

FIBRA MACQUARIE MÉXICO REPORTS FOURTH QUARTER AND FULL YEAR 2020 RESULTS

- **Collected 97.7% of 4Q20 consolidated base rents -**
- **Authorized 4Q20 cash distribution of Ps. 0.4750 per certificate -**
- **Announces new Apodaca, Nuevo Leon industrial development project -**
- **FY21 distribution guidance of Ps. 1.90 per certificate -**

MEXICO CITY, February 4, 2021 – 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 fourth quarter and year ended December 31, 2020.

FOURTH QUARTER 2020 HIGHLIGHTS

- AFFO per certificate of Ps 0.5940 for the quarter, down 8.0% YoY
- Consolidated occupancy of 93.9%, up 20 bps QoQ and down 170 bps YoY
- Completed and fully leased 217k square foot LEED Gold industrial development project in Ciudad Juárez
- Acquisition of strategic 20.6 hectare land parcel located in Apodaca, Nuevo Leon for the development of more than 900k square feet of industrial GLA
- Authorized 4Q20 cash distribution of Ps. 0.4750 per certificate, up 4.4% YoY
- Introduces FY21 AFFO per certificate guidance of Ps. 2.27 to Ps. 2.32
- Introduces FY21 distribution guidance of Ps. 1.90 per certificate

FULL YEAR 2020 HIGHLIGHTS

- Full year 2020 distribution of Ps. 1.90 per certificate, up 6.7% YoY, in line with guidance established on January 30, 2020, prior to onset of the COVID-19 pandemic
- Increase in AFFO per certificate of 0.6% YoY to a record Ps 2.5911, also in line with guidance
- Average industrial rental rates increased 2.5%; same store retail rental rates increased 0.6% YoY
- Advancement in ESG program, including improvement to 3 GRESB Green Stars and completion of green building certifications for selected industrial and retail properties
- Progression of industrial development program, with the acquisition of strategic land parcels located in the Mexico City and Apodaca, Nuevo Leon Metropolitan Areas for construction of industrial buildings exceeding 1.6m square feet of GLA
- Efficient sourcing of capital totaling US\$44.8 million, comprised of US\$24.6m retained AFFO and US\$20.3m of deferred asset sale proceeds
- Capital allocation of US\$49.9 million, across industrial development program, property expansions, certificate repurchase for cancellation program and retail center remodeling

- Robust balance sheet with liquidity of US\$288.5 million including US\$243.1 million undrawn revolver facility and US\$45.4 million cash at bank, stable Real Estate Net LTV to 37.6% (up 120 bps YoY) and steady Net Debt/EBITDA multiple of 4.6x, unchanged from the end of FY19

“In 2020, we delivered earnings growth slightly above our expectations and delivered on our guidance, even as we navigated the challenges brought on by the global pandemic,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “The stability in our industrial portfolio is underpinned by the sustained demand for industrial properties in the strategic markets in which we operate. While the retail environment remains more challenging, we have confidence that our defensively positioned properties are well positioned to navigate through the current environment. Additionally, during the year we completed construction and fully leased our second industrial development project in Ciudad Juárez, which demonstrates the successful execution of our development program with a well-managed risk profile to drive attractive returns. With a longstanding history of disciplined capital management, we maintained our distribution whilst allocating capital accretively towards strategic industrial development opportunities and other accretive investments.”

Mr. Monroy continued, “As we look ahead to 2021, there are a few factors that we anticipate will impact our results for the year. These include a stronger Mexican Peso compared to 2020 levels, ongoing COVID-19 challenges in the retail segment, and the lease termination for one of our prime Mexico City retail properties which occurred in the first quarter of 2020. We are conducting market sounding, with the goal of pre-leasing a multi-level project or leasing as a refurbished property. We are encouraged by the stability in our industrial portfolio. We look forward to the completion of the first phase of our industrial logistics project in Mexico City towards the end of this year, which is part of an ongoing initiative to pursue select developments in core markets to drive growth. Furthermore, we are encouraged by trends including nearshoring manufacturing and logistics demand which provide for compelling longer-term tailwinds.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ’s total results were as follows:

TOTAL PORTFOLIO	4Q20	4Q19	Variance	FY20	FY19	Variance
Net Operating Income (NOI)	Ps 870.3m	Ps 858.7m	1.4%	Ps 3,692.7m	Ps 3,403.5m	8.5%
EBITDA	Ps 798.0m	Ps 800.7m	-0.3%	Ps 3,431.5m	Ps 3,185.2m	7.7%
Funds From Operations (FFO)	Ps 557.7m	Ps 571.6m	-2.4%	Ps 2,394.3m	Ps 2,303.6m	3.9%
FFO per certificate	0.7322	0.7465	-1.9%	3.1402	2.9973	4.8%
Adjusted Funds From Operations (AFFO)	Ps 452.4m	Ps 494.7m	-8.5%	Ps 1,975.6m	Ps 1,979.7m	-0.2%
AFFO per certificate	0.5940	0.6460	-8.0%	2.5911	2.5758	0.6%
NOI Margin	86.0%	86.9%	-94 bps	87.4%	87.8%	-37 bps
AFFO Margin	44.7%	50.1%	-538 bps	46.8%	51.1%	-430 bps
GLA ('000s sqm) EOP	3,208	3,202	0.2%	3,208	3,202	0.2%
Occupancy EOP	93.9%	95.6%	-170 bps	93.9%	95.6%	-170 bps
Average Occupancy	93.6%	95.6%	-199 bps	94.5%	95.2%	-70 bps

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	4Q20	4Q19	Variance	FY20	FY19	Variance
Net Operating Income	Ps. 866.6m	Ps. 832.4m	4.1%	Ps. 3,567.4m	Ps. 3,299.4m	8.1%
Net Operating Income Margin	86.2%	86.6%	-48 bps	87.2%	87.5%	-30 bps
Number of Properties	250	250	0	250	250	0
GLA ('000s sqf) EOP	34,114	33,967	0.4%	34,114	33,967	0.4%
GLA ('000s sqm) EOP	3,169	3,156	0.4%	3,169	3,156	0.4%
Occupancy EOP	93.8%	95.5%	-171 bps	93.8%	95.5%	-171 bps
Average Monthly Rent (US\$/sqm) EOP	5.39	5.35	0.8%	5.39	5.35	0.8%
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.4	-1.20%	3.4	3.4	-1.2%
Percentage of US\$ denominated Rent EOP	75.1%	73.5%	164 bps	75.10%	73.50%	164 bps

COVID-19 Reporting Disclosures

FIBRAMQ continues to provide enhanced COVID-19 related disclosures for its rent collections, retail center store openings, rent relief and trade receivables as part of its Fourth Quarter 2020 Supplementary Information materials, located at www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings.

