FOURTH QUARTER AND FULL YEAR 2023

EARNINGS REPORT

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Disclaimer

Mexico City, February 22nd, 2024 – 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 fourth quarter 2023 (4Q23) and full year 2023 (FY2023) 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.

Terrafina's financial statements that are included in this report have been audited by the external auditors, yet they have not been approved at the Ordinary Shareholders' Meeting. Once the audited 2023 financial statements are available and have been approved by the Annual Ordinary Shareholders' Meeting, these will be made available to the market as per applicable law.

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 because 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 December 31st, 2023

OPERATING

- As of December 31st, 2023, the **occupancy rate** was 98.1%, a 170-basis point increase compared to the fourth quarter of 2022 (4Q22).

- **Renewal rate** for 4Q23 was 95.7%, a 345 basis-point decrease compared to 4Q22.

- **Average leasing rate** per square foot for 4Q23 leasing activity was US$6.38, with a 12.2% leasing spread compared to the last twelve months.

- At the end of 2023, Terrafina reported a total of 42.8 million square feet (msf) of **Gross Leasable Area** (GLA) comprised of 291 properties and 307 tenants.

- 2023 **leasing activity** reached 7.4 msf, of which 21.7% corresponded to new leases, 68.9% to lease renewals and 9.4% to early renewals.

FINANCIAL

- FY2023 **net collections** (rental revenues - uncollected revenues + collected revenues) reached US$214.0 million, of which US$54.4 million were generated during 4Q23. This implied an 8.3%, or US$16.5 million increase compared to FY2022, and an 8.0% or US$4.0 million increase compared to 4Q22.

- FY2023 **rental revenues** reached US$216.5 million, of which US$55.6 million were generated during 4Q23. This implied a 10.4% or US$20.4 million, and 9.8% or US$5.0 million increases, respectively, compared to FY2022 and 4Q22.

- FY2023 **NOI** was US$201.7 million, of which US$51.7 million were generated during 4Q23. This translated into increases of 6.9% or US$13.1 million compared to FY2022, and 7.7% or US$3.7 million compared to 4Q22.

- The **NOI margin** was 93.2% in FY2023 and 93.3% in 4Q23. This implied 39 and 21 basis-point decreases, respectively, compared to FY2022 and 4Q22.

- FY2023 **EBITDA** reached US$176.4 million, of which US$44.9 million were generated during 4Q23. This implied increases of 6.2% or US$10.2 million and 7.3% or US$3.0 million, respectively, compared to FY2022 and 4Q22.

- The **EBITDA margin** was 81.5% for FY2023 and 81.0% for 4Q23. This implied 94 and 47 basis-point decreases, respectively, compared to FY2022 and 4Q22.

- FY2023 **funds for operations** (FFO) reached US$127.2 million, of which US$32.2 million were generated in 4Q23. These were 3.0% or US$3.7 million and 6.0% or US$1.8 million increases, respectively, compared to FY2022 and 4Q22.

- The **FFO margin** was 58.8% for FY2023 and 58.1% in 4Q23, 249 and 104 basis points less than in FY2022 and 4Q22, respectively.

- FY2023 **adjusted funds for operations** (AFFO) reached US$107.4 million, of which US$26.8 million were generated in 4Q23. These experienced increases of 2.8% or US$2.9 million compared to FY2022, and 14.6% or US$3.4 million to 4Q22.

- The **AFFO margin** was 49.4% for FY2023 and 48.1% in 4Q23. This implied a 220 basis-point decrease and 269 basis-point increase, respectively, for FY2023 and 4Q22.

- Total **distributions** for FY2023 were US$77.2 million. Distributions per CBFI were US$0.1000. Considering the 2023 average share price of US$1.82 (Ps.32.29), Terrafina's dividend yield for the year was 5.5%. Terrafina will pay an extraordinary cash distribution that will be subject to taxation as a result of currency translation adjustments caused by the peso appreciation in 2023 on our dollar-denominated debt. This extraordinary distribution will be of $69.4 million dollars or Ps. 1,221.3 million pesos.

Operating and Financial Highlights

Operating	Mar23	Jun23	Sep23	Dec23	Dec22	Var.
Number of Developed Properties	277	278	290	291	276	15
Gross Leasable Area (GLA) (msf)[1]	39.6	40.0	42.1	42.8	39.4	3.3
Land Reserves (msf)	4.1	3.9	4.4	4.4	4.6	-0.2
Occupancy Rate[2]	*96.9%*	*97.3%*	*98.0%*	*98.1%*	*96.4%*	*170 bps*
Avg. Leasing Rent/ Square Foot (dollars)	5.71	5.78	5.89	5.96	5.63	0.33
Weighted Average Remaining Lease Term (years)	3.7	3.6	3.6	3.7	3.6	0.0
Renewal Rate[3]	*92.9%*	*94.8%*	*82.9%*	*95.7%*	*99.1%*	*-345 bps*

Accumulated Financial	Mar23	Jun23	Sep23	Dec23	Dec22	Var.		Mar23	Jun23	Sep23	Dec23	Dec22	Var.
							fx	18.6891	18.1915	17.7773	17.7463	20.1242	
	(millions of pesos unless otherwise stated)							*(millions of dollars unless otherwise stated)*					
Net Collections[4]	959.4	1,916.3	2,840.6	3,797.3	3,974.8	-4.5%		51.3	105.3	159.8	214.0	197.5	8.3%
Rental Revenues[5]	984.3	1,938.6	2,865.1	3,841.9	3,944.3	-2.6%		52.7	106.5	162.1	216.5	196.0	10.4%
Other Operating Income	5.6	15.5	21.4	40.2	78.5	-48.8%		0.3	0.9	1.9	2.3	3.9	-41.7%
Cash-basis Revenues[6]	966.1	1,933.1	2,867.0	3,840.9	4,056.0	-5.3%		51.7	106.3	161.7	216.4	201.5	7.4%
Cash-basis Revenues + Tenant Improvement Reimbursements[7]	970.3	1,940.3	2,877.8	3,857.4	4,073.6	-5.3%		51.9	106.7	162.4	217.4	202.4	7.4%
Net Revenues	967.2	1,928.0	2,860.1	3,855.1	4,084.7	-5.6%		51.8	106.0	162.6	217.3	203.0	7.1%
*Net Operating Income (NOI)**	899.2	1,798.9	2,670.4	3,579.0	3,795.5	-5.7%		48.1	98.9	150.6	201.7	188.6	6.9%
NOI Margin	*93.1%*	*93.9%*	*94.0%*	*93.2%*	*93.6%*	*-39 bps*		*93.1%*	*93.9%*	*94.2%*	*93.2%*	*93.6%*	*-39 bps*
EBITDA[8]*	791.9	1,643.1	2,404.0	3,130.4	3,344.2	-6.4%		42.4	86.9	131.8	176.4	166.1	6.2%
EBITDA Margin	*82.0%*	*85.7%*	*84.6%*	*81.5%*	*82.4%*	*-94 bps*		*82.0%*	*82.5%*	*82.5%*	*81.5%*	*82.4%*	*-94 bps*
*Funds from Operations (FFO)**	572.0	1,210.7	1,755.1	2,258.2	2,486.0	-9.2%		30.6	63.1	95.3	127.2	123.5	3.0%
FFO Margin	*59.2%*	*63.2%*	*61.8%*	*58.8%*	*61.3%*	*-249 bps*		*59.2%*	*59.9%*	*59.6%*	*58.8%*	*61.3%*	*-249 bps*
*Adjusted Funds from Operations (AFFO)**	501.0	1,052.3	1,499.1	1,908.2	2,103.9	-9.3%		26.8	54.3	81.2	107.4	104.4	2.8%
AFFO Margin	*51.6%*	*54.9%*	*52.8%*	*49.4%*	*51.6%*	*-220 bps*		*51.6%*	*51.6%*	*50.8%*	*49.4%*	*51.6%*	*-220 bps*
Distributions	361.1	702.9	1,032.3	1,371.8	1,472.7	-6.9%		19.3	38.6	57.9	77.2	73.1	5.7%
Distributions per CBFI[9]	0.4675	0.9099	1.3364	1.7759	1.8997	-6.5%		0.0250	0.0500	0.0750	0.1000	0.0942	6.1%

Quarterly Financial	1Q23	2Q23	3Q23	4Q23	4Q22	Var.		1Q23	2Q23	3Q23	4Q23	4Q22	Var.
							fx	18.6987	17.6987	17.0571	17.5805	19.6959	
	(millions of pesos unless otherwise stated)							*(millions of dollars unless otherwise stated)*					
Net Collections[4]	959.4	956.9	924.3	956.7	993.2	-3.7%		51.3	54.0	54.2	54.4	50.4	8.0%
Rental Revenues[5]	984.3	954.2	926.6	976.7	997.5	-2.1%		52.7	53.9	54.3	55.6	50.7	9.8%
Other Operating Income	5.6	9.9	5.9	18.9	21.1	-10.5%		0.3	0.6	0.3	1.1	1.1	0.2%
Cash-basis Revenues[6]	966.1	967.0	934.0	973.8	1,011.3	-3.7%		51.7	54.6	54.8	55.4	51.4	7.9%
Cash-basis Revenues + Tenant Improvement Reimbursements[7]	970.3	970.0	937.5	979.6	1,015.2	-3.5%		51.9	54.8	55.0	55.8	51.6	8.1%
Net Revenues	967.2	960.7	932.1	995.0	1,028.4	-3.2%		51.8	54.2	54.6	56.7	52.2	8.5%
*Net Operating Income (NOI)**	899.2	899.6	871.6	908.5	945.6	-3.9%		48.1	50.8	51.1	51.7	48.0	7.7%
NOI Margin	*93.1%*	*93.0%*	*93.3%*	*93.3%*	*93.5%*	*-21 bps*		*93.1%*	*93.0%*	*93.3%*	*93.3%*	*93.5%*	*-21 bps*
EBITDA[8]*	791.9	851.2	760.9	789.3	824.4	-4.3%		42.4	44.5	44.6	44.9	41.9	7.3%
EBITDA Margin	*82.0%*	*81.5%*	*81.5%*	*81.0%*	*81.5%*	*-47 bps*		*82.0%*	*81.5%*	*81.5%*	*81.0%*	*81.5%*	*-47 bps*
*Funds from Operations (FFO)**	572.0	638.6	544.5	566.0	598.0	-5.3%		30.6	32.5	31.9	32.2	30.4	6.0%
FFO Margin	*59.2%*	*59.5%*	*58.3%*	*58.1%*	*59.1%*	*-104 bps*		*59.2%*	*59.5%*	*58.3%*	*58.1%*	*59.1%*	*-104 bps*
*Adjusted Funds from Operations (AFFO)**	501.0	551.3	446.8	472.1	461.3	2.3%		26.8	27.5	26.2	26.8	23.4	14.6%
AFFO Margin	*51.6%*	*50.3%*	*47.7%*	*48.1%*	*45.5%*	*269 bps*		*51.6%*	*50.3%*	*47.7%*	*48.1%*	*45.5%*	*269 bps*
Distributions	361.1	341.8	329.4	339.5	322.9	5.1%		19.3	19.3	19.3	19.3	16.4	17.7%
Distributions per CBFI[9]	0.4675	0.4425	0.4264	0.4395	0.4180	5.1%		0.0250	0.0250	0.0250	0.0250	0.0212	17.7%

Balance Sheet	Mar23	Jun23	Sep23	Dec23	Dec22	Var.		Mar23	Jun23	Sep23	Dec23	Dec22	Var.
							fx	18.1052	17.0720	17.6195	16.8935	19.3615	
	(millions of pesos unless otherwise stated)							(millions of dollars unless otherwise stated)					
Cash & Cash Equivalents	498.5	473.4	729.5	635.6	733.1	-13.3%		27.5	27.7	41.4	37.6	37.9	-0.6%
Investment Properties	49,452.6	47,716.9	51,849.7	50,732.9	52,411.4	-3.2%		2,731.4	2,795.0	2,942.7	3,003.1	2,707.0	10.9%
Land Reserves	452.8	357.8	369.3	491.3	484.2	1.5%		25.1	21.0	21.0	29.1	25.1	15.9%
Total Debt	16,085.5	15,674.3	17,044.5	16,737.7	17,203.1	-2.7%		888.4	918.1	967.4	990.8	888.5	11.5%
Net Debt	15,587.0	15,200.9	16,315.0	16,102.1	16,470.0	-2.2%		860.9	890.4	926.0	953.2	850.7	12.0%

Per Certificate Metrics	1Q23	2Q23	3Q23	4Q23	4Q22	Var.	1Q23	2Q23	3Q23	4Q23	4Q22	Var.
	(millions of pesos unless otherwise stated)						(millions of pesos unless otherwise stated)					
Weighted Average CBFIs (millions)	772.5	772.5	772.5	772.5	772.5	0.0%	772.5	772.5	772.5	772.5	772.5	0.0%
NOI per Certificate	1.1641	1.1646	1.1283	1.1761	1.2241	-3.9%	0.0623	0.0657	0.0661	0.0669	0.0622	7.7%
EBITDA per Certificate	1.0251	1.1020	0.9850	1.0218	1.0672	-4.3%	0.0548	0.0576	0.0578	0.0581	0.0542	7.3%
FFO per Certificate	0.7405	0.8267	0.7048	0.7327	0.7741	-5.3%	0.0396	0.0421	0.0413	0.0417	0.0393	6.0%
AFFO per Certificate	0.6485	0.7137	0.5783	0.6111	0.5972	2.3%	0.0347	0.0356	0.0339	0.0347	0.0303	14.6%

(1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases for t he 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 "2023 Financial Performance" and "Appendices" section available in this document. Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period.

