



FIBRA  
Macquarie  
México

# FIBRA MACQUARIE MÉXICO REPORTS FOURTH QUARTER AND FULL YEAR 2021 RESULTS

- Industrial portfolio year-end occupancy of 96.0%, up 169bps YoY -
- Increase in independent asset valuations of 12.1%, NAV/CBFI at record Ps. 41.0 -
  - FY21 AFFO per certificate of Ps. 2.38, above guidance -
  - Initiates FY22 per cert. distribution guidance of Ps. 2.00, up 5.3% -
- Awarded EDGE Champion status by the IFC for green building performance -

**MEXICO CITY, February 3, 2022** – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ) announced its financial and operating results for the fourth quarter ended December 31, 2021.

## FOURTH QUARTER 2021 HIGHLIGHTS

- Records 4Q21 AFFO per certificate of Ps. 0.6189
- Authorizes 4Q21 cash distribution of Ps. 0.4750 per certificate, in line with guidance
- Achieves consolidated occupancy of 95.2%, up 129 bps YoY and up 44 bps sequentially
- Receives independent valuation uplift of 12.1% YoY, NAV/CBFI at record Ps. 41.0, Real Estate Net LTV lower at 35.0%
- Initiates FY22 per certificate guidance: Distribution of Ps. 2.00, a 5.3% annual increase; AFFO of Ps. 2.50 to Ps. 2.55

“FIBRA Macquarie delivered another quarter of strong performance to finish the year, as positive operating fundamentals were further enhanced by an advantageous FX impact,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “In our industrial portfolio, we maintained high levels of occupancy ending the year at 96%, driven by our busiest quarter of leasing since 2018 including 2.8 million square feet of new and renewal leasing activity. With approximately 80% of our industrial footprint in the northern markets, we are ideally positioned to continue to capture the expanding demand for manufacturing and logistics, supported by underlying trends of nearshoring and e-commerce growth. Additionally, our grocery-anchored retail portfolio experienced a robust quarter with continuing trends of lower rent discounts and higher cash collections. In addition, we continue to pursue a disciplined industrial development growth strategy with three

buildings in process and an active pipeline of opportunities. We remain encouraged by a favorable backdrop and are pleased to report a meaningful increase in underlying independent property valuations. Looking to 2022, we project record annual distributions, as we remain focused on maximizing total per certificate returns for our investors. Furthermore, our prudent AFFO payout and leverage ratios ensure that our business model remains resilient and capable of supporting attractive growth opportunities in the industrial sector.”

## FINANCIAL AND OPERATING RESULTS

### Consolidated Portfolio

FIBRAMQ's total results were as follows:

TOTAL PORTFOLIO	4Q21	4Q20	Variance	FY21	FY20	Variance
Net Operating Income (NOI)	Ps. 917.9m	Ps. 870.3m	5.5%	Ps. 3,542.5m	Ps. 3,692.7m	(4.1%)
EBITDA	Ps. 851.8m	Ps. 798.0m	6.7%	Ps. 3,282.7m	Ps. 3,431.5m	(4.3%)
Funds From Operations (FFO)	Ps. 604.8m	Ps. 557.7m	8.5%	Ps. 2,325.0m	Ps. 2,394.3m	(2.9%)
FFO per certificate	0.7944	0.7322	8.5%	3.0534	3.1402	(2.8%)
Adjusted Funds From Operations (AFFO)	Ps. 471.1m	Ps. 452.4m	4.1%	Ps. 1,814.2m	Ps. 1,975.6m	(8.2%)
AFFO per certificate	Ps. 0.6189	Ps. 0.5940	4.2%	Ps. 2.3827	Ps. 2.5911	(8.0%)
NOI Margin	87.9%	86.0%	189 bps	87.7%	87.4%	28 bps
AFFO Margin	45.1%	44.7%	41 bps	44.9%	46.8%	(186 bps)
GLA ('000s sqft) EOP	34,480	34,532	(0.1%)	34,480	34,532	(0.1%)
GLA ('000s sqm) EOP	3,203	3,208	(0.1%)	3,203	3,208	(0.1%)
Occupancy EOP	95.2%	93.9%	129 bps	95.2%	93.9%	129 bps
Average Occupancy	94.8%	93.6%	116 bps	94.2%	94.5%	(28 bps)

FIBRAMQ's same store portfolio results were as follows:

INDUSTRIAL PORTFOLIO - SAME STORE	4Q21	4Q20	Variance	FY21	FY20	Variance
Net Operating Income	Ps. 800.9m	Ps. 779.4m	2.8%	Ps. 3,105.9m	Ps. 3,183.9m	(2.5%)
Net Operating Income Margin	90.9%	90.6%	23 bps	91.3%	91.3%	(2 bps)
Number of Properties	235	235	0	235	235	0
GLA ('000s sqft) EOP	29,687	29,737	(0.2%)	29,687	29,737	(0.2%)
GLA ('000s sqm) EOP	2,758	2,763	(0.2%)	2,758	2,763	(0.2%)
Occupancy EOP	96.0%	94.3%	170 bps	96.0%	94.3%	170 bps
Average Monthly Rent (US\$/sqm) EOP	5.17	5.04	2.5%	5.17	5.04	3.1%
Customer Retention LTM EOP	82.8%	77.9%	496 bps	82.8%	77.9%	496 bps
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.4	(0.1%)	3.4	3.4	(0.1%)
Percentage of US\$ denominated Rent EOP	92.3%	92.6%	(31 bps)	92.3%	92.6%	(31 bps)

### COVID-19 Reporting Disclosures

FIBRAMQ continues to provide enhanced COVID-19 related disclosures for its rent collections, retail center store openings, rent relief and trade receivables as part of its Fourth Quarter 2021 Supplementary Information materials, located at [www.fibramacquarie.com/investors/bolsa-mexicanade-valores-filings](http://www.fibramacquarie.com/investors/bolsa-mexicanade-valores-filings).

## Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	4Q21	4Q20	Variance	FY21	FY20	Variance
Net Operating Income (NOI)	Ps. 808.0m	Ps. 779.7m	3.6%	Ps. 3,138.9m	Ps. 3,183.7m	(1.4%)
NOI Margin	90.7%	90.5%	21 bps	91.2%	91.2%	(1 bps)
GLA ('000s sqft) EOP	29,904	29,955	(0.2%)	29,904	29,955	(0.2%)
GLA ('000s sqm) EOP	2,778	2,783	(0.2%)	2,778	2,783	(0.2%)
Occupancy EOP	96.0%	94.3%	169 bps	96.0%	94.3%	169 bps
Average Occupancy	95.5%	93.9%	162 bps	94.8%	94.8%	(1 bps)
Average monthly rent per leased (US\$/sqm) EOP	\$5.18	\$5.05	2.5%	\$5.18	\$5.05	2.5%
Customer retention LTM	82.8%	77.9%	496 bps	82.8%	77.9%	496 bps
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.4	(0.4%)	3.4	3.4	(0.4%)

FIBRAMQ's industrial portfolio maintained its positive momentum to complete the year with robust operational and financial performance. For the quarter ended December 31, 2021, FIBRAMQ's industrial portfolio delivered NOI of Ps. 808.0 million, an increase of 3.6% over the prior corresponding period.

At quarter-end, industrial occupancy stood at 96.0%, up 169 basis points from the prior year period and up 50 basis points sequentially. The fourth quarter was the most active of the year with 518.5 thousand sqft of industrial space leased to seven diverse customers across four markets. Renewals comprised 29 leases covering 2.3 million sqft of GLA, driving a healthy retention rate of 82.8% over the last 12 months.

Cash collections continue to be strong. As of December 31, 2021, trade receivables net of provisions were Ps. 8.2 million (excl. VAT), lower by 42.5% sequentially and 73.4% over the prior corresponding period.

An independent appraisal of FIBRA Macquarie's industrial portfolio conducted in the fourth quarter resulted in an annual same store and total revaluation gain of 12.4%, and a closing property-by-property book value of US\$1,976 million. Supporting the valuation uplift, the independent appraiser updated certain key inputs including certain forecast rental rates and cap rates reflecting solid sector tailwinds and comparable market transactions.

