2017 FIBRA PROLOGIS ANNUAL REPORT

Resilience and Strength

Prologis Park Pharr Bridge, Reynosa, Mexico

FIBRA PROLOGIS

Dear fellow shareholders,

Mexico faced a range of challenges in 2017. In September, an earthquake struck Mexico City. Throughout the year, economic growth was tempered by uncertainties surrounding the North American Free Trade Agreement (NAFTA) and the future of U.S./Mexico relations.

Nonetheless, demand for logistics real estate remained resilient, and FIBRA Prologis prospered thanks to rising consumer demand, growing e-commerce and stable manufacturing.

We are proud of our accomplishments in 2017. For the year, adjusted funds from operations (AFFO) was $79.7 million, compared with $74.5 million in 2016, and we distributed 11.8 cents per certificate on an annual basis, up 7 percent from 11 cents in 2016.

Our results demonstrate that our portfolio and operations are designed for resilience and poised to thrive. Three factors that drive our financial results all moved in a positive direction:

- Occupancy grew to record levels while rental rates rose. We attribute this to our industry-leading strategy of matching well-located properties with a diversified customer base and best-in-class service.
- We refinanced debt to reduce interest expense. To do so, we leveraged our longstanding relationships with lenders and proven operating performance.
- We approached acquisition opportunities with prudence, adding two well-located, stabilized properties to our rent rolls in December 2017, one in the Mexico City submarket of Toluca and a second in Reynosa.

Consequently, we produced excellent results for our investors, including a higher distribution, a stronger total return and meaningful growth in AFFO.

“ Our portfolio and operations are designed for resilience and poised to thrive.

Prologis Park Tres Rios, Mexico City, Mexico

Operating conditions

Our six markets: Guadalajara, Juarez, Mexico City, Monterrey, Reynosa, Tijuana

For the full year 2017, our six markets in aggregate had net absorption of 17 million square feet (MSF) versus net completions of 16.7 MSF. Development has been muted over the last several years, even as demand has risen steadily. This dynamic boosted occupancy rates in our markets to 95.7 percent and across our portfolio to 97.3 percent.

Mexico City, the nation's capital, was one of the top-performing industrial real estate markets in the world last year with net absorption of 7.5 million square feet, a vacancy rate of 1 percent and market rent growth of 15 percent.

The manufacturing sector remained stable. E-commerce continued to grow rapidly. Online sales increased more than 30 percent even as retail sales slowed. This bodes well for FIBRA Prologis given our strong presence in Mexico City and the space needs of e-commerce companies. Demand is also strong in the 3PL, apparel, automotive and pharmaceuticals sectors.

> **"Mexico City, the nation's capital, was one of the top-performing industrial real estate markets in the world last year.**

Prologis Park Toluca, Toluca, Mexico

Well-designed portfolio

FIBRA Prologis' business is strategically aligned to focus on consumption, which is growing rapidly in Mexico. We have constructed our portfolio to be resilient to disruptions, benefit from structural changes like e-commerce and supply chain reconfiguration, and serve a diversified customer base.

About 50 percent of our portfolio serves domestic consumption through facilities in markets like Mexico City, Guadalajara and Monterrey. Mexico City, where demand is rising sharply and land is scarce, is our largest single market, accounting for nearly 38.5 percent of rents.

Total leasing volume in the portfolio was 7.8 million square feet, with existing customers driving 76 percent of our volume. Year-end occupancy stood at 97.3 percent, up 50 basis points from year-end 2016 and 160 basis points above the market average.

But our work doesn't end when we sign a lease. Excellent customer service is a hallmark of and differentiator for FIBRA Prologis. We are gratified that many of our customers choose to continue with us when their leases expire. In 2017, upon lease expiration, more than 80 percent of our customers either renewed their current lease or expanded their operations with us.

A key part of our strategy is to realize embedded earnings by capturing higher rents at lease expiration—in line with market rates. In 2017, we achieved a rent increase on lease rollover of 11.9 percent.

The combination of higher rents and elevated average occupancy resulted in our cash same store net operating income (NOI) increasing 2.7 percent for the year, exceeding our guidance range.

