

#### D. RISK FACTORS

You should carefully consider the risks described below, along with the other information included in this Annual Report. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, prospects, financial condition or results of operations could be materially and adversely affected by any of these risks. This Annual Report also contains forward-looking statements that involve risks and uncertainties. The risks described below are organized by risk category and these categories are not presented in order of importance. However, within each category, the risk factors are generally presented in descending order of importance, as determined by us as of the date of this Annual Report. We may change our vision about their relative importance at any time, especially if new internal or external events arise. You should carefully review the “Cautionary Statement Regarding Forward-looking Statements” section of this Annual Report. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report.

##### Summary of Risk Factors

This section is intended to be a summary of more detailed discussions contained elsewhere in this Annual Report. The risks described below are not the only ones we face. Our business, results of operations or financial condition could be harmed if any of these risks materializes and, as a result, the trading price of our ADSs and/or common shares could decline.

##### *Risks Related to Our Business*

- The success of our business depends on general economic conditions and prevailing conditions in the real estate industry. Accordingly, any economic slowdown or downturn in real estate asset values or leasing activity may have a material adverse effect on our business, financial condition, results of operations and prospects and/or the liquidity or trading price of our ADSs.
- The volatility of the financial markets may adversely affect our financial condition and/or results of operations.
- Real estate investments are not as liquid as certain other types of assets, which may adversely affect our financial conditions and results of operations.
- Investments in real estate properties are subject to risks that could adversely affect our business.
- We are dependent on our tenants for a substantial portion of our revenues and our business would be materially and adversely affected if a significant number of our tenants, or any of our major tenants, were to default on their obligations under their leases.
- We derive a significant portion of our rental income from a limited number of customers.
- Our clients operate in certain specific industrial sectors in Mexico, and our business may be adversely affected by an economic downturn in any of those sectors.
- An increase in competition could lead to lower occupancy rates and rental income and could result in fewer investment opportunities.
- We may not be successful in executing on our accelerated growth strategy if we are unable to make acquisitions of land or properties.
- We are dependent on our ability to raise capital through financial markets, divestitures or other sources to meet our future growth expectations.
- We are subject to risks related to the development of new properties, including due to an increase in construction costs and supply chain issues.
- Our business and operations could suffer in the event of system failures or cyber security attacks.

***Risks Related to Mexico***

- Adverse economic conditions in Mexico may have a negative impact on our financial condition and/or results of operations.
- Political and social developments in Mexico as well as changes in Federal Governmental policies could have a negative impact on our business and results of operations.
- Legislative or regulatory action with respect to tax laws and regulations could adversely affect us.
- Developments in the U.S. and other countries may adversely affect Mexico’s economy, our business, financial condition and/or results of operations, and the market price of our ADSs.
- Mexico is an emerging market economy, with risks to our results of operations and financial condition.
- Changes in exchange rates between the peso and the U.S. dollar or other currencies may adversely affect our financial condition and/or results of operations.

***Risks Related to Our ADSs***

- The price of our ADSs or common shares may be volatile or may decline regardless of our operating performance, and you may not be able to resell your ADSs or common shares at or above the offering price.
- Our bylaws contain restrictions on certain transfers of common shares and the execution of shareholders agreements, which could impede the ability of holders of ADSs to benefit from a change in control or to change our management and Board of Directors.
- You may not be able to sell your ADSs at the time or the price you desire because an active or liquid market may not develop.
- The relative volatility and illiquidity of the Mexican securities markets may substantially limit your ability to sell the common shares underlying the ADSs at the price and time you desire.
- Sales of our ADSs or common shares by our founders, directors or officers, or the perception that these sales may occur may cause our share price to decline.
- We are subject to different disclosure and accounting standards than companies in other countries.
- If we issue or sell additional equity securities in the future, we may suffer dilution and the trading prices for our securities may decline.
- The payment and amount of dividends are subject to the determination of our shareholders.
- As a foreign private issuer and an “emerging growth company” (as defined in the JOBS Act), we have different disclosure and other requirements than U.S. registrants and non-emerging growth companies.
- We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur additional legal, accounting and other expenses.
- As a foreign private issuer, we rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer’s directors consist of independent directors. This may afford less protection to holders of our common shares.
- There can be no assurance that we will not be a passive foreign investment company, or PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in our common shares or our ADSs.

***Risks Related to Our Business***

***The success of our business depends on general economic conditions and prevailing conditions in the real estate industry. Accordingly, any economic slowdown or downturn in real estate asset values or leasing activity may have a***

***material adverse effect on our business, financial condition, results of operations and prospects and/or the liquidity or trading price of our ADSs.***

Our business is closely tied to general economic conditions and the performance of the real estate industry. As a result, our financial and operating performance, the value of our real estate assets, our revenue stream and our ability to implement our business strategy may be affected by changes in national and regional economic conditions.

The performance of the real estate markets in which we operate tends to be cyclical and tied to the condition of the U.S. and Mexican economies and to investors' perceptions regarding the global economic outlook. Fluctuations in nominal gross domestic product ("GDP"), increased inflation, rising interest rates, declining employment levels, declining levels of investments and economic activity, declining demand for real estate, declining real estate values and periods of general economic slowdown or recession, or perceptions that any of these events may occur or are occurring, have had a negative impact on the real estate market in the past and may adversely affect our future performance. In addition, the performance of the economies of the states in which we operate within Mexico may be dependent on or driven by one or more specific industries and by other factors affecting local economies. Other factors that may affect general economic conditions or local real estate conditions include: population and demographic trends, employment and personal income trends, income and other tax laws, changes in interest rates and availability and costs of financing, increased operating costs (including insurance premiums, utilities and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents), changes in the price of oil, construction costs and weather-related events. Our ability to reconfigure rapidly our portfolio in response to changes in economic conditions is extremely limited.

In addition, some of our principal expenses, including the service of our debt, income and real estate taxes and operating and maintenance costs, do not decrease when market conditions are unfavorable. These factors may impair our ability to respond in a timely manner to downturns in the performance of our industrial properties and may have an adverse effect on business, financial condition, results of operations and prospects or the market price of our ADSs. We have experienced periods of economic slowdown or recession and declines in the demand for real estate and related services that have affected our results of operations in the past, including, in 2020 and 2021, as a result of the COVID-19 pandemic. Any recession and/or downturn in the real estate industry, which may affect us again in the future, could give rise to:

- a general decline in the price of rents or less favorable terms for new leases or renewals;
- the depreciation of the value of the properties in our portfolio;
- increased vacancy rates or our inability to lease our properties on favorable conditions;
- our inability to collect rents from our tenants;
- reduced levels of demand for industrial space and industrial facilities, or changes in consumer preferences vis-à-vis our available properties;
- an increased supply of industrial facilities or more suitable spaces in the markets in which we operate;
- higher interest rates, increased leasing costs, increased construction costs, distressed supply chains for construction materials, increased maintenance costs, reduced availability of financing on favorable terms and shortage of mortgage loans, lines of credit and other capital resources, all of which could increase our costs and limit our ability to acquire or develop additional real estate assets or refinance our debt;
- measures that limit our ability to develop acquired land pursuant to existing plans;
- increased costs and expenses, including, among other things, for insurance, labor, energy, real estate appraisals, real estate taxes and compliance with applicable laws and regulations; and
- the adoption of restrictive government policies or the imposition of limitations on our ability to pass on costs to our customers.

Furthermore, we expect that a limited number of financial institutions will hold all or most of our cash, including some institutions located in the United States. Depending on our cash balance in any of our accounts at any given point in time, our balances may not be covered by government-backed deposit insurance programs in the event of default or failure of any bank with which we maintain a commercial relationship. While the U.S. Federal Deposit Insurance Corporation provides deposit insurance of US\$250,000 per depositor, per insured bank, the amounts that we have in deposits in U.S. banks far exceeds that insured amount. Therefore, if the U.S. government does not impose measures to protect depositors

in the event a bank in which our funds are held fails, we may lose all or a substantial portion of our deposits. The occurrence of any default or failure of any of the banks in which we have deposits could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If economic and market conditions similar to those experienced between 2008 and 2010 or 2020 and 2021 were to return, our performance and profitability could deteriorate. In such event, we may not be able to comply with our financial covenants under our loan agreements and may be forced to seek waivers or amendments from our lenders or to refinance our indebtedness on terms that are consistent with our financial condition. No assurance can be given that we would be able to secure any such waiver or amendment on favorable terms or at all. In addition, if our business deteriorates, we may not have a level of liquidity sufficient to repay our debt at its maturity in the coming years, which would materially and adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs.

***The volatility of the financial markets may adversely affect our financial condition and/or results of operations.***

The volatility of the financial markets may have a negative impact on the availability of credit generally and may lead to a further weakening of the Mexican, U.S., and global economies. Any disruption in the financial markets could materially impair the value of our real estate assets and our investments, have a negative impact on the availability of credit generally or on the terms (including as to maturity) on which we and our subsidiaries are or may be able to secure financing (including refinancing our indebtedness), impair our ability or the ability of our subsidiaries to make payments of principal and/or interest on our outstanding debt when due or to refinance that debt, or impair our clients' ability to enter into new leases (including leases indexed to inflation or denominated in U.S. dollars) or meet their rent payment obligations under their existing leases.

In 2008 and 2009, the global financial markets experienced a crisis of unprecedented magnitude. This crisis severely affected the availability of financing and led to a significant increase in our borrowing costs. In some cases, existing sources of financing were no longer available or were not available in favorable terms. While financial markets have stabilized since then, we cannot predict whether they will destabilize in the future. This uncertainty may lead market participants to take a more conservative approach, which may in turn lead to decreased demand and price levels in the markets in which we operate. As a result of the above, we may not be able to recover the current carrying value of our properties, land or investments as a means to repay or refinance our indebtedness.

In addition, global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the ongoing war between Russia and Ukraine. In February 2022, Russia launched a full-scale military invasion of Ukraine. Although the length and impact of the ongoing military conflict is unpredictable, the conflict in Ukraine has created and could lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets. The war between Russia and Ukraine has led to sanctions and other penalties being levied by the United States, European Union and other countries mainly against Russia, including agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication payment system. Additional potential sanctions and penalties have also been proposed and/or threatened. The war is expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, scarcity in certain raw materials and products, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. In addition, there is a risk that Russia and other countries supporting Russia in this conflict may launch cyberattacks against the United States and its allies and other countries, their governments and businesses, including the infrastructure in those countries. In addition, on October 7, 2023, Hamas, a terrorist group in control of Gaza, carried out a surprise attack on Israeli cities and towns near the Gaza strip. Following this terrorist attack, Israel declared war on Hamas and other terrorist organizations in Gaza. The military conflict is ongoing, and its length and outcome are highly unpredictable. Any of the foregoing consequences, including those we cannot yet predict, may have a material adverse effect on our business, financial condition, liquidity and results of operations.

The market volatility experienced over the past several years has made the appraisal of our real estate assets more difficult. If we cannot identify suitable financing resources or if we are unable to refinance our existing indebtedness, we may be forced to sell some of our properties to fund our operations or to engage in forced restructurings with our creditors. The valuation and stability of the prices of our and our subsidiaries' properties are subject to some level of uncertainty, which may result in the values of these properties being lower than expected. In addition, we may not be able to sell our properties in a timely manner as a result of a lack of a readily available market for our properties.

***Real estate investments are not as liquid as certain other types of assets, which may adversely affect our financial conditions and results of operations.***

Real estate investments are not as liquid as certain other types of investments and this lack of liquidity may limit our ability to react promptly to changes in economic or other conditions. Significant expenditures associated with real estate properties, such as indebtedness payments, real estate taxes, maintenance costs, and the costs of any required improvements, are generally not reduced when circumstances cause a reduction in income from the investments. We may dispose of certain properties that have been held for investment to generate liquidity. If we need to sell any of our properties to obtain liquidity, we may not be able to sell those properties at market prices, which could have a material adverse effect on our business, financial condition and/or result of operations. If we believe there is too much of a risk of incurring taxes on any taxable gains from the sale, or if market conditions are not attractive in the relevant regional market, we may not pursue those sales.

We may decide to sell properties to third parties to generate proceeds to fund other real estate projects that we deem as more attractive. Our ability to sell or contribute properties on advantageous terms is affected by: (i) competition from other owners of properties that are trying to dispose of their properties; (ii) economic and market conditions, including those affecting the different regions where we operate; and (iii) other factors beyond our control. We cannot assure you that future market conditions will not affect our real estate investments or our ability to sell our assets at a profit, in a timely manner or at all. If our competitors sell assets similar to assets we intend to divest in the same markets or at valuations below our valuations for comparable assets, we may be unable to divest our assets at favorable pricing or at all. The third parties who might acquire our properties may need to have access to debt and equity capital, in the private and public markets, in order to acquire properties from us. Should they have limited or no access to capital on favorable terms, then dispositions and contributions could be delayed.

