



Prologis Park Grande 1, Mexico City

# FIBRA PROLOGIS

Credit Suisse Non-Deal Roadshow

October 1-2, 2020

# Forward-Looking Statements / Non Solicitation

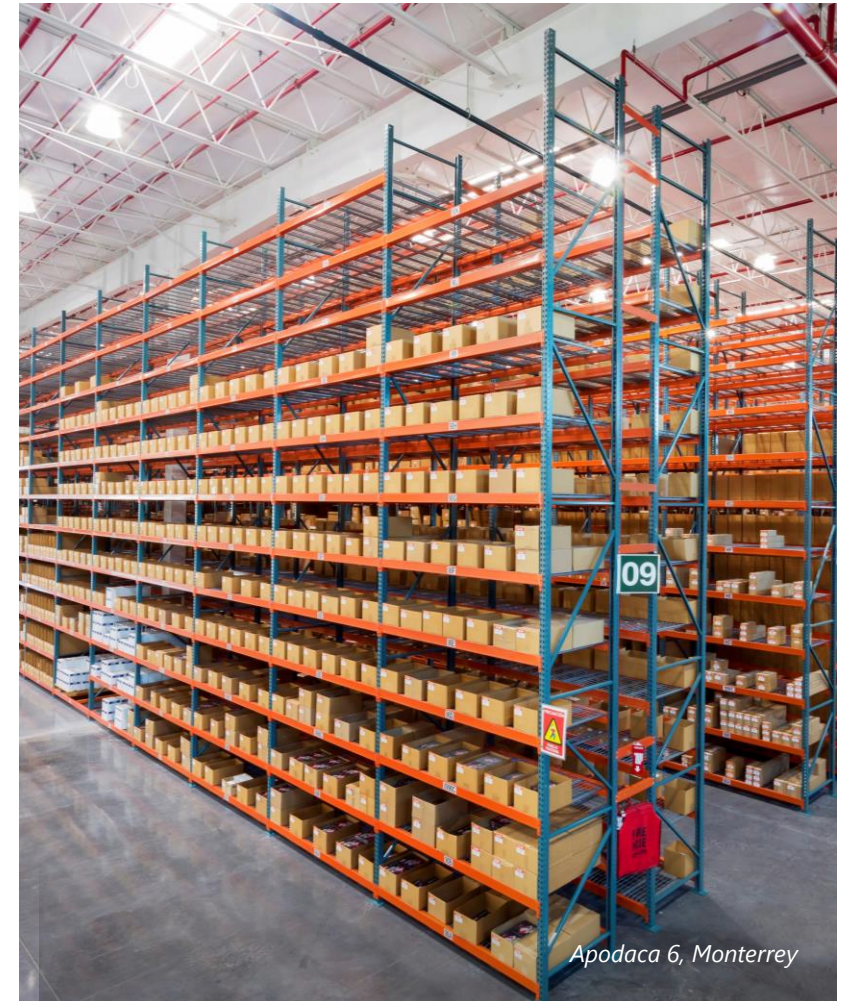
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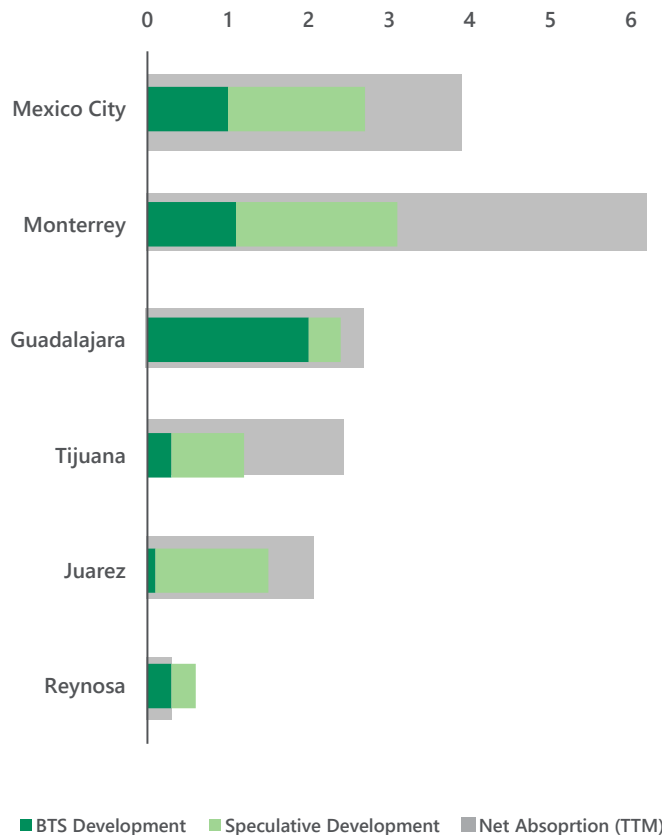




# Industrial Real Estate Fundamentals & Structural Drivers

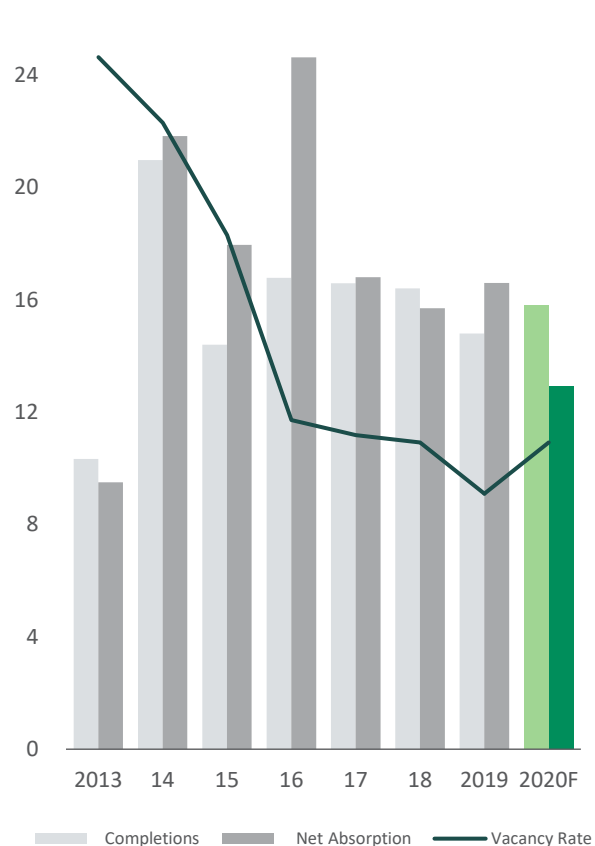
# Real Estate Fundamentals

**DEMAND (TTM) VS SUPPLY (PIPELINE)**  
(MSF)



Sources: CBRE, NAI, Prologis Research

**DEMAND VS SUPPLY**  
(MSF)



Sources: CBRE, Prologis Research

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

- Logistics real estate demand intensified throughout the second quarter
- Border markets remain severely constrained with market vacancy near 2.0
- Mexico City's market vacancy for Class-A product is ~2.0%
- Scarcity of available modern product is driving customers to sign pre-leases on speculative supply currently under construction in Mexico City

# Nearshoring as a Rising Structural Demand Driver

Global supply chain trends underpin the future of Mexican logistics real estate

## Supply chain disruptions driving a renewed focus on resiliency

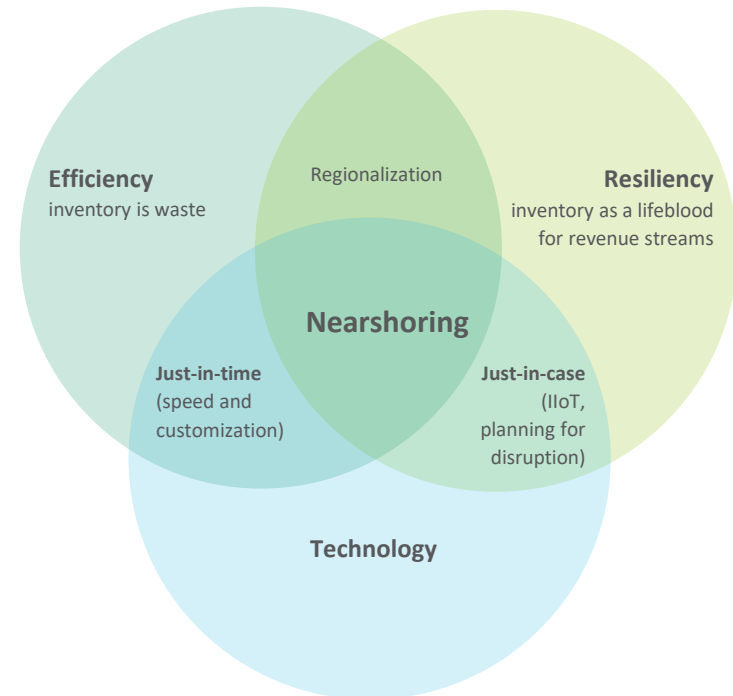
- Built-in flexibility to avoid disruptions (e.g., geopolitical, weather, currency, supplier, labor) accelerating the shift to regionalize and nearshore production
- Regionalized production models create quasi-independent supply chains that can ship globally were disruptions to arise around the world
- Underpinned by IIoT (Industrial Internet of Things) technology

## Nearshoring offers compelling efficiency gains

- Proximity to consumers in North America offers speedy delivery
- Consumer preference for customized products underpinned by technology

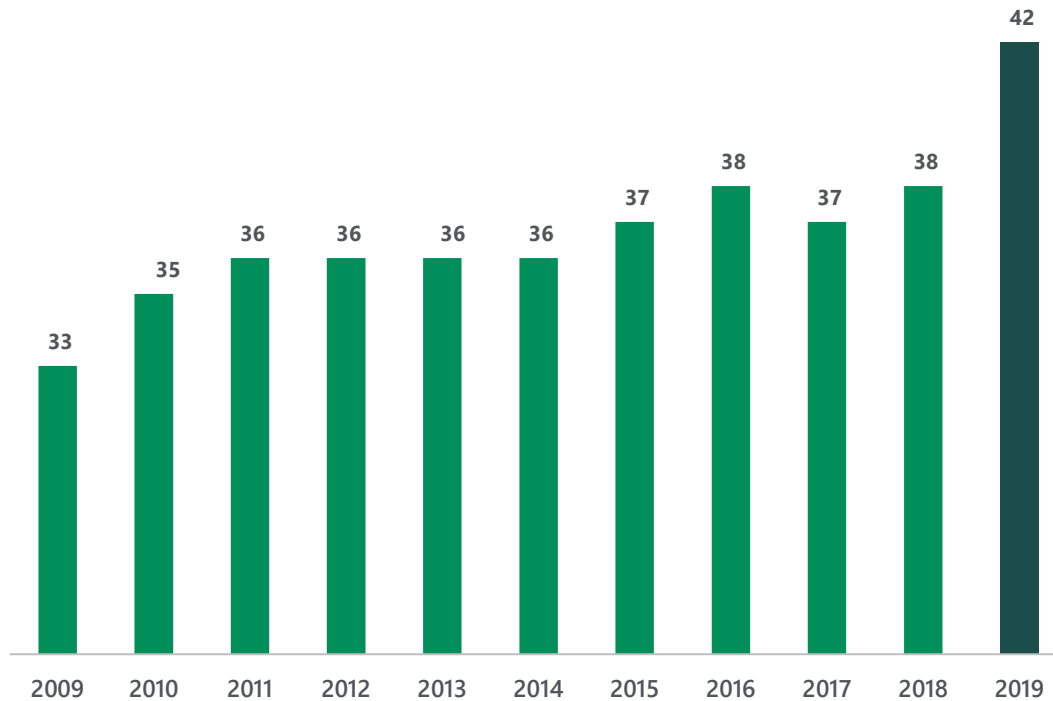
## Geographical and industry diverse demand

- Propelled by defense-sensitive industries (e.g., electronics, medical), complex high-technology sectors (auto, industrial goods), bulky products (e.g., home goods) and consumer goods that require customization
- Asian multinationals a growing share of demand, as firms mature to service North American consumers or reconfigure supply chains away from long global supply chains



# Nearshoring: Growth in Mexico-to-US Manufacturing

## TOTAL MANUFACTURED GOODS IMPORTS FROM MEXICO AS % OF IMPORTS FROM ASIAN LOW-COST COUNTRIES



- In 2019, the U.S. imported 42 cents worth of manufacturing imports from Mexico for every dollar of manufacturing imports from Asia
- 75% less time to transport goods to the end customer in the U.S. from Mexico vs Asia
- 20-30% savings in production cost by manufacturing in Mexico vs U.S.

