

FIBRA MACQUARIE MÉXICO REPORTS FIRST QUARTER 2022 RESULTS

- ▶ Industrial portfolio occupancy reaches a record 97.1%%, up 279 bps YoY
- ▶ AFFO per certificate growth of 6.0% QoQ and 17.1% YoY
- ▶ AFFO per certificate and distribution guidance for FY22 reaffirmed

MEXICO CITY, April 28, 2022 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ) announced its financial and operating results for the first quarter ended on March 31, 2022.

FIRST QUARTER 2022 HIGHLIGHTS

- AFFO per certificate Ps. 0.6558
- Authorized cash distribution of Ps. 0.5000 per certificate, resulting in a 76.2% AFFO payout
- Consolidated occupancy of 96.1%, up 225 bps YoY and up 89 bps sequentially
- Industrial occupancy at 97.1% at quarter end, up 279 bps YoY and up 108 bps sequentially
- FY22 AFFO per certificate guidance of Ps. 2.50 - Ps. 2.55 reaffirmed
- FY22 distribution per certificate guidance of Ps. 2.00 reaffirmed
- Approximately one million square feet of industrial expansion and development projects under construction
- Subsequent to 1Q22, completed US\$425 million refinancing with sustainability-linked credit facility

“The strengthening market backdrop has contributed to healthy momentum in our results, contributing to a 17.1% annual growth in AFFO per certificate and an AFFO margin expansion of 448 bps,” said Simon Hanna, FIBRA Macquarie’s chief executive officer. “Our high-quality portfolio of industrial assets realized a 6.5% annual increase in NOI, as we closed the quarter with record occupancy of 97.1%. Supported by the ongoing demand for manufacturing and logistics properties, leasing momentum has continued to accelerate, including interest in new developments. We are nearing completion on the delivery of the first building in our Monterrey development project and advancing with the development of our Mexico City industrial project. We are also seeing ongoing stabilization in our retail portfolio and are pleased to report a 9.3% increase in first quarter NOI compared to the prior year. In addition, we recently announced enhancements to our balance sheet with the refinancing of our unsecured bank facility, thereby lowering our cost of borrowing, extending our maturities, and positioning us to execute on our organic and new development growth strategies.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's total results were as follows:

TOTAL PORTFOLIO	1Q22	1Q21	Variance
Net Operating Income (NOI)	Ps. 929.6m	Ps. 870.5m	6.8%
EBITDA	Ps. 861.9m	Ps. 806.9m	6.8%
Funds From Operations (FFO)	Ps. 624.5m	Ps. 567.5m	10.1%
FFO per certificate	0.8204	0.7451	10.1%
Adjusted Funds From Operations (AFFO)	Ps. 499.2m	Ps. 426.5m	17.1%
AFFO per certificate	Ps. 0.6558	Ps. 0.5600	17.1%
NOI Margin	88.2%	87.6%	65 bps
AFFO Margin	47.4%	42.9%	448 bps
GLA ('000s sqft) EOP	34,461	34,534	(0.2%)
GLA ('000s sqm) EOP	3,202	3,208	(0.2%)
Occupancy EOP	96.1%	93.8%	225 bps
Average Occupancy	96.3%	93.5%	275 bps

FIBRAMQ's same store portfolio results were as follows:

INDUSTRIAL PORTFOLIO - SAME STORE	1Q22	1Q21	Variance
Net Operating Income	Ps. 814.5m	Ps. 763.9m	6.6%
Net Operating Income Margin	91.8%	91.6%	18 bps
Number of Properties	235	235	-
GLA ('000s sqft) EOP	28,789	29,737	(3.2%)
GLA ('000s sqm) EOP	2,675	2,763	(3.2%)
Occupancy EOP	97.0%	94.2%	281 bps
Average Monthly Rent (US\$/sqm) EOP	5.25	5.06	3.8%
Customer Retention LTM EOP	83.5%	76.3%	725 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.3	0.1%
Percentage of US\$ denominated Rent EOP	92.3%	93.0%	(70 bps)

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	1Q22	1Q21	Variance
Net Operating Income (NOI)	Ps. 821.9m	Ps. 772.0m	6.5%
NOI Margin	91.7%	91.6%	11 bps
GLA ('000s sqft) EOP	29,884	29,955	(0.2%)
GLA ('000s sqm) EOP	2,776	2,783	(0.2%)
Occupancy EOP	97.1%	94.3%	279 bps
Average Occupancy	96.3%	93.9%	238 bps
Average monthly rent per leased (US\$/sqm) EOP	\$5.26	\$5.07	3.7%
Customer retention LTM	83.5%	76.6%	691 bps
Weighted Avg Lease Term Remaining (years) EOP	3.3	3.3	(0.3%)

FIBRAMQ's industrial portfolio performance remains robust, with positive results across key metrics including occupancy, rental rates and NOI margin. For the quarter ended March 31, 2022, FIBRAMQ's industrial portfolio delivered NOI of Ps. 821.9 million, a 6.5% increase year over year. This result was driven by top line performance, with record quarterly lease revenues of US\$40.9 million. Underlying performance in the industrial portfolio continued to be supported by a favorable supply-demand environment with the quarterly increase in average rental rates accelerating to 6.0% on an annualized basis.

At quarter-end, occupancy was 97.1%, up 279 basis points from the prior year period, and also up 108 basis points sequentially. New leasing activity gained momentum through the quarter adding 481 thousand sqft. with six new customers across five northern markets, and all new leases being denominated in a US Dollars. New leasing deals included Asian domiciled electronics manufacturers and German domiciled industrial manufacturers. Renewal leases comprised 14 leases and 713 thousand sqft, driving a healthy retention rate of 83.5% over the last 12 months.

Cash collections continue to be strong, and through April 26, 98.7% of scheduled 1Q22 rental income has been collected. Cash collections for the quarter totaled Ps. 1,025 million, up 5.7% over the prior corresponding quarter.

As of March 31, 2022, trade receivables net of provisions were Ps. 20.2 million (excl. VAT), lower by 16.7% over the prior corresponding period, reflecting solid cash collections along with prudent provisioning.

Retail Portfolio

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

RETAIL PORTFOLIO	1Q22	1Q21	Variance
Net Operating Income (NOI)	Ps. 107.7m	Ps. 98.5m	9.3%
NOI Margin	68.4%	65.1%	324 bps
GLA ('000s sqft) EOP	4,577	4,579	(0.1%)
GLA ('000s sqm) EOP	425	425	(0.1%)
Occupancy EOP	89.8%	91.1%	(131 bps)
Average Occupancy	89.8%	91.1%	(135 bps)
Average monthly rent per leased (Ps./sqm) EOP	\$160.13	\$153.88	4.1%
Customer retention LTM	69.6%	51.1%	1,853 bps
Weighted Avg Lease Term Remaining (years) EOP	3.2	3.5	(8.6%)

FIBRAMQ's retail portfolio benefited from improving trading conditions, with NOI higher by 9.3% year over year.