If we do not have sufficient cash available to us through our operations, sales or contributions of properties or available credit facilities to continue operating our business as usual, we may need to find alternative ways to increase our liquidity. Those alternatives may include, without limitation, divesting properties at less than optimal terms, incurring debt, accessing other capital resources, entering into leases with new customers at lower rental rates or less than optimal terms or entering into lease renewals with our existing customers without an increase in rental rates. We may intend to seek financing from financial institutions but cannot assure you that we will be able to access these or other sources of capital. There can be no assurance that these alternative ways to increase our liquidity will be available to us. Our inability to raise additional capital on reasonably favorable terms may jeopardize our future growth and affect our financial condition and/or results of operations. Additionally, taking measures to increase our liquidity may adversely affect our business, and in particular, our distributable cash flow and debt covenants.

***Investments in real estate properties are subject to risks that could adversely affect our business.***

Investments in real estate properties are subject to varying degrees of risk. While we seek to minimize these risks through geographic diversification of our portfolio, diversification among industries, market research and tenant diversification, these risks cannot be eliminated. Factors that may affect real estate values and cash flows include:

- local conditions, such as oversupply or a reduction in demand;
- technological changes, such as reconfiguration of supply chains, robotics, 3D printing or other technologies;
- the attractiveness and quality of our properties, and related services, to potential tenants and competition from other available properties;
- increasing costs of maintaining, insuring, renovating and making improvements to our properties;
- our ability to reposition our properties due to changes in the business and logistics needs of our customers;
- our ability to lease properties at favorable rates, including periodic increases based on inflation or exchange rates, and control variable operating costs;
- social problems, including safety, affecting certain regions;
- governmental and environmental regulations and the associated potential liability under, and changes in, environmental, community rights, zoning, usage, tax, tariffs and other laws; and

- reduction on the supply, price increases and other restrictions affecting the supply of key resources, such as water and electricity, may affect the construction industry and the operation of rental facilities in Mexico.

These factors may affect our ability to recover our investment in our properties and result in impairment charges.

***We may not be successful in executing on our accelerated growth strategy if we are unable to make acquisitions of land or properties.***

Our growth strategy includes the acquisition of individual properties or real estate portfolios when opportunities arise. Our ability to make acquisitions on favorable terms and to integrate them successfully into our existing operations is subject to various risks, including the risk that:

- we may not be able to acquire desired properties, including other real estate developers and real estate investment funds, particularly in markets in which we do not currently operate; we may need additional land bank to accelerate our portfolio growth and execute our growth strategy to meet our goals;
- we may not be able to obtain financing for the relevant acquisition given our existing leverage position and increased interest rates;
- the properties we acquire may not prove accretive to our results, or that we may not be able to successfully manage and lease those properties to meet our goals;
- we may not be able to generate sufficient operating cash flows to make an acquisition;
- we may need to spend additional amounts than budgeted to develop a property or make necessary improvements or renovations;
- competition from other potential acquirors may significantly increase the purchase price of a desired property;
- we may spend significant time and money on potential acquisitions that we are unable to make as a result of the lack of satisfaction of customary closing conditions included in the agreements for the acquisition of properties, including the satisfactory completion of due diligence investigations;
- we may not be able to obtain any or all regulatory approvals necessary to complete the acquisition, including from the Mexican Antitrust Commission (*Comisión Federal de Competencia Económica* or “COFECE”);
- the process of pursuing and consummating an acquisition may distract the attention of our senior management from our existing business operations;
- we may experience delays (temporary or permanent) if there is public or government opposition to our activities; and
- we may not be able to rapidly and efficiently integrate new acquisitions, especially acquisitions of real estate portfolios, to our existing operations.

We cannot assure you that we will be able to successfully manage all factors necessary to grow our business. If we are unable to find suitable acquisition targets, or if we find them and are unable to complete the acquisitions on favorable terms or to manage acquired properties to meet our goals, our business, financial condition, results of operations and prospects or the market price of our ADSs could be materially and adversely affected. In addition, we face risks arising from the acquisition of properties not yet fully developed or in need of substantial renovation or redevelopment, including, in particular, the risk that we overestimate the value of the property, the risk that the cost or time to complete the renovation or redevelopment will exceed our budget and the risk that the relevant location is never developed. Those delays or cost overruns may arise from:

- shortages of materials or skilled labor;
- a change in the scope of the original project;
- the difficulty in obtaining necessary zoning, land-use, environmental, health & safety, building, occupancy, antitrust and other governmental permits;

- economic or political conditions affecting the relevant location;
- an increase in the cost of building materials and equipment;
- the discovery of structural or other latent defects in the property once construction has commenced; and
- delays in securing tenants.

Any failure to complete a development project in a timely manner and within budget or to lease the project after completion could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

Where opportunities arise, we may explore the acquisition of properties or real estate portfolios in markets within Mexico. Our ability to make acquisitions in new markets and to successfully integrate those acquisitions to our existing operations is subject to the same risks as our ability to do so in the markets in which we currently operate. In addition to these risks, we may not possess the same level of familiarity with the dynamics and market conditions of any new markets that we may enter, which could adversely affect our ability to expand into or operate in those markets and, consequently, our business, financial condition, results of operations and prospects or the market price of our ADSs. We may not be able to achieve the desired return on our investments in new markets. If we are unsuccessful at expanding into new markets, our business, financial condition, results of operations and prospects could be adversely affected.

***We are dependent on our tenants for a substantial portion of our revenues and our business would be materially and adversely affected if a significant number of our tenants, or any of our major tenants, were to default on their obligations under their leases.***

A majority of our revenues consists of rental income received from our tenants at our industrial properties. Accordingly, our performance depends on our ability to collect rent payments from our tenants and on our tenants' ability to make those payments. The revenues and financial resources available to service our debt and make distributions could be materially and adversely affected if a significant number of our tenants, or any of our major tenants, or tenants affected in certain geographic regions, were to postpone the commencement of their new leases, decline to extend or renew their existing leases upon expiration, default on their rent and maintenance-related payment obligations, close down or reduce the level of operations of their businesses, enter reorganization proceedings (*concurso mercantil*) or similar proceedings, or file for bankruptcy. Any of these events may be the result of various factors affecting our tenants. Any of these events could result in the suspension of the effects of each lease, the termination of the relevant lease and the loss of or a decrease in the rental income attributable to the suspended or terminated lease.

If upon expiration of a lease for any of our properties, a tenant does not renew its lease, we may not be able to re-rent the property to a new customer, may need to incur substantial capital expenditures to re-lease the relevant properties, or the terms of the renewal or new lease (including the cost of renovations for the customer) may be less favorable to us than current lease terms. If a significant number of tenants were to default on their obligations under their leases, we could experience delays and incur substantial expenses in enforcing our rights as landlord.

A general decline in the economy may result in a decline in demand for space at our properties. As a result, tenants may delay lease commencement, fail to make rental payments when due or declare bankruptcy. Any such event could result in the termination of that tenant's lease and losses to us, and funds available for distribution to investors may decrease. If tenants were unable to comply with the terms of their leases for any reason, including because of rising costs or falling sales, we may deem it advisable to modify lease terms to allow tenants to pay a lower rent or smaller share of taxes, insurance and other operating costs. If a tenant becomes insolvent or bankrupt, we cannot be sure that we could recover promptly the premises from the tenant or from a bankruptcy trustee or equivalent appointee in any bankruptcy proceeding relating to the tenant. We also cannot be sure that we would receive rent in the proceeding sufficient to cover our expenses with respect to the premises. Bankruptcy laws in some instances may restrict the amount and recoverability of our claims against the tenant. A tenant's default on its obligations to us could adversely affect our financial condition and the cash we have available for distribution.

***We derive a significant portion of our rental income from a limited number of customers.***

As of and for the years ended December 31, 2023, 2022 and 2021, our 10 largest tenants accounted for approximately 27.0%, 26.9% and 18.6% of our total GLA and approximately 28.7%, 30.5% and 30.6% of our rental income, respectively. As of these dates, Nestlé was our largest customer in terms of leased GLA, representing 5.4%, 5.3% and 5.8%, of our GLA, respectively, and Nestlé was our largest customer in terms of rental income representing 5.4% during 2023, while

TPI was our largest customer in terms of rental income, during 2022 and 2021, representing, 5.7% and 5.3%, of our rental income, respectively.

If Nestlé and/or TPI, or any of our other principal tenants, were to terminate its leases or seek the restructuring of their leases as a result of any conditions affecting any of them, and we were unable to renew those leases on terms reasonably acceptable to these tenants or at all upon their expiration, our business, financial condition and results of operation or the market price of our ADSs could be materially and adversely affected. In addition, should any such tenant elect not to renew its leases upon their expiration, we could find it difficult and time-consuming to lease these properties to new customers. We cannot assure you that we would be able to re-lease any of these properties within a short period of time or at all, or that our results of operations would not be affected as a result of our inability to do so. Any delay in re-leasing these properties may affect our business, financial condition and results of operations or the market price of our ADSs.

In addition, if any of our principal tenants were to experience a downturn in business or a weakening of its financial condition, that tenant may not be able to meet its rent payment obligations when due or could default on its other obligations under its lease, either of which could have a material adverse effect on our business, financial condition and results of operations or the market price of our ADSs.

***Our clients operate in certain specific industrial sectors in Mexico, and our business may be adversely affected by an economic downturn in any of those sectors.***

Our clients operate in certain specific industrial sectors in Mexico. As of December 31, 2023, our tenant base in terms of leased GLA was comprised primarily of companies engaged in the automotive 33.1% , logistics 12.1% , food and beverage 9.1%, aerospace 6.8%, e-commerce 6.9%, electronics 7.0% and energy industries 3.5% among others. Our exposure to these industries subjects us to the risk of economic downturns or other adverse events affecting these sectors. If any of these risks were to materialize, our business, financial condition and results of operations or the market price of our ADSs could be materially and adversely affected.

***An increase in competition could lead to lower occupancy rates and rental income and could result in fewer investment opportunities.***

Furthermore, we compete with a growing number of owners, developers and operators of industrial properties in Mexico, many of which offer products similar to ours. Some of our competitors may have significantly larger financial and other resources than ours and may be able or willing to undertake more risks than those we can prudently manage.

Our principal competitors include Prologis, CPA and Fibra Uno, which operate industrial properties in Mexico's largest suburban markets, including the Mexico City metropolitan area, Toluca, Guadalajara and Monterrey. We also compete with Fibra Macquarie, Fibra Monterrey, Fibra Terrafina, Finsa and American Industries, which own a significant number of industrial properties along Mexico's northern border, including in Tijuana, Ciudad Juárez, Reynosa and Monterrey. In addition, we face competition from major regional participants in each of our other markets.

Any future increase in competition could lead to a decrease in the number of investment opportunities available to us, to an increase in the bargaining power of prospective sellers of real estate assets or to an increase in the value of real estate assets that may be attractive to us. Moreover, financially stronger competitors may have more flexibility than we do to offer rent incentives in order to attract tenants. If our competitors offer space for lease at prices below the prevailing market prices or which are lower than the prices we currently charge to our tenants, we may lose existing or potential tenants and may be forced to reduce our prices or offer substantial rent abatements, improvements, early termination options or more favorable renewal terms in order to retain our tenants when their leases expire. In any such event, our business, financial condition, results of operations and prospects, the market price of our ADSs and/or our ability to make distributions to our shareholders may be materially and adversely affected.

***We are dependent on our ability to raise capital through financial markets, divestitures or other sources to meet our future growth expectations.***

We are dependent on our ability to secure financing, divest assets or access other capital resources to expand our real estate portfolio and meet our future growth expectations. We intend to seek financing from financial institutions but cannot assure you that we will be able to access these or other sources of capital. We also face the risk that the terms of available new financing may not be as favorable as the terms of our existing indebtedness, particularly if interest rates continue to rise in the future, and we may be forced to allocate a material portion of our operating cash flow to service our debt, which would reduce the amount of cash available to fund our operations and capital expenditures or future business opportunities or for other purposes.



In addition, our ability to raise capital through the issuance and sale of common shares to finance our future growth will depend in part on the prevailing market price for our common shares and ADSs, which depends on a number of market conditions and other factors that may vary from time to time, including:

- the appetite of investors;
- our financial performance and that of our tenants;
- our ability to meet market expectations and the expectations of our investors with respect to our business;
- the reports of financial analysts with respect to our business;
- the prevailing economic, political and social environment in Mexico;
- the condition of the capital markets, including changes in the prevailing interest rates for fixed-income securities;
- the prevailing legal environment in Mexico with respect to the protection of minority shareholder interests;
- distributions to our shareholders, which largely depend on our operating cash flows, which in turn are dependent on the increase of revenues from our developments and acquisitions, the increase of our rental income, and on committed projects and capital expenditures; and
- other factors, such as changes in regulation (including, in particular, any changes in tax, labor and environmental regulation) or the adoption of other governmental or legislative measures affecting the real estate industry generally or us particularly.