## Retail Portfolio

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

RETAIL PORTFOLIO	4Q21	4Q20	Variance	FY21	FY20	Variance
Net Operating Income (NOI)	Ps. 109.9m	Ps. 90.6m	21.2%	Ps. 321.5m	Ps. 420.0m	(23.4%)
NOI Margin	71.5%	60.1%	1,132 bps	79.1%	78.1%	99 bps
GLA ('000s sqft) EOP	4,576	4,577	(0.0%)	4,576	4,577	(0.0%)
GLA ('000s sqm) EOP	425	425	(0.0%)	425	425	(0.0%)
Occupancy EOP	90.1%	91.4%	(136 bps)	90.1%	91.4%	(136 bps)
Average Occupancy	89.9%	91.7%	(183 bps)	90.4%	92.5%	(207 bps)
Average monthly rent per leased (Ps./sqm) EOP	\$159.25	\$154.86	2.8%	\$159.25	\$154.86	2.8%
Customer retention LTM	70.9%	49.8%	2,112 bps	70.9%	49.8%	2,112 bps
Weighted Avg Lease Term Remaining (years) EOP	3.2	3.6	(9.3%)	3.2	3.6	(9.3%)

FIBRAMQ's retail portfolio benefited from improving trading conditions during the fourth quarter. For the quarter ended December 31, 2021, FIBRAMQ's retail portfolio delivered NOI of Ps. 109.9 million, up 21.2% from the prior comparable period, reflecting declining rent discounts and collection of aged receivables that allowed for a meaningful release of doubtful debt provisions provided for in prior periods.

- Retail portfolio cash collections during the quarter totaled Ps. 163.7 million making it the strongest quarter of collections since the onset of the pandemic. Collections increased 17.0% sequentially and increased 19.1% versus the prior corresponding period.
- Quarterly rent discounts totaled Ps. 9.6 million, the lowest since the onset of the pandemic. Rent discounts were down sequentially by 25.5%, and down 17.8% versus the prior corresponding period.
- During the fourth quarter, monitored foot traffic at FIBRAMQ's shopping centers was approximately 35% above the prior comparable period, although approximately 25% below pre-pandemic levels.

FIBRAMQ signed 63 leases encompassing 11.9 thousand sqm of retail space during the fourth quarter of 2021. Leasing highlights included renewals for Cinemex at City Shops Valle Dorado (3.2 thousand sqm, MCMA) and Smart Fit gym at Multiplaza Lindavista (1.3 thousand sqm, Monterrey). Quarterly move outs declined to 1.9 thousand sqm, their lowest level since the onset of the COVID-19 pandemic, contributing to a small increase in occupancy on a sequential basis.

As of December 31, 2021, trade receivables net of provisions were Ps. 7.7 million (excl. VAT), lower 23.3% sequentially and 50.4% over the prior corresponding period.

An independent appraisal for FIBRA Macquarie's retail portfolio at year-end resulted in a same store and total revaluation gain of 10.6% versus 2020, and a closing property-by-property book value of Ps. 6,799 million. Supporting the valuation uplift, the independent

appraiser updated certain key inputs including improved credit loss and healthier lease up assumptions reflecting a gradually improving retail environment that is expected to have better operating conditions compared to more recent years.

### **Same Store Portfolio Results**

For detail on FIBRAMQ's industrial and retail same store portfolio results, please refer to Fourth Quarter 2021 Supplementary Information materials located at [BMV Filings \(fibramacquarie.com\)](https://www.fibramacquarie.com).

## **PORTFOLIO ACTIVITY**

### **Industrial Development**

FIBRAMQ is pursuing a strategy to complement and grow its industrial portfolio by investing and developing class "A" assets in core markets that demonstrate strong performance and a positive economic outlook. Work continued at FIBRAMQ's active development projects during the quarter.

- FIBRAMQ began construction on a 186 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.
- FIBRAMQ also continued its industrial development project in the Mexico City Metropolitan Area. FIBRAMQ expects to deliver the first building comprising 509 thousand sqft of industrial GLA on the site in the second half of 2022. In addition, and given the robust market fundamentals, FIBRAMQ commenced the construction of a 225 thousand sqft industrial building during the quarter. This is the second of two industrial buildings to be built on the site, which is also due for completion in the second half of 2022.

## **BALANCE SHEET**

As of December 31, 2021, FIBRAMQ had approximately Ps. 16.4 billion of debt outstanding, Ps. 4.8 billion available on its undrawn committed revolving credit facility and Ps. 0.7 billion of unrestricted cash on hand.

FIBRAMQ's indebtedness was 98.8% fixed rate and had a weighted-average debt tenor remaining of 4.1 years.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 32.3% and the debt service coverage ratio was 5.3x.

On a consolidated basis, NAV per certificate increased over the year by 25%, to Ps. 41.0.

## **ESG**

FIBRAMQ has been recognized for its ongoing focus on, among other things, green building and green leasing, stakeholder engagement and transparency, as well as its commitment to continuous improvement.

- As previously disclosed, in October 2021, GRESB, a leading global ESG benchmark for real estate investments, reaffirmed its GRESB 3 Star rating of FIBRAMQ for 2021. The rating is in respect of both the GRESB Standing Investments Benchmark and the GRESB Development Benchmark.
- In February 2022, FIBRA Macquarie was recognized as being an “EDGE Champion.” EDGE Champions are organizations that collaborate with the International Finance Corporation (IFC) to accelerate the adoption of green building options. As an EDGE Champion, FIBRA Macquarie is committed to these 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.

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 February 3, 2022, FIBRAMQ declared a cash distribution for the quarter ended December 31, 2021, of Ps. 0.4750 per certificate. The distribution is expected to be paid on March 11, 2022, to holders of record on March 10, 2022. FIBRAMQ’s certificates will commence trading ex-distribution on March 9, 2022.

## **FY22 GUIDANCE**

### **AFFO per certificate**

FIBRA Macquarie is initiating FY22 AFFO guidance in a range of between Ps. 2.50 and Ps. 2.55 per certificate representing an increase of between 4.9% and 7.0% over FY21. The guidance assumes:

- an average exchange rate of Ps. 20.50 per US dollar for the remainder of FY22;
- no further deterioration in broader economic and market conditions, and no additional government restrictions regarding retail trading activities;
- no new acquisitions or divestments of stabilized properties; and
- no issuances or repurchases of certificates.

### **Distribution per certificate**

FIBRAMQ is initiating guidance for cash distributions in FY22 of Ps. 2.00 per certificate paid in equal quarterly instalments of Ps. 0.50 per certificate. The guidance reflects an increase of 5.3% over distributions for FY21 and a record level of payout. The guidance is supported by an expected FY22 AFFO payout ratio of approximately 79%, based on FIBRAMQ's projections.

The payment of cash distributions is subject to the approval of FIBRAMQ's 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, February 4, 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](http://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 Fourth Quarter 2021 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 fourth quarter 2021 will also be available on FIBRA Macquarie's website, [www.fibramacquarie.com](http://www.fibramacquarie.com).

### **About FIBRA Macquarie**

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 236 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of December 31, 2021. Nine of the retail properties are held through a 50/50 joint venture. For additional information about FIBRA Macquarie, please visit [www.fibramacquarie.com](http://www.fibramacquarie.com).

