

[411000-AR-NBIS3] General data - Annual Report

Annual Report:	Exhibit N Bis 3
Restricted public offering:	No
Type of instrument:	Trusts
Foreign issuer:	No
If any, detail the partial or total dependency:	No
Company incorporated in order for the trust to fulfill its purpose and whose shares or equity interests are owned in more than 50% by such trust:	No

[412000-NBIS3] Annual report

Actinver

Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, Trust Division

Montes Urales 540, 3rd floor, Col. Lomas de Chapultepec 11000. Delegación Miguel Hidalgo, Mexico City.



Prologis Property México, S.A de C.V.

Paseo de los Tamarindos 90 Torre 2, Floor 22, Bosques de las Lomas 05120, Mexico City.



Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero

Quotation code:

FIBRAPL

Name of the stock exchange where they are registered:

Bolsa Mexicana de Valores, S.A.B. de C.V.

Concept	Current Period 2019-12-31
Outstanding real estate trust stock certificates	649,185,514
Treasury trust stock certificates	0

Trust number:

1721

Data relating to the trust agreement:

Irrevocable Trust Agreement 1721 called FIBRA Prologis (formerly F/1721 and previously F/17464-3) entered into by and between Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, Trust Division as trustee, Prologis Property México, S.A. de C.V. as trustor and manager, and Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero as common representative, on August 13, 2013, as it has been amended by amendment agreements dated October 2 and 8, 2013, November 29, 2013, May 28, 2014, September 28 2017 and December 14, 2017, respectively.

Primary Beneficiaries:

Holders of stock certificates

Secondary Beneficiaries:

NA

Other Beneficiaries:

NA

Manager of the trust property:

Prologis Property México, S.A. de C.V.

Trust advisor:

NA

Indication of any other relevant third party(ies) receiving payment from the trust:

There is(are) no other relevant third party(ies) receiving payment from the Trust.

Relevant characteristics of the Real Estate Assets:

The portfolio is made up of 191 developed industrial properties and an intermodal courtyard of 1.1 million square feet, equivalent to 34.9 million square feet, and an intermodal park. The location of our properties is concentrated in six markets: Mexico City, Guadalajara, Monterrey, Tijuana, Ciudad Juárez and Reynosa, as well as their metropolitan areas. As of December 31, 2019, the portfolio occupancy rate was 97.6% (ninety-seven point six percent).

Distributions, periodicity and calculation method:

In order to comply with provisions regulating the real estate investment trusts (FIBRAs), the Trustee shall carry out the distributions to the CBFIs Holders, in accordance with the previous instructions of the Manager in the understanding that the Trustee will distribute, at least once a year, at least 95% (ninety-five percent) of the Taxable Income of the immediately previous year generated by the Real Estate Assets that are part of the Trust Property, in the understanding that all Distributions must comply with the Distribution Policies, otherwise such Distributions must be discussed and, where appropriate, approved by the Technical Committee. Our CBFIs have no guaranteed minimum return. The Taxable Income of the Trust will be determined in terms of Title II of the Income Tax Law ("LISR"). Distributions and payments under the CBFIs will be exclusively charged to the assets that make up the Net Asset of the Trust.

Distribution source:

In order to comply with provisions regulating the real estate investment trusts (FIBRAs), the Trustee shall carry out the distributions to the CBFIs Holders, in accordance with the previous instructions of the Manager in the understanding that the Trustee will distribute, at least once a year, at least 95% (ninety-five percent) of the Taxable Income of the immediately previous year generated by the Real Estate Assets that are part of the Trust Property.

Level of indebtedness

As of December 31, 2019, we had approximately Ps. 14,570 million (US\$772.0 million) of par debt with a weighted average effective interest rate of 4.6 percent (a weighted average coupon rate of 4.5 percent) and a weighted average term of 3.8 years.

According to the CNBV regulations for calculating debt ratios, the level of indebtedness and the debt service coverage ratio as of December 31, 2019 is 32.4 percent and 8.5 times, respectively

Coverage Index for service of the debt

The level of indebtedness and the debt service coverage ratio as of December 31, 2019 is 32.4 percent and 8.5 times, respectively

Absence of payment obligation

There is no obligation to make payments or make Distributions under the CBFIs. Distributions will only be paid to Holders to the extent that the resources that make up the Trust Property are sufficient for such purposes. Neither the Trustor, nor the Manager, nor the Common Representative, nor the Underwriter, nor the Trustee (except with the resources that make up the Trust Property), nor any of its Affiliates or subsidiaries will be responsible for making any payment under the CBFIs. In the event that the Trust Property is insufficient to make Distributions or returns under the CBFIs, there is no obligation for the Trustor, the Manager, the Underwriter, the Common Representative, the Trustee or any of its Affiliates or subsidiaries to make such Distributions or returns under the CBFIs.

Periodicity and way the CBFIs are redeemed

CBFIs are not redeemable.

Place and payment method for the Distribution:

All cash payments to Holders will be made by electronic transfer through Indeval, located at Paseo de la Reforma No. 255, floor 3, Col. Cuauhtémoc, C.P. 06500, Mexico City, upon delivery of the Title, or the certificates or certifications issued by Indeval for such purposes.

Common Representative:

Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero.

Depository:

S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. ("Indeval")

Tax System:

The Trust will be regulated by provisions of Articles 187 and 188 of the LISR and will receive the tax treatment provided for in said numerals.

If any, appraisal opinion:

Not applicable

The mention that the securities are registered in the registry:

The instruments are registered in the National Securities Registry and are listed on the Mexican Stock Exchange

Caption Article 86 of the LMV:

The inscription of the securities in the National Securities Registry does not imply certification on the goodness of the securities, solvency of the issuer or on the accuracy or veracity of the information contained in this Annual report, nor does it validate the acts that, if any, have been carried out in violation of the laws.

Caption CUE Annual Report:

Annual report that is submitted in accordance with the general provisions applicable to issuers of securities and other market participants for the year ended on December 31, 2019.

Period submitted:

For the year ended on December 31, 2019

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[413000-NBIS3] General information

Glossary of Terms and Definitions:

Real Estate Assets Means, jointly, (a) real estate, with all that corresponds to it by law or in fact intended for leasing; (b) buildings and constructions in real estate intended for leasing; (c) financing obtained in connection with the acquisition or construction of real estate or buildings intended for leasing; and (d) the rights to obtain income derived from lease agreements entered into in relation to any real estate; in each case, in which the Trust invests directly or indirectly through the Subsidiary Trust or any of the Investment Trusts.

Manager means Prologis Property México, S.A. de C.V., Affiliate of Prologis, acting in its capacity as manager of the Trust, or its successors, assigns, or whoever is subsequently appointed as manager of the Trust in accordance with the terms of the Trust Agreement and the Management Agreement.

Affiliate means, with respect to a specific Person, the Person who Controls, directly or indirectly through one or more intermediaries, is Controlled by or is under the common Control of said Person; with the understanding, that neither the Trust, nor the Trustee, nor the Persons Controlled by the Trust or the Trustee will be considered "Affiliates" of the Manager.

Afore Banamex means Afore Banamex, S.A. de C.V., member of Grupo Financiero Banamex.

Initial Contribution means the amount of \$1.00 (one Peso 00/100) contributed to the Trust Retention Account in Pesos by the Trustor pursuant to the Trust Agreement.

GLA or **Gross Leasable Area** means the total area of leasable properties in the properties that will make up our Initial Portfolio at the end of the 12-month period, excluding outdoor parking, maneuvering space, measured in square feet.

Tenant means any Person who is a party to a Lease Agreement with the right to occupy or use in any other way the properties part of the Real Estate Assets of the Trust (as well as any sub-lessee of said party).

Holders Meeting means an Ordinary Holders' Meeting or an Extraordinary Holders' Meeting.

Special Holders Meeting will represent the group of Holders and may be called at any time to discuss and resolve any of the following matters: (a) Removal and replacement of the Common Representative; (b) Amendments; (c) Removal and/or replacement of the Manager; (d) Cancellation of the list and cancellation of the registration of the CBFIs; (e) Dissolution of the Trust; (f) Removal of all the Members of the Technical Committee; (g) Modifications to the Administration Fees.

Regular Holders Meeting will represent the group of Holders and will be governed by the provisions contained in the respective Title and by the provisions contained in Articles 218, 219, 220, 221, 223 and other Articles applicable to the LGTOC, in accordance with provisions of Articles 64 Bis 1 and 68 of the LMV, and any resolutions taken in said general meeting will be binding with respect to all Holders, even with respect to the absent and dissenting parties. It may be called, at any time, to resolve any matter that requires the approval of the Holders' Meeting that is not reserved for the Extraordinary Holders' Meeting.

External Auditor means KPMG Cárdenas Dosal, S.C. or another external auditor hired by the Trust at any time; with the understanding that, such auditor must be a firm of public accountants of recognized international standing and independent of the Manager and the Trustee.

Government Authority means any country, government, dependency, state, municipality or any political subdivision thereof, or any other entity or dependency that exercises administrative, executive, legislative, judicial, monetary or regulatory functions of or pertaining to the government.

BMV means the Bolsa Mexicana de Valores, S.A.B. de C.V.

CBFIs mean the Real Estate Trust Stock Certificates.

Additional CBFIs means any CBFIs issued by the Trust in an Additional Issuance, public or private, inside or outside of Mexico.

Initial CBFIs means the CBFIs issued by the Trustee in the Global Offering.

Sole Issuers Regulations means the General Provisions applicable to Security Issuers and other Participants of the Stock Market, published in the Federal Official Gazette on March 19, 2003 and its respective amendments.

CNBV means the Mexican National Banking and Securities Commission.

Management Fees have the meaning attributed to said term in the Management Agreement.

Audit Committee means the audit committee of the Trust made up of at least three Independent Members appointed by the Technical Committee.

Debt Committee means the indebtedness committee of the Trust made up of at least three Independent Members appointed by the Technical Committee.

Practices Committee means the practices committee of the Trust made up of at least three Independent Members appointed by the Technical Committee.

Technical Committee means the technical committee of the Trust.

Initial Purchasers means initial purchasers (*initial purchasers*) who enter into a purchase agreement (*purchase agreement*) governed by the New York law, with respect to the international offering of CBFIs and the option of international overweighting.

Management Agreement means the management agreement entered into by and between the Trustee and the Manager, as it may be amended, supplemented or updated from time to time, including any agreement for provision of administration services entered into with a substitute Manager, if applicable, in accordance with Exhibit "D" of the Trust.

Lease Contracts means, the lease agreements entered into for the occupation and use of real estate (as well as any sub-lease) that are part of the Real Estate Assets of the Trust.

Trust Agreement or Trust or FIBRA Prologis means the Irrevocable Trust Agreement 1721, as it is amended, supplemented or updated from time to time.

Control and **Controlled** has the meaning attributed to said term in the LMV.

Additional Account has the meaning of other accounts of the Trust in Pesos or Dollars, as instructed in writing by the Manager at any time.

Trust Accounts means the accounts that the Trustee opens under its name including without limitation: the Withholding Account, the Distribution Account and the Additional Accounts in accordance to the Trust Agreement.

Damages means all claims, demands, responsibilities, costs, expenses, damages, losses, trials, procedures or acts, whether judicial, administrative, investigative or of any other nature, known or unknown, determined or to be determined, that exist, may exist or may be incurred by any Covered Person, or with respect to which any Covered Person may be involved, as a party or in any other way, or with respect to which any Covered Person may be threatened, in relation with or as a result of the Investments or other activities of the Trust, activities undertaken in relation to the Trust, or that in any other way are related to or result from the Trust Agreement or the contracts or agreements derived from it, including amounts paid in compliance with judgments or resolutions, in transactions or as fines or penalties, and the legal fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, act, trial, arbitration or other procedure, whether civil or criminal.

Lawsuits means any claims, demands, responsibilities, costs, expenses, damages, losses, trials, procedures or acts, whether judicial, administrative, investigative or of any other nature, known or unknown, determined or to be determined against a Covered Person.

Business Day means any day that is not Saturday or Sunday and in which the financial institutions of Mexico are obliged or authorized by law, regulation or executive order to close, in accordance with the calendar published for this purpose by the CNBV.

Distribution means each of the distributions that the trustee must make to the CBFIs Holders in accordance with the terms of the Trust Agreement.

Transactional Documents means, jointly, the Trust Agreement, the Administration Agreement, each Instrument, each placement agreement entered into in relation to each Issuance and any other agreements, instruments, documents and instruments related thereto.

Dollar, EU\$, U.S. Dollar or USD\$ mean the legal tender in the United States of America.

Issuance means an issuance of CBFIs carried out by the Trust, including the Initial Issuance and any Additional Issuance.

Additional Issuance means any additional issuance of CBFIs, public or private, within or outside of Mexico in accordance with the prior written instructions of the Manager with the prior approval of the Ordinary Holders' Meeting. The Ordinary Holders' Meeting must approve the terms of said Additional Issuance, including the way to determine the price of the respective Additional CBFIs and the amount or number of CBFIs to be issued.

Initial Issuance means (i) an international offering of Initial CBFIs in the United States of America to "qualified institutional buyers", in operations exempt from registration pursuant to Rule 144A of the United States Securities Act, and outside of Mexico and the United States of America in accordance with Regulations of the United States Securities Act, and (ii) a simultaneous initial public offering of Initial CBFIs in the BMV.

Indebtedness means, in relation to any Person, (i) all the indebtedness of said Person for borrowed money and any other contingent or other obligations of said Person with respect to sureties, letters of credit and bank acceptances, expired or not, excluding coverage and other derivative agreements and similar financial instruments, (ii) all obligations of said Person evidenced by promissory notes, bonds, obligations, or similar instruments, (iii) all the financial leasing obligations of said Person, (iv) all indebtedness referred to in numerals (i), (ii) or (iii) above guaranteed by (or by which the holder of said indebtedness has an existing right, contingent or in any other way, guaranteed by) any lien on the assets (including accounts and contractual rights) of said Person, despite the fact that said Person has not assumed or been responsible for the payment of said debt, (v) all third-party indebtedness guaranteed by said Person (without double accounting for any indebtedness referred to in numbers (i), (ii), (iii) or (iv) above) and (vi) all amounts (including, without limitation, default interest and prepaid premiums) due on any indebtedness referred to in numerals (i), (ii), (iii), (iv) or (v) above. Indebtedness will not include amounts available to be disposed of or loaned under credit agreements or similar obligations that have not been disposed of or disbursed unless the Manager expects that these amounts will be used to fund, in whole or in part, any existing obligatory commitments of the Trust on said determination date, as determined by the Manager.

Contributing Entities means those entities that, directly or indirectly, are the owners of the properties that will make up our Initial Portfolio immediately before the completion of the global offer and of the Formation Operations and that will contribute said properties that will integrate our Initial Portfolio, indirectly through from a subsidiary trust of the Trust, to the Trust property in accordance with the Formation Operations. Prior to the completion of the global offering and the Formation Operations, certain Prologis Affiliates and other investors held the ownership rights in the respective Contributing Entities.

Stabilized means any property with at least 90% (ninety percent) of occupancy.

Financial Statements means the joint reference to (i) The statements of financial position as of December 31, 2019, 2018 and 2017 and (ii) the statements of comprehensive income, changes in stockholders' equity and cash flows for the years ended as of December 31, 2019, 2018 and 2017, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Acquisition Date means any date on which an acquisition of Real Estate Assets by the Trust is consummated.

Initial Negotiation Date means the date on which the CBFIs were first listed on the BMV.

FIBRA means, by its acronym, a real estate investment trust authorized pursuant to the Article 187 to pay tax based on the tax treatment established in Article 188 of the Income Tax Law.

Investment Trust means any irrevocable trust established in Mexico in which the Trust, directly or indirectly, maintains an Investment to acquire, directly or indirectly through trusts, Real Estate Assets; with the understanding, that the purposes of said Investment Trust must allow it to qualify as a passive income trust for purposes of the LISR or that in any other way it is not considered as an entity taxed under the LISR.

Subsidiary Trust means the Investment Trust established pursuant to the Irrevocable Management Trust Agreement with Reversal Rights number 1189, dated October 14, 2013, entered into by and between the Trustee, in its capacity as trustee pursuant to the Trust Agreement, as trustor and beneficiary, Banco Actinver, SA, Institución de Banca Múltiple, Grupo Financiero Actinver, as trustee, with the appearance of Prologis Property Mexico, S.A. de C.V., as Manager (as it may be modified or amended from time to time), through which the Trust will make Investments in Real Estate Assets either directly, or through other Investment Trusts; with the understanding, that the purposes of said Subsidiary Trust must allow it to qualify as a non-business trust for the purposes of the LISR or that in any other way it is not considered as an entity subject to the payment of taxes under the LISR.

Settlor means Prologis Property México, S.A. de C.V. in its capacity as trustor in accordance with the Trust Agreement.

Trustee means Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, Trust Division in its capacity as trustee of Trust 1721, or its successors, assigns, or whoever is subsequently designated as trustee pursuant to the terms of the Trust Agreement.

Trust Expenses means the costs, expenses and liabilities incurred in or derived from the operation and activities of the Trust, as determined by the Manager and notified to the Trustee, including, without limitation to (a) management fees, (b) fees and expenses related to the management of assets (including transportation and accommodation), Indebtedness, including the evaluation, acquisition, possession and disposition of the same (including any reserve, breakdown, termination, and other similar fees payable by the Trust, non-refundable deposits, deposits or commitments

or other fees), to the extent that such fees and expenses are not reimbursed by the Subsidiary Trust, an Investment Trust or a third party; (c) insurance premiums for protection of the Trust and Covered Persons from liability to third parties in relation to the Investments of the Trust and other activities, including compensation payments payable to third parties (which includes the underwriter) and including the assigned costs of any comprehensive global coverage policy under which the assets of Prologis and its Affiliates are covered and by virtue of which any part of the Trust Assets is covered; (d) legal, custody, administrative, investigative, registration and listing services, audit and accounting expenses (including expenses related to the operation of the Trust Accounts), including expenses related to the preparation of the combined statements of income of purpose, tax returns of the Trust and the representation of the Trust or the Holders with respect to tax matters, including expenses paid or incurred in connection therewith (e) bank and consulting expenses and (f) appraisal expenses and other fees for professional advice; (g) Investment Expenses, including, without limitation, expenses related to the organization of the Subsidiary Trust or any Investment Trust through or in which Investments may be made; (h) expenses and fees of the Trustee, the Technical Committee, the Audit Committee, the Practice Committee, the Independent Appraiser, the Common Representative, the External Auditor, as well as any payment of fees and other necessary expenses in accordance with the legislation applicable to maintain the CBFIs registered in the RNV, listed in the BMV and deposited in Indeval (including maintenance fees); (i) taxes and other government charges (such as VAT that cannot be recovered), fees, and charges payable by the Trust; (j) Damages; (k) the costs of meetings and reports with the Holders, with the CNBV, with the BMV (and with any other regulatory body) and with annual or periodic meetings; (l) coverage expenses and brokerage costs and fees; (m) fees payable to the members of the Technical Committee and the reimbursement of their expenses for attending the meetings of the Technical Committee in accordance with Clause 5.3, (n) salaries, benefits and payroll expenses of the personnel employed exclusively for the operation or management of one or more Real Estate Assets; (o) the termination and liquidation costs of the Subsidiary Trust or any Investment Trust and the Trust, including the payment of fees derived from them; (p) any expenses related to any Holders' Meeting or any session of the Technical Committee, and (q) expenses related to the defense of the Trust Assets and the granting of powers of attorney.

Investment Expenses means, with respect to any Investment or potential Investment, any and all expenses related to said Investment, which may include, without limitation, (i) expenses related to the creation of the Subsidiary Trust or any Investment Trust, if any, in which the Investment is made, and the issuance of any securities issued by the Subsidiary Trust or any Investment Trust, as the case may be, (ii) expenses related to the acquisition of Real Estate Assets, including, without limitation, fees and expenses of legal, financial, fiscal and/or accounting advisers, notary public, public brokers, and any other advisers, consultants, contractors or agents, incurred in connection with the foregoing, (iii) expenses related to development, construction, maintenance and monitoring of Real Estate Assets, including, without limitation, fees and expenses of legal, financial, fiscal and/or accounting advisers, notary public, public brokers, as well as any other advisers, consultants, contractors or agents, incurred in connection with the foregoing, (iv) capital expenses and expenses to carry out renovations in Real Estate Assets, (v) expenses related to the leverage and/or coverage of said Investment, including, without limitation, fees and expenses of legal, financial, fiscal and/or accounting advisers, (vi) expenses incurred by the Trustee, the Investment Trust or any Investment Trust and/or the Administrator in relation to said Investment (whether it is consummated or not) and the evaluation, acquisition, sale, financing or coverage thereof, including, without limitation, closing costs, audit costs, notary or public broker fees, registration fees, and fees and expenses of the Trustee, (vii) expenses derived from payment of taxes, litigation, compensation and expenses derived from insurance, (viii) any expenses and costs derived from the appraisal of Real Estate Assets, including, without limitation, the fees of the corresponding appraiser, and (ix) expenses of any other nature related to said Investment or the related Real Estate Assets with said investment.

Group of People has the meaning attributed to said term in the LMV.

IASB stands for the International Accounting Standard Board, also known by its acronym in English as the IASB (*International Accounting Standard Board*).

IFRS stands for International Financial Reporting Standards, also known by its acronym in English as IFRS (*International Financial Reporting Standards*), issued by the International Accounting Standards Board (International Accounting Standards Board).

Indeval means S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.

Gross Revenue means all revenue of any type and nature derived from the operation of the Real Estate Assets during a specific month in cash, including, without limitation, rent, rent adjustments, utility charges, parking charges and service charges, income due to rent interruption, insurance and reimbursement of the Lessee for operating expenses, taxes and insurance; with the understanding that the Gross Revenue will not include: (i) guarantee deposits (as long such are not applied to rent in arrears) and other repayable deposits, (ii) interest of bank accounts for operation of Real Estate Assets; (iii) income from the sale or refinancing of the Real Estate Assets, or any part thereof, (iv) the income from insurance or dividends received from the insurance policies corresponding to the material loss or damage to the Real Estate Assets, or any part thereof (but not earnings from rent interruption insurance), (v) compensation or payments received for compulsory purchase of the Real Estate Assets or any part thereof; (vi) any commercial discount or reduction received in connection with the purchase of personal property, (vii) payments from Lessees as reimbursement of improvement expenses of the Lessee, unless said payments or part of them are redeemed during the term of the lease, in which case said redeemed amounts will be included as part of the Gross Revenue, (viii) refunds for overpayments, including without limitation refunds of taxes and insurance premiums, and (ix) any amounts that do not require to be reimbursed to any Lessee or third party that arises from remuneration, liquidation, or any other provision of any lawsuit or other judicial procedure, except to the extent that the net amount of said income that remains after accounting for all costs and expenses, including legal fees, in obtaining said product that represents income from the Real Estate Assets not excluded of this definition of Gross Revenue. This metric is not defined by IFRS.

Net Operating Revenue ("NOI"): represents revenue from rent less operating expenses. This metric is not defined by IFRS.

Class A Industrial Facilities means those facilities that meet the requirements of manufacturing and logistics companies other than end users regarding operational efficiency and satisfy certain criteria regarding size, location, design of the highest quality, comfort and safety, including: (i) location close to towns and transport stations, excluding express transport; (ii) location within industrial parks or closed industrial zones, providing additional security to customers; (iii) a building area of approximately 40% (forty percent) of covered land, which implies ample space for the maneuvering and parking of trucks; (iv) efficient ceiling height of at least approximately 30 feet, (v) floor slab at least 6 inches thick; and (vi) ample floor space for storage with ample column spacing and a column spacing of approximately 50 feet.

Underwriters means Acciones y Valores Banamex, S.A. de C.V., Casa de Bolsa, member of Grupo Financiero Banamex, Casa de Bolsa Credit Suisse (México), S.A. de C.V., Grupo Financiero Credit Suisse (México), Actinver Casa de Bolsa S.A. de C.V., Grupo Financiero Actinver, Casa de Bolsa Banorte Ixe, S.A. de C.V., Grupo Financiero Banorte.

Investment means any investment made by the Trust in Real Estate Assets or in the Subsidiary Trust or in any Investment Trust that in turn invests in Real Estate Assets (including through the acquisition of trust rights, trust certificates or other negotiable instruments or securities issued by the Subsidiary Trust or said Investment Trusts).

Allowed Investments means any investment made by the Trustee of any amounts deposited in the Trust Accounts in securities of the Federal Government of Mexico and registered in the RNV (denominated in Dollars or Pesos) or in shares of debt investment companies; in the understanding, that said securities must have a term not greater than 1 (one) year.

ISAI means the tax on the acquisition of real estate, regardless of the denomination that said tax has, in accordance with the tax laws in force in the federal entities and/or in the municipalities of the different States of Mexico.

VAT means Value Added Tax.

U.S. Securities Act means the Securities Act of 1933 of the United States of America (*Securities Act of 1933*), as amended.

LGTOC means The General Law on Negotiable Instruments and Credit Transactions as it may be amended and/or supplemented from time to time.

Leverage Guidelines means the Trust's leverage guidelines that are described in the document that is attached to the Trust Agreement as Exhibit "A", as they are amended, added or replaced from time to time with the approval of the Ordinary Holders' Meeting in accordance with Clause 4.3 subsection (g).

Investment Guidelines means the guidelines approved by the Technical Committee.

LISR means the Income Tax Law as it is amended or added from time to time.

LIVA means the Value Added Tax Law as it is amended or added from time to time.

LMV means the Securities Market Law as it is amended or added from time to time.

Mexico means the United Mexican States.

Independent Member means that Person who meets the requirements established in Articles 24, second paragraph, and 26 of the LMV to qualify as independent with respect to each of the Trustee, the Trustor, the Administrator and the Investment Trust or any Investment Trust, and designated as an Independent Member at the time of its designation as a member of the Technical Committee.

MSF means millions of square feet.

NAREIT means the National Association of Real Estate Investment Trusts (*National Association of Real Estate Investment Trusts*).

Operations with Related Parties means any operation with Related Persons with respect to the Trustee, the Trustor, the Manager, the Subsidiary Trust or any Investment Trust, or that, in any other way, represents a conflict of interest, in each case, in terms of the provisions in Issuers Sole Publication.

Formation Transactions means the series of operations that we carry out concurrently with the global offer for the purposes of consolidating our Initial Real Estate Portfolio.

Trust Estate The trust property will be made up, at any time, of the following assets (jointly, the "Trust Property"): (a) the Initial Contribution; (b) the Issuance Resources; (c) the beneficiary rights of the Subsidiary Trust and of the Investment Trusts, Real Estate Assets and/or any other Investments made by the Trust in accordance with the terms of this Agreement; (d) the amounts deposited in the Trust Accounts; (e) the income and flows received by the Trustee as consideration or return on

the Investments made or Permitted Investments; and (f) any and all amounts, assets and/or rights that the Trust has or that it may acquire in the future in accordance with this Agreement.

Tax Loss means the result of subtracting from the Trust's cumulative income, the authorized deductions, in terms of the LISR, when the cumulative income is less than the authorized deductions.

Person means an individual or legal entity, trust, company, association, corporate entity, Government Authority or any other entity of any other nature.

Covered Person means the Administrator and its Affiliates; each of the shareholders, officers, directors (including persons who are not directors with functions on any advisory board or other committee of the Administrator), employees, temporary staff, members, officials, advisers and agents of the Administrator and each of its respective Affiliates, current or former; the Common Representative and each of its officers, directors, employees and representatives; and each person acting, or who has acted, as a member of the Audit Committee and/or the Practices Committee and/or the Technical Committee.

Independent Person means that Person who meets the requirements established in Articles 24, second paragraph, and 26 of the LMV to qualify as independent with respect to each of the Trustee, the Trustor, the Administrator and the Subsidiary Trust or any Investment Trust.

Related Party has the meaning attributed to said term in the LMV.

Pesos, MXN or \$ means the lawful currency of Mexico.

Distribution Policy means the distribution policy of the Trust as proposed by the Manager and approved by the Technical Committee at any time.

Initial Portfolio means the portfolio of Real Estate Assets consisting of 177 properties acquired through the Formation Operations.

Current Portfolio means the portfolio of Real Estate Assets consisting of 191 properties and an intermodal courtyard, which comprise the Initial Portfolio plus the properties acquired since the Initial Issuance.

Prologis means Prologis, Inc. and/or its Affiliates, including certain investment vehicles in which Prologis, Inc. or other of its Affiliates have minority interests.

Prologis México Logistical Fund means the issuing trust of trust stock certificates of those known as "development capital certificates number F/300870 dated July 28, 2010, held between Prologis México Manager, S. de R.L. de C.V., as trustor and administrator, Headlands Realty Corporation and Prologis Mexico Manager, LLC, as secondary beneficiary; HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Trust Division, as trustee; and Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative of the holders of said fund.

Issuance Proceeds means the resources received by the Trust derived from each Issuance.

BMV Internal Regulations means the Internal Regulations of the BMV, published in the BMV Bulletin on October 24, 1999, and its amendments.

Annualized Base Rent means the contractual rent established in a Lease Agreement to be paid by a Lessee during a period of 12 months, excluding reimbursements for property operating expenses, which are expenses usually incurred by the lessor and passed on to the Lessee.

Net Effective Rent ("NER") is calculated at the beginning of the rent using the total estimated flow that will be received by this rent (including the base lease rent and reimbursement of expenses) on an annualized basis. The number per square foot is calculated by dividing the annualized net effective rent by the occupied square feet of the rent. This metric is not defined by IFRS.

Annual Report means this annual report of the Trust for the period from January 1 to December 31, 2019.

Common Representative means Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero in its capacity as common representative of the Holders, or their successors, assigns, or whoever is subsequently appointed as common representative of the Holders in accordance with the terms of the Trust Agreement.

Fiscal Result means the Taxable Income of the Trust determined in accordance with Title II of the LISR in the fiscal year in question, less the tax losses pending to be applied by the Trust from previous fiscal years.

RNV means the National Registry of Securities.

Holders mean the Persons who have the ownership of one or more CBFIs at any time, in accordance with Clause 2.3 of the Trust Agreement.

Title has the meaning attributed to said term in Clause 3.6 of the Trust Agreement.

UMA means the Unit of Measurement and Update

Fiscal Profit means the result of reducing from all the accumulative income obtained by the Trust in the fiscal year, the deductions authorized in terms of provisions of the LISR, when the latter are less than the income.

Independent Appraiser means Collier; Cushman & Wakefield, Jones Lang LaSalle, CBRE Mexico or an investment bank, accounting firm or other independent appraiser firm that is approved by the Technical Committee.

Executive summary:

The following summary contains some selected information taken from the rest of this Annual Report, but it may not include all the relevant information for the potential investors of the CBFIs issued by the Trust.

Overview

We are a real estate investment trust with the purpose of acquiring and managing real property for industrial activities in Mexico. We are managed by Prologis Property México, S.A. de C.V., an affiliate of Prologis, Inc. Prologis, Inc., is a real estate investment company incorporated in the United States listed on the New York Stock Exchange. Prologis specializes in the ownership, operation and development of industrial properties and is concentrated in global and regional markets of America, Europe and Asia. As of December 2019, Prologis was owner, directly or through its investments in associations as sole owner or through joint ventures, of real properties and real estate developments with a total surface of about 814 million square feet (76 million square meters) in 19 countries. Prologis leases modern industrial facilities to more than 5,000 clients, including manufacturers, retailers, carriers, logistic service providers and other companies.

Our current portfolio is strategically located in six industrial markets in the country and we have a total Gross Leasable Area of 34.9 million square feet. On December 31, 2019, the average ratio of occupation of our real estate was of 97.6% (ninety seven point six percent) and no client represented more than 3.7% (three point seven percent) or our total ARB. Our properties have the benefit of being leased under agreements that expire on different moments and that as of December 31, 2019 have an average remaining term of 38 months. On December 31, 2019, about 67.1% (sixty seven point one) of our revenues from leasing were denominated in Dollars, in terms of the Net Effective Rent.

We consider that our experience as owners and operators of industrial properties strategically located in Mexico will allow us to take advantage of the opportunities arising from the future growth of one of the largest economies in Latin America, as well as to yield attractive returns for our investors through the generation of revenues with steadied

dividends, the ongoing growth of our portfolio and the appreciation of the invested capital. We consider that our portfolio will benefit to the extent our clients look for well-located and high quality industrial properties in the most desirable markets of the country. In the face of probable changes, we are staying closer than ever to our customers. We understand their needs and partner with them to help them grow and improve the efficiency of their businesses.

Strengths

Concentration of High Quality Assets in Strategic Locations. We will focus on the industrial markets in Mexico that in our opinion represent attractive long-term growth prospects. Many of our properties generate revenues and have higher occupancy rates than the general market according to CBRE, NAI and Prologis Research. Our presence in the national market allows us to have vast information regarding such market and strengthens our capacity to respond to the opportunities presented there.

High quality assets. We are focused on the offer of highly functional Class A Industrial Facilities to take advantage of the benefits arising from the demand of modern facilities, as described in section "2. The Trust – (b) Business Description – (vi) Market Information". About 70% (seventy percent) of our real estate (in terms of ARB) were developed by Prologis and built according to the highest specifications at international level; and about 81% (eighty one percent) of our properties are located in industrial parks designed based on master plans. The facilities located in industrial parks have standards of operation, including security at the park level, easy access to the main roads, wide parking areas for trailers, large spaces for trucks and high quality maintenance. The buildings have characteristics such as wide spaces between columns, flexible and divisible floors, high ceiling, large spaces for trucks, multiple bays for load and unload and good vehicle access, either they host multiple tenants or a single company. We consider that the quality of our properties, together with the size of our portfolio, differentiates us from our competitors in Mexico; and that our Class A Industrial Facilities has the potential to exceed the performance of the lower quality industrial properties in terms of generation of revenues and appreciation of long term capital.

Strategic locations. Our portfolio is located in industrial markets in Mexico that have availability of workforce and the access to large population centers and transportation and communication networks. On December 31, 2019, about 65.2% (sixty five point two percent) of our portfolio (in terms of ARB) was located in the global logistic markets in Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and are benefited by their closeness to the main roads, airports and train stations. The remaining assets in our portfolio are concentrated in regional manufacturing markets of Tijuana, Reynosa and Ciudad Juárez, which are industrial centers that host the automobile, electronic, medical and aerospace industries, among others. These regional markets are benefited by the vast offer of qualified labor at attractive costs.

Experienced management team. The main executives of the Manager, who have vast experience in the property management, trading, lease, acquisition, development and financing, make up our management team. Our Manager's executives have been working as team for more than 25 years and also have experience in management of real estate companies which securities are traded among the investing public in Mexico. Our CEO, Luis Gutiérrez Guajardo, has more than 31 years of experience in the real estate sector, including in his capacity of President of Prologis for Latin America, responsible for all the operations of Prologis in Brazil and Mexico, including the operating aspects, the

investments and acquisitions and the development of industrial parks. Our COO, Héctor Ibarzábal, has 30 years of experience in the industrial, commercial and residential sectors of the real estate industry, including the structuring and financing of projects and capital collection for said projects. Also, in his capacity of National Manager and COO of Prologis in Mexico, Mr. Ibarzábal has vast experience in the operation management of Prologis in Mexico, including the development, operation and capitalization of projects. Our CFO, Jorge Girault, has 26 years of experience in the industrial, commercial, residential and office sectors. This experience includes the structuring and financing of real estate projects and the capital collection for said projects. Mr. Girault is Director of Prologis México Manager, S. de R.L. de C.V. and manager of Prologis México Fondo Logístico. See sections "2. The Trust- (j) Capital Markets – (i) Trust Structure and Main Holders — Technical Committee" and "3. The Manager- (c) Managers and Shareholders".

Cash flows obtained from increasing operating activities. Our properties play a comprehensive role in the supply chains of our clients. In addition to our vast and diverse portfolio of clients, we have an optimal mix of facilities for the manufacturing and logistics industries, as well as long-term Lease Agreements that generate cash flows obtained from increasing operating activities. For 2019, the average occupancy index of FIBRA Prologis properties remained at 97.6 (ninety-seven point six percent) and the average price of FIBRA Prologis net effective income for December 31, 2019 was USD\$5.35 per leased square foot. In addition, thanks to our dedicated team of real estate managers, we have developed strong customer relationships and gained vast experience at local level, as a result of which our average customer retention rate in Mexico, from January 1 to 31 December 2019, has been 88.7% (eighty-eight point seven percent).

We believe that the value of our real estate portfolio has benefited from three aspects:

- The first one will be represented by the opportunities to increase our revenues from rents generated by our Current Portfolio. After the financial crisis of 2008, the key indicators of the real estate market in Mexico weakened and the vacancy index of the real estate that make up our Initial Portfolio increased to an average of 18.8% (eighteen point eight percent) in 2008, while the average price of our incomes decreased 18.4% (eighteen point four percent) between 2008 and 2010. In 2009, the key indicators of the real estate market began to show improvement. As of December 31, 2019, the occupancy of our Current Portfolio was 97.6% (ninety-seven point six percent) and the average income had increased by 10.9% (ten point nine percent) from the period from January 1 to December 31, 2019. Therefore, we believe that there are opportunities to increase our rental income by increasing our prices as our current Lease Agreements expire.
- The second one, by the acquisition of additional real estate. Under an exclusivity agreement with Prologis, we have access to a portfolio of properties that allows us to increase our investments in real estate. As of December 31, 2019, Prologis had 5.7 million square feet in development or pre-stabilization, of which 85.3% (eighty-five point three percent) was leased or pre-leased at the end of the year. We hope that these properties will be offered to FIBRA Prologis in the future. Given possible changes in trade policy, we are currently prioritizing flexibility in our balance sheet, maintaining liquidity and a low level of leverage on the use of capital.
- The third one, debt refinancing. We have managed to decrease the cost of debt from the Initial Public Offering, from 5.6% (five point six percent) to 4.5% (four point five percent) as of December 31, 2019.

We have vast knowledge about the market and a global network of relationships; therefore, we consider our relationship with Prologis provide us with opportunities to grow, both organically and through new acquisitions. We plan to obtain benefit from our access to Prologis development channels by exercising the preemptive right Prologis has granted us to acquire certain investment properties in Mexico, as long as they are disposed of by Prologis or its Affiliates, as well as the exercise of the exclusive right that Prologis grants us to acquire industrial properties, both Stabilized and not yet Stabilized belonging to third parties (except development or remodeling projects) in Mexico, as described in section "2. *The Trust – (b) Business Description – (xi) Policies regarding certain activities, Investment policies, Preemptive right*".

Furthermore, our more than 232 costumers occupying our 191 properties and an intermodal courtyard represent a source of internal growth. Many of these clients are leaders in the supply of logistic services to third parties and are clients of Prologis at global level.

Premier sponsorship and Alignment of interests. Prologis is a global company specialized in the ownership, operation and development of industrial properties and is concentrated in the global and regional markets of the American continent, Europe and Asia. As of December 31, 2019, Prologis owned, directly or through its investments either as sole owner or through joint ventures, real estate and real estate developments with a total area of approximately 814 million square feet (76 million square meters) in 19 countries. Prologis leases modern Industrial Facilities to more than 5,000 customers, including manufacturers, commercial establishments, carriers, logistic service providers and other companies.

Prologis began investing in Mexico in 1997 and prior to the global offering; the ownership and administration of the Initial Portfolio have been in charge, directly or indirectly, of its affiliates. The management team of the Manager is located in Mexico and responsible for the management of all real estate investments of Prologis, including the acquisition, development, management and financing of the properties, as well as for the control of the risks related thereto. We believe that the real estate market is essentially local and that in order to obtain optimal results, the real estate management must be commissioned to a specialized team in the corresponding local market. The management team of the Manager has proven experience in the property acquisition, development, financing and management for industrial purposes in Mexico and it was responsible for the Initial Portfolio growth since 1997.

We plan to take advantage of the benefits derived from our Manager's access to Prologis policies regarding risk management, accounting, cash management and compliance, as well as its access to Prologis experience regarding leasing, management, acquisition, development and financing of real estate. Prologis has a well-defined investment process that includes a high degree of teamwork, portfolio management functions and oversight by the Prologis management team. See section "3. *The Manager- (c) Managers and Shareholders – Investment process*".

As of December 31, 2019, Prologis owned 47.1% (forty-seven point one percent) of the outstanding CBFIs, which give it a majority position among the CBFIs Holders. In addition, a portion of the Manager fees will only be payable if the CBFIs Holders have previously received a total cumulative return of more than 9% (nine percent) of the total amount invested by the Holders. In accordance with provisions of the Management Agreement, an Incentive Fee was generated in favor

of the Manager for the Incentive Fee Period ended on June 4, 2019 for US\$8.7 million (Ps. 172.6 million pesos). The Manager made the calculation of the Incentive Fee, which was validated by a third party in order to provide transparency to the methodology of said calculation. On July 2, the Ordinary Holders' Meeting approved the execution of an Additional Issuance of 4,511,692 Additional CBFIs to be subscribed and paid to the Manager and/or any of its affiliates with the amounts of the Incentive Fee that were due to it. See section "2. The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement – Fees."

Corporate Governance. Our corporate governance is a reflection of a leadership perspective in business practices that takes into account the interests of CBFi Holders and takes advantage, at the same time, of the relationship with Prologis, which corporate practices have been characterized for being the best in the industry, according to the *Global Real Estate Sustainability Benchmark* (GRESB, for its acronym in English).

Rights of the CBFIs Holders. The Holders of our CBFIs have voting rights in relation to certain important matters during the holders' meetings, including the approval of proposals submitted by the Technical Committee and the removal of the Manager in the cases described in section "2. The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement – Removal and termination". Likewise, the Holders that represent 10% (ten percent) of the outstanding CBFIs will have the right to designate a member of the Technical Committee per each 10% (ten percent) of owned CBFIs. In addition, the CBFIs Holders have the right to approve any investment or acquisition accounting for 20% (twenty percent) or more of the value of the Trust Property. On August 23, 2016, the Technical Committee approved the integration of Xavier De Uriarte Berron as the new member of the Technical Committee, since Afore Banamex increased its holding above 10% (ten percent) of the outstanding CBFIs. See section "2. The Trust – (b) Business Description – (xi) Policies regarding certain activities".

Integration and functions of the Technical Committee. According to our Trust Agreement, the Technical Committee is made up of 8 (eight) members, of which five are Independent Members and must be at all times. The initial independent members of the Technical Committee have been qualified as independent by the initial Holders' Meeting.

Subject to the right of the Holders that represent 10% (ten percent) of the outstanding CBFIs to designate a member of the Technical Committee for each 10% (ten percent) of the owned CBFIs, as is the case for Afore Banamex, provided the Trust Manager is an affiliate of Prologis, Prologis will have the right to designate all of the members of the Technical Committee, including the independent members. In addition, the CBFIs Holders will have the right to choose annually each one of the Independent Members of the Trust Technical Committee proposed by our Manager. Our Manager will have the right to designate independent members of the Technical Committee in order to fill any vacant.

Independent Subcommittees. The Technical Committee have three independent subcommittees: (i) the Audit Committee, which will oversee compliance with the guidelines, policies, internal control systems and practices in matters of auditing the Trust and, in addition, it will review and approve the internal audit reports, information deliveries and reports prepared by external auditors; (ii) the Practices Committee, will provide support to the Technical Committee with respect to making certain decisions related to the internal operation regime of the Trust, especially in cases where there may be conflicts of interest with the Manager or its affiliates; and (iii) the Indebtedness Committee, which will make sure that the mechanisms and controls are established to verify that any Indebtedness that the Trustor assumes with charge to the Trust Property, observes the provisions of the applicable regulations.

