FIBRA PROLOGIS®

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

Financial Statements as of December 31, 2020 and 2019 and for the years then ended

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Independent auditors' report

To the Technical Committee and Trustors

Fideicomiso Irrevocable 1721

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

(Thousands of Mexican pesos)

Opinion

We have audited the financial statements of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria ("the Trust"), which comprise the statements of financial position as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria as of December 31, 2020 and 2019, and its results and its cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mexico and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties ($56,831,355)	
See Note 12.	
The key audit matter	How the matter was addressed in our audit
As of December 31, 2020, investment properties represent 98% of total assets in the statement of financial position, which includes investment on industrial buildings. Investment properties are stated at fair value based on valuations of external appraisers. The valuation process is considered a key audit matter because it involves significant amount of judgment in determining both the appropriate methodology used and the estimation of the assumptions applied. Valuations are highly sensitive to changes in the key assumptions applied, particularly those related to capitalization and discount rates used.	As part of our auditing procedures: • We obtained an understanding of the investment properties and the Trust´s Plans and we assessed design, implementation and operating effectiveness of the controls relating to the valuation process, which includes the involvement of external appraisers. • We have evaluated the capacity and competence of external appraisers. We also read the terms of the agreement entered into between external appraisers and the Trust to determine if there are issues that could have affected the objectivity or limit on the scope of their work. • Through analytical procedures, we have evaluated the reasonableness of significant changes in the market values determined by external appraisers, as well as the capitalization and discount rates used. • We evaluated the reasonableness of the projected cash flows and, through the participation of our valuation specialists, the valuation methodology, the discount and capitalization rates used, taking into consideration, comparability and market factors applicable to the investment properties. • We have evaluated the disclosures in the notes to the financial statements, which include those related to key assumptions that have a high degree of sensitivity in the valuations.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Trust´s 2020 Annual Report to be filed with the National Banking and Securities Commission (CNBV) and the Mexican Stock Exchange, ("the Annual Report"), but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charge with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cardenas Dosal, S.C.

Alberto Vazquez Ortiz
Mexico City February 12, 2021.

Statements of financial position

in thousands Mexican Pesos	Note	December 31, 2020	December 31, 2019
Assets			
Current assets:			
Cash		$ 434,406	$ 182,792
Trade receivables, net	8	52,313	56,870
Other receivables and value added tax	9	108,074	10,301
Prepaid expenses	10	2,478	3,295
Assets held for sale	11	511,338	-
Current portion of exchange rate options	20	15,955	7,338
		1,124,564	**260,596**
Non-current assets:			
Investment properties	12	56,831,355	44,611,642
Other investment properties	13	34,600	10,778
Non-current prepaid expenses	10	49,838	-
Other assets		30,692	43,386
		56,946,485	**44,665,806**
Total assets		**$ 58,071,049**	**$ 44,926,402**
Liabilities and equity			
Current liabilities:			
Trade payables		$ 71,397	$ 47,200
Prepaid rent		49,573	21,959
Value added tax payable		-	356
Due to affiliates	19	11,296	49,161
Current portion of long term debt	14	29,668	29,298
		161,934	**147,974**
Non-current liabilities:			
Long term debt	14	17,013,238	14,522,030
Security deposits		353,644	280,342
Hedge instruments	20	-	61,683
		17,366,882	**14,864,055**
Total liabilities		**17,528,816**	**15,012,029**
Equity:			
CBFI holders' capital	15	22,369,174	14,124,954
Other equity accounts and retained earnings		18,173,059	15,789,419
Total equity		**40,542,233**	**29,914,373**
Total liabilities and equity		**$ 58,071,049**	**$ 44,926,402**

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

Statements of comprehensive income

in thousands Mexican Pesos, except per CBFI amounts	Note	For the year ended December 31, 2020		2019
Revenues:				
Lease rental income		$ 4,133,470	$	3,383,106
Rental recoveries		467,433		371,620
Other property income		60,919		70,039
		4,661,822		**3,824,765**
Operating expenses:				
Operating and maintenance		(275,697)		(241,922)
Utilities		(30,918)		(45,808)
Property management fees	19	(133,159)		(114,491)
Real estate taxes		(78,804)		(72,514)
Non-recoverable operating expenses		(84,791)		(48,862)
		(603,369)		**(523,597)**
		4,058,453		**3,301,168**
Gain on valuation of investment properties	12	716,995		275,835
Asset management fees	19	(423,108)		(338,503)
Incentive fee	19	-		(172,627)
Professional fees		(58,187)		(34,034)
Finance cost		(869,688)		(730,576)
Net loss on early extinguisment of debt		(2,430)		(18,638)
Unused credit facility fee		(39,750)		(35,494)
Unrealized loss on exchange rate options	20	(23,625)		(13,274)
Realized gain (loss) on exchange rate options	20	112,262		(1,450)
Net exchange gain		61,002		15,424
Taxes (not) recovered		40,463		(77,777)
Other general and administrative expenses		(9,713)		(10,861)
		(495,779)		**(1,141,975)**
Net income		**3,562,674**		**2,159,193**
Other comprehensive income:				
Items that are not reclassified subsequently to profit or loss:				
Translation gain (loss) from functional currency to reporting currency		555,523		(1,453,670)
Items that are or may be reclassified subsequently to profit or loss:				
Unrealized loss on interest rate of hedge instruments	20	(161,160)		(136,202)
		394,363		**(1,589,872)**
Total comprehensive income		**$ 3,957,037**	**$**	**569,321**
Earnings per CBFI	16	**$ 4.41**	**$**	**3.34**

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

Statements of changes in equity

For the years ended December 31, 2020 and 2019

in thousands Mexican Pesos	CBFI holders' capital	Other equity accounts	Repurchase of CBFIs	Retained earnings	Total
Balance as of January 1, 2019	**$ 13,952,327**	**$ 9,222,542**	**$ -**	**$ 7,524,308**	**$ 30,699,177**
Dividends	-	-	-	(1,526,752)	**(1,526,752)**
CBFIs issued	172,627	-	-	-	**172,627**
Comprehensive income:					
Translation loss from functional currency to reporting currency	-	(1,453,670)	-	-	**(1,453,670)**
Unrealized loss on interest rate of hedge instruments	-	(136,202)	-	-	**(136,202)**
Net income	-	-	-	2,159,193	**2,159,193**
Total comprehensive (loss) income	**-**	**(1,589,872)**	**-**	**2,159,193**	**569,321**
Balance as of December 31, 2019	**$ 14,124,954**	**$ 7,632,670**	**$ -**	**$ 8,156,749**	**$ 29,914,373**
Dividends	-	-	-	(1,568,397)	**(1,568,397)**
CBFIs issued	8,300,000	-		-	**8,300,000**
Right Offering Issuance Costs	(55,780)	-	-	-	**(55,780)**
Repurchase of CBFIs	-	-	(5,000)	-	**(5,000)**
Comprehensive income:					
Translation gain from functional currency to reporting currency	-	555,523	-	-	**555,523**
Unrealized loss on interest rate of hedge instruments	-	(161,160)	-	-	**(161,160)**
Net income		-	-	3,562,674	**3,562,674**
Total comprehensive income	**-**	**394,363**	**-**	**3,562,674**	**3,957,037**
Balance as of December 31, 2020	**$ 22,369,174**	**$ 8,027,033**	**$ (5,000)**	**$ 10,151,026**	**$ 40,542,233**

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

Statements of cash flows

in thousands Mexican Pesos	For the year ended December 31, 2020	2019
Operating activities:		
Net income	$ 3,562,674	$ 2,159,193
Adjustments for:		
Gain on valuation of investment properties	(716,995)	(275,835)
Incentive fee	-	172,627
Allowance for uncollectible trade receivables	21,385	17,430
Finance cost	869,688	730,576
Net loss on early extinguishment of debt	2,430	18,638
Realized (gain) loss on exchange rate options	(112,262)	1,450
Unrealized loss on exchange rate options	23,625	13,274
Hedging Instruments	-	(13,080)
Net unrealized exchange loss (gain)	30,711	(2,088)
Straight-line of lease rental revenue	(260,347)	(33,498)
Taxes not recovered	-	77,777
Change in:		
Trade receivables	42,772	(8,133)
Other receivables	(97,184)	83,004
Prepaid expenses	977	(1,135)
Other assets	15,091	4,327
Trade payables	21,510	(58,413)
Value added tax payable	(379)	356
Due to affiliates	(40,648)	(3,315)
Security deposits	57,533	(19,234)
Prepaid rent	26,374	(9,379)
Net cash flow provided by operating activities	**3,446,955**	**2,854,542**
Investing activities:		
Acquisition of investment properties	(10,361,356)	(87,593)
Disposition of investment properties	-	1,363,020
Cost related with acquisition of investment properties	(142,485)	-
Cost related with disposition of investment properties	-	(15,310)
Capital expenditures on investment properties	(565,961)	(479,742)
Net cash flow (used in) provided by investing activities	**(11,069,802)**	**780,375**
Financing activities:		
Dividends paid	(1,568,397)	(1,526,752)
Long term debt borrowings	11,961,049	1,736,006
Long term debt payments	(10,230,330)	(3,097,965)
Interest paid	(567,734)	(712,810)
CBFIs issued	8,300,000	-
Right Offering Issuance Costs	(55,780)	-
Repurchase of CBFIs	(5,000)	-
Net cash flow provided by (used in) financing activities	**7,833,808**	**(3,601,521)**
Net increase in cash	**210,961**	**33,396**
Effect of foreign currency exchange rate changes on cash	40,653	(189,880)
Cash at beginning of the period	182,792	339,276
Cash at the end of the period	**$ 434,406**	**$ 182,792**
Non-cash transactions:		
Credit facility borrowings in exchange for term loan paydown	$ -	$ 4,484,364
CBFIs issued	-	172,627
Total non-cash transactions	**$ -**	**$ 4,656,991**

