FIRST QUARTER 2022
EARNINGS REPORT

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Disclaimer

Mexico City, April 28th, 2022 – Terrafina® ("TERRA" or "the Company") (BMV: TERRA13), a leading Mexican industrial real estate investment trust ("FIBRA"), externally advised by PGIM Real Estate and dedicated to the acquisition, development, leasing, and management of industrial real estate properties in Mexico, announced today its first quarter 2022 (1Q22) earnings results.

The figures in this report have been prepared in accordance with International Financial Report Standards ("IFRS"). Figures presented in this report are presented in millions of Mexican pesos and millions of U.S. dollars, unless stated otherwise. Additionally, figures may vary due to rounding.

This document may include forward-looking statements that may imply risks and uncertainties. Terms such as "estimate", "project", "plan", "believe", "expect", "anticipate", "intend", and other similar expressions could be construed as previsions or estimates. Terrafina warns readers that declarations and estimates mentioned in this document or realized by Terrafina's management imply risks and uncertainties that could change as a result of various factors that are out of Terrafina's control. Future expectations reflect Terrafina's judgment at the date of this document. Terrafina reserves the right or obligation to update the information contained in this document or derived from this document. Past or present performance is not an indicator of future results.

Operating and Financial Highlights as of March 31st, 2022

OPERATING

- As of March 31st, 2022, the **occupancy rate** was 94.7%, a 10-basis point increase compared to the first quarter of 2021 (1Q21).

- **Renewal rate** for 1Q22 was 78.1%, a 510 basis-point decrease compared to 1Q21.

- 1Q22 **Annualized average leasing rate** per square foot was US$5.46, a 3.0% or US$0.16 increase compared to 1Q21.

- In 1Q22, Terrafina reported a total of 38.8 million square feet (msf) of **Gross Leasable Area** (GLA) comprised of 274 properties and 288 tenants.

- 1Q22 **leasing activity** reached 1.5 msf, of which 32.6% corresponded to new leases, 39.9% to lease renewals and 27.5% to early renewals. Leasing activity was concentrated in the Chihuahua, Ciudad Juárez, Guadalajara, Querétaro, Ramos Arizpe, San Luis Potosí, Toluca, Saltillo, Cuautitlán Izcalli, Monterrey, Tijuana, Silao and Hermosillo markets.

FINANCIAL

- 1Q22 **net collections** (rental revenues - uncollected revenues + collected revenues) reached US$49.0 million, a 2.0% or US$1.0 million increase compared to 1Q21.

- 1Q22 **rental revenues** reached US$48.1 million, a 2.4% or US$1.1 million increase compared to 1Q21.

- 1Q22 **NOI** was US$47.1 million, a 2.3% or US$1.0 million increase compared to 1Q21.

- The **NOI margin** for 1Q22 was 93.8%, a 10-basis point decrease compared to 1Q21.

- 1Q22 **EBITDA** reached US$42.0 million, a 2.5% or US$1.0 million increase compared to 1Q21.

- The **EBITDA margin** for 1Q22 was 83.8%, a 9-basis point increase compared to 1Q21.

- 1Q22 **adjusted funds for operations** (AFFO) reached US$27.9 million, an increase of 1.2% or US$0.3 million compared to 1Q21.

- The **AFFO margin** for 1Q22 was 55.5%, a 64-basis point decrease compared to 1Q21.

- 1Q22 **distributions** totaled US$19.6 million. As a result, Terrafina will distribute Ps.0.5138 per CBFI (US$0.0250 per CBFI) for the January 1st to March 31st, 2022 period; considering the average share price of US$1.36 for 1Q22 (Ps.27.87), Terrafina's annualized dividend yield for the quarter was 7.4%.

Operating and Financial Highlights

Operating	Mar22	Mar21	Var.
Number of Developed Properties	274	274	0
Gross Leasable Area (GLA) (msf)[1]	38.8	39.2	-0.5
Land Reserves (msf)	5.4	5.5	-0.1
Occupancy Rate[2]	*94.7%*	*94.6%*	*10 bps*
Avg. Leasing Rent/ Square Foot (dollars)	5.46	5.30	0.16
Weighted Average Remaining Lease Term (years)	3.8	3.8	0.0
Renewal Rate[3]	*78.1%*	*83.2%*	*-510 bps*

Quarterly Financial	1Q22	1Q21	Var.	fx	1Q22	1Q21	Var.
	(millions of pesos unless otherwise stated)				20.5232	20.3323	*(millions of dollars unless otherwise stated)*
Net Collections [4]	1,004.6	975.3	3.0%		49.0	48.0	2.0%
Rental Revenues [5]	987.6	955.7	3.3%		48.1	47.0	2.4%
Other Operating Income	20.1	35.6	-43.7%		1.0	1.7	-43.8%
Cash-basis Revenues [6]	1,029.2	995.8	3.3%		50.2	49.0	2.4%
Cash-basis Revenues + Tenant Improvement Reimbursements [7]	1,033.6	999.9	3.4%		50.4	49.2	2.4%
Net Revenues	1,030.9	995.6	3.6%		50.2	49.0	2.6%
*Net Operating Income (NOI)**	965.9	935.5	3.2%		47.1	46.0	2.3%
NOI Margin	*93.8%*	*94.0%*	*-10 bps*		*93.8%*	*94.0%*	*-10 bps*
*EBITDA [8]**	862.4	832.4	3.6%		42.0	41.0	2.5%
EBITDA Margin	*83.8%*	*83.7%*	*9 bps*		*83.8%*	*83.7%*	*9 bps*
*Funds from Operations (FFO)**	652.2	622.2	4.8%		31.8	30.6	3.7%
FFO Margin	*63.4%*	*62.6%*	*83 bps*		*63.4%*	*62.6%*	*83 bps*
*Adjusted Funds from Operations (AFFO)**	573.2	560.5	2.3%		27.9	27.6	1.2%
AFFO Margin	*55.5%*	*56.1%*	*-64 bps*		*55.5%*	*56.1%*	*-64 bps*
Distributions	401.2	476.4	-15.8%		19.6	23.5	-16.6%
Distributions per CBFI [9]	0.5138	0.6026	-14.7%		0.0250	0.0297	-15.6%

Balance Sheet	Mar22	Dec21	Var.	fx	Mar22	Dec21	Var.
	(millions of pesos unless otherwise stated)				19.9942	20.5835	*(millions of dollars unless otherwise stated)*
Cash & Cash Equivalents	665.3	1,834.7	-63.7%		33.3	89.1	-62.7%
Investment Properties	50,508.4	50,812.1	-0.6%		2,526.2	2,468.6	2.3%
Land Reserves	709.5	953.8	-25.6%		35.6	46.4	-23.3%
Total Debt	18,175.6	20,203.9	-10.0%		909.0	981.6	-7.4%
Net Debt	17,510.4	18,369.2	-4.7%		875.8	892.4	-1.9%

(1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases for the period, includes early renewals. (4) Net collections = rental revenue + uncollected revenue from the quarter + revenue collected from previous quarter. (5) Excluding accrued income as it is a non-cash item. (6) Net collections + reimbursable expenses + profit from JVs. This figure is used as denominator for NOI, EBITDA and FFO margin calculation. (7) Cash-basis revenues (as defined in note 6) + tenant improvement reimbursements are used as denominator for AFFO margin calculation. (8) Earnings before interest, taxes, depreciation, and amortization. (9) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. (*) Revenues and expenses have been adjusted for the calculation of the above-mentioned metrics. Please refer to the "2021 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting

Comment by Alberto Chretin
Chief Executive Officer and Chairman of the Board

Terrafina's solid operating and financial results in the first quarter of 2022 were the result of continued improvements in the manufacturing and logistics industries, both of which are key segments for Mexico's economic growth. High demand for industrial space from both logistics and manufacturing tenants contributed to a strong market performance, primarily in the Northern and Central regions, boosted by trends favoring nearshoring in Mexico. We saw high occupancy levels in these regions throughout the quarter, a testament to our tenants' operations' strength.

We continue to make progress with our three-year growth plan. We recently announced the development of three industrial class-A properties in the Ciudad Juárez and Apodaca markets that will add 800,000 square feet to Terrafina's GLA. The first project comprises two built-to-suit buildings in Ciudad Juárez totaling 650,000 square feet of GLA. These buildings will be developed for a tenant with a ten year-lease. The remaining 153,000 square feet will be developed under a joint-venture scheme with one of our property managers in Apodaca. This is one of the main markets in Northern Mexico.

These developments are expected to require a total investment of US$47 million. We estimate that once stabilized the assets will generate US$4.5 million in annualized NOI. Additionally, both properties will be developed on Terrafina's strategic land reserves and certified under LEED standards, in line with our ESG commitments.

Furthermore, at the end of the first quarter, we announced the refinancing of our 2022 bond's outstanding maturity of US$89.0 million. This bond, due in November 2022, was prepaid with funds from the sustainability-linked credit facility, which matures in July 2026. The new credit facility carries a lower interest rate and improves the overall debt's maturity profile.

