

A photograph of a modern DHL distribution center building with a large yellow DHL logo on the roof. The building has large glass windows and a concrete entrance with steps. In the background, a parking lot is filled with several yellow DHL delivery vans and white semi-trailers. The sky is clear and blue.

Second Quarter 2020

# FIBRA Prologis Financial Information

Los Altos 5 , Guadalajara, Mexico



Izcalli Building #2, Mexico City, Mexico

Interim Condensed Financial  
Statements

Supplemental Financial  
Information



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

**Interim Condensed Financial  
Statements as of June 30, 2020 and for  
the three and six months then ended**

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## Second Quarter 2020 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.

## Second Quarter 2020 Management Overview

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

Our operating and financial results in the second quarter underscore the resiliency of our portfolio and investment strategy. Our leasing volume was 5.1 million square feet with renewals accounting for 85 percent of this activity. Occupancy fell to 95.5 percent on known move-outs which we expect to release before the end of the year. Net effective rents on rollover increased 13.2 percent. Cash same store NOI declined 11.4 percent on higher concessions as a function of longer lease terms, a weaker peso and lower average occupancy. With a significant portion of 2020 and 2021 lease expirations already addressed, we would expect this to be the low point in our cash same store results.

Since mid-March, FIBRA Prologis and our teams have been working remotely. We remain in constant dialogue with our customers to ensure we understand any changes to their business in real-time. Through the first half of the year, we have granted rent deferrals totaling 1.9 percent of annual revenues. In addition, we extended leases representing 1.5 percent of annual revenues, in turn providing our customers with immediate rent concessions in exchange for higher rents over a longer lease term. In the second quarter, we collected more than 97 percent of rents due, in line with expectations. Our property managers have continued to inspect and service our properties while strictly adhering to mandated social distancing guidelines and other safety measures.

Following a successful subscription rights offering in the first quarter, FIBRA Prologis completed two acquisitions totaling US\$358.5 million during the second quarter. The first comprised eight Class-A properties in Mexico City, totaling 4 million square feet, from our sponsor, Prologis. The second was two urban, Last Touch® facilities from a third party in a sale-leaseback transaction. Importantly, these acquisitions align with our investment strategy of expanding our presence in the e-commerce sector and moving closer to the end consumer .

Logistics real estate demand exceeded our expectations in the second quarter. Net absorption in the six main logistics markets was 3.4 million square feet in the second quarter, in line with new deliveries. Demand accelerated in Monterrey, the result of increased nearshoring operations.

Development pipelines are low across Mexico. Less than 12 million square feet of modern space is currently under construction, more than 40 percent of which is build-to-suit. Scarcity of developable land in Mexico City, as well as difficulty accessing electricity across the country for new developments are notable supply barriers. In addition, the renegotiation of NAFTA (recently ratified as USMCA), as well as the pandemic have exerted a measured effect on new development.

As a result of the balanced supply and demand, market vacancy for modern-grade product in the six main logistics markets remained unchanged from last quarter at 3.4 percent. Border markets remain severely constrained with market vacancy near 2.0 percent.

Despite otherwise positive operating conditions in Mexico, market rental rates declined by marginally in the quarter. This was mostly due to a weaker peso, which declined 11 percent.

While logistics demand continues to advance across all six of our markets in Mexico, headline economic growth and the pandemic remain key risks to monitor going forward. While logistics real estate has continued to outperform the broader economy, structural drivers of demand are not immune from this risk. Nevertheless, we remain cautiously optimistic in our outlook due to the acceleration of e-commerce and the nearshoring of manufacturing operations in the first half of 2020 – an acceleration that has shown no signs of slowing down.

I am very proud of our performance and of our team, who have done a tremendous job under challenging conditions. Since the beginning, our strategy has been to own the highest quality properties, in the best markets, serving a diverse customer roster. Chasing yield may have resulted better short-term results but ultimately would have failed over the long term. FIBRA Prologis has proven its resilience. Our commitment stands: to make sound decisions that create long-term value for our certificate holders.

I continue to wish you and your loved ones good health and safety during these unprecedented times. 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 June 30, 2020, FIBRA Prologis owned 201 logistics and manufacturing facilities in six strategic markets in Mexico totaling 39.0 million square feet (3.6 million square meters) of gross leasable area (GLA). These properties were leased to 227 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 69.7 percent of our net effective rents are in global logistics markets (Global Markets) and the remaining 30.3 percent are in regional manufacturing markets (Regional Markets). Global Markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and consumption-driven. They benefit from proximity to principal highways, airports and rail hubs, and their presence in highly populated areas offers tangible benefits from the sustained growth of the middle class. Regional Markets include 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 second quarter financial information includes results from April 1, 2020, through June 30, 2020. During the quarter ended June 30, 2020, and through the date of this report, the following activity supported our business priorities and strategy:



- Operating results:

Operating Portfolio	2Q 2020	2Q 2019	Notes
Period End Occupancy	95.5%	96.6%	Three of six markets recorded occupancy above 95%
Leases Commenced	5.1MSF	2.0MSF	66% of leasing activity related to Mexico City and Guadalajara; 64% of 2020 expirations addressed in 1H 2020
Customer Retention	82.6%	85.1%	
Net Effective Rent Change	13.2%	16.0%	Four of six markets recorded positive net effective rent change of at least 10%
Same Store Cash NOI	-11.4%	3.9%	Higher concessions related to a longer lease term along with a weaker peso and lower average occupancy partly offset by higher rents
Turnover Cost on Leases Commenced (per square foot)	US\$1.54	US\$1.86	Decrease driven primarily by lower leasing commissions as renewals comprised a higher percentage of leasing volume

- Capital deployment activities:

US\$ in millions	2Q 2020	2Q 2019	Notes
<b>Dispositions</b>			
Sale Price	US\$0.0	US\$10.0	Two properties in Ciudad Juarez with sale price in-line with appraised value
Building GLA (thousand SF)	0	192	
Weighted avg. stabilized cap rate	0.0%	8.8%	
<b>Acquisitions</b>			
Acquisition Cost	US\$358.5	US\$0.0	Portfolio comprises ten properties including two Last Touch® facilities; nine properties in Mexico City and one in Guadalajara
Building GLA (thousand sf)	4,130	0	
Weighted avg. stabilized cap rate	6.7%	0.0%	

We use a same store analysis to evaluate the performance of our owned operating properties. The population of the properties in this analysis is consistent from period to period, which eliminates the effects of changes in portfolio composition on performance metrics. In our view, the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as they are across the total portfolio. Our same store is measured in U.S. dollars and includes the effect of year-over-year movements in the Mexican peso. The decrease in cash SSNOI of 1,530 basis points year-over-year is mainly due to higher concessions related to longer lease terms, a weaker peso and lower average occupancy partly offset by higher rents.

## Operational Outlook

Net absorption in the six main logistics markets was 3.4 million square feet and was balanced by new deliveries. Market vacancy for modern product remained unchanged quarter-over-quarter at the historic low of 3.4 percent. Border markets remain severely constrained, with market vacancy near 2.0 percent. Demand accelerated in Monterrey, as we have seen an increasing occurrence of customers nearshoring operations.

Aside from historic low market vacancy in the six main logistics markets, development pipelines are also low across Mexico, with less than 12 million square feet of modern space currently under construction – more than 40 percent of which is build-to-suit. A scarcity of developable land in Mexico City, as well as difficulty accessing electricity across the country for new developments are notable barriers to supply, in addition to the prudence related to geopolitical risk shown by local developers since 2016.

Despite the otherwise positive operating conditions in Mexico, market taking rents declined marginally in the second quarter compared with the same period in 2019. This is mostly due to FX conditions, which have negatively impacted U.S. dollar market rental rates in Mexico City. Another factor to consider is the increase in short-term rental concessions due to COVID-19.

Although logistics demand continues to advance across all six of our markets in Mexico, headline economic growth and the pandemic remain key risks going forward. Structural drivers of logistics real estate are not completely decoupled from the broader domestic (or global) economy and pose obvious risk should headwinds broaden or persist. Nevertheless, we remain cautiously optimistic given that the structural drivers of Mexican logistics real estate – chiefly, adoption of e-commerce and nearshoring of manufacturing operations – made advancements in the first half of 2020 and are more apparent today than ever before.

## COVID-19

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China and has continued to spread globally. The World Health Organization and certain national and local governments have characterized COVID-19 as a pandemic. The COVID-19 outbreak has disrupted financial markets and the ultimate impact on global, national and local economies is uncertain. Existing customers and potential customers of our logistics facilities may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have

a negative impact on FIBRA Prologis. Given the ongoing and dynamic nature of these circumstances, we cannot predict the extent to which the COVID-19 outbreak may impact our business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect our financial condition and results of operations

As of June 30, 2020, 1.2 percent of our customers on a net rentable area basis had halted their operations. These customers are primarily from the appliance, automotive, construction and industrial sectors. Our customers may request, but not necessarily receive, relief from lease payments. As of June 30, 2020, we had received rent relief requests totaling 3.3 percent of our estimated annual revenue. We review all requests and if evidence of financial distress exists, we may provide relief that is mutually beneficial to the customer and to FIBRA Prologis. As of June 30, 2020, we had granted rent relief requests totaling 1.9 percent of our estimated annual revenue in the form of deferrals. Our expectation is that 85 percent of these deferrals will be repaid prior to December 31, 2020 and the remainder in 2021.

During the second quarter, FIBRA Prologis collected 97.9 percent of rent due compared with 100 percent for the same period last year.

## Acquisitions

Our exclusivity agreement with Prologis gives us access to an important proprietary acquisition pipeline. As of June 30, 2020, Prologis had 1.7 million square feet under development or pre-stabilization, of which 94.3 percent was leased or pre-leased as of the end of the second quarter. This exclusive access to the Prologis pipeline is a competitive advantage for FIBRA Prologis as it gives us the option to acquire high-quality buildings in our existing markets.

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

### Currency Exposure

At quarter end, our U.S.-dollar-denominated revenues represented 64.2 percent of annualized net effective rents, resulting in peso exposure in the second quarter of approximately 35.8 percent. This increase in peso exposure was the result of renewal activity in Mexico City. In the near term, we expect peso-denominated revenues to be approximately 35 percent of annualized net effective rents.

### Liquidity and Capital Resources

#### *Overview*

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

#### *Near-Term Principal Cash Sources and Uses*

As a FIBRA, we are required to distribute at least 95 percent of our taxable income. In addition to distributions to 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. 658.0 million (approximately US\$28.4 million) as of June 30, 2020, the result of cash flow from operating properties
- borrowing capacity of Ps. 5.9 billion (US\$255.0 million) under our unsecured credit facility

### *Debt*

As of June 30, 2020, we had approximately Ps. 19.5 billion (US\$842.0 million) of debt at par value with a weighted average effective interest rate of 4.3 percent (a weighted average coupon rate of 4.3 percent) and a weighted average maturity of 3.2 years.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of June 30, 2020, were 30.8 percent and 8.7 times, respectively.

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

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

### *Introduction*

We have reviewed the accompanying June 30, 2020 condensed interim financial information of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, which comprises:

- The condensed statement of financial position as of June 30, 2020;
- The condensed statements of comprehensive income for the three-month and six-month periods ended June 30, 2020;
- The condensed statements of changes in equity for the six-month period ended June 30, 2020;
- The condensed statements of cash flows for the six-month period ended June 30, 2020; and
- Notes to the interim condensed financial information.

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

### *Scope of Review*

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

(Continued)



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2020 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG CARDENAS DOSAL, S. C.

A handwritten signature in dark ink, appearing to be 'Alberto Vazquez Ortiz', written over a circular stamp or seal.

Alberto Vazquez Ortiz

Mexico City, July 17, 2020.