Market opportunities and business strategy

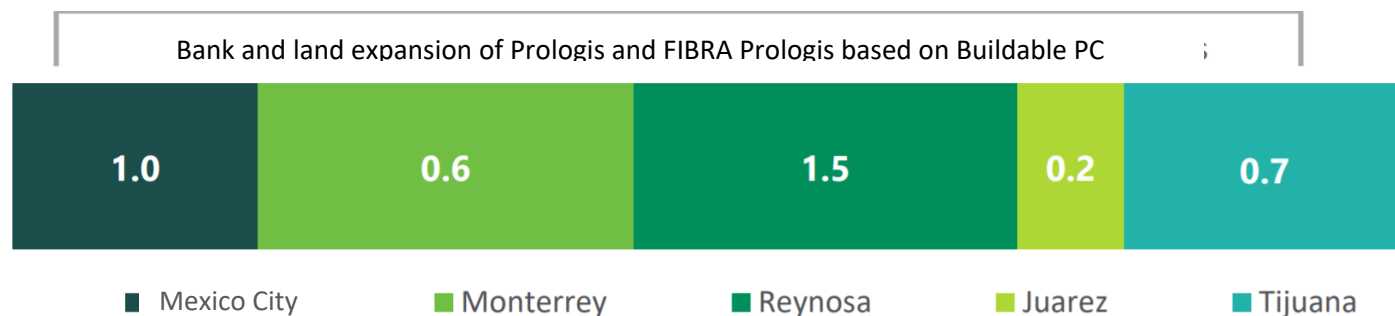
The fundamentals of real estate logistics remain strong. Reconfiguring global supply chains remains key to demand, and e-commerce continues to grow as consumers increasingly embrace this form of purchasing. All this coupled with our portfolio with the highest quality standards and first-class customer service, allows us to take advantage of any opportunities that may arise. In addition, our portfolio has a diversified customer base of industries and use of space. This breadth avoids dependency on any customer and reduces the risk of any possible immediate negative impact that may arise from the current geopolitical and macroeconomic operating environment. We hope to have more clarity in 2020 because trade tensions have largely been resolved, however we remain cautious as geopolitical risks continue. We will continue to be disciplined with our capital and remain steady in our approach to create value for our certificate holders while maintaining our well-designed business strategy.

Logistics demand for the whole year was 16.6 million square feet, exceeding our expectations, and almost 1 million square feet more than all of 2018. Activity was strongest in Monterrey, Mexico City and Ciudad Juárez. It is important to note that, despite the uncertainty created by trade tensions and renegotiations, the activity in our border markets was not only long lasting, but accelerated during 2018. The national vacancy rate in the six main logistics markets was below 4% at the end of 2019.

Internal growth strategy. We seek increasing results, increasing rental prices, as well as maintaining occupancy rates. Most of our current Lease Agreements contain provisions that provide for an annual increase of the rent, either through annual fixed adjustments or adjustments based on the inflation index, either in Mexican pesos with inflation and a premium or Dollars with inflation in the United States. Renewals and new agreements denominated in Pesos were entered into at an exchange rate at the closing date on which a premium was made, seeking to maintain income in Pesos equivalent to Dollars. We plan to increase our rents as the current Lease Agreements expire. As of December 31, 2019, the Lease Agreements corresponding to approximately 17.1% (seventeen point one percent) and 16.9% (sixteen point nine percent) of our occupied ARB expire in 2020 and 2021 respectively. The Manager will provide support regarding research and personnel, the use of the trademark "Prologis" (nominative and design) and other operating aspects, including the support regarding the acquisition of properties.

External growth strategy. We expect to take advantage of the benefits arising from the global network of relationships of Prologis in order to identify investment opportunities within its markets. Prologis and its Affiliates are owners and operators of 5.7 million square feet in Class A Industrial Facilities located in Mexico City, Tijuana, Monterrey and Ciudad Juárez, which are in the process of construction or of being leased, which maybe subject to our preemptive right if Prologis and its Affiliates dispose of such properties. In addition, Prologis owns land with an approximate area of 4.0 million square feet of ARB for future development and has granted us a preemptive right to purchase such property in the event that Prologis or its Affiliates decide to sell them. In addition to this territorial reserve, FIBRA Prologis has within its portfolio four areas for expansion adjacent to some of its current buildings, which will be able to be developed, as the market requires it. In addition to this preemptive right, Prologis has granted us the exclusive right to acquire both Stabilized and not yet Stabilized industrial properties belonging to third parties (except for development and remodeling projects) in Mexico. Likewise, we consider that, our ability to issue Additional CBFIs to finance our acquisitions will give us an advantage over certain potential private buyers.

The following graph contains certain information related to Prologis' land reserves by market as of December 31, 2019 (million square feet):



Markets in Mexico City include: Lerma, Tepotzotlán and Cuautitlán Izcalli

Markets in Reynosa include the cities of Matamoros

Markets in Ciudad Juárez include the cities of Hermosillo

As of December 31, 2019, Prologis had 5.7 million square feet in development or pre-stabilization, of which 85.3% (eighty-five point three percent) was leased or pre-leased at the end of the year, so we believe that sources of future value for investors in our trust may include (i) our ability to potentially acquire these properties, which we hope will be offered to FIBRA Prologis in the future. Given the possible changes in trade policy, we are currently prioritizing flexibility in our balance sheet, maintaining liquidity and a low level of leverage on the use of capital; and (ii) potential increases in rent payments due to the increase in rent under leases with rents below market value, as well as annual increases in rents in accordance with our existing leases.

Properties

After the acquisitions and dispositions made during the year, our real estate portfolio consists of 191 properties and a total intermodal courtyard for the manufacturing and logistics industries, which are located in six industrial markets and cover an ARB of 34.9 million square feet. As of December 31, 2019, these properties were leased to a total of 223 customers under 332 Lease Agreements and their occupancy rate amounted 97.6% (ninety-seven point six percent) in ARB terms. The following map shows the location of our properties.



The following chart contains certain information with respect to our Current Portfolio as of December 31, 2019:

	# of buildings	Square feet		Occupied %	Contracted %	NOI of the fourth quarter	Net Effective Rent						Value of Investment Properties			
		Total	% of Total				Annualized	% of Total	Per square foot	Total	% of Total					
Ps.	US\$	Ps.	US\$	Ps.	US\$	Ps.	US\$									
Global Markets																
Mexico City	52	12,399	35.5	98.1	98.1	305,054	15,670	1,308,066	69,310	38.1	108	5.70	17,843,191	945,450	40.0	
Guadalajara	25	5,889	16.9	98.3	98.3	139,454	7,164	556,820	29,504	16.2	96	5.09	7,039,517	373,000	15.8	
Monterrey	22	4,419	12.7	95.6	95.6	104,826	5,385	415,690	22,026	12.1	98	5.21	5,501,581	291,510	12.3	
Total global markets	99	22,707	65.1	97.7	97.7	549,334	28,219	2,280,576	120,840	66.4	103	5.45	30,384,289	1,609,960	68.1	
Mercados Regionales																
Reynosa	30	4,712	13.5	98.7	98.7	118,890	6,107	473,497	25,089	13.8	102	5.39	5,229,625	277,100	11.7	
Tijuana	33	4,208	12.1	98.5	98.5	90,306	4,639	392,628	20,804	11.4	95	5.02	5,007,871	265,350	11.2	
Ciudad Juárez	28	3,235	9.3	94.6	94.6	66,263	3,404	286,997	15,207	8.4	94	4.97	3,499,942	185,450	7.8	
Total regional markets	91	12,155	34.8	97.5	97.5	275,459	14,150	1,153,122	61,100	33.6	97	5.15	13,737,438	727,900	30.7	
Total operating portfolio	190	34,862	99.9	97.6	97.6	824,793	42,369	3,433,698	181,940	100.0	101	5.35	44,121,727	2,337,860	98.8	
'Mexico City VAA' ^(A)	1	36	0.1	0	0								68,489	3,629	0.2	
Total operating properties	191	34,898	100.0	97.6	97.6	824,793	42,369	3,433,698	181,940	100.0	101	5.35	44,190,216	2,341,489	99.0	
Intermodal Yard ^(B)						6,249	321						309,512	16,400	0.7	
Land ^(C)													111,915	5,930	0.3	
Other real estate investments ^(A)													10,776	571	0.0	
Total investment properties		34,898	100.0			831,042	42,690						44,622,420	2,364,390	100.0	

(A) On December 20, 2019, we acquired an unoccupied building in Mexico City.

(B) 100% (one hundred percent) occupied as of December 31, 2019.

(C) We have 20.75 acres of land in Monterrey, with a buildable area of 305,948 square feet and two expansion projects of 99,400 square feet being developed as of December 31, 2019.

(D) On December 20, 2019, we acquired a 5,673 square foot office property located in the Mexico City market, with a fair value of \$0.6 million.

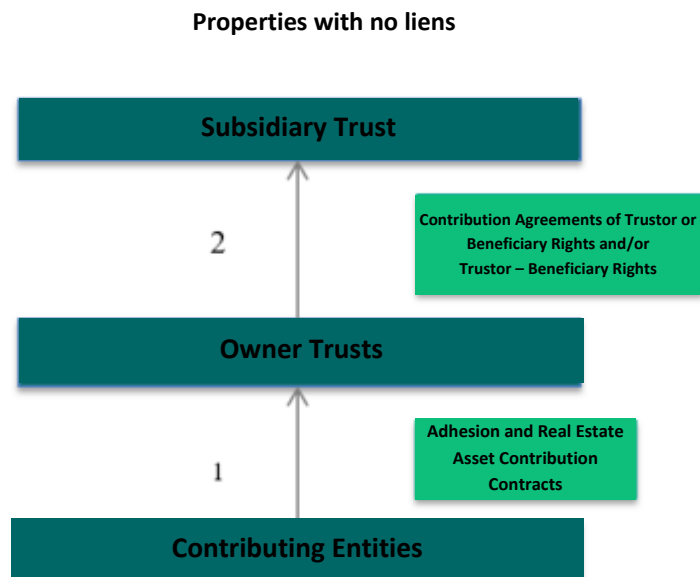
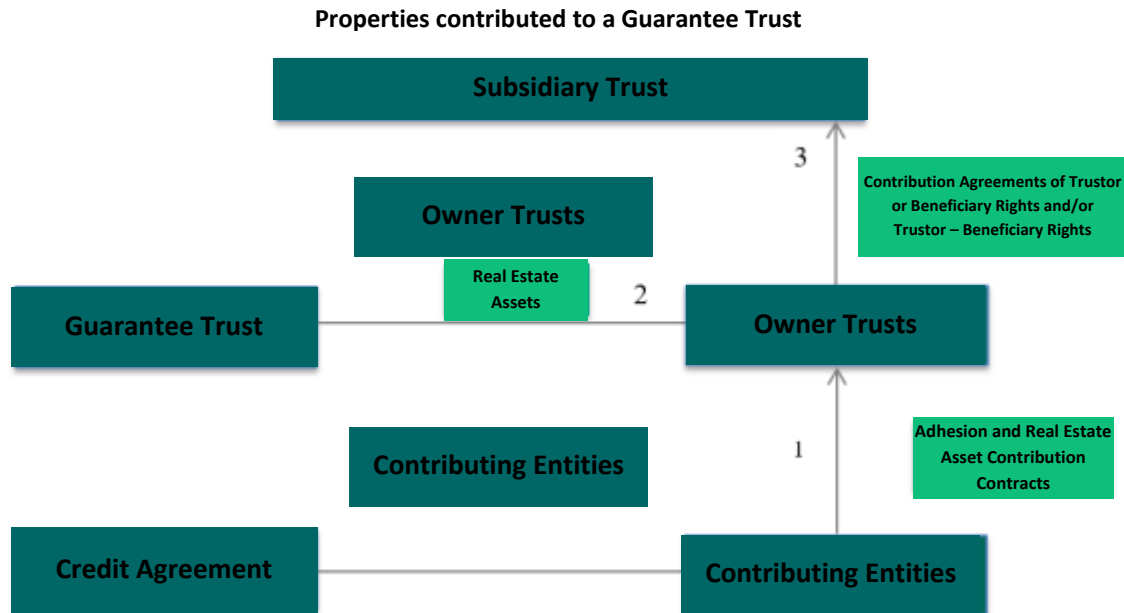
Transactions During 2019

As of December 31, 2019, we have entered into a series of transactions (the "2019 Transactions") under which the Trust made changes to its Current Portfolio and modified its balance sheet. In accordance with the foregoing, we carry out the following operations:

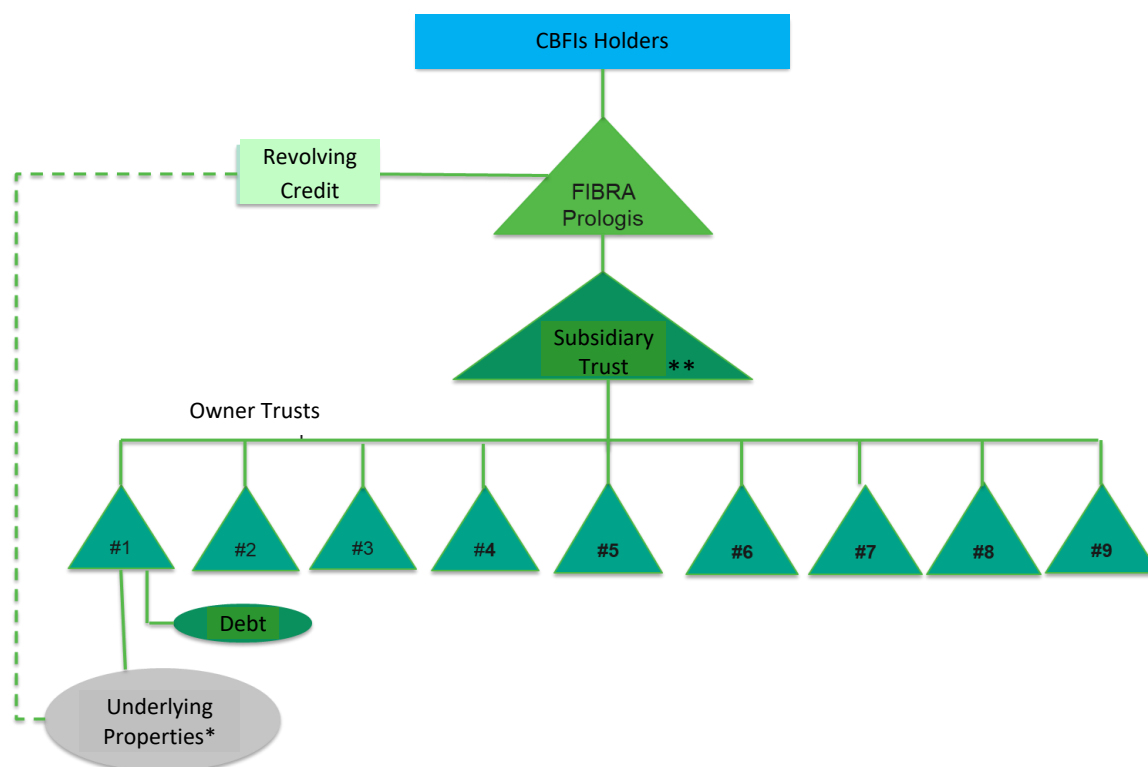
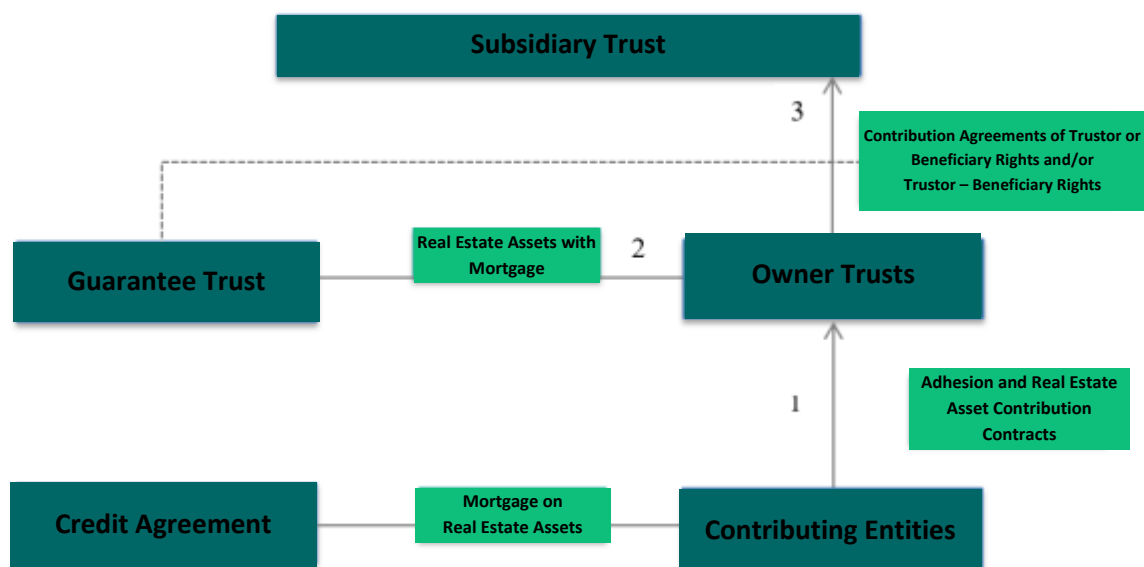
- On February 6, 2019, FIBRAPL disposed of \$290.0 million US dollars (\$5,473.1 million pesos) in a new loan with Citibank, N.A. (Citibank (Not guaranteed) # 4). This loan matures on February 6, 2023 and accrues interest on the LIBOR rate plus 235 basis points. Terms of said agreement contemplate the option to extend it one more year and it is subject to the approval of the committee. The loan was used to pay off the loan with Citibank, N.A. ("Citibank purchase (Not guaranteed) #1") for \$255.0 million US dollars (4,866.0 million pesos). FIBRAPL recognized a loss due to the extinction of the debt for \$0.8 million US dollars (\$15.7 million Mexican pesos). The loan was used to pay \$35.0 million US dollars (\$ 667.9 million pesos) from the existing line of credit.
- Throughout 2019, five dividend distributions were made for a total of \$80.0 million US dollars (Ps. \$1,526.7 million).
- On December 20, 2019, FIBRAPL acquired a 41,779 square foot property in Mexico City for a total value of \$5.1 million US dollars (Ps. \$96.3 million).
- From March 22 to April 10, 2019, FIBRAPL had 10 properties, of which four were in Monterrey, three in Guadalajara and another three in Juárez. These add up to a total of 1,266,242 square feet and a value of \$72.0 million US dollars (Ps. \$1,361.9 million).

Organizational Structure

The following diagrams show the contribution operations of the properties that are part of our Initial Portfolio to the Trust, as well as our organizational structure:



Properties Guaranteed with a Mortgage



*Subject to mortgages that guarantee debt in the Contributing Trusts

**The Subsidiary trusts of the structure of FIBRA Prologis are transparent entities with no financial identity; therefore, the operations classified within these are recorded and are part of the financial information of Trust 1721, FIBRA Prologis.

The structure is made up of the FIBRA Trust, the Subsidiary Trust, 9 Owner Trusts and 1 Guarantee Trust, which owns all the property rights including rental income.

For a description of the factors that investors should take into consideration when making the decision to invest in the CBFIs issued by our Trust, see section "*1. General Information- (c) Risk Factors*".

Financial Data Summary

The financial information as of December 31, 2019, 2018 and 2017, and for the years ended on those dates, should be read in conjunction with the comments and analysis section of management on the financial situation and results of operations included in this Annual Report.

Financial position statement

As of December 31, 2019, 2018 and 2017.

figures in thousand Mexican pesos	Al 31 de diciembre de 2019	Al 31 de diciembre de 2018	Al 31 de diciembre de 2017
Assets			
Current Assets:			
Cash	\$ 182,792	\$ 339,276	\$ 371,364
Net accounts receivable	56,870	66,167	44,220
Other accounts receivable and value added tax	10,301	171,082	73,553
Prepayments	3,295	2,160	1,600
Assets allocated for sale	-	1,230,502	-
	253,258	1,809,187	490,737
Non-current assets:			
Investment properties	44,611,642	45,727,051	43,932,382
Other investment properties	10,778	-	-
Hedging instruments	-	77,201	84,319
Foreign exchange options	7,338	-	-
Other assets	43,386	47,713	45,240
	44,673,144	45,851,965	44,061,941
Total assets	\$ 44,926,402	\$ 47,661,152	\$ 44,552,678
Liabilities and stockholders' equity			
Short term liabilities:			
Accounts payable	\$ 69,159	\$ 121,559	\$ 112,875
Value added tax payable	356	-	-
Accounts payable with affiliated companies	49,161	52,476	98,895
Current portion of the long term debt	29,298	23,726	21,847
Liabilities related to assets allocated for sale	-	6,815	-
	147,974	204,576	233,617
Long term liabilities:			
Long term debt	14,522,030	16,464,638	14,893,139
Security deposits	280,342	292,761	291,840
Hedging instruments	61,683	-	-
	14,864,055	16,757,399	15,184,979
Total liabilities	15,012,029	16,961,975	15,418,596
Stockholders' Equity			
CBFI Holders	14,124,954	13,952,327	13,746,963
Other stockholders' equity accounts and retained earnings	15,789,419	16,746,850	15,387,119
Total Stockholders' Equity	29,914,373	30,699,177	29,134,082
Total liabilities and stockholders' equity	\$ 44,926,402	\$ 47,661,152	\$ 44,552,678

Comprehensive income statement

For the years ended on December 31, 2019, 2018 and 2017.

		For year ended on December 31,		
figures in thousand Mexican pesos, except for the profit from CBFIs		2019	2018	2017
Revenues:				
Revenues from leasing	\$	3,383,106	\$ 3,279,632	\$ 3,125,381
Recovery of leasing expenses		371,620	335,639	310,430
Other revenues from leasing		70,039	58,212	67,567
		3,824,765	3,673,483	3,503,378
Costs and expenses:				
Operating expenses:				
Operation and maintenance		241,922	203,211	189,221
Utilities		45,808	55,833	46,742
Property management fees		114,491	109,224	103,715
Real property tax		72,514	67,058	69,327
Non recoverable operating expenses		48,862	38,548	51,837
		523,597	473,874	460,842
Gross profit		3,301,168	3,199,609	3,042,536
(Profit) loss from valuation of investment properties		(275,835)	(1,074,444)	284,352
Asset management fee		338,503	328,175	306,980
Incentive fee		172,627	205,364	139,162
Professional fees		34,034	52,125	98,085
Financing cost		730,576	699,747	593,362
Loss (profit) from acceleration of long term debt, net		18,638	(4,027)	(35,941)
Fee from lack of use of the credit facility		35,494	29,566	24,685
Non realized loss of foreign exchange hedging instruments		13,274	6,159	-
Realized loss of foreign exchange hedging instruments		1,450	9,100	21,255
Foreign exchange profit (loss), net		(15,424)	(37,502)	24,299
Non recoverable taxes		77,777	-	-
Other general and administrative expenses		10,861	13,143	18,336
		1,141,975	227,406	1,474,575
Net income		2,159,193	2,972,203	1,567,961

Risk factors:

Any investment in our CBFIs represents a high degree of risk. In addition to the rest of the information contained in this Annual Report, our potential investors should carefully consider the following risks before investing in our CBFIs. If any of these risks were to materialize, our financial or operational performance could be adversely affected and, therefore, the market price of our CBFIs could decrease and our investors could lose all or part of their investment. The information that appears in this section is submitted in an illustrative manner, not being limited in any case.

Risks related to our activities and operations

Most of our properties are concentrated in the Class A industrial sector and our operations would be adversely affected if that sector experienced a slowdown phase.

Most of our real estate portfolio is and we believe that it will continue to be made up of Class A industrial properties. The performance of our portfolio will depend directly on the performance of the logistics and manufacturing industries, as well as the demand for Class A Industrial Facilities, which they are beyond our control. Any contraction in demand for Class A Industrial Facilities such as those that make up our portfolio, could result in an increase in unemployment rates and a decrease in rents, which in turn would cause a decrease in our rental income and consequently, it would have a significant adverse effect on our financial performance. The concentration of our portfolio in the Class A industrial sector exposes us to the risk of slowing down in the industrial property market to a greater extent than it would if it were diversified among other segments of the real estate market.

Our properties are concentrated in certain regions of the country and, therefore, the general situation of the economy and the events that occurred in those regions may affect our financial performance.

We are exposed to the general situation of the economy at the local, regional, national and international level, as well as other facts and events that affect the markets where our properties are located. Our properties are concentrated in certain regions of the country, including Mexico City. As of December 31, 2019, the properties that make up our Current Portfolio in Mexico City, Guadalajara and Monterrey represented approximately 65.2% (sixty-five point two percent) of our total ARB; and the properties that make up our Current Portfolio in Reynosa, Tijuana and Ciudad Juárez represented approximately 34.8% (thirty-four point eight percent) of our total ARB. As a result of this geographic concentration, we are especially exposed to possible slowdowns in local economies, including the increase in the unemployment rate and the decrease in disposable income, social instability and crime, natural disasters that have occurred in these areas, legal reforms and taxation at the local level and changes in the situation of the corresponding real estate markets. In addition, any contraction in the demand for manufactured products for export or for consumption

at the national level could adversely and significantly affect us. In the event that the economic situation of our main markets undergoes other similar or unfavorable changes, our financial performance could be adversely and significantly affected.

Practically all of our income is dependent on our customers and, therefore, our activities would be adversely affected if a large number of customers or any of our main customers cannot or does not want to fulfill their obligations.

Practically all of our income is derived from the rents generated by our properties. Our income and our available resources to make Distributions would be negatively affected if a considerable number of customers or any of our main customers extend the start date of their leases, decide not to extend or renew their agreement after the expiration of it, not timely pay its rent, exercise its termination rights, close its business or become insolvent. Any of these events could result in the termination of said customer's agreement and the loss of the related rental income. As of December 31, 2019, our top ten customers in ARB terms occupied 17.85% (seventeen point eighty-five percent) of our total ARB and represented 19.8% (nineteen point eight percent) of our Annualized Base Income. To the extent that the businesses of a considerable number of our customers or any of our main customers experience an adverse change, their financial situation could weaken and this could lead to the lack of timely payment of their rents or a breach of their lease, which in turn could adversely affect our financial performance. In the event that the judicial authorities refuse to execute or do not give full effect to the contractual provisions that limit the rights of our tenants to terminate their agreements, including the establishment of contractual penalties for early termination, our ability to protect ourselves in against the corresponding losses could be limited. In addition, by law, our customers have the right to demand a reduction in their rent under certain circumstances, and this could result in the judicial authorities ordering us to reduce said rent or refund the amount paid in excess.

In accordance with the laws of several of the jurisdictions where our properties are located, if any of our customers is prevented from occupying their property as a result of an act of God or force majeure, said client will be entitled to a partial reduction of its rent, or to stop paying its rent in full as long as said impediment remains, depending on the extent of the damage. If the impediment persists for a long period, the tenant would have the right to terminate its agreement without incurring in any liability or sanction. Although we have insurance coverage against risks and interruption of activities in all our properties, our income and the resources available to make Distributions could be negatively affected in the event that a considerable number of our Lease Agreements stop generating payments of rents as a result of unforeseen events.

In addition, in the event that any of our customers is declared in commercial bankruptcy by a competent court in accordance with the Bankruptcy Law, the mediator of said procedure could choose to keep the corresponding lease agreement in its terms (giving priority to payment of rents over payments owed to the rest of the tenant's creditors) or terminate said agreement. The declaration in bankruptcy of any of our customers could affect or eliminate our ability to collect past due rents and any future rents; and it could delay the repossession of the leased property, affecting our ability to re-lease said property. Although we may choose to file legal action or other legal proceedings against customers who have breached their Lease Agreements to protect our investment and re-lease our property, we cannot guarantee that we would promptly recover possession of said property or that we would be able to recover any amount through these procedures, including the costs and expenses that we have incurred in relation to said litigation.

Our financing agreements require us to cover the service of our debt, impose refinancing costs and contain restrictive provisions regarding our operations, which may affect our operating, and distribution policies, as well as the market price of our CBFIs.

The financing agreements that we enter into in relation to our properties, as well as the current financing agreements that we assume as part of the Formation Operations, include or may include lines of credit and other types of debt incurred at the level of our properties, such as mortgage loans and guarantee agreements. We may be forced to allocate a substantial part of the cash flows generated by our operations, to cover the principal and interest payments provided for in said agreements, which will reduce the amount of resources available to make Distributions to holders of our CBFIs, for use in connection with our operations and asset investments, to develop future business opportunities, or for other purposes.

As of December 31, 2019, our debt was \$14,570 million pesos, equivalent to approximately USD\$772.0 million. In addition, we will have the capacity to have an additional USD\$150 million in accordance with our Revolving Credit. This line of credit can be increased to \$ 475 million dollars subject to creditors' approval. See section *"Management's comments and analysis on the financial situation and results of operations — Obligations and contractual commitments — Obligations with our creditors"*.

Of our USD\$772.0 million that are outstanding as of December 31, 2019, USD\$105 million of Revolving Credit has been drawn. This accrues interest at variable rates and it is possible that in the future we may enter into credit agreements or incur debt that accrues interest at variable rates. Therefore, increases in interest rates could lead to an increase in the amount of our interest payments unless we are able to carry out effective hedging operations with respect to all of said debt. In the event that we find ourselves in the need to refinance our current debt during times of rising interest rates, contraction of the credit market or instability in the financial markets, we could find ourselves unable to refinance our debt or be forced to refinance it at higher interest rates or on less attractive terms, which could have a material adverse effect on us.

The Revolving Credit and all the credit agreements that we enter into may impose customary obligations to do and not do in this type of operations, which among other things may limit our ability to (i) acquire or sell assets or lines of business; (ii) incur additional debt; (iii) make investments in assets; (iv) create liens on our assets; (v) make investments or acquisitions; (vi) enter into operations that result in a change of control; or (vii) make distributions without the consent of our creditors. In addition, in accordance with some of our credit agreements, in the event that our Manager resigns or is removed in accordance with the provisions of our Management Agreement and we are unable to find a substitute manager who is approved by the creditors of said credits. (who may not deny or delay in granting their consent without just cause), or if our Manager ceases to be a Manager approved pursuant to said credits (causing a "change of control") then the creditors of said credits will have the right to declare us in default. On the other hand, some of our credit agreements require that the borrower maintain a maximum credit/value ratio, a minimum total capital, a minimum debt service coverage ratio and a minimum occupancy rate of the properties that make up our portfolio. The Revolving Credit will also require us to maintain certain reasons and to meet certain financial tests. See section *"4. Financial Information -*

(d) *Relevant Credit Report - Revolving Credit Facility*". Failure to comply with any of these commitments, including financial coverage reasons, could constitute a cause of default or lead to the expiration of all or part of the debt related to our properties at a time when we cannot obtain financing to pay such debt in attractive terms or not at all, which could have a material adverse effect on us.

Our hedging strategies may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on your investment.

On March 28, 2018, we acquired swaps with Bank of Nova Scotia and HSBC Bank USA, for the Citibank loan, which began on April 16, 2018, setting the base average rate at 2.486% (two point four eight six per percent) for a theoretical amount of debt of \$112.5 million Dollars and 2.486% (two point four eight six per percent) for a theoretical amount of \$112.5 million Dollars, respectively, ending both on March 15, 2021. In addition, on October 13, 2017, we acquired swaps with Bank of Nova Scotia and HSBC Bank USA, for the Citibank loan, which began on October 18, 2017, setting the base average rate at 1.752% (one point seven five two per percent) for a theoretical amount of debt of \$75.0 million Dollars and 1.752% (one point seven five two per percent) for a theoretical amount of \$75.0 million Dollars, respectively, ending both on October 18, 2020. In turn, on January 21, 2016, FIBRAPL acquired swaps with Bank of Nova Scotia and HSBC Banks USA, for which they pay a fixed interest rate of 1.0635% and 1.066%, respectively, and receive a variable rate based on one-month LIBOR rate. These swaps are used to cover the variable interest rate payments of the guaranteed variable rate loans. In addition to these, we may decide to use derivative financial instruments to protect ourselves in certain measures against fluctuations in interest rates, although there is no operation with derivative instruments that fully protects us. Hedging instruments carry risks such as the possibility that our counterparties in these operations may not meet their obligations or that the instruments we acquire may not be effective in reducing our exposure to risks related to changes in interest rates. In addition, the nature of these operations and the moment in which we carry them out may influence the effectiveness of our hedging strategy. Poorly designed strategies and improperly executed operations could have the opposite effect and increase our risks and losses. In addition, hedging strategies carry costs related to transactions carried out and other expenses. We cannot guarantee that our hedging strategy and the derivative instruments that we use will effectively offset the risk related to the volatility of interest rates, or that the hedging operations that we carry out will not lead to losses that may reduce the return received by our investors.

We have obligations secured by security interests on a portion of our assets, and therefore our assets and our financial performance could be adversely affected if we are unable to make required payments on our debt.

Creditors under the existing credit agreements are beneficiaries of liens on some of the properties that make up our Current Portfolio, and on the cash flows generated by said properties.

In the event that we do not properly comply with our debt service obligations, our creditors may enforce their security rights and obtain the award of the respective properties. Therefore, any default on our debt obligations could result in the loss of part of our investments. As long as any cause of non-compliance with our credit agreements remains, we will be prohibited from receiving the cash flows generated by the encumbered properties, or our right to

receive such flows will be limited. We anticipate that in the future we will incur additional debt, both fixed rate and variable rate, to finance the acquisition of additional properties, which will increase our total debt. The contracting of said debt or the breach of our obligations with it could give rise to pledges, encumbrances or other guarantee rights on the assets of our trust, and said guarantee rights could be preferred to the rights of holders of our CBIs.

We may rely on external sources of capital to fund future capital needs, and if we encounter difficulty in obtaining such capital, we may not be able to make future acquisitions necessary to grow our business, complete development or redevelopment projects, meet any maturing obligations or invest in capital expenditures.

In order to comply with the requirements established in Article 187 of the LISR and thus be considered as a FIBRA in terms of Article 188 of said law, we will be required, among other things, to distribute annually to holders of our CBIs, no later than March 15, at least 95% (ninety-five percent) of our Taxable Income for the immediately preceding year. In terms of the LISR, our net Taxable Income represents our earnings before taxes for the respective year, less deductions authorized by the LISR and the redemption of tax losses from previous years. Due to this obligation to distribute our taxable income, we anticipate that the cash flows generated by our operations may not be sufficient to satisfy our future working capital needs, including the capital necessary to make acquisitions, to provide maintenance to our properties or remodel them, and to meet our debt obligations when due or to refinance said debt. In addition, the revenues generated by our operations that we retain may also be insufficient to cover the costs related to the investments in assets necessary to maintain our properties in adequate conditions of performance and operation, or to correct any deficiencies of the buildings built on them. On the other hand, we do not plan to maintain permanent working capital reserves.

As a result of the above, we could use external financing sources, including the issuance of debt and equity instruments, to finance our future capital needs. The interest rates and the general terms and conditions of the financing available in Mexico are not competitive compared to other countries. The availability of financing through the issuance of capital instruments will depend in part on the market price of our CBIs, which could fluctuate based on our operating performance and the general market situation. If we do not manage to obtain the capital that we need, we could find ourselves unable to make the investments that we need to grow our businesses, to conclude the development or remodeling of projects, or to fulfill our obligations and commitments when they are due, either without incurring additional costs or at all. Our access to sources of capital will depend on many factors over which we have limited control or which are beyond our control, including the general market situation, market perceptions regarding our income and our ability to pay for Distributions both in the present as in the future, and the market price of our CBIs. If we fail to gain access to capital markets in a timely manner or on favorable terms, we may find ourselves unable to take advantage of growth opportunities that arise in the market.

It is possible that the leverage guidelines and the debt service coverage ratio required pursuant to the Sole Circular for Issuers adversely affect our ability to incur additional indebtedness.

The Sole Circular for Issuers compels us to comply with a long-term liquidity requirement when assuming any Indebtedness. The leverage limit currently established by the CNBV is a maximum debt percentage of 50% (fifty percent). The minimum debt coverage service index currently established by the CNBV is a debt coverage service index of 1.0x. As of December 31, 2019, the leverage level of FIBRA Prologis was 32.4% (thirty two point four percent). On the other hand, as of December 31, 2019, the debt service coverage index applicable to FIBRAS is 8.5 times, being in compliance with the provisions of the applicable legislation. We are currently in full compliance according to the calculations established in the Sole Circular for Issuers.

We will comply with the CNBV requirements established in the Sole Circular for Issuers. However, these requirements of the Sole Circular for Issuers could prevent us from incurring additional debt, which could restrict our operating flexibility and our ability to grow our business through acquisitions or finance us in any other way. If we are unable to increase our leverage under the new regulation, we may find ourselves needing to issue additional CBFIs, which would dilute the share of our existing Holders or sell some assets to pay down debt and reduce the leverage level.

In the event that the maximum level of indebtedness is exceeded and/or the minimum debt service coverage index is not met, we would be unable to continue assuming Indebtedness, which could have an adverse effect on our ability to make additional Investments, as long as these guidelines are not met again. Likewise, these restrictions may not be waived by our Technical Committee and if we breach in this regard, the Manager will be required to submit a detailed report of any breach of the limits of leverage or coverage index of the minimum debt service to the Holders' Meeting, as well as a corrective plan that must establish the measures that must be taken to comply with said requirements. Said report and corrective plan requires the approval of the majority of the independent members of our Technical Committee.

The existence of strong competition could result in a decrease or prevent the increase of our occupancy rates and our rents, as well as limit our investment opportunities.

We compete with a large number of Industrial Facilities and real estate owners, developers and managers, many of whom have properties similar to ours, in the same markets in which we operate. Our properties compete based on various aspects, including location, age, functionality, quality of construction, maintenance and design. In recent years, the real estate sector has become more institutionalized and several new FIBRAS have entered the market, including FIBRAS concentrated in industrial properties. Therefore, we may face increasingly strong competition from institutions that have more resources and are able or willing to take more risks than we do, to make acquisitions, attract customers and other aspects. In addition, new funds may enter the market that also want to take advantage of the tax advantages derived from real estate investments through FIBRAS or other similar vehicles, which could considerably increase competitive pressures in the real estate sector. Competition between potential buyers reduces our investment opportunities and can increase the bargaining power of owners who want to sell their properties. In addition, some of the properties we compete with may be newer, better located, or more attractive than ours. On the other hand, depending on their resource availability, our competitors may have more flexibility than we do in offering rental

discounts to attract customers. In the event that our competitors offer space at lower rents than those prevailing in the market or that we currently charge our customers, we could lose existing and potential customers or be pressured to reduce our rental prices, offer considerable discounts, make improvements or grant early termination rights or renewal options on favorable terms for our customers to keep them after the expiration of their agreements, which could adversely and significantly affect our financial performance.

If we are unable to renew our current leases or lease the vacant spaces in our properties, either at rental prices equal to or higher than the current ones or not at all, our rental income could be adversely affected.

As of December 31, 2019, approximately 97.6% (ninety-seven point six percent) (in terms of ARB) of the properties that make up the Current Portfolio were occupied and the Lease Agreements for them had an average remaining validity of 38 months. As of December 31, 2019, Lease Agreements with maturities in 2020 and 2021 represented 16% (sixteen percent) and 14% (fourteen percent) of our total NER, respectively. We cannot guarantee that we will be able to renew all of these agreements or re-lease our properties at prices equal to or higher than current prices, or that we will not be forced to offer rent reductions, make improvements to our tenants or grant them early termination rights or favorable renewal options, in order to attract new customers or retain our current customers. Furthermore, as part of our growth strategy, in the future we may acquire additional properties already developed; And we cannot guarantee that we will be able to acquire and maintain customers for such properties on favorable terms or not at all.

There are several factors that could cause a decrease in the rents we charge to our customers, including the pressures to offer competitive prices in our markets and the current global economic uncertainty; and our ability to maintain our current prices or increase them in the future may be limited. The prices of the rents foreseen in the agreements that are about to expire may be higher than those that we manage to establish in our new agreements; and we may also be forced to offer greater concessions than previously offered. As long as our properties or parts of them remain unoccupied for long periods, we may receive lower rents or not receive rents in relation to said properties. In addition, the sale price of a property could be affected due to the fact that the market value of a certain property depends largely on the value of the Lease Agreements of said property.

It may be the case that we are unable to get a client out quickly after the expiration of its agreement, which could adversely affect our revenues and results of operations.

In the event that a customer fails to pay its rent and refuses to vacate the corresponding property, we will be forced to file an eviction claim against it. In accordance with the law, lessor can only resume possession of a leased property based on a final judgment issued by a competent court, but in general terms the law tends to favor the tenant. In accordance with the civil codes of many of the states where our properties are located, prior notice is required for eviction to proceed at the end of the lease. The conduction of a trial, the execution of the respective judgment, the eviction of the tenant and the collection of the past due rents, can represent long and expensive procedures that can take several years to resolve. Our ability to evict a tenant in a timely manner and replace it with a new customer, could adversely affect our financial performance.

Our future growth strategy may partially depend upon future property acquisitions, and these acquisitions may not occur, and if they do occur, the properties may not perform as we expect.

Our ability to achieve profitable results and grow in terms of assets will largely depend on our ability to identify and acquire properties and retain our customers on favorable terms. Our ability to acquire properties on favorable terms and successfully integrate and manage them is subject to the following risks:

- it could happen that we fail to identify properties that meet our investment objectives or that we are able to successfully acquire;
- competition from other potential acquirers could lead to an increase in the price of the desired property;
- It could be the case that our operations do not generate sufficient cash flows, or that we fail to obtain the financing (either through debt or capital) necessary to make an acquisition, either on satisfactory terms or not at all;
- Agreements related to the acquisition of properties are generally subject to standard closing conditions, including the conclusion of preliminary audits with satisfactory results; and it could be the case that we invest a considerable amount of time and resources in possible acquisitions that we are not able to consummate;
- our estimates regarding the costs required to adapt an acquired property to bring it into line with market standards could be wrong.
- could be that the properties we acquire do not contribute to improving our results after their acquisition, or that we do not manage to successfully lease said properties so that they meet our expectations; and
- it could happen that we acquire properties without appeal or with limited appeals against any known or unknown responsibilities, including: obligations of remediation of environmental contamination; Lawsuits from clients, suppliers or other persons against the previous owners of the corresponding properties; and Claims for compensation filed by the partners, directors, officers and other persons related to the previous owners of said properties.

If we are unable to consummate the acquisition of properties on favorable terms or manage the acquired properties in such a way that they meet our objectives or expectations, our financial performance could be adversely and significantly affected.

We may not be able to expand our operations to new markets, which could adversely affect the revenues generated by our real estate investments in those markets.

If the opportunity arises, we could explore the acquisition of properties in new markets within Mexico. All risks related to our ability to successfully acquire, integrate and manage properties in our current markets are equally applicable to our ability to successfully acquire, integrate and manage properties located in new markets. In addition to these risks, we

may not have the same level of knowledge regarding the dynamics and conditions of any market in which we intend to enter, which could affect our ability to enter and operate in that market. It is possible that we will not be able to obtain the desired returns on our investments in these new markets. If we fail to successfully enter new markets, our operating performance could be adversely affected.

We are dependent on our relationship with Prologis.

Our relationship with Prologis is important to our business. Among other risks, we believe that we will benefit and will depend to some extent on our position as a Prologis Affiliate to gain access to industry experience, market insight, a broad network of customer relationships, highly qualified staff, and potential investment opportunities or advisory. Therefore, in the event that our relationship with Prologis deteriorates or that Prologis does not provide us with sufficient support to achieve our strategic and business objectives, our financial performance could be adversely affected significantly.

We may not be able to identify all material defects or other deficiencies related to our properties or any properties we may in the future acquire, and therefore, we may be subject to unknown liabilities that could affect the value and profitability of these properties.