Adverse changes in our credit ratings could impair our ability to obtain additional debt or equity financing on favorable terms, if at all. Our credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analysis of us. Our credit ratings can affect the amount and type of capital we can access, as well as the terms of any financings we may obtain. There can be no assurance that we will be able to maintain our credit ratings. In the event our credit ratings deteriorate, it may be more difficult or expensive to obtain additional financing or refinance existing obligations or commitments. Also, a downgrade in our credit would trigger additional costs or other potentially negative consequences under our current and future credit facilities and debt instruments.

Our inability to raise additional capital on reasonably favorable terms may jeopardize our future growth and affect our business, financial condition, results of operations and prospects or the market price of our ADSs.

***Our significant indebtedness may affect our cash flows and expose our properties to the risk of foreclosure.***

Since 2012, we have grown our portfolio through the acquisition of raw land for the development of new industrial real estate properties. Historically, we have financed our acquisitions and real estate purchases with cash proceeds from secured loans and credit facilities that have been typically secured by a mortgage or similar interest on the relevant property. If we were to acquire stabilized portfolios in the future, we may continue to use this acquisition strategy and enter into similar secured loans. In addition, we have incurred unsecured debt to finance our development efforts. As of December 31, 2023, our total outstanding debt was US\$915.2 million, of which US\$273.9 million were secured loans. For more information on our existing indebtedness, see Item 5B. “Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness.”

We may from time to time incur additional indebtedness to finance strategic acquisitions, investments or joint ventures, or for other purposes. Pursuant to Mexican law and our bylaws, the amount of indebtedness that the board of directors may authorize is capped at 20.0% of the value of our assets based on our balance sheet as of the end of the immediately preceding quarter; *provided* that any indebtedness in excess of this percentage, is required to be authorized by our shareholders. As of the date of this Annual Report, our shareholders have increased the capped amount of indebtedness that we may incur to US\$1.8 billion. If we incur additional indebtedness or renegotiate the terms of our existing loans and credit facilities, our financial obligations may increase significantly and our ability to service our debt may be adversely affected.

In addition, we may be subject to risks related to our financing in the form of debt instruments, including the risk that our cash flow may not be sufficient to meet our scheduled payments of principal and interest, the risk that we may be unable to refinance our debt (particularly as a result of our failure to renegotiate terms with large numbers of investors) and

the risk that our level of indebtedness may increase our vulnerability to economic or industry downturns, placing us at a disadvantage compared to other competitors that are less leveraged. Our debt service obligations may also limit our flexibility to anticipate or react to changes in the real estate industry or the business environment generally, including by incurring additional debt to take advantage of attractive opportunities. Our failure to comply with the financial and other restrictive covenants in the agreements that govern our indebtedness would constitute an event of default that, unless cured or waived, would result in our failure to service our indebtedness and the foreclosure on the properties securing our obligations. Moreover, our reputation could be damaged and/or our business harmed if we are viewed as developing underperforming properties, suffer sustained losses on our investments, default on a significant level of loans or experience significant foreclosure of our properties. If any of these risks were to materialize, our business, financial condition and results of operations or the market price of our ADSs could be materially and adversely affected.

Moreover, if interest rates increase, then so would the interest expense on our unhedged variable rate debt, which would adversely affect our business, financial condition, results of operations and prospects. From time to time, we manage our exposure to interest rate risk with interest rate hedge contracts that effectively fix or cap a portion of our variable rate debt. As of December 31, 2023, all of our outstanding indebtedness bore fixed interest rates, and therefore none of our indebtedness was hedged with interest rate hedge contracts. In addition, we refinance fixed rate debt at times when we believe rates and terms are appropriate. Our efforts to manage these exposures may not be successful. Our use of interest rate hedge contracts to manage risk associated with interest rate volatility may expose us to additional risks, including a risk that a counterparty to a hedge contract may fail to honor its obligations. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our business, financial condition, results of operations and prospects. Termination of interest rate hedge contracts typically involves costs, such as transaction fees or breakage costs.

***The agreements governing our existing indebtedness include financial and other covenants that impose limitations on our ability to pursue certain business opportunities or to take certain actions.***

The agreements governing our existing indebtedness, or any future indebtedness we incur, include or are likely to include financial and other covenants that impose limitations on our ability to:

- incur additional indebtedness;
- repay our debts prior to their stated maturities;
- make acquisitions or investments or take advantage of business opportunities;
- create or incur additional liens;
- divest assets when they are subject to collateral restrictions;
- transfer or sell certain assets or merge or consolidate with other entities;
- implement mergers, spin-offs or business reorganizations of our business;
- enter into certain transactions with affiliates;
- sell shares in our subsidiaries and/or enter into joint ventures; and
- take certain other corporate actions that would otherwise be desirable.

These limitations may adversely affect our ability to finance our future operations, address our capital requirements or pursue available business opportunities. Our breach of any of these covenants would constitute an event of default that could give rise to the termination of the relevant agreement and the acceleration of our payment obligations. In such event, our lenders could declare immediately due and payable the outstanding principal amount of and accrued interest on our debt obligations and other fees, and could take collateral enforcement actions (including foreclosing on our assets). Any of these events could force us to enter reorganization proceedings or file for bankruptcy, which would materially and adversely affect our business and the price of our ADSs.

***Our insurance coverage may not cover all the risks to which we may be exposed.***

We carry insurance coverage including property damage resulting from certain perils, such as fire and additional perils and natural disasters. The insurance coverage contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. We believe our properties are adequately insured. Certain losses, however, including losses from floods, earthquakes, acts of war, acts of terrorism, riots, pandemics, pollution or environmental matters generally are not insured against or not fully insured against because it is not deemed economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of our properties, we could experience a significant loss of capital invested and future revenues in these properties and could remain obligated under any recourse debt associated with the property.

Furthermore, we cannot be sure that the insurance companies will be able to continue to offer products with sufficient coverage at commercially reasonable rates. If we experience a loss that is uninsured or that exceeds insured limits with respect to one or more of our properties or if the insurance companies fail to meet their coverage commitments to us in the event of an insured loss, then we could lose the capital invested in the damaged properties, as well as the anticipated future revenues from those properties and, if there is recourse debt, then we would remain obligated for any financial obligations related to the properties. Any such losses or higher insurance costs could adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs.

A number of our investments are located in areas in Mexico that are known to be subject to earthquake activity. We generally carry earthquake insurance on our properties located in areas historically subject to seismic activity, subject to coverage limitations and deductibles. In addition, under the agreements that govern our existing indebtedness, our lenders have the option to (i) allow us to use our insurance proceeds to rebuild the property that was damaged or destroyed or (ii) require us to allocate those insurance proceeds to the prepayment of all or a portion of the outstanding balance of the relevant loan, in this last case in an amount equal to the percentage of our portfolio accounted for by that property. In the latter event, we would not be able to use our insurance proceeds to rebuild or replace the property that was damaged or destroyed, or to offset the decrease in our rental income due to the suspension of operations at that property. We may not have available cash in an amount sufficient to rebuild or replace the relevant property and may not be able to secure additional financing, in which case our business, financial condition, results of operations and prospects or the market price of our ADSs would be materially and adversely affected.

***Our tenants may default on their obligation to maintain insurance coverage.***

Under the terms of our leases, our tenants are required to purchase and maintain general liability and renters insurance coverage. If our tenants default on these obligations, we will be forced to purchase insurance coverage in their stead and to pursue action to obtain reimbursement from those tenants. These unanticipated costs and expenses could have an adverse impact on our business, financial condition, results of operations and prospects.

In addition, if our tenants fail to maintain sufficient or adequate insurance, we may be held liable for losses otherwise attributable to those tenants or their businesses, which losses may not be covered by our own insurance policies. In the event of an occurrence at a property whose tenant has failed to purchase or maintain adequate insurance coverage or in respect of which we ourselves do not maintain insurance coverage, we may lose a significant portion of our capital investment in or our projected cash flows from that property while remaining obligated to service the debt for which that property served as collateral, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Our leases include certain provisions that may prove unenforceable.***

All of our leases are governed by Mexican law. While our leases provide that the tenant will not be entitled to rent withholding in the event of damage to or destruction of all or part of the relevant property (which are known as “hell or high water” provisions), under Mexican law the tenant will not accrue rent until repairs are made or may request a rent abatement equal to the percentage of the property that became damaged or destroyed. We cannot give you any assurance as to whether a Mexican court would uphold the relevant provisions of our leases or find them unenforceable. In the latter event, our rental income would decrease and our business, financial condition, results of operations and prospects could be adversely affected.

***The value of our assets may suffer impairment losses that may adversely affect our results of operations.***

We review the carrying amounts of our real estate assets on a regular basis to determine whether there is any indication that those assets have suffered an impairment loss. The determination as to the existence of impairment indicators is based

on factors such as market conditions, tenant performance and legal structure. For example, the termination of a lease by a tenant may lead us to recognize an impairment loss. We determine the value of our real estate assets based on the net present value of our future rental income and other revenues from or charges against those assets, divided by a discount rate that is based on our weighted average cost of capital. That discount rate may vary as a result of changes in interest rates and other market conditions over which have no control. The higher the discount rate, the lower the value of our assets. In 2023 and 2022 we recognized a gain on the revaluation of our properties of US\$243.5 million and US\$185.5 million, respectively.

If we determine that an impairment loss has occurred, we will adjust the net carrying value of the relevant property to account for that loss, which may materially and adversely affect the collateral provided to creditors (thereby requiring additional collateral to be provided) or our results of operations for the relevant reporting period, the market price of our ADSs and our business, financial condition, results of operations and prospects.

***We are subject to risks related to the development of new properties, including due to an increase in construction costs and supply chain issues.***

We are subject to risks related to our development and leasing activities that may adversely affect our results of operations and available cash flows, including, among others, the risk that:

- we may not be able to lease space in our new properties at profitable prices;
- we may abandon development opportunities and fail to capitalize on our investments in research and valuation in connection with those opportunities;
- we may not be able to obtain or may experience delays in obtaining all of the requisite zoning, building, occupancy and other governmental permits and authorizations;
- the feasibility studies for the development of new properties may prove incorrect once the development has commenced;
- our business activities may not be as profitable as expected as a result of increased costs of Land Reserves;
- actual costs of construction of a project may exceed our original estimates or the construction may not be completed on schedule, for example, as a result of delays attributable to contractual defaults, local climate conditions, nationwide or local strikes by construction workers or shortages of construction materials or electric power or fuel for our equipment, any of which would render the project less profitable or unprofitable;
- we may be forced to incur additional costs to correct defects in construction design or that are demanded by our tenants; and
- we may be held jointly liable for any underlying soil contamination on any of our properties with the party that caused that contamination, even if that contamination was not identifiable by us.

Any of these risks could give rise to material unanticipated delays or expenses and could in certain circumstances prevent the completion of our development or renovation projects once they have commenced, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

***We or our third-party providers may fail to maintain, obtain or renew or may experience material delays in obtaining requisite governmental or other approvals, licenses and permits for the conduct of our business.***

We and our third-party providers of goods and services, as applicable, are subject to numerous governmental and local regulations and require various approvals, licenses, permits, concessions and certificates in the conduct of our business. We cannot assure you that we, or our third-party providers of goods and services, will not encounter significant problems in obtaining new or renewing existing approvals, licenses, permits, concessions and certificates required in the conduct of our business, or that we, or our third-party providers of good and services, will continue to satisfy the current or new conditions to those approvals, licenses, permits, concessions and certificates that we currently have or may be granted in the future. There may also be delays on the part of regulatory and administrative bodies in reviewing our applications and granting approvals, which became increasingly common since the COVID-19 pandemic due to closures and/or reduced operations of public offices.

The implementation of new laws and regulations on environmental protection, health and safety-related matters in the jurisdictions in which we operate or in the jurisdictions from which our third-party providers of goods and services source their deliverables to us, may create stricter requirements to comply with, including requirements relating to the demands of communities where the real estate is located. This could delay our ability to obtain the related approvals, licenses, permits, concessions and certificates, or could result in us not being able to obtain them at all. If previously obtained approvals, licenses, permits and certificates are revoked and/or if we, or our third-party providers of goods and services, fail to obtain and/or maintain the necessary approvals, licenses, permits, concessions and certificates required for the conduct of our business, we may be required to incur substantial costs or temporarily suspend or alter the operation of one or more of our properties, industrial parks, or projects in construction or any relevant component thereof, which could affect the general operation of these locations or our compliance with any leases at those locations, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

While we have not been subjected in the past to material civil, regulatory or criminal penalties resulting from untimely compliance or non-compliance with applicable laws and regulations, we could be subjected to civil, regulatory and criminal penalties that could materially and adversely affect the continued operation of our businesses, including: loss of required licenses to operate one or more of our locations, potential breach of our obligations under our lease agreements, significant fines or monetary penalties, or closing of our locations as a preventative measure. In addition, changes in these laws and regulations may restrict our existing operations, limit the expansion of our business and require operating changes that may be difficult or costly to implement.