- Quarterly rent discounts of Ps. 3.3 million were lower for the fourth consecutive quarter, and are now at the lowest level since the start of the pandemic. Rent discounts were down sequentially by 65.4%, and down 88.5% versus the prior corresponding period.
- Retail portfolio cash collections during the quarter totaled Ps. 161.3 million, representing an increase of 31.2% versus the prior corresponding period.
- Contributing to the strong NOI performance, property-level expenses were well-contained at Ps. 49.9 million and reflected a 5.5 per cent decline over the prior corresponding quarter, mainly driven by lower doubtful debt provisioning.
- During the first quarter, monitored foot traffic at FIBRAMQ's shopping centers was approximately 42% above the prior comparable period, and approximately 25% below pre-pandemic levels.

Lease renewal activity was strong for the quarter. FIBRAMQ signed 60 leases encompassing 24.5 thousand sqm of retail space during the first quarter of 2022. This single 2022 quarter of leasing renewal compares favorably to the full year lease renewal activity in FY21 (46.5k sqm) and FY20 (17.6k sqm). Leasing highlights included renewals for Fun Central family entertainment centers at our Coacalco and Tecamac Power Centers (14.5 thousand sqm, MCMA), and a new restaurant lease for Casa de Toño in Multiplaza Ojo de Agua (0.5 thousand sqm, MCMA).

As of March 31, 2022, trade receivables net of provisions were Ps. 6.8 million (excl. VAT), lower 39.3% over the prior corresponding period.

Same Store Portfolio Results

For detail on FIBRAMQ's industrial and retail same store portfolio results, please refer to First Quarter 2022 Supplementary Information materials located at [BMV Filings \(fibramacquarie.com\)](https://www.fibramacquarie.com/bmv-filings).

New Disclosure - Lease rental rate summary

Consistent with our efforts to provide increasing transparency to the market, this quarter we have included additional detail in our Supplementary Information materials with regards to contractual rental rate increases in our portfolio. These disclosures include information pertaining to the scheduled lease escalation profile by type of escalation as well as phasing of such escalations throughout the year. Of note, 57.8% of leases for FIBRAMQ's consolidated portfolio is directly linked to either Mexican or US CPI. In addition, rental rates in our industrial portfolio increased by 13.7% for leases that renewed during the quarter. For detail on FIBRAMQ's lease rental rate disclosures, please refer to First Quarter 2022 Supplementary Information materials located at [BMV Filings \(fibramacquarie.com\)](https://www.fibramacquarie.com/bmv-filings).

CAPITAL ALLOCATION

Industrial Development

FIBRAMQ continues to pursue a strategy to complement and grow its existing industrial portfolio by investing and developing class "A" assets in core markets that demonstrate strong performance and a positive economic outlook.

- FIBRAMQ nears completion on a 183 thousand sqft industrial property development in Apodaca, Nuevo Leon, as part of an approximately 800 thousand sqft development project. FIBRAMQ currently anticipates completion of the first phase of the project in the first half of 2022 and has received strong tenant interest in the property.
- FIBRAMQ also continued its industrial development project in the Mexico City Metropolitan Area. FIBRAMQ expects to deliver the two-building project comprising 734 thousand sqft of industrial GLA on the site in the second half of 2022.

These projects, as well as FIBRAMQ's active build to suit expansion projects, amount to approximately one million square feet of new GLA which is expected to be completed during 2022.

Certificate repurchase program

At the recent annual general meeting, FIBRA Macquarie received certificate holder approval for an extension of its Ps. 1,000.0 million CBF1 repurchase-for-cancellation program through June 25, 2023.

BALANCE SHEET

As of March 31, 2022, FIBRAMQ had approximately Ps. 16.0 billion of debt outstanding, with Ps. 4.7 billion available on its undrawn committed revolving credit facility and Ps. 0.4 billion of unrestricted cash on hand.

As of March 31, 2022, FIBRAMQ's indebtedness was 98.8% fixed rate, with 3.8 years weighted-average debt tenor remaining.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 32.2% and the debt service coverage ratio was 5.8x.

On a consolidated basis, NAV per certificate increased over the year by 18% to Ps. 40.5.

On April 5, 2022, FIBRAMQ closed on a US\$425.0 million sustainability-linked unsecured credit facility, and primarily used the new sustainability-linked facility to repay the amounts drawn under the unsecured credit facility that was due to expire on April 1, 2024. As a result of the transaction, and taking into account related interest rate swap transactions, FIBRAMQ's indebtedness was 92% fixed rate and the weighted average annual cost of debt for its entire debt portfolio of US\$836.0 million was 5.2%.

ESG

FIBRAMQ remains committed to sustainability including protecting the environment, prioritizing governance, and developing its employees, serving its customers and the community. FIBRAMQ has been recognized for its ongoing focus on, amongst other things, green building and green leasing, stakeholder engagement and transparency, as well as the commitment to continual improvement.

- In January 2022, FIBRA Macquarie was recognized as being an "EDGE Champion." EDGE Champions are organizations that collaborate with International Finance Corporation (IFC) to accelerate the adoption of green building options. EDGE Champions have committed to accelerating the adoption of green building practices through the promotion of voluntary green building certification programs based on the EDGE ("Excellence in Design for Greater Efficiencies") software, standard, and certification system.
- During the first quarter, FIBRA Macquarie achieved the EDGE certification on four industrial buildings.

For additional details on FIBRAMQ's strategy and progress with regards to its ESG strategy can be found in its annual ESG report at <https://www.fibramacquarie.com/en/corporate-responsibility.html>.

DISTRIBUTION

On April 28, 2022, FIBRAMQ declared a cash distribution for the quarter ended March 31, 2022 of Ps. 0.5000 per certificate. The distribution is expected to be paid on June 16, 2022, to holders of record on June 15, 2022. FIBRAMQ's certificates will commence trading ex-distribution on June 14, 2022.

FY22 GUIDANCE

AFFO per certificate

FIBRA Macquarie is reaffirming its FY22 AFFO per certificate guidance of Ps. 2.50 to Ps. 2.55.

