

FIBRA MACQUARIE MÉXICO REPORTS SECOND QUARTER 2019 RESULTS

- Consolidated Closing Occupancy Record of 96.4% -
- AFFO per Certificate Increases 5.1% YoY -
- Increases Full Year Cash Distribution per Certificate Guidance -
- Increases Full Year AFFO per Certificate Guidance -

MEXICO CITY, July 23, 2019 – 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 quarter ended June 30, 2019.

SECOND QUARTER 2019 HIGHLIGHTS

- AFFO per certificate increases 5.1% YoY to a record Ps 0.6348
- Consolidated closing occupancy increases 354 basis points YoY to 96.4%
- Average industrial and retail rental rates increase 3.1% and 5.3% YoY, respectively
- Same store net operating income (NOI) increase of 5.2% YoY
- Sale of final two properties contracted in FY18 completed, substantially completing near term asset recycling program
- US\$500 million refinancing program completed
- Full year AFFO per certificate guidance increases to a range of Ps 2.50 to 2.55
- Second quarter distribution of Ps 0.445 per certificate, up 14.1% YoY
- Full year distribution guidance increases to Ps 1.76 per certificate, up 10.0% over 2018

“FIBRA Macquarie delivered another record AFFO per certificate in the second quarter, driven by record occupancy and strong rental rate gains,” said Juan Monroy, FIBRA Macquarie’s chief executive officer.

“These strong results demonstrate the quality and attractive location of our assets, our commitment to customer service, and the effective execution of our strategy. We are very proud of our capital management program, where we have continued to create value and flexibility through expansions and development, certificate buy-backs for cancellation and debt repayment, with many of these benefits reflected in the current results. The strength of our performance year to date, along with a favorable outlook, allow us to increase our AFFO and distribution guidance for the year. We now anticipate our 2019 distribution will represent a 10% increase over 2018, whilst maintaining a prudent AFFO payout ratio. This balanced approach continues to provide us with the ability to deliver a strong and high-quality distribution, while also pursuing growth initiatives through accretive investments to further enhance the value of FIBRAMQ.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's total results were as follows:

TOTAL PORTFOLIO	2Q19	2Q18	Variance	1H19	1H18	Variance
Net Operating Income (NOI)	Ps 845.5m	Ps 834.4m	1.3%	Ps 1,674.9m	Ps 1,659.2m	0.9%
EBITDA	Ps 792.2m	Ps 778.5m	1.8%	Ps 1,568.5m	Ps 1,546.3m	1.4%
Funds From Operations (FFO)	Ps 575.8m	Ps 546.1m	5.4%	Ps 1,140.3m	Ps 1,093.0m	4.3%
FFO per certificate	0.7478	0.6905	8.3%	1.4810	1.3796	7.3%
Adjusted Funds From Operations (AFFO)	Ps 488.8m	Ps 477.9m	2.3%	Ps 973.1m	Ps 955.7m	1.8%
AFFO per certificate	0.6348	0.6042	5.1%	1.2637	1.2062	4.8%
NOI Margin	87.8%	88.5%	-69 bps	87.7%	88.1%	-38 bps
AFFO Margin	50.8%	50.7%	8 bps	50.9%	50.7%	22 bps
GLA ('000s sqm) EOP	3,187	3,417	-6.7%	3,187	3,417	-6.7%
Occupancy EOP	96.4%	92.8%	354 bps	96.4%	92.8%	354 bps
Average Occupancy	95.2%	92.5%	267 bps	94.7%	92.4%	225 bps

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	2Q19	2Q18	Variance	1H19	1H18	Variance
Net Operating Income	Ps 842.9m	Ps 801.4m	5.2%	Ps 1,906.1m	Ps 1,819.0m	4.8%
Net Operating Income Margin	87.8%	88.5%	-70 bps	87.8%	88.2%	-42 bps
Number of Properties	251	251	0	251	251	0
GLA ('000s sqf) EOP	34,307	34,201	0.3%	34,307	34,201	0.3%
GLA ('000s sqm) EOP	3,187	3,177	0.3%	3,187	3,177	0.3%
Occupancy EOP	96.4%	94.1%	226 bps	96.4%	94.1%	226 bps
Average Monthly Rent (US\$/sqm) EOP	5.35	5.20	3.1%	5.35	5.20	3.1%
Industrial Customer Retention LTM EOP	87.5%	83.5%	404 bps	87.5%	83.5%	404 bps
Weighted Avg Lease Term (years) EOP	3.5	3.6	-1.1%	3.5	3.6	-1.1%
Percentage of US\$ denominated Rent EOP	71.0%	72.0%	-101 bps	71.0%	72.0%	-101 bps

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	2Q19	2Q18	Variance	1H19	1H18	Variance
Net Operating Income (NOI)	Ps 694.8m	Ps 686.2m	1.3%	Ps 1,371.4m	Ps 1,369.3m	0.2%
NOI Margin	91.7%	91.6%	8 bps	91.5%	91.5%	-4 bps
GLA ('000s sqft) EOP	29,464	31,866	-7.5%	29,464	31,866	-7.5%
GLA ('000s sqm) EOP	2,737	2,960	-7.5%	2,737	2,960	-7.5%
Occupancy EOP	96.8%	92.6%	426 bps	96.8%	92.6%	426 bps
Average Occupancy	95.6%	92.2%	336 bps	94.9%	92.0%	287 bps
Average monthly rent per leased (US\$/sqm) EOP	\$4.83	\$4.69	3.1%	\$4.83	\$4.69	3.1%
Customer retention LTM	87.5%	82.9%	466 bps	87.5%	82.9%	466 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.3	2.4%	3.3	3.3	2.4%

For the three months ended June 30, 2019, FIBRAMQ's industrial portfolio delivered net operating income of Ps 694.8 million, an increase of 1.3% from the prior comparable period. This was a particularly strong year-over-year result when taking into account the loss of NOI from the sale of 35 properties in July 2018. Adjusting for this impact, industrial same-store NOI increased an impressive 6.0% from the prior comparable period.

The occupancy rate of the industrial portfolio as of June 30, 2019 was 96.8%, up 426 basis points versus the prior comparable quarter, and up 200 basis points sequentially. This represents a record occupancy level for FIBRAMQ's industrial portfolio, reflecting healthy market fundamentals.

FIBRAMQ signed 19 new and renewal leases in the second quarter of 2019, comprising 1.5 million square feet of industrial GLA. This included eight new leases totaling 605 thousand square feet, the highest quarterly volume of new leases executed since the fourth quarter of 2016.

Notable new leases included those with logistics providers in Monterrey and Matamoros, and auto parts manufacturers in San Luis Potosi, Saltillo and Puebla. Renewal activity included the retention of an auto parts manufacturer in Matamoros, an electronics manufacturer in Ciudad Juárez and a logistics provider in Reynosa.

For the twelve-months ending June 30, 2019, FIBRAMQ's retention rate was a robust 87.5%. This result was achieved by having the lowest quarter on record for move outs of just 105 thousand square feet, whilst executing on 11 renewal leases totaling 891 thousand square feet.

Rental rates at the end of the quarter improved 3.1% versus the prior comparable quarter, to a weighted average of US\$4.83 per leased square meter per month. The increase was driven primarily by asset sales, contractual increases and continuing positive lease renewal spreads.