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

Notes to financial statements

As of December 31, 2020 and 2019 and for the years then ended
In thousands of Mexican Pesos, except per CBFI (Acronym for trust certificates in Spanish)

1. Main activity, structure, and significant events

Main activity – FIBRA Prologis ("FIBRAPL") is a trust formed according to the Irrevocable Trust Agreement No. F/1721 dated August 13, 2013 ("Date of Inception").

FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raices, or FIBRA, as per its name in Spanish) with its address on Paseo de los Tamarindos No. 90, Torre 2, Piso 22, Bosques de las Lomas, Cuajimalpa de Morelos, C. P. 05120. The primary purpose of FIBRAPL is the acquisition or development of logistics real estate assets in Mexico, generally with the purpose of leasing such real estate to third parties under long-term operating leases.

The term of FIBRAPL is indefinite in accordance with the Trust Agreement. FIBRAPL does not have employees; accordingly, it does not have labor obligations. All administrative services are provided by the manager, Prologis Property México S. A. de C. V., a wholly owned subsidiary of Prologis, Inc. ("Prologis").

Structure – FIBRAPL's parties are:

Trustor:	Prologis Property México, S. A. de C. V.
First beneficiaries:	CBFI's holders
Trustee:	Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria
Common representative:	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
Manager:	Prologis Property México, S. A. de C. V.

According to the Mexican Credit Institutions Law, a trust must name a technical committee under the rules set forth in its trust agreement. In this regard, prior to its initial public offering, FIBRAPL named its technical committee (the "Technical Committee"), which, among other things: (i) oversees compliance with guidelines, policies, internal controls and audit practices, reviews and approves auditing and reporting obligations of FIBRAPL, (ii) makes certain decisions relating to governance, particularly in the event of a potential conflict with managers or its affiliates, and (iii) monitors the establishment of internal controls and mechanisms to verify that each incurrence of indebtedness by FIBRAPL is compliant with applicable rules and regulations of the Mexican Stock Exchange. The Technical Committee currently has seven members, a majority of whom are independent.

Significant events

i. Long term debt transactions:

in millions	Date	Currency	Interest rate(*)		Mexican pesos		U. S. dollars
Borrowings:							
Citibank, NA Credit facility (Unsecured)	17-Dec-20	U. S. dollars	LIBOR +250bps	$	159.6	$	8.0
Green Bond (Unsecured)	8-Dec-20	U. S. dollars	4.12%		7,433.0		375.0
Citibank, NA Credit facility (Unsecured)	25-Nov-20	U. S. dollars	LIBOR +250bps		902.6		45.0
Citibank, NA Credit facility (Unsecured)	29-Oct-20	U. S. dollars	LIBOR +250bps		740.7		35.0
Citibank, NA Credit facility (Unsecured)	2-Apr-20	U. S. dollars	LIBOR +250bps		1,836.9		75.0
Citibank, NA Credit facility (Unsecured)	11-Mar-20	U. S. dollars	LIBOR +250bps		420.5		20.0
Citibank, NA Credit facility (Unsecured)	30-Jan-20	U. S. dollars	LIBOR +250bps		467.7		25.0
Total borrowings				**$**	**11,961.0**	**$**	**583.0**

** LIBOR (London Interbank Offered Rate)*

in millions	Date	Currency	Interest rate(*)		Mexican pesos		U. S. dollars
Payments:							
Citibank, NA Credit facility (Unsecured)	28-Dec-20	U. S. dollars	LIBOR +250bps	$	158.8	$	8.0
Citibank, Unsecured #3	9-Dec-20	U. S. dollars	LIBOR +245bps		2,765.5		140.0
Citibank, Unsecured #2	9-Dec-20	U. S. dollars	LIBOR +245bps		2,963.1		150.0
Citibank, NA Credit facility (Unsecured)	9-Dec-20	U. S. dollars	LIBOR +250bps		1,580.3		80.0
Citibank, NA Credit facility (Unsecured)	20-Oct-20	U. S. dollars	LIBOR +250bps		105.6		5.0
Citibank, NA Credit facility (Unsecured)	29-Sep-20	U. S. dollars	LIBOR +250bps		112.3		5.0
Citibank, NA Credit facility (Unsecured)	25-Aug-20	U. S. dollars	LIBOR +250bps		329.8		15.0
Citibank, NA Credit facility (Unsecured)	30-Jul-20	U. S. dollars	LIBOR +250bps		219.9		10.0
Citibank, NA Credit facility (Unsecured)	17-Jul-20	U. S. dollars	LIBOR +250bps		669.1		30.0
Citibank, NA Credit facility (Unsecured)	6-Jul-20	U. S. dollars	LIBOR +250bps		112.1		5.0
Citibank, NA Credit facility (Unsecured)	12-Jun-20	U. S. dollars	LIBOR +250bps		112.1		5.0
Citibank, NA Credit facility (Unsecured)	25-Mar-20	U. S. dollars	LIBOR +250bps		1,004.7		40.0
Citibank, NA Credit facility (Unsecured)	28-Feb-20	U. S. dollars	LIBOR +250bps		97.0		5.0
Total payments				**$**	**10,230.3**	**$**	**498.0**

** LIBOR (London Interbank Offered Rate)*

ii. Distributions:

in millions, except per CBFI	Date		Mexican pesos		U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
Distributions:							
Dividends	22-Oct-20	$	363.8	$	17.3	0.4284	0.0204
Dividends	14-Jul-20		383.7		17.1	0.4518	0.0201
Dividends	25-Feb-20		442.6		23.8	0.6818	0.0368
Dividends	23-Jan-20		378.3		20.1	0.5828	0.0310
Total distributions		**$**	**1,568.4**	**$**	**78.3**		

iii. Acquisitions:

in millions, except lease area	Date	Market	Lease area square feet	Including closing costs Mexican pesos	U. S. dollars
Acquisitions:					
Apodaca, Building 9	17-Dec-20	Monterrey	587,563	$ 744.6	$ 37.3
Industrial Center Juarez 17	1-Dec-20	Juarez	210,223	319.9	15.8
Apodaca, Building 14	3-Nov-20	Monterrey	99,556	140.1	6.6
Apodaca, Building 13	3-Nov-20	Monterrey	302,583	425.0	20.0
Guadalajara Downtown 1	22-Jun-20	Guadalajara	47,685	44.2	2.1
Santa Maria 2	22-Jun-20	Mexico	92,176	149.8	6.7
Grande, Building 1	6-Apr-20	Mexico	996,897	2,202.0	89.2
Grande, Building 2	6-Apr-20	Mexico	1,053,173	2,445.3	99.1
Grande, Building 3	6-Apr-20	Mexico	312,000	639.7	25.9
Grande, Building 4	6-Apr-20	Mexico	255,840	534.7	21.7
Grande, Building 5	6-Apr-20	Mexico	408,315	837.1	33.9
Grande, Building 6	6-Apr-20	Mexico	312,584	632.3	25.6
Grande, Building 7	6-Apr-20	Mexico	283,360	557.5	22.6
Grande, Building 8	6-Apr-20	Mexico	367,556	781.8	31.7
Total acquisitions			**5,329,511**	**$ 10,454.0**	**$ 438.2**

iv. Rights Offering:

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

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
Rights Offering:					
CBFIs Offering	17-Mar-20	$ 8,300.0	$ 378.5	41.5000	1.8925

v. Repurchase of CBFIs:

On April 1, 2020, FIBRAPL recorded a CBFIs purchase reserve of $202.9 thousand U.S. dollars ($5.0 million Mexican pesos). See note 15.

vi. Pandemic crisis:

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China and has continued to spread globally. The World Health Organization and certain national and local governments have characterized COVID-19 as a pandemic. The COVID-19 outbreak has disrupted financial markets and the ultimate impact on global, national and local economies is uncertain. Existing customers and potential customers of our logistics facilities may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on FIBRAPL. Given the ongoing and dynamic nature of these circumstances, we cannot predict the extent to which the COVID-19 outbreak may impact our business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect our financial condition and results of operations. During 2020 our occupancy rate remained stable with a slight decrease in retention of existing customers. In response to the COVID-19 pandemic, we provided our customers with near-term rent relief in exchange for longer lease terms at market rental rates, and a significant number of our customers renewed and extended their leases. As of December 31, 2020, we had received rent relief requests totaling 3.2% of our estimated annual revenue, and we had granted rent relief requests, in the form of deferrals, totaling 1.8% of our estimated annual revenue, or US$3.6 million. As of December 31, 2020, US$2.4 million, which were all of the deferrals that were due, had been repaid, and we expect the remainder, which are due in 2021, to be repaid in 2021. During the fourth quarter of 2020 and the year ended December 31, 2020, we collected 98.3% and 97.2% of rent due, respectively, compared with 95.1% and 95.4% for the same periods of 2019. The unpaid rent outstanding as of the end of each quarter is typically paid during the next quarter.