This guidance assumes:

- an average exchange rate of Ps. 20.0 per US dollar for the remainder of FY22, compared to the prior assumption of an average exchange rate of Ps. 20.5;
- no new government restrictions regarding retail trading activities;
- no new acquisitions or divestments of stabilized properties;
- no issuances or repurchases of certificates; and
- no further deterioration in broader economic and market conditions.

The ability to maintain guidance in a strengthening Peso environment is reflective of FIBRA Macquarie's strong underlying performance.

Distribution per certificate

FIBRAMQ is reaffirming its guidance of cash distributions for FY22 of Ps. 2.00 per certificate, therefore indicating an expected first quarter 2022 distribution of Ps. 0.5000 per certificate.

The payment of cash distributions is subject to the approval 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 Friday, April 29, 2022 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 +1-877-407-2988. Callers from Mexico may dial 01-800- 522-0034 and other callers from outside the United States may dial +1-201-389-0923. Please ask for the FIBRA Macquarie First Quarter 2022 Earnings Call. An audio replay will be available by dialing +1-877- 660-6853 or +1-201-612-7415 for callers from outside the United States. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the first quarter 2022 will also be available on FIBRA Macquarie's website, www.fibramacquarie.com.

About FIBRA Macquarie

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 236 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of March 31, 2022. Nine of the retail properties are held through a 50/50 joint venture. For additional information about FIBRA Macquarie, please visit www.fibramacquarie.com.

Cautionary Note Regarding Forward-looking Statements

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

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2022 (UNAUDITED) AND DECEMBER 31, 2021

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

	Mar 31, 2022	Dec 31, 2021
	\$'000	\$'000
Current assets		
Cash and cash equivalents	385,270	715,618
Trade and other receivables, net	23,264	14,084
Other assets	116,759	62,696
Total current assets	525,293	792,398
Non-current assets		
Restricted cash	16,549	17,037
Investment properties	46,797,359	47,659,885
Equity-accounted investees	1,338,599	1,323,700
Goodwill	841,614	841,614
Other assets	269,312	272,264
Derivative financial instruments	25,887	-
Total non-current assets	49,289,320	50,114,500
Total assets	49,814,613	50,906,898
Current liabilities		
Trade and other payables	494,116	800,947
Interest-bearing liabilities	199,942	205,835
Tenant deposits	11,351	22,481
Other liabilities	3,992	3,953
Total current liabilities	709,401	1,033,216
Non-current liabilities		
Interest-bearing liabilities	15,738,112	16,198,539
Tenant deposits	322,871	317,638
Derivative financial instruments	-	97,499
Other liabilities	10,076	11,139
Deferred income tax	26,523	26,523
Total non-current liabilities	16,097,582	16,651,338
Total liabilities	16,806,983	17,684,554
Net assets	33,007,630	33,222,344
Equity		
Contributed equity	17,303,908	17,303,908
Retained earnings	15,459,515	15,670,081
Total controlling interest	32,763,423	32,973,989
Non-controlling interest	244,207	248,355
Total equity	33,007,630	33,222,344

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	3 months ended	
	Mar 31, 2022 \$'000	Mar 31, 2021 \$'000
Property related income	999,562	949,257
Property related expenses	(149,108)	(149,909)
Property income after related expenses	850,454	799,348
Management fees	(46,917)	(47,305)
Transaction related expenses	(804)	(619)
Professional, legal and other expenses	(19,980)	(15,798)
Total operating expenses	(67,701)	(63,722)
Net unrealized foreign exchange (loss)/gain on investment properties	(1,188,848)	1,179,783
Unrealized revaluation gain on investment properties measured at fair value	154,160	220,757
Finance costs	(227,375)	(228,846)
Interest income	4,533	2,549
Share of profit from equity-accounted investees	33,387	40,336
Net foreign exchange gain/(loss) on monetary items	465,506	(520,015)
Net unrealized gain on interest rate swaps	123,386	37,296
Profit before tax for the period	147,502	1,467,486
Current and deferred income tax	(604)	(477)
Profit for the period	146,898	1,467,009
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	146,898	1,467,009
Total consolidated comprehensive income for the period attributable to:		
Controlling interests	151,046	1,461,340
Non-controlling interests	(4,148)	5,669
Total comprehensive income for the period	146,898	1,467,009
Profit per CBFI*		
Basic and diluted profit per CBFI (pesos)	0.20	1.92

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2021	17,311,749	9,325,095	26,636,844	243,575	26,880,419
Total comprehensive income for the period	-	1,461,340	1,461,340	5,669	1,467,009
Total comprehensive income for the period	-	1,461,340	1,461,340	5,669	1,467,009
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(361,770)	(361,770)	-	(361,770)
Total transactions with equity holders in their capacity as equity holders	-	(361,770)	(361,770)	-	(361,770)
Total equity at March 31, 2021	17,311,749	10,424,665	27,736,414	249,244	27,985,658
Total equity at January 1, 2022	17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total comprehensive income for the period	-	151,046	151,046	(4,148)	146,898
Total comprehensive income for the period	-	151,046	151,046	(4,148)	146,898
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(361,612)	(361,612)	-	(361,612)
Total transactions with equity holders in their capacity as equity holders	-	(361,612)	(361,612)	-	(361,612)
Total equity at March 31, 2022	17,303,908	15,459,515	32,763,423	244,207	33,007,630

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	3 months ended	
	Mar 31, 2022	Mar 31, 2021
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:		
Profit for the period	146,898	1,467,009
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on investment properties	1,188,848	(1,179,783)
Unrealized revaluation gain on investment properties measured at fair value	(154,160)	(220,757)
Straight line rental income adjustment	(4,105)	(28,059)
Tenant improvement amortization	18,968	22,484
Leasing expense amortization	21,666	21,534
Right-of-use assets depreciation*	978	883
Interest income	(4,533)	(2,549)
Impairment loss on trade receivables	14,905	10,191
Net foreign exchange (gain)/loss on monetary items	(474,019)	537,905
Finance costs	227,375	228,846
Share of profit from equity-accounted investees	(33,387)	(40,336)
Net unrealized gain on interest rates swaps	(123,386)	(37,296)
Current and deferred income tax	604	477
Movements in working capital:		
Increase in receivables	(80,686)	(50,270)
Decrease in payables	(55,741)	(143,102)
Net cash flows from operating activities	690,225	587,177
Investing activities:		
Maintenance capital expenditure and other capitalized cost	(162,060)	(321,822)
Distributions received from equity-accounted investees	18,488	10,285
Interest received	4,533	2,549
Net cash flows used in investing activities	(139,039)	(308,988)
Financing activities:		
Interest paid	(166,026)	(167,107)
Lease payments	(1,285)	(1,186)
Distribution to CBFH holders	(723,224)	(723,542)
Net cash flows used in financing activities	(890,535)	(891,835)
Net decrease in cash and cash equivalents	(339,349)	(613,646)
Cash and cash equivalents at the beginning of the period	732,655	906,083
Foreign exchange on cash and cash equivalents	8,513	(17,890)
Cash and cash equivalents at the end of the period**	401,819	274,547

*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.