## Interim condensed statements of financial position

As of June 30, 2020 and December 31, 2019

in thousands Mexican Pesos	Note	June 30, 2020	December 31, 2019
<b>Assets</b>			
Current assets:			
Cash		\$ 657,972	\$ 182,792
Trade receivables	8	73,148	56,870
Other receivables and value added tax	9	1,072,160	10,301
Prepaid expenses	10	71,425	3,295
Exchange rate options	16	57,759	7,338
		1,932,464	260,596
Non-current assets:			
Investment properties	11	61,154,580	44,611,642
Other investment properties	12	37,359	10,778
Other assets		37,352	43,386
		61,229,291	44,665,806
<b>Total assets</b>		<b>\$ 63,161,755</b>	<b>\$ 44,926,402</b>
<b>Liabilities and equity</b>			
Current liabilities:			
Trade payables		\$ 119,592	\$ 69,159
Value added tax payable		-	356
Due to affiliates	15	11,583	49,161
Current portion of long term debt	13	37,184	29,298
Current portion of hedge instruments	16	102,894	-
		271,253	147,974
Non-current liabilities:			
Long term debt	13	19,428,687	14,522,030
Security deposits		377,341	280,342
Hedge instruments	16	99,251	61,683
		19,905,279	14,864,055
Total liabilities		20,176,532	15,012,029
Equity:			
CBFI holders' capital	14	22,369,174	14,124,954
Other equity accounts and retained earnings		20,616,049	15,789,419
Total equity		42,985,223	29,914,373
<b>Total liabilities and equity</b>		<b>\$ 63,161,755</b>	<b>\$ 44,926,402</b>

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

## Interim condensed statements of comprehensive income

For the three and the six months ended June 30, 2020 and 2019

		For the three months ended June 30,		For the six months ended June 30,					
in thousands Mexican Pesos, except per CBFI amounts		Note	2020	2019	2020	2019			
<b>Revenues:</b>									
Lease rental income		\$	1,096,055	\$	831,282	\$	1,944,931	\$	1,702,768
Rental recoveries			121,006		88,747		230,562		188,190
Other property income			6,078		18,784		26,272		39,773
			1,223,139		938,813		2,201,765		1,930,731
<b>Costs and expenses:</b>									
Operating expenses:									
Operating and maintenance			67,320		53,859		123,137		107,193
Utilities			9,527		10,662		18,337		24,091
Property management fees	15		34,651		28,505		65,628		56,508
Real estate taxes			20,053		17,445		38,216		35,377
Non-recoverable operating			25,793		10,825		53,639		28,544
			157,344		121,296		298,957		251,713
<b>Gross profit</b>			<b>1,065,795</b>		<b>817,517</b>		<b>1,902,808</b>		<b>1,679,018</b>
Loss (gain) on valuation of investment properties	11		1,164,285		(132,409)		2,080,255		(259,163)
Asset management fees	15		114,983		82,278		206,005		166,781
Incentive fee	15		-		172,627		-		172,627
Professional fees			13,355		7,236		25,499		15,204
Finance cost			231,502		180,899		424,018		374,241
Net loss on early extinguishment of debt			-		2,906		-		18,638
Unused credit facility fee			9,349		9,297		19,852		16,535
Unrealized loss (gain) on exchange rate hedge instruments	16		28,654		4,418		(34,642)		11,003
Realized (gain) loss on exchange rate hedge instruments	16		(20,503)		-		(100,924)		419
Net exchange (gain) loss			(60,904)		3,753		24,221		(2,893)
Tax recovered	9		(40,463)		-		(40,463)		-
Other general and administrative expenses			571		3,818		3,377		7,435
			1,440,829		334,823		2,607,198		520,827
<b>Net (loss) income</b>			<b>(375,034)</b>		<b>482,694</b>		<b>(704,390)</b>		<b>1,158,191</b>
<b>Other comprehensive income:</b>									
<i>Items that are not reclassified subsequently to profit or loss:</i>									
Translation loss (gain) from functional currency to reporting currency			2,184,534		371,078		(6,491,345)		834,640
<i>Items that are or may be reclassified subsequently to profit or loss:</i>									
Unrealized (gain) loss on interest rate swaps	16		(30,952)		76,563		134,388		128,365
			2,153,582		447,641		(6,356,957)		963,005
<b>Total comprehensive (loss) income for the period</b>		\$	<b>(2,528,616)</b>	\$	<b>35,053</b>	\$	<b>5,652,567</b>	\$	<b>195,186</b>
<b>(Loss) earnings per CBFI</b>	<b>7</b>	\$	<b>(0.44)</b>	\$	<b>0.75</b>	\$	<b>(0.92)</b>	\$	<b>1.80</b>

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

## Interim condensed statements of changes in equity

For the six months ended June 30, 2020 and 2019

In thousands Mexican Pesos	CBFI holders' capital		Other equity accounts		Repurchase of CBFIs		Retained earnings		Total
Balance as of January 1, 2019	\$	13,952,327	\$	9,222,542	\$	-	\$	7,524,308	\$ 30,699,177
Dividends		-		-		-		(761,884)	(761,884)
CBFIs issued		172,627		-		-		-	172,627
<b>Comprehensive income:</b>									
Translation loss from functional currency to reporting currency		-		(834,640)		-		-	(834,640)
Unrealized loss on interest rate swaps		-		(128,365)		-		-	(128,365)
Net income		-		-		-		1,158,191	1,158,191
Total comprehensive (loss) income		-		(963,005)		-		1,158,191	195,186
<b>Balance as of June 30, 2019</b>	<b>\$</b>	<b>14,124,954</b>	<b>\$</b>	<b>8,259,537</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>7,920,615</b>	<b>\$ 30,305,106</b>
Balance as of January 1, 2020	\$	14,124,954	\$	7,632,670	\$	-	\$	8,156,749	\$ 29,914,373
Dividends		-		-		-		(820,937)	(820,937)
CBFIs issued		8,300,000		-		-		-	8,300,000
Right Offering Issuance Costs		(55,780)		-		-		-	(55,780)
Repurchase of CBFIs		-		-		(5,000)		-	(5,000)
<b>Comprehensive income:</b>									
Translation gain from functional currency to reporting currency		-		6,491,345		-		-	6,491,345
Unrealized loss on interest rate swaps		-		(134,388)		-		-	(134,388)
Net loss		-		-		-		(704,390)	(704,390)
Total comprehensive income (loss)		-		6,356,957		-		(704,390)	5,652,567
<b>Balance as of June 30, 2020</b>	<b>\$</b>	<b>22,369,174</b>	<b>\$</b>	<b>13,989,627</b>	<b>\$</b>	<b>(5,000)</b>	<b>\$</b>	<b>6,631,422</b>	<b>\$ 42,985,223</b>

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

## Interim condensed statements of cash flows

For the six months ended June 30, 2020 and 2019

in thousands Mexican Pesos	For the six months ended June 30,	
	2020	2019
<b>Operating activities:</b>		
Net (loss) income	\$ (704,390)	\$ 1,158,191
<i>Adjustments for:</i>		
Loss (gain) on valuation of investment properties	2,080,255	(259,163)
Incentive fee	-	172,627
Allowance for uncollectible trade receivables	27,620	14,622
Finance cost	424,018	374,241
Net loss on early extinguishment of debt	-	18,638
Realized gain on exchange rate hedge instruments	(100,924)	(12,440)
Unrealized (gain) loss on exchange rate hedge instruments	(34,642)	11,003
Net unrealized exchange loss (gain)	44,325	(2,627)
Rent leveling	(122,499)	(22,600)
<i>Change in:</i>		
Trade receivables	15,702	(12,102)
Other receivables and value added tax	(1,059,515)	114,714
Prepaid expenses	(67,408)	(51,641)
Other assets	15,823	3,962
Trade payables	34,838	(38,304)
Value added tax payable	(440)	-
Due to affiliates	(48,671)	(42,769)
Security deposits	33,727	(14,215)
Net cash flow provided by operating activities	537,819	1,412,137
<b>Investing activities:</b>		
Funds for acquisition of investment properties	(8,713,152)	-
Funds from disposition of investment properties	-	1,363,020
Cost related with acquisition of investment properties	(111,382)	-
Cost related with disposition of investment properties	-	(15,310)
Capital expenditures on investment properties	(311,738)	(194,630)
Net cash flow (used in) provided by investing activities	(9,136,272)	1,153,080
<b>Financing activities:</b>		
Dividends paid	(820,937)	(761,884)
Long term debt borrowings	2,725,087	1,354,764
Long term debt payments	(1,213,853)	(2,706,089)
Interest paid	(325,356)	(371,587)
Rights Offering	8,300,000	-
Issuance costs of CBFIs rights offering	(55,780)	-
Net cash flow provided by (used in) financing activities	8,609,161	(2,484,796)
Net increase in cash	10,708	80,421
Effect of foreign currency exchange rate changes on cash	464,472	(47,272)
Cash at beginning of the period	182,792	339,276
<b>Cash at the end of the period</b>	<b>\$ 657,972</b>	<b>\$ 372,425</b>
<b>Non-cash transactions:</b>		
<b>Credit facility borrowings in exchange for term loan payoff</b>	<b>\$ -</b>	<b>\$ 4,484,364</b>
CBFIs issued	-	172,627
<b>Total non-cash transactions</b>	<b>\$ -</b>	<b>\$ 4,656,991</b>

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

## Notes to interim condensed financial statements

As of June 30, 2020 and for the three and six months then ended and December 31, 2019  
In thousands of Mexican Pesos, except per CBFi

### 1. Main activity, structure, and significant events

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

FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raíces, or FIBRA, as per its name in Spanish) with its address on 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:

<b>Trustor:</b>	Prologis Property México, S. A. de C. V.
<b>First beneficiaries:</b>	Certificate holders
<b>Trustee:</b>	Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria
<b>Common representative:</b>	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
<b>Manager:</b>	Prologis Property México, S. A. de C. V.

## Significant events

### i. Long term debt transactions:

in millions	Date	Denomination	Interest rate <sup>(*)</sup>	Mexican pesos	U. S. dollars
<b>Borrowings:</b>					
Citibank, NA Credit facility (Unsecured)	April 2, 2020	U. S. dollars	LIBOR +250bps	\$ 1,836.9	\$ 75.0
Citibank, NA Credit facility (Unsecured)	March 11, 2020	U. S. dollars	LIBOR +250bps	420.5	20.0
Citibank, NA Credit facility (Unsecured)	January 30, 2020	U. S. dollars	LIBOR +250bps	467.7	25.0
<b>Total borrowings</b>				<b>\$ 2,725.1</b>	<b>\$ 120.0</b>

\* LIBOR (London Interbank Offered Rate)

in millions	Date	Denomination	Interest rate <sup>(*)</sup>	Mexican pesos	U. S. dollars
<b>Payments:</b>					
Citibank, NA Credit facility (Unsecured)	June 12, 2020	U. S. dollars	LIBOR +250bps	\$ 112.1	\$ 5.0
Citibank, NA Credit facility (Unsecured)	March 25, 2020	U. S. dollars	LIBOR +250bps	1,004.7	40.0
Citibank, NA Credit facility (Unsecured)	February 28, 2020	U. S. dollars	LIBOR +250bps	97.0	5.0
<b>Total payments</b>				<b>\$ 1,213.8</b>	<b>\$ 50.0</b>

\* LIBOR (London Interbank Offered Rate)

### ii. Distributions:

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
<b>Distributions:</b>					
Dividends	February 25, 2020	\$ 442.6	23.8	0.6818	0.0368
Dividends	January 23, 2020	378.3	20.1	0.5828	0.0310
<b>Total distributions</b>		<b>\$ 820.9</b>	<b>\$ 43.9</b>		

### iii. Acquisitions:

in millions, except lease area	Date	Market	Lease area square feet	Mexican pesos	Including closing costs U. S. dollars
<b>Acquisitions:</b>					
Guadalajara Downtown 1	June 22, 2020	Guadalajara	47,685	\$ 44.2	\$ 2.1
Santa Maria 2	June 22, 2020	Mexico	92,176	149.8	6.7
Grande, Building 1	April 6, 2020	Mexico	996,897	2,202.0	89.2
Grande, Building 2	April 6, 2020	Mexico	1,053,173	2,445.3	99.1
Grande, Building 3	April 6, 2020	Mexico	312,000	639.7	25.9
Grande, Building 4	April 6, 2020	Mexico	255,840	534.7	21.7
Grande, Building 5	April 6, 2020	Mexico	408,315	837.1	33.9
Grande, Building 6	April 6, 2020	Mexico	312,584	632.3	25.6
Grande, Building 7	April 6, 2020	Mexico	283,360	557.5	22.6
Grande, Building 8	April 6, 2020	Mexico	367,556	781.8	31.7
<b>Total acquisitions</b>			<b>4,129,586</b>	<b>\$ 8,824.4</b>	<b>\$ 358.5</b>

iv. Rights Offering:

On March 17, 2020, FIBRAPL issued an additional 200,000,000 CBFIs at \$41.50 Mexican pesos per certificate through a subscription offering. Existing CBFI holders were granted a preferential right to subscribe and pay for the additional CBFIs. FIBRAPL received subscription requests in excess of the offering and allocated all 200,000,000 CBFIs to holders. Proceeds from the subscription offering were \$8,300.0 million Mexican pesos.

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
<b>Rights Offering:</b>					
CBFIs Offering	March 17, 2020	\$ 8,300.0	\$ 378.5	41.5000	1.8925

v. Repurchase of CBFIs:

On April 1, 2020, FIBRAPL recorded a CBFIs purchase reserve of \$202.9 thousand U.S. dollars (\$5.0 million Mexican pesos). See note 14.

vi. Pandemic crisis:

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China and has continued to spread globally. The World Health Organization and certain national and local governments have characterized COVID-19 as a pandemic. The COVID-19 outbreak has disrupted financial markets and the ultimate impact on global, national and local economies is uncertain. Existing customers and potential customers of our logistics facilities may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on FIBRAPL. Given the ongoing and dynamic nature of these circumstances, we cannot predict the extent to which the COVID-19 outbreak may impact our business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect our financial condition and results of operations.

## 2. Basis of presentation

- a. **Interim financial reporting** - The accompanying interim condensed financial statements as of June 30, 2020 and 2019 and for the three and six months then ended and December 31, 2019 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, 2019, 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 June 30, 2020 and 2019 and for the three and six months then ended have been prepared on a going concern basis, which assumes that FIBRAPL will be able to meet the mandatory repayment terms of the banking facilities disclosed in note 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, 2019, except for the following:

When CBFIs recognized as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. The repurchased CBFIs are classified as outstanding CBFIs and are presented in the reserve of the certificates portfolio. When the outstanding CBFIs are sold or reissued, subsequently, the amount received is recognized as an increase in equity, and the surplus or deficit of the transaction is presented under the heading of Repurchase of CBFIs.

