

FIBRA MACQUARIE MÉXICO REPORTS FIRST QUARTER 2020 RESULTS

- Provides update on its ongoing response to the COVID-19 pandemic -
- Authorizes 1Q20 distribution of Ps. 0.4750 per certificate -
- Maintains FY20 distribution guidance of Ps. 1.90 per certificate -
- Updates FY20 AFFO Guidance -

MEXICO CITY, May 12, 2020 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ), owner of one of the largest portfolios of industrial and retail property in Mexico, announced its financial and operating results for the first quarter ended March 31, 2020.

FIRST QUARTER 2020 HIGHLIGHTS

- Increase in AFFO per certificate of 19.0% YoY to Ps. 0.7483
- Normalizing for Ps. 106.6 million early termination income recognized in the first quarter, increase in AFFO per certificate of 2.1% YoY to Ps. 0.6424
- Consolidated occupancy 95.3%, up 69 bps YoY
- Total liquidity of approximately US\$264 million, comprised of US\$210 million cash at bank and an undrawn revolver facility equivalent to US\$54 million
- Authorization of a scheduled quarterly cash distribution of Ps. 0.4750 per certificate

“Notwithstanding the robust first quarter performance by FIBRAMQ, as demonstrated by growth in AFFO per certificate and an increase in portfolio occupancy, towards the end of the quarter we started to see the impact of the COVID-19 pandemic on our operations and the broader market,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “Since that time, we have been focused on managing the impact on our people, customers and overall business. Our approach has been to work with our customers and to grant selective rent relief to achieve mutually beneficial outcomes as we remain committed to creating long-term value for our certificate holders. Over the past few years, we have built a resilient business with a strong balance sheet through disciplined capital management. We believe that we are well positioned to manage through this challenging time. Our thoughts and wishes are with everyone impacted by the COVID-19 pandemic. As we navigate through the current uncertain environment, I want to thank the entire FIBRAMQ team for their support, hard work and commitment.”

COVID-19 PANDEMIC UPDATE

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

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

At the portfolio level, FIBRAMQ has provided assistance to its customers by making available to its industrial portfolio customer staff a range of online mindfulness seminars to assist in their adjustment to working from home. In the community, FIBRAMQ has partnered with the state of Mexico to provide, free of charge, safe spaces within five of its shopping centers to support the *Contingencia sin Violencia* program established by the state authority which provides support to members of the community directly impacted by domestic violence.

In order to increase cash liquidity and financial flexibility, on March 24 FIBRA Macquarie drew down US\$180.0 million on its revolving credit facility. As of 31 March 2020, FIBRAMQ had total liquidity of US\$264.0 million, comprised of US\$210.0 million cash at bank and an undrawn Mexican Peso-denominated revolver facility of Ps. 1,260 million (approximately US\$54.0 million). In addition, FIBRAMQ does not have any material commitments with respect to growth capital expenditure and does not have any scheduled loan maturities until 2023. For further details on all these actions, please refer to the update release provided on April 22, 2020 which can be found at <https://fibramacquarie.gcs-web.com/static-files/cf26f171-dfe2-468c-a13d-7fa28aa2b3d9>.

Industrial portfolio

In terms of FIBRAMQ's industrial portfolio:

- Many of FIBRAMQ's customers continue to operate, given their "essential business" status, however a number of customers have suspended operations as a result of government restrictions
- No rental discounts have been granted to any of FIBRAMQ's industrial customers
- Rent relief has been requested by 36% of FIBRAMQ's industrial customers (by industrial portfolio Annualized Base Rent (ABR)), with all requests being evaluated on a case by case basis
- To date, FIBRAMQ has agreed short-term rent deferrals with approximately 24% of its industrial customers, with deferred rent to be predominantly collected in the second half of 2020
- Deferred rents represent approximately 2.1% of the industrial portfolio ABR
- April rent collections, excluding contractually agreed rent deferrals, total 90.4% of contractual amounts due. Taking into account agreed April rent deferrals, April rent collections total 97.6%

Retail portfolio

Across FIBRAMQ's retail portfolio, all shopping centers are supermarket anchored and remain open, however foot traffic has declined in line with non-essential store closures. Approximately 57% of FIBRA Macquarie's retail portfolio in terms of GLA and 42% in terms of ABR remains open.

As at 31 March 2020, FIBRA Macquarie's retail portfolio tenant composition was as follows:

ESSENTIAL*/OPERATING	% of Retail portfolio base rent income	NON-ESSENTIAL*/CLOSED	% of Retail portfolio base rent income
Supermarkets	21.7%	Cinemas	7.8%
Offices	7.6%	Department stores / home furnishing	7.8%
Banks	5.8%	Gyms	6.3%
Restaurants / Food and beverage	3.3%	Restaurants / Food and beverage	4.6%
Home depots	1.2%	Large store apparel and shoes	3.7%
Office depots	0.6%	Entertainment	2.5%
Pharmacies	0.5%	Hotel	1.3%
Others	0.9%	Other	24.3%
Total	41.7%	Total	58.3%

* In response to the COVID-19 pandemic, Mexican authorities required non-essential business activities be suspended with effect from April 3, 2020.

In terms of FIBRAMQ's retail portfolio:

- No rent relief has been granted to customers that are operating or that are regarded as essential
- FIBRAMQ has proactively engaged with its impacted non-essential retail portfolio tenants on rent relief measures
- While discussions continue with a number of impacted customers, to date agreements involving rent relief have been concluded with 22% of non-essential tenants, or approximately 12% of the retail portfolio (by retail portfolio ABR)
- Rent relief has included both deferrals and limited discounts
- Deferred rent agreements typically involve collections commencing in the second half of 2020 and concluding in 2021
- April rent collections, excluding rent deferrals agreed, total 59% of contractual amounts due

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's consolidated portfolio results were as follows:

TOTAL PORTFOLIO	1Q20	1Q19	Variance
Net Operating Income (NOI)	Ps. 951.6m	Ps. 829.4m	14.7%
EBITDA	893.3m	776.3m	15.1%
Funds From Operations (FFO)	654.9m	564.6m	16.0%
FFO per certificate	0.8561	0.7332	16.8%
Adjusted Funds From Operations (AFFO)	572.5m	484.3m	18.2%
AFFO per certificate	0.7483	0.6289	19.0%
NOI Margin	89.3%	87.6%	174 bps
AFFO Margin	53.7%	51.1%	260 bps
GLA ('000s sqm) EOP	3,184	3,215	-1.0%
Occupancy EOP	95.3%	94.7%	69 bps
Average Occupancy	95.4%	94.1%	127 bps