**Includes restricted cash balance of \$16.5 million (2021: \$17.0 million) as at March 31, 2022.

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2022

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

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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 March 31, 2022 condensed interim consolidated financial statements of Fideicomiso Irrevocable No. F/1622 (CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities (“FIBRA Macquarie México” or “the Trust”), which comprise:

- the condensed consolidated interim statement of financial position as March 31, 2022;
- the condensed consolidated interim statements of comprehensive income for the three-month period ended March 31, 2022;
- the condensed consolidated interim statements of changes in equity for the three-month period ended March 31, 2022;
- the condensed consolidated statements of cash flows for the three-month period ended March 31, 2022; and
- notes to the condensed interim consolidated financial statements.

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

Scope of Review

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



FIBRA Macquarie Mexico
2.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2022 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

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

C.P.C Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico
April 28, 2022

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2022 (UNAUDITED) AND DECEMBER 31, 2021

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

	Note	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
Current assets			
Cash and cash equivalents		385,270	715,618
Trade and other receivables, net		23,264	14,084
Other assets		116,759	62,696
Total current assets		525,293	792,398
Non-current assets			
Restricted cash		16,549	17,037
Investment properties	10	46,797,359	47,659,885
Equity-accounted investees	9	1,338,599	1,323,700
Goodwill		841,614	841,614
Other assets		269,312	272,264
Derivative financial instruments	12	25,887	-
Total non-current assets		49,289,320	50,114,500
Total assets		49,814,613	50,906,898
Current liabilities			
Trade and other payables		494,116	800,947
Interest-bearing liabilities	11	199,942	205,835
Tenant deposits		11,351	22,481
Other liabilities	17	3,992	3,953
Total current liabilities		709,401	1,033,216
Non-current liabilities			
Interest-bearing liabilities	11	15,738,112	16,198,539
Tenant deposits		322,871	317,638
Derivative financial instruments	12	-	97,499
Other liabilities	17	10,076	11,139
Deferred income tax	13	26,523	26,523
Total non-current liabilities		16,097,582	16,651,338
Total liabilities		16,806,983	17,684,554
Net assets		33,007,630	33,222,344
Equity			
Contributed equity	14	17,303,908	17,303,908
Retained earnings		15,459,515	15,670,081
Total controlling interest		32,763,423	32,973,989
Non-controlling interest	15	244,207	248,355
Total equity		33,007,630	33,222,344

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	Note	3 months ended	
		Mar 31, 2022 \$'000	Mar 31, 2021 \$'000
Property related income	4(a)	999,562	949,257
Property related expenses	4(b)	(149,108)	(149,909)
Property income after related expenses		850,454	799,348
Management fees	18(c)	(46,917)	(47,305)
Transaction related expenses		(804)	(619)
Professional, legal and other expenses	4(c)	(19,980)	(15,798)
Total operating expenses		(67,701)	(63,722)
Net unrealized foreign exchange (loss)/gain on investment properties	10,16	(1,188,848)	1,179,783
Unrealized revaluation gain on investment properties measured at fair value	10,16	154,160	220,757
Finance costs	4(d)	(227,375)	(228,846)
Interest income		4,533	2,549
Share of profit from equity-accounted investees	9	33,387	40,336
Net foreign exchange gain/(loss) on monetary items	4(e)	465,506	(520,015)
Net unrealized gain on interest rate swaps		123,386	37,296
Profit before tax for the period		147,502	1,467,486
Current and deferred income tax	13	(604)	(477)
Profit for the period		146,898	1,467,009
Other comprehensive income			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		146,898	1,467,009
Total consolidated comprehensive income for the period attributable to:			
Controlling interests		151,046	1,461,340
Non-controlling interests		(4,148)	5,669
Total comprehensive income for the period		146,898	1,467,009
Profit per CBFI*			
Basic and diluted profit per CBFI (pesos)	8	0.20	1.92

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	Note	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2021	14	17,311,749	9,325,095	26,636,844	243,575	26,880,419
Total comprehensive income for the period		-	1,461,340	1,461,340	5,669	1,467,009
Total comprehensive income for the period		-	1,461,340	1,461,340	5,669	1,467,009
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(361,770)	(361,770)	-	(361,770)
Total transactions with equity holders in their capacity as equity holders		-	(361,770)	(361,770)	-	(361,770)
Total equity at March 31, 2021		17,311,749	10,424,665	27,736,414	249,244	27,985,658
Total equity at January 1, 2022	14	17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total comprehensive income for the period		-	151,046	151,046	(4,148)	146,898
Total comprehensive income for the period		-	151,046	151,046	(4,148)	146,898
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(361,612)	(361,612)	-	(361,612)
Total transactions with equity holders in their capacity as equity holders		-	(361,612)	(361,612)	-	(361,612)
Total equity at March 31, 2022		17,303,908	15,459,515	32,763,423	244,207	33,007,630

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED) AND 2021

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

	Note	3 months ended	
		Mar 31, 2022 \$'000	Mar 31, 2021 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit for the period		146,898	1,467,009
Adjustments for:			
Net unrealized foreign exchange loss/(gain) on investment properties	10,16	1,188,848	(1,179,783)
Unrealized revaluation gain on investment properties measured at fair value	10,16	(154,160)	(220,757)
Straight line rental income adjustment		(4,105)	(28,059)
Tenant improvement amortization	4(b)	18,968	22,484
Leasing expense amortization	4(b)	21,666	21,534
Right-of-use assets depreciation*	17	978	883
Interest income		(4,533)	(2,549)
Impairment loss on trade receivables	4(b)	14,905	10,191
Net foreign exchange (gain)/loss on monetary items	4(e)	(474,019)	537,905
Finance costs	4(d)	227,375	228,846
Share of profit from equity-accounted investees	9(b)	(33,387)	(40,336)
Net unrealized gain on interest rates swaps		(123,386)	(37,296)
Current and deferred income tax	13	604	477
Movements in working capital:			
Increase in receivables		(80,686)	(50,270)
Decrease in payables		(55,741)	(143,102)
Net cash flows from operating activities		690,225	587,177
Investing activities:			
Maintenance capital expenditure and other capitalized cost		(162,060)	(321,822)
Distributions received from equity-accounted investees	9(b)	18,488	10,285
Interest received		4,533	2,549
Net cash flows used in investing activities		(139,039)	(308,988)
Financing activities:			
Interest paid		(166,026)	(167,107)
Lease payments	17	(1,285)	(1,186)
Distribution to CBFI holders	7	(723,224)	(723,542)
Net cash flows used in financing activities		(890,535)	(891,835)
Net decrease in cash and cash equivalents		(339,349)	(613,646)
Cash and cash equivalents at the beginning of the period		732,655	906,083
Foreign exchange on cash and cash equivalents	4(e)	8,513	(17,890)
Cash and cash equivalents at the end of the period**		401,819	274,547