Sources: United States International Trade Commission, United States Department of Commerce Bureau of Economic Analysis; Kearney analysis

# Structural Drivers Offer Operating Environment Durability

## MODERN LOGISTICS STOCK PER CAPITA

Square Feet per Consumer Household

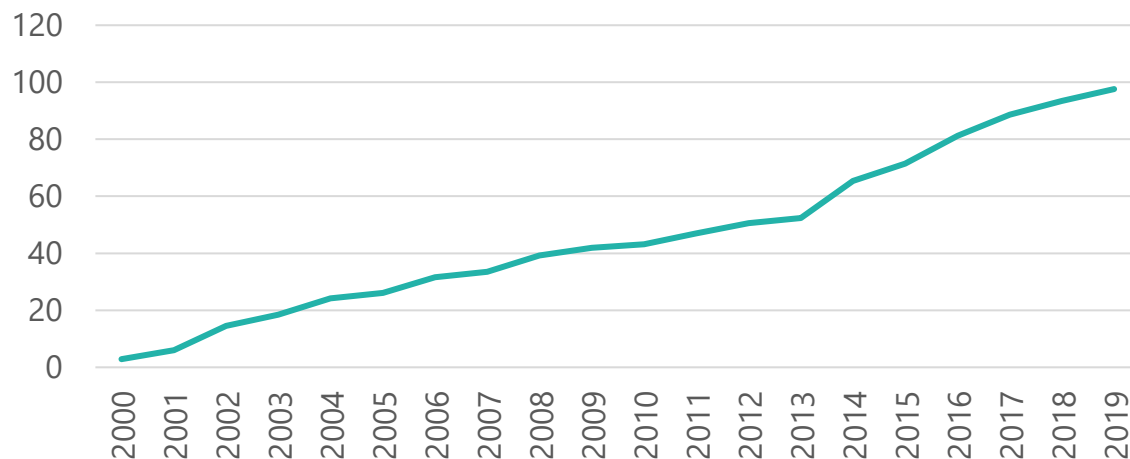


Source: CBRE, C&W, JLL, Colliers, NAI, Oxford Economics, Prologis Research

- Undersupply of modern logistics stock in Greater Mexico City driven by:
  - Scarcity of well-located sites / access to roadways south of the CTT tollbooth
  - Economic / supply chain modernization began less than 25 years ago
  - Lengthy land entitlement processes

## OCCUPIED STOCK, GREATER MEXICO CITY

Millions, Square Feet



Source: CBRE, C&W, JLL, Colliers, NAI, Oxford Economics, Prologis Research

- Mexico City occupied stock has increased 35x since 2000
- Adoption of modern logistics facilities, as well as emerging consumer class, the primary drivers

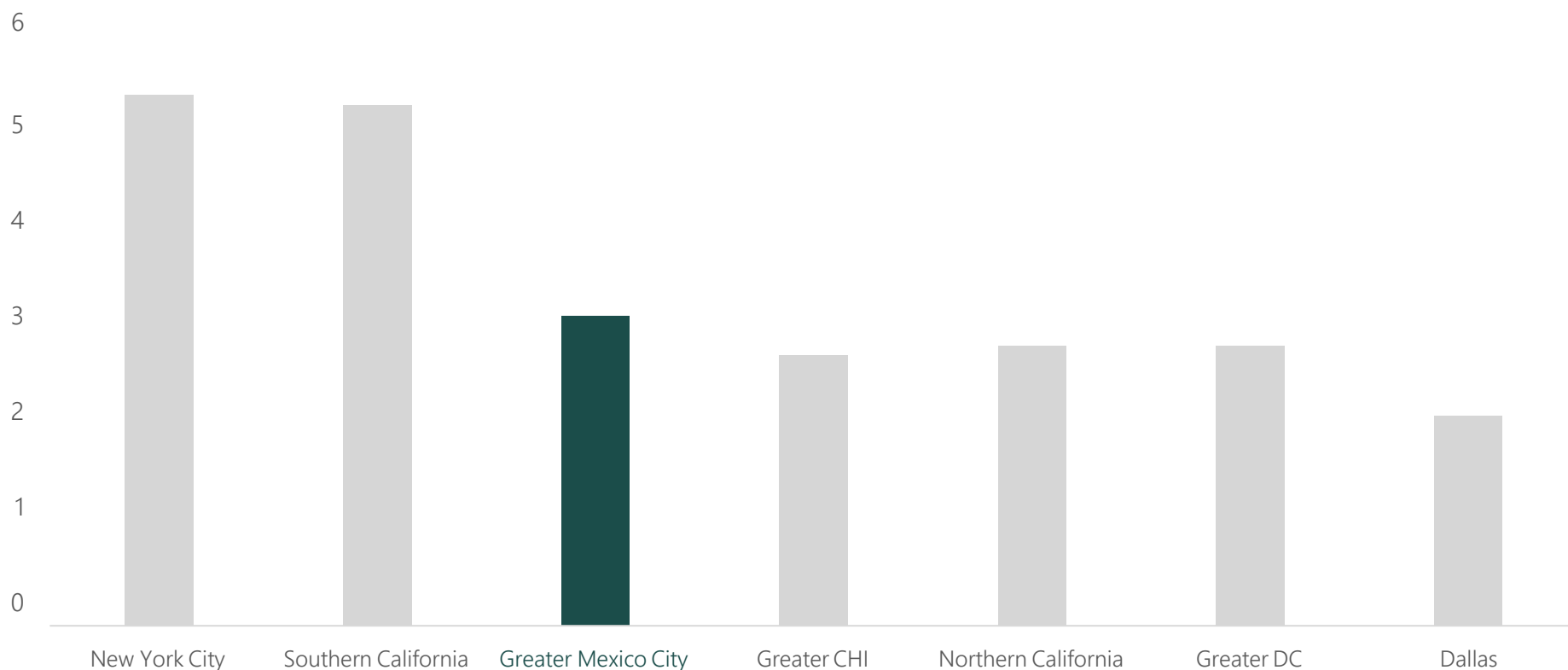


# Mexico City is a rapidly growing urban consumer market

Expected to be the third largest affluent urban population in North America within the next decade

## AFFLUENT HOUSEHOLDS, MAJOR CONSUMER MARKETS (2030F)

Millions of Households Earning >\$70k USD per Year, PPP-adjusted Constant USD



# E-Commerce Requires ~3X the Distribution Space of Traditional Retail

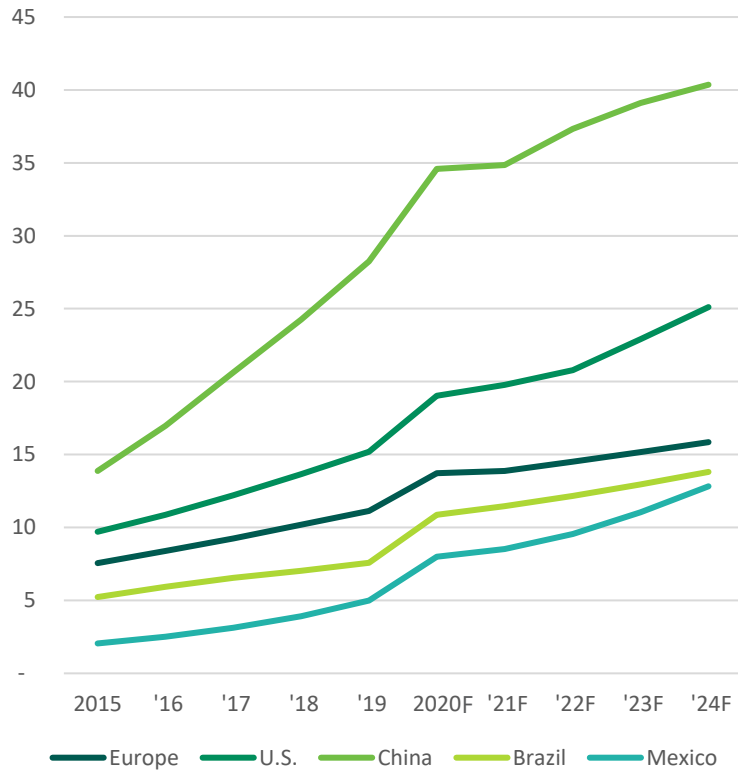
	Sales US\$, B	Facilities SF, M	Productivity US\$ / SF	Efficiency SF / \$1B	
 <b>Online</b>	\$228B	286	\$799	1,251 KSF	<div> <p>E-fulfillment requires 3X the logistics space used of brick-and-mortar retailers due to:</p> <ul style="list-style-type: none"> <li>Shipping parcels versus pallets</li> <li>High inventory level</li> <li>Broader product variety (ie increased SKUs)</li> <li>Reverse logistics</li> </ul> </div>
 <b>Brick &amp; Mortar</b>	\$1,068B	510	\$2,091	478 KSF	

