

FIBRA MACQUARIE MÉXICO REPORTS THIRD QUARTER 2020 RESULTS AND PROVIDES UPDATE ON COVID-19 IMPACT

- Reaffirms FY20 Distribution per certificate guidance -
- Lower rent concessions and net trade receivables, higher cash collections -
- Announces new Mexico City Metropolitan Area industrial development project -

MEXICO CITY, October 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 third quarter ended September 30, 2020.

THIRD QUARTER 2020 HIGHLIGHTS

- AFFO per certificate of Ps. 0.6119, down 8.1% YoY
- Average industrial rental rate increases of 2.3%; same store retail rental rates up 0.6% YoY
- Consolidated occupancy of 93.7%, down 184 bps YoY and 138 bps QoQ
- 96.0% of scheduled 3Q20 industrial rents collected as of October 26
- Sequential reduction of 35.7% in net trade receivables
- Total liquidity of US\$271.7 million, comprised of US\$236.1 million undrawn committed revolver credit facility and US\$35.6 million cash at hand
- Industrial development program gains momentum; investment made in a premium land parcel in the Mexico City Metropolitan Area to develop more than 700k sqft of industrial logistics GLA
- 3Q20 cash distribution of Ps. 0.4750 per certificate authorized, up 4.4% YoY
- FY20 AFFO per certificate guidance updated to a range of Ps. 2.56 to Ps. 2.59 from a prior range of Ps. 2.52 to Ps. 2.62
- FY20 distribution guidance of Ps. 1.90 per certificate reaffirmed

“During the third quarter, our industrial portfolio continued its resilient performance as demonstrated by our strong rent collection and easing of concessions. In our retail portfolio, the vast majority of stores have reopened for business, following the easing of government lockdowns,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “Our industrial portfolio continued its robust performance with increases in average rental rates and the benefits of largely U.S. dollar denominated rents contributing to a 12.6% YoY increase in net operating income. We experienced a slight contraction in occupancy as a few customers vacated our properties to accommodate changes to their business needs unrelated to the pandemic; we view this as an opportunity to participate in a supply constrained market. Industrial fundamentals remain strong across the country and we are cautiously optimistic about the leasing environment in the fourth quarter and into 2021. Our retail portfolio, anchored by essential businesses, continues to benefit from its defensive positioning in light of an uncertain consumer outlook. Over the past few years, we have progressively built a resilient business with a strong balance sheet and disciplined

capital management strategy to support accretive growth initiatives as well as a sustainable distribution. We are confident in our strategic positioning as we have demonstrated the resilience of our platform in the near term, and in longer term growth opportunities as nearshoring manufacturing and logistics trends are expected to provide ongoing demand-side momentum.”

COVID-19 PANDEMIC UPDATE

Since the onset of the COVID-19 pandemic, FIBRA Macquarie has undertaken a proactive response to prioritize the health and safety of its team members, customers and stakeholders. FIBRAMQ’s property management teams remain fully operational and responsive to the needs of FIBRAMQ customers and properties across its portfolio. In the third quarter, FIBRAMQ saw improvements in all key metrics related to rent collections and concessions, and customer openings.

With respect to FIBRAMQ’s total portfolio performance on a proportionally combined basis:

- Rent concessions eased in 3Q20 to Ps. 43.2 million, lower by 63.0% versus 2Q20
- Net trade receivables, excluding VAT, reduced to Ps. 73.3 million, sequentially lower by 35.7%, reflecting a combination of strong quarterly cash collections, along with a prudent level of credit loss provisioning
- Cash collections increased to Ps. 1.11bn, up 12.3% from the prior quarter, with 95.0% of current quarter income collected

With respect to FIBRAMQ’s industrial portfolio:

- Substantially all of FIBRAMQ’s industrial customers who temporarily suspended operations due to the pandemic have resumed operations, and rent collections have been strong
- Through to October 26, 96.0% of scheduled 3Q20 rents were collected
- Total rent concessions eased in the third quarter to Ps. 18.4 million, lower by 74.9% QoQ. Rent concessions comprised rent deferrals of Ps. 16.8 million, lower by 76.3% QoQ, and rent discounts of Ps. 1.6 million, lower by 34.1% QoQ
- Total rent relief contracted or under negotiation represented approximately 2.7% of the industrial portfolio ABR, comprised of 2.6% rent deferrals and 0.1% rent discounts
- FIBRAMQ collected 97.1% of its Ps. 38.1 million deferred rents scheduled for collection in 3Q20, through to October 26
- FIBRAMQ is scheduled to collect deferred rents of Ps. 42.9 million in 4Q20 and Ps. 6.6 million in 1H21

With respect to FIBRAMQ’s retail portfolio:

- All of FIBRAMQ’s shopping centers are supermarket anchored and have remained open since the onset of the pandemic. While most non-essential businesses have reopened, many are operating at reduced hours and/or with capacity limits, providing for challenging trading conditions.
- Through to October 26, 96.9% of GLA and 95.0% of ABR was open, respectively

- Total rent concessions declined in the third quarter to Ps. 24.8 million, lower by 43% QoQ. 3Q20 rent concessions comprised rent discounts of Ps. 22.8 million, lower by 41.3% QoQ, and rent deferrals of Ps. 2.0 million, lower by 57.6% versus the prior comparable quarter
- With respect to 3Q20 rent deferrals of Ps. 2.0 million, FIBRAMQ is scheduled to collect 26.3% in 4Q20, 60.5% in 1H21 and 13.1% in 2H21
- Through to October 26, 86.3% of scheduled 3Q20 rents were collected
- Cash collections increased by 10.4% on a sequential basis, totaling Ps. 109.8 million, assisted by tenants settling prior period receivables of Ps. 9.5 million

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 Third Quarter 2020 Supplementary Information materials, located at www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings.

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's total results were as follows:

TOTAL PORTFOLIO	3Q20	3Q19	Variance	YTD20	YTD19	Variance
Net Operating Income (NOI)	Ps 906.9m	Ps 869.9m	4.2%	Ps 2,822.4m	Ps 2,544.8m	10.9%
EBITDA	Ps 841.4m	Ps 816.0m	3.1%	Ps 2,633.5m	Ps 2,384.5m	10.4%
AMEFIBRA Funds From Operations	Ps 576.3m	Ps 593.9m	-3.0%	Ps 1,841.9m	Ps 1,674.0m	10.0%
Funds From Operations (FFO)	Ps 574.6m	Ps 591.7m	-2.9%	Ps 1,836.7m	Ps 1,732.1m	6.0%
FFO per certificate	0.7544	0.7699	-2.0%	2.4079	2.2508	7.0%
Adjusted Funds From Operations (AFFO)	Ps 466.1m	Ps 512.0m	-9.0%	Ps 1,523.2m	Ps 1,485.0m	2.6%
AFFO per certificate	0.6119	0.6661	-8.1%	1.9969	1.9298	3.5%
NOI Margin	86.8%	88.8%	-203 bps	87.9%	88.1%	-22 bps
AFFO Margin	44.6%	52.3%	-767 bps	47.4%	51.4%	-398 bps
GLA ('000s sqm) EOP	3,183	3,194	-0.3%	3,183	3,194	-0.3%
Occupancy EOP	93.7%	95.6%	-184 bps	93.7%	95.6%	-184 bps
Average Occupancy	93.7%	95.7%	-206 bps	94.7%	95.0%	-27 bps

