

FIBRA MACQUARIE MÉXICO REPORTS FOURTH QUARTER AND FULL YEAR 2022 RESULTS

- ▶ Acceleration of industrial growth capex program; acquisition of strategic, 25-hectare, industrial land bank in Tijuana and total GLA under construction increasing to 1.8 million square feet
- ▶ Industrial portfolio year-end occupancy of 97.6%, up 166 bps YoY
- ▶ FY22 AFFO per certificate of Ps. 2.71, above guidance
- ▶ Initiates FY23 per certificate distribution guidance of Ps. 2.10, up 5.0% YoY

MEXICO CITY, February 2, 2023 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ) announced its financial and operating results for the fourth quarter ended December 31, 2022.

FOURTH QUARTER 2022 HIGHLIGHTS

- AFFO per certificate Ps. 0.6762, up 9.3% YoY
- Consolidated occupancy at 96.8%, up 54 bps QoQ and up 156 bps YoY
- Industrial occupancy at a record 97.6%, up 63 bps QoQ and up 166 bps YoY
- Positive releasing renewal spreads of 10.2% and 5.6% for industrial and retail portfolios, respectively
- 4Q22 cash distribution of Ps. 0.5000 per certificate authorized
- Extraordinary distribution of Ps. 0.8788 per certificate authorized
- Closed on a US\$150.0 million sustainability-linked unsecured credit facility
- Six industrial buildings under development with a focus on capturing nearshoring opportunities

“The fourth quarter concluded a strong year for FIBRA Macquarie as we delivered solid performance in both our industrial and retail portfolios and continued to build our industrial development pipeline which will contribute to ongoing growth for years to come,” said Simon Hanna, FIBRA Macquarie’s chief executive officer. “For the year, we realized 14% growth in AFFO per certificate, driven by record portfolio occupancy, positive rental rate spreads and the contribution from recently completed developments.

We have strategically built a portfolio which is uniquely positioned to benefit from the accelerating nearshoring activity into Mexico, which we consider to be a long-term, structural demand driver for industrial real estate. Accordingly, we are continuing to accelerate on our industrial growth capex program, with 2.4 million square feet of GLA that we have either delivered in the second half of 2022

or that is currently under development. This amounts to an investment of more than US\$200 million, with an anticipated NOI yield in excess of 10%, representing a healthy contribution to per certificate AFFO over time. With our proven track record, strong capital position and experienced local team, we are optimistic in our ability to deliver a robust underlying performance during 2023, with a focus on sustainably maximizing total returns on a per certificate basis.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ’s consolidated results were as follows:

TOTAL PORTFOLIO	4Q22	4Q21	Variance	FY22	FY21	Variance
Net Operating Income (NOI)	Ps. 947.1m	Ps. 917.9m	3.2%	Ps. 3,753.1m	Ps. 3,542.5m	5.9%
EBITDA	Ps. 872.8m	Ps. 851.8m	2.5%	Ps. 3,473.7m	Ps. 3,282.7m	5.8%
Funds From Operations (FFO)	Ps. 631.6m	Ps. 604.8m	4.4%	Ps. 2,521.3m	Ps. 2,325.0m	8.4%
FFO per certificate	0.8297	0.7944	4.4%	3.3119	3.0534	8.5%
Adjusted Funds From Operations (AFFO)	Ps. 514.8m	Ps. 471.1m	9.3%	Ps. 2,064.9m	Ps. 1,814.2m	13.8%
AFFO per certificate	Ps. 0.6762	Ps. 0.6189	9.3%	Ps. 2.7124	Ps. 2.3827	13.8%
NOI Margin	86.0%	87.9%	(194 bps)	87.4%	87.7%	(34 bps)
AFFO Margin	46.7%	45.1%	161 bps	48.1%	44.9%	315 bps
GLA ('000s square feet) EOP	35,050	34,480	1.7%	35,050	34,480	1.7%
GLA ('000s sqm) EOP	3,256	3,203	1.7%	3,256	3,203	1.7%
Occupancy EOP	96.8%	95.2%	156 bps	96.8%	95.2%	156 bps
Average Occupancy	96.6%	94.8%	184 bps	96.1%	94.2%	193 bps

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	4Q22	4Q21	Variance	FY22	FY21	Variance
Net Operating Income (NOI)	Ps. 856.3m	Ps. 808.0m	6.0%	Ps. 3,330.7m	Ps. 3,138.9m	6.1%
NOI Margin	90.8%	90.7%	9 bps	91.1%	91.2%	(12 bps)
GLA ('000s square feet) EOP	30,452	29,904	1.8%	30,452	29,904	1.8%
GLA ('000s sqm) EOP	2,829	2,778	1.8%	2,829	2,778	1.8%
Occupancy EOP	97.6%	96.0%	166 bps	97.6%	96.0%	166 bps
Average Occupancy	97.4%	95.5%	193 bps	97.0%	94.8%	222 bps
Average monthly rent per leased (US\$/sqm) EOP	\$5.50	\$5.18	6.2%	\$5.50	\$5.18	6.2%
Customer retention LTM	90.5%	82.8%	771 bps	90.5%	82.8%	771 bps
Weighted Avg Lease Term Remaining (years) EOP	3.4	3.4	(1.0%)	3.4	3.4	(1.0%)

FIBRAMQ’s industrial portfolio performance remains robust, with solid increases in occupancy and rental rates YoY. For the quarter ended December 31, 2022, FIBRAMQ’s industrial portfolio delivered quarterly NOI of Ps. 856.3 million, a 6.0% increase when compared to the prior year. This result was driven by record quarterly lease revenues of US\$44.3 million, up 10.2% in USD terms.

At year-end, occupancy increased to 97.6%, up 166 basis points on an annual basis. New leasing activity comprised 271 thousand square feet of GLA, exceeding record low quarterly moveouts of 78 thousand square feet of GLA. New leases featured two contracts in Ciudad Juárez, one supporting a Taiwanese-based electronics company and another for a U.S.-based packaging solutions company, one contract in Puebla for an Italian automotive systems manufacturer, and another contract in Monterrey for a Chinese-headquartered high-tech system manufacturer. Renewal leases comprised 21 contracts and 1.7 million square feet, driving a record retention rate of 90.5% over the last 12 months.

Retail Portfolio

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

RETAIL PORTFOLIO	4Q22	4Q21	Variance	FY22	FY21	Variance
Net Operating Income (incl. SLR)	Ps. 90.8m	Ps. 109.9m	(17.4%)	Ps. 422.5m	Ps. 403.6m	4.7%
Net Operating Income (excl. SLR)	Ps. 102.0m	Ps. 108.0m	(5.5%)	Ps. 464.7m	Ps. 378.5m	22.8%
NOI Margin (% inc. SLR)	57.1%	71.5%	(1,435 bps)	66.0%	67.4%	(147 bps)
NOI Margin (% exc. SLR)	64.2%	70.2%	(603 bps)	72.5%	63.2%	931 bps
GLA ('000s square feet) EOP	4,598	4,576	0.5%	4,598	4,576	0.5%
GLA ('000s sqm) EOP	427	425	0.5%	427	425	0.5%
Occupancy EOP	90.9%	90.1%	84 bps	90.9%	90.1%	84 bps
Average Occupancy	91.1%	89.9%	116 bps	90.5%	90.4%	3 bps
Average monthly rent per leased (Ps./sqm) EOP	\$168.86	\$159.25	6.0%	\$168.86	\$159.25	6.0%
Customer retention LTM	85.5%	70.9%	1,457 bps	85.5%	70.9%	1,457 bps
Weighted Avg Lease Term Remaining (years) EOP	3.0	3.2	(8.6%)	3.0	3.2	(8.6%)

- Excluding the impact of IFRS non-cash straight line rent (SLR) amortization, total revenues (excl. SLR) were Ps. 170.2 million, up 12.1% year over year, contributing to annual NOI of Ps. 464.7 million, an increase of 22.8% over the prior year. Portfolio weighted average rental rates increased by 2.5% over the quarter. This was driven by approximately 50% of Retail portfolio leases (as measured by annualized base rent) being subject to scheduled annual Mexican CPI escalations during the fourth quarter.
- Retail portfolio cash collections during the quarter trended up to Ps. 174.6 million, an increase of 7.3% versus the prior corresponding period.
- During the fourth quarter, foot traffic at FIBRAMQ's shopping centers was approximately 4.4% above the prior comparable period, and approximately 21.6% below pre-pandemic levels.