All amounts are presented in Mexican Pesos unless otherwise stated

FIBRAMQ's consolidated portfolio, same store results were as follows:

TOTAL PORTFOLIO – SAME STORE	1Q20	1Q19	Variance
Net Operating Income	Ps. 838.9m	Ps. 802.5m	4.5%
Net Operating Income Margin	88.0%	87.2%	84bps
Number of Properties	250	250	n/a
GLA ('000s sqft) EOP	34,067	34,376	-0.9%
GLA ('000s sqm) EOP	3,165	3,194	-0.9%
Occupancy EOP	95.3%	94.9%	45bps
Average Monthly Rent (US\$/sqm) EOP	5.11	5.29	-3.6%
Industrial Customer Retention LTM EOP	3.4	3.7	-8.2%
Weighted Avg Lease Term Remaining (years) EOP	77.5%	72.0%	543bps

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	1Q20	1Q19	Variance
Net Operating Income (NOI)	Ps. 727.1m	Ps. 676.6m	7.5%
NOI Margin	92.7%	91.2%	146 bps
GLA ('000s sqft) EOP	29,699	29,691	0.0%
GLA ('000s sqm) EOP	2,759	2,758	0.0%
Occupancy EOP	95.7%	94.8%	86 bps
Average Occupancy	95.7%	94.2%	153 bps
Average monthly rent per leased (US\$/sqm) EOP	\$4.89	\$4.82	1.6%
Customer retention LTM	85.3%	86.8%	-157 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.5	-6.6%

For the quarter ended March 31, 2020, FIBRAMQ's industrial portfolio delivered record NOI of Ps. 727.1 million, up 7.5% compared to the prior comparable period. Higher occupancy and rental rates

contributed to revenue growth, up 5.8% on the first quarter of 2019. Of note, property level expenses were lower by 11.8%, primarily driven by repairs and maintenance reducing by 33.5%. The strong top line performance together with cost control resulted in FIBRAMQ's industrial portfolio achieving a record NOI margin of 92.7%, up 146 basis points from the prior year.

The occupancy rate of the industrial portfolio as of March 31, 2020 was 95.7%, up 86 basis points versus the prior comparable quarter. During the quarter, FIBRAMQ signed 22 new and renewal leases, comprising 2.1 million square feet of industrial GLA. FIBRA Macquarie executed on five new leases totaling 0.4 million square feet, and, in addition, continued to experience healthy renewals, achieving a twelve-month retention rate of 85.3%. FIBRAMQ executed on 17 renewal leases totaling 1.7 million square feet. Following an active first quarter, leases accounting for a manageable 12.6% of ABR are scheduled to expire in the remainder of 2020.

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

Retail Portfolio

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

RETAIL PORTFOLIO	1Q20	1Q19	Variance
Net Operating Income (NOI)	Ps. 224.5m	Ps. 152.8m	46.9%
NOI Margin	79.8%	74.3%	554 bps
GLA ('000s sqft) EOP	4,568	4,911	-7.0%
GLA ('000s sqm) EOP	424	456	-7.0%
Occupancy EOP	93.1%	93.5%	-46 bps
Average Occupancy	93.3%	93.7%	-43 bps
Average monthly rent per leased (Ps/sqm) EOP	\$153.78	\$158.68	-3.1%
Customer retention LTM	78.1%	82.8%	-466 bps
Weighted Avg Lease Term Remaining (years) EOP	4.0	4.4	-8.3%

For the quarter ended March 31, 2020, FIBRAMQ's retail portfolio delivered NOI of Ps. 224.5 million, up 46.9% from the prior comparable period.

Included in the results is early termination income from a single tenant of Ps. 106.6 million received in the first quarter. The early termination income represented approximately 1.1x the lease's scheduled annual rental income. The premises were most recently used by the departed tenant for document storage and offices. The property is well located in a densely populated, urban area of Mexico City with good access. Given the prime location, large footprint, flexible use and zoning rights the property represents an exciting repositioning or releasing opportunity for FIBRA Macquarie. Following lease termination, the property was removed from GLA whilst future use of the property is determined.

Normalizing for the impact of this early termination income, the retail portfolio delivered NOI of Ps. 142.2 million, down 0.9% from the prior comparable period, although 2.4% higher on a sequential basis.

Excluding the early terminated lease, FIBRAMQ's retail portfolio average rental rates increased 3.1% over the prior comparable period; including the impact of the lease termination at the prime Mexico City property, total retail portfolio average rental rates declined 3.1% over the prior comparable period.

During the first quarter of 2020, FIBRAMQ signed 46 retail leases, representing 5.1 thousand square meters. This activity included 14 new leases and 32 renewals, representing a 78.1% retention rate for the trailing twelve-month period, driven mainly by the move-out during the first quarter of a 1.8 thousand square meter space by an entertainment-themed tenant at City Shops Valle Dorado.

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

PORTFOLIO ACTIVITY

During the first quarter, FIBRAMQ progressed construction on a 217,000 square foot industrial building in Ciudad Juárez and a 38,000 square foot build-to-suit industrial expansion in Hermosillo, with both projects being in advanced stages of completion.

There are no existing committed capital expenditure projects of a material nature to report.

BALANCE SHEET

In January 2020, FIBRAMQ received its scheduled second tranche of deferred sale proceeds of US\$11.2 million. Additional deferred sale proceeds of US\$9.0 million are due to be received in the second half of 2020.

As of March 31, 2020, FIBRAMQ had approximately US\$994.5 million of debt outstanding, US\$54 million available on its undrawn revolving credit facility and US\$210 million of unrestricted cash on hand. FIBRAMQ expects to repay the drawn revolver of US\$180.0 million when market conditions normalize. FIBRAMQ's indebtedness was 82% fixed rate and had a weighted-average debt tenor remaining of 5.5 years.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 41.6% and the debt service coverage ratio was 4.4x.