Funds from operations (FFO) was up year-over-year from $105.2 million in 2016 to $105.6 million in 2017.[1]

At renewal in 2017, non-expiring peso-denominated leases, which are tied to the Mexican inflation index, rose 6.8 percent, while expiring peso-denominated leases that did not renew were marked to market. These increases protect and increase our earnings as pesos are converted to dollars.

1. Excludes the impact of any incentive fees paid to FIBRA Prologis' sponsor.

Prologis Park Apodaca, Monterrey, Mexico

External growth

Acquiring properties developed by our sponsor, Prologis, is an avenue for growth unique to FIBRA Prologis.

For the first half of the year, we chose not to acquire. In July, when the market was demonstrating greater stability and transparency, we started to consider acquisition opportunities. In December, we added two properties for a combined investment of $30 million at an average stabilized cap rate of 7.6 percent: one in the Mexico City submarket of Toluca and a second in Reynosa.

December's acquisitions foreshadowed more to come in 2018. Prologis was actively developing in 2017, creating a pipeline of stabilized projects that FIBRA Prologis will have the exclusive right of first refusal to acquire in 2018.

“Acquiring properties developed by our sponsor, Prologis, is an avenue for growth unique to FIBRA Prologis.

Prologis Park Izcalli, Mexico City, Mexico

Balance sheet management

During 2017, we managed our debt maturities actively. Our goal was to reduce our weighted average interest rate by 40 basis points. By year-end 2017, we had exceeded that goal, extending debt terms while lowering our weighted average rate by 100 basis points to 4 percent, well below the 5.6 percent weighted average cost of debt at the time of our initial public offering (IPO).

Some 76 percent of our debt is now unsecured and, with the exception of our revolving line of credit for $175 million, all of our debt is fixed. This profile gives us flexibility and certainty in a rising rate environment, all while reducing fees.

As of December 31, 2017, including our revolving line with accordion feature, our liquidity was a healthy US$319 million. We ended the year with a loan-to-value ratio of 33.2 percent.

In this environment, we will continue our prudent approach to liability management while closely monitoring geopolitical events. We will always favor a flexible balance sheet with low leverage and substantial liquidity.

Prologis Park Los Altos, Guadalajara, Mexico

Looking ahead

2017 was a year of great progress in our operations and balance sheet management. Our prudence delivered highly positive results. More importantly, we are positioned for future success.

Just like last year, NAFTA renegotiations remain unresolved. We continue to believe that a favorable outcome for all countries will be reached, but we are also realistic. Resolution may not come in 2018, which is also a presidential election year in Mexico.

While both events have potential risks, we are positioned to thrive independent of outcomes–in large part because of the resilience of our strategy, execution and people. We know that if we take care of our customers, acquire properties carefully and manage our finances diligently, results will come regardless of shifting political winds.

We continue to have confidence in the logistics market and in Mexico's importance within it. The country occupies a unique and vital role in the world's supply chain. Political shifts won't affect Mexico's strategic location adjacent to the U.S. and proximate to South and Central America. Even more significantly, Mexico's growing middle class is driving higher standards of living together with higher levels of consumption.

We have a well-devised plan that will enable us to both participate in and benefit from this growth.

Prologis Juarez Industrial Center, Juarez, Mexico

Focusing on 2018

We enter 2018 with optimism and a clear plan. We will continue to increase rents as leases expire in line with market dynamics. We will maintain our focus on the logistics markets that matter most in Mexico, and will manage our balance sheet prudently, so that we reduce risk and retain the ability to act on opportunities that present themselves.

We expect to do more on the acquisitions front, with a target between US$100 million and $300 million. Our business is positioned for opportunity, our talented team is dedicated and engaged, and we look forward to enduring success.

Sincerely,

Luis Gutiérrez
Chief Executive Officer of Prologis Mexico

Prologis Park Grande Groundbreaking Ceremony, Mexico City, Mexico

Chairman's video

> **We successfully delivered on our 2017 goals while defining a clear path forward to continued growth.**
>
> Luis Gutiérrez
> Chief Executive Officer of Prologis Mexico

Leadership, Prologis Mexico

From left to right:
Héctor Ibarzabal, Jorge Girault and Luis Gutiérrez

Luis Gutiérrez

Chief Executive Officer, Prologis Mexico

Success built upon 28 years of effective teamwork.