We intend to make future acquisitions and they could expose us to unknown liabilities. Although we consider the preliminary audits we carry out to be reasonable, we cannot guarantee that our audits, studies and inspections will uncover all defects or deficiencies in the corresponding properties, even regarding their title deeds and the existence of environmental contamination or dangerous substances in them. In addition, as part of the Formation Operations, the Contributing Entities only made representations and granted limited guarantees regarding the properties, and said representations and guarantees will only be in force for certain periods. In addition, subject to certain deductibles, minimum and maximum limits, the Contributing Entities have agreed to indemnify us in the event that said representations turn out to be incorrect. Assuming the possibility that we may not be able to identify many defects and liabilities during the validity of said representations and guarantees, including possible environmental responsibilities, we could lose our resources against the original owners in the event that defects, responsibilities and/or liabilities subsequently arise.

Defects and deficiencies of an unknown nature may include defects in the title deed, conflicts regarding said title, liens, easements and other liabilities. Responsibilities and liabilities of an unknown nature may include cleaning or remediation obligations of undisclosed environmental conditions, lawsuits filed by customers, suppliers or other persons who have had dealings with the corresponding entities prior to the Acquisition Date, tax obligations, labor problems and accrued liabilities, but not paid, incurred in the normal course of business or for any other reason. If these defects, deficiencies, responsibilities and liabilities are of a considerable magnitude, either individually or as a whole, they could adversely affect our financial performance. In addition, it is possible that in the future we acquire properties that have debt obligations and we could find ourselves in the need to pay said debt, obtain new credits to service our debt, or refinance the debt related to said properties. It could be the case that we do not have the necessary resources to fulfill the obligations related to said debts and that we are unable to pay the debts related to said properties, which could have a significant adverse effect on our trust.

We may not be successful in the sale of properties to third parties.

Real estate investments are relatively illiquid and difficult to sell quickly. This lack of liquidity could limit our ability to react in a timely manner to changes in the economic situation and other factors. We may face problems selling or re-leasing any property that becomes vacant as a result of the customer's breach of their lease agreement, expiration of its lease, or any other circumstance. In addition, the sale price of a property could decrease since the market value of a property depends mainly on the value of the Lease Agreements of said property. We may also acquire properties through agreements that limit our ability to sell that property before a certain period of time. These prohibitions could affect our ability to exchange a property for cash and could affect the cash available to make Distributions to holders of our CBIs.

The credit agreements related to our properties also impose certain negative covenants that limit our ability to sell assets without the consent of the respective creditors. Furthermore, our ability to sell our properties on advantageous terms is affected by competition from other property owners who are also trying to sell their properties, by the market situation including the capitalization index applicable to our properties and by other factors beyond our control. Third parties seeking to acquire our properties may require financing through the placement of debt or equity instruments in public or private markets, to buy these properties from us. In the event that these third parties do not have access or have limited access to sources of financing on favorable terms, the sale of our properties could be delayed and this could have an adverse effect on our financial performance.

In addition, our ability to sell our properties is subject to the limitations inherent in meeting the requirements necessary to retain our FIBRA tax treatment. To be considered a FIBRA, we must comply with various requirements, including refraining from selling any property developed or acquired by us, for a period of at least four years from the conclusion of its development or the closing of its acquisition, as the case may be. If we sell any property during that period, we would experience extremely significant adverse tax consequences that could make the sale of such property less desirable. These restrictions and rights could suppress our ability to sell our properties and raise capital quickly or in a timely manner.

If we were to incur uninsured or uninsurable losses, or losses exceeding our insurance coverage, we would be required to pay for such losses, which could adversely affect our financial performance.

We have insurance coverage against property damage and loss of rental income for causes such as fires and other claims covered by an extended coverage policy that covers tornadoes, floods, earthquakes and acts of terrorism; and with insurance coverage for general commercial liability and environmental liability, all to the extent appropriate for the markets where our operations and businesses are located. Our insurance policies include the usual insured specifications and limits for other properties, business activities, and similar markets. There are some losses that are not insured or cannot be fully insured including those caused by floods, earthquakes, wars, acts of terrorism or insurrections because we consider that their insurance would be unaffordable or would not be prudent from an economic point of view. If

losses are insured, we may be required to pay a substantial deductible as part of our claim for payment, before the insurance company is required to reimburse us for the amount of such loss, and the loss may exceed the insured limit. If one or more of our properties is affected by a loss that is not insured or that exceeds the insured limit, we would suffer a considerable loss for the capital invested and the future revenues of said properties; and we may continue to be bound to pay any recourse debt related to such property.

Furthermore, we cannot guarantee that our insurance companies will continue to offer products that provide sufficient coverage at commercially reasonable premiums. If we suffer a loss that is uninsured or that exceeds the insured limit, in relation to one or more of our properties, or if our insurance companies do not fulfill their coverage commitments regarding the insured losses, we could lose the capital invested in the affected properties and the future expected revenues from said properties; and if said properties have contracted debt, we would continue to be bound to pay any mortgage credits or other financial obligations related to said properties. Any of the losses described above and any increase in the costs of our insurance could adversely affect our financial situation, our results of operations, our cash flows, our ability to make Distributions and payments to holders of our CBIs, and the performance of the market price of CBFIs.

In addition, in the future we may reduce or discontinue coverage of certain risks or the conditions applicable to all or some of our properties, if we consider that the cost of the premiums of any of said policies is higher than the value of the discounted coverage to reflect the risk of loss. Failure to obtain or maintain insurance coverage could also be a cause of default with our credit agreements.

We may not be able to control our operating costs, or our expenses may remain constant or increase, even if our revenue does not increase, causing our operations results to be adversely affected.

Our operating costs may increase as a result of factors beyond our control, including factors related to the increase in: (i) costs of our insurance; (ii) maintenance required by our properties; (iii) vacancy rate of our properties; (iv) costs related to compliance with government regulations, including legislation on land use, environmental, real estate and tax, as well as applicable fines and penalties; and (v) interest rates and our investment needs in assets. Usually, while properties are occupied, insurance, security and maintenance costs are transferred on to the customer. However, we have to cover these costs in relation to vacant properties.

Expenses related to the ownership and operation of a property do not necessarily decrease when factors such as the market situation and competition cause a decrease in the revenues generated by said property. In addition, some costs related to real estate investments such as property taxes and debt payments do not decrease, even if the property is not fully occupied or when circumstances cause a decrease in revenues. Therefore, if our revenues decreased we could find ourselves unable to reduce our expenses to the same extent; and if our operating costs increase due to any of the factors described above, our financial performance could be adversely affected.

We may be required to make significant capital investments to improve our properties to retain and attract customers, causing a decline in operating revenue and reducing cash available for Distribution to the Holders of our CBFIs.

We may, upon expiration of Lease Agreements of our properties, be required to make rent or other concessions to customers, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our customers. Thus, we may have to make significant capital or other expenditures to retain customers whose leases expire and to attract new customers in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by customers upon expiration of their leases, which could materially and adversely affect our financial performance.

Our operations are subject to extensive environmental and safety laws and regulations and we may incur costs that have a material adverse effect on our financial performance because of any liabilities under or potential violations of environmental and safety laws and regulations.

Our operations are subject to federal and state environmental protection legislation. Under these laws, the government has implemented an environmental protection program by enacting provisions on issues such as ecological planning, preparation of environmental risk and impact studies, air pollution, designation of protected natural areas, protection of wildlife, conservation and rationalization of the use of natural resources and soil contamination, among others. Federal authorities, including the Ministry of Environment and Natural Resources ("SEMARNAT"), Federal Environmental Protection Agency ("PROFEPA") and the National Water Commission ("CONAGUA") and state and municipal governments, are empowered to: (i) file civil, administrative and criminal actions against companies that violate environmental legislation; (ii) temporarily or totally or partially close any establishment that is not in compliance with said legislation; (iii) impose economic fines for the equivalent of up to 50,000 UMAs in force; among others. In addition, under Mexican federal environmental laws, the owner or its operator may be responsible for the cost of removing, or remedying the damage caused by, toxic or dangerous substances in said property. Such laws commonly attribute responsibility to the owner or operator, whether they have been aware of it or not, or are responsible, for the presence of dangerous or toxic substances.

Despite the fact that the Lease Agreements executed with our customers grant us remedies in the event that their operations cause environmental damage, and that we have insurance coverage against some of these environmental risks for amounts that we consider comparable to those usually contracted in accordance with the standards applicable to our industry, we cannot guarantee that our customers will reimburse us the full amount of the losses that we suffer or will reimburse the environmental damages caused, that our insurance policies will be sufficient to cover the damages that we suffer, or that we will always have access to insurance coverage against these possible damages. In addition, insurance policies generally do not cover fines and penalties derived from non-compliance with environmental laws and regulations. Furthermore, the properties that make up our initial portfolio do not have updated environmental impact reports as of the date of this Annual Report, so there could be environmental contingencies in recent properties of which we are not aware.

We anticipate that environmental regulation of our operations at the federal, state, and municipal levels will become stricter as time went by. We cannot estimate the impact of the possible effects of the adoption of additional or stricter environmental laws and regulations, on our financial situation, our results of operations, our cash flows and our investments in assets.

Compliance with the laws, regulations and obligations applicable to our properties, including with respect to requirements regarding permits, licenses, land use, water use and environmental aspects, could generate high costs and adversely affect our growth strategy. Compliance with the laws, regulations and covenants that are applicable to our properties, including permit, license, zoning, water use and environmental requirements, may result in significant costs and adversely affect our growth strategy.

Our properties are subject to various covenants and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and other restrictive covenants imposed by local authorities or private community organizations may restrict the use of our properties and may require us to obtain approval from such bodies at any time with respect to our properties, including prior to acquiring or developing such properties or when developing or undertaking renovations of properties. Among other things, these restrictions may relate to fire and safety, seismic, asbestos-cleanup or hazardous material abatement requirements. We cannot assure you that existing regulatory policies will not adversely affect us or the timing or cost of any future acquisitions, developments or renovations, or that additional regulations will not be adopted that would increase such delays or result in additional costs. Our growth strategy may be materially and adversely affected by our ability to obtain permits, licenses and zoning approvals. Our failure to obtain such permits, licenses and zoning approvals could have a material adverse effect on our financial performance.

We cannot ensure we will carry out Distributions. Holders may not receive funds under Distributions for we may reinvest such finds. We may use funds from credit facilities or funds from other persons to make Distributions.

We intend to make Distributions to the Holders of our CBFIs to the extent necessary to preserve our FIBRA character. In the event that our assets are insufficient to pay cash Distributions, we will not be bound to make Distributions to such Holders. We are only bound to pay Distributions to the extent of our assets. Our Trust, our Manager and the Affiliates of the latter shall have no obligation to make Distributions with respect to our CBFIs.

Our Manager will determine the dates on which such Distributions will be paid in accordance with the Distribution Policy. Payments of Distributions will depend on our earnings, our financial and tax situation and other factors that we deem appropriate from time to time. The Manager may determine that, in lieu of payment of Distributions, the amounts available that are used to reinvest the resources received, which may result in the non-receipt of the corresponding Distributions by the Holders for one or more periods. To the extent that the amount of the Distributions exceeds our profits or the cash flows generated by our operations, we may be required to finance the payment of such Distributions from our working capital, the net proceeds of the global offering or the sale of our assets. The use of our working capital to fund distribution payments may restrict our operations. Finally, asset sales may force us to dispose of our properties at some point or by some means inconsistent with our sales strategy. In the event we incur debt to finance the payment of Distributions, our leverage and future interest expense could increase and result in lower than projected earnings and cash resources. We may not be able to pay distributions.

Under our credit agreements, we may be limited in our ability to pay distributions to holders of our CBFIs. While such limitations will at all times allow us to make distributions necessary to comply with the FIBRA regime, such limitations may affect our ability to make distributions in excess of the minimum requirements to qualify as FIBRA.

The fair value of our Real Estate Assets could be impaired, requiring us to recognize an impairment loss that would adversely and significantly affect our financial performance.

Our Real Estate Assets are recognized at fair value in our financial statements. This value is based, initially, on the acquisition costs plus the expenses incurred in the transaction and, subsequently, on annual appraisals by independent experts. Each independent expert may determine that the value of our assets is impaired. The fair value of our properties may be impaired as a result of various factors beyond our control, including market conditions, the inability of our customers to meet their rental obligations or the early termination of our Lease Agreements. In addition, under IFRS the total value of our properties must be calculated by adding up the fair value of each individual property. Because the initial accounting for the acquisition of a real estate portfolio (including our Initial Portfolio and any future real estate portfolio we acquire) is based on the total consideration paid in connection with such acquisition, such initial accounting reflects a "portfolio premium" that will not exist on subsequent appraisals (where the portfolio value will be determined based on the sum of the appraisal values of each individual property) and, therefore, will result in a decrease in the reported value of our assets.

In the event that future fair value analyses result in a decline in the fair value of our real estate portfolio, we will be required to recognize a revaluation loss in the income statement for the period, which would, however, be an unrealized loss and would not result in the use of cash. Future sales or disposals of such assets could further affect our future earnings and losses because they are based on the difference between the amount of consideration received and the book value of such assets at the date of disposal or sale. The recognition of any impairment in the fair value of our assets could adversely affect our financial performance and the market price of our CBFIs.

We rely on third party information, including expert appraisals and engineering and environmental reports, as well as industry and market data, all of which are subject to significant uncertainties.

We may request appraisals and environmental and engineering reports to help us assess the acquisition of property or determine how we will manage the property we own. However, these reports are not intended to serve as a statement regarding the past, present or future environmental and engineering conditions or value of the properties concerned. Furthermore, the use of different methodologies or sets of assumptions could affect the results of such studies and the conclusions drawn from them. Therefore, the evaluation of the same property by different experts could result in very different conclusions.

Real estate appraisals are largely based on information regarding the future, which by its very nature is speculative and difficult to verify; and the appraisals we obtain may not reflect the price we could obtain in the event of the sale of a given property. The appraisal values of each property reflect the analysis and decision of the corresponding appraiser based on its own assumptions, estimates and opinions regarding the value of said property, which necessarily includes subjective elements. The use of different assumptions or different estimates and opinions could result in very different appraisal values for the same property. Therefore, other appraisers may come to very different conclusions regarding the value of our properties, including those we intend to acquire.

Although the environmental and engineering reports that we have obtained in connection with our Initial Portfolio of properties have not disclosed any liabilities that we believe may have a material adverse effect on our business, many such risks are often hidden and difficult to assess and, therefore, the reports obtained may not have taken due consideration of such risks. In addition, the focus of reviews conducted in advance of such reports is generally narrower than similar reviews conducted under similar circumstances in other jurisdictions. If we discover a significant environmental or engineering liability that we have not previously identified, the value of the affected property may decline, we may be required to incur additional costs and resolution of the liability may take a significant amount of time.

In addition, in making investments in real estate and in making decisions regarding our operations, we rely on certain market and industry reports, as well as market and industry analysis and data, prepared by independent industry information sources. Generally, we do not directly verify the data or analyses obtained from such sources, which reflect the assumptions, estimates and opinions used by those sources at the time. Therefore, we cannot guarantee that the market and industry analyses, data and information prepared by such sources contain an accurate assessment of the market situation as of the date that we use such information as the basis for making our decisions regarding our acquisitions and operations. If any of these analyses or data prove to be incorrect, biased or incomplete, decisions made on the basis of them will expose us to possible risks. For example, such analysis and data may lead us to make certain investments at too high prices, to sell other investments at too low prices, or to miss out on favorable opportunities altogether.

Certain of our properties may be subject to natural or other disasters, which could cause significant damage to our properties and adversely affect our financial performance

Some of our properties are located in regions that are more susceptible to natural disasters and could be significantly affected by such disasters causing significant damage. In particular, many of our properties are located in regions susceptible to earthquakes, while others are located in regions prone to droughts and water shortages that could result in unexpected increases in the water supply costs of our trust or our customers. In the event that such natural disasters or other similar events cause us to incur an uninsured loss or to exceed the insured limits, we could incur significant costs and lose the capital invested in the affected property and the expected future revenues from it, which could adversely affect our financial performance.

Customers of our properties may conclude they have a statutory right of first refusal to acquire their leased properties derived from of our Formation Transactions.

In the states of Mexico in which our properties are located, a Tenant (and, in certain cases, a coowner) has a statutory right of first refusal to acquire a property leased by them in the event the landlord intends to sell such property to a third party. Our Current Portfolio was not subject to a sale transaction as part of our Formation Transactions but was rather acquired by our Trust by purchasing beneficial interests of the Investment Trusts, which will directly or indirectly own the properties. We are therefore of the opinion that the customers of our properties do not have a right of first refusal to purchase the properties they lease from us. Those customers who did not waive their right of first refusal in their Lease Agreement may, however, have a different view and may pursue legal actions claiming such right of first refusal and, to the extent any such Lawsuits prevail, our purchase of the respective property could be rescinded or annulled, or we could be liable for damages or lost profits. If this occurs, our purchase of such property may be reverted, and we may be forced to return the relevant property in exchange for the purchase price we paid therefor, or we may be required to pay damages or lost profits.

We may incur losses with regards to our U.S. Dollar-denominated leases due to fluctuations in the exchange rate.

As of December 31, 2019, approximately 67.1% (sixty-seven point one percent) of our net effective rent was denominated in Dollars and approximately 32.9% (thirty-two point nine percent) of our annualized base rent was denominated in Pesos. In accordance with the Monetary Law of the United Mexican States, obligations denominated in foreign currency and payable in Mexico to domestic or foreign individuals or corporations by contractual provision or in execution of a judgment, may be released in Pesos at the exchange rate published by the Banco de México in the Federal Official Gazette, effective on the date and place of payment or execution. Therefore, we may not receive the Dollar amounts that our customers are required to pay for rent and we may be required to receive such amounts in Pesos. In such event, we may not be able to convert amounts received into Dollars at the same rate used to convert Dollar-denominated amounts into Pesos.

Risks related to our structure and management

There are potential conflicts of interest between our trust, Prologis, our Manager and the Technical Committee.

Since (i) our Manager is an Affiliate of Prologis, (ii) all members of our Manager's management team are officers of Prologis and (iii) all members of the Technical Committee (other than those appointed by the Holders (or groups of Holders) of CBFIs representing 10% (ten percent) or more of our outstanding CBFIs) will be appointed by our Manager and will include officers of Prologis, we are subject to potential conflicts of interest with respect to the performance of such entities obligations with our Trust. Prologis is a global Manager and developer of Industrial Facilities and has a wide range of investment and business interests, some of which are likely to compete or conflict with the interests of our trust or holders of our CBIs. Prologis' business in Mexico currently includes Class A industrial properties that are not

yet contributed to our trust. Prologis will continue to own and manage these excluded properties; and as described below, certain members of our management team are also members of the management team and/or the Technical Committee, as applicable, of other entities managed by Prologis. In addition, Prologis intends to further develop Industrial Facilities in Mexico and is not bound to offer us any such properties by virtue of our preemptive rights or for any other reason. In the event that Prologis, our Manager or the Technical Committee acts or is instructed to act in its own interest or in a manner that jeopardizes the interests of our trust and the other holders of our CBFIs, our financial performance could be adversely and significantly affected. Such conflicts of interest could include the following:

The Contribution Agreements were negotiated by related parties. Prologis Affiliates contributed our current real estate portfolio and we may, in the future, acquire additional real estate owned by Prologis affiliates. Since these contributions and/or acquisitions were not negotiated on market terms and no independent appraisal was obtained, there are potential conflicts of interest with respect to the negotiation of the price to be paid and the other terms. Therefore, the terms of the contribution or acquisition of a certain property may be less favorable than the terms that would have been established if they had been negotiated as part of a transaction between unrelated persons. In addition, because of our desire to maintain an ongoing relationship with Prologis and its Affiliates, we may not enforce our rights under the Contribution or Purchase Agreements that we have entered into or will enter into in the future with Prologis Affiliates, or may not enforce them strongly enough.

Our Management Agreement was negotiated among related parties. Our Management Agreement was not negotiated on market terms and, therefore, involves certain conflicts of interest with respect to negotiation of certain of its terms, including the fees payable to our Manager and the procedure applicable to the removal of the Manager. Therefore, the terms of our Management Agreement may be less favorable than the terms that would have been established if the terms had been negotiated as part of a transaction between unrelated parties. In addition, because of our desire to maintain an ongoing relationship with Prologis and its Affiliates, we may not enforce our rights under our Management Agreement or may not enforce them strongly enough. Furthermore, our Management Agreement can only be terminated in the limited cases described in section "2. The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement, Removal; termination".

Potential Conflicts may arise from our Manager's fees. There may be times when the decisions of our Manager are contrary to the best interests of our Trust or are not fully aligned with such interests. The fees we pay to our Manager may influence its decisions regarding our activities. Among other things, this consideration could affect our Manager's judgment with respect to the offering of Additional CBFIs, as well as the execution of future acquisitions or sales, or the current or future Lease Agreements of our customers. Fees received by our Manager in connection with transactions involving the management of our assets and the administration of our properties and Lease Agreements are not necessarily based on the long-term quality

of the investment or the lease or on the quality of the services provided to our trust. In addition, some of our Manager's fees are based on its performance and this form of compensation may encourage certain acquisitions, leases, service agreements and other transactions or activities related to our operations for which we pay a price or we incur an excessive risk. See section "2. *The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement – Fees*". In addition, as described below, Prologis Affiliates, as holders of CBFIs, may participate and vote at holders' meetings where changes (including increases) to the fees or commissions of the Manager are proposed.

Affiliates of Prologis and our Manager may pursue business strategies like our own and may compete with us in the future. Prologis continues to own and operate some industrial facilities in Mexico that have not been contributed to the Trust. We cannot assure that these entities will not compete with us, either with respect to our customers as described below or in any other way.

Competition for investment opportunities. We may have to compete with other Prologis entities to capture real estate acquisition opportunities as they arise; and our Manager may be subject to conflicts of interest if it competes against such entities on our behalf. As a result, we may not be able or may not have the opportunity to acquire attractive properties that are also of interest to other Prologis entities. Although as described in section "2. *The Trust - (b) Description of the Business - (xi) Policies with respect to certain activities, Investment policies, Preemptive right*", Prologis has granted us and is bound to cause its Affiliates to grant us a preemptive right to acquire certain investment properties when they are offered for sale by third parties in Mexico. There are some limitations to this right. Therefore, we cannot guarantee that we will have access to all attractive investment opportunities that are also identified by Prologis.

Competition with respect to customers. We may also compete with other entities related to or managed by Prologis to attract customers. Although as described in section "2. *The Trust - (b) Description of the Business - (xi) Policies with respect to certain activities, Investment policies, Preemptive Rights*", Prologis has granted us a preemptive right to acquire certain investment properties in Mexico when and if it decides to dispose of such properties, there are significant limitations on such right such as (i) the lack of resources against the owner of the property in the event Prologis fails to cause such entities to comply with Prologis' commitments under the preemptive right; and (ii) the document granting the preemptive right does not contemplate any penalties for Prologis in the event of non-compliance, so that no amounts (including damages) may be claimed to Prologis in such event. Therefore, we may have access to the acquisition of the properties subject to the preemptive right described in section "2. *The Trust - (b) Description of the Business - (xi) Policies with respect to certain activities, Investment policies, Preemptive right*" and that we cannot claim payment or compensation from anyone. As an alternative, we may choose not to purchase one or more of the properties offered to us as a result of our preemptive right. In such cases, we can compete for customers with Prologis entities that own Class A Industrial Facilities and other properties similar to ours.

Dedication of time and attention by our Manager's management team. Our Manager is dedicated to other activities in addition to the management of our trust and therefore will not be exclusively dedicated to it.

Even if no direct conflict of interest exists, Prologis' other business and investments may distract from the time and attention devoted to our Trust by the Manager or members of the Technical Committee, which could have a material adverse effect on the performance of their obligations to our Trust and, consequently, on our financial performance.

Possible co-investments. We may make investments jointly with other funds or investment vehicles managed or sponsored by Prologis affiliates; the relationship with such entities may influence decisions made by our Manager, the Technical Committee or the staff in charge of such co-investments.

Although we have adopted policies and procedures with respect to entering into Related Party Transactions and conflicts of interest, we cannot guarantee that such policies and procedures will be effective in preventing actual or potential conflicts of interest from being resolved on terms unfavorable to our Trust or to the Holders of our CBFIs. In addition, we will have no appeal against Prologis should it decide to develop, acquire or manage Industrial Facilities that conflict with our business and growth strategies. In the event a conflict of interest arises and it is resolved in a manner that affords favorable treatment to Prologis' affiliated entities or funds or the other interests of our Manager's staff or Technical Committee members, or in a manner that damages the reputation of our Trust, our operational performance could be adversely and significantly affected.

Both Prologis and our Manager exercise considerable influence over our business and investment activities; and Prologis exercises considerable influence over our Manager and the Technical Committee.

Under our Management Agreement, our Manager has broad powers to manage our business and make investment decisions (including with respect to our acquisitions, sales, financing and payment of Distributions); and both the Technical Committee and the holders of our CBFIs have limited rights to review and approve the decisions of our Manager with respect to the management of our Trust. Our Trust is affiliated with Prologis and therefore our decisions regarding the acquisition and sale of properties are subject to the decision-making process of the Prologis investment committee. Each investment we make will be subject to the policy objectives of the Prologis Investment Committee. See Section "3. The Manager- (c) Managers and Shareholders – Investment process". These decisions may affect our Trust's compliance with the requirements of the LISR, as well as the Trust's acquisitions, sales, growth strategies, operations, indebtedness, capitalization and distribution payments. This could adversely affect the market price of our CBFIs and our ability to provide returns to our investors. In addition, Prologis owns 47.1% (forty-six point two percent) of our CBFIs and therefore has considerable influence over the deliberations of the meetings of CBFi holders, including, without limitation, with respect to amendments to the Trust Agreement and the Management Agreement, and amendments to the Manager's compensation and management fee schedules. Furthermore, as long as our Manager is a Prologis Affiliate, our Manager has the right to appoint all members of the Technical Committee. Notwithstanding that, Holders who individually or jointly hold 10% (ten percent) of the outstanding CBFIs will have the right to appoint and, if applicable, revoke the appointment of one member of the Technical Committee (and its respective alternate) for each 10% (ten percent) of the CBFIs held by them, our Trust Agreement provides that, with the exception of Prologis and any Holder who acquires CBFIs in the global offering, after the global offering no holder of CBFIs may acquire more than 9.9% (nine point nine percent) of the outstanding CBFIs, except with the prior consent of the Technical Committee.

We cannot guarantee that these entities will not exercise such influence in a manner contrary to the best interests of our Trust or the Holders of our CBFIs, whether as a result of conflicts or potential conflicts of interest as described in this section under the subheading "Potential Conflicts of Interest Exist Between Our Trust, Prologis, Our Manager and the Technical Committee", or otherwise. In the event that these entities exercise their influence in a manner contrary to the best interests of our Trust, our operating performance could be adversely and significantly affected.

We rely on our Manager to manage our business, implement our strategy and administer and maintain our properties.

Our trust has no employees. Our Manager will provide the personnel and services we require. Our ability to achieve our business objectives will depend on our Manager and its ability to manage our Trust, identify and close new acquisitions on our behalf and implement our financing strategy, as well as to hire qualified personnel with the professional experience and knowledge necessary to manage our business. We also depend on the ability of our Manager to provide maintenance to our properties and manage our Lease Agreements with customers, among other issues related to the day-to-day management of our properties. Therefore, our business depends on the efforts, experience, diligence, skill and business contacts of our Manager and its staff. In the event that we lose the services provided by our Manager or any of its key employees, our business and financial performance could be adversely affected.

We cannot guarantee that our Manager or its key officers will continue in their respective roles or that we will continue to have access to the services and expertise of such persons; and our inability to retain the services of such persons could have an adverse effect on our financial performance. Our Management Agreement is subject to termination as described in the section "2. The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement -Removal; termination". The management of our trust requires extensive experience and we cannot guarantee that we will be able to hire a substitute who will meet the requirements necessary to fulfill the object and purposes of our trust, either on substantially similar terms to those provided in our Management Agreement or at all. In the event that we undertake our own management or a substitute manager manages us, we may not be able to match the quality and experience of our Manager in providing investment management services and therefore may not be able to implement our business plan. In addition, we are dependent on the services of key personnel of our Manager and may not be able to retain the services of such persons either because of competition to attract highly qualified personnel including competition from other real estate companies, FIBRAs, real estate investment trusts and multiple banking or investment banking institutions, or for any other reason. In addition, in the event that our Manager or any of its key employees ceases to act in such capacity, the costs associated with engaging substitute services may be greater than the fees paid to such persons under the agreements in force at the time, in which case we would experience an increase in our expenses.

The removal or replacement of our Manager may also result in the early termination of our financing or other agreements or give rise to other contractual rights or obligations under such agreements. For example, our Trust's contractual counterparties, such as its creditors, may require that their financing agreements include conditions to the effect that Prologis remains involved in our Trust, that the resignation or removal of our Manager and its replacement by an entity unrelated to Prologis constitutes a cause of default resulting in the early termination of all payment obligations, or other contractual rights or obligations. In addition, any co-investment agreements we may enter into with other co-investors (including with Prologis or any investment vehicles managed by Prologis) may also be subject to the condition that Prologis remains involved in our Trust and provide that the resignation or removal of our Manager and its replacement by an entity unrelated to Prologis will result in the exercise of certain rights in favor of the co-investors. The consequences of any of these assumptions, rights or contractual obligations as a result of the resignation or removal of our Manager and its replacement by an entity unrelated to Prologis could adversely affect our financial performance.

Our Trust Agreement contains provisions that limit the ability of holders of our CBFIs to acquire a significant interest in our total number of CBFIs, which could be contrary to the interests of our investors.

Our Trust Agreement provides that, with the exception of Prologis and any Holder, no holder of CBFIs may acquire more than 9.9% (nine point nine percent) of the CBFIs outstanding except with the prior approval of the Technical Committee. Therefore, some holders of our CBFIs, either individually or acting as a group, will not be able to acquire the 10% (ten percent) stake required to be entitled to appoint a member of the Technical Committee. As a result, our Manager will be able to exercise greater influence over our Trust. The limited influence of holders of our CBIs, along with the high level of influence of our Manager, may result in decisions made by our trust not being in the best interests of holders of our CBIs.

We are not a guarantee trust but an issuing one.

We are not a guarantee trust created pursuant to an agreement under which holders of CBFIs acquire the right to receive distributions on their CBFIs from the net resources that from time to time make up our assets, but we are an issuing trust. Therefore, the return on investment made by the holders of our CBFIs depends on our real estate investments generating sufficient resources.

The assets of our trust may be used to pay compensation.

The Trustee may use the resources available in our accounts to indemnify and hold harmless our Manager, our Manager's affiliates and their respective shareholders, employees, advisors, contingent staff, partners, directors and agents; the affiliates of all of the foregoing persons; the Trustee and any of its employees, advisors, agents or trust delegates; any person who is or was a member of the Technical Committee; and any other person designated by our Manager as a covered person and who provides services to us, among others. These indemnities may also be applicable to the reimbursement of costs incurred in connection with any claim. In the event that the Trustee uses our trust assets to pay compensation, the resources available to make Distributions would decrease and such Distributions would be adversely affected.

Risks related to Mexico

We are incorporated in Mexico and all our assets and operations are located there aswell. Therefore, we are subject to the political, economic, legal and regulatory risks applicable specifically to Mexico and the Mexican Real Estate industry.

We are a Mexican trust, all our assets and operations are located in Mexico, and our business is affected by the performance of the Mexican economy.

In the past, Mexico has experienced prolonged periods of economic crisis due to both internal and external factors beyond our control. Said periods have been characterized by the instability of the exchange rate, high levels of inflation, increases in the interest rates, economic contraction, decrease in the capital flow from abroad, contraction of the liquidity of the banking sector and high rates of unemployment. Slower growth in the national economy or the economies of states where our properties are located, periods of negative growth and increases in inflation and interest rates may result in decreased demand for our properties. Because a high percentage of our costs and expenses are fixed, we may not be able to reduce these costs and expenses in the event that any of the conditions described above occur, in which case our margins may be affected. We cannot guarantee that Mexico's economic situation will not deteriorate or that such conditions will not have an adverse effect on our financial performance.

Political, social and other events in Mexico may affect our business.

Political, social and other events in Mexico may affect our business. Social instability, including strikes, work stoppages, demonstrations, violence and terrorist attacks in states where we operate, could lead to disruptions in our financial performance. Furthermore, no political party currently represents an absolute majority in any of the houses of Congress. Both the absence of a clear majority in the legislative branch and the lack of alignment between the latter and the executive branch could lead to insurmountable disagreements and prevent the implementation of structural reforms in a timely manner, which in turn could have an adverse effect on the national economy. The 2018 presidential elections generated uncertainty and impact on the financial markets with the victory of Andrés Manuel López Obrador and his leftist party. The incoming administration continues to transition from campaign rhetoric to the implementation of real policies, which could lead to significant changes in government policies and could contribute to economic uncertainty or lead to increased volatility in capital markets and the prices of Mexican issuers' securities. We cannot guarantee that political events in the country will not have an adverse effect on our financial performance.

Developments in other countries may adversely affect Mexico's economy, our financial performance or the market price of our CBFIs.

Mexico's economy and the market value of Mexican issuers may be affected in different degrees by economic and market conditions globally, in other emerging market countries and in Mexico's principal trading partners, including principally the United States. Although the economic situation in other countries may be very different than Mexico's economic situation, investor reactions to events in other countries may have an adverse effect on the market prices of securities of Mexican issuers or on assets located in Mexico. For example, the prices of debt and equity securities of Mexican issuers have declined substantially in the past as a result of events in Russia, Asia and Brazil; and the recent global financial crisis caused significant fluctuations in the financial markets and the economy of Mexico.

In particular, as a result of the conclusion of the new United States-Mexico-Canada Agreement (USMCA) and the resulting increase in trade activity between Mexico and the United States, Mexico's economic situation is closely related to that of the United States. The resurgence of an adverse economic situation in the United States, the approval of the USMCA by the US Congress and any other similar event could have an adverse effect on the national economy. In addition, the fiscal crisis currently being experienced by the European Union could affect the economies of Mexico and the rest of the world. We cannot guarantee that our financial performance will not be adversely affected by events in other countries.

Fluctuations in the value of the Peso against the Dollar and the re-establishment of exchange controls and restrictions could adversely affect our financial performance.

Our results of operations are dependent on the economic situation in Mexico, including exchange rate fluctuations. Exchange rate fluctuations may adversely affect our ability to acquire foreign currency denominated assets; and may also adversely affect the performance of our investments in such assets. From time to time the Banco de México intervenes in the foreign exchange market to minimize volatility and support the maintenance of an orderly market. In addition, the Bank of Mexico and the government have promoted the use of market-based mechanisms to stabilize exchange rates and provide liquidity to the foreign exchange market, including the use of over-the-counter derivatives and futures contracts listed on the Chicago Mercantile Exchange. However, the devaluation of the Peso that began in late 2014 and continued in 2019 experienced high volatility. Since the second half of 2008, the value of the Peso versus the Dollar has fluctuated considerably, particularly in 2015. According to the Banco de México, during said period the lowest exchange rate was \$9.9200 N.C. per USD\$1.00, reported on August 6, 2008; and the highest exchange rate in 2019 was \$20.1253 N.C. per USD\$1.00, reported on September 3, 2019 and closed the year at \$18.8727 N.C. per USD\$1.00. Since we are able to purchase assets and receive revenues denominated in Pesos, the value of those assets, as measured in our functional currency, the Dollar, could be affected adversely by fluctuations in foreign exchange rates, translation costs and currency regulation. As a result, our reported earnings, which are expressed in Pesos, are subject to fluctuations in the value of the Peso versus the Dollar. Likewise, since our CBFIs are denominated in Pesos, holders of CBFIs are exposed to risks related to fluctuations in the National Consumer Price Index ("INPC"), which may result in a decrease in the purchasing power of Pesos received by such holders due to Distributions made by us.

Strong devaluation or depreciation of the Peso have caused disruption in the international currency markets. This could limit our ability to translate Pesos into Dollars and other currencies and could have an adverse effect on our financial performance during future periods, increasing the Pesos amount of our foreign currency denominated liabilities and instances of default by lenders, for example.

Inflation and measures taken by the government to control it could have an adverse effect on our financial performance.

Historically, Mexico has experienced high rates of inflation, and such rates may adversely affect our financial performance. In 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 the annual inflation index published by the Banco de México was 3.6% (three point six percent), 3.97% (three point ninety seven percent), 4.1% (four point one percent), 2.13% (two point thirteen percent), 3.36% (three point thirty-six percent), 6.77% (six point seventy-seven percent), 4.83% (four point eighty-three percent) and 2.83% (two point eighty-three percent) respectively. If Mexico were to experience high rates of inflation again in the future, we may not be able to adjust the rents charged to our customers to counteract the effect of inflation on our operations.

Most of the Lease Agreements for our properties provide for rent increases at fixed or inflation-indexed rates. On December 31, 2019, about 67.1% (sixty seven point one) of our Lease Agreements, in terms of the Net Effective Rent, were denominated in Dollars. Adjustments to our revenues to reflect the effects of inflation may not reflect the actual level of inflation in our operating expenses, most of which will be denominated in Pesos. In addition, our property rent increase rates are annualized and therefore rent adjustments to counteract inflation may not take effect until the following year and may not equal the actual inflation rate. In addition, many of our customers are in the manufacturing industry, and therefore any increase in labor costs as a result of inflation could adversely affect their financial performance and, consequently, their ability to meet their rental obligations, which in turn could adversely affect our financial performance.

Mexico has experienced an increase in the level of violence, which could affect the national economy and our financial performance.

The level of violence related to drug trafficking and other forms of organized crime has increased significantly since the federal government began to rely more heavily on the police and armed forces to combat drug trafficking in 2006. Drug cartels have launched attacks primarily against rival cartels and government officials, but have also victimized some businesses and their employees and industrial property through extortion, theft from trucks or on their premises, kidnapping and other types of crime and violence. This increase in the levels of violence and crime has led to an increase in the costs of businesses due to the theft of their products and the increase in their security and insurance expenses.

Approximately 34.8% (thirty-four point eight percent) of the properties in our Current Portfolio, in ARB terms, are located in Reynosa, Tijuana and Ciudad Juárez, which are among the regions most affected by drug cartel activities. The level of drug cartel activity and crime-related risk in certain states may change over time, resulting in an increase in the percentage of our properties that are located in areas considered to be high risk or medium to high risk for drug trafficking and crime-related activities. This has resulted in a contraction in business activities in some of the cities where we operate, which in turn has affected the occupancy rates of the Industrial Facilities located in those cities. In the event that violence develops or continues in such cities or in other cities where we own property, our financial performance could be adversely affected. Corruption and links between criminal organizations and the authorities also create conditions that affect our operations and encourage extortion and other forms of intimidation, which may limit actions taken by the federal and state governments in response to such activities.

The authorities may initiate compulsory purchase proceedings regarding any of our properties under the terms of the Federal Extinction of Ownership Act.

The Federal Government has the power to expropriate property that is used to commit crimes related to drug trafficking, kidnapping, car theft or human trafficking. If any of our property is used to commit any of these crimes and the authorities exercise their power of expropriation over any of our property, we may lose all or part of our investment in that property. The expropriation of any of our properties could adversely affect our financial performance. We cannot guarantee that the respective authorities will not exercise their power of expropriation on one or more of the properties that make up the initial portfolio. The expropriation of any of our properties could adversely affect the expected return, and consequently the flows available for distributions to holders of our CBFIs.

We are required to comply with the Federal Law for the Prevention and Identification of Transactions with Illegal Resources due to the activities we perform.

On October 17, 2012, the Federal Law for the Prevention and Identification of Operations with Illegal Resources (the "Anti-Laundering Law") was published in the Federal Official Gazette, which entered into force on July 17, 2013. In addition, the Regulations of the Anti-laundering Act published on 16 August 2013 and the Agreement 2/2013 published on 23 August 2013, entered into force on 1 September 2013 (together with the Anti-laundering Act, the "Anti-laundering Provisions"). In accordance with the Anti-laundering Provisions, we are bound to submit to the Ministry of Finance and Public Credit certain notices, no later than the 17th day of the month immediately following that in which we have carried out (i) a habitual or professional offer of construction or development services of real estate or the intermediation in the transfer of property or constitution of rights over such property involving transactions of purchase or sale of the property on behalf or in favor of customers of those who provide such services, provided that such activities with respect to the same customer exceed the equivalent of eight thousand twenty-five UMAs in force or (ii) the constitution of personal rights of use or enjoyment of real estate provided that the amount of the monthly act or transaction with the same customer is equal to or greater than the equivalent of three thousand two hundred and ten UMAs in force (such activity is considered vulnerable as from the amount of the monthly transaction with the same customer is equal to or greater than the equivalent of one thousand six hundred and five UMAs in force (jointly, the "Vulnerable Activities").

Furthermore, among our obligations under the Anti-laundering Regulations, we are required to integrate and retain records of customers with whom we conduct Vulnerable Activities and to appoint a representative to the financial authorities to fulfill our obligations under the Anti-laundering Regulations. To the extent that we fail to comply with the above obligations under the terms of the Anti-laundering Provisions, we could be subject to various penalties, including fines, which could adversely impact our results of operations.

The government is and will be a considerable influence on the national economy.

The federal government has exercised and continues to exercise considerable influence over the national economy. Therefore, government actions and policies with respect to the economy, state-owned entities and financial institutions controlled, financed or influenced by the government could have a significant effect on private sector entities in general and on our Trust in particular, as well as on market conditions and on prices and yields of securities of Mexican issuers. Occasionally, the federal government substantially modifies its policies and guidelines, and may do so again in the future. Among other things, measures to control inflation and government policies and guidelines have included interest rate increases, changes in fiscal policy, price controls, currency devaluations, capital controls, and limits on imports. Tax legislation is continually being reformed and we cannot guarantee that the government will maintain its current social, economic or other policies, or that the changes it implements will not have a significant adverse effect on our financial performance.

In addition, government authorities have the power to expropriate assets in certain circumstances. Although the government is required by law to compensate the owners of expropriated property, this compensation is often less than the market value of the property. If the trust assets or any of our properties were to be expropriated, we could lose some or all of our investment in such properties and this would have a significant adverse effect on our financial performance.

Risks related to our tax regime***Failure to comply with the requirements applicable to our trust under the LISR could have a material adverse effect on our trust.***

We intend to comply with the requirements set forth in the LISR with respect to FIBRAS. Compliance with the provisions of the LISR depends on a number of very complex requirements, about which there are very few administrative and judicial interpretations. According to provisions applicable to FIBRAS, in order to preserve the tax character of a FIBRA, among other requirements, we must distribute, annually, an amount equal to at least 95% (ninety-five percent) of our net taxable income. Even if our trust meets this requirement, in order to preserve the character of FIBRA we will have to pass certain tests relating to, among other things, our distributions, the nature of our assets and our sources of revenues. All distributions will be made in accordance with our policy (unless otherwise authorized by the Technical Committee) and will be dependent on our earnings, financial condition, cash requirements, commitments under our credit agreements, continued compliance with applicable FIBRA requirements and other factors deemed relevant from time to time. If we fail to comply with these requirements, we may lose our FIBRA status and be forced to, among other things, modify the way we operate, which may adversely affect our financial performance.

We are exposed to the enactment of adverse reforms to tax laws and regulations, which could affect our trust or the value of our CBFIs.