## **Cautionary Note Regarding Forward-looking Statements**

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

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## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021 (UNAUDITED) AND DECEMBER 31, 2020

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

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<b>Current assets</b>		
Cash and cash equivalents	715,618	889,571
Trade and other receivables, net	14,084	53,901
Other assets	62,696	62,010
<b>Total current assets</b>	<b>792,398</b>	<b>1,005,482</b>
<b>Non-current assets</b>		
Restricted cash	17,037	16,512
Investment properties	47,659,885	41,119,827
Equity-accounted investees	1,323,700	1,186,526
Goodwill	841,614	841,614
Other assets	272,264	233,925
<b>Total non-current assets</b>	<b>50,114,500</b>	<b>43,398,404</b>
<b>Total assets</b>	<b>50,906,898</b>	<b>44,403,886</b>
<b>Current liabilities</b>		
Trade and other payables	800,947	1,132,815
Interest-bearing liabilities	205,835	-
Tenant deposits	22,481	15,818
Other liabilities	3,953	3,523
<b>Total current liabilities</b>	<b>1,033,216</b>	<b>1,152,156</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	16,198,539	15,684,178
Tenant deposits	317,638	310,676
Derivative financial instruments	97,499	211,095
Trade and other payables	-	128,717
Other liabilities	11,139	14,088
Deferred income tax	26,523	22,557
<b>Total non-current liabilities</b>	<b>16,651,338</b>	<b>16,371,311</b>
<b>Total liabilities</b>	<b>17,684,554</b>	<b>17,523,467</b>
<b>Net assets</b>	<b>33,222,344</b>	<b>26,880,419</b>
<b>Equity</b>		
Contributed equity	17,303,908	17,311,749
Retained earnings	15,670,081	9,325,095
<b>Total controlling interest</b>	<b>32,973,989</b>	<b>26,636,844</b>
Non-controlling interest	248,355	243,575
<b>Total equity</b>	<b>33,222,344</b>	<b>26,880,419</b>

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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

	3 months ended		Year ended	
	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Property related income	992,748	963,732	3,847,644	4,028,100
Property related expenses	(158,072)	(174,688)	(610,116)	(619,487)
<b>Property income after related expenses</b>	<b>834,676</b>	<b>789,044</b>	<b>3,237,528</b>	<b>3,408,613</b>
Management fees	(47,961)	(48,224)	(195,806)	(186,839)
Transaction related expenses	(2,862)	(3,242)	(5,123)	(7,273)
Professional, legal and other expenses	(19,243)	(21,270)	(70,717)	(67,575)
<b>Total operating expenses</b>	<b>(70,066)</b>	<b>(72,736)</b>	<b>(271,646)</b>	<b>(261,687)</b>
Other income	3,943	-	11,642	-
Net unrealized foreign exchange gain/(loss) on investment properties	510,752	(4,381,850)	1,158,270	1,912,458
Unrealized revaluation gain/(loss) on investment properties measured at fair value	3,812,587	108,635	4,767,929	(1,157,936)
Finance costs	(233,430)	(229,539)	(909,653)	(1,002,153)
Interest income	4,574	2,467	12,311	21,210
Share of profit/(loss) from equity-accounted investees	101,749	(111,379)	192,029	(316,958)
Net foreign exchange (loss)/gain on monetary items	(209,006)	1,917,673	(510,838)	(843,917)
Net unrealized gain/(loss) on interest rate swaps	50,857	40,363	113,596	(172,923)
<b>Profit/(loss) before tax for the period/year</b>	<b>4,806,636</b>	<b>(1,937,322)</b>	<b>7,801,168</b>	<b>1,586,707</b>
Current and deferred income tax	(3,842)	1,184	(4,782)	633
<b>Profit/(loss) for the period/year</b>	<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Other comprehensive income</b>				
Other comprehensive income for the period/year	-	-	-	-
<b>Total comprehensive income/(loss) for the period/year</b>	<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Total consolidated comprehensive income/(loss) for the period/year attributable to:</b>				
Controlling interests	4,800,535	(1,906,180)	7,791,606	1,602,925
Non-controlling interests	2,259	(29,958)	4,780	(15,585)
<b>Total comprehensive income/(loss) for the period/year</b>	<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Profit/(loss) per CBFi*</b>				
Basic and diluted profit/(loss) per CBFi (pesos)	6.31	(2.50)	10.23	2.10

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

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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, 2020	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income/(loss) for the year	-	1,602,925	1,602,925	(15,585)	1,587,340
<b>Total comprehensive income for the year</b>	-	1,602,925	1,602,925	(15,585)	1,587,340
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,433,403)	(1,433,403)	-	(1,433,403)
- Repurchase of CBFIs, including associated costs	(83,043)	-	(83,043)	-	(83,043)
<b>Total transactions with equity holders in their capacity as equity holders</b>	(83,043)	(1,433,403)	(1,516,446)	-	(1,516,446)
Initial recognition of non-controlling interest	-	-	-	259,160	259,160
<b>Total equity at December 31, 2020</b>	<b>17,311,749</b>	<b>9,325,095</b>	<b>26,636,844</b>	<b>243,575</b>	<b>26,880,419</b>
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 year	-	7,791,606	7,791,606	4,780	7,796,386
<b>Total comprehensive income for the year</b>	-	7,791,606	7,791,606	4,780	7,796,386
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,446,620)	(1,446,620)	-	(1,446,620)
- Repurchase of CBFIs, including associated costs	(7,841)	-	(7,841)	-	(7,841)
<b>Total transactions with equity holders in their capacity as equity holders</b>	(7,841)	(1,446,620)	(1,454,461)	-	(1,454,461)
<b>Total equity at December 31, 2021</b>	<b>17,303,908</b>	<b>15,670,081</b>	<b>32,973,989</b>	<b>248,355</b>	<b>33,222,344</b>

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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

	Year ended	
	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
<b>Operating activities:</b>		
Profit for the year	7,796,386	1,587,340
<b>Adjustments for:</b>		
Net unrealized foreign exchange gain on investment properties	(1,158,270)	(1,912,458)
Unrealized revaluation (gain)/loss on investment properties measured at fair value	(4,767,929)	1,157,936
Straight line rental income adjustment	(37,541)	(25,747)
Tenant improvement amortization	75,818	57,764
Leasing expense amortization	91,567	82,354
Right-of-use assets depreciation*	3,921	4,080
Interest income	(12,311)	(21,210)
Impairment loss on trade receivables	28,201	77,471
Net foreign exchange loss on monetary items	529,529	864,967
Finance costs	909,653	1,002,153
Share of (profit)/loss from equity-accounted investees	(192,029)	316,958
Net unrealized (gain)/loss on interest rates swaps	(113,596)	172,923
Current and deferred income tax	4,782	(633)
<b>Movements in working capital:</b>		
(Increase)/decrease in receivables	(20,868)	383,997
Decrease in payables	(312,919)	(144,151)
<b>Net cash flows from operating activities</b>	<b>2,824,394</b>	<b>3,603,744</b>
<b>Investing activities:</b>		
Land acquisition	-	(525,580)
Capital contribution in equity-accounted investees	(4,639)	(10,064)
Maintenance capital expenditure and other capitalized cost	(924,866)	(716,814)
Distributions received from equity-accounted investees	59,494	50,830
Interest received	12,311	21,210
<b>Net cash flows used in investing activities</b>	<b>(857,700)</b>	<b>(1,180,418)</b>
<b>Financing activities:</b>		
Repayment of interest-bearing liabilities	-	(4,007,607)
Interest paid	(859,387)	(955,721)
Proceeds from interest-bearing liabilities, net of facility charges	197,728	4,340,034
Lease payments	(5,151)	(5,373)
Non-controlling interest contribution	-	259,160
Repurchase of CBFIs, including associated costs	(7,841)	(83,043)
Distribution to CBFI holders	(1,446,780)	(1,420,023)
<b>Net cash flows used in financing activities</b>	<b>(2,121,431)</b>	<b>(1,872,573)</b>
Net decrease in cash and cash equivalents	(154,737)	550,753
Cash and cash equivalents at the beginning of the year	906,083	708,807
Foreign exchange on cash and cash equivalents	(18,691)	(353,477)
<b>Cash and cash equivalents at the end of the year**</b>	<b>732,655</b>	<b>906,083</b>

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

\*\*Includes restricted cash balance of \$17.0 million (2020: \$16.5 million) as at December 31, 2021.



## **FIBRA MACQUARIE MÉXICO**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDING DECEMBER 31, 2021

Important: This English translation, available online at [www.fibramacquarie.com](http://www.fibramacquarie.com),  
is for courtesy purposes only. The Spanish original prevails.



# FIBRA

Macquarie México

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### Disclaimer

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



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

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

### *Introduction*

We have reviewed the accompanying December 31, 2021 condensed interim consolidated financial statements of Fideicomiso Irrevocable No. F/1622 (CIBANCO, S. A. Institución de Banca Multiple) and its controlled entities (“Fibra Macquarie México” or “the Trust”), which comprise:

- the condensed consolidated interim statement of financial position as December 31, 2021;
- the condensed consolidated interim statements of comprehensive income for the twelve-month period ended December 31, 2021;
- the condensed consolidated interim statements of changes in equity for the twelve-month period ended December 31, 2021;
- the condensed consolidated statements of cash flows for the twelve-month period ended December 31, 2021; and
- notes to the condensed interim consolidated financial statements.