2. Basis of presentation

a. **Financial reporting -** The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter IFRS or IAS) as issued by the International Accounting Standards Board (IASB).

b. **Functional currency and reporting currency –** The accompanying financial statements are presented in thousands of Mexican Pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL’s functional currency is the U.S. dollar. All the financial information herein in Mexican Pesos has been rounded up to the nearest thousand.

c. **Critical accounting judgments and estimates –** The preparation of the financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

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

i. **Fair value of investment property**

FIBRAPL accounts for the value of its investment property using the fair value model under IFRS 13.

At each valuation date, management reviews the latest independent valuations by verifying the significant inputs of the valuation and by holding discussions with independent appraisers to ensure that all pertinent information has been accurately and fairly reflected.

Valuations are predominately estimated using an income capitalization approach and utilizing comparable recent market transactions at arm's length terms. In Mexico, Discounted Cash Flow ("DCF") models are the primary basis of assessment of value; and this is the methodology FIBRAPL has adopted.

Valuations are based on various assumptions such as tenure, leasing, town planning by management, the condition and repair of buildings and sites, including ground and groundwater contamination, as well as the best estimates of gross profit, reversionary rents, leasing periods, purchasers' costs, etc.

ii. Fair value of financial liabilities

The fair value of interest-bearing debt, mainly long term debt, is estimated for disclosure purposes by calculating, for each individual loan, the present value of future 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 debt of a similar type and risk to the debt being valued, and with a similar term to maturity. These estimates of market interest rates are made by FIBRAPL management based on market data from mortgage brokers, conversations with lenders and from mortgage industry publications.

iii. Method of acquisition accounting

Significant judgment is required to determine, if an acquisition of shares of a company holding real estate assets or an acquisition of real estate assets 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, such as employees, service provider agreements and major input and output processes, as well as the number and nature of active lease agreements.

Acquisitions of properties made during the years ended December 31, 2020 and 2019 by FIBRAPL were accounted for as acquisitions of assets and not as business combinations.

d. **Basis of measurement –** The financial statements were prepared on a historical cost basis, except for financial instruments and investment properties, which were recognized at amortized cost or at fair value.

e. **Going concern basis of accounting –** FIBRAPL financial statements as of December 31, 2020 and 2019 and for the years then ended have been prepared on a going concern basis, which assumes that FIBRAPL will be able to meet the mandatory repayment terms of the banking facilities disclosed in note 14. Management has a reasonable expectation that FIBRAPL has adequate resources to continue as a going concern and has the ability to realize its assets at their recognized values and to extinguish or refinance its liabilities in the normal course of business.

3. Significant accounting policies

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

New currently effective requirements: This table lists the recent changes to IFRS standards that are to be adopted in annual periods beginning on January 1, 2020.

Effective date	New standards or amendments
January 1, 2020	Amendments to References to Conceptual Framework in IFRS Standards
	Definition of Business (Amendments to IAS and IAS 8)
	Definition of Material (Amendments to IAS and IAS 8)
	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

As of December 31, 2020, new currently effective requirements do not have any significant impact on the financial statements of FIBRAPL.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

a. Foreign currency

Foreign currency translation

The financial statements of FIBRAPL are prepared in U.S. dollars, the currency of the primary economic environment in which it operates. For presentation purposes of these financial statements, the results and financial position are reported 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 information of FIBRAPL, in its functional currency, transactions in currencies other than U.S. dollars are recognized at the rates of exchange prevailing at the date of the transaction. Equity items are valued at historical exchange rates. At the end of each reporting period, monetary items denominated in Mexican Pesos are translated into U.S. dollars at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in Mexican Pesos are translated into U.S. dollars, at the rates prevailing at the date when the fair value was determined. Exchange rate differences on monetary items are recognized in profit or loss in the period in which they arise.

For purposes of presenting these financial statements, the assets and liabilities are translated into Mexican Pesos using exchange rates prevailing at the end of the reporting period. Income, expenses and equity items are translated at the historical rates as of the date of the transaction. Exchange rate differences arising, if any, are recognized in Other Comprehensive Income (“OCI”) and accumulated in equity.

b. Revenue from Contracts with Customers

IFRS 15 established principles to account for the nature, amount, timing and uncertainty of the income and cash flows arising from an entity's contracts with 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.

IFRS 16 established that rental income represents rents charged to customers and is recognized on a straight-line basis taking into account any rent-free periods and other lease incentives, over the lease period to the first break option ("straight-line of lease rental revenue"). The straight-line of lease rental revenue asset is included in investment property, which is valued as described in note 3h.

Rent payments received in advance are presented as prepaid rent in current liabilities.

Rental recoveries includes mainly revenue from recoveries of property tax, utilities, insurance, and common areas maintenance in accordance with the lease agreements; other property income includes mainly late fees.

c. Finance costs

The FIBRAPL finance costs include:

- Interest income;
- Interest expense; and
- Hedge effects

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

- 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 credit-impaired) or to the amortized cost of the liability.

d. Income tax and other taxes

FIBRAPL is a real estate investment trust for Mexican federal income tax purposes. Under Articles No. 187 and 188 of the Mexican Income Tax Law, FIBRAPL is obligated to distribute an amount equal to at least 95% of its net taxable income to its CBFI holders on an annual basis. If the net taxable income during any fiscal year is greater than the distributions made to CBFI holders during the twelve months, FIBRAPL is required to pay tax at a rate of 30% for such excess. Management expects to distribute 95% of the taxable income of FIBRAPL.

FIBRAPL is a registered entity for Value Added Tax in Mexico. VAT is triggered on a cash flow basis when carrying out specific activities carried out within Mexico, and is charged at a rate of 16% throughout the country, with the exception of the northern border region, where by presidential decree it has been charged at a rate 8% since the beginning of 2019. On December 31, 2020, the "Decree modifying the various tax incentives for the northern border region", extended this rate for the northern border region through December 31, 2024.

For the year ended December 31, 2020, FIBRAPL reported a net taxable income of $1,182.1 million Mexican Pesos, which will be distributed 95% to CBFI holders in accordance with the current Income Tax Law in Mexico, that is, $ 1,122.9 million pesos.

e. Other receivables and value added tax

For the year ended December 31, 2020 and 2019, receivable balances are mainly VAT paid in connection with the purchase of investment properties which will be reimbursed to FIBRAPL. FIBRAPL submits withholding taxes to the Mexican taxing authorities as a result of interest paid to foreign creditors. Withholding tax payments are recognized as an expense unless they are expected to be reimbursed to FIBRAPL by the foreign creditor.

f. Prepaid expenses

Prepaid expenses are recognized at historical cost and subsequently amortized against profit or loss during the period when benefits or services are obtained. As of December 31, 2020 and 2019, prepaid expenses are comprised primarily of prepaid insurance, real estate tax and other prepaid expenses attributable to the investment properties.

g. Assets held for sale

Investment property is classified as held for sale if FIBRAPL will recover the carrying amount principally through a sale transaction rather than through continuing use, the asset is available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets, and the sale is considered highly probable to occur within the next twelve months. Assets held for sale are generally measured at the lower of their carrying value or fair value less costs to sell.

h. Investment properties and other investment properties

Investment properties are properties held to earn rental income and for capital appreciation by leasing to third parties under long term operating leases. Investment properties are measured initially at cost, which includes transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Rental income from investment properties is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

Once classified as held-for-sale, assets are no longer valued as investment properties.