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	3Q20	3Q19	Variance	YTD20	YTD19	Variance
Net Operating Income	Ps. 901.8m	Ps. 845.6m	6.6%	Ps. 2,604.0m	Ps. 2,342.6m	11.2%
Net Operating Income Margin	86.9%	88.5%	-168 bps	88.7%	88.9%	-16 bps
Number of Properties	250	250	0	250	250	0
GLA ('000s sqf) EOP	34,061	34,082	-0.1%	34,061	34,082	-0.1%
GLA ('000s sqm) EOP	3,164	3,166	-0.1%	3,164	3,166	-0.1%
Occupancy EOP	93.7%	95.5%	-184 bps	93.7%	95.5%	-184 bps
Average Monthly Rent (US\$/sqm) EOP	5.20	5.27	-1.3%	5.20	5.27	-1.3%
Industrial Customer Retention LTM EOP	81.6%	85.9%	-433 bps	81.6%	85.9%	-433 bps
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.5	-3.5%	3.4	3.5	-3.5%
Percentage of US\$ denominated Rent EOP	77.6%	73.5%	408 bps	77.6%	73.5%	408 bps

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	3Q20	3Q19	Variance	YTD20	YTD19	Variance
Net Operating Income (NOI)	Ps 812.1m	Ps 721.2m	12.6%	Ps 2,404.0m	Ps 2,092.7m	14.9%
NOI Margin	90.7%	92.3%	-160 bps	91.5%	91.8%	-30 bps
GLA ('000s sqft) EOP	29,699	29,511	0.6%	29,699	29,511	0.6%
GLA ('000s sqm) EOP	2,759	2,742	0.6%	2,759	2,742	0.6%
Occupancy EOP	94.0%	95.9%	-190 bps	94.0%	95.9%	-190 bps

Average Occupancy	93.9%	96.1%	-219 bps	95.1%	95.3%	-24 bps
Average monthly rent (US\$/sqm) EOP	\$4.98	\$4.86	2.3%	\$4.98	\$4.86	2.3%
Customer retention LTM	79.7%	85.9%	-620 bps	79.7%	85.9%	-620 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.3	-0.1%	3.3	3.3	-0.1%

For the quarter ended September 30, 2020, FIBRAMQ's industrial portfolio delivered NOI of Ps. 812.1 million, up 12.6% versus the prior comparable period. This increase was driven by a depreciation of the Mexican Peso and contracted annual rent increases, partially offset by lower average occupancy. Approximately 93% of FIBRAMQ's industrial ABR is US dollar denominated, consistent with historic levels. Average rental rates increased 2.3% on an annual basis, driven by contractual increases and positive leasing spreads on renewal leases.

As of September 30, 2020, gross trade receivables were Ps. 165.8 million (excl. VAT), while trade receivables net of credit loss provisions were Ps. 56.1 million (excl. VAT). FIBRAMQ property level expenses included non-cash credit loss provisions of Ps. 15.7 million, reflecting a prudent approach to trade receivable provisions across selected tenants.

During the quarter, FIBRAMQ signed 14 new and renewal leases, comprising 1.0 million square feet of GLA. FIBRA Macquarie executed on four new leases totaling 293 thousand square feet and 10 renewal leases totaling 673 thousand square feet. Offsetting the new and renewal leases was 741 thousand square feet that was vacated by five customers who did not renew their leases at the expiration of those contracts. This contributed to a retention rate of 79.7% for the last twelve months.

For detail on FIBRAMQ's same store industrial portfolio results, please refer to Third Quarter 2020 Supplementary Information materials located at 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	3Q20	3Q19	Variance	YTD20	YTD19	Variance
Net Operating Income (NOI)	Ps 94.8m	Ps 148.7m	-36.2%	Ps 418.4m	Ps 452.1m	-7.5%
NOI Margin	63.4%	75.1%	-1169 bps	71.7%	74.3%	-263 bps
GLA ('000s sqft) EOP	4,562	4,865	-6.2%	4,562	4,865	-6.2%
GLA ('000s sqm) EOP	424	452	-6.2%	424	452	-6.2%
Occupancy EOP	92.1%	93.7%	-158 bps	92.1%	93.7%	-158 bps
Average Occupancy	92.2%	93.6%	-141 bps	92.8%	93.4%	-58 bps
Average monthly rent per leased (Ps/sqm) EOP	\$153.78	\$162.22	-5.2%	\$153.78	\$162.22	-5.2%
Customer retention LTM	65.0%	80.8%	-1,580 bps	65.0%	80.8%	-1,580 bps
Weighted Avg Lease Term Remaining (years) EOP	3.7	4.2	-13.2%	3.7	4.2	-13.2%

For the quarter ended September 30, 2020, FIBRAMQ's retail portfolio delivered NOI of Ps. 94.8 million, compared with Ps. 148.7 million in the third quarter of 2019.

Average rental rates across FIBRAMQ's retail portfolio decreased by 5.2% versus the prior comparable period as contractual increases and positive new and renewal rental rate spreads were offset by the

impact of a lease termination involving a prime Mexico City property in the first quarter of 2020. Excluding the impact of that move-out, average rental rates increased 0.6% year over year.

FIBRAMQ signed 32 retail leases, representing 4.3 thousand square meters during the third quarter including 9 new leases and 23 renewals. The retail retention rate was 53% for the quarter and 65% for the last twelve months. The reduced renewal activity was driven primarily by closures of non-essential small shops as a result of the pandemic. As of September 30, 2020, proportionately combined Retail portfolio gross trade receivables were Ps. 104.7 million (excl. VAT). Trade receivables net of credit loss provisions were Ps. 17.1 million (excl. VAT). Property level expenses excluding non-cash credit loss provisions, totaled Ps. 43.2 million for the third quarter, down 9.0% versus the prior comparable period as a result of effective cost controls.

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

PORTFOLIO ACTIVITY

Industrial Development

During the third quarter, construction was substantially completed on a 217 thousand square foot industrial building in Ciudad Juárez. FIBRAMQ is actively marketing the property and has a robust pipeline of leasing opportunities.

On September 14, FIBRAMQ acquired a 50.0% interest in a premium land parcel in the Mexico City Metropolitan Area. FIBRAMQ expects to develop more than 700k sqft of industrial logistics GLA on the site. This project is a continuation of FIBRAMQ's successful strategy of disciplined industrial property development activity, and follows the completion of the two development projects in Ciudad Juárez. This transaction represents a compelling opportunity for FIBRAMQ to develop class A industrial logistics facilities in one of the most prominent industrial corridors in Mexico. Additional benefits include increased portfolio diversification, added scale with high quality assets, and attractive risk-adjusted returns.

With a solid market backdrop, construction is expected to commence in the first half of 2021.