Lease activity was strong for the quarter, with FIBRAMQ signing 67 new and renewal leases encompassing 13.2 thousand square meters of GLA. Leasing highlights included a new lease for a Smart Fit gym in Tecamac Power Center (1.5 thousand square meters) and a lease renewal for a Cinemex movie theater in San Roque (2.2 thousand square meters). The Retail portfolio also benefited from strong retention of 85.5% over the last 12 months.

As of December 31, 2022, trade receivables net of provisions were Ps. 2.6 million (excl. VAT), lower 66.2% over the prior corresponding period.

Lease Rental Rate Summary

For leases that were renewed during the quarter, positive releasing spreads of 10.2% and 5.6% were achieved for the industrial and retail portfolios, respectively. Based on FIBRAMQ's consolidated lease portfolio, 59.4% of leases (as measured by annualized base rent) are directly linked to either Mexican or US CPI, representing an increase of 122 basis points during the quarter.

For further details please about FIBRA Macquarie's Fourth Quarter 2022 results, please refer to the Supplementary Information materials located at [BMV Filings \(fibramacquarie.com\)](https://www.fibramacquarie.com).

CAPITAL ALLOCATION

FIBRAMQ continues to pursue a strategy of investing in and developing class "A" industrial assets in core markets that demonstrate strong performance and a positive economic outlook.

Industrial Portfolio Growth Capex Program

FIBRAMQ has approximately 1.8 million square feet of new GLA under construction across seven markets, including six ground-up developments and two build-to-suit expansion projects. FIBRAMQ's total investment attributable to GLA under construction is approximately US\$134 million, with an expected FY23 cash deployment of US\$120 million (this includes remaining building construction costs as well as deferred consideration for land and certain project-wide infrastructure costs).

FIBRA Macquarie is targeting a stabilized NOI yield of 9% to 11% on its industrial development program.

Apodaca, Nuevo Leon

- FIBRAMQ currently anticipates completion of a 211 thousand square feet building in Apodaca, Nuevo Leon in 1H23.
- This is the second building being constructed as part of an approximately 800 thousand square feet development project, with the first building of 183 thousand square feet completed and leased during 3Q22, delivering a stabilized NOI yield of 10.4%.

Cuautitlán, Mexico City Metropolitan Area

- In the strategic industrial submarket of Cuautitlán, FIBRAMQ is currently constructing two buildings totaling 735 thousand square feet, with expected delivery in 1H23.

Ciudad Juárez, Chihuahua

- FIBRAMQ has an ongoing development of a 267 thousand square feet GLA building in the southeast market of Ciudad Juárez with an expected delivery date in 2H23.
- FIBRAMQ's long term development plan in Ciudad Juárez considers a phased, multi-year construction of a 10-property Class A industrial park with a total potential GLA of approximately 2.5 million square feet.

Reynosa, Tamaulipas

- Taking advantage of a favorable leasing market backdrop, FIBRAMQ is commencing construction of a 144 thousand square feet building in Reynosa, utilizing an existing land parcel, with an expected delivery date in 2H23.

Tijuana, Baja California

- On November 18, 2022, FIBRAMQ completed the acquisition of a 25ha land parcel in Tijuana for US\$15.8 million including transaction costs and taxes. The land parcel is located in a prime submarket which is ideally situated for a diverse and growing base of customers.
- FIBRAMQ's long-term development plan considers a phased, multi-year construction of a 3-property Class A industrial park, with a total potential GLA of approximately 900 thousand square feet.
- Works are commencing for the development of the first building comprising 406 thousand square feet of GLA. The first phase of the project is scheduled for delivery in 1H24.

Build-to-suit expansions

- FIBRAMQ is progressing on two build-to-suit expansions totaling 69 thousand square feet of GLA in respect of existing leased buildings located at San Luis Potosí and Querétaro, with expected deliveries in 1H23.

CERTIFICATE REPURCHASE PROGRAM

FIBRAMQ has a Ps. 1,000 million CBFi repurchase-for-cancellation program available through to June 25, 2023. No certificates were repurchased during the quarter.

BALANCE SHEET

As of December 31, 2022, FIBRAMQ had approximately Ps. 16.7 billion of debt outstanding, Ps. 6.2 billion available on its undrawn committed revolving credit facility and Ps. 1.2 billion of unrestricted cash on hand.

As of December 31, 2022, FIBRAMQ's indebtedness was 85.9% fixed rate, with 3.8 years weighted-average term remaining.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 31.8% and the debt service coverage ratio was 1.4x.

On a consolidated basis, NAV per certificate increased 3.2% year over year to Ps. 42.3.

SUSTAINABILITY

In December 2022, FIBRAMQ published its most recent Sustainability Report, announcing its commitment to support a goal of net zero greenhouse gas emissions by 2040 for Scope 1 and Scope 2 absolute emissions, in line with global efforts to limit warming to 1.5°C by 2050. The complete report can be found at this [link](#).

DISTRIBUTION

Scheduled Distribution

On February 3, 2023, FIBRAMQ declared a cash distribution of Ps. 0.5000 per certificate for the quarter ended December 31, 2022. The distribution is expected to be paid on or about March 3, 2023, to holders of record on March 2, 2023. FIBRAMQ's certificates are expected to commence trading ex-distribution on March 1, 2023.

Extraordinary Distribution

In accordance with Mexican tax rules, the total taxable result subject to minimum distribution guidelines for FIBRAs includes FX gains and inflationary impacts on foreign currency denominated debt. FIBRAMQ has calculated these impacts on its 2022 required distribution. In order to comply with the applicable tax laws, FIBRAMQ declared an extraordinary cash distribution of Ps. 0.8788 per certificate, expected to be paid on or about March 10, 2023, to holders of record as of March 9, 2023. FIBRAMQ's certificates are expected to commence trading ex-distribution on March 8, 2023. This extraordinary cash distribution is in addition to the scheduled cash distributions totaling Ps. 2.0000 per certificate which FIBRAMQ has made or authorized in respect of the full year 2022.

FY23 GUIDANCE

AFFO per certificate

FIBRAMQ is initiating FY23 AFFO guidance in a range of between Ps. 2.70 and Ps. 2.75 per certificate.

A positive 2023 outlook on operational performance translating to increased revenue and NOI is expected to be mainly offset by a combination of the continued impact of Peso appreciation relative to the US Dollar, as well as the financing costs of near-term investments in FIBRAMQ's industrial growth capex program, which is expected to meaningfully contribute to additional revenue and AFFO growth from FY24 onwards. This guidance assumes:

- an average exchange rate of Ps. 19.4 per US dollar for FY23;
- no new government restrictions regarding retail trading activities;
- no new acquisitions or divestments of stabilized properties;
- no issuances or repurchases of certificates; and
- no deterioration in broader economic and market conditions.

Distribution per certificate

FIBRAMQ is initiating guidance for cash distributions in FY23 of Ps. 2.10 per certificate, paid in equal quarterly instalments of Ps. 0.5250 per certificate. The guidance reflects an increase of 5.0% over FY22 distributions. The guidance is supported by an expected FY23 AFFO payout ratio of approximately 77%, based on FIBRAMQ's projections. The payment of cash distributions is subject to the approval of the Manager, stable market conditions and prudent management of FIBRAMQ's capital position.

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Friday, February 3, 2023, at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be webcast, can be accessed online at www.fibramacquarie.com or by dialing toll free +1-877-407-2988. Callers from Mexico may dial 01-800-522-0034 and other callers from outside the United States may dial +1-201-389-0923. Please ask for the FIBRA Macquarie Fourth Quarter 2022 Earnings Call. An audio replay will be available by dialing +1-877-660-6853 or +1-201-612-7415 for callers from outside the United States. A webcast archive of the conference call and a copy of FIBRA Macquarie's financial information for the fourth quarter 2022 will also be available on FIBRA Macquarie's website, www.fibramacquarie.com.

About FIBRA Macquarie

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 238 industrial properties and 17 retail properties, located in 20 cities across 16 Mexican states as of December 31, 2022. Nine of the retail properties are held through a 50/50 joint venture. For additional information about FIBRA Macquarie, please visit www.fibramacquarie.com.

Cautionary Note Regarding Forward-looking Statements

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

Other than Macquarie Bank Limited ABN 46 008 583 542 (“Macquarie Bank”), any Macquarie Group entity noted in this document is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.

THIS RELEASE IS NOT AN OFFER FOR SALE OF SECURITIES IN THE UNITED STATES, AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED.