Real estate assets other than industrial properties or non-industrial spaces within industrial properties are presented in "Other investment properties" in the Statements of financial position.

i. Disposition of investment properties

FIBRAPL has opted to disclose the gain or loss on the disposition of an investment property in the gain or loss on valuation of investment properties in the Statements of comprehensive income, instead of disclosing separately.

j. Other assets

Other assets are comprised of utility deposits mainly from "Comisión Federal de Electricidad" that could be reimbursed once the service agreement is cancelled.

k. Property related payments

Repairs and maintenance costs are recorded as expenses when incurred. These repairs and maintenance costs consist of those expenses that are non-recoverable from tenants under the relevant lease agreements.

l. Segment reporting

Operating segments are identified based on FIBRAPL reports reviewed by senior management, identified as the chief operating decision maker, for the purpose of allocating resources to each segment and to assess its performance. Accordingly, as information reported to senior management is focused on the location of the respective properties, six reportable segments aggregated by geographic market have been identified as disclosed in note 7.

m. Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognized when FIBRAPL becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

(ii) Classification and subsequent measurement

Financial assets

On 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 the business model has occurred.

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

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. (Solely Payment of the Principal and Interest, or SPPI for its initials).

All financial assets not classified as measured at amortized cost or fair value through OCI as described above are measured at fair value through income. This includes all derivative financial assets (see Note 20). On initial recognition, FIBRAPL may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through OCI as at fair value through income if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

FIBRAPL makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

— how the performance of the portfolio is evaluated and reported to FIBRAPL's management;

— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

— how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the 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 activity.

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through income.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), FIBRAPL considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it 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 may adjust the contractual coupon rate, including variable-rate features;

— prepayment and extension features; and

— terms that limit FIBRAPL's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial Assets	Subsequent measurement and gains and losses
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gain and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impariment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

FIBRAPL recognizes the expected credit loss based on the behavior and status of the balances of certain tenants with an emphasis on the expected recoverability of the accounts.

FIBRAPL determined the allowance for uncollectable trade receivables considering the risk level criteria assigned to each tenant and market where the investment property is located. The corresponding expected loss rate is applied in ranges from 1.0% to 5.0% for current accounts receivable and 100 % for unrecoverable accounts receivable.

The expected credit loss calculation of allowance for uncollectable trade receivables as of December 31, 2020 and 2019 determined that the reserve of accounts receivable recognized by FIBRAPL does not present any impairment. (See note 8)

Financial liabilities- Classification, subsequent measurement and gains and losses.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains or losses arising from changes in the fair value, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign currency gains and losses, and any gains or losses on derecognition for these financial liabilities are recognized in profit or loss.

(iii) Derecognition

Financial assets

FIBRAPL derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred and FIBRAPL does not retain control of the financial asset.

Financial liabilities

FIBRAPL derecognizes a financial liability when its contractual obligations are discharged 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 fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in income.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, FIBRAPL has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

Financial instruments and hedge accounting

FIBRAPL holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in income.

FIBRAPL designates certain derivatives as hedging instruments to hedge its interest rate exposure if derivatives qualify for cash flow hedge accounting. Designated derivatives are initially recognized at fair value and any directly attributable transaction costs are recognized in the statement of comprehensive income as incurred. Subsequent to initial recognition, designated derivatives are measured at fair value, and any changes therein are generally recognized in other comprehensive income. Any ineffective portion of changes in the fair value of the derivatives is recognized immediately in profit or loss of the period. See note 20.

n. Cash flow

FIBRAPL presents its cash flow statement using the indirect method. Interest paid is classified as cash flows from financing activities.

o. Provisions

Provision for legal claims and other obligations are recognized when FIBRAPL has a present legal or contractual obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reasonably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

p. Distributions paid and payable

Provisions for distributions to be paid by FIBRAPL are recognized on the statement of financial position as a liability and a reduction of equity when an obligation to make a payment is established and the distributions have been approved by the manager or Technical Committee, as applicable.

q. Security deposits

FIBRAPL obtains reimbursable security deposits from customers based on signed lease agreements as a guarantee of the rent payments for the life of the lease. These deposits are recognized as a non-current financial liability and carried at amortized cost.

r. Statement of comprehensive income

FIBRAPL presents ordinary costs and expenses on a combined function and nature basis, which makes it possible to reflect the profit levels, and report more complete information.

The statement of comprehensive income of FIBRAPL presents its comprehensive results and OCI in one single financial statement, which groups OCI in two categories: i) items not to be reclassified to profit or loss and ii) items that can be reclassified to profit or loss if some conditions have been met. For the years ended December 31, 2020 and 2019, FIBRAPL presented as OCI the translation effects from functional currency to reporting currency and unrealized loss on interest rate swaps.

s. Earnings per CBFI

Basic earnings per CBFI are calculated by dividing FIBRAPL profit attributable to CBFI holders by the weighted average number of CBFIs outstanding during the period. As FIBRAPL has no dilutive events, the diluted earnings per CBFI is calculated the same as the basic earning per CBFI.

t. Contributed equity

The CBFIs are classified as equity and recognized at the fair value of the consideration received by FIBRAPL. Transaction costs resulting from the issuance of equity are recognized directly in equity as a reduction to the proceeds from issuance of CBFI.

u. Fair value measurement

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 at the measurement date in the principal market or, in its absence, the most advantageous market to which FIBRAPL has access at that date. The fair value of a liability reflects its nonperformance risk.

A number of FIBRAPL accounting policies and disclosures require the measurement of fair values, 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 regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing 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 of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, the FIBRAPL measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If FIBRAPL determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced either by a quoted price in an active market for an identical asset or liability or based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

4. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2021 and earlier application is permitted; however, FIBRAPL has not early adopted the following new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on FIBRAPL's financial statements.

Effective date	New standards or amendments
January 1, 2021	Interest Rate Benchmark Reform- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
January 1, 2022	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
	Annual Improvements to IFRS Standards 2018–2020
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)
	IFRS 17 Insurance Contract and amendments to IFRS 17 Insurance Contract
January 1, 2023	Classification of Liabilities as current or non-current (amendment to IAS 1)
	IFRS 17 Insurance Contract and amendments to IFRS 17 Insurance Contract
Available for optional adoption/effective date deferred indefinitely	Sale or contribution of assets between an investor ans its associate or Joint Venture (amendment to IFRS 10 and IAS 28)

5. Statements of comprehensive income changes

During 2020, FIBRAPL decided to amend the presentation of the statements of comprehensive income for the years ended December 31, 2020 and 2019, to present income as a positive amount and expenses as a negative amount, which is consistent with the presentation used by FIBRAPL's related parties.

6. Rental revenues

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

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the December 31, 2020 exchange rate in Mexican Pesos, are as follows:

in thousands Mexican Pesos	Amount
Rental revenues:	
2021	$ 4,055,079
2022	3,597,068
2023	3,031,347
2024	2,513,769
2025	1,969,239
Thereafter	5,008,081
Total	**$ 20,174,583**

7. Segment reporting

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

							For the year ended December 31, 2020
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 1,744,859	$ 593,352	$ 449,662	$ 468,726	$ 547,005	$ 329,866	**$ 4,133,470**
Rental recoveries	190,085	51,664	53,744	58,899	57,838	55,203	**467,433**
Other property income	28,487	9,858	17,859	2,254	2,259	202	**60,919**
	1,963,431	**654,874**	**521,265**	**529,879**	**607,102**	**385,271**	**4,661,822**
Operating expenses:							
Property operating expenses	(255,263)	(70,707)	(71,240)	(76,432)	(71,765)	(57,962)	**(603,369)**
	$ 1,708,168	**$ 584,167**	**$ 450,025**	**$ 453,447**	**$ 535,337**	**$ 327,309**	**$ 4,058,453**

							For the year ended December 31, 2019
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	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**
Operating expenses:							
Property operating expenses	(221,167)	(72,510)	(51,521)	(58,230)	(59,315)	(60,854)	**(523,597)**
	$ 1,209,852	**$ 536,339**	**$ 413,931**	**$ 387,261**	**$ 468,501**	**$ 285,284**	**$ 3,301,168**

								As of December 31, 2020
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 5,266,067	$ 1,342,481	$ 1,434,026	$ 1,232,941	$ 1,105,903	$ 847,935	$ -	**$ 11,229,353**
Buildings	21,064,269	5,369,928	5,736,102	4,931,762	4,423,614	3,391,738	-	**44,917,413**
	26,330,336	**6,712,409**	**7,170,128**	**6,164,703**	**5,529,517**	**4,239,673**	-	**56,146,766**
Straight-line of lease rental revenue	239,584	115,397	93,063	120,866	73,271	42,408	-	**684,589**
Investment properties	**$ 26,569,920**	**$ 6,827,806**	**$ 7,263,191**	**$ 6,285,569**	**$ 5,602,788**	**$ 4,282,081**	**$ -**	**$ 56,831,355**
Assets held for sale	**$ -**	**$ 511,338**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 511,338**
Other investment properties	**$ 34,600**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 34,600**
Long term debt	**$ 1,205**	**$ 789,653**	**$ 1,339,257**	**$ -**	**$ -**	**$ -**	**$ 14,912,791**	**$ 17,042,906**

