Fourth Quarter 2019

FIBRA Prologis Financial Information

FIBRA PROLOGIS

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Colonial Industrial Center #1 Reynosa, México

FIBRA PROLOGIS®

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

Interim Condensed Financial Statements as of December 31, 2019 and 2018 and for the three month periods and years then ended

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Fourth Quarter 2019 Earnings Report

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

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.

Fourth Quarter 2019 Management Overview

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

2019 was an excellent year for FIBRA Prologis as we exceeded our internal growth objectives and achieved our capital deployment goals. Our operating and financial results continue to demonstrate the effectiveness of our investment strategy.

Leasing volume was 7.1 million square feet with 81 percent from renewals – a testament to the location of our portfolio and our best-in-class customer service. Occupancy set a new record at 97.6 percent with four of our six markets recording occupancy above 98 percent. Net effective rents on rollover increased 11.0 percent for the year while the average term for new leases commenced was 59 months. Cash same store NOI grew 3.1 percent for the year.

On the capital deployment front, we sold ten properties for $72.0 million at pricing in-line with net asset value. Our efforts further streamlined the portfolio toward submarkets we believe have even greater potential for growth. Additionally, in the fourth quarter, we acquired an urban, Last Touch® facility in a premier location in Mexico City. As logistics and e-commerce companies move closer to the end consumer, we believe this property enhances our product offering and keeps us ahead of emerging trends.

Logistics real estate demand accelerated in the fourth quarter. Net absorption in our six markets was 5.2 million square feet; the highest recorded since the second quarter of 2018. For the full year, logistics demand was 16.6 million square feet, exceeding our forecast, and nearly 1 million square feet more than 2018. Activity was strongest in Monterrey, Mexico City and Ciudad Juarez. Importantly, despite the uncertainty created from trade tensions and renegotiations, activity in our border markets was not only durable but it accelerated over 2018.

Completions in 2019 totaled 14.8 million square feet. Supply has been constrained due to land scarcity in Mexico City and Tijuana, as well as the difficulty of accessing electricity in our border markets. Only in Monterrey is supply risk elevated – a theme for several years. The combination of accelerating demand and curbed supply resulted in the national market vacancy falling below 4 percent.

Overall, logistics real estate fundamentals remain strong. Reconfiguration of global supply chains remains a key driver of demand and e-commerce continues to build momentum as consumers increasingly adopt this shopping medium. We forecast equilibrium in 2020 with supply and demand at approximately 15 million square feet across our six markets. Importantly, vacancy will remain below 4 percent for modern product.

In summary, FIBRA Prologis' operating and financial results for the quarter and full year were outstanding despite the negligible growth of the Mexican economy. Our portfolio has proven resilient during an uneven geopolitical and macroeconomic operating environment. We expect further clarity in 2020 as trade tensions have largely been resolved, however, we remain cautious as geopolitical risks remain. We will continue to be disciplined with our capital and we remain steadfast in our focus of creating value for our certificate holders while maintaining our thoughtful approach to our business as we carry this momentum forward into the new year.

Thank you for your continued support.

Sincerely,

Luis Gutiérrez

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 December 31, 2019, FIBRA Prologis owned 191 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.9 million square feet (3.2 million square meters) of gross leasable area (GLA). These properties were leased to 232 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 66.4 percent of our net effective rents are in global logistics markets (Global Markets) and the remaining 33.6 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 Ciudad 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 fourth quarter financial information includes results from October 1, 2019, through December 31, 2019. During the year and the quarter ended December 31, 2019, and through the date of this report, the following activity supported our business priorities and strategy:

- Operating results:

Operating Portfolio	2019	2018	4Q 2019	4Q 2018	Notes
Period End Occupancy	97.6%	97.4%	97.6%	97.4%	*Four of our six markets above 98%*
Leases Commenced	7.1MSF	8.7MSF	2.7MSF	1.8MSF	*68% of leasing activity related to Guadalajara and Reynosa*
Customer Retention	88.7%	79.3%	91.0%	68.0%	
Net Effective Rent Change	10.9%	13.1%	13.9%	13.5%	*Led by Guadalajara and Mexico City*
Same Store Cash NOI	3.1%	2.2%	2.9%	-2.1%	*Higher rents and lower bad debt partly offset by lower expense recoveries and higher real estate taxes*
Turnover Cost on Leases Commenced (per square foot)	US$1.96	US$1.54	US$2.33	US$1.35	*Decrease in turnover cost of 18.9% Y-o-Y*

- Capital deployment activities:

US$ in millions	2019	2018	4Q 2019	4Q 2018	Notes
Acquisitions					
Buildings:					
Acquisition cost	US$ 5.1	US$ 80.4	US$ 5.1	US$ 66.5	*In 2019, we acquired our first urban, Last Touch facility*
GLA	0.4 MSF	1.4 MSF	0.4 MSF	1.1 MSF	
Weighted avg. stabilized cap rate	8.0%	7.0%	8.0%	6.8%	in Mexico City

We use a same store analysis to evaluate the performance of our owned operating properties. The population of the properties in this analysis is consistent from period to period, which eliminates the effects of changes in portfolio composition on performance metrics. In our view, the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as they are across the total portfolio. Our same store is measured in U.S. dollars and includes the effect of year-over-year movements in the Mexican peso. The increase in SSNOI of 90 basis points year-over-year is mainly due to higher contractual rent escalators, positive rent change on rollovers and lower bad debt expense, partly offset by increases in operating expenses and real estate taxes.

Operational Outlook

Operating conditions remain strong. To illustrate, demand for logistics real estate accelerated in the fourth quarter, resulting in net absorption of 5.2 million square feet in our six main logistics markets and overall market vacancy below 4%.

For the full year, logistics demand exceeded forecasts – at 16.6 million square feet, nearly 1 million square feet more than full year 2018. Activity at the border has not only proven to be durable amid trade uncertainty and global manufacturing slowdown, but has in fact accelerated. Reconfigurations of global manufacturing supply chains remain a key driver of demand, as multinational businesses look to shorten and regionalize their supply chains. As a result, we have seen the arrival of new Asian operators in Monterrey, Juarez and Tijuana in the last year.

Acquisitions

Our exclusivity agreement with Prologis gives us access to an unrivaled acquisition pipeline and is a proven competitive advantage for FIBRA Prologis as it allows us to acquire high-quality buildings in our existing markets. As of December 31, 2019, Prologis had 5.7 million square feet under development or pre-stabilization, of which 85 percent was leased or pre-leased.

Third-party acquisitions are also possible for FIBRA Prologis, however, they depend on the availability of product and capability to meet our stringent criteria for quality and location. All potential acquisitions are evaluated by management, factor real estate and capital market conditions, and are subject to approval by FIBRA Prologis' Technical Committee.

Currency Exposure

At quarter end, our U.S.-dollar-denominated revenues represented 67.1 percent of annualized net effective rents. Peso exposure increased 10 basis points quarter-over-quarter. In the near term, we expect peso-denominated revenues to range between 30 to 35 percent of annualized net effective rents.

Liquidity and Capital Resources

Overview

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, positions us to meet anticipated operating, debt service, distribution and acquisition requirements.

Near-Term Principal Cash Sources and Uses

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

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

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

- available unrestricted cash balances of Ps. 182.8 million (approximately US$9.7 million) as of December 31, 2019, the result of cash flow from operating properties
- borrowing capacity of Ps. 6.1 billion (US$325.0 million) under our unsecured credit facility

Debt

As of December 31, 2019, we had approximately Ps. 14.6 billion (US$772.0 million) of debt at par value with a weighted average effective interest rate of 4.6 percent (a weighted average coupon rate of 4.5 percent) and a weighted average maturity of 3.8 years.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of December 31, 2019, were 32.4 percent and 8.5 times, respectively.

Non-Recoverable Taxes

In the fourth quarter, FIBRA Prologis recognized a US$4.1 million charge related to non-recoverable taxes. Approximately half was VAT and the remainder was withholding tax related to interest payments. Both charges are non-recurring. FIBRA Prologis is working with the counterparty of the withholding tax payments on a possible future recovery.

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Independent Auditors' Report on Review of Interim Financial Information

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

Introduction

We have reviewed the accompanying December 31, 2019 condensed interim financial information of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, which comprises:

- The condensed statement of financial position as of December 31, 2019;
- The condensed statements of comprehensive income for the three-month period and year ended December 31, 2019;
- The condensed statements of changes in equity for the year ended December 31, 2019;
- The condensed statements of cash flows for the year ended December 31, 2019; and
- Notes to the interim condensed financial information.

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

Scope of Review

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

(Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying December 31, 2019 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG CARDENAS DOSAL, S. C.

Alberto Vazquez Ortiz

Mexico City, January 15, 2020.

Interim condensed statements of financial position

As of December 31, 2019 and 2018

in thousands Mexican Pesos	Note	December 31, 2019	December 31, 2018
Assets			
Current assets:			
Cash		$ 182,792	$ 339,276
Trade receivables	7	56,870	66,167
Other receivables and value added tax	8	10,301	171,082
Prepaid expenses	9	3,295	2,160
Assets held for sale	10	-	1,230,502
		253,258	1,809,187
Non-current assets:			
Investment properties	11	44,611,642	45,727,051
Other investment properties	12	10,778	-
Hedge instruments	16	-	77,201
Exchange rate options	16	7,338	-
Other assets		43,386	47,713
		44,673,144	45,851,965
Total assets		**$ 44,926,402**	**$ 47,661,152**
Liabilities and equity			
Current liabilities:			
Trade payables		$ 69,159	$ 121,559
Value added tax payable		356	-
Due to affiliates	15	49,161	52,476
Current portion of long term debt	13	29,298	23,726
Liabilities related to assets held for sale		-	6,815
		147,974	204,576
Non-current liabilities:			
Long term debt	13	14,522,030	16,464,638
Security deposits		280,342	292,761
Hedge instruments	16	61,683	-
		14,864,055	16,757,399
Total liabilities		15,012,029	16,961,975
Equity:			
CBFI holders' capital	14	14,124,954	13,952,327
Other equity accounts and retained earnings		15,789,419	16,746,850
Total equity		29,914,373	30,699,177
Total liabilities and equity		**$ 44,926,402**	**$ 47,661,152**

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

Interim condensed statements of comprehensive income

For the three months and the years ended December 31, 2019 and 2018

in thousands Mexican Pesos, except per CBFI amounts	Note	For the three months ended December 31, 2019	For the three months ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenues:					
Lease rental income		$ 841,959	$ 854,337	$ 3,383,106	$ 3,279,632
Rental recoveries		90,850	94,314	371,620	335,639
Other property income		17,744	10,402	70,039	58,212
		950,553	959,053	3,824,765	3,673,483
Costs and expenses:					
Operating expenses:					
Operating and maintenance		61,931	60,014	241,922	203,211
Utilities		6,495	22,024	45,808	55,833
Property management fees	14	27,620	28,843	114,491	109,224
Real estate taxes		19,025	15,365	72,514	67,058
Non-recoverable operating		4,440	17,070	48,862	38,548
		119,511	143,316	523,597	473,874
Gross profit		**831,042**	**815,737**	**3,301,168**	**3,199,609**
Gain on valuation of investment properties	11	(51,607)	(377,221)	(275,835)	(1,074,444)
Asset management fees	15	85,883	87,086	338,503	328,175
Incentive fee	15	-	-	172,627	205,364
Professional fees		6,079	19,469	34,034	52,125
Financial cost		170,876	200,034	730,576	699,747
Net loss (gain) on early extinguishment of debt		-	-	18,638	(4,027)
Unused credit facility fee		9,121	7,711	35,494	29,566
Unrealized loss on exchange rate hedge instruments	16	1,136	-	13,274	6,159
Realized loss on exchange rate hedge instruments	16	810	105	1,450	9,100
Net exchange (gain)		(10,836)	(13,339)	(15,424)	(37,502)
Tax non recoverables		77,777	-	77,777	-
Other general and administrative expenses		908	4,325	10,861	13,143
		290,147	(71,830)	1,141,975	227,406
Net income		**540,895**	**887,567**	**2,159,193**	**2,972,203**
Other comprehensive (income) loss:					
Items that are not reclassified subsequently to profit or loss:					
Translation loss (gain) from functional currency to reporting currency		1,380,230	(1,286,915)	1,453,670	142,158
Items that are or may be reclassified subsequently to profit or loss:					
Unrealized (gain) loss on interest rate swaps	16	(16,571)	82,813	136,202	9,271
		1,363,659	(1,204,102)	1,589,872	151,429
Total comprehensive (loss) income for the period		**$ (822,764)**	**$ 2,091,669**	**$ 569,321**	**$ 2,820,774**
Earnings per CBFI	6	**$ 0.83**	**$ 1.38**	**$ 3.34**	**$ 4.63**