Federal and state tax laws and regulations, or their interpretation by administrative or judicial authorities, may change at any time. We cannot predict if and when any new laws or regulations will be enacted or come into effect or if and when any new judicial interpretations of them will be adopted. In addition, any such new laws, regulations or interpretations may be effective or applied retroactively. Both our Trust and the Holders of our CBFIs may be affected by any such changes and interpretations or by the enactment of new tax laws or regulations. In addition, Holders of our CBFIs should be aware that potential future changes in such laws and regulations, especially with respect to tax provisions relating to economic activity in general and provisions applicable to FIBRAs in particular, could adversely affect our financial performance.

Our property taxes may increase as a result of changes in applicable rates or the revaluation of our properties, which would adversely affect our cash flows.

We will be required to pay statewide property taxes on our properties. Our property taxes may increase as a result of rate changes or the appraisal or revaluation of our properties by the authorities. In the event that our property taxes increase, our ability to make distributions to holders of our CBFIs could be adversely and significantly affected.

The tax consequences experienced by the original investors in the Contributing Entities as a result of the sale of the properties comprising our Initial Portfolio may cause the interests of such investors to be different from the interests of the holders of our CBFIs.

We paid the property acquisition tax related to the Initial Portfolio on the date the portfolio was acquired and the original investors of the Contributing Entities, including Prologis, experienced tax consequences when the properties were sold to us. Taxes applicable to the contribution of such properties may be initially deferred, but in the event that we sell any property in the Initial Portfolio or such investors dispose of the CBFIs received by them in consideration for the contribution of the properties, they shall pay the tax that would have been deferred, restated for the passage of time and due to changes in the price in the country, in accordance with the tax provisions in force at that time; therefore, such investors may have different objectives with respect to the price, timing and any other material terms of any sale of the properties and may exercise significant influence over our operations and may seek to delay, defer or prevent any transaction that would benefit the remaining holders of our CBFIs.

It is possible that our future acquisitions will be subject to the payment of property acquisition tax.

We may have to pay taxes in connection with future acquisitions. Depending on the location of each property, the rate of these taxes could be as high as 5.955% (five point nine five percent) of the amount that is higher between the purchase price and the appraised value of the respective property. In the case of Property Acquisition Tax or its equivalent, depending on the applicable legislation in the municipality where the acquired property is located, the tax authorities may determine that an acquisition or set of acquisitions constitutes a "disposal" and, therefore, we are subject to payment of said tax or its equivalent.

Risks related to our CBFIs***The market price of our CBFIs may fluctuate considerably and our investors may lose all or part of their investment.***

The volatility of the market price of our CBFIs may prevent our CBFIs' holders from being able to sell their CBFIs at the same price or at a higher price than they paid for the CBFIs. The market price and liquidity of our CBFIs may be significantly affected by many factors, some of which are outside our Control and may not be related to our operating performance. These factors include, among others:

- general trends in the economy or financial markets in Mexico, the United States or other countries;
- the high volatility of the market price and trading volumes of securities issued by entities belonging to the real estate sector, which are not necessarily related to their operating performance;
- the reputation of FIBRAs in general and the attractiveness offered by its CBFIs in comparison with other capital representative securities (including securities issued by other entities belonging to the real estate sector);
- interest rate increases, which may result in holders of our CBFIs demanding higher returns;
- changes in earnings or changes in operating results;
- publication of studies regarding our trust or the real estate industry;
- enactment of new laws or regulations, or development of new interpretations of existing laws or regulations, including tax guidelines or accounting principles applicable to our industry; and
- the market's perception of our growth potential and our current and future potential to make cash Distributions, as well as the market value of our underlying assets.

In addition, securities placed through an initial public offering are often priced at a discount to their initial price due to placement discounts and offering related expenses. This represents an immediate dilution of the value per CBFI for new investors who acquire our CBFIs through such an offer at the initial placement price. As a result of this dilution, investors who acquire our CBFIs through the offering may receive a lower price than they paid for the securities, in the event that our trust is liquidated. The possibility of our CBFIs being quoted at a discount to the net asset value represents a risk that is distinct and independent of the reduction risk in the net asset value of our CBFIs. We cannot predict whether our CBFIs will trade at a price greater than, equal to or less than the net value of our assets.

Future issuance of CBFIs and sales or speculation regarding the sale of the interest held in our trust by our major CBFIs holders could dilute the investment of CBFIs holders or affect the market price of our CBFIs.

We intend to grow primarily through acquisitions, which will require us to obtain additional financing. We may seek to increase our capitalization through future issuances of CBFIs, which could dilute the participation of CBFIs holders, decrease the market price of our CBFIs, or both. Because the decision to issue CBFIs in the future will depend on market conditions and other factors outside our Control, and because such Issuance will be subject to the approval of CBFIs holders, we cannot predict or estimate the amount, date or nature of any future CBFI Issuance. In addition, our Trust Agreement does not grant CBFIs holders any rights of first refusal to participate in our future CBFIs offerings. Therefore, holders of our CBFIs take the risk that our future CBFIs issuances will have dilution effects on their holdings in our Trust and affect the market price of their CBFIs. In addition, in accordance with what is described in the section "2. The Trust - (d) Relevant Contracts and Agreements - (ii) Management Agreement - Fees", in terms of our Management Agreement our Manager will receive a portion of its fees in the form of CBFIs, which will dilute the participation of CBFI holders.

Our principal investors, including Prologis, or investors that have the character of persons related to our Trust, including Prologis, our Manager and their respective affiliates, may sell their interest in our Trust or a significant number of CBFIs. Any such issuance could dilute the economic and voting rights of holders of our CBIs; and any such sale or the rise of speculation thereon, could create negative market perceptions and cause a decline in the price of our CBFIs. Prologis holds approximately 47.1% (forty-seven point one percent) of our CBFIs. Prologis and its Affiliates have undertaken to refrain from selling or entering into any hedging transactions in respect of our CBFIs or any securities convertible into or exchangeable for CBFIs, for a period of 180 (one hundred and eighty) days as from the date of the public offering, without the prior written consent of the Initial Purchasers and the Underwriters. However, after the expiration of such waiting period, Prologis and its Affiliates may sell our CBFIs; and such sales or speculation thereon by the press, securities analysts, holders or others regarding the disposition by Prologis or its Affiliates of our CBFIs may adversely affect the market price of our CBFIs.

Since our decision to issue any securities for placement by offer, or to incur debt, will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future securities offerings or debt transactions, any of which could cause a decline in the market price and dilute the value of our CBFIs.

Securities offerings and senior debt obligations that we make or incur in the future may limit our operational and financial flexibility; and the issuance of convertible or exchangeable securities may dilute the participation of CBFIs Holders.

If we decide to issue securities or incur debt obligations that confer preferential credit rights to those of our CBFIs, an indenture agreement or other instruments that impose commitments on us that limit our operational flexibility and

our ability to make distributions to holders of our CBFIs may govern such securities and debt. In addition, if we decide to issue any convertible or exchangeable securities, such securities may confer rights, preferences and privileges more favorable than those conferred by our CBFIs, including with respect to the payment of Distributions, and may have dilution effects on the holders of our CBFIs.

Our Trust Agreement include provisions that may limit the liquidity of our CBFIs.

Pursuant to our Trust Agreement, with the exception of Prologis and any Holder that acquired CBFIs in the global offer, no CBFIs holder may acquire more than 9.9% (nine point nine percent) of the outstanding CBFIs except with the prior authorization from the Technical Committee. Such restrictions may affect the liquidity of our CBFIs and the ability of our Holders to take advantage of sales opportunities.

Other securities issued by the Trust

As of the date of this Annual Report, neither the Trustee nor the Trustor holds securities registered in the RNV or listed on another market other than securities registered under the ticker symbol FIBRAPL14.

Under the terms of Articles 33, 34, 50 and other applicable Articles of the Sole Circular for Issuers, the Trustee will have the obligation to deliver to the BMV and the CNBV, financial, economic, accounting, administrative and legal information, on a quarterly and annual basis, such as annual financial statements issued by the Trust's External Auditor. In addition, the Trustee is required to periodically disclose any fact or event that is deemed to be a relevant event, in accordance with the LMV and applicable regulations.

Significant changes to the Rights of securities registered

There have been no significant changes to the rights of securities registered in the National Securities Registry during the period from January 1 to December 31, 2019.

Destination of funds, if any

In accordance with provisions of the Management Agreement, an Incentive Fee was generated in favor of the Manager for the Incentive Fee Period ended on June 4, 2019. On July 2, the Ordinary Holders' Meeting approved the

execution of an Additional Issuance of 4,511,692 CBFIs to be subscribed and paid to the Manager and/or any of its affiliates with the amounts of the Incentive Fee that were owed to it, which has increased the number of outstanding securities.

There are no pending resources to be applied derived from the Initial Issuance or any Additional Issuance. Finally, the destination of the funds specified in the placement prospectus has remained unchanged.

Public documents

All the information contained in this Annual Report may be consulted by investors through the BMV, at its offices, or on its website: www.bmv.com.mx, or through the CNBV, on its website: www.gob.mx/cnbv

The Manager shall make available to the holders of CBFIs the relevant information about the Trust, including its incorporation, management and status at the time of consultation. The person in charge of investor relations by the Administrator is Jorge Girault Facha, with address at Paseo de los Tamarindos 90 Torre 2, 22nd Floor, Bosques de las Lomas, telephone number 11-05-29-00 and e-mail jgirault@prologis.com

Common Representative:

Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero.
Paseo de la Reforma 284, 9th floor,
Col. Juárez, C.P. 06600,
Mexico City.
Mr. José Roberto Flores Coutiño / Mrs. Alejandra Tapia Jiménez
jrflores@monex.com.mx / altapia@monex.com.mx
(55) 5231 0141 / (55) 5231 0161

Trustee:

Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria
Montes Urales No. 620, 1st floor
Col. Lomas de Chapultepec 11000. Delegación Miguel Hidalgo, Mexico City.
Mr. Jesús Landero Martínez / Mrs. Nydia Fabiola Bran Sosa
jlandero@actinver.com.mx / nbran@actinver.com.mx
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[421000-NBIS3] The trust

History and development of the trust:

Our trust was incorporated through the trust management agreement number F/17464-3 dated August 13, 2013; it being understood that (i) on October 2, 2013 a trustee replacement agreement was entered into by virtue of which Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria was appointed as trustee and the agreement number changed to F/1721; (ii) on October 8, 2013 a second amending agreement was entered into whereby the denomination of the Trust was changed to "FIBRA Prologis"; (iii) on November 29, 2013, a third amending agreement was entered into; and (iv) on May 28, 2014, a fourth amending agreement was entered into; (v) on September 28, 2017, a fifth amending agreement was entered into; and (vi) on December 14, 2017, a sixth amending agreement was entered into by virtue of which said trust was wholly reformed to be as described in this Annual Report, including the trustee replacement of Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria for Banco Actinver S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, and the amendment to the Trust reference number being 1721. Our Trust Agreement was filed with the CNBV and the BMV and it is available for reference purposes in the webpages of such authorities: www.gob.mx/cnbv and www.bmv.com.mx, respectively.

We are a Real Estate Investment Trust incorporated with the purpose of acquiring and managing real property for industrial activities in Mexico. We are managed by Prologis Property México, S.A. de C.V., an affiliate of Prologis, Inc. Prologis is a Real Estate Investment Trust incorporated in the United States listed on the New York Stock Exchange. On December 31, 2019, Prologis was owner, directly or through its investments in associations both as sole owner or through joint-ventures, of real properties and real estate developments with a total surface of about 814 million square feet (76 million square meters) in 19 countries. Prologis leases modern industrial facilities to more than 5,000 clients, including manufacturers, retailers, carriers, logistic service providers and other companies.

According to the Trust Agreement, the general purpose of our trust is the purchase or construction of real property in Mexico to be leased, as well as the acquisition of the right to earn revenues from the leasing of such properties, and to grant financing for these purposes with the collateral of the leased property, in any case, directly or through trusts (including, without limitation, through the Investment Trusts), pursuant to articles 187 and 188 of the LISR. Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, has been appointed trustee in terms of the Trust Agreement and, in such capacity, will perform certain acts in our representation, according to the instructions provided for such purpose by our Manager in terms of our Management Agreement.

The Trust Agreement will remain in full force and effect until the Trust Purposes have been fully met; the term of the Trust Agreement may not exceed 50 (fifty) years, as provided for in article 394 of the LGTOC; it being understood that, if the term of the Trust Agreement under article 394 were to expire, the Manager must provide instructions to the Trustee, with the prior approval from the Ordinary Holders' Meeting, either to (a) create a new trust to transfer the Real Estate Assets, in which case, the Manager must instruct the Trustee to carry out all the actions related to the CBFIs with the purpose of defining the timing to take the measures related to the CBFIs issued under the ending Trust; or (b) carry out the dissolution of the Trust and the liquidation of the Trust Property according to the procedure described in Clause 15.3 of the Trust Agreement; or (c) distribute the Trust Property in kind to the Holders on a pro rata basis. If the Ordinary Holders' Meeting

does not approve any of these alternatives, then the Manager must instruct the Trustee to carry out the dissolution of the Trust and the liquidation of the Trust Property according to the procedure described in Clause 15.3 of the Trust Agreement. In the event of termination of the Trust, or if the Trustee cancels its registration of the CBFIs in the RNV according to the provisions in the Trust Agreement, the Trustee must timely report in writing such situation to Indeval.

The offices are located in Paseo de los Tamarindos No. 90, Torre 2, Piso 22, Bosques de las Lomas in Mexico City, with phone number +(52) 55 1105 2900.

Below is a list of the relevant events in 2019 in relation to the disposals and purchases of assets:

- we purchased an industrial property in Mexico City with a total of 41,779 square feet and a total investment of \$5.1 million US dollars (Ps. 96.3 million) including closing costs;
- in March 2019, we disposed of a portfolio made up of a total of eight industrial properties; four properties in Monterrey, two in Guadalajara, one in Querétaro and one in Ciudad Juárez, totaling 1,074,320 square feet and with a total revenue of \$62 million US dollars (Ps. 1,171.5 million).
- In April 2019, we disposed of two industrial properties in Ciudad Juárez totaling 191,922 square feet and an investment of \$10 million US dollars (Ps. 188.5 million).

The use of capital activities are shown in the following table:

In million US\$		2019	Notes
Acquisitions			
Buildings			
	Cost of acquisition	US\$5.1	<i>In 2019, we purchased a building in Mexico City</i>
	GLA	41,779 SF	
	Weighted average of stabilized capitalization rate	8.0%	

Since the Initial Public Offering, there have been no additional public offerings.

Business description:

The business description is detailed in the following sections.

Real Estate sectors in which the trust will focus its investments :

Our portfolio is formed of 191 properties and an intermodal yard, allocated to the Mexican manufacturing and logistic industries, which are strategically located in six industrial markets of the country and we have a total ARB of 34.9 million square feet. As of December 31, 2019, the average index of occupation of our properties was of 96.6% (ninety six point six percent) and no client represented more than 4.0% (four per cent) or our total GLA. About 65.2% (sixty five point two per cent) of our portfolio of properties of Prologis in Mexico in terms of GLA is located in global markets represented by the main logistic markets of Mexico City, Guadalajara y Monterrey; and about 34.8% (thirty four point eight) were located in regional markets represented by the main manufacturing markets of Reynosa, Tijuana and Ciudad Juárez. Our properties have the benefit of being leased under agreements that expire on different moments and that as of December 31, 2019 have an average remaining term of 38 months. As of December 31, 2019, about 67.1% (sixty seven point one) of our revenues from leasing were denominated in Dollars, in terms of the Net Effective Rent.

Our purposes include the purchase, possession and management of industrial properties located in Mexico, as well as the increase of the value of the investments made by the CBFIs Holders through the management of a portfolio generating revenues in steady dividends, as well as to continue with the growth of such portfolio and its proactive management and the long term appreciation of the invested capital. We will try to comply with these purposes through the performance of our portfolio of high quality industrial properties, their management and corporate governance, which are the best in the industry, as well as through our access to the global platform, experience and networking of Prologis.

We consider that our experience as owners and operators of industrial properties strategically located in Mexico will allow us to take advantage of the opportunities arising from the future growth of one of the largest economies in Latin America, as well as to yield attractive returns for our investors through the generation of revenues with steadied dividends, the ongoing growth of our portfolio and the appreciation of the invested capital.

We believe that our portfolio will benefit to the extend our clients look for well-located and high quality industrial properties in the most desirable markets of the country. In addition, we believe that the growth of the consumer class in Mexico will keep encouraging the internal consumption and, in turn, the demand of the facilities offered by the Trust.

Patents, licenses, trademarks and other agreements:

Other agreements - Insurances

We have insurance coverage regarding our properties and facilities, including coverage against property damage and loss of rents due to disasters such as fires, tornadoes, floods, earthquakes and terrorism acts, as well insurance coverage for general commercial liability and environmental liability, in the terms and the amounts considered proper and reasonable from the commercial perspective and proper and reasonable for their Class A Industrial Facilities. Our insurance policies contain the specifications and are subject to the insured limits customary for other similar properties, activities and markets. There are risks of loss that are not insured or cannot be insured at all, including the losses arising from floods, earthquakes, wars, acts of terrorism or insurrections, given that we consider that contracting the respective insurance is unaffordable or not prudent for economic reasons.

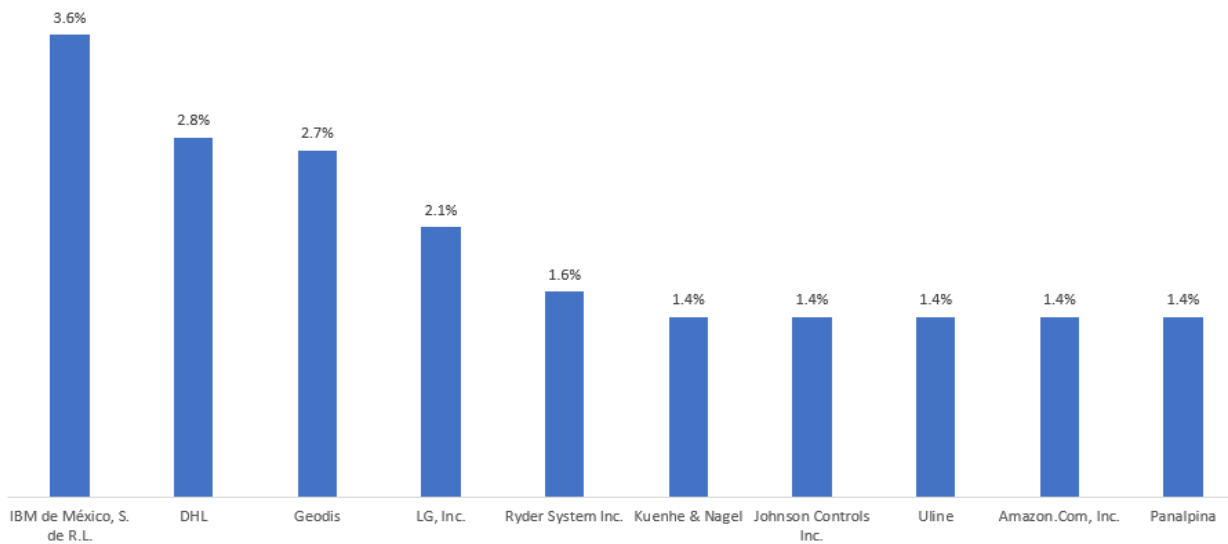
The insurance coverage over our property is kept through a combination of commercial insurers, auto-insurance transactions and a captive insurance company owned by Prologis. However, although we are insured, the damages suffered by the facilities, the equipment, machinery or buildings may have a significant adverse effect in our financial situation and the operating results or in the usual management of our properties subject to disruption. For more information, see Section "1. General Information- (c) Risk factors, risks related to the activities and operations of the Trust."

In the last three periods, we have not contracted another insurance.

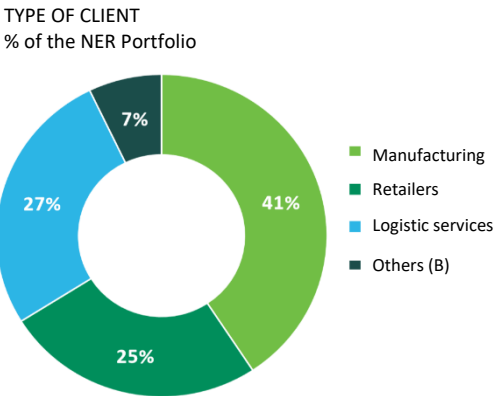
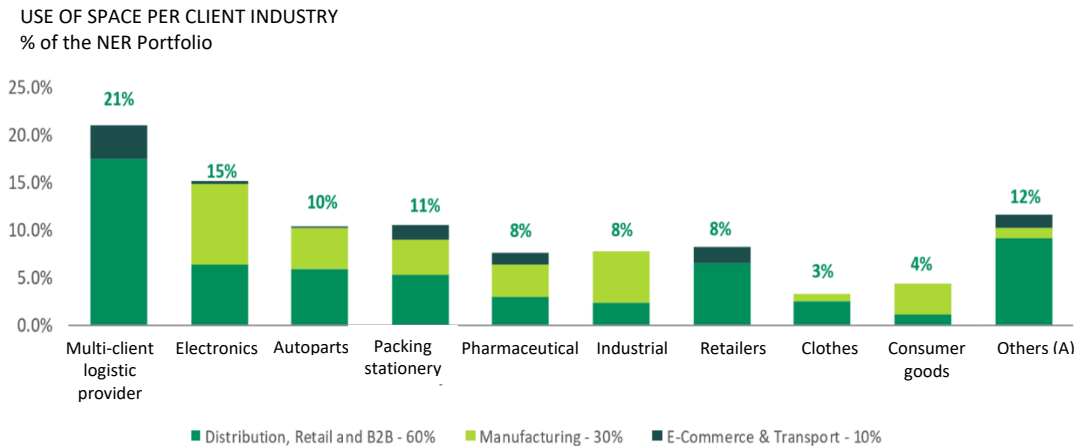
Main clients:

As of December 31, 2019, the ten main clients of the Trust account for 19.8% (nineteen point eight per cent) in terms of the Net Effective Rent, with none of them exceeding 10% (ten percent) of the total revenues from rents; therefore, the termination of the agreement with any of them would not adversely affect the operating results.

Net Effective Rent %



Our clients reflect a portfolio diversified by sector and region and balanced between consumption and manufacturing.



(A) Others include: transportation, food / beverages, consumer products, construction, data center / office
(B) Others include: transportation and freight, services

Applicable law and tax regime:

Our properties are subject to several laws, internal regulations and standards. We consider that we have the required approvals and permits to operate each of their properties and we are in compliance with the applicable law.

Tax Regime

We report under the tax regime applicable to the FIBRAs in terms of the provisions of articles 187 and 188 of the LISR, as from the year ended on December 31, 2013 and for each future period comprised between January 1 and December 31. According to the LISR, the FIBRAs are required to distribute annually at least 95% (ninety five per cent) of their net Tax Result of the immediate previous year. According to the LISR, the net Tax Result of each year is calculated subtracting from the total of the taxable revenues, the deductions authorized by the same law. For more information, see Section "2. *The Trust - (b) Business Description – (iv) Applicable Law and Tax Regime*". In order to comply with the needed requirements to be considered a FIBRA, we will annually distribute to our CBFIs Holders an amount equivalent to at least 95% (ninety five per cent) of our net Tax Result. The LISR expressly provides for that when the Tax Result of a determined year exceeds that amount effectively distributed to the CBFIs Holders by March 15 of the following year, the Trust must pay the ISR for the difference, applying the current ISR rate in the year in question (30% (thirty per cent) for 2019), in representation of the CBFIs Holders. The CBFIs Holders may credit the tax paid by the Trust to the extend the revenues from the mentioned difference are accruable for such Holders; and the Trust will not be subject to any withholding obligation regarding the paid difference.

Human resources:

We do not have employees. The functions that are normally performed by employees are responsibility of the Manager and other entities periodically hired by the Trust or on behalf thereof. See Section "3. *The Manager - (b) Business Description – (ii) Human resources*".

Environmental Performance:

Environmental Certifications

BOMA: "*Building Owners and Managers Association International*" is a certification that guarantees the excellence in environmental and energy practices of the Industrial Real Estate industry. We obtained it thanks to the following essential points: efficiency in energy consumption and water, electronic residuals (computers, printers, batteries, etc.), recycling and division of residues, the fact of having industrial spaces and premises with sustainable characteristics such as thermoplastic polyolefin roofs, which reduce the temperature indoors and reduce the heating costs, in some cases, up to 50%, the fact of having efficient and renewable energy systems in the premises and, finally, for having a constant and healthy communication among the workers.

At the end of 2019, we had 17 certifications that represented 4.2 million square feet or 12% (twelve percent) of our portfolio. The certifications were granted to 4 industrial properties in Prologis Park Toluca, 10 in Prologis Park Cedros, and 3 in Prologis Park Izcalli.

LEED: "*Leadership in Energy and Environmental Design*" is a certification system for sustainable buildings, developed by the US Green Building Council. It is based on the incorporation of the project of aspects related to the energy efficiency, the use of alternative energies, the improvement of the indoor environmental quality, the efficiency of water consumption, the sustainable development of free spaces of the parcel and the selection of materials.

At the end of 2019, FIBRA Prologis had 21 certifications that represented 4.2 million square feet or 12% (twelve percent) of our portfolio.

GRESB: "*Global Real Estate Sustainability Benchmark*". This certificate is granted to the companies with exceptional performance and practices. The GRESB evaluations allow to compare the ESG performance, identify improvement areas and deepen the commitment with the investors. GRESB has evaluations for real estate funds, REIT, real estate companies and developers, and for infrastructure funds and assets.

FIBRA Prologis obtained a "Green Star" in 2019, which is the highest recognition of GRESB.

Environmental matters

Our operations are subject to the General Ecological Balance and Environmental Protection Act (the "LGEEPA"), which establishes the general framework applicable to the preservation, remediation and protection of the environment in Mexico. The provisions issued under the LGEEPA cover areas such as the ecological planning, risk evaluation and environmental impact, air pollution, protected natural areas, protection of the flora and fauna, conservation and rational use of natural resources and soil pollution.

Our operations are also subject to the National Waters Law, the General Law for the Prevention and Comprehensive Management of Waste, the General Law on Sustainable Forest Development and the General Wildlife Law, among others, as well as several Mexican Official Standards that complement the law in environmental matters.

The Secretariat of the Environment and Natural Resources and the Federal Environment Protection Agency are the main federal authorities responsible for the surveillance, execution, formulation and implementation of the environmental policies in Mexico, including the granting of authorizations of environmental impact to participate in certain activities. The

National Water Commission is responsible for the management of the water supply and the residual water discharges in federal zones. In addition, the state governments may enact environmental laws and regulations regarding the matters under their respective jurisdictions, as long as they are not expressly reserved to the federal government. The local provisions may be implemented and applied at municipal level. The state and federal authorities are empowered to bring civil, administrative and criminal procedures against those that violate the applicable environmental legislation and may suspend the developments that do not meet such provisions.

Mexico is part of several international conventions and agreements in matters of environmental protection. Once these international conventions are ratified by the Senate, they have the force of law. According to the North American Agreement on Environmental Cooperation (ACAAN, for its acronym in Spanish), a lateral agreement of the North American Free Trade Agreement (TLCAN, for its acronym in Spanish), each one of the countries that are part of the TLCAN, including Mexico, must ensure the proper application of their environmental laws and regulations. While ACAAN does not empower any of the environmental authorities of the signatory countries to apply the environmental law of other country, in the assumption that a member of the TLCAN not enforcing its environmental law may be subject to a dispute resolution procedure under the ACAAN and, therefore, be exposed to monetary sanctions and, in certain cases, to the suspension of the TLCAN benefits.

Currently there are no legal or administrative procedures pending resolutions against us in relation to the environmental matters. We consider that our operations comply in the full significant sense with the applicable environmental laws and regulations.

Market information:

Overview of the economic cycle

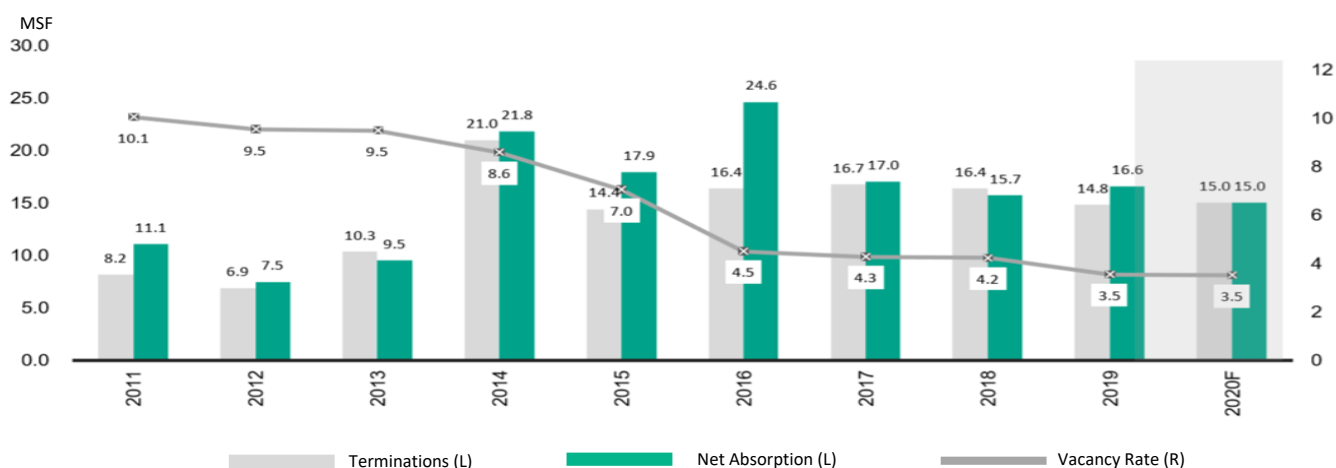
The logistic Real Estate demand sped up in the fourth quarter. The net absorption sped up to 5.2 million square feet in the fourth quarter of 2019 in the six main logistic markets, being the strongest quarter since 2Q18. As such, the vacancies in the market are still very close, especially in the three border markets, and vacancies in the domestic market fell below 4% (four percent). In general, the logistic demand for all the year was of 16.6 million of square feet, exceeding the forecasts, and almost one million square feet more than the full 2018 year. The activity in the frontier has not only proven being lasting in the middle of the recent fall of the commercial uncertainty and the world slowing down in manufacturing, but in fact, it has been speeding up. The reconfigurations of the global manufacturing supply chains are still a key demand engine given that the multinational entities seem to shorten and regionalize their supply chains. The reconfiguration of the manufacturing supply chain is still a global topic more than an influx of Asian operations. In the last year, we have seen this trend in Monterrey, Juárez and Tijuana.

The supply is proven to be limited. The terminations of all year were of 14.8 million square feet in 2019. The lack of land in Mexico City, together with the difficult access to the reduced power supply in the border markets, as well as the limited

access to electricity that extends all the development process in these markets limits even more the availability of new properties, which is a growing topic we have monitored during 2019 with the purpose of reducing the supply risk; however, this risk has not been mitigated in Monterrey.

In general, the operating conditions remain stable. It is expected that the supply and demand remain constant and in synchrony during 2020 and that the market vacancy rate is kept below 4% (four percent).

Operating foundations, Mexico



Strengths

Concentration of high quality assets in strategic places. We are concentrated in Mexican industrial markets, which in our opinion, represent attractiveness given the long term growth. Many of our properties generate rents and have occupation indexes above those of the market in general. Our presence in the national market allows us to have vast information regarding such market and strengthens our capacity to respond to the opportunities presented there.

High quality assets. We are focused on the offer of highly functional Class A Industrial Facilities to take advantage of the benefits arising from the demand of modern facilities, as described in section "2. The Trust – (b) Business Description – (vi) Market information". About 70% (seventy percent) of our properties (in terms of ARB) were developed by Prologis and built according to the highest specifications at international level; and about 81% (eighty one percent) of our properties are located in industrial parks designed based on master plans. The facilities located in industrial parks have high standards of operation, including security at the park level, easy access to the main roads, wide parking areas for trailers, large spaces for trucks and high quality maintenance. The buildings have characteristics such as wide spaces between columns, flexible and divisible floors, high ceiling, large spaces for trucks, multiple bays for load and unload and good vehicle access, either they host multiple tenants or a single company. We consider that the quality of our properties, together with the size of our portfolio, differentiates us from our competitors in Mexico; and that our Class A Industrial Facilities have the potential to exceed the performance of the lower quality industrial properties in terms of generation of revenues and appreciation of long term capital.

Strategic locations. Our portfolio is located in industrial markets in Mexico that have more Mexican assets given their attractive infrastructure, the availability of the labor and the access to large population centers and transportation and communication networks. On December 31, 2019, about 65.2% (sixty five point two percent) of our portfolio (in terms of ARB) was located in the global logistic markets in Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and are benefited by their closeness to the main roads, airports and train stations. After the 2008 financial crisis, in the last years, these markets have experimented a solid recovery regarding the key indicators of the real estate sector, a fast rate of space absorption, low vacancy indexes and a continuous increase in the rent prices. The remaining assets in our portfolio are concentrated in regional manufacturing markets of Tijuana, Reynosa and Ciudad Juárez, which are industrial centers that host the automobile, electronic, medical and aerospace industries, among others. These regional markets are benefited by the vast offer of qualified labor at attractive costs.

Experienced management team. Our management team is made up of by the main executives of the Manager, who have vast experience in the property management, trading, lease, acquisition, development and financing. Our Manager's executives have been working as team for more than 21 years and we also have experience in management of real estate companies which securities are traded among the investing public in Mexico. Our CEO, Luis Gutiérrez Guajardo, has more than 31 years of experience in the real estate sector, including in his capacity of President of Prologis for Latin America, responsible for all the operations of Prologis in Brazil and Mexico, including the operating aspects, the investments and acquisitions and the development of industrial parks. Our COO, Héctor Ibarzábal, has about 30 years of experience in the industrial, commercial and residential sectors of the real estate industry, including the structuring and financing of projects and capital raising for said projects. Also, in his capacity of National Manager and COO of Prologis in Mexico, Mr. Ibarzábal has vast experience in the operation management of Prologis in Mexico, including the development, operation and capitalization of projects. Our CFO, Jorge Girault, has about 26 years of experience in the industrial, commercial, residential and office sectors. This experience includes the structuring and financing of real estate projects and the capital raising for said projects. Mr. Girault is Director of Prologis México Manager, S. de R.L. de C.V. and manager of Prologis México Fondo Logístico. See sections 2. *The Trust- (j) Capital Markets – (i) Trust Structure and Main Holders — Technical Committee* and "3. *The Manager- (c) Managers and Shareholders*".

Stability and growth of the net cash flows obtained in operation activities. Our properties play a comprehensive role in the supply chains of our clients. In addition to our vast and diverse portfolio of clients, it has an optimal mix of facilities for the manufacturing and logistic industries, as well as long term Lease Agreements that generate cash flows from the increasing operating activities. In 2019, the average occupation index of the FIBRA Prologis properties was of 96.6% (ninety six point six percent) and the Net Effective Rent of FIBRA Prologis as of December 31, 2019 was of USD\$5.35 per leased square foot. In addition, thanks to our dedicated team of property managers, we have developed solid relationships with their clients and have gained vast experience at local level, as a result of which, in the period comprised between January 1 and December 31, 2019, our average client retention rate in Mexico has been of 88.7% (eighty eight point seven percent).

We believe that the value of our real estate portfolio will keep growing in two aspects. The first one will be represented by the opportunities to increase our revenues from rents generated by our Current Portfolio; and the second one, the acquisition of additional properties.

We have vast knowledge about the market and a global network of relationships; therefore, we consider our relationship with Prologis will provide us with opportunities to grow both organically and through new acquisitions. We plan to be benefited from our access to the development channels of Prologis through the exercise of the preemptive right we have to acquire assets from certain investment properties in Mexico, provided they have been disposed of by Prologis, as well as through the exercise of the exclusive right granted by Prologis to acquire industrial properties, both stabilized and not yet stabilized, belonging to third parties (except for development or remodeling projects), as described in section "2. *The Trust – (b) Business Description – (xi) Policies regarding certain activities, Investment policies, Preemptive right*".

In addition, our 223 clients that occupy our 191 properties and an intermodal yard represent a source of internal growth. Many of these clients are leaders in the supply of logistic services to third parties and are clients of Prologis at global level.

Global sponsor and alignment of interests. Prologis is leader in the ownership, operation and development of industrial properties and is concentrated in global and regional markets of America, Europe and Asia. As of December 2019, Prologis was owner, directly or through its investments in associations, both as sole or through joint-ventures, of real properties and real estate developments with a total surface of about 814 million square feet (76 million square meters) in 19 countries. Prologis leases modern Class A industrial facilities to more than 5,000 clients, including manufacturers, commercial establishments, carriers, logistic service providers and other companies.

Prologis started investing in Mexico in 1997 and the ownership and management of the portfolio has been responsibility, directly or indirectly, of its affiliates. The management team of the Manager is located in Mexico and responsible for the management of all real estate investments of Prologis, including the acquisition, development, management and financing of the properties, as well as for the control of the risks related thereto. We believe that the real estate market is essentially local and that in order to obtain optimal results, the real estate management must be commissioned to a specialized team in the corresponding local market. The management team of the Manager has proven experience in the property acquisition, development, financing and management for industrial purposes in Mexico and it was responsible for the portfolio growth since 1997.

Prologis is holder of 47.1% (forty seven point one percent) of the CBFIs, which grants it a majority position among the CBFIs Holders.

Corporate Governance. We believe that our corporate governance is a reflection of a leadership perspective in matters of business practices that takes into account the interests of the CBFIs Holders and takes advantage, at the same time, of the relationship with Prologis, which corporate practices have been characterized for being the best in the industry.

Rights of the CBFIs Holders. The Holders of our CBFIs will have voting rights in relation to certain important matters during the holders' meetings, including the approval of proposals submitted by the Technical Committee and the removal

of our Manager in the cases described in section "2. *The Trust - (d) Relevant contracts and agreements - (ii) Management Agreement - Removal and termination*". Likewise, the Holders that represent 10% (ten percent) of the outstanding CBFIs will have the right to designate a member of the Technical Committee per each 10% (ten percent) of owned CBFIs. In addition, the CBFIs Holders will have the right to approve any investment or acquisition accounting for 20% (twenty percent) or more of the value of the Trust Property. See section "2. *The Trust - (b) Business Description - (xi) Policies regarding certain activities*".

Integration and functions of the Technical Committee. According to our Trust Agreement, the Technical Committee will be made up of a maximum of 21 (twenty one) members, most of which must be Independent Members at all times. The Technical Committee is made up of eight members, of which five are independent members.

Subject to the right of the Holders that represent 10% (ten percent) of the outstanding CBFIs to designate a member of the Technical Committee for each 10% (ten percent) of the owned CBFIs, provided the Trust Manager is an affiliate of Prologis, Prologis will have the right to designate all of the members of the Technical Committee, including the independent members. In addition, the CBFIs will have the right to choose annually each one of the Independent Members of the Trust Technical Committee proposed by our Manager. Our Manager will have the right to designate Independent Members of the Technical Committee in order to fill any vacant.

Independent Subcommittees. The Technical Committee will have three independent subcommittees: (i) the Audit Committee, which will watch for compliance with the guidelines, policies, internal control systems and practices in matters of audit of the Trust and, in addition, it will verify and approve the internal audit reports; (ii) the Practices Committee will provide support to the Technical Committee in relation to decision making regarding the internal operation regime of the Trust, especially in the cases where there may be conflict of interest with the Manager or its affiliates; and (iii) the Indebtedness Committee, which will watch for the establishment of the mechanisms and controls to verify that any Indebtedness assumed by the Trustor charged to the Trust Property observes the provisions in the applicable internal regulations.

Market opportunities and business strategy

Internal growth strategy. We seek growing at internal level through the increase of cash flows generated by our Current Portfolio, increasing both the prices of their rents and their occupation indexes. All our Lease Agreements in effect include provisions that anticipate the annual increase of the rent, either through fixed annual adjustments or adjustment based on the inflation index. We believe that it is probable that the rent prices increase in 2019 and have planned increase our rents as the Lease Agreements in effect expire. As of December 31, 2019, about 2.4% (two point four percent) of our spaces were vacant and available for rent; and the Lease Agreements accounting for 18.97% (eighteen point ninety seven percent) and the 15.23% (fifteen point twenty three percent) of our ARB will expire in the remaining part of 2020 and 2021, respectively. Although we expect to grab the benefits arising from the constant recovery of our logistic markets, we consider that our manufacturing markets also have a potential of additional growth and, therefore, our manufacturing markets are planned to growth. The Manager will provide support regarding research and personnel, the use of the trademark "Prologis" (nominative and design) and other operating aspects, including the support regarding the acquisition of properties.

External growth strategy. We expect to take advantage of the benefits arising from the global network of relationships of Prologis in order to identify investment opportunities within its markets. Prologis and its affiliates are owners and operators of 5.7 million square feet in Class A Industrial Facilities located in Mexico City, Guadalajara, Monterrey and Ciudad Juárez, which are in the process of construction or of being leased and which will be subject to our preemptive right and right of first refusal in the event Prologis disposes of such properties. In addition, the bank and land expansion of Prologis and FIBRA Prologis is of 4.0 million square feet of ARB which could be used for future development and we have been granted a preemptive right to acquire such properties in the event Prologis decides to sell them.

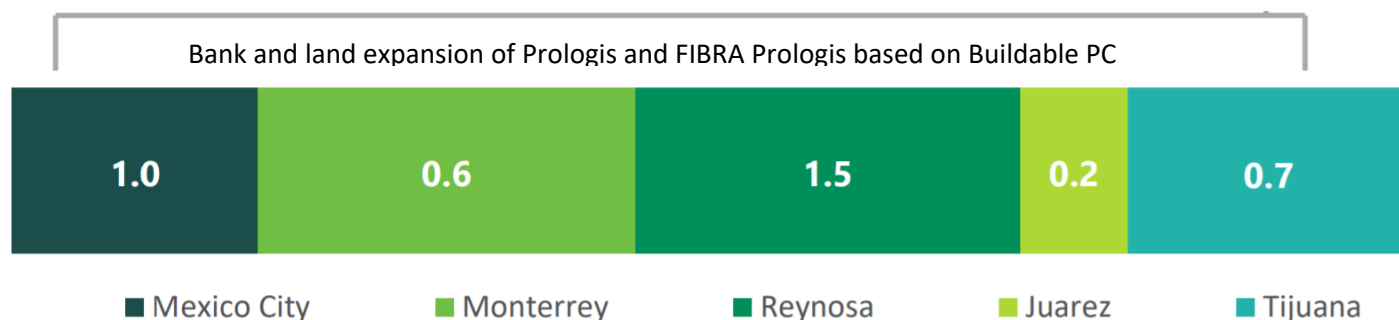
The next graphic shows the bank and land expansion of Prologis and FIBRA Prologis:

Markets in Mexico City include Lerma, Tepotzotlán and Cuautitlán Izcalli

Markets in Guadalajara include Querétaro city

Markets in Reynosa include Matamoros city

Markets in Ciudad Juárez include Hermosillo city



Management Structure:

We are not part of a business group nor do we have interests in significant associated corporations or subsidiaries.

Judicial, administrative or arbitration procedures:

Neither we nor the properties that make up of our Initial Portfolio or our Manager are currently involved in any significant litigation and, to the best of our knowledge, there is no threaten of a litigation against us, against the properties that make up of our Initial Portfolio o against the Manager. It is possible that from time to time, we and the Manager will be involved in litigation in the ordinary course of our operations.