								As of December 31, 2019
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 3,618,893	$ 1,395,740	$ 1,108,507	$ 986,101	$ 1,037,064	$ 691,930	$ -	**$ 8,838,235**
Buildings	14,475,573	5,582,961	4,434,027	3,944,408	4,148,255	2,767,718	-	**35,352,942**
	18,094,466	**6,978,701**	**5,542,534**	**4,930,509**	**5,185,319**	**3,459,648**	-	**44,191,177**
Straight-line of lease rental revenue	126,726	60,817	70,960	77,364	44,306	40,292	-	**420,465**
Investment properties	**$ 18,221,192**	**$ 7,039,518**	**$ 5,613,494**	**$ 5,007,873**	**$ 5,229,625**	**$ 3,499,940**	**$ -**	**$ 44,611,642**
Other investment properties	**$ 10,778**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10,778**
Long term debt	**$ -**	**$ 746,367**	**$ 1,266,918**	**$ -**	**$ -**	**$ -**	**$ 12,538,043**	**$ 14,551,328**

8. Trade receivables, net

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

in thousands Mexican Pesos	December 31, 2020	December 31, 2019
Trade receivables	$ 62,243	$ 80,614
Allowance for uncollectible receivables	(9,930)	(23,744)
Trade receivables	**$ 52,313**	**$ 56,870**

A summary of FIBRAPL's exposure to credit risk and estimated credit losses for trade receivables as of December 31, 2020 and 2019, is as follows:

	2020		2019	
in thousands of Mexican Pesos	Trade receivables	Allowance	Trade receivables	Allowance
Current	$ 50,471	$ (2,436)	$ 52,245	$ (9,500)
From 91 to 120 days	1,985	(537)	8,325	(1,539)
From 121 to 150 days	2,099	(538)	3,017	(291)
Over 150 days	7,688	(6,419)	17,027	(12,414)
Total	**$ 62,243**	**$ (9,930)**	**$ 80,614**	**$ (23,744)**

Movement of allowance for uncollectable trade receivables for the years ended December 31, 2020 and 2019 were as follows:

in thousands of Mexican Pesos	2020	2019
Beginning balance	$ (23,744)	$ (29,299)
Increase	(21,385)	(17,430)
Applications during the year	35,199	22,985
Allowance for uncollectable trade receivables	**$ (9,930)**	**$ (23,744)**

9. Other receivables and value added tax

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

in thousands Mexican Pesos	December 31, 2020	December 31, 2019
Value added tax	$ 104,144	$ -
Other receivables	3,930	10,301
Other receivables	**$ 108,074**	**$ 10,301**

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

On June 18, 2020, FIBRAPL received a reimbursement of $1.8 million U.S. dollars ($40.4 million Mexican Pesos) for withholding tax related to interest payments to foreign creditors which had been previously reserved as of December 31, 2019.

10. Prepaid expenses

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

in thousands Mexican Pesos	December 31, 2020	December 31, 2019
Insurance	$ 1,444	$ 601
Other prepaid expenses	1,034	2,694
Prepaid expenses	**$ 2,478**	**$ 3,295**

As of December 31, 2020, the balance of non-current prepaid expenses included an advanced payment for the future acquisition of three buildings in the Mexico City market of $2.5 million U.S. dollars ($49.8 million Mexican Pesos).

11. Assets held for sale

On December 18, 2020, FIBRAPL received a deposit from the buyer for the contracted sale of an industrial portfolio of three properties located in the Guadalajara market with a leasable area of 0.49 million square feet and a fair value of $25.6 million U.S. dollars ($511.3 million Mexican Pesos). The sale is highly expected to occur in the first quarter of 2021.

As of December 31, 2020, these three properties were classified as held for sale.

12. Investment properties

FIBRAPL obtained valuations from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $716,995 and a gain of $275,835 for the years ended December 31, 2020 and 2019, respectively.

a) As of December 31, 2020 and 2019, investment properties were as follows:

	Fair value as of December 31,		Number of properties		Lease area in thousands of square feet	
Market	2020	2019	2020	2019	2020	2019
Mexico City	$ 26,569,920	$ 18,221,192	63	54	17,592	13,530
Guadalajara	6,827,806	7,039,518	23	25	5,444	5,889
Monterrey	7,263,191	5,613,494	25	22	5,409	4,419
Tijuana	6,285,569	5,007,873	33	33	4,208	4,214
Reynosa	5,602,788	5,229,625	30	30	4,712	4,712
Juarez	4,282,081	3,499,940	29	28	3,445	3,234
Total	**$ 56,831,355**	**$ 44,611,642**	**203**	**192**	**40,810**	**35,998**

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 square feet and a fair value of $336,905.

As of December 31, 2020, the fair value of investment properties includes excess land in the Monterrey market of $118,216.

As of December 31, 2020, 17 of the properties from FIBRAPL are encumbered by certain bank loans as described in note 14.

As of December 31, 2020, and 2019, the balance of investment properties included straight-line of lease rental revenue assets of $684,589 and $420,465, respectively.

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

i) Valuation technique

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

ii) Significant unobservable inputs

	December 31, 2020	December 31, 2019
Occupancy rate	97.1%	97.6%
Risk adjusted discount rates	from 8.0% to 12.0% Weighted average 8.69%	from 8.0% to 11.3% Weighted average 8.9%
Risk adjusted capitalization rates	from 6.75% to 10.50% Weighted average 7.3%	from 6.8% to 9.8% Weighted average 7.5%

iii) Interrelationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

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

b) The reconciliations of investment properties for the years ended December 31, 2020 and 2019 are as follows:

in thousands Mexican Pesos	For the year ended December 31, 2020	2019
Beginning balance	$ 44,611,642	$ 45,727,051
Assets held for sale (unrealized) realized	(511,338)	1,230,502
Translation effect from functional currency	729,968	(1,836,253)
Acquisition of investment properties	10,311,518	71,222
Acquisition costs	142,485	10,592
Disposition of investment properties	-	(1,363,020)
Capital expenditures, leasing commissions and tenant improvements	565,961	479,742
Straight-line of lease rental revenue	264,124	15,971
Gain on valuation of investment properties	716,995	275,835
Investment properties	**$ 56,831,355**	**$ 44,611,642**

c) During the years ended December 31, 2020 and 2019, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the year ended December 31, 2020	2019
Capital expenditures	$ 146,854	$ 201,113
Leasing commissions	140,101	142,092
Tenant improvements	279,006	136,537
Total	**$ 565,961**	**$ 479,742**

13. Other investment properties

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

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

Non-industrial spaces within industrial properties are presented in “Other investment properties” in the statements of financial position.

in thousands Mexican Pesos	Fair value as of December 31, 2020	2019	Lease area in square feet
Santa Maria 1 Offices	$ 9,489	$ 10,778	5,673
Santa Maria 2 Offices	25,111	-	17,350
Total other investment properties	**$ 34,600**	**$ 10,778**	**23,023**

14. Long term debt

As of December 31, 2020 and 2019, FIBRAPL had long term debt comprised of loans from financial institutions and publicly issued bonds in U.S. dollars, as follows:

	Paragraph	Denomination	Maturity date	Rate	Fair Value thousands U. S. Dollars	Fair Value thousands Mexican Pesos	December 31, 2020 thousands U. S. Dollars	December 31, 2020 thousands Mexican Pesos	December 31, 2019 thousands U. S. Dollars	December 31, 2019 thousands Mexican Pesos
Green Bond (Unsecured)	f.	USD	28-Nov-32	4.12%	379,328	$ 7,561,980	375,000	$ 7,475,700	-	$ -
Citibank (Unsecured) #2	c.	USD	18-Jul-22	LIBOR + 245bps	-	-	-	-	150,000	2,830,905
Citibank (Unsecured) #3	d.	USD	15-Mar-23	LIBOR+ 245bps	85,053	1,695,549	85,000	1,694,492	225,000	4,246,358
Citibank (Unsecured) #4	e.	USD	06-Feb-24	LIBOR+ 235bps	290,000	5,781,208	290,000	5,781,208	290,000	5,473,083
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	a.	USD	01-Feb-26	4.67%	57,969	1,155,624	53,500	1,066,533	53,500	1,009,689
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	a.	USD	01-Feb-26	4.67%	57,969	1,155,624	53,500	1,066,533	53,500	1,009,689
				Total	**870,319**	**17,349,985**	**857,000**	**17,084,466**	**772,000**	**14,569,724**
Long term debt interest accrued							1,488	29,668	1,552	29,298
Deferred financing cost							(3,573)	(71,228)	(2,527)	(47,694)
				Total debt			**854,915**	**17,042,906**	**771,025**	**14,551,328**
Less: Current portion of long term debt							1,488	29,668	1,552	29,298
Total long term debt							**853,427**	**$ 17,013,238**	**769,473**	**$ 14,522,030**

During the years ended December 31, 2020 and 2019, FIBRAPL paid interest on long term debt of $26.6 million U.S. dollars ($567.7 million Mexican Pesos) and $37.1 million U.S. dollars ($712.8 million Mexican Pesos) respectively, and principal of $498.0 million U.S. dollars ($10,230.3 million Mexican Pesos) and $161.0 million U.S. dollars ($3,097.9 million Mexican Pesos), respectively.