Source: PGIM Real Estate – Asset Management and Fund Accounting

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

Our portfolio's high quality supported Terrafina's very positive results throughout 2023. Our tenants' solid operations were helped by thriving manufacturing-for-export activities, as well as strong logistics and distribution dynamics in the growing industrial sector. Leasing activity reached a total of 7.4 million square feet by year-end. The Northern region stood out with 52.3% of this activity, followed by the Central region with 24.8%, and finally, the Bajío region with 22.9%. Rents were favored by positive leasing spreads which propelled a rent growth rate of 19.1%. Furthermore, the portfolio reached a new record-high occupancy rate of 98.1%, proving that demand continues across all main industrial markets where we are present.

Throughout the year, Terrafina also added a total of 3.3 million new square feet to its portfolio as part of its growth strategy, which generated a total of US$3.8 million in NOI. We are delighted to inform you that with this growth strategy, we have already deployed 70% of the sidecar's resources. This vehicle has been a key part of our progress, marked by the successful closing of crucial transactions in primary markets like Tijuana, Monterrey, and the State of Mexico. We have remained active while upholding a disciplined use of resources and protecting our investors' interests.

In the early stages of the fourth quarter, Terrafina also conducted the due diligence assessment and evaluation of the advantages associated with internalizing the external advisory services currently offered by PGIM Real Estate. Following this review, the Technical Committee voted to recommend said internalization. Further details on its benefits and technicalities will be shared at an upcoming Extraordinary CBFI Holders' Assembly to be convened shortly. This decision will be held to a vote at that time.

It is important to highlight that the termination of advisory services would not imply any direct cost to Terrafina's investors, since the advisory agreement has no termination fee. We are also convinced that this modification would be better aligned with our stakeholders' interests, offering a more efficient cost structure that will generate benefits of scale as we continue to grow. It will also allow for greater flexibility in decision-making, led by a solid corporate governance. Rest assured that we will continue to focus on increasing development activities while maintaining our leadership in the industrial real estate space.

Regarding the main financial indicators for the full year, net collections were US$214.0 million, which implies an increase of 8.3% compared to 2022. Rental revenues increased 10.4% to US$216.5 million. NOI was US$201.7 million, after a 6.9% year-on-year increase, on a 93.2% margin. EBITDA closed at US$176.4 million, on an 81.5% margin. We generated US$127.2 million in Funds from Operations (FFO), with a 58.8% margin. Adjusted Operating Funds increased 1.2% vs. 2022, reaching US$107.4 million. As for distributions, a total of US$77.2 million was recorded, equivalent to US$0.1000 per CBFI. This resulted in a 5.5% dividend yield, considering the average annual CBFI price. We closed with a cash balance of US$37.9 million and an LTV of 31.7% (total debt to cost between total assets).

Finally, for 2024 we are expecting an average occupancy rate between 97.5%–98.5% and a CBFI distribution of US$0.1060. We estimate maintenance capital expenditures to be between US$0.26–US$0.28 per square foot. Thank you for your continued 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 December 31st, 2023)				
# Buildings	206	54	31	291
# Tenants	206	60	41	307
GLA *(msf)*	28.2	8.0	6.6	42.8
Land Reserves *(msf)*	1.2	0.2	3.0	4.4
Occupancy Rate	*99.2%*	*93.4%*	*99.2%*	*98.1%*
Average Leasing Rent / Square Foot *(dollars)*	5.91	5.70	6.46	5.96
Annualized Rental Base %	*66.0%*	*17.1%*	*16.8%*	*100.0%*

Source: PGIM Real Estate – Asset Management

NORTH
- Baja California
- Sonora
- Chihuahua
- Coahuila
- Nuevo León
- Tamaulipas
- Durango

BAJIO
- San Luis Potosí
- Jalisco
- Aguascalientes
- Guanajuato
- Querétaro

CENTRAL
- State of Mexico
- Mexico City
- Tabasco

Leasing Activity	4Q23	4Q22	Var.
Operating Portfolio (msf):			
Renewals	2.2	1.4	0.8
Early Renewals	0.1	0.5	-0.4
New Leases	0.2	0.2	0.0
Total Square Feet of Leases Signed	**2.5**	**2.0**	**0.5**

Source: PGIM Real Estate – Asset Management

Leasing Spread	2023
North	
Number of Renewals	46
GLA *(msf)*	2.9
Avg. Effective Leasing Rent/ Square Foot *(dollars)*[1]	6.4
Net Effective Leasing Spread[2]	20.3%
Bajío	
Number of Renewals	12
GLA *(msf)*	1.0
Avg. Effective Leasing Rent/ Square Foot *(dollars)*[1]	6.3
Net Effective Leasing Spread[2]	25.8%
Central	
Number of Renewals	12
GLA *(msf)*	1.6
Avg. Effective Leasing Rent/ Square Foot *(dollars)*[1]	6.8
Net Effective Leasing Spread[2]	11.4%
Total	
Number of Renewals	70
GLA *(msf)*	5.5
Avg. Effective Leasing Rent/ Square Foot *(dollars)*[1]	6.5
Net Effective Leasing Spread[2]	19.8%

(1) Corresponds to the effective leasing rent for the renewed contracts during the quarter.
(2) Annual percentage change for the estimated total cash from rental revenues to be received over the lease term.

Operating Highlights (continued)

Occupancy and Rents by Region	Occupancy Rate	Avg. Leasing Rent/ Square Foot (*dollars*)
(as of December 31st, 2023)		
North	**99.2%**	**5.91**
Baja California	99.8%	7.09
Tijuana	99.8%	7.09
Sonora	82.8%	4.57
Hermosillo	82.8%	4.57
Chihuahua	100.0%	5.71
Camargo	100.0%	3.84
Casas Grandes	100.0%	4.54
Chihuahua	100.0%	5.68
Ciudad Juárez	100.0%	5.70
Delicias	100.0%	6.58
Coahuila	97.5%	5.84
Arteaga	100.0%	5.63
Monclova	100.0%	4.83
Ramos Arizpe	96.3%	6.05
Saltillo	100.0%	4.93
Derramadero	100.0%	7.21
San Pedro de las Colinas	89.3%	2.97
Torreón	100.0%	4.52
Nuevo León	99.9%	6.13
Apódaca	100.0%	7.07
Monterrey	99.9%	6.02
Tamaulipas	100.0%	5.35
Reynosa	100.0%	5.35
Durango	100.0%	6.12
Durango	100.0%	6.72
Gómez Palacio	100.0%	3.38
Bajío	**93.4%**	**5.69**
San Luis Potosí	91.0%	5.35
San Luis Potosí	91.0%	5.35
Jalisco	99.4%	6.63
Guadalajara	99.4%	6.63
Aguascalientes	100.0%	4.73
Aguascalientes	100.0%	4.73
Guanajuato	92.6%	5.52
Celaya	100.0%	6.32
Irapuato	81.8%	6.04
Silao	96.5%	5.23
Querétaro	92.6%	5.57
Querétaro	92.6%	5.57
Central	**99.2%**	**6.49**
State of Mexico	99.1%	6.56
Cuautitlán Izcalli	100.0%	6.64
Huehuetoca	100.0%	5.26
Toluca	96.2%	6.51
Mexico City	100.0%	11.24
Azcapotzalco	100.0%	11.24
Tabasco	100.0%	5.70
Villahermosa	100.0%	5.70
Total	**98.1%**	**5.96**

Maturities and Renewals by Region	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
(as of December 31st, 2023)				
North	**14**	**70.0%**	**13**	**92.9%**
Baja California	1	5.0%	1	100.0%
Tijuana	1	5.0%	1	100.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	11	55.0%	11	100.0%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Chihuahua	6	30.0%	6	100.0%
Ciudad Juárez	5	25.0%	5	100.0%
Delicias	0	0.0%	0	0.0%
Coahuila	1	5.0%	0	0.0%
Arteaga	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	1	5.0%	0	0.0%
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	1	5.0%	1	100.0%
Apódaca	0	0.0%	0	0.0%
Monterrey	1	5.0%	1	100.0%
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	**2**	**10.0%**	**2**	**100.0%**
San Luis Potosí	1	5.0%	1	100.0%
San Luis Potosí	1	5.0%	1	100.0%
Jalisco	0	0.0%	0	0.0%
Guadalajara	0	0.0%	0	0.0%
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	5.0%	1	100.0%
Querétaro	1	5.0%	1	100.0%
Central	**4**	**20.0%**	**4**	**100.0%**
State of Mexico	4	20.0%	4	100.0%
Cuautitlán Izcalli	2	10.0%	2	100.0%
Huehuetoca	0	0.0%	0	0.0%
Toluca	2	10.0%	2	100.0%
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	**20**	**100.0%**	**19**	**95.0%**

Source: PGIM Real Estate – Asset Management

2023 OPERATING PERFORMANCE

Composition by Geographical Diversification

In 4Q23, the geographic diversification of Terrafina's properties (by GLA) was as follows: 65.8% in the Northern region, 18.8% in the Bajío, and 15.4% in the Central region.

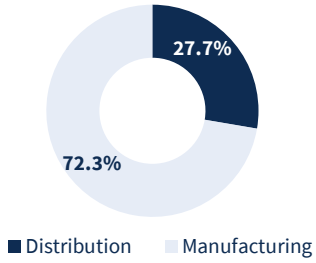
Geographic Distribution by Region and State	4Q23	as a % of Total GLA 4Q23	4Q22	as a % of Total GLA 4Q22
North	**28.15**	**65.8%**	**25.34**	**64.3%**
Baja California	2.87	6.7%	1.18	3.0%
Tijuana	2.87	6.7%	1.18	3.0%
Sonora	0.33	0.8%	0.33	0.8%
Hermosillo	0.33	0.8%	0.33	0.8%
Chihuahua	15.35	35.9%	14.93	37.8%
Chihuahua	6.10	14.3%	6.02	15.3%
Ciudad Juárez	8.61	20.1%	8.28	21.0%
Delicias	0.52	1.2%	0.52	1.3%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.21	14.5%	6.20	15.7%
Arteaga	0.45	1.0%	0.44	1.1%
Ciudad Acuña	0.00	0.0%	0.00	0.0%
Monclova	0.35	0.8%	0.35	0.9%
Ramos Arizpe	3.70	8.7%	3.70	9.4%
Saltillo	0.44	1.0%	0.44	1.1%
Derramadero	0.73	1.7%	0.73	1.8%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	0.9%	0.39	1.0%
Nuevo León	2.56	6.0%	1.86	4.7%
Apódaca	0.28	0.7%	0.28	0.7%
Monterrey	2.27	5.3%	1.58	4.0%
Tamaulipas	0.47	1.1%	0.47	1.2%
Reynosa	0.47	1.1%	0.47	1.2%
Durango	0.38	0.9%	0.38	1.0%
Durango	0.31	0.7%	0.31	0.8%
Gómez Palacio	0.07	0.2%	0.07	0.2%
Bajío	**8.06**	**18.8%**	**8.04**	**20.4%**
San Luis Potosí	3.33	7.8%	3.32	8.4%
San Luis Potosí	3.33	7.8%	3.32	8.4%
Jalisco	1.65	3.8%	1.65	4.2%
Guadalajara	1.65	3.8%	1.65	4.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Aguascalientes	0.06	0.2%	0.06	0.2%
Guanajuato	1.57	3.7%	1.57	4.0%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.0%	0.44	1.1%
Silao	1.01	2.4%	1.01	2.6%
Querétaro	1.46	3.4%	1.44	3.7%
Querétaro	1.46	3.4%	1.44	3.7%
Central	**6.57**	**15.4%**	**6.06**	**15.4%**
State of Mexico	5.90	13.8%	5.39	13.7%
Cuautitlán Izcalli	4.26	10.0%	4.26	10.8%
Toluca	1.41	3.3%	0.90	2.3%
Huehuetoca	0.22	0.5%	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	1.5%	0.65	1.7%
Villahermosa	0.65	1.5%	0.65	1.7%
Total	**42.79**	**100.0%**	**39.44**	**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

At the end of 2023, 72.3% of Terrafina's portfolio was leased to tenants with manufacturing activities, while 27.7% was leased to tenants with distribution and logistics activities.

Composition by Asset Type as of 4Q23
(as a % of total GLA)



Use of Property Diversification	4Q23	4Q22	Var.
Distribution	27.7%	26.6%	104 bps
Manufacturing	72.3%	73.4%	-104 bps

Source: PGIM Real Estate - Asset Management

Composition by Sector

As of December 31st, 2023, tenant diversification by industrial sector was as follows:

Industrial Sector Diversification	4Q23	4Q22	Var.
Automotive	33.6%	34.1%	-42 bps
Industrial Goods	20.2%	20.9%	-66 bps
Consumer Goods	11.3%	11.7%	-40 bps
Logistics and Trade	15.1%	12.6%	253 bps
Aviation	9.1%	9.1%	3 bps
Non-durable Consumer Goods	2.0%	2.2%	-21 bps
Electronics	8.6%	9.6%	-90 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. By the end of 2023, Terrafina's top client represented 2.9% of total revenues, while top 10 and top 20 clients represented 17.6% and 27.5% of total revenues, respectively.

