

## **FIBRA MACQUARIE MÉXICO REPORTS SECOND QUARTER 2020 RESULTS**

- Provides update on COVID-19 pandemic -
- Reaffirms FY20 AFFO and Distribution Guidance -

MEXICO CITY, July 27, 2020 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ), owner of one of the largest portfolios of industrial and retail property in Mexico, announced its financial and operating results for the second quarter ended June 30, 2020.

### **SECOND QUARTER 2020 HIGHLIGHTS**

- Increase in AFFO per certificate of 0.2% YoY to Ps. 0.6363
- Consolidated occupancy of 95.1%, down 129 bps YoY and 25 bps QoQ
- Average same store industrial rental rates increased 2.1% whilst same store retail rental rates remained flat YoY
- Strong cash collections, with receipt of 95.6% of 2Q20 scheduled rents, comprised of collection of 95.7% of industrial scheduled rents and 94.2% of retail scheduled rents, respectively
- Total liquidity of approximately US\$260.5 million, comprised of US\$115.7 million cash at hand and an undrawn committed revolver credit facility equivalent to US\$144.8 million
- 80.3% of retail GLA and 77.6% of retail ABR open as of July 17, 2020
- Authorization of 2Q20 cash distribution of Ps. 0.4750 per certificate, up 6.7% YoY
- Reaffirms FY20 AFFO per certificate guidance of Ps. 2.52 to Ps. 2.62 and FY20 distribution of Ps. 1.90
- Subsequent to quarter end, a further US\$55.0 million of the revolving credit facility was repaid to bring the total repayment to US\$145.0 million of the US\$180.0 million revolving credit facility that was drawn in March

“We are pleased with the resilient performance of both our industrial and retail portfolio, delivering solid second quarter results in light of the ongoing local and global impact of the COVID-19 pandemic. With strong liquidity and improving operating conditions for our customers, we believe that we are well-positioned to navigate the current environment,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “Following an unprecedented start to the quarter which saw many of our industrial and retail customers close amidst the onset of the pandemic, the vast majority of our customers are now operating and we have maintained sound rent collections whilst finalizing agreements for relief to support our most impacted customers. Additionally, we continue with a prudent accounting approach for credit loss provisioning that reflects ongoing uncertainty. Moreover, we remain comfortable with our balance sheet position, and consequently through to July, we have now repaid US\$145 million of the revolving credit facility that we drew down in late March. We are confident in our strategy and long-term outlook and remain focused on managing the COVID-19 impact on our team, customers and overall business.”

## COVID-19 PANDEMIC UPDATE

Since the onset of the COVID-19 pandemic, FIBRA Macquarie has undertaken a proactive response, including prioritizing the health and safety of its team members, customers and stakeholders.

The health and safety of FIBRAMQ associates continues to remain a priority, with property management teams remaining fully operational to respond to the needs of FIBRAMQ customers and properties across all of its portfolio.

FIBRAMQ has provided enhanced COVID-19 related disclosures for its rent collections, retail center store openings, rent relief and trade receivables as part of its Second Quarter 2020 Supplementary Information materials, located at [www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings](http://www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings).

### Balance Sheet and Liquidity

In order to increase cash liquidity and financial flexibility, and out of an abundance of caution, on March 24, FIBRAMQ drew down US\$180.0 million on its revolving credit facility. With a stabilizing outlook, FIBRAMQ repaid US\$90.0 million of the drawn facility on June 17 and made an additional US\$55.0 million repayment on July 24.

As of June 30, 2020, FIBRAMQ had total liquidity of US\$260.5 million, comprised of US\$115.7 million cash at bank and an undrawn committed revolver credit facility equivalent to US\$144.8 million. In addition, FIBRAMQ does not have any material commitments with respect to capital expenditures and does not have any scheduled loan maturities until 2023.

### Industrial portfolio

In terms of FIBRAMQ's industrial portfolio:

- In line with the broader Mexican industrial sector, substantially all of FIBRAMQ's industrial customers who temporarily suspended operations due to the pandemic have resumed operations
- For 2Q20 base rents, FIBRAMQ recognized rent concessions for 36 customers totaling Ps. 75.2 million which comprises rent deferrals of Ps. 72.8 million and rent discounts of Ps. 2.3 million
- Total rent relief contracted or under negotiation represent approximately 2.1% of the industrial portfolio ABR
- With respect to rent deferrals of Ps. 72.8 million, FIBRAMQ is scheduled to collect 98.6% of deferred rents in 2H20 and 1.4% in 1H21
- As of July 24, collections of 2Q20 base rents due in 2Q20 (post-deferrals and discounts) total 95.7%

## **Retail portfolio**

Across FIBRAMQ's retail portfolio, all shopping centers are supermarket anchored and have remained open. During the quarter the retail portfolio experienced a decline in foot traffic following the closure of non-essential stores. More recently, most non-essential businesses have reopened, although many at reduced hours and/or capacity limits. With the reopenings, foot traffic has increased, however, FIBRAMQ expects it to be some time before traffic returns to pre-pandemic levels. With the ongoing high number of COVID-19 cases in Mexico, the general retail environment remains in a fragile condition for non-essential businesses.

- In terms of FIBRAMQ's retail portfolio: Approximately 80.3% of FIBRA Macquarie's retail portfolio in terms of GLA and 77.6% in terms of ABR is currently open.
- For 2Q20 base rents, FIBRAMQ has recognized rent concessions for 383 customers totaling Ps. 43.6 million, which comprises rent deferrals of Ps. 4.7 million and rent discounts of Ps. 38.9 million
- With respect to 2Q20 rent deferrals of Ps. 4.7 million, FIBRAMQ is scheduled to collect 12.5% in 4Q20, 50.0% in 1H21 and 37.5% in 2H21
- FIBRAMQ continues to negotiate with impacted customers for relief to be provided in respect of 2H20 rental income
- As of July 24, collections of 2Q20 base rents (post-deferrals and discounts) due in 2Q20 total 94.2%

## FINANCIAL AND OPERATING RESULTS

### Consolidated Portfolio

FIBRAMQ's total results were as follows:

TOTAL PORTFOLIO	2Q20	2Q19	Variance	1H20	1H19	Variance
Net Operating Income (NOI)	Ps 963.9m	Ps 845.5m	14.0%	Ps 1,915.5m	Ps 1,674.9m	14.4%
EBITDA	Ps 898.7m	Ps 792.2m	13.4%	Ps 1,792.0m	Ps 1,568.5m	14.3%
AMEFIBRA Funds From Operations <sup>(1)</sup>	Ps 608.7m	Ps 518.6m	17.4%	Ps 1,265.6	Ps 1,080.4m	17.1%
FIBRAMQ Funds From Operations (FFO)	Ps 607.1m	Ps 575.8m	5.4%	Ps 1,262.0m	Ps 1,140.3m	10.7%
FFO per certificate	0.7971	0.7478	6.6%	1.6533	1.4810	11.6%
Adjusted Funds From Operations (AFFO)	Ps 484.6m	Ps 488.8m	-0.9%	Ps 1,057.1m	Ps 973.1m	8.6%
AFFO per certificate	0.6363	0.6348	0.2%	1.3849	1.2637	9.6%
NOI Margin	87.5%	87.8%	-35 bps	88.4%	87.7%	68 bps
AFFO Margin	44.0%	50.8%	-680 bps	48.8%	50.9%	-218 bps
GLA ('000s sqm) EOP	3,184	3,187	-0.1%	3,184	3,187	-0.1%
Occupancy EOP	95.1%	96.4%	-129 bps	95.1%	96.4%	-129 bps
Average Occupancy	95.2%	95.2%	3 bps	95.3%	94.7%	63 bps

- (1) On July 2, 2020, the Association of Mexican FIBRAs (AMEFIBRA) published guidelines for the voluntary adoption of an AMEFIBRA-defined FFO. Accordingly, commencing from this reporting report FIBRA Macquarie commits to voluntarily disclose AMEFIBRA-defined FFO, along with a reconciliation to FIBRAMQ-defined FFO that will continue to be used for its own reporting purposes. The reconciliation is located in the Second Quarter 2020 Supplementary Information materials located at [www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings](http://www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings).

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	2Q20	2Q19	Variance	1H20	1H19	Variance
Net Operating Income	Ps. 958.3m	Ps. 818.8m	17.0%	Ps. 1,798.5m	Ps. 1,621.4m	10.9%
Net Operating Income Margin	87.5%	87.5%	-1 bps	87.8%	87.4%	44 bps
Number of Properties	250	250	0	250	250	0
GLA ('000s sqft) EOP	34,066	34,013	0.2%	34,066	34,013	0.2%
GLA ('000s sqm) EOP	3,165	3,160	0.2%	3,165	3,160	0.2%
Occupancy EOP	95.1%	96.4%	-129 bps	95.1%	96.4%	-129 bps
Average Monthly Rent (US\$/sqm) EOP	5.16	5.24	-1.5%	5.16	5.24	-1.5%
Industrial Customer Retention LTM	85.5%	87.5%	-207 bps	85.5%	87.5%	-207 bps
Weighted Avg Lease Term Remaining (years)	3.4	3.5	-3.0%	3.4	3.5	-3.0%
Percentage of US\$ denominated Rent	77.3%	73.2%	409 bps	77.3%	73.2%	409 bps

## Industrial Portfolio

The following table summarizes the results for FIBRAMQ's industrial portfolio:

INDUSTRIAL PORTFOLIO	2Q20	2Q19	Variance	1H20	1H19	Variance
Net Operating Income (NOI)	Ps 864.8m	Ps 694.8m	24.5%	Ps 1,591.9m	Ps 1,371.4m	16.1%
NOI Margin	91.2%	91.7%	-55 bps	91.9%	91.5%	38 bps
GLA ('000s sqft) EOP	29,699	29,464	0.8%	29,699	29,464	0.8%
GLA ('000s sqm) EOP	2,759	2,737	0.8%	2,759	2,737	0.8%
Occupancy EOP	95.5%	96.8%	-138 bps	95.5%	96.8%	-138 bps
Average Occupancy	95.6%	95.6%	0 bps	95.6%	94.9%	76 bps
Average monthly rent per leased (US\$/sqm) EOP	\$4.94	\$4.83	2.2%	\$4.94	\$4.83	2.2%
Customer retention LTM	85.5%	87.5%	-207 bps	85.5%	87.5%	-207 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.3	0.3%	3.3	3.3	0.3%

For the quarter ended June 30, 2020, FIBRAMQ's industrial portfolio delivered NOI of Ps. 864.8 million, up 24.5% compared to the prior comparable period. This increase was driven by a 22.7% depreciation of the Mexican Peso, as well as contractual rate increases. Approximately 92.9% of FIBRAMQ's industrial ABR is US dollar denominated. Average occupancy was flat to prior year at 95.6%, and rental rates increased 2.2% due to contractual increases and positive leasing spreads on renewal and new leases. Deferred rent income in respect of 2Q20 is deemed to be earned and is included in revenue, whilst discounted rent is not included in revenue.