### 4. Reclassifications

During 2020, FIBRAPL modified the presentation of hedge instruments in its statement of financial position to classify hedge instruments as current or non-current according to their maturity date.

### 5. Rental revenues

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

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the June 30, 2020 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos		Amount
<b>Rental revenues:</b>		
2020 (six months)	\$	4,171,576
2021		4,909,087
2022		4,605,102
2023		3,437,906
2024		2,974,793
Thereafter		4,679,473
		<b>\$ 24,777,937</b>

## 6. Segment reporting

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three and the six months ended June 30, 2020 and 2019, while assets and liabilities are included as of June 30, 2020 and December 31, 2019. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

in thousands Mexican Pesos	For the three months ended June 30, 2020						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
<b>Revenues:</b>							
Lease rental income	\$ 459,250	\$ 153,833	\$ 117,407	\$ 126,123	\$ 149,774	\$ 89,668	\$ 1,096,055
Rental recoveries	77,318	9,490	10,649	12,234	2,745	8,570	121,006
Other property income	1,244	1,089	1,219	1,852	667	7	6,078
	537,812	164,412	129,275	140,209	153,186	98,245	1,223,139
<b>Costs and expenses:</b>							
Property operating expenses	65,660	17,825	21,505	20,130	18,389	13,835	157,344
<b>Gross Profit</b>	<b>\$ 472,152</b>	<b>\$ 146,587</b>	<b>\$ 107,770</b>	<b>\$ 120,079</b>	<b>\$ 134,797</b>	<b>\$ 84,410</b>	<b>\$ 1,065,795</b>

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

in thousands Mexican Pesos	For the six months ended June 30, 2020						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
<b>Revenues:</b>							
Lease rental income	\$ 781,739	\$ 287,716	\$ 216,974	\$ 226,932	\$ 269,817	\$ 161,753	\$ 1,944,931
Rental recoveries	90,826	27,775	26,051	28,723	29,253	27,934	230,562
Other property income	5,354	7,571	10,266	1,866	1,079	136	26,272
	877,919	323,062	253,291	257,521	300,149	189,823	2,201,765
<b>Costs and expenses:</b>							
Property operating expenses	112,897	35,407	48,082	35,117	37,809	29,645	298,957
<b>Gross Profit</b>	<b>\$ 765,022</b>	<b>\$ 287,655</b>	<b>\$ 205,209</b>	<b>\$ 222,404</b>	<b>\$ 262,340</b>	<b>\$ 160,178</b>	<b>\$ 1,902,808</b>

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

in thousands Mexican Pesos	As of June 30, 2020						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt Total
<b>Investment properties:</b>							
Land	\$ 5,875,915	\$ 1,646,755	\$ 1,320,293	\$ 1,205,105	\$ 1,240,155	\$ 820,070	\$ - \$ 12,108,293
Buildings	23,503,661	6,587,020	5,281,174	4,820,421	4,960,618	3,280,281	- 48,433,175
	29,379,576	8,233,775	6,601,467	6,025,526	6,200,773	4,100,351	- 60,541,468
Rent leveling	204,230	89,067	87,064	116,153	66,978	49,620	- 613,112
<b>Investment properties</b>	<b>\$ 29,583,806</b>	<b>\$ 8,322,842</b>	<b>\$ 6,688,531</b>	<b>\$ 6,141,679</b>	<b>\$ 6,267,751</b>	<b>\$ 4,149,971</b>	<b>\$ - \$ 61,154,580</b>
<b>Other investment properties</b>	<b>\$ 37,359</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ - \$ 37,359</b>
<b>Long term debt</b>	<b>\$ 1,671,662</b>	<b>\$ 915,063</b>	<b>\$ 1,553,270</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,325,876 \$ 19,465,871</b>

in thousands Mexican Pesos	As of December 31, 2019						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt Total
<b>Investment properties:</b>							
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
<b>Investment properties</b>	<b>\$ 18,221,192</b>	<b>\$ 7,039,518</b>	<b>\$ 5,613,494</b>	<b>\$ 5,007,873</b>	<b>\$ 5,229,625</b>	<b>\$ 3,499,940</b>	<b>\$ - \$ 44,611,642</b>
<b>Other investment properties</b>	<b>\$ 10,778</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ - \$ 10,778</b>
<b>Long term debt</b>	<b>\$ 1,363,829</b>	<b>\$ 746,367</b>	<b>\$ 1,266,918</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,174,214 \$ 14,551,328</b>

## 7. Earnings per CBFi

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

in thousands Mexican Pesos, except per CBFi	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Basic and diluted earnings per CBFi (pesos)	\$ (0.44)	\$ 0.75	\$ (0.92)	\$ 1.80
Net (loss) income	(375,034)	482,694	(704,390)	1,158,191
<b>Weighted average number of CBFis ('000)</b>	<b>849,186</b>	<b>644,674</b>	<b>765,669</b>	<b>644,674</b>

As of June 30, 2020, FIBRAPL had 849,185,514 CBFis outstanding, which includes 200,000,000 CBFis from the rights offering on March 17, 2020. See note 14.

## 8. Trade receivables

As of June 30, 2020 and December 31, 2019, trade receivables of FIBRAPL were as follows:

in thousands Mexican Pesos	June 30, 2020	December 31, 2019
Trade receivables	\$ 114,602	\$ 80,614
Allowance for uncollectible trade receivables	(41,454)	(23,744)
	<b>\$ 73,148</b>	<b>\$ 56,870</b>

## 9. Other receivables and value added tax

As of June 30, 2020, and December 31, 2019, value added tax and other receivables were as follows:

in thousands Mexican Pesos	June 30, 2020	December 31, 2019
Value added tax	\$ 1,062,713	\$ -
Other receivables	9,447	10,301
	<b>\$ 1,072,160</b>	<b>\$ 10,301</b>

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

On June 18, 2020, FIBRAPL received a reimbursement of \$1,821.3 million U.S. dollars (\$40,463.4 million Mexican Pesos) for withholding tax related to interest payments to foreign creditors which had been previously reserved as of December 31, 2019.

## 10. Prepaid expenses

As of June 30, 2020 and December 31, 2019, prepaid expenses of FIBRAPL were as follows:

in thousands Mexican Pesos	June 30, 2020	December 31, 2019
Real estate tax	\$ 41,620	\$ -
Insurance	24,774	601
Other prepaid expenses	5,031	2,694
<b>Total</b>	<b>\$ 71,425</b>	<b>\$ 3,295</b>

## 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 loss of \$2,080,255 and a gain of \$259,163 for the six months ended June 30, 2020 and 2019, respectively.

a) As of June 30, 2020, investment properties were as follows:

Market	Fair value as of June 30, 2020	# of properties	Lease area in thousands of square feet
Mexico City	\$ 29,583,806	63	17,595
Guadalajara	8,322,842	26	5,937
Monterrey	6,688,531	22	4,419
Tijuana	6,141,679	33	4,214
Reynosa	6,267,751	30	4,712
Juarez	4,149,971	28	3,234
<b>Total</b>	<b>\$ 61,154,580</b>	<b>202</b>	<b>40,111</b>

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 square feet and a fair value of \$384,000.

As of June 30, 2020, the fair value of investment properties includes excess land in the Monterrey market of \$137,176.

As of June 30, 2020, 20 of the properties from FIBRAPL are encumbered by certain bank loans as described in note 13.

As of June 30, 2020 and December 31, 2019, the balance of investment properties included rent leveling assets of \$613,112 and \$420,465, respectively.

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

#### **i) Valuation technique**

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

#### **ii) Significant unobservable inputs**

	June 30, 2020
Occupancy rate	95.5%
Risk adjusted discount rates	from 8.0% to 12.0% Weighted average 8.75%
Risk adjusted capitalization rates	from 6.75% to 10.50% Weighted average 7.36%

#### **iii) Interrelationship between key unobservable inputs and fair value measurement**

The estimated fair value would increase (decrease) if:

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



- b) The reconciliation of investment properties for the six months ended June 30, 2020 and for the year ended December 31, 2019 are as follows:

in thousands Mexican Pesos	For the six months ended June 30, 2020	For the year ended December 31, 2019
Beginning balance	\$ 44,611,642	\$ 45,727,051
Assets held for sale realized	-	1,230,502
Translation effect from functional currency	9,294,274	(1,836,253)
Acquisition of investment properties	8,713,152	71,222
Acquisition costs	111,382	10,592
Disposition of investment properties	-	(1,363,020)
Capital expenditures, leasing commissions and tenant improvements	311,738	479,742
Rent leveling	192,647	15,971
(Loss) gain on valuation of investment properties	(2,080,255)	275,835
<b>Ending balance of investment properties</b>	<b>\$ 61,154,580</b>	<b>\$ 44,611,642</b>

- c) During the six months ended June 30, 2020 and 2019, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the six months ended June 30,	
	2020	2019
Capital expenditures	\$ 79,953	\$ 90,446
Leasing commissions	83,606	51,100
Tenant improvements	148,179	53,084
	<b>\$ 311,738</b>	<b>\$ 194,630</b>

## 12. Other investment properties

On June 22, 2020, FIBRAPL acquired an industrial property located in Mexico City Market with leasable area of 92,176 square feet including 17,350 office square feet.

On December 20, 2019, FIBRAPL acquired an industrial property located in Mexico City Market with leasable area of 41,779 square feet including 5,673 office square feet.

in thousands Mexican Pesos	Fair value as of June 30, 2020	Fair value as of December 31, 2019	Lease area in square feet
Santa Maria 1 Offices	\$ 11,483	\$ 10,778	5,673
Santa Maria 2 Offices	25,876	-	17,350
<b>Total</b>	<b>\$ 37,359</b>	<b>\$ 10,778</b>	<b>23,023</b>

### 13. Long term debt

As of June 30, 2020 and December 31, 2019, FIBRAPL had long term debt comprised of loans from financial institutions denominated in U.S. dollars, except if described otherwise, as follows:

	Denomination	Maturity date	Rate	June 30, 2020		December 31, 2019	
				thousands U. S. Dollars	thousands Mexican Pesos	thousands U. S. Dollars	thousands Mexican Pesos
Citibank NA Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	70,000	\$ 1,619,275	-	\$ -
Citibank (Unsecured) #2	USD	July 18, 2023	LIBOR + 245bps	150,000	3,469,875	150,000	2,830,905
Citibank (Unsecured) #3	USD	March 15, 2023	LIBOR+ 245bps	225,000	5,204,813	225,000	4,246,358
Citibank (Unsecured) #4	USD	February 6, 2024	LIBOR+ 235bps	290,000	6,708,425	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	1,237,589	53,500	1,009,689
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2026	4.67%	53,500	1,237,589	53,500	1,009,689
<b>Total</b>				<b>842,000</b>	<b>19,477,566</b>	<b>772,000</b>	<b>14,569,724</b>
Long term debt interest accrued				1,607	37,184	1,552	29,298
Deferred financing cost				(2,113)	(48,879)	(2,527)	(47,694)
<b>Total debt</b>				<b>841,494</b>	<b>19,465,871</b>	<b>771,025</b>	<b>14,551,328</b>
Less: Current portion of long term debt				1,607	37,184	1,552	29,298
<b>Total long term debt</b>				<b>839,887</b>	<b>\$ 19,428,687</b>	<b>769,473</b>	<b>\$ 14,522,030</b>

During the six months ended June 30, 2020 and 2019, FIBRAPL paid interest on long term debt of \$15,182 million U.S. dollars (\$325,356 million Mexican Pesos) and \$19,405 million U.S. dollars (\$371,587 million Mexican Pesos) respectively, and principal of \$50,000 million U.S. dollars (\$1,213,853 million Mexican Pesos) and \$141,000 million U.S. dollars (\$2,706,089 million Mexican Pesos), respectively.

FIBRAPL has an unsecured \$325.0 million U.S. dollars 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, 2022, 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.

On May 28, 2020, FIBRAPL took one option to extend one year of the maturity date. The financial commission regarding the extension amounted to \$812.5 thousand U.S. dollars (\$18.0 million Mexican Pesos). As of June 30, 2020, FIBRAPL has an outstanding balance of \$70.0 million U.S. dollars (\$1,619.3 million Mexican pesos) under the Credit Facility.

On February 6, 2019, FIBRA borrowed \$290.0 million U.S. dollars (\$5,620.0 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.

FIBRAPL has an unsecured term loan with Citibank ("Citibank (Unsecured) #3") of \$225.0 million U.S. dollars (\$5,204.8 million Mexican pesos), 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 option 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 an unsecured term loan with Citibank ("Citibank (Unsecured) #2") of \$150.0 million U.S. dollars (\$3,469.9 million Mexican pesos), which matures on July 18, 2021, 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 June 30, 2020, FIBRAPL was in compliance with all of its covenants.

#### 14. Equity

As of June 30, 2020, total CBFIs outstanding were 849,185,514.

On April 3, 2020, FIBRAPL recorded a repurchase of \$202.9 thousand U.S. dollars (\$5.0 million Mexican pesos) of CBFIs.

On March 17, 2020, FIBRAPL recorded 200,000 CBFIs issued through the subscription rights offering. Qualified existing CBFi holders were granted a right to subscribe to the additional CBFIs. All 200,000 CBFIs were issued through subscriptions at a price of \$41.50 Mexican Pesos. Proceeds from the subscription were \$8,300 million Mexican Pesos. Issuance costs of \$55.8 million Mexican Pesos were incurred for the issuance.