Leasing activity in 1Q22 covered a total of 1.5 million square feet, of which 32.6% corresponded to new contracts, 39.9% to renewals, and 27.5% to anticipated renewals. 70.2% of the activity was registered in the Northern region, followed by 16.6% in the Bajío region, and 13.2% in the Central region. We closed the 1Q22 with a 94.7% occupancy rate. Occupancy in the Northern region closed at 96.5%, in the Bajío at 88.8%, and in the Central region at 95.1%. As for rent levels, we recorded an average rent per square foot of US$5.46, which represents a 3.0% increase compared to 1Q21.

Moving on to the main financial indicators, net collections for the quarter were US$49.0 million, a 2.0% year-on-year increase. Rental income increased 2.4% to reach US$48.1 million. Net Operating Income was US$47.1 million, which implies a 2.3% quarter-on-quarter increase, and a 93.8% margin. EBITDA closed at US$42.0 million, on an 83.8% margin. We generated US$27.9 million in Adjusted Funds From Operations (AFFO), on a 55.5% AFFO margin. From this amount, we distributed a total of US $19.6 million or US $0.0250 per CBFI. This implies an 7.4% dividend yield, considering the CBFI's average price of US$1.36 during 1Q22.

Thank you for your interest in Terrafina.
Sincerely,

Alberto Chretin
Chief Executive Officer and Chairman of the Board

Operating Highlights

Highlights by Region	North	Bajío	Central	Total
(as of March 31st, 2022)				
# Buildings	191	54	29	274
# Tenants	185	63	40	288
GLA (msf)	24.7	8.0	6.1	38.8
Land Reserves (msf)	2.5	0.2	2.7	5.4
Occupancy Rate	*96.5%*	*88.8%*	*95.1%*	*94.7%*
Average Leasing Rent / Square Foot (dollars)	5.38	5.35	5.91	5.46
Annualized Rental Base %	*63.9%*	*19.1%*	*17.0%*	*100.0%*

Source: PGIM Real Estate – Asset Management

Leasing Activity	1Q22	1Q21	Var.
Operating Portfolio (msf):			
Renewals	0.6	1.5	-0.9
Early Renewals	0.4	0.6	-0.1
New Leases	0.5	0.3	0.2
Total Square Feet of Leases Signed	**1.5**	**2.4**	**-0.9**

Source: PGIM Real Estate – Asset Management

Operating Highlights (continued)

Occupancy and Rents by Region	Occupancy Rate	Avg. Leasing Rent/ Square Foot *(dollars)*
(as of March 31st, 2022)		
North	**96.5%**	**5.38**
Baja California	100.0%	6.30
Tijuana	100.0%	6.30
Sonora	82.8%	4.50
Hermosillo	82.8%	4.50
Chihuahua	97.1%	5.24
Camargo	100.0%	3.00
Casas Grandes	100.0%	4.47
Chihuahua	94.7%	5.37
Ciudad Juárez	98.8%	5.08
Delicias	100.0%	6.29
Coahuila	94.9%	5.52
Arteaga	100.0%	5.48
Ciudad Acuña	0.0%	0.00
Monclova	33.9%	5.30
Ramos Arizpe	98.2%	5.61
Saltillo	100.0%	4.77
Derramadero	100.0%	6.59
San Pedro de las Colinas	89.3%	3.23
Torreón	100.0%	4.43
Nuevo León	96.3%	5.47
Apodaca	100.0%	6.64
Monterrey	95.6%	5.25
Tamaulipas	100.0%	5.18
Reynosa	100.0%	5.18
Durango	100.0%	5.85
Durango	100.0%	6.43
Gómez Palacio	100.0%	3.23
Bajío	**88.8%**	**5.35**
San Luis Potosí	79.5%	5.14
San Luis Potosí	79.5%	5.14
Jalisco	100.0%	5.93
Guadalajara	100.0%	5.93
Aguascalientes	100.0%	4.25
Aguascalientes	100.0%	4.25
Guanajuato	86.1%	5.25
Celaya	100.0%	5.72
Irapuato	81.8%	5.84
Silao	86.4%	4.95
Querétaro	100.0%	5.23
Querétaro	100.0%	5.23
Central	**95.1%**	**5.91**
State of Mexico	94.5%	6.09
Cuautitlan Izcalli	98.6%	6.18
Huehuetoca	43.8%	4.40
Toluca	87.7%	5.82
Mexico City	100.0%	9.86
Azcapotzalco	100.0%	9.86
Tabasco	100.0%	4.33
Villahermosa	100.0%	4.33
Total	**94.7%**	**5.46**

Maturities and Renewals by Region	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
(as of March 31st, 2022)				
North	**8**	**57.1%**	**5**	**62.5%**
Baja California	0	0.0%	0	0.0%
Tijuana	0	0.0%	0	0.0%
Sonora	1	7.1%	0	0.0%
Hermosillo	1	7.1%	0	0.0%
Chihuahua	6	42.9%	4	66.7%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	3	21.4%	2	66.7%
Ciudad Juárez	3	21.4%	2	66.7%
Delicias	0	0.0%	0	0.0%
Coahuila	1	7.1%	1	100.0%
Arteaga	0	0.0%	0	0.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	1	7.1%	1	100.0%
Saltillo	0	0.0%	0	0.0%
Derramadero	0	0.0%	0	0.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreón	0	0.0%	0	0.0%
Nuevo León	0	0.0%	0	0.0%
Apodaca	0	0.0%	0	0.0%
Monterrey	0	0.0%	0	0.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gómez Palacio	0	0.0%	0	0.0%
Bajío	**3**	**21.4%**	**3**	**100.0%**
San Luis Potosí	1	7.1%	1	100.0%
San Luis Potosí	1	7.1%	1	100.0%
Jalisco	1	7.1%	1	100.0%
Guadalajara	1	7.1%	1	100.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	0	0.0%	0	0.0%
Celaya	0	0.0%	0	0.0%
Irapuato	0	0.0%	0	0.0%
Silao	0	0.0%	0	0.0%
Querétaro	1	7.1%	1	100.0%
Querétaro	1	7.1%	1	100.0%
Central	**3**	**21.4%**	**2**	**66.7%**
State of Mexico	3	21.4%	2	66.7%
Cuautitlan Izcalli	0	0.0%	0	0.0%
Huehuetoca	0	0.0%	0	0.0%
Toluca	3	21.4%	2	66.7%
Mexico City	0	0.0%	0	0.0%
Azcapotzalco	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	**14**	**100.0%**	**10**	**71.4%**

Source: PGIM Real Estate – Asset Management

1Q22 OPERATING PERFORMANCE

Composition by Geographical Diversification

In 1Q22, the geographic diversification of Terrafina's properties (by GLA) was as follows: 63.6% in the Northern region, 20.8% in the Bajío, and 15.6% in the Central region.

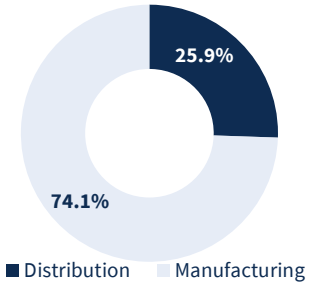
Geographic Distribution by Region and State	1Q22	as a % of Total GLA 1Q22	1Q21	as a % of Total GLA 1Q21
North	**24.66**	**63.6%**	**25.14**	**64.1%**
Baja California	1.18	3.0%	0.73	1.8%
Tijuana	1.18	3.0%	0.73	1.8%
Sonora	0.33	0.9%	0.33	0.8%
Hermosillo	0.33	0.9%	0.33	0.8%
Chihuahua	14.29	36.9%	14.29	36.4%
Chihuahua	6.02	15.5%	6.02	15.3%
Ciudad Juárez	7.64	19.7%	7.64	19.5%
Delicias	0.52	1.3%	0.52	1.3%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.16	15.9%	7.09	18.1%
Arteaga	0.44	1.1%	0.12	0.3%
Ciudad Acuña	0.00	0.0%	0.24	0.6%
Monclova	0.35	0.9%	0.35	0.9%
Ramos Arizpe	3.66	9.5%	4.67	11.9%
Saltillo	0.44	1.1%	0.44	1.1%
Derramadero	0.73	1.9%	0.73	1.9%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	1.0%	0.39	1.0%
Nuevo León	1.86	4.8%	1.86	4.7%
Apódaca	0.28	0.7%	0.28	0.7%
Monterrey	1.58	4.1%	1.58	4.0%
Tamaulipas	0.47	1.2%	0.47	1.2%
Reynosa	0.47	1.2%	0.47	1.2%
Durango	0.38	1.0%	0.38	1.0%
Durango	0.31	0.8%	0.31	0.8%
Gómez Palacio	0.07	0.2%	0.07	0.2%
Bajío	**8.04**	**20.8%**	**8.03**	**20.5%**
San Luis Potosí	3.33	8.6%	3.33	8.5%
San Luis Potosí	3.33	8.6%	3.33	8.5%
Jalisco	1.64	4.2%	1.64	4.2%
Guadalajara	1.64	4.2%	1.64	4.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Guanajuato	1.57	4.0%	1.57	4.0%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.1%	0.44	1.1%
Silao	1.01	2.6%	1.01	2.6%
Querétaro	1.44	3.7%	1.43	3.7%
Querétaro	1.44	3.7%	1.43	3.7%
Central	**6.06**	**15.6%**	**6.06**	**15.5%**
State of Mexico	5.39	13.9%	5.39	13.7%
Cuautitlan Izcalli	4.26	11.0%	4.26	10.9%
Toluca	0.90	2.3%	0.90	2.3%
Huehuetoca	0.22	0.6%	0.22	0.6%
Mexico City	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Tabasco	0.65	1.7%	0.65	1.7%
Villahermosa	0.65	1.7%	0.65	1.7%
Total	**38.77**	**100.0%**	**39.24**	**100.0%**

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves is not included.
Source: PGIM Real Estate - Asset Management

Composition by Asset Type

In 1Q22, 74.1% of Terrafina's portfolio was leased to tenants with manufacturing activities, while 25.9% was leased to tenants with distribution and logistics activities.