CERTIFICATE REPURCHASE FOR CANCELLATION PROGRAM

During the first quarter, FIBRA Macquarie repurchased 4.1 million certificates, bringing total repurchases to 49.7 million certificates since launching the program in June 2017. FIBRA Macquarie has a remaining program capacity of approximately Ps. 814.4 million through to June 25, 2020.

All repurchased certificates have or will be cancelled.

1Q20 DISTRIBUTION

On May 12, 2020, FIBRAMQ declared a cash distribution for the quarter ended March 31 of Ps. 0.4750 per certificate. The distribution is expected to be paid on June 12, 2020 to holders of record on June 11, 2020. FIBRAMQ's certificates will commence trading ex-distribution on June 10, 2020.

FY20 GUIDANCE

AFFO per certificate

FIBRA Macquarie is updating its AFFO guidance for 2020. FIBRAMQ now estimates total AFFO per certificate of between Ps. 2.52 and Ps. 2.62, compared to prior AFFO per certificate guidance of between Ps. 2.57 and Ps. 2.62.

The 2020 outlook is particularly challenging given that the full and final impact of COVID-19 for FIBRAMQ remains very uncertain. This guidance is based upon the following assumptions:

- An average exchange rate of Ps. 22.7 per US dollar for the remainder of the reporting year
- The relaxation of government restrictions regarding non-essential activities at the beginning of June 2020
- No further deterioration in broader economic and market conditions
- Timely collection of in-place scheduled rents, including deferred rents
- No material increases in agreed rent discounts
- No new acquisitions or divestments
- No certificate repurchases

Distribution per certificate

In respect to the full year 2020, FIBRAMQ re-affirms guidance of cash distributions of approximately Ps. 1.90 per certificate, expected to be paid in equal quarterly instalments of Ps. 0.475 per certificate.

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

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Wednesday, May 13, 2020 at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be webcast, can be accessed online at www.fibramacquarie.com 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 First Quarter 2020 Earnings Call with conference number 5847447.

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 5847447. A webcast archive of the conference call and

a copy of FIBRA Macquarie's financial information for the first quarter 2020 will also be available on FIBRA Macquarie's website, www.fibramacquarie.com.

About FIBRA Macquarie

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 235 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of March 31, 2020. Nine of the retail properties are held through a 50/50 joint venture. For additional information about FIBRA Macquarie, please visit www.fibramacquarie.com.

Cautionary Note Regarding Forward-looking Statements

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

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

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

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

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

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Current assets		
Cash and cash equivalents	4,924,142	693,209
Trade and other receivables, net	317,647	473,142
Other assets	89,695	61,555
Total current assets	5,331,484	1,227,906
Non-current assets		
Restricted cash	19,461	15,598
Investment properties	46,976,837	38,799,138
Equity-accounted investees	1,483,412	1,544,250
Goodwill	841,614	841,614
Other assets	231,640	200,652
Other receivables	19,205	15,701
Total non-current assets	49,572,169	41,416,953
Total assets	54,903,653	42,644,859
Current liabilities		
Interest-bearing liabilities	4,232,196	-
Trade and other payables	531,376	870,879
Tenant deposits	16,386	17,205
Other liabilities	4,383	4,239
Total current liabilities	4,784,341	892,323
Non-current liabilities		
Interest-bearing liabilities	18,474,346	14,804,370
Tenant deposits	390,017	318,175
Derivative financial instruments	249,182	38,172
Other liabilities	15,458	16,968
Deferred income tax	24,486	24,486
Total non-current liabilities	19,153,489	15,202,171
Total liabilities	23,937,830	16,094,494
Net assets	30,965,823	26,550,365
Equity		
Contributed equity	17,311,749	17,394,792
Retained earnings	13,654,074	9,155,573
Total equity	30,965,823	26,550,365

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	3 months ended	
	Mar 31, 2020 \$'000	Mar 31, 2019 \$'000
Property related income	1,009,823	893,480
Property related expenses	(132,593)	(129,094)
Net property income	877,230	764,386
Management fees	(44,221)	(40,115)
Transaction related expenses	(725)	(4,329)
Professional, legal and other expenses	(13,319)	(12,905)
Total expenses	(58,265)	(57,349)
Net unrealized foreign exchange gain/(loss) on investment property	8,085,408	(526,200)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(43,467)	70,646
Finance costs	(229,916)	(214,450)
Interest income	5,882	7,416
Share of (losses)/profits from equity-accounted investees	(43,363)	28,588
Net foreign exchange (loss)/(gain) on monetary items	(3,535,766)	241,600
Net unrealized loss on interest rate swaps	(211,010)	(45,402)
Profit before tax for the period	4,846,733	269,235
Current income tax	(145)	(288)
Profit for the period	4,846,588	268,947
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	4,846,588	268,947
Profit per CBF¹*		
Basic profit per CBF ¹ (pesos)	6.34	0.35

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at January 1, 2019	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period	-	268,947	268,947
Total comprehensive income for the period	-	268,947	268,947
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(315,700)	(315,700)
Total transactions with equity holders in their capacity as equity holders	-	(315,700)	(315,700)
Total equity at March 31, 2019	17,497,483	9,904,584	27,402,067
Total equity at January 1, 2020	17,394,792	9,155,573	26,550,365
Total comprehensive income for the period	-	4,846,588	4,846,588
Total comprehensive income for the period	-	4,846,588	4,846,588
Transactions with equity holders in their capacity as equity holders:			
- Distributions to CBFI holders	-	(348,087)	(348,087)
- Repurchase of CBFIs, including associated costs	(83,043)	-	(83,043)
Total transactions with equity holders in their capacity as equity holders	(83,043)	(348,087)	(431,130)
Total equity at March 31, 2020	17,311,749	13,654,074	30,965,823