BALANCE SHEET AND LIQUIDITY

FIBRA Macquarie utilized surplus cash to repay US\$90.0 million of its revolver facility during the quarter. As of September 30, 2020, FIBRAMQ had approximately Ps. 18.3 billion of debt outstanding, Ps. 5.3 billion available on its undrawn revolving credit facility and Ps. 0.8 billion of unrestricted cash on hand. FIBRAMQ's indebtedness is 100% fixed rate and has a weighted-average debt tenor remaining of 5.3 years. FIBRAMQ does not have any material commitments with respect to capital expenditures and does not have any scheduled loan maturities until 2023.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 36.9% and its CNBV debt service coverage ratio was 4.4x.

CAPITAL MANAGEMENT STRATEGY

FIBRAMQ's prudent capital management strategy remains a cornerstone of its consistent financial and operating results, highlighted by:

Prudent AFFO payout ratio: providing for resilient distributions over the longer term and efficient sourcing of capital for accretive investments

Asset recycling program: divesting non-core assets, enhancing overall portfolio quality to enable better performance through the economic cycle

Disciplined capital deployment: committing manageable amounts of capital to projects with a focus on accretive investments, including build to suit expansions and selective development projects at attractive returns, complemented with an opportunistic certificate repurchase for cancellation program

Responsible use of leverage: allowing for efficient access to revolving credit facilities, a weighted average debt tenor of 5.3 years and no loan maturities until 2023

CERTIFICATE BUYBACK FOR CANCELLATION PROGRAM

FIBRAMQ did not repurchase any certificates during the third quarter. FIBRAMQ's certificate repurchase for cancellation program has a total remaining capacity of Ps. 1.0 billion through to June 25, 2021. 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 October 28, 2020, FIBRAMQ declared a cash distribution for the quarter ended September 30 of Ps. 0.4750 per certificate. The distribution is expected to be paid on January 28, 2021 to holders of record on January 27, 2021. FIBRAMQ's certificates will commence trading ex-distribution on January 26, 2021.

SUSTAINABILITY

FIBRA Macquarie published its second annual sustainability report in August, underscoring its belief that managing its portfolio sustainably is part of its responsibility to investors and the communities in which it operates. FIBRAMQ is committed to continuous improvement of its Environmental, Social and Governance (ESG) efforts. FIBRA Macquarie is also committed to enhancing transparency around its sustainability initiatives and its contributions towards a sustainable future.

Among other achievements highlighted in the report, FIBRA Macquarie confirmed that it has formally achieved LEED (Leadership in Energy and Environmental Design, Core and Shell Development) certification of its recently developed and fully leased industrial property in Ciudad Juarez, with plans for additional green building certifications for other properties within its portfolio over the next twelve months.

The link to FIBRA Macquarie's sustainability report can be found [here](#).

FY20 GUIDANCE

AFFO per certificate

FIBRA Macquarie now estimates total that it will generate AFFO per certificate of between Ps. 2.56 to Ps. 2.59 in FY20. This guidance is based upon the following assumptions:

- An average exchange rate of Ps. 21.5 per US dollar for the fourth quarter, down from the prior assumption of Ps. 22.2 per US dollar
- The continued relaxation of government restrictions regarding non-essential activities over 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 FY20 quarterly distributions expected to be paid in equal instalments of Ps. 0.4750 per certificate in January 2021 and March 2021, respectively. 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 Wednesday, October 28, 2020 at 6:30 a.m. CT / 8:30 a.m. ET during which management will discuss FIBRA Macquarie's financial results for the third quarter of 2020. FIBRA Macquarie will release third quarter 2020 results on Tuesday, October 27, 2020 after the close of the market. The conference call, which will also be webcast, can be accessed online at 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 Third Quarter 2020 Earnings Call with conference number 1387527. 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 1387527. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the third quarter 2020 will also be available on FIBRA Macquarie's website, 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 September 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.

Cautionary Note Regarding Forward-looking Statements

This release may contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ significantly from these forward-looking statements and we undertake no obligation to update any forward-looking statements.

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.

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

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

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Current assets		
Cash and cash equivalents	785,556	693,209
Trade and other receivables, net	127,307	473,142
Other assets	51,573	61,555
Total current assets	964,436	1,227,906
Non-current assets		
Restricted cash	18,588	15,598
Investment properties	44,746,007	38,799,138
Equity-accounted investees	1,311,560	1,544,250
Goodwill	841,614	841,614
Other assets	252,670	200,652
Other receivables	-	15,701
Total non-current assets	47,170,439	41,416,953
Total assets	48,134,875	42,644,859
Current liabilities		
Trade and other payables	642,076	870,879
Tenant deposits	26,711	17,205
Other liabilities	4,032	4,239
Total current liabilities	672,819	892,323
Non-current liabilities		
Interest-bearing liabilities	17,652,738	14,804,370
Tenant deposits	341,406	318,175
Derivative financial instruments	251,458	38,172
Other liabilities	13,638	16,968
Deferred income tax	24,486	24,486
Total non-current liabilities	18,283,726	15,202,171
Total liabilities	18,956,545	16,094,494
Net assets	29,178,330	26,550,365
Equity		
Contributed equity	17,311,749	17,394,792
Retained earnings	11,593,048	9,155,573
Total controlling interest	28,904,797	26,550,365
Non-controlling interest	273,533	-
Total equity	29,178,330	26,550,365

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	3 months ended		9 months ended	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
	\$'000	\$'000	\$'000	\$'000
Property related income	998,962	923,993	3,064,368	2,724,946
Property related expenses	(158,384)	(126,137)	(444,799)	(382,772)
Net property income	840,578	797,856	2,619,569	2,342,174
Management fees	(47,455)	(40,261)	(138,615)	(120,200)
Transaction related expenses	(2,672)	257	(4,031)	(26,657)
Professional, legal and other expenses	(15,343)	(13,562)	(46,305)	(39,861)
Total expenses	(65,470)	(53,566)	(188,951)	(186,718)
Net unrealized foreign exchange (loss)/gain on investment property	(850,290)	805,542	6,294,308	(87,595)
Unrealized revaluation gain/(loss) on investment property measured at fair value	16,446	(227,592)	(1,266,571)	(411,097)
Finance costs	(256,007)	(217,578)	(772,614)	(705,816)
Interest income	3,782	7,535	18,743	21,239
Share of (losses)/profits from equity-accounted investees	(16,269)	4,008	(205,579)	48,382
Net foreign exchange gain/(loss) on monetary items	373,973	(362,070)	(2,761,590)	42,499
Net unrealized gain/(loss) on interest rate swaps	18,639	(37,509)	(213,286)	(192,368)
Profit before tax for the period	65,382	716,626	3,524,029	870,700
Current income tax	(358)	(237)	(551)	(793)
Profit for the period	65,024	716,389	3,523,478	869,907
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	65,024	716,389	3,523,478	869,907
Total consolidated comprehensive income for the period attributable to:				
Controlling interests	50,651	716,389	3,509,105	869,907
Non-controlling interests	14,373	-	14,373	-
Total comprehensive income for the period	65,024	716,389	3,523,478	869,907
Profit per CBF[*]				
Basic profit per CBF [*] (pesos)	0.07	0.93	4.60	1.13