With respect to FIBRAMQ's total portfolio performance on a proportionally combined basis, positive trends continued in financial metrics including rent concessions, trade receivables and cash collections, across both the industrial and retail portfolios:

- **Base rent cash collections** in 4Q20 increased to Ps. 965.8 million, up 1.1% from 3Q20 and 6.1% from 2Q20. Total cash collections were Ps. 1.147 bn, up 2.8% from 3Q20 and 15.5% from 2Q20, respectively. Collected 97.7% of 4Q20 consolidated base rents as at January 31, 2021
 - **Rent concessions** in 4Q20 were Ps. 15.6 million, lower by 67.1% versus 3Q20 and 86.5% versus 2Q20. On a sequential basis, there were less rent discounts and deferrals granted for both the Industrial and Retail portfolios
 - **Deferred rent program** substantially completed. FY20 rents subject to deferral totaled Ps. 101.0 million deferred rents, with 99.8% scheduled for collection in FY20 successfully received and only Ps. 19.0 million scheduled for collection in FY21.
- Net trade receivables**, excluding VAT, reduced to Ps. 46.2 million, lower by 36.9% from 3Q20 and 59.4% versus 2Q20, driven by strong quarterly cash collections and prudent levels of credit

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	4Q20	4Q19	Variance	FY20	FY19	Variance
Net Operating Income (NOI)	Ps 779.7m	Ps 719.0m	8.4%	Ps 3,183.3m	Ps 2,811.7m	13.2%
NOI Margin	90.5%	91.3%	-79 bps	91.2%	91.6%	-41 bps
GLA ('000s sqft) EOP	29,955	29,598	1.2%	29,955	29,598	1.2%
GLA ('000s sqm) EOP	2,783	2,750	1.2%	2,783	2,750	1.2%
Occupancy EOP	94.3%	95.9%	-162 bps	94.3%	95.9%	-162 bps
Average Occupancy	93.9%	95.9%	-200 bps	94.8%	95.4%	-68 bps
Average monthly rent per leased (US\$/sqm) EOP	\$5.05	\$4.93	2.5%	\$5.05	\$4.93	2.5%
Customer retention LTM	77.9%	81.0%	-309 bps	77.9%	81.0%	-309 bps
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.3	5.3%	3.4	3.3	5.3%

With respect to ongoing impact of COVID-19 on FIBRAMQ's industrial portfolio:

- Cash collections continue to be strong. Through to January 31, 2021, 99.0% of scheduled 4Q20 rents were collected
- FIBRAMQ granted COVID-19 related rent concessions in respect of fourth quarter rents totaling Ps. 2.8 million, lower by 87.4% QoQ. Rent concessions in 4Q20 were comprised solely of rent deferrals, with no rent discounts provided
- Cumulative contracted rent relief now totals Ps. 96.8 million, comprised of Ps. 92.7 million in rent deferrals and Ps. 4.1 million in rent discounts
- Deferred rents scheduled for collection in 4Q20 totaled Ps. 39.6 million and Ps. 11.8 million are scheduled for collection in FY21
- As of December 31, 2020, trade receivables net of provisions were Ps. 30.7 million (excl. VAT), lower by 45.3% QoQ. This reflects solid cash collections along with a prudent provisioning approach.

For the quarter ended December 31, 2020, FIBRAMQ's industrial portfolio delivered NOI of Ps. 779.7 million, up 8.4% compared to 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 2.5% on an annual basis, driven by contractual increases and positive leasing spreads on renewal leases.

During the quarter, FIBRAMQ signed 31 new and renewal leases, comprising 2.1 million square feet of GLA. FIBRA Macquarie executed on 7 new leases totaling 564 thousand square feet and 24 renewal leases totaling 1.5 million square feet, respectively. Of note, FIBRAMQ leased its newly completed 217 thousand square foot LEED Gold certified building in Ciudad Juárez to a multinational customer involved in the power management sector. Somewhat offsetting this leasing activity was 223 thousand square feet that was vacated by five customers, resulting in a retention rate of 77.9% for the last twelve months. The active quarter of leasing also assisted in extending the Industrial portfolio's weighted average lease term to 3.4 years, an increase of 5.3% against the prior comparable period.

For detail on FIBRAMQ's same store industrial portfolio results, please refer to Fourth 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	4Q20	4Q19	Variance	FY20	FY19	Variance
Net Operating Income (NOI)	Ps 90.6m	Ps 139.6m	-35.1%	Ps 420.0m	Ps 486.2m	-13.6%
NOI Margin	60.1%	69.7%	-956 bps	78.1%	82.5%	-437 bps
GLA ('000s sqft) EOP	4,577	4,864	-5.9%	4,577	4,864	-5.9%
GLA ('000s sqm) EOP	425	452	-5.9%	425	452	-5.9%
Occupancy EOP	91.4%	93.8%	-234 bps	91.4%	93.8%	-234 bps
Average Occupancy	91.7%	93.8%	-206 bps	92.5%	93.5%	-95 bps
Average monthly rent per leased (Ps/sqm) EOP	\$154.86	\$163.10	-5.0%	\$154.86	\$163.10	-5.0%
Customer retention LTM	49.8%	82.6%	-3277 bps	49.8%	82.6%	-3277 bps
Weighted Avg Lease Term Remaining (years) EOP	3.6	4.1	-13.7%	3.6	4.1	-13.7%

With respect to the ongoing impact of COVID-19 on 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 capacity limits, providing for challenging trading conditions.
- Through January 26, 70.5% of GLA and 68.1% of ABR is open
- Cash collections continued to gain momentum, with fourth quarter collections of Ps. 136.6 million, up 24.4% from the prior quarter
- Through January 31, 2021, 89.2% of scheduled fourth quarter rents have been collected
- Total quarterly rent concessions eased for the second consecutive quarter, lower sequentially by 49.8% to Ps 12.9 million. In respect of current quarter rents, FIBRAMQ granted rent discounts of Ps. 11.7 million, lower by 48.6% QoQ, and rent deferrals of Ps. 1.1 million, lower by 59.5% compared to the prior quarter
- Cumulative contracted rent relief now totals Ps. 81.6 million, comprised of Ps. 8.2 million in rent deferrals and Ps. 73.4 million in rent discounts
- Deferred rents scheduled for collection in 4Q20 totaled Ps. 1.0 million and Ps. 7.2 million are scheduled for collection in FY21
- As of December 31, 2020, trade receivables net of provisions were Ps. 15.5 million (excl. VAT), lower by 9.4% QoQ, with 86.7% of gross account receivables being prudently provisioned.

For the quarter ended December 31, 2020, FIBRAMQ's retail portfolio delivered NOI of Ps. 90.6 million, lower by 35.1% compared to the prior comparable period. FIBRAMQ's retail portfolio average rental rates decreased by 5.0% over the prior comparable period as contractual increases and positive new and renewal rental rate spreads were offset by the impact of a lease termination of a prime Mexico City property in the first quarter of 2020. Excluding the impact of that move-out, average rental rates

increased 0.6% year over year. Occupancy at the end of the fourth quarter 2020 was 91.7%, down 234 basis points from the prior year and 70 basis points from the third quarter, driven in part by the first quarter lease termination previously discussed, along with additional vacancy primarily due to the impact of COVID-19.

During the fourth quarter of 2020, FIBRAMQ signed 37 retail leases, representing 56.7 thousand square feet. This activity included 10 new leases and 27 renewals.