***Our operations are subject to a large number of environmental laws and regulations, and our failure to comply with any such laws and regulations may give rise to liability and result in significant additional costs and expenses, which may materially and adversely affect our financial condition.***

Our operations and properties are subject to federal, state and local laws and regulations relating to the protection of the environment and the use of natural resources. The Federal Government has implemented an environmental protection program through the enactment of numerous environmental regulations, rules and official standards on matters such as ecological planning, environmental risk and impact assessment, artificial light pollution, and noise pollution, disposal of hazardous materials or pollutants, natural protected areas, flora and fauna protection, conservation and rational use of natural resources, and soil pollution, among others. Mexican federal and local authorities, including the Ministry of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*), the Attorney General's Office for the Protection of the Environment (*Procuraduría Federal de Protección al Ambiente*), the National Water Commission (*Comisión Nacional del Agua*) and state and municipal governments have the power to bring civil, environmental, administrative and criminal actions for the violation of environmental laws and regulations, including the power to shut down non-compliant properties.

We anticipate that the regulation of our business operations under Mexican federal, state and local environmental laws will increase and become more stringent over time. We cannot predict the effect that the enactment of additional environmental laws, regulations or official standards would have on our cash flows, costs for compliance, capital requirements or liabilities relating to damages claims, business, financial condition, results of operations and prospects or the market price of our ADSs.

In addition, under Mexican environmental laws and regulations we are jointly and severally liable with our tenants for the costs of remediation of soil pollution, even if the pollution was caused by the tenant. While our leases provide that the tenant is liable for the cost of any remediation actions, we can give no assurance that tenants would meet their obligations. If any of our tenants were to pollute the soil of our properties and fail to take remediation action or pay for the cost thereof, we would be required to undertake the remediation ourselves and could be held liable for any damages, which could materially and adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs.

Under the Mexican *Ley General de Cambio Climático* (General Law on Climate Change), and the regulations thereunder, we are subject to various environmental obligations, which may impact our financial performance. In addition, Mexico enacted legislation that allows class action lawsuits related to environmental liabilities. Under such legislation, we may be subject to class action lawsuits that may impact our financial condition, or that may otherwise have a material adverse effect on us or our properties. Additionally, requirements and efforts to address climate change through federal, state, regional and international laws requiring the reductions in greenhouse gas emissions, or GHG emissions, may lead to economic risks and uncertainty for our business. These risks could include costs to process and obtain permits, additional taxes, as well as of the installation of equipment necessary to reduce emissions to meet new GHG limits or other required technology standards. Given the uncertain nature of current and future legal and regulatory requirements for GHG

emissions at the federal, state, regional, and international levels, it is not possible to predict the impact on operations or financial position, or to make reasonable forecasts of potential costs that may result from those requirements.

***We are exposed to the potential impacts of future climate change and could be required to implement new or stricter regulations, which may result in unanticipated losses that could affect our business and financial condition.***

We are exposed to potential physical risks from possible future changes in climate. Our properties may be exposed to rare catastrophic weather events, such as severe storms, drought, earthquakes, floods, wildfires or other extreme weather events. If the frequency of extreme weather events increases, our exposure to these events could increase and could impact our tenants' operations and their ability to pay rent. We carry comprehensive insurance coverage to mitigate our casualty risk, in amounts and of a kind that we believe are appropriate for the markets where each of our properties and their business operations are located given climate change risk.

We may be adversely impacted as a real estate owner, manager and developer in the future by potential impacts to the supply chain or stricter energy efficiency standards or greenhouse gas regulations for the commercial building sectors. Compliance with new laws or regulations relating to climate change, including compliance with "green" building codes, may require us to make improvements to our existing properties or result in increased operating costs that we may not be able to effectively pass on to our tenants. Any such laws or regulations could also impose substantial costs on our tenants, thereby impacting the financial condition of our tenants and their ability to meet their lease obligations and to lease or re-lease our properties. We cannot give any assurance that other such conditions do not exist or may not arise in the future. The potential impacts of future climate change on our real estate properties could adversely affect our ability to lease, develop or sell those properties or to borrow using those properties as collateral and may impact our business, financial condition, results of operations and prospects or the market price of our ADSs.

In addition to the risks identified above arising from actual or potential statutory and regulatory controls, severe weather, rising seas, higher temperatures and other effects that may be attributable to climate change may impact any manufacturing sector in terms of direct costs (e.g., property damage and disruption to operations) and indirect costs (e.g., disruption to customers and suppliers and higher insurance premiums). To the extent that those conditions negatively affect our operations, they could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

***Our real estate assets may be subject to expropriation and dispossession by the Mexican government for reasons of public interest and other reasons.***

Pursuant to the Mexican Constitution, the Mexican government is entitled to expropriate private property for reasons of public interest under certain circumstances. Under Mexican law, the government would be required to indemnify the owner of the property. However, the amount of that indemnification may be less than the market value of the property and payment may not be received until after a significant period of time, as no timing is specified, under applicable law, for the payment of that indemnification. In the event of expropriation of any of our properties, we may lose all or part of our investment in that property, which would adversely affect our expected returns on that investment and, accordingly, our business, financial condition, results of operations and prospects or the market price of our ADSs.

Pursuant to the Mexican National Law on Asset Forfeiture (*Ley Nacional de Extinción de Dominio*), we may be dispossessed of our properties by the Mexican government, declared by a judicial authority, without any consideration or compensation, if our tenants engage in certain criminal activities within our properties. Although most of our leases include representations and warranties concerning our tenants' activities within our properties, if such tenants engage in any illegal activities, we may still be subject to dispossession of any of our properties by the Mexican government, and, in that case, we may lose all or part of our investment in that property, which would adversely affect our expected returns on that investment and, accordingly, our business, financial condition, results of operations and prospects or the market price of our ADSs.

***We are or may become subject to legal and administrative proceedings or government investigations, which could harm our business and our reputation.***

From time to time, we are or may become involved in litigation, investigations and other legal or administrative proceedings relating to claims arising from our operations, either in the normal course of business or not, or arising from violations or alleged violations of laws, regulations or acts. See Item 4. "Information of the Company—Business overview—Legal Proceedings." We cannot assure you that these or any of our other regulatory matters and legal proceedings, including any that may arise in the future, will not harm our reputation or materially affect our ability to conduct our business in the manner that we expect or otherwise materially adversely affect us should an unfavorable ruling occur,

which could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

***We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations, and any violation of any such laws or regulations could have a material adverse impact on our reputation, financial condition and results of operations.***

We are subject to anti-corruption, anti-bribery, anti-money laundering, antitrust and other international laws and regulations and are required to comply with the applicable laws and regulations in Mexico, in the United States and abroad, including (but not limited to) the Foreign Corrupt Practices Act and similar laws and regulations.

Although we have implemented policies and procedures, which include training certain groups of our employees, seeking to ensure compliance with anti-corruption and related laws, there can be no assurance that our internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our affiliates, employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of our policies and procedures. If we fail to fully comply with applicable laws and regulations, the relevant government authorities in Mexico have the power and authority to investigate us and, if necessary, impose fines, penalties and remedies, which could cause us to lose clients, suppliers and access to debt and capital markets. Any violations by us, or the third parties we transact with, of anti-bribery, anti-corruption, anti-money laundering, antitrust and international trade laws or regulations could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

***We may acquire properties and companies that involve risks that could adversely affect our business and financial condition.***

We have acquired properties and will continue to acquire properties through the direct acquisition of real estate or the acquisition of entities that own real estate. The acquisition of properties involves risks, including the risk that the acquired property will not perform as anticipated, that any actual costs for rehabilitation, repositioning, renovation and improvements identified in the pre-acquisition due diligence process will exceed estimates, or that any such contingencies are not indemnifiable. When we acquire properties, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. Additionally, there is, and it is expected there will continue to be, significant competition for properties that meet our investment criteria as well as risks associated with obtaining financing for acquisition activities. The acquired properties or entities may be subject to liabilities, including tax liabilities, which may be without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based on our new ownership of any of these entities or properties, then we may have to pay substantial sums to settle it.

We may be unable to integrate the operations of newly acquired companies and realize the anticipated synergies and other benefits or do so within the anticipated timeframe. Potential difficulties we may encounter in the integration process include: (i) the inability to dispose of assets or operations that are outside of our area of expertise; (ii) potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with these transactions; and (iii) performance shortfalls as a result of the diversion of management's attention caused by completing these transactions and integrating the companies' operations.

***Delays or an increase in costs in the construction of new buildings or improvements could have an adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs, including due to supply chain issues.***

Delays or an increase in costs in the construction of new buildings or improvements to our existing properties could have an adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs. The engineering, design and construction phases of new projects typically require six to seven months, and improvements to existing properties typically require one to three months. If we experience engineering, design or construction delays as a result of our vendors' failure to meet their obligations or otherwise, we may not be able to deliver our new projects or tenant improvements at existing properties on schedule and will not receive rental income from those properties in the meantime. Accordingly, any such delay could affect our reputation and have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs. In addition, many of our leases provide for penalties equal to one-, two- or three-days' rent for every day that we fail to deliver the property. In the past, we have been able to pass on these liabilities to our contractors, but we can provide no assurance that we will be able to do so in the future. If we are unable to pass on to our contractors the costs associated with construction delays, our

business, financial condition, results of operations and prospects or the market price of our ADSs may be materially adversely affected.

We rely on an extensive network of suppliers around the world that produce and deliver the materials we require for construction of new buildings or improvements. Our results are, therefore, impacted by current global supply constraints that have led to increased lead times, backordered products and scarcity.

***We may be subject to claims for construction defects or other similar actions in connection with our property management business.***

In our capacity as property managers, we retain independent contractors to provide engineering, construction and project management services for our properties, and oversee their performance. We cannot give any assurance that we will not be subject to claims for construction defects or other similar actions, even if those defects are not attributable to us. An adverse outcome in any claim or litigation arising from construction defects or property management issues could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

***The loss of one or more members of our senior management, including our Chief Executive Officer, could have a material adverse effect on our operations.***

Our continuing success is attributable to a significant degree to the efforts of our senior management, including our Chief Executive Officer, Lorenzo Dominique Berho Carranza. Our Chief Executive Officer and other members of our senior management have favorable reputations in the real estate industry in Mexico at both the national and regional level. Our Chief Executive Officer is responsible, to a significant degree, for attracting new business opportunities and leading negotiations with lenders, potential joint venture partners and large institutional clients. The loss of our Chief Executive Officer or any or all of the other members of our senior management for any reason, their inability to remain in their current positions or our inability to replace them, could have a material adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs and a negative impact on our business relationships with our lenders and clients.

In addition, the experience and skill of certain members of our management team has proven critical in identifying and attracting local clients and opportunities. We consider especially relevant the regional relationships of our officers in the Tijuana and the Bajío region. As we continue to grow, our success will depend to a significant extent on our ability to recruit and retain qualified personnel in all areas of business and we can provide no assurance that we will be able to do so. Our ability to retain senior management as well as experienced personnel will in part depend on our having in place appropriate staff remuneration and incentive schemes. The remuneration and incentive schemes we have in place may not be sufficient for retaining the services of our experienced personnel.

***Health crises such as the COVID-19 pandemic may have a negative impact on our business.***

The COVID-19 pandemic and new variants of the coronavirus had a significant adverse impact on global economies and society including Mexico. If there is any considerable growth in coronavirus cases, or if cases spread across different geographies or increase in severity, governments and health authorities around the world may continue to re-implement measures attempting to contain and mitigate the spread and effects of the virus. These measures, and the effects of the COVID-19 pandemic resulted in: (i) restrictions on, or suspended access to, or shutdown, or suspension or the halt of, the facilities of our tenants; (ii) staffing shortages, construction slowdowns or stoppages and disruptions in our systems; (iii) disruptions or delays in our supply chains, including shortages of materials, products and services on which the business of our tenants depends; (iv) reduced availability of land and sea transport, including labor shortages, logistics constraints and increased border controls or closures; (v) increased cost of materials and products on which we and our development business depend; (vi) a slowdown in economic activity, including in the construction industry; (vii) constraints on the availability of financing, if available at all, including on access to credit lines; (viii) inability to satisfy liquidity needs if our operating cash flow decreases or if we are not able to obtain borrowings under credit facilities, proceeds of debt and equity offerings and/or proceeds from asset sales; (ix) our inability to refinance our indebtedness on desired terms, if at all; or (x) our inability to comply with, or receive waivers with respect to, restrictions and covenants under the agreements governing our indebtedness and financial obligations.

While it has eased, the COVID-19 pandemic or similar health crises could pose the risk that we or our employees, tenants, suppliers, and other business partners may be prevented from conducting certain business activities for an indefinite period of time, including future shutdowns that may be mandated or reinstated by governmental authorities or otherwise elected by companies as a preventive measure.



We will continue to closely monitor and evaluate the nature and extent of the impact of COVID-19 and any similar health crises on our business, financial condition, liquidity, results of operations and prospects. We may also take further actions that alter our business operations, as may be required by authorities. These developments and changes could have an adverse impact on our results of operations and financial condition. To the extent that we are not able to adapt to changes required in response to any health crisis, we could experience loss of business and our results of operations and financial condition could materially suffer.