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2019	17,497,483	9,951,337	27,448,820	-	27,448,820
Total comprehensive income for the period	-	869,907	869,907	-	869,907
Total comprehensive income for the period	-	869,907	869,907	-	869,907
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(983,687)	(983,687)	-	(983,687)
- Repurchase of CBFIs, including associated costs	(102,691)	-	(102,691)	-	(102,691)
Total transactions with equity holders in their capacity as equity holders	(102,691)	(983,687)	(1,086,378)	-	(1,086,378)
Total equity at September 30, 2019	17,394,792	9,837,557	27,232,349	-	27,232,349
Total equity at January 1, 2020	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income for the period	-	3,509,105	3,509,105	14,373	3,523,478
Total comprehensive income for the period	-	3,509,105	3,509,105	14,373	3,523,478
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,071,630)	(1,071,630)	-	(1,071,630)
- Repurchase of CBFIs, including associated costs	(83,043)	-	(83,043)	-	(83,043)
Total transactions with equity holders in their capacity as equity holders	(83,043)	(1,071,630)	(1,154,673)	-	(1,154,673)
Initial recognition of non-controlling interest	-	-	-	259,160	259,160
Total equity at September 30, 2020	17,311,749	11,593,048	28,904,797	273,533	29,178,330

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	9 months ended	
	Sep 30, 2020	Sep 30, 2019
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:		
Profit before income tax for the period	3,524,029	870,700
Adjustments for:		
Net unrealized foreign exchange (profit)/loss on investment property	(6,294,308)	87,595
Unrealized revaluation loss on investment property measured at fair value	1,266,571	411,097
Straight line rental income adjustment	(24,479)	6,566
Tenant improvement amortization	41,622	32,470
Leasing expense amortization	59,321	51,150
Right-of-use assets depreciation*	3,141	3,267
Interest income	(18,743)	(21,239)
Impairment loss on trade receivables	67,602	27,820
Net foreign exchange loss/(gain) on monetary items	2,532,636	(46,310)
Finance costs	772,614	705,816
Share of losses/(profits) from equity-accounted investees	205,579	(48,382)
Net unrealized loss on interest rates swaps	213,286	192,368
Movements in working capital:		
Decrease in receivables	329,007	39,466
Decrease in payables	(483,835)	(76,401)
Net cash flows from operating activities	2,194,043	2,235,983
Investing activities:		
Investment property disposed	-	104,573
Land acquisition	(122,393)	-
Capital contribution in equity-accounted investees	-	(277,383)
Maintenance capital expenditure and other capitalized cost	(408,636)	(542,645)
Distributions received from equity-accounted investees	27,111	573
Net cash flows used in investing activities	(503,918)	(714,882)
Financing activities:		
Interest income	18,743	21,239
Repayment of interest-bearing liabilities	(4,007,607)	(6,380,379)
Interest paid	(667,722)	(508,117)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,233,500
Lease payments	(4,124)	(3,818)
Repurchase of CBFIs, including associated costs	(83,043)	(102,691)
Distribution to CBFI holders	(1,420,023)	(983,687)
Net cash flows from financing activities	(1,823,742)	(1,723,953)
Net decrease in cash and cash equivalents	(133,617)	(202,852)
Cash and cash equivalents at the beginning of the period	708,807	555,591
Foreign exchange loss on cash and cash equivalents	228,954	3,811
Cash and cash equivalents at the end of the period**	804,144	356,550

*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 \$18.5 million (2019: \$16.2 million) as at September 30, 2020.

FIBRA MACQUARIE MÉXICO

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

Important: This English translation, available online at www.fibramacquarie.com,
is for courtesy purposes only. The Spanish original prevails.



MACQUARIE

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.



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 September 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 September 30, 2020;
- the condensed consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020;
- the condensed consolidated interim statements of changes in equity for the nine-month period ended September 30, 2020;
- the condensed consolidated statements of cash flows for the nine-month period ended September 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 Mexico

2.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 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, appearing to read 'Rogelio Berlanga Coronado', written over a faint, light blue grid background.

Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico
October 27, 2020

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

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

	Note	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Current assets			
Cash and cash equivalents		785,556	693,209
Trade and other receivables, net		127,307	473,142
Other assets		51,573	61,555
Total current assets		964,436	1,227,906
Non-current assets			
Restricted cash		18,588	15,598
Investment properties	11	44,746,007	38,799,138
Equity-accounted investees	9	1,311,560	1,544,250
Goodwill		841,614	841,614
Other assets		252,670	200,652
Other receivables		-	15,701
Total non-current assets		47,170,439	41,416,953
Total assets		48,134,875	42,644,859
Current liabilities			
Trade and other payables		642,076	870,879
Tenant deposits		26,711	17,205
Other liabilities	18	4,032	4,239
Total current liabilities		672,819	892,323
Non-current liabilities			
Interest-bearing liabilities	12	17,652,738	14,804,370
Tenant deposits		341,406	318,175
Derivative financial instruments	13	251,458	38,172
Other liabilities	18	13,638	16,968
Deferred income tax	14	24,486	24,486
Total non-current liabilities		18,283,726	15,202,171
Total liabilities		18,956,545	16,094,494
Net assets		29,178,330	26,550,365
Equity			
Contributed equity	15	17,311,749	17,394,792
Retained earnings		11,593,048	9,155,573
Total controlling interest		28,904,797	26,550,365
Non-controlling interest	16	273,533	-
Total equity		29,178,330	26,550,365

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 NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	Note	3 months ended		9 months ended	
		Sep 30, 2020 \$'000	Sep 30, 2019 \$'000	Sep 30, 2020 \$'000	Sep 30, 2019 \$'000
Property related income	4(a)	998,962	923,993	3,064,368	2,724,946
Property related expenses	4(b)	(158,384)	(126,137)	(444,799)	(382,772)
Net property income		840,578	797,856	2,619,569	2,342,174
Management fees	19(c)	(47,455)	(40,261)	(138,615)	(120,200)
Transaction related expenses		(2,672)	257	(4,031)	(26,657)
Professional, legal and other expenses	4(c)	(15,343)	(13,562)	(46,305)	(39,861)
Total expenses		(65,470)	(53,566)	(188,951)	(186,718)
Net unrealized foreign exchange (loss)/gain on investment property	10,11	(850,290)	805,542	6,294,308	(87,595)
Unrealized revaluation gain/(loss) on investment property measured at fair value	10,11	16,446	(227,592)	(1,266,571)	(411,097)
Finance costs	4(d)	(256,007)	(217,578)	(772,614)	(705,816)
Interest income		3,782	7,535	18,743	21,239
Share of (losses)/profits from equity-accounted investees	9	(16,269)	4,008	(205,579)	48,382
Net foreign exchange gain/(loss) on monetary items	4(e)	373,973	(362,070)	(2,761,590)	42,499
Net unrealized gain/(loss) on interest rate swaps	13	18,639	(37,509)	(213,286)	(192,368)
Profit before tax for the period		65,382	716,626	3,524,029	870,700
Current income tax	14	(358)	(237)	(551)	(793)
Profit for the period		65,024	716,389	3,523,478	869,907
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		65,024	716,389	3,523,478	869,907
Total consolidated comprehensive income for the period attributable to:					
Controlling interests		50,651	716,389	3,509,105	869,907
Non-controlling interests		14,373	-	14,373	-
Total comprehensive income for the period		65,024	716,389	3,523,478	869,907
Profit per CBF¹*					
Basic profit per CBF ¹ (pesos)	8	0.07	0.93	4.60	1.13