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

PORTFOLIO ACTIVITY

Industrial Development Program

Apodaca, Nuevo Leon Metropolitan Area

On December 18, FIBRAMQ acquired a 20.6-hectare land parcel located in Apodaca, Nuevo Leon. FIBRAMQ expects to develop more than 900k square feet of industrial GLA on the site. The investment forms part of FIBRAMQ's broader strategy to continue to enhance its industrial portfolio by investing in class "A" assets in core markets demonstrating strong performance and a positive economic outlook. FIBRAMQ intends to commence construction on the first building in the first half of 2021.

Ciudad Juárez

During the fourth quarter, FIBRAMQ delivered its 217k square foot new industrial building in Ciudad Juárez. The building was fully leased during the quarter.

Mexico City Metropolitan Area

FIBRAMQ is continuing pre-construction work at its development project in the Mexico City Metropolitan market announced last quarter. FIBRAMQ expects to develop more than 700k square feet of industrial logistics GLA on the site and anticipates commencing construction in the first half of 2021.

BALANCE SHEET AND LIQUIDITY

As of December 31, 2020, FIBRAMQ had approximately Ps 15.8 billion of debt outstanding on a 100% fixed rate basis and with a weighted-average debt tenor remaining of 5.1 years. FIBRAMQ does not have any material commitments with respect to capital expenditures and does not have any scheduled loan maturities until 2023.

Further, liquidity levels remain high at Ps. 5.8 billion, with Ps. 4.9 billion available on its undrawn revolving credit facility and Ps. 0.9 billion of unrestricted cash on hand. FIBRAMQ continues to maintain a stable Real Estate Net LTV to 37.6% (up 120 bps YoY) and steady Net Debt/EBITDA multiple of 4.6x (unchanged from prior year). FIBRAMQ's CNBV regulatory debt to total asset ratio was 35.4% and its CNBV debt service coverage ratio was 5.7x, incorporating the recently updated CNBV regulations that now require a forward-looking calculation period of four quarters (compared to six quarters, pursuant to the prior rules).

CERTIFICATE BUYBACK FOR CANCELLATION PROGRAM

FIBRAMQ did not repurchase any certificates during the fourth 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 February 4, 2021, FIBRAMQ declared a cash distribution for the quarter ended December 31 of Ps. 0.4750 per certificate. The distribution is expected to be paid on March 12, 2021 to holders of record on March 11, 2021. FIBRAMQ's certificates will commence trading ex-distribution on March 10, 2021.

SUSTAINABILITY

FIBRAMQ remains committed to sustainability including protecting the environment, prioritizing governance, and developing its employees, serving its customers and the community. As a key benchmark to measure ongoing progress and align with leading ESG ratings agencies and reporting frameworks, FIBRAMQ participates in the Global Real Estate Sustainability Benchmark (GRESB). FIBRAMQ received its 2020 GRESB score and was awarded three GRESB Green Stars, an improvement of one star vs. the prior year, which reflects the ongoing enhancements to its ESG initiatives. Since its initial rating in 2018, FIBRAMQ's GRESB score has improved to above peer average. Key noted areas of strength include the implementation of portfolio-wide improvement strategies to its ESG program, strong tenant engagement, incorporating sustainability requirements into design and development, and waste management during construction. Reflecting on these results, FIBRAMQ has developed an action plan to improve these scores over the medium term.

Additionally, in 2020, FIBRAMQ pursued green building certifications for its properties under the LEED (Leadership in Energy and Environmental Design) and BOMA BEST Certification programs (Building Owners and Managers Association, Building Environmental Standards), which are two of the world's leading programs for the certification of existing buildings. FIBRAMQ was awarded LEED Silver and LEED Gold certifications for its two Ciudad Juárez industrial development projects delivered in 2019 and 2020, respectively. All six of FIBRAMQ's retail properties submitted for BOMA BEST review received a Bronze certification. In conjunction with this certification, FIBRAMQ has a strategic program in place with objectives for the short, medium, and long term, in each of the BOMA BEST categories. These categories include energy conservation, waste management, and tenant communications.

FIBRAMQ intends to publish a comprehensive updated sustainability report in mid-2021.

FY21 GUIDANCE

AFFO per certificate

FIBRA Macquarie is introducing FY21 AFFO per certificate guidance of between Ps. 2.27 to Ps. 2.32. This guidance takes into account key items which are expected to impact FIBRAMQ's performance in FY21:

- an average exchange rate of Ps. 20.0 per US dollar for FY21, which represents a 7.0% reduction as compared to the average exchange rate in FY20;
- In FY20, COVID-19 related impacts to AFFO totaled Ps. 0.17 per certificate, comprised of rent discounts and elevated provisioning for doubtful debts. Our FY21 guidance assumes ongoing COVID-19 challenges, in particular with regards to FIBRAMQ's non-essential retail customer base. This is expected to result in a continuation in FY21 of a similar COVID-related impact to AFFO per certificate as that recorded in FY20; and
- ongoing vacancy at a 17k sqm property in Mexico City, where the lease terminated in the first quarter of FY20. FIBRAMQ is currently pursuing strategic options of the asset, as described earlier.

This guidance also takes into account the additional assumptions:

- 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 new acquisitions or divestments
- No change to outstanding certificates

Distribution per certificate

FIBRAMQ is introducing its guidance of cash distributions for FY21 of Ps. 1.90 per certificate, with distributions expected to be paid in equal instalments of Ps. 0.475 per certificate.

Based upon an assumed 7.0% appreciation in the average annual Peso exchange rate for FY21, in USD equivalent terms the expected FY21 cash distribution of USD 0.095 per certificate represents a 7.5% YoY increase compared to FY20.

DISTRIBUTION ANALYSIS	FY21 Guidance	FY20 Actual	Variance
Distribution per certificate (Ps.)	Ps 1.90	Ps 1.90	0.0%
Average annual USD foreign exchange rate	20.0	21.5	-7.0%
Distribution per certificate (USD equivalent)	USD 0.095	USD 0.088	7.5%

The payment of cash distributions is subject to the approval of the board of directors of the Manager, stable market conditions and the prudent management of FIBRAMQ's capital requirements.

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Friday, February 5, 2021 at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be webcast, can be accessed online at www.fibramacquarie.com 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 Fourth Quarter 2020 Earnings Call with conference number 4792497. 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 4792497. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the fourth 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 236 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of December 31, 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.

