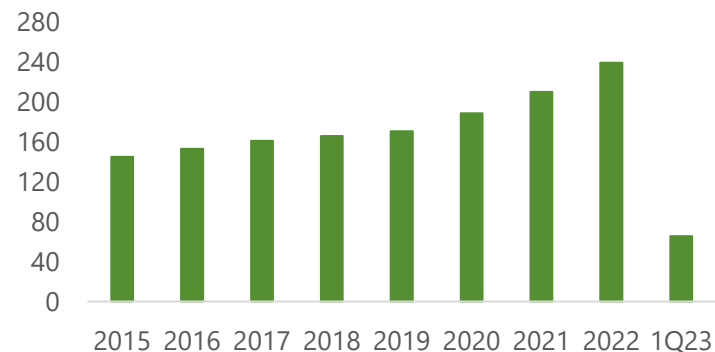
Data as of March 31, 2023



# Historical Growth

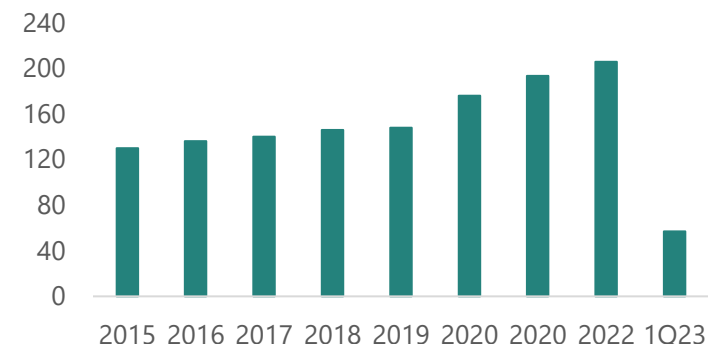
## NOI GROWTH

Millions of USD



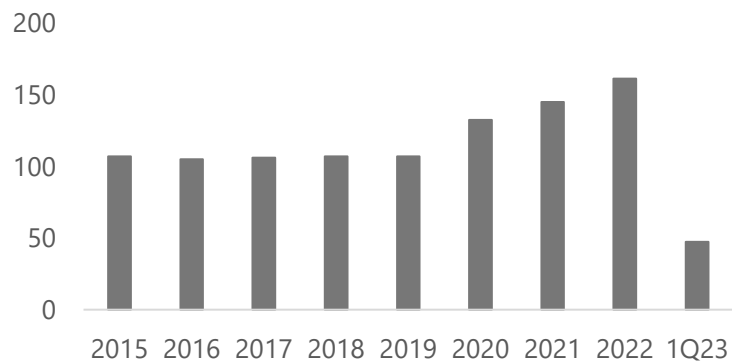
## ADJUSTED EBITDA GROWTH

Millions of USD



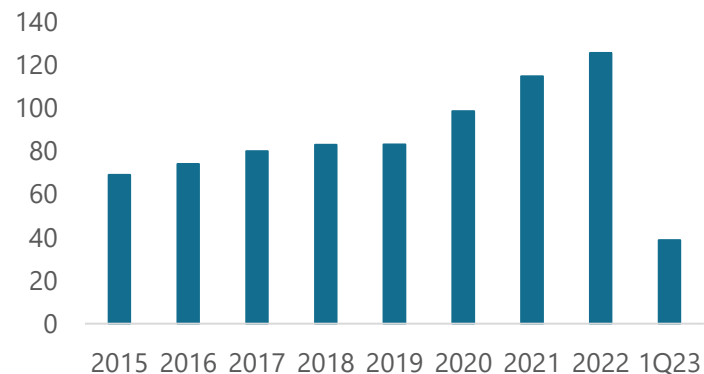
## FFO GROWTH

Millions of USD



## AFFO GROWTH

Millions of USD



Data as of March 31, 2023.

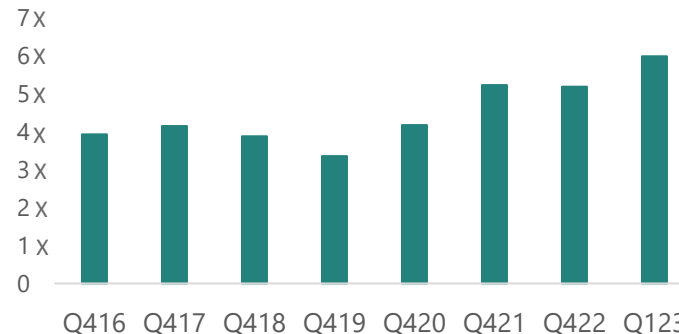
Note: For comparative purposes, incentive fees paid to FIBRAPL's sponsor in 2017, 2018, 2019, 2021 and 2022 have been excluded, as has the impact on realized exchange losses/gain from VAT in 2015 and 2020.