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

Interim condensed statements of changes in equity

For the years ended December 31, 2019 and 2018

in thousands Mexican Pesos	CBFI holders' capital	Other equity accounts	Retained earnings	Total
Balance as of January 1, 2018	$ 13,746,963	$ 9,373,971	$ 6,013,148	$ 29,134,082
Dividends	-	-	(1,461,043)	(1,461,043)
CBFIs issued	205,364	-	-	205,364
Comprehensive income:				
Translation loss from functional currency to reporting currency	-	(142,158)	-	(142,158)
Unrealized loss on interest rate swaps	-	(9,271)	-	(9,271)
Net income	-	-	2,972,203	2,972,203
Total comprehensive (loss) income	-	(151,429)	2,972,203	2,820,774
Balance as of December 31, 2018	**$ 13,952,327**	**$ 9,222,542**	**$ 7,524,308**	**$ 30,699,177**
Dividends	-	-	(1,526,752)	(1,526,752)
CBFIs issued	172,627	-	-	172,627
Comprehensive income:				
Translation loss from functional currency to reporting currency	-	(1,453,670)	-	(1,453,670)
Unrealized loss on interest rate swaps	-	(136,202)	-	(136,202)
Net income	-	-	2,159,193	2,159,193
Total comprehensive (loss) income	-	(1,589,872)	2,159,193	569,321
Balance as of December 31, 2019	**$ 14,124,954**	**$ 7,632,670**	**$ 8,156,749**	**$ 29,914,373**

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

Interim condensed statements of cash flows

For the years ended December 31, 2019 and 2018

		For the year ended December 31,		
in thousands Mexican Pesos		2019		2018
Operating activities:				
Net income	$	2,159,193	$	2,972,203
Adjustments for:				
Gain on valuation of investment properties		(275,835)		(1,074,444)
Incentive fee		172,627		205,364
Allowance for uncollectible trade receivables		17,430		12,120
Financial cost		730,576		699,747
Net loss (gain) on early extinguishment of debt		18,638		(4,027)
Realized loss on exchange rate hedge instruments		1,450		8,995
Unrealized loss on exchange rate hedge instruments		13,274		6,264
Hedging Instruments		(13,080)		(15,255)
Net unrealized exchange gain		(2,088)		(34,996)
Rent leveling		(33,498)		(61,273)
Tax non recoverables		77,777		-
Change in:				
Trade receivables		(8,133)		(34,067)
Value added tax and other receivables		83,004		(97,529)
Prepaid expenses		(1,135)		(560)
Other assets		4,327		(2,473)
Trade payables		(67,792)		8,684
Value added tax payable		356		-
Due to affiliates		(3,315)		(46,419)
Security deposits		(19,234)		7,736
Net cash flow provided by operating activities		2,854,542		2,550,070
Investing activities:				
Funds for acquisition of investment properties		(87,593)		(1,615,000)
Funds from disposition of investment properties		1,363,020		-
Cost related with disposition of investment properties		(15,310)		-
Capital expenditures on investment properties		(479,742)		(458,269)
Net cash flow provided by (used in) investing activities		780,375		(2,073,269)
Financing activities:				
Dividends paid		(1,526,752)		(1,461,042)
Long term debt borrowings		(3,097,965)		4,295,993
Long term debt payments		1,736,006		(2,675,521)
Interest paid		(712,810)		(662,329)
Cash used for early extinguishment of debt		-		(12,212)
Net cash flow used in financing activities		(3,601,521)		(515,111)
Net increase (decrease) in cash		33,396		(38,310)
Effect of foreign currency exchange rate changes on cash		(189,880)		6,222
Cash at beginning of the period		339,276		371,364
Cash at the end of the period	**$**	**182,792**	**$**	**339,276**
Non-cash transactions:				
Credit facility borrowings in exchange for term loan paydown	$	4,484,364	$	2,584,233
CBFIs issued		172,627		205,364
Total non-cash transactions	$	4,656,991	$	2,789,597

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

Notes to interim condensed financial statements

As of December 31, 2019 and 2018 and for the three month periods and years then ended

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

Structure – FIBRAPL's parties are:

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

Significant events

i. Long term debt transactions:

in millions	Date	Denomination	Interest rate(*)	Mexican pesos	U. S. dollars
Borrowings:					
Citibank, NA Credit facility (Unsecured)	October 29, 2019	U. S. dollars	LIBOR +250bps	$ 190.5	$ 10.0
Citibank, NA Credit facility (Unsecured)	July 29, 2019	U. S. dollars	LIBOR +250bps	190.7	10.0
Citibank, NA Credit facility (Unsecured)	April 29, 2019	U. S. dollars	LIBOR +250bps	246.2	13.0
Citibank, NA Credit facility (Unsecured)	March 14, 2019	U. S. dollars	LIBOR +250bps	135.3	7.0
Citibank, NA Credit facility (Unsecured)	February 6, 2019	U. S. dollars	LIBOR +250bps	305.3	16.0
Citibank (Unsecured) #4	February 6, 2019	U. S. dollars	LIBOR +235bps	5,533.9	290.0
Total borrowings				**$ 6,601.9**	**$ 346.0**

** LIBOR (London Interbank Offered Rate)*

in millions	Date	Denomination	Interest rate(*)	Mexican pesos	U. S. dollars
Payments:					
Citibank, NA Credit facility (Unsecured)	November 29, 2019	U. S. dollars	LIBOR +250bps	$ 196.1	$ 10.0
Citibank, NA Credit facility (Unsecured)	August 15, 2019	U. S. dollars	LIBOR +250bps	195.7	10.0
Citibank, NA Credit facility (Unsecured)	May 29, 2019	U. S. dollars	LIBOR +250bps	57.5	3.0
Citibank, NA Credit facility (Unsecured)	May 8, 2019	U. S. dollars	LIBOR +250bps	190.5	10.0
Citibank, NA Credit facility (Unsecured)	April 10, 2019	U. S. dollars	LIBOR +250bps	132.5	7.0
Citibank, NA Credit facility (Unsecured)	March 28, 2019	U. S. dollars	LIBOR +250bps	869.4	45.0
Citibank, NA Credit facility (Unsecured)	March 28, 2019	U. S. dollars	LIBOR +250bps	251.2	13.0
Citibank, NA Credit facility (Unsecured)	March 6, 2019	U. S. dollars	LIBOR +250bps	57.8	3.0
Citibank, NA Credit facility (Unsecured)	February 28, 2019	U. S. dollars	LIBOR +250bps	249.9	13.0
Citibank, NA Credit facility (Unsecured)	February 25, 2019	U. S. dollars	LIBOR +250bps	134.0	7.0
Citibank, NA Credit facility (Unsecured)	February 11, 2019	U. S. dollars	LIBOR +250bps	38.2	2.0
Citibank, NA Credit facility (Unsecured)	February 6, 2019	U. S. dollars	LIBOR +250bps	667.9	35.0
Citibank (Unsecured) #1	February 6, 2019	U. S. dollars	LIBOR +245bps	4,866.0	255.0
Citibank, NA Credit facility (Unsecured)	January 23, 2019	U. S. dollars	LIBOR +250bps	57.4	3.0
Total payments				**$ 7,964.1**	**$ 416.0**

** LIBOR (London Interbank Offered Rate)*

ii. Acquisition and dispositions of investment properties:

in millions, except lease area	Date	Market	Lease area square feet	Mexican pesos	U. S. dollars
Acquisitions:					
Santa Maria I	December 20, 2019	Mexico	41,779	$ 96.3	$ 5.1
Total acquisitions				**$ 96.3**	**$ 5.1**
Dispositions:					
Ramon Rivera Lara Industrial Center #1	April 10, 2019	Juarez	125,216	$ 117.6	$ 6.2
Ramon Rivera Lara Industrial Center #2	April 10, 2019	Juarez	66,706	72.8	3.8
El Salto Distribution Center #1	March 22, 2019	Guadalajara	355,209	408.7	21.6
El Salto Distribution Center #2	March 22, 2019	Guadalajara	67,812	71.9	3.8
Corregidora Distribution Center	March 22, 2019	Guadalajara	95,949	87.0	4.6
Saltillo Industrial Center #1	March 22, 2019	Monterrey	71,868	73.7	3.9
Monterrey Center #4	March 22, 2019	Monterrey	120,000	142.3	7.5
Monterrey Center #5	March 22, 2019	Monterrey	127,500	129.5	6.9
Monterrey Airport Industrial Center #1	March 22, 2019	Monterrey	96,309	124.1	6.6
San Carlos Center #1	March 22, 2019	Juarez	139,673	155.1	8.2
				1,382.7	73.1
Tenant improvements reimbursed to the buyer				(20.8)	(1.1)
Total disposition after tenant improvement reimbursement				**$ 1,361.9**	**$ 72.0**

iii. Distributions:

in millions, except per CBFI	Date		Mexican pesos		U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
Distributions:							
Dividends	October 17, 2019	$	384.8	$	20.0	0.5969	0.0310
Dividends	July 19, 2019		380.0		20.0	0.5895	0.0310
Dividends	April 22, 2019		377.4		20.0	0.5854	0.0310
Dividends	March 22, 2019		359.5		18.7	0.5964	0.0310
Dividends	March 13, 2019		25.0		1.3	0.5964	0.0310
Total distributions		**$**	**1,526.7**	**$**	**80.0**		

iv. CBFIs:

FIBRAPL is obligated to pay an incentive fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compounded expected return of 9%, which is measured annually. For the period from June 5, 2018 to June 4, 2019, FIBRAPL generated an Incentive Fee of $172.6 million Mexican pesos ($8.7 million U.S. dollars), based on the performance of the CBFIs. As part of the Ordinary Holders Meeting on July 2, 2019, the Manager was approved to receive the Incentive Fee through issuance of 4,511,692 CBFIs. The CBFIs issued to the Manager are subject to a six-month lock-up period as established under the Management Agreement. See note 14.

2. Basis of presentation

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

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

b. **Functional currency and reporting currency –** The accompanying interim condensed financial statements are presented in thousands of Mexican pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL's functional currency is the U.S. dollar.

c. **Critical accounting judgments and estimates –** The preparation of the interim condensed financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the interim condensed financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on management experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the interim condensed financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

d. **Going concern basis of accounting –** FIBRAPL interim condensed financial statements as of December 31, 2019 and 2018 and for the three month periods and years 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 13. Management has a reasonable expectation that FIBRAPL has adequate resources to continue as a going concern and has the ability to realize its assets at their recognized values and to extinguish or refinance its liabilities in the normal course of business.