Top Clients	Leased Square Feet (million)	% Total GLA	% Total Revenues
(as of December 31st, 2023)			
Top Client	1.43	3.4%	2.9%
Top 10 Clients	7.54	18.0%	17.6%
Top 20 Clients	11.46	27.3%	27.5%

Source: PGIM Real Estate - Asset Management

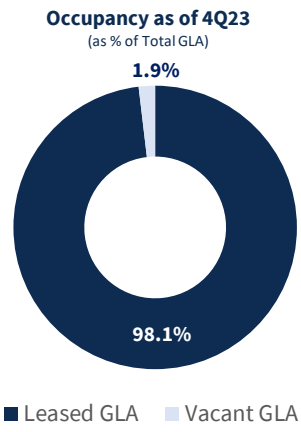
Occupancy

FY2023 occupancy rate was 98.1%, a 170-basis point increase compared to the 4Q22. Note these occupancy rate indicators reflect the rate as of quarter-end.

For 4Q23, Terrafina's leasing activity reached 2.5 msf, 9.6% of which corresponded to new leases (including expansions), 42.6% were lease renewals, and 20.3% were early lease renewals.

Occupancy	4Q23	4Q22	Var.
Leased GLA	98.1%	96.4%	170 bps
Vacant GLA	1.9%	3.6%	-170 bps
Signed Letters of Intent	0.0%	0.0%	0 bps
Total	**100.0%**	**100.0%**	

Source: PGIM Real Estate - Asset Management



Lease Maturities

Terrafina had 307 tenants under leasing contracts at the end of 4Q23. 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 between 10.9% to 18.8% for the next five years.

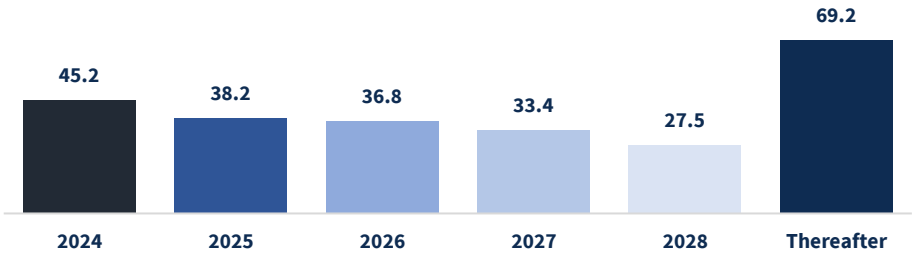
The following table breaks down Terrafina's leasing maturity schedule for the upcoming years:

	Annual Base Rent *(millions of dollars)*	% of Total	Occupied Square Feet (million)	% of Total
2024	45.2	18.1%	7.90	18.8%
2025	38.2	15.3%	6.46	15.4%
2026	36.8	14.7%	6.00	14.3%
2027	33.4	13.3%	5.75	13.7%
2028	27.5	11.0%	4.58	10.9%
Thereafter	69.2	27.6%	11.30	26.9%

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. These expenses are focused on leasing contract renewals and improvements in property conditions, while considering tenant requirements. Terrafina expects to apply CapEx towards vacant properties and 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.

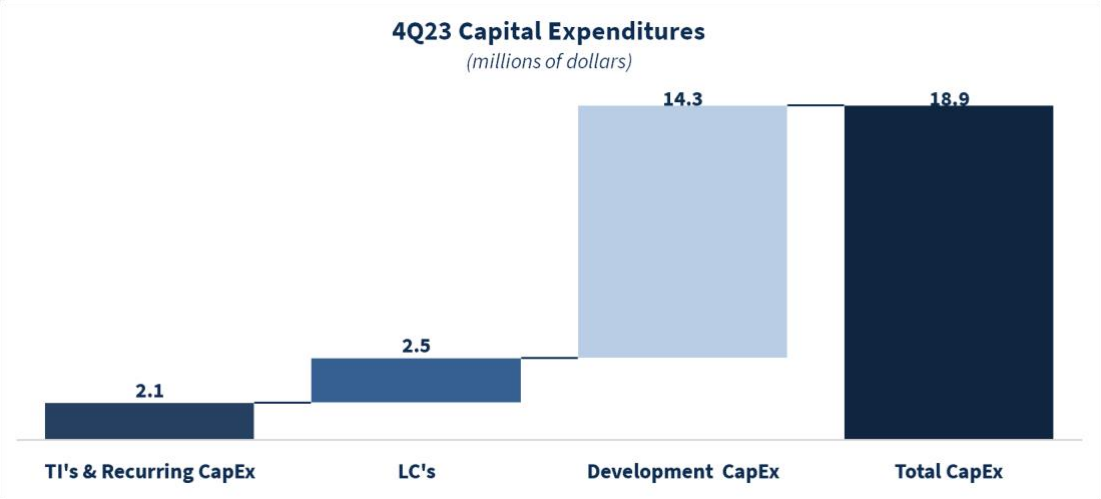
Capital expenditure accounts are comprised as follows:

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 2023, Terrafina's investments in tenant improvements and recurring CapEx were US$10.7 million. Total CapEx for 2023 and 4Q23 is broken down in the following table:

Capital Expenditures	4Q23 (millions of pesos)	4Q23 (millions of dollars)	2023 (millions of pesos)	2023 (millions of dollars)
TI's & Recurring CapEx	37.3	2.1	190.0	10.7
LC's	43.6	2.5	120.9	6.9
Development CapEx	251.8	14.3	946.5	54.2
Total CapEx	**332.7**	**18.9**	**1257.4**	**71.9**

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

The following table shows Terrafina's 2023 development activity for those projects that have been announced and continue its construction progress:

New Development Activity	Region	GLA (msf)	Investment (millions of dollars)	12M Estimated NOI (millions of dollars)	Estimated Return	% of Completion	Start Date	Estimated Completion Date
Development								
Built to suit	North	0.33	20.2	1.9	9.3%	100%	1Q22	Completed 3Q23
Built to suit	North	0.08	8.0	0.8	10.3%	100%	4Q22	Completed 3Q23
Built to suit	North	0.03	1.5	0.2	12.6%	100%	4Q21	Completed 3Q23
Speculative	North	0.15	2.8	0.4	14.3%	97%	2Q22	3Q24
Speculative	North	0.07	2.2	0.2	9.8%	69%	2Q23	3Q24
Speculative	North	0.27	8.5	0.8	9.8%	53%	2Q23	4Q24
Built to suit	North	0.04	2.3	0.3	14.0%	85%	2Q23	1Q24
Speculative	Central	0.30	8.1	1.0	12.5%	8%	3Q23	3Q24
Total		**1.26**	**53.6**	**5.7**	**11.1%**			

Land Reserves

Terrafina's land reserve as of December 31st, 2023, comprised four land reserve properties, equivalent to 4.4 msf of potential GLA for the development of future industrial properties.

As of December 31st, 2023, 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 December 31st, 2023)					
North	1.19	160.3	9.5	228.6	13.5
Bajío	0.18	12.0	0.7	19.8	1.2
Central	3.03	494.9	29.3	242.9	14.4
Total Land Portfolio	**4.40**	**667.2**	**39.5**	**491.3**	**29.1**

Source: PGIM Real Estate - Asset Management and Fund Accounting

2023 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 4Q23 (Ps. 17.5805/dollar). For the balance sheet, figures were converted using the exchange rate at the close of December 31st, 2023 (Ps. 16.8935/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 tables show Terrafina's FY2023 and 4Q23 same-store highlights and consolidated information:

	Consolidated 4Q23	Same-Store[1] 4Q23	Var.
Number of Properties	291	276	15
Occupancy Rate	*98.1%*	*98.0%*	*15 bps*
Gross Leasable Area (GLA) (msf)	42.8	39.4	3.4
Avg. Leasing Rent / Square Foot (dollars)	5.96	5.86	0.10

	Consolidated 2023	Same - Store[1] 2023	Var.	Consolidated 4Q23	Same - Store[1] 4Q23	Var.	Consolidated 2023	Same - Store[1] 2023	Var.	Consolidated 4Q23	Same - Store[1] 4Q23	Var.
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
Net Collections	3,797.3	3,711.9	2.3%	956.7	935.6	2.2%	214.0	209.2	2.3%	54.4	53.3	2.2%
Rental Revenues	3,841.9	3,756.5	2.3%	976.7	955.7	2.2%	216.5	211.6	2.3%	55.6	54.4	2.2%
Net Operating Income	3,579.0	3,504.0	2.1%	908.5	890.9	2.0%	201.7	197.5	2.1%	51.7	50.7	2.0%
NOI Margin	*93.2%*	*93.3%*	*-12 bps*	*93.3%*	*93.5%*	*-20 bps*	*93.2%*	*93.3%*	*-12 bps*	*93.3%*	*93.5%*	*-20 bps*
EBITDA	3,130.4	3,063.6	2.2%	789.3	773.8	2.0%	176.4	172.6	2.2%	44.9	44.0	2.0%
EBITDA Margin	*81.5%*	*81.6%*	*-7 bps*	*81.0%*	*81.2%*	*-15 bps*	*81.5%*	*81.6%*	*-7 bps*	*81.0%*	*81.2%*	*-15 bps*
FFO	2,258.2	2,191.4	3.0%	566.0	550.5	2.8%	127.2	123.4	3.0%	32.2	31.3	2.8%
FFO Margin	*58.8%*	*58.3%*	*45 bps*	*58.1%*	*57.7%*	*35 bps*	*58.8%*	*58.3%*	*45 bps*	*58.1%*	*57.7%*	*35 bps*
AFFO	1,908.2	1,842.5	3.6%	472.1	456.9	3.3%	107.4	103.7	3.6%	26.8	26.0	3.3%
AFFO Margin	*49.4%*	*48.8%*	*63 bps*	*48.1%*	*47.6%*	*53 bps*	*49.4%*	*48.8%*	*63 bps*	*48.1%*	*47.6%*	*53 bps*
Distributions per CBFI (dollars)	1.7759	1.7147	3.6%	0.4395	0.4254	3.3%	0.1000	0.0965	3.6%	0.0250	0.0242	3.4%

(1) Same properties information evaluates the performance of the industrial properties excluding acquisitions, developments, and dispositions to be compared with 2023 / 4Q23.
Source: PGIM Real Estate - Asset Management and Fund Accounting

Sidecar activity and Joint Ventures

In the fourth quarter of 2023, Terrafina concluded the acquisition of a Class-A portfolio in the Monterrey market for a total of US$54 million, integrating 548 thousand square feet to its portfolio, at a 6.8% cap rate. This property is used as a distribution center for a multinational tenant supporting nearshoring activity.

60% of this transaction was financed with asset-level debt, while the remaining 40% came from a 50% capital contribution from each partner. As a result of this acquisition, Terrafina i) allocated more than half of the sidecar's capital ahead of schedule, and ii) increased its presence in fast growing markets with attractive returns. This will continue to unlock value for investors as new GLA is added to the portfolio without dilutive effects.

Details regarding the main operating and financial accounts for the sidecar and joint-venture activities, as well as their combined position for 4Q23, are provided below:

Quarterly Highlights by Industrial Real Estate Activity	4Q23				4Q22				Var. 4Q23-4Q22	Var.% 4Q23-4Q22
	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	Proportionally Combined	Proportionally Combined
	(millions of pesos unless otherwise stated)				(millions of pesos unless otherwise stated)					
Gross Leasable Area (GLA) (msf)[1]	38.7	1.4	2.6	42.8	38.2	1.3	0.0	39.4	3.3	8.5%
Occupancy Rate[2]	*97.9%*	*100.0%*	*99.8%*	*98.1%*	*96.3%*	*100.0%*	*0.0%*	*96.4%*	*17 bps*	
Avg. Leasing Rent/ Square Foot (dollars)	5.9	5.4	7.0	6.0	5.6	5.0	0.0	5.6	0.3	5.9%
Renewal Rate[3]	*95.7%*	*0.0%*	*0.0%*	*95.7%*	*99.0%*	*100.0%*	*0.0%*	*99.1%*	*-34 bps*	
Rental Revenues [4]	976.7	15.0	25.7	1,017.4	997.5	16.7	0.0	1,014.3	3.1	0.3%
Other Operating Income	18.9	-0.1	0.1	18.9	-9.9	-0.2	0.0	-10.0	28.9	-288.8%
Net Revenues	995.0	17.7	33.4	1,046.2	987.7	16.6	0.0	1,004.3	41.8	4.2%
Property Operating Expenses (OpEx)[5]	65.3	-1.8	-1.8	61.6	65.8	1.1	0.0	66.9	-5.3	-7.8%
*Net Operating Income (NOI)**	908.5	7.7	4.4	920.6	937.3	15.8	0.0	953.1	-32.5	-3.4%
NOI Margin	*93.3%*	*92.6%*	*94.4%*	*88.0%*	*93.4%*	*93.3%*	*0.0%*	*94.6%*	*-66 bps*	
General and Administrative Expenses (G&A)[6]	119.2	-0.6	-4.4	114.2	121.2	0.4	0.0	121.6	-7.4	-6.1%
*EBITDA[7]**	789.3	5.4	4.6	799.3	816.1	15.4	0.0	831.5	-32.2	-3.9%
EBITDA Margin	*81.0%*	*82.4%*	*80.5%*	*76.4%*	*81.4%*	*90.9%*	*0.0%*	*81.5%*	*-51 bps*	
Net Financial Expenses[8]	223.3	-7.3	-21.3	194.8	226.4	6.6	0.0	233.0	-38.2	-16.4%
*Funds from Operations (FFO)**	566.0	*7.7*	*4.4*	578.1	589.7	8.8	0.0	598.5	-20.4	-3.4%
FFO Margin	*58.1%*	*24.4%*	*13.7%*	*55.3%*	*58.8%*	*52.2%*	*0.0%*	*58.7%*	*-34 bps*	
Tenant Improvements and Leasing Commissions[9]	93.9	*2.3*	*-0.2*	96.0	136.6	*0.6*	*0.0*	137.2	-41.2	-30.0%
*Adjusted Funds from Operations (AFFO)**	472.1	5.4	4.6	482.1	453.0	8.3	0.0	461.3	20.8	4.5%
AFFO Margin	48.1%	20.2%	14.3%	46.1%	45.0%	48.9%	0.0%	45.1%	*10 bps*	

