

2019 FIBRA Prologis Annual Report

A Year of Strength and Resilience



Prologis Park Grande, Mexico City, Mexico

Shareholders Letter



Dear Fellow Shareholders,

2019 was a great year for our business, with demand outpacing supply. Mexico's industrial/logistics real estate market was the top performer in the Mexican stock market, and uncertainty surrounding USMCA and the country's new administration dissipated.

Occupancy rates and rents surpassed our expectations. Further, our prudent approach to acquisitions strengthened our balance sheet, putting us in the position to share our successes

with our certificate holders. FIBRA Prologis certificates delivered a 47 percent total return, including dividends.

We embrace environmental stewardship, social responsibility and governance (ESG) for the good of our planet, our people and our communities. Through investments in innovation and technology, we are creating new ways to meet the needs of our customers.

Our certificates delivered a
**47 percent
total return,**
including dividends.

Operational Strength

Our well-located portfolio comprises state-of-the-art facilities, many of which were developed by our sponsor, Prologis. For the full year, we commenced 7.1 million square feet of leases. The weighted average customer retention rate at lease expiration was 88.7 percent. At year-end, occupancy was a record 97.6 percent—with four of our six markets above 98 percent.

Occupancy at
year-end was a record
97.6 percent

This activity spurred higher rents and in turn bolstered our financial results. For 2019, net effective rents on rollover rose 11 percent and cash same store NOI rose 3.1 percent. For the full year, net earnings per CBFI was Ps. 3.3358 (US \$0.1719) and FFO was Ps. 2.1 billion (US \$107 million). On a per share basis, it was Ps. 3.2248 (US \$0.1656) for the full year.

We maintained our distribution in line with our guidance at an approximate AFFO ratio of 95 percent. Distribution per CBFI was 0.1240 cents.

Designed for Success

Our business is designed to meet the needs of our customers and ensure diversity in both our markets and customer rosters. As an example, as of the fourth quarter 2019, no single customer accounted for more than 3.6 percent of our total net effective rent and the top ten accounted for 19.8 percent.

We focus on two sectors that are growing faster than the economy as a whole: exports and e-commerce. Our portfolio is divided between three markets that accommodate light manufacturing (Tijuana, Ciudad Juarez and Reynosa) and three that are more consumption-oriented (Mexico City, Monterrey and Guadalajara).

Our exposure to the comparatively risky automotive sector is just 11 percent. In that area, we primarily service companies that distribute auto parts. For the full year, logistics demand was 16.6 million square feet, exceeding our forecast, and nearly 1 million square feet greater than in 2018. Activity was strongest in Mexico City, Monterrey and Ciudad Juarez.

The robust U.S. economy in 2019 attracted products that are more efficient to manufacture outside of the states. As multinational businesses aim to shorten and regionalize their supply chains, new companies are increasingly keen to set up operations in the border regions.

On the consumption side, e-commerce is expanding. By its nature, e-commerce requires more logistics space than traditional retail. Key e-commerce players are now looking beyond Mexico City to Monterrey and Guadalajara. Starting from a low base (in Mexico, e-commerce represents 4 percent of total retail sales), e-commerce grew by an impressive 30 percent in 2019.

Occupancy is at peak levels and customer activity is robust. We continue to see supply constraints in many of our key markets. Despite low vacancy rates, we see few signs of overbuilding.

Capital Strength

The public and private markets have not placed the same value on logistics facilities. This is evident in recent portfolio sales that traded at or above net asset value (NAV) while all FIBRA stocks were trading at varying discounts. As a result, we have been reluctant to issue equity to purchase new buildings.

In the fourth quarter, we acquired a Last Touch® property in the Santa Maria submarket of Mexico City. Located near large consumption centers, Last Touch® properties facilitate the rapid flow of goods—key to the expansion of our e-commerce base.

In 2019, as part of our ongoing process to strengthen our portfolio, we disposed of several non-strategic assets for a total of US \$72 million.

We maintain a strong balance sheet with significant liquidity that allows us to act quickly when investment opportunities arise. At year-end, we had approximately Ps. 14.6 billion (US \$772.0 million) of debt at par value with a weighted average effective interest rate of 4.6 percent and a weighted average maturity of 3.8 years. Leverage stood at 32.2 percent.

In March 2020, to further enhance our capital, we completed an Ps. 8.3 billion rights offering.

We maintain a strong balance sheet with significant liquidity that allows us to act quickly when investment opportunities arise.



ESG in Action

Environmental stewardship, social responsibility and governance (ESG) are fundamental to our business. Our commitment to ESG strengthens our relationships with customers, investors, employees and communities.

The following examples demonstrate ESG in action at FIBRA Prologis:

In 2019, we received an A- rating from CDP, a nonprofit that manages disclosure systems for environmental programs, placing us in the top 5 percent of all organizations globally.