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciaros 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 NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	Note	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2019	15	17,497,483	9,951,337	27,448,820	-	27,448,820
Total comprehensive income for the period		-	869,907	869,907	-	869,907
Total comprehensive income for the period		-	869,907	869,907	-	869,907
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(983,687)	(983,687)	-	(983,687)
- Repurchase of CBFIs, including associated costs	15	(102,691)	-	(102,691)	-	(102,691)
Total transactions with equity holders in their capacity as equity holders		(102,691)	(983,687)	(1,086,378)	-	(1,086,378)
Total equity at September 30, 2019		17,394,792	9,837,557	27,232,349	-	27,232,349
Total equity at January 1, 2020	15	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income for the period		-	3,509,105	3,509,105	14,373	3,523,478
Total comprehensive income for the period		-	3,509,105	3,509,105	14,373	3,523,478
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(1,071,630)	(1,071,630)	-	(1,071,630)
- Repurchase of CBFIs, including associated costs	15	(83,043)	-	(83,043)	-	(83,043)
Total transactions with equity holders in their capacity as equity holders		(83,043)	(1,071,630)	(1,154,673)	-	(1,154,673)
Initial recognition of non-controlling interest	16	-	-	-	259,160	259,160
Total equity at September 30, 2020		17,311,749	11,593,048	28,904,797	273,533	29,178,330

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 NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019.

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

	Note	9 months ended	
		Sep 30, 2020 \$'000	Sep 30, 2019 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit before income tax for the period		3,524,029	870,700
Adjustments for:			
Net unrealized foreign exchange (profit)/loss on investment property	10,11,17	(6,294,308)	87,595
Unrealized revaluation loss on investment property measured at fair value	10,11,17	1,266,571	411,097
Straight line rental income adjustment		(24,479)	6,566
Tenant improvement amortization	4(b)	41,622	32,470
Leasing expense amortization	4(b)	59,321	51,150
Right-of-use assets depreciation*	18	3,141	3,267
Interest income		(18,743)	(21,239)
Impairment loss on trade receivables	4(b)	67,602	27,820
Net foreign exchange loss/(gain) on monetary items	4(e)	2,532,636	(46,310)
Finance costs	4(d)	772,614	705,816
Share of losses/(profits) from equity-accounted investees	9(b)	205,579	(48,382)
Net unrealized loss on interest rates swaps	13	213,286	192,368
Movements in working capital:			
Decrease in receivables		329,007	39,466
Decrease in payables		(483,835)	(76,401)
Net cash flows from operating activities		2,194,043	2,235,983
Investing activities:			
Investment property disposed	10	-	104,573
Land acquisition	11	(122,393)	-
Capital contribution in equity-accounted investees	9(b)	-	(277,383)
Maintenance capital expenditure and other capitalized cost		(408,636)	(542,645)
Distributions received from equity-accounted investees	9(b)	27,111	573
Net cash flows used in investing activities		(503,918)	(714,882)
Financing activities:			
Interest income		18,743	21,239
Repayment of interest-bearing liabilities	1,12	(4,007,607)	(6,380,379)
Interest paid		(667,722)	(508,117)
Proceeds from interest-bearing liabilities, net of facility charges	12	4,340,034	6,233,500
Lease payments	18	(4,124)	(3,818)
Repurchase of CBFIs, including associated costs	15	(83,043)	(102,691)
Distribution to CBFI holders	7	(1,420,023)	(983,687)
Net cash flows from financing activities		(1,823,742)	(1,723,953)
Net decrease in cash and cash equivalents		(133,617)	(202,852)
Cash and cash equivalents at the beginning of the period		708,807	555,591
Foreign exchange loss on cash and cash equivalents	4(e)	228,954	3,811
Cash and cash equivalents at the end of the period**		804,144	356,550

*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 \$18.5 million (2019: \$16.2 million) as at September 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 Seccion, 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 nine months ended September 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 September 14, 2020, FIBRA Macquarie through a wholly-owned investment trust, completed the acquisition of 50% equity in a newly formed joint venture trust (the "F/3493 JV Trust") with Inmobiliaria Alamedida (the "F/3493 JV Partner") for a total consideration of US\$12.2 million. The joint venture trust has a 14.7ha parcel of land in the Cuautitlan industrial corridor of the Mexico City Metropolitan Area ("MCMA"). Under the trust agreement, FIBRA Macquarie will fund the development of two 'class A' industrial buildings with total GLA of more than 700k sqft, increasing its equity ownership in the JV Trust over time.

On July 3, 2020, FIBRA Macquarie received the payment amounting to US\$8.0 million in respect of the 35 properties sold in 2018.

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 has fully repaid this drawn facility over three partial repayments. The first repayment amounting to US\$90.0 million (\$2,029 million) on June 17, 2020. The second repayment amounting to US\$55.0 million (\$1,224 million) on July 24, 2020 and the third repayment amounting to US\$35.0 million (\$755 million) on September 24, 2020.

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

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

1. REPORTING ENTITY

Relevant activities during the nine months ended September 30, 2020 and 2019 (continued)

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.

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 October 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 September 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 Group'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:

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)

(i) Judgements

- Estimation of fair value of investment properties: Critical judgements 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.

- 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.

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)

d) Measurement of fair value (continued)

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.