Composition by Asset Type as of 1Q22
(as a % of total GLA)



Use of Property Diversification	1Q22	1Q21	Var.
Distribution	25.9%	25.5%	36 bps
Manufacturing	74.1%	74.5%	-36 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of March 31st, 2022, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification	1Q22	1Q21	Var.
Automotive	34.0%	34.8%	-80 bps
Industrial Goods	21.6%	20.0%	160 bps
Consumer Goods	11.9%	12.8%	-89 bps
Logistics and Trade	11.8%	11.2%	62 bps
Aviation	9.4%	10.3%	-93 bps
Non-durable Consumer Goods	2.3%	2.2%	2 bps
Electronics	9.0%	8.6%	38 bps
Total	**100.0%**	**100.0%**	

Source: PGIM Real Estate - Asset Management

Composition of Top Clients

Terrafina has a widely diversified tenant base that leases industrial properties throughout several of Mexico's main cities. For 1Q22, Terrafina's top client represented 3.5% of total revenues, while top 10 clients and top 20 clients represented 19.0% and 30.3% of total revenues, respectively.

Top Clients	Leased Square Feet (million)	% Total GLA	% Total Revenues
(as of March 31st, 2022)			
Top Client	1.43	3.9%	3.5%
Top 10 Clients	7.11	19.4%	19.0%
Top 20 Clients	10.80	29.4%	30.3%

Source: PGIM Real Estate - Asset Management

Occupancy

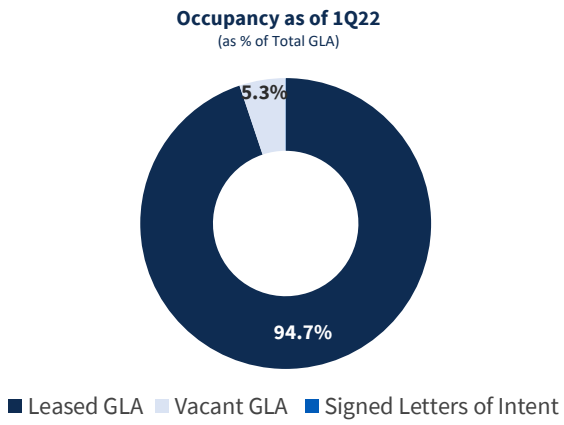
1Q22 occupancy rate was 94.7%, a 10-basis point decrease compared to the first quarter of 2021. Note these occupancy rate indicators reflect the rate as of quarter end.

For 1Q22, Terrafina's leasing activity reached 1.5 msf, 32.6% of which corresponded to new leases (including expansions), 39.9% were lease renewals and 27.5% were early lease renewals.

Leasing activity in 1Q22 mainly took place in the Chihuahua, Ciudad Juárez, Guadalajara, Querétaro, Ramos Arizpe, San Luis Potosí, Toluca, Saltillo, Cuautitlán Izcalli, Monterrey, Tijuana, Silao and Hermosillo markets.

Occupancy	1Q22	1Q21	Var.
Leased GLA	94.7%	94.6%	10 bps
Vacant GLA	5.3%	4.8%	53 bps
Signed Letters of Intent	0.0%	0.6%	-62 bps
Total	**100.0%**	**100.0%**	

Source: PGIM Real Estate - Asset Management



Lease Maturities

Terrafina had 288 tenants under leasing contracts at the end of 1Q22. These contracts have an average maturity of three to five years for logistics and distribution properties, and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) will remain at levels of between 11% to 18% for the next five years.

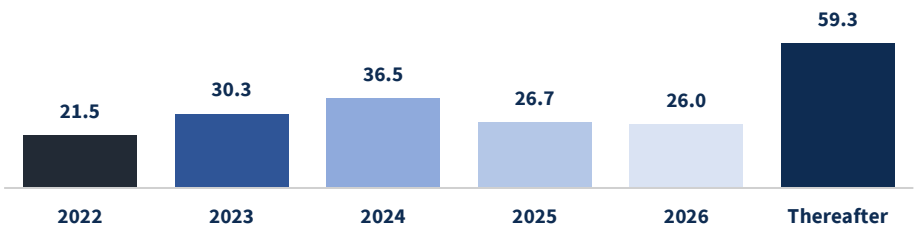
The following table breaks down Terrafina's leasing maturity schedule for the upcoming years:

	Annual Base Rent *(millions of dollars)*	% of Total	Occupied Square Feet (million)	% of Total
2022	21.5	10.7%	4.14	11.3%
2023	30.3	15.1%	5.52	15.0%
2024	36.5	18.2%	6.78	18.5%
2025	26.7	13.3%	4.83	13.1%
2026	26.0	13.0%	4.49	12.2%
Thereafter	59.3	29.6%	10.96	29.8%

Source: PGIM Real Estate - Asset Management

Maturities per Anual Base Rent

(millions of dollars)



CAPITAL DEPLOYMENT

Capital Expenditure (CapEx)

Terrafina's CapEx is classified as recurring expenses that are based on upcoming lease maturities and property improvements. The main focus of these expenses is on renewals of leasing contracts and improvements in property conditions, while taking into account tenant requirements. Terrafina expects to apply CapEx towards vacant properties as well as towards the development of new GLA by means of expansions and/or new developments.

Additionally, it is important to consider that CapEx intended for expansions and new developments is not financed with Terrafina's operating cash flow, and therefore does not appear on the income statement.
Capital expenditure accounts are comprised as follows:

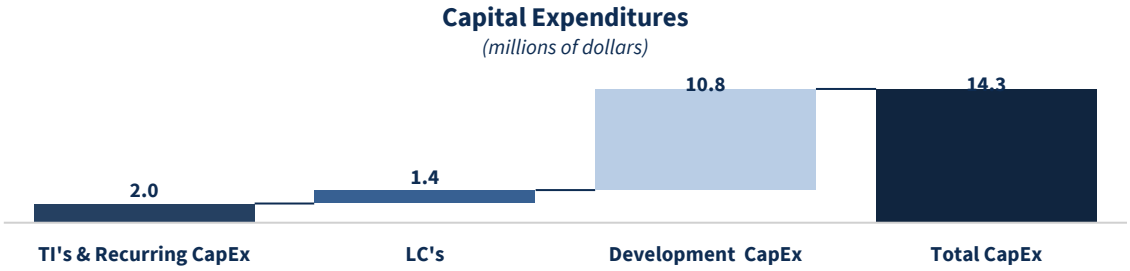
1) Resources used for tenant's property improvements, as well as recurring maintenance CapEx.

2) Broker and administrator fees (LC's).
3) CapEx for new developments, which—due to their nature—are generally capitalized.

In 1Q22, Terrafina's investments in tenant improvements and recurring CapEx was US$2.0 million. Total CapEx for 1Q22 is broken down in the following table:

Capital Expenditures	1Q22 *(millions of pesos)*	1Q22 *(millions of dollars)*
TI's & Recurring CapEx	41.8	2.0
LC's	29.7	1.4
Development CapEx	215.1	10.8
Total CapEx	**286.6**	**14.3**

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring CapEx figures.
(1) CapEx for expansions/new developments
Source: PGIM Real Estate - Asset Management



New Developments

In 1Q22, Terrafina completed 0.7 million square feet of new developments. 100% of these new developments were located in the Northern region.

It is important to highlight that these new developments will contribute US$3.6 million to NOI with a 9.2% estimated development yield, considering a total expected investment of US$39.3 million.

	January – March 2022			
	Square Feet (million)	Total Expected Investment (million pesos)	Total Expected Investment (million dollars)	Cost per Square Feet (dollars)
North	0.7	785.6	39.3	60.52
Bajío	0.0	0.0	0.0	0.00
Central	0.0	0.0	0.0	0.00
Total	0.7	785.6	39.3	60.52

Proforma NOI (million dollars)	**3.6**
Estimated Stabilized Yield	**9.2%**

(1) Net Operating Income for the next twelve months
(2) Proforma NOI divided by the total expected investment
Source: PGIM Real Estate - Asset Management

Land Reserves

Terrafina's land reserve as of March 31st, 2022 comprised five land reserve properties, equivalent to 5.4 msf of potential GLA for the development of future industrial properties.