± 3x

# Positive Trends for E-Commerce in Mexico

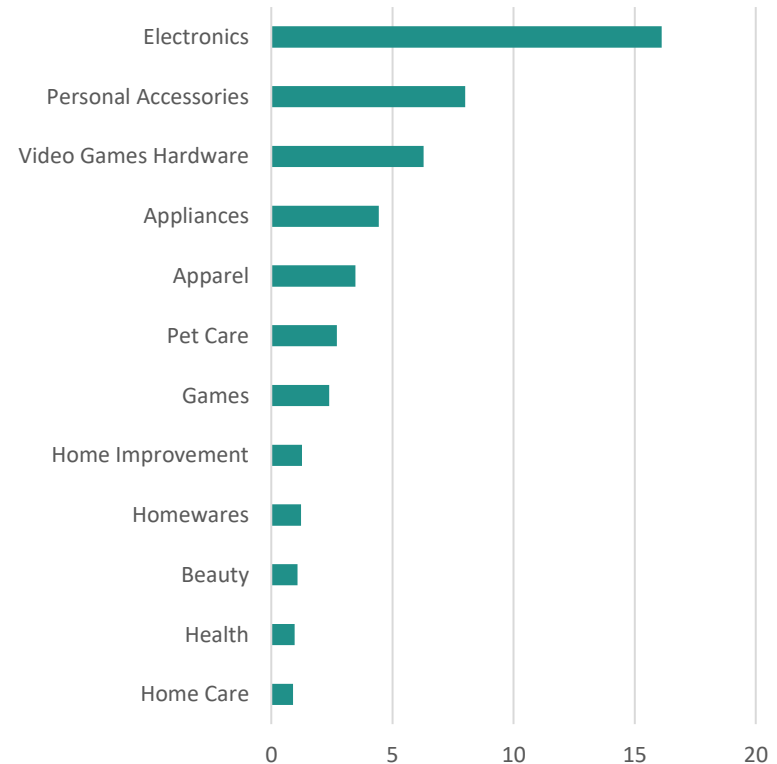
## SHARE OF INTERNET RETAILING SALES

%, As a Percentage of Total Retail Sales



## INTERNET SALES PENETRATION BY INDUSTRY, MEXICO

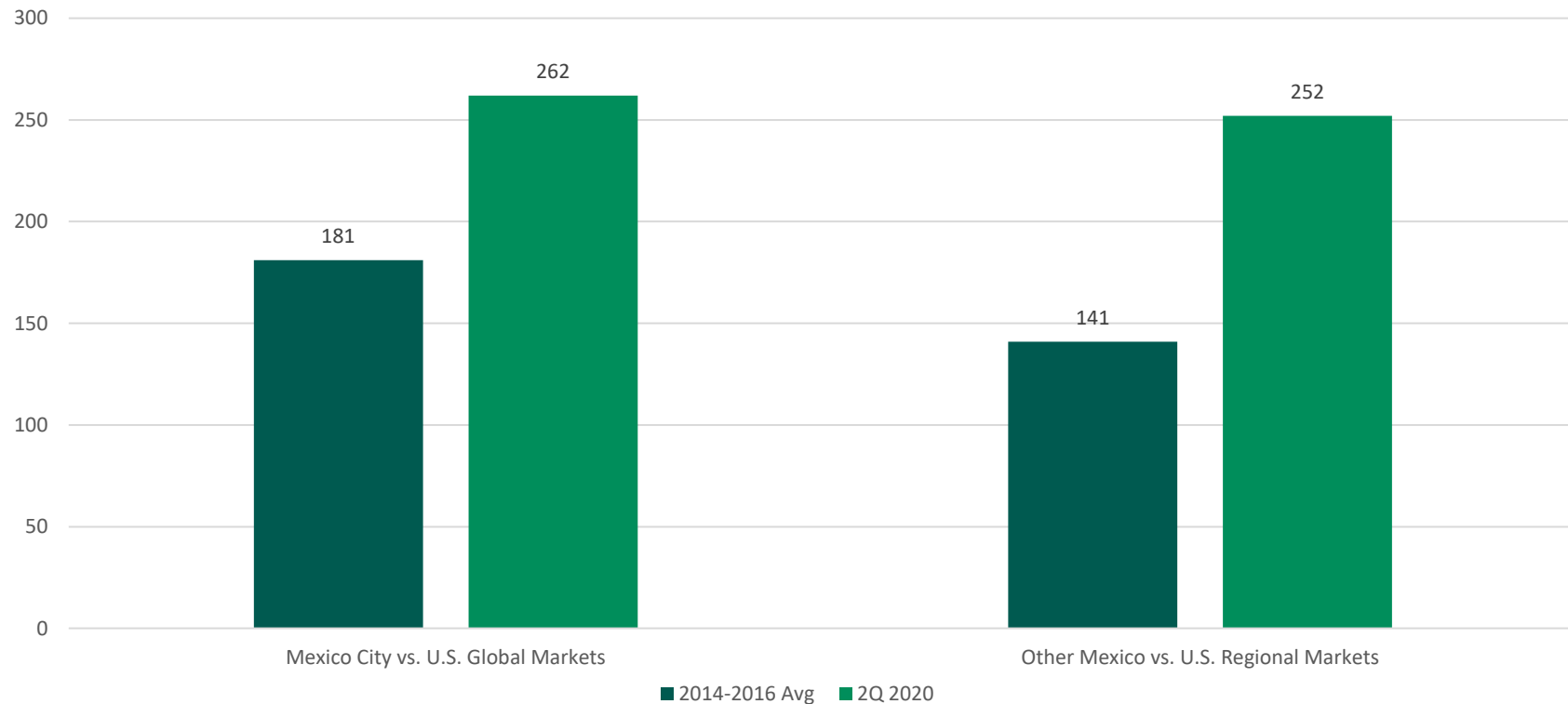
%, As a Percentage of Total Industry Retail Sales



# Attractive Relative Valuations Present in Mexico

## MEXICO CAP RATES VS. U.S. PEERS

Basis Point Spread Between Mexico Cap Rate and U.S. Markets



Source: Prologis Valuations house cap rates



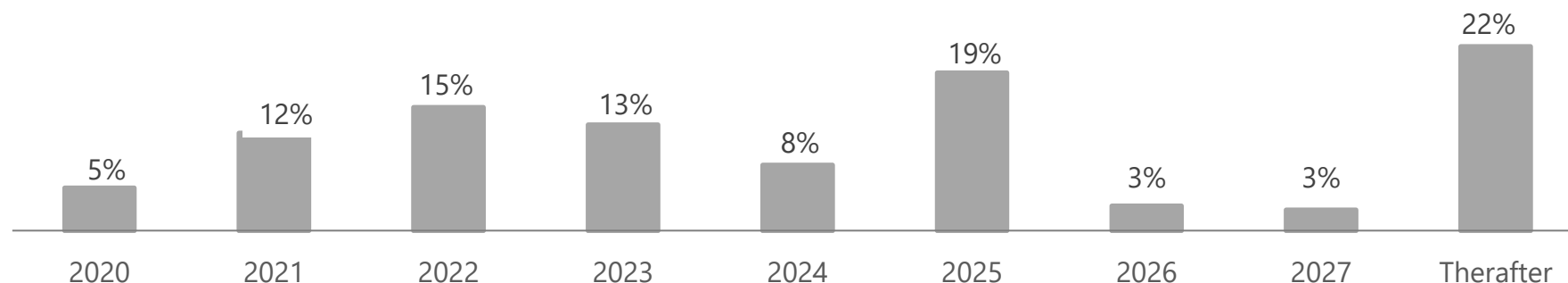


Prologis Park Grande 2, Mexico City

# Opportunities for Growth

# Portfolio Statistics & Well-Laddered Expiration Schedule

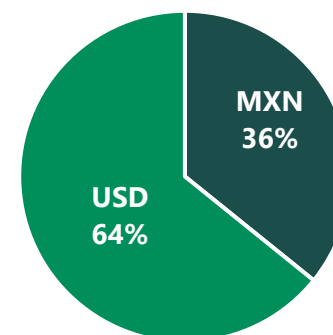
## LEASE EXPIRY PROFILE BY ANNUALIZED NER



## PORTFOLIO STATISTICS

Avg in Place Rent per Sq Ft	\$5.38
Avg Market Rent per Sq Ft	\$5.55
2020 Expiring Rent per Sq Ft	\$4.69
Avg Contractual Rent Escalator <sup>(1)</sup>	~2.5%
WARLT <sup>(2)</sup>	~41 months

## CURRENCY OF LEASES, % OF NET EFFECTIVE RENT



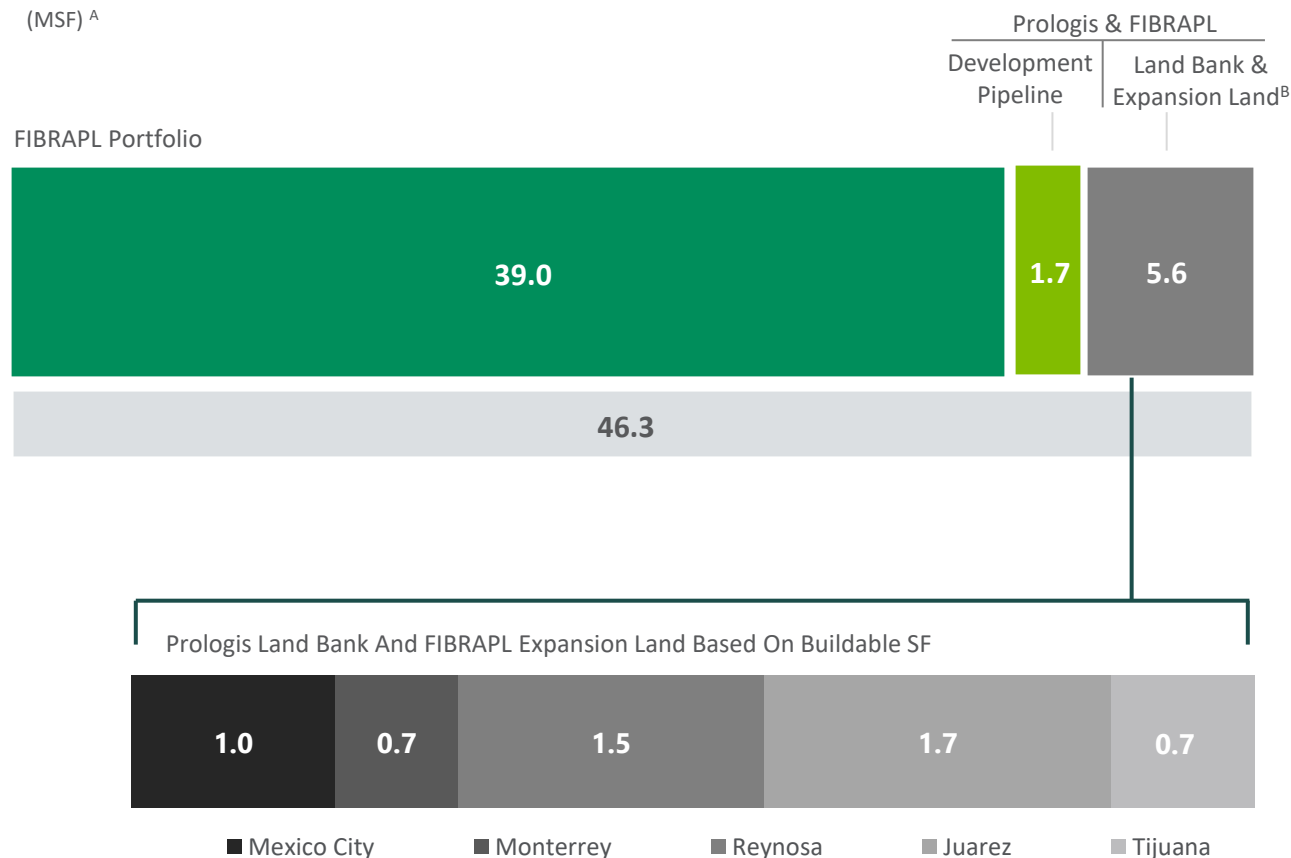
Data as of June 30, 2020

1. For USD denominated leases only. Leases in Mexican pesos are tied to Mexican inflation.
2. Weighted Average Remaining Lease Term

# External Growth: Identified Future Growth Acquisitions

## EXTERNAL GROWTH VIA PROLOGIS DEVELOPMENT PIPELINE

(MSF) <sup>A</sup>



## UNIQUE COMPETITIVE ADVANTAGE

- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis
- 19% growth potential in the next 3 to 4 years, subject to market conditions and financial availability

## PROLOGIS DEVELOPMENT PIPELINE

	GLA (MSF)	% Leased
Monterrey	0.9	89%
Ciudad Juarez	0.4	58%
Tijuana	0.4	100%
<b>Total</b>	<b>1.7</b>	<b>94%</b>

A. Data as of June 30, 2020, except where noted  
B. Based on buildable square feet



## FIBRA Prologis Key Differentiators



# FIBRA Prologis Key Differentiators

## FOCUSED INVESTMENT STRATEGY

- Own irreplaceable industrial real estate in Mexico
- Investing in the six most dynamic markets
- Consumption and e-commerce driving incremental growth
- Proprietary access to acquire Prologis development pipeline

## IRREPLACEABLE PORTFOLIO<sup>(1)</sup>

- Average age of 16 years
- 95% Class-A/A+ buildings
- 83% of buildings located in master-planned parks

## SOLID TRACK RECORD

- Leadership team with over 28-years of experience
- ~132% total stock return since IPO<sup>(2)</sup> or 14.2% CAGR<sup>(2)</sup>
- ~56% growth in FMV of total operating portfolio (including acquisitions) and ~14% growth in FMV of just the IPO portfolio<sup>(3)</sup>