3. Summary of significant accounting policies

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

Disposition of investment properties

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

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

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

4. Rental revenues

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

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the December 31, 2019 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos		Amount
Rental revenues:		
2020	$	3,088,904
2021		2,709,935
2022		2,200,486
2023		1,717,241
2024		1,249,195
Thereafter		2,831,546
	$	**13,797,307**

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 month periods and years ended December 31, 2019 and 2018, while assets and liabilities are included as of December 31, 2019 and 2018. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

	For the three months ended December 31, 2019						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 317,268	$ 135,341	$ 103,849	$ 93,398	$ 121,110	$ 70,993	$ 841,959
Rental recoveries	33,287	11,149	11,673	12,208	11,884	10,649	90,850
Other property income	10,260	5,346	1,565	-	521	52	17,744
	360,815	151,836	117,087	105,606	133,515	81,694	950,553
Costs and expenses:							
Property operating expenses	49,512	12,382	12,261	15,300	14,625	15,431	119,511
Gross Profit	**$ 311,303**	**$ 139,454**	**$ 104,826**	**$ 90,306**	**$ 118,890**	**$ 66,263**	**$ 831,042**

in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
							For the three months ended December 31, 2018
Revenues:							
Lease rental income	$ 321,384	$ 130,743	$ 96,472	$ 99,989	$ 121,629	$ 84,120	$ 854,337
Rental recoveries	36,168	9,329	12,252	12,485	10,766	13,314	94,314
Other property income	-	8,761	541	495	605	-	10,402
	357,552	148,833	109,265	112,969	133,000	97,434	959,053
Costs and expenses:							
Property operating expenses	66,266	16,844	18,126	12,914	14,257	14,909	143,316
Gross Profit	**$ 291,286**	**$ 131,989**	**$ 91,139**	**$ 100,055**	**$ 118,743**	**$ 82,525**	**$ 815,737**

in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
							For the year ended December 31, 2019
Revenues:							
Lease rental income	$ 1,258,069	$ 536,797	$ 414,613	$ 398,086	$ 478,770	$ 296,771	$ 3,383,106
Rental recoveries	139,733	42,371	46,718	46,986	46,497	49,315	371,620
Other property income	33,217	29,681	4,121	419	2,549	52	70,039
	1,431,019	608,849	465,452	445,491	527,816	346,138	3,824,765
Costs and expenses:							
Property operating expenses	221,167	72,510	51,521	58,230	59,315	60,854	523,597
Gross Profit	**$ 1,209,852**	**$ 536,339**	**$ 413,931**	**$ 387,261**	**$ 468,501**	**$ 285,284**	**$ 3,301,168**

in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
							For the year ended December 31, 2018
Revenues:							
Lease rental income	$ 1,239,761	$ 506,930	$ 375,054	$ 387,277	$ 453,480	$ 317,130	$ 3,279,632
Rental recoveries	126,862	33,913	43,217	44,288	38,468	48,891	335,639
Other property income	15,149	35,006	2,620	1,637	3,696	104	58,212
	1,381,772	575,849	420,891	433,202	495,644	366,125	3,673,483
Costs and expenses:							
Property operating expenses	201,231	60,266	49,251	47,347	55,416	60,363	473,874
Gross Profit	**$ 1,180,541**	**$ 515,583**	**$ 371,640**	**$ 385,855**	**$ 440,228**	**$ 305,762**	**$ 3,199,609**

in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
								As of December 31, 2019
Investment properties:								
Land	$ 3,618,893	$ 1,395,740	$ 1,108,507	$ 986,101	$ 1,037,064	$ 691,930	$ -	$ 8,838,235
Buildings	14,475,573	5,582,961	4,434,027	3,944,408	4,148,255	2,767,718	-	35,352,942
	18,094,466	6,978,701	5,542,534	4,930,509	5,185,319	3,459,648	-	44,191,177
Rent leveling	126,726	60,817	70,960	77,364	44,306	40,292	-	420,465
Investment properties	**$ 18,221,192**	**$ 7,039,518**	**$ 5,613,494**	**$ 5,007,873**	**$ 5,229,625**	**$ 3,499,940**	**$ -**	**$ 44,611,642**
Other investment properties	**$ 10,778**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10,778**
Long term debt	**$ 1,363,829**	**$ 746,367**	**$ 1,266,918**	**$ -**	**$ -**	**$ -**	**$ 11,174,214**	**$ 14,551,328**

in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
								As of December 31, 2018
Investment properties:								
Land	$ 3,719,447	$ 1,437,932	$ 1,116,282	$ 992,039	$ 1,055,230	$ 743,581	$ -	$ 9,064,511
Buildings	14,877,782	5,751,731	4,465,131	3,968,156	4,220,922	2,974,324	-	36,258,046
	18,597,229	7,189,663	5,581,413	4,960,195	5,276,152	3,717,905	-	45,322,557
Rent leveling	153,202	45,932	55,510	62,066	41,450	46,334	-	404,494
Investment properties	**$ 18,750,431**	**$ 7,235,595**	**$ 5,636,923**	**$ 5,022,261**	**$ 5,317,602**	**$ 3,764,239**	**$ -**	**$ 45,727,051**
Assets held for sale	**$ -**	**$ 643,753**	**$ 444,239**	**$ -**	**$ -**	**$ 142,510**	**$ -**	**$ 1,230,502**
Long term debt	**$ 1,717,257**	**$ 977,274**	**$ 1,445,534**	**$ -**	**$ -**	**$ 113,384**	**$ 12,234,915**	**$ 16,488,364**

6. Earnings per CBFI

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

in thousands Mexican Pesos, except per CBFI	For the three months ended December 31 2019	For the three months ended December 31 2018	For the year ended December 31 2019	For the year ended December 31 2018
Basic and diluted earnings per CBFI (pesos)	$ 0.83	$ 1.38	$ 3.34	$ 4.63
Net income	540,895	887,567	2,159,193	2,972,203
Weighted average number of CBFIs (‘000)	**649,186**	**644,674**	**647,282**	**642,222**

As of December 31, 2019, FIBRAPL had 649,185,514 CBFIs which includes 4,511,692 issued to the Manager on December 11. See note 14.

7. Trade receivables

As of December 31, 2019 and 2018, trade receivables of FIBRAPL were as follows:

in thousands Mexican Pesos	December 31, 2019	December 31, 2018
Trade receivables	$ 80,614	$ 95,466
Allowance for uncollectable trade receivables	(23,744)	(29,299)
	$ 56,870	**$ 66,167**

8. Other receivables and value added tax

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

in thousands Mexican Pesos	December 31, 2019	December 31, 2018
Value added tax	$ -	$ 124,632
Other receivables	10,301	46,450
	$ 10,301	**$ 171,082**

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

9. Prepaid expenses

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

in thousands Mexican Pesos	December 31, 2019	December 31, 2018
Real estate tax	$ -	$ 7
Insurance	601	1,274
Other prepaid expenses	2,694	879
	$ 3,295	$ 2,160

10. Assets held for sale

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

11. Investment properties

FIBRAPL obtained a valuation from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $271,569 and $1,074,444 for the years ended December 31, 2019 and 2018, respectively.

a) As of December 31, 2019, investment properties were as follows:

Market	Fair value as of December 31, 2019	# of properties	Lease area in thousands of square feet
Mexico City	$ 18,221,192	54	13,530
Guadalajara	7,039,518	25	5,889
Monterrey	5,613,494	22	4,419
Tijuana	5,007,873	33	4,214
Reynosa	5,229,625	30	4,712
Juarez	3,499,940	28	3,234
Total	**$ 44,611,642**	**192**	**35,998**

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 $309,512.

As of December 31, 2019, the fair value of investment properties includes excess land in the Monterrey market of $111,915.

As of December 31, 2019 and 2018, the balance of investment properties included rent leveling assets of $420,465 and $404,494, respectively.

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

i) Valuation technique

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

ii) Significant unobservable inputs

	December 31, 2019
Occupancy rate	97.6%
Risk adjusted discount rates	from 8.0% to 11.25% Weighted average 8.86%
Risk adjusted capitalization rates	from 6.75% to 9.75% Weighted average 7.47%

iii) Interrelationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

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

b) The reconciliation of investment properties for the years ended December 31, 2019 and 2018 are as follows:

in thousands Mexican Pesos	For the year ended December 31, 2019	2018
Beginning balance	$ 45,727,051	$ 43,932,382
Assets held for sale realized	1,230,502	-
Translation effect from functional currency	(1,836,253)	(191,131)
Acquisition of investment properties	71,222	1,568,565
Acquisition costs	10,592	46,435
Disposition of investment properties	(1,363,020)	-
Capital expenditures, leasing commissions and tenant improvements	479,742	458,269
Rent leveling	15,971	68,589
Gain on valuation of investment properties	275,835	1,074,444
Assets held for sale	-	(1,230,502)
Ending balance of investment properties	**$ 44,611,642**	**$ 45,727,051**

c) During the years ended December 31, 2019 and 2018, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the year ended December 31, 2019	2018
Capital expenditures	$ 201,113	$ 183,069
Leasing commissions	142,092	114,063
Tenant improvements	136,537	161,137
	$ 479,742	**$ 458,269**

12. Other investment properties

On December 20, 2019, FIBRAPL acquired an industrial property located in Mexico City Market which leasable area is of 41,779 square feet includes 5,673 office square feet and fair value of $10,778.

13. Long term debt

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

				December 31, 2019		December 31, 2018	
	Denomination	Maturity date	Rate	thousands U. S. Dollars	thousands Mexican Pesos	thousands U. S. Dollars	thousands Mexican Pesos
Citibank (Unsecured) #1	USD	December 18, 2020	LIBOR+ 245bps	-	$ -	255,000	$ 5,012,433
Citibank NA Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	-	-	105,000	2,063,943
Citibank (Unsecured) #2	USD	July 18, 2022	LIBOR + 245bps	150,000	2,830,905	150,000	2,948,490
Citibank (Unsecured) #3	USD	March 15, 2023	LIBOR+ 245bps	225,000	4,246,358	225,000	4,422,735
Citibank (Unsecured) #4	USD	February 6, 2024	LIBOR+ 235bps	290,000	5,473,083	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
			Total	772,000	14,569,724	842,000	16,550,857
Long term debt interest accrued				1,552	29,298	1,207	23,726
Deferred financing cost				(2,527)	(47,694)	(4,387)	(86,219)
			Total debt	771,025	14,551,328	838,820	16,488,364
Less: Current portion of long term debt				1,552	29,298	1,207	23,726
Total long term debt				769,473	$ 14,522,030	837,613	$ 16,464,638

During the years ended December 31, 2019 and 2018, FIBRAPL paid interest on long term debt of $712,810 and $662,329 respectively, and principal of $3,097,965 and $2,675,521, respectively.

On February 6, 2019, FIBRA borrowed $290.0 million U.S. dollars ($5,473.1 million Mexican pesos) on a new senior unsecured term loan with Citibank (“Citibank (Unsecured) #4”), which matures on February 6, 2023, and carries an interest rate of LIBOR plus 235 basis points. The terms of the note contain a one-year extension option which may be extended at the borrower’s option upon written notice to Administrative Agent. The borrowings were used to repay the unsecured term loan Citibank, N.A. ("Citibank (Unsecured) #1"), in the amount of $255.0 million U.S. dollars ($4,866.0 million Mexican pesos) with Citibank N.A. as the administrative agent. FIBRAPL recognized a loss due to the extinguishment of debt by $0.8 million U.S. dollars ($15.7 million Mexican pesos). The borrowings were used to pay down $35.0 million U.S. dollars ($667.9 million Mexican pesos) of the Credit Facility with Citibank N.A.

As of September 30, 2018, FIBRAPL has an unsecured $325.0 million U.S. dollar revolving credit facility (the “Credit Facility”) with Citibank N.A. as the administrative agent; and $25.0 million U.S. dollars of the facility can be borrowed in Mexican pesos. FIBRAPL has an option to increase the Credit Facility by $150.0 million U.S. dollars. The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at (i) LIBOR plus 250 basis points denominated in U. S. dollars and (ii) TIIE (Interbank Balance Interest Rate from its name in Spanish) plus 220 basis points denominated in Mexican pesos, subject to loan to value grid, and an unused facility fee of 60 basis points. This Credit Facility matures on July 18, 2020, and contains two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's Risk Committee. As of December 31, 2019, FIBRAPL does not have a balance under the Credit Facility.

On March 15, 2018, FIBRA borrowed $225.0 million U.S. dollars ($4,246.4 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 lender's Risk Committee. The borrowings were used to pay down the existing credit facility.

FIBRAPL has a term loan with Citibank ("Citibank (Unsecured) #2") of $150.0 million U.S. dollars ($2,830.9 million Mexican pesos), which matures on July 18, 2020, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's 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 December 31, 2019, FIBRAPL was in compliance with all of its covenants.

14. Equity

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

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

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

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

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

On December 11 2019, FIBRAPL recorded 4,511,692 CBFIs issued based on the annual incentive fee approved in the ordinary holders meeting on July 2, 2019.

As of December 31, 2019, total CBFIs outstanding were 649,185,514.

15. 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, must be approved at the ordinary holders meeting 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 December 31, 2019 and 2018, FIBRAPL recorded an incentive fee expense in the amount of $172.6 million Mexican pesos ($8.7 million U.S. dollars) and $205.4 million Mexican pesos ($10.3 million U.S. dollars), respectively.

3. **Development Fee**: contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.

4. **Property Management Fee**: fee equal to 3.0% of the revenues generated by the properties, paid monthly.