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

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

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Current assets		
Cash and cash equivalents	889,571	693,209
Trade and other receivables, net	53,901	473,142
Other assets	62,010	61,555
Total current assets	1,005,482	1,227,906
Non-current assets		
Restricted cash	16,512	15,598
Investment properties	41,119,827	38,799,138
Equity-accounted investees	1,186,526	1,544,250
Goodwill	841,614	841,614
Other assets	233,925	200,652
Other receivables	-	15,701
Total non-current assets	43,398,404	41,416,953
Total assets	44,403,886	42,644,859
Current liabilities		
Trade and other payables	1,132,815	870,879
Tenant deposits	15,818	17,205
Other liabilities	3,523	4,239
Total current liabilities	1,152,156	892,323
Non-current liabilities		
Interest-bearing liabilities	15,684,178	14,804,370
Tenant deposits	310,676	318,175
Derivative financial instruments	211,095	38,172
Trade and other payables	128,717	-
Other liabilities	14,088	16,968
Deferred income tax	22,557	24,486
Total non-current liabilities	16,371,311	15,202,171
Total liabilities	17,523,467	16,094,494
Net assets	26,880,419	26,550,365
Equity		
Contributed equity	17,311,749	17,394,792
Retained earnings	9,325,095	9,155,573
Total controlling interest	26,636,844	26,550,365
Non-controlling interest	243,575	-
Total equity	26,880,419	26,550,365

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) AND 2019

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

	3 months ended		Years ended	
	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Property related income	963,732	932,619	4,028,100	3,657,565
Property related expenses	(174,688)	(149,271)	(619,487)	(532,043)
Net property income	789,044	783,348	3,408,613	3,125,522
Management fees	(48,224)	(44,708)	(186,839)	(164,908)
Transaction related expenses	(3,242)	1,423	(7,273)	(25,234)
Professional, legal and other expenses	(21,270)	(13,296)	(67,575)	(53,157)
Total expenses	(72,736)	(56,581)	(261,687)	(243,299)
Net unrealized foreign exchange (loss)/gain on investment property	(4,381,850)	(1,376,453)	1,912,458	(1,464,048)
Unrealized revaluation gain/(loss) on investment property measured at fair value	108,635	(193,983)	(1,157,936)	(605,080)
Finance costs	(229,539)	(215,286)	(1,002,153)	(921,102)
Interest income	2,467	5,230	21,210	26,469
Share of (losses)/profits from equity-accounted investees	(111,379)	106,631	(316,958)	155,013
Net foreign exchange gain/(loss) on monetary items	1,917,673	588,107	(843,917)	630,606
Net unrealized gain/(loss) on interest rate swaps	40,363	30,185	(172,923)	(162,183)
(Loss)/profit before tax for the period/year	(1,937,322)	(328,802)	1,586,707	541,898
Current and deferred income tax	1,184	(4,789)	633	(5,582)
(Loss)/profit for the period/year	(1,936,138)	(333,591)	1,587,340	536,316
Other comprehensive income				
Other comprehensive income for the period/year	-	-	-	-
Total comprehensive (loss)/income for the period/year	(1,936,138)	(333,591)	1,587,340	536,316
Total consolidated comprehensive (loss)/income for the period/year attributable to:				
Controlling interests	(1,906,180)	(333,591)	1,602,925	536,316
Non-controlling interests	(29,958)	-	(15,585)	-
Total comprehensive (loss)/income for the period/year	(1,936,138)	(333,591)	1,587,340	536,316
(Loss)/profit per CBFI*				
Basic (loss)/profit per CBFI (pesos)	(2.50)	(0.44)	2.10	0.70

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) 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 year	-	536,316	536,316	-	536,316
Total comprehensive income for the year	-	536,316	536,316	-	536,316
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,332,080)	(1,332,080)	-	(1,332,080)
- 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)	(1,332,080)	(1,434,771)	-	(1,434,771)
Total equity at December 31, 2019	17,394,792	9,155,573	26,550,365	-	26,550,365
Total equity at January 1, 2020	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income for the year	-	1,602,925	1,602,925	(15,585)	1,587,340
Total comprehensive income for the year	-	1,602,925	1,602,925	(15,585)	1,587,340
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,433,403)	(1,433,403)	-	(1,433,403)
- 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)	(1,433,403)	(1,516,446)	-	(1,516,446)
Recognition of non-controlling interest	-	-	-	259,160	259,160
Total equity at December 31, 2020	17,311,749	9,325,095	26,636,844	243,575	26,880,419

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) AND 2019.

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

	Years ended	
	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:		
Profit before income tax for the year	1,586,707	541,898
Adjustments for:		
Net unrealized foreign exchange (profit)/loss on investment property	(1,912,458)	1,464,048
Unrealized revaluation loss on investment property measured at fair value	1,157,936	605,080
Straight line rental income adjustment	(25,747)	13,859
Tenant improvement amortization	57,764	43,827
Leasing expense amortization	82,354	70,069
Right-of-use assets depreciation*	4,080	4,351
Interest income	(21,210)	(26,469)
Impairment loss on trade receivables	77,471	31,279
Net foreign exchange loss/(gain) on monetary items	864,967	(652,708)
Finance costs	1,002,153	921,102
Share of losses/(profits) from equity-accounted investees	316,958	(155,013)
Net unrealized loss on interest rates swaps	172,923	162,183
Movements in working capital:		
Decrease in receivables	383,997	29,194
Decrease in payables	(144,151)	(97)
Net cash flows from operating activities	3,603,744	3,052,603
Investing activities:		
Investment property disposed	-	104,573
Land acquisition	(525,580)	-
Capital contribution in equity-accounted investees	(10,064)	(326,331)
Maintenance capital expenditure and other capitalized cost	(716,814)	(810,786)
Distributions received from equity-accounted investees	50,830	89,654
Net cash flows used in investing activities	(1,201,628)	(942,890)
Financing activities:		
Interest received	21,210	26,469
Repayment of interest-bearing liabilities	(4,007,607)	(6,380,379)
Interest paid	(955,721)	(764,667)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,231,596
Lease payments	(5,373)	(5,240)
Non-controlling interest contribution	259,160	-
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	(1,851,363)	(1,978,599)
Net increase in cash and cash equivalents	550,753	131,114
Cash and cash equivalents at the beginning of the year	708,807	555,591
Foreign exchange on cash and cash equivalents	(353,477)	22,102
Cash and cash equivalents at the end of the year**	906,083	708,807

*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 \$16.5 million (2019: \$15.6 million) as at December 31, 2020.

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 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 December 31, 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 December 31, 2020;
- the condensed consolidated interim statements of comprehensive income for the twelve-month period ended December 31, 2020;
- the condensed consolidated interim statements of changes in equity for the twelve-month period ended December 31, 2020;
- the condensed consolidated statements of cash flows for the twelve-month period ended December 31, 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 December 31, 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 be 'Rogelio Berlanga Coronado', written over a faint, light blue grid pattern.