## STRONG BALANCE SHEET

- Conservative leverage
- Liquidity emphasis provides increased flexibility



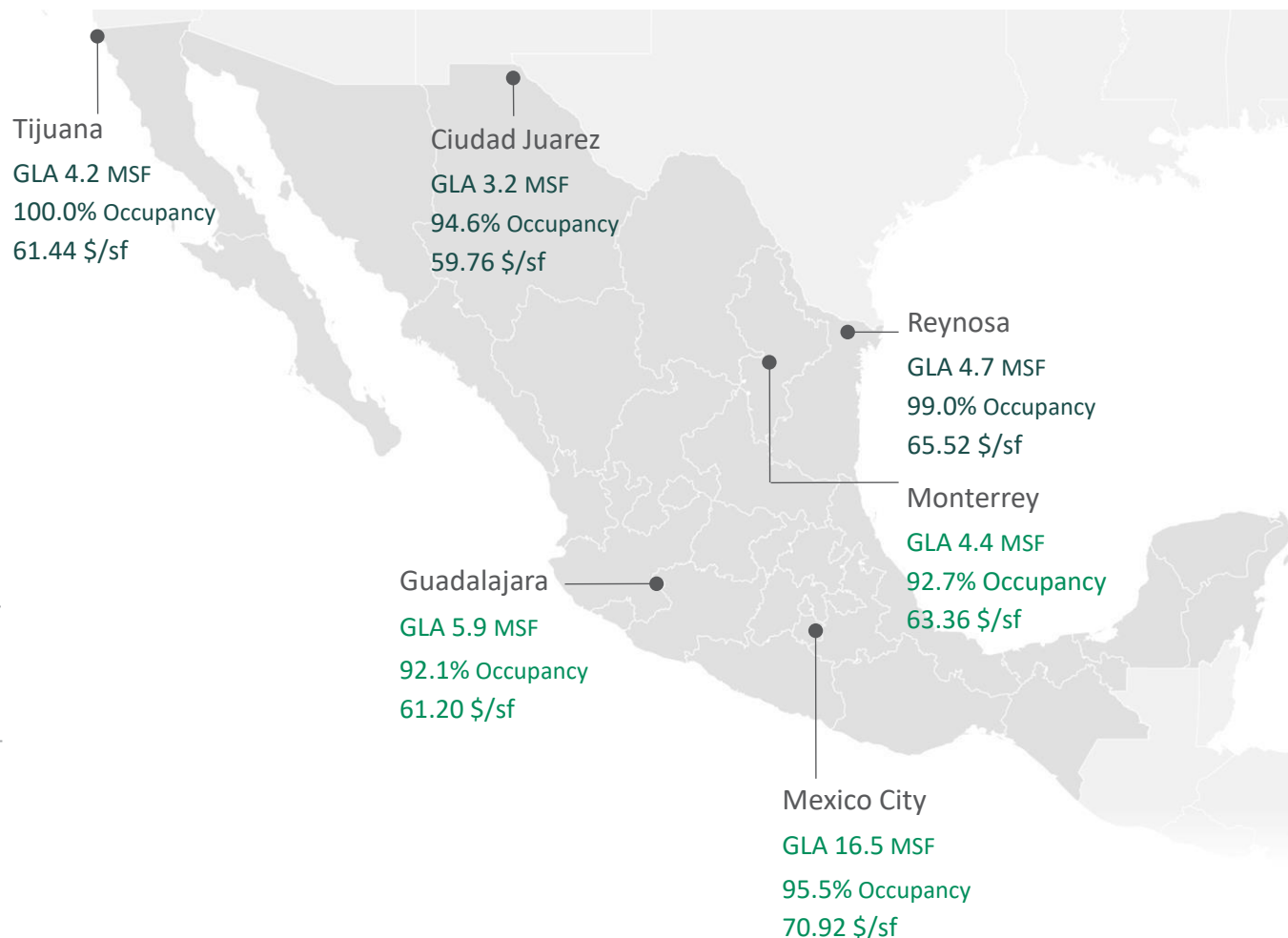
Source: FIBRA Prologis, CBRE, Bloomberg

1. Data as of June 30, 2020

2. IPO was June 4, 2014; total return and CAGR calculated in Mexican Pesos on September 29, 2020

3. Comparison of fair market value of the portfolio between June 4, 2014 and June 30, 2020

# Unmatched Portfolio Focused in the Top Consumption and Manufacturing Markets



95.5%

Occupancy<sup>(1)</sup>

39.0

Million Square Feet

201

Operating Properties<sup>(3)</sup>

Data as of June 30, 2020

1. Operating properties only

2. . Includes one value-added acquisition property that is not in the operating pool

# Performance Update Amid Covid-19

	2020	Variance to 2019
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Leasing Activity <sup>(1)</sup>	7.7 <sub>MSF</sub>	+114%
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Retention <sup>(1)</sup>	86.4%	+1%
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	2020	2019
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Q1 Rent Collection <sup>(1)</sup>	99.5%	99.3%
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Q2 Rent Collection <sup>(1)</sup>	98.7%	99.0%
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July Rent Collection <sup>(2)</sup>	99.4%	95.9%
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August Rent Collection <sup>(2)</sup>	99.5%	97.2%
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September Rent Collection <sup>(2)</sup>	96.1%	97.7%
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	Requested	Granted
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2020 Rent Deferrals <sup>(2)</sup>	5.6%	1.9%
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- Overall leasing activity remains strong with:
  - Higher lease proposals
  - Lower gestation period
- Rent collection tracking to 2019
- Expect to collect 85% of rent deferrals before YE 2020; the remainder in early 2021

1. Data as of June 30, 2020  
 2. Data as of September 28, 2020

# Diversified Customer Base

227  
customers in Mexico  
have

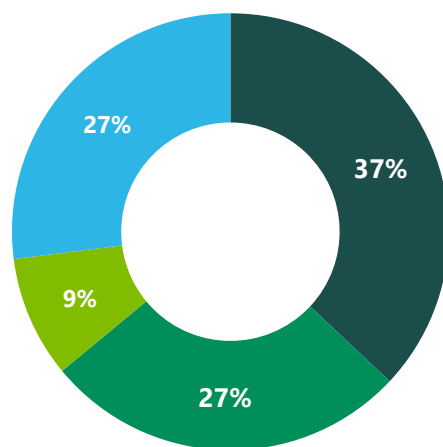
337 leases with FIBRA  
Prologis

87% of FIBRA Prologis'  
customers are multinational  
companies<sup>(1)</sup>

Our top 10 customers  
represent just  
24.1%  
of net effective rent

**CUSTOMER TYPE**

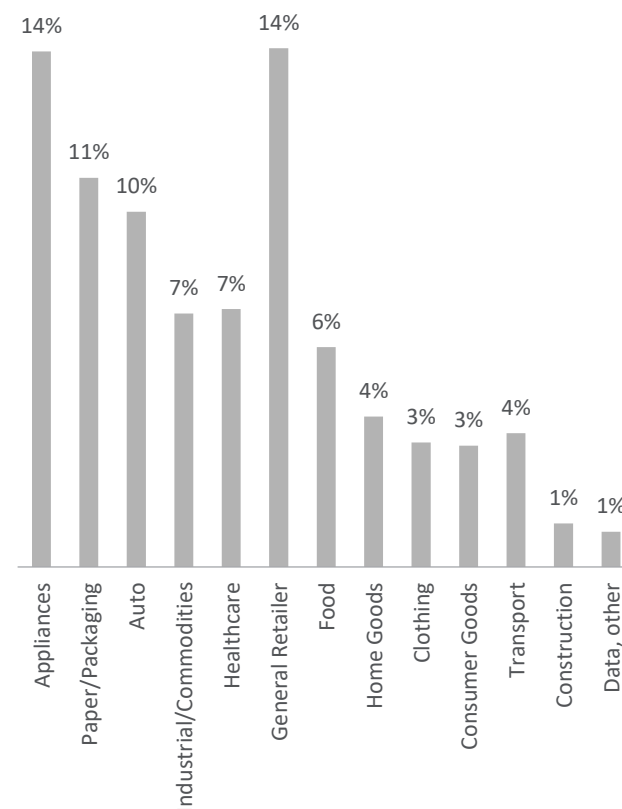
%, NER basis



- Manufacturing
- Logistic Services
- E-Commerce
- Retail

**CUSTOMER INDUSTRY**

%, NRA basis



Source: Prologis Research. Data as of June 30, 2020

Note: Industry classifications do not sum to 100%; the balance (16%) is ascribable to units where 3PL customers have more than one industry type present.

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

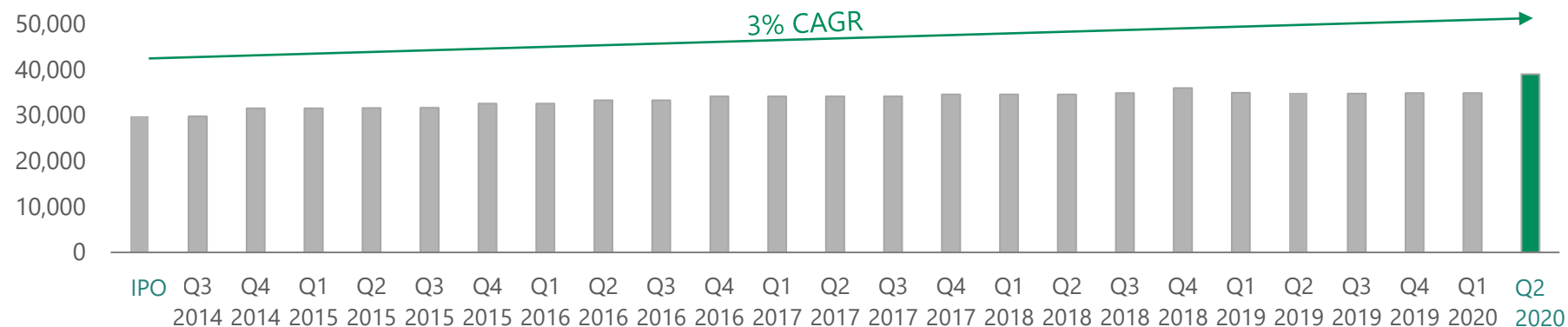
1. As a percentage of net effective rent