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.

#### 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 June 30, 2020, given the historical volatility and uncertainty of future CBFi performance, no incentive fee was generated to the Manager for the period of June 5, 2019 to June 4, 2020.

3. **Development Fee:** contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.
4. **Property Management Fee:** fee equal to 3.0% of the revenues generated by the properties, paid monthly.
5. **Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

**b. Due to Affiliates**

As of June 30, 2020 and December 31, 2019, the outstanding balances due to related parties were as follows:

in thousands Mexican Pesos	June 30, 2020	December 31, 2019
Property management fees	\$ 11,583	\$ 9,363
Leasing fee	-	39,798
	<b>\$ 11,583</b>	<b>\$ 49,161</b>

### C. Transactions with affiliates

Transactions with affiliated companies for the three and six months ended June 30, 2020, and 2019, were as follows:

in thousands Mexican Pesos	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Dividends	\$ -	\$ 176,357	\$ 386,661	\$ 356,038
Asset management fee	\$ 114,983	\$ 82,278	\$ 206,005	\$ 166,781
Property management fee	\$ 34,651	\$ 28,505	\$ 65,628	\$ 56,508
Leasing commissions	\$ 26,473	\$ 8,854	\$ 39,335	\$ 15,543
Development fee	\$ 6,377	\$ 11,439	\$ 9,099	\$ 15,412
Maintenance costs	\$ 3,908	\$ 2,042	\$ 6,544	\$ 4,060
Incentive Fee	\$ -	\$ 172,627*	\$ -	\$ 172,627*

\*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 June 30, 2020, FIBRAPL has a liability of \$202.1 million Mexican pesos related to interest rate swap contracts and an asset of \$57.8 million Mexican pesos related to currency option contracts.

### Interest Rate Swaps

As of June 30, 2020, FIBRAPL has three interest rate swap contracts with Bank of Nova Scotia and HSBC Bank USA maturing August 6, 2021. On July 11, 2019, FIBRAPL entered into two swap contracts to pay a fixed rate of interest of 1.7462% and receive a variable rate based on one month LIBOR. The swaps hedge the exposure to \$240 million of the variable interest payments on the \$290 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). On April 15, 2020, FIBRAPL entered into a new swap contract with Bank of Nova Scotia for a notional amount of \$50.0 million U.S. dollar with a fixed rate of interest of 0.325% to cover the remaining exposure of the variable interest rate payment on the \$290.0 million U.S. dollar term loan with Citibank (Citibank (Unsecured) #4).

As of June 30, 2020, 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 June 30, 2020, 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 June 30, 2020, of (\$202.1) million Mexican pesos has been recognized through 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.

in thousands Mexican Pesos

Counterparty	Effective date	Maturity date	Notional amount*	June 30, 2020	December 31, 2019
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75.0	\$ (8,373)	\$ (1,382)
HSBC Bank USA	October 18, 2017	October 18, 2020	75.0	(8,373)	(1,382)
Bank of Nova Scotia	April 16, 2018	March 15, 2021	112.5	(43,074)	(22,953)
HSBC Bank USA	April 16, 2018	March 15, 2021	112.5	(43,074)	(22,952)
Bank of Nova Scotia	June 23, 2016	August 6, 2021	120.0	(48,903)	(6,507)
HSBC Bank USA	June 23, 2016	August 6, 2021	120.0	(48,904)	(6,507)
Bank of Nova Scotia	April 15, 2020	August 6, 2021	50.0	(1,444)	-
				\$ (202,145)	\$ (61,683)

\* (amount in million U.S. dollars)



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

### Currency Option Contracts

On 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 June 30, 2020	
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							
April 1, 2020	June 30, 2020	July 2, 2020	19.5000 USD-MXN	Level 2	\$ 100,000	\$ 19,465	\$ 841
July 1, 2020	September 30, 2020	October 2, 2020	19.5000 USD-MXN	Level 2	\$ 100,000	\$ 18,574	\$ 803
October 1, 2020	December 31, 2020	January 5, 2021	19.5000 USD-MXN	Level 2	\$ 100,000	\$ 19,720	\$ 853
			Total		\$	57,759	\$ 2,497

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

As of June 30, 2020, the fair value of the currency rate options was \$57.8 million Mexican pesos.

## 17. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies other than those described in these notes as of June 30, 2020.

## 18. Subsequent events

On July 17, 2020, FIBRAPL paid \$30.0 million U.S. dollars (\$1,296.9 million Mexican pesos) on the Credit Facility with Citibank N.A.

On July 13, 2020, FIBRAPL received a VAT tax refund of \$1,081.2 million Mexican pesos (\$48.1 million U.S. dollars), related with to recent properties acquired.

On July 6, 2020, FIBRAPL paid \$5.0 million U.S. dollars (\$216.1 million Mexican pesos) on the Credit Facility with Citibank N.A.

## 19. Financial statements approval

On July 17, 2020, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, Finance SVP.

\* \* \* \* \*



Los Altos 5, Guadalajara, Mexico

SECOND QUARTER 2020

# FIBRA Prologis Supplemental Financial Information

Unaudited

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

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



Izcalli Building #2, Mexico City, Mexico

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Izcalli Building #4, Mexico City, Mexico

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2020, FIBRA Prologis was comprised of 201<sup>(A)</sup> logistics and manufacturing facilities in six industrial markets in Mexico totaling 39.0 million square feet (3.6 million square meters) of GLA.

### MARKET PRESENCE

**95.5%<sup>(B)</sup>** Occupancy

### TOTAL MARKETS

GLA	% Net Effective Rent
<b>39.0 MSF</b>	<b>100%</b>

### REGIONAL MARKETS

(manufacturing-driven)

Ciudad Juarez, Reynosa, Tijuana

GLA	% Net Effective Rent	Occupancy
12.2 MSF	30.3%	98.2%

### GLOBAL MARKETS

(consumption-driven)

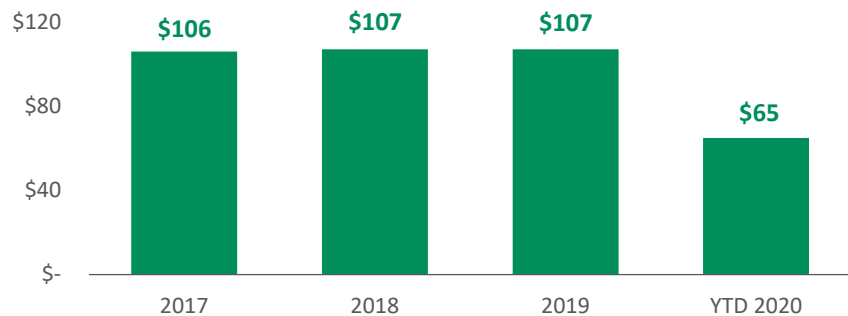
Guadalajara, Mexico City, Monterrey

GLA	% Net Effective Rent	Occupancy
26.8 MSF	69.7%	94.3%



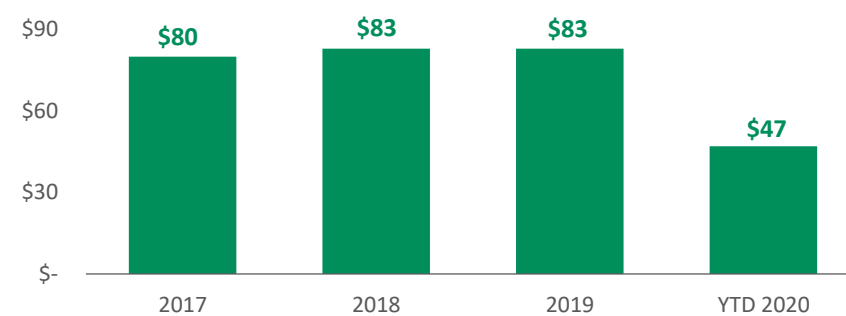
### FFO, AS MODIFIED BY FIBRA PROLOGIS

(in millions of US\$)



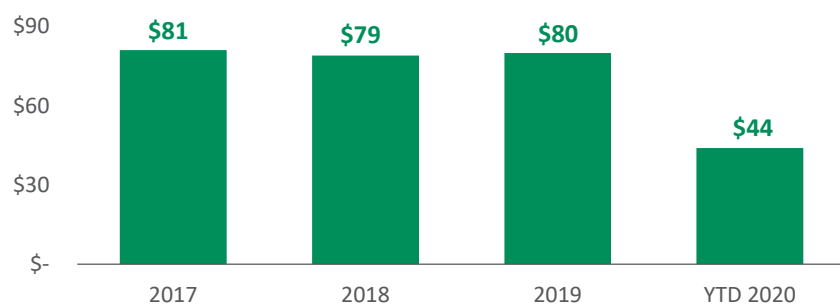
### AFFO

(in millions of US\$)



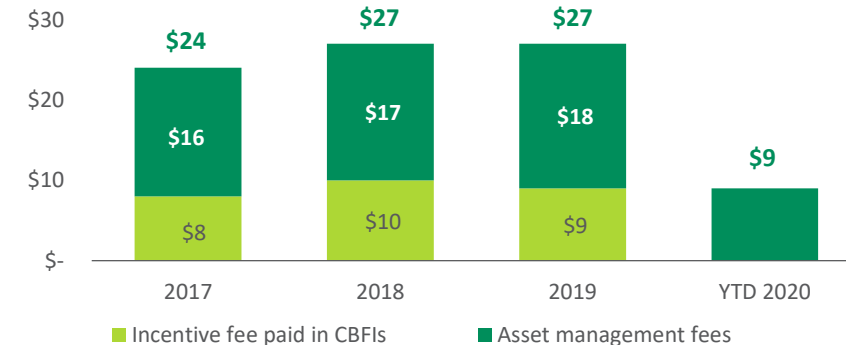
### DISTRIBUTIONS

(in millions of US\$)



### ASSET MANAGEMENT FEES AND INCENTIVE FEE

(in millions of US\$)





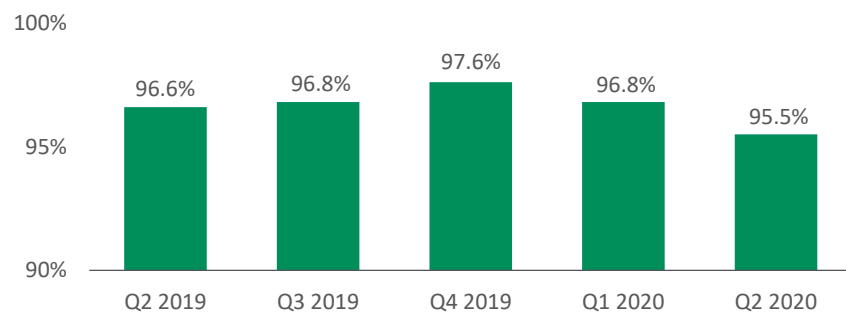
Included below are quarterly comparative highlights in Mexican pesos and U.S. Dollars as a summary of our company performance.

in thousands, except per CBFi amounts

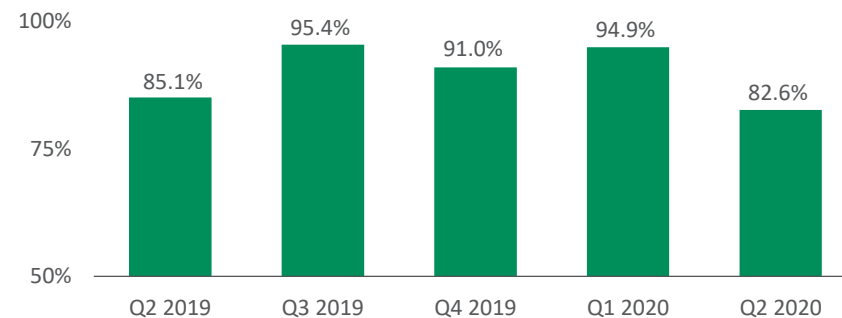
	For the three months ended									
	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019	
	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>	Ps.	US\$ <sup>(A)</sup>
Revenues	1,223,139	51,997	978,626	51,201	950,553	48,914	943,481	48,551	938,813	49,128
Gross Profit	1,065,795	44,935	837,013	44,597	831,042	42,690	791,108	40,818	817,517	42,741
Net (Loss) Income	(375,034)	(16,080)	(329,356)	(15,015)	540,895	27,172	460,107	23,836	482,694	25,434
AMEFIBRA FFO	789,354	33,159	622,353	33,266	496,282	24,862	514,276	26,628	551,377	28,733
FFO, as modified by FIBRA Prologis	775,408	32,557	610,140	32,674	484,622	24,255	502,518	26,021	536,680	27,962
AFFO	562,469	23,440	403,369	23,279	285,764	13,977	428,785	22,232	455,026	23,580
Adjusted EBITDA	975,796	41,027	813,159	42,739	703,883	36,101	697,815	36,063	722,630	37,655
Net (Loss) earnings per CBFi	(0.4416)	(0.0189)	(0.4833)	(0.0220)	0.8332	0.0419	0.7087	0.0367	0.7487	0.0395
AMEFIBRA FFO per CBFi	0.9295	0.0390	0.9133	0.0488	0.7645	0.0383	0.7922	0.0410	0.8553	0.0446
FFO, as modified by FIBRA Prologis per CBFi	0.9131	0.0383	0.8954	0.0479	0.7465	0.0374	0.7741	0.0401	0.8325	0.0434