C.P.C Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico
February 4, 2021

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

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

	Note	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Current assets			
Cash and cash equivalents		889,571	693,209
Trade and other receivables, net		53,901	473,142
Other assets		62,010	61,555
Total current assets		1,005,482	1,227,906
Non-current assets			
Restricted cash		16,512	15,598
Investment properties	11	41,119,827	38,799,138
Equity-accounted investees	9	1,186,526	1,544,250
Goodwill		841,614	841,614
Other assets		233,925	200,652
Other receivables		-	15,701
Total non-current assets		43,398,404	41,416,953
Total assets		44,403,886	42,644,859
Current liabilities			
Trade and other payables		1,132,815	870,879
Tenant deposits		15,818	17,205
Other liabilities	17	3,523	4,239
Total current liabilities		1,152,156	892,323
Non-current liabilities			
Interest-bearing liabilities	12	15,684,178	14,804,370
Tenant deposits		310,676	318,175
Derivative financial instruments	13	211,095	38,172
Trade and other payables		128,717	-
Other liabilities	17	14,088	16,968
Deferred income tax	14	22,557	24,486
Total non-current liabilities		16,371,311	15,202,171
Total liabilities		17,523,467	16,094,494
Net assets		26,880,419	26,550,365
Equity			
Contributed equity	15	17,311,749	17,394,792
Retained earnings		9,325,095	9,155,573
Total controlling interest		26,636,844	26,550,365
Non-controlling interest	16	243,575	-
Total equity		26,880,419	26,550,365

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) AND 2019

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

	Note	3 months ended		Year ended	
		Dec 31, 2020 \$'000	Dec 31, 2019 \$'000	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Property related income	4(a)	963,732	932,619	4,028,100	3,657,565
Property related expenses	4(b)	(174,688)	(149,271)	(619,487)	(532,043)
Net property income		789,044	783,348	3,408,613	3,125,522
Management fees	19(c)	(48,224)	(44,708)	(186,839)	(164,908)
Transaction related expenses		(3,242)	1,423	(7,273)	(25,234)
Professional, legal and other expenses	4(c)	(21,270)	(13,296)	(67,575)	(53,157)
Total expenses		(72,736)	(56,581)	(261,687)	(243,299)
Net unrealized foreign exchange (loss)/gain on investment property	10,11	(4,381,850)	(1,376,453)	1,912,458	(1,464,048)
Unrealized revaluation gain/(loss) on investment property measured at fair value	10,11	108,635	(193,983)	(1,157,936)	(605,080)
Finance costs	4(d)	(229,539)	(215,286)	(1,002,153)	(921,102)
Interest income		2,467	5,230	21,210	26,469
Share of (losses)/profits from equity-accounted investees	9	(111,379)	106,631	(316,958)	155,013
Net foreign exchange gain/(loss) on monetary items	4(e)	1,917,673	588,107	(843,917)	630,606
Net unrealized gain/(loss) on interest rate swaps	13	40,363	30,185	(172,923)	(162,183)
(Loss)/profit before tax for the period/year		(1,937,322)	(328,802)	1,586,707	541,898
Current and deferred income tax	14	1,184	(4,789)	633	(5,582)
(Loss)/profit for the period/year		(1,936,138)	(333,591)	1,587,340	536,316
Other comprehensive income					
Other comprehensive income for the period/year		-	-	-	-
Total comprehensive (loss)/income for the period/year		(1,936,138)	(333,591)	1,587,340	536,316
Total consolidated comprehensive (loss)/income for the period/year attributable to:					
Controlling interests		(1,906,180)	(333,591)	1,602,925	536,316
Non-controlling interests		(29,958)	-	(15,585)	-
Total comprehensive (loss)/income for the period/year		(1,936,138)	(333,591)	1,587,340	536,316
(Loss)/profit per CBF¹*					
Basic (loss)/profit per CBF ¹ (pesos)	8	(2.50)	(0.44)	2.10	0.70

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) AND 2019

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

	Note	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total 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 year		-	536,316	536,316	-	536,316
Total comprehensive income for the year		-	536,316	536,316	-	536,316
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFIs holders	7	-	(1,332,080)	(1,332,080)	-	(1,332,080)
- 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)	(1,332,080)	(1,434,771)	-	(1,434,771)
Total equity at December 31, 2019		17,394,792	9,155,573	26,550,365	-	26,550,365
Total equity at January 1, 2020	15	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income for the year		-	1,602,925	1,602,925	(15,585)	1,587,340
Total comprehensive income for the year		-	1,602,925	1,602,925	(15,585)	1,587,340
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFIs holders	7	-	(1,433,403)	(1,433,403)	-	(1,433,403)
- 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)	(1,433,403)	(1,516,446)	-	(1,516,446)
Recognition of non-controlling interest	16	-	-	-	259,160	259,160
Total equity at December 31, 2020		17,311,749	9,325,095	26,636,844	243,575	26,880,419

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2020 (UNAUDITED) AND 2019

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

	Note	Year ended	
		Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit before income tax for the year		1,586,707	541,898
Adjustments for:			
Net unrealized foreign exchange (profit)/loss on investment property	10,11,17	(1,912,458)	1,464,048
Unrealized revaluation loss on investment property measured at fair value	10,11,17	1,157,936	605,080
Straight line rental income adjustment		(25,747)	13,859
Tenant improvement amortization	4(b)	57,764	43,827
Leasing expense amortization	4(b)	82,354	70,069
Right-of-use assets depreciation*	18	4,080	4,351
Interest income		(21,210)	(26,469)
Impairment loss on trade receivables	4(b)	77,471	31,279
Net foreign exchange loss/(gain) on monetary items	4(e)	864,967	(652,708)
Finance costs	4(d)	1,002,153	921,102
Share of losses/(profits) from equity-accounted investees	9(b)	316,958	(155,013)
Net unrealized loss on interest rates swaps	13	172,923	162,183
Movements in working capital:			
Decrease in receivables		383,997	29,194
Decrease in payables		(144,151)	(97)
Net cash flows from operating activities		3,603,744	3,052,603
Investing activities:			
Investment property disposed	10	-	104,573
Land acquisition	11	(525,580)	-
Capital contribution in equity-accounted investees	9(b)	(10,064)	(326,331)
Maintenance capital expenditure and other capitalized cost		(716,814)	(810,786)
Distributions received from equity-accounted investees	9(b)	50,830	89,654
Net cash flows used in investing activities		(1,201,628)	(942,890)
Financing activities:			
Interest received		21,210	26,469
Repayment of interest-bearing liabilities	1,12	(4,007,607)	(6,380,379)
Interest paid		(955,721)	(764,667)
Proceeds from interest-bearing liabilities, net of facility charges	12	4,340,034	6,231,596
Lease payments	18	(5,373)	(5,240)
Non-controlling interest contribution	16	259,160	-
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		(1,851,363)	(1,978,599)
Net increase in cash and cash equivalents		550,753	131,114
Cash and cash equivalents at the beginning of the year		708,807	555,591
Foreign exchange on cash and cash equivalents	4(e)	(353,477)	22,102
Cash and cash equivalents at the end of the year**		906,083	708,807

*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 \$16.5 million (2019: \$15.6 million) as at December 31, 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 years ended December 31, 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 December 18, 2020, MMREIT Industrial Trust IV acquired a 20.6 ha land parcel located in Apodaca, Nuevo Leon, for a total consideration of US\$12.9 million with 50% being paid at closing and the remaining balance to be paid in March 2022.

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 14.7 ha parcel of land in the Cuautitlan Izcalli 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 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 years ended December 31, 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 23, 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 the unaudited 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 February 4, 2021.

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 December 31, 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.

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:

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)

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 December 31, 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

IFRS 17 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.