# Historical Credit Metrics

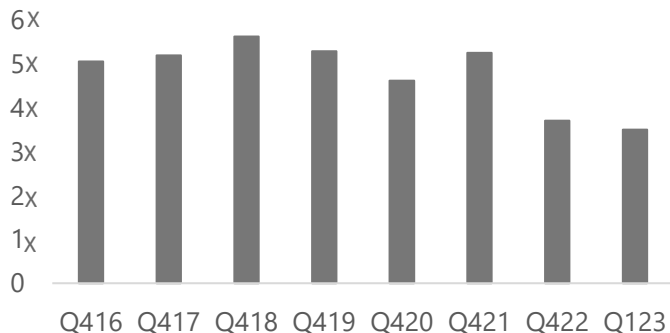
**DEBT % OF INVESTMENT PROPERTIES**



**FIXED CHARGE COVERAGE RATIO**



**DEBT TO ADJUSTED EBITDA**



**LIQUIDITY<sup>1</sup>**

Millions of USD



Data as of March 31, 2023.

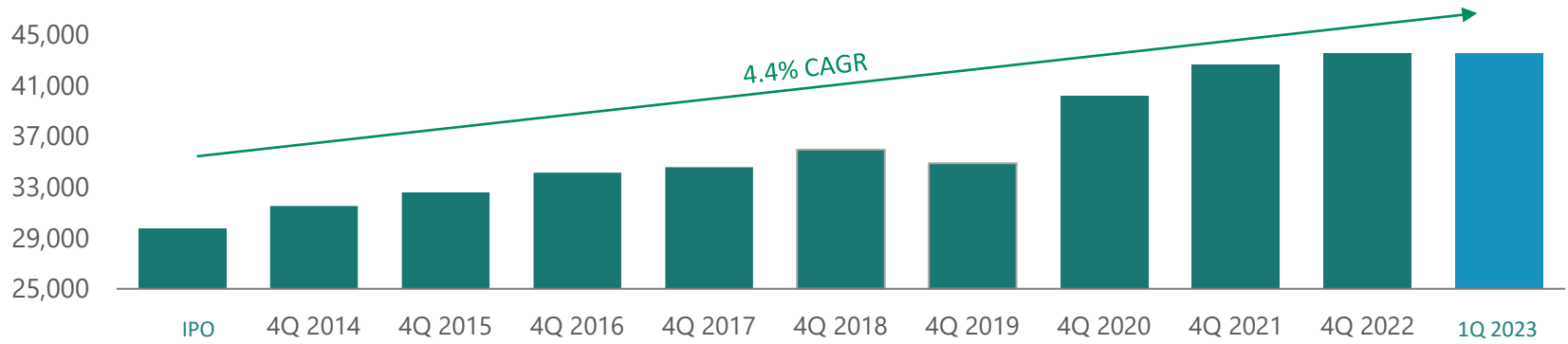
Note: On April 6, 2020, FIBRA Prologis acquired Prologis Park Grande for US\$353M, including closing costs but excluding VAT. The information displayed on this page does not reflect that acquisition.

1) Liquidity for the 1Q23 is comprised of US\$97M of cash, US\$400M undrawn from unsecured credit facility. Includes accordion feature for additional US\$100M.