Mr. Gutiérrez has nearly three decades of experience in the real estate sector. In addition to serving as CEO of FIBRA Prologis since 2014, he is President for Latin America for Prologis. In that capacity, he is responsible for all Brazil- and Mexico-related activities including operations, investments, acquisitions and industrial property development. Mr. Gutiérrez co-founded and served as Chief Executive Officer of Fondo Opción (formerly G. Acción), the first public real estate company in Mexico. He is a member of the board of directors of Finances and Central de Estacionamientos. He also served as president of the Mexican Industrial Park Association from 2005-2006. Mr. Gutiérrez holds a civil engineering degree from Universidad Iberoamericana and an MBA from Instituto Panamericano de Alta Dirección de Empresas.

Héctor Ibarzabal

Chief Operating Officer, Prologis Mexico

Effective decision-making based upon 30 years of experience in the Mexican real estate market.

Héctor Ibarzabal is a 30-year veteran of the real estate sector, with extensive experience in structuring, financing and fundraising for real estate in the office, industrial, retail and residential sectors. In addition to serving as chief operating officer of FIBRA Prologis, Mr. Ibarzabal has served as Managing Director and Head of Operations in Mexico for Prologis since 2011. In that capacity, he runs Prologis' development, operations and capital deployment. Before joining Prologis, Mr. Ibarzabal was co-founder of G. Accion, a publicly traded real estate company, where he served as CFO, COO, and President. He is a member of the technical committee of Prologis Mexico Fondo Logistico, a Mexican industrial real estate investment vehicle managed by an affiliate of Prologis. Mr. Ibarzabal is currently President of AMPIP (Mexican Association of Industrial Parks), and has acted as Independient Director in their Board for Sare, Fibra Shop and Actinver Fondos. Mr. Ibarzabal holds a civil engineering degree from Universidad Iberoamericana and an MBA from IPADE.

Jorge Girault

Senior Vice President, Prologis Mexico

Superior customer service driven by passion, accountability and integrity.

Since 1994 Mr. Girault has worked in the real estate market through structuring, financing and fundraising for the office, industrial, retail and residential sectors. As an officer of Prologis Mexico Manager, and a manager of Prologis México Fondo Logistico, a Mexican industrial real estate investment vehicle managed by an affiliate of Prologis, he also is responsible for the structuring and successful launching of FIBRA Prologis IPO. Mr. Girault has significant experience managing Prologis' equity and debtraising activities. He started his professional carrier at G. Acción, a publicly traded Mexican real estate company, where he rose from Project Manager to Investor Relations VP and CFO. He is a member of the technical committee of Prologis Mexico Fondo Logistico, was part-time professor at the Business School of Universidad Iberoamericana and is an active member of the Mexican FIBRA association. Mr. Girault holds an industrial engineering degree from Universidad Panamericana and an MBA from Universidad Iberoamericana and AD1 at IPADE.