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

### *Scope of Review*

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



*FIBRA Macquarie Mexico*  
2.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying December 31, 2021 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

KPMG CARDENAS DOSAL, S. C.

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

Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico  
February 03, 2022



## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021 (UNAUDITED) AND DECEMBER 31, 2020

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

	Note	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents		715,618	889,571
Trade and other receivables, net		14,084	53,901
Other assets		62,696	62,010
<b>Total current assets</b>		<b>792,398</b>	<b>1,005,482</b>
<b>Non-current assets</b>			
Restricted cash		17,037	16,512
Investment properties	10	47,659,885	41,119,827
Equity-accounted investees	9	1,323,700	1,186,526
Goodwill		841,614	841,614
Other assets		272,264	233,925
<b>Total non-current assets</b>		<b>50,114,500</b>	<b>43,398,404</b>
<b>Total assets</b>		<b>50,906,898</b>	<b>44,403,886</b>
<b>Current liabilities</b>			
Trade and other payables		800,947	1,132,815
Interest-bearing liabilities	11	205,835	-
Tenant deposits		22,481	15,818
Other liabilities	17	3,953	3,523
<b>Total current liabilities</b>		<b>1,033,216</b>	<b>1,152,156</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	11	16,198,539	15,684,178
Tenant deposits		317,638	310,676
Derivative financial instruments	12	97,499	211,095
Trade and other payables		-	128,717
Other liabilities	17	11,139	14,088
Deferred income tax	13	26,523	22,557
<b>Total non-current liabilities</b>		<b>16,651,338</b>	<b>16,371,311</b>
<b>Total liabilities</b>		<b>17,684,554</b>	<b>17,523,467</b>
<b>Net assets</b>		<b>33,222,344</b>	<b>26,880,419</b>
<b>Equity</b>			
Contributed equity	14	17,303,908	17,311,749
Retained earnings		15,670,081	9,325,095
<b>Total controlling interest</b>		<b>32,973,989</b>	<b>26,636,844</b>
Non-controlling interest	15	248,355	243,575
<b>Total equity</b>		<b>33,222,344</b>	<b>26,880,419</b>

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

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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

	Note	3 months ended		Year ended	
		Dec 31, 2021 \$'000	Dec 31, 2020 \$'000	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Property related income	4(a)	992,748	963,732	3,847,644	4,028,100
Property related expenses	4(b)	(158,072)	(174,688)	(610,116)	(619,487)
<b>Property income after related expenses</b>		<b>834,676</b>	<b>789,044</b>	<b>3,237,528</b>	<b>3,408,613</b>
Management fees	18(c)	(47,961)	(48,224)	(195,806)	(186,839)
Transaction related expenses		(2,862)	(3,242)	(5,123)	(7,273)
Professional, legal and other expenses	4(c)	(19,243)	(21,270)	(70,717)	(67,575)
<b>Total operating expenses</b>		<b>(70,066)</b>	<b>(72,736)</b>	<b>(271,646)</b>	<b>(261,687)</b>
Other income		3,943	-	11,642	-
Net unrealized foreign exchange gain/(loss) on investment properties	10,16	510,752	(4,381,850)	1,158,270	1,912,458
Unrealized revaluation gain/(loss) on investment properties measured at fair value	10,16	3,812,587	108,635	4,767,929	(1,157,936)
Finance costs	4(d)	(233,430)	(229,539)	(909,653)	(1,002,153)
Interest income		4,574	2,467	12,311	21,210
Share of profit/(loss) from equity-accounted investees	9	101,749	(111,379)	192,029	(316,958)
Net foreign exchange (loss)/gain on monetary items	4(e)	(209,006)	1,917,673	(510,838)	(843,917)
Net unrealized gain/(loss) on interest rate swaps		50,857	40,363	113,596	(172,923)
<b>Profit/(loss) before tax for the period/year</b>		<b>4,806,636</b>	<b>(1,937,322)</b>	<b>7,801,168</b>	<b>1,586,707</b>
Current and deferred income tax	13	(3,842)	1,184	(4,782)	633
<b>Profit/(loss) for the period/year</b>		<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Other comprehensive income</b>					
Other comprehensive income for the period/year		-	-	-	-
<b>Total comprehensive income/(loss) for the period/year</b>		<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Total consolidated comprehensive income/(loss) for the period/year attributable to:</b>					
Controlling interests		4,800,535	(1,906,180)	7,791,606	1,602,925
Non-controlling interests		2,259	(29,958)	4,780	(15,585)
<b>Total comprehensive income/(loss) for the period/year</b>		<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>
<b>Profit/(loss) per CBFI*</b>					
Basic and diluted profit/(loss) per CBFI (pesos)	8	6.31	(2.50)	10.23	2.10

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

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

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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, 2020	14	17,394,792	9,155,573	26,550,365	-	26,550,365
Total comprehensive income/(loss) for the year		-	1,602,925	1,602,925	(15,585)	1,587,340
<b>Total comprehensive income for the year</b>		-	1,602,925	1,602,925	(15,585)	1,587,340
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(1,433,403)	(1,433,403)	-	(1,433,403)
- Repurchase of CBFIs, including associated costs	14	(83,043)	-	(83,043)	-	(83,043)
<b>Total transactions with equity holders in their capacity as equity holders</b>		(83,043)	(1,433,403)	(1,516,446)	-	(1,516,446)
Initial recognition of non-controlling interest	15	-	-	-	259,160	259,160
<b>Total equity at December 31, 2020</b>		<b>17,311,749</b>	<b>9,325,095</b>	<b>26,636,844</b>	<b>243,575</b>	<b>26,880,419</b>
Total equity at January 1, 2021	14	<b>17,311,749</b>	<b>9,325,095</b>	<b>26,636,844</b>	<b>243,575</b>	<b>26,880,419</b>
Total comprehensive income for the year		-	<b>7,791,606</b>	<b>7,791,606</b>	<b>4,780</b>	<b>7,796,386</b>
<b>Total comprehensive income for the year</b>		-	<b>7,791,606</b>	<b>7,791,606</b>	<b>4,780</b>	<b>7,796,386</b>
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(1,446,620)	(1,446,620)	-	(1,446,620)
- Repurchase of CBFIs, including associated costs	14	(7,841)	-	(7,841)	-	(7,841)
<b>Total transactions with equity holders in their capacity as equity holders</b>		(7,841)	(1,446,620)	(1,454,461)	-	(1,454,461)
<b>Total equity at December 31, 2021</b>		<b>17,303,908</b>	<b>15,670,081</b>	<b>32,973,989</b>	<b>248,355</b>	<b>33,222,344</b>

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

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2021 (UNAUDITED) AND 2020

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

	Note	Year ended	
		Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
<b>Operating activities:</b>			
Profit for the year		7,796,386	1,587,340
<b>Adjustments for:</b>			
Net unrealized foreign exchange gain on investment properties	10,16	(1,158,270)	(1,912,458)
Unrealized revaluation (gain)/loss on investment properties measured at fair value	10,16	(4,767,929)	1,157,936
Straight line rental income adjustment		(37,541)	(25,747)
Tenant improvement amortization	4(b)	75,818	57,764
Leasing expense amortization	4(b)	91,567	82,354
Right-of-use assets depreciation*	17	3,921	4,080
Interest income		(12,311)	(21,210)
Impairment loss on trade receivables	4(b)	28,201	77,471
Net foreign exchange loss on monetary items	4(e)	529,529	864,967
Finance costs	4(d)	909,653	1,002,153
Share of (profit)/loss from equity-accounted investees	9(b)	(192,029)	316,958
Net unrealized (gain)/loss on interest rates swaps		(113,596)	172,923
Current and deferred income tax		4,782	(633)
<b>Movements in working capital:</b>			
(Increase)/decrease in receivables		(20,868)	383,997
Decrease in payables		(312,919)	(144,151)
<b>Net cash flows from operating activities</b>		<b>2,824,394</b>	<b>3,603,744</b>
<b>Investing activities:</b>			
Land acquisition	10	-	(525,580)
Capital contribution in equity-accounted investees	9(b)	(4,639)	(10,064)
Maintenance capital expenditure and other capitalized cost		(924,866)	(716,814)
Distributions received from equity-accounted investees	9(b)	59,494	50,830
Interest received		12,311	21,210
<b>Net cash flows used in investing activities</b>		<b>(857,700)</b>	<b>(1,180,418)</b>
<b>Financing activities:</b>			
Repayment of interest-bearing liabilities	1,11	-	(4,007,607)
Interest paid		(859,387)	(955,721)
Proceeds from interest-bearing liabilities, net of facility charges	11	197,728	4,340,034
Lease payments	17	(5,151)	(5,373)
Non-controlling interest contribution	15	-	259,160
Repurchase of CBFIs, including associated costs	14	(7,841)	(83,043)
Distribution to CBFi holders	7	(1,446,780)	(1,420,023)
<b>Net cash flows used in financing activities</b>		<b>(2,121,431)</b>	<b>(1,872,573)</b>
Net decrease in cash and cash equivalents		(154,737)	550,753
Cash and cash equivalents at the beginning of the year		906,083	708,807
Foreign exchange on cash and cash equivalents	4(e)	(18,691)	(353,477)
<b>Cash and cash equivalents at the end of the year**</b>		<b>732,655</b>	<b>906,083</b>

\*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 \$17.0 million (2020: \$16.5 million) as at December 31, 2021.