Contacts

Investor relations contact:

General enquiries
Tel: +52 (55) 9178 7700
Nikki Sacks
Tel: +1 203 682 8263
Email: nikki.sacks@icrinc.com

For press queries, please contact:

FleishmanHillard México
Contact: Arturo García Arellano
Tel: +52 55 8664 0910
Email: arturo.garcia@fleishman.com

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

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

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Current assets		
Cash and cash equivalents	1,226,602	715,618
Trade and other receivables, net	9,240	14,084
Other assets	138,419	62,696
Total current assets	1,374,261	792,398
Non-current assets		
Restricted cash	16,026	17,037
Investment properties	48,861,010	47,659,885
Equity-accounted investees	1,147,682	1,323,700
Goodwill	841,614	841,614
Other assets	222,955	272,264
Derivative financial instruments	178,404	-
Total non-current assets	51,267,691	50,114,500
Total assets	52,641,952	50,906,898
Current liabilities		
Trade and other payables	978,144	800,947
Interest-bearing liabilities	4,839,780	205,835
Tenant deposits	25,762	22,481
Other liabilities	3,501	3,953
Total current liabilities	5,847,187	1,033,216
Non-current liabilities		
Trade and other payables	47,498	-
Interest-bearing liabilities	11,832,605	16,198,539
Tenant deposits	322,724	317,638
Derivative financial instruments	-	97,499
Other liabilities	7,575	11,139
Deferred income tax	25,748	26,523
Total non-current liabilities	12,236,150	16,651,338
Total liabilities	18,083,337	17,684,554
Net assets	34,558,615	33,222,344
Equity		
Contributed equity	17,303,908	17,303,908
Retained earnings	17,014,564	15,670,081
Total controlling interest	34,318,472	32,973,989
Non-controlling interest	240,143	248,355
Total equity	34,558,615	33,222,344

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

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

	3 months ended		Year ended	
	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Property related income	1,050,794	992,748	4,077,475	3,847,644
Property related expenses	(184,430)	(158,072)	(653,695)	(610,116)
Property income after related expenses	866,364	834,676	3,423,780	3,237,528
Management fees	(49,004)	(47,961)	(188,696)	(195,806)
Transaction related expenses	(4)	(2,862)	(3,948)	(5,123)
Professional, legal and other expenses	(26,385)	(19,243)	(90,292)	(70,717)
Total operating expenses	(75,393)	(70,066)	(282,936)	(271,646)
Other income	951	3,943	3,738	11,642
Net unrealized foreign exchange (loss)/gain on investment properties	(2,059,205)	510,752	(2,588,567)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value	589,551	3,812,587	1,987,439	4,767,929
Finance costs	(243,129)	(233,430)	(961,682)	(909,653)
Interest income	7,924	4,574	23,362	12,311
Share of (loss)/profit from equity-accounted investees	(38,894)	101,749	(76,551)	192,029
Net foreign exchange gain/(loss) on monetary items	823,214	(209,006)	1,035,159	(510,838)
Net unrealized (loss)/gain on interest rate swaps	(8,431)	50,857	275,903	113,596
(Loss)/profit before tax for the period/year	(137,048)	4,806,636	2,839,645	7,801,168
Current and deferred income tax	775	(3,842)	171	(4,782)
(Loss)/profit for the period/year / Total comprehensive (loss)/income for the period/year	(136,273)	4,802,794	2,839,816	7,796,386
Total consolidated comprehensive (loss)/income for the period/year attributable to:				
Controlling interests	(130,333)	4,800,535	2,848,028	7,791,606
Non-controlling interests	(5,940)	2,259	(8,212)	4,780
Total comprehensive (loss)/income for the period/year	(136,273)	4,802,794	2,839,816	7,796,386
(Loss)/profit per CBF1*				
Basic and diluted (loss)/profit per CBF1 (pesos)	(0.17)	6.31	3.74	10.23

*Real Estate Trust Certificates (Certificados Bursátiles Fiduciaros Inmobiliarios)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 (UNAUDITED) AND 2021

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

	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2021	17,311,749	9,325,095	26,636,844	243,575	26,880,419
Total comprehensive income for the year	-	7,791,606	7,791,606	4,780	7,796,386
Total comprehensive income for the year	-	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)
Total transactions with equity holders in their capacity as equity holders	(7,841)	(1,446,620)	(1,454,461)	-	(1,454,461)
Total equity at December 31, 2021	17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total equity at January 1, 2022	17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total comprehensive income/(loss) for the year	-	2,848,028	2,848,028	(8,212)	2,839,816
Total comprehensive income/(loss) for the year	-	2,848,028	2,848,028	(8,212)	2,839,816
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	-	(1,503,545)	(1,503,545)	-	(1,503,545)
Total transactions with equity holders in their capacity as equity holders	-	(1,503,545)	(1,503,545)	-	(1,503,545)
Total equity at December 31, 2022	17,303,908	17,014,564	34,318,472	240,143	34,558,615

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2022 (UNAUDITED) AND 2021

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

	Year ended	
	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000
	Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:		
Profit for the year	2,839,816	7,796,386
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on investment property	2,588,567	(1,158,270)
Unrealized revaluation gain on investment properties measured at fair value	(1,987,439)	(4,767,929)
Straight line rental income adjustment	36,376	(37,541)
Tenant improvement amortization	79,753	75,818
Leasing expense amortization	95,417	91,567
Right-of-use assets depreciation*	3,884	3,921
Interest income	(23,362)	(12,311)
Impairment loss on trade receivables	54,236	28,201
Net foreign exchange (gain)/loss on monetary items	(1,044,357)	529,529
Finance costs	961,682	909,653
Share of loss/(profit) from equity-accounted investees	76,551	(192,029)
Net unrealized gain on interest rates swaps	(275,903)	(113,596)
Current and deferred income tax	(171)	4,782
Movements in working capital:		
Increase in receivables	(86,998)	(20,868)
Decrease in payables	(43,042)	(312,919)
Net cash flows from operating activities	3,275,010	2,824,394
Investing activities:		
Land acquisition	(458,372)	-
Investment property acquisition	(307,500)	-
Capital contribution in equity-accounted investees	(3,543)	(4,639)
Maintenance capital expenditure and other capitalized cost	(1,065,721)	(924,866)
Distributions received from equity-accounted investees	103,010	59,494
Interest received	23,362	12,311
Net cash flows used in investing activities	(1,708,764)	(857,700)
Financing activities:		
Repayment of interest-bearing liabilities	(5,509,449)	-
Interest paid	(855,488)	(859,387)
Proceeds from interest-bearing liabilities, net of facility charges	6,789,090	197,728
Lease payments	(5,110)	(5,151)
Repurchase of CBFIs, including associated costs	-	(7,841)
Distribution to CBFI holders	(1,484,513)	(1,446,780)
Net cash flows used in financing activities	(1,065,470)	(2,121,431)
Net increase/(decrease) in cash and cash equivalents	500,776	(154,737)
Cash and cash equivalents at the beginning of the year	732,655	906,083
Foreign exchange on cash and cash equivalents	9,197	(18,691)
Cash and cash equivalents at the end of the year**	1,242,628	732,655

*The depreciation is in respect of the right-of-use assets held at the Group's vertically integrated internal platform level, calculated in accordance with IFRS16.

**Includes restricted cash balance of \$16.0 million (2021: \$17.0 million) as at December 31, 2022.

FIBRA MACQUARIE MÉXICO

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

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

FIBRA
Macquarie
México



MACQUARIE

FIBRA

Macquarie México

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	2
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UNAUDITED) AND DECEMBER 31, 2021	4
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND YEARS ENDED DECEMBER 31, 2022 (UNAUDITED) AND 2021	5
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 (UNAUDITED) AND 2021	6
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31, 2022 (UNAUDITED) AND 2021	7
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	
1. REPORTING ENTITY	8
2. BASIS OF PREPARATION AND PRESENTATION	9
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	11
4. INCOME/(EXPENSE) FOR THE PERIOD/YEAR	12
5. SEGMENT REPORTING	13
6. SEASONALITY OF OPERATIONS	17
7. DISTRIBUTIONS PAID OR PROVIDED FOR	17
8. (LOSS)/PROFIT AFTER TAX PER CBF	18
9. EQUITY-ACCOUNTED INVESTEEES	18
10. INVESTMENT PROPERTIES	20
11. INTEREST BEARING LIABILITIES	22
12. DERIVATIVE FINANCIAL INSTRUMENTS	24
13. INCOME TAXES	24
14. CONTRIBUTED EQUITY	25
15. NON-CONTROLLING INTEREST	26
16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES	26
17. LEASES	28
18. RELATED PARTIES	29
19. RELEVANT EVENTS AFTER BALANCE SHEET DATE	30

Disclaimer

Other than Macquarie Bank Limited ABN 46 008 583 542 (“Macquarie Bank”), any Macquarie Group entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.