Quarterly Highlights by Industrial Real Estate Activity	4Q23				4Q22				Var. Proportionally Combined	Var.% Proportionally Combined
	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined		
	(millions of dollars unless otherwise stated)				(millions of dollars unless otherwise stated)					
Gross Leasable Area (GLA) (msf)[1]	38.7	1.4	2.6	42.8	38.2	1.3	0.0	39.4	*3.3*	*8.5%*
Occupancy Rate[2]	*97.9%*	*100.0%*	*99.8%*	*98.1%*	*96.3%*	*100.0%*	*0.0%*	*96.4%*	*17 bps*	
Avg. Leasing Rent/ Square Foot (dollars)	5.9	5.4	7.0	6.0	5.6	5.0	0.0	5.6	0.3	*5.9%*
Renewal Rate[3]	*95.7%*	*0.0%*	*0.0%*	*95.7%*	*99.0%*	*100.0%*	*0.0%*	*99.1%*	*-34 bps*	
Rental Revenues [4]	55.6	1.0	1.8	57.6	50.7	0.8	0.0	51.5	6.1	11.8%
Other Operating Income	1.1	0.0	0.0	1.1	0.5	0.0	0.0	0.5	0.6	111.9%
Net Revenues	56.7	1.0	1.9	59.6	51.2	0.9	0.0	52.0	7.5	14.5%
Property Operating Expenses (OpEx)[5]	3.7	-0.1	-0.1	3.5	3.3	0.1	0.0	3.4	0.1	3.4%
*Net Operating Income (NOI)**	51.7	0.9	1.7	54.3	47.6	0.8	-	48.4	5.9	12.2%
NOI Margin	*93.3%*	*92.6%*	*94.4%*	*91.2%*	*93.4%*	*93.3%*	*0.0%*	*93.4%*	*-23 bps*	
General and Administrative Expenses (G&A)[6]	6.8	0.0	-0.3	6.5	6.2	0.0	0.0	6.2	0.3	5.3%
*EBITDA[7]**	44.9	0.9	1.5	47.2	41.4	0.8	-	42.2	5.0	11.8%
EBITDA Margin	*81.0%*	*82.4%*	*80.5%*	*79.3%*	*81.4%*	*91.0%*	*0.0%*	*82.5%*	*-32 bps*	
Net Financial Expenses[8]	12.7	-0.4	-1.2	11.1	11.5	0.3	0.0	11.8	*-0.7*	*-6.2%*
*Funds from Operations (FFO)**	32.2	0.4	0.2	32.9	29.9	0.4	-	30.4	2.5	8.2%
FFO Margin	58.1%	*24.4%*	*13.7%*	*55.2%*	*58.8%*	*52.2%*	*0.0%*	*59.4%*	*-42 bps*	
Tenant Improvements and Leasing Commissions[9]	5.3	-0.1	0.0	5.2	6.9	0.0	0.0	7.0	-1.7	-24.9%
*Adjusted Funds from Operations (AFFO)**	26.8	0.3	0.3	27.4	23.0	0.4	-	23.4	4.0	17.0%
AFFO Margin	*48.1%*	*20.0%*	*14.3%*	*46.0%*	*45.0%*	*49.0%*	*0.0%*	*45.8%*	*0.2 bps*	

Quarterly Highlights by Funding Activity	2023				2022				Var.	Var.%
	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	2023	2022
	(millions of pesos unless otherwise stated)				*(millions of pesos unless otherwise stated)*					
Gross Leasable Area (GLA) (msf)[1]	38.7	1.4	2.6	42.8	38.2	1.3	0.0	39.4	3.3	8.5%
Occupancy Rate[2]	*97.9%*	*100.0%*	*99.8%*	*98.1%*	*96.3%*	*100.0%*	*0.0%*	*96.4%*	17 bps	
Avg. Leasing Rent/ Square Foot (dollars)	5.9	5.4	7.0	6.0	5.6	5.0	0.0	5.6	0.3	5.9%
Renewal Rate[3]	*95.7%*	*0.0%*	*0.0%*	*95.7%*	*99.0%*	*100.0%*	*0.0%*	*99.1%*	-34 bps	
Rental Revenues [4]	3,841.9	50.5	20.4	3,912.8	3,944.3	66.5	0.0	4,010.8	-98.0	-2.4%
Other Operating Income	40.2	-0.1	0.1	40.3	-30.5	-0.6	0.0	-31.1	71.4	-229.3%
Net Revenues	3,855.1	17.7	33.4	3,906.2	3,913.8	68.6	0.0	3,982.4	-76.1	-1.9%
Property Operating Expenses (OpEx)[5]	261.9	-1.8	-1.8	258.3	260.5	4.1	0.0	264.7	-6.4	-2.4%
*Net Operating Income (NOI)**	3,579.0	7.7	4.4	3591.1	3,744.8	65.7	0.0	3810.5	-219.5	-5.8%
NOI Margin	*93.2%*	*92.6%*	*94.4%*	*91.9%*	*93.5%*	*94.1%*	*0.0%*	*94.4%*	-24 bps	
General and Administrative Expenses (G&A) [6]	448.6	-0.6	-4.4	443.5	451.3	1.4	0.0	452.7	-9.2	-2.0%
EBITDA [7]*	3,130.4	5.4	4.6	3,140.4	3,293.5	64.3	0.0	3,357.8	-217.5	-6.5%
EBITDA Margin	*81.5%*	*82.4%*	*80.5%*	*80.4%*	*82.2%*	*92.1%*	*0.0%*	*82.4%*	-20 bps	
Net Financial Expenses [8]	872.2	-7.3	-21.3	843.7	858.2	12.1	0.0	870.3	-26.6	-3.1%
*Funds from Operations (FFO)**	2,258.2	7.7	4.4	2,270.2	2,435.3	52.8	0.0	2,488.1	-217.9	-8.8%
FFO Margin	*58.8%*	*24.4%*	*13.7%*	*58.1%*	*60.8%*	*75.5%*	*0.0%*	*61.1%*	-29 bps	
Tenant Improvements and Leasing Commissions [9]	350.0	2.3	-0.2	352.1	382.1	2.2	0.0	384.3	-32.2	-8.4%
*Adjusted Funds from Operations (AFFO)**	1,908.2	5.4	4.6	1,918.2	2,053.2	50.6	0.0	2,103.8	-185.6	-8.8%
AFFO Margin	49.4%	20.2%	14.3%	49.1%	51.0%	72.4%	0.0%	51.4%	-23 bps	

Quarterly Highlights by Funding Activity	2023				2022				Var.	Var.%
	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	Wholly-owned	Joint-Ventures	Sidecar	Proportionally Combined	2023	2022
	(millions of dollars unless otherwise stated)				*(millions of dollars unless otherwise stated)*					
Gross Leasable Area (GLA) (msf)[1]	38.7	1.4	2.6	42.8	38.2	1.3	0.0	39.4	3.3	8.5%
Occupancy Rate[2]	*97.9%*	*100.0%*	*99.8%*	*98.1%*	*96.3%*	*100.0%*	*0.0%*	*96.4%*	17 bps	
Avg. Leasing Rent/ Square Foot (dollars)	5.9	5.4	7.0	6.0	5.6	5.0	0.0	5.6	0.3	5.9%
Renewal Rate[3]	*95.7%*	*0.0%*	*0.0%*	*95.7%*	*99.0%*	*100.0%*	*0.0%*	*99.1%*	-34 bps	
Rental Revenues [4]	216.5	3.6	2.8	222.8	196.0	3.3	0.0	199.3	23.5	11.8%
Other Operating Income	2.3	0.0	0.0	2.3	1.5	0.0	0.0	1.5	0.7	47.1%
Net Revenues	217.3	1.0	1.9	220.2	197.5	3.5	0.0	201.0	19.2	9.6%
Property Operating Expenses (OpEx)[5]	14.8	-0.1	-0.1	14.5	13.0	0.2	0.0	13.2	1.4	10.6%
*Net Operating Income (NOI)**	201.7	3.3	2.6	207.6	186.1	3.3	0.0	189.3	18.3	9.7%
NOI Margin	*93.2%*	*92.7%*	*94.3%*	*94.3%*	*93.5%*	*94.1%*	*0.0%*	*93.5%*	0.8 bps	
General and Administrative Expenses (G&A) [6]	25.3	0.0	-0.3	25.0	22.4	0.1	0.0	22.5	2.5	11.1%
EBITDA [7]*	176.4	3.2	2.2	181.8	163.6	3.2	0.0	166.8	15.0	9.0%
EBITDA Margin	*81.5%*	*84.7%*	*80.5%*	*82.6%*	*82.2%*	*92.1%*	*0.0%*	*83.1%*	-0.6 bps	
Net Financial Expenses [8]	49.2	-0.4	-1.2	47.5	42.7	0.6	0.0	43.3	4.3	9.9%
*Funds from Operations (FFO)**	127.2	*1.7*	*0.3*	129.1	121.0	2.6	0.0	123.6	5.5	4.5%
FFO Margin	*58.8%*	*24.4%*	*13.7%*	*58.6%*	*60.8%*	*75.4%*	*0.0%*	*61.6%*	-29 bps	
Tenant Improvements and Leasing Commissions [9]	19.8	*-0.1*	*0.0*	19.7	19.0	*0.1*	*0.0*	19.1	0.6	3.0%
*Adjusted Funds from Operations (AFFO)**	107.4	1.4	0.2	109.0	101.9	2.5	0.0	104.4	4.5	4.3%
AFFO Margin	49.4%	24.6%	14.3%	49.5%	51.0%	72.2%	0.0%	52.0%	-26 bps	

(1) Millions of square feet. (2) Includes expansions and Built-to-Suit (BTS). (3) Indicates the renewal rate of contract expirations in the current period. (4) Excludes accrued income as it is non-cash. (5) Operating expenses related to repair and maintenance, taxes, management fees, electricity, security, insurance, and other operating expenses. (6) General and administrative expenses related to commissions to outside counsel, professional and consulting services expenses, payroll, administrative expenses, and others. (7) Earnings before interest, taxes, depreciation, and amortization. (8) Financial products - financial expenses - recurring debt expenses. (9) Includes tenant improvements, lease commissions and expenses related to acquisitions, sales, legal expenses, and others. (*) An adjustment was made to revenues and expenses for the calculation of the metrics.

For additional information regarding the sidecar activity and joint ventures please refer to *Annex 1* in the last section of this document.

Net Collections

In 4Q23, Terrafina reported net collections of US$54.4 million, an 8.0% or US$4.0 million increase compared to 4Q22. For FY2023, US$214.0 million were registered. This represented an 8.3%, or US$16.5 million increase compared to FY2022. With the intention of aligning NOI, EBITDA, FFO, and AFFO to Terrafina's cash flow generation, the method of calculation for these metrics starts 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 2023, Terrafina reported rental revenues of US$216.5 million. In 4Q23, it registered US$55.6 million, a 9.8% or US$5.0 million increase compared to 4Q22.

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

Other Operating Income

At the end of 2023, operating income reached US$2.3 million. In 4Q23, it totaled US$1.1 million, a 0.2% increase compared to 4Q22.

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

Net revenues reached US$217.3 million for FY2023 and US$56.7 million in 4Q23, an increase of US$4.5 million, or 8.5% compared to 4Q22.

Revenues	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
Net Collections [1]	**3,797.3**	**3,974.8**	**-4.5%**	**956.7**	**993.2**	**-3.7%**	**214.0**	**197.5**	**8.3%**	**54.4**	**50.4**	**8.0%**
Rental Revenue	3,841.9	3,944.3	-2.6%	976.7	997.5	-2.1%	216.5	196.0	10.4%	55.6	50.7	9.8%
Uncollected Revenue from the Quarter	-199.5	-174.2	14.5%	-44.1	-41.8	5.4%	-11.1	-8.6	29.5%	-2.5	-2.1	19.7%
Collected Revenue from the Previous Quarter	154.9	204.7	-24.4%	24.0	37.5	-35.9%	8.7	10.1	-14.3%	1.3	1.9	-28.6%
Accrued Income [2]	-27.0	61.9	-143.6%	-0.6	9.7	-106.1%	-1.4	3.1	-147.4%	0.0	0.5	-107.9%
Other Operating Revenues	**40.2**	**78.5**	**-48.8%**	**18.9**	**21.1**	**-10.5%**	**2.3**	**3.9**	**-41.7%**	**1.1**	**1.1**	**0.2%**
Reimbursable Expenses as Revenues [3]	15.7	30.5	-48.5%	7.1	9.9	-27.5%	0.9	1.5	-41.3%	0.4	0.5	-18.5%
Reimbursable Tenant Improvements	16.6	17.5	-5.5%	5.8	3.8	51.0%	0.9	0.9	7.3%	0.3	0.2	70.4%
Other non-cash Income	8.0	30.5	-73.9%	5.9	7.4	-20.0%	0.5	1.5	-70.2%	0.3	0.4	-11.2%
Net Revenue [4]	**3,855.1**	**4,084.7**	**-5.6%**	**995.0**	**1,028.4**	**-3.2%**	**217.3**	**203.0**	**7.1%**	**56.7**	**52.2**	**8.5%**

(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) 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 2* in the last section of this document.