As of March 31st, 2022, Terrafina's land reserves were distributed as follows:

Land Reserves	**Square Feet** (million)	**Land at Cost** *(millions of pesos)*	**Land at Cost** *(millions of dollars)*	**Market Value** *(millions of pesos)*	**Market Value** *(millions of dollars)*
(as of March 31st, 2022)					
North	2.59	398.9	19.9	520.9	26.1
Bajío	0.18	14.2	0.7	19.2	1.0
Central	2.74	585.7	29.3	169.4	8.5
Total Land Portfolio	**5.51**	**998.8**	**49.9**	**709.5**	**35.6**

Source: PGIM Real Estate - Asset Management and Fund Accounting

1Q22 FINANCIAL PERFORMANCE

Financial Results and Calculations

Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 1Q22 (Ps. 20.5232/dollar). For the balance sheet, figures were converted using the exchange rate at the close of March 31st, 2022 (Ps. 19.9942/dollar).

Terrafina uses best accounting practices when measuring the FIBRA's (REIT) performance results by providing relevant metrics to the financial community. Throughout the following financial performance section, additional calculations are available. These metrics must not be considered individually to evaluate Terrafina's results. The recommendation is to use them in conjunction with other International Financial Reporting Standards metrics to measure the Company's performance.

In this earnings report, Terrafina presents additional metrics such as Net Operating Income (NOI), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO). Each breakdown calculation is available in this document.

In addition, Terrafina recommends reviewing the Appendices as a reference to different items of Terrafina's financial statement. This information is available in the last section of this document.

Past performance is not a guarantee or reliable indicator of future results.

Same-Store Results

The following table shows Terrafina's 1Q22 same-store highlights and consolidated information:

	Consolidated 1Q22	Same-Store[1] 1Q22	Var.
Number of Properties	274	273	1
Occupancy Rate	*94.7%*	*94.5%*	*20 bps*
Gross Leasable Area (GLA) (msf)	38.8	38.8	0.0
Avg. Leasing Rent / Square Foot (dollars)	5.46	5.36	0.10

	Consolidated 1Q22	Same - Store[1] 1Q22	Var.	Consolidated 1Q22	Same - Store[1] 1Q22	Var.
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections	1,004.6	994.4	1.0%	49.0	48.5	1.0%
Rental Revenues	987.6	877.3	12.6%	48.1	47.6	1.1%
Net Operating Income	965.9	955.9	1.0%	47.1	46.6	1.0%
NOI Margin	*93.8%*	*93.8%*	*3 bps*	*93.8%*	*93.8%*	*3 bps*
EBITDA	862.4	852.4	1.2%	42.0	41.5	1.2%
EBITDA Margin	*83.8%*	*83.6%*	*20 bps*	*83.8%*	*83.6%*	*20 bps*
FFO	652.2	642.3	1.5%	31.8	31.3	1.6%
FFO Margin	*63.4%*	*63.0%*	*34 bps*	*63.4%*	*63.0%*	*34 bps*
AFFO	573.2	563.3	1.8%	27.9	27.5	1.8%
AFFO Margin	*55.5%*	*55.0%*	*47 bps*	*55.5%*	*55.0%*	*47 bps*
Distributions per CBFI	0.5138	0.5049	1.8%	0.0250	0.0246	1.8%

(1) Same properties information evaluates the performance of the industrial properties including acquisitions, developments, and dispositions to be compared with 1Q21.

Source: PGIM Real Estate - Asset Management and Fund Accounting

Net Collections

In 1Q22, Terrafina reported net collections of US$49.0 million, a 2.0% or US$1.0 million increase compared to 1Q21. With the intention of aligning NOI, EBITDA, FFO and AFFO to Terrafina's cash flow generation, the method of calculation for these metrics will be made starting from net collections. This calculation is equal to rental revenue (invoices), minus uncollected revenue from the quarter, plus revenue collected from the quarter.

Rental Revenues

In 1Q22, Terrafina reported rental revenues of US$48.1 million, a 2.4% or US$1.1 million increase compared to 1Q21.

Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

In 1Q22, other operating income totaled US$1.0 million, a 43.8% or US$0.8 million decrease compared to 1Q21.

Other operating income mainly stemmed from tenant refunds from triple-net leases. Expenses reimbursable to Terrafina mainly included electricity, property taxes, insurance costs and maintenance.

Net revenues reached US$50.2 million in 1Q22, an increase of US$1.3 million, or 2.6% compared to 1Q21.

Revenues	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections [1]	**1,004.6**	**975.3**	**3.0%**	**49.0**	**48.0**	**2.0%**
Rental Revenue	**987.6**	**955.7**	**3.3%**	**48.1**	**47.0**	**2.4%**
Uncollected Revenue from the Quarter	**-46.0**	**-44.9**	**2.4%**	**-2.2**	**-2.2**	**0.6%**
Collected Revenue from the Previous Quarter	**63.1**	**64.4**	**-2.2%**	**3.1**	**3.2**	**-4.0%**
Accrued Income [2]	23.3	4.2	449.3%	1.1	0.2	408.3%
Other Operating Revenues	**20.1**	**35.6**	**-43.7%**	**1.0**	**1.7**	**-43.8%**
Reimbursable Expenses as Revenues [3]	7.7	9.5	-18.8%	0.4	0.5	-19.8%
Reimbursable Tenant Improvements	4.5	4.1	9.2%	0.2	0.2	8.2%
Other non-cash Income	7.9	22.0	-64.2%	0.4	1.1	-64.1%
Net Revenue [4]	**1,030.9**	**995.6**	**3.6%**	**50.2**	**49.0**	**2.6%**

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Straight line rent adjustment. (3) Triple net leases expenses reimbursed to Terrafina from its tenants. (4) Rental revenue + accrued income + other operating revenues.
Source: PGIM Real Estate - Fund Accounting

For additional information regarding the revenue breakdown used to calculate additional metrics presented in this earnings report, please refer to *Annex 1* in the last section of this document.

Real Estate Expenses

In 1Q22, real estate expenses totaled US$5.4 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance.

It is also important to differentiate between expenses that are directly related to the operation and those that are for the maintenance of the industrial portfolio; the latter are used in the NOI calculation.

The remainder of the accounts included in real estate expenses are considered non-recurring expenses and are used to calculate EBITDA and AFFO.

For additional information regarding the real estate expenses breakdown, please refer to *Annex 2* in the last section of this document.

Net Operating Income (NOI)

In 1Q22, NOI totaled US$47.1 million, a 2.3% or US$1.0 million increase compared to 1Q21. NOI margin decreased by 10 basis points reaching 93.8% compared to 94.0% in 1Q21.

The following table displays the NOI calculation for 1Q22:

Net Operating Income	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections [1]	1,004.6	975.3	3.0%	49.0	48.0	2.0%
Other Operating income [2]	24.5	20.5	19.4%	1.2	1.0	18.7%
Net Revenues for NOI Calculation	**1,029.2**	**995.8**	**3.3%**	**50.2**	**49.0**	**2.4%**
Repair and Maintenance	-4.2	-4.1	1.5%	-0.2	-0.2	1.4%
Property Taxes	-20.7	-20.5	0.9%	-1.0	-1.0	-0.1%
Property Management Fees	-20.1	-18.7	7.4%	-1.0	-0.9	6.4%
Electricity	-1.5	-1.6	-4.1%	-0.1	-0.1	-4.5%
Property Insurance	-9.4	-7.9	19.9%	-0.5	-0.4	18.8%
Security	-4.6	-5.1	-9.0%	-0.2	-0.2	-9.4%
Other Operational Expenses	-2.8	-2.4	13.5%	-0.1	-0.1	12.9%
Real Estate Operating Expenses for NOI Calculation	**-63.3**	**-60.3**	**5.0%**	**-3.1**	**-3.0**	**4.1%**
Net Operating Income [3]	**965.9**	**935.5**	**3.2%**	**47.1**	**46.0**	**2.3%**
NOI Margin	*93.8%*	*94.0%*	*-10 bps*	*93.8%*	*94.0%*	*-10 bps*

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter.
(2) Excludes tenant improvements which are income calculation generated by the operation of the property, independent of external factors such as financing and income taxes. NOI is the result of Net Revenues (includes rental income and triple net leases expenses reimbursements) minus Real Estate Operating Expenses (costs included in 'AFFO')
(3) The incurred during the operation and maintenance of the industrial portfolio.
Source: PGIM Real Estate - Fund Accounting

Fees and Administrative Expenses (G&A)

Fees and administrative expenses for 1Q22 totaled US$5.2 million, with no changes compared to 1Q21.