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

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

Introduction

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

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

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

Scope of Review

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



FIBRA Macquarie Mexico

2.

Conclusion

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

KPMG CARDENAS DOSAL, S. C.

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

Rogelio Berlanga Coronado

Monterrey, Nuevo Leon, Mexico
February 2, 2023

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

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

	Note	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Current assets			
Cash and cash equivalents		1,226,602	715,618
Trade and other receivables, net	16	9,240	14,084
Other assets		138,419	62,696
Total current assets		1,374,261	792,398
Non-current assets			
Restricted cash		16,026	17,037
Investment properties	10,16	48,861,010	47,659,885
Equity-accounted investees	9	1,147,682	1,323,700
Goodwill		841,614	841,614
Other assets		222,955	272,264
Derivative financial instruments	12,16	178,404	-
Total non-current assets		51,267,691	50,114,500
Total assets		52,641,952	50,906,898
Current liabilities			
Trade and other payables		978,144	800,947
Interest-bearing liabilities	11,16	4,839,780	205,835
Tenant deposits		25,762	22,481
Other liabilities	17	3,501	3,953
Total current liabilities		5,847,187	1,033,216
Non-current liabilities			
Trade and other payables		47,498	-
Interest-bearing liabilities	11,16	11,832,605	16,198,539
Tenant deposits		322,724	317,638
Derivative financial instruments	12,16	-	97,499
Other liabilities	17	7,575	11,139
Deferred income tax	13	25,748	26,523
Total non-current liabilities		12,236,150	16,651,338
Total liabilities		18,083,337	17,684,554
Net assets		34,558,615	33,222,344
Equity			
Contributed equity	14	17,303,908	17,303,908
Retained earnings		17,014,564	15,670,081
Total controlling interest		34,318,472	32,973,989
Non-controlling interest	15	240,143	248,355
Total equity		34,558,615	33,222,344

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

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

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

	Note	3 months ended		Year ended	
		Dec 31, 2022 \$'000	Dec 31, 2021 \$'000	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Property related income	4(a)	1,050,794	992,748	4,077,475	3,847,644
Property related expenses	4(b)	(184,430)	(158,072)	(653,695)	(610,116)
Property income after related expenses		866,364	834,676	3,423,780	3,237,528
Management fees	18(c)	(49,004)	(47,961)	(188,696)	(195,806)
Transaction related expenses		(4)	(2,862)	(3,948)	(5,123)
Professional, legal and other expenses	4(c)	(26,385)	(19,243)	(90,292)	(70,717)
Total operating expenses		(75,393)	(70,066)	(282,936)	(271,646)
Other income		951	3,943	3,738	11,642
Net unrealized foreign exchange (loss)/gain on investment properties	10,16	(2,059,205)	510,752	(2,588,567)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value	10,16	589,551	3,812,587	1,987,439	4,767,929
Finance costs	4(d)	(243,129)	(233,430)	(961,682)	(909,653)
Interest income		7,924	4,574	23,362	12,311
Share of (loss)/profit from equity-accounted investees	9(b)	(38,894)	101,749	(76,551)	192,029
Net foreign exchange gain/(loss) on monetary items	4(e)	823,214	(209,006)	1,035,159	(510,838)
Net unrealized (loss)/gain on interest rate swaps		(8,431)	50,857	275,903	113,596
(Loss)/profit before tax for the period/year		(137,048)	4,806,636	2,839,645	7,801,168
Current and deferred income tax	13	775	(3,842)	171	(4,782)
(Loss)/profit for the period/year / Total comprehensive (loss)/income for the period/year		(136,273)	4,802,794	2,839,816	7,796,386
Total consolidated comprehensive (loss)/income for the period/year attributable to:					
Controlling interests		(130,333)	4,800,535	2,848,028	7,791,606
Non-controlling interests		(5,940)	2,259	(8,212)	4,780
Total comprehensive (loss)/income for the period/year		(136,273)	4,802,794	2,839,816	7,796,386
(Loss)/profit per CBF[*]					
Basic and diluted (loss)/profit per CBF (pesos)	8	(0.17)	6.31	3.74	10.23

**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, 2022 (UNAUDITED) AND 2021

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

	Note	Contributed equity \$'000	Retained earnings \$'000	Total controlling interest \$'000	Total non-controlling interest \$'000	Total \$'000
Total equity at January 1, 2021	14	17,311,749	9,325,095	26,636,844	243,575	26,880,419
Total comprehensive income for the year		-	7,791,606	7,791,606	4,780	7,796,386
Total comprehensive income for the year		-	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	7	-	(1,446,620)	(1,446,620)	-	(1,446,620)
- Repurchase of CBFIs, including associated costs	14	(7,841)	-	(7,841)	-	(7,841)
Total transactions with equity holders in their capacity as equity holders		(7,841)	(1,446,620)	(1,454,461)	-	(1,454,461)
Total equity at December 31, 2021		17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total equity at January 1, 2022	14	17,303,908	15,670,081	32,973,989	248,355	33,222,344
Total comprehensive income/(loss) for the year		-	2,848,028	2,848,028	(8,212)	2,839,816
Total comprehensive income/(loss) for the year		-	2,848,028	2,848,028	(8,212)	2,839,816
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(1,503,545)	(1,503,545)	-	(1,503,545)
Total transactions with equity holders in their capacity as equity holders		-	(1,503,545)	(1,503,545)	-	(1,503,545)
Total equity at December 31, 2022		17,303,908	17,014,564	34,318,472	240,143	34,558,615

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, 2022 (UNAUDITED) AND 2021

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

	Note	Year ended	
		Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
		Inflows / (Outflows)	Inflows / (Outflows)
Operating activities:			
Profit for the year		2,839,816	7,796,386
Adjustments for:			
Net unrealized foreign exchange loss/(gain) on investment property	10,16	2,588,567	(1,158,270)
Unrealized revaluation gain on investment properties measured at fair value	10,16	(1,987,439)	(4,767,929)
Straight line rental income adjustment		36,376	(37,541)
Tenant improvement amortization	4(b)	79,753	75,818
Leasing expense amortization	4(b)	95,417	91,567
Right-of-use assets depreciation*	17(b)	3,884	3,921
Interest income		(23,362)	(12,311)
Impairment loss on trade receivables	4(b)	54,236	28,201
Net foreign exchange (gain)/loss on monetary items	4(e)	(1,044,357)	529,529
Finance costs	4(d)	961,682	909,653
Share of loss/(profit) from equity-accounted investees	9(b)	76,551	(192,029)
Net unrealized gain on interest rates swaps		(275,903)	(113,596)
Current and deferred income tax	13	(171)	4,782
Movements in working capital:			
Increase in receivables		(86,998)	(20,868)
Decrease in payables		(43,042)	(312,919)
Net cash flows from operating activities		3,275,010	2,824,394
Investing activities:			
Land acquisition	10	(458,372)	-
Investment property acquisition	10	(307,500)	-
Capital contribution in equity-accounted investees	9(b)	(3,543)	(4,639)
Maintenance capital expenditure and other capitalized cost		(1,065,721)	(924,866)
Distributions received from equity-accounted investees	9(b)	103,010	59,494
Interest received		23,362	12,311
Net cash flows used in investing activities		(1,708,764)	(857,700)
Financing activities:			
Repayment of interest-bearing liabilities	1,11	(5,509,449)	-
Interest paid		(855,488)	(859,387)
Proceeds from interest-bearing liabilities, net of facility charges	1,11	6,789,090	197,728
Lease payments	17	(5,110)	(5,151)
Repurchase of CBFs, including associated costs	14	-	(7,841)
Distribution to CBFI holders	7	(1,484,513)	(1,446,780)
Net cash flows used in financing activities		(1,065,470)	(2,121,431)
Net increase/(decrease) in cash and cash equivalents		500,776	(154,737)
Cash and cash equivalents at the beginning of the year		732,655	906,083
Foreign exchange on cash and cash equivalents	4(e)	9,197	(18,691)
Cash and cash equivalents at the end of the year**		1,242,628	732,655

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

**Includes restricted cash balance of \$16.0 million (2021: \$17.0 million) as at December 31, 2022.

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

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. REPORTING ENTITY

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

FIBRA Macquarie is domiciled in the United States of Mexico ("México") and the address of its registered office is Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, México City 11000 with effect from November 2, 2017. FIBRA Macquarie's trust agreement was amended on November 20, 2012, amended and restated on December 11, 2012, to, among other things, add as parties to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative, and Macquarie México Real Estate Management, S.A. de C.V., as manager (in such capacity, "MMREM" or the "Manager"), and further amended and restated on August 27, 2014 (such amended and restated trust agreement, the "Trust Agreement"). On October 31, 2017, Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria, as substituted trustee, and CIBanco, S.A., Institución de Banca Múltiple ("CIBanco"), as substitute trustee, with the acknowledgment of MMREM as settlor and beneficiary in second place of the Trust Agreement, executed a trustee substitution agreement (hereinafter, the "Trustee Substitution Agreement") whereby CIBanco agreed to act as the FIBRA Macquarie Trustee, assuming all the rights and obligations derived in such capacity from the Trust Agreement. Subsequently, the Trust Agreement was amended and restated on October 11, 2018, and on November 1, 2019.