Real Estate Expenses

In 2023, real estate expenses totaled US$34.2 million and reached US$8.6 million in 4Q23. 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 3* in the last section of this document.

Net Operating Income (NOI)

In 2023 Net Operating Income (NOI) totaled US$201.7 million, with an NOI margin of 93.2%.

In 4Q23, NOI totaled US$51.7 million, a 7.7% or US$3.7 million increase compared to 4Q22. NOI margin decreased by 21 basis points, reaching 93.3% when compared to 93.5% in 4Q22.

The following table displays the NOI calculation for 2023 and 4Q23:

Net Operating Income	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
Net Collections [1]	3,797.3	3,974.8	-4.5%	956.7	993.2	-3.7%	214.0	197.5	8.3%	54.4	50.4	8.0%
Other Operating income [2]	43.6	81.2	-46.3%	17.1	18.1	-5.5%	2.5	4.0	-38.7%	1.0	0.9	5.4%
Net Revenues for NOI Calculation	**3,840.9**	**4,056.0**	**-5.3%**	**973.8**	**1,011.3**	**-3.7%**	**216.4**	**201.5**	**7.4%**	**55.4**	**51.4**	**7.9%**
Repair and Maintenance	-18.4	-21.7	-15.4%	-4.6	-6.4	-27.6%	-1.0	-1.1	-4.4%	-0.3	-0.3	-18.8%
Property Taxes	-96.5	-83.8	15.2%	-25.0	-20.5	22.2%	-5.4	-4.2	30.6%	-1.4	-1.0	37.1%
Property Management Fees	-75.7	-79.0	-4.2%	-18.9	-19.7	-4.0%	-4.3	-3.9	8.7%	-1.1	-1.0	7.6%
Electricity	-3.4	-4.5	-25.3%	-0.4	-0.8	-50.7%	-0.2	-0.2	-14.7%	0.0	0.0	-42.8%
Property Insurance	-37.9	-37.4	1.2%	-9.6	-9.8	-2.8%	-2.1	-1.9	14.6%	-0.5	-0.5	9.0%
Security	-18.5	-20.7	-10.8%	-4.4	-4.8	-7.9%	-1.0	-1.0	0.9%	-0.3	-0.2	3.6%
Other Operational Expenses	-11.6	-13.3	-13.4%	-2.4	-3.8	-36.8%	-0.7	-0.7	-1.7%	-0.1	-0.2	-28.9%
Real Estate Operating Expenses for NOI Calculation	**-261.9**	**-260.5**	**0.5%**	**-65.3**	**-65.8**	**-0.7%**	**-14.8**	**-13.0**	**13.9%**	**-3.7**	**-3.3**	**11.4%**
Net Operating Income [3]	**3,579.0**	**3,795.5**	**-5.7%**	**908.5**	**945.6**	**-3.9%**	**201.7**	**188.6**	**6.9%**	**51.7**	**48.0**	**7.7%**
NOI Margin	*93.2%*	*93.6%*	*-39 bps*	*93.3%*	*93.5%*	*-21 bps*	*93.2%*	*93.6%*	*-39 bps*	*93.3%*	*93.5%*	*-21 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 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 2023 totaled US$26.6 million and US$7.4 million for 4Q23, a 17.0% or US$1.0 million increase compared to 4Q22.

The following table breaks down total G&A for 2023 and 4Q23:

G&A	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos otherwise stated)						*(millions of dollars unless otherwise stated)*					
External Advisor Fees [1]	-259.7	-268.8	-3.4%	-67.9	-68.4	-0.7%	-14.6	-13.4	9.6%	-3.9	-3.5	11.3%
Professional and Consulting Services	-70.8	-55.4	27.9%	-27.1	-19.8	36.6%	-4.0	-2.8	44.4%	-1.5	-1.0	52.9%
Payroll, Admin. Fees, and Other Expenses	-140.9	-134.6	4.7%	-36.0	-37.2	-3.4%	-8.0	-6.7	18.8%	-2.0	-1.9	8.3%
Total G&A	**-471.5**	**-458.8**	**2.8%**	**-130.9**	**-125.5**	**4.4%**	**-26.6**	**-22.8**	**16.5%**	**-7.4**	**-6.4**	**17.0%**

(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 2023, EBITDA reached US$176.4 million with an EBITDA margin of 81.5%. In 4Q23, EBITDA totaled US$44.9 million, an increase of US$3.0 million, or 7.3%, compared to 4Q22. The EBITDA margin was 81.0%, a 47-basis point decrease compared to 4Q22.

The following shows the EBITDA calculation for 2023 and 4Q23:

EBITDA	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos otherwise stated)						*(millions of dollars unless otherwise stated)*					
Net Collections [1]	3,797.3	3,974.8	-4.5%	956.7	993.2	-3.7%	214.0	197.5	8.3%	54.4	50.4	8.0%
Other Operating income [2]	43.6	81.2	-46.3%	17.1	18.1	-5.5%	2.5	4.0	-38.7%	1.0	0.9	5.4%
Real Estate Expenses	**-282.9**	**-288.8**	**-2.0%**	**-71.5**	**-73.8**	**-3.2%**	**-15.9**	**-14.4**	**11.0%**	**-4.1**	**-3.8**	**8.7%**
Real Estate Operating Expenses for NOI Calculation	-261.9	-260.5	0.5%	-65.3	-65.8	-0.7%	-14.8	-13.0	13.9%	-3.7	-3.3	11.4%
Advertising	-0.3	-0.3	-	-0.1	-0.1	-	0.0	0.0	-	0.0	0.0	-
Admin. Property Insurance Expenses	-3.3	-3.7	-11.9%	-0.8	-0.9	-7.8%	-0.2	-0.2	-0.1%	0.0	0.0	3.3%
Other Admin. Real Estate Expenses	-17.5	-24.2	-27.8%	-5.3	-7.1	-25.3%	-1.0	-1.2	-19.0%	-0.3	-0.4	-15.2%
Fees and Admin. Expenses	**-427.5**	**-423.1**	**1.1%**	**-113.0**	**-113.1**	**-0.1%**	**-24.1**	**-21.0**	**14.7%**	**-6.4**	**-5.7**	**12.0%**
External Advisor Fees	-259.7	-268.8	-3.4%	-67.9	-68.4	-0.7%	-14.6	-13.4	9.6%	-3.9	-3.5	11.3%
Legal, Admin. and Other Professional Fees	-107.8	-99.2	8.6%	-30.3	-29.0	4.4%	-6.1	-4.9	23.3%	-1.7	-1.5	16.8%
Trustee Fees	-9.2	-9.8	-5.9%	-2.2	-2.5	-12.4%	-0.5	-0.5	6.7%	-0.1	-0.1	-1.8%
Payroll	-43.6	-39.3	10.9%	-10.3	-10.4	-0.5%	-2.5	-2.0	25.8%	-0.6	-0.5	11.4%
Other Expenses	-7.1	-5.9	21.4%	-2.3	-2.8	-17.5%	-0.4	-0.3	36.9%	-0.1	-0.1	-7.5%
EBITDA [3]	**3,130.4**	**3,344.2**	**-49.8%**	**789.3**	**824.4**	**-5.9%**	**176.4**	**166.1**	**6.2%**	**44.9**	**41.9**	**7.3%**
EBITDA Margin	*81.5%*	*82.4%*	*-94 bps*	*81.0%*	*81.5%*	*-47 bps*	*81.5%*	*82.4%*	*-94 bps*	*81.0%*	*81.5%*	*-47 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 4* located in the last section of this document.

Financing Expenses

Financing costs for FY2023 came up to US$55.8 million. In 4Q23, financing expenses totaled US$13.1 million, a 9.9% or US$1.2 million increase compared to 4Q22. This is mainly explained by the interest rate hikes during the year.

Financial Expenses	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
Interest Paid	-902.3	-867.0	4.1%	-234.9	-231.3	1.6%	-50.9	-43.1	18.0%	-13.4	-11.7	13.9%
Borrowing Expenses	-115.7	-103.6	11.7%	-6.2	-7.9	-21.1%	-6.7	-5.1	31.6%	-0.4	-0.4	-10.6%
Recurring	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Non-recurring	-115.7	-103.6	11.7%	-6.2	-7.9	-21.1%	-6.7	-5.1	31.6%	-0.4	-0.4	-10.6%
Interest Income	30.1	8.8	239.7%	11.6	4.9	137.0%	1.7	0.4	284.6%	0.7	0.2	163.5%
Total	**-988.0**	**-961.8**	**2.7%**	**-229.6**	**-234.3**	**-2.0%**	**-55.8**	**-47.7**	**17.0%**	**-13.1**	**-11.9**	**9.9%**

Source: PGIM Real Estate - Fund Accounting

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

For the full year 2023, Terrafina's FFO reached US$127.2 million, with a margin of 58.8%. As for the AFFO, it was US$107.4 million, on a 49.4% AFFO margin.

In 4Q23, FFO increased by US$1.8 million or 6.0% compared to 4Q22, reaching US$32.2 million. The FFO margin was 58.1%, a 104 basis-point decrease compared to 4Q22. Additionally, AFFO for 4Q23 was US$26.8 million, an increase of US$3.4 million or 14.6% compared to 4Q22. The AFFO margin was 48.1%, an increase of 269 basis points versus 4Q22.

Funds from Operations (FFO)	2023	2022	Var. %	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
EBITDA	3,130.4	3,344.2	-6.4%	789.3	824.4	-4.3%	176.4	166.1	6.2%	44.9	41.9	7.3%
Finance Cost [1]	-872.2	-858.2	1.6%	-223.3	-226.4	-1.4%	-49.2	-42.7	15.3%	-12.7	-11.5	10.6%
Funds from Operations (FFO)	**2,258.2**	**2,486.0**	**-9.2%**	**566.0**	**598.0**	**-5.3%**	**127.2**	**123.5**	**3.0%**	**32.2**	**30.4**	**6.0%**
FFO Margin	*58.8%*	*61.3%*	*-249 bps*	*58.1%*	*59.1%*	*-104 bps*	*58.8%*	*61.3%*	*-249 bps*	*58.1%*	*59.1%*	*-104 bps*
Tenant Improvements	-190.0	-242.4	-21.6%	-37.3	-92.3	-59.6%	-10.7	-12.1	-11.1%	-2.1	-4.7	-55.3%
Leasing Commissions	-120.9	-104.0	16.3%	-43.6	-32.0	36.4%	-6.9	-5.2	33.7%	-2.5	-1.6	55.5%
Other Non Recurring [2]	-39.0	-35.7	9.3%	-13.0	-12.4	5.0%	-2.2	-1.8	22.6%	-0.7	-0.6	17.2%
Adjusted Funds from Operations (AFFO)	**1,908.2**	**2,103.9**	**-9.3%**	**472.1**	**461.3**	**2.3%**	**107.4**	**104.4**	**2.8%**	**26.8**	**23.4**	**14.6%**
AFFO Margin	*49.4%*	*51.6%*	*-220 bps*	*48.1%*	*45.5%*	*269 bps*	*49.4%*	*51.6%*	*-220 bps*	*48.1%*	*45.5%*	*269 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

FFO per CBFI	4Q22	1Q23	2Q23	3Q23	4Q23	Var. (4Q23 -4Q22)
Total Outstanding CBFIs (millions of CBFIs)	772.5	772.5	772.5	772.5	772.5	0.0%
Funds from Operations (FFO) *(millions of pesos)*	598.0	652.2	626.4	609.4	566.0	-5.3%
FFO per CBFI *(pesos)*	**0.7741**	**0.8351**	**0.8090**	**0.7889**	**0.7327**	-5.3%
Funds from Operations (FFO) *(millions of dollars)*	30.4	31.8	31.2	30.1	32.2	6.0%
FFO per CBFI *(dollars)*	**0.0393**	**0.0407**	**0.0403**	**0.0389**	**0.0417**	6.0%

Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

Comprehensive Income for FY2023 reached US$346.3 million. For 4Q23, this amounted to US$55.2 million, compared to US$1.8 million in 4Q22.