Rights:

According to article 63 and 64 Bis 1 of the Securities Market Law ("LMV"), the CBFIs grant the Holders the following rights: (a) the right to a part of the unearned income, returns and, if any, the residual value of the goods or rights transferred with this purpose to the Trust; (b) the right to a part of the proceeds resulting from the sale of the goods or rights that make up of the Trust Property, in each case, in the terms established in the Trust Agreement; and (b)(SIC) the right to a part of the proceeds resulting from the goods or rights that make up of the Trust Property, in each case, in the terms established in the Trust Agreement. In addition, the CBFIs grant the Holders the following rights: (i) to the Holders that on an individual or collective basis have 10% (ten percent) or more of the outstanding CBFIs, will have the right to request to the Common Representative to convene a Holders' Meeting specifying in their request the agenda to be transacted in such Holders' Meeting; (ii) the Holders that on an individual or collective basis have 10% (ten percent) or more of the outstanding CBFIs, will have the right to request to the Common Representative to adjourn only once, for three calendar days and without need of a new notice of the meeting, the voting of any matter regarding which they are not considered sufficiently informed; (iii) the Holders that on an individual or collective basis have 20% (twenty percent) or more of the outstanding CBFIs, will have the right to legally challenge the resolutions adopted by a Holders' Meeting; (iv) the Holders that on an individual or collective basis have 10% (ten percent) or more of the outstanding CBFIs, will have the right to designate and, if applicable, revoke, the designation of a member of the Technical Committee (and his/her respective substitute) per each 10% (ten percent) of the owned CBFIs; and (v) the Holders that on an individual or collective basis have 15% (fifteen percent) or more of the outstanding CBFIs, may exercise actions for damages against the Manager for noncompliance with its obligations established in the Trust Agreement, it being understood that such action will prescribe in five years as from the occurrence of the fact or act that has caused the corresponding monetary damage.

The designation of the members of the Technical Committee (and their respective substitutes) made by the holders will be subject to the following: (1) the Holders that have the right to designate or revoke the members of the Technical Committee may only exercise such right at a Holders' Meeting; (2) the members of the Technical Committee (and their respective substitutes) that are designated by the Holders that qualify as Independent Persons upon their designation must be designated as Independent Members; (3) the designation of a member of the Technical Committee (and his/her respective substitute) made by a Holder as provided herein, may only be revoked by a Holders' Meeting when all of the members of the Technical Committee are removed; it being understood that the members of the Technical Committee which designation has been revoked may not be designated again to be part of the Technical Committee within the 12 months following the revocation of their designation; (4) the right of the Holders to designate members of the Technical Committee (and their respective substitutes) may be waived by the Holders during a Holders' Meeting; and (5) in the event that, on any time, the Holders that have designated a member of the Technical Committee stop having 10% (ten percent) or more outstanding CBFIs, said Holders must give a notice in writing in relation thereto to the Subsidiary, Trustee and Common Representative, and said Holders must remove the designated member in the immediately following Holders' Meeting.

Distributions:

We have the intend to comply at all times with the applicable regulation of a FIBRA according to the LISR. According to the legal regime applicable to the FIBRAs, in order to maintain the character of FIBRA, we are required to distribute annually to the CBFIs Holders an amount equivalent to at least 95% (ninety five percent) of our Tax Result. According to the provisions of the LISR, the Trust Tax Result is calculated subtracting from the total of the taxable revenues of the respective year, the deductions authorized by the same law. We do not incur in tax losses or amounts to be deducted that do not belong to us regarding the acquisition of our properties, given that we are the ones that acquire the properties that make up of our Current Portfolio at their market value.

In addition, we will be able to distribute to the Holders the exceeding amounts once the above mentioned requirements to qualify as FIBRA has been complied with. The timing, form, frequency and the amounts of such distributions, if any, must be approved by the Technical Committee taking into account several factors, including:

- the actual operating results (including their annual Tax Result);
- the level of cash flows withheld by the Trust;
- the terms, requirements and conditions of any credit agreements;
- the requirements in matter of investment in assets related to our properties;
- our operating expenses;
- our future perspectives, our expected financial performance and our needs of working capital;
- the legal reforms and changes in the economic and business situation; and
- the other factors that the Technical Committee estimates pertinent, including the amount of the Distributions carried out by other similar business.

We cannot guarantee that we will make Distributions, that we will distribute annually a determined amount or that the made Distributions, if any, will keep at the same level. All future Distributions that we will make will depend on our actual operating results, the economic situation and other factors that could differ substantially from our current expectations. Our actual operating results are affected by several factors, including the revenues generated by our real estate portfolio, our operating expenses, our interest expense and the capacity of our clients to comply with their obligations. In the assumption our real estate portfolio does not generate enough cash flows, we could be required to fund the Distributions through (i) working capital, including the resources derived from the global offer; and (ii) financing through issuance of debt or capital instruments, for which there is no certainty regarding its obtaining.

Properties owned by the trust

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

(A) On December 20, 2019, we acquired a vacant building in Mexico City with a GLA of 41,779 square feet and a value of US\$5.1 million.

(B) 100% occupied as of December 31, 2019.

(C) We have 20.75 acres of land in Monterrey, with a buildable area of 305,948 square feet and two expansion projects of 99,400 square feet being developed as of December 31, 2019.

(D) On December 20, 2019, we purchased an office property of 5,673 square feet located in the Mexico City market, with a fair value of \$0.6 million.

Acquisitions

square feet and currency in thousands	Q4 2019			FY 2019		
	Sq Ft	Acquisition Price ^(A)		Sq Ft	Acquisition Price ^(A)	
		Pes.	US\$		Pes.	US\$
BUILDING ACQUISITIONS						
Global Markets						
Mexico City	42	96,278	5,079	42	96,278	5,079
Guadalajara						
Monterrey						
Total Global Markets	42	96,278	5,079	42	96,278	5,079
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	-	-	-
Total Regional Markets	-	-	-	-	-	-
Total Building Acquisitions	42	96,278	5,079	42	96,278	5,079
Weighted average stabilized cap rate						8.0%

Evolution of the Trust's Assets:

Below is a summary of the operating portfolio:

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

(A) On December 20, 2019, we purchased a vacant building in Mexico City with an GLA of 41,779 square feet and a value of US\$5.1 million.

(B) 100% occupied as of December 31, 2019.

(C) We have 20.75 acres of land in Monterrey, with a buildable area of 305,948 square feet and two expansion projects of 99,400 square feet being developed as of December 31, 2019.

(D) On December 20, 2019, we purchased an office property of 5,673 square feet located in the Mexico City market, with a fair value of \$0.6 million.

On December 31, 2019, a total of 20 investment properties are committed to guarantee loans contracted with Prudential Insurance Company and Metropolitan Life Insurance Co. in their 1st and 2nd trench for a total amount of \$2,019,558 thousand pesos (\$102,742 thousand US dollars), accounting for 8.45% of the total value of the Trust portfolio.

Performance:

The results of the investment properties, as proceeds from the performance of the Trust assets for the year ended on December 31, 2019 and 2018, are presented below grouped according to the market they are located at.

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

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

		For the year ended on December 31, 2017,						
figures in thousand Mexican pesos		Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juárez	Total
Revenues:								
Lease rental income	\$	1,164,182	\$ 520,322	\$ 365,980	\$ 371,176	\$ 399,470	\$ 304,251	\$ 3,125,381
Rental recoveries		126,002	35,773	33,466	42,645	33,580	38,964	310,430
Other property income		14,862	40,739	6,110	1,021	4,276	559	67,567
		1,305,046	596,834	405,556	414,842	437,326	343,774	3,503,378
Costs and expenses:								
Property operating expenses		170,451	78,889	53,024	45,247	47,717	65,514	460,842
Gross profit	\$	1,134,595	\$ 517,945	\$ 352,532	\$ 369,595	\$ 389,609	\$ 278,260	\$ 3,042,536

The operating result indexes generated during this year are shown below:

Operating Portfolio	2019
Occupancy at the End of the Period	97.6%
Leasing Activity	7.1MSF

Customer Retention	88.7%
Net Effective Rent Change	10.9%
Same store cash NOI	3.1%
Same store NOI	3.7%
Average turnover expenses per leased SF	US\$1.96

The comparison in Pesos and Dollars, as a summary of the return yielded for the year ended on December 31, 2019 is as follows:

(in millions)	M.N.\$	USD\$
Revenues	3,824.8	197.8
Gross profit	3,301.2	170.7
Net profit	2,159.2	111.3
FFO (defined by FIBRA Prologis, excluding incentive fee)	2,085.8	107.0
AFFO	1,625.6	83.1
EBITDA	2,862.8	147.9

FFO; FFO, defined by FIBRA Prologis; AFFO (jointly referred to as "FFO"). FFO is a financial indicator that does not belong to IFRS, which is commonly used in the real estate industry. The IFRS indicator more directly comparable to the FFO is the net profit.

The National Association of Real Estate Investment Funds ("NAREIT") defines FFO as profits calculated under the generally accepted accounting principles in the United States ("US GAAP") to exclude the depreciation of the historical cost and the profits and losses of the sales of properties previously depreciated. Given that we are required to file our financial information according to the IFRS, our "FFO defined by the NAREIT" uses the net profit calculated under the IFRS, rather than under the US GAAP. The significant differences between the IFRS and the US GAAP include the depreciation that is not included in the IFRS and, therefore, we exclude the profits and losses from the sale of properties, even if they are not depreciated, and the mark-to-market adjustment for valuation of the investment properties, which is included in the adjustments to calculate the FFO, modified by FIBRA Prologis.

FFO, defined by FIBRA Prologis

In order to calculate the FFO, defined by FIBRA Prologis, we adjust the FFO indicator defined by the NAREIT to exclude:

- (i) mark-to-market adjustments for the assessment of investment properties;
- (ii) foreign exchange losses and profits from the translation (based on the current foreign exchange rates) of assets and liabilities denominated in Pesos;
- (iii) the income tax related to the sale of properties;

- (iv) losses and profits for the early settlement of the debt;
- (v) expenses related to natural disasters

AFFO

In order to calculate the AFFO, an indicator that does not belong to the IFRS, we adjust the FFO, defined by FIBRA Prologis to exclude additionally (i) linear rents; (ii) recurring capital expenses (including improvements in the properties, improvements to leased properties and leasing fees); and (iii) amortization of indebtedness premiums and net discounts of capitalized amounts.

Adjusted Earnings Before Interests, Taxes, Depreciation and Amortization ("EBITDA" for its acronym in English)

We use the Adjusted EBITDA as a financial indicator that does not belong to the IFRS, as an indicator of our operating performance. The IFRS indicator more directly comparable to the Adjusted EBITDA is the net profit (loss). We calculate the Adjusted EBITDA beginning with the net profit (loss) and eliminating the effect of the financing cost, an adjustment similar to the one we made to our FFO indicator (previously defined), such as the paid incentive fee in the CBFIs. We also include a proforma adjustment to reflect a complete period of the gross profit (loss) on the operating properties we purchase or stabilize during the quarter and eliminate the gross profit (loss) of the properties we dispose of during the quarter to assume that all the transactions took place at the beginning of the quarter.

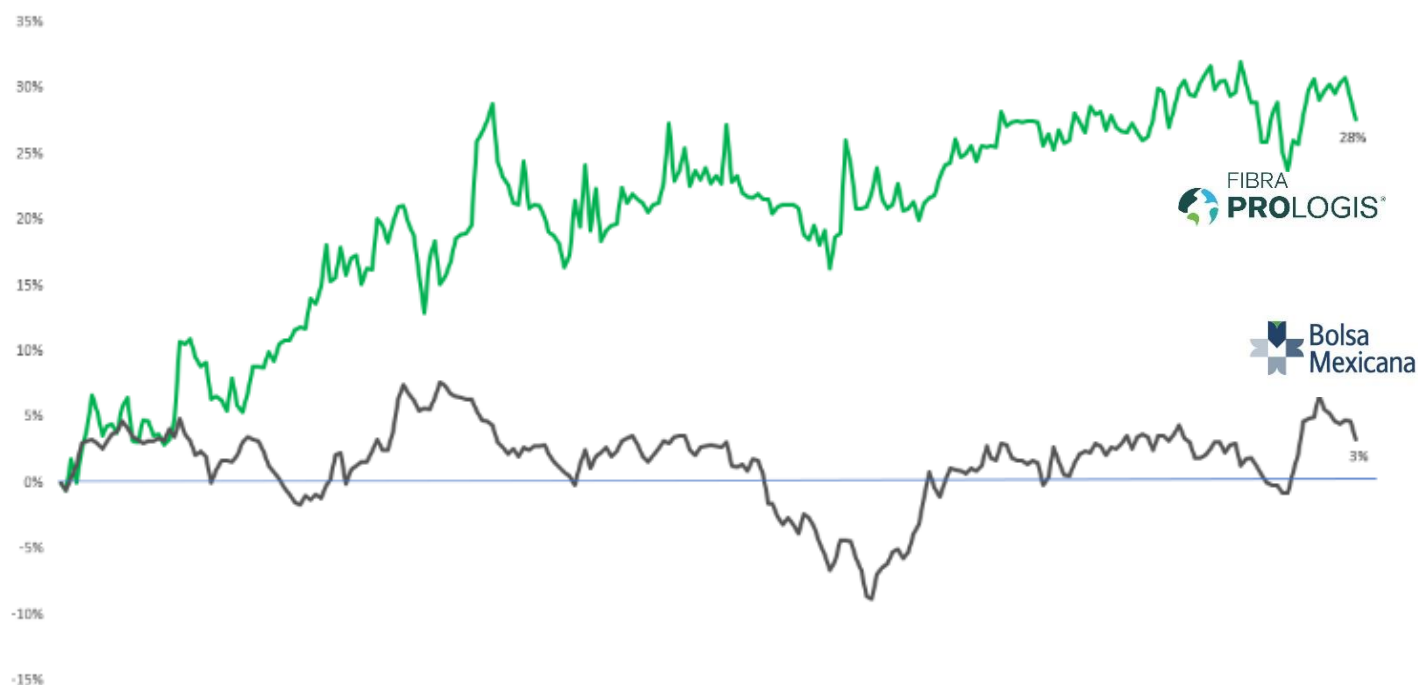
Compliance with the business plan and the Investment schedule and, as the case may be, Divestment Schedule:

FIBRA Prologis has complied with the business plan submitted by the Holders, through the disposal of buildings in 2019 of about US\$72 million Dollars, in industrial properties from the sponsor, through the authorization process established for related parties.

In relation to the internal growth part, through the increase of rents of industrial spaces that expired in 2019 and the rent at higher rent rates, FIBRA Prologis achieved an increase of 10.9% (ten point nine percent) on the Net Effective Rent in comparison with the rents that expired in the same period.

Performance of issued securities

The following graphic shows the CBF performance comparing only changes to the closing prices, considering as base price the closing price on the first business day, January 2, 2019, compared to the last business day on December 31, 2019, as well as the FIBRAs index value published by the Mexican Stock Exchange.



Relevant Debtors Report:

This section is not applicable given that our Trust does not have significant debtors to date.

Material Contracts and Agreements:

(i) Trust Agreement

Our trust was incorporated through the trust management agreement number F/17464-3 dated August 13, 2013; it being understood that (i) on October 2, 2013 a trustee replacement agreement was entered into by virtue of which Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria was appointed as Trustee and the agreement number changed to F/1721; (ii) on October 8, 2013 a second amending agreement was entered into whereby the designation of the Trust was changed to "FIBRA Prologis"; (iii) on November 29, 2013, a third amending agreement was

entered into; and (iv) on May 28, 2014, a fourth amending agreement was entered into; (v) on September 28, 2017, a fifth amending agreement was entered into; and (vi) on December 14, 2017, a sixth amending agreement was entered into by virtue of which said trust was wholly reformed to be as described in this Annual Report, including the trustee replacement of Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria for Banco Actinver S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, and the amendment to the Trust reference number being 1721. Our main offices are located at Av. Prolongación Paseo de la Reforma 1236, Piso 9, Mexico City. Our Trust Agreement was filed with the CNBV and the BMV and it is available for reference purposes in the webpages of such authorities: www.gob.mx/cnbv and www.bmv.com.mx, respectively.

According to the Trust Agreement, the general purpose of our trust is the purchase or construction of real property in Mexico to be leased, as well as the acquisition of the right to earn revenues from the leasing of such properties, and to grant financing for these purposes with the collateral of the leased property, in any case, directly or through trusts (including, without limitation, through the Investment Trusts), pursuant to articles 187 and 188 of the LISR. Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria, has been appointed trustee in terms of the Trust Agreement and, in such capacity, will perform certain acts in our representation, according to the instructions provided for such purpose by our Manager in terms of our Management Agreement.

CBFIs

The Trust Agreement establishes that our Trustee may issue CBFIs from time to time, including for the purposes of the global offering and the Formation Transactions, according to the provisions in the same Trust Agreement and the applicable legal requirements. We have requested the registration of our CBFIs to be listed in the BMV under ticker code FIBRAPL, subject to the approval from the BMV. Our CBFIs, are denominated in Pesos, do not have face value and may be issued for, paid and purchased by investors, both Mexican and foreign. Our CBFIs do not grant their Holders the right to use directly the properties that comprise our estate.

As of December 31, 2019, there were 649,185,514 (six hundred forty nine million one hundred eight five thousand five hundred fourteen) outstanding CBFIs.

The CBFIs subject to global offering were issued by our Trust and do not represent any interest in our Manager, the Trustee, the Common Representative or any of their Affiliates and do not impose any obligation. In addition, our CBFIs are not deposits or other obligations from a financial entity nor an insurance policy issued by an insurance company; and are not guaranteed by the Institute for the Protection of Bank Savings or by any other government entity or insurance entity. Our CBFIs do not have the benefit of any guarantee policy or coverage from similar associations or protections.

It will be considered that given the Holders have purchased our CBFIs, the Holders thereof have accepted that the Trustee will be responsible for the compliance with our Trust obligations according to the Income Tax Law, as well as for determining the amount of such obligations.

Restrictions applicable to the purchase of our CBFIs

Since the global offering, any Person (other than Prologis or any of its affiliates) that intends to purchase for any reason and by any mean in the secondary market, both the stock market and OTC, either directly or indirectly, 9.9% (nine point nine percent) or more of our outstanding CBFIs, will require the previous authorization from the Technical Committee for such acquisition, it being understood that if a Holder (other than Prologis or any of its affiliates) that is already holder of 9.9% (nine point nine percent) or more of our outstanding CBFIs, intends to purchase an additional 9.9% (nine point nine percent) or more of our outstanding CBFIs, the Holder must obtain previous authorization from the Technical Committee to carry out such acquisition, giving prior notice in writing on such circumstance to our Manager and the Technical Committee. Said notice must include, at least, the following: (a) a statement from the potential buyer indicating whether said buyer intends to carry out the purchase on an individual basis or in conjunction with other person or group of persons; (b) the number of CBFIs already owned, directly or indirectly, by the holder; (c) the number of CBFIs that such person or group of persons intends to acquire; (d) an statement expressing whether such person or group of persons intends to acquire control over our Trust; (e) the identity and nationality of the person or group; and (f) an explanation about the origin of the funds that will be used for such purchase. The criterion to be used by the Technical Committee to determine whether it authorizes such acquisition includes, among other factors: (i) if the person or group of persons intends to acquire the control, significant influence or decision-making power, significant influence or decision-making power of our Trust; (ii) if the purchaser is a competitor of our Trust or of Prologis; (iii) the identity and nationality of the purchaser; (iv) the source and origin of the funds that will be used for the purchase of CBFIs; and (v) the best interest of the Trust and the Holders. Within the five Business Days following the receipt of such notice, our Manager will convene a session of the Technical Committee; and the Technical Committee must issue a resolution on that regard within 30 business days following the date of receipt of the notice; it being understood that if the Technical Committee does not issue a resolution in that term, it will be considered the request has been rejected. If any Person or Group of Persons (other than Prologis or any of their affiliates) acquires CBFIs in an amount equal to or greater than 9.9% (nine point nine percent) without obtaining the previous authorization from the Technical Committee, the corresponding purchaser or Holder will not have any corporate rights regarding such acquired CBFIs, including without limitation, the right to assist, to be considered for the quorum required for voting any Holders' Meeting or the right to appoint a member of the Technical Committee per each 10% (ten percent) of the total outstanding CBFIs regarding such additional CBFIs. The purchaser of such CBFIs will also be responsible to our Trust for damages and lost profits arising from such purchase.

Changes to the CBFIs; other securities; rights of first refusal; amortization

We can issue CBFIs at any time, either in Mexico or abroad, as instructed by our Manager and according to the provisions of articles 63, 64 and other related articles of the LMV and the Trust Agreement, with the prior authorization from the CBFIs Holders' Meeting. We are required to comply with certain related law requirements, including the obtaining of any required government authorizations. The Trust Agreement does not establish any limit regarding the CBFIs we may issue.

The CBFIs issued by the Trust in relation to each CBFIs issuance are considered part of a same Issuance, will be subject to the same terms and conditions and will grant to their holders the same rights already enjoyed by the remaining holders of our CBFIs. The CBFIs issued by the Trust must comply in all cases with the provisions of the applicable law.

Upon acquiring our CBFIs, the holders of such CBFIs agree to be bound by terms of the Trust Agreement and of the CBFIs themselves; and expressly agree that (i) they will have no right of first refusal to purchase the CBFIs issued by the Trust in relation to any future Issuance; and (ii) the Trustee is the lawful and sole owner of the goods that comprise our

estate; therefore, the holders of our CBFIs will have no right regarding such goods or to receive the revenues generated therefrom, except for the extend provided for in our Trust Agreement and the CBFIs.

Common Representative

According to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero has been appointed common representative of the Holders. The fees payable to the Common Representative will be those set forth in the Trust Agreement.

According to Clause 6.2 of the Trust Agreement, the Common Representative will have the duties, rights and powers established in the LMV, the LGTOC, the Instrument and in the Trust Agreement. In other matters, the Common Representative will act according to the instructions received by the CBFIs Holders' Meeting. The rights and obligations of the Common Representative include, without limitation, the following:

- to subscribe the Certificate, having verified its compliance with all the legal provisions related thereto.
- to verify the execution of our Trust;
- to have the power to verify the existence of the Trust Property;
- to have the power to watch for the use of the Resources of the issuance derived from the Initial Emission and the Additional Emissions;
- to have the power to watch for compliance by the Trustee and, if applicable, by our Manager, with their respective obligations according to the Trust Agreement and the Management Agreement, and to start any action against the Trustee and/or request the Manager to start any action against the Manager, according to the instructions of the Holders' Meeting;
- to have the power to give notice on any noncompliance by the Trustee with its obligations, according to our Trust Agreement, through the agreed means;
- to convene and preside the Holders' Meetings when required so by the applicable law or the terms of the Certificate and/or the Trust Agreement, and when it is considered necessary or desirable to obtain confirmations from the Holders regarding any decision-making or the carrying out of any matters that must be solved by a Holders' Meeting;
- to perform ail the required or desirable activities with the purpose of complying with any resolution adopted by the Holders' Meeting;
- on behalf of the Holders, to execute from time to time documents and agreements with the Trustee in relation to our Trust Agreement and/or our CBFIs;
- to exercise all the required actions in order to safeguard the rights of the Holders, as a whole;
- to act as intermediary between the Trustee and the Holders regarding the payment of any amount payable thereto in relation to CBFIs, and regarding any other required matters;

- to exercise their rights and comply with their obligations established in the respective Certificate, in the Trust Agreement and in the other documents it is part of;
- to request to the Trustee and our Manager all the information and documentation in its possession in relation to the Real Estate Assets in which the Trust or any Investment Trust have invested, the Investment Trusts and any other that is necessary for compliance by the Common Representative with its obligations and the exercise of its powers according to the Trust Agreement and the CBFIs, it being understood, that the Trustee and our Manager will provide the information and documentation related to the Real Estate Assets in which the Trust or any Investment Trust have invested, the Investment Trusts of the Trust Agreements and with the CBFIs, as required by the Common Representative for the above mentioned purposes;
- to provide, as required, to any Holder with copies of the reports that have been delivered to the Common Representative by the Trustee and/or the Manager; it being understood, that the Common Representative may disclose to the Holders any information in its power that has not been classified as confidential by the holder of such information or by the disclosing party; and
- in general, to carry out all the acts and comply with the obligations, and to exercise all the powers, of the Common Representative, as established in the LGTOC, the LMV, the applicable regulation issued by the CNBV and the applicable stock market practices.

All and any of the acts performed by the Common Representative on behalf of the Holders of our CBFIs, according to the terms established in our Trust Agreement, in the Certificate supporting the Issuance, and in all other documents of which it is part of or in the applicable law, will bound all the Holders of our CBFIs and will be considered accepted by the same ones.

The Common Representative may be removed at any time by a resolution adopted by an Extraordinary CBFIs Holders' Meeting, in terms of Clause 4.5(b) of the Trust, it being understood, that such removal will not come into effect until a deputy common representative has accepted and taken office.

The entity occupying the position of common representative according to our Trust Agreement may resign as common representative of the Holders in any time, according to the provisions in the LGTOC. The Common Representative must provide the Manager and the Trustee with at least 60 (seventy) days in advance with a notice in writing of such resignation, and in any event, such resignation will not come into effect until the deputy common representative has been appointed by an Extraordinary Holders' Meeting and such deputy common representative has accepted and taken office.

The obligations of the Common Representative will finish once the Trust has been terminated according to the terms provided for in the Trust Agreement.

The Trustee

The obligations of the Trustee include, among others:

- (i) to comply with the obligations and exercise the rights provided for in our Trust Agreement in order to achieve the purposes thereof; and
- (ii) to act according to the other documents entered into in terms of our Trust Agreement and in accordance with the instructions in writing received by our Manager, the Technical Committee or the Common Representative.

The Trust will act, in general terms, according to the instructions of our Manager, and will grant to the persons designated by our Manager a general power to act on behalf of our Trust. The Trust will have the right to the fees provided for in our Trust Agreement.

According to the Trust Agreement, the Trustee will only be responsible in the event of noncompliance with the applicable laws and regulations, breach or noncompliance in terms of our Trust Agreement, negligence, fraud or bad faith (as interpreted by the applicable Mexican legal standards). The Trustee will not be responsible for any action adopted by Manager of its affiliated according to our Management Agreement, or for any noncompliance by the Trustee with its obligations derived from the delegation of the Manager, unless the Trustee has incurred in negligence, fraud or bad faith (as determined according to the applicable Mexican legal standards). According to the Trust Agreement, the Trustee will be free of any liability for repairing or compensating the damages caused to third parties as a consequence of the production, manipulation or elimination of waste, hazardous materials or pollutants in the properties that are part of the Trust Property. The Trust Property will be used to pay for any risk and costs related to damages or responsibility attributed to the pollutants, as well as to indemnify the Trustee for any process and expenses related to the environmental conditions in the Trust properties.

Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria may be removed from its position as Trustee through resolution of the Holders' Meeting or through the Manager with the previous approval from the Ordinary Holders' Meeting, by notice in writing on such circumstance with at least 60 calendar days in advance to the effective date of the removal; it being understood, that such removal will not come into effect unless within such term of 60 days (i) our Manager or the Ordinary Holders' Meeting has appointed a deputy trustee; and (ii) the deputy trustee has accepted its appointment and taken office, according to our Trust Agreement. Any successor of the Trustee must be a Mexican bank.

The Trustee may resign as Trustee of our Trust through notice in writing given to the Manager and Common Representative at least 60 (sixty) calendar days before the effective date of such resignation and only for serious reason to a trial in a trial court with jurisdiction in its domicile according to the provisions of article 391 of the LGTOC; it being understood that the Trustee will not stop being the Trustee of our Trust until the CBFIs Holders' Meeting has appointed a deputy trustee (that has been approved in writing by the Manager) and such deputy trustee has accepted its appointment in writing.

CBFI Holders' Meeting

The Common Representative will be required to convene an Ordinary CBFI Holders' Meeting at least once a year (within the four months following the closing of each tax year) to (i) discuss and, if applicable, approve the audited annual financial statements of our Trust; (ii) discuss and, if applicable, approve our Annual Report; and (iii) choose or not choose and qualify the independence of the Independent Members of the Technical Committee proposed by our Manager. The Manager and the Holders which on an individual or joint basis keep 10% (ten percent) of all the outstanding CBFI will have the right to request to the Common Representative to convene a holders' meeting specifying in their request the items of the agenda to be addressed in such holders' meeting. The Holders' meeting will take place at the domicile of the Common Representative or in any other place specified in the respective notice of meeting. The Holders' meeting will be presided by the Common Representative, who will act as chairman and designate a secretary and a representative in order to verify that the quorum is complied with, as well as the vote count in each Holders' meeting. The Manager and the Trust will have the right to attend the Holders' Meetings, but they will not be able to cast any vote in such capacity regarding the matters to be addressed in such Holders' Meetings. The Common Representative must issue the notice of the meeting to have the Holders' Meeting take place within 30 (thirty) calendar days following the date of receipt of the request. Should the Common Representative fail to comply with this obligation, the competent judge in the domicile of the Trustee, upon request from our Manager or the Holders that individually or jointly hold 10% (ten percent) of the total outstanding CBFI, if applicable, must issue the notice of the respective Holders' Meeting. All our CBFI Holders' Meetings will be presided by the Common Representative.

As soon as possible, but in any case within a term of 30 calendar days following the date of consummation of the global offering, the Common Representative convened an initial holders' meeting in which, among other things (a) the Holders that have the right to appoint a member of the Technical Committee had the chance to exercise such right according to our Trust Agreement or may waive such right, being enough for that a notice in writing to the Trustee, the Manager and the Common Representative; and (b) such Ordinary Meeting qualified the independence of the proposed Independent Members.

The Technical Committee may convene a CBFI Holders' Meeting to solve any matter that is not provided for in the Trust Agreement. The matters for which a CBFI Holders' Meeting is not convened given their required immediate attention will be solved as soon as possible by the Technical Committee taking into consideration the opinion of the Government Practices Committee and the Audit Committee, if that is necessary.

The notices of the Holders' Meetings will be published at least once in any of the highest circulation national newspapers and through Emisnet and will be given to the Trustee and Manager by email, at least 10 (ten) calendar days before the date on which Holders' Meeting is supposed to take place. The notice of the meeting must include the matters to be addressed in the Holders' Meeting. In order to attend a Holders' Meeting, each Holder must provide the Common Representative with the deposit certificates issued by Indeval and the lists of Holders issued by the corresponding financial intermediates, if any, in relation to the CBFI owned by such Holder, at the place specified by the Common Representative in the respective notice, by the Business Day previous to the date on which the Holders' Meeting is to take place. Each Holder may be represented at a Holders' Meeting by a duly designated representative, including by a proxy letter granted before two witnesses.

Once the CBFIs Holders' Meeting is legally declared in session, the Holders may not leave the meeting to prevent the meeting from being held. The Holders that leave or do not attend the CBFIs Holders' Meeting will be considered as having refrained from voting the discussed topics.

The information and documentation related to the agenda of each Holders' Meeting will be available, free of charge, for their revision by the CBFIs Holders at the domicile indicated in the notice for any of the Holders requesting it in writing at least 10 calendar days previous to the date of such Holders' Meeting.

It must be noticed that the terms above described are shorter than the ones applicable to publicly-listed companies, in particular, regarding (i) the information and documentation related to the agenda of each shareholders' meeting, which must be available 15 calendar days before such shareholders' meeting; and (ii) the publication of the notice of the shareholders' meeting, which must be carried out at least 15 days before the date on which such shareholders' meeting would take place, unless the bylaws provide for otherwise.

Every CBFIs Holder or group of CBFIs Holders that represents 10% (ten percent) of the outstanding CBFIs will have the right to request the Common Representative to adjourn only once for three calendar days the voting related to a certain topic regarding which said Holder or group of Holders is not considered sufficiently informed.

The minutes of each Holders' Meeting must be signed by the persons acting as president and secretary of the Holders' Meeting. The attendance list must be signed by the present Holders, or their representatives, in the Holders' Meeting in order to verify compliance with the quorum and the respective vote count; said attendance list must be attached to the minute of the meeting. The minutes and other information and documentation regarding the holders' meeting will be in possession of the Common Representative and may be available for reference at any time to the holders, who will have the right, at their own cost, to request to the Common Representative copies of such documents.

Voting Rights

Each of the outstanding CBFIs grants its Holder the right to a vote regarding all the matters subject to voting by the Holders of our CBFIs. Subject to the provisions below, any Holder may enter into one or more agreements in relation to their voting rights at a Holders' Meeting. The execution of this type of agreement and its term, and any subsequent termination of such agreement, must be reported to the Trustee (with copy for the Common Representative) within 5 Business Days following their execution (or termination) and the Trustee must disclose such information to the investing public through the BMV and Emisnet. The existence and terms of such agreement must be disclosed in each Annual Report, while such agreement is in effect. Such agreements may include the waiver of the Holders to exercise their right to appoint members of the Technical Committee. Notwithstanding the foregoing, any voting agreement regarding the CBFIs representing 9.9% (nine point nine percent) or more of the outstanding CBFIs must be approved by the Technical Committee, according to the terms of our Trust Agreement. Any Holders intending to enter into voting agreements regarding the CBFIs representing 9.9% (nine point nine percent) or more of the outstanding CBFIs must provide a notice and request an authorization in writing from our Manager and the Technical Committee, which must include, at least, the

following: (a) a description of the voting agreement; (b) the number of CBFIs to be covered by the voting agreement; (c) a statement about the intention of the Holders of acquiring the control of our Trust; and (d) the identity and nationality of the Holders. The criterion to be used by the Technical Committee to determine whether it authorizes such agreement includes, among other factors: (i) if the person or group of persons intends to acquire the control, significant influence or decision-making power, significant influence or decision-making power of our Trust; (ii) if the purchaser is a competitor of our Trust or of Prologis; (iii) the identity and nationality of the holders. If such agreement is not authorized by the Technical Committee, it will be null and void, will lack validity and will have no effect and the Holders that, implicitly or explicitly, enter into or try to enforce such agreement, will be responsible to our Trust and our Manager for any damages resulting from the execution or attempt of execution of the agreement.

The Holders' Meeting of our CBFIs may be ordinary or extraordinary.

The ordinary meeting will have the power to:

- approve the audited annual financial statements of the Trust;
- choose and qualify the independence of the independent members of the Technical Committee proposed by our Manager, or not choose such Independent Members;
- approve the Annual Report of our Trust;
- approve any Investment, acquisition or divestment made, directly or indirectly by our Trust, the Subsidiary Trust or the Investment Trusts representing 20% (twenty percent) or more of the value of our estate at the end of the immediately previous quarter, including those executed simultaneously or successively in a period of 12 (twelve) months as from the beginning of the first transaction, but that could be considered as a single transaction;
- approve any Investment, acquisition intended to be carried out, directly by the Trust or through the Subsidiary Trust or the Investment Trusts when they represent 10% (ten percent) or more of the value of the Trust Property, based on the figures corresponding to the end of the immediately previous quarter, regardless such Investments or acquisitions are carried out simultaneously or successively in a period of 12 (twelve) months as from the first transaction completed, but that could be considered as a single transaction, and such Investments are intended to be carried out with Persons falling in at least one of the following assumptions:
 - o (i) those related to (x) the Subsidiary Trust or any other Investment Trust; (y) the Trustor; and (z) the Manager;
 - o (ii) that represent a conflict of interest; it being understood that the CBFIs Holders falling in any of the two assumptions indicated in the above subsections (i) and (ii), must refrain from participating and being present in the corresponding deliberations and voting in the Ordinary Holders' Meeting in which such point is discussed, without it having effect on the quorum required for declaring in session such Ordinary Holders' Meeting;
- approve the removal of Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria as our Trustee and the designation, upon recommendation of our Manager, of other Mexican bank or brokerage house to act as trustee of our Trust;

- approve additional issuances of CBFIs and the terms for their issuance, including the method to determine the price at which such CBFIs were sold, either in a public or private placement, in Mexico or abroad, as well as the number of CBFIs to be issued, as well as to approve the extensions of the Issuances intended to be carried out, either regarding the amount or the number of CBFIs.
- approve the compensation of the Independent Members of the Technical Committee;
- approve the policies for contracting Indebtedness or the Leverage Guidelines proposed by the Manager, as well as any change thereto, it being understood that the Ordinary Holders' Meeting must approve any contracting or assumption of Indebtedness that is not in compliance with the Leverage Guidelines; it being understood that notwithstanding the foregoing, the level of Indebtedness of the Trust may not exceed the maximum limit of Indebtedness allowed according to the Sole Circular for Issuers at any time;
- approve any modification to the Investment Guidelines and any other modification to the investment regime of the Trust Property; it being understood that the Holders' Meeting must take place and, if applicable, approve any Investment not complying with such Investment Guidelines or investment regime of the Trust Property; and
- carry out any other action reserved for the Holders' Meeting according to the Trust Agreement and the applicable law that is not expressly reserved for the extraordinary meeting.

In order to have an Ordinary Meeting considered validly declared in session by virtue of the first notice of meeting, all the Holders representing more than 50% (fifty percent) of all the outstanding CBFIs with voting rights must be present there, it being understood that if such quorum is not complied with and the ordinary meeting takes place by virtue of a second or subsequent notices of meeting, the meeting will be validly declared in session with any Holders with voting rights that are present in such ordinary session. Each resolution of an Ordinary Meeting will be adopted by the Holders representing more than 50% (fifty percent) of the CBFIs with voting rights represented in such Ordinary Meeting.

The Extraordinary Meeting will have the power to:

- approve the removal and/or substitution of the Manager given a Removal Conduct by our Manager or without cause, according to our Management Agreement; and to approve the designation of other entity to act as Manager of our Trust according to our Management Agreement;
- approve the removal of the Common Representative and the designation of another Mexican bank or brokerage house to act as Common Representative of the Holders, according to the terms established in the Certificate;
- approve any modification ;

- approve the cancellation of the list of CBFIs of the BMV and the cancellation of the registration thereof with the RNV;
- approve the dissolution of our Trust;
- approve the removal of all the members of the Technical Committee; and
- approve any modification to the Manager's fees or any other consideration that must be paid to the Manager for the performance of its activities as manager of the Trust, or any other concept in favor of the Manager of the Trust Property, or of any third party.

In order to have an Extraordinary Holders' Meeting, responsible for the removal of the Manager in the event of occurrence and continuity of any Removal Conduct, be considered validly declared in session by virtue of the first or subsequent notices of meeting, the Holders representing more than 50% (fifty percent) of all the outstanding CBFIs with voting rights must be present at such meeting, and each resolution must be adopted via the favorable vote of the Holders representing more than 50% (fifty percent) of all the outstanding CBFIs with voting rights, it being understood that the CBFIs owned by Prologis or any of its Affiliates must not be considered for the purposes of calculating the quorum requirements to have such Extraordinary Holders' Meeting considered validly declared in session, and the Holders of such CBFIs will not have the right to vote such matter.

In order to have an Extraordinary Holders' Meeting, responsible for the removal of the Manager without cause, be considered validly declared in session by virtue of the first or subsequent notices of meeting, the Holders representing at least 66% (sixty six percent) of all the outstanding CBFIs with voting rights must be present at such Extraordinary Holders' Meeting, and each resolution must be adopted via the favorable vote of the Holders representing at least 66% (sixty six percent) of all the outstanding CBFIs with voting rights.

With the purpose of having an Extraordinary Meeting responsible for the removal of the Common Representative approve the removal of all the members of the Technical Committee or any other change to our Management Agreement, our Trust Agreement or to the Certificate covering our CBFIs and be considered validly declared in session by virtue of the first or subsequent notices of meeting, the Holders with voting rights representing 75% (seventy five percent) or more of all the outstanding CBFIs must be present at such extraordinary meeting, and each resolution of such Extraordinary Meeting must be adopted via the favorable vote of the Holders with voting rights representing at least 75% (seventy five percent) of all the outstanding CBFIs.

With the purpose of having an Extraordinary Meeting responsible for the cancellation of the registration of our CBFIs in the BMV or the dissolution of our Trust be considered validly declared in session by virtue of the first or subsequent notices of meeting, the Holders with voting rights representing 95% (ninety five percent) or more of all the outstanding CBFIs must be present at the meeting, and each resolution of such meeting must be adopted via the favorable vote of the Holders with voting rights representing 95% (ninety five percent) of all the outstanding CBFIs.

Each Holder may be represented at a holders' meeting by a duly designated representative, including by a proxy letter granted.

Any adopted resolutions will be binding for all the Holders, including the dissident or the absent ones.

In the event we have acquired owned CBFIs according to the provisions of our Trust Agreement and such CBFIs had not been canceled to the date of a CBFIs holders' meeting, such CBFIs may not be represented or voted in such meeting.

Registration and transfer

The Holders of our CBFIs will keep their CBFIs indirectly. Our CBFIs are covered by a Certificated deposited at Indeval and registered with the RNV and listed in the BMV for its public offering. Indeval is the registered Holder of all the CBFIs held through records in their books.

Transfers of our CBFIs must be registered with Indeval. Transfers of the CBFIs deposited at Indeval will be registered electronically according to the provisions of the LMV.

Distributions

See section 2. *The Trust – (b) Business description – (x) Distributions*.

Valuation

See section "Policies regarding certain activities, Independent Appraisals".

Term and termination

The Trust Agreement will be in full force and effect until the purposes of our Trust have been fully achieved; it being understood that the Trust Agreement will be terminated (i) once there has been a divestment of all the Investments comprising the Trust Property and all amounts deposited in the Trust Accounts have been Distributed to the CBFIs Holders; (ii) upon request of our Manager, if the Trustee does not carry out the Initial Issuance of the CBFIs within 90 calendar days following the execution of the Trust Agreement; or (iii) by resolution of the Extraordinary Holders' Meeting. Notwithstanding the foregoing, the Trust Agreement will not be terminated until all payable obligations charged to the Trust Property have been fully paid. The foregoing in the understanding that the term of the Trust Agreement may not exceed the term provided for in article 394 of the LGTOC, that is 50 years.

Settlement

After the dissolution of our Trust, our Manager, acting as liquidator, will conclude all our matters. All the paid and outstanding CBFIs will have the right to participate in the same extend in any Distribution carried out due the liquidation of our Trust.

After the termination of the Trust Agreement, the Trust Property will be liquidated as follows: (i) our Manager will act as liquidator of our Trust and will have all the required powers to carry out such liquidation; (ii) the manager must carry out all the necessary or convenient actions to safeguard the rights of the Holders, preserve the Trust Property and cancel

the registration of the CBFIs with the RNV and with any other registry, and the list of CBFIs in the BMV or in any other stock exchange, either in Mexico or abroad; and (iii) the liquidator must pay all the obligations of our Trust and distribute any surplus of the Trust Property to the Holders of our CBFIs on a pro rata basis.

For the purposes of liquidating the Trust Property, the liquidator must observe certain procedures and carry out such liquidation according to the provisions in the Trust Agreement.

Protections granted by the Trust Agreement to the minority CBFIs Holders

According to the provisions of article 63 and 64 Bis 1 of the LMV, the Holders of our CBFIs will have the following rights:

- every Holder or group of Holders of CBFIs will have the right to (i) a portion of our profits or returns, or to the residual value of our goods and rights; and (ii) participate in the resources arising from the sale of the goods and rights comprising our estate, in each one of both cases, according to the provisions in our Trust Agreement;
- every Holder or group of Holders of CBFIs jointly representing 10% (ten percent) of the outstanding CBFIs will have the right to request to the Common Representative to convene a CBFIs Holders' meeting;
- every CBFIs Holder or group of CBFIs Holders jointly representing 10% (ten percent) of the outstanding CBFIs will have the right to request the Common Representative to adjourn only once for three calendar days the voting related to a certain topic regarding which said Holder or group of Holders is not considered sufficiently informed.
- every Holder or group of Holders of CBFIs representing 20% (twenty percent) of the outstanding CBFIs may legally challenge the resolutions adopted by a CBFIs Holders' Meeting; it being understood that the Holders willing to challenge have not attended the Holders' Meeting or, having attended there, have voted against the respective resolution and, in any case, the corresponding claim will be filed within 15 calendar days following the date of adoption of the respective resolutions, indicating in each claim the breached contractual provision or the breached legal precept and the concepts of such breach. The execution of the challenged resolutions may be suspended by a trial judge, provided the challenging Holders grant a bond sufficient to cover the damages and lost profits that could be caused to the remaining Holders for the non execution of such resolutions, in the event the resolution declares the opposition ungrounded or inadmissible. The resolution render resulting from the opposition will become effective regarding all the Holders. All challenges against a same resolution must be decided in a sole resolution;
- every Holder or group of Holders of CBFIs representing 10% (ten percent) of the outstanding CBFIs will have the right to appoint and, if applicable, to remove a member of the Technical Committee (and his/her respective substitute); and

- every Holder or group of Holders of CBFIs representing 15% (fifteen percent) of the outstanding CBFIs will have the right to exercise actions for damages against the Manager for noncompliance with its obligations; it being understood that such action will prescribe in five years as from the occurrence of the fact or act that has caused the corresponding monetary damage.