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

**Includes restricted cash balance of \$16.5 million (2021: \$17.0 million) as at March 31, 2022.

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 ("México") and the address of its registered office is Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, México 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 México, 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. Subsequently, the Trust Agreement was amended and restated on October 11, 2018, and on November 1, 2019.

On August 31, 2021, Macquarie México Real Estate Management, S.A. de C.V. ("MMREM") merged with one of its affiliates - which was also 100% ultimately owned by Macquarie Group Limited - Macquarie México Infrastructure Management, S.A. de C.V. as merging and surviving entity. The corporate name of the surviving entity changed to Macquarie Asset Management México, S.A. de C.V. ("MAM México"). As a result of the merger, MAM México assumed (respectively) the capacity of manager, settlor and beneficiary in second place of the Trust Agreement.

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

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

Impact analysis of COVID-19 pandemic

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. The Group was temporarily impacted by government, labor and other restrictions during the period ended March 31, 2022 and overall, there was some impact on certain financial metrics like property income after related expenses and asset valuations.

On March 24, 2020, FIBRA Macquarie completed a US\$180.0 million drawdown under its Revolving Credit Facility as a proactive measure to increase its cash position and to preserve its financial flexibility to address market uncertainties related to COVID-19 pandemic. Given continued strong liquidity position, the Group has fully repaid this drawn facility over three partial repayments. The first repayment amounting to US\$90.0 million (\$2,028.9 million) on June 17, 2020. The second repayment amounting to US\$55.0 million (\$1,223.8 million) on July 24, 2020 and the third repayment amounting to US\$35.0 million (\$754.8 million) on September 24, 2020.

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

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

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, 2021, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of the unaudited condensed interim consolidated financial statements have been included.

These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on April 28, 2022.

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, 2022 that affect the application of accounting policies. Estimates and assumptions used in these unaudited condensed interim consolidated financial statements are based on information available to the Group as at the end of the reporting period. The notes to the unaudited condensed interim consolidated financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the unaudited condensed interim consolidated financial statements such as:

(i) Judgements

- Classification of joint arrangements into joint ventures "JV": 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 properties 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 10 for further details.

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

- Estimation of fair value of investment properties: Critical judgements are made with respect to the fair values of investment properties. The fair values of investment properties are reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date, using generally accepted market practices. The independent valuers are experienced, nationally recognized and qualified in the professional valuation of industrial and retail buildings in their respective geographic areas. Since inception, FIBRA Macquarie has performed yearly and since 2019 half-yearly independent appraisals. See note 10 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 12 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)

- 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 13 for further details.

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

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

d) Measurement of fair value

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

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

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

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

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

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, 2022 but these amendments do not apply to the Group's unaudited condensed interim consolidated financial statements.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective

The Group has adopted the new standards which are applicable from January 1, 2022. Certain standards and amendments which are issued but not yet effective, are available for early adoption but the Group has decided not to do so. These standards and amendments would have immaterial or no impact to the Group's consolidated financial statements. These include:

- COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018–2020.
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

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, 2022	Mar 31, 2021
	\$'000	\$'000
a) Property related income		
Lease related income	936,829	883,587
Car parking income	9,025	5,160
Expenses recoverable from tenants	53,708	60,510
Total property related income	999,562	949,257
b) Property related expenses		
Property administration expense	(19,231)	(16,663)
Property insurance	(6,678)	(5,846)
Property tax	(20,283)	(18,880)
Repairs and maintenance	(18,331)	(25,486)
Industrial park fees	(10,655)	(10,490)
Security services	(6,288)	(6,633)
Property related legal and consultancy expenses	(1,576)	(2,648)
Tenant improvements amortization	(18,968)	(22,484)
Leasing expenses amortization	(21,666)	(21,534)
Utilities	(4,205)	(4,532)
Marketing costs	(3,137)	(1,892)
Car park operating fees	(2,139)	(1,517)
Impairment on trade receivables	(14,905)	(10,191)
Other property related expenses	(1,046)	(1,113)
Total property related expenses	(149,108)	(149,909)
c) Professional, legal and other expenses		
Tax advisory expenses	(693)	(773)
Accountancy expenses	(2,400)	(1,917)
Valuation expenses	(1,234)	(1,270)
Audit expenses	(1,332)	(1,287)
Other professional expenses	(3,609)	(3,562)
Other expenses	(10,712)	(6,989)
Total professional, legal and other expenses	(19,980)	(15,798)
d) Finance costs		
Interest expense on interest-bearing liabilities	(223,425)	(223,474)
Finance costs under effective interest method	(3,950)	(4,998)
Interest expense on lease liabilities	-	(374)
Total finance costs	(227,375)	(228,846)
e) Net foreign exchange gain/(loss)		
Unrealized foreign exchange gain/(loss) on monetary items	464,298	(511,422)
Realized foreign exchange gain/(loss)	1,208	(8,593)
Total net foreign exchange gain/(loss)	465,506	(520,015)