Cash transactions in long term debt

in thousands Mexican Pesos	Debt 2020 Principal	Debt 2020 Long term debt interest	Debt 2020 Deferred financing cost	Debt 2020 Total	Debt 2019 Principal	Debt 2019 Long term debt interest	Debt 2019 Deferred financing cost	Debt 2019 Total
Cash transactions								
Beginning balance	$ 14,569,724	$ 29,298	$ (47,694)	**$ 14,551,328**	$ 16,550,857	$ 23,726	$ (86,219)	**$ 16,488,364**
Long term debt borrowings	11,961,049	-	-	**11,961,049**	1,736,006	-	-	**1,736,006**
(Long term debt payments)	(10,230,330)	-	-	**(10,230,330)**	(3,097,965)	-	-	**(3,097,965)**
(Interest paid)	-	(567,734)	-	**(567,734)**	-	(712,810)	-	**(712,810)**
Total cash transactions	**16,300,443**	**(538,436)**	**(47,694)**	**15,714,313**	**15,188,898**	**(689,084)**	**(86,219)**	**14,413,595**
Non-cash transactions								
Amortization	-	826,204	43,484	**869,688**	-	693,391	37,185	**730,576**
Revaluation and others	784,023	(258,100)	(67,018)	**458,905**	(619,174)	24,991	1,340	**(592,843)**
Total	**$ 17,084,466**	**$ 29,668**	**$ (71,228)**	**$ 17,042,906**	**$ 14,569,724**	**$ 29,298**	**$ (47,694)**	**$ 14,551,328**

Loans detailed in the table above also include the following conditions as it is referenced:

a. This loan is secured by 17 properties; such properties and their cash flows are subject to a Mexican law guarantee security trust for the benefit of the lenders.

b. FIBRAPL has an unsecured $325.0 million U.S. dollar revolving credit facility (the "Credit Facility") with Citibank N.A. as the administrative agent; $25.0 million U.S. dollars of the facility can be borrowed in Mexican Pesos. FIBRAPL has an option to increase the Credit Facility by $150.0 million U.S. dollars.

The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at (i) LIBOR plus 250 basis points denominated in U.S. dollars and (ii) Balanced Interbank Interest Rate (TIIE by its initials in Spanish) plus 220 basis points denominated in Mexican peso, subject to loan to value grid, and a Credit Facility Commission of 60 basis points. This line of credit matured on July 18, 2020 and contained two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's Risk Committee. FIBRAPL elected to apply the first one-year extension option. As of December 31, 2020, FIBRAPL has no outstanding balance.

c. FIBRAPL had an unsecured term loan with Citibank ("Citibank (Unsecured) #2"), which matured on July 18, 2020, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contained two separate one-year extension options which were not exercised. The borrowings were used to pay down the existing facility.

d. FIBRAPL has an unsecured term loan with Citibank ("Citibank (Unsecured) #3"), which matures on March 15, 2022, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain one year extension option which may be extended at the borrower's option and with approval of the lender's Risk Committee. The borrowings were used to pay down the existing facility. On December 9, 2020, FIBRAPL repaid $140.0 million U.S. dollars ($2,765.6 million Mexican Pesos).

As of December 31, 2020, the Citibank (Unsecured) #3 loan has a balance of $85.0 million U.S. dollars (1,694.5 million Mexican pesos).

e. On February 6, 2019, FIBRAPL borrowed $290.0 million U.S. dollars ($5,473.1 million Mexican Pesos) on a new senior unsecured term loan with Citibank ("Citibank (Unsecured) #4"), which matures on February 6, 2024, and carries an interest rate of LIBOR plus 235 basis points. The terms of the note contain a one-year extension option which may be extended at the borrower's option and with approval of the lenders' Risk Committee. The borrowings were used to repay a prior unsecured term loan Citibank, N.A. ("Citibank (Unsecured) #1"), in the amount of $255.0 million U.S. dollars ($4,866.0 million Mexican Pesos). FIBRAPL recognized a loss due to the extinguishment of debt by $0.8 million U.S. dollars ($15.7 million Mexican Pesos). The borrowings were also used to pay down $35.0 million U.S. dollars ($667.9 million Mexican Pesos) of the Credit Facility with Citibank N.A.

f. On December 8, 2020 FIBRAPL priced a green bond offering for 12 year Long Term Trust Certificates "Certificados Bursátiles Fiduciarios de Largo Plazo" (the "Notes") for a total issuance amount of $375.0 million U.S. dollars ($7,475.7 million Mexican Pesos), to be amortized as follows:

- $125.0 million U.S. dollars ($2,491.9 million Mexican pesos) principal amount due 2028;
- $125.0 million U.S. dollars ($2,491.9 million Mexican pesos) principal amount due 2030; and
- $125.0 million U.S. dollars ($2,491.9 million Mexican pesos) principal amount due 2032.

The Notes bear interest at 4.12% per annum. The Notes are the senior unsecured obligations of FIBRAPL. Net proceeds used to fund the repayment of outstanding term loans due in 2022 and 2023 that were used to finance or refinance, in whole or in part, the Eligible Green Project Portfolio.

The loans described above are subject to certain affirmative covenants, including, among others, (a) reporting of financial information and (b) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict FIBRAPL's ability to, among other matters and subject to certain exceptions, incur additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts, enter into derivative transactions for speculative purposes or form any new subsidiary. The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

As of December 31, 2020, FIBRAPL was in compliance with all its covenants.

15. Equity

As of December 31, 2020 and 2019, total CBFIs outstanding were 849,185,514, and 649,185,514 respectively.

On April 1, 2020, FIBRAPL recorded a repurchase of $202.9 thousand U.S. dollars ($5.0 million Mexican pesos) of CBFIs.

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

On December 11, 2019, FIBRAPL recorded 4,511,692 CBFIs issued based on the annual incentive fee approved in the ordinary holders meeting on July 2, 2019.

Total CBFI holder's capital is as follows:

in thousands Mexican Pesos, except per CBFI	December 31, 2020	December 31, 2019
Trust certificates	$ 25,994,163	$ 17,694,163
Issuance cost	(564,729)	(508,949)
Distributions	(3,060,260)	(3,060,260)
CBFI holder's capital	**$ 22,369,174**	**$ 14,124,954**

16. Earnings per CBFI

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

in thousands Mexican Pesos, except per CBFI	December 31, 2020	December 31, 2019
Basic and diluted earnings per CBFI (pesos)	$ 4.41	$ 3.34
Net income	3,562,674	2,159,193
Weighted average number of CBFIs ('000)	**807,655**	**647,282**

As of December 31, 2020, FIBRAPL had 849,185,514 CBFIs outstanding, which includes 200,000,000 CBFIs from the rights offering on March 17, 2020. See note 15.

17. Capital and Financial Risk Management

Liquidity Risk

Real estate investments are not as liquid as many other investments and such lack of liquidity may limit the ability to react promptly to any changes in economic, market or other conditions. Consequently, the ability to sell the assets at any time may be limited. FIBRAPL rules establish a 4-year minimum hold period for real estate assets beginning on the acquisition date or completion of construction. If a property is sold before the 4-year holding period, FIBRAPL is required to pay 30% tax on the taxable gain within 15 business days after the sale and cannot offset the taxable gain with Net Operating Loss (NOLs). This lack of liquidity may limit the ability to make changes to the FIBRAPL portfolio in a timely manner, which may materially and adversely affect financial performance.

While the business objectives consist primarily of the acquisition of real estate assets and obtaining revenue from their operation, there are times when FIBRAPL management believes that the disposal of certain properties may be appropriate or desirable. The ability of FIBRAPL to dispose of properties on favorable terms depends on factors that may be beyond its control, including competition from other sellers, demand and the availability of financing. In addition, there may be required capital expenditures to correct defects or make improvements before a property is sold, and FIBRAPL cannot ensure that it will have funds available to make such capital expenditures. Due to such constraints and uncertain market conditions, FIBRAPL cannot guarantee it will be able to sell properties in the future or realize potential appreciation from the sale of such properties.