# Portfolio Growth Since IPO

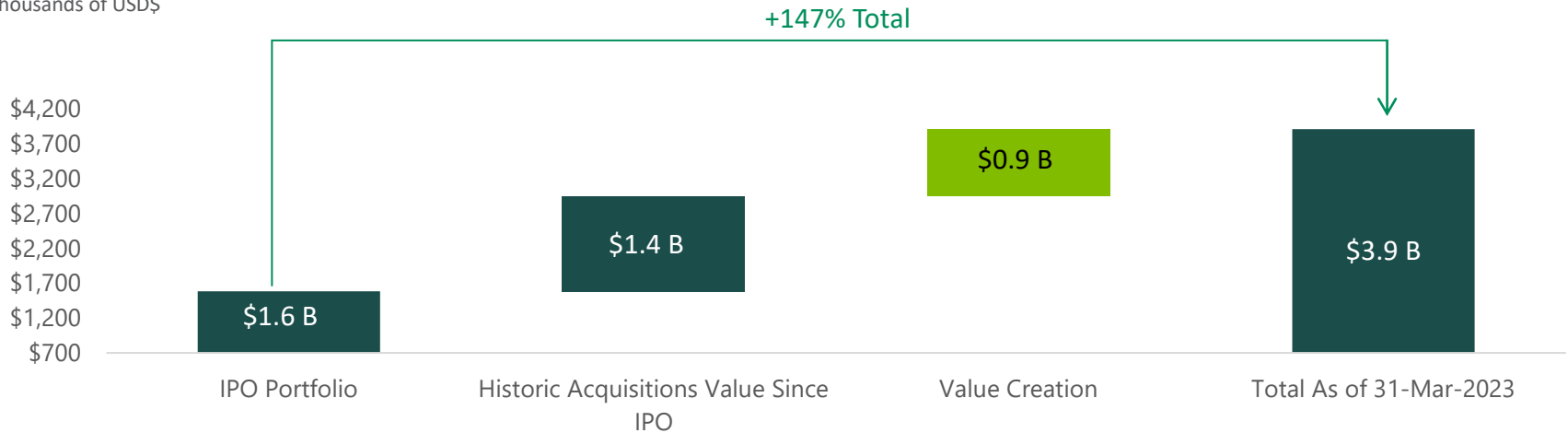
## GROSS LEASABLE AREA

Thousands of SF, June 4, 2014 through March 31, 2023



## REAL ESTATE PORTFOLIO<sup>(1)(2)(3)</sup>

Thousands of USD\$



1. Based on 3<sup>rd</sup> party appraisals.  
 2. IPO was June 4, 2014.  
 3. Post-IPO acquisitions were completed between 2014 and 1Q23, including growth in appraised value.

# Fee Structure

Transparent and Aligned

	Fee Type	Calculation	Payment Frequency	
Operating Fees	Property Management	3% x collected revenues	Monthly	
	Leasing Commission <i>Only when no broker is involved</i>	<i>New leases: 5% x lease value for &lt;6 yrs; 2.5% x lease value for 6-10 yrs; 1.25% x lease value for &gt; 10 yrs</i> <i>Renewals: 50% of new lease schedule</i>	½ at closing ½ at occupancy	
	Construction Fee / Development Fee	4% x property and tenant improvements and construction cost	Project completion	
Administration Fees	Asset Management	0.75% annual × appraised asset value	Quarterly	
	Incentive	Hurdle rate	9%	Annually at IPO anniversary
		High watermark	Yes	
		Fee	10%	
		Currency	100% in CBFIs	
		Lock up	6 months	

# Strategic Acquisition of Prologis Completed April 2020

## Prologis Park Grande

- Location: Mexico City
- Land Size: 212.3 acres, 9.3 MSF
- GLA: 3.9 MSF
- 100% leased