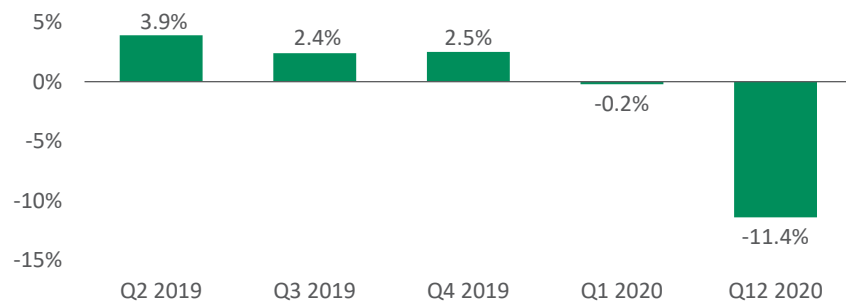
### PERIOD END OCCUPANCY – OPERATING PORTFOLIO



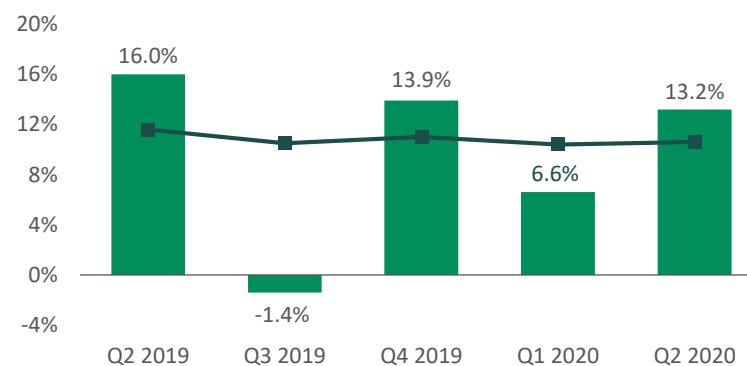
### WEIGHTED AVERAGE CUSTOMER RETENTION



### SAME STORE CASH NOI CHANGE OVER PRIOR YEAR <sup>(A)</sup>



### NET EFFECTIVE RENT CHANGE



	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Quartely Actual	16.0%	-1.4%	13.9%	6.6%	13.2%
Trailing 4Q Average	11.6%	10.5%	11.0%	10.4%	10.6%

US Dollars in thousands except per CBFI amounts

Financial Performance	Low		High	
Full year FFO per CBFI <sup>(A)</sup>	\$	0.1550	\$	0.1650
<b>Operations</b>				
Year-end occupancy		95.0%		96.0%
Same store cash NOI change		-5.0%		-3.0%
Annual capex as a percentage of NOI		13.0%		14.0%
<b>Capital Deployment</b>				
Building Acquisitions	\$	350,000	\$	400,000
<b>Other Assumptions</b>				
G&A (Asset management and professional fees) <sup>(B)</sup>	\$	19,000	\$	21,000
Full year 2020 distribution per CBFI (US Dollars)	\$	0.0970	\$	0.0970

# Financial Information

## Interim Condensed Statements of Financial Position

2Q 2020 Supplemental

in thousands	June 30, 2020		December 31, 2019	
	Ps.	US\$	Ps.	US\$
<b>Assets:</b>				
Current assets:				
Cash	657,972	28,444	182,792	9,687
Trade receivables	73,148	3,162	56,870	3,012
Other receivables	1,072,160	46,348	10,301	546
Prepaid expenses	71,425	3,088	3,295	174
Exchange rate options	57,759	2,497	7,338	389
	<b>1,932,464</b>	<b>83,539</b>	<b>260,596</b>	<b>13,808</b>
Non-current assets:				
Investment properties	61,154,580	2,643,665	44,611,642	2,363,819
Other investment properties	37,359	1,615	10,778	571
Other assets	37,352	1,614	43,386	2,298
	<b>61,229,291</b>	<b>2,646,894</b>	<b>44,665,806</b>	<b>2,366,688</b>
<b>Total assets</b>	<b>63,161,755</b>	<b>2,730,433</b>	<b>44,926,402</b>	<b>2,380,496</b>
<b>Liabilities and Equity:</b>				
Current liabilities:				
Trade payables	119,592	5,172	69,159	3,666
Value added tax payables	-	-	356	19
Due to affiliates	11,583	501	49,161	2,605
Current portion of long term debt	37,184	1,607	29,298	1,552
Current portion of hedge instruments	102,894	4,449	-	-
	<b>271,253</b>	<b>11,729</b>	<b>147,974</b>	<b>7,842</b>
Non-current liabilities:				
Long term debt	19,428,687	839,887	14,522,030	769,473
Security deposits	377,341	16,312	280,342	14,854
Hedge Instruments	99,251	4,290	61,683	3,268
	<b>19,905,279</b>	<b>860,489</b>	<b>14,864,055</b>	<b>787,595</b>
<b>Total liabilities</b>	<b>20,176,532</b>	<b>872,218</b>	<b>15,012,029</b>	<b>795,437</b>
Equity:				
CBFI holders capital	22,369,174	1,401,608	14,124,954	1,025,477
Other equity accounts and retained earnings	20,616,049	456,607	15,789,419	559,582
<b>Total equity</b>	<b>42,985,223</b>	<b>1,858,215</b>	<b>29,914,373</b>	<b>1,585,059</b>
<b>Total liabilities and equity</b>	<b>63,161,755</b>	<b>2,730,433</b>	<b>44,926,402</b>	<b>2,380,496</b>

# Financial Information

## Interim Condensed Statements of Comprehensive Income

2Q 2020 Supplemental

in thousands, except per CBFI amounts	For the three months ended June 30,				For the six months ended June 30,			
	2020		2019		2020		2019	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
<b>Revenues:</b>								
Lease rental income	1,096,055	46,615	831,282	43,503	1,944,931	91,152	1,702,768	88,508
Rental recoveries	121,006	5,131	88,747	4,637	230,562	10,755	188,190	9,783
Other property income	6,078	251	18,784	988	26,272	1,291	39,773	2,073
	<b>1,223,139</b>	<b>51,997</b>	<b>938,813</b>	<b>49,128</b>	<b>2,201,765</b>	<b>103,198</b>	<b>1,930,731</b>	<b>100,364</b>
<b>Cost and expenses:</b>								
Property operating expenses:								
Operating and maintenance	67,320	2,869	53,859	2,809	123,137	5,710	107,193	5,580
Utilities	9,527	408	10,662	560	18,337	838	24,091	1,255
Property management fees	34,651	1,515	28,505	1,512	65,628	2,898	56,508	2,989
Real estate taxes	20,053	1,040	17,445	888	38,216	2,036	35,377	1,801
Non-recoverable operating	25,793	1,230	10,825	618	53,639	2,184	28,544	1,561
	<b>157,344</b>	<b>7,062</b>	<b>121,296</b>	<b>6,387</b>	<b>298,957</b>	<b>13,666</b>	<b>251,713</b>	<b>13,186</b>
<b>Gross profit</b>	<b>1,065,795</b>	<b>44,935</b>	<b>817,517</b>	<b>42,741</b>	<b>1,902,808</b>	<b>89,532</b>	<b>1,679,018</b>	<b>87,178</b>
<b>Other expenses (income):</b>								
Loss (gain) on valuation of investment properties	1,164,285	49,856	(132,409)	(6,925)	2,080,255	95,796	(259,163)	(13,490)
Asset management fees	114,983	4,963	82,278	4,415	206,005	9,384	166,781	8,820
Incentive fee	-	-	172,627	8,736	-	-	172,627	8,736
Professional fees	13,355	574	7,236	386	25,499	1,184	15,204	801
Interest expense	217,556	9,310	166,202	8,657	397,859	18,324	344,594	17,984
Amortization of deferred financing cost	13,946	602	14,697	771	26,159	1,194	29,647	1,555
Net loss on early extinguishment of debt	-	-	2,906	152	-	-	18,638	969
Unused credit facility fee	9,349	379	9,297	487	19,852	838	16,535	869
Unrealized loss (gain) on exchange rate hedge instruments	28,654	1,238	4,418	230	(34,642)	(1,368)	11,003	570
Realized (gain) loss on exchange rate hedge instruments	(20,503)	(878)	-	-	(100,924)	(4,102)	419	22
Net Unrealized exchange (gain) loss	(42,497)	(2,457)	6,444	335	44,325	1,898	(2,627)	(137)
Net Realized exchange (gain) loss	(18,407)	(775)	(2,691)	(140)	(20,104)	(861)	(266)	(14)
Tax recovered	(40,463)	(1,821)	-	-	(40,463)	(1,821)	-	-
Other general and administrative expenses	571	24	3,818	203	3,377	161	7,435	388
	<b>1,440,829</b>	<b>61,015</b>	<b>334,823</b>	<b>17,307</b>	<b>2,607,198</b>	<b>120,627</b>	<b>520,827</b>	<b>27,073</b>
<b>Net (loss) income</b>	<b>(375,034)</b>	<b>(16,080)</b>	<b>482,694</b>	<b>25,434</b>	<b>(704,390)</b>	<b>(31,095)</b>	<b>1,158,191</b>	<b>60,105</b>
<b>Other comprehensive income:</b>								
Items that are not reclassified subsequently to profit or loss:								
Translation loss (gain) from functional currency to reporting currency	2,184,534	1,167	371,078	(4,357)	(6,491,345)	23,348	834,640	(3,016)
Items that are or may be reclassified subsequently to profit or loss:								
Unrealized (gain) loss on interest rate swaps	(30,952)	(1,338)	76,563	3,994	134,388	5,470	128,365	6,629
	<b>2,153,582</b>	<b>(171)</b>	<b>447,641</b>	<b>(363)</b>	<b>(6,356,957)</b>	<b>28,818</b>	<b>963,005</b>	<b>3,613</b>
<b>Total comprehensive (loss) income for the period</b>	<b>(2,528,616)</b>	<b>(15,909)</b>	<b>35,053</b>	<b>25,797</b>	<b>5,652,567</b>	<b>(59,913)</b>	<b>195,186</b>	<b>56,492</b>
<b>(Loss) earnings per CBFI (A)</b>	<b>(0.4416)</b>	<b>(0.0189)</b>	<b>0.7487</b>	<b>0.0395</b>	<b>(0.9200)</b>	<b>(0.0406)</b>	<b>1.7966</b>	<b>0.0932</b>

# Financial Information

2Q 2020 Supplemental

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

in thousands	For the three months ended June 30,				For the six months ended June 30,			
	2020		2019		2020		2019	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
<b>Reconciliation of Net Income to FFO</b>								
<b>Net (Loss) Income</b>	<b>(375,034)</b>	<b>(16,080)</b>	<b>482,694</b>	<b>25,434</b>	<b>(704,390)</b>	<b>(31,095)</b>	<b>1,158,191</b>	<b>60,105</b>
Loss (Gain) on valuation of investment properties	1,164,285	49,856	(132,409)	(6,925)	2,080,255	95,796	(259,163)	(13,490)
Unrealized loss (gain) on exchange rate hedge instruments	28,654	1,238	4,418	230	(34,642)	(1,368)	11,003	570
Net Unrealized exchange (gain) loss	(42,497)	(2,457)	6,444	335	44,325	1,898	(2,627)	(137)
Net loss on early extinguishment of debt	-	-	2,906	152	-	-	18,638	969
Amortization of deferred financing costs	13,946	602	14,697	771	26,159	1,194	29,647	1,555
Incentive fee paid in CBFIs	-	-	172,627	8,736	-	-	172,627	8,736
<b>AMEFIBRA FFO</b>	<b>789,354</b>	<b>33,159</b>	<b>551,377</b>	<b>28,733</b>	<b>1,411,707</b>	<b>66,425</b>	<b>1,128,316</b>	<b>58,308</b>
Amortization of deferred financing costs	(13,946)	(602)	(14,697)	(771)	(26,159)	(1,194)	(29,647)	(1,555)
<b>FFO , as modified by FIBRA Prologis</b>	<b>775,408</b>	<b>32,557</b>	<b>536,680</b>	<b>27,962</b>	<b>1,385,548</b>	<b>65,231</b>	<b>1,098,669</b>	<b>56,753</b>
<b>Adjustments to arrive at Adjusted FFO ("AFFO")</b>								
Straight-lined rents	(66,205)	(2,862)	(3,221)	(272)	(134,131)	(5,659)	(22,600)	(1,245)
Property improvements	(23,094)	(983)	(52,734)	(2,764)	(79,953)	(3,481)	(90,447)	(4,734)
Tenant improvements	(87,061)	(3,688)	(20,311)	(1,066)	(148,179)	(6,756)	(53,084)	(2,776)
Leasing commissions	(50,525)	(2,186)	(20,085)	(1,051)	(83,606)	(3,810)	(51,101)	(2,669)
Amortization of deferred financing costs	13,946	602	14,697	771	26,159	1,194	29,647	1,555
<b>AFFO</b>	<b>562,469</b>	<b>23,440</b>	<b>455,026</b>	<b>23,580</b>	<b>965,838</b>	<b>46,719</b>	<b>911,084</b>	<b>46,884</b>