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

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

FIBRA Macquarie was established with the purpose of investing in real estate assets in 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 México and United States of America. 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.

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

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

1. REPORTING ENTITY (CONTINUED)

Relevant activities during the year ended December 31, 2022

- On April 4, 2022, FIBRA Macquarie announced the signing of a US\$425.0 million equivalent sustainability-linked unsecured credit facility which was subsequently completed on April 5, 2022. The proceeds from the new sustainability-linked facility were used to repay the amounts drawn under the unsecured credit facility that was due to expire on April 1, 2024. The new unsecured credit facility comprises: (i) a US\$180.0 million non-amortizing, five-year term loan and (ii) a US\$245.0 million equivalent, five-year committed revolving credit facility comprised of a US\$180.0 million US Dollar-denominated tranche and a \$1,300.0 million (equivalent to US\$65.0 million) Mexican Peso-denominated tranche.
- On May 18, 2022, MMREIT Industrial Trust IV acquired a land parcel in Ciudad Juárez for a total consideration of US\$16.4 million; 55.0% of this total consideration was paid at that date and the balance, 30.0% and 15.0% will be paid in May 2023 and May 2024, respectively.
- On June 28, 2022, FIBRA Macquarie closed a US\$90.0 million unsecured five-year revolving credit facility with BBVA México and drew US\$50.0 million with respect to this credit facility.
- On July 22, 2022, MMREIT Industrial Trust IV acquired a 293 thousand sqft of GLA property in Cuautitlán Izcalli submarket of the México City Metropolitan Area for a total consideration of \$319.7 million (including related transaction costs).
- On November 16, 2022, MMREIT Industrial Trust IV acquired a land parcel in Tijuana, Baja California for a total consideration of US\$14.9 million; 50.0% of this total consideration was paid at that date and 50.0% will be paid in November 2023.
- On December 9, 2022, FIBRA Macquarie signed a US\$150.0 million sustainability-linked unsecured credit facility which was subsequently completed on December 19, 2022. The unsecured credit facility is comprised of (i) a US\$75.0 million non-amortizing, four-year term loan and (ii) a US\$75.0 million, three-year committed revolving credit facility which can be extended for one additional year. At December 31, 2022 FIBRA Macquarie drew US\$75.0 million from this term loan facility and used US\$50.0 million of the proceeds to repay the amounts drawn under the other unsecured revolving facility with BBVA México.

2. BASIS OF PREPARATION AND PRESENTATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements are for the Group and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted in accordance with the provisions for reporting intermediate periods. Therefore, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of the unaudited condensed interim consolidated financial statements have been included.

These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on February 2, 2023.

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.

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

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

(i) Judgements

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

(ii) Assumptions and estimation of uncertainties

- Critical assumptions relating to the valuation of investment properties at fair value include the receipt of contractual rents, expected future market rents, renewal rates, capital expenditures, discount rates that reflect current market uncertainties, capitalization rates and recent investment properties transactions. If there is any change in these assumptions, or regional, national or international economic conditions, the fair value of investment properties may change materially. See note 10 for further details.

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

- Estimation of fair value of investment properties: Critical judgements are made with respect to the fair values of investment properties. The fair values of investment properties are reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date, using generally accepted market practices. The independent valuers are experienced, nationally recognized and qualified in the professional valuation of industrial and retail properties in their respective geographic areas. Since inception, FIBRA Macquarie has performed yearly and since 2019 half-yearly independent appraisals. See note 10 and 16 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 16 for further details.

- 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 on an annual basis, 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.

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

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

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

d) Measurement of fair value

The Group measures financial instruments, such as derivative and non-derivative 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 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, which are observable for the asset or liability, either directly or indirectly, substantially for the full term of the asset or liability through corroboration of observable market data.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Amendments to certain IFRS accounting standards became effective for annual reporting periods commencing on or after January 1, 2022, but these amendments do not apply to the Group's unaudited condensed interim consolidated financial statements.

Standards issued but not yet effective

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

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

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

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

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

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

	3 months ended		Year ended	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000	\$'000	\$'000
a) Property related income				
Lease related income	964,057	927,893	3,789,905	3,579,613
Car parking income	12,516	10,777	43,069	31,751
Expenses recoverable from tenants	74,221	54,078	244,501	236,280
Total property related income	1,050,794	992,748	4,077,475	3,847,644
b) Property related expenses				
Property administration expense	(23,821)	(19,766)	(86,544)	(72,769)
Property insurance	(7,165)	(6,583)	(28,467)	(24,680)
Property tax	(20,604)	(18,948)	(81,780)	(75,670)
Repairs and maintenance	(28,925)	(39,020)	(97,232)	(118,440)
Industrial park fees	(9,494)	(10,623)	(43,068)	(41,818)
Security services	(5,984)	(6,279)	(24,255)	(24,924)
Property related legal and consultancy expenses	(3,029)	(3,113)	(10,156)	(10,232)
Tenant improvements amortization	(20,956)	(18,243)	(79,753)	(75,818)
Leasing expenses amortization	(27,047)	(22,646)	(95,417)	(91,567)
Utilities	(5,653)	(5,024)	(22,536)	(18,083)
Marketing costs	(5,083)	(5,842)	(13,363)	(13,542)
Car park operating fees	(2,817)	(2,243)	(9,574)	(7,428)
Impairment on trade receivables	(20,030)	3,783	(54,236)	(28,201)
Other property related expenses	(3,822)	(3,525)	(7,314)	(6,944)
Total property related expenses	(184,430)	(158,072)	(653,695)	(610,116)
c) Professional, legal and other expenses				
Tax advisory expenses	(261)	(646)	(2,446)	(2,997)
Accountancy expenses	(3,905)	(2,273)	(11,949)	(8,557)
Valuation expenses	(1,175)	(1,291)	(4,506)	(5,358)
Audit expenses	(1,333)	(1,287)	(5,331)	(5,149)
Other professional expenses	(7,002)	(3,852)	(24,897)	(14,695)
Other expenses	(12,709)	(9,894)	(41,163)	(33,961)
Total professional, legal and other expenses	(26,385)	(19,243)	(90,292)	(70,717)
d) Finance costs				
Interest expense on interest-bearing liabilities	(228,739)	(229,317)	(895,053)	(892,222)
Finance costs under effective interest method	(14,119)	(4,113)	(65,418)	(16,327)
Interest expense on lease liabilities	(271)	-	(1,211)	(1,104)
Total finance costs	(243,129)	(233,430)	(961,682)	(909,653)
e) Net foreign exchange gain/(loss)				
Unrealized foreign exchange gain/(loss) on monetary items	806,457	(222,640)	997,656	(510,460)
Realized foreign exchange gain/(loss)	16,757	13,634	37,503	(378)
Total net foreign exchange gain/(loss)	823,214	(209,006)	1,035,159	(510,838)

At December 31, 2022, the Group had 77 employees (December 31, 2021: 73 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 México 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, 2022	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	348,455	201,932	210,651	181,695	18,290	140,648	1,101,671
<i>Lease related income</i>	330,768	185,220	198,061	168,303	17,010	116,537	1,015,899
<i>Car park income</i>	-	-	-	-	(1,094)	9,330	8,236
<i>Expenses recoverable from tenants</i>	17,687	16,712	12,590	13,392	2,374	14,781	77,536
Segment net (loss)/profit ²	(243,988)	(92,305)	(16,336)	(112,830)	(12,067)	68,765	(408,761)
<i>Included in (loss)/profit for the period:</i>							
Foreign exchange profit	103,805	61,053	77,546	67,990	-	105	310,499
Net unrealized foreign exchange loss on investment properties	(771,334)	(449,316)	(436,076)	(402,479)	-	-	(2,059,205)
Unrealized revaluation gain/(loss) on investment properties measured at fair value	154,885	138,809	174,892	87,001	(17,674)	(1,879)	536,034
Finance costs ³	(23,716)	(15,089)	(20,049)	(16,466)	(4,407)	(8,109)	(87,836)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$18.3 million and \$32.6 million respectively.