The following table presents Comprehensive Income calculations for 2023 and 4Q23:

Comprehensive Income	2023	2022	Var.	4Q23	4Q22	Var. %	2023	2022	Var. %	4Q23	4Q22	Var. %
	(millions of pesos unless otherwise stated)						*(millions of dollars unless otherwise stated)*					
Net Revenues	3,855.1	4,084.7	-5.6%	995.0	1,028.4	-3.2%	217.3	203.0	7.1%	56.7	52.2	8.5%
Real Estate Expenses	-625.1	-667.6	-	-165.0	-202.2	-18.4%	-35.4	-33.2	6.4%	-9.4	-10.3	-8.3%
Fees and Other Expenses	-420.1	-463.5	-9.4%	-117.7	-106.2	10.8%	-23.7	-23.1	2.7%	-6.7	-5.4	24.0%
Gain (Loss) from Sales of Real Estate Properties	7.6	-0.3	-	0.0	0.0	-	0.4	0.0	-2810.6%	0.0	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	4,143.5	3,668.8	12.9%	747.1	283.0	164.0%	239.5	182.2	31.5%	43.5	14.5	200.4%
Net Income (Loss) from Fair Value Adjustment on Financial Derivative Instruments	-47.8	11.8	-	-23.1	-1.4	1526.7%	-2.7	0.6	-	-1.3	-0.1	1727.3%
Net Income (Loss) from Fair Value Adjustment on Borrowings	377.6	1,020.8	-63.0%	-306.9	-1,595.9	-80.8%	19.6	48.0	-59.1%	-17.8	-81.5	-78.1%
Realized gain (Loss) on Financial Derivative instruments	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Foreign Exchange Gain (Loss)	-2.0	-0.9	118.5%	-8.3	4.2	-	-0.1	0.0	-	-0.4	0.2	-
Operating Profit	**7,288.9**	**7,653.8**	**-4.8%**	**1,121.3**	**-590.3**	**-**	**415.0**	**377.4**	**10.0%**	**64.4**	**-30.4**	**-**
Financial Income	30.1	8.8	239.7%	11.6	4.9	137.0%	1.7	0.4	284.6%	0.7	0.2	163.5%
Financial Expenses	-1,018.0	-970.6	4.9%	-241.1	-239.2	0.8%	-57.6	-48.2	19.5%	-13.7	-12.1	13.0%
Net Financial Cost	-988.0	-961.8	2.7%	-229.6	-234.3	-2.0%	-55.8	-47.7	17.0%	-13.1	-11.9	9.9%
Share of Profit from Equity Accounted Investments	413.1	103.1	300.6%	45.1	10.0	349.8%	24.0	5.2	363.3%	2.6	0.5	411.6%
Net Profit (Loss)	**6,714.0**	**6,795.1**	**-1.2%**	**936.8**	**-814.6**	**-**	**383.2**	**334.8**	**14.4%**	**54.0**	**-41.8**	**-**
Items Reclassified after Net Profit (Loss) - Foreign Exchange Adjustments	-4,795.2	-2,199.0	118.1%	-1,553.3	-1,790.8	-13.3%	0.0	0.0	-	0.0	0.0	-
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	-683.7	753.9	-	20.3	842.6	-97.6%	-36.9	38.7	-	1.2	43.5	-97.2%
Comprehensive Income	**1,235.1**	**5,350.0**	**-76.9%**	**-596.2**	**-1,762.8**	**-66.2%**	**346.3**	**373.5**	**-7.3%**	**55.2**	**1.8**	**3030.0%**

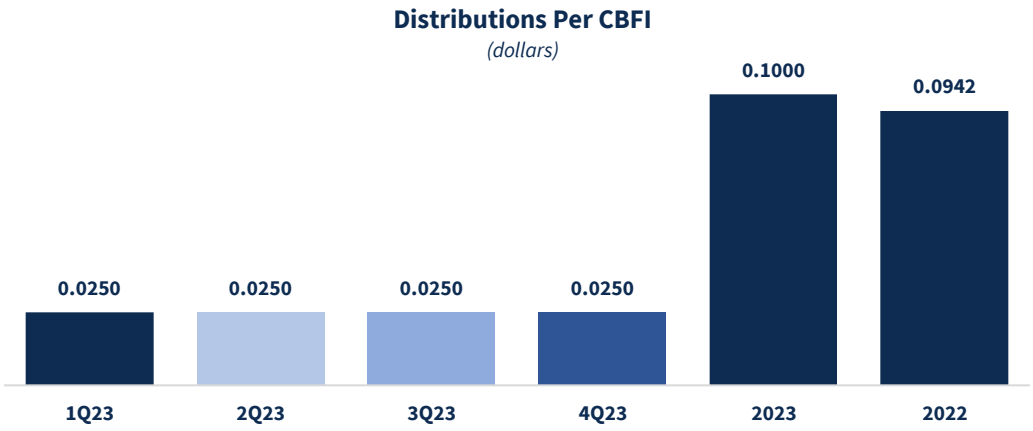
Source: PGIM Real Estate - Fund Accounting

Distributions per CBFIs

In 2023, Terrafina distributed US$77.2 million, or US$0.1000 per CBFI. In 4Q23, Terrafina distributed US$19.3 million, or US$0.0250 per CBFI. 72% of the AFFO generated in the year corresponds to the distributions paid.

Distributions *(millions of pesos unless otherwise stated)*	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**2023**	**2022**	**Var.%**
Total Outstanding CBFIs [1] (millions of CBFIs)	772.5	772.5	772.5	772.5	772.5	772.5	0.0%
CBFI Price [2]	32.24	32.85	32.56	31.51	32.29	27.46	17.6%
Distributions	361.1	341.8	329.4	339.5	1,371.8	1,472.7	-6.9%
Distributions Per CBFI	**0.4675**	**0.4425**	**0.4264**	**0.4395**	**1.7759**	**1.8997**	**-6.5%**
FX Rate USD/MXN (average closing period)	18.70	17.70	17.06	17.58	17.75	20.12	-11.8%
Distributions (millions of dollars)	19.3	19.3	19.3	19.3	77.2	73.1	5.7%
Distributions Per CBFI (dollars)	**0.0250**	**0.0250**	**0.0250**	**0.0250**	**0.1000**	**0.0942**	**6.1%**
Annualized Distribution Yield[3]	*5.8%*	*5.4%*	*5.2%*	*5.6%*	*5.5%*	*6.9%*	*-142 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 for the quarter.
Source: PGIM Real Estate - Fund Accounting



Additionally, Terrafina will pay an extraordinary cash distribution that will be subject to taxation as a result of currency translation adjustments caused by the peso appreciation in 2023 on our dollar-denominated debt. This extraordinary distribution will be of $69.4 million dollars or Ps.1,221.3 million pesos.

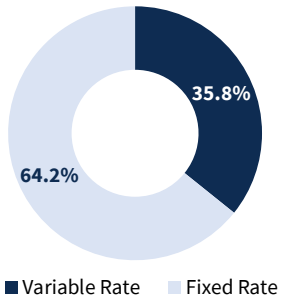
Outstanding Debt

As of December 31st, 2023, Terrafina's total debt reached US$990.8 million. The average cost of Terrafina's long-term debt was 5.61%. All Terrafina's debt is denominated in U.S. dollars.

Outstanding Debt *(as of December 31st, 2023)*	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option
Long Term Debt							
Metlife	Dollars	2,534.0	150.0	4.75%	Interest Only	Jan 2027	-
BBVA Term Loan	Dollars	3,428.7	203.0	SOFR + 1.70%	Interest Only	July 2027	-
BBVA Revolving Credit	Dollars	1,711.9	101.3	SOFR + 1.50%	Interest Only	July 2026	July 2028
Senior Notes (2029) [1]	Dollars	8,216.8	486.4	4.962%	Interest Only	July 2029	-
BBVA Short Term Loan	Dollars	846.3	50.1	SOFR + 0.95%	Interest Only	Dec 2024	-
Total Debt		**16,737.7**	**990.8**				
Net Cash		**635.6**	**37.6**				
Net Debt		**16,102.1**	**953.2**				

(1) Value at Cost: US$500 million / Ps. $8.6 billion
Source: PGIM Real Estate Fund Accounting and Capital Markets

Interest Rate Breakdown
(as of December 31st, 2023)



The following tables show leverage and debt service coverage as of December 31st, 2023:

Loan-to-Value (LTV) *(as of December 31st, 2023)*	*(millions of pesos)*	*(millions of dollars)*
Total Assets	54,198.0	3,208.2
Total Debt (historical cost)	17,156.2	1,015.6
Loan-to-Value [1]		**31.7%**

(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	December 31st, 2023	635.6	37.6
Recoverable Taxes	Σ next 6 quarters	239.3	14.2
EBIT [1] after distributions	Σ next 6 quarters	2,769.7	156.1
Available Credit Line	December 31st, 2023	3,378.7	200.0
Interest Payments	Σ next 4 quarters	932.6	55.2
Principal Payments	Σ next 4 quarters	844.7	50.0
Recurring CapEx	Σ next 6 quarters	363.8	21.5
Development Expenses	Σ next 6 quarters	1,013.5	60.0
Debt Service Coverage Ratio (DSCR) [2]			**2.2x**

(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 December 31st, 2023, Terrafina was in full compliance with its debt covenants related to the bond issuance maturing in 2029 as follows:

Unsecured Bond Covenants *(as of December 31st, 2023)*	Terrafina	Bond Covenants
Loan-to-Value (LTV) [1]	31.0%	≤ 60%
Debt Service Coverage Ratio (DSCR) [2]	3.2x	≥ 1.5x
Secured Debt to Gross Assets Limitation	4.7%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	299.8%	≥ 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

In the fourth quarter of 2023, Terrafina had no buyback activity.

CBFIs Buyback Activity	4Q23
Total outstanding CBFIs at the beginning of the quarter	772,480,755
Buyback activity during the quarter	-
Total outstanding CBFIs at the end of the quarter	772,480,755
Weighted average trade price *(pesos)*	-

GUIDANCE

Terrafina expects to reach the following full-year (same-store) results as part of its 2024 guidance:

2024 Guidance	
Year-end occupancy	97.5% - 98.5%
Annual distribution per CBFI	$0.1060 US cents
CAPEX per square foot (Total GLA)	$0.26 US cents - $0.28 US cents

ANALYST COVERAGE

At the end of 4Q23, the following banks and institutions published research reports on Terrafina:

- **Actinver**
- **Banorte**
- **Barclays**
- **BBVA**
- **BofA**
- **BTG Pactual**
- **BX+**
- **Bradesco BBI**
- **Citi Banamex**
- **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 291 real estate properties, including 287 developed industrial facilities with a collective GLA of approximately 42.8 million square feet and 4 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

With $208 billion in gross assets under management and administration,[1] PGIM Real Estate provides investors and borrowers access to a range of real estate equity, real estate debt, agriculture, and impact solutions across the risk-return spectrum.

PGIM Real Estate is a business of PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU). PGIM Real Estate's risk management approach, execution capabilities and 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 local experience of professionals in 35 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that strive to ignite positive environmental and social impact, while pursuing activities that seek to strengthen communities around the world. For more information visit pgim.com/real-estate/.

[1] As of Sept 30, 2023; AUA is $49 billion.
[2] Includes legacy lending through PGIM's parent company, PFI.

About PGIM

PGIM is the global asset management business of Prudential Financial, Inc. (NYSE: PRU), a leading global investment manager with more than $1.4 trillion in assets under management as of December 31, 2023. With offices in 46 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.

Additional Prudential companies offer a variety of products and services, including life insurance, annuities, and retirement-related services. For more information, please visit news.prudential.com.

Prudential Financial, Inc. (PFI) 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.

[1] Prudential Financial, Inc (PFI) is the 11th largest investment manager (out of 434 firms surveyed) in terms of global assets under management, according to Pensions & Investments' Top Money Managers list released in June 2023. This ranking represents PFI's global assets under management as of December 31, 2022.

Forward Looking Statements

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 in function 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 does not guarantee future performance.

Conference Call

Terrafina
(BMV: TERRA13)

Cordially invites you to participate in its Fourth Quarter Conference Call

Friday, February 23rd, 2024
10:00 a.m. Central Time (CT)
11:00 a.m. Eastern Time (ET)

***

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: 825840

Audio Webcast Link
https://www.webcaster4.com/Webcast/Page/2133/49709

To access the conference replay please dial:
U.S. +1-877-481-4010
International (outside the US) +1-919-882-2331
Passcode: 49709

ANNEXES

Annex 1 – Sidecar Activity and Joint-Ventures (Balance Sheet)

Balance Sheet	Dec-31st-23 (thousands of pesos)			Dec-31st-23 (thousands of dollars)		
	Terrafina	*JVs Avante + Al*	*Sidecar*	*Terrafina*	*JVs Avante + Al*	*Sidecar*
Assets						
Non-current assets						
Investment properties	50,732,940	1,158,553	2,695,357	3,003,104	68,579	159,549
(Cost: 12/31/2023 - $43,680,371; 12/31/2022 - $42,763,270)						
Investments in joint venture	2,010,024	0	0	118,982	0	0
Deferred rents receivable	224,729	0	0	13,303	0	0
Other accounts receivable	48,951	0	0	2,898	0	0
Restricted cash	26,588	0	0	1,574	0	0
Current assets						
Other accounts receivable	99,994	27,354	428,665	5,919	1,620	25,375
Recoverable taxes	239,262	-	-	14,163	0	0
Prepaid expenses	35,239	-	-	2,086	0	0
Derivative financial instruments	28,874	7,024	20,203	1,709	416	1,196
(Cost: 12/31/2023 - $48,086; 12/31/2022 - $8,782)						
Deferred rents receivable	40,769	8,773	1,650	2,413	520	98
Accounts receivable	75,036	3,453	6,053	4,442	204	359
(Net of allowance for doubtful accounts: 12/31/2023 - $88,421; 12/31/2022 - $101,069)						
Cash and cash equivalents	635,618	20,879	18,854	37,625	1,236	1,116
Total assets	**54,198,024**	**1,226,036**	**3,170,782**	**3,208,218**	**72,575**	**187,693**
Net assets attributable to the investors						
Net contributions	17,828,573	0	0	1,513,569	0	0
Retained earnings	15,080,636	0	0	645,662	0	0
Currency translation adjustment	3,325,588	0	0	-	0	0
Own credit risk reserve	215,261	0	0	(1,593)	0	0
Total net assets attributable to the investors	**36,450,058**	**719,537**	**1,290,487**	**2,157,638**	**42,592**	**76,390**
Liabilities						
Non-current liabilities						
Borrowings	15,630,289	0	0	925,225	0	0
(Cost: 12/31/2023 - $16,048,825; 12/31/2022 - $16,786,421)						
Tenant deposits	309,474	8,573	25,647	18,319	508	1,518
Accounts payable	91,804	-	-	5,434	0	0
Current liabilities						
Borrowings	1,107,417	488,132	1,682,257	65,553	25,295	99,580
(Cost: 12/31/2023 - $1,107,417; 12/31/2022 - $1,230,848)						
Tenant deposits	89,816	0	0	5,317	0	0
Other Accounts Payable	235,966	0	0	13,968	0	
Accounts payable	283,200	9,794	172,391	16,764	4,180	10,205
Total liabilities (excluding net assets attributable to the investors)	**17,747,966**	**506,499**	**1,880,295**	**1,050,580**	**29,983**	**111,303**
Total net liabilities and assets attributable to the investors	**54,198,024**	**1,226,036**	**3,170,782**	**3,208,218**	**72,575**	**187,693**