The following table shows the balances as of December 31, 2020 and 2019, of financial liabilities classified according to their due dates. The table includes principal, accrued interest and future interest accruals due. For loans with floating interest rates, spot interest rates at the end of the reporting period were used for future interest accruals.

in thousands Mexican Pesos	Less than 1 year	From 1 to 5 years	More than 5 years	Total
December 31, 2020				
Trade payables	$ 71,397	$ -	$ -	$ 71,397
Prepaid rent	49,573	-	-	49,573
Due to affiliates	11,296	-	-	11,296
Principal of long term debt	-	9,608,766	7,475,700	17,084,466
Interest	753,057	2,324,105	1,245,671	4,322,833
December 31, 2019				
Trade payables	$ 47,200	$ -	$ -	$ 47,200
Due to affiliates	49,161	-	-	49,161
Principal of 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
Hedge Instrument	2,764	58,919	-	61,683

Quantitative and Qualitative Disclosures about Market Risk

FIBRAPL is exposed to market risks arising from the ordinary course of business involving, primarily, adverse changes in interest rates and inflation, foreign exchange rate fluctuations and liquidity risks that may 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 normal course of business, FIBRAPL enters into loan agreements with certain lenders to finance real estate investment transactions. Unfavorable economic conditions could increase its related borrowing costs, limit its access to the capital markets or financing and prevent FIBRAPL from obtaining credit.

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

A decline in the market value of FIBRAPL´s assets may also have particular adverse consequences in instances where FIBRAPL borrowed money based on the market value of certain assets. A decrease in market value of such assets may result in a lender requiring FIBRAPL to post additional collateral or to repay certain loans.

Investment Properties Valuation Sensitivity Analysis

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

Variation %		Thousands Mexican Pesos	Change in current value
0.25% increase	$	(1,968,381)	(3.46%)
0.25% decrease	$	2,143,270	3.77%

Interest Rate Risk

Interest rates are highly sensitive to many factors, including governmental, fiscal, monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond FIBRAPL's control. Interest rate risk arises primarily from variable rate interest-bearing financial liabilities. FIBRAPL may in the future enter into credit facilities or otherwise incur indebtedness with variable interest rates. To the extent FIBRAPL borrows on these facilities, or otherwise incurs variable-rate indebtedness, FIBRAPL will be exposed to risk associated with market variations in interest rates. FIBRAPL entered into hedging instruments to protect against fluctuations in interest rates.

As of December 31, 2020, all variable rate debt that FIBRAPL had was held with the Citibank unsecured loans and the borrowing from the Credit Facility.

Credit Sensitivity Analysis with Variable Interest Rate Not Hedged

As of December 31, 2020, a variation of +/- .50% in interest rates for the unhedged Citibank Unsecured #3 and Citibank Unsecured #4 would increase or decrease the annual interest expense as follows:

Valuation %	Income Statement Effect	
0.50% increase	$	37,379
0.50% decrease	$	(37,378)

Credit Sensitivity Analysis with Variable Interest Rate Hedged

During 2020, FIBRAPL terminated all swap contracts due to anticipated debt repayment in 2021. As of December 31, 2020, FIBRAPL holds $375.0 million U.S. dollars of unhedged floating rate debt through the Citibank (Unsecured) #3 and Citibank (Unsecured) #4 loans. See note 14.

Foreign Currency Risk

Foreign currency risk is attributable to fluctuation of exchange rates between the currency denomination in which FIBRAPL conducts its sales, purchases, receivables and borrowings and the functional currency of FIBRAPL, which is the U.S. dollar. A majority of FIBRAPL's revenue and debt transactions, including 63.8% and 67.1% of revenues under FIBRAPL lease agreements, and 100% of debt financings as of December 31, 2020 and 2019 and for the years then ended, respectively, are denominated in U.S. dollars.

The summary quantitative data about the FIBRAPL exposure to currency risk as reported to the management of FIBRAPL, denominated in Mexican Pesos, is as follows:

in thousands Mexican Pesos		December 31, 2020		December 31, 2019
Assets				
Cash	$	347,013	$	104,830
Trade receivables		34,538		36,877
Other receivables and value added tax		104,144		-
Prepaid expenses		-		259
		485,695		**141,966**
Liabilities				
Trade payables		71,397		51,926
Prepaid rent		49,573		21,959
Value added tax payable		-		356
Security deposits		76,493		50,862
		197,463		**125,103**
Net statement of financial position exposure	**$**	**288,232**	**$**	**16,863**

The U.S. dollar to Mexican peso exchange rate as of December 31, 2020 and 2019, as well as the average exchange rates of the respective years, are as follows:

				As of December 31,
exchange rate		2020		2019
U.S. dollar vs. Mexican Peso	**$**	**19.9352**	**$**	**18.8727**
Average for the years ended December 31, 2020 and 2019	**$**	**21.4990**	**$**	**19.2597**

Foreign Currency Sensitivity Analysis

As mentioned above, the functional currency is the U.S. dollar and transactional foreign exchange rate risk is represented by transactions denominated in Mexican Pesos. FIBRAPL management believes its exposure to foreign currency risk is decreased by the fact that the majority of its transactions are denominated in U.S. dollars, including 64.4% of lease agreements and 100% of debt in 2020 and does not require an additional analysis.

Credit Risk

Credit risk is the risk of financial loss that FIBRAPL faces if a customer or counterparty in a financial instrument does not comply with its contractual obligations, and mainly applies to accounts receivable and FIBRAPL investment instruments.

The carrying value of the financial assets and contract assets represent the maximum exposure to credit risk.

Inflation

Most of FIBRAPL's leases contain provisions designed to mitigate the adverse impact of inflation. These provisions generally increase annualized base rents during the terms of the leases either at fixed rates or indexed escalations (based on the Mexican Consumer Price Index or other measures).

As of December 31, 2020 and 2019, all of the leases in the portfolio had an annual rent increase. In addition, most of the leases are triple net leases, which may reduce the exposure to increases in costs and operating expenses resulting from inflation, assuming the properties remain leased and customers fulfill their obligations to assume responsibility for such expenses. As of December 31, 2020 and 2019, the portfolio was 97.1% and 97.6% leased, respectively.

18. Fair Value of Assets and Liabilities

Some of the accounting policies and disclosures of FIBRAPL require measuring the fair value of assets and financial liabilities.

FIBRAPL has established a control framework in relation to the measurement of fair value. This includes supervision from an internal specialist of all significant fair value measurements, including the fair value of Level 3 inputs (disclosed below).

FIBRAPL management regularly reviews the significant unobservable inputs and valuation adjustments. If third party information is used, such as broker quotes or pricing services to measure fair values, management evaluates the evidence from third parties to support the conclusion that these valuations satisfy the requirements of IFRS, including the level within the fair value hierarchy (discussed below) within which those valuations should be classified.

When the fair value of an asset or liability is measured, FIBRAPL uses observable market data whenever possible. The fair values are classified into different levels within a fair value hierarchy based on the variables used in the valuation techniques as follows:

- Level 1: (Unadjusted) quoted prices in active markets for identical assets or liabilities.

- Level 2: Different data quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices.) or indirectly (i.e. derived from prices).

- Level 3: Data for the asset or liability that are not based on observable market data (unobservable inputs).

If the variables used to measure the fair value of an asset or liability can be classified into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety on the same level of the fair value hierarchy as lowest level that is meaningful to the overall measurement.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

								As of December 31, 2020
				Carrying amount				Fair value
in thousands Mexican Pesos	Designated at fair value	Cash and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment properties	$ 56,831,355	$ -	$ -	**$ 56,831,355**	$ -	$ -	$ 56,831,355	**$ 56,831,355**
Other real investment properties	34,600	-	-	**34,600**	-	-	34,600	**34,600**
Assets held for sale	511,338	-	-	**511,338**	-	-	511,338	**511,338**
Current portion of exchange rate options (*)	15,955	-	-	**15,955**	-	15,955		**15,955**
	$ 57,393,248	**$ -**	**$ -**	**$ 57,393,248**	**$ -**	**$ 15,955**	**$ 57,377,293**	**$ 57,393,248**
Financial assets not measured at fair value								
Cash	$ -	$ 434,406	$ -	**$ 434,406**	$ -	$ -	$ -	**$ -**
Trade receivables	-	52,313	-	**52,313**	-	-	-	**-**
Other receivables	-	108,074	-	**108,074**	-	-	-	**-**
	$ -	**$ 594,793**	**$ -**	**$ 594,793**	**$ -**	**$ -**	**$ -**	**$ -**
Financial liabilities not measured at fair value								
Trade payables	$ -	$ -	$ 71,397	**$ 71,397**	$ -	$ -	$ -	**$ -**
Due to affiliates	-	-	11,296	**11,296**	-	-	-	**-**
Long term debt	-	-	17,042,906	**17,042,906**	-	17,349,983	-	**17,349,983**
	$ -	**$ -**	**$ 17,125,599**	**$ 17,125,599**	**$ -**	**$ 17,349,983**	**$ -**	**$ 17,349,983**

(*) FIBRAPL holds an income approach based on the valuation of discounted future cash flows, as well as the estimation of the present value using discount rates and interest rate curves LIBOR $1M SMP for the estimation of the variable component of these flows and risk free interest curves in USD to discount them.