Other provisions***Applicable Legislation; Jurisdiction***

The Trust Agreement shall be governed by and construed in accordance with the laws of Mexico. For all matters related to the Trust Agreement, the parties hereto submit to the jurisdiction of the competent federal courts and tribunals located in Mexico City (Mexico), waiving to any other jurisdiction to which they might be entitled to, given their current or future domiciles or for any other reason.

Amendments

Unless the Trust Agreement expressly provides otherwise, the Trust Agreement may only be modified by an agreement in writing executed by our Manager, the Trustee and the Common Representative with the consent from the extraordinary holders' meeting; it being understood that such consent will not be required if the modification has the purpose of (i) reflecting a change that does not affect adversely the rights of any holder under the CBFIs or our Trust Agreement; (ii) curing any ambiguity, correcting or complementing any provision or carrying other changes regarding matters related to our Trust Agreement that are not incompatible with the law or the provisions of our Trust and do not affect adversely any Holder; or (iii) complying with any legal requirement, condition or guideline.

Unless the Trust Agreement expressly provides otherwise, the Trustee may only modify the remaining documents related to the Formation Transactions of which it is part, with the consent from the Extraordinary Holders' Meeting of our CBFIs; it being understood that our Manager may instruct the Trustee to carry out a modification without the consent from the Holders of our CBFIs if such modification has the purpose of (i) reflecting a change that does not affect adversely the rights of any Holder under the CBFIs or the agreement related to the corresponding Formation Transactions; (ii) curing any ambiguity, correcting or complementing any provision, or carrying other changes regarding the agreement related to the corresponding Formation Transactions that are not incompatible with the law or the provisions of the agreement itself and do not affect adversely any Holder; or (iii) complying with any legal requirement, condition or guideline included in any order, directive, opinion, resolution or regulation of any federal, state or municipal Government Authority.

External Auditor

Our Administrator may instruct the Trustee to replace the Trust External Auditor, subject to the previous authorization from the Audit Committee.

By April 30 of each year, during the term of the Trust Agreement, the External Auditor must issue its audit report on the financial statements of our Trust for the previous year and provide such report to our Manager, Trustee, Common Representative and the members of the Technical Committee. Such audited financial statements must be accompanied by a statement from such External Auditor regarding its independence in terms of the provisions issued in that regard by the CNBV.

Cash management

To the extent we require advisory regarding the valuation of securities or the convenience of carrying out any investment, purchase or sale of securities, and to the extent it is required so by the applicable law, we will enter into a service provision agreement with a third party investment advisor or with an Affiliate of Prologis, or we will enter into another agreement or implement any other structure or contract we consider necessary or appropriate to comply with the applicable law. The execution of any of such agreements must be approved by the Technical Committee, by majority of votes of their independent members. In addition, to the applicable extend, any authorization that we must grant according to any law or regulation (or if applicable, that the third party investment advisor or the Affiliate of Prologis must grant in relation to our trust) will be granted by the Technical Committee, by majority of votes of their independent members.

(ii) Management Agreement

Trust management services

We entered into a Management Agreement with our Manager (the "Management Agreement"), which authorizes Prologis Property México, S.A. de C.V., to assign the position as Manager to any Affiliate of Prologis. According to our Management Agreement, our Manager provides us several management services of our Trust. Such services are provided exclusively by our Manager or its delegates; our Manager may contract advisors, subject to the approval of any transaction with related parties, to comply with its obligations. Among other things, according to our Management Agreement, the Manager must (a) provide us investment management services related to the identification, valuation, acquisition and disposal of our properties; (b) manage and operate our Trust and estate, including the Subsidiary Trust and the Investment Trusts; and (c) provide us ancillary services related to those described in the above (a) and (b) sections, including, but no limited to, the following:

- portfolio and asset management services related to the identification, valuation, acquisition and sale of our properties;
- performance of all the strategic planning functions, including, but no limited to, our strategies regarding the growth and acquisition of properties, portfolio and asset management, Distributions and marketing (except for those expressly reserved to the CBFIs Holders' Meeting, the Technical Committee or our Manager);
- capital market transactions, including financing transactions with debt and capital instruments, either public or private;
- preliminary audit, valuation, loss control and risk management regarding our properties;
- accounting and support for the preparation of our financial information, as well as the treasury and cash management;
- preparation of the Trust quarterly financial statements, according to the IFRS and the Sole Circular for Issuers, revision of tax returns, as well as functions of internal audit and compliance with tax provisions applicable to the Trust (including without limitation the provisions in articles 187 and 188 of the LISR;

- legal and compliance functions;
- management of properties and facilities;
- technological and systems support;
- carrying out of all the investor relationships functions, including communications with the holders of our CBFIs;
- revision and approval of all the notices and other information to be filed with the CNBV, the BMV and any other government entity or stock exchange;
- compliance with all the reporting obligations according to our Trust Agreement and the applicable law;
- exercise of all the rights and compliance with all the obligations of our Manager under our Trust Agreement and other related documents;
- carrying out of all type of activities related to labor or human resources relationships of our Manager;
- preparation of the Annual Report and carrying out of any act necessary for its publication, according to the provisions of our Trust Agreement and the applicable law;
- identification, evaluation, structuring and recommendation to our Trust of the investments to be made by our Trust and the disposal of such investments, according to the investment approach of our Trust and according to the strategy established in our Trust Agreement;
- management of the day to day operation of our Trust;
- carrying out or assistance in the compliance with such administrative or management functions necessary for management of our Trust and our Trust assets, as agreed upon with the applicable Trustee;
- preparation and keeping or assistance in the preparation and keeping of all the books, records and accounts of our Trust, as required by the regulatory and foreign exchange bodies, committees and the authorities with jurisdiction over our Trust; and

- notice to the CBFIs Holders and third parties (as applicable), reports, financial statements and other written materials, as required by the regulatory and foreign exchange bodies, committees and the authorities with jurisdiction over our Trust, or as reasonably requested from time to time by the Trustee, and assistance, as required, in the preparation thereof, and as required or convenient, coordination of the approval of their contents.

Property management services

According to our Management Agreement, our Manager will also provide us several property management services, including among others (a) property management services related to the development, operation and leasing of our properties; and (b) ancillary services related to those described in the above (a) section, including, but not limited to, the following:

- management and operation of our Trust and our Trust Property, including portfolio and asset management services related to the construction, development, operation and leasing of our properties;
- research, selection, negotiation, fee payment, agreement execution, hiring or contracting of services of third party providers in relation to the development or management of the property; and
- supervision of independent service providers regarding the property development or management.

Fees

According to the Management Agreement, as consideration for the services provided to our Trust, the Manager has the right to earn the following fees:

- **Asset management fees:** an annual fee equivalent to 0.75% (zero point seventy five percent) of the current valuation amount, carried out according to the Valuation Policies approved by the Technical Committee, in terms of the provisions of Clause 14.1 of the Trust Agreement, plus the investment cost of the Real Estate Assets that have not been valued plus the applicable VAT, payable quarterly. If a property has been part of our Trust at least for a full calendar quarter, or if the Manager has provided its services as Manager at least for a full calendar quarter, the Asset Management Fee will be prorated.
- **Incentive Fee :** an annual fee equivalent to 10% (ten percent) of the total accrued returns of the CBFIs holders that exceed the expected annual compounded return of 9% (nine percent), paid annually in the form of CBFIs, being each payment subject to the restriction of transferring the corresponding CBFIs for a term of six months, as established in the Management Agreement and as described below (the "Incentive Fee").
- **Development Fee:** a contingent fee equivalent to 4.0% (four percent) of the total cost of the capital improvements (which must include spare parts or repairs to the properties managed by the Manager, including leasehold improvements) made to the existing properties or projects of new developments of properties (excluding land), payable once the project is completed.
- **Property Management Fee:** a fee equivalent to the multiplication of 3.0% (three percent) of the amount of our Gross Revenues, paid monthly.
- **Leasing Fee:** a fee equivalent to certain percentages of the gross rents, according to the Lease Agreements: (i) 5.0% (five percent) in relation to the years one to five of the respective lease agreement; (ii) 2.5% (two point five percent) in relation to the years six to ten of the respective lease agreement; and (iii) 1.25% (one point twenty five percent) in relation to the years eleven to fifteen of the respective lease agreement.

percent) in relation to the years eleven and the subsequent ones of the respective lease agreement. In relation to the renewal of an already existing lease, whether or not such renewal has been entered into according to a provision specified in the existing lease or that has been evidenced by a new lease agreement or an amendment to the existing lease, equivalent to (i) 2.5% (two point five percent) of the Total Base Rent payable in terms of such initial lease or extension agreement during the first five years of the lease; (ii) 1.25% (one point twenty five percent) in relation to years six to ten of the respective lease agreement; and (iii) 0.62% (zero point sixty two percent) in relation to the years eleven and the subsequent ones of the respective lease agreement. The Leasing Fee for initial leases, extensions or renewals must be paid in cash as follows: half (1/2) of the Leasing Fee must be paid only upon the full execution of the initial lease, extension or renewal, the receipt of the payment of the first month of rent and the receipt of the guarantee deposit, if any, and the other half (1/2) of the Leasing Fee must be paid only upon (i) the space occupancy by the Lessee in terms of such initial lease, extension or renewal, together with the payment of the first month of rent; or (ii) an acknowledgment in writing by the lessor of the beginning of the term of the lease, extension or renewal, together with the payment of the first month of rent. The Leasing Fee will be fully paid to the Manager, except if a real estate agent or broker provided the lease, extension or renewal service, in which case, the Manager will not have the right to a Leasing Fee. If, according to the terms of a lease agreement, the base rent increases during the term of the lease based on a range of minimum to maximum percentages and the actual increase is greater than the minimum, the Trust will pay the Leasing Fee to the Manager in relation to such additional rent amount upon request thereof by the Manager. The Manager is exploring the possibility of modifying the Management Agreement with the purpose of modifying the leasing fees, in which case, the approval from the Holders' Meeting will be required.

According to the Management Agreement, the Incentive Fee of our Manager is calculated at the operation closing in each anniversary of our Initial Negotiation Date in the BMV, based on the following formula:

$$(10\% \times (A + B - C)) - D$$

Where:

- A = the trust market capitalization;
- B = the aggregated amount of all Distributions, increased at a rate equal to the aggregated amount (compounded accrued rate) of 9% (nine percent) annually as from their respective payment dates;
- C = the aggregated issuance price of all the CBFIs issuances from time to time, less the aggregated amount of all the CBFIs repurchases from time to time, in each case, increased at a compounded accrued rate equivalent to 9% (nine percent) annually as from the dates of its respective issuance or repurchase (as applicable); and
- D = the aggregated amount of the Incentive Fees paid to the Manager in relation to the previous periods of incentive fees.

For the purpose of calculating the Incentive Fee, the market capitalization of our trust during a performance period is the product of multiplying (i) the number of outstanding CBFIs at the operation closing in each anniversary of our Initial Negotiation Date in the BMV, by (ii) the average closing price per CBFI during the period of 60 days before (but including) each anniversary of our Initial Negotiation Date; it being understood that the Incentive Fee may not be a negative figure.

Subject to the previous authorization in writing from the Ordinary CBFIs Holders' Meeting, the Fee Incentive will be paid directly to our Manager (or to any of its subsidiaries or affiliates) in the form of CBFIs based on the average closing price thereof during the period corresponding to the payment of the Incentive Fee. All the CBFIs issued in payment of the Incentive Fee will be subject to the restriction for transfers during a period of six months. In the event the Ordinary CBFIs Holders' Meeting does not approve the payment of the Incentive Fee in the form of CBFIs, we will be required to pay the Incentive Fee to our Manager (or to any of its subsidiaries or affiliates) in cash.

Numerical examples

Property Management Fee:

With the purpose of showing the Property Management Fee to be paid to the Manager, below there is a numerical example simulating the assumption in which the obtained effectively collected quarterly rent was of \$1,000,000.00 Pesos.

Effectively collected quarterly rent = \$1,000,000

Property Management Fee (3.0% (three percent)) = \$30,000

Asset Management Fee:

With the purpose of showing the Asset Management Fee to be paid to the Manager, below there is a numerical example simulating such assumption:

Current Valuation of the Managed Assets = \$1,653,254,000.00

Asset Management Fee (0.75% (zero point seventy five percent)) = \$12,399,405

Development Fee:

- **Example of the Development Fee:**

With the purpose of showing the Development Fee to be paid to the Manager, below there is a numerical example simulating such assumption, considering the total cost of capital improvement projects for existing properties of for new property developments in relation to the undeveloped Trust Real Estate Property:

Investment in an industrial building/warehouse:

Construction: \$100,000,000

Land: \$ 35,000,000

Total investment: \$135,000,000

Development Fee = \$4,000,000 (4.0% (four percent) on construction and related expenses, excluding land)

Leasing Fee:

- **Example of Leasing Fee:**

With the purpose of showing the Leasing Fee to be paid to the Manager, below there is a numerical example simulating such assumption related to a leasing:

Nominal annual rent = \$1,000,000

Leasing term = 7 years

Formula:

5% (five percent) on the nominal rent of years 1 to 5 = $\$1,000,000 \times 5 = \$5,000,000 \times 5\% = \$250,000$

2.5% (two point five percent) on the nominal rent of years 6 to 10 = $\$1,000,000 \times 2 = \$2,000,000 \times 2.5\% = \$50,000$

Total leasing fee = \$300,000.00

Incentive Fee:

- **Example of Incentive Fee:**

With the purpose of showing the Incentive Fee to be paid to the Manager, below there is a numerical example simulating such assumption for a year:

CBFIs Value:

At the beginning of the year: \$100.00

At the end of the year: \$110.00

Annual return: $(110/100)-1 = 10\%$ (ten percent)

Expected return: 9% (nine percent) of \$100.00

Above the expected return: \$1.00

Premium above the expected return: 10% (ten percent) of \$1.00 = \$0.1

Number of CBFIs = 1,000,000.00

Incentive Fee (payable in CBFIs) = \$100,000.00

Time Dedication

According to our Management Agreement, provided that our Manager has not been removed or has not resigned, our Manager will have its managing team spending the time required to have the Manager perform all its obligations in terms of the Management Agreement. We observe that this will be an obligation of our Manager and that the members of the management team of the Manager will not sign an explicit commitment to that regard.

Termination

Our Management Agreement will end on the termination date of our Trust or upon the resignation of our Manager under the circumstances described in section 2. *The Trust - (d) Relevant contracts and agreements – (ii) Management Agreement – Removal.* Upon expiration of the Management Agreement, all the instructions to the Trustee, except in relation to matters specifically reserved to the Holders' Meeting, will be carried out by the Technical Committee, unless a deputy manager is designated. Any deputy manager must be a qualified manager approved by an Extraordinary Holders' Meeting.

Manager Removal

The Manager may be removed as Trust Manager by the Extraordinary Holders' Meeting, according to clause 4.5(b)(ii) of the Trust Agreement within the 180 (one hundred and eighty) days following the occurrence of any Removal Conduct; it being understood that the Holders' Meeting had designated a deputy manager that is a Person allowed by the applicable law to act as Trust Manager. Immediately after being aware thereof, the Trustee will give notice to the Holders about any resolution regarding any incurred Removal Conduct. In this case, the Technical Committee must be summoned within 10 (ten) Business Days following the occurrence of any Removal Conduct to choose 3 (three) options of recognized real estate managers in Mexico that could act as deputy manager, which must be presented to Holders' Meeting. The Holders' Meeting must designate a deputy manager from the ones proposed by the Technical Committee or elect to terminate and liquidate the Trust under the terms of the Trust Agreement. In this case, the resolution must be adopted via the favorable vote of the Holders representing more than 50% (fifty percent) of all the outstanding CBFIs with voting rights, it being understood that the CBFIs owned by Prologis or any of its Affiliates must not be considered for the purposes of calculating the quorum requirements to have such Extraordinary Holders' Meeting considered validly declared in session, and the Holders of such CBFIs will not have the right to vote such matter.

Likewise, the Manager may not be removed as Manager of our Trust without cause by the Extraordinary Holders' Meeting via the favorable vote of the Holders representing at least 66% (sixty six percent) of all the outstanding CBFIs with voting rights. The removal of our Manager will not cause the payment of any fee.

"Removal Conduct" by our Manager means (i) fraud, false inducement, bad faith or gross negligence by our Manager in the provision of the services according to our Management Agreement and our Trust Agreement, as determined in a final and unappealable resolution rendered by a competent court which, in each case causes an adverse material effect on the Trust Property; (ii) a final and unappealable resolution rendered by a competent court declaring commercial insolvency, bankruptcy or similar proceedings of the Manager; or (iii) if the Manager stops being Prologis Property México, S.A. de C.V. or it is the case of other affiliate or subsidiary of Prologis without the previous approval from the CBFIs Holders' Meeting;

If it were illegal for our Manager serving as Manager of our Trust in terms of our Management Agreement, our Trust Agreement or any other related document, our Manager may, by notice in writing given to the Trustee, resign from its appointment as Manager of our Trust. In addition, our Manager may, by notice in writing given to the Trustee at least six months in advance, resign from its appointment as Manager of our Trust it being understood that, the effectiveness of the resignation may not take place before the fifth anniversary of the global offering closing date.

Liability and Indemnity

The Covered Persons according to our Management Agreement will be liable for the acts carried out by the same persons when they incur in gross negligence, false inducement, bad faith or fraud in relation to compliance with their obligations under our Management Agreement. "Covered Person" means the Manager, its affiliates and each of the member, officers, directors, managers, employees, partners, shareholders, executives, advisors and representatives of the Manager and of each one of its Affiliates.

None Covered Person will be liable for damages or monetary losses in relation to the conduct of our Trust regarding our Management Agreement, our Trust Agreement or any other related documentation, regardless the Trustee considered any recommendation made by our Manager when it incurred in such monetary damages. None Covered Person will be liable to our Trust, the Trustee, the Common Representative, the CBFIs Holders or any other Person for monetary damages or losses arising from the conduct of the Trustee or any other Person in relation to our Management Agreement, our Trust Agreement or any other documentation related to such agreements, except for such damages or monetary losses resulting from acts of gross negligence, false inducement, bad faith or fraud by such Covered Person, as determined by a final unappealable resolution rendered by a competent court.

None of the Covered Persons will be liable for any damages or monetary losses arising from or related to any error, omission, failure to comply, negligence, fraud, lack of probity, bad faith or another conduct from any agent, representative, auditor, tax advisor, professional manager or other service provide contracted by us or our Manager, except in the cases in which our Manager has incurred in gross negligence, false inducement, bad faith or fraud upon contracting or supervising such service provider, as determined by a final unappealable resolution rendered by a competent court.

According to our Trust Agreement, we are required to indemnify and hold harmless the Covered Persons from and against any loss or monetary expenses derived from our Management Agreement, our Trust Agreement or any other related documentation, except for such losses resulting mainly from gross negligence, false inducement, bad faith or fraud by the Covered Person, as determined by a final unappealable resolution rendered by a competent court. The indemnity obligations provided for in our Management Agreement will remain in effect until the right to demand such indemnity prescribes according to law.

Our Manager may, in the name and on behalf of the Trust, hire insurance coverage or from bonds against indemnity amounts resulting from any monetary damage and loss caused by any of the Covered Persons, our Trust, the Trustee, the Common Representative, any CBFIs Holders or any other person resulting from the conduct of such Covered Persons in relation to our Management Agreement, our Trust Agreement or any other documentation related thereto, except for such losses resulting mainly from gross negligence, false inducement, bad faith or fraud by such Covered Person, as determined by a final unappealable resolution rendered by a competent court.

According to our Management Agreement, the Trustee will be responsible for the compliance with its obligations regarding any statements, commitments or obligations in the Management Agreement, up to the value of the Trust Property. All statements, commitments or obligations made or assumed by the Trustee according to the Management

Agreement will not be binding for the Trustee or its delegates on a personal basis, the commitment is intended only for the Trust Property. None of the provisions in the Management Agreement will be considered a liability for the Trustee, its shareholders and capital stock subscribers, its chief trust officers or members of the board of directors.

Management Summary

FIBRA Prologis (BMV: FIBRAPL 14) is a leading real estate investment trust and manager of Class A industrial properties in Mexico. As of December 31, 2019, FIBRA Prologis was owner of 191 logistic and manufacturing properties in six industrial markets in Mexico, that amount to a total of 34.9 million square feet (3.2 million square meters) of gross leasable area ("GLA" for its acronym in English). These properties were leased to 223 clients, including logistics providers, transportation, retailer and manufacturing companies.

About 66.4 percent of our Net Effective Rents are located in global logistics markets ("Global Markets"), while the remaining 33.6 percent are located in regional manufacturing markets ("Regional Markets"). Global Markets, including Mexico City, Guadalajara and Monterrey, which are highly industrialized and consumption-oriented markets, are benefited from their closeness to the main road, airports and train "hubs". In addition, their presence in densely populated areas offers tangible benefits of the sustained growth of the middle class. On the other hand, the Regional Markets include Cd. Juárez, Tijuana and Reynosa, which are specialized industrialized centers in the automobile, electronic, medical and aerospace sectors, among others, that are benefited from a wide offer of qualified labor, as well as from the closeness to the United States border.

The reported operating results are consistent with the way the management evaluates the portfolio performance.

The financial information for the fourth quarter of 2019 includes results from October 1 to December 31, 2019. Below we show the main results generated in the year and the period of three months that ended on December 31, 2019 and to the date of this report:

- Operative results:

Operating Portfolio	2019	2018	4Q 2019	4Q 2018	Notes
Period End Occupancy	97.6%	97.4%	97.6%	97.4%	<i>Four of our 6 markets are above 98%</i>
Leases Commenced	7.1 MSF	8.7MSF	2.7MSF	1.8MSF	<i>68% of the leasing activity is related to Reynosa and Guadalajara</i>
Customer Retention	88.7%	79.3%	91.0%	68.0%	

Net Effective Rent Change	10.9%	13.1%	13.9%	13.5%	<i>Leaded by Guadalajara and Mexico</i>
Sam Store Cash NOI	3.1%	2.2%	2.5%	-2.1%	<i>Higher rents and lower bad debts compensated by lower recovery of expenses and higher property tax.</i>
Turnover Cost on Leases Signed (per square feet)	US\$1.96	US\$1.54	US\$2.33	US\$1.35	<i>Decrease of 18.9% in the turnover cost</i>

- Capital use activities:

US\$ in millions	2019	2018	4Q 2019	4Q 2018	Notes
Acquisitions					
Buildings:					
Acquisition Cost	US\$ 5.1	US\$ 80.4	US\$ 5.1	US\$ 66.5	<i>In 2019 we purchased our first building for logistic use in Mexico City</i>
GLA	0.4 MSF	1.4 MSF	0.4 MSF	1.1 MSF	
Weighted avg. stabilized cap rate	8.0%	7.0%	8.0%	6.8%	

We use the analysis of the same properties to evaluate the return of our operating properties. The population of the properties of this analysis is consistent from one period to the other, which eliminates the effects of changes in the composition of the portfolio in the return metrics. In our opinion, the factors affecting the revenues from leasing, the leasing expenses and the NOI in the portfolio of the same properties are, in general, the same in the whole portfolio. Our same properties are measured in US dollars and include the effect of the movements in the Mexican peso year after year. The NOI increase for the same properties of 370 basis points year after year is mainly explained by the changes to the rents for renewals and the contractual increases in the rents.

Operational Overview

2019 was a year of solid operating and financial results. The operating environment of the logistic real estate in Mexico proved to be lasting. As a result, we obtained a change of 10.9 percent in dollars in the rents for renewals for the year, in addition to an increase in the occupancy to close in 97.6 percent.

The structural factors of the demand of logistic spaces, in particular the demography and service to the consumption market of Mexico City, which has insufficient supply, were more remarkable in the last years in spite of the geopolitical

uncertainty in progress. Logistic real properties exceeded the macroeconomic growth in general, which will probably grow twice the Mexican GDP growth rate in 2019. Growth in the market rents was expanded, reaching its long term trend of 5%, led by Tijuana, Monterrey and Mexico City, according to CBRE, NAI and Prologis Research.

Looking at the future, although the balance between the economic indicator and the operating conditions of the logistic real estate in Mexico and the United States is healthy, we are cautious about the future of the global economic cycle. We reiterate our confidence in the long term drivers of the demand of logistic real estate in Mexico, which will be gradually developed with time. Although the sector is not dissociated from the economic cycle, it has demonstrated long term durability. Tax reforms in the border states and the emerging demand of Asian clients in production-oriented markets could offer an additional increase for the manufacturing sector, which could create an additional boost for Mexico over time.

Acquisitions

Our exclusivity agreement with Prologis provides us access to an incomparable portfolio of properties and it is a proven competitive advantage for FIBRA Prologis given it allows us the possibility of acquiring high quality building in our existing markets. As of December 31, 2019, Prologis had 5.7 million square feet in development or pre-stabilization, of which 85% (eighty-five percent) was leased or pre-leased.

Acquisitions from third parties are also possible for FIBRA Prologis, but they depend on having the available properties complying with strict criteria of quality and location. All potential acquisitions, regardless their source, are evaluated by the management, considering the conditions of the real estate market and of the capital market and are subject to approval from the Technical Committee of FIBRA Prologis.

Currency Exposure

At the end of fourth quarter, our revenues denominated in US dollars accounted for 67.1% (sixty seven point one percent) of the Net Effective Rent. Exposure in pesos increased in 10 basis points. In the short term, we expect that the amount of revenues denominated in pesos will be in a range between 30% (thirty percent) and 35% (thirty five percent) of the annualized Net Effective Rent.

Liquidity and Capital Resources

Overview

We consider that our capacity to generate cash flows from operating activities and the financing sources we have available, including our credit facility and our disciplined management of our balance sheet will allow us to achieve the foreseen acquisitions, as well as to meet our operating needs, those related to the debt service and the distribution requirements.

Near-Term Principal Cash Sources and Uses

Given we are a real estate investment trust, we are required to distribute at least 95 percent of our tax result. In addition to the distributions we carry out among the holders of the real estate trust stock certificates, we expect that the main cash applications will include:

- Payment for asset management fee.
- Capital expense and real property leasing costs that are part of our operating portfolio.
- Acquisition of industrial properties, as mentioned in the acquisitions section.

We expect to finance our cash needs mainly resorting to the following sources, all of them subject to the market conditions:

- Cash available, amounting to Ps. 182.8 million (about US\$9.7 million) at December 31, 2019, as a result of the cash flow from the operating properties.
- Indebtedness capacity of Ps. 6,134 million (US\$325.0 million) under our unsecured credit facility.

Debt

As of December 31, 2019, we had approximately Ps. 14,551 million (US\$771.0 million) of par debt with a weighted average effective interest rate of 4.6 percent (a weighted average coupon rate of 4.5 percent) and a weighted average term of 3.8 years.

According to the CNBV regulations for calculating debt ratios, the level of indebtedness and the debt service coverage ratio as of December 31, 2019 is 32.4% (thirty two point four percent) and 8.5 times, respectively.

Applicable Legislation; Jurisdiction

Our Management Agreement was signed in Spanish and it is governed by the laws of Mexico. For any dispute arising from or related to our Management Agreement, the parties hereto expressly and irrevocably submit to the jurisdiction of the competent courts of Mexico City; and have expressly and irrevocably waived any other jurisdiction that may correspond to them due to their present or future addresses or for any other reason.

Management

Manager

Prologis Property México, S.A. de C.V., an Affiliate corporation of Prologis. Our Manager was incorporated with the purpose of providing property management services and other services to the affiliates of Prologis.

We entered into a Management Agreement with our Manager, which authorizes Prologis Property México, S.A. de C.V., to assign the position as Manager to any Affiliate of Prologis. According to our Management Agreement, our Manager

provides us several management services of our Trust. For detailed information on the contents of the Management Agreement, see section "2. The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement" of this Annual Report.

Corporate Governance of the Trust

Summary of our main corporate governance bodies and their functions

Property Manager	Technical Committee	Manager	Audit Committee
<ul style="list-style-type: none"> To provide management services related to the development, operation and leasing of our properties. To provide portfolio and asset management services related to the development, operation and leasing of our properties. To carry out the actions required to research, select, negotiate the fee payment, hire employees or contracted services with providers in relation to the development or management of our properties. To contract and supervise independent property development or management service providers. 	<ul style="list-style-type: none"> To approve the initial Issuance of CBFIs and their registration in the RNV. To approve the formation transactions. To approve the initial Investment Guidelines. To approve the Trust asset investment in allowed investments. To discuss and approve any sale or acquisition of our assets, properties or rights by the Trust (or by any Subsidiary Trust or the Owner Trust) representing 5% or more (but less than 20%) of the value of the Trust Property at the immediately previous quarter, which has been entered into by one or several simultaneous or successive related transactions in a period of 12 months; <u>it being understood that</u>, in addition to the foregoing, the approval of any acquisition or disposal of assets, properties or rights by the Trust (or the Investment Trusts) representing 5% (five percent) or more but less than 20% (twenty percent) of the value of the Trust Property must comply with any other requirement applicable under the Sole Circular for Issuers in effect upon such acquisition or disposal of assets, properties or rights. To approve any CBFIs acquisition in the secondary market, representing 9.9% or more of the outstanding CBFIs. To approve, with the recommendation in writing of the Practices Committee, the 	<ul style="list-style-type: none"> To provide investment management services regarding the identification, valuation, acquisition and sale of properties. To manage and operate the trust and property thereof, including the Subsidiary Trust and the Investment Trusts. To provide portfolio and asset management services; to prepare the strategic plan; and to carry out other strategic planning activities. To carry out the strategic planning of activities, including those related to the growth and acquisition of properties, assets, portfolio management, distributions and marketing. Capital market transactions, including financing transactions with debt and capital instruments, for their public or private placement; Functions related to preliminary audit, valuation, control of losses (insurance and bond), environmental and sustainability matters, research, accounting, preparation of financial information, hedging transactions and tax, legal and compliance functions. Accounting and financial reports and treasury and cash management. 	<ul style="list-style-type: none"> To approve the designation of our External Auditor (except for the one previously made in terms of the Trust Agreement, for which this approval is not required), and to approve the removal of our External Auditor and the services provided by it. To evaluate the performance of the External Auditor, analyze the opinions, reports and documents prepared by the External Auditor and hold at least one meeting per fiscal year with such External Auditor. To discuss our financial statements with the persons that prepared them and, if applicable, to recommend to the Technical Committee their approval or rejection. To inform the Technical Committee on the situation of our internal controls and our audit and compliance procedures, including any detected irregularity thereon. To request the Manager, the Trustor or any other persons with responsibilities related to the trust management, any reports related to the preparation of our financial statements necessary to comply with their duties, according to the Trust Agreement.
CBFIs Holders' Meeting <ul style="list-style-type: none"> To approve the audited annual financial statements of the Trust. To choose the members of the Technical Committee and qualify them as independent. To approve the Trust Annual Report. To approve any modification to the Leverage Guidelines proposed by the Manager, or assumption of Indebtedness that does not comply with the Leverage Guidelines; <u>it being understood</u> that notwithstanding the foregoing, the level of Indebtedness of the Trust may not exceed the maximum limit of Indebtedness allowed according to the Sole Circular for Issuers at any time; 			

- To approve any direct or indirect investment, sale or acquisition representing 20% (twenty percent) or more of the value of the Trust Property at the end of the immediately previous fiscal quarter, including by simultaneous or successive related transactions in a period of 12 months as from the beginning of the first transaction, but that could be considered as a single transaction;
- To approve any Investment or acquisitions intended to be carried out, directly by the Trust or through the Subsidiary Trust or the Investment Trusts when they represent 10% (ten percent) or more of the value of the Trust Property, at the immediately previous quarter, regardless such Investments or acquisitions are carried out simultaneously or successively in a period of 12 (twelve) months as from the first transaction completed, but that could be considered as a single transaction, and such Investments are intended to be carried out with Persons falling in at least one of the following assumptions: (i) those related to (x) the Subsidiary Trust or any other Investment Trust; (y) the Trustor; and (z) the Manager; or (ii) that represent a conflict of interest.
- To approve the policies regarding the contracting or assumption of credits, loans, financing, as well as any modification thereto.
- To remove or substitute the Trustee or the Common Representative.
- To approve the removal and/or substitution of our Manager in the event of a Removal Conduct by the Manager or without cause, according to our Management Agreement; and to approve the entity substituting the Manager in policies of transactions with related parties regarding the Subsidiary Trust and the other Investment Trusts, the Trustor, as well as the Manager; to approve any Transactions with Related Parties; it being understood that, (1) the majority of the favorable votes of the Independent Members of the Technical Committee will be required to approve such matter, (2) any member of the Technical Committee with a conflict of interest will not have the right to vote regarding such matter; and (3) in addition to the foregoing, any transaction with related parties regarding the Subsidiary Trust and the other Investment Trusts, the Trustor, as well as the Manager entered into according to this matter must be entered into at market price, as well as comply with any other requirement resulting applicable under the Sole Circular for Issuers in effect upon entering into such transaction;
- To approve the appointment of an Independent Appraiser, except for the one already approved in the Trust Agreement.
- To approve the appointment of the members of the Audit Committee, the Practices Committee and the Indebtedness Committee.
- To approve the accounting policies, our internal control and the audit guidelines, with the prior written consent from the Audit Committee.
- To approve, with the prior written consent from the Audit Committee, the financial statements submitted to the Holders' Meeting for their approval.
- To approve and modify the distribution policy, it being
- Preparation of the Trust quarterly financial statements, according to the IFRS and the Sole Circular for Issuers, revision of tax returns, as well as functions of internal audit and compliance with tax provisions applicable to the Trust (including without limitation the provisions in articles 187 and 188 of the LISR;
- Legal and compliance activities related among them.
- Management of properties and facilities.
- Technological and systems support.
- Advisory on human resources regarding the employees of our Manager.
- To assume the investor relationship functions, including the CBFIs holders and other investors.
- To review and approve all and any reports, information, documents, requests, presentations and notices that must be given to the CNBV, the BMV, other domestic or foreign stock exchanges, the CBFIs holders or other investors or to any government authority.
- To carry out all the reporting obligations under the Trust Agreement and the Applicable Law.
- To exercise all the rights and comply with all the obligations of our Manager under our Trust Agreement and other related documents.
- To prepare the Annual Report and carry out all the necessary or convenient acts to
- To research any potential breaches of the guidelines, policies, internal controls or audit practices of the trust.
- To discuss with and recommend to the Technical Committee the approval of the accounting policies applicable to our trust, or any change thereto.
- To receive any comment or complaint from the CBFIs holders, creditors, members of the Technical Committee, our Manager or any other interested third parties in relation to the guidelines, policies, internal controls or audit practices of the trust.
- To meet, as considered appropriate, with the corresponding officers of the Manager, the Common Representative and the Trustee.

Practices Committee.

- To express its opinion on the Transactions with Related Parties, including transactions with the Manager and its affiliates.
- To recommend the Technical Committee to request from the Manager and/or the Trustee any information that could be necessary to comply with its obligations.

Indebtedness Committee

- To watch the establishment of the mechanisms and controls

such capacity, according to our Management Agreement.

- To approve additional issuances of our CBFIs, and the terms for their issuance, including the method to determine the price at which such CBFIs are sold, either in a public or private placement, in Mexico or abroad, as well as the number of CBFIs to be issued, as well as to approve the extensions of the Issuances intended to be carried out, either regarding the amount or the number of CBFIs.
 - To approve any modification to the Trust Agreement, the Management Agreement, the Instrument or any other documents related to the Issuance, provided they do not have a significantly adverse effect on the CBFIs Holders.
 - To approve the cancellation of the listing of the CBFIs in the BMV and their registration in the RNV.
 - To approve our dissolution.
 - To approve the removal of all the members of the Technical Committee.
 - To approve the compensation of the Independent Members of the Technical Committee;
 - To approve any modification to the Management Fees under our Management Agreement, or any other concept in favor of the Manager or any other third party.
 - To approve any modification to our Investment Guidelines and to any other change to the investment regime of the Trust Property.
- understood that, such Distribution Policy must comply at all times with the provisions in article 187 of the LISR.
- To approve the disposal of any Investment during the first four years as from the acquisition thereof, regardless of its value (unless such provision must be approved by the Holders' Meeting in terms of the Trust Agreement).
 - To instruct the Trustee to disclose the event provided for in the LMV, including any agreement contrary to the opinion of the Audit Committee or the Practices Committee.
 - To approve any other matter related to the trust business that the Manager submits to the consideration of the Technical Committee.
 - To monitor the performance of our Manager or any other service provider contracted by our manager, according to the Management Agreement.
 - To be informed regarding the material aspects of our Real Estate Assets and consult our Manager such topic.
 - To request the needed information and reports, at its discretion, to facilitate the monitoring of our Manager and any other third party service provider contracted by our Manager; it being understood that our Manager will consider the recommendations issued by the Technical Committee of good faith regarding such topics for which it is being consulted.
- communicate it, according to the provisions in the LMV and other laws and regulations, in Mexico or abroad.
- To identify, evaluate, structure and recommend our Trust the investments to be made by our Trust and the disposal of such investments, according to the investment approach of our Trust and according to the strategy established in our Trust Agreement.
 - To manage the day to day operation of our Trust.
 - To carry out or assist in the compliance with administrative or management functions necessary for management of our Trust and our Trust assets.
 - To prepare and keep or assist in the preparation and keeping of all the books, records and accounts of our Trust, as required by the regulatory and foreign exchange bodies, committees and the authorities with jurisdiction over our Trust; and
 - To give notice to the CBFIs holders and third parties (as applicable), reports, financial statements and other written material, as required by the regulatory and foreign exchange bodies, committees and the authorities with jurisdiction over our Trust.
- to verify that any Indebtedness assumed by the Trustor against the Trust Property observes the provisions in the applicable internal regulations and the Sole Circular for Issuers.
- To timely report the exercise of its powers to the Technical Committee, as well as any noncompliance with the provisions in the applicable internal regulations.

Technical Committee

The Technical Committee is comprised by eight members designated by our Manager, five of whom shall be independent. The following table displays the name and age of such members.

Name	Age	Gender
Luis Gutiérrez	61	Male
Eugene Reilly	58	Male
Edward S. Nekritz	53	Male
Pablo Escandón Cusi ⁽¹⁾	75	Male
Luis F. Cervantes ⁽¹⁾	65	Male
Alberto Saavedra ⁽¹⁾	55	Male
Armando Garza ⁽¹⁾	61	Male
Xavier de Uriarte ⁽²⁾	56	Male

(1) Independent Member (in terms of the provisions of the LMV)

(2) Independent Member designated by Afore Banamex (in terms of the provisions of the LMV)

Independent Deputy Members

Name	Age	Gender
Miguel Alvarez del Río.....	65	Male
Alfonso Monroy Mendoza.....	38	Male

Appointment and integration of the Technical Committee

The CBFIs Holders that individually or jointly have the ownership of 10% (ten percent) of all our outstanding CBFIs will have the right to appoint a member of the Technical Committee (and its substitute) per each 10% (ten percent) of ownership of the outstanding CBFIs, subject to the following terms: (i) if the designated person is an Independent Person upon the designation, the Person must be designated as an Independent Member in terms of the LMV and its related provisions; (ii) the Holder or Holders that have the right to appoint a member of the Technical Committee may waive such right, being enough for that a notice in writing to the Trustee, the Manager and the Common Representative; and (iii) if, at any time, a Holder or group of Holders which have designated a member of the Technical Committee stops being owner, individually or jointly, of 10% (ten percent) of the total outstanding CBFIs, such Holders must provide a notice in writing of such situation to our Manager, the Trustee and the Common Representative, and must remove the member of the Technical Committee that was designated, in the immediately following Holders' Meeting, and such designated member and his/her substitute will not have voting rights in any session of the Technical Committee, and will not be considered for the purposes of calculating the requirements regarding the quorum to be validly declared in session and the voting in the meetings of the Technical Committee. Provided an Affiliate of Prologis Property México, S.A. de C.V. is our Manager, Prologis will have the right to designate and revoke the appointment of the remaining members of the Technical Committee and to occupy any vacancy of the non independent members; it being understood that if Prologis Property México, S.A. de C.V. or any of its affiliates stops being our Manager, the remaining members of the Technical Committees will be appointed by the CBFIs Holders' Meeting.

Independent Members

The Technical Committee will be made up of a maximum of 21 (twenty one) members, most of which must be Independent Members at all times. The CBFIs Holders' Meeting at which the appointment of the members of the Technical Committee (and his/her respective substitutes) is approve, will qualify the independence of the Independent Members and his/her respective substitutes. For the purposes of such qualification, the CBFIs Holders' Meeting will take into consideration the relationship of such members with our Trust, the Subsidiary Trust and the Investment Trusts, the Trustee and our Manager. If one or more of the Independent Members proposed by our Manager is not appointed by such Holders' Meeting, or if one or more of the Independent Members has passed away, becomes disabled, is removed, resigns or stops being independent, our Manager will have the right, at its full discretion, to designate the persons who will fill any vacancies of the Independent Members at any time by a previous notice in writing given to the Trustee, the Common Representative and the Technical Committee, it being understood that the independence of such member will be qualified by the following annual Holders' Meeting.

According to the LMV, under no circumstance the following persons may be designated or act as Independent Members of the Technical Committee:

- a) the relevant officers or employees of our Manager, the Trustee of the Subsidiary Trust or of the Investment Trusts or of the business entities comprising the business group or consortium to which they belong, as well as their respective auditors. This limitation will be applicable to those individuals who had held such positions during the twelve months immediately previous to the date of their designation;

- b) the individuals that have significant influence or decision making power over our Manager, the Trustee, the Subsidiary Trust or the Investment Trusts;
- c) the shareholders that are part of the Group of Persons that keep the Control of our Manager, the Trustee, the Subsidiary Trust or the Investment Trusts;
- d) the clients, service providers, providers, debtors, creditors, partners, directors or employees of a company that is a significant client, service provider, provider, debtor or creditor of our Trust, our Manager, the Trust, the Subsidiary Trust or the Investment Trusts. It is considered that a client, service provider or provider is important when their sales to our Trust, our Manager, the Trustee, Prologis, the Subsidiary Trust or the Investment Trusts represent more than 10% (ten percent) of the total sales of the client, the service provider or the provider, during the twelve months previous to the appointment. Likewise, it is considered that (i) a debtor is important when the amount that such debtor owes to our Trust, our Manager, the Trustee, the Subsidiary Trust or the Investment Trusts is greater than 15% (fifteen percent) of the assets of such debtor; (ii) a creditor is important when the amount of the credit granted by such creditor to our Trust, our Manager, the Trustee, the Subsidiary Trust or the Investment Trusts is greater than 15% (fifteen percent) of the assets of such creditor.
- e) the directors or employees of a client representing 10% (ten percent) or more of our Annualized Base Rent, including those individuals who had held such positions during the twelve months immediately previous to the designation date;
- f) the external auditors of our Trust, our Manager, the Trustee, the Subsidiary Trust or the Investment Trusts, including those individuals who had held such positions during the twelve months immediately previous to the designation date; or
- g) those related by blood, affinity or civil relationship up to the fourth degree, as well as the spouses, concubines and concubinaries of any of the individuals referred to in sections (a) to (f) above.