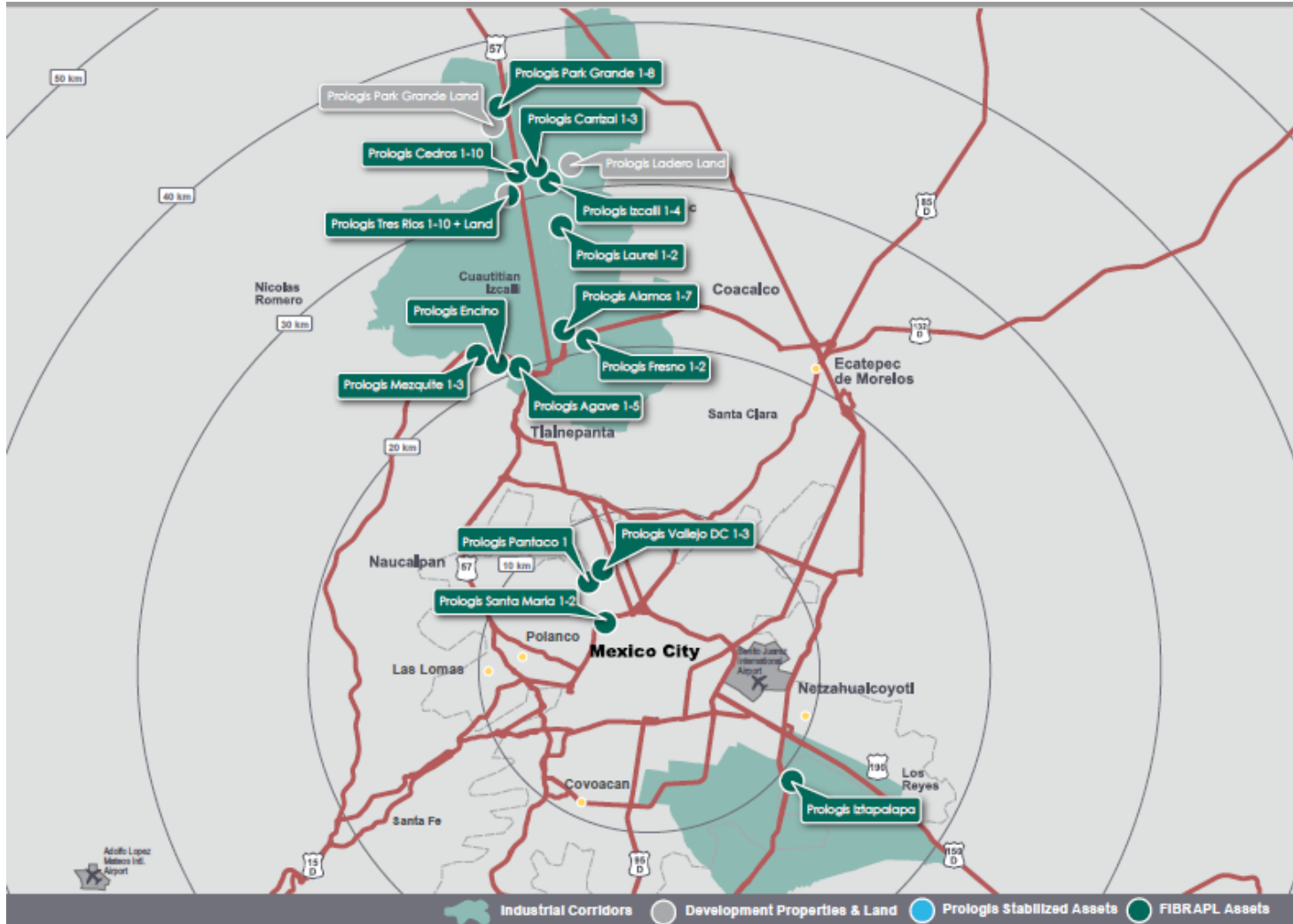
## Unique Competitive Advantage:

- State of the art logistics park focused on e-commerce customers and consolidation of 3PL customers
- Strategically located in the land constrained premier Class-A building corridor of Mexico City