² The retail south segment and the retail central segment includes operating losses relating to joint ventures amounting to \$12.0 million and \$27.3 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$4.4 million and \$8.1 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, 2021	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	337,719	189,237	201,562	161,888	12,675	141,084	1,044,165
<i>Lease related income</i>	325,272	175,819	192,037	155,042	10,885	115,901	974,956
<i>Car park income</i>	-	-	-	-	358	11,868	12,226
<i>Expenses recoverable from tenants</i>	12,447	13,418	9,525	6,846	1,432	13,315	56,983
Segment net profit ²	1,804,070	944,964	1,005,821	910,005	25,771	419,690	5,110,321
<i>Included in profit of 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 ³	(25,468)	(15,512)	(16,139)	(23,200)	(3,099)	(9,522)	(92,940)

¹ 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.

² 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.

³ 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.

Year ended December 31, 2022	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	1,374,093	766,490	826,855	688,579	62,358	578,200	4,296,575
<i>Lease related income</i>	1,297,268	721,360	792,105	656,178	54,606	474,102	3,995,619
<i>Car park income</i>	-	-	-	-	348	43,943	44,291
<i>Expenses recoverable from tenants</i>	76,825	45,130	34,750	32,401	7,404	60,155	256,665
Segment net profit/(loss) ²	1,267,263	701,771	827,504	627,152	(22,166)	(593,072)	2,808,452
<i>Included in profit/(loss) for the year:</i>							
Foreign exchange gain	125,219	73,544	93,939	82,826	-	103	375,631
Net unrealized foreign exchange loss on investment properties	(970,959)	(560,803)	(548,723)	(508,082)	-	-	(2,588,567)
Unrealized revaluation gain/(loss) on investment properties measured at fair value	1,046,567	587,374	625,277	545,392	(45,914)	(932,579)	1,826,117
Finance costs ³	(102,174)	(60,357)	(77,627)	(69,059)	(14,176)	(35,634)	(359,027)

¹ The retail south segment and the retail central segment includes revenues relating to joint ventures amounting to \$62.4 million and \$156.7 million respectively.

² The retail south segment and the retail central segment includes operating loss relating to joint ventures amounting to \$22.1 million and \$55.7 million respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to \$14.1 million and \$35.6 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, 2021	Industrial				Retail ^{1,2,3}		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Revenue from external customers ¹	1,329,798	712,549	783,057	615,641	49,444	549,172	4,039,661
<i>Lease related income</i>	1,277,945	665,473	746,349	584,597	42,316	449,999	3,766,679
<i>Car park income</i>	-	-	-	-	1,318	35,552	36,870
<i>Expenses recoverable from tenants</i>	51,853	47,076	36,708	31,044	5,810	63,621	236,112
Segment net profit ²	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 ³	(101,961)	(61,436)	(78,233)	(71,288)	(12,931)	(37,287)	(363,136)

¹ 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.

² 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.

³ 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.

The locations of the properties are grouped by regions as follows: **North East:** Matamoros, Monterrey, Nuevo Laredo, Reynosa, Saltillo; **Central:** Guadalajara, Irapuato, Mexico City Metropolitan Area (MCMA), Puebla, Querétaro, San Luis Potosí; **North West:** Hermosillo, Los Mochis, Mexicali, Nogales, Tijuana; **North:** Cd. Juárez, Chihuahua; **South:** Cancún, Tuxtpec.

As at December 31, 2022	Industrial				Retail		Total \$'000
	North East \$'000	Central \$'000	North West \$'000	North \$'000	South \$'000	Central \$'000	
Total segment assets	17,014,121	10,318,484	9,686,633	8,902,244	500,336	5,583,490	52,005,308
Total segment liabilities	(2,160,275)	(1,255,001)	(1,552,374)	(1,397,369)	(173,696)	(505,806)	(7,044,521)
As at December 31, 2021							
Total segment assets	16,830,398	9,461,046	9,138,332	8,412,129	494,854	6,575,792	50,912,551
Total segment liabilities	(2,200,038)	(1,270,555)	(1,601,913)	(1,468,631)	(154,006)	(503,294)	(7,198,437)

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

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, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	1,101,671	1,044,165	4,296,575	4,039,661
Revenue attributable to equity-accounted investees	(50,877)	(51,416)	(219,100)	(192,015)
Interest income	7,924	4,574	23,362	12,311
Total revenue for the period/year	1,058,718	997,323	4,100,837	3,859,957
Segment (loss)/profit	(408,761)	5,110,321	2,808,452	8,838,059
Unallocated amounts:				
Property related expenses not included in reporting segments	1,318	1,160	2,733	4,165
Finance costs not included in reporting segments ¹	(167,808)	(153,111)	(652,465)	(596,734)
Interest income	7,924	4,574	23,362	12,311
Items attributable to equity-accounted investees	437	269	1,330	891
Other income	951	3,944	3,738	11,642
Net foreign exchange profit/(loss) on monetary items ²	512,715	(141,312)	659,528	(311,116)
Net unrealized (loss)/profit on interest rate swaps	(8,431)	50,857	275,903	113,596
Management fees ³	(49,004)	(47,961)	(188,696)	(195,806)
Transaction related expenses	(4)	(2,862)	(3,948)	(5,123)
Professional, legal and other expenses	(26,385)	(19,243)	(90,292)	(70,717)
Income tax expense	775	(3,842)	171	(4,782)
(Loss)/profit for the period/year	(136,273)	4,802,794	2,839,816	7,796,386

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

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

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

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

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

5. SEGMENT REPORTING (CONTINUED)

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

	Year ended	
	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000
Segment assets	52,005,308	50,912,551
<i>Items non included in segment assets:</i>		
Cash, cash equivalents and restricted cash ¹	977,327	513,939
Trade and other receivables, net	288	288
Other assets ¹	90,923	78,207
Assets attributable to equity-accounted investees ¹	(1,757,980)	(1,921,787)
Investment in equity-accounted investees ¹	1,147,682	1,323,700
Derivative financial instruments not included in reporting segment ¹	178,404	-
Total assets	52,641,952	50,906,898
Segment liabilities	(7,044,521)	(7,198,437)
<i>Items non included in segment liabilities:</i>		
Interest-bearing liabilities ¹	(11,186,203)	(10,575,156)
Trade and other payables ¹	(429,589)	(373,886)
Liabilities attributable to equity-accounted investees ¹	610,299	598,086
Other liabilities ¹	(7,575)	(11,139)
Deferred income tax liability ¹	(25,748)	(26,523)
Derivative financial instruments not included in reporting segment ¹	-	(97,499)
Total liabilities	(18,083,337)	(17,684,554)

¹ Assets and liabilities held at Fund level.

6. SEASONALITY OF OPERATIONS

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

7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the year ended December 31, 2022, FIBRA Macquarie paid four distributions amounting to \$1,484.5 million (December 31, 2021: \$1,446.8 million). The first distribution amounting to \$361.6 million (0.475 per CBF) which was accrued as at December 31, 2021, was paid on January 28, 2022; the second distribution amounted to \$361.6 million (0.475 per CBF) was paid on March 11, 2022; the third distribution amounted to \$380.7 million (0.500 per CBF) was paid on June 16, 2022 and the fourth distribution amounted to \$380.6 million (0.500 per CBF) was paid on September 28, 2022.

As at December 31, 2022, FIBRA Macquarie had accrued an approved distribution of \$380.6 million in respect of the third quarter results of 2022, which was subsequently paid on January 30, 2023.

Total amount for distribution accrued during 2022 was by \$1,503.5 million (1,446.6 million for 2021).

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

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

8. (LOSS)/PROFIT AFTER TAX PER CBFI

	3 months ended		Year ended	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit after tax per CBFI				
Basic and diluted (loss)/profit per CBFI (\$)	(0.17)	6.31	3.74	10.23
Basic and diluted (loss)/profit used in the calculation of earnings per CBFI				
Net (loss)/profit after tax attributable to controlling interests for basic earnings per CBFI (\$'000)	(130,333)	4,800,535	2,848,028	7,791,606
Weighted average number of CBFI's used as the denominator in calculating basic earnings per CBFI ('000)	761,289	761,289	761,289	761,434

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, 2022	Dec 31, 2021
		as at Dec 31, 2022	as at Dec 31, 2021	\$'000	\$'000
JV Trust CIB/589	México / Own and lease retail property	50%	50%	444,638	529,975
JV Trust CIB/586	México / Own and lease retail property	50%	50%	703,044	793,725
Total equity accounted investees				1,147,682	1,323,700

b) Movement in carrying amounts

	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000
Carrying amount at the beginning of the year	1,323,700	1,186,526
Capital contribution during the year ¹	3,543	4,639
Distributions received during the year	(103,010)	(59,494)
Share of profits from equity-accounted investees	84,771	64,018
Share of revaluation (loss)/gain on investment properties measured at fair value	(161,322)	128,011
Carrying amount at the end of the year	1,147,682	1,323,700

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

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

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

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000	\$'000	\$'000
Total current assets ^{1,2}	27,488	27,144	62,491	49,787
Total non-current assets	867,612	1,039,456	2,574,627	2,738,258
Total current liabilities ³	-	-	(93,246)	(54,354)
Total non-current liabilities ³	(5,825)	(6,649)	(1,137,785)	(1,146,242)
Net assets	889,275	1,059,951	1,406,087	1,587,449

¹ Includes cash and cash equivalents of \$60.7 million (December 31, 2021: \$46.4 million).