5. **Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

b. Due to Affiliates

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

in thousands Mexican Pesos	December 31, 2019	December 31, 2018
Asset management fees	$ -	$ 34,062
Property management fees	9,363	9,551
Leasing Fee	39,798	8,863
	$ 49,161	**$ 52,476**

c. Transactions with affiliates

Transactions with affiliated companies for the three and years ended December 31, 2019 and 2018, were as follows:

	For the three months ended December 31,		For the year ended December 31,	
in thousands Mexican Pesos	2019	2018	2019	2018
Acquisition of properties	$ -	$ 1,310,084	$ -	$ 1,568,565
Dividends	$ 181,255	$ 175,845	$ 714,894	$ 677,507
Asset management fee	$ 85,883	$ 87,086	$ 338,503	$ 328,175
Property management fee	$ 27,620	$ 28,843	$ 114,491	$ 109,224
Leasing commissions	$ 9,792	$ 14,864	$ 33,251	$ 43,077
Development fee	$ -	$ 164	$ 6,980	$ 5,499
Maintenance costs	$ 3,143	$ 955	$ 9,521	$ 5,414
Incentive Fee*	$ -	$ -	$ 172,627	$ 205,364

**The transaction was executed with the Manager and 4,511,692 ($172.6 million Mexican pesos) in CBFIs issued on December 11, 2019.*

16. Hedging activities

As of December 20, 2019, FIBRAPL has liability of $61.7 million Mexican pesos related to interest rate swap contracts and an asset of $7.3 million Mexican pesos related to currency option contracts.

Interest Rate Swaps

As of December 31, 2019, FIBRAPL has two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 1.7462% and receives a variable rate based on one month LIBOR. The swaps mature on August 6, 2021 and they hedge the exposure to $240 million of the variable interest rate payments on the $290.0 million U.S. dollar (each swap maintains a $120.0 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #4). See note 13.

As of December 31, 2019, FIBRAPL has two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 2.486% and receives a variable rate based on one month LIBOR. The swaps mature on March 15, 2021 and they hedge the exposure to the variable interest rate payments on the $225.0 million U.S. dollar (each swap maintains a $112.5 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #3). See note 13.

As of December 31, 2019, FIBRAPL has two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 1.752% and receives a variable rate based on one month LIBOR. The swaps mature on October 18, 2020 and they hedge the exposure to the variable interest rate payments on the $150.0 million U.S. dollar (each swap maintains a $75.0 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #2). See note 13.

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 December 31, 2019, of ($61.7) million Mexican pesos has been recognized in other comprehensive income as unrealized loss on interest rate swaps.

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

Counterparty	Effective date	Maturity date	Notional amount*	December 31, 2019	December 31, 2018
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75.0	$ (1,382)	$ 19,320
HSBC Bank USA	October 18, 2017	October 18, 2020	75.0	(1,382)	19,315
Bank of Nova Scotia	April 16, 2018	March 15, 2021	112.5	(22,953)	(856)
HSBC Bank USA	April 16, 2018	March 15, 2021	112.5	(22,952)	(850)
Bank of Nova Scotia	June 23, 2016	August 6, 2021	120.0	(6,507)	16,126
HSBC Bank USA	June 23, 2016	August 6, 2021	120.0	(6,507)	24,146
				$ (61,683)	$ 77,201

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 December 20, 2019, FIBRAPL entered into a foreign currency rate option with HSBC Bank USA, National Association of $5.0 million U.S. dollars ($100.0 million Mexican pesos) to fix an option rate over its quarterly Mexican peso transactions.

						Fair value as of December 31, 2019	
Start date	End date	Settlement date	Forward rate	Fair Value	Notional amount in thousands of Mexican pesos	Thousands of Mexican pesos	Thousands of U.S. dollars
	Assets						
January 1, 2020	March 31, 2020	April 2, 2020	19.5000 USD-MXN	Level 2	$ 100,000	$ 136	$ 7
April 1, 2020	June 30, 2020	July 2, 2020	19.5000 USD-MXN	Level 2	$ 100,000	$ 1,217	$ 64
July 1, 2020	September 30, 2020	October 2, 2020	19.5000 USD-MXN	Level 2	$ 100,000	$ 2,385	$ 126
October 1, 2020	December 31, 2020	January 5, 2021	19.5000 USD-MXN	Level 2	$ 100,000	$ 3,600	$ 191
			Total			$ 7,338	$ 388

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

As of December 31, 2019, the fair value of the currency rate options were $7.3 million Mexican pesos.

17. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of December 31, 2019.

18. Financial statements approval

On January 15 2020, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

* * * * * * * * * *


Altos #5, Guadalajara, Mexico

FOURTH QUARTER 2019

FIBRA Prologis Supplemental Financial Information

Unaudited

FIBRA PROLOGIS

U.S. Dollar Presentation

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.

Colonial Industrial Center #1 Reynosa, Mexico

FIBRA PROLOGIS

Table of Contents

Tres Rios #8, Mexico City Mexico

FIBRA PROLOGIS

A. Terms used throughout document are defined in the Notes and Definitions

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of December 31, 2019, FIBRA Prologis was comprised of 191 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.9 million square feet (3.2 million square meters) of GLA.

MARKET PRESENCE

97.6% Occupancy

TOTAL MARKETS

GLA	% Net Effective Rent
34.9 MSF	100%

REGIONAL MARKETS
(manufacturing-driven)
Ciudad Juarez, Reynosa, Tijuana

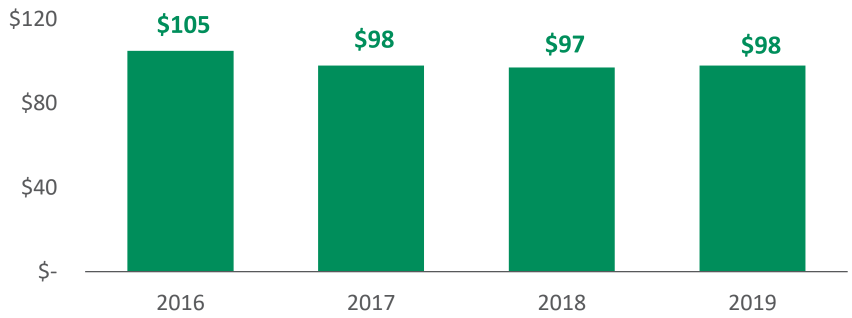
GLA	% Net Effective Rent	Occupancy
12.2 MSF	33.6%	97.5%

GLOBAL MARKETS
(consumption-driven)
Guadalajara, Mexico City, Monterrey

GLA	% Net Effective Rent	Occupancy
22.7 MSF	66.4%	97.7%

FFO, AS MODIFIED BY FIBRA PROLOGIS

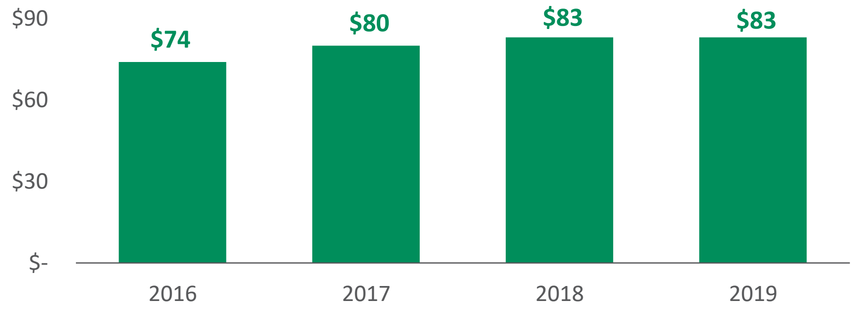
(in millions of US$)



*FFO, as modified by FIBRA Prologis including incentive fee

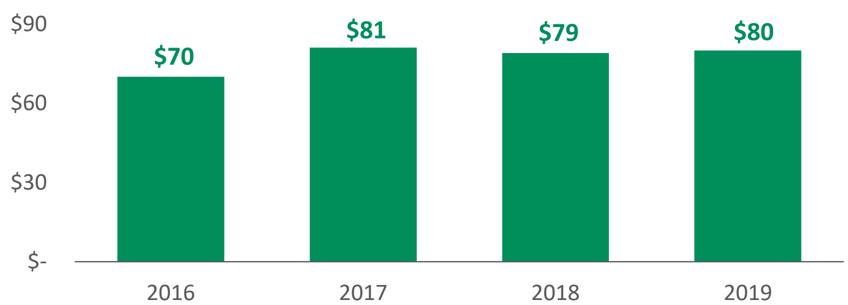
AFFO

(in millions of US$)



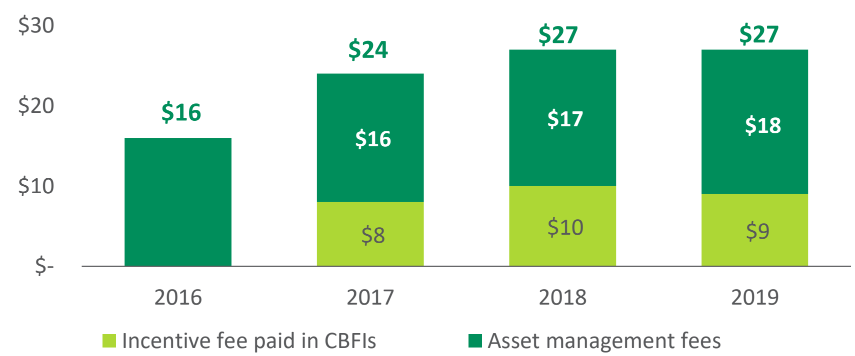
DISTRIBUTIONS

(in millions of US$)



ASSET MANAGEMENT FEES AND INCENTIVE FEE

(in millions of US$)



Highlights

Company Performance

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									
	December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019		December 31, 2018	
	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)
Revenues	950,553	48,914	943,481	48,551	938,813	49,128	991,918	51,236	959,053	48,553
Gross Profit	831,042	42,690	791,108	40,818	817,517	42,741	861,501	44,437	815,737	41,361
Net Income	540,895	27,172	460,107	23,836	482,694	25,434	675,497	34,671	887,567	44,248
FFO, as modified by FIBRA Prologis	484,622	24,255	502,518	26,021	364,053	19,226	561,989	28,791	501,703	24,803
FFO, as modified by FIBRA Prologis excluding incentive fee	484,622	24,255	502,518	26,021	536,680	27,962	561,989	28,791	501,703	24,803
AFFO	285,764	13,977	428,785	22,232	455,026	23,580	456,058	23,304	338,575	16,644
Adjusted EBITDA	703,883	36,101	697,815	36,063	722,630	37,655	738,500	38,042	731,378	36,431
Earnings per CBFI	0.8332	0.0419	0.7087	0.0367	0.7487	0.0395	1.0478	0.0538	1.3768	0.0686
FFO per CBFI	0.7465	0.0374	0.7741	0.0401	0.5647	0.0298	0.8717	0.0447	0.7782	0.0385
FFO per CBFI excluding incentive fee	0.7465	0.0374	0.7741	0.0401	0.8325	0.0434	0.8717	0.0447	0.7782	0.0385

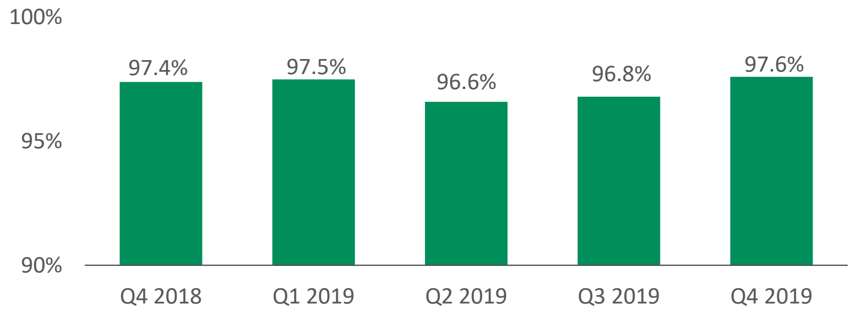
FIBRA PROLOGIS®

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

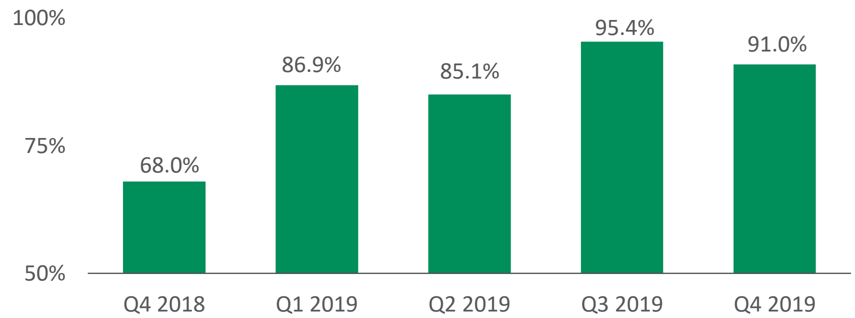
Highlights

Operating Performance

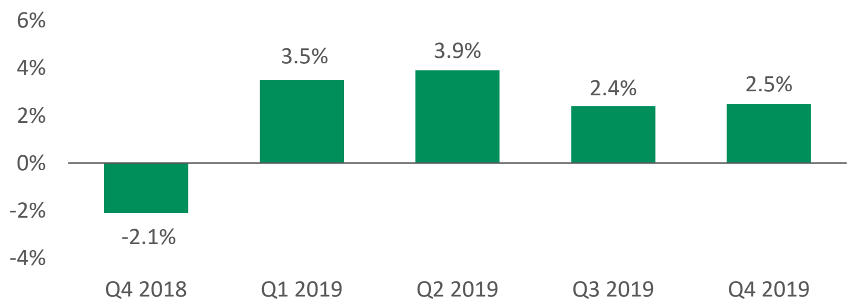
PERIOD END OCCUPANCY – OPERATING PORTFOLIO