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	3 months ended	
	Mar 31, 2020 \$'000 Inflows / (Outflows)	Mar 31, 2019 \$'000 Inflows / (Outflows)
Operating activities:		
Profit before income tax for the period	4,846,733	269,235
Adjustments for:		
Net unrealized foreign exchange (profit)/loss on investment property	(8,085,408)	526,200
Unrealized revaluation loss/(gain) on investment property measured at fair value	43,467	(70,646)
Straight line rental income adjustment	5,086	3,247
Tenant improvement amortization	13,153	8,838
Leasing expense amortization	19,684	16,800
Right-of-use assets depreciation*	1,079	1,089
Interest income	(5,882)	(7,416)
Impairment loss on trade receivables	8,882	9,989
Net foreign exchange loss/(gain) on monetary items	3,567,892	(248,376)
Finance costs	229,916	214,450
Share of losses/(profits) from equity-accounted investees	43,363	(28,588)
Net unrealized loss on interest rates swaps	211,010	45,402
Movements in working capital:		
Decrease in receivables	163,846	9,603
Decrease in payables	(466,127)	(8,374)
Net cash flows from operating activities	596,694	741,453
Investing activities:		
Capital contribution in equity-accounted investees	-	(277,383)
Maintenance capital expenditure and other capitalized cost	(92,147)	(221,329)
Distributions received from equity-accounted investees	17,475	8,250
Net cash flows (used in)/ from investing activities	(74,672)	(490,462)
Financing activities:		
Interest income	5,882	7,416
Interest paid	(168,474)	(141,496)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	-
Lease payments	(1,412)	(952)
Repurchase of CBFIs, including associated costs	(83,043)	-
Distribution to CBFI holders	(348,087)	(315,700)
Net cash flows from financing activities	3,744,900	(450,732)
Net increase/(decrease) in cash and cash equivalents	4,266,922	(199,741)
Cash and cash equivalents at the beginning of the period	708,807	555,591
Foreign exchange (gain)/loss on cash and cash equivalents	(32,126)	6,776
Cash and cash equivalents at the end of the period**	4,943,603	362,626

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

**Includes restricted cash balance of \$19.5 million (2019: \$nil) as at March 31, 2020.

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING MARCH 31, 2020

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MACQUARIE

FIBRA

Macquarie México

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Disclaimer

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



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

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

Introduction

We have reviewed the accompanying 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 March 31, 2020, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the three 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 three months ended March 31, 2020 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

A handwritten signature in blue ink, appearing to read 'Rogelio Berlanga Coronado', written over a faint, light blue circular stamp or watermark.

Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico
May 12, 2020

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

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

	Note	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Current assets			
Cash and cash equivalents		4,924,142	693,209
Trade and other receivables, net		317,647	473,142
Other assets		89,695	61,555
Total current assets		5,331,484	1,227,906
Non-current assets			
Restricted cash		19,461	15,598
Investment properties	11	46,976,837	38,799,138
Equity-accounted investees	9	1,483,412	1,544,250
Goodwill		841,614	841,614
Other assets		231,640	200,652
Other receivables		19,205	15,701
Total non-current assets		49,572,169	41,416,953
Total assets		54,903,653	42,644,859
Current liabilities			
Interest-bearing liabilities	12	4,232,196	-
Trade and other payables		531,376	870,879
Tenant deposits		16,386	17,205
Other liabilities	17	4,383	4,239
Total current liabilities		4,784,341	892,323
Non-current liabilities			
Interest-bearing liabilities	12	18,474,346	14,804,370
Tenant deposits		390,017	318,175
Derivative financial instruments	13	249,182	38,172
Other liabilities	17	15,458	16,968
Deferred income tax	14	24,486	24,486
Total non-current liabilities		19,153,489	15,202,171
Total liabilities		23,937,830	16,094,494
Net assets		30,965,823	26,550,365
Equity			
Contributed equity	15	17,311,749	17,394,792
Retained earnings		13,654,074	9,155,573
Total equity		30,965,823	26,550,365

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

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	Note	3 months ended	
		Mar 31, 2020 \$'000	Mar 31, 2019 \$'000
Property related income	4(a)	1,009,823	893,480
Property related expenses	4(b)	(132,593)	(129,094)
Net property income		877,230	764,386
Management fees	18(c)	(44,221)	(40,115)
Transaction related expenses		(725)	(4,329)
Professional, legal and other expenses	4(c)	(13,319)	(12,905)
Total expenses		(58,265)	(57,349)
Net unrealized foreign exchange gain/(loss) on investment property	10,11	8,085,408	(526,200)
Unrealized revaluation (loss)/gain on investment property measured at fair value	10,11	(43,467)	70,646
Finance costs	4(d)	(229,916)	(214,450)
Interest income		5,882	7,416
Share of (losses)/profits from equity-accounted investees	9	(43,363)	28,588
Net foreign exchange (loss)/gain on monetary items	4(e)	(3,535,766)	241,600
Net unrealized loss on interest rate swaps	13	(211,010)	(45,402)
Profit before tax for the period		4,846,733	269,235
Current income tax	14	(145)	(288)
Profit for the period		4,846,588	268,947
Other comprehensive income			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		4,846,588	268,947
Profit per CBF[*]			
Basic profit per CBF (pesos)	8	6.34	0.35

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

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

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Total equity at January 1, 2019	15	17,497,483	9,951,337	27,448,820
Total comprehensive income for the period		-	268,947	268,947
Total comprehensive income for the period		-	268,947	268,947
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	7	-	(315,700)	(315,700)
Total transactions with equity holders in their capacity as equity holders		-	(315,700)	(315,700)
Total equity at March 31, 2019		17,497,483	9,904,584	27,402,067
Total equity at January 1, 2020	15	17,394,792	9,155,573	26,550,365
Total comprehensive income for the period		-	4,846,588	4,846,588
Total comprehensive income for the period		-	4,846,588	4,846,588
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	7	-	(348,087)	(348,087)
- Repurchase of CBFIs, including associated costs	15	(83,043)	-	(83,043)
Total transactions with equity holders in their capacity as equity holders		(83,043)	(348,087)	(431,130)
Total equity at March 31, 2020		17,311,749	13,654,074	30,965,823

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

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019.