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

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

### 1. REPORTING ENTITY

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

FIBRA Macquarie is domiciled in the United Mexican States ("Mexico") and the address of its registered office is Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Seccion, Miguel Hidalgo, Mexico City 11000 with effect from November 2, 2017. FIBRA Macquarie's trust agreement was amended on November 20, 2012, amended and restated on December 11, 2012, to, among other things, add as parties to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative, and Macquarie México Real Estate Management, S.A. de C.V., as manager (in such capacity, "MMREM" or the "Manager"), and further amended and restated on August 27, 2014 (such amended and restated trust agreement, the "Trust Agreement"). On October 31, 2017, Deutsche Bank Mexico, S.A., Institución de Banca Múltiple, División Fiduciaria, as substituted trustee, and CIBanco, S.A., Institución de Banca Múltiple ("CIBanco"), as substitute trustee, with the acknowledgment of MMREM as settlor and beneficiary in second place of the Trust Agreement, executed a trustee substitution agreement (hereinafter, the "Trustee Substitution Agreement") whereby CIBanco agreed to act as the FIBRA Macquarie Trustee, assuming all the rights and obligations derived in such capacity from the Trust Agreement. 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 Mexico 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 year ended December 31, 2021 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, 2020, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of the unaudited condensed interim consolidated financial statements have been included.

These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on February 03, 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 December 31, 2021 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*

- 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.

- 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 property transactions. If there is any change in these assumptions, or regional, national or international economic conditions, the fair value of investment properties may change materially. See note 10 for further details.

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

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

### 2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

#### c) Critical accounting judgments and estimates (continued)

##### *(ii) Assumptions and estimation of uncertainties (continued)*

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

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

#### e) Comparatives

Certain items in the comparative condensed unaudited interim consolidated statements of cash flow have been reclassified for the year ended December 31, 2020. These reclassifications have not resulted in any material impact on the unaudited condensed interim consolidated financial statements for the year ended December 31, 2021.



## 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

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, 2021 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.

#### ***Standards issued but not yet effective***

The Group has adopted the new standards which are applicable from January 1, 2021. 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:

- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16), applicable from January 1, 2022.
- Reference to Conceptual Framework (Amendments to IFRS 3), applicable from January 1, 2022.
- Classification of Liabilities as Current and Non-current (Amendments to IAS 1), applicable from January 1, 2023.
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts, applicable from January 1, 2023.



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

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

### 4. INCOME/(EXPENSE) FOR THE PERIOD/YEAR

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

	3 months ended		Year ended	
	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<b>a) Property related income</b>				
Lease related income	927,893	903,229	3,579,613	3,781,250
Car parking income	10,777	8,410	31,751	32,318
Expenses recoverable from tenants	54,078	52,093	236,280	214,532
<b>Total property related income</b>	<b>992,748</b>	<b>963,732</b>	<b>3,847,644</b>	<b>4,028,100</b>
<b>b) Property related expenses</b>				
Property administration expense	(19,766)	(20,021)	(72,769)	(74,771)
Property insurance	(6,583)	(5,239)	(24,680)	(21,960)
Property tax	(18,948)	(18,447)	(75,670)	(71,866)
Repairs and maintenance	(39,020)	(52,315)	(118,440)	(114,785)
Industrial park fees	(10,623)	(9,994)	(41,818)	(40,138)
Security services	(6,279)	(6,641)	(24,924)	(24,970)
Property related legal and consultancy expenses	(3,113)	(2,832)	(10,232)	(9,755)
Tenant improvements amortization	(18,243)	(16,142)	(75,818)	(57,764)
Leasing expenses amortization	(22,646)	(23,033)	(91,567)	(82,354)
Utilities	(5,024)	(4,643)	(18,083)	(19,821)
Marketing costs	(5,842)	(2,587)	(13,542)	(11,260)
Car park operating fees	(2,243)	(1,576)	(7,428)	(7,644)
Impairment on trade receivables	3,783	(9,869)	(28,201)	(77,471)
Other property related expenses	(3,525)	(1,349)	(6,944)	(4,928)
<b>Total property related expenses</b>	<b>(158,072)</b>	<b>(174,688)</b>	<b>(610,116)</b>	<b>(619,487)</b>
<b>c) Professional, legal and other expenses</b>				
Tax advisory expenses	(646)	(786)	(2,997)	(2,589)
Accountancy expenses	(2,273)	(2,286)	(8,557)	(8,688)
Valuation expenses	(1,291)	(1,179)	(5,358)	(4,727)
Audit expenses	(1,287)	(1,242)	(5,149)	(5,014)
Other professional expenses	(3,852)	(4,890)	(14,695)	(15,157)
Other expenses	(9,894)	(10,887)	(33,961)	(31,400)
<b>Total professional, legal and other expenses</b>	<b>(19,243)</b>	<b>(21,270)</b>	<b>(70,717)</b>	<b>(67,575)</b>
<b>d) Finance costs</b>				
Interest expense on interest-bearing liabilities	(229,317)	(225,501)	(892,222)	(985,594)
Finance costs under effective interest method	(4,113)	(3,647)	(16,327)	(14,841)
Interest expense on lease liabilities	-	(391)	(1,104)	(1,718)
<b>Total finance costs</b>	<b>(233,430)</b>	<b>(229,539)</b>	<b>(909,653)</b>	<b>(1,002,153)</b>
<b>e) Net foreign exchange (loss)/gain</b>				
Unrealized foreign exchange (loss)/gain on monetary items	(222,640)	1,568,863	(510,460)	(864,967)
Realized foreign exchange gain/(loss)	13,634	348,810	(378)	21,050
<b>Total net foreign exchange (loss)/gain</b>	<b>(209,006)</b>	<b>1,917,673</b>	<b>(510,838)</b>	<b>(843,917)</b>

At December 31, 2021, the Group had 73 employees (December 31, 2020: 68 employees) in its vertically integrated internal property management platform.

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

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

### 5. SEGMENT REPORTING

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

The operating segments derive their income primarily from lease rental income derived from tenants in Mexico divided into two segments (Industrial and Retail). During the period, there were no transactions between the Group's operating segments. The segment information includes proportionately consolidated results of the joint ventures, which are eliminated in the segment reconciliations. The CEO monitors the performance of the Group based on the location of the investment properties, as follows:

3 months ended December 31, 2021	Industrial				Retail <sup>1,2,3</sup>		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	337,719	189,237	201,562	161,888	12,675	141,084	1,044,165
Lease related income	325,272	175,819	192,037	155,042	10,885	115,901	974,956
Car park income	-	-	-	-	358	11,868	12,226
Expenses recoverable from tenants	12,447	13,418	9,525	6,846	1,432	13,315	56,983
Segment net profit <sup>2</sup>	1,804,070	944,964	1,005,821	910,005	25,771	419,690	5,110,321
<i>Included in profit for the period:</i>							
Foreign exchange loss	(20,687)	(12,194)	(16,236)	(18,577)	-	-	(67,694)
Net unrealized foreign exchange gain on investment properties	194,595	105,096	102,644	108,417	-	-	510,752
Unrealized revaluation gain on investment properties measured at fair value	1,365,706	705,866	757,463	714,811	20,765	329,344	3,893,955
Finance costs <sup>3</sup>	(25,468)	(15,512)	(16,139)	(23,200)	(3,099)	(9,522)	(92,940)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$12.7 million and \$38.1 million, respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$25.8 million and \$75.7 million, respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.1 million and \$9.5 million, respectively.