The Group adopted the new requirements for IFRS 3, Business Combinations, effective January 1, 2020 with no impact to the interim unaudited condensed interim consolidated financial statements. The amendments are in relation to whether a transaction meets the definition of a business combination. The amendment clarifies the definition of a business and provides additional illustrative examples, including those relevant to the real estate industry. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This will be relevant where the value of the acquired entity is concentrated in one property, or a group of similar properties.

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/YEAR

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

	3 months ended		Year ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
a) Property related income				
Lease related income	903,229	865,755	3,781,250	3,396,667
Car parking income	8,410	14,691	32,318	56,693
Expenses recoverable from tenants	52,093	52,173	214,532	204,205
Total property related income	963,732	932,619	4,028,100	3,657,565
b) Property related expenses				
Property administration expense	(20,021)	(19,554)	(74,771)	(77,648)
Property insurance	(5,239)	(6,355)	(21,960)	(24,968)
Property tax	(18,447)	(16,013)	(71,866)	(63,976)
Repairs and maintenance	(52,315)	(38,995)	(114,785)	(100,426)
Industrial park fees	(9,994)	(8,461)	(40,138)	(36,533)
Security services	(6,641)	(5,876)	(24,970)	(21,513)
Property related legal and consultancy expenses	(2,832)	(4,453)	(9,755)	(8,309)
Tenant improvements amortization	(16,142)	(11,357)	(57,764)	(43,827)
Leasing expenses amortization	(23,033)	(18,919)	(82,354)	(70,069)
Utilities	(4,643)	(5,822)	(19,821)	(22,899)
Marketing costs	(2,587)	(6,400)	(11,260)	(17,474)
Car park operating fees	(1,576)	(2,204)	(7,644)	(8,531)
Impairment loss on trade receivables	(9,869)	(3,459)	(77,471)	(31,279)
Other property related expenses	(1,349)	(1,403)	(4,928)	(4,591)
Total property related expenses	(174,688)	(149,271)	(619,487)	(532,043)
c) Professional, legal and other expenses				
Tax advisory expenses	(786)	(868)	(2,589)	(3,201)
Accountancy expenses	(2,286)	(2,904)	(8,688)	(10,431)
Valuation expenses	(1,179)	(1,161)	(4,727)	(4,507)
Audit expenses	(1,242)	(1,170)	(5,014)	(4,741)
Other professional expenses	(4,890)	(3,309)	(15,157)	(12,767)
Other expenses	(10,887)	(3,884)	(31,400)	(17,510)
Total professional, legal and other expenses	(21,270)	(13,296)	(67,575)	(53,157)
d) Finance costs				
Interest expense on interest-bearing liabilities	(225,501)	(211,599)	(985,594)	(842,653)
Finance costs under effective interest method	(3,647)	(3,186)	(14,841)	(76,323)
Interest expense on lease liabilities	(391)	(501)	(1,718)	(2,126)
Total finance costs	(229,539)	(215,286)	(1,002,153)	(921,102)
e) Net foreign exchange gain/(loss)				
Unrealized foreign exchange gain/(loss) on monetary items	1,568,863	594,703	(864,967)	587,414
Realized foreign exchange gain/(loss)	348,810	(6,596)	21,050	43,192
Total net foreign exchange gain/(loss)	1,917,673	588,107	(843,917)	630,606

At December 31, 2020, the Group had 68 employees (December 31, 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 December 31, 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	336,928	181,983	199,322	143,541	14,323	136,352	1,012,449
<i>Lease related income</i>	326,607	169,343	190,256	136,026	12,221	114,750	949,203
<i>Car park income</i>	459	637	-	155	443	7,071	8,765
<i>Expenses recoverable from tenants</i>	9,862	12,004	9,066	7,360	1,659	14,531	54,482
Segment net loss ²	(1,047,038)	(550,775)	(456,168)	(383,525)	(31,323)	(502,652)	(2,971,481)
<i>Included in loss for the period:</i>							
Foreign exchange profit	227,235	154,159	189,137	132,914	2	52	703,499
Net unrealized foreign exchange loss on investment property	(1,770,851)	(972,692)	(929,779)	(708,528)	-	-	(4,381,850)
Unrealized revaluation gain/(loss) on investment property measured at fair value	243,135	124,275	128,209	94,160	(36,136)	(572,951)	(19,308)
Finance costs ³	(24,254)	(14,267)	(21,260)	(18,555)	(3,732)	(8,987)	(91,055)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$14.3 million and \$34.4 million respectively.

² The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$31.3 million and \$80.2 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.7 million and \$9.0 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 December 31, 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	319,974	160,199	177,694	129,351	12,232	188,099	987,549
<i>Lease related income</i>	<i>296,986</i>	<i>149,406</i>	<i>170,469</i>	<i>121,414</i>	<i>10,270</i>	<i>156,359</i>	<i>904,904</i>
<i>Car park income</i>	<i>406</i>	<i>565</i>	-	<i>138</i>	<i>528</i>	<i>15,423</i>	<i>17,060</i>
<i>Expenses recoverable from tenants</i>	<i>22,582</i>	<i>10,228</i>	<i>7,225</i>	<i>7,799</i>	<i>1,434</i>	<i>16,317</i>	<i>65,585</i>
Segment net (loss)/profit ²	(367,830)	(195,591)	(170,912)	(138,719)	25,295	291,344	(556,413)
<i>Included in loss of the period:</i>							
Foreign exchange gain/(loss)	64,106	40,697	56,406	38,160	(5)	(1)	199,363
Net unrealized foreign exchange loss on investment property	(563,065)	(294,411)	(298,142)	(220,835)	-	-	(1,376,453)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(120,106)	(63,128)	(64,858)	(53,136)	20,713	171,826	(108,689)
Finance costs ³	(25,990)	(14,314)	(19,922)	(13,775)	(2,834)	(9,954)	(86,789)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$12.2 million and \$42.7 million respectively.

² The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$25.3 million and \$80.6 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$2.8 million and \$9.9 million respectively.

Year ended December 31, 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	1,391,118	712,453	802,822	583,908	51,179	683,365	4,224,845
<i>Lease related income</i>	<i>1,329,472</i>	<i>671,663</i>	<i>766,290</i>	<i>553,431</i>	<i>43,799</i>	<i>590,939</i>	<i>3,955,594</i>
<i>Car park income</i>	<i>1,844</i>	<i>2,575</i>	-	<i>619</i>	<i>1,294</i>	<i>29,758</i>	<i>36,090</i>
<i>Expenses recoverable from tenants</i>	<i>59,802</i>	<i>38,215</i>	<i>36,532</i>	<i>29,858</i>	<i>6,086</i>	<i>62,668</i>	<i>233,161</i>
Segment net profit/(loss) ²	1,762,144	881,376	1,007,455	712,805	(82,741)	(1,053,236)	3,227,803
<i>Included in profit for the year:</i>							
Foreign exchange loss	(93,130)	(48,314)	(79,509)	(60,937)	(34)	(2)	(281,926)
Net unrealized foreign exchange profit on investment property	773,612	368,080	422,315	348,451	-	-	1,912,458
Unrealized revaluation (loss)/gain on investment property measured at fair value	(16,158)	6,402	40,807	9,640	(99,893)	(1,482,748)	(1,541,950)
Finance costs ³	(108,120)	(64,895)	(90,108)	(68,203)	(13,196)	(37,532)	(382,054)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$51.2 million and \$145.6 million respectively.