# Portfolio Expansion Since IPO

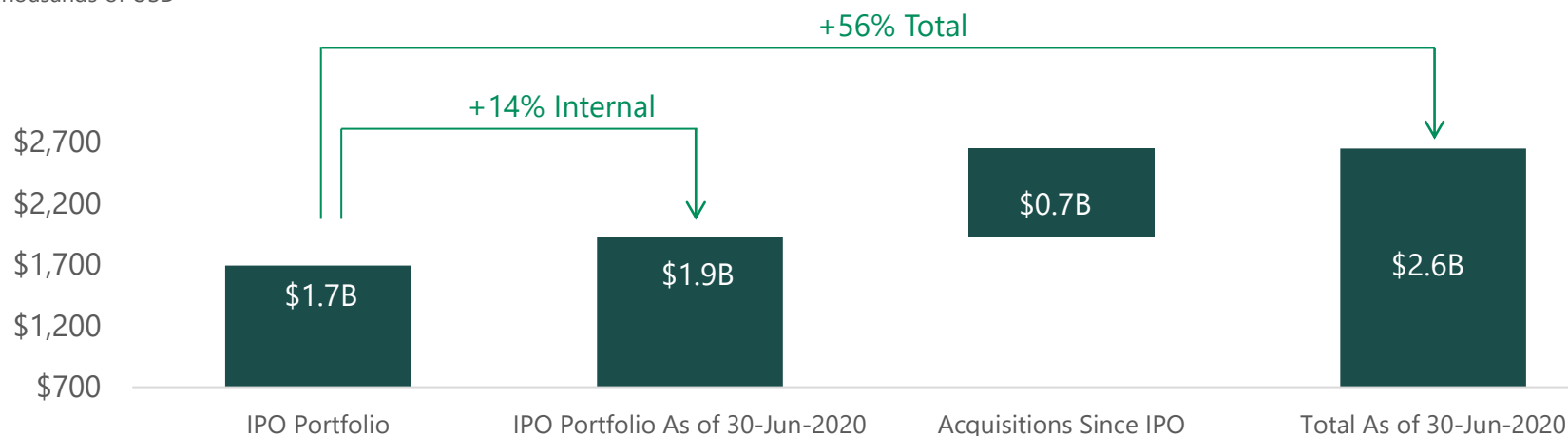
## GROSS LEASABLE AREA

Thousands of SF, June 4, 2014 through June 30, 2020



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

Thousands of USD



# Strategic Acquisition Completed April 2020

## Prologis Park Grande

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

## Unique Competitive Advantage:

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



# FIBRA Prologis ESG Facts

## ENVIRONMENT

29

LEED  
certifications

17

BOMA Best  
certifications

41%

of total operating  
portfolio has LED  
lighting

24%

of total operating  
portfolio has cool  
or reflective  
roofing

A-

Rating from  
CDP

## COMMUNITY & EMPLOYEES

51%

of employees  
are women

100%

of employees have  
access to career  
training and  
education

92%

employee  
engagement  
with the  
company

1,470

volunteer hours  
to local  
communities in  
2019

Ps 1.5M

in charitable  
contributions

160

hours of training  
through Work  
Force Initiative

## GOVERNANCE

63%

of Technical  
Committee members  
are independent

100%

employee ethics  
training

3

committees included  
Audit, Indebtedness  
and Practices

24-hr

anonymous ethics  
and safety help lines

100%

of employees subject  
to FCPA rules

# Leading by Example



## 2019-2020 highlights and notable awards:

- FIBRA Prologis ranked #2 in Americas for Industrial Sector in GRESB, behind Prologis
- FIBRA Prologis listed on MILA Index (part of Dow Jones Sustainability Indices)
- A- rating by CDP for FIBRA Prologis (top 5% globally)
- FIBRA Prologis ranked #2 by Institutional Investor in 2020 for ESG/SRI Metrics
- FIBRA Prologis included in the S&P/BMV Total Mexico ESG Index
- Included in the recently launched Santander Asset Management SAM-ESG Investment fund



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



**Institutional  
Investor**



# Corporate Governance

## Alignment with Certificate Holders

### Philosophy

Our governance structure reflects a market-leading approach to corporate governance prioritizing the interests of our CBFH holders while leveraging our relationship with Prologis, consistently recognized for its best-in-class governance

### Committees

- The following committees consist of at least three independent members
  - Audit Committee
  - Practices Committee
  - Indebtedness Committee

### Shared Ownership

- Prologis' **47%** ownership of FIBRA Prologis, demonstrates alignment with certificate holders

### Technical Committee Members

- Technical Committee members are ratified annually by certificate holders

5 Independent Members	3 Prologis Members
-----------------------------	--------------------------

- |                            |                     |
|----------------------------|---------------------|
| • Pablo Escandón Cusi      | • Luis Gutiérrez    |
| • Luis F. Cervantes        | • Eugene F. Reilly  |
| • Alberto Saavedra         | • Edward S. Nekritz |
| • Armando Garza Sada       |                     |
| • Xavier de Uriarte Berron |                     |

### Related-Party Transactions

- **Only independent members** of the Technical Committee may vote for related-party transactions, such as purchasing stabilized assets from our sponsor, Prologis

# Disciplined Balance Sheet Management

**\$842M**

Total Debt

**4.3%**

Wtd Avg Rate<sup>(1)</sup>

**4.4X**

Fixed Charge Coverage

**29.0%**

Loan-to-Value

**100%** USD

denominated

**3.2 years**

Wtd Avg Term

**4.7X**

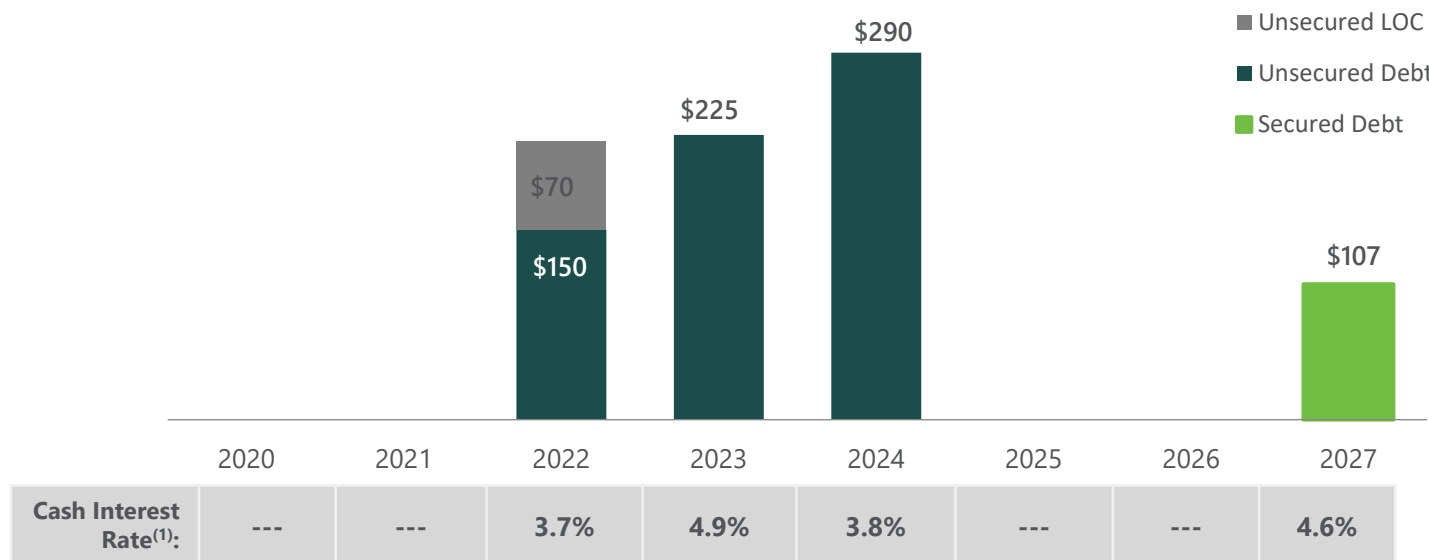
Debt-to-Adjusted EBITDA

**\$283M**

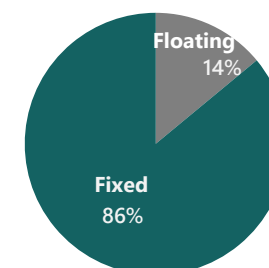
Available Liquidity in USD <sup>(2)</sup>

## DEBT MATURITY SCHEDULE

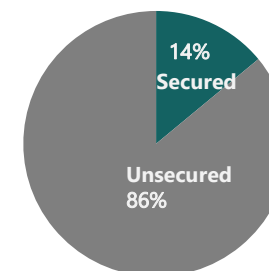
(US\$ in millions)



## FIXED VS. FLOATING DEBT



## SECURED VS. UNSECURED DEBT



Data as of June 30, 2020

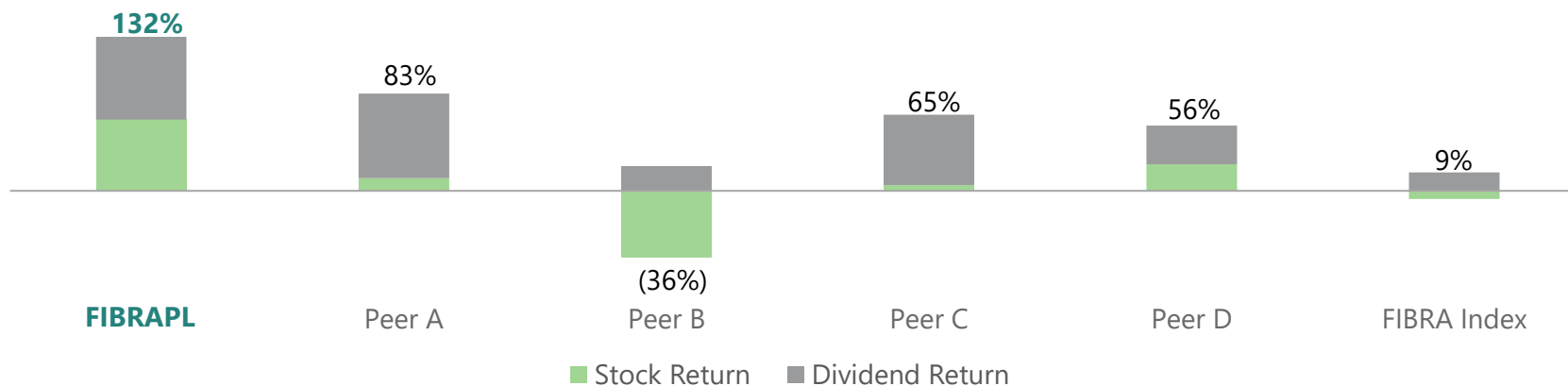
1. Weighted average rate and cash interest rate includes the three separate interest swaps with maturity dates on October 18, 2020, March 15, 2021 and August 6, 2021 contracted for notional amounts of US\$150M, US\$225M and US\$240M, respectively.

2. Liquidity is comprised of US\$28M of cash, US\$255M undrawn from unsecured credit facility and US\$150M from the accordion feature

# Creating Value for Certificate Holders

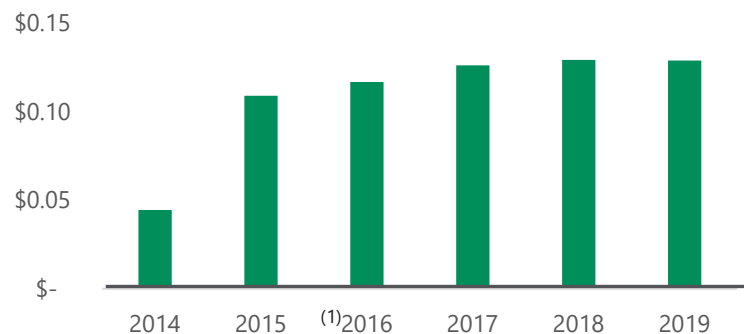
## TOTAL RETURN OF CBFIS IN MEXICAN PESOS

June 4, 2014 – September 29, 2020



## FIBRAPL AFFO PER CBFi

USD, millions

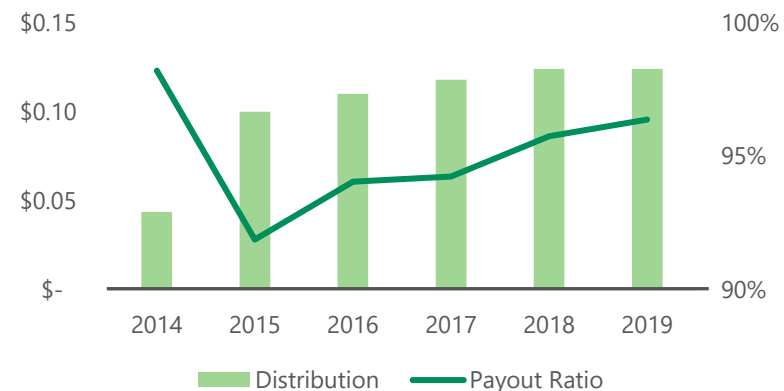


## FIBRAPL DISTRIBUTIONS PER CBFi

USD, millions

## PAYOUT RATIO

% of AFFO





## Location and Quality Matter

- 132% Total Return Since IPO<sup>(1)</sup>
- Superior organic growth
- Reliable and sustainable cash flow
- Access to Prologis development pipeline
- Disciplined balance sheet management
- Strong corporate governance
- Attractive entry point with certificates trading below NAV