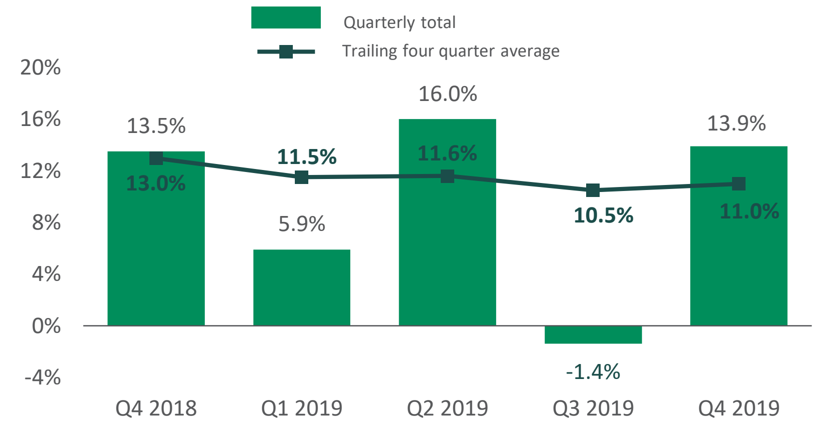
WEIGHTED AVERAGE CUSTOMER RETENTION



SAME STORE CASH NOI CHANGE OVER PRIOR YEAR (A)



NET EFFECTIVE RENT CHANGE



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

Highlights
2019 Guidance and Actuals

US Dollars in thousands except per CBFI amounts

Financial Performance		Low		High		Actuals
Full year FFO per CBFI excluding incentive fee [(A)]	$	**0.1600**	$	**0.1650**	$	**0.1654**
Full year FFO per CBFI including incentive fee	$	**0.1425**	$	**0.1500**	$	**0.1519**
Operations						
Year-end occupancy		96.0%		97.0%		97.6%
Same store cash NOI change		3.0%		4.0%		3.1%
Annual capex as a percentage of NOI		14.0%		15.0%		14.6%
Capital Deployment						
Building dispositions	$	50,000	$	70,000	$	72,000
Other Assumptions						
G&A (Asset management and professional fees) [(B)]	$	20,000	$	22,000	$	20,000
Full year 2019 distribution per CBFI (US Dollars)	$	0.1240	$	0.1240	$	0.1240

FIBRA PROLOGIS®

(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.

Highlights

2020 Guidance

US Dollars in thousands except per CBFI amounts

Financial Peformance		Low		High
Full year FFO per CBFI excluding incentive fee (A)	**$**	**0.1700**	**$**	**0.1775**
Operations				
Year-end occupancy		96.0%		97.0%
Same store cash NOI change		1.5%		2.5%
Annual capex as a percentage of NOI		14.0%		15.0%
Capital Deployment				
Building Acquisitions	$	60,000	$	80,000
Other Assumptions				
G&A (Asset management and professional fees) (B)	$	20,000	$	21,000
Full year 2020 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 $19.50 pesos per $1.00 U.S Dollar.

FIBRA PROLOGIS®

Financial Information

Interim Condensed Statements of Financial Position

in thousands	December 31, 2019		December 31, 2018	
Assets:	**Ps.**	**US$**	**Ps.**	**US$**
Current assets:				
Cash	182,792	9,687	339,276	17,261
Trade receivables	56,870	3,012	66,167	3,367
Other receivables and value added tax	10,301	546	171,082	8,703
Prepaid expenses	3,295	174	2,160	110
Assets held for sale	-	-	1,230,502	62,600
	253,258	**13,419**	**1,809,187**	**92,041**
Non-current assets:				
Investment properties	44,611,642	2,363,819	45,727,051	2,326,293
Other investment properties	10,778	571	-	-
Hedge instruments	-	-	77,201	3,927
Exchange rate options	7,338	389	-	-
Other assets	43,386	2,298	47,713	2,429
	44,673,144	**2,367,077**	**45,851,965**	**2,332,649**
Total assets	**44,926,402**	**2,380,496**	**47,661,152**	**2,424,690**
Liabilities and Equity:				
Current liabilities:				
Trade payables	69,159	3,666	121,559	6,185
Value added tax payables	356	19	-	-
Due to affiliates	49,161	2,605	52,476	2,669
Current portion of long term debt	29,298	1,552	23,726	1,207
Liabilities related to assets held for sale	-	-	6,815	347
	147,974	**7,842**	**204,576**	**10,408**
Non-current liabilities:				
Long term debt	14,522,030	769,473	16,464,638	837,613
Security deposits	280,342	14,854	292,761	14,893
Hedge Instruments	61,683	3,268	-	-
	14,864,055	**787,595**	**16,757,399**	**852,506**
Total liabilities	**15,012,029**	**795,437**	**16,961,975**	**862,914**
Equity:				
CBFI holders capital	14,124,954	978,392	13,952,327	1,016,741
Other equity accounts and retained earnings	15,789,419	606,667	16,746,850	545,035
Total equity	**29,914,373**	**1,585,059**	**30,699,177**	**1,561,776**
Total liabilities and equity	**44,926,402**	**2,380,496**	**47,661,152**	**2,424,690**

FIBRA PROLOGIS®

Financial Information

Interim Condensed Statements of Comprehensive Income

in thousands, except per CBFI amounts	For the three months ended December 31,				For the year ended December 31,			
	2019		2018		2019		2018	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Revenues:								
Lease rental income	841,959	43,307	854,337	43,260	3,383,106	174,965	3,279,632	170,655
Rental recoveries	90,850	4,677	94,314	4,765	371,620	19,214	335,639	17,388
Other property income	17,744	930	10,402	528	70,039	3,650	58,212	3,016
	950,553	**48,914**	**959,053**	**48,553**	**3,824,765**	**197,829**	**3,673,483**	**191,059**
Cost and expenses:								
Property operating expenses:								
Operating and maintenance	61,931	3,199	60,014	3,045	241,922	12,522	203,211	10,568
Utilities	6,495	338	22,024	1,100	45,808	2,379	55,833	2,878
Property management fees	27,620	1,446	28,843	1,435	114,491	5,978	109,224	5,688
Real estate taxes	19,025	971	15,365	790	72,514	3,695	67,058	3,449
Non-recoverable operating	4,440	270	17,070	822	48,862	2,569	38,548	2,014
	119,511	**6,224**	**143,316**	**7,192**	**523,597**	**27,143**	**473,874**	**24,597**
Gross profit	**831,042**	**42,690**	**815,737**	**41,361**	**3,301,168**	**170,686**	**3,199,609**	**166,462**
Other expenses (income):								
Gain on valuation of investment properties	(51,607)	(2,678)	(377,221)	(19,072)	(275,835)	(14,548)	(1,074,444)	(55,219)
Asset management fees	85,883	4,435	87,086	4,369	338,503	17,631	328,175	16,974
Incentive fee	-	-	-	-	172,627	8,736	205,364	10,337
Professional fees	6,079	290	19,469	1,658	34,034	1,741	52,125	3,429
Interest expense	159,216	8,739	184,720	9,373	677,511	35,655	647,972	33,710
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Amortization of deferred financing cost	11,660	607	15,314	767	53,065	2,769	56,414	2,934
Net loss (gain) on early extinguishment of debt	-	-	-	-	18,638	969	(4,027)	(231)
Unused credit facility fee	9,121	486	7,711	383	35,494	1,858	29,566	1,542
Unrealized loss on exchange rate hedge instruments	1,136	60	-	-	13,274	688	6,159	340
Realized loss on exchange rate hedge instruments	810	43	105	5	1,450	76	9,100	458
Net Unrealized exchange gain	(5,802)	(299)	(8,643)	(373)	(2,088)	(108)	(34,996)	(1,764)
Net Realized exchange gain	(5,034)	(265)	(4,696)	(241)	(13,336)	(692)	(2,506)	(126)
Taxes non recoverable	77,777	4,053	-	-	77,777	4,053	-	-
Other general and administrative expenses	908	47	4,325	244	10,861	566	13,143	703
	290,147	**15,518**	**(71,830)**	**(2,887)**	**1,141,975**	**59,394**	**227,406**	**12,839**
Net income	**540,895**	**27,172**	**887,567**	**44,248**	**2,159,193**	**111,292**	**2,972,203**	**153,623**
Other comprehensive income:								
Items that are not reclassified subsequently to profit or loss:								
Translation loss (gain) from functional currency to reporting currency	1,380,230	10,579	(1,286,915)	(158)	1,453,670	10,033	142,158	(621)
Items that are or may be reclassified subsequently to profit or loss:								
Unrealized (gain) loss on interest rate swaps	(16,571)	(878)	82,813	4,213	136,202	6,991	9,271	345
	1,363,659	**9,701**	**(1,204,102)**	**4,055**	**1,589,872**	**17,024**	**151,429**	**(276)**
Total comprehensive income (loss) for the period	**(822,764)**	**17,471**	**2,091,669**	**40,193**	**569,321**	**94,268**	**2,820,774**	**153,899**
Earnings per CBFI (A)	**0.8332**	**0.0419**	**1.3768**	**0.0686**	**3.3358**	**0.1719**	**4.6280**	**0.2392**

(A) See calculation of Earnings per CBFI in Notes and Definitions.

Financial Information

Reconciliations of Net Income to FFO, AFFO and EBITDA

in thousands	For the three months ended December 31,				For the year ended December 31,			
	2019		2018		2019		2018	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Reconciliation of Net Income to FFO and AFFO								
Net Income	**540,895**	**27,172**	**887,567**	**44,248**	**2,159,193**	**111,292**	**2,972,203**	**153,623**
Adjustments to arrive at FFO, as defined by FIBRA Prologis:								
Gain on valuation of investment properties	(51,607)	(2,678)	(377,221)	(19,072)	(275,835)	(14,548)	(1,074,444)	(55,219)
Unrealized loss on exchange rate hedge instruments	1,136	60	-	-	13,274	688	6,159	340
Net unrealized exchange loss gain	(5,802)	(299)	(8,643)	(373)	(2,088)	(108)	(34,996)	(1,764)
Net loss (gain) on early extinguishment of debt	-	-	-	-	18,638	969	(4,027)	(231)
FFO, as modified by FIBRA Prologis	**484,622**	**24,255**	**501,703**	**24,803**	**1,913,182**	**98,293**	**1,864,895**	**96,749**
Incentive fee paid in CBFIs	-	-	-	-	172,627	8,736	205,364	10,337
FFO, as modified by FIBRA Prologis excluding incentive fee	**484,622**	**24,255**	**501,703**	**24,803**	**2,085,809**	**107,029**	**2,070,259**	**107,086**
FFO, as modified by FIBRA Prologis	484,622	24,255	501,703	24,803	1,913,182	98,293	1,864,895	96,749
Adjustments to arrive at Adjusted FFO ("AFFO")								
Straight-lined rents	(19,786)	(1,027)	(15,134)	(740)	(33,498)	(1,811)	(61,273)	(3,171)
Property improvements	(70,647)	(3,644)	(63,492)	(3,141)	(201,113)	(10,446)	(183,069)	(9,408)
Tenant improvements	(48,998)	(2,546)	(51,138)	(2,564)	(136,537)	(7,097)	(161,137)	(8,333)
Leasing commissions	(71,087)	(3,668)	(48,678)	(2,481)	(142,092)	(7,351)	(114,063)	(5,938)
Amortization of deferred financing costs	11,660	607	15,314	767	53,065	2,769	56,414	2,934
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Incentive fee paid in CBFIs	-	-	-	-	172,627	8,736	205,364	10,337
AFFO	**285,764**	**13,977**	**338,575**	**16,644**	**1,625,634**	**83,093**	**1,602,492**	**82,922**