***Increases in the prices of energy, raw materials, equipment or wages could increase our operating costs.***

Our business is significantly exposed to the price of energy, raw materials and components, including, among others, the price of cement and steel, as well as the price of purchasing or leasing equipment. Certain inputs used by us or by our third-party contractors in our operations are susceptible to significant fluctuations in prices, over which we may have little control. The prices of some of these inputs are affected to a significant extent by the prices of commodities, such as oil and steel. Global oil prices decreased in 2018, increased in 2019, declined significantly in 2020 as a result of the COVID-19 pandemic but reached pre-COVID-19 levels by the end of 2020, increased in 2021 due to supply shocks and the resurgence of demand, and, more recently, rose sharply in early 2022 due to the conflict between Ukraine and Russia.

We cannot assure you that the prices of relevant commodities or inputs will decrease in the future. Substantial increases in the prices of those commodities generally result in increases in our suppliers' or contractors' operating costs and, consequently, lead to increases in the prices they charge for their products or services. In addition, growing demand for labor, especially when coupled with a globalized shortage of qualified labor, may result in significant wage inflation. To the extent that we are unable to pass along to our clients increases in the prices of our key inputs or increases in the wages that we must pay, our operating margins could be materially adversely impacted.

***Labor activism and unrest, or failure to maintain satisfactory labor relations, could adversely affect our results of operations.***

Labor activism and unrest may adversely affect our operations and thereby adversely affect our business, liquidity, financial condition, results of operations and prospects or the market price of our ADSs. Although we have not been affected by any significant labor disputes in the past, we cannot assure you that we or our third-party contractors will not experience labor unrest, activism, disputes or actions in the future, including as a result of labor laws and regulations that have recently been enacted or that could come into effect in the future, some of which may be significant and could adversely affect our business, liquidity, financial condition, results of operations and prospects (either directly or by virtue of their effect on our third-party contractors) or the market price of our ADSs.

***The enactment in Mexico of a labor subcontracting reform law, comprising changes to labor, social security and tax laws, may affect our operations in Mexico.***

In November 2020, the executive branch of the Mexican government proposed to the Mexican Congress an amendment to several labor and tax regulations, including the Mexican Federal Labor Law (*Ley Federal del Trabajo*) intended to curtail the use of personnel subcontracting arrangements. This reform was approved by Mexican Congress and became effective in April 2021. The labor reform has three main components: (i) a significant limitation on indirect hiring (both outsourcing and insourcing), (ii) a limitation on the amount of employers' profit-sharing obligation, and (iii) the non-deductibility of payments relating to prohibited subcontracting arrangements.

As it relates to limiting indirect hiring, the reform prohibits all types of indirect hiring, except for commercial arrangements in which the personnel rendering the services are not under the authority of the beneficiary of the services or those which are considered specialized in their nature. This prohibition is applicable to both third-party outsourcing service providers and within entities of the same corporate group (insourcing). Providers of specialized services will be required to complete a registration process with the labor authority. Although these changes have been implemented by us, changes may have an impact in the way we conduct our business in the future and the way and the prices at which subcontractors provide services to us.

With respect to the amendments relating to Mexican entities' profit sharing obligations, the labor reform sets forth a limit as to the maximum amount that a company will have to pay an employee in connection with the profit sharing obligation (the highest of three months of salary or the average of the amounts paid for profit-sharing for the last three years), which may reduce the amounts paid by several companies for profit sharing purposes; however, those companies that do indirect hiring will have the obligation to pay profit sharing starting three months following the date on which the reform becomes effective. This may impact the cost of the services of several of our subcontractors, which may in turn,

result in increases in their prices to us, that we may be unable to pass on to our tenants, affecting our financial condition and results of operations.

The labor reform sets forth that no tax deductions will be available in connection with outsourcing services, which may further impact several of our subcontractors and the prices at which those subcontractors render services to us, ultimately affecting our financial condition and results of operations.

If we are required to contract specialized services, we will be jointly liable for the labor obligations of the specialized services provider, if that service provider does not comply with any obligations with respect to the personnel used in the performance of the relevant specialized services. This responsibility is likely to increase our liability and may impact our financial condition and results of operations.

***Our business and operations could suffer in the event of system failures or cyber security attacks.***

Despite system redundancy including the intentional duplication of critical components, the implementation of security measures and the existence of a disaster recovery plan for our internal and hosted information technology systems, our systems are vulnerable to damages from any number of sources, including energy blackouts, natural disasters, terrorism, war, telecommunication failures and cyber security attacks, such as malware, ransomware, or unauthorized access. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. We may incur additional costs to remedy damages caused by those disruptions. Third-party security events at vendors, sub-processors, and service providers could also impact our data and operations via unauthorized access to information or disruption of services which may ultimately result in financial losses. Despite training, detection systems and response procedures, an increase in email attacks (phishing and business email compromise) may create disruption to our business and financial risk.

The growing frequency of attempted cybersecurity attacks may lead to increased costs to protect us and respond to any events, including additional personnel, consultants and protection technologies. Any compromise of our security could result in a violation of applicable privacy and other laws, unauthorized access to information of ours and others, significant legal and financial exposure, damage to our reputation, loss or misuse of the information and a loss of confidence in our security measures, which could harm our business. Additionally, remediation costs for security events may not be covered by our insurance.

***We have identified material weaknesses in our internal controls. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.***

Prior to the offering of our ADSs and the listing of our ADSs on the NYSE, we had been publicly listed only in Mexico and not subject to the financial reporting requirements of the SEC and had not had the accounting personnel and other resources required for SEC financial reporting purposes. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure control and procedures, are designed to prevent fraud. In the course of preparing and auditing our audited consolidated financial statements in accordance with PCAOB, we and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. As defined in the standards established by the PCAOB, a “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company’s annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relate to (i) insufficient controls and monitoring activities to ascertain whether the components of internal control are present and functioning; (ii) lack of sufficient skilled staff with expertise to design, implement and execute a formal risk assessment process and formal accounting policies, procedures and controls over accounting and financial reporting to ensure the timely recording, review, and reconciliation of financial transactions while maintaining a segregation of duties; and (iii) insufficient design and implementation of information technology controls. The material weaknesses, if not remediated timely, may lead to material misstatements in our combined and consolidated financial statements in the future. Following the identification of the material weakness, we have taken and plan to continue to take remedial measures. We cannot assure you, however, that these measures may fully address this material weaknesses in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future.

To remedy our identified material weaknesses, we have adopted and intend to adopt several measures intended to improve our internal control over financial reporting. These include strengthening our finance, operations and information technology teams, and implementation of further policies, processes and internal controls relating to our financial reporting. Specifically, those planned remediation efforts include the following:

- we appointed to our audit committee an additional independent member with more than 20 years of experience furnishing public reports to the NYSE;
- we have held three separate training sessions for our audit committee and our employees on internal control topics and SOX compliance;
- we have engaged external advisers to provide financial accounting and reporting assistance;
- we have engaged in efforts to restructure accounting processes and revise organizational structures to enhance accurate accounting and reporting;
- we have hired additional experienced accounting personnel in the corporate office to enhance the application of accounting standards;
- we are enhancing our information and communication processes through information technology solutions to ensure that information needed for financial reporting is accurate, complete, relevant and reliable, and communicated in a timely manner; and
- we plan to engage external advisers to evaluate and document the design and operating effectiveness of our internal control over financial reporting and assist with the remediation and implementation of our internal control function.

We are committed to maintaining a strong internal control environment, and we expect to continue our efforts to ensure the material weaknesses described above and all control deficiencies are remediated. However, these material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. There is no assurance that we will be able to remediate the material weaknesses in a timely manner or that in the future additional material weaknesses will not exist or otherwise be discovered. If we are not able to remedy this material weakness, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs.

We are subject to the reporting requirements of the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, requires us to include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with the fiscal year ending December 31, 2024. In addition, once we cease to be an “emerging growth company” as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Based on the market value of our common shares (including in the form of ADSs) held by non-affiliates, we believe that we will cease to be an “emerging growth company” measured as of June 30, 2024, in which case, our independent registered public accounting firm will be required attest to and report on the effectiveness of our internal control over financial reporting for our annual report for our fiscal year ending December 31, 2024. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is adverse if it is not satisfied with our internal control or the level at which our control is documented, designed, operated, or reviewed, or if it interprets the relevant requirements differently from us. In addition, our reporting obligations place a significant strain on our management, operational, and financial resources and systems for the foreseeable future. We may be unable to complete our evaluation testing and any required remediation in a timely manner.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain adequate and effective internal control over financial reporting, as these standards are modified, supplemented, or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increasing risk of fraud or

misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations, and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

***Complications in relationships with local communities may adversely affect our business continuity, reputation, liquidity, and results of operations.***

We make significant efforts to maintain good long-term relationships and continuous communication with local and neighboring communities where we operate or build, including indigenous communities that previously held real estate in the regions where we operate. However, there can be no assurance that we have obtained or will obtain all permits claimed by those communities or that those communities will not have or will not develop interests or objectives which are different from, or even in conflict with, our objectives, which could result in legal or administrative proceedings, civil unrest, protests, negative media coverage, direct action or campaigns, including, but not limited to, requests for the government to revoke or deny our concessions, licenses or other permits to operate. Any such events could cause delays or disruptions in our operations, result in operational restrictions or higher costs, or cause reputational damage, which could materially and adversely affect our business, reputation, liquidity and results of operations.

***Our hedging of foreign currency and interest rate risk may not effectively limit our exposure to these risks.***

We attempt to mitigate our risk by borrowing in the currencies in which we have significant investments thereby providing a natural hedge. We may also enter into derivative financial instruments that we designate as net investment hedges, as these amounts offset the translation adjustments on the underlying net assets of our foreign investments. Although we attempt to mitigate the potential adverse effects of changes in foreign currency rates there can be no assurance that those attempts will be successful. In addition, we occasionally may use interest rate swap contracts to manage interest rate risk and limit the impact of future interest rate changes on earnings and cash flows. As of December 31, 2023, none of our indebtedness was hedged with interest rate hedge contracts.

Hedging arrangements involve risks, such as the risk of fluctuation in the relative value of the foreign currency or interest rates and the risk that counterparties may fail to honor their obligations under these arrangements. The funds required to settle those arrangements could be significant depending on the stability and movement of the hedged foreign currency or the size of the underlying financing and the applicable interest rates at the time of the breakage. The failure to hedge effectively against foreign exchange changes or interest rate changes may adversely affect our business.

**Risks Related to Mexico**

***Adverse economic conditions in Mexico may have a negative impact on our financial condition and/or results of operations.***

We are a Mexican corporation and all of our assets and operations are located in Mexico. As a result, our business, financial condition and/or results of operations may be affected by general economic conditions, depreciations or devaluations of the peso against the U.S. dollar, price volatility, inflation, interest rates, changes in taxation and regulation, crime rates and other economic, political or social developments in or affecting Mexico, over which we have no control. According to the INEGI, in 2020, 2021 and 2022 the Mexican GDP contracted 8.2% and grew 4.8% and 3.1% respectively. Moreover, in the past, Mexico has experienced economic crises and prolonged periods of slow economic growth, caused by internal and external factors over which we have no control, that have had a negative impact on us. We cannot give any assurance that those conditions will not return in the future or that, if they do, they will not have a material adverse effect on our business, financial condition and/or result of operations.

The Mexican economy has been characterized by high interest rates in both real and nominal terms. In December 31, 2023 and 2022, the average interest rate for 28-day Mexican Treasury bills (CETES) was approximately 11.1% and 7.7%, respectively. Accordingly, to the extent we incur peso-denominated debt in the future, it could be at high interest rates. In 2023 and 2022, the peso appreciated (depreciated) against the U.S. dollar by 12.7% and 5.9%, respectively, in nominal terms. In 2023 and 2022, we derived approximately 86.7% and 87.0% of our rental income from U.S. dollar-denominated leases, respectively. In addition, all of our debt is denominated in U.S. dollars. However, in 2023 and 2022, our operating costs, taxes and approximately 13.3% and 13.0% of our rental income, respectively, were denominated in pesos. As a result, the appreciation or depreciation of the peso against the U.S. dollar affects our financial condition and results of operations.

Moreover, during 2019 and 2020, Mexico's sovereign debt rating was subject to downward revisions and negative outlooks from major rating agencies as a result of those agencies' assessment of the overall financial capacity of the

government of Mexico to pay its obligations and its ability to meet its financial commitments as they become due, citing among other factors, concerns with the state oil company (*Petróleos Mexicanos*, or “PEMEX”), and weakness in the macroeconomic outlook due to, among other things, trade tensions and political decisions. We cannot ensure that the rating agencies will not announce additional downgrades of Mexico and/or PEMEX in the future. These downgrades could adversely affect the Mexican economy and, consequently, our business, financial condition, results of operations and prospects or the market price of our ADSs and may affect our rating and interest rates at which we borrow on a cross-border basis.