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

	Note	3 months ended	
		Mar 31, 2020 \$'000	Mar 31, 2019 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit before income tax for the period		4,846,733	269,235
Adjustments for:			
Net unrealized foreign exchange (profit)/loss on investment property	10,11	(8,085,408)	526,200
Unrealized revaluation loss/(gain) on investment property measured at fair value	10,11	43,467	(70,646)
Straight line rental income adjustment		5,086	3,247
Tenant improvement amortization	4(b)	13,153	8,838
Leasing expense amortization	4(b)	19,684	16,800
Right-of-use assets depreciation*		1,079	1,089
Interest income		(5,882)	(7,416)
Impairment loss on trade receivables	4(b)	8,882	9,989
Net foreign exchange loss/(gain) on monetary items	4(e)	3,567,892	(248,376)
Finance costs	4(d)	229,916	214,450
Share of losses/(profits) from equity-accounted investees	9(b)	43,363	(28,588)
Net unrealized loss on interest rates swaps	13	211,010	45,402
Movements in working capital:			
Decrease in receivables		163,846	9,603
Decrease in payables		(466,127)	(8,374)
Net cash flows from operating activities		596,694	741,453
Investing activities:			
Capital contribution in equity-accounted investees	9(b)	-	(277,383)
Maintenance capital expenditure and other capitalized cost		(92,147)	(221,329)
Distributions received from equity-accounted investees	9(b)	17,475	8,250
Net cash flows (used in)/ from investing activities		(74,672)	(490,462)
Financing activities:			
Interest income		5,882	7,416
Interest paid		(168,474)	(141,496)
Proceeds from interest-bearing liabilities, net of facility charges		4,340,034	-
Lease payments		(1,412)	(952)
Repurchase of CBFIs, including associated costs	15	(83,043)	-
Distribution to CBFi holders	7	(348,087)	(315,700)
Net cash flows from financing activities		3,744,900	(450,732)
Net increase/(decrease) in cash and cash equivalents		4,266,922	(199,741)
Cash and cash equivalents at the beginning of the period		708,807	555,591
Foreign exchange (gain)/loss on cash and cash equivalents	4(e)	(32,126)	6,776
Cash and cash equivalents at the end of the period**		4,943,603	362,626

*The depreciation is in respect of the rights-of-use assets held at the Group's vertically integrated internal platform level, calculated in accordance with IFRS16. This amount is included in property administration expense in note 5.

**Includes restricted cash balance of \$19.5 million (2019: \$nil) as at March 31, 2020.

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

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. REPORTING ENTITY

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

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

These unaudited condensed interim consolidated financial statements comprise the 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 2020 and 2019

On March 24, 2020, FIBRA Macquarie did a US\$180.0 million drawdown under its Revolving Credit Facility as a proactive measure to increase its cash position and to preserve its financial flexibility to address market uncertainties related to COVID-19 pandemic, which is expected to be repaid when market conditions normalize.

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

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

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

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

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

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

2. BASIS OF PREPARATION AND PRESENTATION

a) Statement of compliance

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

These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on May 12, 2020.

b) Historical cost convention

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

c) Critical accounting judgments and estimates

During the preparation of the unaudited condensed interim consolidated financial statements, the Manager is required to make judgments, estimations and estimates of uncertainties at March 31, 2020 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 and since 2019 half-yearly independent appraisals. See note 11 for further details.

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

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

(ii) Assumptions and estimation of uncertainties

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

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

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

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

c) Critical accounting judgments and estimates (continued)

(ii) Assumptions and estimation of uncertainties (continued)

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

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

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

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

d) Measurement of fair value

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Standards issued but not yet effective

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

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

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

4. INCOME/(EXPENSE) FOR THE PERIOD

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

	3 months ended	
	Mar 31, 2020	Mar 31, 2019
	\$'000	\$'000
a) Property related income		
Lease related income	939,271	833,800
Car parking income	13,653	13,633
Expenses recoverable from tenants	56,899	46,047
Total property related income	1,009,823	893,480
b) Property related expenses		
Property administration expense	(19,689)	(19,093)
Property insurance	(4,922)	(6,084)
Property tax	(17,825)	(15,957)
Repairs and maintenance	(17,687)	(22,842)
Industrial park fees	(9,369)	(10,569)
Security services	(6,244)	(5,555)
Property related legal and consultancy expenses	(1,372)	(1,633)
Tenant improvements amortization	(13,153)	(8,838)
Leasing expenses amortization	(19,684)	(16,800)
Utilities	(5,814)	(5,154)
Marketing costs	(3,840)	(3,195)
Car park operating fees	(2,571)	(1,998)
Impairment loss on trade receivables	(8,882)	(9,989)
Other property related expenses	(1,541)	(1,387)
Total property related expenses	(132,593)	(129,094)
c) Professional, legal and other expenses		
Tax advisory expenses	(512)	(838)
Accountancy expenses	(2,270)	(2,430)
Valuation expenses	(1,184)	(922)
Audit expenses	(1,116)	(1,185)
Other professional expenses	(3,517)	(2,962)
Other expenses	(4,720)	(4,568)
Total professional, legal and other expenses	(13,319)	(12,905)
d) Finance costs		
Interest expense on interest-bearing liabilities	(226,010)	(206,412)
Finance costs under effective interest method	(3,432)	(7,478)
Interest expense on lease liabilities	(474)	(560)
Total finance costs	(229,916)	(214,450)
e) Net foreign exchange (loss)/gain		
Unrealized foreign exchange (loss)/gain on monetary items	(3,432,671)	232,578
Realized foreign exchange (loss)/gain	(103,095)	9,022
Total net foreign exchange (loss)/gain	(3,535,766)	241,600

At March 31, 2020, the Group had 68 employees (March 31, 2019: 68 employees) in its vertically integrated internal property management platform.