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

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

### 5. SEGMENT REPORTING (CONTINUED)

3 months ended December 31, 2020	Industrial				Retail <sup>1,2,3</sup>		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	336,928	181,983	199,322	143,541	14,323	136,352	1,012,449
<i>Lease related income</i>	<i>326,607</i>	<i>169,343</i>	<i>190,256</i>	<i>136,026</i>	<i>12,221</i>	<i>114,750</i>	<i>949,203</i>
<i>Car park income</i>	<i>459</i>	<i>637</i>	-	<i>155</i>	<i>443</i>	<i>7,071</i>	<i>8,765</i>
<i>Expenses recoverable from tenants</i>	<i>9,862</i>	<i>12,004</i>	<i>9,066</i>	<i>7,360</i>	<i>1,659</i>	<i>14,531</i>	<i>54,482</i>
Segment net loss <sup>2</sup>	(1,047,038)	(550,775)	(456,168)	(383,525)	(31,323)	(502,652)	(2,971,481)
<i>Included in loss of the period:</i>							
Foreign exchange gain	227,235	154,159	189,137	132,914	2	52	703,499
Net unrealized foreign exchange loss on investment properties	(1,770,851)	(972,692)	(929,779)	(708,528)	-	-	(4,381,850)
Unrealized revaluation gain/(loss) on investment properties measured at fair value	243,135	124,275	128,209	94,160	(36,136)	(572,951)	(19,308)
Finance costs <sup>3</sup>	(24,254)	(14,267)	(21,260)	(18,555)	(3,732)	(8,987)	(91,055)

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

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

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$3.7 million and \$9.0 million, respectively.

Year ended December 31, 2021	Industrial				Retail <sup>1,2,3</sup>		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	1,329,798	712,549	783,057	615,641	49,444	549,172	4,039,661
<i>Lease related income</i>	<i>1,277,945</i>	<i>665,473</i>	<i>746,349</i>	<i>584,597</i>	<i>42,316</i>	<i>449,999</i>	<i>3,766,679</i>
<i>Car park income</i>	-	-	-	-	<i>1,318</i>	<i>35,552</i>	<i>36,870</i>
<i>Expenses recoverable from tenants</i>	<i>51,853</i>	<i>47,076</i>	<i>36,708</i>	<i>31,044</i>	<i>5,810</i>	<i>63,621</i>	<i>236,112</i>
Segment net profit <sup>2</sup>	3,083,329	1,604,781	1,729,569	1,471,454	49,217	899,709	8,838,059
<i>Included in profit for the year:</i>							
Foreign exchange loss	(66,713)	(38,636)	(49,604)	(44,749)	-	(20)	(199,722)
Net unrealized foreign exchange gain on investment properties	448,356	244,656	241,932	223,326	-	-	1,158,270
Unrealized revaluation gain on investment properties measured at fair value	1,664,615	858,227	916,033	846,984	32,961	577,118	4,895,938
Finance costs <sup>3</sup>	(101,961)	(61,436)	(78,233)	(71,288)	(12,931)	(37,287)	(363,136)

<sup>1</sup> The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$49.4 million and \$142.5 million, respectively.

<sup>2</sup> The retail south segment and the retail central segment includes operating profits relating to joint ventures amounting to \$49.2 million and \$141.9 million, respectively.

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$12.9 million and \$37.2 million, respectively.

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

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

### 5. SEGMENT REPORTING (CONTINUED)

Year ended December 31, 2020	Industrial				Retail <sup>1,2,3</sup>		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers <sup>1</sup>	1,391,118	712,453	802,822	583,908	51,179	683,365	4,224,845
<i>Lease related income</i>	1,329,472	671,663	766,290	553,431	43,799	590,939	3,955,594
<i>Car park income</i>	1,844	2,575	-	619	1,294	29,758	36,090
<i>Expenses recoverable from tenants</i>	59,802	38,215	36,532	29,858	6,086	62,668	233,161
Segment net profit/(loss) <sup>2</sup>	1,762,144	881,376	1,007,455	712,805	(82,741)	(1,053,236)	3,227,803
<i>Included in profit for the year:</i>							
Foreign exchange loss	(93,130)	(48,314)	(79,509)	(60,937)	(34)	(2)	(281,926)
Net unrealized foreign exchange gain on investment properties	773,612	368,080	422,315	348,451	-	-	1,912,458
Unrealized revaluation (loss)/gain on investment properties measured at fair value	(16,158)	6,402	40,807	9,640	(99,893)	(1,482,748)	(1,541,950)
Finance costs <sup>3</sup>	(108,120)	(64,895)	(90,108)	(68,203)	(13,196)	(37,532)	(382,054)

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

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

<sup>3</sup> The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$13.2 million and \$37.5 million, respectively.

As at December 31, 2021	Industrial				Retail		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
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)
<b>As at December 31, 2020</b>							
Total segment assets	14,725,038	8,175,914	8,204,117	6,689,471	464,536	5,941,802	44,200,878
Total segment liabilities	(2,264,633)	(1,439,769)	(1,749,835)	(1,342,335)	(155,887)	(507,459)	(7,459,918)

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

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

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

### 5. SEGMENT REPORTING (CONTINUED)

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

	3 months ended		Year ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	1,044,165	1,012,449	4,039,661	4,224,845
Revenue attributable to equity-accounted investees	(51,416)	(48,717)	(192,015)	(196,743)
Interest income	4,574	2,467	12,311	21,210
<b>Total revenue for the period/year</b>	<b>997,323</b>	<b>966,199</b>	<b>3,859,957</b>	<b>4,049,312</b>
Segment profit/(loss)	5,110,321	(2,971,481)	8,838,059	3,227,803
Unallocated amounts:				
Property expenses not included in reporting segments	1,160	898	4,165	4,130
Finance costs not included in reporting segments <sup>1</sup>	(153,111)	(151,203)	(596,734)	(670,827)
Interest income	4,574	2,467	12,311	21,210
Items attributable to equity-accounted investees	269	196	891	1,113
Other income	3,944	-	11,642	-
Net foreign exchange (loss)/gain <sup>2</sup>	(141,312)	1,214,174	(311,116)	(562,112)
Net unrealized profit/(loss) on interest rate swaps	50,857	40,363	113,596	(172,923)
Management fees <sup>3</sup>	(47,961)	(48,224)	(195,806)	(186,839)
Transaction related expenses	(2,862)	(3,242)	(5,123)	(7,273)
Professional, legal and other expenses	(19,243)	(21,270)	(70,717)	(67,575)
Income tax expense	(3,842)	1,184	(4,782)	633
<b>Profit/(loss) for the period/year</b>	<b>4,802,794</b>	<b>(1,936,138)</b>	<b>7,796,386</b>	<b>1,587,340</b>

<sup>1</sup> A portion of existing debt is in the form of unsecured facilities at FIBRA Macquarie level and consequently, in 2021 and 2020 finance cost is considered as a reconciling item.

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

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

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

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

### 5. SEGMENT REPORTING (CONTINUED)

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

	Year ended	
	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000
Segment assets	50,912,551	44,200,878
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash <sup>1</sup>	513,939	720,311
Trade and other receivables, net	288	309
Other assets <sup>1</sup>	78,207	81,661
Assets attributable to equity-accounted investees <sup>1</sup>	(1,921,787)	(1,785,799)
Investment in equity-accounted investees <sup>1</sup>	1,323,700	1,186,526
<b>Total assets</b>	<b>50,906,898</b>	<b>44,403,886</b>
Segment liabilities	(7,198,437)	(7,459,918)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities <sup>1</sup>	(10,575,156)	(10,037,684)
Trade and other payables <sup>1</sup>	(373,886)	(377,399)
Liabilities attributable to equity-accounted investees <sup>1</sup>	598,086	599,274
Other liabilities <sup>1</sup>	(11,139)	(14,088)
Deferred income tax liability <sup>1</sup>	(26,523)	(22,557)
Derivative financial instruments not included in reporting segment <sup>1</sup>	(97,499)	(211,095)
<b>Total liabilities</b>	<b>(17,684,554)</b>	<b>(17,523,467)</b>

<sup>1</sup> Assets and liabilities held at Fund level.