As of June 30, 2020, Industrial portfolio trade receivables were Ps. 188.5 million (excl. VAT). Trade receivables net of credit loss provisions were Ps. 95.5 million (excl. VAT). FIBRAMQ property level expenses included non-cash credit loss provisions of Ps. 23.6 million, reflecting a prudent approach for trade receivable provisions across selected tenants.

During the quarter, FIBRAMQ signed 24 new and renewal leases, comprising 1.8 million square feet of industrial GLA. FIBRA Macquarie executed on three new leases totaling 147 thousand square feet, and, in addition, continued to experience healthy renewals, executed on 21 renewal leases totaling 1.6 million square feet. This resulted in FIBRAMQ achieving a retention rate of 88.3% in the quarter and 85.5% for the last twelve months. Following robust leasing activity in the first half of the year with 56% of scheduled FY20 lease expirations being addressed, leases accounting for only 7.7% of ABR are scheduled to expire in the remainder of 2020.

For detail on FIBRAMQ's same store industrial portfolio results, please refer to Second Quarter 2020 Supplementary Information materials located at [www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings](http://www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings).

## Retail Portfolio

The following table summarizes the proportionally combined results of operations for FIBRAMQ's retail portfolio:

RETAIL PORTFOLIO	2Q20	2Q19	Variance	1H20	1H19	Variance
Net Operating Income (NOI)	Ps 99.1m	Ps 150.6m	-34.2%	Ps 323.6m	Ps 303.4m	6.6%
NOI Margin	64.7%	73.5%	-881 bps	74.5%	73.9%	60 bps
GLA ('000s sqft) EOP	4,568	4,843	-5.7%	4,568	4,843	-5.7%
GLA ('000s sqm) EOP	424	450	-5.7%	424	450	-5.7%
Occupancy EOP	92.7%	93.6%	-94 bps	92.7%	93.6%	-94 bps
Average Occupancy	92.8%	92.8%	7 bps	93.1%	93.2%	-17 bps
Average monthly rent per leased (Ps/sqm) EOP	\$153.25	\$162.51	-5.7%	\$153.25	\$162.51	-5.7%
Customer retention LTM	69.0%	81.5%	-1248 bps	69.0%	81.5%	-1248 bps
Weighted Avg Lease Term Remaining (years) EOP	3.8	4.3	-11.7%	3.8	4.3	-11.7%

For the quarter ended June 30, 2020, FIBRAMQ's retail portfolio delivered NOI of Ps. 99.1 million, compared to Ps. 150.6 million in the prior year period. Deferred rent income in respect of 2Q20 is deemed to be earned and so is included in revenue. For the avoidance of doubt, discounted and anticipated discounted rent is not recognized in revenue.

FIBRAMQ's retail portfolio average rental rates decreased by 5.7% over the prior comparable period as contractual increases and positive new and renewal rental rate spreads were offset by the impact of a lease termination of a prime Mexico City property in the first quarter of 2020. During the second quarter of 2020, FIBRAMQ signed 22 retail leases, representing 3.7 thousand square meters. This activity included 14 new leases and 8 renewals. The retention rate was 33% for the quarter and 69% for the last twelve months, noting that 2Q20 was a relatively low quarter of leasing activity, with just 4.8 thousand square meters of small shop leases expiring.

As of June 30, 2020, proportionately combined Retail portfolio gross trade receivables were Ps. 94.4 million (excl. VAT). Trade receivables net of credit loss provision were Ps. 18.4 million (excl. VAT). Non-cash credit loss provisions totaled Ps. 15.1 million, reflecting a prudent approach for trade receivable provision.

FIBRAMQ maintained tight cost controls with regards to property level expenses. Excluding credit loss provisions, retail portfolio property expenses decreased by 22.7% YoY.

As previously mentioned, FIBRAMQ is currently evaluating options for a 17.6 thousand square meter property, that was vacated in the first quarter of 2020. The property is well located in a densely populated, urban area in the southern corridor of Mexico City. Given the prime location, large 27.9 thousand square meter land footprint, flexible use and zoning rights the property represents an exciting repositioning or releasing opportunity for FIBRA Macquarie. Following lease termination, the property was removed from GLA while future use of the property is determined.

For detail on FIBRAMQ's same store retail portfolio results, please refer to Second Quarter 2020 Supplementary Information materials located at [www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings](http://www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings)

## **PORTFOLIO ACTIVITY**

During the second quarter, FIBRAMQ neared completion on a 217 thousand square foot industrial building in Ciudad Juárez whilst minor remodeling works on the Coacalco Power Center were delayed due to the impact of the COVID-19 pandemic.

## **BALANCE SHEET**

As of June 30, 2020, FIBRAMQ had US\$905.0 million of debt outstanding, approximately US\$145 million available on its undrawn revolving credit facility and US\$115.7 million of unrestricted cash at hand. FIBRAMQ's indebtedness was 90% fixed rate and had a weighted-average debt tenor remaining of 5.4 years.

In early July, FIBRA Macquarie collected its third tranche of deferred asset sale proceeds totaling US\$8.0 million. Additionally, on July 24, 2020, FIBRAMQ repaid US\$55.0 million of its revolving credit facility. Following the revolver loan repayment, FIBRA Macquarie's existing cash balance is approximately US\$75.0 million with undrawn committed revolving credit facility lines equivalent to US\$200.0 million.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 40.0% and its CNBV regulatory debt service coverage ratio was 4.7x.

## **CERTIFICATE REPURCHASE FOR CANCELLATION PROGRAM**

FIBRAMQ did not repurchase any certificates during the second quarter. On June 23, 2020, Holders' of FIBRAMQ CBFIs approved the extension of the certificate repurchase for cancellation program through to June 25, 2021 for a total capacity of Ps. 1.0 billion, which remains unutilized as of the date of this release. Since launching the program in June 2017, FIBRA Macquarie has repurchased 49.7 million certificates. All repurchased certificates have or will be cancelled.

## **DISTRIBUTION**

On July 27, 2020, FIBRAMQ declared a cash distribution for the quarter ended June 30 of Ps. 0.4750 per certificate. The distribution is expected to be paid on September 25, 2020 to holders of record on September 24, 2020. FIBRAMQ's certificates will commence trading ex-distribution on September 23, 2020.

## **FY20 GUIDANCE**

### **AFFO per certificate**

FIBRA Macquarie is reaffirming its AFFO guidance for FY20. FIBRAMQ estimates total AFFO per certificate of between Ps. 2.52 and Ps. 2.62 for FY20.

This guidance is based upon the following assumptions:

- An average exchange rate of Ps. 22.2 per US dollar for the remainder of the reporting year. This compares to a higher average exchange rate of Ps 22.7 per US dollar assumed in our prior guidance
- The continued relaxation of government restrictions regarding non-essential activities for the remainder of the year
- No further deterioration in broader economic and market conditions
- Timely collection of in-place scheduled rents, including contracted or expected deferred and discounted rents
- No material increases in agreed rent discounts
- No new acquisitions or divestments
- No certificate repurchases

### **Distribution per certificate**

FIBRAMQ reaffirms guidance of cash distributions for FY20 of Ps. 1.90 per certificate, with remaining distributions expected to be paid in equal instalments of Ps. 0.475 per certificate in September 2020, January 2021 and March 2021. The payment of cash distributions is subject to the approval of the board of directors of the Manager, stable market conditions and prudent management of FIBRAMQ's capital requirements.

## **WEBCAST AND CONFERENCE CALL**

FIBRAMQ will host an earnings conference call and webcast presentation on Tuesday, July 28, 2020 at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be webcast, can be accessed online at [www.fibramacquarie.com](http://www.fibramacquarie.com) or by dialing toll free +1-877-304-8957. Callers from Mexico may dial 01-800-926-9157 and other callers from outside the United States may dial +1-973-638-3235. Please ask for the FIBRA Macquarie Second Quarter 2020 Earnings Call with conference number 8893456.

An audio replay will be available by dialing +1-855-859-2056 or +1-404-537-3406 for callers from outside the United States. The passcode for the replay is 8893456. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the second quarter 2020 will also be available on FIBRA Macquarie's website, [www.fibramacquarie.com](http://www.fibramacquarie.com).

## **About FIBRA Macquarie**

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a



primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 235 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of June 30, 2020. Nine of the retail properties are held through a 50/50 joint venture. For additional information about FIBRA Macquarie, please visit [www.fibramacquarie.com](http://www.fibramacquarie.com).

#### **Cautionary Note Regarding Forward-looking Statements**

This document includes forward-looking statements that represent our opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "will," "should," "seek," and similar expressions. The forward-looking statements reflect our views and assumptions with respect to future events as of the date of this document and are subject to risks and uncertainties.

Actual and future results and trends could differ materially from those described by such statements due to various factors, including those beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**None of the entities noted in this document is an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.**

**THIS RELEASE IS NOT AN OFFER FOR SALE OF SECURITIES IN THE UNITED STATES, AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THIS ANNOUNCEMENT IS NOT FOR RELEASE IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA.**

#### **Investor relations contacts:**

Tel: +52 (55) 9178 7751

Email: [fibramq@macquarie.com](mailto:fibramq@macquarie.com)

Evelyn Infurna

Tel: +1 203 682 8265

Email: [evelyn.infurna@icrinc.com](mailto:evelyn.infurna@icrinc.com)

Nikki Sacks

Tel: +1 203 682 8263

Email: [nikki.sacks@icrinc.com](mailto:nikki.sacks@icrinc.com)

#### **For press queries, please contact:**

Flavio J. Díaz-Tueme FleishmanHillard México

Tel: +52 (55) 5520 5460

Email: [flavio.diaz@fleishman.com](mailto:flavio.diaz@fleishman.com)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2020 (UNAUDITED) AND DECEMBER 31, 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
<b>Current assets</b>		
Cash and cash equivalents	2,649,608	693,209
Trade and other receivables, net	375,662	473,142
Other assets	116,636	61,555
<b>Total current assets</b>	<b>3,141,906</b>	<b>1,227,906</b>
<b>Non-current assets</b>		
Restricted cash	19,014	15,598
Investment properties	44,915,704	38,799,138
Equity-accounted investees	1,332,351	1,544,250
Goodwill	841,614	841,614
Other assets	249,485	200,652
Other receivables	-	15,701
<b>Total non-current assets</b>	<b>47,358,168</b>	<b>41,416,953</b>
<b>Total assets</b>	<b>50,500,074</b>	<b>42,644,859</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	2,067,435	-
Trade and other payables	456,780	870,879
Tenant deposits	20,054	17,205
Other liabilities	4,266	4,239
<b>Total current liabilities</b>	<b>2,548,535</b>	<b>892,323</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	18,053,134	14,804,370
Tenant deposits	373,396	318,175
Derivative financial instruments	270,097	38,172
Other liabilities	14,508	16,968
Deferred income tax	24,486	24,486
<b>Total non-current liabilities</b>	<b>18,735,621</b>	<b>15,202,171</b>
<b>Total liabilities</b>	<b>21,284,156</b>	<b>16,094,494</b>
<b>Net assets</b>	<b>29,215,918</b>	<b>26,550,365</b>
<b>Equity</b>		
Contributed equity	17,311,749	17,394,792
Retained earnings	11,904,169	9,155,573
<b>Total equity</b>	<b>29,215,918</b>	<b>26,550,365</b>