Strategic locations

196 Properties

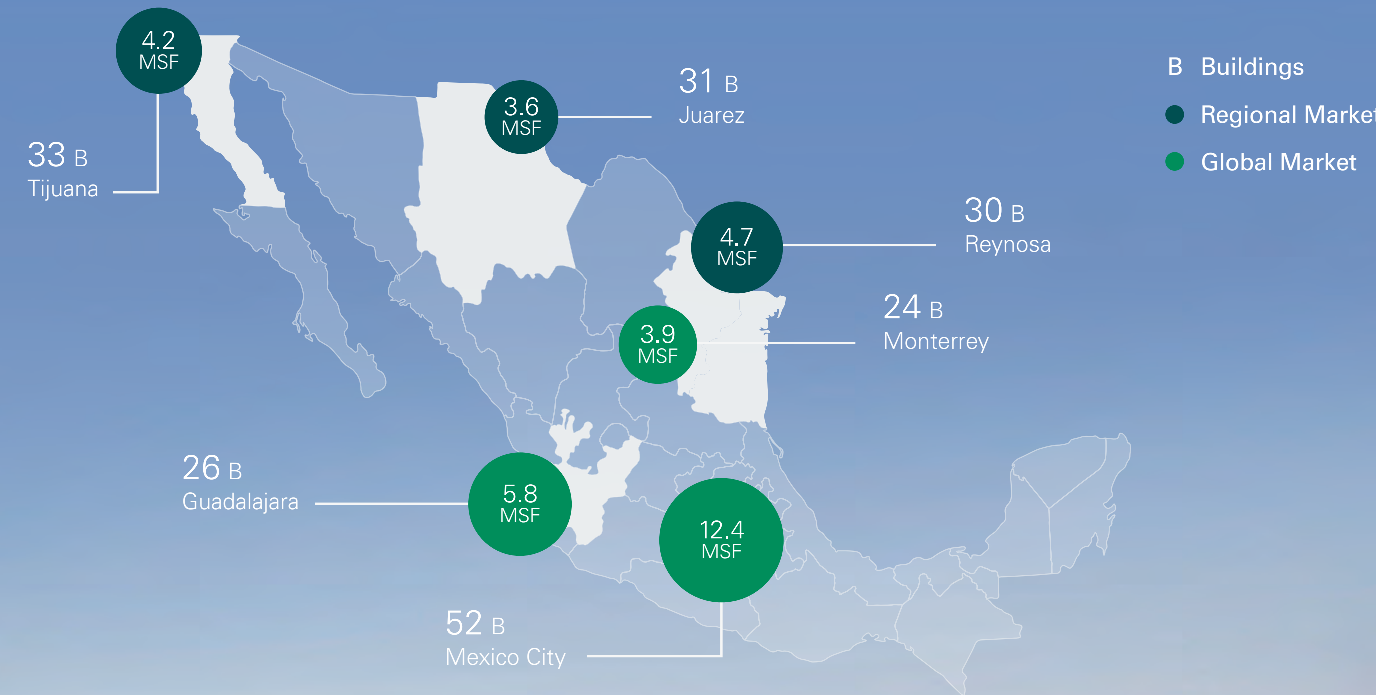
233 Customers

34.6 MSF

$5.09 Average net effective rent per leased SF

97.3% Occupancy

70.6% USD-denominated leases



Prologis Park Izcalli, Mexico City, Mexico

Our key metrics tell a strong growth story.