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

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

5. SEGMENT REPORTING

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

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

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

3 months ended March 31, 2020	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	317,693	158,220	176,416	132,032	13,447	267,698	1,065,506
<i>Lease related income</i>	298,099	149,686	167,302	123,073	11,237	47,094	796,491
<i>Car park income</i>	404	567	-	135	580	202,937	204,623
<i>Expenses recoverable from tenants</i>	19,190	7,967	9,114	8,824	1,630	17,666	64,391
Segment net profit/(loss) ²	3,199,599	1,626,142	1,574,919	1,170,626	(10,581)	(6,747)	7,553,958
<i>Included in loss for the period:</i>							
Foreign exchange loss	(411,180)	(253,244)	(343,988)	(235,428)	(35)	(211)	(1,244,086)
Net unrealized foreign exchange profit on investment property	3,317,186	1,729,355	1,750,918	1,287,949	-	-	8,085,408
Unrealized revaluation gain/(loss) on investment property measured at fair value	42,669	24,773	30,947	17,762	(16,004)	(209,879)	(109,732)
Finance costs ³	(26,218)	(15,976)	(21,376)	(14,648)	(3,054)	(9,592)	(90,864)
3 months ended March 31, 2019							
Revenue from external customers ¹	300,875	147,601	176,130	116,918	13,044	192,612	947,180
<i>Lease related income</i>	288,689	140,081	167,095	111,123	11,001	161,104	879,093
<i>Car park income</i>	399	565	-	134	543	14,226	15,867
<i>Expenses recoverable from tenants</i>	11,787	6,955	9,035	5,661	1,500	17,282	52,220
Segment net profit ²	55,217	24,704	76,162	33,242	6,575	154,625	350,525
<i>Included in profit of the period:</i>							
Foreign exchange gain	18,115	13,773	26,006	12,143	4	9	70,050
Net unrealized foreign exchange loss on investment property	(217,060)	(115,849)	(114,121)	(79,170)	-	-	(526,200)
Unrealized revaluation gain on investment property measured at fair value	3,651	8,865	29,688	10,658	1,854	23,561	78,277
Finance costs ³	(13,775)	(10,647)	(20,471)	(9,468)	(3,629)	(11,308)	(69,298)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$13.4 million (March 31, 2019 \$13.0 million), and \$42.2 million (March 31, 2019 \$40.7 million) respectively.

² The retail south segment and the retail central segment includes operating (losses)/profits relating to joint ventures amounting to \$10.6 million (March 31, 2019 \$6.6 million) and \$33.2 million (March 31, 2019 \$20.5 million) respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.0 million (March 31, 2019 \$3.6 million) and \$9.6 million (March 31, 2019 \$11.3 million) respectively.

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

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

5. SEGMENT REPORTING (CONTINUED)

As at March 31, 2020	Industrial*				Retail		Total
	North East	Central	North West	North	South	Central	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment assets*	17,694,075	9,229,891	9,357,562	6,871,698	503,875	7,114,573	50,771,674
Total segment liabilities	(2,581,061)	(1,534,596)	(1,979,300)	(1,374,524)	(145,633)	(526,085)	(8,141,199)
As at December 31, 2019							
Total segment assets*	14,319,480	7,468,625	7,569,763	5,559,955	518,851	7,245,417	42,682,091
Total segment liabilities	(2,076,029)	(1,234,413)	(1,592,337)	(1,105,028)	(145,917)	(636,202)	(6,789,926)

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

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

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

	3 months ended	
	Mar 31, 2020	Mar 31, 2019
	\$'000	\$'000
Total segment revenue	1,065,506	947,180
Revenue attributable to equity-accounted investees	(55,683)	(53,701)
Interest income	5,882	7,416
Total revenue for the period	1,015,705	900,895
Segment profit	7,553,958	350,525
Unallocated amounts:		
Property expenses not included in reporting segments	(757)	1,049
Finance costs not included in reporting segments	(151,698)	(160,090)
Interest income	5,882	7,416
Items attributable to equity-accounted investees	427	1,522
Net foreign exchange (loss)/gain ¹	(2,291,804)	171,564
Net unrealized loss on interest rate swaps	(211,010)	(45,402)
Management fees ²	(44,221)	(40,115)
Transaction related expenses	(725)	(4,329)
Professional, legal and other expenses	(13,319)	(12,905)
Income tax expense	(145)	(288)
Profit for the period	4,846,588	268,947

¹ Unrealized foreign exchange gain/(loss) arising in respect of the unsecured debt revaluation at the end of the relevant period.

² Fees related with the Manager in respect of the existing management agreement entered into on December 11, 2012 (the "Management Agreement").

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

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

5. SEGMENT REPORTING (CONTINUED)

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

	Period/Year ended	
	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Segment assets	50,771,674	42,682,091
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	4,694,914	482,640
Trade and other receivables, net	309	332
Other assets ¹	39,795	84,010
Assets attributable to equity-accounted investees ¹	(2,086,451)	(2,148,464)
Investment in equity-accounted investees ¹	1,483,412	1,544,250
Total assets	54,903,653	42,644,859
Segment liabilities	(8,141,199)	(6,789,926)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities	(16,053,883)	(9,472,853)
Trade and other payables ¹	(56,661)	(356,303)
Liabilities attributable to equity-accounted investees ¹	603,039	604,214
Other liabilities ¹	(15,458)	(16,968)
Deferred income tax liability ¹	(24,486)	(24,486)
Derivative financial instruments not included in reporting segment ¹	(249,182)	(38,172)
Total liabilities	(23,937,830)	(16,094,494)

¹ Assets and liabilities held at Fund level.

6. SEASONALITY OF OPERATIONS

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

7. DISTRIBUTIONS PAID OR PROVIDED FOR

As at March 31, 2020, FIBRA Macquarie made two distributions payment amounting to \$696.5 million (March 31, 2019: \$315.7 million, 0.410 per CBF). The first distribution amounted to \$348.4 million (0.455 per CBF) and was paid on January 24, 2020, the second distribution amounted to 348.1 million (0.455 per CBF) and was paid on March 11, 2020.

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

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

8. PROFIT AFTER TAX PER CBFI

	3 months ended	
	Mar 31, 2020 \$'000	Mar 31, 2019 \$'000
Profit after tax per CBFI		
Basic profit per CBFI (\$)	6.34	0.35
Basic profit used in the calculation of earnings per CBFI		
Net profit after tax for basic earnings per CBFI (\$'000)	4,846,588	268,947
Weighted average number of CBFI's used as the denominator in calculating basic earnings per CBFI ('000)	764,987	770,000

9. EQUITY-ACCOUNTED INVESTEEES

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

a) Carrying amounts

Name of the entity	Country of establishment / Principal activity	Ownership interest	Ownership interest	Mar 31, 2020	Dec 31, 2019
		as at Mar 31, 2020	as at Dec 31, 2019	\$'000	\$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	548,956	579,313
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	934,456	964,937

b) Movement in carrying amounts

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	1,544,250	1,152,560
Capital contribution during the period/year ¹	-	326,331
Distributions received during the period/year	(17,475)	(89,654)
Share of profits from equity-accounted investees	22,901	88,054
Share of revaluation (loss)/gain on investment property measured at fair value	(66,264)	66,959
Carrying amount at the end of the period/year	1,483,412	1,544,250

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

c) Summarized financial information for joint ventures

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

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

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

9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

c) Summarized financial information for joint ventures (continued)

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Total current assets ^{1,2}	21,915	22,364	35,771	29,445
Total non-current assets	1,088,611	1,153,132	3,026,602	3,091,987
Total current liabilities ³	(5,287)	(9,705)	(32,140)	(20,790)
Total non-current liabilities ³	(7,328)	(7,166)	(1,161,320)	(1,170,767)
Net assets	1,097,911	1,158,625	1,868,913	1,929,875

¹ Includes cash and cash equivalents of \$29.4 million (December 31, 2019: \$30.0 million).