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	3 months ended		6 months ended	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	\$'000	\$'000	\$'000	\$'000
Property related income	1,055,583	907,473	2,065,406	1,800,953
Property related expenses	(153,822)	(127,541)	(286,415)	(256,635)
<b>Net property income</b>	<b>901,761</b>	<b>779,932</b>	<b>1,778,991</b>	<b>1,544,318</b>
Management fees	(46,939)	(39,824)	(91,160)	(79,939)
Transaction related expenses	(634)	(22,585)	(1,359)	(26,914)
Professional, legal and other expenses	(17,643)	(13,394)	(30,962)	(26,299)
<b>Total expenses</b>	<b>(65,216)</b>	<b>(75,803)</b>	<b>(123,481)</b>	<b>(133,152)</b>
Net unrealized foreign exchange (loss)/gain on investment property	(940,810)	(366,937)	7,144,598	(893,137)
Unrealized revaluation loss on investment property measured at fair value	(1,239,550)	(254,151)	(1,283,017)	(183,505)
Finance costs	(286,691)	(273,788)	(516,607)	(488,238)
Interest income	9,079	6,288	14,961	13,704
Share of (losses)/profits from equity-accounted investees	(145,947)	15,786	(189,310)	44,374
Net foreign exchange gain/(loss) on monetary items	400,203	162,969	(3,135,563)	404,569
Net unrealized loss on interest rate swaps	(20,915)	(109,457)	(231,925)	(154,859)
<b>(Loss)/Profit before tax for the period</b>	<b>(1,388,086)</b>	<b>(115,161)</b>	<b>3,458,647</b>	<b>154,074</b>
Current income tax	(48)	(268)	(193)	(556)
<b>(Loss)/Profit for the period</b>	<b>(1,388,134)</b>	<b>(115,429)</b>	<b>3,458,454</b>	<b>153,518</b>
<b>Other comprehensive income</b>				
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(1,388,134)</b>	<b>(115,429)</b>	<b>3,458,454</b>	<b>153,518</b>
<b>(Loss)/profit per CBFi*</b>				
Basic (loss)/profit per CBFi (pesos)	(1.82)	(0.15)	4.53	0.20

\*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at January 1, 2019	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period	-	153,518	153,518
<b>Total comprehensive income for the period</b>	-	153,518	153,518
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(642,950)	(642,950)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	(642,950)	(642,950)
<b>Total equity at June 30, 2019</b>	<b>17,497,483</b>	<b>9,461,905</b>	<b>26,959,388</b>
Total equity at January 1, 2020	<b>17,394,792</b>	<b>9,155,573</b>	<b>26,550,365</b>
Total comprehensive income for the period	-	3,458,454	3,458,454
<b>Total comprehensive income for the period</b>	-	3,458,454	3,458,454
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(709,858)	(709,858)
- Repurchase of CBFIs, including associated costs	(83,043)	-	(83,043)
<b>Total transactions with equity holders in their capacity as equity holders</b>	<b>(83,043)</b>	<b>(709,858)</b>	<b>(792,901)</b>
<b>Total equity at June 30, 2020</b>	<b>17,311,749</b>	<b>11,904,169</b>	<b>29,215,918</b>

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	6 months ended	
	Jun 30, 2020	Jun 30, 2019
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
<b>Operating activities:</b>		
Profit before income tax for the period	3,458,647	154,074
<b>Adjustments for:</b>		
Net unrealized foreign exchange (profit)/loss on investment property	(7,144,598)	893,137
Unrealized revaluation loss on investment property measured at fair value	1,283,017	183,505
Straight line rental income adjustment	(16,901)	1,051
Tenant improvement amortization	26,893	20,166
Leasing expense amortization	39,035	33,126
Right-of-use assets depreciation*	2,138	2,173
Interest income	(14,961)	(13,704)
Impairment loss on trade receivables	43,693	20,904
Net foreign exchange loss/(gain) on monetary items	3,019,340	(414,540)
Finance costs	516,607	488,238
Share of losses/(profits) from equity-accounted investees	189,310	(44,374)
Net unrealized loss on interest rates swaps	231,925	154,859
<b>Movements in working capital:</b>		
Decrease/(increase) in receivables	44,606	(24,310)
Decrease in payables	(305,771)	(41,555)
<b>Net cash flows from operating activities</b>	<b>1,372,980</b>	<b>1,412,750</b>
<b>Investing activities:</b>		
Investment property disposed	-	104,573
Capital contribution in equity-accounted investees	-	(277,383)
Maintenance capital expenditure and other capitalized cost	(236,237)	(367,008)
Distributions received from equity-accounted investees	22,589	3,889
<b>Net cash flows used in investing activities</b>	<b>(213,648)</b>	<b>(535,929)</b>
<b>Financing activities:</b>		
Interest income	14,961	13,704
Repayment of interest-bearing liabilities	(2,028,915)	(6,380,379)
Interest paid	(497,722)	(344,380)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,235,712
Lease payments	(2,803)	(2,384)
Repurchase of CBFIs, including associated costs	(83,043)	-
Distribution to CBFI holders	(1,058,252)	(642,950)
<b>Net cash flows from financing activities</b>	<b>684,260</b>	<b>(1,120,677)</b>
Net increase/(decrease) in cash and cash equivalents	1,843,592	(243,856)
Cash and cash equivalents at the beginning of the period	708,807	555,591
Foreign exchange loss on cash and cash equivalents	116,223	9,971
<b>Cash and cash equivalents at the end of the period**</b>	<b>2,668,622</b>	<b>321,706</b>

\*The depreciation is in respect of the rights-of-use assets held at the Group's vertically integrated internal platform level, calculated in accordance with IFRS 16.

\*\*Includes restricted cash balance of \$19.0 million (2019: \$15.8 million) as at June 30, 2020.



## **FIBRA MACQUARIE MÉXICO**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDING JUNE 30, 2020

Important: This English translation, available online at [www.fibramacquarie.com](http://www.fibramacquarie.com),  
is for courtesy purposes only. The Spanish original prevails.



# FIBRA

Macquarie México

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### Disclaimer

Other than Macquarie Bank Limited ("MBL") ABN 46 008 583 542, none of the entities noted in this document is an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.



**KPMG Cárdenas Dosal, S.C.**  
Manuel Ávila Camacho 176 P1,  
Reforma Social, Miguel Hidalgo,  
C.P. 11650, México, D.F.  
Teléfono: +01 (55) 5246 8300  
kpmg.com.mx

## **Independent Auditors' Report on Review of Condensed Interim Consolidated Financial Statements**

To the CBFIs holders of  
Fideicomiso Irrevocable No. F/1622  
(CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities:

### *Introduction*

We have reviewed the accompanying June 30, 2020 condensed interim consolidated financial statements of Fideicomiso Irrevocable No. F/1622 (CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities ("Fibra Macquarie México" or "the Trust"), which comprises:

- the condensed consolidated interim statement of financial position as at June 30, 2020;
- the condensed consolidated interim statements of comprehensive income for the three-month and six-month periods ended June 30, 2020;
- the condensed consolidated interim statements of changes in equity for the six-month period ended June 30, 2020;
- the condensed consolidated statements of cash flows for the six-month period ended June 30, 2020; and
- notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





*FIBRA Macquarie México*

2.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2020 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a series of loops and a final downward stroke.

Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico  
July 27, 2020

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2020 (UNAUDITED) AND DECEMBER 31, 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents		2,649,608	693,209
Trade and other receivables, net		375,662	473,142
Other assets		116,636	61,555
<b>Total current assets</b>		<b>3,141,906</b>	<b>1,227,906</b>
<b>Non-current assets</b>			
Restricted cash		19,014	15,598
Investment properties	11	44,915,704	38,799,138
Equity-accounted investees	9	1,332,351	1,544,250
Goodwill		841,614	841,614
Other assets		249,485	200,652
Other receivables		-	15,701
<b>Total non-current assets</b>		<b>47,358,168</b>	<b>41,416,953</b>
<b>Total assets</b>		<b>50,500,074</b>	<b>42,644,859</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	12	2,067,435	-
Trade and other payables		456,780	870,879
Tenant deposits		20,054	17,205
Other liabilities	17	4,266	4,239
<b>Total current liabilities</b>		<b>2,548,535</b>	<b>892,323</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	12	18,053,134	14,804,370
Tenant deposits		373,396	318,175
Derivative financial instruments	13	270,097	38,172
Other liabilities	17	14,508	16,968
Deferred income tax	14	24,486	24,486
<b>Total non-current liabilities</b>		<b>18,735,621</b>	<b>15,202,171</b>
<b>Total liabilities</b>		<b>21,284,156</b>	<b>16,094,494</b>
<b>Net assets</b>		<b>29,215,918</b>	<b>26,550,365</b>
<b>Equity</b>			
Contributed equity	15	17,311,749	17,394,792
Retained earnings		11,904,169	9,155,573
<b>Total equity</b>		<b>29,215,918</b>	<b>26,550,365</b>

The above unaudited condensed interim consolidated statements of financial position should be read in conjunction with the accompanying notes.