### 6. SEASONALITY OF OPERATIONS

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

### 7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the year period ended December 31, 2021, FIBRA Macquarie made four distributions payment amounting to \$1,446.8 million (December 31, 2020: \$1,420.0 million). The first distribution amounting to \$361.8 million (0.475 per CBF) which was accrued as at December 31, 2020, was paid on January 28, 2021. The second distribution amounted to \$361.8 million (0.475 per CBF) was paid on March 12, 2021, the third distribution amounted to \$361.6 million (0.475 per CBF) was paid on June 15, 2021, and the fourth distribution amounted to \$361.6 million (0.475 per CBF) was paid on September 27, 2021.

As at December 31, 2021, FIBRA Macquarie had accrued for an approved distribution of \$361.6 million in respect of the third quarter results, which was subsequently paid on January 28, 2022.

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

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

### 8. PROFIT/(LOSS) AFTER TAX PER CBF1

	3 months ended		Year ended	
	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<b>Profit/(loss) after tax per CBF1</b>				
Basic and diluted profit/(loss) per CBF1 (\$)	6.31	(2.50)	10.23	2.10
<b>Basic and diluted profit used in the calculation of earnings per CBF1</b>				
Net profit/(loss) after tax attributable to controlling interests for basic earnings per CBF1 (\$'000)	4,800,535	(1,906,180)	7,791,606	1,602,925
Weighted average number of CBF1s used as the denominator in calculating basic earnings per CBF1 ('000)	761,289	761,623	761,434	762,460

### 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	Dec 31, 2021	Dec 31, 2020
		as at Dec 31, 2021	as at Dec 31, 2020	\$'000	\$'000
JV Trust CIB/589	Mexico / Own and lease retail property	50%	50%	529,975	505,544
JV Trust CIB/586	Mexico / Own and lease retail property	50%	50%	793,725	680,982

#### b) Movement in carrying amounts

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Carrying amount at the beginning of the year	1,186,526	1,544,250
Capital contribution during the year <sup>1</sup>	4,639	10,064
Distributions received during the year	(59,494)	(50,830)
Share of profits from equity-accounted investees	64,018	67,054
Share of revaluation gain/(loss) on investment property measured at fair value	128,011	(384,012)
<b>Carrying amount at the end of the year</b>	<b>1,323,700</b>	<b>1,186,526</b>

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

#### c) Summarized financial information for joint ventures

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

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

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

### 9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

#### c) Summarized financial information for joint ventures (continued)

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000	\$'000	\$'000
Total current assets <sup>1,2</sup>	27,144	18,617	49,787	40,990
Total non-current assets	1,039,456	999,425	2,738,258	2,516,249
Total current liabilities <sup>3</sup>	-	-	(54,354)	(40,472)
Total non-current liabilities <sup>3</sup>	(6,649)	(6,954)	(1,146,242)	(1,154,803)
<b>Net assets</b>	<b>1,059,951</b>	<b>1,011,088</b>	<b>1,587,449</b>	<b>1,361,964</b>

<sup>1</sup> Includes cash and cash equivalents of \$46.4 million (December 31, 2020: \$31.7 million).

<sup>2</sup> Includes restricted cash of \$21.5 million (December 31, 2020: \$20.8 million).

<sup>3</sup> Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,132.7 million (December 31, 2020: \$1,142.3 million).

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000	\$'000	\$'000
<b>Reconciliation to carrying amounts:</b>				
Opening net assets for the year <sup>1</sup>	1,011,088	1,158,625	1,361,964	1,929,875
Net movements for the year	48,863	(147,537)	225,485	(567,911)
<b>Net assets</b>	<b>1,059,951</b>	<b>1,011,088</b>	<b>1,587,449</b>	<b>1,361,964</b>
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	529,976	505,544	793,724	680,982
FIBRA Macquarie's carrying amount	529,976	505,544	793,724	680,982

<sup>1</sup> During the year ended December 31, 2021, FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$19.3 million (full year 2020: \$15.7 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 Year ended Dec 31, 2021 \$'000	JV Trust CIB/589 Year ended Dec 31, 2020 \$'000	JV Trust CIB/586 Year ended Dec 31, 2021 \$'000	JV Trust CIB/586 Year ended Dec 31, 2020 \$'000
<b>Revenue:</b>				
Property related and other income	78,319	87,176	305,710	306,312
Revaluation of investment properties measured at fair value	32,738	-	223,283	-
Financial income	165	229	1,618	1,996
<b>Total revenue</b>	<b>111,222</b>	<b>87,405</b>	<b>530,611</b>	<b>308,308</b>
<b>Expenses:</b>				
Finance costs	-	-	(100,436)	(101,456)
Other expenses	(35,443)	(37,143)	(121,897)	(123,004)
Revaluation of investment properties measured at fair value	-	(187,680)	-	(580,345)
<b>Total expenses</b>	<b>(35,443)</b>	<b>(224,823)</b>	<b>(222,333)</b>	<b>(804,805)</b>
<b>Profit/(loss) for the year</b>	<b>75,779</b>	<b>(137,418)</b>	<b>308,278</b>	<b>(496,497)</b>
FIBRA Macquarie's share (%)	50%	50%	50%	50%
<b>FIBRA Macquarie's share</b>	<b>37,890</b>	<b>(68,709)</b>	<b>154,139</b>	<b>(248,249)</b>

#### d) Share of contingent liabilities of joint venture

As at December 31, 2021 and December 31, 2020, 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	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Carrying amount at the beginning of the year		41,119,827	38,799,138
<i>Additions during the year:</i>			
Land acquisition <sup>1</sup>		-	775,786
Capital expenditure (including tenant improvements)		107,588	643,951
Transfers from investment properties under construction		84,141	143,617
Investment properties under construction	10(a)	410,741	(11,548)
Net unrealized foreign exchange gain on investment properties		1,158,270	1,912,458
Unrealized revaluation gain/(loss) on investment properties measured at fair value		4,767,929	(1,157,936)
Leasing commissions, net of amortization		11,389	14,361
<b>Carrying amount at the end of the year</b>		<b>47,659,885</b>	<b>41,119,827</b>

<sup>1</sup> Amount includes the acquisition of land parcel in MMREIT Industrial Trust IV and 100% investment property value of the F/3493 JV trust.

## 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 property under construction\*

	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000
Carrying amount at the beginning of the year	44,490	56,038
Capital expenditure	494,882	132,069
Transfer to completed investment properties	(84,141)	(143,617)
<b>Carrying amount at the end of the year</b>	<b>455,231</b>	<b>44,490</b>

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

#### b) Asset-by-asset valuation

Valuations of investment properties are carried on half-yearly basis by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE Mexico, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at December 31, 2021 and December 31, 2020.

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

The fair value measurement for all investment properties was determined based 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 December 31, 2021 and 2020 were as follows:

- The range of reversionary capitalisation rates applied to the portfolio were between 7.00% to 10.25% (December 31, 2020: 7.50% and 10.50%) for industrial and 8.50% to 9.75% (December 31, 2020: 8.50% to 9.75%) for retail properties.
- The discount rates applied range between 8.00% and 11.25% (December 31, 2020: 8.50% and 11.50%) for industrial properties and 9.75% and 11.75% (December 31, 2020: 9.75% and 11.75%) for retail properties.
- The vacancy rate applied was from 2.0% to 5.0% (2020: 3.00% to 5.00%), with a weighted average of 3.66% (2020: 4.52%) for industrial properties and between 3.00% and 20.00% (2020: 3.00% and 35.00%), with a weighted average of 9.86% (2020: 10.89%) 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

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<b>The Group has access to:</b>		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes	3,499,195	3,590,766
Undrawn MXN-denominated notes	1,259,564	1,259,564
<b>Total undrawn loan facilities</b>	<b>4,758,759</b>	<b>4,850,330</b>
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	9,777,162	9,276,145
US\$-denominated notes	6,689,638	6,483,328
Unamortized transaction costs	(62,426)	(75,295)
<b>Total drawn loan facilities, net of unamortized transaction costs</b>	<b>16,404,374</b>	<b>15,684,178</b>