The following table breaks down total G&A for 1Q22:

G&A	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos otherwise stated)			*(millions of dollars unless otherwise stated)*		
External Advisor Fees [1]	-64.9	-59.7	8.8%	-3.2	-2.9	7.8%
Professional and Consulting Services	-11.8	-11.4	3.4%	-0.6	-0.6	-0.6%
Payroll, Admin. Fees and Other Expenses	-30.7	-35.8	-14.3%	-1.5	-1.7	-12.7%
Total G&A	**-107.4**	**-106.8**	**0.5%**	**-5.2**	**-5.2**	**0.2%**

(1) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PREI, and Advisor as per the Advisory Contract.
Source: PGIM Real Estate - Fund Accounting

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

In 1Q22, EBITDA totaled US$42.0 million, an increase of US$1.0 million, or 2.5%, compared to 1Q21. The EBITDA margin was 83.8%, a 9-basis point increase compared to 1Q21.

The following shows the EBITDA calculation for 1Q22:

EBITDA	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Collections [1]	1,004.6	975.3	3.0%	49.0	48.0	2.0%
Other Operating income [2]	24.5	20.5	19.4%	1.2	1.0	18.7%
Real Estate Expenses for EBITDA Calculation	**-67.4**	**-63.6**	**5.9%**	**-3.3**	**-3.1**	**5.1%**
Real Estate Operating Expenses for NOI Calculation	-63.3	-60.3	5.0%	-3.1	-3.0	4.1%
Advertising	-0.1	-0.1	-	0.0	0.0	-
Admin. Property Insurance Expenses	-0.9	-0.8	13.5%	0.0	0.0	12.3%
Other Admin. Real Estate Expenses	-3.1	-2.4	27.5%	-0.2	-0.1	27.7%
Fees and Admin. Expenses	**-99.4**	**-99.8**	**-0.4%**	**-4.8**	**-4.9**	**-0.3%**
External Advisor Fees	-64.9	-59.7	8.8%	-3.2	-2.9	7.8%
Legal, Admin. and Other Professional Fees	-22.5	-27.5	-18.2%	-1.1	-1.4	-18.8%
Trustee Fees	-2.4	-3.0	-18.6%	-0.1	-0.1	18.3%
Payroll	-8.8	-8.6	1.5%	-0.4	-0.4	0.7%
Other Expenses	-0.8	-1.0	-21.3%	0.0	-0.1	-23.5%
EBITDA [3]	**862.4**	**832.4**	**16.8%**	**42.0**	**41.0**	**2.5%**
EBITDA Margin	*83.8%*	*83.7%*	*9 bps*	*83.8%*	*83.7%*	*9 bps*

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Excludes tenant improvements reimbursements which is included in AFFO calculation. (3) Earnings before interest, taxes, depreciation, and amortization.
Source: PGIM Real Estate - Fund Accounting

For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to *Annex 3* located in the last section of this document.

Financing Expenses

During 1Q22, Terrafina registered financing costs of US$13.5 million, an increase of 18.9% or US$2.1 million compared to 1Q21. This was attributable to the 2022 bond payment made at the end of the 1Q22.

Financial Expenses	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Interest Paid	-210.8	-228.6	-7.8%	-10.3	-11.1	-7.3%
Borrowing Expenses	-66.9	-6.0	1022.7%	-3.3	-0.3	990.1%
Recurring	0.0	0.0	-	0.0	0.0	-
Non-recurring	-66.9	-6.0	1022.7%	-3.3	-0.3	990.1%
Interest Income	0.7	0.5	28.9%	0.0	0.0	29.6%
Total	**-277.1**	**-234.0**	**18.4%**	**-13.5**	**-11.4**	**18.9%**

Source: PGIM Real Estate - Fund Accounting

Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

In 1Q22, FFO increased by US$1.8 million or 6.1% compared to 1Q21, reaching US$31.8 million. The FFO margin was 63.4%, a 224-basis point increase compared to 1Q21.

Additionally, AFFO was US$27.9 million, an increase of US$1.0 million, or 3.8% compared to 1Q21. The AFFO margin was 55.5%, an increase of 77 basis points compared to 1Q21.

Funds from Operations (FFO)	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
EBITDA	862.4	832.4	3.6%	42.0	41.0	2.5%
Finance Cost [1]	-210.1	-228.0	-7.9%	-10.2	-11.1	-7.4%
Funds from Operations (FFO)	**652.2**	**604.4**	**7.9%**	**31.8**	**30.0**	**6.1%**
FFO Margin	*63.4%*	*61.1%*	*224 bps*	*63.4%*	*61.1%*	*224 bps*
Tenant Improvements	-41.3	-15.8	161.5%	-2.0	-0.8	158.5%
Leasing Commissions	-29.7	-38.9	-23.5%	-1.4	-1.9	-24.0%
Other Non Recurring [2]	-7.9	-7.0	13.3%	-0.4	-0.4	6.5%
Adjusted Funds from Operations (AFFO)	**573.2**	**542.7**	**5.6%**	**27.9**	**26.9**	**3.8%**
AFFO Margin	*55.5%*	*54.7%*	*77 bps*	*55.5%*	*54.7%*	*77 bps*

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and other interest income. (3) Related to acquisitions, dispositions, legal expenses, and others.
Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

Comprehensive Income for 1Q22 amounted to US$113.8 million, compared to US$47.1 million in 1Q21.

The following table presents Comprehensive Income calculations for 1Q22:

Comprehensive Income	1Q22	1Q21	Var. %	1Q22	1Q21	Var. %
	(millions of pesos unless otherwise stated)			*(millions of dollars unless otherwise stated)*		
Net Revenues	1,030.9	995.6	3.6%	50.2	49.0	2.6%
Real Estate Expenses	-111.4	-153.3	-27.4%	-5.4	-7.5	-28.0%
Fees and Other Expenses	-107.4	-106.8	0.5%	-5.2	-5.2	0.2%
Gain (Loss) from Sales of Real Estate Properties	-	-	-	-	-	-
Reserve on collection of proceeds from disposal of investment properties	-	-	-	-	-	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	962.8	113.4	749.3%	46.7	5.5	757.2%
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	0.0	8.8	-	0.0	0.4	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	923.4	762.2	-	44.8	36.7	-
Realized gain (loss) on Financial Derivative instruments	0.0	-8.2	-	0.0	-0.4	-
Foreign Exchange Gain (loss)	-13.3	3.4	-491.0%	-0.6	0.2	-

Operating Profit	**2,685.1**	**1,615.0**	**66.3%**	**130.5**	**78.5**	**-**
Financial Income	0.7	0.9	-21.1%	0.0	0.0	-21.7%
Financial Expenses	-277.8	-221.2	25.6%	-13.5	-10.9	24.6%
Net Financial Cost	-277.1	-220.3	25.8%	-13.5	-10.8	24.8%
Share of Profit from Equity Accounted Investments	3.8	-6.4	-160.3%	0.2	-0.3	-160.9%
Net Profit (Loss)	**2,411.9**	**1,388.4**	**73.7%**	**117.2**	**67.4**	**73.9%**
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	-994.8	950.7	-	0.0	0.0	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-66.8	-416.5	-84.0%	-3.3	-20.2	-
Comprehensive Income	**1,350.3**	**1,922.6**	**-29.8%**	**113.8**	**47.1**	**141.4%**

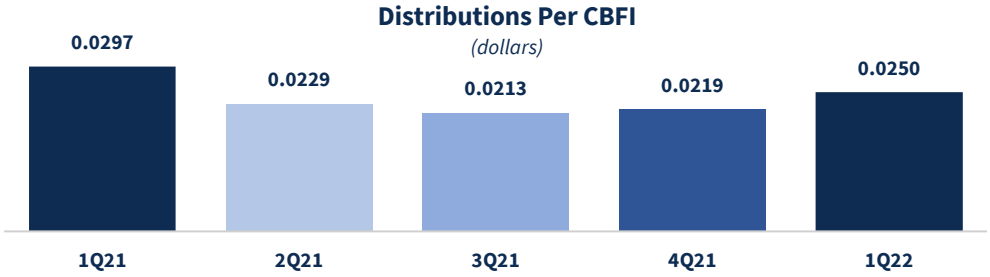
Source: PGIM Real Estate - Fund Accounting

Distributions per CBFIs

In 1Q22, Terrafina distributed US$19.6 million, or US$0.0250 per CBFI. It is important to mention that the distributions paid correspond to 70% of the AFFO generated in the quarter.