For the third consecutive year, we were included in the Dow Jones Sustainability MILA Pacific Index.

We obtained silver BOMA certifications for 17 buildings; this program recognizes best practices, energy efficiency and carbon footprint reduction.

Our sponsor, Prologis, continues to design 100 percent of its buildings to sustainable certification standards where applicable and incorporates sustainable design features to meet our customers' specifications.

AWARDS:

A- Rating from CDP

Top 5% of all organizations globally

Dow Jones Sustainability Indices

Third consecutive year, MILA Pacific Index

Silver BOMA Certifications

17 in total



ESG in Action

GIVING BACK TO COMMUNITIES:

100 Trees Planted

2019 IMPACT Day

Ps. 200,000 Raised

2019 Prologis Race

CWI Pilot Launched

Prologis Park Tres Rios

SOCIAL RESPONSIBILITY AND COMMUNITY ENGAGEMENT:

- Each year on IMPACT Day, Prologis' annual global day of service, our colleagues give their time, skills and energy to a spectrum of volunteer projects. IMPACT Day embodies Prologis' core values of Integrity, Mentorship, Passion, Accountability, Courage and Teamwork (IMPACT). A few examples of how we participated on IMPACT Day: In Guadalajara, employees planted 100 trees as part of a reforestation effort, and in Reynosa, team members worked on remodeling the Narciso Mendoza Elementary School. In Tijuana, we donated furniture and toys and refreshed the paint at the Belen Orphanage.
- At the 2019 Prologis Race, a charity event in Xochitla Park which attracted some 1,000 runners, we raised more than Ps. 200,000 for the park and Ps. 1 million to support construction of the DIF Medical Center in Tepotzotlan.
- The Prologis Community Workforce Initiative (CWI), launched in 2018 in response to our customers' labor needs, made significant strides in 2019. The program offers logistics-focused training programs to help build a pipeline of skilled workers. Two examples of note from last year: We began a pilot program on the operation of freighters at Prologis Park Tres Rios and we partnered with the UMBC (Bicentennial University) to offer courses on English and Excel.

ESG

GOVERNANCE AND ETHICS

- We have a longstanding commitment to strong governance. We keep our employees up-to-date on our Code of Ethics and Business Conduct, information security, global fraud prevention, Global Anti-Corruption and the Foreign Corrupt Practices Act. Our safety measures prioritize both our employees and our customers.
- As a member of the Mexican Association of FIBRAs, we are helping to make the asset class more appealing to institutional investors. Consistent reporting among all industrial FIBRAs will allow investors to more easily compare companies within Mexico and throughout the world.



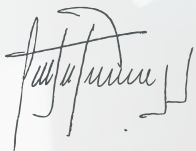
In Closing

As we publish this report, millions of people around the world continue to struggle amid the COVID-19 pandemic. As part of our response, the Prologis Foundation has committed US \$5 million toward a global relief fund focused on food security, public health and economic recovery. In Mexico, the Foundation has committed funds to the Banco De Alimentos Cáritas to provide food for individuals and families in need.

Looking forward, we are confident in our long-term business strategy. We are prepared for times of uncertainty and will maintain vigilance over how we run our facilities, manage our portfolio and meet our customers' needs. We are grateful for the trust our certificate holders have placed in us and will work diligently to reward that faith.

Sincerely,

Luis Gutiérrez
Chief Executive Officer of FIBRA Prologis




LEADERSHIP, PROLOGIS MEXICO



Héctor Ibarzabal, Jorge Girault, and Luis Gutiérrez

LEADERSHIP, PROLOGIS MEXICO

Luis Gutiérrez

President Prologis Latin America

Luis Gutiérrez is Prologis' president for Latin America and the CEO of FIBRA Prologis, a public vehicle in Mexico. His responsibilities include development, acquisition and operations in both Mexico and Brazil.

He was a founding member of Gaccion, one of the largest developers in Mexico, where he served as CEO and became a partner with AMB Property Corporation. In 2008, when AMB bought Gaccion, he became managing director, responsible for AMB's Mexico and Brazil operations. He brings more than 31 years of experience in real estate development, construction, acquisitions and dispositions, as well as the representation of foreign direct investments in Mexico and Brazil.

Mr. Gutiérrez holds an MBA from the Instituto Panamericano de Alta Dirección de Empresas (IPADE) and a Bachelor of Science in civil engineering from the Universidad Iberoamericana. He is currently president of AMEFIBRA (Mexican Association of FIBRAs), has served as president of AMPIP (Mexican Association of Industrial Parks) and is a member of the board of directors of Finaccess.



LEADERSHIP, PROLOGIS MEXICO

Héctor Ibarzabal

Chief Operating Officer, Prologis Mexico

A 30-year veteran of the real estate sector, Héctor Ibarzabal has extensive experience in operations, capital deployment, structuring, financing and fundraising in the industrial, office, retail and residential sectors.