Our business may be materially affected by general economic conditions in Mexico, including the rate of inflation, prevailing interest rates and changes in exchange rates between the peso and the U.S. dollar. Decreases in Mexican GDP, periods of negative growth and/or increased inflation or interest rates may result in lower demand or prices for our services and products or in a shift to lower margin services and products. Because a large percentage of our costs and expenses are fixed, we may not be able to reduce them upon the occurrence of any of the aforementioned events and, accordingly, our profit margins could be adversely affected.

***Political and social developments in Mexico as well as changes in Federal Governmental policies could have a negative impact on our business and results of operations.***

In Mexico, political instability has been a determining factor in business investment. Significant changes in laws, public policies and/or regulations or the use of public referendums (*consultas populares*) could affect Mexico’s political and economic situation, which could, in turn, adversely affect our business. Political disagreements between the executive and legislative branches could come to a standstill and avoid the timely implementation of political and economic reforms, which in turn could have a major adverse effect on Mexican economic policy and, therefore, also on our business. We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. In addition, we cannot guarantee that political, economic or social developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition, results of operations and prospects or the market price of our ADSs.

The Federal Government has increasingly made significant changes to policies and regulations and may continue to do so in the future. The Federal Government drastically cut spending for the 2019 budget and it may cut spending in the future which may adversely affect economic growth. On July 2, 2019, the new Mexican Federal Republican Austerity Law (*Ley Federal de Austeridad Republicana*) was approved by the Mexican Senate. Federal Government actions, such as those implemented to control inflation, federal spending cuts and other regulations and policies may include, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls and limits on imports. Our business, financial condition, results of operations and prospects or the market price of our ADSs may be adversely affected by changes in governmental policies or regulations involving or affecting our management, operations and tax regime.

The administration of Mr. López Obrador has taken actions that have significantly undermined investors’ confidence in private ventures following the results of public referendums, such as the cancellation of public and private projects authorized by previous administrations, including the construction of the new Mexican airport, which immediately prompted the revision of Mexico’s sovereign rating. More recently, the administration presented a reform to the Electric Industry Law (*Ley de la Industria Eléctrica*) which seeks to disincentivize private investment in the electricity sector and concentrate generation within state-owned companies. Investors and credit rating agencies may be cautious about the policies of the political party *Movimiento Regeneración Nacional* (National Regeneration Movement), or “Morena,” which could contribute to a decrease in the Mexican economy’s resilience in the event of a global economic downturn. We cannot assure you that similar measures will not be taken in the future, which could have a negative effect on Mexico’s economy.

The Federal Government’s actions and policies concerning the economy, social and political conditions, the environment, state-owned or state-controlled companies or state-owned or government-regulated financial institutions, may have a material impact on private sector entities in general and on us in particular, as well as on financial market conditions and the prices of and returns on Mexican securities. Those actions and policies may include interest rate increases, changes in fiscal policy, price controls, currency devaluations, capital controls, limits on imports and other actions, any of which may have a negative impact on our business, financial condition, results of operations and prospects or the market price of our ADSs and may affect our ability to make distributions to our shareholders.

We cannot predict the impact that economic, social and political instability in or affecting Mexico could adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs, as well as market conditions and prices of our securities. These and other future developments, over which we have no control, in the Mexican economic, political or social environment may cause disruptions to our business operations and net income.

***Reduction on the supply, price increases and other restrictions affecting the supply of key resources, such as water and electricity, may affect the construction industry and the operation of rental facilities in Mexico.***

The construction and real estate industries in Mexico are dependent on the availability of resources such as water and electricity. Reduction on the supply, price increases and other restrictions affecting the supply of water and electricity may adversely affect our construction plans or change these plans in the future, or the operations of our tenants and thus their ability to comply with their obligations, and, as a result, negatively impact our business, financial conditions and results of operations.

***Legislative or regulatory action with respect to tax laws and regulations could adversely affect us.***

We are subject to Mexican federal, state and local tax laws and regulations. Mexican tax laws are subject to constant change and we cannot assure you that the Federal Government will not introduce and enact tax reforms or take other actions in response to economic, political or social conditions in Mexico that may adversely affect our business, financial condition, results of operations and prospects or the market price of our ADSs. Changes in state and local tax laws or regulations may result in an increase in our tax liability. A shortfall in tax revenues for states and municipalities in which we operate may lead to an increase in the frequency and size of those changes. If those changes occur, we may be required to pay additional taxes on our assets or income. These effects of increased tax costs cannot and have not been quantified, nor can we assure you that these reforms, once implemented, will not adversely affect our financial condition, results of operations and the amount of cash available for the payment of dividends.

***Developments in the U.S. and other countries may adversely affect Mexico's economy, our business, financial condition and/or results of operations, and the market price of our ADSs.***

The Mexican economy and the business, financial situation and operating results of Mexican companies may be affected to varying degrees by economic and market conditions in other countries. While economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. For example, in October 2017 market prices for Mexican debt and equity instruments experienced a significant drop as a result of the Asian financial crisis. In the second half of 1998 and early 1999, market prices for Mexican securities were adversely affected by the economic crises in Russia and Brazil. In the second half of 2008 and part of 2009, market prices for Mexican debt and equity instruments decreased significantly as a result of the financial crisis in the United States and the rest of the world. Other geopolitical events, such as the United Kingdom's exit from the European Union, changes to United States monetary policy and the military conflicts between Ukraine and Russia and between Israel and Hamas, have contributed to high volatility and uncertainty in several financial markets, which may affect emerging economies, such as Mexico and may affect our ability to obtain financing or to refinance our indebtedness.

In addition, the U.S. economy heavily influences the Mexican economy, and therefore, adverse economic conditions in the United States, the termination or renegotiation of the USMCA, a review of policies, including policies relating to restrictions in investments in the oil and electricity sectors in Mexico, or other related events affecting U.S. trade policy with respect to Mexico, could have a negative impact on the Mexican economy, such as by decreasing remittances by Mexican workers in the United States to Mexico and adversely affecting bilateral trade and foreign direct investment in Mexico. Economic conditions in Mexico have become increasingly correlated to economic conditions in the United States as a result of the North American Free Trade Agreement (the "NAFTA"), and, subsequently, the USMCA, which has induced higher economic activity between the two countries and increased the remittance of funds from Mexican immigrants working in the United States to Mexican residents. Due to its relatively recent entry into force, it is currently unclear what the results of the USMCA and its implementation will be. The new terms of the USMCA could have an impact on Mexico's economy generally and job creation in Mexico, which could adversely affect our business, financial performance and results of operations.

Likewise, any action taken by the current U.S. or Mexico administrations, including changes to the USMCA and/or other U.S. government policies that may be adopted by the U.S. administration, could have a negative impact on the Mexican economy, such as reductions in the levels of remittances, reduced commercial activity or bilateral trade or declining foreign direct investment in Mexico. Moreover, perceptions that the United States and other countries adopt protectionism measures could reduce international trade, investments and economic growth. The economic and political consequences may have an adverse effect on the Mexican economy, which in turn could affect our business, financial condition, results of operations and prospects, and the market price of our ADSs. We cannot assure you that developments in other emerging market countries, the United States or elsewhere will not have a material adverse effect on our business, financial condition, results of operations and prospects, and the market price of our ADSs.

***Mexico is an emerging market economy, with risks to our results of operations and financial condition.***

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Accordingly, Mexican governmental actions concerning the economy and state-owned enterprises could have a significant impact on Mexican private sector entities in general, as well as on market conditions, prices and returns on Mexican securities. As of the date of this Annual Report, and after the midterm elections held on June 6, 2021, Morena lost the absolute majority in the *Cámara de Diputados* (Chamber of Deputies) that it had held since 2018. However, Morena continues to hold the most seats relative to any other political party. We cannot predict the impact that political developments in Mexico will have on the Mexican economy nor can provide any assurances that these events, over which we have no control, will not have an adverse effect on our business, financial condition and results of operations or the market price of our ADSs. Furthermore, our financial condition, results of operations and prospects and, consequently, the market price for our ADSs, may be affected by currency fluctuations, inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico.

The Mexican economy in the past has suffered balance of payment deficits and shortages in foreign exchange reserves. There are currently no exchange controls in Mexico; however, Mexico has imposed foreign exchange controls in the past. Pursuant to the provisions of the USMCA, if Mexico experiences serious balance of payment difficulties or the threat thereof in the future, Mexico would have the right to impose foreign exchange controls on investments made in Mexico, including those made by U.S. and Canadian investors.

Securities of companies in emerging market countries tend to be influenced by economic and market conditions in other emerging market countries. Emerging market countries, including Argentina and Venezuela, have recently been experiencing significant economic downturns and market volatility. These events could have adverse effects on the economic conditions and securities markets of other emerging market countries, including Mexico.

***Changes in exchange rates between the peso and the U.S. dollar or other currencies may adversely affect our financial condition and/or results of operations.***

As of December 31, 2023, 2022 and 2021, all of our outstanding indebtedness and 86.7% 87.0% and 87.5% of our rental income, respectively, was denominated in U.S. dollars, while most of our administrative and operating expenses were denominated in pesos. An appreciation of the peso would have the effect of increasing some of our expenses in U.S. dollar terms.

In 2009, 2010 and 2011, the value of the peso experienced significant fluctuation as a reflection of the volatility in foreign exchange markets due to an economic downturn in the United States and other countries. Global economic conditions in 2016 were complex and volatile primarily as a result of the uncertainty surrounding the U.S. Federal Reserve Board's decision to raise interest rates and the presidential elections in the United States. In addition, exchange rate fluctuations have been exacerbated by the significant drop in oil prices. In 2020, 2021 and 2022, foreign exchange markets and the value of the peso experienced significant volatility as a result of the COVID-19 pandemic, which had a negative impact on some of our expenses in terms of U.S. dollars. Other similar events may occur in the future.

A severe depreciation or appreciation of the peso may result in government intervention as has occurred in other countries, or in foreign exchange market disruptions. While the Federal Government does not currently restrict and since 1982 has not restricted the right or ability of Mexican or foreign individuals or entities to convert pesos into U.S. dollars or to transfer other currencies out of Mexico, it could institute restrictive exchange rate policies in the future. Accordingly, changes in the value of the peso relative to the U.S. dollar may adversely affect our financial condition and/or results of operations, or the market price of our ADSs, and our ability to make distributions to our shareholders.

***The rate of inflation in Mexico and the actions of the Federal Government to control it may have a negative impact on our investments.***

Mexico's annual rate of inflation, as measured by changes in the Mexican national consumer price index, calculated and published by the Mexican Central Bank and INEGI, was 3.2% for 2020, 7.4% for 2021, 7.8% for 2022 and 4.7% as of December 31, 2023. High levels of inflation may adversely affect our business, financial condition and/or results of operations. If Mexico were to experience high levels of inflation in the future, we may not be able to adjust the prices we charge our tenants in order to offset the negative effects of inflation.

In general terms, our leases provide for annual increases in rent to account for inflation. In the case of our peso-denominated leases, the increase is usually tied to the INPC (*Índice Nacional de Precios al Consumidor*), which is a measure of the change in prices paid by consumers for a market basket of basic products and services, many of which

prices are subsidized or controlled by the Federal Government. Accordingly, the INPC may not accurately reflect actual inflation. In addition, because rent increases occur annually, adjustments for inflation are not recognized until the following year. As a result, rent increases to account for inflation could be deferred and may not be reflective of actual inflation. In the case of our dollar-denominated leases, the increase is tied to the inflation rate in the United States, which has historically been lower than Mexican inflation. As a result, rent increases may not be sufficient to offset the actual increase in our costs derived from a higher inflation in Mexico.

***Changes in international trade policies and international barriers to trade, or the emergence of a trade war, may have an adverse effect on our business.***

Changes to trade policies, treaties and the imposition of tariffs on a global scale, or the perception that these changes could occur, could adversely affect the global supply chain and influence corporate appetite for off-shoring labor-intensive manufacturing to low labor-cost jurisdictions, such as Mexico.

The U.S. administration under former President Donald Trump advocated greater restrictions on trade generally and significant increases on tariffs on certain goods imported into the United States, particularly from China and Mexico, and took steps toward restricting trade in certain goods. For example, in March 2018, the United States began to enforce a 25% tariff on steel and a 10.0% tariff on aluminum imports. The policies of the former U.S. administration also created uncertainty with respect to, among other things, existing and proposed trade agreements, free trade generally, and potentially significant increases on tariffs on goods imported into the U.S., particularly from Mexico, Canada and China. The trade policies pursued by the Biden administration and the extent to which the current administration is successful in passing trade legislation is uncertain, and it is possible that further measures restricting trade may be announced. As many of our customers are engaged in global manufacturing and industrial production, including exports out of Mexico, any unfavorable changes in international trade policies and international barriers to trade, such as capital controls or tariffs, may have an adverse effect on manufacturing levels, trade levels and industries, including logistics, that rely on trade, commerce and manufacturing, as well as impact the competitive position of Mexico as a manufacturing and exporting hub and affect the demand for our properties. Any such escalation in trade tensions or a trade war, or news and rumors of the escalation of a potential trade war, could have a material and adverse effect on our business, results of operations and the trading price of our ADSs.