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	3 months ended		6 months ended	
		Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
		\$'000	\$'000	\$'000	\$'000
Property related income	4(a)	1,055,583	907,473	2,065,406	1,800,953
Property related expenses	4(b)	(153,822)	(127,541)	(286,415)	(256,635)
<b>Net property income</b>		<b>901,761</b>	<b>779,932</b>	<b>1,778,991</b>	<b>1,544,318</b>
Management fees	18(c)	(46,939)	(39,824)	(91,160)	(79,939)
Transaction related expenses		(634)	(22,585)	(1,359)	(26,914)
Professional, legal and other expenses	4(c)	(17,643)	(13,394)	(30,962)	(26,299)
<b>Total expenses</b>		<b>(65,216)</b>	<b>(75,803)</b>	<b>(123,481)</b>	<b>(133,152)</b>
Net unrealized foreign exchange (loss)/gain on investment property	10, 11	(940,810)	(366,937)	7,144,598	(893,137)
Unrealized revaluation loss on investment property measured at fair value	10, 11	(1,239,550)	(254,151)	(1,283,017)	(183,505)
Finance costs	4(d)	(286,691)	(273,788)	(516,607)	(488,238)
Interest income		9,079	6,288	14,961	13,704
Share of (losses)/profit from equity-accounted investees	9	(145,947)	15,786	(189,310)	44,374
Net foreign exchange gain/(loss) on monetary items	4(e)	400,203	162,969	(3,135,563)	404,569
Net unrealized loss on interest rate swaps	13	(20,915)	(109,457)	(231,925)	(154,859)
<b>(Loss)/Profit before tax for the period</b>		<b>(1,388,086)</b>	<b>(115,161)</b>	<b>3,458,647</b>	<b>154,074</b>
Current income tax	14	(48)	(268)	(193)	(556)
<b>(Loss)/Profit for the period</b>		<b>(1,388,134)</b>	<b>(115,429)</b>	<b>3,458,454</b>	<b>153,518</b>
<b>Other comprehensive income</b>					
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(1,388,134)</b>	<b>(115,429)</b>	<b>3,458,454</b>	<b>153,518</b>
<b>(Loss)/profit per CBFi*</b>					
Basic (loss)/profit per CBFi (pesos)	8	(1.82)	(0.15)	4.53	0.20

\*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

The above unaudited condensed interim consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at January 1, 2019	15	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period		-	153,518	153,518
<b>Total comprehensive income for the period</b>		-	153,518	153,518
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	7	-	(642,950)	(642,950)
<b>Total transactions with equity holders in their capacity as equity holders</b>		-	(642,950)	(642,950)
<b>Total equity at June 30, 2019</b>		<b>17,497,483</b>	<b>9,461,905</b>	<b>26,959,388</b>
Total equity at January 1, 2020	15	<b>17,394,792</b>	<b>9,155,573</b>	<b>26,550,365</b>
Total comprehensive income for the period		-	<b>3,458,454</b>	<b>3,458,454</b>
<b>Total comprehensive income for the period</b>		-	<b>3,458,454</b>	<b>3,458,454</b>
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	7	-	<b>(709,858)</b>	<b>(709,858)</b>
- Repurchase of CBFIs, including associated costs	15	<b>(83,043)</b>	-	<b>(83,043)</b>
<b>Total transactions with equity holders in their capacity as equity holders</b>		<b>(83,043)</b>	<b>(709,858)</b>	<b>(792,901)</b>
<b>Total equity at June 30, 2020</b>		<b>17,311,749</b>	<b>11,904,169</b>	<b>29,215,918</b>

The above unaudited condensed interim consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

## CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	6 months ended	
		Jun 30, 2020 \$'000	Jun 30, 2019 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
<b>Operating activities:</b>			
Profit before income tax for the period		3,458,647	154,074
<b>Adjustments for:</b>			
Net unrealized foreign exchange (profit)/loss on investment property	10,11,16	(7,144,598)	893,137
Unrealized revaluation loss on investment property measured at fair value	10,11,16	1,283,017	183,505
Straight line rental income adjustment		(16,901)	1,051
Tenant improvement amortization	4(b)	26,893	20,166
Leasing expense amortization	4(b)	39,035	33,126
Right-of-use assets depreciation*	17	2,138	2,173
Interest income		(14,961)	(13,704)
Impairment loss on trade receivables	4(b)	43,693	20,904
Net foreign exchange loss/(gain) on monetary items	4(e)	3,019,340	(414,540)
Finance costs	4(d)	516,607	488,238
Share of losses/(profits) from equity-accounted investees	9(b)	189,310	(44,374)
Net unrealized loss on interest rates swaps	13	231,925	154,859
<b>Movements in working capital:</b>			
Decrease/(increase) in receivables		44,606	(24,310)
Decrease in payables		(305,771)	(41,555)
<b>Net cash flows from operating activities</b>		<b>1,372,980</b>	<b>1,412,750</b>
<b>Investing activities:</b>			
Investment property disposed	11	-	104,573
Capital contribution in equity-accounted investees	9(b)	-	(277,383)
Maintenance capital expenditure and other capitalized cost		(236,237)	(367,008)
Distributions received from equity-accounted investees	9(b)	22,589	3,889
<b>Net cash flows used in investing activities</b>		<b>(213,648)</b>	<b>(535,929)</b>
<b>Financing activities:</b>			
Interest income		14,961	13,704
Repayment of interest-bearing liabilities	1,12	(2,028,915)	(6,380,379)
Interest paid		(497,722)	(344,380)
Proceeds from interest-bearing liabilities, net of facility charges	12	4,340,034	6,235,712
Lease payments	17	(2,803)	(2,384)
Repurchase of CBFIs, including associated costs	15	(83,043)	-
Distribution to CBFIs holders	7	(1,058,252)	(642,950)
<b>Net cash flows from financing activities</b>		<b>684,260</b>	<b>(1,120,677)</b>
Net increase/(decrease) in cash and cash equivalents		1,843,592	(243,856)
Cash and cash equivalents at the beginning of the period		708,807	555,591
Foreign exchange loss on cash and cash equivalents	4(e)	116,223	9,971
<b>Cash and cash equivalents at the end of the period**</b>		<b>2,668,622</b>	<b>321,706</b>

\*The depreciation is in respect of the rights-of-use assets held at the Group's vertically integrated internal platform level, calculated in accordance with IFRS16. This amount is included in property administration expense in note 4.

\*\*Includes restricted cash balance of \$19.0 million (2019: \$15.8 million) as at June 30, 2020.

The above unaudited condensed interim consolidated statements of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

## 1. REPORTING ENTITY

FIBRA Macquarie México ("FIBRA Macquarie") was created under the Irrevocable Trust Agreement No. F/1622, dated November 14, 2012, entered into by Macquarie México Real Estate Management, S.A. de C.V., as settlor, and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria as trustee (in such capacity, together with its successors and assigns in such capacity, the "FIBRA Macquarie Trustee"). FIBRA Macquarie is a real estate investment trust (Fideicomiso de Inversión en Bienes Raíces or "FIBRA") for Mexican federal tax purposes.

FIBRA Macquarie is domiciled in the United Mexican States ("Mexico") and the address of its registered office is Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City 11000 with effect from November 2, 2017. FIBRA Macquarie's trust agreement was amended on November 20, 2012, amended and restated on December 11, 2012, to, among other things, add as parties to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative, and Macquarie México Real Estate Management, S.A. de C.V., as manager (in such capacity, "MMREM" or the "Manager"), and further amended and restated on August 27, 2014 (such amended and restated trust agreement, the "Trust Agreement"). On October 31, 2017, Deutsche Bank Mexico, S.A., Institución de Banca Múltiple, División Fiduciaria, as substituted trustee, and CIBanco, S.A., Institución de Banca Múltiple ("CIBanco"), as substitute trustee, with the acknowledgment of MMREM as settlor and beneficiary in second place of the Trust Agreement, executed a trustee substitution agreement (hereinafter, the "Trustee Substitution Agreement") whereby CIBanco agreed to act as the FIBRA Macquarie Trustee, assuming all the rights and obligations derived in such capacity from the Trust Agreement.

These unaudited condensed interim consolidated financial statements comprise the trusts and its controlled entities (together referred as the "Group" or "FIBRA Macquarie").

FIBRA Macquarie was established with the purpose of investing in real estate assets in Mexico.

### ***Relevant activities during the six months ended June 30, 2020 and 2019***

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including Mexico and United States. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The spread of COVID-19 underscores certain risks the Group face in its business. The spread of COVID-19, or actions taken to mitigate this spread, could have material and adverse effects on the Group's ability to operate effectively. Existing customers and potential customers of the Group's properties may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on FIBRA Macquarie. Given the ongoing and dynamic nature of these circumstances, the Group cannot predict the extent to which the COVID-19 outbreak may impact its business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect the Group's financial condition and results of operations.

On March 24, 2020, FIBRA Macquarie completed a US\$180.0 million drawdown under its Revolving Credit Facility as a proactive measure to increase its cash position and to preserve its financial flexibility to address market uncertainties related to COVID-19 pandemic. Given continued strong liquidity position, the Group subsequently made a partial repayment amounting to US\$90.0 million (\$2,029 million) against this drawn facility on June 17, 2020.

On June 28, 2019, FIBRA Macquarie sold 2 non-strategic industrial assets for US\$7.2 million of cash proceeds. The sale proceeds are to be received in three tranches. FIBRA Macquarie received US\$5.5 million at closing and will receive US\$1.0 million and US\$0.7 million on December 27, 2020 and June 27, 2021, respectively.

On May 22, 2019, FIBRA Macquarie closed a 15-year US\$75 million secured term loan facility, which matures in June 2034 and has an all-in fixed-rate interest of 5.23% per annum. The proceeds were used to fully repay the outstanding drawn revolver, resulting in the entire revolving facility, equivalent to US\$245 million (US\$180 million and \$1,259 million), being undrawn.

On April 5, 2019, FIBRA Macquarie closed a US\$425 million unsecured credit facility. The initial drawings of US\$180 million under the unsecured five-year term loan, together with US\$75 million drawn under the unsecured revolving facility and US\$3 million cash on hand, were used to fully prepay an existing US\$258 million unsecured term loan that was due to expire on June 30, 2020.

On January 31, 2019, FIBRA Macquarie made a full repayment of a secured loan at its JV level scheduled to mature on April 1, 2019, utilizing cash on hand. FIBRA Macquarie's 50 percent pro rata share of this loan repayment totaled to \$284.1 million.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 2. BASIS OF PREPARATION AND PRESENTATION

#### a) Statement of compliance

These unaudited condensed interim consolidated financial statements are for the Group and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted in accordance with the provisions for reporting intermediate periods. Therefore, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of a condensed interim consolidated financial statements have been included. These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on July 27, 2020.

#### b) Historical cost convention

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investment properties at fair value.

#### c) Critical accounting judgments and estimates

During the preparation of the unaudited condensed interim consolidated financial statements, the Manager is required to make judgments, estimations and estimates of uncertainties at June 30, 2020 that affect the application of accounting policies. The duration and full impact of the COVID-19 pandemic are unknown at this point in time. As such, it is not possible to reliably estimate COVID-19 related impacts on the Groups's financial results and operations. Any estimates are therefore subject to significant uncertainty and may materially and adversely vary from actual outcomes. In particular, there is increased estimation uncertainty in determining the fair value of the Group's investment properties and the recoverability of amounts receivable. Estimates and assumptions used in these unaudited condensed interim consolidated financial statements are based on information available to the Group as at the end of the reporting period. The notes to the unaudited condensed interim consolidated financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the unaudited condensed interim consolidated financial statements such as:

##### (i) Judgements

- Estimation of fair value of investment properties: Critical judgments are made with respect to the fair values of investment properties. The fair values of investment properties are reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date, using generally accepted market practices. The independent valuers are experienced, nationally recognized and qualified in the professional valuation of industrial and retail buildings in their respective geographic areas. Since inception, FIBRA Macquarie has performed yearly and since 2019 half-yearly independent appraisals. See note 11 for further details.