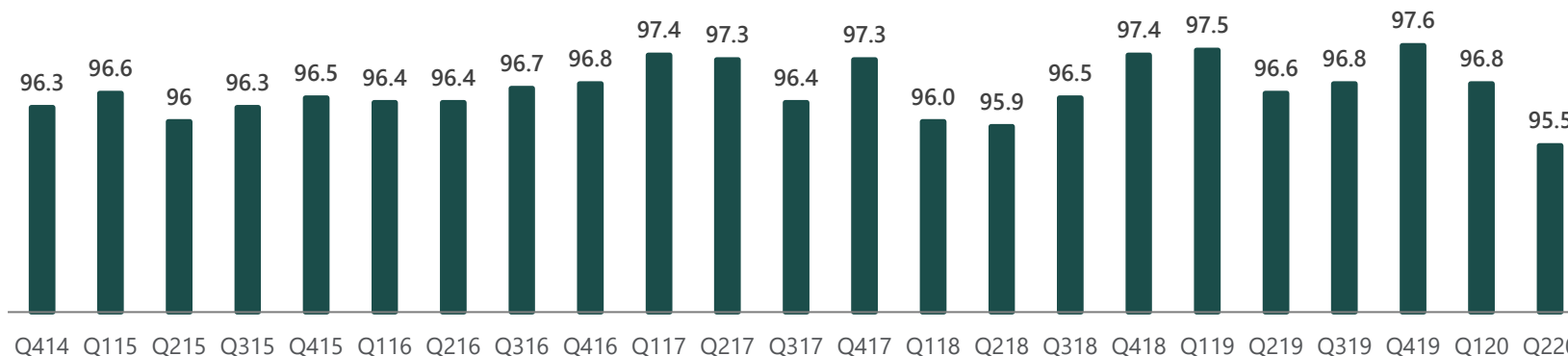
Prologis Park Grande, Mexico City

## Appendix

# Historical Operating Performance

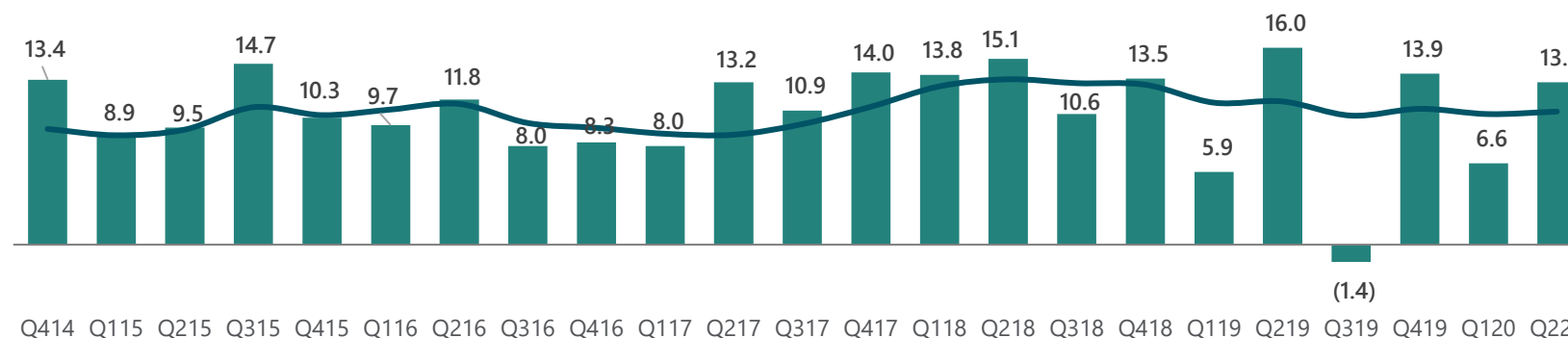
## ELEVATED PERIOD-END OCCUPANCY

(%)



## STRONG POSITIVE RENT CHANGE ON ROLLOVER

(%)



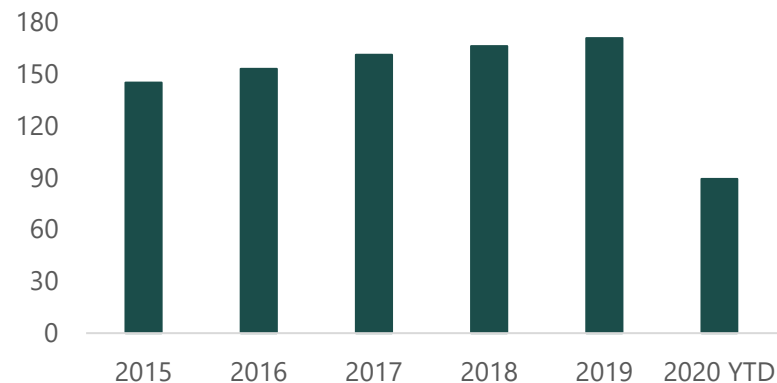
— Trailing 4Q



# Historical Growth

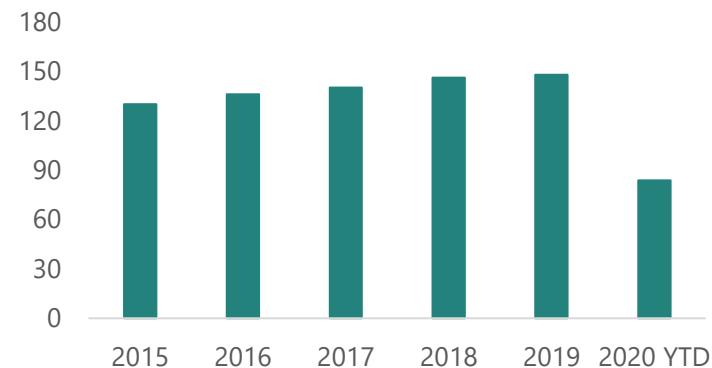
## NOI GROWTH

Millions of USD



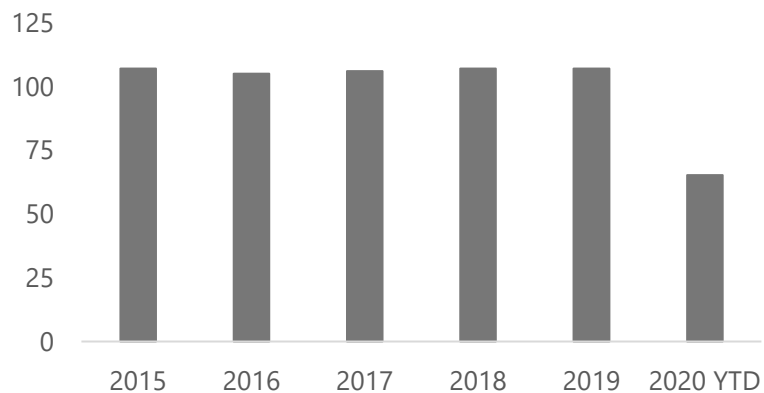
## ADJUSTED EBITDA GROWTH

Millions of USD



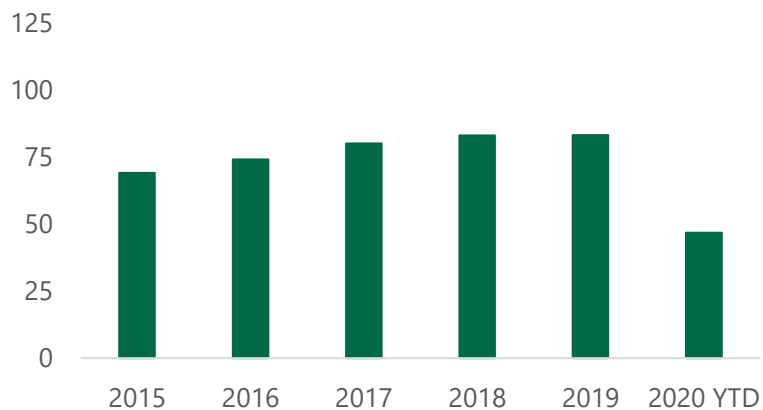
## FFO GROWTH

Millions of USD



## AFFO GROWTH

Millions of USD

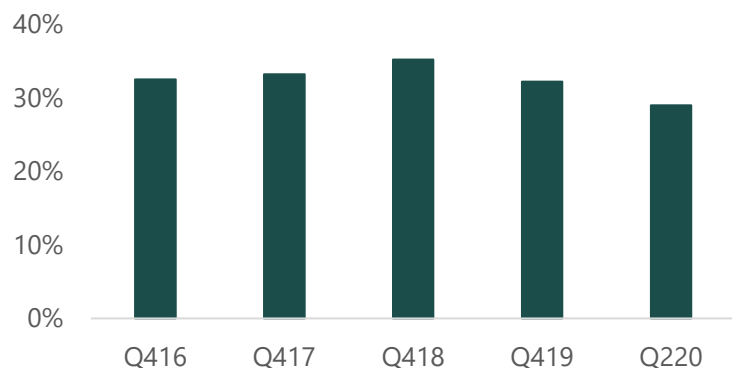


Data as of June 30, 2020

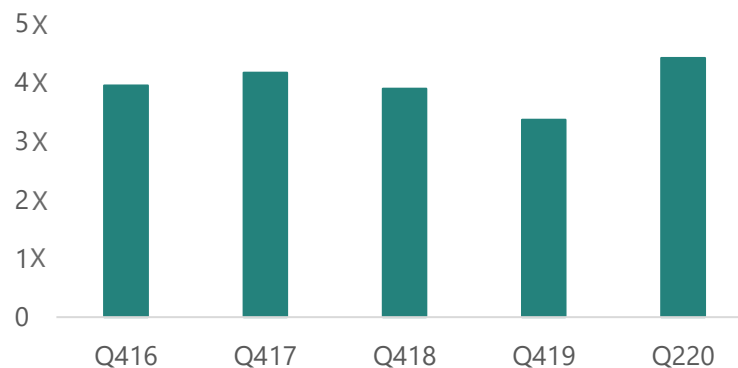
Note: For comparative purposes, incentive fees paid to FIBRAPL's sponsor in 2017, 2018 and 2019 have been excluded, as has the impact on realized exchange losses from VAT in 2015.