² The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$82.7 million and \$235.3 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$13.2 million and \$37.5 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)

Year ended December 31, 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	1,242,161	627,934	703,854	493,936	52,953	755,996	3,876,834
<i>Lease related income</i>	1,178,202	590,189	672,300	466,521	44,617	629,602	3,581,431
<i>Car park income</i>	1,605	2,260	-	542	2,255	59,370	66,032
<i>Expenses recoverable from tenants</i>	62,354	35,485	31,554	26,873	6,081	67,024	229,371
Segment net profit ²	270,183	138,372	224,428	121,902	36,548	312,252	1,103,685
<i>Included in profit for the year:</i>							
Foreign exchange gain/(loss)	44,765	34,816	61,486	31,344	(3)	(5)	172,403
Net unrealized foreign exchange loss on investment property	(589,365)	(314,030)	(333,897)	(226,756)	-	-	(1,464,048)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(178,074)	(77,189)	(41,951)	(59,779)	16,171	(197,299)	(538,121)
Finance costs ³	(85,698)	(55,528)	(80,857)	(50,154)	(12,835)	(40,311)	(325,383)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$52.9 million and \$166.3 million respectively.

² The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$36.5 million and \$144.8 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$12.9 million and \$40.3 million respectively.

As at December 31, 2020	Industrial*				Retail		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Total segment assets	14,725,038	8,175,914	8,204,117	6,689,471	464,536	5,941,802	44,200,878
Total segment liabilities	(2,264,633)	(1,439,769)	(1,749,835)	(1,342,335)	(155,887)	(507,459)	(7,459,918)
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.

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

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

	3 months ended		Year ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	1,012,449	987,549	4,224,845	3,876,834
Revenue attributable to equity-accounted investees	(48,717)	(54,930)	(196,743)	(219,269)
Interest income	2,467	5,230	21,210	26,469
Total revenue for the period/year	966,199	937,849	4,049,312	3,684,034
Segment (loss)/profit	(2,971,481)	(556,413)	3,227,803	1,103,685
Unallocated amounts:				
Property expenses not included in reporting segments	898	631	4,130	4,227
Finance costs not included in reporting segments ¹	(151,203)	(141,284)	(670,827)	(648,865)
Interest income	2,467	5,230	21,210	26,469
Items attributable to equity-accounted investees	196	706	1,113	3,671
Net foreign exchange gain/(loss) ²	1,214,174	388,724	(562,112)	458,193
Net unrealized gain/(loss) on interest rate swaps	40,363	30,185	(172,923)	(162,183)
Management fees ³	(48,224)	(44,708)	(186,839)	(164,908)
Transaction related expenses	(3,242)	1,423	(7,273)	(25,234)
Professional, legal and other expenses	(21,270)	(13,296)	(67,575)	(53,157)
Income tax expense	1,184	(4,789)	633	(5,582)
(Loss)/profit for the period/year	(1,936,138)	(333,591)	1,587,340	536,316

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/year.

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:

	Year ended	
	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000
Segment assets	44,200,878	42,682,091
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	720,311	482,640
Trade and other receivables, net	309	332
Other assets ¹	81,661	84,010
Assets attributable to equity-accounted investees ¹	(1,785,799)	(2,148,464)
Investment in equity-accounted investees ¹	1,186,526	1,544,250
Total assets	44,403,886	42,644,859
Segment liabilities	(7,459,918)	(6,789,926)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities ¹	(10,037,684)	(9,472,853)
Trade and other payables ¹	(377,399)	(356,303)
Liabilities attributable to equity-accounted investees ¹	599,274	604,214
Other liabilities ¹	(14,088)	(16,968)
Deferred income tax liability ¹	(22,557)	(24,486)
Derivative financial instruments not included in reporting segment ¹	(211,095)	(38,172)
Total liabilities	(17,523,467)	(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 year ended December 31, 2020, FIBRA Macquarie made four distributions payment amounting to \$1,420.0 million (December 31, 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) was paid on March 11, 2020, the third distribution amounted to \$361.7 million (0.475 per CBF) was paid on June 12, 2020, and the fourth distribution amounted to \$361.8 million (0.475 per CBF) was paid on September 25, 2020.

As at December 31, 2020, FIBRA Macquarie had accrued for an approved distribution of \$361.7 million in respect of the third quarter results, which was subsequently paid on January 28, 2021.

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

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

8. (LOSS)/PROFIT AFTER TAX PER CBFİ

	3 months ended		Year ended	
	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
(Loss)/profit after tax per CBFİ				
Basic (loss)/profit per CBFİ (\$)	(2.50)	(0.44)	2.10	0.70
Basic profit used in the calculation of earnings per CBFİ				
Net (loss)/profit after tax attributable to controlling interests for basic earnings per CBFİ (\$'000)	(1,906,180)	(333,591)	1,602,925	536,316
Weighted average number of CBFİs used as the denominator in calculating basic earnings per CBFİ ('000)	761,623	765,700	762,460	768,563

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 as at Dec 31,	Ownership interest as at Dec 31,	Dec 31, 2020	Dec 31, 2019
		2020	2019	\$'000	\$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	505,544	579,313
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	680,982	964,937

b) Movement in carrying amounts

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the year	1,544,250	1,152,560
Capital contribution during the year ¹	10,064	326,331
Distributions received during the year	(50,830)	(89,654)
Share of profits from equity-accounted investees	67,054	88,054
Share of revaluation (loss)/gain on investment property measured at fair value	(384,012)	66,959
Carrying amount at the end of the year	1,186,526	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
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Total current assets ^{1,2}	18,617	22,364	40,990	29,445
Total non-current assets	999,425	1,153,132	2,516,249	3,091,987
Total current liabilities ³	-	(9,705)	(40,472)	(20,790)
Total non-current liabilities ³	(6,954)	(7,166)	(1,154,803)	(1,170,767)
Net assets	1,011,088	1,158,625	1,361,964	1,929,875

¹ Includes cash and cash equivalents of \$31.7 million (December 31, 2019: \$30.0 million).