Annex 1 – Sidecar Activity and Joint-Ventures (Income Statement)

Income Statement	Dec 2023 (thousands of pesos)			Dec 2023 (thousands of dollars)		
	Terrafina	*Joint-Ventures*	*Sidecar*	*Terrafina*	*Joint-Ventures*	*Sidecar*
Rental revenues	3,814,861	62,732	55,260	215,016	3,579	3,208
Other operating income	40,224	847	1,366	2,274	48	79
Real estate operating expenses	(625,114)	(8,680)	(3,546)	(35,355)	(498)	(206)
Other operating expenses related to investment properties	51,417	0	0	2,890	0	0
Fees and other expenses	(471,480)	(3,437)	(27,466)	(26,587)	(196)	(1,583)
Net gain (loss) on sale of investment properties	7,629	0	0	437	0	0
Collection loss of proceeds from disposal of investment properties	(30,549)	0	0	(1,770)	0	0
Net gain (loss) from fair value adjustment on investment properties	4,143,540	130,772	288,864	239,533	7,619	16,739
Net gain (loss) from fair value adjustment on borrowings	377,576	0	0	19,631	0	0
Net gain (loss) unrealized from fair value on financial derivate instruments	(47,790)	(8,604)	(14,246)	(2,721)	(483)	(828)
Realized gain (loss) on financial derivate instruments	161,718	0	0	9,156	0	0
Foreign exchange (loss) gain	(163,730)	0	0	(9,226)	0	0
Operating profit	**7,258,302**	**173,630**	**300,232**	**413,279**	**10,070**	**17,410**
Finance income	30,062	409	1,308	1,710	23	76
Finance cost	(1,018,022)	(27,313)	(35,160)	(57,557)	(1,562)	(2,041)
Net Finance cost	**(987,960)**	**(26,904)**	**(33,852)**	**(55,847)**	**(1,538)**	**(1,965)**
Share of profit from equity accounted investments	413,106	0	0	23,977	0	0
Net Profit for the period	**6,683,448**	**146,726**	**266,380**	**381,409**	**8,532**	**15,445**
Exchange rate gain (loss) from functional to reporting currency	(4,795,178)	0	0		0	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	(683,689)	0	0	(36,906)	0	0
Total Comprehensive income for the period	**1,204,581**	**146,726**	**266,380**	**344,503**	**8,532**	**15,445**

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	**2023**	**2022**	**4Q23**	**4Q22**	**2023**	**2022**	**4Q23**	**4Q22**
		(millions of pesos)		*(millions of pesos)*		*(millions of dollars)*		*(millions of dollars)*	
NOI calculation	**Net Collections** [1]	**3,797.3**	**3,974.8**	**956.7**	**993.2**	**214.0**	**197.5**	**54.4**	**50.4**
NOI calculation	Rental Revenue	3,841.9	3,944.3	976.7	997.5	216.5	196.0	55.6	50.7
NOI calculation	Uncollected Revenue from the Quarter	-199.5	-174.2	-44.1	-41.8	-11.1	-8.6	-2.5	-2.1
NOI calculation	Collected Revenue from the Previous Quarter	154.9	204.7	24.0	37.5	8.7	10.1	1.3	1.9
Non-cash	Accrued Income [2]	-27.0	61.9	-0.6	9.7	-1.4	3.1	0.0	0.5
	Other Operating Revenues	**40.2**	**78.5**	**18.9**	**21.1**	**2.3**	**3.9**	**1.1**	**1.1**
NOI calculation	Reimbursable Expenses as Revenues [3]	15.7	30.5	7.1	9.9	0.9	1.5	0.4	0.5
AFFO calculation	Reimbursable Tenant Improvements	16.6	17.5	5.8	3.8	0.9	0.9	0.3	0.2
Non-cash	Other non-cash income	8.0	30.5	5.9	7.4	0.5	1.5	0.3	0.4
	Net Revenue	**3,855.1**	**4,084.7**	**995.0**	**1,028.4**	**217.3**	**203.0**	**56.7**	**52.2**
NOI calculation	Share of Profit from Equity Accounted Investments [4]	27.9	50.7	10.0	8.3	1.6	2.5	0.6	0.4

(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	2023	2022	4Q23	4Q22	2023	2022	4Q23	4Q22
		(millions of pesos)		*(millions of pesos)*		*(millions of dollars)*		*(millions of dollars)*	
	Repair and Maintenance	-225.0	-281.7	-47.7	-102.5	-12.7	-14.0	-2.7	-5.2
NOI calculation	Recurring	-18.4	-21.7	-4.6	-6.4	-1.0	-1.1	-0.3	-0.3
AFFO calculation	Non-recurring	-206.6	-259.9	-43.1	-96.2	-11.7	-13.0	-2.4	-4.9
	Property Taxes	-102.6	-89.8	-26.4	-21.2	-5.8	-4.5	-1.5	-1.1
NOI calculation	Operating	-96.5	-83.8	-25.0	-20.5	-5.4	-4.2	-1.4	-1.0
Non-cash	Non-operating	-6.1	-6.1	-1.4	-0.7	-0.3	-0.3	-0.1	0.0
NOI calculation	Property Management Fees	-75.7	-79.0	-18.9	-19.7	-4.3	-3.9	-1.1	-1.0
NOI calculation	Electricity	-3.4	-4.5	-0.4	-0.8	-0.2	-0.2	0.0	0.0
AFFO calculation	Brokers Fees	-120.9	-104.0	-43.6	-32.0	-6.9	-5.2	-2.5	-1.6
	Property Insurance	-41.1	-41.1	-10.4	-10.7	-2.3	-2.0	-0.6	-0.5
NOI calculation	Operating	-37.9	-37.4	-9.6	-9.8	-2.1	-1.9	-0.5	-0.5
EBITDA calculation	Administrative	-3.3	-3.7	-0.8	-0.9	-0.2	-0.2	0.0	0.0
NOI calculation	Security	-18.5	-20.7	-4.4	-4.8	-1.0	-1.0	-0.3	-0.2
EBITDA calculation	Advertising	-0.3	-0.3	-0.1	-0.1	0.0	0.0	0.0	0.0
	Other Expenses	22.4	-42.2	5.5	8.3	1.3	-2.1	0.3	0.4
NOI calculation	Operational-related	-11.6	-13.3	-2.4	-3.8	-0.7	-0.7	-0.1	-0.2
Non-cash	Non-operational Related	51.4	-4.7	13.2	19.2	2.9	-0.3	0.8	1.0
EBITDA calculation	Administrative	-17.5	-24.2	-5.3	-7.1	-1.0	-1.2	-0.3	-0.4
Non-cash	Bad Debt Expense	-39.1	-8.9	-5.4	0.5	-2.3	-0.4	-0.3	0.0
	Total Real Estate Expenses	**-604.2**	**-672.3**	**-151.7**	**-183.0**	**-34.2**	**-33.5**	**-8.6**	**-9.3**

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	2023	2022	4Q23	4Q22	2023	2022	4Q23	4Q22
		(millions of pesos)		*(millions of pesos)*		*(millions of dollars)*		*(millions of dollars)*	
EBITDA calculation	External Advisor Fees	-259.7	-268.8	-67.9	-68.4	-14.6	-13.4	-3.9	-3.5
	Legal Fees	-34.3	-27.4	-12.1	-9.3	-1.9	-1.4	-0.7	-0.5
EBITDA calculation	Recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFFO calculation	Non Recurring	-34.3	-27.4	-12.1	-9.3	-1.9	-1.4	-0.7	-0.5
	Other Professional Fees	-33.5	-28.0	-11.9	-10.5	-1.9	-1.4	-0.7	-0.5
EBITDA calculation	Recurring	-28.8	-19.7	-11.0	-7.4	-1.6	-1.0	-0.6	-0.4
AFFO calculation	Non-Recurring	-4.7	-8.3	-0.9	-3.1	-0.3	-0.4	0.0	-0.2
	Administrative Fees	-83.9	-79.6	-24.2	-21.6	-4.7	-4.0	-1.4	-1.1
EBITDA calculation	Recurring	-79.0	-79.6	-19.2	-21.6	-4.5	-4.0	-1.1	-1.1
Non Operational related	Non-Recurring [1]	-4.9	0.0	-4.9	0.0	-0.3	0.0	-0.3	0.0
EBITDA calculation	Payroll	-43.6	-39.3	-10.3	-10.4	-2.5	-2.0	-0.6	-0.5
EBITDA calculation	Trustee Fees	-9.2	-9.8	-2.2	-2.5	-0.5	-0.5	-0.1	-0.1
EBITDA calculation	Other Expenses	-7.1	-5.9	-2.3	-2.8	-0.4	-0.3	-0.1	-0.1
	Total Fees and Admin. Expenses	**-471.5**	**-458.8**	**-130.9**	**-125.5**	**-26.6**	**-22.8**	**-7.4**	**-6.4**

(1) Non-operational related administrative fees.

Source: PGIM Real Estate - Fund Accounting

Annex 5 – Implied Cap Rate

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

Implied Cap Rate	
4Q23 Average Price (dollars)[1]	1.79
(x) CBFIs (million of certificates)	772.5
(=) Market Capitalization	1,384.5
(+) Total Debt	990.8
(-) Cash	37.6
(=) Enterprise Value	**2,337.7**
(-) Landbank	29.1
(=) Implied Operating Real Estate Value	**2,308.6**
Net Operating Income (NOI) 2023e	215.0
Implied Cap Rate	**9.3%**

Figures expressed in millions of dollars unless otherwise stated.

(1) Average certificate price of Ps.31.51 and exchange rate of Ps.17.58

Cap Rate Calculation with NAV	
(+) Investment Properties (excluding landbank)	2,974.0
(+) Land	29.1
(+) Cash	37.6
(-) Total Debt and Liabilities	990.8
(=) NAV	**2,050.0**
(/) CBFIs (million of certificates)	772.5
(=) NAV per CBFI (dollars)	**2.65**

CBFI Price (NAV calculation)	2.65
(x) CBFIs (million shares)	772.5
(=) Market Cap	**2,050.0**
(+) Total Debt and Liabilities	990.8
(-) Cash	37.6
(=) Enterprise Value	**3,003.1**
(-) Landbank	29.1
(=) Implied Operating Real Estate Value	**2,974.0**
Net Operating Income (NOI) 2023e	215.0
Implied Cap Rate	**7.2%**

Annex 6 – Reconciliation

Reconciliation of Net Profit (Loss) to AFFO	2023 (millions of pesos)	4Q23 (millions of pesos)	2023 (millions of dollars)	4Q23 (millions of dollars)
Comprehensive Income (Loss)	**1,204.6**	**-596.2**	**344.5**	**55.2**
Add (Deduct) Cost of Financing Adjustment:				
Exchange Rate Adjustments	4,795.2	1,553.3	0.0	0.0
Changes in the Fair Value Adjustment on Loans from Other Comprehensive Income Results	683.7	-20.3	36.9	-1.2
Add (Deduct) Cost of Financing Adjustment:				
Non-recurring Borrowing Expenses	115.7	6.2	6.7	0.4
Add (Deduct) Non-cash Adjustment:				
Foreign Exchange Adjustments	2.0	8.3	0.1	0.4
Realized gain (loss) on Financial Derivative Instruments	0.0	0.0	0.0	0.0
Fair Value Adjustment on Borrowings	-377.6	306.9	-19.6	17.8
Fair Value Adjustment on Financial Derivative Instruments	47.8	23.1	2.7	1.3
Fair Value Adjustment on Investment Properties	-4,143.5	-747.1	-239.5	-43.5
Net gain (loss) from disposal of investment properties	-7.6	0.0	-0.4	0.0
Add (Deduct) Expenses Adjustment:				
Non-operating Property Taxes	6.1	1.4	0.3	0.1
Bad Debt Expense	39.1	5.4	0.4	0.3
Other Non-Cash Expenses	-87.3	-10.0	-2.0	-0.8
Add (Deduct) Revenues Adjustment:				
Uncollected Revenue from the Quarter	-199.5	-44.1	-8.6	-2.5
Collected Revenue from the Previous Quarter	154.9	24.0	10.1	1.3
Fair Value on Investment Properties JVs	-349.3	-38.4	-19.6	-2.0
Accrued Income	27.0	0.6	-3.1	0.0
Other Non-Cash Income	-8.0	-5.9	-1.5	-0.3
Add (Deduct) Non-operational Administrative Fees				
Non-administrative Fees	4.9	4.9	0.0	0.3
AFFO	**1,908.2**	**472.1**	**107.4**	**26.8**