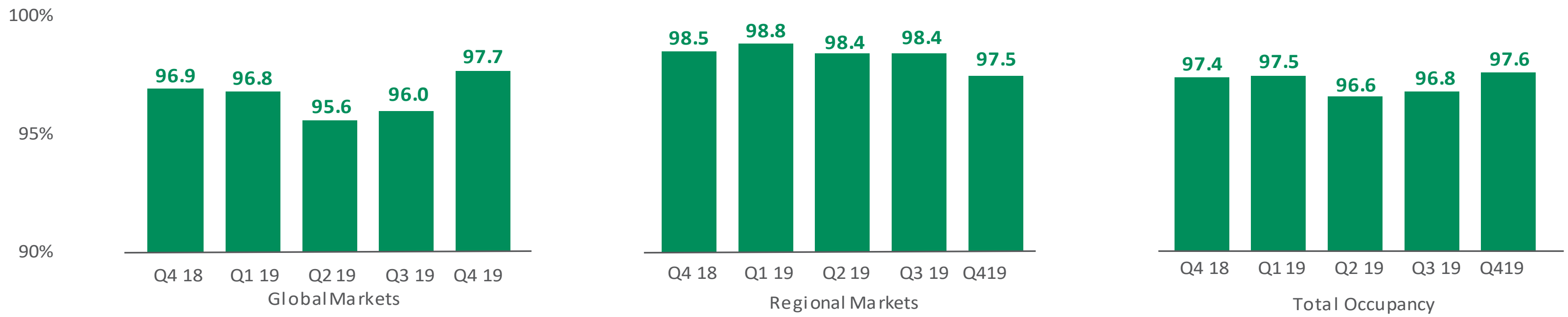
in thousands	For the three months ended December 31,				For the year ended December 31,			
	2019		2018		2019		2018	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Reconciliation of Net Income to Adjusted EBITDA								
Net income	540,895	27,172	887,567	44,248	2,159,193	111,292	2,972,203	153,623
Gain on valuation of investment properties	(51,607)	(2,678)	(377,221)	(19,072)	(275,835)	(14,548)	(1,074,444)	(55,219)
Interest expense	159,216	8,739	184,720	9,373	677,511	35,655	647,972	33,710
Amortization of deferred financing costs	11,660	607	15,314	767	53,065	2,769	56,414	2,934
Amortization of debt premium	-	-	-	-	-	-	(4,639)	(248)
Net loss (gain) on early extinguishment of debt	-	-	-	-	18,638	969	(4,027)	(231)
Unused credit facility fee	9,121	486	7,711	383	35,494	1,858	29,550	1,542
Unrealized loss on exchange rate hedge instruments	1,136	60	-	-	13,274	688	6,159	340
Net unrealized exchange loss gain	(5,802)	(299)	(8,643)	(373)	(2,088)	(108)	(34,996)	(1,764)
Pro forma adjustments for dispositions	-	-	21,930	1,105	(28,315)	(1,464)	74,575	3,876
Incentive fee paid in CBFIs	-	-	-	-	172,627	8,736	205,364	10,337
Witholding tax non recoverable	39,264	2,014	-	-	39,264	2,014	-	-
Adjusted EBITDA	**703,883**	**36,101**	**731,378**	**36,431**	**2,862,828**	**147,861**	**2,874,131**	**148,900**

FIBRA PROLOGIS®

Operations Overview

Operating Metrics

PERIOD ENDING OCCUPANCY - OPERATING PORTFOLIO



square feet in thousands

LEASING ACTIVITY

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Square feet of leases commenced:					
Renewals	1,068	1,340	1,650	653	2,109
New leases	735	253	357	126	630
Total square feet of leases commenced	**1,803**	**1,593**	**2,007**	**779**	**2,739**
Average term of leases commenced (months)	86	54	69	37	75
Operating Portfolio:					
Trailing four quarters - leases commenced	8,666	8,654	8,374	6,182	7,118
Trailing four quarters - % of average portfolio	24.9%	24.7%	23.8%	17.6%	20.3%
Rent change - cash	**-2.0%**	**-5.2%**	**-3.6%**	**-0.7%**	**-2.4%**
Rent change - net effective	**13.5%**	**5.9%**	**16.0%**	**-1.4%**	**13.9%**

Operations

Operating Metrics – Owned and Managed

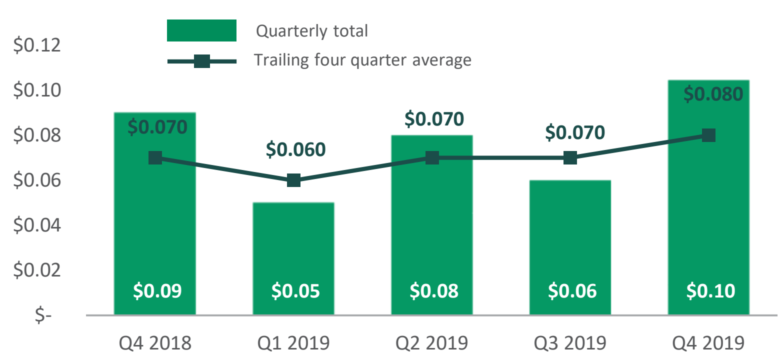
CAPITAL EXPENDITURES INCURRED (A) IN THOUSANDS

	Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Property improvements	63,492	3,141	37,713	1,970	52,734	2,764	40,019	2,068	70,647	3,644
Tenant improvements	51,138	2,564	32,773	1,710	20,311	1,066	34,456	1,775	48,998	2,546
Leasing commissions	48,678	2,481	31,016	1,618	20,085	1,051	19,904	1,014	71,087	3,668
Total turnover costs	99,816	5,045	63,789	3,328	40,396	2,117	54,360	2,789	120,085	6,214
Total capital expenditures	**163,308**	**8,186**	**101,502**	**5,298**	**93,130**	**4,881**	**94,379**	**4,857**	**190,732**	**9,858**
Trailing four quarters - % of gross NOI		14.2%		13.6%		13.8%		13.7%		14.6%

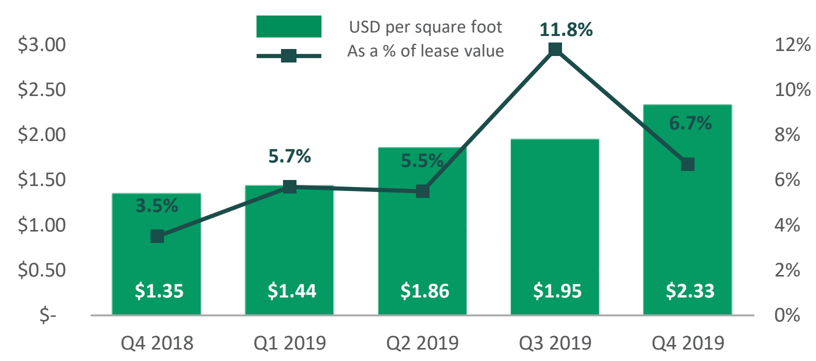
SAME STORE INFORMATION

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Square feet of population	34,167	33,362	33,030	33,030	33,024
Average occupancy	96.5%	97.1%	100.0%	96.3%	96.6%
Percentage change:					
Rental income- cash	(0.2%)	7.3%	6.3%	4.2%	1.7%
Rental expenses- cash	9.4%	30.3%	19.7%	11.8%	(1.5%)
NOI - Cash	(2.1%)	3.5%	3.9%	2.4%	2.5%
NOI - net effective	(1.9%)	2.1%	0.9%	1.5%	3.3%
Average occupancy	(2.0%)	1.2%	(1.4%)	0.4%	0.1%

PROPERTY IMPROVEMENTS PER SQUARE FOOT (USD)



ESTIMATED TURNOVER COSTS ON LEASES COMMENCED (A)



A. The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate then in effect, Incurred turnover costs do not necessarily coincide with leases that commenced during the quarter.

Operations Overview

Investment Properties

square feet and currency in thousands		Square Feet						Net Effective Rent					Investment Properties Value		
	# of Buildings	Total	% of Total	Occupied %	Leased %	Fourth Quarter NOI		Annualized		% of Total	Per Sq Ft		Total		% of Total
						Ps.	US$	Ps.	US$		Ps.	US$	Ps.	US$	
Global Markets															
Mexico City	52	12,399	35.5	98.1	98.1	305,054	15,670	1,308,066	69,310	38.1	108	5.70	17,843,190	945,450	40.0
Guadalajara	25	5,889	16.9	98.3	98.3	139,454	7,164	556,820	29,504	16.2	96	5.09	7,039,517	373,000	15.8
Monterrey	22	4,419	12.7	95.6	95.6	104,826	5,385	415,690	22,026	12.1	98	5.21	5,501,581	291,510	12.3
Total global markets	**99**	**22,707**	**65.1**	**97.7**	**97.7**	**549,334**	**28,219**	**2,280,576**	**120,840**	**66.4**	**103**	**5.45**	**30,384,288**	**1,609,960**	**68.1**
Regional markets															
Reynosa	30	4,712	13.5	98.7	98.7	118,890	6,107	473,497	25,089	13.8	102	5.39	5,229,625	277,100	11.7
Tijuana	33	4,208	12.1	98.5	98.5	90,306	4,639	392,628	20,804	11.4	95	5.02	5,007,871	265,350	11.2
Ciudad Juarez	28	3,235	9.3	94.6	94.6	66,263	3,404	286,997	15,207	8.4	94	4.97	3,499,942	185,450	7.8
Total regional markets	**91**	**12,155**	**34.8**	**97.5**	**97.5**	**275,459**	**14,150**	**1,153,122**	**61,100**	**33.6**	**97**	**5.15**	**13,737,438**	**727,900**	**30.7**
Total operating portfolio	**190**	**34,862**	**99.9**	**97.6**	**97.6**	**824,793**	**42,369**	**3,433,698**	**181,940**	**100.0**	**101**	**5.35**	**44,121,726**	**2,337,860**	**98.8**
VAA Mexico City [(A)]	1	36	0.1	0	0								68,489	3,629	0.2
Total operating properties	**191**	**34,898**	**100.0**	**97.5**	**97.5**	**824,793**	**42,369**	**3,433,698**	**181,940**	**100**	**101**	**5.35**	**44,190,215**	**2,341,489**	**99.0**
Intermodal facility [(B)]						6,249	321						309,512	16,400	0.7
Excess land [(C)]													111,915	5,930	0.3
Other investment properties [(D)]													10,778	571	0.0
Total investment properties		**34,898**	**100.0**			**831,042**	**42,690**						**44,622,420**	**2,364,390**	**100.0**

A. On December 20, 2019, we acquired vacant buildings in Mexico City with leasable area of 36,106 square feet and fair value of $3.6 million. See Notes and Definitions for more information.
B. 100% occupied as of December 31, 2019.
C. We have 20.75 acres of land in Monterrey that has an estimated build out of 305,948 square feet and an expansion project of 99,400 square feet under development as of December 31, 2019
D. On December 20, 2019, we acquired a 5,673 square foot office property located in Mexico City Market with a fair value of $0.6 million.