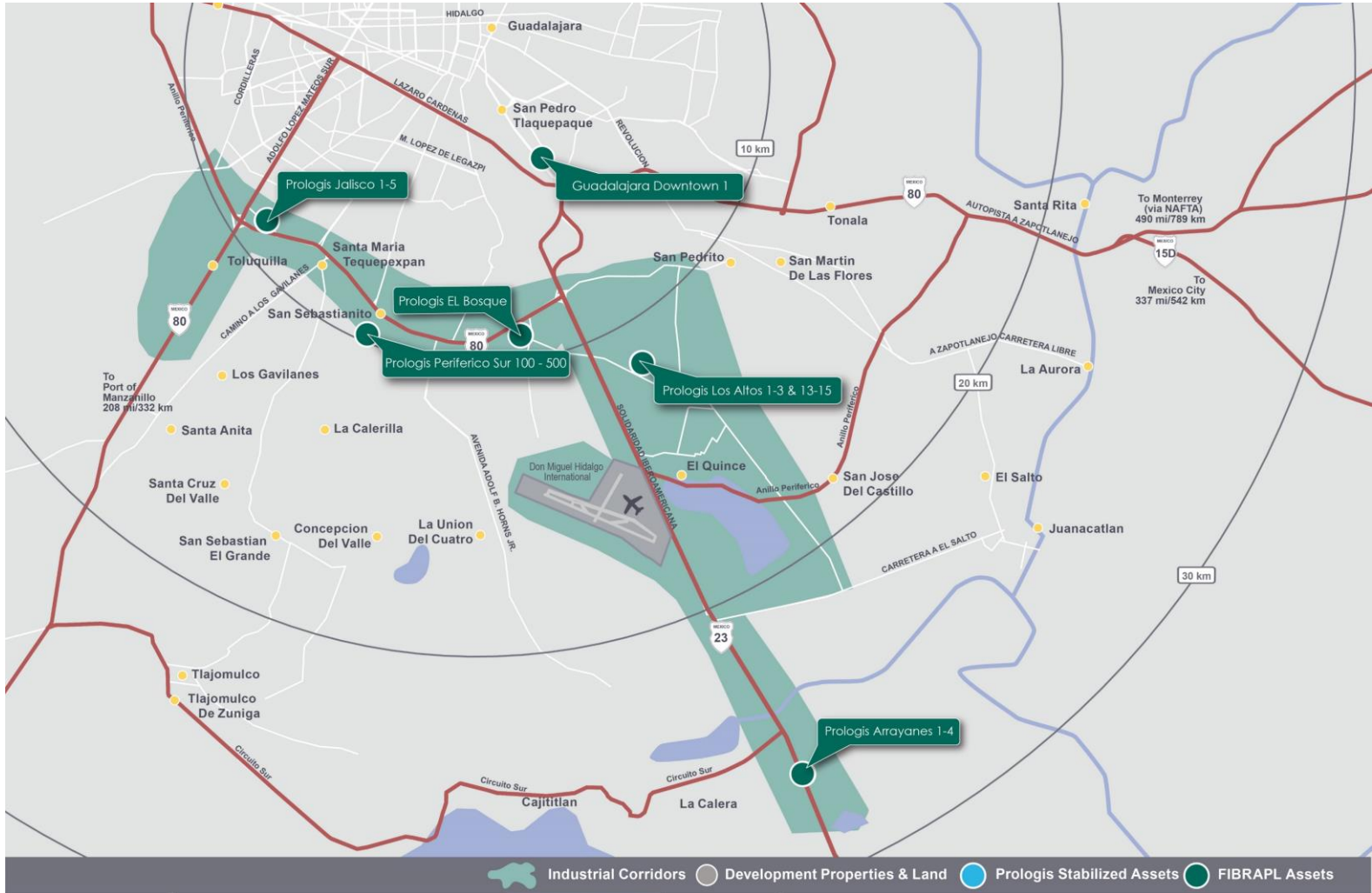
Note: On April 6, 2020, FIBRA Prologis acquired Prologis Park Grande for US\$353M, including closing costs but excluding VAT.