- Estimation of fair value of derivative financial instruments: The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could materially affect the reported fair value of financial instruments. See note 13 for further details.

- Classification of joint arrangements into joint ventures: Critical judgments are made with respect to the fair values of investment properties included in the JV with Grupo Frisa. See note 9 for further details.

##### (ii) Assumptions and estimation of uncertainties

- Critical assumptions relating to the valuation of investment properties at fair value include the receipt of contractual rents, expected future market rents, renewal rates, capital expenditures, discount rates that reflect current market uncertainties, capitalization rates and recent investment property transactions. If there is any change in these assumptions, or regional, national or international economic conditions, the fair value of investment properties may change materially. See note 11 for further details.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

#### c) Critical accounting judgments and estimates (continued)

##### *(ii) Assumptions and estimation of uncertainties (continued)*

- Trade and other receivables: The portfolio is measured based on a forward-looking 'Expected Credit Loss' ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. Any change in management's estimates can result in modification of the impairment loss of trade receivables.

- Income tax and deferred income tax: The recognition and measurement of deferred tax assets or liabilities is dependent on management's estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realised or the liability is settled. Any changes in management's estimates can result in changes in deferred tax assets or liabilities as reported in the unaudited condensed interim consolidated statement of financial position. See note 14 for further details.

- Goodwill is tested for impairment at least annually, and when circumstances indicate that the carrying value may be impaired based on key assumptions underlying the portfolio premium.

Management believes that the estimates used in preparing the unaudited condensed interim consolidated financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

#### d) Measurement of fair value

The Group measures financial instruments, such as derivative and non-derivatives financial assets and investment properties, at fair value at every reporting date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the unaudited condensed interim consolidated financial statements are categorised in the level three hierarchy based on inputs used in the valuation process. The level in the fair value hierarchy under which within fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the entity for identical assets or liabilities. These quoted prices generally provide the most reliable evidence and should be used to measure fair value whenever available.

Level 2 – Fair value is based on inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly or indirectly, substantially for the full term of the asset or liability through corroboration of observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset or liability. Such inputs reflect the Group's own assumptions about how market participants would price the asset or liability.



## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied its accounting policies for all periods presented in the unaudited condensed interim consolidated financial statements and in relation with those of the previous financial year.

Amendments to certain IFRS accounting standards became effective for annual reporting periods commencing on or after January 1, 2020 but these amendments do not apply to the Group's unaudited condensed interim consolidated financial statements.

As a result of COVID-19 pandemic, rent concessions have been granted to certain tenants. These concessions include discounts and deferral of lease payments. On May 28, 2020, the IASB published an amendment to IFRS 16 Leases that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.

For rent deferrals granted as of June 30, 2020, the Group is continuing to recognize rental revenue during the period. In accordance with amendments, the Group did not apply lease modification guidance to concessions that result in deferred rent as the total cash flows required by the modified lease agreements are materially the same as the cash flows required under the original lease and there are no substantive changes to the consideration.

#### ***Standards issued but not yet effective***

IFRS17 *Insurance Contracts* has been issued but is effective from January 1, 2023. This standard is not expected to have any significant impact on the Group's consolidated financial statements.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 4. INCOME/(EXPENSE) FOR THE PERIOD

The income/(expense) for the period includes the following items of revenue and expenses:

	3 months ended		6 months ended	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	\$'000	\$'000	\$'000	\$'000
<b>a) Property related income</b>				
Lease related income	998,389	843,299	1,937,660	1,677,099
Car parking income	4,168	14,154	17,821	27,787
Expenses recoverable from tenants	53,026	50,020	109,925	96,067
<b>Total property related income</b>	<b>1,055,583</b>	<b>907,473</b>	<b>2,065,406</b>	<b>1,800,953</b>
<b>b) Property related expenses</b>				
Property administration expense	(18,774)	(19,493)	(38,463)	(38,586)
Property insurance	(6,129)	(6,159)	(11,051)	(12,243)
Property tax	(17,826)	(16,032)	(35,651)	(31,989)
Repairs and maintenance	(14,759)	(18,908)	(32,446)	(41,750)
Industrial park fees	(10,490)	(8,513)	(19,859)	(19,082)
Security services	(5,560)	(5,476)	(11,804)	(11,031)
Property related legal and consultancy expenses	(2,799)	(869)	(4,171)	(2,502)
Tenant improvements amortization	(13,740)	(11,328)	(26,893)	(20,166)
Leasing commission amortization	(19,351)	(16,326)	(39,035)	(33,126)
Utilities	(4,610)	(6,159)	(10,424)	(11,313)
Marketing costs	(2,338)	(4,299)	(6,178)	(7,494)
Car park operating fees	(1,829)	(2,069)	(4,400)	(4,067)
Impairment loss on trade receivables	(34,811)	(10,915)	(43,693)	(20,904)
Other property related expenses	(806)	(995)	(2,347)	(2,382)
<b>Total property related expenses</b>	<b>(153,822)</b>	<b>(127,541)</b>	<b>(286,415)</b>	<b>(256,635)</b>
<b>c) Professional, legal and other expenses</b>				
Tax advisory expenses	(748)	(772)	(1,260)	(1,610)
Accountancy expenses	(2,015)	(2,520)	(4,285)	(4,950)
Valuation expenses	(1,084)	(1,226)	(2,268)	(2,148)
Audit expenses	(1,365)	(1,216)	(2,481)	(2,401)
Other professional expenses	(3,377)	(3,465)	(6,894)	(6,427)
Other expenses	(9,054)	(4,195)	(13,774)	(8,763)
<b>Total professional, legal and other expenses</b>	<b>(17,643)</b>	<b>(13,394)</b>	<b>(30,962)</b>	<b>(26,299)</b>
<b>d) Finance costs</b>				
Interest expense on interest-bearing liabilities	(282,348)	(210,671)	(508,358)	(417,083)
Finance costs under effective interest method	(3,904)	(62,578)	(7,336)	(70,056)
Interest expense on lease liabilities	(439)	(539)	(913)	(1,099)
<b>Total finance costs</b>	<b>(286,691)</b>	<b>(273,788)</b>	<b>(516,607)</b>	<b>(488,238)</b>
<b>e) Net foreign exchange gain/(loss)</b>				
Unrealized foreign exchange gain/(loss) on monetary items	534,710	114,381	(2,897,961)	346,959
Realized foreign exchange (loss)/gain	(134,507)	48,588	(237,602)	57,610
<b>Total net foreign exchange gain/(loss)</b>	<b>400,203</b>	<b>162,969</b>	<b>(3,135,563)</b>	<b>404,569</b>

At June 30, 2020, the Group had 68 employees (June 30, 2019: 70 employees) in its vertically integrated internal property management platform.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 5. SEGMENT REPORTING

The chief operating decision-maker is the person that allocates resources to, and assesses, the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer ("CEO") of the Group. The Manager has identified the operating segments based on the reports reviewed by the CEO in making strategic decisions.

The operating segments derive their income primarily from lease rental income derived from tenants in Mexico divided into two segments (Industrial and Retail). During the period, there were no transactions between the Group's operating segments.

The segment information includes proportionately consolidated results of the joint ventures, which are eliminated in the segment reconciliations. The CEO monitors the performance of the Group based on the location of the investment properties, as follows:

3 months ended June 30, 2020	Industrial				Retail <sup>1,2,3</sup>		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	381,897	192,218	217,602	157,071	11,961	141,197	1,101,946
Lease related income	365,467	182,379	208,560	150,416	10,359	122,216	1,039,397
Car park income	502	702	-	166	181	3,270	4,821
Expenses recoverable from tenants	15,928	9,137	9,042	6,489	1,421	15,711	57,728
Segment net loss <sup>2</sup>	(372,590)	(203,862)	(149,707)	(83,695)	(36,735)	(540,080)	(1,386,669)
Included in loss for the period:							
Foreign exchange profit/(loss)	42,040	30,511	43,790	12,247	(4)	147	128,731
Net unrealized foreign exchange loss on investment property	(406,848)	(232,092)	(216,685)	(85,185)	-	-	(940,810)
Unrealized revaluation loss on investment property measured at fair value	(315,167)	(156,468)	(148,075)	(119,331)	(40,398)	(620,376)	(1,399,815)
Finance costs <sup>3</sup>	(29,356)	(17,563)	(24,218)	(18,245)	(3,238)	(9,386)	(102,006)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$12.0 million and \$34.4 million respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$36.7 million and \$109.5 million respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.2 million and \$9.4 million respectively.

### 5. SEGMENT REPORTING (CONTINUED)

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

3 months ended June 30, 2019	Industrial				Retail <sup>1,2,3</sup>		Total
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	303,874	157,723	173,102	123,027	13,936	190,995	962,657
Lease related income	289,720	151,495	167,431	111,226	11,759	133,678	865,309
Car park income	397	560	-	132	596	14,830	16,515
Expenses recoverable from tenants	13,757	5,668	5,671	11,669	1,581	42,487	80,833
Segment net profit/(loss) <sup>2</sup>	9,851	9,218	(6,297)	18,086	3,895	105,384	140,137
Included in profit/(loss) of the period:							
Foreign exchange gain	5,946	8,031	15,877	5,872	5	12	35,743
Net unrealized foreign exchange loss on investment property	(141,876)	(78,047)	(96,706)	(50,308)	-	-	(366,937)
Unrealized revaluation loss on investment property measured at fair value	(90,208)	(49,037)	(59,760)	(34,943)	(1,611)	(25,245)	(260,804)
Finance costs <sup>3</sup>	(21,183)	(14,876)	(19,820)	(12,802)	(3,205)	(9,433)	(81,319)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$13.9 million and \$41.2 million respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$3.9 million and \$11.3 million respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.2 million and \$9.4 million respectively.