***Security violence risks in Mexico could increase, and this could adversely affect our results.***

Mexico is currently experiencing high levels of violence and crime due to, among others, the activities of organized crime. Despite the measures adopted by the Mexican government, organized crime (especially drug-related crime) continues to exist and operate in Mexico. These activities, their possible escalation and the violence associated with them have had and may have a negative impact on the Mexican economy or on our operations in the future. The presence of violence among drug cartels, and between these and the Mexican law enforcement and armed forces, or an increase in other types of crime, pose a risk to our business, and might negatively impact business continuity. We cannot assure you that the levels of violent crime in Mexico or their expansion to a larger portion of Mexico, over which we have no control, will not increase and will have no further adverse effects on the country's economy and our business, financial condition, results of operations and prospects.

#### **Risks Related to Our ADSs**

***The price of our common shares or ADSs may be volatile or may decline regardless of our operating performance.***

The market price for our common shares or ADS may be volatile and may fluctuate significantly in response to a number of factors, most of which we cannot control, including, among others:

- general and industry-specific economic conditions;
- differences between our actual financial and operating results and those expected by investors;
- investors' perceptions of our prospects and the prospects of the industries in which we operate;
- our financial performance and changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations;
- the occurrence of health threats;
- new conflicts or the escalation of existing conflicts around the world;



- new laws or regulations or new interpretations of existing laws and regulations, including tax guidelines, environmental matters and regulation on investment applicable to the real estate industry and our business and our common shares and ADSs;
- regulatory developments affecting us or our industry;
- new accounting policies and pronouncements;
- general economic trends in the U.S., Latin American or global economies and financial markets, including those resulting from war, terrorist attacks or responses to those events;
- changes in earnings projections or in research reports about us or the Mexican real-estate industry;
- security issues in Mexico;
- litigation and insolvency proceedings involving Mexican public companies;
- measures and guidelines relating to the protection of minority investors in Mexican companies;
- liquidity affecting the Mexican stock markets;
- media and public speculation;
- changes in sovereign ratings or outlooks of Latin American countries, particularly Mexico, or changes in our ratings or outlook or those of other real estate companies;
- political conditions or developments in Mexico, the United States and elsewhere;
- additions or departures of key members of management; and
- any increased indebtedness we may incur in the future.

These and other factors may lower the market price of our ADSs or common shares, regardless of our actual operating performance. In the event of a drop in the market price of our ADSs or common shares, you could lose a substantial part or all of your investment in our ADSs or common shares. We cannot assure you that the price of our ADSs or common shares will not fluctuate significantly.

In addition, the U.S. stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Shareholders may institute securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business.

***Our bylaws contain restrictions on certain transfers of common shares and the execution of shareholders agreements, which could impede the ability of holders of ADSs to benefit from a change in control or to change our management and Board of Directors.***

Pursuant to our bylaws, subject to certain exceptions (i) any acquisition of common shares (or any instruments representing common shares, including ADSs) that would result in the beneficial ownership of 9.5% or more of our capital stock, or any multiple thereof, by a person or group of persons, directly or indirectly, (ii) any agreement establishing or adopting a vote-pooling mechanism or an arrangement to vote as a group or in concert, or which would result in the beneficial ownership, of 20.0% or more of our capital stock or in a change of control of the Company (through voting or any agreement), or (iii) any direct or indirect acquisition of common shares (or any instruments representing common shares, including ADSs) by a competitor that would result in that competitor holding 9.5% or more of our capital stock, must be previously approved in writing by our Board of Directors. Our Board of Directors must approve or disapprove the transaction within 90 days from the receipt of notice thereof, provided it has received all the necessary information to make a determination.

If the acquisition or pooling arrangement is approved by 75.0% of the members of our Board of Directors that are not affected by any conflict of interest, and results in the beneficial ownership of 20.0% or more of our common shares by a shareholder or group of shareholders or in a change of control, the buyer or member of the pooling arrangement will be required to conduct a public tender offer to purchase 100.0% of our outstanding common shares for a price equal to the

greater of (x) the book value per share, pursuant to the last quarterly financial statements, as approved by our Board of Directors and filed with the CNBV and the BMV, (y) the highest published closing trading price for our common shares on the BMV during the 365-day period preceding the date of the request for approval of the transaction by the Board of Directors or the date of the approval, and (z) the highest purchase price per share ever paid by the person intending to acquire the common shares or enter into the pooling arrangement directly or indirectly, individually or together with others, plus, in each case, a premium equal to 20.0% of the purchase price per share, which premium may be increased or reduced taking into consideration the opinion of an investment bank of recognized standing. The public tender offer is required to be completed within the 90 days following the authorization of the Board of Directors.

Any such acquisition of common shares or execution of a voting agreement without the requisite approval would grant our Board of Directors with a right to take, among others, the following actions: (i) reverse the transaction and require mutual restitution by its parties, if practicable, or (ii) demand that the common shares be sold to a pre-approved third party at a minimum reference price determined by our Board of Directors. In addition, pursuant to our bylaws, the relevant buyer or group of buyers must forfeit its voting rights in respect of the relevant common shares at any shareholders' meeting.

These provisions of our bylaws may only be repealed or amended by the affirmative vote of the holders of no less than 85% of our outstanding common shares, *provided* that such repeal or amendment is not rejected by the holders of 5% of our outstanding common shares.

These provisions may deter investors, including prospective buyers of our business, from purchasing a significant number of ADSs, which may adversely affect the price and liquidity of our ADSs.

***The relative volatility and illiquidity of the Mexican securities markets may substantially limit your ability to sell the common shares underlying the ADSs at the price and time you desire.***

Investing in securities that trade in emerging markets, such as Mexico, often involves greater risk than investing in securities of issuers in the United States, and those investments are considered to be more speculative in nature. The Mexican securities market is substantially smaller, less liquid, more concentrated in a limited number of institutional participants, and can be more volatile than securities markets in the United States. There is also significantly greater concentration in the Mexican securities market than in major securities markets in the United States. As of December 31, 2023, total market capitalization amounted approximately to Ps.10.5 billion. Accordingly, although you are entitled to withdraw the common shares underlying the ADSs from the depository at any time, your ability to sell those common shares in the Mexican securities market at a price and time you desire may be limited.

***Sales of our ADSs or common shares by our founders, directors or officers, or the perception that these sales may occur may cause our share price to decline.***

If our founders, directors or officers sell substantial amounts of our ADSs or common shares in the public market, or there is substantial trading in our ADSs or common shares, hedging activities or perceived perception by the public market that any of these activities will occur, the trading price of our ADSs or common shares could decline. In addition, sales of these ADSs could impair our ability to raise capital, should we wish to do so. As of December 31, 2023, our founders, directors and officers held approximately 3.4% of our issued and outstanding common shares. We cannot predict the timing or amount of future sales of our ADSs or common shares by our founders, directors and officers, but those sales, or the perception that those sales could occur, may adversely affect prevailing market prices for our common shares.

***We are subject to different disclosure and accounting standards than companies in other countries.***

A principal objective of the securities laws of the United States, Mexico, and other countries is to promote full and fair disclosure of all material corporate information, including accounting information. However, there may be less or different publicly available information about foreign issuers of securities (such as ourselves) than is regularly published by or about issuers in other markets. We are subject to reporting obligations in respect of our equity securities that are listed on the BMV. In particular, IFRS and the disclosure requirements thereunder differ from those of the United States. We have made no attempt to quantify the impact of those differences by a reconciliation of our financial statements or other financial information in this Annual Report to U.S. GAAP. We cannot be certain that a reconciliation would not identify material quantitative or qualitative differences between our financial statements or other financial information as prepared on the basis of IFRS if that information were to be prepared on the basis of U.S. GAAP.

***As a public company in the United States, we may have increased costs and disruptions to the regular operations of our business.***

As a public company in the United States, we expect to incur significant additional legal, accounting, reporting and other expenses, as a result of having publicly traded ADSs in the United States. We also incur costs which we had not incurred previously, including, but not limited to, increased directors and officers insurance, increased investor relations, and various other costs of a U.S. public company.

We also anticipate that we will continue to incur costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act, as well as rules implemented by the SEC and the NYSE. We expect these rules and regulations to increase our legal and financial compliance costs and make some management and corporate governance activities more time-consuming and costly. These rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. This could have an adverse impact on our ability to recruit and bring on a qualified independent board. We estimate that we will incur additional costs as a public company, including costs associated with corporate governance requirements.

The additional demands associated with being a public company may disrupt regular operations of our business by diverting the attention of some of our senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. Any of these effects could harm our business, financial condition and results of operations, and the market price of our ADSs.

Furthermore, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting depending on our market capitalization. Even if our management concludes that our internal controls over financial reporting are effective, our independent registered public accounting firm may not attest to our management's assessment or may issue a qualified report. The independent auditor may decline to attest our management's assessment or issue a qualified report if:

- it is not satisfied with our controls;
- it disagrees with our internal control's documentation, design, operation or review process; or
- its interpretation about relevant requirements is different than ours.

In addition, in connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies that we may not be able to timely remediate to meet the SOX Act deadline for the Section 404 compliance. Failure to comply with Section 404 could subject us to regulatory scrutiny and sanctions, impair our ability to raise revenue, cause investors to lose confidence in the accuracy and completeness of our financial reports and negatively affect our share price.

Moreover, as an "emerging growth company" as defined in the JOBS Act, we have taken advantage of certain temporary exemptions from various reporting requirements including, but not limited to presenting more limited financial data in our registration statement on Form F-1.

When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of those costs.

***Our bylaws provide for the exclusive jurisdiction of the federal courts in Mexico City, Mexico for substantially all disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, other employees or shareholders. Holders of ADSs may pursue claims against the depositary under the deposit agreement, which provides for the exclusive jurisdiction of the federal or state courts in the City of New York.***

With respect to our shareholders, our bylaws provide for the exclusive jurisdiction of the federal courts located in Mexico City, Mexico for the following civil actions:

- any action between us and our shareholders; and
- any action between two or more shareholders or groups of shareholders regarding any matters relating to us.

This exclusive jurisdiction provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or shareholders, which may result in increased costs to bring a claim in the federal courts located in Mexico City, Mexico, and discourage lawsuits with respect to such claims. Notwithstanding, our shareholders will not be deemed to have waived our compliance with U.S. federal securities laws and the rules and regulations thereunder applicable to foreign private issuers. If a court were to find the exclusive jurisdiction provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, results of operations and prospects. The exclusive jurisdiction provision would not prevent derivative shareholder actions based on claims arising under U.S. federal securities laws from being raised in a U.S. court and would not prevent a U.S. court from asserting jurisdiction over such claims. However, there is uncertainty whether a U.S. court would enforce the exclusive jurisdiction provision for actions for breach of fiduciary duty and other claims.

The aforementioned exclusive jurisdiction provision contained in our bylaws is not applicable to holders of ADSs in their capacity as ADSs holders. With respect to holders of ADSs, under the deposit agreement, any legal action arising out of the deposit agreement, the ADSs or the ADRs, involving the Company or the depository, may only be instituted in a state or federal court in the city of New York, and you, as a holder of the ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. It is possible that a court could find this type of forum selection provision to be inapplicable, unenforceable, or inconsistent with other documents that are relevant to the filing of such lawsuits.

***The protections afforded to minority shareholders in Mexico are not as developed pursuant to court decisions as those in other jurisdictions.***

We are a Mexican-based company. Under Mexican law, the protections afforded to minority shareholders and the fiduciary duties of officers and directors are, in certain respects, different from those in the United States and other jurisdictions. Although Mexican law permits legal actions by shareholders and imposes specific duties of care and loyalty applicable to our directors and to our principal officers, those actions are not direct actions but derivative suits (for the benefit of the company and not of its shareholders directly); the Mexican legal regime concerning fiduciary duties of directors is not as comprehensive, and has not been as developed in regulation, as in other jurisdictions, and has not been subject to judicial interpretation that provides additional guidance. Further, in Mexico, the procedure for shareholder derivative suits (and for class actions) is different. As a result, in practice it may be more difficult for our minority shareholders to enforce their rights against us, our directors, our officers or our controlling shareholders than it would be for shareholders of a company organized in a different jurisdiction, and our shareholders will not benefit from direct actions for their ultimate benefit.

***Preemptive rights may be unavailable to ADSs holders.***

Under current Mexican law, whenever we issue new common shares for cash, subject to certain exceptions, we must grant preemptive rights to our shareholders, giving them the right to purchase a sufficient number of common shares to maintain their existing *pro rata* ownership percentage. We may not be able to offer common shares to ADSs holders or non-Mexican shareholders pursuant to preemptive rights granted to our shareholders in connection with any future issuance of common shares, unless a registration statement under the Securities Act is effective or a similar procedure is followed with respect to those rights and common shares or an exemption from the registration requirements of the Securities Act or a similar exemption is available.