# Mexico City

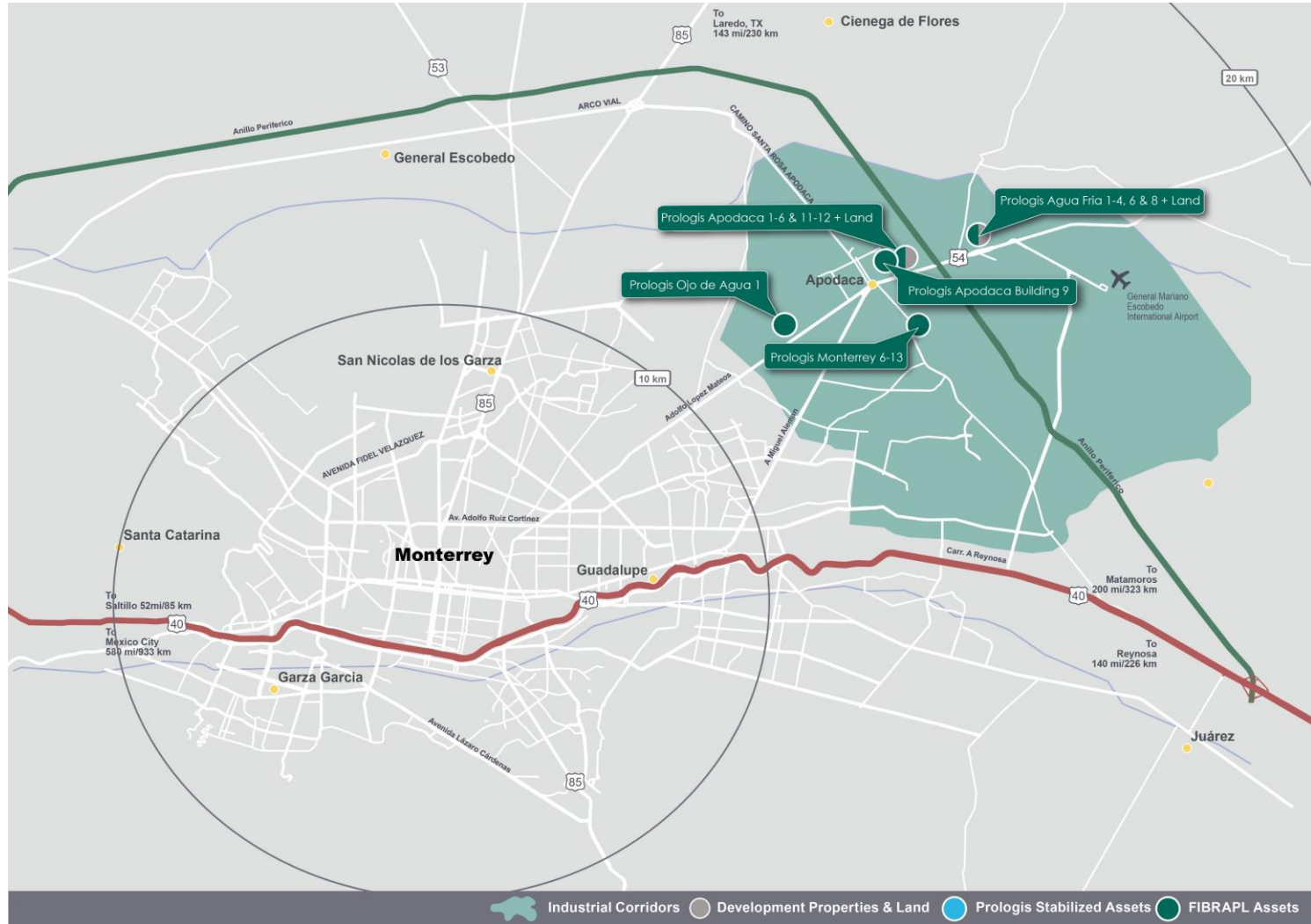




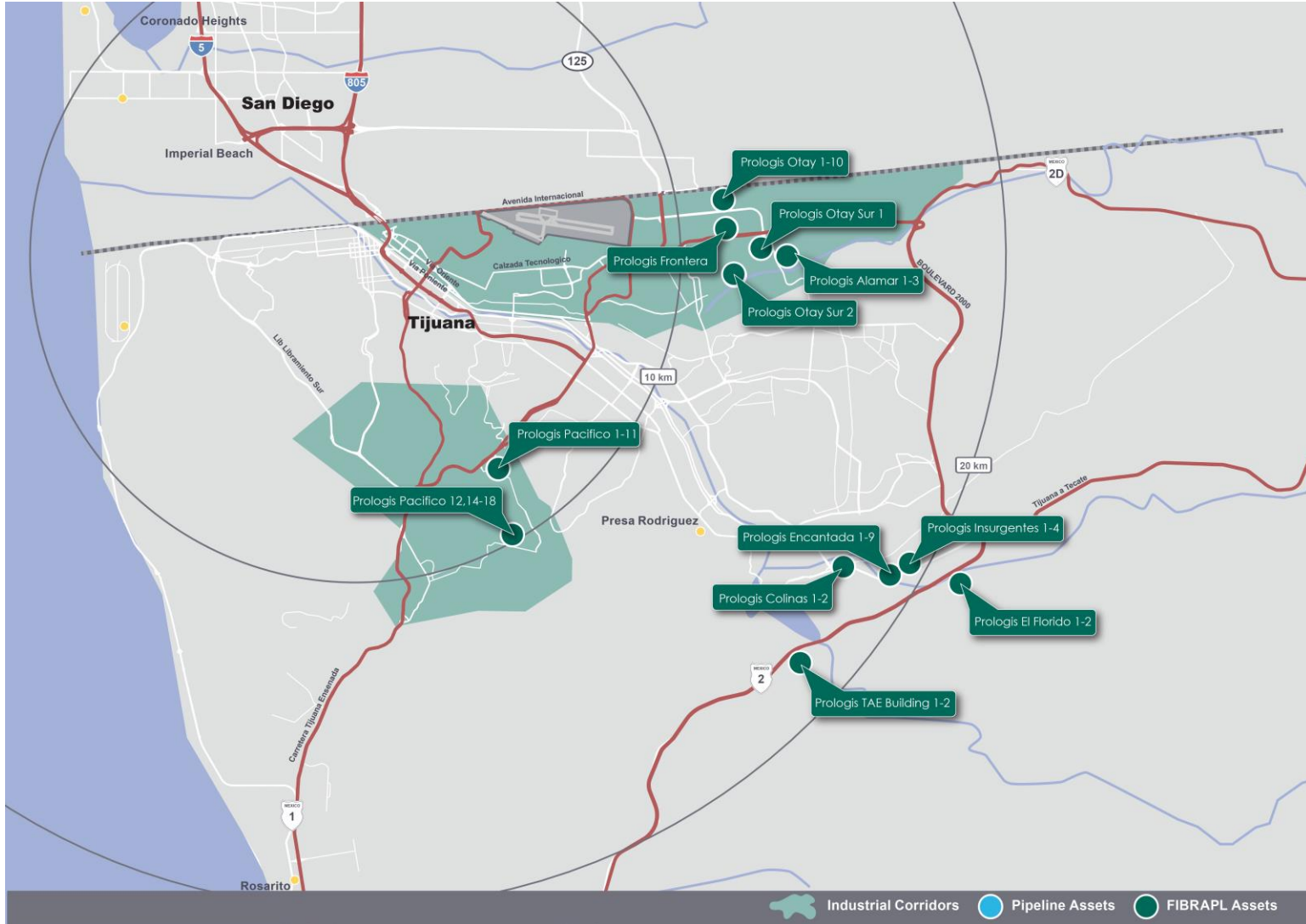