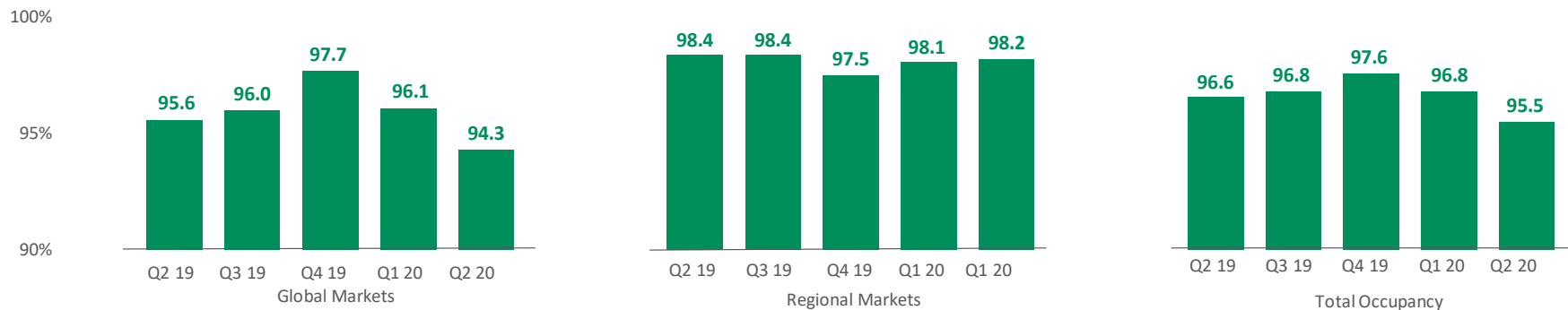
in thousands	For the three months ended June 30,				For the six months ended June 30,			
	2020		2019		2020		2019	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
<b>Reconciliation of Net Income to Adjusted EBITDA</b>								
<b>Net (Loss) income</b>	<b>(375,034)</b>	<b>(16,080)</b>	<b>482,694</b>	<b>25,434</b>	<b>(704,390)</b>	<b>(31,095)</b>	<b>1,158,191</b>	<b>60,105</b>
Loss (gain) on valuation of investment properties	1,164,285	49,856	(132,409)	(6,925)	2,080,255	95,796	(259,163)	(13,490)
Interest expense	217,556	9,310	166,202	8,657	397,859	18,324	344,594	17,984
Amortization of deferred financing costs	13,946	602	14,697	771	26,159	1,194	29,647	1,555
Net loss on early extinguishment of debt	-	-	2,906	152	-	-	18,638	969
Unused credit facility fee	9,349	379	9,297	487	19,852	838	16,519	869
Unrealized loss (gain) on exchange rate hedge instruments	28,654	1,238	4,418	230	(34,642)	(1,368)	11,003	570
Unrealized loss on exchange rate forwards	-	-	-	-	-	-	-	-
Net Unrealized exchange (gain) loss	(42,497)	(2,457)	6,444	335	44,325	1,898	(2,627)	(137)
Pro forma adjustments for dispositions	-	-	(4,246)	(222)	-	-	(28,315)	(1,464)
Incentive fee paid in CBFIs	-	-	172,627	8,736	-	-	172,627	8,736
Tax recovered	(40,463)	(1,821)	-	-	(40,463)	(1,821)	-	-
<b>Adjusted EBITDA</b>	<b>975,796</b>	<b>41,027</b>	<b>722,630</b>	<b>37,655</b>	<b>1,788,955</b>	<b>83,766</b>	<b>1,461,114</b>	<b>75,697</b>

# Operations Overview

## Operating Metrics

2Q 2020 Supplemental

### PERIOD ENDING OCCUPANCY - OPERATING PORTFOLIO



### LEASING ACTIVITY

square feet in thousands

#### Square feet of leases commenced:

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Renewals	1,650	653	2,109	2,236	4,317
New leases	357	126	630	400	737

<b>Total square feet of leases commenced</b>	<b>2,007</b>	<b>779</b>	<b>2,739</b>	<b>2,636</b>	<b>5,054</b>
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Average term of leases commenced (months)	69	37	75	60	79
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#### Operating Portfolio:

Trailing four quarters - leases commenced	8,374	6,182	7,118	8,161	11,208
Trailing four quarters - % of average portfolio	23.8%	17.6%	20.3%	23.4%	32.1%

<b>Rent change - cash</b>	<b>-3.6%</b>	<b>-0.7%</b>	<b>-2.4%</b>	<b>0.3%</b>	<b>1.2%</b>
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<b>Rent change - net effective</b>	<b>16.0%</b>	<b>-1.4%</b>	<b>13.9%</b>	<b>6.6%</b>	<b>13.2%</b>
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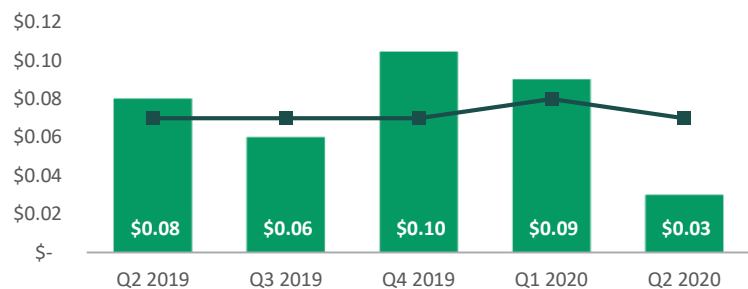
### CAPITAL EXPENDITURES INCURRED <sup>(A)</sup> IN THOUSANDS

in thousands	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
Property improvements	52,734	2,764	40,019	2,068	70,647	3,644	56,859	2,498	23,094	983
Tenant improvements	20,311	1,066	34,456	1,775	48,998	2,546	61,118	3,068	87,061	3,688
Leasing commissions	20,085	1,051	19,904	1,014	71,087	3,668	33,081	1,624	50,525	2,186
Total turnover costs	40,396	2,117	54,360	2,789	120,085	6,214	94,199	4,692	137,586	5,874
<b>Total capital expenditures</b>	<b>93,130</b>	<b>4,881</b>	<b>94,379</b>	<b>4,857</b>	<b>190,732</b>	<b>9,858</b>	<b>151,058</b>	<b>7,190</b>	<b>160,680</b>	<b>6,857</b>
Trailing four quarters - % of gross NOI		13.8%		13.7%		14.6%		15.6%		17.0%

### SAME STORE INFORMATION

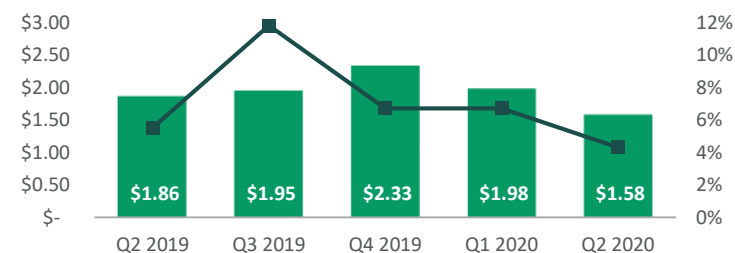
	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Square feet of population	33,030	33,030	33,024	34,508	34,508
Average occupancy	100.0%	96.3%	96.6%	96.7%	94.3%
Percentage change:					
Rental income- cash	6.3%	4.2%	1.7%	1.4%	(10.4%)
Rental expenses- cash	19.7%	11.8%	(1.5%)	9.7%	(5.5%)
NOI - Cash	3.9%	2.4%	2.5%	(0.2%)	(11.4%)
NOI - net effective	0.9%	1.5%	3.3%	4.5%	(6.0%)
Average occupancy	(1.4%)	0.4%	0.1%	(5.0%)	(5.7%)

### PROPERTY IMPROVEMENTS PER SQUARE FOOT (USD)



	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Quarterly total	\$ 0.08	\$ 0.06	\$ 0.10	\$ 0.09	\$ 0.03
Trailing four quarter average	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.07

### ESTIMATED TURNOVER COSTS ON LEASES COMMENCED (A)



	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
USD per square foot	\$ 1.86	\$ 1.95	\$ 2.33	\$ 1.98	\$ 1.58
As a % of lease value	5.5%	11.8%	6.7%	6.7%	4.3%

# Operations Overview

## Investment Properties

2Q 2020 Supplemental

square feet and currency in thousands	# of Building	Square Feet		Occupied %	Leased %	Second Quarter NOI		Net Effective Rent				Investment Properties Value				
		Total	% of Total					Annualized		% of Total	Per Sq Ft		Total	% of Total		
						Ps.	US\$	Ps.	US\$		Ps.	US\$			Ps.	US\$
Global Markets																
Mexico City	61	16,464	42.2	95.5	97.2	466,536	19,522	2,149,860	92,937	45.5	137	5.91	29,118,866	1,258,786	47.7	
Guadalajara	26	5,937	15.2	92.1	92.1	146,587	6,134	644,840	27,876	13.6	118	5.10	8,322,842	359,790	13.6	
Monterrey	22	4,419	11.3	92.7	92.7	107,770	4,510	500,055	21,617	10.6	122	5.28	6,551,355	283,210	10.7	
Total global markets	109	26,820	68.7	94.3	95.3	720,893	30,166	3,294,755	142,430	69.7	130	5.63	43,993,064	1,901,786	72.0	
Regional markets																
Reynosa	30	4,712	12.1	99.0	99.0	134,797	5,641	589,277	25,474	12.4	126	5.46	6,267,751	270,950	10.2	
Tijuana	33	4,208	10.8	100.0	100.0	120,079	5,025	498,135	21,534	10.5	118	5.12	6,141,679	265,500	10.0	
Ciudad Juarez	28	3,235	8.3	94.6	94.6	84,410	3,532	352,724	15,248	7.4	115	4.98	4,149,971	179,400	6.8	
Total regional markets	91	12,155	31.2	98.2	98.2	339,286	14,198	1,440,136	62,256	30.3	121	5.22	16,559,400	715,850	27.0	
Total operating portfolio	200	38,975	99.9	95.5	96.2	1,060,179	44,364	4,734,887	204,686	100	127	5.50	60,552,464	2,617,636	99.0	
VAA Mexico City	1	36	0.1	0	0								80,941	3,499	0.1	
Total operating properties	201	39,011	100.0	95.4	96.1	1,060,179	44,364	4,734,887	204,686	100	127	5.50	60,633,404	2,621,135	99.1	
Intermodal facility <sup>(A)</sup>						5,616	235						384,000	16,600	0.6	
Excess land <sup>(B)</sup>													137,176	5,930	0.2	
Other investment properties <sup>(C)</sup>													37,359	1,615	0.1	
Total investment properties		39,011	100.0			1,065,795	44,599						61,191,939	2,645,280	100.0	

A. 100% occupied as of June 30, 2020.

B. Fibra Prologis has 20.75 acres of land in Monterrey with an estimated build out of 305,948 square feet as of June 30, 2020.

C. Office property located in Mexico City market with an area of 23,023 square feet.



# Operations Overview

## Customer Information

2Q 2020 Supplemental

square feet in thousands

### Top 10 Customers as % of Net Effective Rent

	% of Net Effective Rent	Total Square Feet
1 Amazon.Com, Inc.	4.1%	1,371
2 Mercado Libre	3.8%	1,053
3 Geodis	3.7%	1,197
4 IBM de México, S. de R.L	3.0%	1,222
5 DHL	2.1%	827
6 LG, Inc.	2.1%	770
7 Kuehne & Nagel	1.5%	574
8 Ryder System Inc.	1.4%	510
9 Uline	1.2%	501
10 Dsv Panalpina A/S	1.2%	405

<b>Top 10 Customers</b>	<b>24.1%</b>	<b>8,430</b>
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square feet and currency in thousands

### Lease Expirations - Operating Portfolio

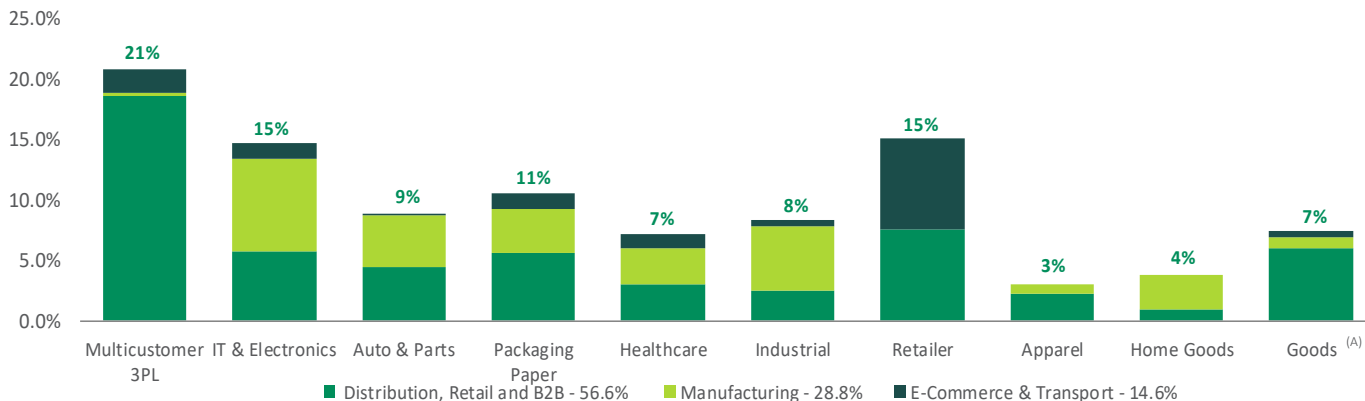
Year	Occupied Sq Ft	Total		% of Total	Per Sq Ft		Net Effective Rent	
		Ps.	US\$		Ps.	US\$	% Ps.	% US\$
2020	2,329	252,608	10,920	5%	108.47	4.69	10%	90%
2021	4,463	576,993	24,943	12%	129.30	5.59	47%	53%
2022	5,762	728,098	31,475	16%	126.36	5.46	53%	47%
2023	5,144	625,045	27,020	13%	121.51	5.25	28%	72%
2024	3,123	388,184	16,781	8%	124.31	5.37	22%	78%
Month to month	140	16,463	712	0%	117.64	5.09	0%	100%
Thereafter	16,255	2,147,496	92,835	46%	132.10	5.71	35%	65%
	<b>37,216</b>	<b>4,734,887</b>	<b>204,686</b>	<b>100%</b>	<b>127.2</b>	<b>5.50</b>	<b>36%</b>	<b>64%</b>