² Includes restricted cash of \$18.8 million (December 31, 2021: \$21.5 million).

³ Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to \$1,209.0 million (December 31, 2021: \$1,132.7 million).

Summarized Statement of Financial Position	JV Trust CIB/589	JV Trust CIB/589	JV Trust CIB/586	JV Trust CIB/586
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	\$'000	\$'000	\$'000	\$'000
Reconciliation to carrying amounts:				
Opening net assets for the year ¹	1,059,951	1,011,088	1,587,449	1,361,964
Net movements for the year	(170,676)	48,863	(181,362)	225,485
Net assets	889,275	1,059,951	1,406,087	1,587,449
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share (\$)	444,638	529,975	703,044	793,725
FIBRA Macquarie's carrying amount	444,638	529,975	703,044	793,725

¹ During the year ended December 31, 2022, FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to \$23.6 million (December 31, 2021: \$19.3 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

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

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

9. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

c) Summarized financial information for joint ventures (continued)

Summarized Statement of Comprehensive Income	JV Trust CIB/589 Year ended Dec 31, 2022 \$'000	JV Trust CIB/589 Year ended Dec 31, 2021 \$'000	JV Trust CIB/586 Year ended Dec 31, 2022 \$'000	JV Trust CIB/586 Year ended Dec 31, 2021 \$'000
Revenue:				
Property related and other income	88,324	78,319	349,877	305,710
Revaluation of investment properties measured at fair value	-	32,738	-	223,283
Financial income	386	165	3,398	1,618
Total revenue	88,710	111,222	353,275	530,611
Expenses:				
Finance costs	-	-	(99,620)	(100,436)
Other expenses	(44,385)	(35,443)	(128,437)	(121,897)
Revaluation of investment properties measured at fair value	(169,134)	-	(153,510)	-
Total expenses	(213,519)	(35,443)	(381,567)	(222,333)
(Loss)/profit for the year	(124,809)	75,779	(28,292)	308,278
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	(62,405)	37,890	(14,146)	154,139

d) Share of contingent liabilities of joint venture

As of December 31, 2022, and December 31, 2021, there was no share of contingent liabilities incurred jointly with the joint venture partner and no contingent liabilities of the joint ventures for which FIBRA Macquarie is liable.

10. INVESTMENT PROPERTIES

	Note	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Carrying amount at the beginning of the year		47,659,885	41,119,827
<i>Additions during the year:</i>			
Land acquisition ¹		616,512	-
Investment property acquisition ²		307,500	-
Capital expenditure (including tenant improvements)		294,142	107,588
Transfers from investment properties under construction		259,312	84,141
Investment properties under construction	10(a)	274,929	410,741
Net unrealized foreign exchange (loss)/gain on investment properties		(2,588,567)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value		1,987,439	4,767,929
Leasing commissions, net of amortization		49,858	11,389
Carrying amount at the end of the year		48,861,010	47,659,885

¹Amount includes the acquisition of land parcels in Ciudad Juárez and Tijuana. Refer to note 1 for more details.

²Amount includes the acquisition of an industrial property in Cuautitlán Izcalli. Refer to note 1 for more details.

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

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

10. INVESTMENT PROPERTIES (CONTINUED)

a) Investment properties under construction*

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Carrying amount at the beginning of the year	455,231	44,490
Capital expenditure	534,241	494,882
Transfer to completed investment properties	(259,312)	(84,141)
Carrying amount at the end of the year	730,160	455,231

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

b) Asset-by-asset valuation

Valuations of investment properties are carried on half-yearly basis by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE México, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at December 31, 2022 and December 31, 2021.

The valuation methods – comparable transactions, 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 valuations 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 on December 31, 2022 and 2021 were as follows:

- The range of reversionary capitalisation rates applied to the portfolio were between 7.00% to 10.25% (December 31, 2021: 7.00% and 10.25%) for industrial and between 9.25% to 11.00% (December 31, 2021: 8.50% to 9.75%) for retail properties.
- The discount rates applied range between 8.50% and 11.75% (December 31, 2021: 8.00% and 11.25%) for industrial properties and 11.75% and 13.50% (December 31, 2021: 9.75% and 11.75%) for retail properties.
- The vacancy rate applied was between 2.00% to 5.00% (2021: 2.00% to 5.00%), with a weighted average of 3.45% (2021: 3.66%) for industrial properties and between 3.00% and 20.00% (2021: 3.00% and 20.00%), with a weighted average of 8.64% (2021: 9.86%) for retail properties.

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

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

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

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

11. INTEREST BEARING LIABILITIES

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
The Group has access to:		
<i>Loan facilities - undrawn</i>		
Undrawn US\$-denominated notes*	6,679,718	3,499,195
Undrawn MXN-denominated notes	1,299,630	1,259,564
Total undrawn loan facilities	7,979,348	4,758,759
<i>Loan facilities - drawn</i>		
US\$-denominated term funding	6,292,488	9,777,162
US\$-denominated notes	10,455,211	6,689,638
Unamortized transaction costs	(75,314)	(62,426)
Total drawn loan facilities, net of unamortized transaction costs	16,672,385	16,404,374

*Includes US\$90.0 million (equivalent to \$1,742.5 million) uncommitted unsecured credit facility with BBVA México.

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, 2022 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	4,839,780
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,054,131
Various Banks through a Credit Facility - Term Loan	US\$	180.0	129.0	4.23% ²	Apr-27	2,475,658
			51.0	90-day SOFR + 2.00%	Apr-27	978,748
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,450,795
Various Banks through a Credit Facility - Term Loan	US\$	75.0	75.0	90-day SOFR + 1.95%	Dec-26	1,441,223
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,432,050
Balance at the end of the year						16,672,385

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

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)

Lenders / Facility Type	Currency	Facility Limit \$'million	Drawn Amount \$'million	Interest Rate p.a.	Maturity Date	Carrying Amount Dec 31, 2021 \$'000
Various Insurance Companies through Notes	US\$	250.0	250.0	5.55%	Jun-23	5,144,027
MetLife - Term Loan ¹	US\$	210.0	210.0	5.38%	Oct-27	4,308,109
Various Banks through a Credit Facility - Term Loan	US\$	180.0	180.0	4.44% ²	Apr-24	3,683,260
Various Insurance Companies through Notes	US\$	75.0	75.0	5.44%	Sep-26	1,542,034
MetLife - Term Loan ³	US\$	75.0	75.0	5.23%	Jun-34	1,521,109
Various Banks through a Credit Facility - Revolving Credit Facility	US\$	180.0	10.0	30-day Libor+2.00%	Apr-24	205,835
Balance at the end of the year						16,404,374

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

Interest-bearing liabilities-current

As at December 31, 2022, the notes through various insurance companies of \$4,839.8 million comprised of USD\$250.0 million are classified as current interest-bearing liabilities as the maturity of these notes is within the next twelve-month period. The comparative current interest-bearing liability amount of \$205.8 million as at December 31, 2021 is comprised of US\$10.0 million drawn by the Group on its revolver credit facility.

Interest-bearing liabilities-non current

On April 5, 2022, FIBRA Macquarie closed a US\$425.0 million unsecured credit facility. The new sustainability-linked facility was used to repay an existing US\$180.0 million unsecured term loan and US\$10.0 million draw under the unsecured credit facility that was due to expire on April 1, 2024. The unsecured credit facility comprises (i) a US\$180.0 million non-amortizing, five-year term loan and (ii) a US\$245.0 million equivalent, five-year committed revolving credit facility that is available for general corporate purposes, including asset investments. The committed revolving credit facility is comprised of a US\$180.0 million US Dollar-denominated tranche and a Ps. 1,300.0 million Mexican Peso-denominated tranche (equivalent to US\$65.0 million).