# Guadalajara



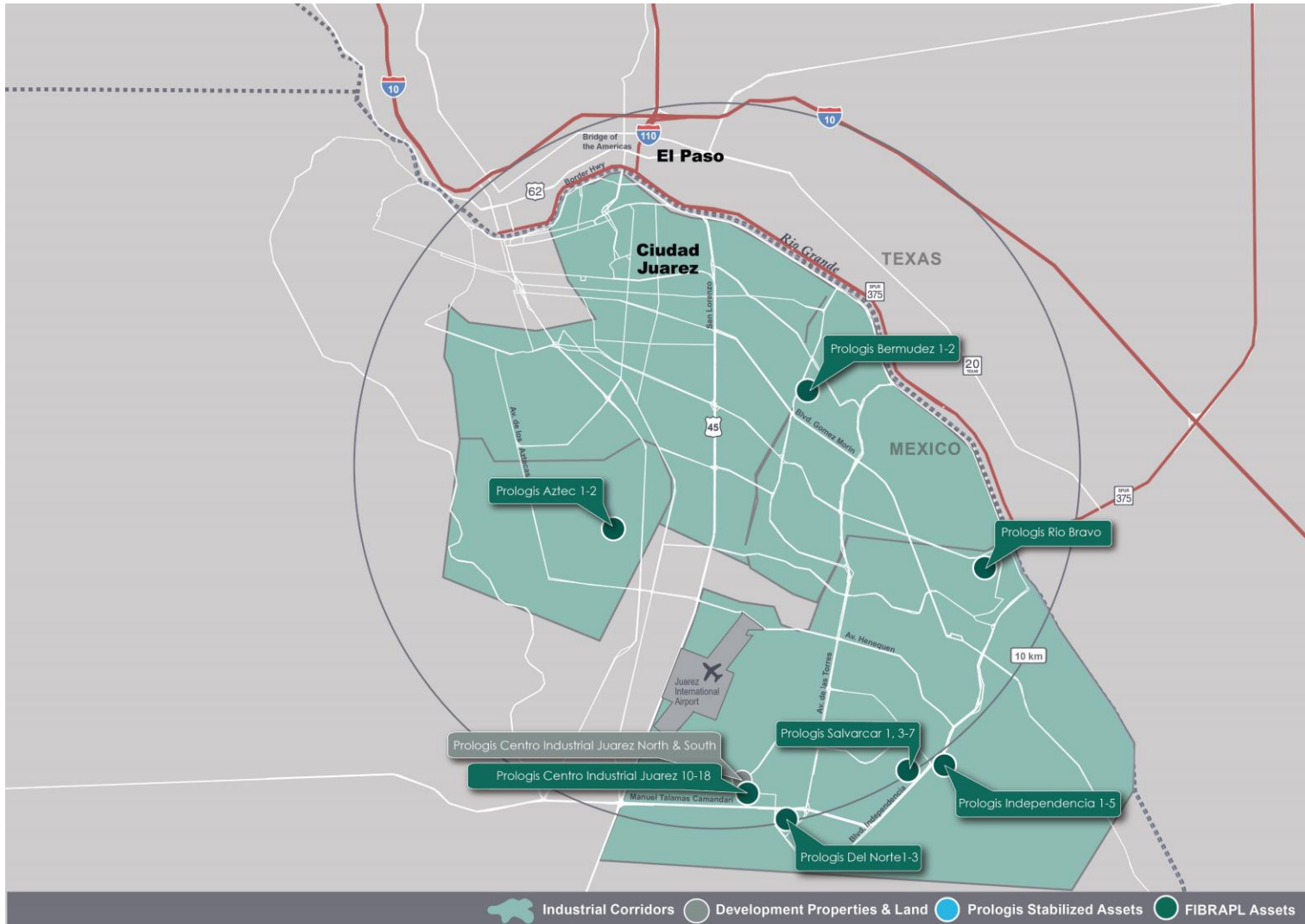
# Monterrey



# Tijuana

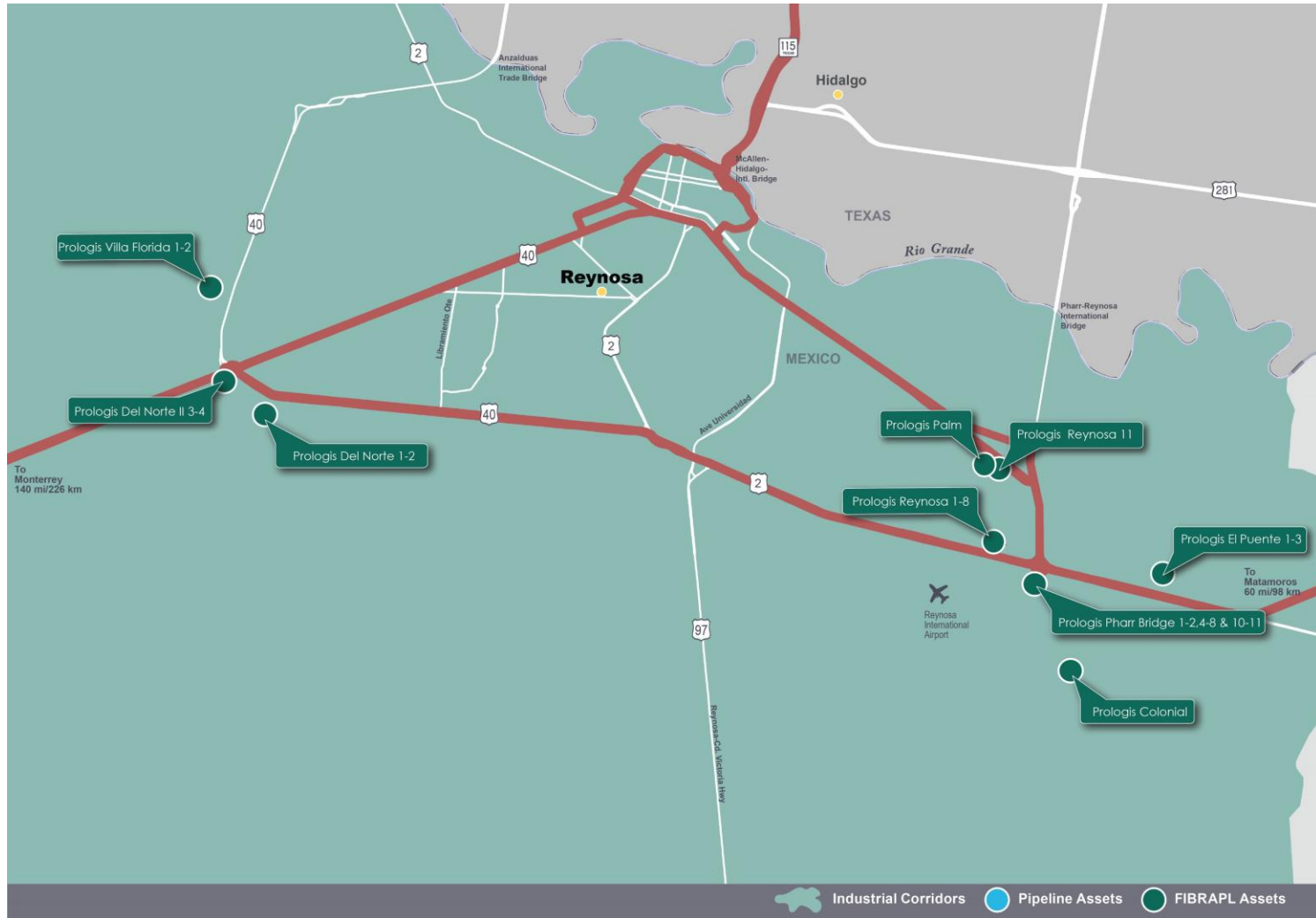


# Ciudad Juárez





# Reynosa





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