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 September 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		9 months ended	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
	\$'000	\$'000	\$'000	\$'000
a) Property related income				
Lease related income	936,129	853,813	2,873,789	2,530,912
Car parking income	10,319	14,215	28,140	42,002
Expenses recoverable from tenants	52,514	55,965	162,439	152,032
Total property related income	998,962	923,993	3,064,368	2,724,946
b) Property related expenses				
Property administration expense	(16,287)	(19,508)	(54,750)	(58,094)
Property insurance	(5,670)	(6,370)	(16,721)	(18,613)
Property tax	(17,768)	(15,974)	(53,419)	(47,963)
Repairs and maintenance	(30,024)	(19,681)	(62,470)	(61,431)
Industrial park fees	(10,285)	(8,990)	(30,144)	(28,072)
Security services	(6,525)	(4,606)	(18,329)	(15,637)
Property related legal and consultancy expenses	(2,752)	(1,354)	(6,923)	(3,856)
Tenant improvements amortization	(14,729)	(12,304)	(41,622)	(32,470)
Leasing expenses amortization	(20,286)	(18,024)	(59,321)	(51,150)
Utilities	(4,754)	(5,764)	(15,178)	(17,077)
Marketing costs	(2,495)	(3,580)	(8,673)	(11,074)
Car park operating fees	(1,668)	(2,260)	(6,068)	(6,327)
Impairment loss on trade receivables	(23,909)	(6,916)	(67,602)	(27,820)
Other property related expenses	(1,232)	(806)	(3,579)	(3,188)
Total property related expenses	(158,384)	(126,137)	(444,799)	(382,772)
c) Professional, legal and other expenses				
Tax advisory expenses	(543)	(723)	(1,803)	(2,333)
Accountancy expenses	(2,117)	(2,577)	(6,402)	(7,527)
Valuation expenses	(1,280)	(1,198)	(3,548)	(3,346)
Audit expenses	(1,291)	(1,170)	(3,772)	(3,571)
Other professional expenses	(3,373)	(3,031)	(10,267)	(9,458)
Other expenses	(6,739)	(4,863)	(20,513)	(13,626)
Total professional, legal and other expenses	(15,343)	(13,562)	(46,305)	(39,861)
d) Finance costs				
Interest expense on interest-bearing liabilities	(251,735)	(213,971)	(760,093)	(631,054)
Finance costs under effective interest method	(3,858)	(3,082)	(11,194)	(73,137)
Interest expense on lease liabilities	(414)	(525)	(1,327)	(1,625)
Total finance costs	(256,007)	(217,578)	(772,614)	(705,816)
e) Net foreign exchange gain/(loss)				
Unrealized foreign exchange gain/(loss) on monetary items	464,131	(354,248)	(2,433,830)	(7,289)
Realized foreign exchange (loss)/gain	(90,158)	(7,822)	(327,760)	49,788
Total net foreign exchange gain/(loss)	373,973	(362,070)	(2,761,590)	42,499

At September 30, 2020, the Group had 68 employees (September 30, 2019: 69 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 September 30, 2020	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	354,599	180,032	209,482	151,264	11,449	138,118	1,044,944
<i>Lease related income</i>	339,299	170,255	200,172	143,917	9,982	117,560	981,185
<i>Car park income</i>	479	670	-	163	91	5,048	6,451
<i>Expenses recoverable from tenants</i>	14,821	9,107	9,310	7,184	1,376	15,510	57,308
Segment net (loss)/profit ²	(17,827)	9,870	38,412	9,400	(4,103)	(3,757)	31,995
<i>Included in profit for the period:</i>							
Foreign exchange profit	45,157	20,194	37,474	27,091	3	9	129,928
Net unrealized foreign exchange loss on investment property	(356,987)	(155,362)	(190,498)	(147,443)	-	-	(850,290)
Unrealized revaluation gain/(loss) on investment property measured at fair value	13,206	13,822	29,726	17,048	(7,355)	(79,542)	(13,095)
Finance costs ³	(28,293)	(17,088)	(23,254)	(16,755)	(3,172)	(9,569)	(98,131)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$11.4 million and \$34.5 million respectively.

² The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$4.1 million and \$12.4 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.2 million and \$9.6 million respectively.

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)

3 months ended September 30, 2019	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	317,438	162,411	176,928	124,640	13,741	184,291	979,449
<i>Lease related income</i>	<i>302,806</i>	<i>149,207</i>	<i>167,305</i>	<i>122,758</i>	<i>11,586</i>	<i>178,461</i>	<i>932,123</i>
<i>Car park income</i>	<i>403</i>	<i>570</i>	-	<i>138</i>	<i>588</i>	<i>14,891</i>	<i>16,590</i>
<i>Expenses recoverable from tenants</i>	<i>14,229</i>	<i>12,634</i>	<i>9,623</i>	<i>1,744</i>	<i>1,567</i>	<i>(9,061)</i>	<i>30,736</i>
Segment net profit/(loss) ²	572,944	300,041	325,475	209,292	784	(239,102)	1,169,434
<i>Included in profit of the period:</i>							
Foreign exchange loss	(43,402)	(27,686)	(36,803)	(24,831)	(6)	(26)	(132,754)
Net unrealized foreign exchange gain on investment property	332,636	174,278	175,072	123,556	-	-	805,542
Unrealized revaluation gain/(loss) on investment property measured at fair value	28,589	26,110	52,978	17,642	(4,786)	(367,440)	(246,907)
Finance costs ³	(24,752)	(15,691)	(20,643)	(14,109)	(3,167)	(9,616)	(87,978)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$13.7 million and \$41.7 million respectively.

² The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$0.8 million and \$2.4 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.2 million and \$9.6 million respectively.

9 months ended September 30, 2020	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	1,054,190	530,470	603,500	440,367	36,855	547,014	3,212,396
<i>Lease related income</i>	<i>1,002,865</i>	<i>502,320</i>	<i>576,034</i>	<i>417,405</i>	<i>31,578</i>	<i>476,190</i>	<i>3,006,392</i>
<i>Car park income</i>	<i>1,385</i>	<i>1,939</i>	-	<i>464</i>	<i>851</i>	<i>22,686</i>	<i>27,325</i>
<i>Expenses recoverable from tenants</i>	<i>49,940</i>	<i>26,211</i>	<i>27,466</i>	<i>22,498</i>	<i>4,426</i>	<i>48,138</i>	<i>178,679</i>
Segment net profit/(loss) ²	2,809,182	1,432,151	1,463,624	1,096,331	(51,418)	(550,584)	6,199,286
<i>Included in profit for the period:</i>							
Foreign exchange loss	(320,613)	(202,410)	(268,720)	(193,593)	(36)	(54)	(985,426)
Net unrealized foreign exchange profit on investment property	2,548,191	1,341,250	1,354,468	1,050,399	-	-	6,294,308
Unrealized revaluation loss on investment property measured at fair value	(259,293)	(117,873)	(87,402)	(84,520)	(63,757)	(909,797)	(1,522,642)
Finance costs ³	(83,866)	(50,628)	(68,848)	(49,647)	(9,464)	(28,546)	(290,999)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$36.9 million and \$111.1 million respectively.

² The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$51.4 million and \$155.1 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$9.4 million and \$28.6 million respectively.

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)

9 months ended September 30, 2019	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	922,187	467,735	526,160	364,585	40,722	567,897	2,889,286
<i>Lease related income</i>	881,216	440,783	501,831	345,107	34,347	473,243	2,676,527
<i>Car park income</i>	1,199	1,695	-	404	1,727	43,947	48,972
<i>Expenses recoverable from tenants</i>	39,772	25,257	24,329	19,074	4,648	50,707	163,787
Segment net profit ²	638,013	333,963	395,340	260,620	11,254	20,908	1,660,098
<i>Included in profit for the period:</i>							
Foreign exchange (loss)/gain	(19,340)	(5,882)	5,080	(6,816)	3	(5)	(26,960)
Net unrealized foreign exchange loss on investment property	(26,300)	(19,619)	(35,755)	(5,921)	-	-	(87,595)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(57,967)	(14,062)	22,907	(6,643)	(4,543)	(369,124)	(429,432)
Finance costs ³	(59,708)	(41,214)	(60,934)	(36,379)	(10,000)	(30,358)	(238,593)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$40.7 million and \$123.6 million respectively.