6 months ended June 30, 2020	Industrial				Retail <sup>1,2,3</sup>		Total
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	699,590	350,438	394,018	289,102	25,408	408,895	2,167,451
Lease related income	663,566	332,065	375,862	273,488	21,596	358,628	2,025,205
Car park income	906	1,269	-	301	761	17,639	20,876
Expenses recoverable from tenants	35,118	17,104	18,156	15,313	3,051	32,628	121,370
Segment net profit/(loss) <sup>2</sup>	2,827,009	1,422,281	1,425,212	1,086,931	(47,316)	(546,827)	6,167,290
Included in profit/(loss) for the period:							
Foreign exchange loss	(365,770)	(222,605)	(306,194)	(220,684)	(39)	(63)	(1,115,355)
Net unrealized foreign exchange profit on investment property	2,910,338	1,497,263	1,534,233	1,202,764	-	-	7,144,598
Unrealized revaluation loss on investment property measured at fair value	(272,499)	(131,695)	(117,128)	(101,568)	(56,402)	(830,255)	(1,509,547)
Finance costs <sup>3</sup>	(56,061)	(33,559)	(44,725)	(33,255)	(6,431)	(18,837)	(192,868)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$25.4 million and \$76.6 million respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$47.3 million and \$142.7 million respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$6.4 million and \$18.8 million respectively.

### 5. SEGMENT REPORTING (CONTINUED)

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

6 months ended June 30, 2019	North East \$'000	Industrial			Retail <sup>1,2,3</sup>		Total \$'000
		Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	604,749	305,324	349,232	239,945	26,980	383,607	1,909,837
Lease related income	578,409	291,576	334,526	222,349	22,760	294,782	1,744,402
Car park income	796	1,125	-	266	1,139	29,056	32,382
Expenses recoverable from tenants	25,544	12,623	14,706	17,330	3,081	59,769	133,053
Segment net profit <sup>2</sup>	65,068	33,922	69,865	51,328	10,470	260,010	490,663
<i>Included in profit for the period:</i>							
Foreign exchange gain	24,061	21,804	41,883	18,015	9	21	105,793
Net unrealized foreign exchange loss on investment property	(358,936)	(193,896)	(210,828)	(129,477)	-	-	(893,137)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(86,556)	(40,172)	(30,072)	(24,285)	243	(1,684)	(182,526)
Finance costs <sup>3</sup>	(34,956)	(25,523)	(40,291)	(22,270)	(6,833)	(20,742)	(150,615)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$26.9 million and \$81.9 million respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$10.5 million and \$81.8 million respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$6.8 million and \$20.7 million respectively.

As at June 30, 2020	North East \$'000	Industrial*			Retail		Total \$'000
		Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Total segment assets	16,856,080	8,693,136	8,994,835	6,960,502	481,176	6,538,894	48,524,623
Total segment liabilities	(2,482,401)	(1,462,574)	(1,920,921)	(1,403,132)	(149,448)	(505,340)	(7,923,816)
<b>As at December 31, 2019</b>							
Total segment assets*	14,319,480	7,468,625	7,569,763	5,559,955	518,851	7,245,417	42,682,091
Total segment liabilities	(2,076,029)	(1,234,413)	(1,592,337)	(1,105,028)	(145,917)	(636,202)	(6,789,926)

\*During the period ended December 31, 2019, the Group disposed of 2 non-strategic industrial assets in North and Northeast.

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### 5. SEGMENT REPORTING (CONTINUED)

The Group's non-current assets are primarily comprised of investment properties located in Mexico.

Unaudited condensed interim consolidated financial statements

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

Segment revenue and operating profit is reconciled to total revenue and operating (loss)/profit as follows:

	3 months ended		6 months ended	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	1,101,946	962,657	2,167,451	1,909,837
Revenue attributable to equity-accounted investees	(46,363)	(55,183)	(102,046)	(108,884)
Interest income	9,079	6,288	14,961	13,704
<b>Total revenue for the period</b>	<b>1,064,662</b>	<b>913,762</b>	<b>2,080,366</b>	<b>1,814,657</b>
Segment (loss)/profit	(1,386,669)	140,137	6,167,290	490,663
Unallocated amounts:				
Property expenses not included in reporting segments	1,203	934	446	1,983
Finance costs not included in reporting segments <sup>1</sup>	(197,309)	(205,108)	(349,007)	(365,198)
Interest income	9,079	6,288	14,961	13,704
Items attributable to equity-accounted investees	278	603	704	2,125
Net foreign exchange gain/(loss) <sup>2</sup>	271,463	127,245	(2,020,341)	298,808
Net unrealized loss on interest rate swaps	(20,915)	(109,457)	(231,925)	(154,859)
Management fees <sup>3</sup>	(46,939)	(39,824)	(91,160)	(79,939)
Transaction related expenses	(634)	(22,585)	(1,359)	(26,914)
Professional, legal and other expenses	(17,643)	(13,394)	(30,962)	(26,299)
Income tax expense	(48)	(268)	(193)	(556)
<b>(Loss)/profit for the period</b>	<b>(1,388,134)</b>	<b>(115,429)</b>	<b>3,458,454</b>	<b>153,518</b>

<sup>1</sup> A portion of existing debt is in the form of unsecured facilities at FIBRA Macquarie level and consequently, in 2020 and 2019 finance cost is considered as a reconciling item.

<sup>2</sup> Unrealized foreign exchange gain/(loss) arising in respect of the unsecured debt revaluation at the end of the relevant period.

<sup>3</sup> Fees related with the Manager in respect of the existing management agreement entered into on December 11, 2012 (the "Management Agreement").

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 5. SEGMENT REPORTING (CONTINUED)

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	Period/Year ended	
	Jun 30, 2020	Dec 31, 2019
	\$'000	\$'000
Segment assets	48,524,623	42,682,091
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash <sup>1</sup>	2,486,248	482,640
Trade and other receivables, net	309	332
Other assets <sup>1</sup>	89,135	84,010
Assets attributable to equity-accounted investees <sup>1</sup>	(1,932,592)	(2,148,464)
Investment in equity-accounted investees <sup>1</sup>	1,332,351	1,544,250
<b>Total assets</b>	<b>50,500,074</b>	<b>42,644,859</b>
Segment liabilities	(7,923,816)	(6,789,926)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities <sup>1</sup>	(13,620,109)	(9,472,853)
Trade and other payables <sup>1</sup>	(31,381)	(356,303)
Liabilities attributable to equity-accounted investees <sup>1</sup>	600,241	604,214
Other liabilities <sup>1</sup>	(14,508)	(16,968)
Deferred income tax liability <sup>1</sup>	(24,486)	(24,486)
Derivative financial instruments not included in reporting segment <sup>1</sup>	(270,097)	(38,172)
<b>Total liabilities</b>	<b>(21,284,156)</b>	<b>(16,094,494)</b>

<sup>1</sup> Assets and liabilities held at Fund level.

### 6. SEASONALITY OF OPERATIONS

There are no material seasonal fluctuations for the Group operations given the characteristics of the properties and lease contracts.

### 7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the six months period ended June 30, 2020, FIBRA Macquarie made three distributions payment amounting to \$1,058.2 million (June 30, 2019: \$643.0 million). The first distribution amounting to \$348.4 million (0.455 per CBF) which was accrued as at December 31, 2019, was paid on January 24, 2020. The second distribution amounted to \$348.1 million (0.455 per CBF) and was paid on March 11, 2020, and the third distribution amounted to \$361.7 million (0.475 per CBF) and was paid on June 12, 2020.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 8. (LOSS)/PROFIT AFTER TAX PER CBFI

	3 months ended		6 months ended	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	\$'000	\$'000	\$'000	\$'000
<b>(Loss)/profit after tax per CBFI</b>				
Basic (loss)/profit per CBFI (\$)	(1.82)	(0.15)	4.53	0.20
<b>Basic (loss)/profit used in the calculation of earnings per CBFI</b>				
Net (loss)/profit after tax for basic earnings per CBFI (\$'000)	(1,388,134)	(115,429)	3,458,454	153,518
Weighted average number of CBFI's used as the denominator in calculating basic earnings per CBFI ('000)	761,623	770,000	763,305	770,000

### 9. EQUITY-ACCOUNTED INVESTEEES

MMREIT Retail Trust III entered into two joint arrangements with Grupo Frisa through which it acquired a 50% interest in two joint venture trusts ("JV Trusts"). These have been classified as joint venture trusts under *IFRS11 – Joint Arrangements* as MMREIT Retail Trust III has a right to 50% of the net assets of the JV Trusts. The debt used to finance the purchase of the assets held by the JV Trusts is at the JV Trust level. FIBRA Macquarie and/or MMREIT Retail Trust III have an exposure in relation to this debt solely in their capacity as joint obligors and only in exceptional circumstances which do not currently exist.

#### a) Carrying amounts

Name of the entity	Country of establishment / Principal activity	Ownership interest	Ownership interest	Jun 30, 2020	Dec 31, 2019
		as at Jun 30, 2020	as at Dec 31, 2019	\$'000	\$'000
JV Trust CIB/589	Mexico /	50%	50%	496,370	579,313
	Own and lease retail property				
JV Trust CIB/586	Mexico /	50%	50%	835,981	964,937
	Own and lease retail property				

#### b) Movement in carrying amounts

	Jun 30, 2020	Dec 31, 2019
	\$'000	\$'000
Carrying amount at the beginning of the period/year	1,544,250	1,152,560
Capital contribution during the period/year <sup>1</sup>	-	326,331
Distributions received during the period/year	(22,589)	(89,654)
Share of profits from equity-accounted investees	37,219	88,054
Share of revaluation (loss)/gain on investment property measured at fair value	(226,529)	66,959
<b>Carrying amount at the end of the period/year</b>	<b>1,332,351</b>	<b>1,544,250</b>

<sup>1</sup> Relates to a capital contribution in respect of the debt repaid and certain capital expenditures at the JV level.

#### c) Summarized financial information for joint ventures

The below table provides summarized financial information for the JV Trusts since these are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the JV Trusts and not FIBRA Macquarie's share of those amounts. These have been amended to reflect adjustments made by the Group using the equity method including adjustments and modifications for differences in accounting policy between FIBRA Macquarie and the JV Trusts.



## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

#### c) Summarized financial information for joint ventures (continued)

Summarized Statement of Financial Position	JV Trust CIB/589 Jun 30, 2020 \$'000	JV Trust CIB/589 Dec 31, 2019 \$'000	JV Trust CIB/586 Jun 30, 2020 \$'000	JV Trust CIB/586 Dec 31, 2019 \$'000
Total current assets <sup>1,2</sup>	20,579	22,364	26,479	29,445
Total non-current assets	983,625	1,153,132	2,834,501	3,091,987
Total current liabilities <sup>3</sup>	(4,213)	(9,705)	(30,134)	(20,790)
Total non-current liabilities <sup>3</sup>	(7,251)	(7,166)	(1,158,884)	(1,170,767)
<b>Net assets</b>	<b>992,740</b>	<b>1,158,625</b>	<b>1,671,962</b>	<b>1,929,875</b>

<sup>1</sup> Includes cash and cash equivalents of \$17.4 million (December 31, 2019: \$30.0 million).