President and Secretary

The president and the secretary of the Technical Committee will be appointed by the members of the same Technical Committee, according to the provisions in the Trust Agreement.

Election and qualification of the Technical Committee Members

In each Ordinary CBFIs Holders' Meeting that must take place within the four months following the closing of each fiscal year, the Holders of our CBFIs will choose the Independent Members of the Technical Committee appointed by our Manager. The election of the Holders regarding an Independent Member of the Technical Committee will also have the effect of qualifying such member as independent. In the assumption the CBFIs Holders' Meeting does not choose any of the Independent Members proposed by our Manager, our Manager will have the right (but not the obligation) to appoint another person substituting the non-elected Independent Member (and its respective substitute); it being understood that the independence of such Person will not be confirmed until the next Ordinary Holders' Meeting, regardless having the appointment in effect until such date. According to the law, the appointment of the members of the Technical Committee

(and their substitutes) designated by our Manager or any Holder or Group of Holder of CBFIs, in general terms, may only be revoked by the person or Group of Persons that originally designated such member (or substitute), in any case, by written notice to the Trustee and our Manager (if any). The appointment of a member of the Technical Committee (and his/her substitute) may also be revoked by the Holders of our CBFIs during the CBFIs Holders' Meeting at which the appointment of the remaining members of the Technical Committee is revoked. The members of the Technical Committee that have not been removed may not be reallocated as members of the Technical Committee during the 12 months following such removal. The death, disability or resignation of a member of the Technical Committee must result in the automatic termination of his/her position, in which case, his/her substitute will be an interim member of the Technical Committee until the person that appointed such member appoints a new member and his/her substitute or ratifies the appointment of the substitute as member or substitute.

Meetings

The Technical Committee will meet according to the calendar approved in the first meeting held each year; and in extraordinary meetings, if necessary. Our Manager, the Trustee and the Common Representative will have the right to attend any meeting of the Technical Committee with the right to be heard but not to vote and, therefore, will have no liability regarding the resolutions adopted by the Technical Committee. Our Manager or any of the members of the Technical Committee may request that the secretary of the Technical Committee call a meeting thereof by the submission of the respective request, at least five days in advance, briefly indicating the matters to be dealt with in such meeting. The notice of meeting will be delivered in writing to all the members of the Technical Committee, the Common Representative and the Trustee, and it will include the agenda for the meeting, the place, time and date, as well as all the documents necessary or convenient to be reviewed by the members in relation to the matters to be discussed, which has been included in the agenda. There will be no need of notice of meeting if all the members of the Technical Committee are present or when said member has resigned by notice in writing. Any member of the Technical Committee may designate matters to be addressed, which will be included in the agenda, by previous written notice to the other members, at least three Business Days before the publication of the notice of meeting. The meetings of the Technical Committee may be held by telephone or by any other means allowing communication among its members in real time; said communications may be recorded. In order to have a meeting of the Technical Committee considered declared validly in session, the majority of its members or their respective substitutes must be present at the meeting. Each member will have the right to a vote. Any member of the Technical Committee with a conflict of interest regarding any decision referred to the Technical Committee for discussion and approval must refrain from voting and will have no right to vote regarding such decision and such member will not be considered for quorum purposes. Each resolution must be adopted by majority of votes of the present members, except in the cases in which the Trust Agreement requires the vote of the majority of the independent members (including in relation to the transactions between our Trust and our Manager or its affiliates, and regarding the transactions among related parties). A resolution of the Technical Committee adopted not during a meeting but with the unanimous consent of all the members (or of their respective substitutes), provided it is confirmed in writing, will have the same validity as if such resolution would have been validly adopted in a meeting of the Technical Committee. A copy of the resolutions adopted so must be submitted by the Secretary of the Technical Committee to the Trustee and the Common Representative. In the event the majority of the Independent Members has voted against a resolution which has been validly adopted by the Technical Committee, such circumstance must be disclosed to the investing public through the BMV in Emisnet.

Term of office

The appointment of the members of the Technical Committee (and their respective substitutes) will have a term of one year and will be automatically renewed by consecutive periods of one year, unless the person has appointed such members of the Technical Committee (and their respective substitutes) provides otherwise. Prior to the following annual Ordinary CBFIs Holders' Meeting, our Manager will provide the Holders with a list of the Independent Members of the Technical Committee designated by our Manager, to have the Ordinary CBFIs Holders' Meeting choose and qualify the independence of such Independent Members of the Technical Committee.

Authorities and Duties of the Technical Committee

The Technical Committee will have the power to carry out every and each of the actions related to our Trust not reserved for the CBFIs Holders' Meeting, some of which will be delegated to our Manager, according to the description above. Notwithstanding the foregoing, the following powers may not be delegated by the Technical Committee:

- within three Business Days following the execution of our Trust Agreement, to approve the Formation Transactions and any other acts related to the incorporation of our Trust and the global offering.
- to approve the execution of the Contribution Agreements;
- to approve our initial Investment Guidelines and to any other change to the investment regime of the Trust Property.
- to approve the cash investment comprising the Trust Property, in Permitted Investments (that is, in securities of the federal government and registered in the RNV or in shares of mutual funds);
- to approve the disposal of any property during the first from years as from the first four years of the acquisition thereof, regardless of its value;
- to discuss and, if applicable, approve any sale or acquisition of our assets, properties or rights by the Trust (or by any Subsidiary Trust or the Investment Trust) representing 5% (five percent) or more but less than 20% (twenty percent) of the value of the Trust Property, whether they are carried out simultaneously or successively within a term of 12 (twelve) months beginning on the date of the first transactions and which can be considered as a single transaction; it being understood that, in addition to the foregoing, the approval of any acquisition or disposal of assets, properties or rights by the Trust (or the Investment Trusts) representing 5% (five percent) or more but less than 20% (twenty percent) of the value of the Trust Property must comply with any other requirement applicable under the Sole Circular for Issuers in effect upon such acquisition or disposal of assets, properties or rights.
- to approve the acquisition by any person or Group of Persons (other than Prologis or any of its affiliates) of 9.9% (nine point nine percent) or more of the outstanding CBFIs;
- with the written recommendation of the Practices Committee, to approve the policies of transactions with related parties regarding the Subsidiary Trust and the other Investment Trusts, the Trustor, as well as the Manager; and

to discuss and, if applicable, approve any material agreement, transaction (including the acquisition or contribution of properties) or significant relationship with a person related to our Trust, our Manager or its affiliates, or that represent for any other reason a transaction with related parties; it being understood that (1) the majority of the favorable votes of the Independent Members of the Technical Committee will be required to approve such matter, (2) any member of the Technical Committee with a conflict of interest will not have the right to vote regarding such matter; and (3) in addition to the foregoing, any transaction with related parties regarding the Subsidiary Trust and the other Investment Trusts, the Trustor, as well as the Manager entered into according to this matter must be entered into at market price, as well as comply with any other requirement resulting applicable under the Sole Circular for Issuers in effect upon entering into such transaction;

- to approve the appointment of an Independent Appraiser to appraise our properties (except for certain appraisals previously approved according to the provisions of the Trust Agreement, for which no approval from the Technical Committee is required;
- to approve the appointment of the members of the Audit Committee, the Practices Committee and the Indebtedness Committee.
- with the prior written consent from the Audit Committee, to approve our accounting policies, our internal control and audit guidelines;
- to approve, with the prior written consent from the Audit Committee, the financial statements submitted to the Holders' Meeting for their approval;
- to approve any Distribution policy and modification thereto and any distribution proposed by the Manager, which does not comply with the provisions in the Distribution Policy; it being understood that any Distribution policy must always comply with the provisions in article 187 of the LISR;
- to approve the disposal of any Investment during the first four years as from the acquisition thereof, regardless of its value (unless such provision must be approved by the Holders' Meeting in terms of the Trust Agreement).
- to instruct the Trustee to disclose any relevant event according to the LMV, including the execution of any agreement contrary to the opinion of the Audit Committee, the Practices Committee or the Indebtedness Committee;
- to approve other matters presented before the Technical Committee by the Manager; and
- To monitor the performance of the Manager, according to the Management Agreement, and the performance of any third party service provider contracted by the Manager, according to the provisions of our Management Agreement;
- to keep informed regarding all material aspects of the Real Estate Assets and consult with the Manager in relation thereto; and

- to request the information and reports considered needed, at its discretion, to facilitate the surveillance of our Manager and any other third party service provider contracted by our Manager; it being understood that our Manager will consider the recommendations issued by the Technical Committee of good faith regarding such topics for which it is being consulted.

Due diligence and loyalty duties of the members of the Technical Committee

Our Trust Agreement imposes on the members of the Technical Committee the same duties of care and loyalty imposed by the LMV on the members of the board of directors of a publicly traded stock company.

According to the LMV, the duty of care involves that the members of the Technical Committee act in good faith and in the best interest of our Trust. The members of the Technical Committee comply with their duty of care by requesting our Manager, the External Auditor or any other person all the information reasonably necessary to participate in any deliberation requiring their presence, as well as by attending the meetings of the Technical Committee and disclosing in such meeting any important information in their possession.

The duty of loyalty involves that the members of the Technical Committee must maintain confidentiality regarding the information obtained by reason of their positions and must refrain from participating in the deliberation and voting of any matter in which they have any conflict of interest. A CBFIs Holder or group of CBFIs Holders will incur in disloyalty to our Trust if, knowingly, favor a certain member of the Technical Committee or if, without the express authorization from the Technical Committee, a member takes advantage of a corporate opportunity to our detriment. The duty of loyalty also involves that the members of the Technical Committee must (i) report to the Audit Committee and the external auditors all those irregularities of which they become aware while holding their office; and (ii) refrain from disclosing false information and instructing or causing to omit the registration of the transactions carried out by our Trust, affecting any concept of our financial statements.

Consideration

Only the Independent Members of the Technical Committee will have the right to a compensation for acting as members of the Technical Committee, which amount will be proposed by our Manager and approved by the Holders' Meeting, either in cash or kind. The compensation of the Independent Members of the initial Technical Committee will be determined by the Manager and submitted to the first annual Holders' Meeting, which must discuss and, if applicable, approve the continuity of the payment of such compensation after the Meeting in question. In addition, we will reimburse all the reasonable expenses incurred by the members of the Technical Committee related to the attendance to the meetings of the Technical Committee. Such compensations and any expense reimbursements will be considered Expenses of our Trust.

Liability and Indemnity

The members of the Technical Committee will only be liable for the acts performed by them in such capacity, when they incur in false inducement, bad faith or fraud. No member of the Technical Committee will be responsible for the payment of damages or losses caused as a result of the compliance with their obligations, unless such damages or losses are attributable to false inducement, bad faith or fraud in the compliance of such obligations.

According to the Trust Agreement, we are required to indemnify and hold harmless each member of the Technical Committee from and against any loss derived from our Management Agreement, our Trust Agreement or any other document related thereto, except to the extent such losses result mainly from its false inducement, bad faith or fraud. The indemnity stipulations provided for in our Management Agreement will remain in effect until the right to demand such indemnity prescribes according to law.

The Technical Committee may contract insurance coverage or bonds against the losses incurred by the members of the Technical Committee, our Manager, the Common Representative, any CBFIs Holder or any other person as a result of any act or omission of the members of the Technical Committee in relation to our Management Agreement, our Trust Agreement or any document related thereto; it being understood that such insurance coverage or bonds will not cover the indemnity payments for losses incurred as a result of gross negligence, false inducement, bad faith or fraud of the members of the Technical Committee.

Audit and Practices Committees

Audit Committee

The Technical Committee will appoint at least three independent members to make up of an audit committee (the "Audit Committee"). The Audit Committee will have the following powers:

- to designate and approve (except for the one previously made in terms of the Trust Agreement, for which this approval from the Audit Committee is not required), remove and substitute our External Auditor and approve the services provided by it;
- to evaluate the performance of the External Auditor, analyze the opinions, reports and documents prepared by the External Auditor and hold at least one meeting per fiscal year with such External Auditor.
- to discuss our financial statements with the persons that prepared them and, based on such revision, to recommend to the Technical Committee their approval or rejection;
- to inform the Technical Committee on the situation of our internal controls and our audit and compliance procedures, including any detected irregularity thereon;
- to request the Manager, the Trustor or any other persons with responsibilities related to our management, any reports related to the preparation of our financial information necessary to comply with their duties, according to the Trust Agreement;
- to research any potential breaches of the guidelines, policies, internal controls or audit practices approved by our Trust.
- to discuss and recommend the approval of the accounting policies applicable to our Trust, or any modification thereto, for the Technical Committee.
- to receive any comment or complaint from the CBFIs holders, creditors, members of the Technical Committee, our Manager or any other interested third parties in relation to our guidelines, policies, internal controls or audit practices, in which case, the Audit Committee will adopt the necessary measures to investigate and cure such breach; and
- to meet, as considered appropriate, with the corresponding officers of the Manager, the Common Representative and the Trustee;

Practices Committee

The Technical Committee will appoint at least three independent members to make up of a practices committee (the "Practices Committee"). The Practices Committee will have the following powers:

- to express its opinion on the Transactions with Related Parties, including transactions with our Manager and its affiliates.
- to recommend the Technical Committee to request from the Manager and/or the Trustee any information that could be required by the Technical Committee to comply with its obligations.

Indebtedness Committee

The Technical Committee will appoint at least 3 (three) members to make up of an indebtedness committee (the "Indebtedness Committee"), which must be, in their majority, Independent Members. The Indebtedness Committee will have the following powers:

- to watch the establishment of the mechanisms and controls to verify that any Indebtedness assumed by the Trustor against the Trust Property observes the provisions in the applicable internal regulations and the Sole Circular for Issuers.
- To timely report the exercise of its powers to the Technical Committee, as well as any noncompliance with the provisions in the applicable internal regulations.

Holders' Meeting

Holders' Meeting held on July 2, 2019

Quorum 86.52% (eighty-six point fifty two percent)

Agenda

Of the Regular Meeting:

- I. Manager's Report regarding the generation of an Incentive Fee during the Incentive Fee Period, which ended on June 4, 2019, according to the provisions in Clause 8.2 of the Management Agreement.
- II. Proposal, discussion and, if applicable, approval to have the Trustee carry out an issuance of additional CBFIs, which will be subscribed by the Manager and/or any of its Affiliates by applying the Incentive Fee (net of taxes) referred to in point I of this agenda, according to the provisions in section (b) of Clause 8.2 of the Management Agreement and Clause 3.2 of the Trust [Agreement].
- III. Designations of delegates that, if applicable, formalize and comply with the resolutions adopted in the Meeting.

Resolutions

- The Meeting, with the consent from all the present Holders, recorded the following agreement:

FIRST: Knowledge is gained of the Manager's Report regarding the generation of an Incentive Fee during the Incentive Fee Period, which ended on June 4, 2019, according to the provisions in Clause 8.2 of the Management Agreement, as well as of the terms that were submitted to the Meeting.

- The Meeting, through majority of votes of the present Holders, adopted the following agreements:

SECOND: It is approved that the Trustee carries out an issuance of additional CBFIs, which will be subscribed by the Manager and/or any of its Affiliates by applying the Incentive Fee (net of taxes) referred to in the transaction of point I included in the agenda, according to the provisions Clause 8.2 of the Management Agreement and Clause 3.2 of the Trust Agreement and in the terms submitted to the Meeting.

THIRD: The Common Representative and the Trustee are instructed, to the extend corresponding to each one, with the collaboration and assistance of the legal firm Creel, García-Cuellar, Aiza y Enríquez, S.C., and expenses charged to the Trust Property, to carry out all the required and/or convenient acts to comply with the agreements adopted as a result of the transaction of the second point of the agenda of this Meeting, including without limitation, the obtaining of authorizations by the corresponding authorities, the subscription of all the pertinent documents, as well as the arrangement of the updated registration of the CBFIs with the RNV and the exchange of the Instrument deposited at Indeval, resulting from the change to the number of outstanding CBFIs, by virtue of the Addition Issuance of CBFIs, and other application processes, publications and notices related to the foregoing, if applicable.

FOURTH: The following persons are designated as special delegates of the Meeting: Fernando José Vizcaya Ramos, Claudia Beatriz Zermeño Inclán, Elena Rodríguez Moreno, Alejandra Tapia Jiménez, José Daniel Hernández Torres, Rebeca Erives Sepulveda, Martha Corona Benavides, Héctor Esaú Tapia Rivera, or any other attorney in fact of the Common Representative, so that, jointly or individually, carry out all the necessary or convenient acts and/or application processes required to fully comply with the arrangements adopted in this Meeting, including with no limitation, to appear before a certifying public officer of their choice, if it is necessary or convenient, to protocolize this minute as a whole or for the relevant parts thereof; to file the corresponding notices and notifications; as well as to carry out the application processes that, if applicable, are required with the CNBV, the BMV and Indeval and other corresponding authorities.

Holders' Meeting held on March 26, 2019

Quorum 80.30% (eighty point thirty percent)

Agenda

- I. Proposal, discussion and, if applicable, approval of the Trust annual audited financial statements, corresponding to 2018 fiscal year, according to the terms established in item (i), section (a) of Clause 4.3 of the Trust [Agreement].
- II. Proposal, discussion and, if applicable, approval of the Annual Report as of December 31, 2018, according to the terms established in item (ii), section (a) of Clause 4.3 of the Trust [Agreement].
- III. Proposal, discussion and, if applicable, removal, ratification and/or election of proprietary and/or alternate Independent Members of the Technical Committee, as well as, if applicable, qualification or confirmation of their independence pursuant to the terms set forth in item (iii), section (a) of Clause 4.3, section (b) of Clause 5.2 of the Trust [Agreement].

IV. Proposal, discussion and, if applicable, ratification of the compensation of the proprietary and/or alternate Independent Members of the Technical Committee, pursuant to the terms set forth in Clause 5.3 of the Trust [Agreement].

V. Designations of delegates that, if applicable, formalize and comply with the resolutions adopted in the Meeting.

Resolutions

Resolutions adopted regarding the Ordinary Assembly.

The Meeting, through majority of votes of the present Holders, adopted the following agreements:

FIRST: The annual audited financial statements for fiscal year 2018, with the different items that make them up, in the terms in which they were presented to the Meeting, are approved, in accordance with Clause 4.3, section (a) item (i) of the Trust [Agreement].

SECOND: In accordance with Section 4.3 section (a) item (ii) of the Trust [Agreement], the Annual Report corresponding to fiscal year 2018 is approved according to the information made known to the Meeting, on the understanding that said Annual Report may be subject to some adjustment or adaptation that may be pertinent, without substantially varying its contents, in order to comply with the obligation to provide the same under the terms of the Sole Circular for Issuers.

THIRD: The appointment of the proprietary Independent Members and their respective alternates of the Technical Committee of the Trust is ratified, and the qualification of their independence is confirmed, in accordance with Clauses 4.3 section (a) item (iii) and 5.2 section (b) of the Trust [Agreement].

FOURTH: The current compensation scheme of the proprietary and/or alternate Independent Members of the Technical Committee of the Trust is ratified, under the terms and conditions that were informed at the Meeting, and in accordance with Clause 5.3 of the Trust [Agreement].

The Meeting, by unanimity of votes of the present Holders, adopted the following agreement:

FOURTH: The following persons are designated as special delegates of the Meeting: Fernando José Vizcaya Ramos, Claudia Beatriz Zermeño Inclán, Elena Rodríguez Moreno, Alejandra Tapia Jiménez, Juan Manuel Lara Escobar, Martha Corona Benavides, Rebeca Erives Sepúlveda, Héctor Esaú Tapia Rivera, or any other attorney in fact of the Common Representative, so that, jointly or individually, carry out all the necessary or convenient acts and/or application processes required to fully comply with the arrangements adopted in this Meeting, including with no limitation, to appear before a certifying public officer of their choice, if it is necessary or convenient, to protocolize this minute as a whole or for the relevant parts thereof; to file the applicable notices and notifications; as well as to carry out the application processes that, if applicable, are required with the CNBV, the BMV and Indeval and other corresponding authorities.

Fees, costs and expenses of the manager, advisor or any other third party(ies) receiving: payment from the trust:

Below are the transactions with related parties entered into with FIBRAPL:

a. **Manager**

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as manager of FIBRAPL, is entitled to receive the following fees:

1. **Asset Management Fee:** annual fee equivalent to 0.75% of the current appraisal value, calculated according to the assessment criteria approved by the technical committee in Section 14.1 of the Trust Agreement, based on the annual appraisals, plus the investment costs for the assets not subject to appraisal, plus the corresponding VAT, which is payable quarterly. The Asset Management Fee will be pro-rated in relation to assets that have been owned by FIBRAPL for less than a full quarter.
2. **Incentive Fee:** annual fee is equivalent to 10% of the total accumulated returns of CBFI holders in excess of an expected compound annual return of 9.0%, which is paid annually in the form of CBFI, with each payment subject to a six-month restriction contract, established in accordance with the Management Agreement. The determination of the incentive fee is based on an accumulated return period between June 4, 2016 and June 3, 2017. Taking into account historical volatility and uncertainty about future CBFI performance. FIBRAPL has not recorded any expense or liability as of 31 December, 2017.
3. **Development Fee:** contingent fee equivalent to 4.0% of the total project cost for capital improvements (including replacements and repairs to properties managed by the Manager, including landlord improvements), excluding land or new property development to be paid upon completion of the project.
4. **Property Management Fee:** Fee equivalent to 3.0% of the revenues recovered from the properties, which is paid monthly.
5. **Leasing Fee:** fee equivalent to certain percentages of the total rent under the lease agreements: (i) 5.0% in relation to the years one to five of the respective lease agreements; (ii) 2.5% in relation to the years six to ten of the respective lease agreement; and (iii) 1.25% in relation to the years eleven and the subsequent ones of the respective lease agreements. For renewals of the existing lease agreements, the percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in (i), (ii) and (iii), respectively. Half of each leasing fee is paid upon the signature or renewal and the other half is paid at the beginning of the relevant lease. The leasing fee shall be paid in full to the Manager, unless an independent placement and procurement agent provides the service, in which case the Manager shall not be entitled to the leasing fee.

b. **Other affiliated companies**

As of December 31, 2019, 2018 and 2017, the balance payable of FIBRAPL to its related parties is presented as follows:

figures in thousand Mexican pesos	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Asset management fee	\$ -	\$ 34,062	\$ 80,445
Property management fee	9,363	9,551	18,450
Leasing fee	39,798	8,863	18,450
	\$ 49,161	\$ 52,476	\$ 117,345

c. Related party transactions.

Transactions with related parties for the years ended on December 31, 2019, 2018 and 2017 are shown as follows:

in thousands of Mexican pesos	For years ended on December 31,		
	2019	2018	2017
Acquisition of properties	\$ -	\$ 1,568,565	\$ 545,552
Dividends	\$ 714,894	\$ 677,507	\$ 323,144
Asset management fee	\$ 338,503	\$ 328,175	\$ 306,980
Property management fee	\$ 114,491	\$ 109,224	\$ 103,715
Leasing fee	\$ 33,251	\$ 43,077	\$ 25,490
Development fee	\$ 6,980	\$ 5,499	\$ 10,958
Maintenance fee	\$ 9,521	\$ 5,414	\$ 9,528
Incentive fee*	\$ 172,627	\$ 205,364	\$ 139,162

* The transaction was entered into with the Manager and it was equivalent to 4,511,692 (\$172.6 million Mexican pesos) in CBFIs issued on December 11, 2019.

Transactions with related parties and conflicts of interest:

The Trustor/Manager is not aware of the existence of any conflict of interest between it and any of its employees and/or officers.

Transactions with related parties for the years ended on December 31, 2019, 2018 and 2017 are shown as follows:

figures in thousand Mexican pesos	For years ended on December 31,		
	2019	2018	2017
Acquisition of properties	\$ -	\$ 1,568,565	\$ 545,552
Dividends	\$ 714,894	\$ 677,507	\$ 323,144
Asset management fee	\$ 338,503	\$ 328,175	\$ 306,980
Property management fee	\$ 114,491	\$ 109,224	\$ 103,715
Leasing fee	\$ 33,251	\$ 43,077	\$ 25,490
Development fee	\$ 6,980	\$ 5,499	\$ 10,958
Maintenance fee	\$ 9,521	\$ 5,414	\$ 9,528
Incentive fee*	\$ 172,627	\$ 205,364	\$ 139,162

* The transaction was entered into with the Manager and it was equivalent to 4,511,692 (\$172.6 million Mexican pesos) in CBFIs issued on December 11, 2019.

Our Management Agreement

Our Trust was incorporated by an Affiliate of Prologis. As part of the structuring of our Trust, Prologis prepared and negotiated our Trust Agreement and our Management Agreement. Therefore, these agreements were not negotiated on market terms with our Manager, which is an Affiliate of Prologis. Pursuant to our Trust Agreement and our Management Agreement, our Manager has sufficient authority to direct the course of our day-to-day transactions, including (subject to certain requirements to obtain certain authorizations) our investments, asset sales, financings and daily relationships with our customers. Pursuant to the Trust Agreement, our Manager has the right to appoint all the members of the Technical Committee, subject to the right of any holder or group of holders of CBFIs representing 10% (ten percent) of our CBFIs, who may appoint one member and his/her respective alternate. For a description of our governing bodies and their staff, see the sections "2. The Trust- (j) Capital Markets – (i) Trust Structure and Main Holders — Technical Committee" and "3. The Manager- (c) Managers and Shareholders". For a description of the risks related to our structure and management, see section "1. General Information- (c) Risk Factors-Risks related to our structure and management"

Conflicts of interest

We are exposed to potential conflicts of interest as a result of our relationship with Prologis, as well as with our Manager, which is an Affiliate of Prologis and certain executives and employees of the latter. These entities and individuals are engaged in other businesses that are not related to our trust, and Prologis will exercise considerable influence over our activities. See section "1. General Information- (c) Risk Factors - Risks related to our structure and management".

Our Trust Agreement sets forth certain policies and procedures to solve our potential conflicts of interest. For example, Transactions with Related Party or which may represent a conflict of interest must be approved in advance by the Technical Committee, subject to the approval of the Practices Committee, during a meeting where non-independent members may not vote such matter. However, we cannot guarantee that we will succeed in eliminating or limiting all potential or actual conflicts of interest to the full satisfaction of the CBFIs Holders, or that our policies and procedures will be adequate to solve all such conflicts that may arise. See section "2. The Trust – (b) Business Description – (xi) Policies regarding certain activities—Policies in matters of conflicts of interest".

Other properties managed by Prologis; preemptive rights granted by Prologis

Both Prologis and the Affiliates of Prologis will continue to own, manage and invest in various properties that were not contributed to or acquired by us as part of the Formation Transactions. Prologis has granted us and has obligated itself to cause its Affiliates to grant us, a preemptive right to acquire some of their investments in properties in Mexico, as described in section "2. The Trust - (b) Business Description - (xi) Policies regarding certain activities—Investment policies—Preemptive right"; and, in certain cases, property that such entities wish to sell or acquire from third parties would be subject to such preemptive right or offer to purchase, respectively. However, we cannot guarantee that all sales or acquisitions by such entities will be subject to such preemptive right and, therefore, we cannot guarantee that such entities

will not compete with our Trust to take advantage of investment and acquisition opportunities as they arise, to attract tenants or otherwise.

[425000-NBIS3] Financial information of the trust

Selected financial information of the trust:

The following table contains the comprehensive income statements for the year ended December 31, 2019 and 2018, which represent the selected financial information corresponding to the properties that make up the trust Portfolio. This information should be read in conjunction with section "4. Financial Information- (c) Comments and analysis of the Management on the financial situation and results of operations" and with the audited financial statements included in this annual report.

Comprehensive income statements

For the years ended on December 31, 2019, 2018 and 2017.

In thousands of Mexican pesos, except for the revenue for CBFi	Por el año terminado el 31 de diciembre de		
	2019	2018	2017
Income:			
Income for leasing	\$ 3,383,106	\$ 3,279,632	\$ 3,125,381
Expenses recovery for leasing	371,620	335,639	310,430
Other income for leasing	70,039	58,212	67,567
	3,824,765	3,673,483	3,503,378
Costs and expenses:			
Operative expenses:			
Operation and maintenance	241,922	203,211	189,221
Utilities	45,808	55,833	46,742
Property management fees	114,491	109,224	103,715
Tax on property	72,514	67,058	69,327
Unrecoverable operative expenses	48,862	38,548	51,837
	523,597	473,874	460,842
Gross Profit	3,301,168	3,199,609	3,042,536
(Profit) loss for investment properties valuation	(275,835)	(1,074,444)	284,352
Property management fee	338,503	328,175	306,980
Incentive fee	172,627	205,364	139,162
Professional fees	34,034	52,125	98,085
Financial cost	730,576	699,747	593,362
Loss (profit) from early settlement of long-term debt, net ^a	18,638	(4,027)	(35,941)
Fee for the non-utilization of the credit facility	35,494	29,566	24,685
Unrealized loss of currency coverage instruments	13,274	6,159	-
Realized loss of currency coverage instruments	1,450	9,100	21,255
Exchange profit (loss), net	(15,424)	(37,502)	24,299
Non-recoverable taxes	77,777	-	-
Other general and administrative expenses	10,861	13,143	18,336
	1,141,975	227,406	1,474,575
Net Profit	2,159,193	2,972,203	1,567,961

Trust relevant credit report:

Up to December 31, 2019 and 2018, the total debt of FIBRAPL is integrated by loans contracted with financial institutions in dollars, in the following manner:

				As of December 31, 2019		As of December 31, 2018		
		Currency	Maturity date	Rate	Thousands of US Dollars	Thousands of Mexican pesos	Thousands of US Dollars	Thousands of Mexican pesos
Citibank	(Not guaranteed) #1	US Dollars	December 18, 2020	LIBOR+ 245bps	-	\$ -	255,000	\$ 5,012,433
Citibank NA	Credit Facility (Not guaranteed)	US Dollars	July 18, 2022	LIBOR + 250bps	-	-	105,000	2,063,943
Citibank	(Not guaranteed) #2	US Dollars	July 18, 2022	LIBOR+ 245bps	150,000	2,830,905	150,000	2,948,490
Citibank	(Not guaranteed) #3	US Dollars	March 15, 2023	LIBOR+ 245bps	225,000	4,246,358	225,000	4,422,735
Citibank	(Not guaranteed) #4	US Dollars	February 6, 2024	LIBOR+ 235bps	290,000	5,473,083	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (Pru-Met Credit) 1 st Tranche (Guaranteed)		US Dollars	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
Prudential Insurance Company and Metropolitan Life Insurance Co. (Pru-Met Credit) 2 nd Tranche (Guaranteed)		US Dollars	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
Total					772,000	14,569,724	842,000	16,550,857
Interest due					1,552	29,298	1,207	23,726
Debt Issuance Costs					(2,527)	(47,694)	(4,387)	(86,219)
Total Debt					771,025	14,551,328	838,820	16,488,364
Menos: Porción circulante de la deuda a largo plazo					1,552	29,298	1,207	23,726
Long-term debt					769,473	\$ 14,522,030	837,613	\$ 16,464,638

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

		Transactions that required cash				Transactions that did not required cash			
Thousands of Mexican pesos	Initial balance	Long-term loan provisions	(Long-term loan payments)	(Paid Interest)	Total cash transactions	Amortization	Revaluation and others	As of December 31, 2019	
Principal	\$ 16,550,857	\$ 1,736,006	-\$ 3,097,965	\$ -	\$ 15,188,818	\$ -	-\$ 619,174	\$ 14,560,724	
Interest for loan	\$ 23,726	\$ -	\$ -	-\$ 712,810	\$ 689,084	\$ 693,391	\$ 24,991	\$ 29,298	
Debt issuance cost	-\$ 86,219	\$ -	\$ -	\$ -	-\$ 86,219	\$ 37,185	\$ 1,340	-\$ 47,694	
Total Loan	\$ 16,488,364	\$ 1,736,006	-\$ 3,097,965	-\$ 712,810	\$ 14,413,515	\$ 730,576	-\$ 592,843	\$ 14,542,328	

The loans detailed in the table above also include the following conditions:

- This credit is guaranteed by the 20 properties that were financed with it and by the cash flows generated by them, through a guarantee trust in favor of the creditor.
- Non-guarantee loan maturing on December 18, 2019; however, FIBRAPL can extend the maturity until December 18, 2020. This loan accrues interest on the LIBOR rate plus 245 basis points and can be adjusted depending on the FIBRAPL rating. As of December 31, 2019, FIBRAPL does not have a balance on this loan.
- On July 18, 2017, FIBRAPL renegotiated its credit line with Citibank N.A. As of December 31, 2019, FIBRAPL has contracted a revolving credit facility ("the Credit Facility") with Citibank, as administrative agent, for US\$325.0 million of which US\$25.0 million can be drawn in Mexican pesos. FIBRAPL has the option to increase the Credit Facility by \$150.0 million.

The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The credit facility bears interest at (i) LIBOR plus 250 basis points determined in U.S. dollars and (ii) the Interbank Offering Rate (TIE) plus 220 basis points determined in Mexican pesos, subject to an LTV table (debt as a percentage of investment properties) and a 60 basis points of non-utilization fee. This credit facility matures on July 18, 2020, with two one-year extensions, which may be exercised separately at the request of the borrower and with the approval of the committee. As of December 31, 2019, FIBRAPL has no outstanding balance on the credit facility.

- d. On July 18, 2017, FIBRAPL withdrawn US\$150 million (\$2,830.9 million pesos) in a new loan with Citibank, N.A. ("Citibank (Not guaranteed) #2"). This loan matures on July 18, 2020 and bears interest at LIBOR rate plus 245 points base. The terms of this agreement foresees its extension for one more year, on no more than two occasions, and it is subject to the approval of the committee. The loan was used to pay off the existing credit facility.
- e. On March 15, 2018, FIBRAPL withdrawn US\$225.0 million (\$4,246.4 million pesos) in a new loan with Citibank, N.A. ("Citibank (Not guaranteed) #3"). This loan matures on March 15, 2022 and bears interest at LIBOR rate plus 245 base points. Terms of said agreement contemplate the option to extend it one more year and it is subject to the approval of the committee. The loan was used to pay off the existing credit facility.
- f. On February 6, 2019, FIBRAPL disposed of \$290 million US dollars (\$5,473.1 million pesos) in a new loan with Citibank, N.A. ("Citibank (Not guaranteed) # 4"). This loan matures on February 6, 2024 and accrues interest on the LIBOR rate plus 235 basis points. The terms of this agreement foresees the option for its extension for one more year, on no more than two occasions, and it is subject to the approval of the committee. The loan was used to pay off the existing credit facility

The credit agreements described above establish certain obligations to do, including, among others: (a) the supply of financial information; and (b) the maintenance of legal existence, guarantee rights over the properties related to the credit and adequate insurance coverage. The agreements also impose certain not-to-do obligations, subject to certain exceptions, they limit FIBRAPL's ability to contract additional debt or constitute additional liens on the real estate subject matter of the credit, modify the structure, make certain payments, enter into certain transactions with affiliates, modify certain significant agreements, enter into derivative transactions for speculative purposes, or incorporate new subsidiaries. Furthermore, the agreements establish, among others, the following causes of non-compliance: (i) failure to pay; (ii) misrepresentation; (iii) failure to comply with our obligations to do and not to do; (iv) general inability to pay our debts when due; (v) bankruptcy or insolvency; (vi) disposition of the credit property; or (vii) change in control of the credit property.

As of December 31, 2019, FIBRAPL has met all these obligations.

The following table contains a summary of the nominal value of the principal contractual obligations related to our Current Portfolio as of December 31, 2019:

In thousands of Mexican pesos		Less than a year		1 to 5 years		More than 5 years		Total
December 31, 2019								
Accounts payable	\$	69,159	\$	-	\$	-	\$	69,159
Accounts payable affiliated companies		49,161		-		-		49,161
Principal of the long-term debt		29,298		12,502,652		2,019,378		14,551,328
Interest		622,931		1,667,913		7,323		2,298,167
Coverage instruments		2,764		58,919				61,683
December 31, 2018								
Accounts payable	\$	121,559	\$	-	\$	-	\$	121,559
Accounts payable affiliated companies		52,476		-		-		52,476
Principal of the long-term debt		23,726		14,337,656		2,103,256		16,464,638
Liabilities related to assets destined for sale		6,815		-		-		6,815
Interest		415,971		915,658		100,642		1,432,271
December 31, 2017								
Accounts payable	\$	112,875	\$	-	\$	-	\$	112,875
Accounts payable affiliated companies		98,895		-		-		98,895
Principal of the long-term debt		34,241		14,954,362		-		14,988,603
Interest		469,507		847,355		196,693		1,513,555
Guarantee deposits		-		209,686		82,154		291,840

Creditor obligations

We believe that the cash generated by our transactions, combined with the amounts available under our credit agreements and the proceeds from the global offering, will be sufficient to comply with our debt and to finance our operating costs, working capital needs, earnings distributions and capital expenditures for at least the next 12 months. In the future, our financial and operating performance, our ability to service or refinance our debt and our ability to comply with commitments and restrictions under our credit agreements will depend on the status of the economy and a number of financial, business and other factors, many of which are beyond our control. See sections "1. General Information- (c) Risk Factors" and "Forward-Looking Statements".

Pru-Met Loan

At the closing date of the global offering and the Formation Operations, we assumed the debt documented in a credit agreement for USD\$182.2 million with Prudential Insurance Company of America and Metropolitan Life Insurance Company, whose resources were used, among other things, to finance, refinance, acquire, develop, construct and lease industrial properties. As of December 31, 2015, the Pru-Met Credit accrued interest at a fixed annual rate of 4.58% (four point fifty-eight percent) on a tranche of US\$93.5 million and 4.5% (four point five percent) on a tranche of US\$11.9 million, both of which mature on December 15, 2016, as well as at a fixed annual rate of 5.04% (five point zero four percent) on a tranche of US\$67.6 million and 4.78% (four point seventy-eight percent) on a tranche of US\$9.2 million, both of which mature on 15 December 2018. This credit was guaranteed by the 32 properties that were financed with it and by the cash flows generated by them, through a guarantee trust in favor of the creditors. The Pru-Met Credit is subject to New York State law.

The credit agreement imposes on us certain obligations to do, including, but not limited to (i) the provision of financial and property-related information; and (ii) the maintenance of our legal existence, guarantee rights over the properties related to the credit and adequate insurance coverage. The agreement also imposes on us certain not-to-do obligations, subject to certain exceptions, they limit our ability to contract additional debt or constitute additional liens on the real estate subject matter of the credit, modify our structure, make certain payments, enter into certain transactions with affiliates, modify certain significant agreements, enter into derivative transactions for speculative purposes, or incorporate new subsidiaries.

In addition, the agreement establishes, among others, the following causes of non-compliance: (i) failure to pay; (ii) misrepresentation; (iii) failure to comply with our obligations to do and not to do; (iv) general inability to pay our debts when due; (v) bankruptcy; (vi) legal proceedings resulting in a judgment condemning us to pay an amount in excess of USD\$500,000; (vii) disposition of the properties subject to the credit; (viii) any event provided for in ERISA that may have a significant adverse effect; or (ix) change of Control of the relevant properties.

As of December 31, 2019, the Pru-Met Credit accrued interest at a fixed annual rate of 4.58% (four point fifty-eight percent) on a tranche of US\$93.5 million and 4.5% (four point five percent) on a tranche of US\$11.9 million, both of which matured on December 15, 2016. This credit was refinanced on January 26, 2016 at a fixed annual rate of 4.67% (four point sixty seven percent) on a tranche of USD\$107.0 million which expires on February 1, 2027. The new credit is guaranteed by 20 properties that were financed with it and by the cash flows generated by them, through a guarantee trust in favor of the creditors. The Pru-Met Credit is subject to New York State law.

In addition, the Pru-Met Credit that was due on December 15, 2018 and was guaranteed by 10 properties, with a fixed annual rate of 5.04% (five point zero four percent) on a tranche of US\$67.6 million and 4.78% (four point seventy eight percent) on a tranche of US\$9.2 million, was refinanced on March 15, 2018.

Revolving Facility

We will enter into a USD\$325.00 million revolving credit agreement with Citibank N.A., Banco Mercantil del Norte, S.A. Institución de Banca Múltiple. This credit facility can be increased to \$475 million dollars subject to creditors' approval.

The term of the Revolving Credit will be three years from the date of closing of the Revolving Credit agreement, and subject to a one-time option to extend the term for an additional period of one year.

The Revolving Credit has a *London InterBank Offered Rate* (LIBOR), plus 250 basis points; or for cases in which the LIBOR rate is not available or reflects the cost of funding, a base rate (calculated according to the rate published for such purposes by Citibank, N.A. in New York, New York) plus 250 basis points, which may vary depending on the level of leverage or credit rating of FIBRA Prologis.

As of December 31, 2019, FIBRAPL has arranged a revolving credit facility (the "Credit Facility") with Citibank, as administrative agent, for \$325 million (with an option to increase by an additional \$150 million). The Credit Facility can be used by FIBRAPL for working capital needs and general corporate purposes. The Credit Facility bears interest at the London Inter Bank Offered Rate (LIBOR) plus 250 basis points for the USD credit and TIE plus 220 basis points for the Pesos credit, subject to an LTV table and a 60 basis point non-utilization fee. This Credit Facility expires on July 18, 2020, with an option to extend it for two more years, subject to the approval of the committee.

The Revolving Credit agreement contains certain events of default common to credits of this nature, including, without limitation, (i) the failure of the borrower or any guarantor to make payments (principal or interest) under the Revolving Credit, subject to certain cure periods, (ii) if representations made by the borrower and guarantors under the Revolving Credit are false or inaccurate in any material respect, subject to certain cure periods, (iii) the breach of certain obligations under the Revolving Credit, subject to certain cure periods, (iv) certain cross-defaults with other obligations of the borrower and or any of its subsidiaries under debt agreements of USD\$250,000,000 or more and (v) if a judgment or order is entered against the borrower or guarantors in excess of USD\$25'000,000, subject to certain cure periods, among others. In case of an event of default under the Revolving Credit, Banco Nacional de México, S.A., Institución de Banca Múltiple, integrante del Grupo Financiero Banamex, as the collateral agent in Mexico, shall be entitled to exercise the rights and remedies customarily available to creditors of secured loans.

Additionally, the borrower must maintain the following coverage rates:

1. A minimum tangible net worth as determined in accordance with U.S. generally accepted accounting principles, which shall not be less than U.S.\$864'231,000 plus 70% (seventy percent) of the net cash flow value of any equity issuance after the closing date.
2. A maximum debt-to-value ratio under which the total principal amount of assets present may not exceed 60 percent (sixty percent) of the total assets that the properties securing the revolving credit represent.
3. A maximum secured debt-to-value ratio under which the total principal amount of assets present may not exceed 45 percent (forty five percent) of the total assets that the properties securing the revolving credit represent.
4. A maximum non-secured debt-to-value ratio under which the total principal amount of assets present may not exceed 55% (fifty five percent) of the total assets that the properties securing the revolving credit represent.
5. A minimum charge coverage ratio for coverage equal to or greater than 1.6;
6. A debt service coverage ratio for non-mortgaged assets equal to or greater than 1.6;

The Revolving Credit is subject to the laws of the State of New York and the parties have submitted to the jurisdiction of the competent courts of the State of New York.