We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with a registration statement to enable United States shareholders to exercise their preemptive rights, the indirect benefits of enabling United States shareholders to exercise preemptive rights and any other factors that we consider appropriate at the time. We will then decide whether to file such a registration statement.

Such a registration statement may not be filed. As a result, ADSs holders, non-Mexican shareholders and United States shareholders that are not qualified institutional buyers may not be able to exercise their preemptive rights in connection with future issuances of our common shares or ADSs and their stake in the Company might be diluted. In this event, the economic and voting interest of ADSs holders, non-Mexican shareholders and United States shareholders in our total equity would decrease in proportion to the size of the issuance. Depending on the price at which common shares are offered, such an issuance could result in dilution to ADSs holders, non-Mexican shareholders and United States shareholders that are not qualified institutional buyers.

***If we issue or sell additional equity securities in the future, you may suffer dilution and the trading prices for our securities may decline.***

We may issue or sell additional common shares or ADSs, including to finance future acquisitions or new projects or for other general corporate purposes. Our existing shareholders may dispose of some of their ADSs or common shares. Any such issuance or sale could result in a dilution of your ownership stake and/or the perception of any such issuances or sales could have an adverse impact on the market price of the ADSs or common shares.

***It may be difficult to enforce civil liabilities against us or our directors and executive officers.***

Most of our directors and executive officers are non-residents of the United States, and substantially all of the assets of such non-resident persons and substantially all of our assets are located outside the United States and primarily in Mexico. As a result, it may not be possible, or it may be costly and time consuming, for investors to effect service of process within the United States or in any other jurisdiction outside of Mexico upon those persons or us, or to enforce against them or us in courts of any jurisdiction outside of Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the civil liability provisions of United States federal and state securities laws (which may be different or exceed civil liability provisions prescribed under Mexican law), as a result of their place of residence or location, and the need to satisfy formal requirements (such as letters rogatory forwarded through governmental channels) in order to comply with due process under Mexican law. There is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside Mexico, of civil liabilities arising under the laws of any jurisdiction outside Mexico, including any judgment predicated solely upon United States federal or state securities laws. No treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country.

***The relatively low liquidity and high volatility of the Mexican securities market may cause the trading price and volume of our ADSs or common shares to fluctuate significantly.***

Our common shares are quoted on the BMV, and our ADSs are listed on the NYSE. The trading volume for securities issued by companies incorporated in emerging markets, such as Mexican companies, tends to be lower than the trading volume of securities issued by companies incorporated in more developed countries. These market characteristics may limit the ability of a holder of the ADSs or common shares to sell its ADSs or common shares and may also adversely affect the market price of the common shares.

***Holders of ADSs may be adversely affected by currency devaluations and foreign exchange fluctuations, which may adversely affect the price of our ADSs.***

Our common shares are quoted in pesos on the BMV, and our ADSs will be quoted in U.S. dollars on the NYSE. Movements in the peso/U.S. dollar exchange rate may adversely affect the U.S. dollar price of the ADSs on the NYSE or the peso price on the BMV. If the peso exchange rate falls relative to the U.S. dollar, the value of the ADSs could be adversely affected.

***Holders of ADSs have fewer rights than our shareholders and must act through the depositary to exercise those rights.***

Holders of our ADSs do not have the same rights as our shareholders and may only exercise the voting rights with respect to the underlying common shares in accordance with the provisions of the Deposit Agreement. A holder of ADSs will not be able to meet this requirement, and accordingly is not entitled to vote at shareholders' meetings, because the common shares underlying the ADSs will be registered in the name of the Depositary. While a holder of ADSs is entitled to instruct the Depositary as to how to vote the common shares represented by ADSs in accordance with the procedures provided for in the Deposit Agreement, a holder of ADSs will not be able to vote its common shares directly at a shareholders' meeting or to appoint a proxy to do so. In certain instances, a discretionary proxy may vote our common shares underlying the ADSs if a holder of ADSs does not instruct the Depositary with respect to voting. If you wish to directly vote the common shares represented by your ADSs, you will be required to deliver your ADSs to the Depositary for cancellation and withdraw the underlying common shares. Under Mexican law, a shareholder is required to be registered in our shareholders' registry, or maintain your common shares deposited at Indeval through a financial institution participant at Indeval, before a shareholders' meeting, to vote at that meeting. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting unless you withdraw your common shares from the ADS program and otherwise meet the requirements of Mexican law to call that meeting. We expect that the Depositary will charge you a fee for both withdrawing and depositing common shares.

**Holders of ADSs may be subject to additional risks related to holding ADSs rather than common shares.**

Because holders of ADSs do not hold their common shares directly, they are subject to the following additional risks, among others:

- as an ADS holder, we will not treat you as one of our direct shareholders and you may not be able to exercise shareholder rights;
- distributions on the common shares represented by your ADSs will be paid to the depositary, and before the depositary makes a distribution to you on behalf of your ADSs, withholding taxes, if any, that must be paid will be deducted and the depositary will be required to convert the pesos received into U.S. dollars. Additionally, if the exchange rate fluctuates significantly during a time when the depositary cannot convert the pesos received into U.S. dollars, or while it holds the pesos, you may lose some or all of the U.S. dollar value of the distribution;
- we and the depositary may amend or terminate the deposit agreement without the ADS holders' consent in a manner that could prejudice the holders of ADSs or that could affect the ability of the holders of ADSs to transfer ADSs; and
- the depositary may take other actions inconsistent with the best interests of the holders of ADSs.

**We are a holding company and depend upon dividends and other funds from subsidiaries to service our debt and make distributions to our shareholders.**

We are a holding company with no significant assets other than the shares of our subsidiaries. As a result, our ability to meet our debt obligations and make distributions to our shareholders depends primarily on the dividends received from our subsidiaries. Under Mexican law, companies (and we) may only pay dividends:

- from earnings included in year-end audited consolidated financial statements that are approved by shareholders at a duly convened meeting (including retained earnings);
- after any existing losses applicable to prior years have been made up or absorbed into shareholders' equity;
- after at least 5% of net profits for the relevant fiscal year have been allocated to a legal reserve, until the amount of the reserve equals 20.0% of a company's paid-in capital stock;
- any other reserves have been created, including a reserve for the repurchase of our own common shares; and
- after shareholders have approved the payment of the relevant dividends at a duly convened meeting.

If we or our subsidiaries fail to comply with these requirements, we may not be able to make distributions to our shareholders or service our debt obligations, which could ultimately have a material adverse effect on us.

**The payment and amount of dividends are subject to the determination of our shareholders.**

On March 23, 2021, our general ordinary and extraordinary shareholders' meeting approved a dividend policy applicable for the years 2021 to 2026. This dividend policy consists of the distribution of up to 75% of our distributable profit each year. For purposes of this dividend policy, "distributable profit" means the profit (loss) before taxes each year, adjusted by non-cash items and certain budgeted capital expenses or investments for such purpose, that is, the profit (loss) before income taxes, adjusted by the addition or subtraction, as the case may be, of depreciation, exchange gain (loss) – net, gain (loss) on revaluation of investment property, other non-cash gains (losses), repayment of loans, income taxes paid, and the budgeted expenses for properties for the following year.

Dividends payable for each fiscal year will be recommended by our Board of Directors and approved at our ordinary general shareholders' meeting. However, the ordinary general shareholders' meeting may approve a different amount or vote against the payment of dividends in any given fiscal year. As a result, there may be some years in which we distribute no dividends and others in which we distribute a substantial portion of our earnings. In the latter situation, our growth potential may be limited.

For more information, see Item 8. "Financial Information–Dividends and Dividend Policy" and Exhibit 2.1 to this Annual Report.

***Distributions to holders of our common shares will be made in pesos.***

While we determine our distributions in U.S. dollars, we make distributions to our shareholders in pesos. Distributions on the common shares represented by your ADSs will be paid to the depository, and before the depository makes a distribution to you on behalf of your ADSs, the depository will be required to convert the pesos received into U.S. dollars. Any significant fluctuations in the exchange rates between pesos and U.S. dollars could have an adverse impact on the U.S. dollar or other currency equivalent received by our shareholders resulting from the conversion. In addition, the amount paid by us in pesos may not be readily convertible into U.S. dollars or other currencies. Dividends will be paid in pesos according to the exchange rate published by the Mexican Central Bank the day prior to the payment date. For more information, see Item 8. “Financial Information—Dividends and Dividend Policy” and Exhibit 2.1 to this Annual Report.

***As a foreign private issuer and an “emerging growth company” (as defined in the JOBS Act), we have different disclosure and other requirements than U.S. registrants and non-emerging growth companies.***

As a foreign private issuer and emerging growth company, we are subject to different disclosure and other requirements than U.S. registrants and non-emerging growth companies. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to U.S. registrants under Section 16 of the Exchange Act. In addition, we intend to rely on exemptions from certain U.S. rules which will permit us to follow Mexican legal requirements rather than certain of the requirements that are applicable to U.S. registrants.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are required to furnish reports on Form 6-K disclosing the limited information which we have made or are required to make public pursuant to Mexican law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or within the same time frames as U.S. companies with securities registered under the Exchange Act. We currently prepare our financial statements in accordance with IFRS. We will not be required to file financial statements prepared in accordance with or reconciled to U.S. GAAP so long as our financial statements are prepared in accordance with IFRS as issued by the IASB.

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for emerging growth companies. Under this act, as an emerging growth company, we are not subject to the same disclosure and financial reporting requirements as non-emerging growth companies. Based on the market value of our common shares (including in the form of ADSs) held by non-affiliates, we believe that we will cease to be an “emerging growth company” measured as of June 30, 2024, in which case we will no longer be able to take advantage of the reduced reporting burdens available to emerging growth companies.

We cannot predict if investors will find our ADSs less attractive because the information we provide to investors may be different than the information provided by other public companies. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs and the trading price of our ADSs may be more volatile.

***We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur additional legal, accounting and other expenses.***

In order to maintain our current status as a foreign private issuer, either:

- more than 50.0% of the voting power of all our outstanding classes of voting securities (on a combined basis) must be either directly or indirectly owned of record by non-residents of the United States; or
- (1) a majority of our executive officers or directors must not be U.S. citizens or residents; (2) more than 50.0% of our assets cannot be located in the United States; and (3) our business must be administered principally outside the United States.

If we lose this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and the NYSE rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. issuer may be significantly higher than the costs we will incur as a foreign private issuer.

***As a foreign private issuer, we rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our common shares.***

NYSE rules require listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to follow, and we do follow, home country practice in lieu of the above requirements.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, the price and trading volume of our common shares could decline.

The trading market for our common shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our common shares or publish inaccurate or unfavorable research about our business, or research which sets a tone that affects the public's perception of our business, the market price of our common shares could decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our common shares could decrease, which might cause the price and trading volume of our common shares to decline.

***There can be no assurance that we will not be a passive foreign investment company, or PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in our common shares or our ADSs.***

Certain adverse U.S. federal income tax rules could apply to a U.S. person that holds our common shares or our ADSs if, in any taxable year during which the person holds our common shares or our ADSs, we are considered a passive foreign investment company (a "PFIC"). A non-U.S. corporation will be considered a PFIC for U.S. federal income tax purposes in any taxable year in which a specified percentage of its gross income is "passive income" or a specified percentage of its assets produce or are held for the production of passive income. Although passive income generally includes rents, certain "active rental income" is not considered passive income for purposes of determining whether a company is a PFIC. In light of the manner in which we operate our business and the composition of our income and assets, we believe that we were not a PFIC for the 2023 taxable year. However, due to certain legal and factual uncertainties, it is possible that we may be considered to be a PFIC for the 2023 taxable year or any subsequent taxable year. In particular, our PFIC status is dependent upon the extent to which our lease revenue from our properties is considered active rental income under applicable rules (the "active rental income exception"). It is uncertain how to interpret certain aspects of the active rental income exception and how to apply it to our particular circumstances. Therefore, there is a risk that the Internal Revenue Service (the "IRS") will not agree with the classification of certain of our income and assets as active. Furthermore, we will not take U.S. tax considerations into account for purposes of conducting our business and, therefore, we may become a PFIC if we change how we operate our business in the future in a manner that affects the application of the active rental income exception to us. In addition, PFIC status is dependent upon the composition of our income and assets and the value of our assets from time to time, and may depend, in part, on how quickly we deploy the cash proceeds from any past or future equity or debt issuances or borrowings to acquire properties, and possibly on the value of our goodwill (which may be determined in part by reference to our market capitalization from time to time). For these reasons, we can give no assurance that we are not, or will not be, a PFIC for any taxable year. Further, our PFIC status for any taxable year is not determinable until after the end of that taxable year.

See "Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules" for more information. **A U.S. person holding common shares or ADSs in any taxable year in which we were or are a PFIC will generally be subject to adverse tax treatment. Accordingly, U.S. persons should consult their tax advisers with respect to whether we may be treated as a PFIC and the tax consequences if we are so treated.**