<sup>2</sup> Includes restricted cash of \$20.5 million (December 31, 2019: \$20.0 million).

<sup>3</sup> Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,146.8 million (December 31, 2019: \$1,150.4 million).

Summarized Statement of Financial Position	JV Trust CIB/589 Jun 30, 2020 \$'000	JV Trust CIB/589 Dec 31, 2019 \$'000	JV Trust CIB/586 Jun 30, 2020 \$'000	JV Trust CIB/586 Dec 31, 2019 \$'000
<b>Reconciliation to carrying amounts:</b>				
Opening net assets for the period/year <sup>1</sup>	1,158,625	501,809	1,929,875	1,803,311
Net movements for the period/year	(165,885)	656,816	(257,913)	126,564
<b>Net assets</b>	<b>992,740</b>	<b>1,158,625</b>	<b>1,671,962</b>	<b>1,929,875</b>
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	496,370	579,313	835,981	964,937
FIBRA Macquarie's carrying amount	496,370	579,313	835,981	964,937

<sup>1</sup> During six months ended June 30, 2020 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$7.9 million (full year 2019: \$16.1 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

Summarized Statement of Comprehensive Income	JV Trust CIB/589 6 months ended Jun 30, 2020 \$'000	JV Trust CIB/589 6 months ended Jun 30, 2019 \$'000	JV Trust CIB/586 6 months ended Jun 30, 2020 \$'000	JV Trust CIB/586 6 months ended Jun 30, 2019 \$'000
<b>Revenue:</b>				
Property related and other income	46,086	51,566	158,006	166,202
Revaluation of investment property measured at fair value	-	-	-	15,014
Financial income	162	2,606	1,248	2,014
<b>Total revenue</b>	<b>46,248</b>	<b>54,172</b>	<b>159,254</b>	<b>183,230</b>
<b>Expenses:</b>				
Revaluation of investment property measured at fair value	(186,679)	(13,055)	(266,379)	-
Finance costs	-	(4,884)	(50,537)	(50,266)
Other expenses	(18,797)	(19,111)	(61,729)	(61,337)
<b>Total expenses</b>	<b>(205,476)</b>	<b>(37,050)</b>	<b>(378,645)</b>	<b>(111,603)</b>
<b>(Loss)/profit for the period</b>	<b>(159,228)</b>	<b>17,122</b>	<b>(219,391)</b>	<b>71,627</b>
FIBRA Macquarie's share (%)	50%	50%	50%	50%
<b>FIBRA Macquarie's share</b>	<b>(79,614)</b>	<b>8,561</b>	<b>(109,696)</b>	<b>35,813</b>

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

#### d) Share of contingent liabilities of joint venture

As at June 30, 2020 and December 2019, there was no share of contingent liabilities incurred jointly with the joint venture partner and no contingent liabilities of the joint ventures for which FIBRA Macquarie is liable.

### 10. INVESTMENT PROPERTIES HELD FOR SALE

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	-	147,622
<i>Additions/disposals during the period/year:</i>		
Transfers from investment properties <sup>1</sup>	-	-
Disposals <sup>2</sup>	-	(137,589)
Net unrealized foreign exchange loss on investment property	-	(3,967)
Revaluation of investment property measured at fair value	-	(6,066)
<b>Carrying amount at the end of the period/year</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Investment properties reclassified as 'Investment property held for sale' are based on the Group's expectations of the likelihood that assets will be sold in a period no more than 12 months and the asset is being actively marketed in accordance with IFRS 5.

<sup>2</sup> During the year ended December 31, 2019, the Group disposed of 2 properties in Chihuahua and Matamoros.

### 11. INVESTMENT PROPERTIES

	Note	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year		38,799,138	40,132,961
<i>Additions during the period/year:</i>			
Capital expenditure (including tenant improvements)		146,340	414,746
Transfers from Investment property under construction		19,532	271,881
Investment property under construction	11(a)	83,430	(5,125)
Net unrealized foreign exchange gain/(loss) on investment property		7,144,598	(1,460,081)
Revaluation of investment property measured at fair value		(1,283,017)	(599,014)
Leasing commissions, net of amortization		5,683	43,770
<b>Carrying amount at the end of the period/year</b>		<b>44,915,704</b>	<b>38,799,138</b>

#### a) Investment property under construction\*

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	56,038	61,163
Capital expenditure	102,962	266,756
Transfer to completed investment properties	(19,532)	(271,881)
<b>Carrying amount at the end of the period/year</b>	<b>139,468</b>	<b>56,038</b>

\* Investment property under construction is initially recognized at cost since the fair value of these properties under construction cannot reasonably be measured as at that date. At the year end or date of completion, whichever is earlier, any difference between the initial recognition and the fair value at that date will be taken to the income statement.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 11. INVESTMENT PROPERTIES (CONTINUED)

#### b) Asset-by-asset valuation

Valuations of investment properties are carried on half-yearly basis by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE Mexico, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at June 30, 2020 and December 31, 2019.

The valuation methods – cost, market value and capitalization analysis – are applied by the Independent Valuer in order to estimate that market value of the acquired properties applying primarily an income analysis, using direct capitalization as well as discounted cash flow analysis.

The fair value measurement for all investment properties was determined based in the inputs to the valuation techniques mentioned below and its categorised as level 3.

The significant inputs and assumptions in respect of the valuation process are described in consultation with management.

The inputs used in the valuations at June 30, 2020 were as follows:

- The range of reversionary capitalisation rates applied to the portfolio were between 7.50% to 10.50% (December 31, 2019: 7.50% and 10.50%) for industrial and 8.50% to 9.75% (December 31, 2019: 8.25% and 9.75%) for retail properties.
- The discount rates applied range between 8.50% and 11.50% (December 31, 2019: 8.50% and 11.50%) for industrial properties and 9.50% and 11.75% (December 31, 2019: 9.25% and 11.75%) for retail properties.
- The vacancy rate applied for retail properties ranged between 3.00% and 10.00% (December 31, 2019: 3.00% and 10.00%), with a weighted average of 4.63% (2019: 5.38%).

The estimated fair value increases if the estimated rent increases, vacancy levels decline or if discount rates and reversionary capitalisation rates decline. The valuations are sensitive to all three assumptions. Changes in discount rates attributable to changes in market conditions can have a significant impact on property valuations.

The difference between the above fair value for financial reporting purposes and the carrying value at the end of the quarter is primarily on account of capitalized leasing costs and tenant improvements which are carried at historical cost and amortized.

### 12. INTEREST BEARING LIABILITIES

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
<b>The Group has access to:</b>		
<b><i>Loan facilities - undrawn</i></b>		
Undrawn US\$-denominated notes	2,067,435	3,392,136
Undrawn MXN-denominated notes	1,259,564	1,259,564
<b>Total undrawn loan facilities</b>	<b>3,326,999</b>	<b>4,651,700</b>
<b><i>Loan facilities - drawn</i></b>		
US\$-denominated term funding	7,465,738	8,763,017
US\$-denominated notes	12,749,182	6,124,690
Unamortized transaction costs	(94,351)	(83,337)
<b>Total drawn loan facilities, net of unamortized transaction costs</b>	<b>20,120,569</b>	<b>14,804,370</b>

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 12. INTEREST-BEARING LIABILITIES (CONTINUED)

The relevant credit facilities are summarised as follows:

Lenders - Facility Type	Currency	Facility	Drawn	Interest	Maturity	Carrying Amount	
		Limit \$'million	Amount \$'million			Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	5,738,916	4,707,562
MetLife - Term Loan <sup>1</sup>	US\$	210.0	210.0	5.38%	Oct-27	4,804,966	3,941,116
Various Banks through a Credit Facility - Term Loan (Current liability)	US\$	180.0	90.0	30 day Libor + 2.75%	Apr-24	2,067,435	-
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.69% <sup>2</sup>	Apr-24	4,093,337	3,354,038
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,720,420	1,411,254
MetLife - Term Loan <sup>3</sup>	US\$	75.0	75.0	5.23%	Jun-34	1,695,495	1,390,400
<b>Balance at the end of the period/year</b>						<b>20,120,569</b>	<b>14,804,370</b>

<sup>1</sup> Thirty nine industrial properties are secured pursuant to this Term Loan. <sup>2</sup> Fixed by interest rate swap. Refer to note 13. <sup>3</sup> Sixteen industrial properties are secured pursuant to this Term Loan.

#### Interest-bearing liabilities – current

On March 24, 2020, FIBRA Macquarie completed a US\$180.0 million drawdown on its existing revolver credit facility, and subsequently on June 17, 2020, the Group partially repaid US\$90.0 million (\$2,067million) against this drawn facility.

The drawn revolver facility has a 30-day maturity and corresponding automatic renewal, therefore, classified as a current liability.

Reconciliation of movements of interest-bearing liabilities to cash flows arising from financing activities:

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	14,804,370	15,537,190
<b>Changes from financing cash flows:</b>		
Repayments of interest-bearing liabilities	(2,028,915)	(6,380,379)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,231,596
<b>Total changes for financing cash flow</b>	<b>2,311,119</b>	<b>(148,783)</b>
Total effect of changes in foreign exchange rate	2,997,744	(660,360)
<b>Liability-related other changes:</b>		
Amortization of capitalized borrowing costs	7,336	76,323
<b>Carrying amount at the end of the period/year</b>	<b>20,120,569</b>	<b>14,804,370</b>

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

On April 5, 2019, FIBRA Macquarie entered into interest rate swap with various counterparties, whereby FIBRA Macquarie on a quarterly basis pays an annual weighted average fixed rate of interest of 1.94% on its respective interest rate swap contracts and receives a variable interest rate based on 3 months US\$ LIBOR. The swaps fully hedge the exposure to the variable interest rate payments associated with the US\$180.0 million unsecured credit facility (term loan).

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

Counterparties	Trade date	Maturity date	Notional amount	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(270,097)	(38,172)
<b>Total estimated fair value</b>				<b>(270,097)</b>	<b>(38,172)</b>

### 14. DIRECT TAXES

FIBRA Macquarie is deemed to be a real estate investment trust for Mexican federal income tax purposes. Under Articles 187 and 188 of the Mexican Income Tax Law, it is required to distribute an amount equal to at least 95% of its net tax result to its CBFH holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFH holders during the twelve months ended March of such fiscal year, FIBRA Macquarie is required to pay the corresponding tax at a rate of 30% of such excess.