Distributions *(millions of pesos unless otherwise stated)*	**1Q21**	**2Q21**	**3Q21**	**4Q21**	**1Q22**	**Var.%**
Total Outstanding CBFIs [1] (millions of CBFIs)	790.6	790.6	790.6	788.8	781.0	-1.2%
CBFI Price [2]	29.89	30.65	30.88	27.77	27.87	-6.8%
Distributions	476.4	363.4	337.2	359.1	401.2	-15.8%
Distributions Per CBFI	**0.6026**	**0.4597**	**0.4266**	**0.4553**	**0.5138**	**-14.7%**
FX Rate USD/MXN (average closing period)	20.33	20.04	20.01	20.75	20.52	0.9%
Distributions (millions of dollars)	23.5	18.1	16.9	17.3	19.6	-16.6%
Distributions Per CBFI (dollars)	**0.0297**	**0.0229**	**0.0213**	**0.0219**	**0.0250**	**-15.6%**
Annualized Distribution Yield[3]	*8.1%*	*6.0%*	*5.5%*	*6.6%*	*7.4%*	*-69 bps*

(1) Number of CBFIs at the end of each period (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFI price of the quarter.
Source: PGIM Real Estate - Fund Accounting



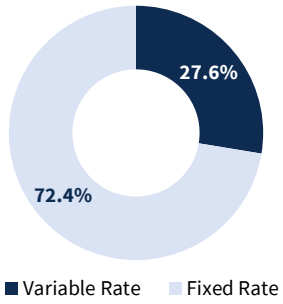
Outstanding Debt

As of March 31st, 2022, Terrafina's total debt reached US$909.0 million. The average cost of Terrafina's long-term debt was 4.46%. All Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt *(as of March 31st, 2022)*	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity
Long Term Debt						
Metlife	Dollars	2,999.1	150.0	4.75%	Interest Only	Jan 2027
BBVA Term Loan	Dollars	3,716.3	185.9	Libor + 2.30%	Interest Only	July 2026
BBVA Revolving Credit	Dollars	1,300.5	65.0	Libor + 2.25%	Interest Only	July 2026
Senior Notes (2029) [1]	Dollars	10,159.7	508.1	4.962%	Interest Only	July 2029
Total Debt		**18,175.6**	**909.0**			
Net Cash		**665.3**	**33.3**			
Net Debt		**17,510.4**	**875.8**			

(1) Value at Cost: US$500 million / Ps.9,997 million
Source: PGIM Real Estate - Fund Accounting and Transactions

Interest Rate Breakdown
(as of March 31st, 2022)



The following tables show leverage and debt service coverage as of March 31st, 2022:

Loan-to-Value (LTV) *(as of March 31st, 2022)*	*(millions of pesos)*	*(millions of dollars)*
Total Assets	53,142.6	2,657.9
Total Debt (historical cost)	18,112.3	905.9
Loan-to-Value [1]		**34.1%**

(1) Total Debt recorded at historic cost divided by Total Assets.
Source: PGIM Real Estate - Fund Accounting and Capital Markets

Debt Service Coverage Ratio (DSCR)			
	period	*(millions of pesos)*	*(millions of dollars)*
Cash & Cash Equivalents	March 31st, 2022	665.3	33.3
Recoverable Taxes	Σ next 6 quarters	121.1	6.1
EBIT [1] after distributions	Σ next 6 quarters	3,063.9	149.3
Available Credit Line	March 31st, 2022	665.3	33.3
Interest Payments	Σ next 4 quarters	889.9	44.5
Principal Payments	Σ next 4 quarters	0.0	0.0
Recurring CapEx	Σ next 6 quarters	390.0	19.5
Development Expenses	Σ next 6 quarters	1,550.0	77.5
Debt Service Coverage Ratio (DSCR) [2]			**3.0x**

(1) Earnings Before Interest and Taxes
(2) (Cash & Cash Equivalents + Recoverable Taxes + EBIT After Distributions + Available Credit Line) / (Interest Payments + Principal Payments + Recurring CAPEX + Development Expenses)
Source: PGIM Real Estate - Fund Accounting and Capital Markets

Additionally, as of March 31st, 2022, Terrafina was in full compliance with its debt covenants related to the bond issuance maturing in 2029 as follows:

Unsecured Bond Covenants *(as of March 31st, 2022)*	Terrafina	Bond Covenants
Loan-to-Value (LTV) [1]	34.6%	≤ 60%
Debt Service Coverage Ratio (DSCR) [2]	4.1x	≥ 1.5x
Secured Debt to Gross Assets Limitation	5.7%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	293.7%	≥ 150%

(1) Total Debt divided by Total Assets (without accounts receivable). (2) (Net Income/Loss + Interest on Debt + Unrealized Gain /Loss of fair value changes) / (all interest and principal payments on Debt)
Source: PGIM Real Estate - Capital Markets

CBFI Buyback Activity

Terrafina bought 6,745,045 CBFIs during the 1Q22 at an average weighted price of Ps. 28.36 to close the quarter with a total of 782,022,440 outstanding CBFIs.

CBFIs Buyback Activity	1Q22
Total outstanding CBFIs at the beginning of the quarter	788,767,485
Buyback activity during the quarter	6,745,045
Total outstanding CBFIs at the end of the quarter	782,022,440
Weighted average trade price *(pesos)*	28.36

GUIDANCE

Terrafina expects to reach the following full-year (same-store) results as part of its 2022 guidance:

2022 Guidance	
Year-end occupancy	94% - 95%
Distribution payout ratio[1]	70%
Annual distribution per CBFI	$0.0910 US cents - $0.0920 US cents
CAPEX per square foot (Total GLA)	$0.30 US cents - $0.33 US cents

(1) Relative to 2021 Adjusted Funds from Operations (AFFO)

ANALYST COVERAGE

At the end of 1Q22, the following banks and institutions published research reports on Terrafina:

- Banorte
- Barclays
- BBVA
- BofA
- BTG Pactual
- BX+
- Bradesco
- Citi Banamex
- Credit Suisse
- HSBC
- Interacciones
- Invex
- Itaú BBA
- JPMorgan
- Monex
- Morgan Stanley
- Scotiabank
- Santander

ABOUT TERRAFINA

Terrafina (BMV:TERRA13) is a Mexican real estate investment trust formed primarily to acquire, develop, lease and manage industrial real estate properties in Mexico. Terrafina's portfolio consists of attractive, strategically located warehouses and other light manufacturing properties throughout the Central, Bajío and Northern regions of Mexico. It is internally managed by highly qualified industry specialists and externally advised by PGIM Real Estate.

Terrafina owns 279 real estate properties, including 274 developed industrial facilities with a collective GLA of approximately 38.8 million square feet and 5 land reserve parcels, designed to preserve the organic growth capability of the portfolio. Terrafina's objective is to provide attractive risk-adjusted returns for the holders of its certificates through stable distributions and capital appreciations. Terrafina aims to achieve this objective through a successful performance of its industrial real estate and complementary properties, strategic acquisitions, access to a high level of institutional support, and an effective management and corporate governance structure. For more information, please visit www.terrafina.mx/en/

About PGIM Real Estate
As one of the largest real estate managers in the world with $209.3 billion in gross assets under management and administration[1], PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the $1.7 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing[2], and the deep local expertise of professionals in 31 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit https://www.pgim.com/real-estate/.

[1] As of December 30, 2021. Includes $45.9 billion U.S. dollars in assets under management (AUA).
[2] Includes legacy lending through PGIM's parent company, PFI.

About PGIM and Prudential Financial, Inc.
PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world[1] with more than $1.7 trillion in assets under management as of September. 30, 2021. With offices in 16 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

Prudential's additional businesses offer a variety of products and services, including life insurance, annuities and retirement-related services. For more information about Prudential, please visit news.prudential.com.

Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

1Prudential Financial, Inc. (PFI) is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on June 1, 2020. This ranking represents global assets under management by PFI as of March 31, 2020.

Conference Call

Terrafina
(BMV: TERRA13)

Cordially invites you to participate in its First Quarter 2022 Conference Call

Friday, April 29th, 2022
11:00 a.m. Eastern Time
10:00 a.m. Central Time

***

To access the call, please dial:
from within the U.S. +1-888-506-0062
from outside the U.S. +1-973-528-0011
from Mexico (toll free) 55-8526-2489

Conference access code: 244201

Audio Webcast Link
https://www.webcaster4.com/Webcast/Page/2133/44986

To access the conference replay please dial:
U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 44986

ANNEXES

Annex 1 – Implied Cap Rate

Terrafina's implied cap rate and under NAV (Net Asset Value) Calculations are shown in the following tables:

Implied Cap Rate	
1Q22 Average Price (dollars)[1]	1.36
(x) CBFIs (million of certificates)	781.0
(=) Market Capitalization	1,060.5
(+) Total Debt	909.0
(-) Cash	33.3
(=) Enterprise Value	**1,936.2**
(-) Landbank	35.6
(=) Implied Operating Real Estate Value	**1,900.6**
Net Operating Income (NOI) 2022e	180.0
Implied Cap Rate	**9.5%**

Figures expressed in millions of dollars unless otherwise stated.

(1) Average certificate price of Ps.27.77 and exchange rate of Ps.20.75

Cap Rate Calculation with NAV	
(+) Investment Properties (excluding landbank)	2,490.6
(+) Land	35.6
(+) Cash	33.3
(-) Total Debt and Liabilities	909.0
(=) NAV	**1,650.4**
(/) CBFIs (million of certificates)	781.0
(=) NAV per CBFI (dollars)	**2.11**

CBFI Price (NAV calculation)	2.11
(x) CBFIs (million shares)	781.0
(=) Market Cap	**1,650.4**
(+) Total Debt and Liabilities	909.0
(-) Cash	33.3
(=) Enterprise Value	**2,526.2**
(-) Landbank	35.6
(=) Implied Operating Real Estate Value	**2,490.6**
Net Operating Income (NOI) 2022e	180.0
Implied Cap Rate	**7.2%**

Annex 2 – Revenues

Terrafina's revenues are mainly classified as rental revenues and other operating reimbursable revenues.