² Includes restricted cash of \$20.8 million (December 31, 2019: \$20.0 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,142.3 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
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Reconciliation to carrying amounts:				
Opening net assets for the year ¹	1,158,625	501,809	1,929,875	1,803,311
Net movements for the year	(147,537)	656,816	(567,911)	126,564
Net assets	1,011,088	1,158,625	1,361,964	1,929,875
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	505,544	579,313	680,982	964,937
FIBRA Macquarie's carrying amount	505,544	579,313	680,982	964,937

¹ During year ended December 31, 2020 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$15.7 million (full year 2019: \$16.1 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from 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)

	JV Trust CIB/589 Year ended Dec 31, 2020 \$'000	JV Trust CIB/589 Year ended Dec 31, 2019 \$'000	JV Trust CIB/586 Year ended Dec 31, 2020 \$'000	JV Trust CIB/586 Year ended Dec 31, 2019 \$'000
Summarized Statement of Comprehensive Income				
Revenue:				
Property related and other income	87,176	101,668	306,312	336,869
Revaluation of investment property measured at fair value	-	40,638	-	93,279
Financial income	229	3,062	1,996	4,697
Total revenue	87,405	145,368	308,308	434,845
Expenses:				
Finance costs	-	(4,884)	(101,456)	(101,407)
Other expenses	(37,143)	(39,673)	(123,004)	(124,224)
Revaluation of investment property measured at fair value	(187,680)	-	(580,345)	-
Total expenses	(224,823)	(44,557)	(804,805)	(225,631)
(Loss)/Profit for the year	(137,418)	100,811	(496,497)	209,214
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	(68,709)	50,406	(248,249)	104,607

d) Share of contingent liabilities of joint venture

As at December 31, 2020 and 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

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the year	-	147,622
Additions/disposals during the year:		
Disposals ¹	-	(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 year	-	-

¹ During the year ended December 31, 2019, the Group disposed of 2 properties in Chihuahua and Matamoros.

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

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

11. INVESTMENT PROPERTIES

	Note	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the year		38,799,138	40,132,961
<i>Additions during the year:</i>			
Land acquisition ¹		775,786	-
Capital expenditure (including tenant improvements)		643,951	414,746
Transfers from Investment property under construction		143,617	271,881
Investment property under construction	11(a)	(11,548)	(5,125)
Net unrealized foreign exchange gain/(loss) on investment property		1,912,458	(1,460,081)
Revaluation of investment property measured at fair value		(1,157,936)	(599,014)
Leasing commissions, net of amortization		14,361	43,770
Carrying amount at the end of the year		41,119,827	38,799,138

¹ Amount includes the acquisition of land parcel in MMREIT Industrial Trust IV and 100% investment property value of the F/3493 JV trust. Refer note 1 for more details.

a) Investment property under construction*

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the year	56,038	61,163
Capital expenditure	132,069	266,756
Transfer to completed investment properties	(143,617)	(271,881)
Carrying amount at the end of the year	44,490	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 December 31, 2020 and December 31, 2019.

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

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

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

The inputs used in the valuations at December 31, 2020 and 2019 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 9.75% 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 35.00% (December 31, 2019: 3.00% and 10.00%), with a weighted average of 10.89% (2019: 4.85%).

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

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	3,590,766	3,392,136
Undrawn MXN-denominated notes	1,259,564	1,259,564
Total undrawn loan facilities	4,850,330	4,651,700
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	9,276,145	8,763,017
US\$-denominated notes	6,483,328	6,124,690
Unamortized transaction costs	(75,295)	(83,337)
Total drawn loan facilities, net of unamortized transaction costs	15,684,178	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	
						Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	4,984,271	4,707,562
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,173,519	3,941,116
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% ²	Apr-24	3,559,236	3,354,038
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,494,176	1,411,254
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,472,976	1,390,400
Balance at the end of the year						15,684,178	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:

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the 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	532,540	(660,360)
Liability-related other changes:		
Amortization of capitalized borrowing costs	14,841	76,323
Carrying amount at the end of the year	15,684,178	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	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(211,095)	(38,172)
Total estimated fair value				(211,095)	(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 year ended December 31, 2020 and 2019, respectively, with respect to the results of the Group's subsidiaries are:

	Dec 31, 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 year	(1,296)	(274)
Advance income tax paid	401	1,686
Income tax recoverable	1,791	2,686
<i>Deferred income tax</i>		
Opening balance as of January 1	24,486	19,178
Relating to temporary differences provision	(1,929)	5,308
Deferred income tax	22,557	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 CBFIs \$'000	\$'000
Balance at January 1, 2019	770,000	17,497,483
CBFIs repurchased for cancellation during the year	(4,300)	(102,691)
CBFIs outstanding at December 31, 2019	765,700	17,394,792
Balance at January 1, 2020	765,700	17,394,792
CBFIs repurchased for cancellation during the year	(4,077)	(83,043)
CBFIs outstanding at December 31, 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 December 31, 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. 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 percentage and non-controlling interest and the consolidated entities' total assets and liabilities in pesos.

	Non-controlling ownership percentage Dec 31, 2020	Non-controlling Interest Dec 31, 2020	Total Assets Dec 31, 2020	Total Liabilities Dec 31, 2020
JV Trust CIB 3493	49%	243,575	496,644	(141)
		243,575	496,644	(141)

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 December 31, 2020	\$'000	\$'000	\$'000
Trade and other receivables, net	53,901	53,901	53,901
Interest-bearing liabilities*	(16,662,652)	(16,662,652)	(15,684,178)
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 December 31, 2020				
Derivative financial instruments-liability	-	(211,095)	-	(211,095)
Investment properties	-	-	41,119,827	41,119,827
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:

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Balance at the beginning of the year	38,799,138	40,132,961
Capital expenditure/leasing commission, net of amortization	790,381	725,272
Land acquisition	775,786	-
Net unrealized foreign exchange gain/(loss) on investment property	1,912,458	(1,460,081)
Unrealized revaluation loss on investment property measured at fair value	(1,157,936)	(599,014)
Balance at the end of the year	41,119,827	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:

December 31, 2020	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	145,362	429,551	89,265	664,178
*Peso denominated minimum future lease collections	27,320	79,535	22,258	129,113

* 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:

	Dec 31, 2020 \$'000	Dec 31, 2019 \$'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the year	19,986	24,621
Addition to right-of-use assets	1,124	-
Lease payments modified in the right of uses assets	(1,506)	-
Effect of changes in foreing exchange rate	430	(284)
Depreciation charge for the year	(4,080)	(4,351)
Balance at the end of the year	15,954	19,986
Lease liabilities (included in other liabilities):		
Balance at the beginning of the year	21,207	24,621
Addition to lease liabilities	1,124	-
Lease payments modified in the lease liabilities	(1,510)	-
Effect of changes in foreing exchange rate	445	(300)
Interest on lease liabilities	1,718	2,126
Lease payments	(5,373)	(5,240)
Balance at the end of the year	17,611	21,207
Balance classified as current	3,523	4,239
Balance classified as non-current	14,088	16,968
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	4,906	5,626
1-5 years	16,932	20,423
>5 years	-	1,622
Total undiscounted lease liabilities at the end of the year	21,838	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 months and year ended December 31, 2020, the trustees' fees for the Group amounted to \$1.1 million (December 31, 2019: \$0.9 million) and \$4.1 million (December 31, 2019: \$3.4 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 \$48.2 million (December 30, 2019: \$44.7 million) and \$186.8 million (December 31, 2019: \$164.9 million) respectively, for the three months and year ended December 31, 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 December 31, 2020, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three months and year ended December 31, 2020, the Group accrued expenses totaling \$nil million (December 31, 2019: \$0.2 million) and \$0.4 million (December 31, 2019: \$2.0 million) respectively in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at December 31, 2020, expenses due to affiliate entities of MMREM amounted to \$0.4 million (December 31, 2019: \$2.0 million).

As at December 31, 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 year ended December 31, 2020 (December 31, 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.