Mr. Ibarzabal has served as Mexico's managing director since 2011 and as chief operating officer for FIBRA Prologis since its IPO. In that capacity, he directs all Prologis real estate activity in Mexico.

Prior to joining Prologis, Mr. Ibarzabal co-founded G. Accion, a Mexican publicly traded real estate company, where he served as CFO, COO and president. In 2001, G Accion became AMB Property Corporation's first international partner, several years before merging with Prologis.

Mr. Ibarzabal has been president of AMPIP (Mexican Association of Industrial Parks), where he currently participates on the board of directors, and he has served as an independent director on several boards of public companies, joint ventures, CKDs and FIBRAs. He holds a civil engineering degree with honors from Universidad Iberoamericana and an MBA from IPADE.



LEADERSHIP, PROLOGIS MEXICO

Jorge Girault

Chief Financial Officer, Prologis Mexico

Jorge Girault has worked in the real estate industry since 1994 and has been the vice president of Finance at Prologis Mexico since 2015. As an officer of Prologis Mexico and a manager of Prologis México Fondo Logístico, a Mexican industrial real estate investment vehicle managed by an affiliate of Prologis, he was responsible for the structuring and successful launch of the FIBRA Prologis IPO in 2014, as well as a rights offering in March 2019. He has significant experience managing Prologis' equity and debt-raising activities and negotiating and structuring debt structures. He began his professional career at G. Acción, a publicly traded Mexican real estate multi-product development company, where he rose from project manager to vice president of Investor Relations and senior vice president of Finance.

Mr. Girault has worked as a part-time professor at the Business School of Universidad Iberoamericana and is an active member of the Mexican FIBRA association. He holds an industrial engineering degree from Universidad Panamericana and an MBA from Universidad Iberoamericana and AD1 at IPADE.



Strategic Locations

191

Properties

34.9

MSF

232

Customers

97.6%

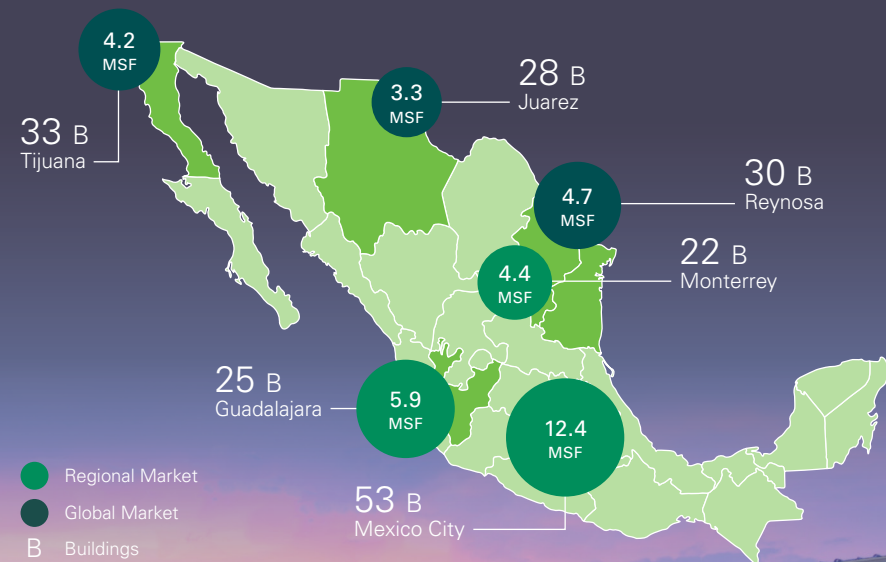
Occupancy

\$5.35

Average net effective
rent per leased SF

67.1%

USD-denominated
leases



Prologis Park Los Altos, Guadalajara, Mexico

Key metrics tell a strong growth story

OPERATING PORTFOLIO PERIOD-END OCCUPANCY

Percent

2019	97.6
2018	97.4
2017	96.8

NET EFFECTIVE RENT CHANGE

2019	10.9
2018	13.1
2017	9.6

PORTFOLIO SIZE

MSF

Properties

2019	34.9	191
2018	36.0	200
2017	34.6	196

Financial results reflect strength and resilience

REVENUE SUMMARY

(in millions of pesos)

2019	3,825
2018	3,673
2017	3,503

FFO PER CBFI

(in pesos, including incentive fees¹)

2019	2.96
2018	2.90
2017	2.91

DISTRIBUTION PER CBFI

(in pesos)

2019	2.35
2018	2.33
2017	2.20



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 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 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.

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.

December 31, 2019

ENGAGE WITH US

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

Please send your feedback to:
Paseo de los Tamarindos 90 Torre 2 Piso 22
Bosques de las Lomas
Mexico City, D.F. 05120
Mexico
52 81 8004 8004

For more information, contact us at:
www.fibraprologis.com
www.linkedin.com/company/prologis
www.facebook.com/Prologis