The relevant credit facilities are summarized as follows:

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount	
						Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Various Banks through a Credit Facility - Revolving Credit Facility	US\$	180.0	10.0	30 days Libor+2.50%	Apr-24	205,835	-
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	5,144,027	4,984,271
MetLife - Term Loan <sup>1</sup>	US\$	210.0	210.0	5.38%	Oct-27	4,308,109	4,173,519
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% <sup>2</sup>	Apr-24	3,683,260	3,559,236
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,542,034	1,494,176
MetLife - Term Loan <sup>3</sup>	US\$	75.0	75.0	5.23%	Jun-34	1,521,109	1,472,976
<b>Balance at the end of the year</b>						<b>16,404,374</b>	<b>15,684,178</b>

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

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 (\$754.9 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)

### 11. INTEREST BEARING LIABILITIES (CONTINUED)

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

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Carrying amount at the beginning of the year	15,684,178	14,804,370
<b>Changes from financing cash flows:</b>		
Repayments of interest-bearing liabilities	-	(4,007,607)
Proceeds from interest-bearing liabilities, net of facility charges	197,728	4,340,034
<b>Total changes for financing cash flow</b>	<b>197,728</b>	<b>332,427</b>
Total effect of changes in foreign exchange rate	506,141	532,540
<b>Liability-related other changes:</b>		
Amortization of capitalized borrowing costs	16,327	14,841
<b>Carrying amount at the end of the year</b>	<b>16,404,374</b>	<b>15,684,178</b>

### 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	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	(97,499)	(211,095)
<b>Total estimated fair value</b>				<b>(97,499)</b>	<b>(211,095)</b>

### 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 CBFH holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFH holders during the twelve months ended March of such fiscal year, FIBRA Macquarie is required to pay the corresponding tax at a rate of 30% of such excess.

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in the condensed unaudited interim consolidated statements of comprehensive income as follows:

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Current income tax	(816)	633
Deferred income tax	(3,966)	-
<b>Current and deferred income tax</b>	<b>(4,782)</b>	<b>633</b>

## 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 December 31, 2021 and December 31, 2020, respectively, with respect to the results of the Group's subsidiaries are:

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	1,791	2,686
Current income tax for the year	(816)	(1,296)
Advance income tax paid	17	401
<b>Income tax recoverable</b>	<b>992</b>	<b>1,791</b>
<i>Deferred income tax</i>		
Opening balance as of January 1	22,557	24,486
Relating to temporary differences provision	3,966	(1,929)
<b>Deferred income tax</b>	<b>26,523</b>	<b>22,557</b>

### 14. CONTRIBUTED EQUITY

	No. of CBFIs \$'000	\$'000
Balance at January 1, 2020	765,700	17,394,792
CBFIs repurchased for cancellation during the year	(4,077)	(83,043)
CBFIs outstanding at December 31, 2020	761,623	17,311,749
<b>Balance at January 1, 2021</b>	<b>761,623</b>	<b>17,311,749</b>
CBFIs repurchased for cancellation during the year	(335)	(7,841)
<b>CBFIs outstanding at December 31, 2021</b>	<b>761,288</b>	<b>17,303,908</b>

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 December 31, 2021, a total of 50,074,481 CBFIs, amounting to \$1,066.0 million (including transaction costs), have been repurchased. For the year ended December 31, 2021, a total of 334,778 CBFIs, amounting to \$7.8 million (including transaction costs), have been repurchased.

## 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

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.

	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)

  

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

### 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

	Level 2	Total fair value	Total carrying amount
As at December 31, 2021	\$'000	\$'000	\$'000
Trade and other receivables, net*	14,084	14,084	14,084
Interest-bearing liabilities**	(16,881,871)	(16,881,871)	(16,404,374)
<b>As at December 31, 2020</b>			
Trade and other receivables, net*	53,901	53,901	53,901
Interest-bearing liabilities**	(16,662,652)	(16,662,652)	(15,684,178)

\* 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 December 31, 2021	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments-liability	-	(97,499)	-	(97,499)
Investment properties	-	-	47,659,885	47,659,885
<b>As at December 31, 2020</b>				
Derivative financial instruments-liability	-	(211,095)	-	(211,095)
Investment properties	-	-	41,119,827	41,119,827

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:

	Dec 31, 2021 \$'000	Dec 31, 2020 \$'000
Balance at the beginning of the year	41,119,827	38,799,138
Capital expenditure/leasing commission, net of amortization	613,859	790,381
Land acquisition	-	775,786
Net unrealized foreign exchange gain on investment properties	1,158,270	1,912,458
Unrealized revaluation gain/(loss) on investment properties measured at fair value	4,767,929	(1,157,936)
<b>Balance at the end of the year</b>	<b>47,659,885</b>	<b>41,119,827</b>

### 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 December 31, 2021 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:

December 31, 2021	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	140,195	301,706	81,959	523,860
*Peso denominated minimum future lease collections	27,107	53,592	13,697	94,396

\* 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:

	Dec 31, 2021	Dec 31, 2020
	\$'000	\$'000
<b>Right-of-use assets (included in other assets):</b>		
Balance at the beginning of the year	15,954	19,986
Addition to right-of-use assets	1,037	1,124
Lease payments modified in the right of use assets	-	(1,506)
Effect of changes in foreign exchange rate	113	430
Depreciation charge for the year	(3,921)	(4,080)
<b>Balance at the end of the year</b>	<b>13,183</b>	<b>15,954</b>
<b>Lease liabilities (included in other liabilities):</b>		
Balance at the beginning of the year	17,611	21,207
Addition to lease liabilities	1,037	1,124
Lease payments modified in the lease liabilities	-	(1,510)
Effect of changes in foreign exchange rate	120	445
Interest on lease liabilities <sup>1</sup>	1,475	1,718
Lease payments	(5,151)	(5,373)
<b>Balance at the end of the year</b>	<b>15,092</b>	<b>17,611</b>
<b>Balance classified as current</b>	<b>3,953</b>	<b>3,523</b>
<b>Balance classified as non-current</b>	<b>11,139</b>	<b>14,088</b>
<b>Lease liabilities (Maturity analysis - contractual undiscounted cash flows):</b>		
<1 year	5,149	4,906
1-5 years	12,944	16,932
<b>Total undiscounted lease liabilities at the end of the year</b>	<b>18,093</b>	<b>21,838</b>

<sup>1</sup> 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% (2020: 5.7%) for the contracts in USD and 10.2% (2020:10.2%) 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 and year ended December 31, 2021, the trustees' fees for the Group amounted to \$1.1 million (December 31, 2020: \$1.1 million) and \$4.5 million (December 31, 2020: \$4.1 million) respectively.

## 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 \$48.0 million (December 31, 2020: \$48.2 million) and \$195.8 million, (December 31, 2020: \$186.8 million) respectively, for the three months and year ended December 31, 2021. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month period. The market capitalization is calculated as the product of: (i) the average closing price per CBFi during the last 60 trading days prior to the calculation date and, (ii) the total number of outstanding CBFis at the close of trading on the calculation date.

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 CBFi holders, increased at a rate equal to the aggregate of 5% per annum and an annual cumulative Mexican inflation rate from their respective payment dates, minus the aggregate issuance price of all issuances of CBFis, plus the aggregate amount of all repurchases of CBFis, in each case, increased at a rate equal to the aggregate of 5% per annum and the annual cumulative Mexican inflation rate from their respective issuance or repurchase dates, less any performance fees previously paid. This potential fee is payable on the last business day of each two-year period commencing on March 19, 2012 and must be reinvested into FIBRA Macquarie CBFis for a minimum duration of one year. As at December 31, 2021 and 2020, no performance fee was payable by FIBRA Macquarie.

#### d) Other associated entities

During the three months and year ended December 31, 2021, the Group accrued expenses totaling \$0.1 million (December 31, 2020: \$nil million) and \$0.1 million (December 31, 2020: \$0.4 million) respectively 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 December 31, 2021, expenses due to affiliate entities of MAM México and MMREM respectively, amounted to \$0.1 million (December 31, 2020: \$0.4 million).

As at December 31, 2021, 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 \$70.0 million during the period ended December 31, 2021 (December 31, 2020: \$68.5 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

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