Additionally, there are accounting revenues that must be registered according to IFRS; however, these are considered non-cash items and therefore are excluded from the principal calculations.

Reimbursable tenant improvements are included in the tenant improvement expenses for the AFFO calculation.

	Revenues	1Q22	1Q21	1Q22	1Q21
		(millions of pesos)		*(millions of dollars)*	
NOI calculation	**Net Collections** [1]	**1,004.6**	**975.3**	**49.0**	**48.0**
NOI calculation	Rental Revenue	987.6	955.7	48.1	47.0
NOI calculation	Uncollected Revenue from the Quarter	**-46.0**	**-44.9**	**-2.2**	**-2.2**
NOI calculation	Collected Revenue from the Previous Quarter	63.1	64.4	3.1	3.2
Non-cash	Accrued Income [2]	23.3	4.2	1.1	0.2
	Other Operating Revenues	**20.1**	**35.6**	**1.0**	**1.7**
NOI calculation	Reimbursable Expenses as Revenues [3]	7.7	9.5	0.4	0.5
AFFO calculation	Reimbursable Tenant Improvements	4.5	4.1	0.2	0.2
Non-cash	Other non-cash income	7.9	22.0	0.4	1.1
	Net Revenue	**1,030.9**	**995.6**	**50.2**	**49.0**
NOI calculation	Share of Profit from Equity Accounted Investments [4]	16.8	11.0	0.8	0.5

(1) Net collections = rental revenue - uncollected revenue from the quarter + revenue collected from the previous quarter. (2) Straight line rent adjustment.
(3) Triple net leases expenses reimbursed to Terrafina from its tenants. (4) Profit from Joint-venture developments.

Source: PGIM Real Estate - Fund Accounting

Annex 3 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related to operations (used for the Net Operating Profit calculation) as well as non-recurring figures used for the calculation of metrics such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO).

The following table presents the breakdown of real estate expenses, which are used for the calculation of several metrics.

	Real Estate Expenses	1Q22	1Q21	1Q22	1Q21
		(millions of pesos)		*(millions of dollars)*	
	Repair and Maintenance	-50.0	-24.0	-2.4	-1.2
NOI calculation	Recurring	-4.2	-4.1	-0.2	-0.2
AFFO calculation	Non-recurring	-45.8	-19.9	-2.2	-1.0
	Property Taxes	-23.9	-38.0	-1.2	-1.9
NOI calculation	Operating	-20.7	-20.5	-1.0	-1.0
Non-cash	Non-operating	-3.2	-17.5	-0.2	-0.9
NOI calculation	Property Management Fees	-20.1	-18.7	-1.0	-0.9
NOI calculation	Electricity	-1.5	-1.6	-0.1	-0.1
AFFO calculation	Brokers Fees	-29.7	-38.9	-1.4	-1.9
	Property Insurance	-10.3	-8.7	-0.5	-0.4
NOI calculation	Operating	-9.4	-7.9	-0.5	-0.4
EBITDA calculation	Administrative	-0.9	-0.8	0.0	0.0
NOI calculation	Security	-4.6	-5.1	-0.2	-0.2
EBITDA calculation	Advertising	-0.1	-0.1	0.0	0.0
	Other Expenses	30.3	-4.8	1.5	-0.2
NOI calculation	Operational-related	-2.8	-2.4	-0.1	-0.1
Non-cash	Non-operational Related	36.2	0.0	1.8	0.0
EBITDA calculation	Administrative	-3.1	-2.4	-0.2	-0.1
Non-cash	Bad Debt Expense	-1.4	-13.5	-0.1	-0.7
	Total Real Estate Expenses	**-111.4**	**-153.3**	**-5.4**	**-7.5**

Source: PGIM Real Estate - Fund Accounting

Annex 4 – Fees and Administrative Expenses

Fees and administrative expenses include figures used for the calculation of metrics such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

Terrafina's fees and administrative expenses breakdown is available in the following table and indicates the figures used for the calculation of these metrics:

	Fees and Administrative Expenses	1Q22	1Q21	1Q22	1Q21
		(millions of pesos)		*(millions of dollars)*	
EBITDA calculation	External Advisor Fees	-64.9	-59.7	-3.2	-2.9
	Legal Fees	-6.4	-6.0	-0.3	-0.3
EBITDA calculation	Recurring	0.0	0.0	0.0	0.0
AFFO calculation	Non Recurring	-6.4	-6.0	-0.3	-0.3
	Other Professional Fees	-5.4	-5.4	-0.3	-0.3
EBITDA calculation	Recurring	-3.8	-4.4	-0.2	-0.2
AFFO calculation	Non Recurring	-1.5	-1.0	-0.1	0.0
	Administrative Fees	-18.7	-23.1	-0.9	-1.1
EBITDA calculation	Recurring	-18.7	-23.1	-0.9	-1.1
Non Operational related	Non Recurring [1]	0.0	0.0	0.0	0.0
EBITDA calculation	Payroll	-8.8	-8.6	-0.4	-0.4
EBITDA calculation	Trustee Fees	-2.4	-3.0	-0.1	-0.1
EBITDA calculation	Other Expenses	-0.8	-1.0	0.0	-0.1
	Total Fees and Admin. Expenses	**-107.4**	**-106.8**	**-5.2**	**-5.2**

(1) Non-operational related administrative fees.

Source: PGIM Real Estate - Fund Accounting

Annex 5 – Reconciliation

Reconciliation of Net Profit (Loss) to AFFO	1Q22 *(millions of pesos)*	1Q22 *(millions of dollars)*
Comprehensive Income (Loss)	**1,350.4**	**113.8**
Add (Deduct) Cost of Financing Adjustment:		
Exchange Rate Adjustments	994.8	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	66.8	3.3
Add (Deduct) Cost of Financing Adjustment:		
Non-recurring Borrowing Expenses	66.9	3.3
Add (Deduct) Non-cash Adjustment:		
Foreign Exchange Adjustments	13.3	0.6
Realized gain (loss) on Financial Derivative Instruments	0.0	0.0
Fair Value Adjustment on Borrowings	-923.4	-44.8
Fair Value Adjustment on Financial Derivative Instruments	0.0	0.0
Fair Value Adjustment on Investment Properties	-962.8	-46.7
Add (Deduct) Expenses Adjustment:		
Non-operating Property Taxes	3.2	0.2
Bad Debt Expense	1.4	0.1
Other Non-Cash Expenses	-14.2	-0.9
Add (Deduct) Revenues Adjustment:		
Uncollected Revenue from the Quarter	-46.0	-2.2
Collected Revenue from the Previous Quarter	63.1	3.1
Fair Value on Investment Properties JVs	-9.1	-0.4
Accrued Income	-23.3	-1.1
Other Non-Cash Income	-7.9	-0.4
Add (Deduct) Non-operational Administrative Fees		
Non-administrative Fees	0.0	0.0
AFFO	**573.2**	**27.9**

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI	1Q22 *(millions of pesos)*	1Q22 *(millions of dollars)*
Comprehensive Income (Loss)	**1,350.4**	**113.8**
Add (Deduct) Currency Translation Adjustment:		
Currency Translation Adjustment	994.8	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	66.8	3.3
Add (Deduct) Cost of Financing Adjustment:		
Non-recurring Borrowing Expenses	66.9	3.3
Add (Deduct) Non-Cash Adjustment:		
Foreign Exchange Adjustments	13.3	0.6
Realized gain (loss) on Financial Derivative Instruments	0.0	0.0
Fair Value Adjustment on Borrowings	-923.4	-44.8
Fair Value Adjustment on Financial Derivative Instruments	0.0	0.0
Fair Value Adjustment on Investment Properties	-962.8	-46.7
Add (Deduct) Expenses Adjustment:		
Non-recurring Repair and Maintenance	45.8	2.2
Non-operating Property Taxes	3.2	0.2
Brokers Fees	29.7	1.4
Bad Debt Expense	1.4	0.1
Other Non-Cash Expenses	-14.2	-0.9
Non Recurring Legal Fees	6.4	0.3
Non-recurring Other Professional Fees	1.5	0.1
Add (Deduct) Revenues Adjustment:	0.0	0.0