² The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$11.3 million and \$34.2 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$10.0 million and \$30.3 million respectively.

As at September 30, 2020	Industrial*				Retail		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Total segment assets	16,434,633	9,036,083	8,811,459	6,805,789	475,782	6,498,635	48,062,381
Total segment liabilities	(2,418,388)	(1,565,770)	(1,884,833)	(1,371,059)	(149,230)	(507,440)	(7,896,720)
As at December 31, 2019							
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.

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)

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

Segment revenue and operating profit is reconciled to total revenue and operating profit as follows:

	3 months ended		9 months ended	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	1,044,944	979,449	3,212,396	2,889,286
Revenue attributable to equity-accounted investees	(45,983)	(55,456)	(148,029)	(164,340)
Interest income	3,782	7,535	18,743	21,239
Total revenue for the period	1,002,743	931,528	3,083,110	2,746,185
Segment profit	31,995	1,169,434	6,199,286	1,660,098
Unallocated amounts:				
Property expenses not included in reporting segments	2,786	1,613	3,232	3,596
Finance costs not included in reporting segments ¹	(170,617)	(142,383)	(519,624)	(507,581)
Interest income	3,782	7,535	18,743	21,239
Items attributable to equity-accounted investees	212	841	915	2,965
Net foreign exchange gain/(loss) ²	244,055	(229,339)	(1,776,286)	69,469
Net unrealized gain/(loss) on interest rate swaps	18,639	(37,509)	(213,286)	(192,368)
Management fees ³	(47,455)	(40,261)	(138,615)	(120,200)
Transaction related expenses	(2,672)	257	(4,031)	(26,657)
Professional, legal and other expenses	(15,343)	(13,562)	(46,305)	(39,861)
Income tax expense	(358)	(237)	(551)	(793)
Profit for the period	65,024	716,389	3,523,478	869,907

¹ 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.

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

³ 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	
	Sep 30, 2020	Dec 31, 2019
	\$'000	\$'000
Segment assets	48,062,381	42,682,091
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	622,439	482,640
Trade and other receivables, net	309	332
Other assets ¹	49,115	84,010
Assets attributable to equity-accounted investees ¹	(1,910,929)	(2,148,464)
Investment in equity-accounted investees ¹	1,311,560	1,544,250
Total assets	48,134,875	42,644,859
Segment liabilities	(7,896,720)	(6,789,926)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities ¹	(11,296,994)	(9,472,853)
Trade and other payables ¹	(72,618)	(356,303)
Liabilities attributable to equity-accounted investees ¹	599,369	604,214
Other liabilities ¹	(13,638)	(16,968)
Deferred income tax liability ¹	(24,486)	(24,486)
Derivative financial instruments not included in reporting segment ¹	(251,458)	(38,172)
Total liabilities	(18,956,545)	(16,094,494)

¹ 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 nine months period ended September 30, 2020, FIBRA Macquarie made four distributions payment amounting to \$1,420.0 million (September 30, 2019: \$983.7 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, the third distribution amounted to \$361.7 million (0.475 per CBF) and was paid on June 12, 2020, and the fourth distribution amounted to \$361.8 million (0.475 per CBF) and was paid on September 25, 2020.

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

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

8. PROFIT AFTER TAX PER CBFI

	3 months ended		9 months ended	
	Sep 30, 2020 \$'000	Sep 30, 2019 \$'000	Sep 30, 2020 \$'000	Sep 30, 2019 \$'000
Profit after tax per CBFI				
Basic profit per CBFI (\$)	0.07	0.93	4.60	1.13
Basic profit used in the calculation of earnings per CBFI				
Net profit after tax attributable to controlling interests for basic earnings per CBFI (\$'000)	50,651	716,389	3,509,105	869,907
Weighted average number of CBFI's used as the denominator in calculating basic earnings per CBFI ('000)	761,623	768,600	762,741	769,528

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	Sep 30, 2020	Dec 31, 2019
		as at Sep 30, 2020	as at Dec 31, 2019	\$'000	\$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	504,983	579,313
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	806,577	964,937

b) Movement in carrying amounts

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	1,544,250	1,152,560
Capital contribution during the period/year ¹	-	326,331
Distributions received during the period/year	(27,111)	(89,654)
Share of profits from equity-accounted investees	50,491	88,054
Share of revaluation (loss)/gain on investment property measured at fair value	(256,070)	66,959
Carrying amount at the end of the period/year	1,311,560	1,544,250

¹ 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	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Total current assets ^{1,2}	20,998	22,364	35,624	29,445
Total non-current assets	995,248	1,153,132	2,769,986	3,091,987
Total current liabilities ³	916	(9,705)	(35,596)	(20,790)
Total non-current liabilities ³	(7,197)	(7,166)	(1,156,859)	(1,170,767)
Net assets	1,009,965	1,158,625	1,613,155	1,929,875

¹ Includes cash and cash equivalents of \$25.9 million (December 31, 2019: \$30.0 million).

² Includes restricted cash of \$20.7 million (December 31, 2019: \$20.0 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,144.6 million (December 31, 2019: \$1,150.4 million).

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Reconciliation to carrying amounts:				
Opening net assets for the period/year ¹	1,158,625	501,809	1,929,875	1,803,311
Net movements for the period/year	(148,660)	656,816	(316,720)	126,564
Net assets	1,009,965	1,158,625	1,613,155	1,929,875
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	504,983	579,313	806,577	964,937
FIBRA Macquarie's carrying amount	504,983	579,313	806,577	964,937

¹ During nine months ended September 30, 2020 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$11.1 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	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	9 months ended Sep 30, 2020	9 months ended Sep 30, 2019	9 months ended Sep 30, 2020	9 months ended Sep 30, 2019
	\$'000	\$'000	\$'000	\$'000
Revenue:				
Property related and other income	65,862	76,848	230,195	251,832
Financial income	196	2,832	1,637	3,614
Total revenue	66,058	79,680	231,832	255,446
Expenses:				
Revaluation of investment property measured at fair value	(182,103)	(32,531)	(330,037)	(4,139)
Finance costs	-	(4,884)	(76,019)	(75,831)
Other expenses	(28,037)	(29,471)	(92,851)	(91,507)
Total expenses	(210,140)	(66,886)	(498,907)	(171,477)
(Loss)/profit for the period	(144,082)	12,794	(267,075)	83,969
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	(72,041)	6,397	(133,538)	41,985

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 September 30, 2020 and December 31, 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

	Sep 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 ¹	-	-
Disposals ²	-	(137,589)
Net unrealized foreign exchange loss on investment property	-	(3,967)
Revaluation of investment property measured at fair value	-	(6,066)
Carrying amount at the end of the period/year	-	-

¹ 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.