On June 28, 2022, FIBRA Macquarie closed a US\$90.0 million unsecured five-year revolving credit facility with BBVA México and drew US\$50.0 million with respect to this credit facility; FIBRA Macquarie repaid in advance under the unsecured credit facility on December 19, 2022.

On December 19, 2022, FIBRA Macquarie closed a US\$150.0 million unsecured sustainability-linked credit facility with BBVA México and The Bank of Nova Scotia. The unsecured credit facility is comprised (i) a US\$75.0 million non-amortizing, four-year term loan and (ii) a US\$75.0 million, three-year committed revolving credit facility, which can be extended for one additional year.

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)

Interest-bearing liabilities-non current (continued)

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

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Carrying amount at the beginning of the year	16,404,374	15,684,178
Changes from financing cash flows:		
Repayments of interest-bearing liabilities	(5,509,449)	-
Proceeds from interest-bearing liabilities, net of facility charges	6,789,090	197,728
Total changes for financing cash flow	1,279,641	197,728
Total effect of changes in foreign exchange rate	(995,691)	506,141
Liability-related other changes:		
Transaction cost on loans	(81,357)	-
Amortization of capitalized borrowing costs	65,418	16,327
Carrying amount at the end of the year	16,672,385	16,404,374

12. DERIVATIVE FINANCIAL INSTRUMENTS

On April 5, 2022, through an amendment to the previous contracts signed in 2019, FIBRA Macquarie entered into interest rate swap with various counterparties, whereby FIBRA Macquarie pays an annual weighted average fixed rate of interest of 2.08% on its respective interest rate swap contracts and receives a variable interest rate based on three-month US\$ SOFR, settled on a quarterly basis. These interest rate swaps hedge US\$129.0 million out of the US\$180.0 million unsecured credit facility (term loan).

Prior to above mentioned amendment, FIBRA Macquarie paid an annual fixed rate of interest of 1.94% on its respective interest rate swap contracts and received a variable rate based on three-month US\$ LIBOR on its US\$180.0 million interest rate swap, settled on a quarterly basis.

Below there 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, 2022 \$'000	Dec 31, 2021 \$'000
Various Banks	Apr 5, 2022	Apr 1, 2027	US\$129.0 million	178,404	-
Various Banks	Apr 5, 2019	Apr 1, 2024	US\$180.0 million	-	(97,499)
Total estimated fair value				178,404	(97,499)

13. INCOME 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 (LISR for its Spanish acronym), it is required to distribute an amount equal to at least 95.0% 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 30.0% of such excess.

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

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

13. INCOME TAXES (CONTINUED)

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

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Current income tax	(604)	(816)
Deferred income tax	775	(3,966)
Current and deferred income tax	171	(4,782)

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

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
<i>Current income tax</i>		
Opening balance as of January 1	992	1,791
Current income tax for the year	(604)	(816)
Advance income tax paid	77	17
Income tax recoverable	465	992
<i>Deferred income tax</i>		
Opening balance as of January 1	26,523	22,557
Relating to temporary differences provision	(775)	3,966
Deferred income tax	25,748	26,523

14. CONTRIBUTED EQUITY

	No. of CBFIs '000	\$'000
Balance at January 1, 2021	761,624	17,311,749
CBFIs repurchased for cancellation during the year	(335)	(7,841)
CBFIs outstanding at December 31, 2021	761,289	17,303,908
Balance at January 1, 2022	761,289	17,303,908
CBFIs outstanding at December 31, 2022	761,289	17,303,908

On June 25, 2017, FIBRA Macquarie's Technical Committee approved a CBFi buy-back program under the terms of the Trust Agreement and provided instructions to the Fund Trustee to carry out the repurchase of certificates for subsequent cancellation. Similar to approvals obtained in prior years on April 22, 2022, FIBRA Macquarie's Technical Committee approved the extension of this program through June 25, 2023.

From the inception of the CBFi buy-back program to December 31, 2022, a total of 50,074,481 CBFIs, amounting to \$1,066.0 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 consolidated financial statements.

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

	Non-controlling ownership percentage Dec 31, 2022	Non-controlling Interest Dec 31, 2022	Total Assets Dec 31, 2022	Total Liabilities Dec 31, 2022
JV Trust CIB 3493	25%	240,143	974,907	(664)
		240,143	974,907	(664)

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

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

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 analyses 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, 2022	\$'000	\$'000	\$'000
Trade and other receivables, net*	9,240	9,240	9,240
Interest-bearing liabilities**	(16,337,920)	(16,337,920)	(16,672,385)
As at December 31, 2021			
Trade and other receivables, net*	14,084	14,084	14,084
Interest-bearing liabilities**	(16,881,871)	(16,881,871)	(16,404,374)

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

** Net of unamortized transaction costs.

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

	Level 1	Level 2	Level 3	Total
As at December 31, 2022	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments-asset	-	178,404	-	178,404
Investment properties	-	-	48,861,010	48,861,010
As at December 31, 2021				
Derivative financial instruments-liability	-	(97,499)	-	(97,499)
Investment properties	-	-	47,659,885	47,659,885

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

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

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

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

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

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

	Dec 31, 2022 \$'000	Dec 31, 2021 \$'000
Balance at the beginning of the year	47,659,885	41,119,827
Capital expenditure/leasing commission, net of amortization	878,241	613,859
Land acquisition	616,512	-
Investment property acquisition	307,500	-
Net unrealized foreign exchange (loss)/gain on investment properties	(2,588,567)	1,158,270
Unrealized revaluation gain on investment properties measured at fair value	1,987,439	4,767,929
Balance at the end of the year	48,861,010	47,659,885

17. LEASES

a) As a lessor

Agreements entered into by the Group and its tenants have been classified as operating leases under IFRS16. The Group is the lessor of the leases entered into with third parties in respect of its investment properties. Of the leases entered into by the Group, there are a certain amount that are fixed-term leases which include renewal options exercisable by the respective tenant. Notwithstanding these particular leases, the lease agreements entered into by the Group have expiration dates ranging from December 31, 2022, to April 30, 2048.

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

December 31, 2022	<1 year (US\$'000)	1-5 years (US\$'000)	>5 years (US\$'000)	Total (US\$'000)
USD denominated minimum future lease collections	149,190	333,020	90,188	572,398
*Peso denominated minimum future lease collections	30,605	56,442	10,586	97,633

* 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, 2022	Dec 31, 2021
	\$'000	\$'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the year	13,183	15,954
Addition to right-of-use assets	-	1,037
Effect of changes in foreign exchange rate	(107)	113
Depreciation charge for the year	(3,884)	(3,921)
Balance at the end of the year	9,192	13,183
Lease liabilities (included in other liabilities):		
Balance at the beginning of the year	15,092	17,611
Addition to lease liabilities	-	1,037
Effect of changes in foreign exchange rate	(117)	120
Interest on lease liabilities ¹	1,211	1,475
Lease payments	(5,110)	(5,151)
Balance at the end of the year	11,076	15,092
Balance classified as current	3,501	3,953
Balance classified as non-current	7,575	11,139
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	4,302	5,149
1-5 years	8,556	12,944
Total undiscounted lease liabilities at the end of the year	12,858	18,093

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

18. RELATED PARTIES

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

a) Transactions with key management personnel

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

b) Trustee

Since the execution of the Trustee Substitution Agreement on October 31, 2017, CIBanco, S.A., Institución de Banca Múltiple is the FIBRA Macquarie Trustee, whose registered office is at Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, México 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, México City, 11000 ("Investment Trust Trustee"). The two other trustees within the Group are Banco Nacional de México, 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, 2022, the trustees fees for the Group totalized to \$1.2 million (December 31, 2021; \$1.1 million) and \$4.5 million (December 31, 2021; \$4.5 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, México City, 11040.

Under the terms of the Management Agreement, MAM México is entitled to a base management fee of \$49.0 million (December 31, 2021: \$48.0 million) and \$188.7 million (December 31, 2021: \$195.8 million) respectively, for the three months and year ended December 31, 2022. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month. 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, 2022 and 2021, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the three months and year ended December 31, 2022, the Group accrued expenses totalling \$1.1 million (December 31, 2021: \$0.1 million) and \$1.8 million (December 31, 2021: \$0.1 million) respectively.

As at December 31, 2022, expenses due to affiliate entities of MAM México, amounted to \$1.8 million (December 31, 2021: \$0.1 million)

As at December 31, 2022, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MAM México respectively, held 36,853,632 CBFIs and received a gross distribution of \$71.9 million during the period ended December 31, 2022 (December 31, 2021: \$70.0 million).

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

19. RELEVANT 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 that there are no other subsequent events requiring recognition or disclosure.