								As of December 31,2019
				Carrying amount				Fair value
in thousands Mexican Pesos	Designated at fair value	Cash and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment properties	$ 44,611,642	$ -	$ -	**$ 44,611,642**	$ -	$ -	$ 44,611,642	**$ 44,611,642**
Other real investment properties	10,778	-	-	**10,778**	-	-	10,778	**10,778**
Interest rate swaps (*)	7,338	-	-	**7,338**	-	7,338	-	**7,338**
	$ 44,629,758	**$ -**	**$ -**	**$ 44,629,758**	**$ -**	**$ 7,338**	**$ 44,622,420**	**$ 44,629,758**
Financial assets not measured at fair value								
Cash	$ -	$ 182,792	$ -	**$ 182,792**	$ -	$ -	$ -	**$ -**
Trade receivables	-	56,870	-	**56,870**	-	-	-	**-**
	$ -	**$ 239,662**	**$ -**	**$ 239,662**	**$ -**	**$ -**	**$ -**	**$ -**
Financial liabilities not measured at fair value								
Trade payables	$ -	$ -	$ 69,159	**$ 69,159**	$ -	$ -	$ -	**$ -**
Due to affiliates	-	-	49,161	**49,161**	-	-	-	**-**
Long term debt	-	-	14,551,328	**14,551,328**	-	14,632,144	-	**14,632,144**
	$ -	**$ -**	**$ 14,669,648**	**$ 14,669,648**	**$ -**	**$ 14,632,144**	**$ -**	**$ 14,632,144**
Financial liabilities measured at fair value								
Hedge instruments	$ -	$ -	$ 61,683	**$ 61,683**	$ -	$ 61,683		**$ 61,683**
	$ -	**$ -**	**$ 61,683**	**$ 61,683**	**$ -**	**$ 61,683**	**$ -**	**$ 61,683**

(*) FIBRAPL holds an income approach based on the valuation of discounted future cash flows, as well as the estimation of the present value using discount rates and interest rate curves LIBOR $1M SMP for the estimation of the variable component of these flows and risk free interest curves in USD to discount them.

FIBRAPL recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. There have been no transfers between fair value levels during the period.

19. Affiliates information

The detail of transactions of FIBRAPL with its related parties is as follows:

a. Related Party

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as the FIBRAPL Manager, is entitled to receive, according to a management agreement between FIBRAPL and the Manager (the "Management Agreement"), the following fees and commissions:

1. **Asset Management Fee:** annual fee equivalent to 0.75% of the current appraised value, calculated in accordance with the valuation policies approved by the Technical Committee under Section 14.1 of the Trust Agreement, based on annual appraisals, plus investment cost for assets that have not been appraised, plus the applicable VAT, paid quarterly. The asset management fee will be prorated with respect to any asset that has been owned less than a full calendar quarter.

2. **Incentive Fee:** annual fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compound expected return of 9%, paid annually in CBFIs, must be approved at the ordinary holders meeting with each payment subject to a six-month lock-up, as established under the Management Agreement. The return measurement related to the incentive fee is based on a cumulative period. As of December 31, 2020, given the historical volatility and uncertainty of future CBFI performance, no incentive fee was paid to the Manager for the period of June 5, 2019 to June 4, 2020. As of December 31, 2019, FIBRAPL recorded an incentive fee expense in the amount of $172.6 million Mexican Pesos ($8.7million U.S. dollars).

3. **Development Fee:** contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.

4. **Property Management Fee:** fee equal to 3.0% of the revenues generated by the properties, paid monthly.

5. **Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing

fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

6. **Maintenance Cost:** Include payroll expenses from maintenance employees plus a 1.5% fee incurred on FIBRAPL properties by Prologis affiliate.

b. Due to affiliates

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

in thousands Mexican Pesos	December 31, 2020	December 31, 2019
Property management fees	$ 11,296	$ 9,363
Leasing fee	-	39,798
Total due to Affiliates	**$ 11,296**	**$ 49,161**

c. Transactions with affiliates

Transactions with affiliated companies for years ended December 31, 2020, and 2019, were as follows:

	For the year ended December 31,	
in thousands Mexican Pesos	**2020**	**2019**
Asset management fee	$ (423,108)	$ (338,503)
Property management fee	(133,159)	(114,491)
Leasing commissions	(46,368)	(33,251)
Development fee	(11,550)	(6,980)
Maintenance costs	(13,068)	(9,521)
Incentive Fee (*)	-	(172,627)

*The transaction was executed with the Manager and 4,511,692 ($172.6 million Mexican pesos) in CBFIs were issued on December 11, 2019.

20. Hedging activities

As of December 31, 2020, FIBRAPL recognized an asset of $16.0 million Mexican pesos related to currency option contracts.

Interest Rate Swaps

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and interest rate swaps have the same critical terms.

in thousands Mexican Pesos	Effective date	Maturity date	Notional amount*	December 31, 2020	December 31, 2019
Counterparty:					
Bank of Nova Scotia	18-Oct-17	18-Oct-20	$ 75.0	$ -	$ (1,382)
HSBC Bank USA	18-Oct-17	18-Oct-20	75.0	-	(1,382)
Bank of Nova Scotia	16-Apr-18	15-Mar-21	112.5	-	(22,953)
HSBC Bank USA	16-Apr-18	15-Mar-21	112.5	-	(22,952)
Bank of Nova Scotia	23-Jun-16	06-Aug-21	120.0	-	(6,507)
HSBC Bank USA	23-Jun-16	06-Aug-21	120.0	-	(6,507)
Total interest rate swaps				**$ -**	**$ (61,683)**

* (amount in million U.S. dollars)

As of December 31, 2020, FIBRAPL recognized $2.6 million U.S. dollars ($54.1 million of Mexican Pesos) in finance costs due to the termination of swap contracts as a result of the early extinguishment of debt.

The interest rate swaps meet the criteria for hedge accounting and therefore have been designated as cash flow hedging instruments.

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

Currency Option Contracts

On October 06, 2020 FIBRAPL entered into two foreign currency rate options with HSBC Bank USA of $3.5 million U.S. dollars ($75.0 million Mexican pesos) each, to fix an option rate over its quarterly Mexican peso transactions. On November 06, 2020 FIBRAPL entered into two foreign currency rate options with HSBC Bank USA of $3.6 million U.S. dollars ($75.0 million Mexican pesos) each, to fix an option rate over its quarterly Mexican peso transactions

Start date	End date	Settlement date	Forward rate	Fair value	Notional amount in thousands of Mexican pesos	Thousands of Mexican pesos		Thousands of U.S. dollars	
						2020	2019	2020	2019
1-Jan-20	31-Mar-20	2-Apr-20	19.5000 USD-MXN	Level 2	$ 100,000	-	$ 136	-	$ 7
1-Apr-20	30-Jun-20	2-Jul-20	19.5000 USD-MXN	Level 2	100,000	-	1,217	-	64
1-Jul-20	30-Sep-20	2-Oct-20	19.5000 USD-MXN	Level 2	100,000	-	2,385	-	126
1-Oct-20	31-Dec-20	5-Jan-21	19.5000 USD-MXN	Level 2	100,000	5,229	3,600	262	191
4-Jan-21	31-Mar-21	5-Apr-21	22.0000 USD-MXN	Level 2	75,000	40	-	2	-
4-Jan-21	31-Mar-21	6-Apr-21	21.0000 USD-MXN	Level 2	75,000	259	-	13	-
1-Apr-21	30-Jun-21	2-Jul-21	22.0000 USD-MXN	Level 2	75,000	658	-	33	-
1-Apr-21	30-Jun-21	2-Jul-21	21.0000 USD-MXN	Level 2	75,000	1,376	-	69	-
1-Jul-21	30-Sep-21	4-Oct-21	22.0000 USD-MXN	Level 2	75,000	1,296	-	65	-
1-Jul-21	30-Sep-21	4-Oct-21	21.0000 USD-MXN	Level 2	75,000	2,253	-	113	-
1-Oct-21	31-Dec-21	4-Jan-22	22.0000 USD-MXN	Level 2	75,000	1,854	-	93	-
1-Oct-21	31-Dec-21	5-Jan-22	21.0000 USD-MXN	Level 2	75,000	2,990	-	150	-
Total currency Options						**$ 15,955**	**$ 7,338**	**$ 800**	**$ 388**

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

As of December 31, 2020 and 2019, the fair value of the currency rate options were $16.0 million Mexican Pesos and $7.3 million Mexican Pesos.

21. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies other than those described in these notes as of December 31, 2020.

22. Subsequent Events

On February 11, 2021, FIBRAPL distributed cash to its CBFI holders, which was considered a return of capital, in the amount of $0.4422 Mexican Pesos per CBFI (approximately $0.0219 U.S. dollars per CBFI), equivalent to $375.5 million Mexican Pesos ($18.6 million U.S. dollars).

23. Financial statements approval

On February 12, 2021, the issuance of these financial statements was authorized by Jorge Roberto Girault Facha, Finance SVP.

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