FIBRA PROLOGIS®

Operations Overview

Customer Information

Top 10 Customers as % of Net Effective Rent

	% of Net Effective Rent	Total Square Feet
1 IBM de México, S. de R.L	3.6%	1,301
2 DHL	2.8%	994
3 Geodis	2.7%	796
4 LG, Inc.	2.1%	694
5 Ryder System Inc.	1.6%	527
6 Kuehne & Nagel	1.4%	559
7 Johnson Controls Inc.	1.4%	451
8 Uline	1.4%	501
9 Amazon.Com, Inc.	1.4%	374
10 Panalpina	1.4%	408
Top 10 Customers	**19.8%**	**6,605**

square feet and currency in thousands

Lease Expirations - Operating Portfolio

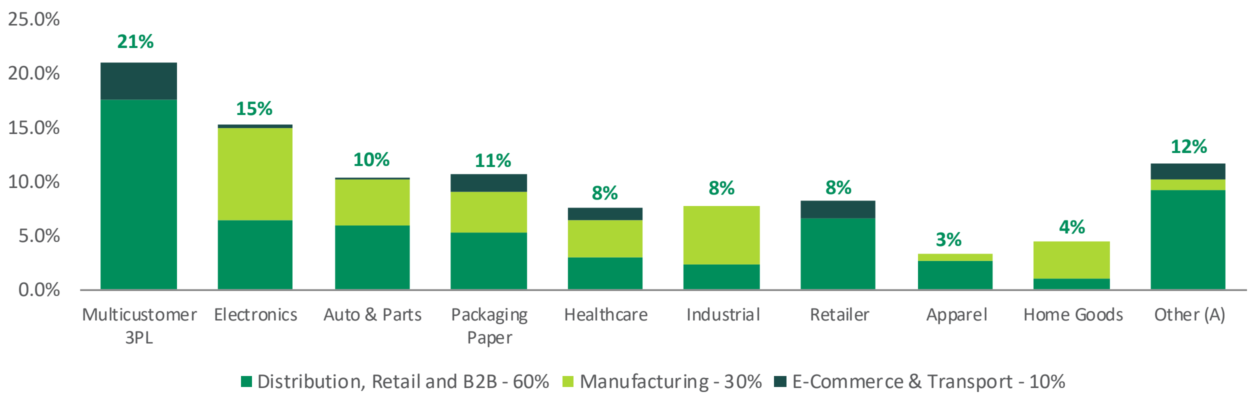
Year	Occupied Sq Ft	Net Effective Rent Total		% of Total	Per Sq Ft		% Currency	
		Ps.	US$		Ps.	US$	%Ps.	%US$
2020	5,808	566,464	30,015	16%	97.53	5.17	28%	72%
2021	4,753	490,218	25,975	14%	103.14	5.47	45%	55%
2022	5,061	507,430	26,887	15%	100.26	5.31	50%	50%
2023	4,549	442,036	23,422	13%	97.17	5.15	33%	67%
2024	3,121	315,740	16,730	9%	101.18	5.36	16%	84%
Month to month	386	29,404	1,558	1%	76.21	4.04	58%	42%
Thereafter	10,362	1,082,406	57,353	32%	104.46	5.54	26%	74%
	34,040	**3,433,698**	**181,940**	**100%**	**100.9**	**5.35**	**33%**	**67%**

Lease Currency - Operating Portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	59,771	32.9	10,924	32.1
Leases denominated in US$	122,169	67.1	23,116	67.9
Total	**181,940**	**100**	**34,040**	**100**

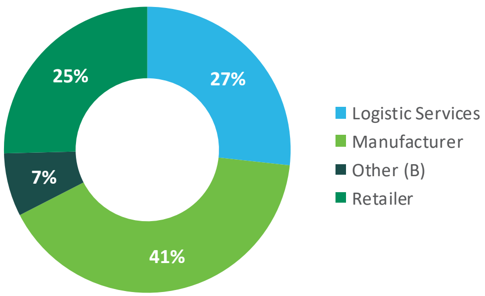
USE OF SPACE BY CUSTOMER INDUSTRY

% of Portfolio NER



CUSTOMER TYPE

% of Portfolio NER



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

Capital Deployment

Acquisitions

square feet and currency in thousands

	Q4 2019			FY 2019		
	Sq Ft	Acquisition Price [A]		Sq Ft	Acquisition Price [A]	
		Ps.	US$		Ps.	US$
BUILDING ACQUISITIONS						
Global Markets						
Mexico City	42	96,278	5,079	42	96,278	5,079
Guadalajara						
Monterrey						
Total Global Markets	**42**	**96,278**	**5,079**	**42**	**96,278**	**5,079**
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-			
Total Regional Markets	**-**	**-**	**-**	**-**	**-**	**-**
Total Building Acquisitions	**42**	**96,278**	**5,079**	**42**	**96,278**	**5,079**
Weighted average stabilized cap rate						**8.0%**

FIBRA PROLOGIS

A. The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate in the sales agreement.

Capital Deployment
Dispositions

square feet and currency in thousands

	Q4 2019			FY 2019		
	Sq Ft	Sales Price (A)		Sq Ft	Sales Price (A)	
		Ps.	US$		Ps.	US$
BUILDING DISPOSITIONS						
Global Markets						
Mexico City	-	-	-	-	-	-
Guadalajara				518	557,903	29,498
Monterrey				416	461,290	24,400
Total Global Markets	**-**	**-**	**-**	**934**	**1,019,193**	**53,898**
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	332	340,779	18,062
Total Regional Markets	**-**	**-**	**-**	**332**	**340,779**	**18,062**
Total Building Dispositions	**-**	**-**	**-**	**1,266**	**1,359,972**	**71,960**
Weighted average stabilized cap rate						**8.2%**

A. The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate in the sales agreement.

FIBRA PROLOGIS

Capitalization

Debt Summary and Metrics

currency in millions

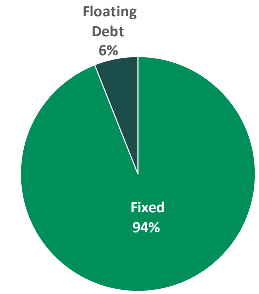
Maturity	Unsecured				Secured		Total		Wtd Avg. Cash	Wtd Avg. Effective
	Credit Facility		Senior		Mortgage Debt				Interest Rate [A]	Interest Rate [B]
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$		
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	2,831	150	-	-	2,831	150	4.2%	4.4%
2023	-	-	4,246	225	-	-	4,246	225	4.9%	5.1%
Thereafter	-	-	5,473	290	2,019	107	7,492	397	4.7%	4.7%
Subtotal- debt par value	**-**	**-**	**12,550**	**665**	**2,019**	**107**	**14,569**	**772**		
Interest payable and deferred financing cost	-	-	-	-	(28)	(1)	(28)	(1)		
Total debt	**-**	**-**	**12,550**	**665**	**1,991**	**106**	**14,541**	**771**	**4.5%**	**4.6%**
Weighted average cash interest rate [A]		-		4.4%		4.7%		4.5%		
Weighted average effective interest rate [B]		-		4.6%		4.7%		4.6%		
Weighted average remaining maturity in years		-		3.4		6.1		3.8		

currency in millions

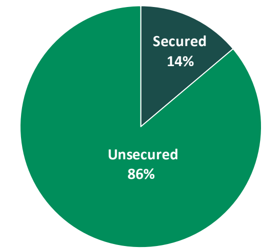
Liquidity	Ps.	US$
Aggregate lender commitments	6,134	325
Less:	-	-
Borrowings outstanding	-	-
Outstanding letters of credit	-	-
Current availability	6,134	325
Unrestricted cash	183	10
Total liquidity	**6,317**	**335**

Debt Metrics [C]	2019	
	Fourth Quarter	Third Quarter
Debt, less cash and VAT, as % of investment properties	32.2%	32.0%
Fixed charge coverage ratio	3.36x	4.04x
Fixed charge coverage ratio, excluding realized exchange loss from		
Debt to Adjusted EBITDA	5.28x	5.20x

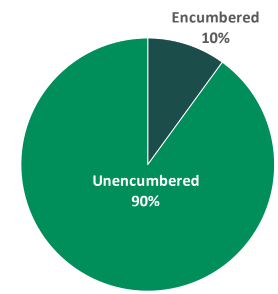
FIXED VS. FLOATING DEBT [D]



SECURED VS. UNSECURED DEBT



ENCUMBERED VS. UNENCUMBERED ASSETS POOL [E]



A. Interest rates are based on the cash rates associated with the respective weighted average debt amounts outstanding.
B. Interest rate is based on the effective rate, which includes the amortization of related premiums (discounts) and finance costs. The net premiums (discounts) and finance costs associated with the respective debt were included in the maturities by year.
C. These calculations are based on actual U.S. Dollars as described in the Notes and Definitions section and are not calculated in accordance with the applicable regulatory rules.
D. Includes the interest rate swap contract.
E. Based on fair market value as of December 31, 2019.

FIBRA PROLOGIS®

Sponsor

Prologis Unmatched Global Platform [A]

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2019, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 814 million square feet (76 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,000 customers across two major categories: business-to-business and retail/online fulfillment.

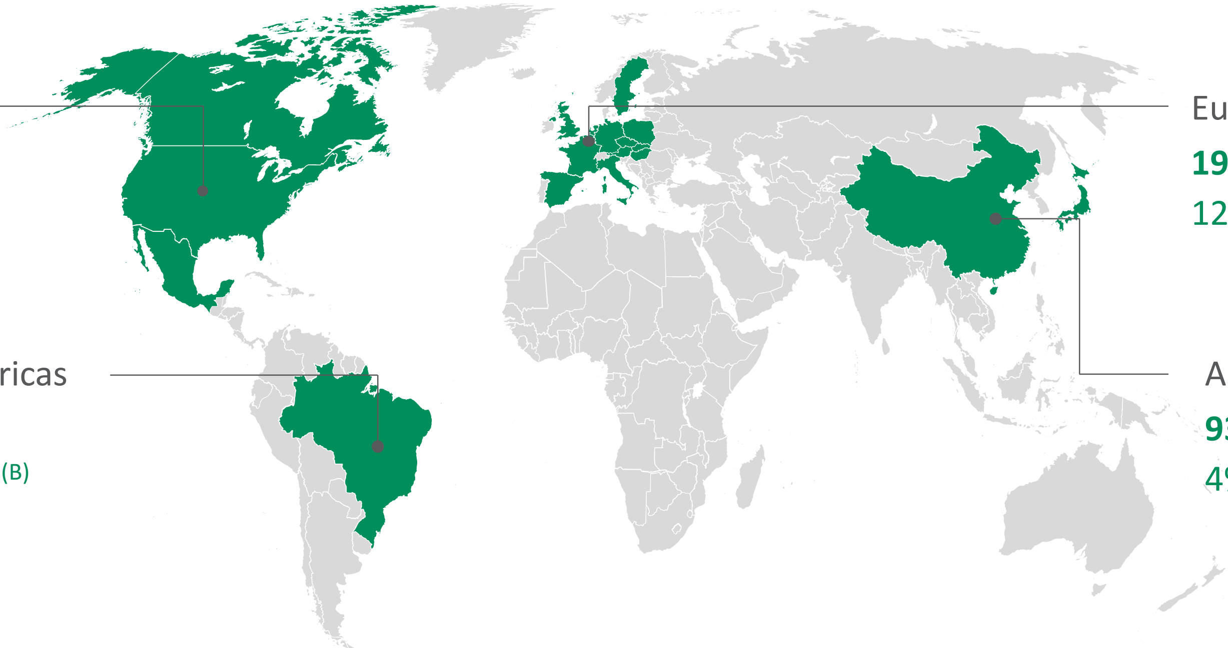
3,840
Buildings

814M
Square Feet

5,000
Customers

U.S.
464M SF
78% of NOI*[B]

Other Americas
62M SF
6% of NOI*[B]



Europe
195M SF
12% of NOI*[B]

Asia
93M SF
4% of NOI*[B]

- For a definition of Prologis' NOI please refer to the Supplemental Financial Report available at the Investor Relations section of www.prologis.com.