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI	2023 (millions of pesos)	4Q23 (millions of pesos)	2023 (millions of dollars)	4Q23 (millions of dollars)
Comprehensive Income (Loss)	**1,204.6**	**-596.2**	**344.5**	**55.2**
Add (Deduct) Currency Translation Adjustment:				
Currency Translation Adjustment	4,795.2	1,553.3	0.0	0.0
Changes in the Fair Value Adjustment on Loans through Other Comprehensive Income	683.7	-20.3	36.9	-1.2
Add (Deduct) Cost of Financing Adjustment:				
Non-recurring Borrowing Expenses	115.7	6.2	6.7	0.4
Add (Deduct) Non-Cash Adjustment:				
Foreign Exchange Adjustments	2.0	8.3	0.1	0.4
Realized gain (loss) on Financial Derivative Instruments	0.0	0.0	0.0	0.0
Fair Value Adjustment on Borrowings	-377.6	306.9	-19.6	17.8
Fair Value Adjustment on Financial Derivative Instruments	47.8	23.1	2.7	1.3
Fair Value Adjustment on Investment Properties	-4,143.5	-747.1	-239.5	-43.5
Net gain (loss) from disposal of investment properties	-7.6	0.0	-0.4	0.0
Add (Deduct) Expenses Adjustment:				
Non-recurring Repair and Maintenance	206.6	43.1	11.7	2.4
Non-operating Property Taxes	6.1	1.4	0.3	0.1
Brokers Fees	120.9	43.6	6.9	2.5
Bad Debt Expense	39.1	5.4	0.4	0.3
Other Non-Cash Expenses	-87.3	-10.0	-2.0	-0.8
Non Recurring Legal Fees	34.3	12.1	1.9	0.7

Non-recurring Other Professional Fees	4.7	0.9	0.3	0.0
Add (Deduct) Revenues Adjustment:				
Uncollected Revenue from the Quarter	-199.5	-44.1	-8.6	-2.5
Collected Revenue from the Previous Quarter	154.9	24.0	10.1	1.3
Fair Value on Investment Properties JVs	-349.3	-38.4	-19.6	-2.0
Accrued Income	27.0	0.6	-3.1	0.0
Other Non-cash Income	-8.0	-5.9	-1.5	-0.3
Reimbursable Tenant Improvements	-16.6	-5.8	-0.9	-0.3
Add (Deduct) Non-operational Administrative Fees				
Non-administrative Fees	4.9	4.9	0.0	0.3
FFO	**2,258.2**	**566.0**	**127.2**	**32.2**
Add (Deduct) Cost of Financing Adjustment:				
Interest Paid	902.3	234.9	50.9	13.4
Recurring Borrowing Expenses	0.0	0.0	0.0	0.0
Interest Income	-30.1	-11.6	-1.7	-0.7
EBITDA	**3,130.4**	**789.3**	**176.4**	**45.0**
Add (Deduct) Expenses Adjustment:				
External Advisor Fees	259.7	67.9	14.6	3.9
Recurring Legal Fees	0.0	0.0	0.0	0.0
Other Recurring Professional Fees	28.8	11.0	1.6	0.6
Administrative Fees	79.0	19.2	4.5	1.1
Payroll	43.6	10.3	2.5	0.6
Trustee Fees	9.2	2.2	0.5	0.1
Other Expenses	7.1	2.3	0.4	0.1
Advertising	0.3	0.1	0.0	0.0
Administrative Property insurance	3.3	0.8	0.2	0.0
Other Administrative Expenses	17.5	5.3	1.0	0.3
NOI	**3,579.0**	**908.6**	**201.7**	**51.8**
Add (Deduct) Expenses Adjustment:				
Recurring Repair and Maintenance	18.4	4.6	1.0	0.3
Operating Property Taxes	96.5	25.0	5.4	1.4
Property Management Fees	75.7	18.9	4.3	1.1
Electricity	3.4	0.4	0.2	0.0
Property Operating Insurance	37.9	9.6	2.1	0.5
Security	18.5	4.4	1.0	0.3
Other Operational Expenses	11.6	2.4	0.7	0.1
Add (Deduct) Revenues Adjustment:				
Other Non-Cash Income	8.0	5.9	0.5	0.3
Accrued Income	-27.0	-0.6	-1.4	0.0
Uncollected Revenue from the Quarter	199.5	44.1	8.6	2.5
Collected Revenue from the Previous Quarter	-154.9	-24.0	-10.1	-1.3
Reimbursable Tenant Improvements	16.6	5.8	0.9	0.3
Share of Profit from Equity Accounted Investments	-27.9	-10.0	-1.6	-0.6
Net Revenue	**3,855.1**	**995.0**	**217.3**	**57.0**

FINANCIAL STATEMENTS

Income Statement	2023	4Q23	2023	4Q23
	(thousands of pesos)		*(thousands of dollars)*	
Rental revenues	3,814,860	976,148	215,016	55,578
Other operating income	40,224	18,865	2,274	1,073
Real estate operating expenses	-625,112	-164,962	-35,355	-9,411
Other operating expenses related to investment properties	51,417	13,250	2,890	770
Fees and other expenses	-471,480	-130,923	-26,587	-7,448
Realized (loss) gain from disposal of investment properties	7,629	0	437	0
Loss on other accounts receivable from disposal of investment properties	-30,550	0	-1,770	0
Net gain (loss) from fair value adjustment on investment properties	4,143,539	747,134	239,533	43,470
Net gain (loss) from fair value adjustment on borrowings	377,576	-306,860	19,631	-17,832
Net gain (loss) unrealized from fair value on financial derivate instruments	-47,791	-23,066	-2,721	-1,324
Realized gain (loss) on financial derivate instruments	0	0	0	0
Foreign exchange (loss) gain	-2,008	-8,294	-70	-434
Operating profit	**7,258,305**	**1,121,292**	**413,279**	**64,442**
Finance income	30,061	11,577	1,710	654
Finance cost	-1,018,023	-241,135	-57,557	-13,735
Net Finance cost	**-987,962**	**-229,558**	**-55,847**	**-13,081**
Share of profit from equity accounted investments	413,105	45,075	23,977	2,619
Net Profit for the period	**6,683,448**	**936,808**	**381,409**	**53,980**
Exchange rate gain (loss) from functional to reporting currency	-4,795,178	-1,553,344	0	0
Changes in the fair value adjustment on loans at fair value through other comprehensive income	-683,689	20,301	-36,906	1,202
Total Comprehensive income for the period	**1,204,581**	**-596,236**	**344,503**	**55,182**

Balance Sheet	Dec-31st-23	Sep-30th-23	Dec-31st-23	Sep-30th-23
	(thousands of pesos)		*(thousands of dollars)*	
Assets				
Non-current assets				
Investment properties	50,732,940	51,849,736	3,003,104	2,942,747
(Cost: 12/31/2023 – Ps.$43,680,371 US'$2,304,518; 09/30/2023 - Ps.$43,425,583 US$'2,290,023)				
Investments in joint venture	2,010,024	2,030,051	118,982	115,216
Deferred rents receivable	224,729	241,634	13,303	13,714
Other accounts receivable	48,951	50,467	2,898	2,864
Restricted cash	26,588	27,731	1,574	1,574
Current assets				
Other accounts receivable	99,994	175,447	5,919	9,958
Recoverable taxes	239,262	212,716	14,163	12,073
Prepaid expenses	35,239	33,394	2,086	1,895
Acquisition prepayment	0	0	0	0
Financial derivative instruments	28,874	53,161	1,709	3,017
(Cost: 12/31/2023 - Ps.$48,086 US'$2,834,750; 09/30/2023 – Ps.$48,086 US'$2,834,750				
Deferred charges receivable	40,769	35,956	2,413	2,041
Accounts receivable	75,036	60,328	4,442	3,424
(Net of allowance for doubtful accounts: 12/31/2023 - Ps. $88,421,443 US' $5,234,051; 09/30/2023 - Ps.$87,122 US'$4,944,654)				
Cash and cash equivalents	635,618	729,470	37,625	41,401
Total assets	**54,198,024**	**55,500,091**	**3,208,218**	**3,149,924**
Net assets attributable to Investors				
Net contributions	17,828,573	17,828,573	1,513,569	1,513,569
Retained earnings	15,080,636	14,473,235	645,662	610,495
Currency translation adjustment	3,325,588	4,878,933	0	0
Own credit risk reserve	215,261	194,960	-1,593	-2,794
Total net assets (Net Equity)	**36,450,058**	**37,375,701**	**2,157,638**	**2,121,269**
Liabilities				
Non-current liabilities				
Loans	15,630,289	16,008,990	925,225	908,595
(Cost: 12/31/2023 - Ps. $16,048,825 US' $950,000; 09/30/2023 - Ps.$1,035,475, US'58,769)				
Tenant deposits	309,474	326,464	18,319	18,529
Accounts payable	91,804	104,460	5,434	5,929
Current liabilities				
Loans	1,107,417	1,035,475	65,553	58,769
(Cost:12/31/2023 - Ps. $1,107,417 US' $65,553; 09/30/2023 - Ps.$1,035,475 US'$58,769)				
Tenant deposits				
Trade and other payables	519,166	551,234	30,732	31,285
Total liabilities (excluding net assets attributable to the Investors)	**17,747,966**	**18,124,390**	**1,050,580**	**1,028,655**
Total net assets and liabilities	**54,198,024**	**55,500,091**	**3,208,218**	**3,149,924**

Cash Flow Statement	2023 (thousands of pesos)	2023 (thousands of dollars)
Cash flows from operating activities		
Profit (loss) for the period	6,683,448	381,409
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	-4,143,540	-239,533
Net loss (gain) realized from fair value adjustment on loans	-377,576	-19,631
Net loss (gain) unrealized from fair value adjustment on financial derivative instruments	47,790	2,721
Net loss (gain) realized from disposal of investment properties	-7,629	-1,514
Loss on other accounts receivable from disposal of investment properties	30,549	1,770
Bad debt expenses	8,543	488
Interest expenses on loans	929,523	52,397
Interest income on bank accounts	-30,062	-1,710
Share of profit from equity accounted investments	-413,106	-23,977
Decrease (increase) deferred rents receivable	66,779	1,446
Decrease (increase) in accounts receivable	-18,572	-1,572
Decrease (increase) in recoverable taxes	-94,109	-6,666
Decrease (increase) in recoverable value added tax	0	0
Decrease (increase) in prepaid expenses	-8,699	-715
Decrease (increase) in other assets	244,653	11,320
Decrease (increase) in tenant deposits	-10,215	2,485
(Decrease) in accounts payable	-144,539	-4,636
Net cash (used in) generated from operating activities	**2,763,238**	**155,160**
Cash flows from investing activities		
Acquisition of investment properties	-2,969	-171
Improvements of investment properties	-1,082,341	-60,454
Advances from dispositions of investment properties	235,966	13,968
Dispositions of investment properties	45,948	2,605
Interest income on bank accounts	30,062	1,710
Investments in joint venture	-1,111,726	-65,258
Net cash (used in) generated from investing activities	**-1,885,060**	**-107,599**
Cash flows from financing activities		
Purchase of financial derivatives	-48,086	-2,835
Received payments	5,570,736	329,000
Principal payments on loans	-4,157,913	-246,000
Interest payments on loans	-935,207	-50,713
Restricted cash	0	0
Distributions to investors	-1,355,241	-77,251
Shares buyback	0	0
Net cash (used in) generated from financing activities	**-925,711**	**-47,799**
Net (decrease) in cash and cash equivalents	-47,533	-239
Cash and cash equivalents at the beginning of the period	733,100	37,864
Exchange effects on cash and cash equivalents	-49,949	0
Cash and cash equivalents at the end of the period	**635,618**	**37,625**

Statement of Changes in Equity	Attributable to Investors				
	Net contributions	Currency translation adjustment	Own credit risk reserve	Retained earnings	Net assets
(thousands of pesos)					
Balance at January 1, 2023	17,871,392	8,120,766	898,950	9,709,610	36,600,718
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-42,819	-	-	-1,312,422	-1,355,241
Repurchase of certificates, including transaction costs	-				-
Comprehensive Income					
Net loss forthe period	-	-	-	6,683,448	6,683,448
Other Comprehensive Income					
Currency conversion adjustments	-	-4,795,178	-	-	-4,795,178
Fair value loan adjustments	-	-	-683,689	-	-683,689
Own credit risk derecognition					
Total Comprehensive (loss) income	**-**	**-4,795,178**	**-683,689**	**6,683,448**	**1,204,581**
Net Assets as of December 31st, 2023	**17,828,573**	**3,325,588**	**215,261**	**15,080,636**	**36,450,058**
(thousands of dollars)					
Balance at January 1, 2023	1,515,932	-	35,313	339,141	1,890,386
Capital Contribution, Net of Issuing Costs	-	-	-	-	-
Distributions to Investors	-2,364	-	-	-74,888	-77,251
Repurchase of certificates, including transaction costs	-	-	-	-	-
Comprehensive Income					
Net loss of the period	-	-	-	381,409	381,409
Other Comprehensive Income					
Currency conversion adjustments	-		-	-	-
Fair value loan adjustments	-		-36,906	-	-36,906
Own credit risk derecognition					
Total Comprehensive (loss) income	**-**		**-36,906**	**381,409**	**344,503**
Net Assets as of December 31st, 2023	**1,513,569**	**0**	**-1,593**	**645,662**	**2,157,638**