# Historical Credit Metrics

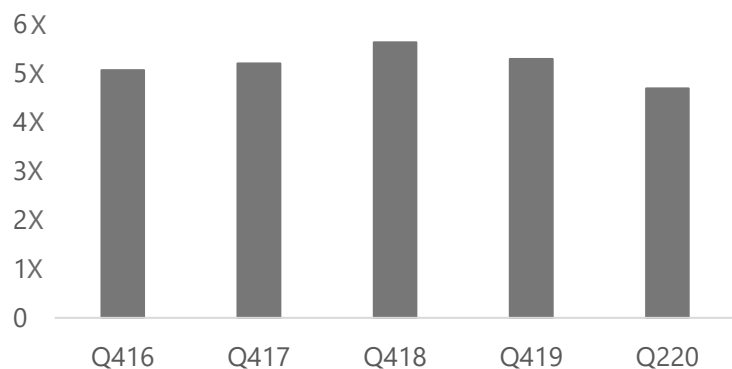
## DEBT % OF INVESTMENT PROPERTIES



## FIXED CHARGE COVERAGE RATIO

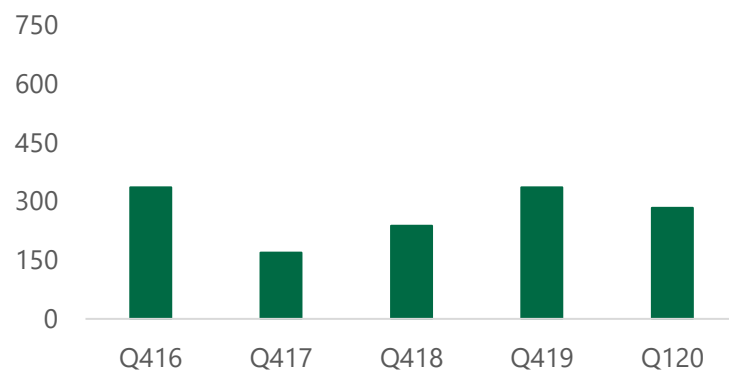


## DEBT TO ADJUSTED EBITDA



## LIQUIDITY

Millions of USD



# Superior High-Barrier Market Concentration Versus Peers

	Supply Chain Center	Growth Economy	Global Metropolis
High-Barrier	<div>FIBRAPL</div> <div>31%</div> <div>Others</div> <div>17%</div>		<div>FIBRAPL</div> <div>42%</div> <div>Others</div> <div>24%</div>
Lower-Barrier	<div>FIBRAPL</div> <div>0%</div> <div>Others</div> <div>47%</div>	<div>FIBRAPL</div> <div>26%</div> <div>Others</div> <div>11%</div>	
Subtotal	<div>FIBRAPL</div> <div>31%</div> <div>Others</div> <div>64%</div>	<div>FIBRAPL</div> <div>26%</div> <div>Others</div> <div>11%</div>	<div>FIBRAPL</div> <div>42%</div> <div>Others</div> <div>24%</div>

Sources: company filings, Prologis Research

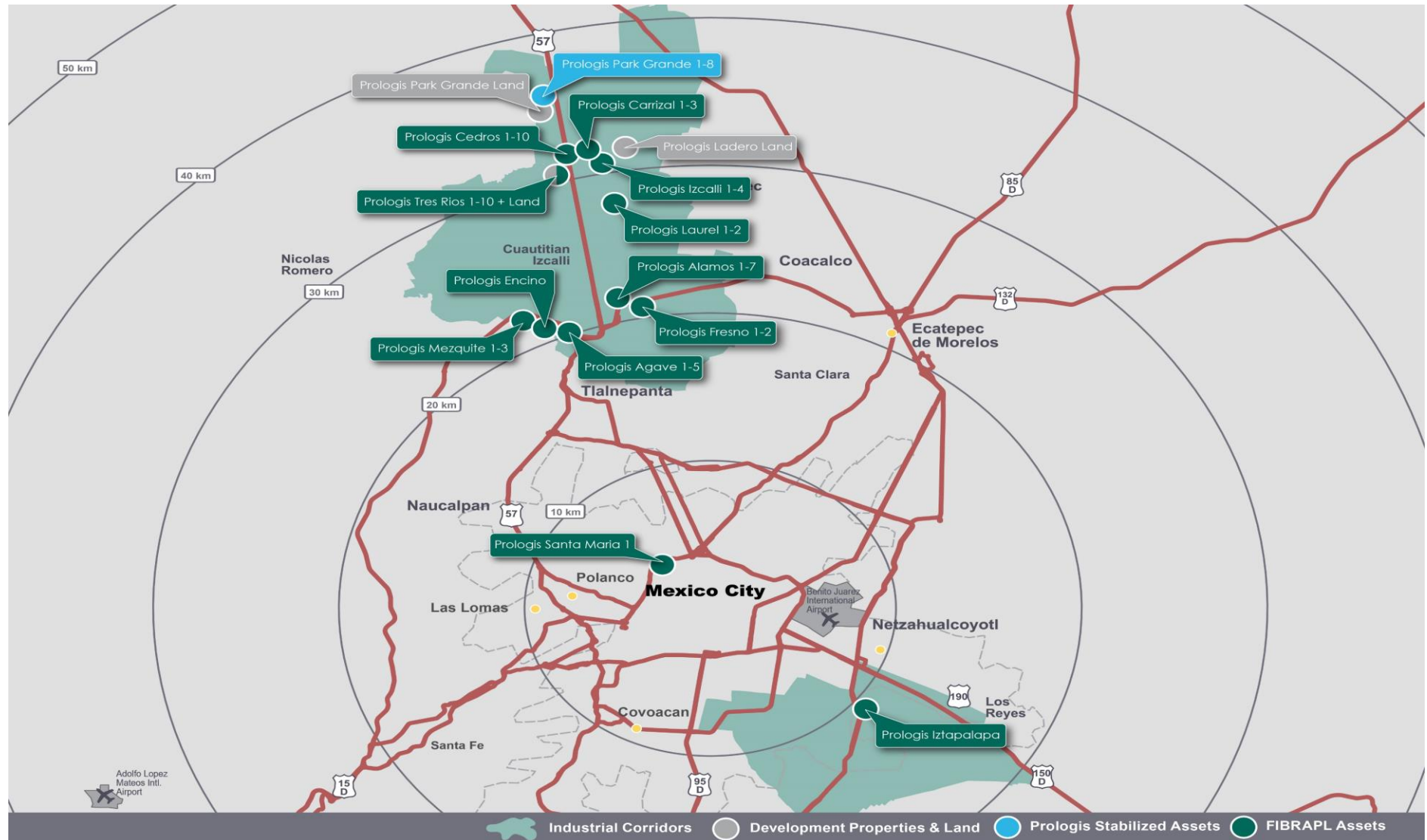
Note: Distributed by NRA. Other FIBRAs includes FUNO, Terrafina, Fibra Macquarie and Vesta as of March 31, 2020. Global Metropolis defined as large and high-income population center with high barriers to new development. A Growth Economy is a fast-growing population and evolving economy with rising incomes and increasing barriers to new development. A supply chain center is a lower barrier market with access to major transportation routes. Mexico City defined as a high barrier global metropolis. Monterrey and Guadalajara defined as lower barrier growth economies. The main border markets (Tijuana, Juarez and Reynosa) are high barrier supply chain centers and the Bajio is a lower barrier supply chain center.

# Fee Structure

Transparent and Aligned

	Fee Type	Calculation	Payment Frequency
Operating Fees	Property Management	3% x collected revenues	Monthly
	Leasing Commission <i>Only when no broker is involved</i>	<i>New leases:</i> 5% x lease value for <5 yrs; 2.5% x lease value for 5-10 yrs; 1.25% x lease value for > 10 yrs <i>Renewals:</i> 50% of new lease schedule	1/2 at closing 1/2 at occupancy
	Construction Fee / Development Fee	4% x property and tenant improvements and construction cost	Project completion
Administration Fees	Asset Management	0.75% annual x appraised asset value	Quarterly
	Incentive	Hurdle rate	9%
		High watermark	Yes
		Fee	10%
		Currency	100% in CBFIs
		Lock up	6 months
			Annually at IPO anniversary