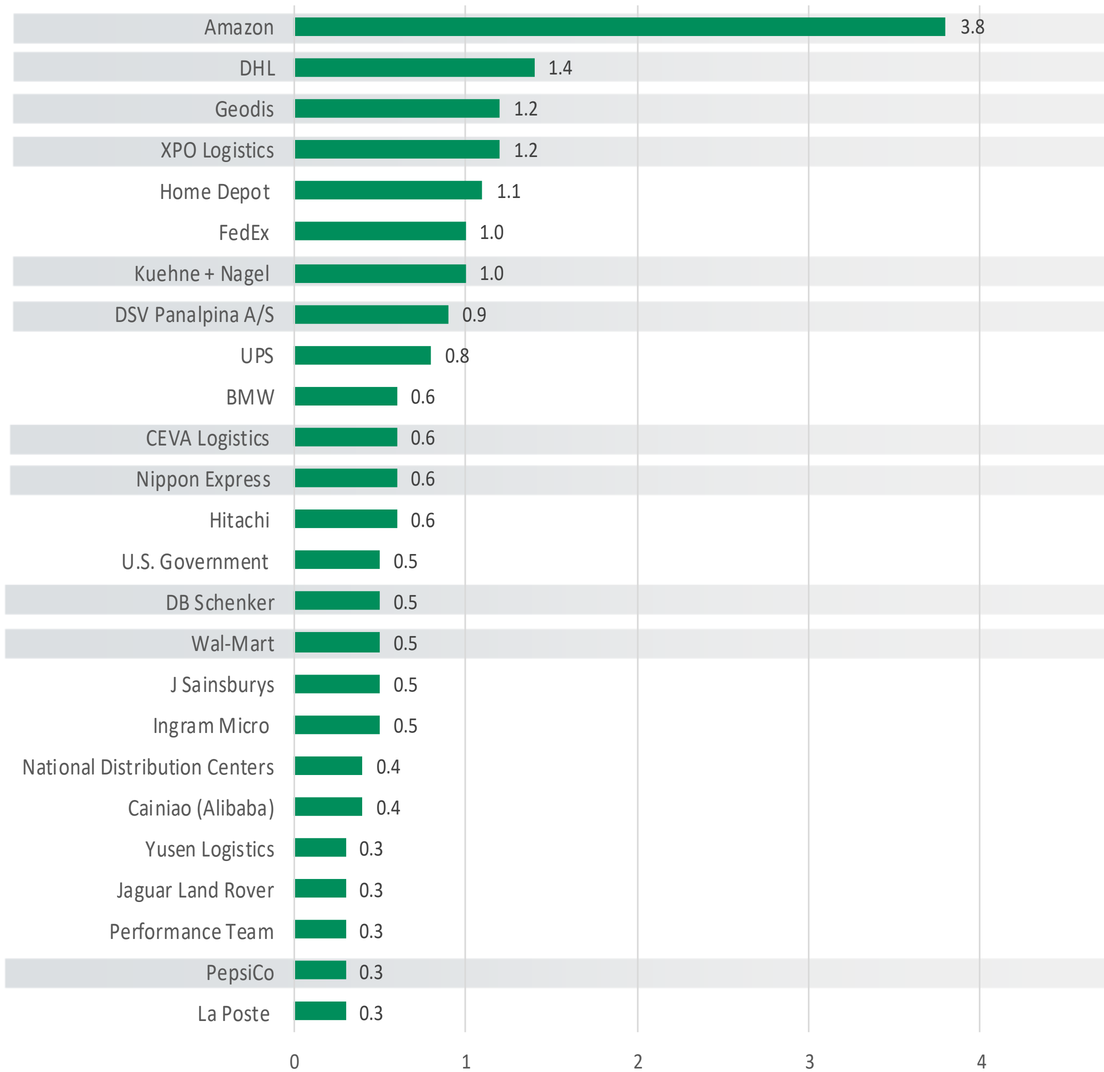
A. This excludes the IPT portfolio acquisition of 236 buildings totaling approximately 38 million square feet on January 8, 2020.
B. NOI calculation based on Prologis share of the Operating Portfolio.

FIBRA PROLOGIS®

Sponsor

Prologis Global Customer Relationships (A)

(% Net Effective Rent)



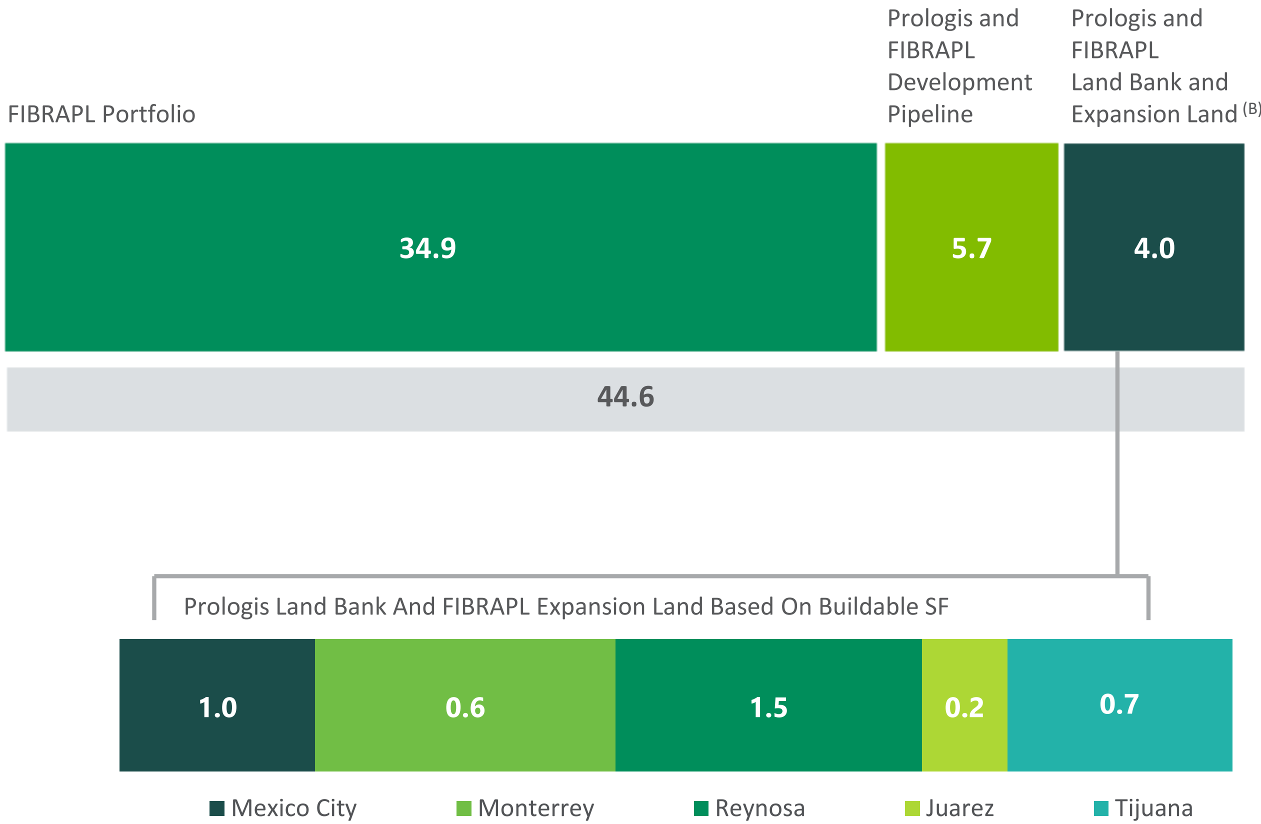
(A) Data as of December 31, 2019. The shading represents customers who are also customers of FIBRA Prologis.

Sponsor

Identified External Growth Pipeline

EXTERNAL GROWTH VIA PROLOGIS DEVELOPMENT PIPELINE

(MSF) [A]



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

	GLA (MSF)	% Leased
Mexico City	4.0	97.1%
Monterrey	0.9	89.1%
Ciudad Juárez	0.4	46.4%
Tijuana	0.4	0.0%
Total	**5.7**	**85.3%**

A. Million square feet as of December 31, 2019.
B. Based on buildable square feet


Fresno Ctr#2, Mexico City, México

Notes and Definitions

Notes and Definitions

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

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

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

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

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

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

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

Calculation Per CBFI Amounts is as follows:

in thousands, except per share amounts	For the three months ended				For the year ended			
	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Earnings								
Net income	540,895	27,172	887,567	44,248	2,159,193	111,292	2,972,203	153,623
Weighted average CBFIs outstanding - Basic and Diluted	649,186	649,186	644,674	644,674	647,282	647,282	642,222	642,222
Earnings per CBFI- Basic and Diluted	**0.8332**	**0.0419**	**1.3768**	**0.0686**	**3.3358**	**0.1719**	**4.6280**	**0.2392**
FFO								
FFO, as modified by FIBRA Prologis	484,622	24,255	501,703	24,803	1,913,182	98,293	1,864,895	96,749
Weighted average CBFIs outstanding - Basic and Diluted	649,186	649,186	644,674	644,674	647,282	647,282	642,222	642,222
FFO per CBFI – Basic and Diluted	**0.7465**	**0.0374**	**0.7782**	**0.0385**	**2.9557**	**0.1519**	**2.9038**	**0.1506**
FFO, as modified by FIBRA Prologis excluding incentive fee	484,622	24,255	501,703	24,803	2,085,809	107,029	2,070,259	107,086
Weighted average CBFIs outstanding - Basic and Diluted	649,186	649,186	644,674	644,674	647,282	647,282	642,222	642,222
FFO per CBFI excluding incentive Fee	**0.7465**	**0.0374**	**0.7782**	**0.0385**	**3.2224**	**0.1654**	**3.2236**	**0.1667**

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			
	December 31, 2019		September 30, 2019	
	Ps.	US$	Ps.	US$
Debt, less cash and VAT, as a % of investment properties				
Total debt - at par	14,569,724	772,000	15,193,578	772,000
Less: cash	(182,792)	(9,687)	(409,936)	(20,830)
Less: VAT receivable	-	-	(19,865)	(1,036)
Total debt, net of adjustments	**14,386,932**	**762,313**	**14,763,777**	**750,134**
Investment properties	44,622,420	2,364,390	46,165,053	2,345,690
Debt, less of cash and VAT, as a % of investment properties	**32.2%**	**32.2%**	**32.0%**	**32.0%**
Fixed Charge Coverage ratio:				
Adjusted EBITDA	703,883	36,101	697,815	36,063
Interest expense	159,216	8,739	173,701	8,932
Witholding tax non recoverable	39,264	2,014	-	-
Fixed charge coverage ratio	**3.55x**	**3.36x**	**4.02x**	**4.04x**
Debt to Adjusted EBITDA:				
Total debt, net of adjustments	14,386,932	762,313	14,763,777	750,134
Adjusted EBITDA annualized	2,815,532	144,404	2,791,260	144,252
Debt to Adjusted EBITDA ratio	**5.11x**	**5.28x**	**5.29x**	**5.20x**

FIBRA PROLOGIS®

Notes and Definitions (continued)

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 team. 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.

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Notes and Definitions (continued)

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

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

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

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

Market Classification

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

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

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

Operating Portfolio includes stabilized industrial properties.

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

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

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

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

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

We have defined the same store portfolio, for the three months ended December 31, 2019, as those properties that were owned by FIBRA Prologis as of January 1, 2018 and have been in operations throughout the same three-month periods in both 2018 and 2019. The same store population excludes properties acquired or disposed of to third parties during the period. We believe the factors that affect lease rental income, rental recoveries and property operating expenses and NOI in the same store portfolio are generally the same as for our total operating portfolio.

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	2019	2018	Change (%)
Rental income			
Per the statements of comprehensive income	48,914	48,553	
Properties not included in same store and other adjustments (a)	(2,597)	(2,905)	
Direct Billables Revenues from Properties included same store pool	2,275	1,789	
Straight-lined rent from properties included in the same store	(1,000)	(663)	
Same Store - Rental income - cash	**47,592**	**46,774**	**1.7%**
Rental expense			
Per the statements of comprehensive income	6,224	7,192	
Properties not included in same store and other adjustments	(188)	(547)	
Direct Billables Expenses from Properties included same store pool	2,275	1,789	
Same Store - Rental expense - cash	**8,311**	**8,434**	**-1.5%**
NOI			
Per the statements of comprehensive income	42,690	41,361	
Properties not included in same store	(2,409)	(2,358)	
Straight-lined rent from properties included in the same store	(1,000)	(663)	
Same Store - NOI - cash	**39,281**	**38,340**	**2.5%**
Straight-lined rent from properties included in same store	1,000	663	
Same Store NOI - Net Effective	**40,281**	**39,003**	**3.3%**

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

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

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

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

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

Value-Added Acquisitions ("VAA") are properties we acquire for which we believe the discount in pricing attributed to the operating challenges could provide greater returns post-stabilization than the returns of stabilized properties that are not Value-Added Acquisitions. Value Added Acquisitions must have one or more of the following characteristics: (i) existing vacancy in excess of 20%; (ii) short term lease roll-over, typically during the first two years of ownership; (iii) significant capital improvement requirements in excess of 10% of the purchase price and must be invested within the first two years of ownership. These properties are not included in the operating portfolio.

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

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

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

Income Approach

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

Discounted Cash Flow Method

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

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

These rates are determined based on:

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

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Notes and Definitions (continued)

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

Direct Capitalization Method

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

Direct Comparison Approach

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

Cost Approach

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

Methodology Selection

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

Statistics of the Portfolio

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

FIBRA Prologis Statistics (191 Assets)	For the Three months ended December 31, 2019
Capitalization Rates (%)	From 6.75% to 9.75% Weight Avg. 7.39%
Discount Rates (%)	From 8.00% to 11.25% Weight Avg. 8.77%
Term Cap Rates (%)	From 7.00% to 10.00% Weight Avg. 7.64%
Market Rents (US $/ Sq ft/ Yr)	From $4.00 to $10.00 Weight Avg. $5.16

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

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