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

11. INVESTMENT PROPERTIES

	Note	Sep 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>			
Land acquisition ¹		518,319	-
Capital expenditure (including tenant improvements)		285,943	414,746
Transfers from Investment property under construction		139,680	271,881
Investment property under construction	11(a)	(33,319)	(5,125)
Net unrealized foreign exchange gain/(loss) on investment property		6,294,308	(1,460,081)
Revaluation of investment property measured at fair value		(1,266,571)	(599,014)
Leasing commissions, net of amortization		8,509	43,770
Carrying amount at the end of the period/year		44,746,007	38,799,138

¹ Represents 100% investment property value of the F/3493 JV Trust

a) Investment property under construction*

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	56,038	61,163
Capital expenditure	106,361	266,756
Transfer to completed investment properties	(139,680)	(271,881)
Carrying amount at the end of the period/year	22,719	56,038

* 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.

During the current quarter, the Manager performed an internal mark-to-market valuation process. The Manager confirms that there have been no material changes to the assumptions applied by the Independent Valuer.

The inputs used in the valuations at September 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

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	4,042,314	3,392,136
Undrawn MXN-denominated notes	1,259,564	1,259,564
Total undrawn loan facilities	5,301,878	4,651,700
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	7,298,623	8,763,017
US\$-denominated notes	10,442,644	6,124,690
Unamortized transaction costs	(88,529)	(83,337)
Total drawn loan facilities, net of unamortized transaction costs	17,652,738	14,804,370

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 summarized as follows:

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount	
						Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	5,610,753	4,707,562
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,697,871	3,941,116
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% ²	Apr-24	4,004,249	3,354,038
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,681,991	1,411,254
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,657,874	1,390,400
Balance at the end of the period/year						17,652,738	14,804,370

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

Interest-bearing liabilities

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 has fully repaid this drawn facility over three partial repayments. The first repayment amounting to US\$90.0 million (\$2,029 million) on June 17, 2020. The second repayment amounting to US\$55.0 million (\$1,224 million) on July 24, 2020 and the third repayment amounting to US\$35.0 million (\$755 million) on September 24, 2020.

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

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	14,804,370	15,537,190
Changes from financing cash flows:		
Repayments of interest-bearing liabilities	(4,007,607)	(6,380,379)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,231,596
Total changes for financing cash flow	332,427	(148,783)
Total effect of changes in foreign exchange rate	2,504,747	(660,360)
Liability-related other changes:		
Amortization of capitalized borrowing costs	11,194	76,323
Carrying amount at the end of the period/year	17,652,738	14,804,370

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	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(251,458)	(38,172)
Total estimated fair value				(251,458)	(38,172)

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 September 30, 2020 and December 2019, respectively, with respect to the results of the Group's subsidiaries are:

	Sep 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	(551)	(274)
Advance income tax paid	401	1,686
Income tax recoverable	2,536	2,686
<i>Deferred income tax</i>		
Opening balance as of January 1	24,486	19,178
Relating to temporary differences provision	-	5,308
Deferred income tax	24,486	24,486

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 CBFs	
	\$'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
Balance at January 1, 2020	765,700	17,394,792
CBFIs repurchased for cancellation during the period	(4,077)	(83,043)
CBFIs outstanding at September 30, 2020	761,623	17,311,749

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 September 30, 2020, a total of 49,740,003 CBFIs, amounting to \$1,058.2 million (including transaction costs), have been repurchased.

16. NON-CONTROLLING INTEREST

On September 14, 2020, FIBRA Macquarie through a wholly-owned investment trust, completed the acquisition of 50% equity in a newly formed joint venture trust (the "F/3493 JV Trust") with Inmobiliaria Alamedida (the "F/3493 JV Partner") for a total consideration of US\$12.2 million (\$259.1 million). FIBRA Macquarie conducted a control assessment under IFRS 10 and concluded that it has control over F/3493 JV Trust, and therefore, should apply consolidation accounting and reflect the ownership of F/3493 JV Partner as non-controlling interests in its unaudited condensed interim financial statements.

The following table summarizes the ownership percentages and non-controlling interests and the consolidated entities' total assets and liabilities in pesos.

	Ownership Percentage	Non-controlling Interest	Total Assets	Total Liabilities
	Sep 30, 2020	Sep 30, 2020	Sep 30, 2020	Sep 30, 2020
JV Trust CIB 3493	50%	273,533	547,066	-
		273,533	547,066	-

17. 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.

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

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

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

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 September 30, 2020	\$'000	\$'000	\$'000
Trade and other receivables, net	127,307	127,307	127,307
Interest-bearing liabilities*	(18,962,968)	(18,962,968)	(17,652,738)
As at December 31, 2019			
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.

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

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

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at September 30, 2020				
Derivative financial instruments-liability	-	(251,458)	-	(251,458)
Investment properties	-	-	44,746,007	44,746,007
As at December 31, 2019				
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.

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:

	Sep 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	400,813	725,272
Land acquisition	518,319	-
Net unrealized foreign exchange gain/(loss) on investment property	6,294,308	(1,460,081)
Unrealized revaluation loss on investment property measured at fair value	(1,266,571)	(599,014)
Balance at the end of the period/year	44,746,007	38,799,138

18. 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:

September 30, 2020	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	141,583	375,086	74,132	590,801
*Peso denominated minimum future lease collections	23,560	66,042	19,175	108,777

* 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)

18. LEASES (CONTINUED)

b) As a lessee

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

	Sep 30, 2020 \$'000	Dec 31, 2019 \$'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the period/year	19,986	24,621
Lease payments modified in the right of uses assets	(1,635)	-
Effect of changes in foreing exchange rate	846	(284)
Depreciation charge for the period/year	(3,141)	(4,351)
Balance at the end of the period/year	16,056	19,986
Lease liabilities (included in other liabilities):		
Balance at the beginning of the period/year	21,207	24,621
Lease payments modified in the lease liabilities	(1,623)	-
Effect of changes in foreing exchange rate	883	(300)
Interest on lease liabilities	1,327	2,126
Lease payments	(4,124)	(5,240)
Balance at the end of the period/year	17,670	21,207
Balance classified as current	4,032	4,239
Balance classified as non-current	13,638	16,968
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	4,885	5,626
1-5 years	17,548	20,423
>5 years	22	1,622
Total undiscounted lease liabilities at the end of the period/year	22,455	27,671

19. 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 nine months period ended September 30, 2020, the trustees' fees for the Group amounted to \$1.0 million (September 30, 2019: \$0.9 million) and \$2.9 million (September 30, 2019: \$2.5 million) respectively.

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

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

19. 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 \$47.5 million (September 30, 2019: \$40.3 million) and \$138.6 million (September 30, 2019: \$120.2 million) respectively, for the three and nine months period ended September 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 September 30, 2020, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three and nine months ended September 30, 2020, the Group accrued expenses totaling \$nil million (September 30, 2019: \$0.3 million) and \$0.5 million (September 30, 2019: \$1.8 million) respectively in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at September 30, 2020, expenses due to affiliate entities of MMREM amounted to \$nil million (September 30, 2019: \$0.3 million).

As at September 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 \$68.5 million during the period ended September 30, 2020 (September 30, 2019: \$47.1 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.

20. EVENTS AFTER BALANCE SHEET DATE

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.