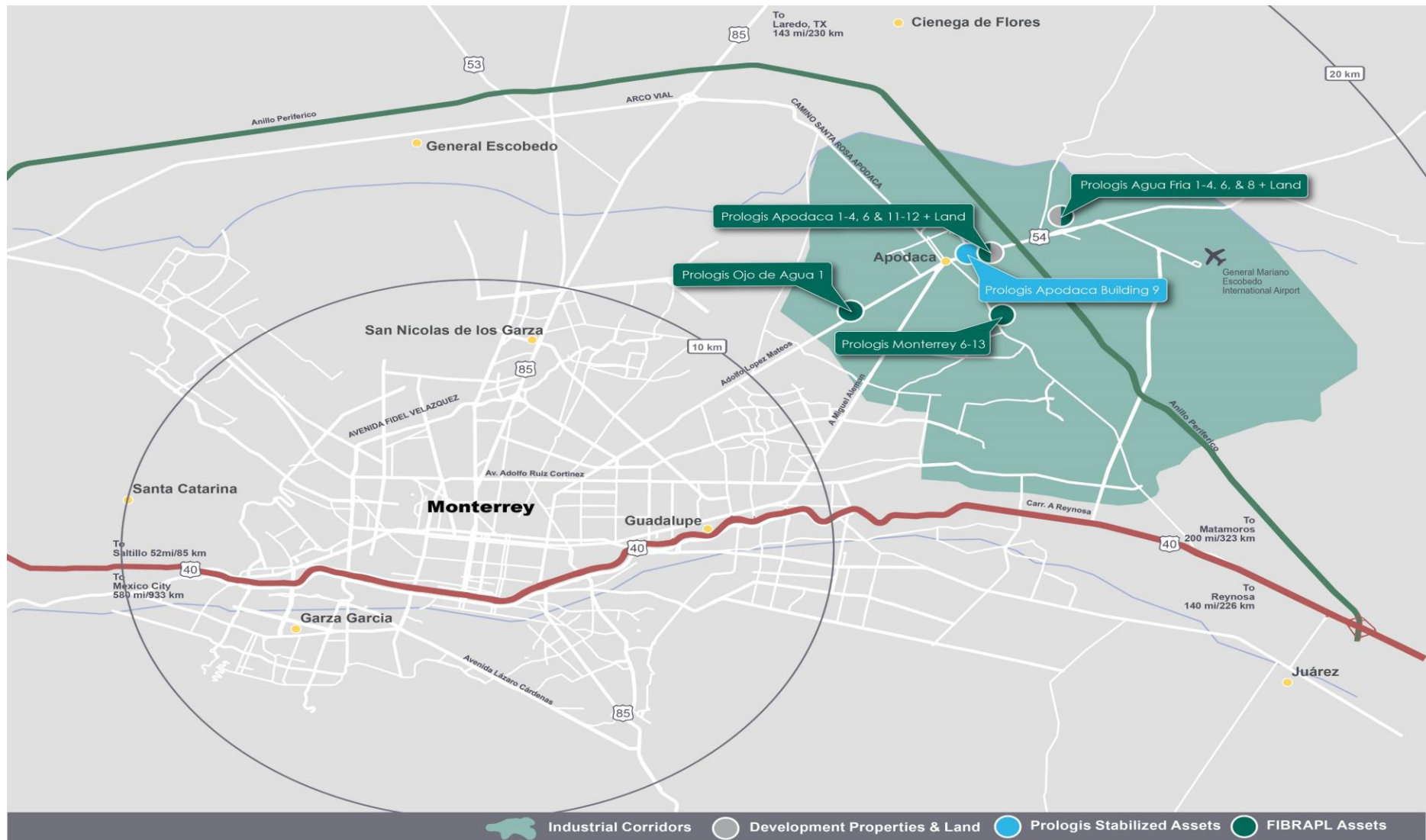
# Mexico City



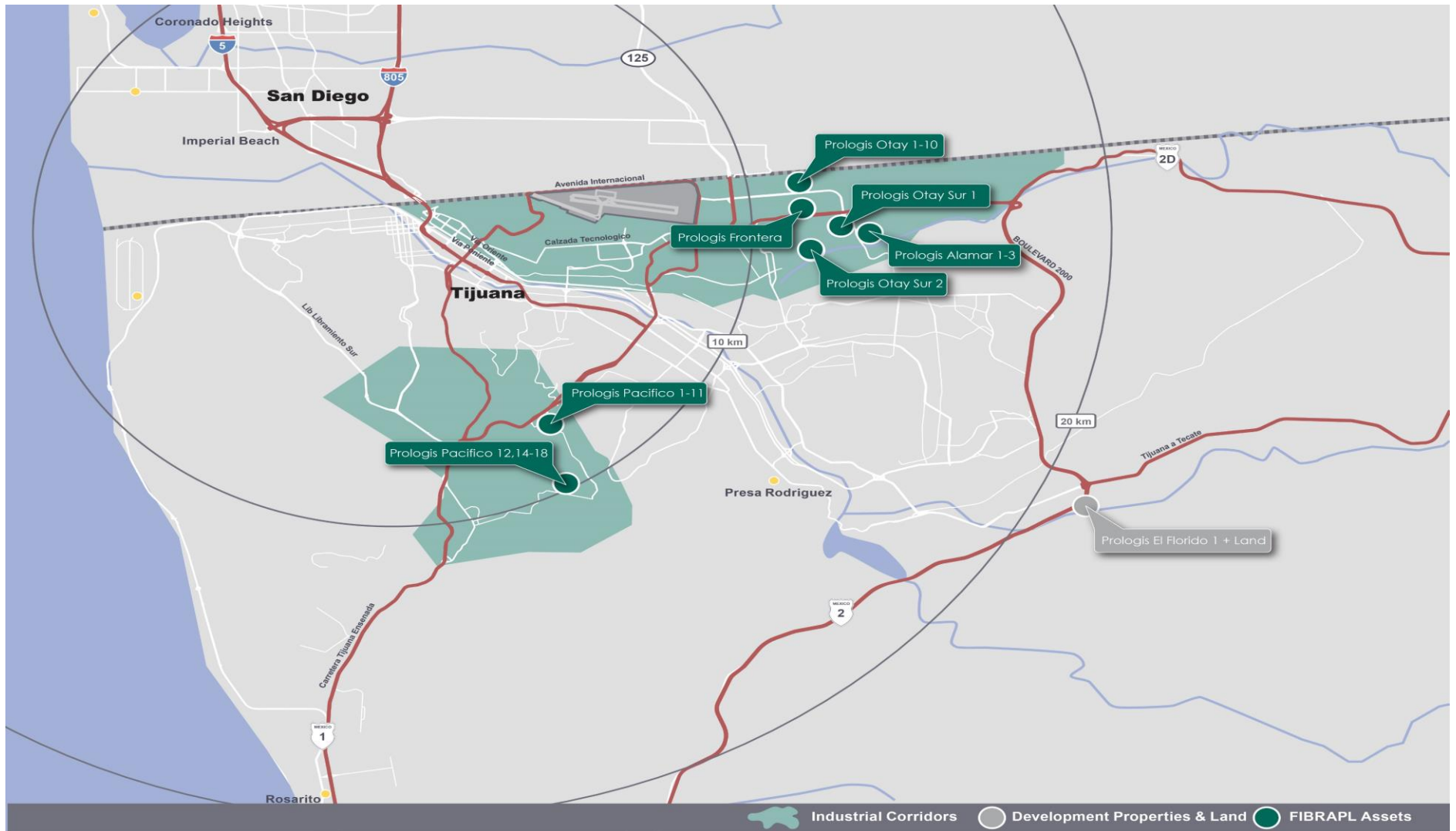
This map illustrates the industrial corridors and development properties of FIBRAPL in Mexico. The map shows a network of roads and highways, with several key locations marked. The legend indicates that green areas represent Industrial Corridors, grey circles represent Development Properties & Land, and green circles represent FIBRAPL Assets. The map includes labels for various cities and towns, such as Guadalajara, San Pedro Tlaquepaque, Toluquilla, Santa Maria Tequepexpan, San Sebastianito, Los Gavilanes, Santa Anita, La Calerilla, Santa Cruz Del Valle, San Sebastian El Grande, Concepcion Del Valle, La Union Del Cuatro, Tlajomulco, Tlajomulco De Zuniga, Cajititlan, La Calera, El Quince, San Jose Del Castillo, El Salto, Juanacatlan, La Aurora, Santa Rita, Tonalá, and San Martin De Las Flores. It also shows the location of Don Miguel Hidalgo International Airport. The map includes a scale bar indicating distances of 10 km, 20 km, and 30 km. The legend at the bottom identifies the symbols used: Industrial Corridors (green area), Development Properties & Land (grey circle), and FIBRAPL Assets (green circle). The map shows several FIBRAPL Assets located along the industrial corridors, including Prologis Jalisco 1-5, Prologis EL Bosque, Prologis Periferico Sur 100 - 500, Prologis El Salto 3, 8 & 11+ Land, Prologis Los Altos 1-3, & 13-15, and Prologis Arrayanes 1-4. The map also shows the location of Don Miguel Hidalgo International Airport and the A Zapotlanejo Carretera Libre. The map includes a scale bar indicating distances of 10 km, 20 km, and 30 km. The legend at the bottom identifies the symbols used: Industrial Corridors (green area), Development Properties & Land (grey circle), and FIBRAPL Assets (green circle).



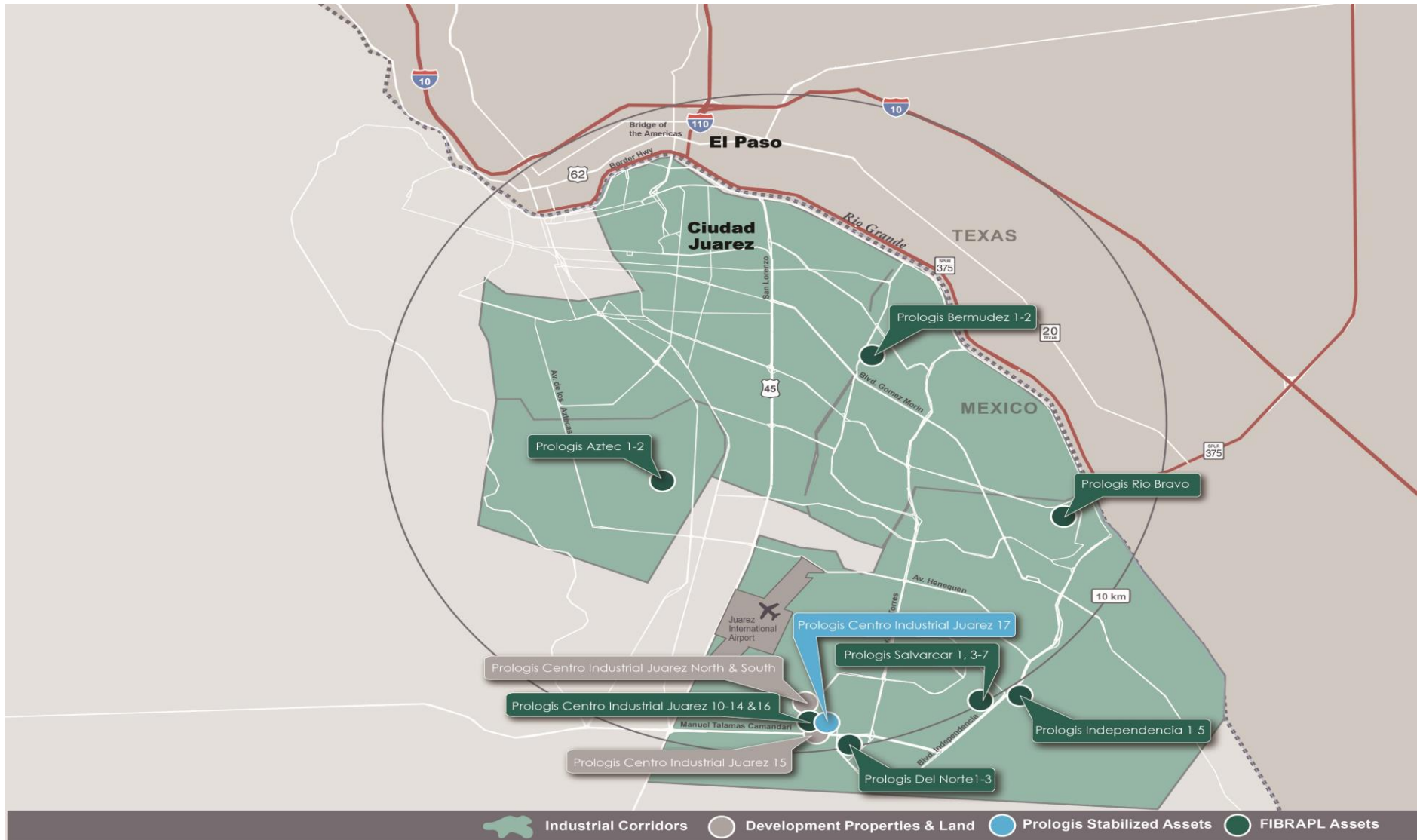
# Monterrey



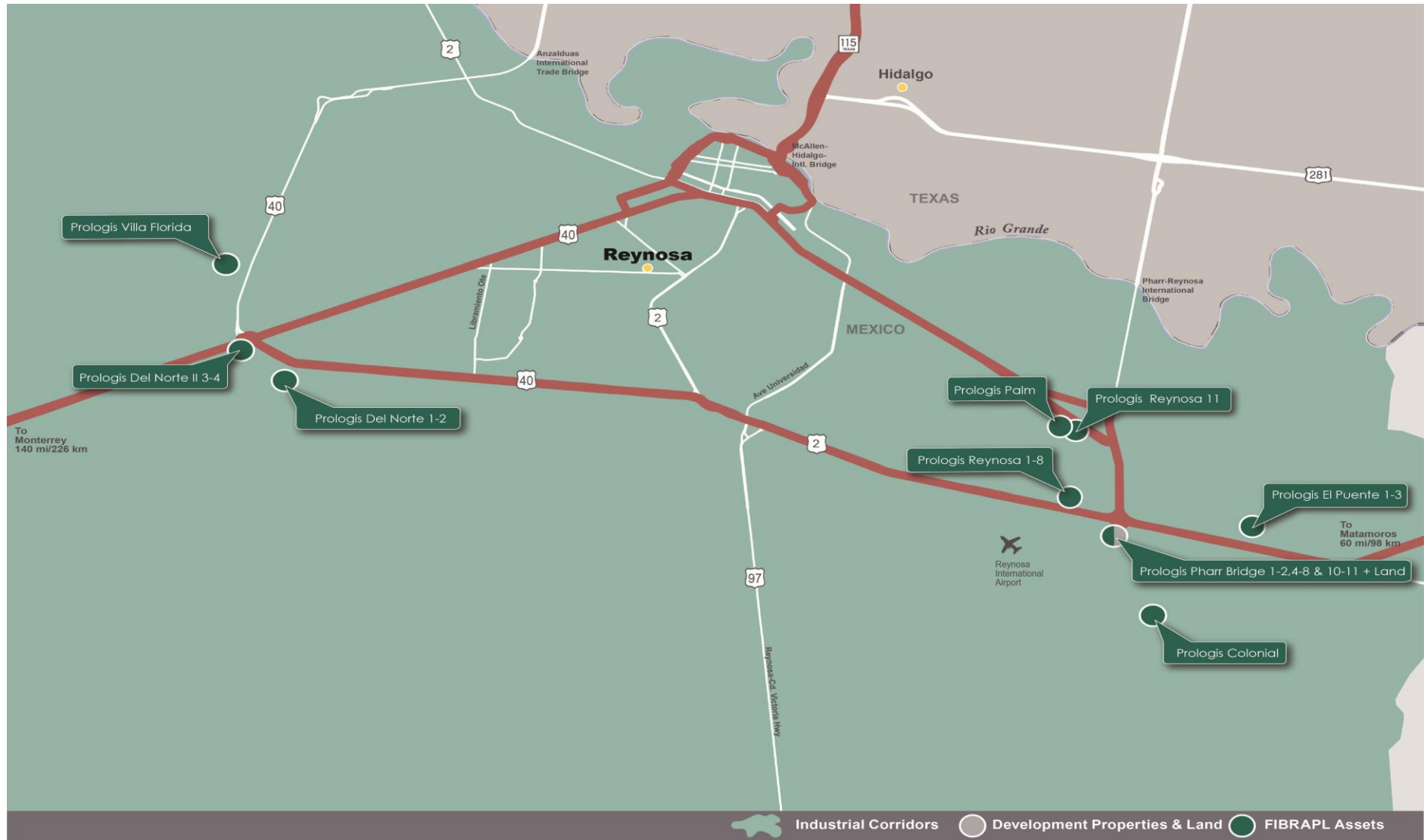
# Tijuana



# Ciudad Juarez



# Reynosa





# Reynosa