Uncollected Revenue from the Quarter	-46.0	-2.2
Collected Revenue from the Previous Quarter	63.1	3.1
Fair Value on Investment Properties JVs		
Accrued Income	-23.3	-1.1
Other Non-cash Income	-7.9	-0.4
Reimbursable Tenant Improvements	-4.5	-0.2
Add (Deduct) Non-operational Administrative Fees		
Non-administrative Fees	0.0	0.0
FFO	**652.2**	**31.8**
Add (Deduct) Cost of Financing Adjustment:		
Interest Paid	210.8	10.3
Recurring Borrowing Expenses	0.0	0.0
Interest Income	-0.7	0.0
EBITDA	**862.4**	**42.0**
Add (Deduct) Expenses Adjustment:		
External Advisor Fees	64.9	3.2
Recurring Legal Fees	0.0	0.0
Other Recurring Professional Fees	3.8	0.2
Administrative Fees	18.7	0.9
Payroll	8.8	0.4
Trustee Fees	2.4	0.1
Other Expenses	0.8	0.0
Advertising	0.1	0.0
Administrative Property insurance	0.9	0.0
Other Administrative Expenses	3.1	0.2
NOI	**965.9**	**47.1**
Add (Deduct) Expenses Adjustment:		
Recurring Repair and Maintenance	4.2	0.2
Operating Property Taxes	20.7	1.0
Property Management Fees	20.1	1.0
Electricity	1.5	0.1
Property Operating Insurance	9.4	0.5
Security	4.6	0.2
Other Operational Expenses	2.8	0.1
Add (Deduct) Revenues Adjustment:		
Other Non-Cash Income	7.9	0.4
Accrued Income	23.3	1.1
Uncollected Revenue from the Quarter	46.0	2.2
Collected Revenue from the Previous Quarter	-63.1	-3.1
Reimbursable Tenant Improvements	4.5	0.2
Share of Profit from Equity Accounted Investments	-16.8	-0.8
Net Revenue	**1,030.9**	**50.2**

FINANCIAL STATEMENTS

Income Statement	1Q22 *(millions of pesos)*	1Q22 *(millions of dollars)*
Rental revenues	1,010,867	49,257
Other operating income	20,075	978
Real estate operating expenses	-147,509	-7,180
Other operating expenses related to investment properties	36,158	1,755
Fees and other expenses	-107,378	-5,231
Realized gain (loss) on sale of investment properties	0	0
Net gain (loss) from fair value adjustment on investment properties	962,785	46,720
Net gain (loss) from fair value adjustment on borrowings	923,418	44,813
Net gain (loss) unrealized from fair value on financial derivate instruments	0	0
Realized gain (loss) on financial derivate instruments	0	0
Foreign exchange (loss) gain	-13,269	-644
Operating profit	**2,685,147**	**130,467**
Finance income	348	34
Finance cost	-226,594	-13,527
Net Finance cost	**-226,246**	**-13,493**
Share of profit from equity accounted investments	3,837	186
Net Profit for the period	**2,411,907**	**117,160**
Exchange rate gain (loss) from functional to reporting currency	-994,784	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	-66,767	-3,339
Total Comprehensive income for the period	**1,350,356**	**113,821**

Balance Sheet	Mar-31st-22	Dec-31st-21	Mar-31st-22	Dec-31st-21
	(thousands of pesos)		*(thousands of dollars)*	
Assets				
Non-current assets				
Investment properties	50,508,397	50,812,050	2,526,152	2,468,582
(Cost: 31/03/2022 - Ps.41,882,666, US$2,094,741; 31/12/2021 - Ps.41,661,924, US$2,024,044)				
Investments in joint venture	858,154	889,741	42,920	43,226
Deferred rents receivable	289,466	287,220	14,478	13,954
Other accounts receivable	135,361	139,350	6,770	6,770
Restricted cash	31,429	32,356	1,572	1,572
Current assets				
Other accounts receivable	332,622	188,977	16,636	9,181
Recoverable taxes	121,134	97,095	6,058	4,717
Prepaid expenses	91,210	32,318	4,562	1,570
Deferred charges receivable	15,321	3,217	766	156
Accounts receivable	94,234	118,049	4,713	5,735
(Net of allowance for doubtful accounts: 31/12/2021 - Ps. 113,779, US$5,528; 30/09/2021 - Ps. 135,936, US$6,694)				
Cash and cash equivalents	665,261	1,834,691	33,273	89,134
Total assets	**53,142,589**	**54,435,064**	**2,657,900**	**2,644,597**
Net assets attributable to Investors				
Net contributions	18,136,805	18,650,342	1,529,134	1,553,644
Retained earnings	6,476,203	4,089,202	178,864	62,845
Currency translation adjustment	9,325,014	10,319,798	-	-
Own credit risk reserve	78,239	157,219	-6,691	-2,741
Total net assets (Net Equity)	**34,016,261**	**33,216,561**	**1,701,306**	**1,613,747**
Liabilities				
Non-current liabilities				
Loans	18,058,162	18,052,862	903,170	877,055
(Cost: 31/03/2022 - Ps. 117,994,780, US$900,000; 31/12/2021 - Ps. 17,187,222, US$834,999)				
Financial derivative instruments	0	0	0	0
Tenant deposits	313,330	323,797	15,671	15,731
Accounts payable	98,412	137,233	4,922	6,667
Current liabilities				
Trade and other payables	389,958	476,868	19,504	23,167
Loans	117,484	2,151,050	5,876	104,504
(Cost: 31/03/2022 - Ps. 117,484, US$5,876; 31/12/2021 - Ps. 2,097,769, US$101,915)				
Tenant deposits	148,982	76,693	7,451	3,726
Total liabilities (excluding net assets attributable to the Investors)	**19,126,328**	**21,218,503**	**956,594**	**1,030,850**
Total net assets and liabilities	**53,142,589**	**54,435,064**	**2,657,900**	**2,644,597**

Cash Flow Statement	Mar-22 *(thousands of pesos)*	Mar-22 *(thousands of dollars)*
Cash flows from operating activities		
Profit (loss) for the period	2,411,907	117,160
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-962,785	-46,720
Net loss (gain) realized from fair value adjustment on loans	-923,418	-44,813
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	0	0
Net loss (gain) realized from disposal of investment properties	0	0
Bad debt expenses	1,392	68
Interest expenses on loans	226,295	11,028
Interest income on bank accounts	-700	-34
Share of profit from equity accounted investments	-3,837	-186
Decrease (increase) deferred rents receivable	-14,350	-1,134
Decrease (increase) in accounts receivable	22,423	955
Decrease (increase) in recoverable taxes	-25,366	-1,406
Decrease (increase) in recoverable value added tax	1,327	65
Decrease (increase) in prepaid expenses	-58,892	-2,992
Decrease (increase) in other assets	-139,656	-7,455
Decrease (increase) in tenant deposits	61,822	3,665
(Decrease) in accounts payable	-125,731	-5,409
Net cash (used in) generated from operating activities	**470,431**	**22,793**
Cash flows from investing activities		
Acquisition of investment properties	0	-
Improvements of investment properties	-221,078	-10,851
Dispositions of investment properties	-	-
Interest income on bank accounts	700	34
Investments in joint venture	9,904	492
Net cash (used in) generated from investing activities	**-210,474**	**-10,325**
Cash flows from financing activities		
Received payments	1,326,943	65,000
Principal payments on loans	-1,800,016	-89,198
Interest payments on loans	-370,573	-17,870
Distributions to investors	-359,098	-16,943
Shares buyback	-191,558	-9,319
Net cash (used in) generated from financing activities	**-1,394,302**	**-68,329**
Net (decrease) in cash and cash equivalents	-1,134,345	-55,861
Cash and cash equivalents at the beginning of the period	1,834,691	89,134
Exchange effects on cash and cash equivalents	-35,085	-
Cash and cash equivalents at the end of the period	**665,261**	**33,273**

Statement of Changes in Equity *(thousands of pesos)*	Attributable to Investors Net contributions	Currency translation adjustment	Own credit risk reserve	Retained earnings	Net assets
Balance at January 1st, 2022	18,650,342	10,319,798	157,219	4,089,202	33,216,561
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-321,979	-	-	-37,119	-359,098
Repurchase of certificates, including transaction costs	-191,558				-191,558
Comprehensive Income					
Net loss forthe period	-	-	-	2,411,907	2,411,907
Other Comprehensive Income					
Currency conversion adjustments	-	-994,784	-	-	-994,784
Fair value loan adjustments	-	-	-66,767	-	-66,767
Own credit risk reserve recognition			-12,213	-12,213	-
Total Comprehensive (loss) income	**-**	**-994,784**	**-78,980**	**2,424,120**	**6,257,845**
Net Assets as of March 31st, 2022	**18,136,805**	**9,325,014**	**78,239**	**6,476,203**	**34,016,261**
(thousands of dollars)					
Balance at January 1st, 2022	1,553,644	-	-2,741	62,845	1,613,747
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-15,191	-	-	-1,751	-16,943
Repurchase of certificates, including transaction costs	-9,319				-9,319
Comprehensive Income					
Net loss of the period	-	-	-	117,160	117,160
Other Comprehensive Income					
Currency conversion adjustments	-	-	-	-	-
Fair value loan adjustments	-	-	-3,339	-	-3,339
Own credit risk reserve recognition	-	-	-611	-611	-
Total Comprehensive (loss) income	**-**	**-**	**-3,950**	**117,771**	**113,821**
Net Assets as of March 31st, 2022	**1,529,134**	**-**	**-6,691**	**178,864**	**1,701,306**