For detail on FIBRAMQ's same store industrial portfolio results, please refer to Second Quarter 2019 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	2Q19	2Q18	Variance	1H19	1H18	Variance
Net Operating Income (NOI)	Ps 150.6m	Ps 148.2m	1.6%	Ps 303.4m	Ps 289.9m	4.7%
NOI Margin	73.5%	76.5%	-301 bps	73.9%	74.8%	-90 bps
GLA ('000s sqft) EOP	4,843	4,920	-1.6%	4,843	4,920	-1.6%
GLA ('000s sqm) EOP	450	457	-1.6%	450	457	-1.6%
Occupancy EOP	93.6%	94.5%	-92 bps	93.6%	94.5%	-92 bps
Average Occupancy	92.8%	94.6%	-179 bps	93.2%	94.6%	-137 bps
Average monthly rent per leased (Ps/sqm) EOP	\$162.51	\$154.34	5.3%	\$162.51	\$154.34	5.3%
Customer retention LTM	81.5%	69.5%	1,201 bps	81.5%	69.5%	1,201 bps
Weighted Avg Lease Term Remaining (years) EOP	4.3	4.6	-6.9%	4.3	4.6	-6.9%

For the quarter ended June 30, 2019, FIBRAMQ's retail portfolio delivered NOI of Ps 150.6 million, an increase of 1.6% from the prior comparable period. The growth was driven by a 5.3% increase in monthly rents, partially offset by a reduction in closing occupancy to 93.6%. Occupancy increased 10 basis points sequentially as new leasing activity was supported by a record level of renewals.

During the second quarter of 2019, FIBRAMQ signed 74 leases, representing 30.3 thousand square meters. This activity included 30 new leases and 44 renewals. Of note, during the second quarter, an anchor grocery tenant vacated FIBRAMQ's Grand Polanco property in Mexico City. Importantly the tenant paid in full its early termination obligations and FIBRAMQ efficiently re-let the space in the same quarter under a long-term lease term to a leading gym operator. Although average occupancy was impacted by the temporary vacancy, taking into account early termination fees and new lease and car

parking income, there is an overall positive impact to FIBRA Macquarie's NOI result for 2019 as a result of the change in anchor tenant.

PORTFOLIO ACTIVITY

FIBRAMQ continued its deployment of available capital into accretive investments including targeted expansions of existing properties on a pre-leased basis and selective property developments during the second quarter.

Industrial and retail expansions

FIBRAMQ progressed with construction of a new 2,100 square meter retail center expansion at Multiplaza del Valle in Guadalajara. The expansion includes 1,400 square meters for Cinépolis, a leading cinema operator. The project is expected to complete in the second half of 2019.

FIBRAMQ also continued to progress a 47 thousand square foot industrial property expansion for a manufacturer of lighting products in Reynosa. The expansion is expected to complete in the second half of 2019.

Industrial development

FIBRAMQ continued construction of an industrial project in Ciudad Juárez, Chihuahua. The first phase of the project, a 200,000 square foot, class A industrial building is expected to be completed in the second half of 2019. In total, the project involves the construction of up to two buildings, totaling approximately 435,000 square feet.

Asset Recycling

During the second quarter, FIBRAMQ closed on the sale of the final two properties contracted for sale in 2019, generating cash proceeds of US\$5.5 million on 30 June 2019, with an additional US\$1.7 million of cash proceeds to be received in two instalments over the next 18 to 24 months. With these closings, FIBRAMQ has substantially completed its near-term asset recycling program.

Since starting its recycling program in 2017, FIBRAMQ has sold 44 properties and generated approximately US\$117 million in proceeds at a 2.2 per cent premium to book value. The sales have upgraded the profile of the FIBRAMQ portfolio overall and the proceeds have been reinvested in value-creating opportunities.

BALANCE SHEET

At June 30, 2019, FIBRAMQ had approximately Ps 15.7 billion of debt outstanding, Ps 4.7 billion available on its revolving credit facility (completely undrawn) and Ps 339.3 million of unrestricted cash on hand. FIBRAMQ's indebtedness was 100% fixed rate with a weighted-average tenor remaining of 6.6 years.

During the second quarter, FIBRAMQ closed on its previously announced US\$425 million 5-year unsecured syndicated bank term and loan and revolver facility as well as a US\$75 million, 15-year secured term loan facility. Proceeds from the US\$500 million refinancing program were used to fully repay outstanding debt facilities, resulting in a mainly debt neutral outcome. FIBRA Macquarie has no debt facilities maturing prior to June 2023.

At June 30, 2019 FIBRAMQ's CNBV regulatory debt to total asset ratio was 35.1% and its CNBV regulatory debt service coverage ratio was 5.0x.

CAPITAL MANAGEMENT

FIBRAMQ remains committed to its disciplined approach to capital sourcing as well as capital deployment across property expansions and developments, certificate repurchases for cancellation, and repayment of debt.

During the second quarter of 2019, FIBRAMQ continued to fund the expansion and development projects discussed above. For the full year FIBRAMQ anticipates investing approximately US\$22.4 million in announced projects including expansions, remodeling and development. This accretive investment has been, and is forecasted to continue, to be funded by retained AFFO.

At its Annual Holders Meeting held on April 24, 2019, FIBRAMQ received approval for the extension of the certificate buyback program for an additional twelve months ending June 25, 2020, for a total amount of up to Ps 1.0 billion. Since commencement of the buyback program, FIBRAMQ has deployed Ps 871.9 million to repurchase 41.4 million certificates. All certificates repurchased have been or will be cancelled.

For additional details on FIBRAMQ's capital management please refer to the Second Quarter 2019 Supplementary Information materials located at www.fibramacquarie.com/investors/bolsa-mexicana-de-valores-filings.

DISTRIBUTION

On July 23, 2019, FIBRAMQ declared a cash distribution for the quarter ended June 30, 2019 of Ps 0.445 per certificate, a 14.1% increase over the distribution in the prior comparable period and a 4.7% increase sequentially. The distribution is expected to be paid on September 25, 2019 to holders of record on September 24, 2019. FIBRAMQ's certificates will commence trading ex-distribution on September 23, 2019.

2019 GUIDANCE

Based on its strong performance to date and positive outlook for the remainder of the year, FIBRA Macquarie is increasing its full year 2019 guidance for both AFFO per certificate and cash distributions.

FIBRAMQ is increasing its guidance for AFFO per certificate to be between Ps 2.50 to Ps 2.55, up from its prior expectation of between Ps 2.45 and Ps 2.50 for the year.

For full year 2019, FIBRAMQ anticipates making cash distributions of approximately Ps 1.76 per certificate, an increase of 3.5% from its previously announced guidance of Ps 1.70 per certificate and an increase of 10.0% on a YoY basis. The remaining distributions are expected to be made in equal quarterly distributions of Ps 0.445 for the third and fourth quarters of 2019.

This guidance is based upon the following assumptions:

- Cash-generating capacity of its existing portfolio and an average exchange rate of Ps 19.25 per US dollar;
- No new acquisitions or divestments;
- No certificate repurchases;
- The continued stable performance of the properties in the portfolio, and stable market conditions; and
- The payment of cash distributions remaining subject to the approval of the board of directors of the Manager.

SUSTAINABILITY REPORT

FIBRAMQ recently published its 2018 Sustainability Report. The report outlines FIBRAMQ's sustainability strategy, provides ESG highlights and achievements and includes a case study of its Ciudad Juárez industrial development project being constructed to best-in-class LEED standards.

The complete report can be found at this [link](#).

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Wednesday, July 24, 2019 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 Second Quarter 2019 Earnings Call with conference number 5686717.

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 5686717. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the second quarter 2019 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 234 industrial properties and 17 retail/office properties, located in 20 cities across 16 Mexican states as of June 30, 2019. Nine of the retail/office 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 document includes forward-looking statements that represent our opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "will," "should," "seek," and similar expressions. The forward-looking statements reflect our views

and assumptions with respect to future events as of the date of this document and are subject to risks and uncertainties.

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

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2019 (UNAUDITED) AND DECEMBER 31, 2018

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

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Current assets		
Cash and cash equivalents	305,864	555,591
Trade receivables, net	78,878	86,995
Other receivables	241,803	-
Other assets	101,716	87,680
Investment properties held for sale	-	147,622
Total current assets	728,261	877,888
Non-current assets		
Restricted cash	15,842	-
Investment properties	39,412,389	40,132,961
Equity-accounted investees	1,470,428	1,152,560
Goodwill	841,614	841,614
Other assets	217,781	187,849
Other receivables	209,677	424,411
Derivative financial instruments	-	124,011
Total non-current assets	42,167,731	42,863,406
Total assets	42,895,992	43,741,294
Current liabilities		
Trade and other payables	471,513	398,314
Tenant deposits	27,796	33,182
Other liabilities	3,692	-
Total current liabilities	503,001	431,496
Non-current liabilities		
Interest-bearing liabilities	15,056,646	15,537,190
Tenant deposits	307,524	304,610
Derivative financial instruments	30,848	-
Other liabilities	19,407	-
Deferred income tax	19,178	19,178
Total non-current liabilities	15,433,603	15,860,978
Total liabilities	15,936,604	16,292,474
Net assets	26,959,388	27,448,820
Equity		
Contributed equity	17,497,483	17,497,483
Retained earnings	9,461,905	9,951,337
Total equity	26,959,388	27,448,820

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

	3 months ended		6 months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	\$'000	\$'000	\$'000	\$'000
Property related income	907,473	889,227	1,800,953	1,777,390
Property related expenses	(127,541)	(109,805)	(256,635)	(228,340)
Net property income	779,932	779,422	1,544,318	1,549,050
Management fees	(39,824)	(40,492)	(79,939)	(86,209)
Transaction related expenses	(22,585)	(2,043)	(26,914)	(3,912)
Professional, legal and other expenses	(13,394)	(14,884)	(26,299)	(26,035)
Total expenses	(75,803)	(57,419)	(133,152)	(116,156)
Finance costs	(273,788)	(228,721)	(488,238)	(444,287)
Interest income	6,288	3,702	13,704	6,629
Share of profits from equity-accounted investees	15,786	24,952	44,374	53,126
Net foreign exchange gain/(loss)	162,969	(1,252,709)	404,569	(117,538)
Net unrealized foreign exchange (loss)/gain on foreign currency denominated investment property	(366,937)	2,520,523	(893,137)	240,153
Unrealized revaluation (loss)/gain on investment property measured at fair value	(254,151)	216,285	(183,505)	180,069
Net unrealized (loss)/gain on interest rate swaps	(109,457)	13,766	(154,859)	42,690
(Loss)/profit before tax for the period	(115,161)	2,019,801	154,074	1,393,736
Income tax expense	(268)	(155)	(556)	(213)
(Loss)/profit for the period	(115,429)	2,019,646	153,518	1,393,523
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/income for the period	(115,429)	2,019,646	153,518	1,393,523
(Loss)/profit per CBFI*				
Basic (loss)/profit per CBFI (pesos)	(0.15)	2.55	0.20	1.76

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at January 1, 2018	18,118,973	9,240,065	27,359,038
Total comprehensive income for the period	-	1,393,523	1,393,523
Total comprehensive income for the period	-	1,393,523	1,393,523
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(606,056)	(606,056)
- Repurchase of CBFIs, including associated costs	(283,892)	-	(283,892)
Total transactions with equity holders in their capacity as equity holders	(283,892)	(606,056)	(889,948)
Total equity at June 30, 2018	17,835,081	10,027,532	27,862,613
Total equity at January 1, 2019	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period	-	153,518	153,518
Total comprehensive income for the period	-	153,518	153,518
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(642,950)	(642,950)
Total transactions with equity holders in their capacity as equity holders	-	(642,950)	(642,950)
Total equity at June 30, 2019	17,497,483	9,461,905	26,959,388

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

	6 months ended	
	Jun 30, 2019	Jun 30, 2018
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:		
Profit before tax for the period	154,074	1,393,736
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property	893,137	(240,153)
Unrealized revaluation loss/(gain) on investment property measured at fair value	183,505	(180,069)
Straight line rental income adjustment	1,051	2,953
Tenant improvement amortization	20,166	14,862
Leasing expense amortization	33,126	27,792
Right-of-use assets depreciation*	2,173	-
Interest income	(13,704)	(6,629)
Impairment loss on trade receivables	20,904	11,878
Net foreign exchange (gain)/loss	(414,540)	116,991
Finance costs	488,238	444,287
Share of profits from equity-accounted investees	(44,374)	(53,126)
Net unrealized loss/(gain) on interest rates swaps	154,859	(42,690)
Movements in working capital:		
Increase in receivables	(24,310)	(15,772)
Decrease in payables	(41,555)	(26,857)
Net cash flows used in operating activities	1,412,750	1,447,203
Investing activities:		
Investment property disposed/(acquired)	104,573	(29,595)
Capital contribution in equity-accounted investees	(277,383)	-
Maintenance capital expenditure and other capitalized cost	(367,008)	(263,983)
Distributions received from equity-accounted investees	3,889	29,628
Net cash flows used in investing activities	(535,929)	(263,950)
Financing activities:		
Interest income	13,704	6,629
Repayment of interest-bearing liabilities	(6,380,379)	-
Interest paid	(344,380)	(425,420)
Proceeds from interest-bearing liabilities, net of facility charges	6,235,712	-
Lease payments	(2,384)	-
Repurchase of CBFIs, including associated costs	-	(283,892)
Distribution to CBFI holders	(642,950)	(606,056)
Net cash flows from financing activities	(1,120,677)	(1,308,739)
Net decrease in cash and cash equivalents	(243,856)	(125,486)
Cash and cash equivalents at the beginning of the period	555,591	467,818
Foreign exchange loss on cash and cash equivalents	9,971	547
Cash and cash equivalents at the end of the period**	321,706	342,879

*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 \$15.8 million (2018: \$50.6 million) as at June 30, 2019.

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING JUNE 30, 2019

Important: This English translation, available online at www.fibramacquarie.com,
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FIBRA

Macquarie México

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	2
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2019 (UNAUDITED) AND DECEMBER 31, 2018	4
CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018	5
CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018	6
CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018	7
NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	
1. REPORTING ENTITY	8
2. BASIS OF PREPARATION AND PRESENTATION	9
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	11
4. CHANGES IN ACCOUNTING POLICIES	11
5. (LOSS)/ PROFIT FOR THE PERIOD	13
6. SEGMENT REPORTING	14
7. SEASONALITY OF OPERATIONS	17
8. DISTRIBUTIONS PAID OR PROVIDED FOR	17
9. (LOSS)/PROFIT PER CBF	17
10. EQUITY-ACCOUNTED INVESTEEES	18
11. INVESTMENT PROPERTIES HELD FOR SALE	20
12. INVESTMENT PROPERTIES	20
13. INTEREST BEARING LIABILITIES	21
14. DERIVATIVE FINANCIAL INSTRUMENTS	23
15. DIRECT TAXES	23
16. CONTRIBUTED EQUITY	24
17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES	24
18. LEASES	26
19. RELATED PARTIES	27
20. EVENTS AFTER BALANCE SHEET DATE	28

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 condensed interim consolidated statement of financial position of Fideicomiso Irrevocable No. F/1622 (CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities ("Fibra Macquarie México" or "the Trust") as at June 30, 2019, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed interim consolidated financial statements ("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 condensed interim consolidated financial statements as at and for the six months ended June 30, 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

A handwritten signature in blue ink, appearing to read 'L-G-O-E', written over the printed name.

Luis Gabriel Ortiz Esqueda

Monterrey, Nuevo León, México
July 23, 2019

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2019 (UNAUDITED) AND DECEMBER 31, 2018

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

	Note	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Current assets			
Cash and cash equivalents		305,864	555,591
Trade receivables, net		78,878	86,995
Other receivables		241,803	-
Other assets		101,716	87,680
Investment properties held for sale	11	-	147,622
Total current assets		728,261	877,888
Non-current assets			
Restricted cash		15,842	-
Investment properties	12	39,412,389	40,132,961
Equity-accounted investees	10	1,470,428	1,152,560
Goodwill		841,614	841,614
Other assets		217,781	187,849
Other receivables		209,677	424,411
Derivative financial instruments	14	-	124,011
Total non-current assets		42,167,731	42,863,406
Total assets		42,895,992	43,741,294
Current liabilities			
Trade and other payables		471,513	398,314
Tenant deposits		27,796	33,182
Other liabilities	18	3,692	-
Total current liabilities		503,001	431,496
Non-current liabilities			
Interest-bearing liabilities	13	15,056,646	15,537,190
Tenant deposits		307,524	304,610
Derivative financial instruments	14	30,848	-
Other liabilities	18	19,407	-
Deferred income tax	15	19,178	19,178
Total non-current liabilities		15,433,603	15,860,978
Total liabilities		15,936,604	16,292,474
Net assets		26,959,388	27,448,820
Equity			
Contributed equity	16	17,497,483	17,497,483
Retained earnings		9,461,905	9,951,337
Total equity		26,959,388	27,448,820

The above Condensed Interim Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

	Note	3 months ended		6 months ended	
		Jun 30, 2019 \$'000	Jun 30, 2018 \$'000	Jun 30, 2019 \$'000	Jun 30, 2018 \$'000
Property related income	5(a)	907,473	889,227	1,800,953	1,777,390
Property related expenses	5(b)	(127,541)	(109,805)	(256,635)	(228,340)
Net property income		779,932	779,422	1,544,318	1,549,050
Management fees	19(c)	(39,824)	(40,492)	(79,939)	(86,209)
Transaction related expenses		(22,585)	(2,043)	(26,914)	(3,912)
Professional, legal and other expenses	5(c)	(13,394)	(14,884)	(26,299)	(26,035)
Total expenses		(75,803)	(57,419)	(133,152)	(116,156)
Finance costs	5(d)	(273,788)	(228,721)	(488,238)	(444,287)
Interest income		6,288	3,702	13,704	6,629
Share of profits from equity-accounted investees	10	15,786	24,952	44,374	53,126
Net foreign exchange gain/(loss)	5(e)	162,969	(1,252,709)	404,569	(117,538)
Net unrealized foreign exchange (loss)/gain on foreign currency denominated investment property	11,12	(366,937)	2,520,523	(893,137)	240,153
Unrealized revaluation (loss)/gain on investment property measured at fair value	11,12	(254,151)	216,285	(183,505)	180,069
Net unrealized (loss)/gain on interest rate swaps	14	(109,457)	13,766	(154,859)	42,690
(Loss)/profit before tax for the period		(115,161)	2,019,801	154,074	1,393,736
Income tax expense	15	(268)	(155)	(556)	(213)
(Loss)/profit for the period		(115,429)	2,019,646	153,518	1,393,523
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss)/income for the period		(115,429)	2,019,646	153,518	1,393,523
(Loss)/profit per CBFI*					
Basic (loss)/profit per CBFI (pesos)	9	(0.15)	2.55	0.20	1.76

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

The above Condensed Unaudited Interim Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

		Contributed equity	Retained earnings	Total
	Note	\$'000	\$'000	\$'000
Total equity at January 1, 2018	16	18,118,973	9,240,065	27,359,038
Total comprehensive income for the period		-	1,393,523	1,393,523
Total comprehensive income for the period		-	1,393,523	1,393,523
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	8	-	(606,056)	(606,056)
- Repurchase of CBFIs, including associated costs	16	(283,892)	-	(283,892)
Total transactions with equity holders in their capacity as equity holders		(283,892)	(606,056)	(889,948)
Total equity at June 30, 2018		17,835,081	10,027,532	27,862,613
Total equity at January 1, 2019	16	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period		-	153,518	153,518
Total comprehensive income for the period		-	153,518	153,518
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	8	-	(642,950)	(642,950)
Total transactions with equity holders in their capacity as equity holders		-	(642,950)	(642,950)
Total equity at June 30, 2019		17,497,483	9,461,905	26,959,388

The above Condensed Unaudited Interim Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

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

		6 months ended	
		Jun 30, 2019	Jun 30, 2018
		\$'000	\$'000
	Note	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit before tax for the period		154,074	1,393,736
Adjustments for:			
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property	11,12	893,137	(240,153)
Unrealized revaluation loss/(gain) on investment property measured at fair value	11,12	183,505	(180,069)
Straight line rental income adjustment		1,051	2,953
Tenant improvement amortization	5(b)	20,166	14,862
Leasing expense amortization	5(b)	33,126	27,792
Right-of-use assets depreciation*		2,173	-
Interest income		(13,704)	(6,629)
Impairment loss on trade receivables	5(b)	20,904	11,878
Net foreign exchange (gain)/loss	5(e)	(414,540)	116,991
Finance costs	5(d)	488,238	444,287
Share of profits from equity-accounted investees	10(c)	(44,374)	(53,126)
Net unrealized loss/(gain) on interest rates swaps	14	154,859	(42,690)
Movements in working capital:			
Increase in receivables		(24,310)	(15,772)
Decrease in payables		(41,555)	(26,857)
Net cash flows used in operating activities		1,412,750	1,447,203
Investing activities:			
Investment property disposed/(acquired)	12	104,573	(29,595)
Capital contribution in equity-accounted investees	10(b)	(277,383)	-
Maintenance capital expenditure and other capitalized cost		(367,008)	(263,983)
Distributions received from equity-accounted investees	10(b)	3,889	29,628
Net cash flows used in investing activities		(535,929)	(263,950)
Financing activities:			
Interest income		13,704	6,629
Repayment of interest-bearing liabilities		(6,380,379)	-
Interest paid		(344,380)	(425,420)
Proceeds from interest-bearing liabilities, net of facility charges		6,235,712	-
Lease payments		(2,384)	-
Repurchase of CBFIs, including associated costs		-	(283,892)
Distribution to CBFI holders	8	(642,950)	(606,056)
Net cash flows from financing activities		(1,120,677)	(1,308,739)
Net decrease in cash and cash equivalents		(243,856)	(125,486)
Cash and cash equivalents at the beginning of the period		555,591	467,818
Foreign exchange loss on cash and cash equivalents	5(e)	9,971	547
Cash and cash equivalents at the end of the period**		321,706	342,879

*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. This amount is included in property administration expense in Note 5.

**Includes restricted cash balance of \$15.8 million (2018: \$50.6 million) as at June 30, 2019.

The above Condensed Unaudited Interim Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. REPORTING ENTITY

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

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

These unaudited condensed interim consolidated financial statements comprise the trust 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 2019 and 2018

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

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

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

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

On November 1, 2018, FIBRA Macquarie announced an increase in the size of its certificates repurchase program. The Technical Committee and the Board of Directors of the Manager have approved an increased buyback program size of \$1.2 billion for the twelve months ending June 25, 2019, to fully align with the program size and duration approved by certificates holders at the 2018 annual general meeting. See note 16 for further details.

On July 5, 2018, FIBRA Macquarie sold 35 non-strategic industrial assets for US\$80.2 million of cash proceeds. The sale proceeds of US\$80.2 million for the 35 assets are to be received in three tranches. FIBRA Macquarie received US\$61.0 million at closing and will receive US\$11.2 million and US\$8.0 million on January 5, 2020 and July 5, 2020, respectively. Initial proceeds were used to fully repay the US\$40.0 million outstanding balance on FIBRA Macquarie's revolver facility, with the remaining US\$21.0 million held as unrestricted cash.

On January 16, 2018 MMREIT Industrial Trust IV acquired a land parcel in Ciudad Juárez for a consideration of US\$3.2 million.

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

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

2. BASIS OF PREPARATION AND PRESENTATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements are for the Group and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted in accordance with the provisions for reporting intermediate periods. Therefore, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of a condensed interim consolidated financial statements have been included. The Group initially adopted IFRS 16 on January 1, 2019 and any changes to significant accounting policies are described in Note 4.

These condensed unaudited interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on July 23, 2019.

b) Historical cost convention

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

c) Critical accounting judgments and estimates

During the preparation of the unaudited condensed interim consolidated financial statements, the Manager is required to make judgments, estimations and estimates of uncertainties at June 30, 2019 that affect the application of accounting policies. The notes to the unaudited condensed interim consolidated financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the unaudited condensed interim consolidated financial statements such as:

(i) Judgements

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

- 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 14 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 10 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 12 for further details.

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

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

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

c) Critical accounting judgments and estimates (continued)

(ii) Assumptions and estimation of uncertainties (continued)

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

- Income tax and deferred income tax: The recognition and measurement of deferred tax assets or liabilities is dependent on management's estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realised or the liability is settled. Any changes in management's estimates can result in changes in deferred tax assets or liabilities as reported in the Condensed Unaudited Interim Consolidated Statement of Financial Position. See note 15 for further details.

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

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

d) Measurement of fair value

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

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

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

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

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

e) Comparatives

Certain items in the comparative condensed unaudited interim consolidated statements of the financial position and cash flow have been reclassified for the period ended June 30, 2018. These reclassifications have not resulted in any material impact on the unaudited condensed interim consolidated financial statements for the period ended June 30, 2019.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Standards issued

A number of new and amended accounting standards became effective for annual reporting periods commencing on or after January 1, 2019:

- IFRIC 23 Uncertainty over Income Tax Treatments.
- Prepayment Features with Negative Compensation (Amendments to IFRS 9).
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards.

These standards and interpretations did not have any significant impact on the Group's unaudited condensed interim consolidated financial statements.

b) Standards issued but not yet effective

The following amended standards and interpretations are not expected to have any significant impact on the Group's unaudited condensed interim consolidated financial statements:

- IFRS 17 Insurance Contracts.
- Amendments to reference to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of material (Amendments to IAS 1 and IAS 8).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

4. CHANGES IN ACCOUNTING POLICIES

IFRS 16 Leases

The Group adopted IFRS 16 from January 1, 2019.

IFRS 16 replaces existing leases guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduces two on-balance sheet accounting models: retrospective model and modified retrospective approach. The Group has elected to adopt the modified retrospective approach, which recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments in respect of its vertically integrated platform.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Due to the modified retrospective approach chosen by the Group in applying this standard, comparative information throughout these condensed unaudited interim consolidated financial statements has not been restated and continues to be reported under IAS 17 and IFRIC 4.

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

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

4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 16 Leases (continued)

(i) Leases in which the Group is a lessee

The Group has entered into operating lease agreements of a certain administrative facilities. The agreements typically run for a period between 2 and 7 years, with a renewal option.

The Group recognises a right-of-use asset and a lease liability at January 1, 2019. The right-of-use asset is initially measured at cost, which is equal to the initial amount of the lease liability

The right-of-use asset is subsequently depreciated using the straight-line method from January 1, 2019 to the earlier of, the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. If remeasured, a corresponding adjustment will be made to the carrying amount of the right-of-use asset, or it will be recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

In the comparative period, under IAS 17, assets held under leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease.

The following table shows the original measurement categories under IAS 17 and the new measurement categories under IFRS 16 as at January 1, 2019:

Balance sheet items	Note	Carrying amount under IAS 17 \$'000	Carrying amount under IFRS 16 \$'000
Other assets	18	-	24,621
Other liabilities	18	-	24,621

The rights of use assets is included in other assets (non-current) and the lease liabilities is included in other liabilities (current and non-current) in the condensed interim consolidated statement of financial position.

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

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

5. (LOSS)/ PROFIT FOR THE PERIOD

The (loss)/profit for the period includes the following items of revenue and expenses:

	3 months ended		6 months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	\$'000	\$'000	\$'000	\$'000
a) Property related income				
Lease related income	843,299	829,668	1,677,099	1,660,240
Car parking income	14,154	13,361	27,787	27,580
Expenses recoverable from tenants	50,020	46,198	96,067	89,570
Total property related income	907,473	889,227	1,800,953	1,777,390
b) Property related expenses				
Property administration expense	(19,493)	(16,618)	(38,586)	(35,171)
Property insurance	(6,159)	(6,497)	(12,243)	(12,886)
Property tax	(16,032)	(16,337)	(31,989)	(32,626)
Repairs and maintenance	(18,908)	(24,213)	(41,750)	(45,581)
Industrial park fees	(8,513)	(6,114)	(19,082)	(13,380)
Security services	(5,476)	(5,604)	(11,031)	(11,345)
Property related legal and consultancy expenses	(869)	(1,777)	(2,502)	(2,694)
Tenant improvements amortization	(11,328)	(7,615)	(20,166)	(14,862)
Leasing expenses amortization	(16,326)	(14,164)	(33,126)	(27,792)
Utilities	(6,159)	(4,119)	(11,313)	(8,225)
Marketing costs	(4,299)	(3,480)	(7,494)	(5,456)
Car park operating fees	(2,069)	(2,152)	(4,067)	(4,232)
Impairment loss on trade receivables	(10,915)	662	(20,904)	(11,878)
Other property related expenses	(995)	(1,777)	(2,382)	(2,212)
Total property related expenses	(127,541)	(109,805)	(256,635)	(228,340)
c) Professional, legal and other expenses				
Tax advisory expenses	(772)	(1,231)	(1,610)	(2,018)
Accountancy expenses	(2,520)	(2,331)	(4,950)	(4,051)
Valuation expenses	(1,226)	(1,676)	(2,148)	(2,302)
Audit expenses	(1,216)	(1,255)	(2,401)	(2,411)
Other professional expenses	(3,465)	(3,862)	(6,427)	(7,315)
Other expenses	(4,195)	(4,529)	(8,763)	(7,938)
Total professional, legal and other expenses	(13,394)	(14,884)	(26,299)	(26,035)
d) Finance costs				
Interest expense on interest-bearing liabilities	(210,671)	(218,495)	(417,083)	(424,915)
Finance costs under effective interest method	(62,578)	(10,226)	(70,056)	(19,372)
Interest expense on lease liabilities	(539)	-	(1,099)	-
Total finance costs	(273,788)	(228,721)	(488,238)	(444,287)
e) Net foreign exchange gain/(loss)				
Unrealized foreign exchange gain/(loss) on monetary items	114,381	(384,472)	346,959	(111,204)
Realized foreign exchange gain/(loss)	48,588	(868,237)	57,610	(6,334)
Total net foreign exchange gain/(loss)	162,969	(1,252,709)	404,569	(117,538)

At June 30, 2019, the Group had 70 employees (June 30, 2018: 63 employees) in its vertically integrated internal property management platform.

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

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

6. SEGMENT REPORTING

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

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

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

3 months ended June 30, 2019	North East \$'000	Industrial			Retail ^{1,2,3}		Total \$'000
		Central	North West	North	South	Central	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers ¹	303,874	157,723	173,102	123,027	13,936	190,995	962,657
Segment net profit/(loss) ²	9,851	9,218	(6,297)	18,086	3,895	105,384	140,137
<i>Included in loss for the period:</i>							
Foreign exchange gain	5,946	8,031	15,877	5,872	5	12	35,743
Net unrealized foreign exchange loss on US\$ denominated investment property	(141,876)	(78,047)	(96,706)	(50,308)	-	-	(366,937)
Unrealized revaluation loss on investment property measured at fair value	(90,208)	(49,037)	(59,760)	(34,943)	(1,611)	(25,245)	(260,804)
Finance costs ³	(21,183)	(14,876)	(19,820)	(12,802)	(3,205)	(9,433)	(81,319)

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

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

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

3 months ended June 30, 2018	North East \$'000	Industrial			Retail ^{1,2,3}		Total \$'000
		Central	North West	North	South	Central	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers ¹	314,988	145,518	168,526	119,893	12,383	181,346	942,654
Segment net profit ²	1,307,604	632,118	591,665	483,989	5,806	156,431	3,177,613
<i>Included in profit of the period:</i>							
Foreign exchange loss	(77,682)	(58,545)	(115,614)	(54,778)	-	(46)	(306,665)
Net unrealized foreign exchange gain on US\$ denominated investment property	1,044,710	531,412	532,734	411,667	-	-	2,520,523
Unrealized revaluation gain on investment property measured at fair value	78,736	40,707	42,770	31,859	2,883	31,766	228,721
Finance costs ³	(14,270)	(10,682)	(20,947)	(9,970)	(4,339)	(14,383)	(74,591)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$12.5 million and \$41.0 million respectively.

² The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$5.8 million and \$19.2 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$4.3 million and \$14.4 million respectively.

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

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

6. SEGMENT REPORTING (CONTINUED)

6 months ended June 30, 2019	North East \$'000	Industrial			Retail ^{1,2,3}		Total \$'000
		Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	604,749	305,324	349,232	239,945	26,980	383,607	1,909,837
Segment net profit ²	65,068	33,922	69,865	51,328	10,470	260,010	490,663
<i>Included in profit for the period:</i>							
Foreign exchange gain	24,061	21,804	41,883	18,015	9	21	105,793
Net unrealized foreign exchange loss on US\$ denominated investment property	(358,936)	(193,896)	(210,828)	(129,477)	-	-	(893,137)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(86,556)	(40,172)	(30,072)	(24,285)	243	(1,684)	(182,526)
Finance costs ³	(34,956)	(25,523)	(40,291)	(22,270)	(6,833)	(20,742)	(150,615)

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

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

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

6 months ended June 30, 2018	North East \$'000	Industrial			Retail ^{1,2,3}		Total \$'000
		Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	630,168	289,594	335,944	240,572	24,665	362,864	1,883,807
Segment net profit ²	643,973	304,782	350,331	238,103	12,259	334,794	1,884,242
<i>Included in profit for the period:</i>							
Foreign exchange loss	(7,683)	(5,407)	(9,903)	(4,931)	-	(46)	(27,970)
Net unrealized foreign exchange gain on US\$ denominated investment property	98,815	50,543	51,503	39,292	-	-	240,153
Unrealized revaluation gain on investment property measured at fair value	25,161	20,246	42,574	19,372	5,852	92,111	205,316
Finance costs ³	(27,653)	(20,699)	(40,592)	(19,320)	(8,630)	(28,605)	(145,499)

¹ The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to \$24.6 million and \$81.7 million respectively.

² The retail south segment and the retail central segment include net profits relating to the joint ventures amounting to \$12.3 million and \$40.6 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$8.6 million and \$28.6 million respectively.

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

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

6. SEGMENT REPORTING (CONTINUED)

	Industrial*				Retail		Total
	North East	Central	North West	North	South	Central	
As at Jun 30, 2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment assets*	14,585,021	7,656,261	7,694,962	5,410,469	513,830	7,316,190	43,176,733
Total segment liabilities	(2,101,346)	(1,291,849)	(1,637,650)	(1,128,194)	(149,475)	(513,516)	(6,822,030)
As at December 31, 2018							
Total segment assets*	14,912,860	7,961,635	7,850,086	5,442,593	496,835	7,282,584	43,946,593
Total segment liabilities	(1,335,805)	(958,139)	(1,686,739)	(817,896)	(216,876)	(732,249)	(5,747,704)

*During the period ended June 30, 2019, the Group disposed of 2 non-estrategic industrial assets in North and Northeast. During the year ended December 31, 2018, the Group disposed of 35 non-strategic industrial assets as follows: 16 properties in Northeast, 14 in North and 5 in Northwest.

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

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

	3 months ended		6 months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	962,657	942,654	1,909,837	1,883,807
Revenue attributable to equity-accounted investees	(55,183)	(53,428)	(108,884)	(106,417)
Interest income	6,288	3,702	13,704	6,629
Total revenue for the period	913,762	892,928	1,814,657	1,784,019
Segment profit	140,137	3,177,613	490,663	1,884,242
Unallocated amounts:				
Property expenses not included in reporting segments	934	1,133	1,983	1,689
Finance costs not included in reporting segments ¹	(205,108)	(172,853)	(365,198)	(336,023)
Interest income	6,288	3,702	13,704	6,629
Items attributable to equity-accounted investees	603	(98)	2,125	234
Net foreign exchange gain/(loss) ²	127,245	(946,043)	298,808	(89,569)
Net unrealized (loss)/gain on interest rate swaps	(109,457)	13,766	(154,859)	42,690
Management fees ³	(39,824)	(40,492)	(79,939)	(86,209)
Transaction related expenses	(22,585)	(2,043)	(26,914)	(3,912)
Professional, legal and other expenses	(13,394)	(14,884)	(26,299)	(26,035)
Income tax expense	(268)	(155)	(556)	(213)
(Loss)/profit for the period	(115,429)	2,019,646	153,518	1,393,523

¹ A portion of existing debt is in the form of unsecured facilities at FIBRA Macquarie level and consequently, in 2019 and 2018 finance cost is considered as a reconciling item.

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

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

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

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

6. SEGMENT REPORTING (CONTINUED)

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

	Period/Year ended	
	June 30, 2019	Dec 31, 2018
	\$'000	\$'000
Segment assets	43,176,733	43,946,593
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	234,633	489,675
Trade and other receivables, net	393	15,224
Other assets	87,471	58,642
Assets attributable to equity-accounted investees ²	(2,073,666)	(2,045,411)
Investment in equity-accounted investees ²	1,470,428	1,152,560
Derivative financial instruments not included in reporting segment	-	124,011
Total assets	42,895,992	43,741,294
Segment liabilities	(6,822,030)	(5,747,704)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities ³	(9,633,217)	(11,422,373)
Trade and other payables ⁴	(15,162)	3,932
Liabilities attributable to equity-accounted investees ²	603,238	892,849
Other liabilities	(19,407)	-
Deferred income tax liability	(19,178)	(19,178)
Derivative financial instruments not included in reporting segment	(30,848)	-
Total liabilities	(15,936,604)	(16,292,474)

¹ Corresponds to bank balances in Mexican peso and US dollars at FIBRA Macquarie level.

² Corresponds to the net assets of the equity-accounted investees and the balance of the investment in JV at FIBRA Macquarie level.

³ Corresponds to existing debt at FIBRA Macquarie level and consequently, in 2019 and 2018, finance cost is considered as a reconciling item.

⁴ Relates to payable balances at FIBRA Macquarie level.

7. SEASONALITY OF OPERATIONS

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

8. DISTRIBUTIONS PAID OR PROVIDED FOR

During the six months ended June 30, 2019, FIBRA Macquarie made two distributions payments amounting to \$643.0 million (June 30, 2018: \$606.0 million). The first distribution amounted to \$315.7 million (0.410 per CBFI) and was paid on March 13, 2019, and the second distribution amounted to \$327.3 million (0.4250 per CBFI) and was paid on June 14, 2019.

9. (LOSS)/PROFIT PER CBFI

	3 months ended		6 months ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit per CBFI				
Basic (loss)/profit per CBFI (\$)	(0.15)	2.55	0.20	1.76
Basic (loss)/profit used in the calculation of earnings per CBFI				
Net (loss)/profit for basic earnings per CBFI (\$'000)	(115,429)	2,019,646	153,518	1,393,523
Weighted average number of CBFI's used as the denominator in calculating basic earnings per CBFI ('000)	770,000	790,842	770,000	792,285

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

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

10. 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 *IFRS 11 – 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 Jun 30, 2019	Ownership interest as at Dec 31, 2018	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	539,637	250,905
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	930,791	901,655

b) Movement in carrying amounts

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Carrying amount at the beginning of the period/year	1,152,560	1,137,652
Capital contribution during the period	277,383	-
Distributions received during the period/year	(3,889)	(49,671)
Share of profits from equity-accounted investees	43,395	51,350
Share of revaluation gain on investment property measured at fair value	979	13,229
Carrying amount at the end of the period/year	1,470,428	1,152,560

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.

Summarized Statement of Financial Position	JV Trust CIB/589 Jun 30, 2019 \$'000	JV Trust CIB/589 Dec 31, 2018 \$'000	JV Trust CIB/586 Jun 30, 2019 \$'000	JV Trust CIB/586 Dec 31, 2018 \$'000
Total current assets ^{1,2}	28,820	20,417	66,748	67,337
Total non-current assets	1,064,145	1,072,069	2,987,619	2,931,001
Total current liabilities ³	(6,601)	(583,163)	(23,750)	(26,634)
Total non-current liabilities ³	(7,090)	(7,514)	(1,169,035)	(1,168,393)
Net assets	1,079,274	501,809	1,861,582	1,803,311

¹ Includes cash and cash equivalents of \$66.9 million (December 31, 2018: \$64.7 million).

² Includes restricted cash of \$19.4 million (December 31, 2018: \$29.8 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,149.9 million (December 31, 2018: \$1,717.0 million).

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

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

10. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

c) Summarized financial information for joint ventures (continued)

Summarized Statement of Financial Position	JV Trust CIB/589 Jun 30, 2019 \$'000	JV Trust CIB/589 Dec 31, 2018 \$'000	JV Trust CIB/586 Jun 30, 2019 \$'000	JV Trust CIB/586 Dec 31, 2018 \$'000
Reconciliation to carrying amounts:				
Opening net assets ¹	501,809	535,912	1,803,311	1,739,392
Net movements for the period/year	577,465	(34,103)	58,271	63,919
Net assets	1,079,274	501,809	1,861,582	1,803,311
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	539,637	250,905	930,791	901,655
FIBRA Macquarie's carrying amount	539,637	250,905	930,791	901,655

¹ During six months ended June 30, 2019 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$9.5 million (full year 2018: \$22.6 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

Summarized Statement of Comprehensive Income	JV Trust CIB/589 6 months ended Jun 30, 2019 \$'000	JV Trust CIB/589 6 months ended Jun 30, 2018 \$'000	JV Trust CIB/586 6 months ended Jun 30, 2019 \$'000	JV Trust CIB/586 6 months ended Jun 30, 2018 \$'000
Revenue:				
Property related and other income	51,566	59,265	166,202	153,568
Revaluation of investment property measured at fair value	(13,055)	18,729	15,014	31,770
Financial income	2,606	338	2,014	1,325
Total revenue	41,117	78,332	183,230	186,663
Expenses:				
Finance costs	(4,884)	(24,280)	(50,266)	(50,190)
Other expenses	(19,111)	(20,507)	(61,337)	(63,767)
Total expenses	(23,995)	(44,787)	(111,603)	(113,957)
Profit for the period	17,122	33,545	71,627	72,706
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	8,561	16,773	35,813	36,353

d) Share of contingent liabilities of joint venture

As at June 30, 2019 and December 31, 2018, 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.

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

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

11. INVESTMENT PROPERTIES HELD FOR SALE

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Carrying amount at the beginning of the period/year	147,622	-
<i>Additions/disposals during the period/year:</i>		
Transfers from investment properties ¹	-	1,753,449
Disposals ²	(137,589)	(1,571,168)
Net unrealized foreign exchange loss on USD denominated investment property	(3,967)	(12,243)
Revaluation of investment property measured at fair value	(6,066)	(22,416)
Carrying amount at the end of the period/year	-	147,622

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

² During the period ended June 30, 2019, the Group disposed of 2 properties in Chihuahua and Matamoros. During the year ended December 31, 2018, the Group disposed of 35 properties in Chihuahua, Ciudad Juárez, Matamoros, Mexicali, Reynosa and Tijuana and de-recognized goodwill amounting to \$41.1 million associated with those properties and transferred to the consolidated statement of comprehensive income. The loss on disposal amounting to \$3.4 million solely relates to transaction related costs.

12. INVESTMENT PROPERTIES

	Note	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Carrying amount at the beginning of the period/year		40,132,961	41,722,712
<i>Additions during the period/year:</i>			
Asset acquisition		-	61,244
Capital expenditure (including tenant improvements)		164,882	123,660
Transfers from Investment property under construction		13,363	124,849
Investment property under construction	12(a)	122,268	(95,149)
Net unrealized foreign exchange loss on US\$ denominated investment property		(889,170)	(71,468)
Revaluation of investment property measured at fair value		(177,439)	29,383
Leasing commissions, net of amortization		45,524	(8,821)
Transfer to investment properties held for sale	11	-	(1,753,449)
Carrying amount at the end of the period/year		39,412,389	40,132,961

a) Investment property under construction*

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Carrying amount at the beginning of the period/year	61,163	156,312
Capital expenditure	135,631	29,700
Transfer to completed investment properties	(13,363)	(124,849)
Carrying amount at the end of the period/year	183,431	61,163

*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 CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

12. INVESTMENT PROPERTIES (CONTINUED)

b) Asset-by-asset valuation

Valuations of investment properties are carried at least annually by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE Mexico, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at June 30, 2019 and December 31, 2018.

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 a Level 3.

The significant inputs and assumptions in respect of the valuation process are developed in consultation with management. The inputs used in the valuations at June 30, 2019 were as follows:

- The range of reversionary capitalisation rates applied to the portfolio were between 7.50% to 10.50% (December 31, 2018: 7.50% and 10.50%) for industrial and 8.25% to 9.50% (December 31, 2018: 8.25% and 9.50%) for retail properties.
- The discount rates applied range between 8.50% and 11.50% (December 31, 2018: 8.50% and 11.50%) for industrial properties and 9.25% and 10.25% (December 31, 2018: 9.25% and 10.25%) for retail properties.
- The vacancy rate applied for retail properties ranged between 3.00% and 5.00% (December 31, 2018: 3.00% and 5.00%), with a weighted average of 4.80% (2018: 4.80%).

The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rates (market yields) 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/year is primarily on account of capitalized leasing costs and tenant improvements which are carried at historical cost.

13. INTEREST BEARING LIABILITIES

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	3,450,330	3,474,032
Undrawn MXN-denominated notes	1,259,564	1,604,806
Total undrawn loan facilities	4,709,894	5,078,838
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	8,913,352	9,211,596
US\$-denominated notes	6,229,763	6,396,943
Unamortized transaction costs	(86,469)	(71,349)
Total loan facilities, net of unamortized transaction costs	15,056,646	15,537,190

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

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

13. INTEREST-BEARING LIABILITIES (CONTINUED)

The relevant credit facilities are summarised as follows:

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount	
						Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	4,787,837	4,915,838
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,007,985	4,114,818
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% ²	Apr-24	3,410,046	-
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,435,333	1,473,720
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,415,445	-
Various Banks through a Credit Facility - Term Loan ⁴	US\$	258.0	258.0	90 day Libor + 3.125%	Jun-20	-	5,032,814
Balance at the end of the period/year						15,056,646	15,537,190

¹ Thirty nine industrial properties are secured pursuant to this Term Loan.