² Includes restricted cash of \$20.3 million (December 31, 2019: \$20.0 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,148.8 million (December 31, 2019: \$1,150.4 million).

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2020	Dec 31, 2019
	\$'000	\$'000	\$'000	\$'000
Reconciliation to carrying amounts:				
Opening net assets ¹	1,158,625	501,809	1,929,875	1,803,311
Net movements for the period/year	(60,714)	656,816	(60,962)	126,564
Net assets	1,097,911	1,158,625	1,868,913	1,929,875
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	548,955	579,313	934,457	964,937
FIBRA Macquarie's carrying amount	548,955	579,313	934,457	964,937

¹ During three months ended March 31, 2020 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$4.9 million (full year 2019: \$16.1 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

Summarized Statement of Comprehensive Income	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	3 months ended Mar 31, 2020	3 months ended Mar 31, 2019	3 months ended Mar 31, 2020	3 months ended Mar 31, 2019
	\$'000	\$'000	\$'000	\$'000
Revenue:				
Property related and other income	25,553	26,172	85,814	81,230
Revaluation of investment property measured at fair value	(70,981)	7,541	(61,547)	7,723
Financial income	122	2,379	730	866
Total revenue	(45,306)	36,092	24,997	89,819
Expenses:				
Finance costs	-	(4,884)	(25,291)	(24,989)
Other expenses	(9,617)	(9,457)	(31,511)	(29,406)
Total expenses	(9,617)	(14,341)	(56,802)	(54,395)
(Loss)/profit for the period	(54,923)	21,751	(31,805)	35,424
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	(27,461)	10,876	(15,902)	17,712

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

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

9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

d) Share of contingent liabilities of joint venture

As at March 31, 2020 and December 2019, there was no share of contingent liabilities incurred jointly with the joint venture partner and no contingent liabilities of the joint ventures for which FIBRA Macquarie is liable.

10. INVESTMENT PROPERTIES HELD FOR SALE

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

¹ Investment properties reclassified as 'Investment property held for sale' are based on the Group's expectations of the likelihood that assets will be sold in a period no more than 12 months and the asset is being actively marketed in accordance with IFRS5.

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

11. INVESTMENT PROPERTIES

	Note	Mar 31, 2020	Dec 31, 2019
		\$'000	\$'000
Carrying amount at the beginning of the period/year		38,799,138	40,132,961
<i>Additions during the period/year:</i>			
Asset acquisition		-	-
Capital expenditure (including tenant improvements)		64,151	414,746
Transfers from Investment property under construction		16,473	271,881
Investment property under construction	11(a)	49,212	(5,125)
Net unrealized foreign exchange gain/(loss) on investment property		8,085,408	(1,460,081)
Revaluation of investment property measured at fair value		(43,467)	(599,014)
Leasing commissions, net of amortization		5,922	43,770
Carrying amount at the end of the period/year		46,976,837	38,799,138

a) Investment property under construction*

	Mar 31, 2020	Dec 31, 2019
	\$'000	\$'000
Carrying amount at the beginning of the period/year	56,038	61,163
Capital expenditure	65,685	266,756
Transfer to completed investment properties	(16,473)	(271,881)
Carrying amount at the end of the period/year	105,250	56,038

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

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

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

11. INVESTMENT PROPERTIES (CONTINUED)

b) Asset-by-asset valuation

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

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

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

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

The inputs used in the valuations at March 31, 2020 were as follows:

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

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 is primarily on account of capitalized leasing costs and tenant improvements which are carried at historical cost.

12. INTEREST BEARING LIABILITIES

	Mar 31, 2020	Dec 31, 2019
	\$'000	\$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	-	3,392,136
Undrawn MXN-denominated notes	1,259,564	1,259,564
Total undrawn loan facilities	1,259,564	4,651,700
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	7,641,465	8,763,017
US\$-denominated notes	15,165,368	6,124,690
Unamortized transaction costs	(100,291)	(83,337)
Total loan facilities, net of unamortized transaction costs	22,706,542	14,804,370

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

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

12. INTEREST-BEARING LIABILITIES (CONTINUED)

The relevant credit facilities are summarised as follows:

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount	
						Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	5,873,690	4,707,562
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,917,594	3,941,116
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	30 day Libor + 2.75%	Apr-24	4,232,196	-
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.69% ²	Apr-24	4,187,164	3,354,038
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,760,832	1,411,254
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,735,066	1,390,400
Balance at the end of the period/year						22,706,542	14,804,370

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

Interest-bearing liabilities –current

On March 24, 2020, FIBRA Macquarie did a US\$180.0 million drawdown on its existing revolver credit facility with a variable rate of 30-day Libor plus 2.75%.