At March 31, 2022, the Group had 71 employees (March 31, 2021: 67 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, 2022	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	347,925	182,118	202,567	163,590	13,957	143,607	1,053,764
<i>Lease related income</i>	319,893	176,874	199,141	160,469	11,930	118,415	986,722
<i>Car park income</i>	-	-	-	-	444	10,306	10,750
<i>Expenses recoverable from tenants</i>	28,032	5,244	3,426	3,121	1,583	14,886	56,292
Segment net (loss)/profit ²	(49,651)	(44,634)	(29,834)	(52,658)	8,501	94,480	(73,796)
<i>Included in loss for the period:</i>							
Foreign exchange gain	50,738	30,582	39,478	35,925	-	5	156,728
Net unrealized foreign exchange loss on investment properties	(441,400)	(249,886)	(257,746)	(239,816)	-	-	(1,188,848)
Unrealized revaluation gain on investment properties measured at fair value	65,138	30,855	27,216	30,738	2,392	7,114	163,453
Finance costs ³	(25,577)	(15,391)	(19,568)	(17,868)	(3,173)	(9,149)	(90,726)
3 months ended March 31, 2021							
Revenue from external customers ¹	327,069	172,277	195,127	148,320	11,675	139,671	994,139
<i>Lease related income</i>	314,900	161,346	186,705	141,507	10,026	112,584	927,068
<i>Car park income</i>	-	-	-	-	227	5,805	6,032
<i>Expenses recoverable from tenants</i>	12,169	10,931	8,422	6,813	1,422	21,282	61,039
Segment net profit ²	736,477	384,168	400,256	316,135	10,439	110,652	1,958,127
<i>Included in profit of the period:</i>							
Foreign exchange loss	(67,512)	(40,427)	(53,688)	(40,800)	-	(21)	(202,448)
Net unrealized foreign exchange gain on investment properties	460,164	255,443	255,465	208,711	-	-	1,179,783
Unrealized revaluation gain on investment properties measured at fair value	86,027	42,814	41,013	35,223	7,283	36,396	248,756
Finance costs ³	(25,576)	(15,365)	(21,362)	(16,145)	(3,231)	(9,189)	(90,868)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$13.9 million (March 31, 2021 \$11.6 million) and \$40.2 million (March 31, 2021 \$33.2 million) respectively.

² The retail south segment and the retail central segment includes operating profits/(losses) relating to joint ventures amounting to \$8.5 million (March 31, 2021 \$10.4 million) and \$24.5 million (March 31, 2021 \$29.7 million) respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.1 million (March 31, 2021 \$3.2 million) and \$9.1 million (March 31, 2021 \$9.1 million) respectively.

The operating segment grouping includes- **Central:** Guadalajara, Irapuato, MCMA, Puebla, Querétaro, San Luis Potosí; **North East:** Matamoros, Monterrey, Nuevo Laredo, Reynosa, Saltillo; **North:** Cd. Juárez, Chihuahua; **North West:** Hermosillo, Los Mochis, Mexicali, Nogales, Tijuana; **South:** Cancún, Tuxtepec.

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, 2022	Industrial				Retail		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Total segment assets	15,849,380	9,328,823	9,274,499	8,616,748	500,205	6,581,149	50,150,804
Total segment liabilities	(2,093,822)	(1,216,843)	(1,547,634)	(1,420,315)	(155,520)	(511,412)	(6,945,546)
As at December 31, 2021							
Total segment assets	16,830,398	9,461,046	9,138,332	8,412,129	494,854	6,575,792	50,912,551
Total segment liabilities	(2,200,038)	(1,270,555)	(1,601,913)	(1,468,631)	(154,006)	(503,294)	(7,198,437)

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

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

	3 months ended	
	Mar 31, 2022 \$'000	Mar 31, 2021 \$'000
Total segment revenue	1,053,764	994,139
Revenue attributable to equity-accounted investees	(54,201)	(44,882)
Interest income	4,533	2,549
Total revenue for the period	1,004,096	951,806
Segment (loss)/profit	(73,796)	1,958,127
Unallocated amounts:		
Property expenses not included in reporting segments	901	997
Finance costs not included in reporting segments ¹	(148,971)	(150,399)
Interest income	4,533	2,549
Items attributable to equity-accounted investees	372	205
Net foreign exchange gain/(loss) ²	308,778	(317,567)
Net unrealized profit on interest rate swaps	123,385	37,296
Management fees ³	(46,917)	(47,305)
Transaction related expenses	(803)	(619)
Professional, legal and other expenses	(19,980)	(15,798)
Income tax expense	(604)	(477)
Profit for the period	146,898	1,467,009

¹ A portion of existing debt is in the form of unsecured facilities at FIBRA Macquarie level and consequently, in 2022 and 2021 finance cost is considered as a reconciling item.

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

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

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

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

5. SEGMENT REPORTING (CONTINUED)

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

	Period/Year ended	
	Mar 31, 2022	Dec 31, 2021
	\$'000	\$'000
Segment assets	50,150,804	50,912,551
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	214,107	513,939
Trade and other receivables, net	288	288
Other assets ¹	27,493	78,207
Assets attributable to equity-accounted investees ¹	(1,942,565)	(1,921,787)
Investment in equity-accounted investees ¹	1,338,599	1,323,700
Derivative financial instruments not included in reporting segment ¹	25,887	-
Total assets	49,814,613	50,906,898
Segment liabilities	(6,945,546)	(7,198,437)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities ¹	(10,274,976)	(10,575,156)
Trade and other payables ¹	(153,827)	(373,886)
Liabilities attributable to equity-accounted investees ¹	603,965	598,086
Other liabilities ¹	(10,076)	(11,139)
Deferred income tax liability ¹	(26,523)	(26,523)
Derivative financial instruments not included in reporting segment ¹	-	(97,499)
Total liabilities	(16,806,983)	(17,684,554)

¹ Assets and liabilities held at Fund level.

6. SEASONALITY OF OPERATIONS

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

7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the quarter ended March 31, 2022, FIBRA Macquarie made two distributions payment amounting to \$723.2 million (March 31, 2021: \$723.6 million). The first distribution amounting to \$361.6 million (0.475 per CBF) which was accrued as at December 31, 2021, was paid on January 28, 2022. The second distribution amounted to \$361.6 million (0.475 per CBF) was paid on March 11, 2022.

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 CBF1

	3 months ended	
	Mar 31, 2022	Mar 31, 2021
	\$'000	\$'000
Profit after tax per CBF1		
Basic and diluted profit per CBF1 (\$)	0.20	1.92
Basic and diluted profit used in the calculation of earnings per CBF1		
Net profit after tax attributable to controlling interests for basic earnings per CBF1 (\$'000)	151,046	1,461,340
Weighted average number of CBF1s used as the denominator in calculating basic earnings per CBF1 ('000)	761,289	761,623

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, 2022	Dec 31, 2021
		as at Mar 31, 2022	as at Dec 31, 2021	\$'000	\$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	530,299	529,975
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	808,300	793,725

b) Movement in carrying amounts

	Mar 31, 2022	Dec 31, 2021
	\$'000	\$'000
Carrying amount at the beginning of the period/year	1,323,700	1,186,526
Capital contribution during the period/year ¹	-	4,639
Distributions received during the period/year	(18,488)	(59,494)
Share of profits from equity-accounted investees	24,093	64,018
Share of revaluation gain on investment properties measured at fair value	9,294	128,011
Carrying amount at the end of the period/year	1,338,599	1,323,700

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 Mar 31, 2022 \$'000	JV Trust CIB/589 Dec 31, 2021 \$'000	JV Trust CIB/586 Mar 31, 2022 \$'000	JV Trust CIB/586 Dec 31, 2021 \$'000
Total current assets ^{1,2}	29,800	27,144	56,364	49,787
Total non-current assets	1,037,520	1,039,456	2,772,057	2,738,258
Total current liabilities ³	-	-	(68,150)	(54,354)
Total non-current liabilities ³	(6,721)	(6,649)	(1,143,672)	(1,146,242)
Net assets	1,060,599	1,059,951	1,616,599	1,587,449

¹ Includes cash and cash equivalents of \$48.2 million (December 31, 2021: \$46.4 million).

² Includes restricted cash of \$21.7 million (December 31, 2021: \$21.5 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,129.5 million (December 31, 2021: \$1,132.7 million).

Summarized Statement of Financial Position	JV Trust CIB/589 Mar 31, 2022 \$'000	JV Trust CIB/589 Dec 31, 2021 \$'000	JV Trust CIB/586 Mar 31, 2022 \$'000	JV Trust CIB/586 Dec 31, 2021 \$'000
Reconciliation to carrying amounts:				
Opening net assets for the year ¹	1,059,951	1,011,088	1,587,449	1,361,964
Net movements for the period/year	648	48,863	29,150	225,485
Net assets	1,060,599	1,059,951	1,616,599	1,587,449
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	530,299	529,976	808,300	793,724
FIBRA Macquarie's carrying amount	530,299	529,976	808,300	793,724

¹ During the three months ended March 31, 2022, FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$5.5 million (full year 2021: \$19.3 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

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

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

9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

c) Summarized financial information for joint ventures (continued)

Summarized Statement of Comprehensive Income	JV Trust CIB/589 3 months ended Mar 31, 2022 \$'000	JV Trust CIB/589 3 months ended Mar 31, 2021 \$'000	JV Trust CIB/586 3 months ended Mar 31, 2022 \$'000	JV Trust CIB/586 3 months ended Mar 31, 2021 \$'000
Revenue:				
Property related and other income	22,220	16,989	86,183	72,775
Revaluation of investment properties measured at fair value	-	3,070	18,809	52,931
Financial income	87	39	662	370
Total revenue	22,307	20,098	105,654	126,076
Expenses:				
Finance costs	-	-	(24,645)	(24,839)
Other expenses	(7,439)	(9,836)	(28,882)	(30,826)
Revaluation of investment properties measured at fair value	(222)	-	-	-
Total expenses	(7,661)	(9,836)	(53,527)	(55,665)
Profit for the period	14,646	10,262	52,127	70,411
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	7,323	5,131	26,064	35,205

d) Share of contingent liabilities of joint venture

As at March 31, 2022 and December 31, 2021, 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

	Note	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
Carrying amount at the beginning of the period/year		47,659,885	41,119,827
<i>Additions during the period/year:</i>			
Capital expenditure (including tenant improvements)		94,637	107,588
Transfers from investment properties under construction		-	84,141
Investment properties under construction	10(a)	85,556	410,741
Net unrealized foreign exchange (loss)/gain on investment properties		(1,188,848)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value		154,160	4,767,929
Leasing commissions, net of amortization		(8,031)	11,389
Carrying amount at the end of the period/year		46,797,359	47,659,885

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

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

10. INVESTMENT PROPERTIES (CONTINUED)

a) Investment properties under construction*

	Mar 31, 2022	Dec 31, 2021
	\$'000	\$'000
Carrying amount at the beginning of the period/year	455,231	44,490
Capital expenditure	85,556	494,882
Transfer to completed investment properties	-	(84,141)
Carrying amount at the end of the period/year	540,787	455,231

* Investment properties 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.

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 México, 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, 2021.

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

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

The fair value measurement for all investment properties was determined based on 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, 2022, were as follows:

- The range of reversionary capitalisation rates applied to the portfolio were between 7.00% to 10.25% (December 31, 2021: 7.00% and 10.25%) for industrial and 8.50% to 9.75% (December 31, 2021: 8.50% to 9.75%) for retail properties.

- The discount rates applied range between 8.00% and 11.25% (December 31, 2021: 8.00% and 11.25%) for industrial properties and 9.75% and 11.75% (December 31, 2021: 9.75% and 11.75%) for retail properties.

- The vacancy rate applied was from 2.00% to 5.00% (2021: 2.00% to 5.00%), with a weighted average of 3.66% (2021: 3.66%) for industrial properties and between 3.00% and 20.00% (2021: 3.00% and 20.00%), with a weighted average of 9.86% (2021: 9.86%) for retail properties.

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

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

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

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

11. INTEREST BEARING LIABILITIES

	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	3,399,014	3,499,195
Undrawn MXN-denominated notes	1,259,564	1,259,564
Total undrawn loan facilities	4,658,578	4,758,759
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	6,498,115	9,777,162
US\$-denominated notes	9,497,245	6,689,638
Unamortized transaction costs	(57,306)	(62,426)
Total drawn loan facilities, net of unamortized transaction costs	15,938,054	16,404,374

The relevant credit facilities are summarized as follows:

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount	
						Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
Various Banks through a Credit Facility - Revolving Credit Facility	US\$	180.0	10.0	30 days Libor+2.50%	Apr-24	199,942	205,835
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	4,997,044	5,144,027
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,185,205	4,308,109
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% ²	Apr-24	3,580,027	3,683,260
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,497,964	1,542,034
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,477,872	1,521,109
Balance at the end of the period/year						15,938,054	16,404,374

¹ Thirty-nine industrial properties are secured pursuant to this Term Loan. ² Fixed by interest rate swap. Refer to note 12. ³ Sixteen industrial properties are secured pursuant to this Term Loan.

Interest-bearing liabilities

On June 10, 2021, FIBRA Macquarie drew a US\$10.0 million its Revolving Credit Facility to increase its working capital on a short-term basis.

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

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

11. INTEREST BEARING LIABILITIES (CONTINUED)

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

	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
Carrying amount at the beginning of the period/year	16,404,374	15,684,178
Changes from financing cash flows:		
Proceeds from interest-bearing liabilities, net of facility charges	-	197,728
Total changes for financing cash flow	-	197,728
Total effect of changes in foreign exchange rate	(470,270)	506,141
Liability-related other changes:		
Amortization of capitalized borrowing costs	3,950	16,327
Carrying amount at the end of the period/year	15,938,054	16,404,374

12. 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, 2022 \$'000	Dec 31, 2021 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	25,887	(97,499)
Total estimated fair value				25,887	(97,499)

13. 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 CBFIs holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFIs 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 the condensed unaudited interim consolidated statements of comprehensive income as follows:

	Mar 31, 2022 \$'000	Mar 31, 2021 \$'000
Current income tax	(604)	(477)
Current income tax	(604)	(477)

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

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

13. DIRECT TAXES (CONTINUED)

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, 2022 and December 31, 2021, respectively, with respect to the results of the Group's subsidiaries are:

	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	992	1,791
Current income tax for the period/year	(604)	(816)
Advance income tax paid	-	17
Income tax recoverable	388	992
<i>Deferred income tax</i>		
Opening balance as of January 1	26,523	22,557
Relating to temporary differences provision	-	3,966
Deferred income tax	26,523	26,523

14. CONTRIBUTED EQUITY

	No. of CBFIs \$'000	\$'000
Balance at January 1, 2021	761,623	17,311,749
CBFIs repurchased for cancellation during the year	(335)	(7,841)
CBFIs outstanding at December 31, 2021	761,288	17,303,908
Balance at January 1, 2022	761,288	17,303,908
CBFIs outstanding at March 31, 2022	761,288	17,303,908

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. Similar to approvals obtained in prior years, on May 25, 2021, FIBRA Macquarie's Technical Committee approved the extension of this program through to June 25, 2022.

From the inception of the CBFI buy-back program to March 31, 2022, a total of 50,074,481 CBFIs, amounting to \$1,066.0 million (including transaction costs), have been repurchased.

15. NON-CONTROLLING INTEREST

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

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

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

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

15. NON-CONTROLLING INTEREST (CONTINUED)

	Non-controlling ownership percentage Mar 31, 2022	Non-controlling Interest Mar 31, 2022	Total Assets Mar 31, 2022	Total Liabilities Mar 31, 2022
JV Trust CIB 3493	28%	244,207	880,447	(598)
		244,207	880,447	(598)

	Non-controlling ownership percentage Dec 31, 2021	Non-controlling Interest Dec 31, 2021	Total Assets Dec 31, 2021	Total Liabilities Dec 31, 2021
JV Trust CIB 3493	30%	248,355	849,726	(2,319)
		248,355	849,726	(2,319)

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, (note 10).
- Derivative financial instruments, (note 12).

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

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

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

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

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

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

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)

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, 2022	\$'000	\$'000	\$'000
Trade and other receivables, net*	23,264	23,264	23,264
Interest-bearing liabilities**	(15,791,077)	(15,791,077)	(15,938,054)
As at December 31, 2021			
Trade and other receivables, net*	14,084	14,084	14,084
Interest-bearing liabilities**	(16,881,871)	(16,881,871)	(16,404,374)

* The amortized cost of the trade receivables is a close approximation to the fair value due to its short-term maturity.

** Net of 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, 2022	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments-asset	-	25,887	-	25,887
Investment properties	-	-	46,797,359	46,797,359
As at December 31, 2021				
Derivative financial instruments-liability	-	(97,499)	-	(97,499)
Investment properties	-	-	47,659,885	47,659,885

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

	Mar 31, 2022 \$'000	Dec 31, 2021 \$'000
Balance at the beginning of the period/year	47,659,885	41,119,827
Capital expenditure/leasing commission, net of amortization	172,162	613,859
Net unrealized foreign exchange (loss)/gain on investment properties	(1,188,848)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value	154,160	4,767,929
Balance at the end of the period/year	46,797,359	47,659,885

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 March 31, 2022 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 forward are as laid out below:

March 31, 2022	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	140,724	298,399	84,323	523,446
*Peso denominated minimum future lease collections	28,735	55,429	12,831	96,995

* 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, 2022 \$'000	Dec 31, 2021 \$'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the period/year	13,183	15,954
Addition to right-of-use assets	-	1,037
Effect of changes in foreign exchange rate	(66)	113
Depreciation charge for the period/year	(978)	(3,921)
Balance at the end of the period/year	12,139	13,183
Lease liabilities (included in other liabilities):		
Balance at the beginning of the period/year	15,092	17,611
Addition to lease liabilities	-	1,037
Effect of changes in foreign exchange rate	(72)	120
Interest on lease liabilities ¹	333	1,475
Lease payments	(1,285)	(5,151)
Balance at the end of the period/year	14,068	15,092
Balance classified as current	3,992	3,953
Balance classified as non-current	10,076	11,139
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	5,030	5,149
1-5 years	11,701	12,944
Total undiscounted lease liabilities at the end of the period/year	16,731	18,093

¹ When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average rate applied is 4.9% (2021: 4.9%) for the contracts in USD and 10.2% (2021:10.2%) for the contracts in pesos.

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 ended March 31, 2022, the trustees' fees for the Group amounted to \$1.1 million (March 31, 2021: \$1.1 million).

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

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

Under the terms of the Management Agreement, MAM México is entitled to a base management fee of \$46.9 million (March 31, 2021: \$47.3 million) for the three months ended March 31, 2022. 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 CBFIs 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.

MAM México 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 CBFIs 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, 2022, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three months ended March 31, 2022, the Group accrued expenses totaling \$0.1 million (March 31, 2021: \$0.2 million) in respect of out of pocket expenses incurred by affiliate entities of MAM México and MMREM respectively, in performance of its duties as Manager.

As at March 31, 2022, expenses due to affiliate entities of MAM México and MMREM respectively, amounted to \$0.1 million (March 31, 2021: \$0.2 million).

As at March 31, 2022, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MAM México and MMREM, respectively, held 36,853,632 CBFIs and received a gross distribution of \$35.0 million during the period ended March 31, 2022 (March 31, 2021: \$35.0 million).

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

19. EVENTS AFTER BALANCE SHEET DATE

On April 4, 2022, FIBRA Macquarie México announced the signing of a US\$425.0 million equivalent sustainability-linked unsecured credit facility which was subsequently completed on Tuesday, April 5, 2022. The proceeds from the new sustainability-linked facility were used to repay the amounts drawn under the unsecured credit facility that was due to expire on April 1, 2024. The new unsecured credit facility comprises (i) a US\$180.0 million non-amortizing, five-year term loan and (ii) a US\$245.0 million equivalent, five-year committed revolving credit facility comprised of a US\$180.0 million US Dollar-denominated tranche and a Ps. 1,300 million (equivalent to US\$65.0 million) Mexican Peso-denominated tranche.

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