² Fixed by interest rate swap. Refer to note 14.

³ Sixteen industrial properties are secured pursuant to this Term Loan.

⁴ Repaid in April 2019.

Interest-bearing liabilities – Non-current

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.

Interest-bearing liabilities – Current

As June 30, 2019, FIBRA Macquarie does not have any debt maturity during the next 12 months to be considered as interest-bearing liability current.

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

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Carrying amount at the beginning of the period/year	15,537,190	16,318,550
Changes from financing cash flows:		
Repayments of interest-bearing liabilities	(6,380,379)	(770,052)
Proceeds from interest-bearing liabilities, net of facility charges	6,235,712	-
Total changes for financing cash flow	(144,667)	(770,052)
Total effect of changes in foreign exchange rate	(405,933)	(59,742)
Liability-related other changes:		
Amortization of capitalized borrowing costs	70,056	48,434
Carrying amount at the end of the period/year	15,056,646	15,537,190

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

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

14. 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).

These revised swap contracts replace the previous contracts established in 2016 (whereby FIBRA Macquarie on a quarterly basis paid an annual fixed rate of interest of 1.25% and 1.134% on its respective interest rate swap contracts and received a variable rate based on 3 month US\$ LIBOR) to hedge the exposure to the variable interest rate payments associated with the US\$258.0 million unsecured term loan that was prepaid on April 5, 2019.

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

Counterparties	Trade date	Maturity date	Notional amount	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(30,848)	-
Various Banks	Aug 31, 2016	Jun 30, 2020	US\$155.5 million	-	71,553
Various Banks	Sep 27, 2016	Jun 30, 2020	US\$102.5 million	-	52,458
Total estimated fair value				(30,848)	124,011

15. DIRECT TAXES

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

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in these unaudited condensed interim consolidated financial statements. Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary differences is expected. The major components of the income tax expense for the period/year ended June 30, 2019 and December 31, 2018, respectively, with respect to the results of the Group's subsidiaries are:

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	1,274	-
Current income tax for the period	(556)	(381)
Advance tax paid	-	1,655
Income tax recoverable	718	1,274
<i>Deferred income tax</i>		
Opening balance as of January 1	19,178	6,277
Relating to temporary differences provision	-	12,901
Deferred income tax	19,178	19,178

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

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

16. CONTRIBUTED EQUITY

	No. of CBFIs '000	\$'000
Balance at January 1, 2018	799,979	18,118,973
CBFIs repurchased for cancellation during the year	(29,979)	(621,490)
CBFIs outstanding at December 31, 2018	770,000	17,497,483
Balance at January 1, 2019	770,000	17,497,483
CBFIs outstanding at June 30, 2019	770,000	17,497,483

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

As of June 30, 2019, a total of 41,363,500 CBFIs, amounting to \$872.5 million (including transaction costs), have been repurchased, therefore there has not been repurchases of certificates during the period.

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 11).
- Investment properties, (Note 12).
- Derivative financial instruments, (Note 14).

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

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

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

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

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.

NOTES TO THE CONDENSED UNAUDITED 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 fair value of derivative financial instruments is calculated as the present value of the estimated future cash flows.

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

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

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

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

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

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

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

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

	Level 2	Total fair value	Total carrying amount
As at June 30, 2019	\$'000	\$'000	\$'000
Trade receivables, net	78,878	78,878	78,878
Other receivables	451,445	451,445	451,480
Interest-bearing liabilities*	15,591,347	15,591,347	15,056,646
As at December 31, 2018			
Trade receivables, net	86,995	86,995	86,995
Other receivables	412,292	412,292	424,411
Interest-bearing liabilities*	15,343,108	15,343,108	15,537,190

*Net unamortized transaction costs.

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

	Level 1	Level 2	Level 3	Total
As at June 30, 2019	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments -liability	-	30,848	-	30,848
Investment properties	-	-	39,412,389	39,412,389
As at December 31, 2018				
Derivative financial instruments -asset	-	124,011	-	124,011
Investment properties held for sale	-	-	147,622	147,622
Investment properties	-	-	40,132,961	40,132,961

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.

NOTES TO THE CONDENSED UNAUDITED 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 presents the changes in Level 3 of the fair value hierarchy for the Group:

	Jun 30, 2019 \$'000	Dec 31, 2018 \$'000
Balance at the beginning of the period/year	40,132,961	41,722,712
Capital expenditure/leasing commission, net of amortization	346,037	144,539
Transfer to investment properties held for sale	-	(1,753,449)
Asset acquisitions	-	61,244
Net unrealized foreign exchange loss on US dollar denominated investment property	(889,170)	(71,468)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(177,439)	29,383
Balance at the end of the period/year	39,412,389	40,132,961

18. LEASES

a) As a lessor

Agreements entered into by the Group and its tenants have been classified as operating leases under IFRS 16 (until December 31, 2018 these were classified under IAS 17). 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, 2019 to April 30, 2048.

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

June 30, 2019	<1 year	1-5 years	>5 years	Total
Minimum future lease collections (US\$'000)	126,482	315,814	60,545	502,841
Minimum future lease collections (US\$'000)*	31,306	84,221	14,384	129,911

* Amounts in Peso to US Dollar equivalent.

NOTES TO THE CONDENSED UNAUDITED 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 IFRS 16 *Leases* are set out in the table below:

	Jun 30, 2019 \$'000
Right-of-use assets (included in other assets):	
Initial adoption of IFRS 16	24,621
Effect of changes in foreign exchange rate	(223)
Depreciation charge for the period	(2,173)
Balance at the end of the period	22,225
Lease liabilities (included in other liabilities):	
Initial adoption of IFRS 16	24,621
Effect of changes in foreign exchange rate	(237)
Interest on lease liabilities	1,099
Lease payments	(2,384)
Balance at the end of the period	23,099
Balance classified as current	3,692
Balance classified as non-current	19,407
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):	
<1 year	5,690
1-5 years	21,457
>5 years	3,459
Total undiscounted lease liabilities at the end of the period	30,606

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 is 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 six months ended June 30, 2019, the trustees' fees for the Group amounted to \$0.8 million (June 30, 2018: \$0.8 million) and \$1.5 million (June 30, 2018: \$1.6 million) respectively.

As at June 30, 2019, fees due to the trustees amounted to \$nil (December 31, 2018: \$nil).

NOTES TO THE CONDENSED UNAUDITED 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 \$39.8 million (June 30, 2018: \$40.5 million) and \$79.9 million (June 30, 2018: \$86.2 million) respectively, for the three and six months ended June 30, 2019. 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 December 19, 2012 and must be reinvested into FIBRA Macquarie CBFIs for a minimum duration of one year. As at June 30, 2019, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three and six months ended June 30, 2019, the Group accrued expenses totaling \$0.7 million (June 30, 2018: \$0.6 million) and \$1.5 million (June 30, 2018: \$0.7 million) respectively in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at June 30, 2019, expenses due to affiliate entities of MMREM amounted to \$0.7 million (June 30, 2018: \$0.5 million).

As at June 30, 2019, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MMREM, held 36,853,632 CBFIs and received a gross distribution of \$30.7 million during the period ended June 30, 2019 (June 30, 2018: \$28.2 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 consolidated financial statements were issued and has determined there are no other subsequent events requiring recognition or disclosure.