The percentage of the banks that make up the Revolving Credit Syndicate and are headed by Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, is described in the following table:

<i>Bank</i>	<i>Percentage</i>
Bank of America, N.A.	16.875%
HSBC Bank USA, N.A.	14.625%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	14.625%
Citibank, N.A., International Banking Facility	10.625%
JPMorgan Chase Bank, N.A.	8.750%
The Bank of Nova Scotia	8.750%
Banco Nacional de Mexico, S.A. Integrante del Grupo Financiero Banamex	6.250%
Sumitomo Mitsui Banking Corporation	5.625%
Credit Suisse AG	5.625%
Mega International Commercial Bank Co., Ltd. Los Angeles Branch	4.500%
Barclays Bank PLC	3.750%
TOTAL	100.000%

Senior unsecured Long Term Loan #1

On February 6, 2019, FIBRAPL disposed of \$290.0 million US dollars (\$5,473.1 million pesos) in a new loan with Citibank, N.A. (Citibank (Not guaranteed) # 4). This loan matures on February 6, 2023 and accrues interest on the LIBOR rate plus 235 basis points. Terms of said agreement contemplate the option to extend it one more year and it is subject to the approval of the committee. The loan was used to pay off the loan with Citibank, N.A. ("Citibank purchase (Not guaranteed) #1") for \$255.0 million US dollars (4,866.0 million pesos). FIBRAPL recognized a loss due to the extinction of the debt for \$0.8 million US dollars (\$15.7 million Mexican pesos). The loan was used to pay \$35.0 million US dollars (\$ 667.9 million pesos) from the existing line of credit.

Additionally, the borrower must maintain the following coverage rates:

- A minimum tangible net worth as determined in accordance with U.S. generally accepted accounting principles, which shall not be less than U.S.\$864'231,000 plus 70% (seventy percent) of the net cash flow value of any equity issuance after the Closing Date.
- A maximum debt-to-value ratio under which the total principal amount of assets present may not exceed 60 percent (sixty percent) of the total assets that the properties securing the Revolving Credit represent.
- A maximum secured debt-to-value ratio under which the total principal amount of assets present may not exceed 45 percent (forty five percent) of the total assets that the properties securing the revolving credit represent.

- A maximum non-guaranteed debt-to-value ratio under which the total principal amount of assets present may not exceed 55% (fifty five percent) of the total assets that the properties securing the Revolving Credit represent.
- A minimum charge coverage ratio for coverage equal to or greater than 1.6;
- A debt service coverage ratio for non-mortgaged assets equal to or greater than 1.6;

The Agreement is subject to the laws of the State of New York and the parties have submitted to the jurisdiction of the competent courts of the State of New York.

The percentage of the banks that make up the Revolving Credit syndicate and are headed by Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, is described next:

<i>Bank</i>	<i>Percentage</i>
Banco Nacional de Mexico, S.A. Integrante del Grupo Financiero Banamex	19.608%
HSBC Bank USA, N.A.	19.608%
Sumitomo Mitsui Banking Corporation	19.608%
The Bank of Nova Scotia	19.608%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	19.608%
Mega International Commercial Bank Co., Ltd. Los Angeles Branch	1.961%
TOTAL	100.000%

Senior unsecured Long Term Loan #2

As of December 31, 2019, FIBRAPL had an unsecured long-term loan of US\$225 million with a group of global banks. The maturity date of this loan is March 15, 2022, including a 12-month extension at the option of FIBRA Prologis.

The agreement has a *London InterBank Offered Rate* (LIBOR), plus 245 basis points; or for cases in which the LIBOR rate is not available or reflects the cost of funding, a base rate (calculated according to the rate published for such purposes by Citibank, N.A. in New York, New York) plus 245 basis points, which may vary depending on the level of leverage or credit rating of FIBRA Prologis.

Additionally, the borrower must maintain the following coverage rates:

- A minimum tangible net worth as determined in accordance with U.S. generally accepted accounting principles, which shall not be less than U.S.\$1,033'364,000 plus 70% (seventy percent) of the net cash flow value of any equity issuance after the Closing Date.
- A maximum debt-to-value ratio under which the total principal amount of assets present may not exceed 60 percent (sixty percent) of the total assets that the properties securing the Revolving Credit represent.
- A maximum secured debt-to-value ratio under which the total principal amount of assets present may not exceed 45 percent (forty five percent) of the total assets that the properties securing the revolving credit represent.

- A maximum non-guaranteed debt-to-value ratio under which the total principal amount of assets present may not exceed 55% (fifty five percent) of the total assets that the properties securing the Revolving Credit represent.
- A minimum charge coverage ratio for coverage equal to or greater than 1.6;
- A debt service coverage ratio for non-mortgaged assets equal to or greater than 1.6;

The Agreement is subject to the laws of the State of New York and the parties have submitted to the jurisdiction of the competent courts of the State of New York.

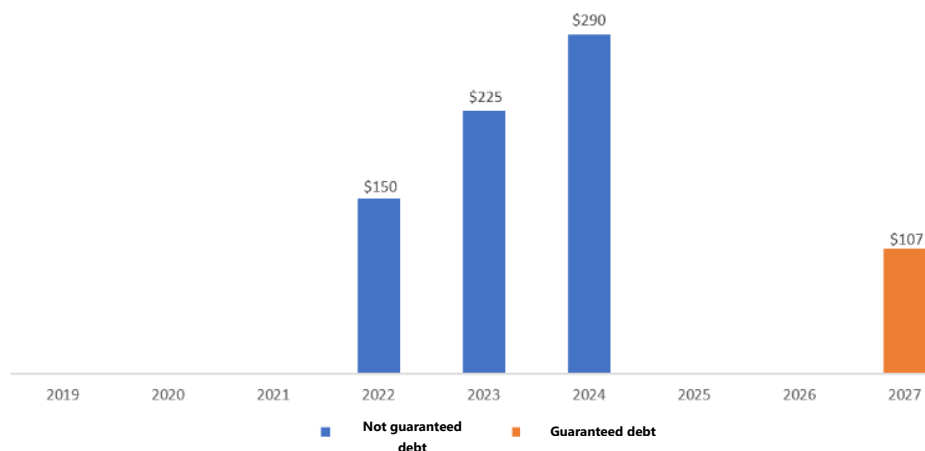
The percentage of the banks that make up the Revolving Credit syndicate and are headed by Banco Nacional de México, S.A., integrante del Grupo Financiero Banamex, is described next:

Bank	Percentage
Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex	12.222222222%
Bank of America, N.A.	12.222222222%
Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch	10.000000000%
The Bank of Nova Scotia	10.000000000%
Banco Nacional de Comercio Exterior, SNC	10.000000000%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer	9.111111111%
HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC	9.111111111%
JPMorgan Chase Bank, N.A.	9.111111111%
Sabcapital, S.A. de C.V., SOFOM, E.R.	9.111111111%
Sumitomo Mitsui Banking Corporation	9.111111111%
TOTAL	100.000000000%

Debt / Interest Rate Maturity Profile

Below is a graphical representation of our debt maturity profile.

US\$ Million



The weighted average interest rate is 4.5% (four point one percent), likewise, the weighted average maturity of debt is approximately 3.8 years.

As of December 31, 2018

					As of December 31, 2019		Al 31 de diciembre de 2018	
		Currency	Maturity date	Rate	Thousands of US Dollars	Thousands of Mexican pesos	Thousands of US Dollars	Thousands of Mexican pesos
Citibank	(Not guaranteed) #1	US Dollars	December 18, 2020	LIBOR + 245bps	-	\$ -	255,000	\$ 5,012,433
Citibank NA	Credit Facility (Not guaranteed)	US Dollars	July 18, 2022	LIBOR + 250bps	-	-	105,000	2,063,943
Citibank	(Not guaranteed) #2	US Dollars	July 18, 2022	LIBOR + 245bps	150,000	2,830,905	150,000	2,948,490
Citibank	(Not guaranteed) #3	US Dollars	March 15, 2023	LIBOR + 245bps	225,000	4,246,358	225,000	4,422,735
Citibank	(Not guaranteed) #4	US Dollars	February 6, 2024	LIBOR + 235bps	290,000	5,473,083	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (Pru-Met Credit) 1 st Tranche (Guaranteed)		US Dollars	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
Prudential Insurance Company and Metropolitan Life Insurance Co. (Pru-Met Credit) 2 nd Tranche (Guaranteed)		US Dollars	February 1, 2026	4.67%	53,500	1,009,689	53,500	1,051,628
Total					772,000	14,569,724	842,000	16,550,857
Interest due					1,552	29,298	1,207	23,726
Debt Issuance Costs					(2,527)	(47,694)	(4,387)	(86,219)
Total Debt					771,025	14,551,328	838,820	16,488,364
Minus: Current portion of long-term debt					1,552	29,298	1,207	23,726
Long-term debt					769,473	\$ 14,522,030	837,613	\$ 16,464,638

Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion and analysis of the Management regarding financial condition and results of transactions should be read jointly with the Financial Statements contained in this Annual Report, including the Notes thereto, which are presented in section 2(d), sub-item (ii) "Summary of the Management". The financial information included in the following analysis is prepared in accordance with IFRS. These policies are in accordance with IFRS issued by the IASB. The accompanying financial statements at December 31, 2019, 2018 and 2017, for the years then ended, have been prepared in accordance with IFRS. In addition to the other information contained in this Annual Report, investors should carefully evaluate the following analysis and the information included in the section "Risk Factors", before evaluating our Trust and our business.

Results of Operations

Overview

We are a real estate investment trust incorporated with the purpose of acquiring and managing real property for industrial activities in Mexico. We are managed by Prologis Property México, S.A. de C.V., an affiliate of Prologis, Inc. Prologis Inc., is a real estate investment company incorporated in the United States listed on the New York Stock Exchange. The properties of our Current Portfolio consist of 191 properties destined to the Mexican manufacturing and logistic industries, which are strategically located in six industrial markets of the country and we have a total ARB of 34.9 million square feet. As of December 31, 2019, the average occupancy rate of the properties in the Current Portfolio was 97.6% (ninety-seven point four percent) and no single customer accounted for more than 4.0% (four percent) of our total ARB. About 65.2% (sixty five point two per cent) of the portfolio of properties of Prologis in Mexico in terms of ARB is located

in global markets represented by the main logistic markets of Mexico City, Guadalajara y Monterrey; and about 34.8% (thirty four point eight) were located in regional markets represented by the main manufacturing markets of Reynosa, Tijuana and Ciudad Juárez. Our properties have the benefit of being leased under agreements that expire on different moments and that as of December 31, 2019 have an average remaining term of 38 months. On December 31, 2019, about 67.1% (sixty seven point one) of our revenues from leasing, in terms of the Net Effective Rent were denominated in Dollars. For more information on the results of the operation, please refer to the Management Summary.

The following table contains a summary of the properties in our Initial Portfolio that were managed by Prologis at the end of each of the years indicated.

As of December 31	No. of Properties	Thousand Square feet	Occupancy Rate
2019	191 + an intermodal yard	34,898	98%
2018	200 + an intermodal yard	36,000	97%
2017	196 + an intermodal yard	34,600	97%
2016	194 + an intermodal yard	34,170	97%
2015	188 + an intermodal yard	32,396	96%
2014	184	31,530	96%

Financial Information Submission

Submission Basis:

- a. **Financial Information** - The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").
- b. **Functional and reporting currency** - The accompanying financial statements are presented in thousands of Mexican pesos, the national currency of Mexico, unless otherwise indicated. The functional currency of FIBRAPL is the US dollar. All financial information presented in pesos has been rounded to the nearest thousand.
- c. **Critical Judgements and estimates** - The preparation of the financial statements requires the use of certain critical accounting estimates and that the management uses its criteria in the process of applying the significant accounting policies of FIBRAPL. The notes to the financial statements establish areas involving a higher degree of criteria or complexity, or areas where assumptions are important to the financial statements.

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

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Investment Properties

FIBRAPL accounts the value of its investment properties using the reasonable value model in accordance with IAS 40. The definition of reasonable value has been issued by the International Valuation Standards Board ("IVSC") as *"The amount for which an asset could be exchanged between experienced, willing parties in an arm's length transaction"*. The IVSC considers that the requirements of the reasonable value model are met when the value adopts Market Value. The reasonable value is not intended to represent the liquidation value of the property, which will depend on the negotiated price at the time of sale less the associated costs of sale. Fair value is largely based on estimates using property valuation techniques and other valuation methods as indicated below. These estimates are inherently subjective and actual values can only be determined in a sales transaction.

At each valuation date, management reviews the latest independent valuations by verifying the key factors used in the valuation and discussing them with independent experts to ensure that all relevant information has been accurate and properly presented.

Valuations are primarily conducted on a revenue-capitalization basis using recent market transactions that are comparable in market terms. In Mexico, the discounted cash flow ("DCF") is the main basis of the value assessment, therefore, this methodology is the one used by FIBRAPL.

Valuations are based on diverse assumptions regarding the holding, leasing, urban planning, condition and repair of buildings and sites, including land and groundwater contamination, as well as best estimates of net income, reversionary rents, leasing periods, acquisition costs, etc.

ii. Financial liabilities at Fair Value

The reasonable value of interest-bearing liabilities, primarily long-term debt for disclosure purposes, was estimated by calculating for each individual loan the present value of anticipated cash payments of interest and principal over the remaining term of the loan using an appropriate discount rate. The discount rate represents an estimate of the market interest rate for an instrument of a similar type and risk to the debt being valued, and with a similar term. These market interest rate estimates are calculated by FIBRAPL management based on capital market data from mortgage brokers, discussions with lenders and mortgage industry publications.

iii. Acquisition of Assets or Business Combination

A thorough evaluation is required to determine, in an acquisition of shares or assets of a real estate holding company, whether it qualifies as a business combination. Management makes this determination based on whether it has acquired an "integrated set of activities and assets" as defined in IFRS 3, which is relevant to the acquisition of the support infrastructure, employees, service provider agreements and main entry and exit processes, as well as the number and nature of active leasing agreements.

The acquisition of the properties made during the year ending December 31, 2019 and 2018, by FIBRAPL, were accounted for as an asset acquisition and not as a business combination.

- d. Measurement basis** - The financial statements were prepared on the historical cost basis, except for derivative financial instruments and investment properties, which were recorded at fair value.
- e. Going Concern Principle** - The financial statements of FIBRAPL at December 31, 2019 and 2018 and for the years then ended have been prepared on a ongoing business principle basis, which means that FIBRAPL will be able to meet its long-term debt commitments as described in Note 14. Management has a reasonable

expectation that FIBRAPL will have sufficient resources to continue operations for the foreseeable future. If for any reason FIBRAPL cannot continue as a ongoing business, this could impact FIBRAPL's ability to realize assets at their recognized values and extinguish or refinance its liabilities in the normal course of business.

Factors Influencing Our Results of Operations

Refer to page 114 of the Management's Summary

Leasing Revenue

Our revenues are derived primarily from rentals received under the Leasing Agreements with our customers. The amount of leasing income generated from our properties is primarily dependent on our ability to maintain occupancy levels of the properties currently leased, as well as to lease space currently available and space that becomes available as a result of the termination of Leasing or the expansion and development of properties. The amount of our leasing income also depends on our ability to collect the rentals payable by our customers in accordance with their agreements and to maintain or increase the rental prices of our properties. Most of our agreements are subject to adjustment for inflation or contractual increases. Positive or negative trends in our customers' businesses or in the geographic areas in which our properties are located may also affect our rental income in future periods. As of December 31, 2019, approximately 67.1% (sixty-seven point one percent) of our rental income was denominated in Dollars in effective net rental terms and is converted into Pesos using the average of the month-end exchange rates for the applicable period and, therefore, fluctuations in the value of the Peso in relation to the Dollar also affect our reported rental income.

Lease Agreements Expirations

Our ability to rent again the properties with close expiration agreements that are influenced by the economic situation and competition in the markets where we operate and the desirability of our individual properties will affect our results of operations. As of December 31, 2019, the Leases expiring in 2020 represented approximately 18.97% (eighteen point ninety-seven percent) of our total ARB; and Leases expiring in 2021 represented approximately 15.23% (fifteen point twenty-three percent) of our total ARB.

Market conditions

Positive or negative changes in the situation in the markets where we operate affect our overall performance. Future economic or regional downturns affecting such markets, or downturns in the real estate markets affecting both our ability to renew our contracts or re-lease our industrial properties and our customers' ability to meet their contractual obligations, such as rent defaults or bankruptcies of such customers, may adversely affect our ability to maintain or increase the rental prices of our properties and may affect their value.

Effect of Formation Transactions and Public FIBRA Status

We have entered into an agreement with our Manager, under which we will pay fees to it. The historical operating results included below do not reflect any fee payments, but reflect management fees actually paid to Prologis during the periods presented. In terms of our Management Agreement, our Manager will be entitled to

receive certain fees in accordance with what is described in section "2. *The Trust - (d) Relevant Contracts and Agreements – (ii) Management Agreement – Fees*". In addition, as a result of the Formation Transactions and in order to maintain the FIBRA rating, we will incur expenses related to our governance practices, disclosure and compliance with diverse provisions of the securities laws. For the reasons described above, the operating results discussed below may differ materially from the actual results of transactions for the periods involved and are not necessarily indicative of the results we expect to achieve in the future.

Impact of Currency Fluctuations

Our financial information is expressed in Pesos. However, since most of the transactions entered into in the ordinary course of business of our trust, including the Leasing Agreements, credit agreements and property investments, are determined in Dollars, our functional currency is the Dollar. Expenses denominated in Pesos are translated into Dollars at the exchange rate in effect on the date of the related transaction (which may be an average exchange rate for the period). Subsequently, income and expense items are translated from U.S. dollars into pesos at the average exchange rate for the respective period. As a result, fluctuations in the exchange rate of the Peso against the Dollar affect our results of operations.

The exchange rates in Mexican pesos as of December 31, 2019 and 2018 and the average exchange rates for the years are as follows:

Exchange rate	As of December 31 of		
	2019	2018	2017
U.S. Dollar vs Mexican peso	18.8727	19.6566	19.7354
Average for the year ended on December 31, 2019, 2018 and 2017	19.2597	19.2378	18.9214

As mentioned above, the functional currency is the U.S. dollar and therefore the foreign exchange risk is represented by Mexican pesos. FIBRAPL's management believes that the risk of foreign currency exposure decreases since most of its transactions are conducted in U.S. dollars including 67.1% of its leases and 100% of its debt in 2019 and does not require further analysis.

Foreign exchange forwards are not designated for coverage purposes; therefore, changes in the reasonable value related to these agreements are recognized in the results of operations for the year as unrealized (gain) loss on foreign exchange forwards.

As of December 31, 2019, FIBRAPL obtained a net foreign exchange gain of \$15,424.

Financial position, liquidity and Capital Resources

Historically, the transactions of the properties comprising our Initial Portfolio have been financed with internally generated resources, capital contributions and bank loans.

Our short-term liquidity needs will be primarily related to servicing our debt, paying Distributions to holders of our CBFIs and certain operating and other expenses directly attributable to our properties, including capital expenditures on improvements, leasing commissions, fees payable pursuant to our Management Agreement, administrative and general expenses, taxes and any anticipated or unanticipated capital expenditures. We plan to meet our short-term liquidity needs with cash generated by our operations, with a portion of the resources we receive as a result of the global offering, and with draw-downs on our Revolving Credit facility.

Our long-term liquidity needs are primarily related to the acquisition, renovation and expansion of properties, the repayment of our debt when due and other non-recurring capital investments that we may need to make from time to time. We plan to meet our long-term liquidity needs through various sources of capital, including cash generated by our operations, draw-downs on our Revolving Credit Facility, the issuance of additional debt and the issuance of debt and equity securities.

Capital Expenditures

Expenses that result in an increase in the value of properties for investment purposes or in future cash flows are recognized as equity investments.

During the period from January 1 to December 31, 2019, we made capital investments for an aggregate amount of US\$5.1 million (Ps. 96.3 million).

Operations not reflected in the Balance Sheet

As of the date of this Annual Report, there were no transactions related to the properties in our Current Portfolio that are not recorded on the balance sheet.

Limited Liquidity Risk

Real estate investments are not as liquid as many other investments and such lack of liquidity can limit the ability to react quickly to any change in economic, market or other conditions. Consequently, the ability to sell the assets at any time may be limited. FIBRAPL rules establish a minimum retention period of 4 years for real estate from the date of acquisition or completion of construction. If a property is sold before the 4-year holding period, FIBRAPL is required to pay a 30% tax on the gain obtained within 15 working days after the sale and cannot offset the tax profit against the accumulated losses. This lack of liquidity can limit the ability to make changes to the FIBRAPL portfolio in a timely manner, which can materially and adversely affect financial performance.

While FIBRAPL's business objectives consist primarily of the acquisition of real estate assets and revenues from their operation, there will be times when the disposition of some properties may be appropriate or desirable. FIBRAPL's ability to dispose of its properties on favorable terms depends on factors beyond its control, including competition from other sellers, demand and availability of financing. In addition, certain capital expenditures to correct defects or make improvements prior to the sale of a property, and there can be no guarantee that funds will be available to make these types of capital expenditures. Due to these limitations and uncertain market conditions, there can be no guarantee that FIBRAPL will be able to sell its properties in the future or realize the potential appreciation from the sale of such properties.

The following table details the outstanding balances at December 31, 2019 and 2018, of financial liabilities according to maturity date. The table includes both principal and accrued and unearned interest. For loans with variable interest rates, spot interest rates at the end of the reporting date were used to estimate future interest.

In thousands of Mexican pesos	Less than a year	1 to 5 years	More than 5 years	Total
December 31, 2019				
Accounts payable	\$ 69,159	\$ -	\$ -	\$ 69,159
Accounts payable affiliated companies	49,161	-	-	49,161
Principal of the long-term debt	29,298	12,502,652	2,019,378	14,551,328
Interest	622,931	1,667,913	7,323	2,298,167
Coverage instruments	2,764	58,919	-	61,683
December 31, 2018				
Accounts payable	121,559	\$ -	\$ -	\$ 121,559
Accounts payable affiliated companies	52,476	-	-	52,476
Principal of the long-term debt	23,726	14,337,656	2,103,256	16,464,638
Liabilities related to assets destined for sale	6,815	-	-	6,815
Interest	415,971	915,658	100,642	1,432,271

Qualitative and Quantitative Disclosures about Market Risks

FIBRAPL is exposed to market risks arising in the normal course of business, principally from adverse changes in interest rates and inflation, foreign exchange fluctuations and liquidity risks, which could affect its financial condition and future results of operations. The following discussion contains forward-looking statements that are subject to risks and uncertainties.

Financial Risk

In the ordinary course of business, FIBRAPL enters into loan agreements with certain lenders to finance its real estate investment transactions. Unfavorable economic conditions could increase its related financing costs, limit its access to capital or debt markets and prevent FIBRAPL from obtaining credit.

There is no guarantee that the loan agreements or ability to obtain financing will continue to be available, or if available, will be on terms and conditions that are acceptable to FIBRAPL.

A decrease in the market value of FIBRAPL's assets may also have adverse consequences in certain cases where FIBRAPL obtains loans based on the market value of certain assets. A decrease in the market value of such assets may result in a creditor requiring FIBRAPL to provide collateral for the repayment of its loans.

Sensitivity Analysis in investment properties

A variation of +/- 0.25% in capitalization rates would increase or decrease the value of investment properties as follows

% of variation		Thousands of Mexican pesos	Change on current value
0.25% incremento	\$	(1,524,873)	(3.45%)
0.25% disminución	\$	1,663,108	3.76%

Interest Rate Risk

Interest rates are very sensitive to many factors, such as fiscal, monetary and government policies, national and international economic and political considerations and other factors beyond the control of FIBRAPL. Interest rate risk arises mainly from financial liabilities that bear interest at variable rates, FIBRAPL may contract credit facilities or loans with variable interest rates in the future. To the extent that FIBRAPL contracts variable rate debt, FIBRAPL will be exposed to the risk associated with market variations in interest rates. FIBRAPL has contracted hedging instruments to protect itself against interest rate fluctuations.

As of December 31, 2019, the variable interest rate debt agreements that FIBRAPL has are unsecured credit with Citibank and the credit facility.

Sensitivity Analysis of the Variable Rate Credit

For the \$50.0 million portion of the unsecured loan #4 of the Citibank credit and the credit facility with Citibank that is not covered by the swaps at December 31, 2019, FIBRAPL has calculated an interest rate variance of +/- 0.50% that may increase or decrease annual interest expense as follows:

Variation	%		Impact on the statement of comprehensive income
0.50%	Increase	\$	4,718
0.50%	Decrease	\$	(4,718)

Credit Sensitivity Analysis with Variable Rate Hedged

For loans not secured by Citibank, N.A. ("Citibank (Not guaranteed) #2, #3 and #4") totaling \$615.0 million is covered by the swaps as of December 31, 2019, FIBRAPL has calculated a variation of +/- 0.50% in the interest rate that may increase or decrease the annual interest expense as follows:

Variation	%		Impact on the statement of comprehensive income
0.50%	Increase		\$ (251)
0.50%	Decrease		\$ 251

Foreign Currency Risk

The exchange rate risk is attributed to fluctuations in the exchange rates between the currency in which FIBRAPL makes its sales, purchases, accounts receivable and loans, the functional currency of FIBRAPL, which is the US dollar. Most of the revenues and debt operations of FIBRAPL, including 67.1% and 68.6% of revenues under leases and 100% of its long-term debt at December 31, 2019 and 2018, are denominated in U.S. dollars. As a result, FIBRAPL management believes that its exposure to foreign exchange risk is diminished.

The summary of quantitative information on the exposure of FIBRAPL to foreign exchange risk as reported to FIBRAPL management, denominated in Mexican pesos, is as follows:

In thousands of Mexican pesos	As of December 31		
	2019	2018	2017
Assets			
Cash	\$ 104,830	\$ 213,963	\$ 170,354
Accounts receivable	36,877	51,323	19,608
Other accounts receivable and VAT	-	124,632	23,782
Prepayments	259	668	480
	141,966	390,586	214,224
Liabilities			
Accounts payable	51,926	96,302	67,574
Payable VAT	356	-	-
Accounts payable to affiliated companies	-	52,476	970
Guarantee Deposits	50,862	45,213	31,263
	103,144	193,991	99,807
Posición en moneda extranjera	\$ 38,822	\$ 196,595	\$ 114,417

Inflation

Most FIBRAPL leases contain provisions to mitigate the negative effects of inflation. These provisions generally increase the annualized value of the rents contracted during the terms of the leases, either at a fixed rate or in graduated increments (based on the Mexican Consumer Price Index or other measures).

As of December 31, 2019, 2018 and 2017, all FIBRAPL leases had an annual rent increase. In addition, most leases are "triple net" leases, which can reduce exposure to increases in operating costs and expenses as a result of inflation, assuming that the properties remain leased and the customers meet their obligations by acquiring responsibility for those expenses. As of December 31, 2019, 2018 and 2017 the portfolio has an occupancy rate of 97.6%, 97.4%, 97.3% respectively.

Internal Control:

Prologis' internal controls for generating financial information are the same as those used in preparing the FIBRA Prologis financial statements for the year ended December 31, 2019 and 2018. The objective of such controls is to help ensure that transactions are accurately recorded under international financial reporting standards ("IFRS") and to provide reasonable assurance regarding the prevention or detection of errors that could have a material impact on the annual financial statements. These controls are based on the criteria and policies outlined by Prologis management, and management is responsible for maintaining them.

Given the inherent limitations of any internal control system, errors, irregularities or fraud may occur and go undetected. Similarly, the projection of the evaluation of internal control into future periods is subject to risks, such as the inadequacy of such internal controls as a result of future changes in applicable conditions, or the possibility of reducing the level of compliance with established policies or procedures in the future.

In our opinion, FIBRA Prologis maintains, as of December 31, 2019, in all material respects, effective internal control over the generation of financial information contained in the financial statements prepared in accordance with the Standards and Procedures adopted by FIBRA Prologis, which are based on criteria and policies defined by Prologis management.

Estimates, Provisions or Critical Accounting:

Reserves Significant accounting policies of our Trust

Main Accounting Policies

The accounting policies significantly applied in the preparation of the financial statements are presented below. These policies have been consistently applied to all periods presented, unless otherwise stated.

New Accounting Declarations: The table below lists recent changes to the standards that will be adopted in the annual periods beginning January 1, 2019

Effective date	New provisions or amendments
January 1, 2019	<ul style="list-style-type: none"> — IFRS 16 leases — IFRIC 23 uncertainties related to income tax treatments — Prepayment functions with negative compensation — Annual improvements to IFRSs 5015-2017 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

As of December 31, 2019, the current new requirements have no significant impact on the financial statements of FIBRAPL.

Significant accounting policies are listed below and details are available on the following pages.

a. Foreign currency

i.- Foreign currency conversion

The financial statements of FIBRAPL are prepared in U.S. dollars, the currency of the primary economic environment in which it operates, and are subsequently translated into Mexican pesos for presentation purposes. For purposes of the financial statements attached, the results of operations and financial position are expressed in thousands of Mexican pesos, which is the reporting currency of the financial statements, while the functional currency of FIBRAPL is the U.S. dollar.

In preparing the financial statements in the functional currency of FIBRAPL, transactions in currencies other than the functional currency (foreign currency) are recognized using the exchange rates prevailing at the dates of the transactions. Equity items are valued at the historical exchange rate. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing on that date. Non-monetary items recorded at reasonable value, which are denominated in foreign currency, are recognized at the exchange rates prevailing at the date on which the fair value was determined. The exchange difference of monetary items is recognized in the income statement in the period in which it occurs.

For financial statement presentation purposes, the assets and liabilities of FIBRAPL are expressed in Mexican pesos, using the exchange rates in effect at the end of the reporting period. Income and expense items are translated at the exchange rates on the date of the transactions. Foreign exchange differences arising are recognized in other comprehensive income ("ORI") and are accumulated in stockholders' equity.

b. Income recognition

IFRS15 establishes principles for accounting for the nature, amount, timing and uncertainty of income and cash flows arising from the agreements of an entity with its customers. Revenue is recognized when a customer obtains control of a good or service and has the ability to direct the use and obtain the benefits of the good or service. This standard supersedes NIC 18 *Revenue* and NIC 11 *Construction agreements and related interpretations*

Rental income represents rentals charged to customers that are recognized using the straight-line method taking into account periods of free rent and any other incentives, over the term of the leases. The income equalization asset is part of the investment property balance, which is valued as described in note 3h.

Recovery of leasing expenses includes primarily income from recoveries of property taxes, utilities, insurance and maintenance of common areas under leasing agreements; other leasing income includes primarily late charges.

c. Payments Related to the properties

The financial costs of FIBRAPL include

- Interest income;
- Interest expenses;

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument for:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not impaired) or the amortized cost of the liability.

d. Income tax and other taxes

FIBRAPL is a real estate investment trust for income tax purposes in Mexico. Under Articles 187 and 188 of the Mexican Income Tax Law, FIBRAPL is required to distribute an amount equal to at least 95% of its net taxable income to CBFI holders annually. If the net tax result for a fiscal year is greater than the distributions made to CBFI holders during that fiscal year, FIBRAPL must pay the corresponding tax at a rate of 30% of that excess. The Administration estimates to make distributions for 95% of the FIBRAPL taxable income.

FIBRAPL is subject to Value Added Tax ("VAT") in Mexico. VAT is levied on cash flow from specific activities within Mexico at the general rate of 16% for the entire country except for the border area where the rate is 8% as of early 2019.

As of December 31, 2019, FIBRAPL recorded a tax benefit of \$2,444.0 million Mexican pesos, which will be fully distributed to CBFI holders in accordance with the current Mexican Income Tax Law.

On December 27, 2018, FIBRAPL signed a purchase agreement under suspensive conditions for an industrial portfolio of eight properties at a reasonable value of \$1,230.5 million Mexican pesos. The tax result of this disposition was \$491.4 million Mexican pesos, which was added to the operating distribution of the FIBRAPL tax result.

e. Accounts Collectible

As of December 31, 2019 and 2018, the tax assets in favor are mainly the Value Added Tax (VAT) paid and that was originated by the acquisition of the investment properties. FIBRAPL declares to the Mexican tax authorities the withholding of taxes on the payment of interest to creditors abroad; such payments are recognized as part of interest expenses unless they are reimbursable to FIBRAPL by the creditors.

f. Advance payments

Prepayments are recorded at historical cost and applied to the results of the month in which the services or benefits are received. As of December 31, 2019 and 2018, prepayments are mainly comprised of insurance, property and other expenses attributable to each investment property.

g. Assets held for sale

Investment properties are classified as held for sale if it is more likely that the carrying value will be recovered principally through the sale transaction rather than through continuing use, the asset is available for immediate sale in its current condition subject only to the terms for sale, and it is considered highly probable that the asset will be sold within the next twelve months. The value of assets held for sale is generally determined by choosing the lower of carrying value and fair value less costs to sell.

h. Other assets

Investment properties are those properties that are held to earn rental income through long-term contracts and/or to increase their value. They are initially valued at acquisition cost, including costs incurred in the transaction. After initial recognition, investment properties are valued at fair value. Gains or losses arising from changes in the fair value of investment properties are included in earnings in the period in which they arise.

An investment property is removed from stock at the time of disposal or when it is permanently removed from use and no future economic benefits are expected from the disposal.

Rental income from investment properties is recognized on a straight-line basis over the term of the leasing. Leasing incentives granted are recognized as an integral part of the rent, over the term of the leasing.

When investment properties are classified as held for sale, such properties are no longer valued as investment properties.

For presentation purposes and better understanding, FIBRAPL has presented in the Statement of Financial Position, separately in "*Other Investment Properties*" the properties other than industrial.

i. Investment Properties

FIBRAPL has elected to present the gain or loss on disposal of investment properties under the heading of gain or loss from valuation of investment properties in the statement of comprehensive income, rather than under a separate heading.

j. Other Assets

Other assets consist of utility security deposits primarily with the "Federal Electricity Commission" (Comisión Federal de Electricidad) that may be refundable once the service agreement is terminated.

k. Property-related payments

Repair and maintenance costs are counted as expenses as incurred. These repair and maintenance costs shall be those not recoverable from the lessees under the relevant leasing agreements.

l. Financial information by segments

The business segments are identified based on the reports used by the senior management of FIBRAPL, identified as the operational head decision maker, in order to allocate resources to each segment and evaluate their performance. In this regard, the information reported to the Management focuses on the geographic location of the respective properties, which comprises six reportable segments as described in note 6.

m. Financial Instruments**i. Recognition and initial measurement**

Financial assets and liabilities are acknowledged when FIBRAPL becomes a party to the contractual provisions of the instruments and are initially measured at reasonable value. Operative costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities at reasonable value through the comprehensive income statements) are added to or deducted from the fair value of the financial assets or liabilities, where applicable, in the initial recognition. Operative costs are directly attributable to the acquisition of financial assets or liabilities at reasonable value through comprehensive income statements.

ii. Classification and subsequent measurement**Financing assets**

Upon initial recognition, a financial asset is classified as measured at amortized cost, FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless FIBRAPL changes its business model for managing financial assets, in which case all affected financial assets are reclassified to the new category at the time the change in business model occurs.

A financial asset is measured at amortized cost if it meets the following conditions and is not classified as measured at fair value through income:

- It is within the business model whose objective is to have assets to collect contractual cash flows; and
- Its contractual terms give place during specific dates, to cash flows, which are solely payments of principal and interests over the outstanding principal amount. (Principal and Interest Payment Only, or SPPI for short)

All financial assets not classified as amortized cost or reasonable value through comprehensive income ("OCI") as described above are measured at reasonable value through comprehensive income. This includes all derivative financial assets (see Note 19). Upon initial recognition, FIBRAPL may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or fair value through OCI as at fair value through comprehensive income if doing so eliminates or significantly reduces an accounting discrepancy that would otherwise arise.

Financial assets -Business model valuation

FIBRAPL carries out a valuation of the objective of the business model in which the financial asset is maintained at the portfolio level as this better reflects the way in which the business is managed and the information is provided to management. Information considered includes:

- the stated policies and objectives for the portfolio and the operation of these policies in practice. These include whether the strategy of the management is focused on obtaining contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows, or realizing cash flows through the sale of assets;
- as the performance of the portfolio is evaluated and reported to FIBRAPL management;
- the risks affecting the performance of the business model (and financial assets held within that business model) and how the risks are managed;
- how business managers are compensated - i.e., whether compensation is based on the reasonable value of assets managed or contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activities.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the ongoing FIBRAPL recognition of assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through comprehensive income.

Financial assets -Assessment of whether contractual cash flows are only principal and interest payments.

For the purposes of this measurement, "principal" is defined as the fair value of the financial assets at initial recognition. "Interest" is defined as consideration for the value of money over time and for credit risk related to the principal amount outstanding during a particular period of time and for other basic risks and borrowing costs (e.g., liquidity risk and administrative costs), as well as an income margin.

In assessing whether contractual cash flows are only principal and interest payments, FIBRAPL considers the contractual terms of the instrument. This includes assessing whether the financial assets contain a contractual term that may change the timing or amount of contractual cash flows in a way that would not meet this condition.

In making this assessment, FIBRAPL considers:

- contingent events that would change the amount or timing of cash flows;
- terms that can adjust the contractual coupon rate, including variable rate features;
- pre-payment and extension features; and
- terms that limit the demand for FIBRAPL by specified asset cash flows (e.g., non-remedy characteristics).

A prepayment feature is consistent with the criteria for principal and interest payments only if the prepayment amount substantially represents unpaid amounts of principal and interest on the outstanding principal amount, which may include reasonable additional compensation for early termination of the contract.

In addition, for financial assets that are acquired at a discount or premium at their contractual face value, a feature that permits or requires prepayment at an amount that substantially represents the contractual face value plus contractual accrued (but unpaid) interest (which may also include additional reasonable compensation for early termination) is treated as consistent with this criteria if the reasonable value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and profit and loss

Financial Assets	Subsequent measurement, profit and loss
Financial assets to FVTPL	These assets are subsequently measured at reasonable value. Net gains or losses, including gains for interests or dividends, shall be recognized in results.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced for impairment losses. Interest income, profit and exchange losses, as well as impairment, shall not be recognized in results. Any profit or loss [illegible] shall be recognized in results.

Financial liabilities -Classification, subsequent measurement and profit and loss

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as to FVTPL if it is classified as designated for trading, is a derivative or is designated as such upon initial recognition; financial liabilities to FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, interest expense and foreign exchange gains and losses in comprehensive income, any gain or loss on derecognition is also recognized in comprehensive income.

iii. Derecognition

Financial assets

FIBRAPL derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or if it transfers the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which FIBRAPL neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

FIBRAPL derecognizes a financial liability when its contractual obligations are released or cancelled or expire. FIBRAPL also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at reasonable value.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-monetary assets transferred or liabilities assumed) is recognized in comprehensive income.

iv. Offset

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when and only when FIBRAPL currently has the legally applicable right to set off amounts and intends either to settle them on a net basis or to realize the asset and settle the liability at the same time.

v. Derivative Financial Instruments and Hedge Accounting

Financial instruments and coverage accounting

FIBRAPL has derivative financial instruments to cover its foreign exchange and interest rate risk exposures.

Derivative financial instruments are initially measured at reasonable value. Subsequent to initial recognition, derivative financial instruments are measured at reasonable value, and changes in reasonable value are generally recognized in comprehensive income.

FIBRAPL designates certain swap derivatives as hedging instruments to cover its interest rate exposure that qualify for cash flow coverage accounting. Derivatives are initially recognized at reasonable value and any directly attributable operating costs are recognized in comprehensive income as incurred. Subsequent to initial recognition, derivative financial instruments are measured at reasonable value, and any change in reasonable value are generally recognized in comprehensive income. Any ineffective portion of changes in the reasonable value of derivative financial instruments is immediately recognized in the results of the period. See note 19.

n. Cash flow statement

FIBRAPL presents its statement of cash flows using the indirect method. Interest paid is classified as cash flows from financing activities.

o. Provisions

Provisions for lawsuits and other obligations are recognized when FIBRAPL has a legal or contractual obligation resulting from past events, it is probable that an outflow of resources will be required to settle the obligation and the amount will be reliably estimated. Provisions for future operating losses are not recognized. Provisions are quantified at the present value of the best estimate of the management, regarding the expenditure required to settle the current obligation at the end of the reporting period. The discount rate used to determine the present value is at a previous to taxes rate that reflects the current market valuations of the value of money through time and the specific risks of the liability.

p. Paid and unpaid distributions

Provisions for distributions payable by FIBRAPL are recognized in the statement of financial position as a liability and as a capital reduction when an obligation to make payment has been established, such distributions must be approved by the manager or the Technical Committee, as applicable.

q. Security deposits

FIBRAPL obtains refundable deposits from its holders based on their leasing agreement as security for rent payments for a certain period. These deposits are recorded as a long-term financial liability valued at their amortized cost.

r. Comprehensive profit of the period

FIBRAPL presents costs and recurrent expenses on a combined function and nature basis, making it possible to reflect profit levels, thus reporting more complete information.

The FIBRAPL statement of comprehensive income ("OCI") presents its results and other comprehensive income in a single financial statement and groups the other comprehensive income section into two categories: (i) items that

will not be subsequently reclassified to profit or loss and (ii) items that may be subsequently reclassified to profit or loss when certain conditions are met. For the years ended December 31, 2019 and 2018, FIBRAPL presents as other comprehensive items the translation effect from its functional currency to the reporting currency and the unrealized gain on interest rate swaps.

Also, the gross profit item is presented, which is the result of decreasing operating income, costs and expenses, considering that this item contributes to a better understanding of the economic and financial performance of FIBRAPL.

s. Result by CBFI

Basic CBFI profit is calculated by dividing FIBRAPL profits attributable to CBFI holders by the weighted average number of CBFI's in circulation during the financial period. Since FIBRAPL during the present periods had no dilutive events, the result for diluted CBFI is calculated in the same way as the basic one.

t. Contributed Capital

CBFI are classified as equity and recognized at the reasonable value of the consideration received by FIBRAPL. Costs arising from the issuance of equity are recognized directly in equity as a reduction in the collections of the CBFI to which those costs relate.

u. Gross Profit

Gross profit is the result generated from FIBRAPL activities that produce the main income, as well as other income and expenses related to operating activities. Gross profit excludes mainly the result of the valuation of investment properties, asset management fee, incentive fee, financing costs, fee for non-utilization of the credit facility and net foreign exchange results.

v. Measurement of reasonable/fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date in the principal or, in its absence, the market with the greatest advantage to which FIBRAPL has access on that date. The fair value of a liability reflects its risk of default.

A number of FIBRAPL accounting policies and disclosures require fair value measurement for both financial and non-financial assets and liabilities, see note 2.c.i and 2.c.ii.

When one is available, FIBRAPL measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is considered to be active if transactions for the asset or liability take place with sufficient frequency and volume to provide price information on an ongoing basis.

If there is no quoted price in an active market, then FIBRAPL uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants take into account when pricing a trade.

If an asset or liability measured at fair value has a bid price and a selling price, then FIBRAPL measures assets and long positions at bid price and liabilities and short positions at selling price.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price, for example, the fair value of a given or received consideration. If FIBRAPL determines that the fair value at initial recognition differs from the transaction price and the fair value does not consist of either a quoted price in an active market for an identical asset or liability or a valuation technique for which there are no unobservable inputs that are considered significant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in earnings on an appropriate basis over the life of the instrument but no later than when the valuation is fully supported by observable market data or the closing transaction.

[428000-NBIS3] Financial information of the internal management

Selected financial information of the internal management:

Not Applicable.

Comments and analysis of the Management on the operating results of the Internal Management

Not Applicable.

Results of the internal management operation

Not applicable

Financial situation, liquidity and capital resources of internal management

Not Applicable.

[432000-NBIS3] Exhibits

(Audited) Financial Statements:

Additional Information:
