

Annual Report 2023



CEO LETTER

Unprecedented

FIBRA Prologis had a record year in 2023. Occupancy in our portfolio was an unprecedented 99.8%. Rent change on rollovers in 2023 was 41.8% —the highest in our history. Our certificates hit an all-time high. The portfolio, at 46.9 million square feet, has never been larger. Same-store cash growth was 9.4%. Our balance sheet was rated BBB+ by S&P, a notch above Mexico's sovereign rating. And in 2023, FIBRA Prologis was incorporated into the MSCI Index, a sign of heightened investor interest.

This was a strong year for industrial Real Estate in Mexico generally, and FIBRA Prologis was uniquely positioned to benefit — a legacy of nearly a decade of strategic work. Since our founding, we have grown to become a leader in the quality of operations, the care for our balance sheet, and innovation. The six markets in which we operate —the Prologis markets— are characterized by high

quality customers, high barriers to entry, and inherent dynamism.

As we enter our tenth year and undergo a leadership transition, it is an occasion to look back at our remarkable success and growth, and also to look forward. The natural question is: what's next? How will we replicate our performance of the past year, into the next year, and into the next decade?

The answer: FIBRA Prologis is well situated to thrive in the unprecedented times and challenges we face. We are constantly building on our strong foundation to thrive and continue growing in this dynamic marketplace. The task before us remains consistent, to deliver strong results to our customers, investors, and stakeholders. To be the enabler of manufacturing and logistics.

To lead the way on the environment. And to shape the market.

Our core strategy of having the right buildings in the right markets, with the right service, won't change. Furthermore to keep up with the remarkably strong underlying growth in the markets we serve, we will have to pick up the pace. We will continue to be dynamic and proactive to build our portfolio, incorporate and scale green attributes so we can make progress toward ambitious climate goals, and deploy creative thinking to optimize our performance—all while bolstering our strong balance sheet.



Prologis Park Salvacar, Juarez, Mexico

Demand and Supply

At root, the story of 2023 is a simple one. Global volatility was a major theme affecting trade, ranging from drought affecting the Panama Canal to geopolitics affecting Suez Canal traffic. The nearshoring phenomenon—locating more production closer to the end markets in the U.S. – continued to increase demand in our industrial markets. At the same time, Mexico’s continuing e-commerce boom – e-commerce sales rose 28 percent in 2023, according to Mexican Association of Online Sales, and the percentage of retail sales is about 13.5% – has placed a premium on logistics space in consumer-driven markets.

That’s the demand story. Meanwhile, creating new supply has been a challenge. There

are substantial barriers to growth and new development of industrial space in Mexico, including the scarcity of land, the challenge of entitlements, access to power and water supplies and a lack of skilled labor. New development cycles have lengthened as both construction and interest costs have risen.

The Prologis response: Expanding to Meet Customers’ Needs

In 2023, we added 3.3 million square feet to our portfolio through US\$332 million in acquisitions. Here, FIBRA Prologis continues to lean into an important advantage. Our sponsor, Prologis, the global leader in logistics real estate is a highly active developer in

Mexico, and we have exclusive access to its development pipeline. Prologis has picked up the pace of its activities, adding land in Mexico City, Tijuana, and Guadalajara in 2023. Our sponsor currently has 3.2 million square feet under construction, and has sufficient land to develop 12.8 million square feet across six markets. We will continue to use our balance sheet to acquire new projects—from Prologis and from the broader market.

Market rent growth 2023
22.4%

We added 3.3 million square feet to our portfolio



Apodaca East Park, Monterrey, Mexico

Leadership Succession

On December 31, 2023, Luis Guitierrez retired as CEO and Héctor Ibarzabal, a more than 30-year veteran of the company, became our CEO. At the same time, Federico Cantú, who has been with Prologis for 18 years, was promoted to head of operations for Mexico. Our core group of senior leaders, who have been working together for decades, bring a wealth of experience to the table

Leading on Sustainability

We are actively working to future-proof our portfolio by making it more sustainable. FIBRA Prologis is fully committed to Prologis' Goal of achieving net-zero emissions by 2040. With time ticking down, with the support of our sponsor, we are moving quickly, to

add solar and energy storage capacity to our portfolio, which provides benefits to the planet, the country, and to customers. In October 2023, we activated the first rooftop solar panel project on a building in Mexico City. At the end of the year, 20 buildings housed solar capacity equivalent to 10MW. By 2025 we should meet the goal of having 120 roofs – half our buildings – generating 70 MW. And we are already starting to build in more resilience by adding onsite battery storage.

We continued to make progress on our goal of having all of our buildings achieve sustainable certifications, with 92% having done so by the end of the year.



LED lighting:

81% of facilities have LED lighting, well on the way to our goal of having 100% by 2025.



Community Workforce Initiative:

We have graduated 240 students from training programs.



Prologis Park Grande, Mexico City, Mexico

FIBRA Prologis has unprecedented financial strength

Our balance sheet gives us the flexibility and power to grow. Here, our legacy of prudent management has served us well. Most of our debt is green, unsecured, with an loan-to-value of 13.8% and 100% fixed debt at a weighted interest rate of 4.0 percent. Our balance sheet is BBB+ by S&P, a notch above the Mexico sovereign rating, and our peers.

Forging Ahead

As we look to 2024 and beyond, there are many challenges to embrace. Geopolitical turmoil continues to reshape trade routes. 2024 elections in both the U.S. and Mexico have the potential to trade relationship between the two countries. We expect rental growth to moderate from the highs of 2023. The two big macro drivers that support our business —nearshoring and e-commerce— are

fundamentally intact and continue to drive growth. We are committed to growing the company, to maintain and building our status as the premier industrial FIBRA in Mexico, and to share our success with certificate holders. We have increased the dividend by 8.5 percent from our guidance, to 0.1410.

Our focus for the year will be on prudent financial management, opportunistic acquisitions, and resilient operations. We will focus on keeping expenses down and leveraging scale to improve the quality and effectiveness of our systems. We will apply creative thinking to solve the issues our customers, communities, and stakeholders face, whether it is acquiring the logistic space necessary to run dynamic operations or addressing the need for carbon-free electricity.

We are grateful to our team of committed professionals, who continue to go above and beyond to serve customers. We create

value for customers through building strong relationships, anticipating their needs and by using data and technology to make all aspects of our operations as efficient and responsive as possible.

Since its founding in 2014, FIBRA Prologis has done a great deal to create and shape the industrial real estate market in Mexico. In the coming years, standing on a strong foundation and fueled by a dynamic attitude toward the future, we will continue to lead from a position of strength.

The two big macro drivers that support our business —nearshoring and e-commerce—



Energy Program Prologis Park Bermudez, Juarez, Mexico

Market Locations

235
Properties

46.9
MSF

249
Customers

99.8%
Occupancy

\$6.41
Average net
effective rent
per leased SF

67.1%
USD-denominated
leases



● Global Markets ● Regional Markets

Mexico City, Mexico

Key Metrics Tell A Strong Growth Story

	OPERATING PORTFOLIO PERIOD-END OCCUPANCY	NET EFFECTIVE RENT CHANGE	PORTFOLIO SIZE	
	Percent	Percent	MSF	No. Properties
2023	98.8	41.8	46.9	235
2022	98.9	20.5	43.6	225
2021	97.9	8.8	42.6	224

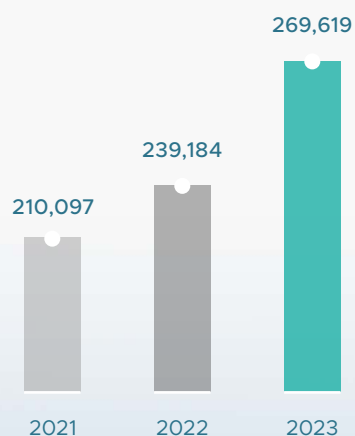


Prologis Encino Logistics Center, Mexico

Financial Highlights

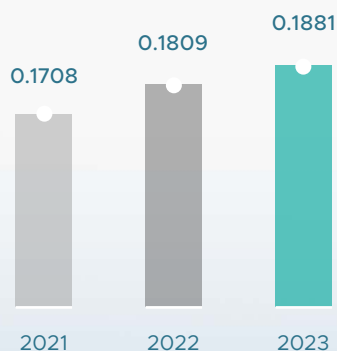
NET OPERATING INCOME

(in thousands of US dollars)



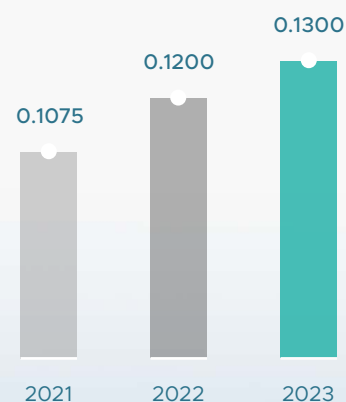
FFO PER CBFI

(in US dollars, including incentive fees)



DISTRIBUTION PER CBFI

(in US dollars distributions-in-cash and distributions-in-kind)



2023 considers only the guided distribution done in cash, the total distribution in cash and in kind per CBFI was .2229.



Juarez Industrial Center, Juarez, Mexico



LEADERSHIP

Héctor Ibarzabal

Managing Director,
Prologis Mexico



LEADERSHIP

Jorge Girault

Chief Financial Officer,
Prologis Mexico



LEADERSHIP

Federico Cantú

Senior Vice President,
Head of Operations
Mexico



Energy Program, Flip the switch Ceremony, Mexico City

About this Report

This presentation includes certain terms and non-IFRS financial measures that are not specifically denied herein. These terms and financial measures are denied and, in the case of the non-IFRS financial measures, reconciled to the most directly comparable IFRS measure, in our 4th quarter Earnings Release and Supplemental Information that is available on our website at www.fibraprologis.com.

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 rejected 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 led with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

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December 31, 2023

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We value your feedback and welcome any questions, comments or suggestions on this report and our performance. Please send your feedback to:

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