### Lease Currency - Operating Portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	73,228	35.8	12,920	34.7
Leases denominated in US\$	131,457	64.2	24,296	65.3
<b>Total</b>	<b>204,686</b>	<b>100</b>	<b>37,216</b>	<b>100</b>

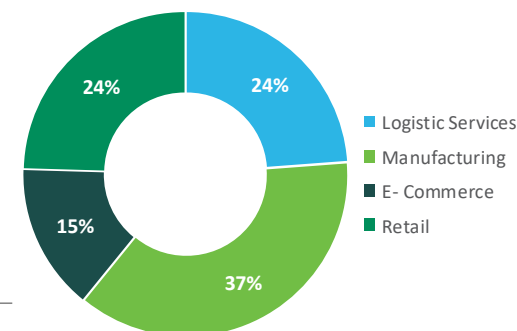
### USE OF SPACE BY CUSTOMER INDUSTRY

% of Portfolio NER



### CUSTOMER TYPE

% of Portfolio NER



# Capital Deployment

## Acquisitions

2Q 2020 Supplemental

square feet and currency in thousands

	Q2 2020			FY 2020		
	Sq Ft	Acquisition Price <sup>(A)</sup>		Sq Ft	Acquisition Price <sup>(A)</sup>	
		Ps.	US\$		Ps.	US\$
<b>BUILDING ACQUISITIONS</b>						
<b>Global Markets</b>						
Mexico City	4,082	8,780,325	356,340	4,082	8,780,325	356,340
Guadalajara	48	44,210	2,060	48	44,210	2,060
Monterrey						
<b>Total Global Markets</b>	<b>4,130</b>	<b>8,824,534</b>	<b>358,400</b>	<b>4,130</b>	<b>8,824,534</b>	<b>358,400</b>
<b>Regional Markets</b>						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	-	-	-
<b>Total Regional Markets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Building Acquisitions</b>	<b>4,130</b>	<b>8,824,534</b>	<b>358,400</b>	<b>4,130</b>	<b>8,824,534</b>	<b>358,400</b>
<b>Weighted average stabilized cap rate</b>		<b>6.7%</b>			<b>6.7%</b>	

A. The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate in the sales agreement.  
 B. Office property located in Mexico City market with an area of 23,023 square feet.

# Capitalization

## Debt Summary and Metrics

2Q 2020 Supplemental

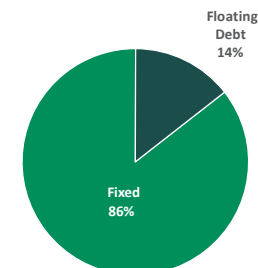
Maturity	Unsecured				Secured		Total		Wtd Avg. Cash Interest Rate <sup>(A)</sup>	Wtd Avg. Effective Interest Rate <sup>(B)</sup>
	Credit Facility		Senior		Mortgage Debt					
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$		
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	1,619	70	3,470	150	-	-	5,089	220	3.7%	3.7%
2023	-	-	5,205	225	-	-	5,205	225	4.9%	5.1%
2024	-	-	6,708	290	-	-	6,708	290	3.8%	3.9%
Thereafter	-	-	-	-	2,475	107	2,475	107	4.6%	4.7%
<b>Subtotal- debt par value</b>	<b>1,619</b>	<b>70</b>	<b>15,383</b>	<b>665</b>	<b>2,475</b>	<b>107</b>	<b>19,477</b>	<b>842</b>		
Interest payable and deferred financing cost	-	-	(23)	(1)	-	-	(23)	(1)		
<b>Total debt</b>	<b>1,619</b>	<b>70</b>	<b>15,360</b>	<b>664</b>	<b>2,475</b>	<b>107</b>	<b>19,454</b>	<b>841</b>	<b>4.2%</b>	<b>4.3%</b>

Weighted average cash interest rate <sup>(A)</sup>	2.7%	4.3%	4.7%	4.2%
Weighted average effective interest rate <sup>(B)</sup>	2.7%	4.4%	4.7%	4.3%
Weighted average remaining maturity in years	2.0	2.9	5.6	3.2

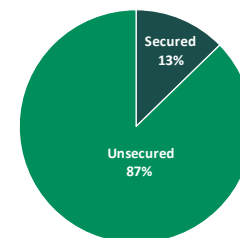
currency in millions		
Liquidity	Ps.	US\$
Aggregate lender commitments	7,518	325
Less:	-	-
Borrowings outstanding	1,619	70
Outstanding letters of credit	-	-
Current availability	5,899	255
Unrestricted cash	658	28
<b>Total liquidity</b>	<b>6,557</b>	<b>283</b>

Debt Metrics <sup>(C)</sup>	2020	
	Second Quarter	First Quarter
Debt, less cash and VAT, as % of investment properties	29.0%	18.6%
Fixed charge coverage ratio	4.41x	4.74x
Debt to Adjusted EBITDA ratio	4.68x	2.54x

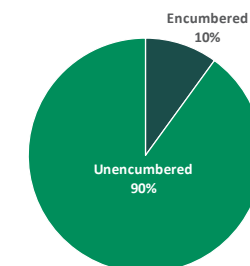
FIXED VS. FLOATING DEBT <sup>(D)</sup>



SECURED VS. UNSECURED DEBT



ENCUMBERED VS. UNENCUMBERED ASSETS POOL <sup>(E)</sup>



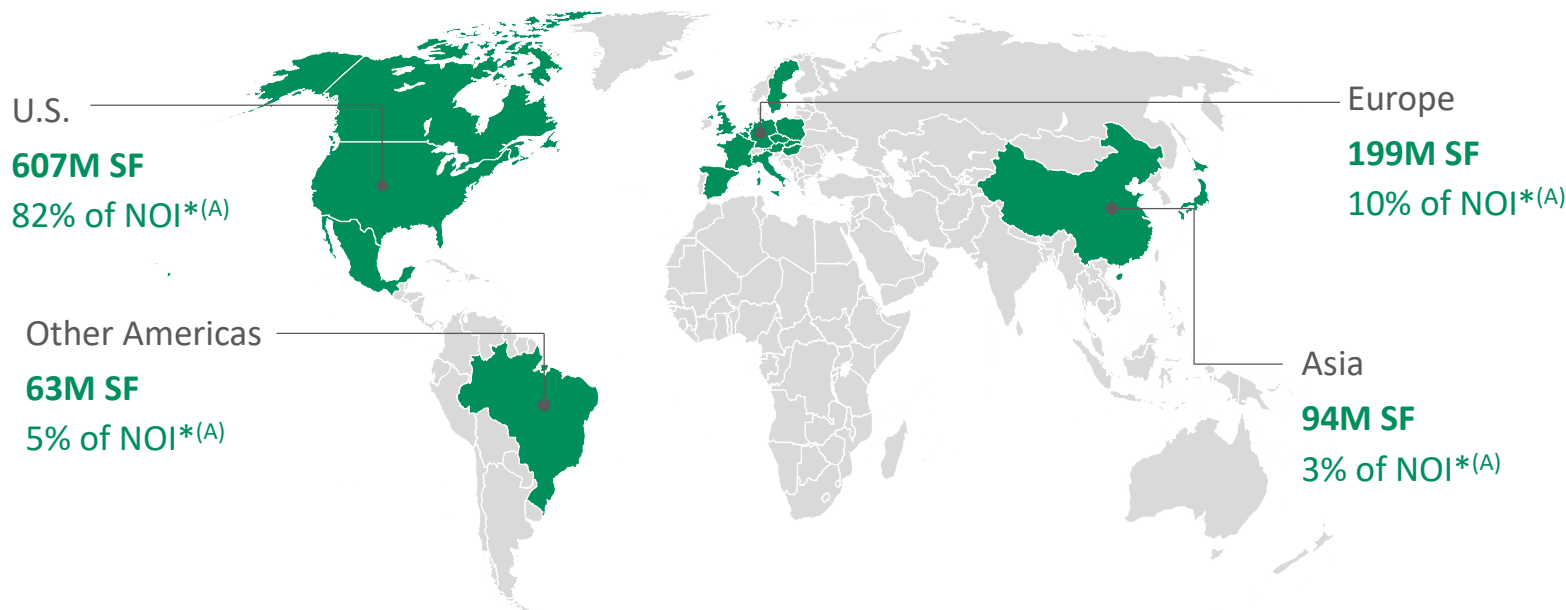
- A. Interest rates are based on the cash rates associated with the respective weighted average debt amounts outstanding.
- B. Interest rate is based on the effective rate, which includes the amortization of related premiums (discounts) and finance costs. The net premiums (discounts) and finance costs associated with the respective debt were included in the maturities by year.
- C. These calculations are based on actual U.S. Dollars as described in the Notes and Definitions section and are not calculated in accordance with the applicable regulatory rules.
- D. Includes the interest rate swap contract.
- E. Based on fair market value as of June 30, 2020.

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2020, 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 963 million square feet (89 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,500 customers principally across two major categories: business-to-business and retail/online fulfillment.