OPERATING PORTFOLIO PERIOD END OCCUPANCY

	PERCENT
2017	97.3
2016	96.8
2015	96.5

NET EFFECTIVE RENT CHANGE

2017	11.9
2016	9.6
2015	10.5

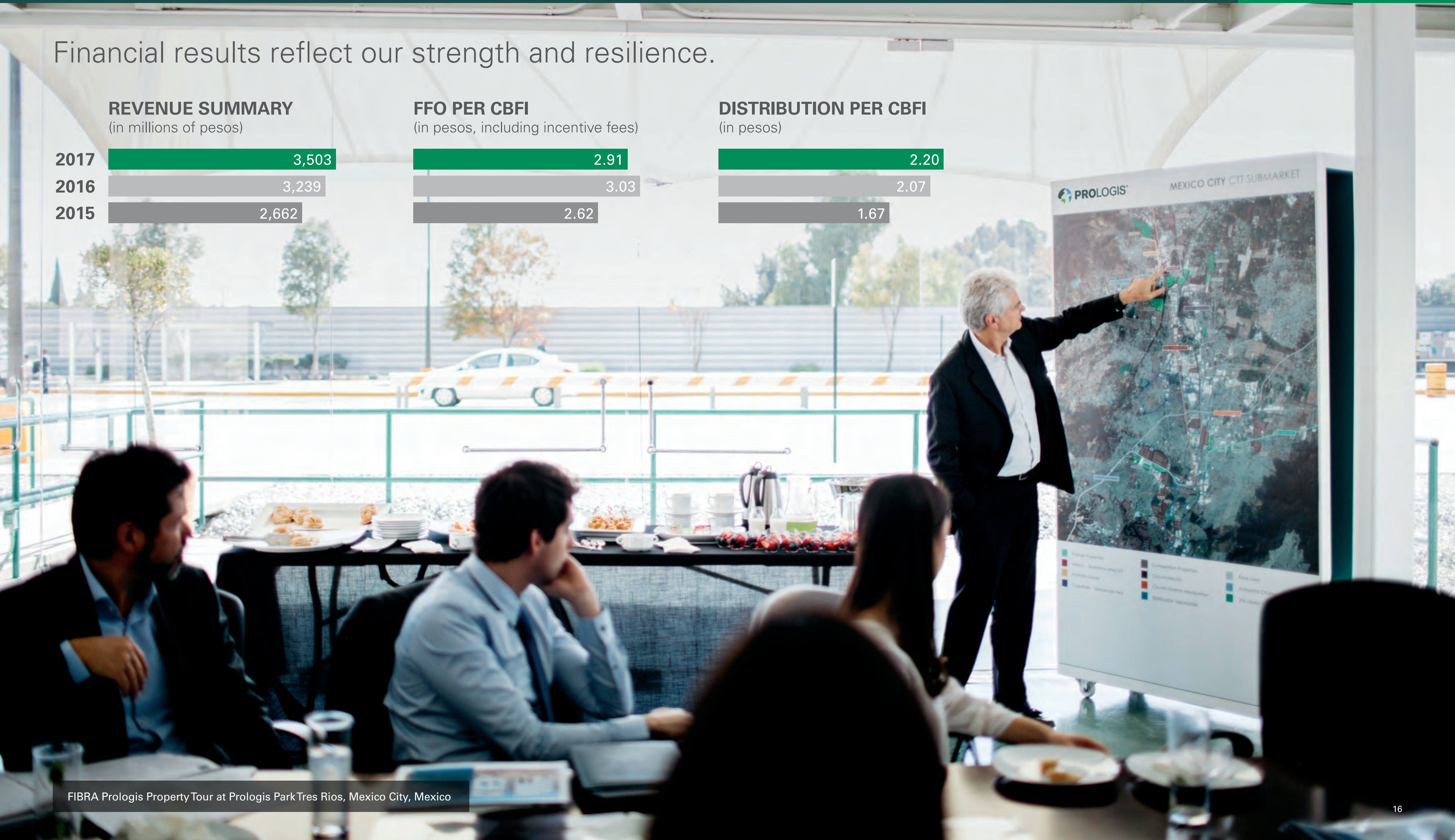
TENANT RETENTION

2017	80.1
2016	87.6
2015	93.9

Prologis Park Tres Rios, Mexico City, Mexico

Financial results reflect our strength and resilience.

	REVENUE SUMMARY (in millions of pesos)	FFO PER CBFI (in pesos, including incentive fees)	DISTRIBUTION PER CBFI (in pesos)
2017	3,503	2.91	2.20
2016	3,239	3.03	2.07
2015	2,662	2.62	1.67



FIBRA Prologis Property Tour at Prologis Park Tres Rios, Mexico City, Mexico

This presentation includes certain terms and non-IFRS nancial measures that are not specically dened herein. These terms and nancial measures are dened and, in the case of the non-IFRS nancial measures, reconciled to the most directly comparable IFRS measure, in our 4th quarter Earnings Release and Supplemental Information that is available on our website at www.braprologis.com and on the BMV’s website at www.bmv.com.mx. All information within this report is as of December 31, 2017.

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which FIBRA Prologis operates, management’s beliefs and assumptions made by management. Such statements involve uncertainties that could signicantly impact FIBRA Prologis nancial results. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and nancial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difcult to predict. Although we believe the expectations reected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in nancial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust (“FIBRA”) status and tax structuring, (vi) availability of nancing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports led with the “Comisión Nacional Bancaria y de Valores” and the Mexican Stock Exchange by FIBRA Prologis under the heading “Risk Factors.” FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.