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

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Carrying amount at the beginning of the period/year	14,804,370	15,537,190
Changes from financing cash flows:		
Repayments of interest-bearing liabilities	-	(6,380,379)
Proceeds from interest-bearing liabilities, net of facility charges	4,340,034	6,231,596
Total changes for financing cash flow	4,340,034	(148,783)
Total effect of changes in foreign exchange rate	3,558,706	(660,360)
Liability-related other changes:		
Amortization of capitalized borrowing costs	3,432	76,323
Carrying amount at the end of the period/year	22,706,542	14,804,370

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

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Counterparties	Trade date	Maturity date	Notional amount	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(249,182)	(38,172)
Total estimated fair value				(249,182)	(38,172)

14. DIRECT TAXES

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

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in these unaudited condensed interim consolidated financial statements. Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary differences is expected. The major components of the income tax expense for the period/year ended March 31, 2020 and December 2019, respectively, with respect to the results of the Group's subsidiaries are:

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	2,686	1,274
Current income tax for the period	(145)	(274)
Advance tax paid	378	1,686
Income tax recoverable	2,919	2,686
<i>Deferred income tax</i>		
Opening balance as of January 1	24,486	19,178
Relating to temporary differences provision	-	5,308
Deferred income tax	24,486	24,486

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

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

15. CONTRIBUTED EQUITY

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

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

On June 26, 2018 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 March 31, 2020, a total of 49,740,003 CBFIs, amounting to \$1,058.2 million (including transaction costs), have been repurchased. For the period ended March 31, 2020, a total of 4,076,503 CBFIs, amounting to \$83.0 million (including transaction costs), have been repurchased.

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Level 2	Total fair value	Total carrying amount
As at March 31, 2020	\$'000	\$'000	\$'000
Trade and other receivables, net	336,599	336,599	336,852
Interest-bearing liabilities*	(24,053,745)	(24,053,745)	(22,706,542)
As at December 31, 2019			
Trade and other receivables, net	490,968	490,968	488,843
Interest-bearing liabilities*	(15,400,062)	(15,400,062)	(14,804,370)

*Net unamortized transaction costs.

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 March 31, 2020	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments-liability	-	(249,182)	-	(249,182)
Investment properties	-	-	46,976,837	46,976,837
As at December 31, 2019				
Derivative financial instruments-asset	-	(38,172)	-	(38,172)
Investment properties	-	-	38,799,138	38,799,138

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

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

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

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

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

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

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Balance at the beginning of the period/year	38,799,138	40,132,961
Capital expenditure/leasing commission, net of amortization	135,758	725,272
Net unrealized foreign exchange gain/(loss) on investment property	8,085,408	(1,460,081)
Unrealized revaluation loss on investment property measured at fair value	(43,467)	(599,014)
Balance at the end of the period/year	46,976,837	38,799,138

17. LEASES

a) As a lessor

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

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

March 31, 2020	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	130,633	321,339	61,293	513,265
*Peso denominated minimum future lease collections	21,713	57,819	19,947	99,479

* Amount translated to USD for presentation purposes only.

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

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

17. LEASES (CONTINUED)

b) As a lessee

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

	Mar 31, 2020 \$'000	Dec 31, 2019 \$'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the period/year	19,986	24,621
Lease payments modified in the right of uses assets	(1,538)	-
Effect of changes in foreing exchange rate	1,058	(284)
Depreciation charge for the period/year	(1,079)	(4,351)
Balance at the end of the period/year	18,427	19,986
Lease liabilities (included in other liabilities):		
Balance at the beginning of the period/year	21,207	24,621
Lease payments modified in the lease liabilities	(1,538)	-
Effect of changes in foreing exchange rate	1,111	(300)
Interest on lease liabilities	473	2,126
Lease payments	(1,412)	(5,240)
Balance at the end of the period/year	19,841	21,207
Balance classified as current	4,383	4,239
Balance classified as non-current	15,458	16,968
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	5,400	5,626
1-5 years	19,417	20,423
>5 years	763	1,622
Total undiscounted lease liabilities at the end of the period/year	25,580	27,671

18. RELATED PARTIES

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

a) Transactions with key management personnel

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

b) Trustee

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

The trustee of the Investment Trusts is CIBanco, Sociedad Anónima, Institución de Banca Múltiple whose registered office is at Av. Paseo de las Palmas 215, piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City, 11000 ("Investment Trust Trustee"). The two other trustees within the Group are Banco Nacional de Mexico, S.A., integrante del Grupo Financiero Banamex and Banco Monex, S.A. Institución de Banca Múltiple, Monex Grupo Financiero. For the three months period ended March 31, 2020, the trustees' fees for the Group amounted to \$1.0 million (March 31, 2019: \$0.7 million).

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

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

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

18. RELATED PARTIES (CONTINUED)

c) Manager

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

Under the terms of the Management Agreement, MMREM is entitled to a base management fee of \$44.2 million (March 31, 2019: \$40.1 million) for the three months ended March 31, 2020. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month period. The market capitalization is calculated as the product of: (i) the average closing price per CBFI during the last 60 trading days prior to the calculation date and, (ii) the total number of outstanding CBFIs at the close of trading on the calculation date.

MMREM is also entitled to receive a performance fee, which is calculated as 10% of an amount comprising the market capitalization, per above, plus the aggregate amount of all distributions made to CBFI holders, increased at a rate equal to the aggregate of 5% per annum and an annual cumulative Mexican inflation rate from their respective payment dates, minus the aggregate issuance price of all issuances of CBFIs, plus the aggregate amount of all repurchases of CBFIs, in each case, increased at a rate equal to the aggregate of 5% per annum and the annual cumulative Mexican inflation rate from their respective issuance or repurchase dates, less any performance fees previously paid. This potential fee is payable on the last business day of each two-year period commencing on March 19, 2012 and must be reinvested into FIBRA Macquarie CBFIs for a minimum duration of one year. As at March 31, 2020, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three months period ended March 31, 2020, the Group accrued expenses totaling \$0.5 million (March 31, 2019: \$0.8 million) in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at March 31, 2020, expenses due to affiliate entities of MMREM amounted to \$0.5 million (March 31, 2019: \$0.8 million).

As at March 31, 2020, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MMREM, held 36,853,632 CBFIs and received a gross distribution of \$33.5 million during the period ended March 31, 2020 (March 31, 2019: \$15.1 million).

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

19. EVENTS AFTER BALANCE SHEET DATE

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including Mexico and United States. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The spread of COVID-19 underscores certain risks the Group face in its business.

The spread of COVID-19, or actions taken to mitigate this spread, could have material and adverse effects on the Group's ability to operate effectively. Existing customers and potential customers of the Group's properties may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on FIBRA Macquarie. Given the ongoing and dynamic nature of these circumstances, the Group cannot predict the extent to which the COVID-19 outbreak may impact its business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect the Group's financial condition and results of operations.

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