**4,655**  
Buildings

**963M**  
Square Feet

**5,500**  
Customers

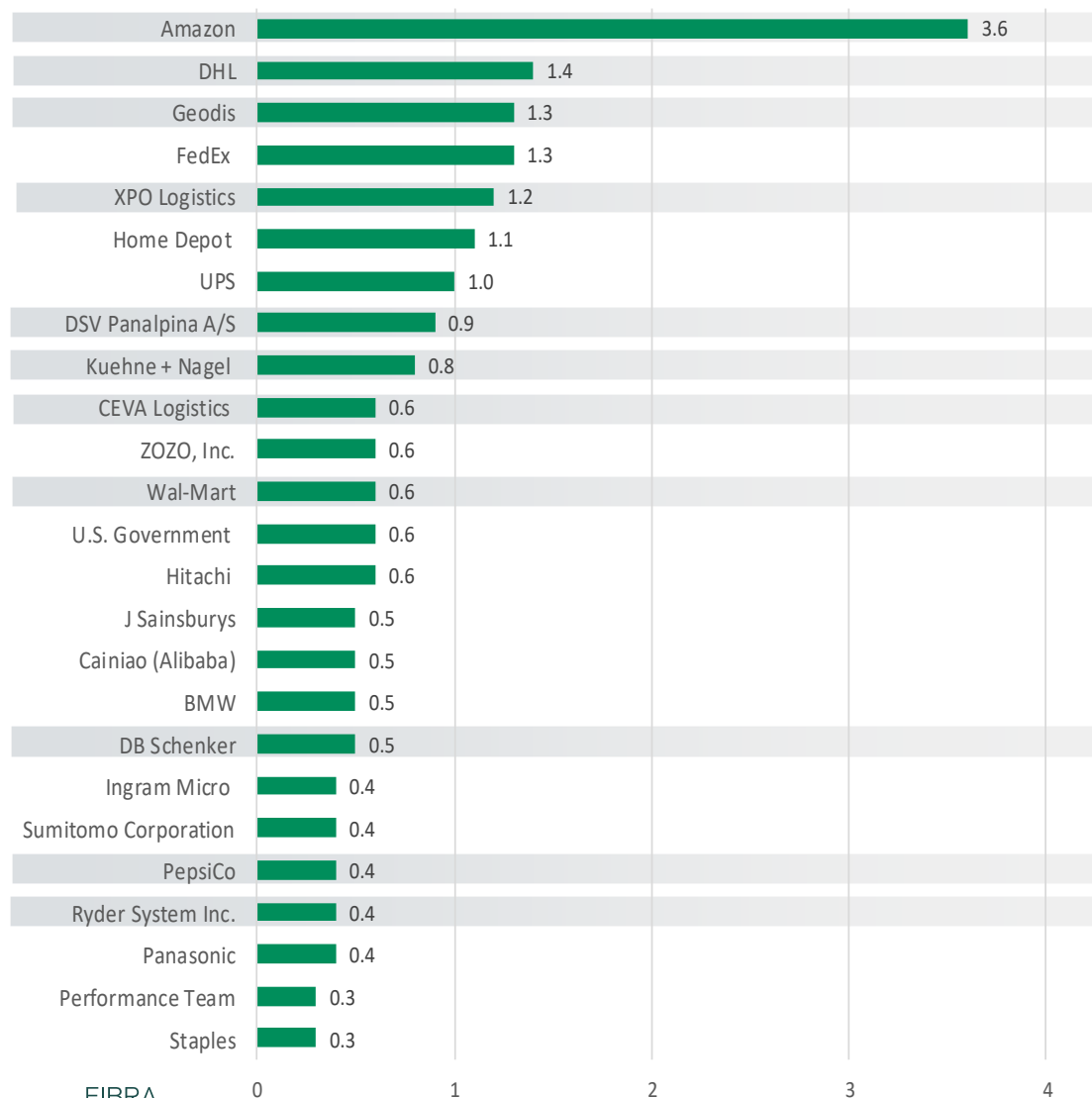


# Sponsor

## Prologis Global Customer Relationships <sup>(A)</sup>

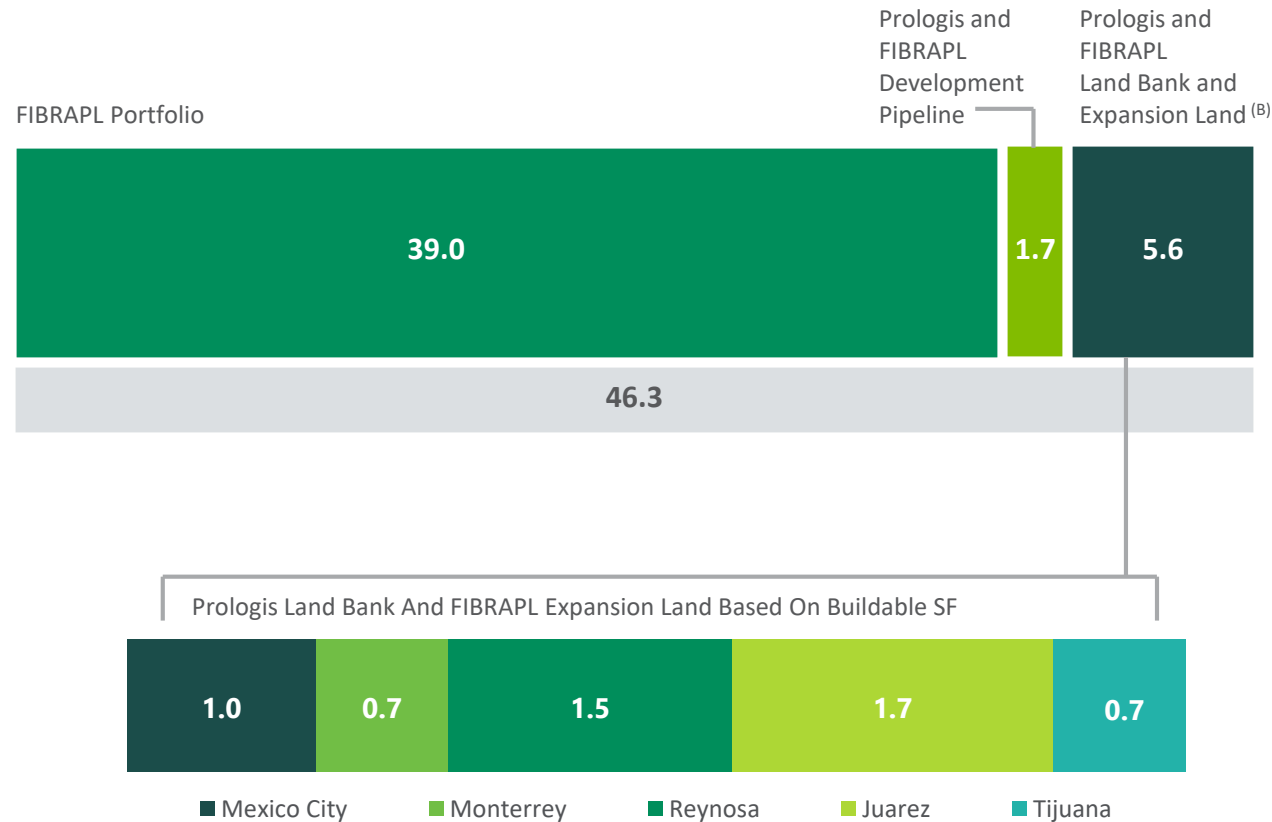
2Q 2020 Supplemental

(% Net Effective Rent)



## EXTERNAL GROWTH VIA PROLOGIS DEVELOPMENT PIPELINE

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



- 19% 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
Monterrey	0.9	89.1%
Ciudad Juarez	0.4	100.0%
Tijuana	0.4	100.0%
<b>Total</b>	<b>1.7</b>	<b>94.3%</b>



Centro Industrial Juarez 12, Juarez, Mexico

## Notes and Definitions

# Notes and Definitions

2Q 2020 Supplemental

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:

	For the three months ended				For the six months ended			
	June 30, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$
in thousands, except per share amounts								
<b>Earnings</b>								
Net (loss) income	(375,034)	(16,080)	482,694	25,434	(704,390)	(31,095)	1,158,191	60,105
Weighted average CBFis outstanding - Basic and Diluted	849,186	849,186	644,674	644,674	765,669	765,669	644,674	644,674
<b>(Loss) earnings per CBFi - Basic and Diluted</b>	<b>(0.4416)</b>	<b>(0.0189)</b>	<b>0.7487</b>	<b>0.0395</b>	<b>(0.9200)</b>	<b>(0.0406)</b>	<b>1.7966</b>	<b>0.0932</b>
<b>FFO</b>								
AMEFIBRA FFO	789,354	33,159	551,377	28,733	1,411,707	66,425	1,128,316	58,308
Weighted average CBFis outstanding - Basic and Diluted	849,186	849,186	644,674	644,674	765,669	765,669	644,674	644,674
<b>AMEFIBRA FFO per CBFi – Basic and Diluted</b>	<b>0.9295</b>	<b>0.0390</b>	<b>0.8553</b>	<b>0.0446</b>	<b>1.8438</b>	<b>0.0868</b>	<b>1.7502</b>	<b>0.0904</b>
FFO, as modified by FIBRA Prologis	775,408	32,557	536,680	27,962	1,385,548	65,231	1,098,669	56,753
Weighted average CBFis outstanding - Basic and Diluted	849,186	849,186	644,674	644,674	765,669	765,669	644,674	644,674
<b>FFO, as modified by FIBRA Prologis per CBFi</b>	<b>0.9131</b>	<b>0.0383</b>	<b>0.8325</b>	<b>0.0434</b>	<b>1.8096</b>	<b>0.0852</b>	<b>1.7042</b>	<b>0.0880</b>

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

	For the three months ended			
	June 30, 2020		March 31, 2020	
	Ps.	US\$	Ps.	US\$
in thousands				
<b>Debt, less cash and VAT, as a % of investment properties</b>				
Total debt - at par	19,477,566	842,000	18,748,253	772,000
Less: cash	(657,972)	(28,444)	(8,216,449)	(338,330)
Less: VAT receivable	(1,062,713)	(45,940)	-	-
<b>Total debt, net of adjustments</b>	<b>17,756,881</b>	<b>767,616</b>	<b>10,531,804</b>	<b>433,670</b>
Investment properties and Other investment properties	61,191,939	2,645,280	56,505,580	2,326,740
<b>Debt, less of cash and VAT, as a % of investment properties</b>	<b>29.0%</b>	<b>29.0%</b>	<b>18.6%</b>	<b>18.6%</b>
<b>Fixed Charge Coverage ratio:</b>				
Adjusted EBITDA	975,796	41,027	813,159	42,739
Interest expense	217,556	9,310	180,303	9,014
<b>Fixed charge coverage ratio</b>	<b>4.49x</b>	<b>4.41x</b>	<b>4.51x</b>	<b>4.74x</b>
<b>Debt to Adjusted EBITDA:</b>				
Total debt, net of adjustments	17,756,881	767,616	10,531,804	433,670
Adjusted EBITDA annualized	3,903,184	164,108	3,252,636	170,956
<b>Debt to Adjusted EBITDA ratio</b>	<b>4.55x</b>	<b>4.68x</b>	<b>3.24x</b>	<b>2.54x</b>



# Notes and Definitions (continued)

2Q 2020 Supplemental

**AMEFIBRA FFO; 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.

AMEFIBRA (Asociación Mexicana de FIBRA Inmobiliarias) FFO is conceptualized as a supplementary financial metric, in addition to those the accounting itself provides. It is in the use of the overall set of metrics, and not in substitution of one over the other, that AMEFIBRA considers greater clarity and understanding is achieved in assessing the organic performance of real estate entities managing investment property activities. For the same reason, attempting to compare the operational performance of different real estate entities through any one single metric would be insufficient.

AMEFIBRA considers that achieving such purpose is of merited interest to facilitate and improve the comprehension of results reported in the financial reports of its members within the overall public investing community, and also to facilitate comparing the organic performance of the different entities (see below).

## Our FFO Measures

The specific purpose of this metric, as in other markets where the “FFO” designator is used is with respect to the profitability derived from management of investment properties in a broad organic frame of performance. The term “investment properties” is used in the sense International Financial Reporting Standards, “IFRS” uses it, that is, real estate that is developed and operated with the intention of earning a return on the investment either through rental income activities, the future resale of the property, or both. This term is used herein to distinguish it from real estate entities that develop, acquire and sell properties mainly to generate transactional profit in the activity of development/purchase and sale. The AMEFIBRA FFO metric is not intended to address the organic performance of these type of entities.

The AMEFIBRA FFO metric is supplementary to other measures that the accounting provides as it focuses on the performance of the lease activities within the broad frame of the entity that manages it, that is, also takes into account among others the costs of its management structure (whether internal or external), its sources of funding (including funding costs) and if applicable fiscal costs. This better illustrates the term “organic performance” referred to herein. AMEFIBRA FFO parts from the comprehensive income of the IFRS normativity segregating the different valuation and other effects hereinafter described, and that are not part of the organic performance of the lease activity referred to in this document.

## AMEFIBRA FFO

To arrive at AMEFIBRA FFO, we begin with net income and adjust 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. Gains or losses from the early extinguishment of debt;
- iv. Unrealized loss on exchange rate forwards;
- v. Income tax expense related to the sale of real estate;
- vi. Tax on profits or losses on disposals of properties;
- vii. Amortization of any financial costs associated with debt (deferred financing costs and debt premium) and
- viii. Incentive fees paid in CBFi's.

To arrive at FFO, as modified by FIBRA Prologis we begin with AMEFIBRA FFO and adjust to exclude:

- i. Amortization of deferred financing costs and debt premium.

We use AMEFIBRA FFO 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 AMEFIBRA FFO to further exclude (i) straight-line rents; (ii) recurring capital expenditures and discounts and financing cost, net of amounts capitalized; and (iii) incentive fees paid in CBFi's.

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 AMEFIBRA FFO 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 AMEFIBRA'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:

- 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 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.
- Refers to non-realized profits or losses in the reasonable value of financial instruments (includes debt and equity related instruments)
- The current income tax expenses that are excluded from our modified FFO measures represent the taxes that are payable.
- Refers to amortization of any financial costs associated with debt obtention and to the non-realized accounting gains or losses resulting from changes in the determination of the reasonable value of debt.
- Refers to the impact of compensation that is payable in CBFIs and consequently to its dilutive implications.

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)

2Q 2020 Supplemental

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	2020	2019	Change (%)
<b>Rental income</b>			
Per the statements of comprehensive income	51,997	49,128	
Properties not included in same store and other adjustments (a)	(6,317)	(832)	
Direct Billables Revenues from Properties included same store pool	1,929	2,320	
Straight-lined rent from properties included in the same store	(2,388)	(132)	
Other Adjustments for Properties in Same Store Pool			
<b>Same Store - Rental income - cash</b>	<b>45,221</b>	<b>50,484</b>	<b>-10.4%</b>
<b>Rental expense</b>			
Per the statements of comprehensive income	7,062	6,387	
Properties not included in same store and other adjustments	(847)	(89)	
Direct Billables Expenses from Properties included same store pool	1,929	2,320	
<b>Same Store - Rental expense - cash</b>	<b>8,144</b>	<b>8,618</b>	<b>-5.5%</b>
<b>NOI</b>			
Per the statements of comprehensive income	44,935	42,741	
Properties not included in same store	(5,470)	(743)	
Straight-lined rent from properties included in the same store	(2,388)	(132)	
Other Adjustments for Properties in Same Store Pool	-	-	
<b>Same Store - NOI - cash</b>	<b>37,077</b>	<b>41,866</b>	<b>-11.4%</b>
Straight-lined rent from properties included in same store	2,388	132	
<b>Same Store NOI - Net Effective</b>	<b>39,465</b>	<b>41,998</b>	<b>-6.0%</b>

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

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

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

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

**Turnover Costs** represent the obligations incurred in connection with the signing of a lease, including leasing commissions and tenant improvements 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).

- 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 (201 Assets)	For the Three months ended June 30, 2020
Capitalization Rates (%)	From 6.75% to 10.50% Weight Avg. 7.36%
Discount Rates (%)	From 8.00% to 12.00% Weight Avg. 8.75%
Term Cap Rates (%)	From 7.00% to 10.75% Weight Avg. 7.61%
Market Rents (US \$/ Sq ft/ Yr)	From \$4.00 to \$10.00 Weight Avg. \$5.24

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