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in these unaudited condensed interim consolidated financial statements. Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary differences is expected. The major components of the income tax expense for the period/year ended June 30, 2020 and December 2019, respectively, with respect to the results of the Group's subsidiaries are:

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	2,686	1,274
Current income tax for the period/year	(193)	(274)
Advance income tax paid	401	1,686
<b>Income tax recoverable</b>	<b>2,894</b>	<b>2,686</b>
<i>Deferred income tax</i>		
Opening balance as of January 1	24,486	19,178
Relating to temporary differences provision	-	5,308
<b>Deferred income tax</b>	<b>24,486</b>	<b>24,486</b>

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 15. CONTRIBUTED EQUITY

	No. of CBFIs	
	\$'000	\$'000
Balance at January 1, 2019	770,000	17,497,483
CBFIs repurchased for cancellation during the year	(4,300)	(102,691)
CBFIs outstanding at December 31, 2019	765,700	17,394,792
<b>Balance at January 1, 2020</b>	<b>765,700</b>	<b>17,394,792</b>
CBFIs repurchased for cancellation during the period	(4,077)	(83,043)
<b>CBFIs outstanding at June 30, 2020</b>	<b>761,623</b>	<b>17,311,749</b>

On June 25, 2017, FIBRA Macquarie's Technical Committee approved a CBFi buy-back program under the terms of the Trust Agreement and provided instructions to the Fund Trustee to carry out the repurchase of certificates for subsequent cancellation.

On June 26, 2018, May 24, 2019 and June 26, 2020, FIBRA Macquarie's Technical Committee approved the extension of this program during three periods: from June 26, 2018 to June 25, 2019, from June 26, 2019 to June 25, 2020, and from June 26, 2020 to June 23, 2021, respectively.

From the inception of the CBFi buy-back program to June 30, 2020, a total of 49,740,003 CBFIs, amounting to \$1,058.2 million (including transaction costs), have been repurchased.

### 16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group measures the following assets and liabilities at fair value and further information about the assumptions made in measuring fair values is included in the following notes:

- Investment properties held for sale, (note 10).
- Investment properties, (note 11).
- Derivative financial instruments, (note 13).

Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

The investment property valuations were determined using discounted cash flow projections, based on significant unobservable inputs. These inputs include:

- Future rental cash flows: based on the location, type and quality of the properties and supported by the terms of any existing lease or other contracts or external evidence such as current market rents for similar properties;
- Discount rates: reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Vacancy rates: based on current and expected future market conditions after expiry of any current leases;
- Maintenance costs: including necessary investments to maintain functionality of the property for its expected useful life;
- Capitalisation rates: based on location, size and quality of the properties and taking into account market data at the valuation date; and
- Terminal value: taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The Management regularly reviews significant unobservable inputs and valuations adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the Management assesses the evidence obtained from the third parties to support the conclusion about these valuations meet the requirements of IFRS, including the level in the FV hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Board of Directors.

The fair value of derivative financial instruments is calculated as the present value of the estimated future cash flows.

Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates.

Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

Financial instruments measured at fair value are categorized in their entirety, in accordance with the levels of the fair value hierarchy as outlined below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

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

The appropriate level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following table sets out the fair value of financial instruments (net of unamortized acquisition costs) not measured at fair value and analyzes them by the level in the fair value hierarchy into which each fair value measurement is categorized.

	Level 2	Total fair value	Total carrying amount
As at June 30, 2020	\$'000	\$'000	\$'000
Trade and other receivables, net	375,662	375,662	375,662
Interest-bearing liabilities*	(21,697,311)	(21,697,311)	(20,120,569)
<b>As at December 31, 2019</b>			
Trade and other receivables, net	490,968	490,968	488,843
Interest-bearing liabilities*	(15,400,062)	(15,400,062)	(14,804,370)

\*Net unamortized transaction costs.

The following table summarizes the levels of the fair value hierarchy for financial instruments measured at fair value of the Group:

	Level 1	Level 2	Level 3	Total
As at June 30, 2020	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments-liability	-	(270,097)	-	(270,097)
Investment properties	-	-	44,915,704	44,915,704
<b>As at December 31, 2019</b>				
Derivative financial instruments-liability	-	(38,172)	-	(38,172)
Investment properties	-	-	38,799,138	38,799,138

The fair value of the interest rate swaps is based on independent third party broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the term and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The fair value of the interest rate swaps reflects the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty, where appropriate.

The following table presents the changes in Level 3 of the fair value hierarchy for the Group:

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
Balance at the beginning of the period/year	38,799,138	40,132,961
Capital expenditure/leasing commission, net of amortization	254,985	725,272
Net unrealized foreign exchange gain/(loss) on investment property	7,144,598	(1,460,081)
Unrealized revaluation loss on investment property measured at fair value	(1,283,017)	(599,014)
<b>Balance at the end of the period/year</b>	<b>44,915,704</b>	<b>38,799,138</b>

### 17. LEASES

#### a) As a lessor

Agreements entered into by the Group and its tenants have been classified as operating leases under IFRS16. The Group is the lessor of the leases entered into with third parties in respect of its investment properties. Of the leases entered into by the Group, there are a certain amount that are fixed-term leases which include renewal options exercisable by the respective tenant. Notwithstanding these particular leases, the lease agreements entered into by the Group have expiration dates ranging from January 1, 2020 to April 30, 2048.

Where the minimum lease payments are considered to be the net accumulated rent over the lease term, which is defined as the earliest possible termination date available to the tenant, irrespective of the probability of the tenant terminating or not exercising available renewal options; the minimum lease payments to be received by the Group going forwards are as laid out below:

June 30, 2020	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	139,357	356,754	71,953	568,064
*Peso denominated minimum future lease collections	24,605	64,975	18,781	108,361

\* Amount translated to USD for presentation purposes only.



## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 17. LEASES (CONTINUED)

#### b) As a lessee

The details of initial recognition of IFRS16 *Leases* are set out in the table below:

	Jun 30, 2020 \$'000	Dec 31, 2019 \$'000
<b>Right-of-use assets (included in other assets):</b>		
Balance at the beginning of the period/year	19,986	24,621
Lease payments modified in the right of uses assets	(1,538)	-
Effect of changes in foreing exchange rate	949	(284)
Depreciation charge for the period/year	(2,138)	(4,351)
<b>Balance at the end of the period/year</b>	<b>17,259</b>	<b>19,986</b>
<b>Lease liabilities (included in other liabilities):</b>		
Balance at the beginning of the period/year	21,207	24,621
Lease payments modified in the lease liabilities	(1,538)	-
Effect of changes in foreing exchange rate	995	(300)
Interest on lease liabilities	913	2,126
Lease payments	(2,803)	(5,240)
<b>Balance at the end of the period/year</b>	<b>18,774</b>	<b>21,207</b>
<b>Balance classified as current</b>	<b>4,266</b>	<b>4,239</b>
<b>Balance classified as non-current</b>	<b>14,508</b>	<b>16,968</b>
<b>Lease liabilities (Maturity analysis - contractual undiscounted cash flows):</b>		
<1 year	5,198	5,626
1-5 years	18,699	20,423
>5 years	92	1,622
<b>Total undiscounted lease liabilities at the end of the period/year</b>	<b>23,989</b>	<b>27,671</b>

### 18. RELATED PARTIES

FIBRA Macquarie is listed on the Mexican Stock Exchange and its CBFIs are understood by the Manager to be widely held. The following summary provides an overview of the Group's key related parties:

#### a) Transactions with key management personnel

The key management personnel in respect of the Group are employed and remunerated by the Manager.

#### b) Trustee

Since the execution of the Trustee Substitution Agreement on October 31, 2017, CIBanco, S.A., Institución de Banca Múltiple is the FIBRA Macquarie Trustee, whose registered office is at Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City, 11000.

The trustee of the Investment Trusts is CIBanco, Sociedad Anónima, Institución de Banca Múltiple whose registered office is at Av. Paseo de las Palmas 215, piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City, 11000 ("Investment Trust Trustee"). The two other trustees within the Group are Banco Nacional de Mexico, S.A., integrante del Grupo Financiero Banamex and Banco Monex, S.A. Institución de Banca Múltiple, Monex Grupo Financiero. For the three and six months period ended June 30, 2020, the trustees' fees for the Group amounted to \$0.9 million (June 30, 2019: \$0.8 million) and \$1.9 million (June 30, 2019: \$1.5 million) respectively.

As at June 30, 2020, fees due to the trustees amounted to \$nil (December 31, 2019: \$nil).

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

### 18. RELATED PARTIES (CONTINUED)

#### c) Manager

MMREM acts as manager of FIBRA Macquarie and has its registered office is at Pedregal 24, piso 21, Col. Molino del Rey, Miguel Hidalgo, Mexico City, 11040.

Under the terms of the Management Agreement, MMREM is entitled to a base management fee of \$46.9 million (June 30, 2019: \$39.8 million) and \$91.2 million (June 30, 2019: \$79.9 million) respectively, for the three and six months period ended June 30, 2020. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month period. The market capitalization is calculated as the product of: (i) the average closing price per CBFI during the last 60 trading days prior to the calculation date and, (ii) the total number of outstanding CBFIs at the close of trading on the calculation date.

MMREM is also entitled to receive a performance fee, which is calculated as 10% of an amount comprising the market capitalization, per above, plus the aggregate amount of all distributions made to CBFI holders, increased at a rate equal to the aggregate of 5% per annum and an annual cumulative Mexican inflation rate from their respective payment dates, minus the aggregate issuance price of all issuances of CBFIs, plus the aggregate amount of all repurchases of CBFIs, in each case, increased at a rate equal to the aggregate of 5% per annum and the annual cumulative Mexican inflation rate from their respective issuance or repurchase dates, less any performance fees previously paid. This potential fee is payable on the last business day of each two-year period commencing on March 19, 2012 and must be reinvested into FIBRA Macquarie CBFIs for a minimum duration of one year. As at June 30, 2020, no performance fee was payable by FIBRA Macquarie.

#### d) Other associated entities

During the three and six months ended June 30, 2020, the Group accrued expenses totaling \$nil million (June 30, 2019: \$0.7 million) and \$0.5 million (June 30, 2019: \$1.5 million) respectively in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at June 30, 2020, expenses due to affiliate entities of MMREM amounted to \$nil million (June 30, 2019: \$0.7 million).

As at June 30, 2020, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MMREM, held 36,853,632 CBFIs and received a gross distribution of \$51.0 million during the period ended June 30, 2020 (June 30, 2019: \$30.7 million).

From time to time, other related subsidiaries or associates of Macquarie Group Limited may hold CBFIs on their own account or on account of third parties.

### 19. EVENTS AFTER BALANCE SHEET DATE

On July 3, 2020, FIBRA Macquarie received the payment amounting to US\$9.0 million in respect of the 35 properties sold in 2018.

FIBRA Macquarie's Technical Committee has evaluated all other subsequent events through to the date these unaudited condensed interim consolidated financial statements were issued and has determined there are no other subsequent events requiring recognition or disclosure.

