Consolidated Results for the Fourth Quarter

2020

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ACOSTAVERDE

ACOSTA VERDE ANNOUNCES CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2020

San Pedro Garza García, Mexico, February 25, 2021 – ACOSTA VERDE S.A.B. de C.V. (“Acosta Verde”, "AV" or "the Company") (BMV: GAV) company focused on the development and operation of shopping centers in Mexico, announces today the results for the fourth quarter ("4Q20") and the twelve months of the period ended December 31, 2020 (“2020”).

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”, “NIIF” for its acronym in Spanish) and are expressed in thousands of Mexican Pesos (Ps. and/or “$”).

AV financial results described in this report are unaudited, therefore adjustments may be made to certain figures mentioned within this report in the future.

Highlights:

Operational

- Following the health contingency situation declared by the Mexican Secretary of Health, due to the COVID-19 pandemic since March 2020, Acosta Verde has been constantly monitoring the decrees and publications issued by the different authorities of each city in which it operates, to ensure correct compliance.

- As a result of this contingency situation and the measures issued and implemented by the local, state, and federal authorities, since March, the shopping centers began to operate partially, causing a negative impact on the number of visitors.

- During some weeks of 4Q20, the state of Chihuahua, the state of Mexico and Mexico City have been cateogorized as “red traffic light” status resulting in temporary closure of non-essential stores. This causes that shopping centers located in these states are the most affected by a decrease of visitors. However, thanks to the fact that Sendero shopping centers have many stores that are considered essential that seeks to satisfy basic consumer needs, such as supermarkets, visitors are constantly coming to the assets.

- Acosta Verde prepared a robust protocol for the implementation of measures and actions to prevent the spread of the COVID-19 virus into Sendero shopping centers. The actions were adopted and designed based on the guidelines established by local, state, and federal authorities. This protocol includes action to protect our visitors, tenants, and employees.

- Acosta Verde reported a total of 407,595 sqm of Gross Leasable Area, composed by 16 properties at the end of 4Q20. The total GLA has not changed since 4Q19.

- At the end of 4Q20, the occupancy rate of the total portfolio in operation was 92.3%, compared to 95.7% in 4Q19. The stabilized portfolio occupancy at the end of 4Q20 was 96.6%, compared to 98.9% at the end of 4Q19. The projects in stabilization had an occupancy rate of 89.2% at the end of 4Q20 and 93.4% at the end of 4Q19.

- As of December 31, 2020, the properties had traffic of approximately 65.1 million accumulated visits during the current year, a decrease of 40% compared to approximately 109.0 million visitors over the same period during the previous year. At the end of 4Q20, the parking lots at the shopping centers had traffic of approximately 4,557,280 vehicles, 21.2% compared with 4Q19 with 5,783,19 vehicles registered. In 4Q20, the traffic flow in the properties has presented better performance than the last two quarters. At the end of December 2020, the properties had vehicular traffic of 16.2 million of accumulated during the year, a decrease of 24.2% below same period of 2019 with 21.3 million vehicles registered.

- At the end of 4Q20, all the shopping centers were operating, with certain restrictions on tenant categories and in the number of people permitted in the properties at one time, in accordance with the official regulations issued by each state and/or local authority.

- During 4Q20, Acosta Verde achieved a 101% collection efficiency compared to invoicing explained by extraordinary efforts by our team and the Company´s strong tenant relationships. As a result, our annual rent collection´s efficiency was 85%

Financial

- Lease income during 4Q20 was Ps. 225,482, which represents an 18% decrease compared to the same period last year.

- The NOI[1] for 4Q20 reached Ps. 207,193, compared to Ps. 261,813 over the same period of prior year. The NOI Margin was 88% for 4Q20.

- The adjusted EBITDA for 4Q20 reached Ps. 160,440, a decrease of 23% when compared to the same quarter of the previous year. The adjusted EBITDA margin for the quarter was 61%.

[1] The information of the following shopping centers is presented including participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis, 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6%, Culiacán 75.3% and Mexicali 100%. Additionally, the information includes 100% of the NOI of CIB 2715 Trust of which AV ownership is 50%.

CEO Comments

Dear Shareholders,

During the fourth quarter of 2020, Acosta Verde continued operating its shopping centers following the protocols established by the Health Authorities to face the COVID-19 pandemic. Since March 2020, it has been the Company's priority to ensure the wellbeing of our customers, tenants, workers and suppliers so we could work together with a shared focus toward improving the situation of the industry.

2020 left us with numerous learnings including, creative adaptations to new circumstances and, most of all, a much greater focus on innovation for both, generating income strategies and initiatives to attract more customers to the shopping centers. One of these innovations is SenderoEnCasa.com, which was launched in December 2020 and is expected to strengthen Sendero's ecosystem. SenderoEnCasa.com is our exclusive website where clients can purchase merchandise from our tenants online and pick them up at the shopping centers. Currently, we launched SenderoEnCasa.com in Sendero Escobedo and Sendero Apodaca and are pushing to increase our tenant´s volume in the platform as well as pushing to deploy such project across our portfolio in the near future.

Likewise, the Company has a strong commitment and view towards environmental, social, and governance initiatives and has spent resources during 4Q20 to strengthen our ESG protocols

In the other hand, additionally to our organic growth initiatives, the Company is very well positioned to pursue opportunistic acquisitions of shopping centers portfolios that may be acquired accretively to our balance sheet. As mentioned, not only with these potential acquisitions be profitable to the Company but they will also strengthen our Sendero brand and geographic footprint.

Comparing 4Q20 to 4Q19,: the total income reached MXN 255mm, representing a 16% annual decrease. The NOI reached MXN 207mm, representing a 21% annual decrease compared with same period last year, and the EBITDA closed at MXN 160mm, a 23% annual decrease.

The number of visitors during 4Q20 was approximately 65.1 mm, 40% less compared to the same period in 2019, and the occupancy rate of our shopping centers was 92.3% as of the end of 4Q20.

The financial and operating indicators of Acosta Verde in the face of the pandemic have been affected; however, we continue to make improvements and continue to strengthen the Company's solid balance sheet. Additionally, the Company continues to be cautious regarding expenses, strictly adhering to the budget, and we have been in constant negotiation with the suppliers.

This crisis will end and we have faced it with enthusiasm. Our talented team works every day to adapt ourselves to the new reality with the passion that characterizes us, distinguishing Sendero with innovating proposals focused on our workers wellbeing and, thus, generating value to our shareholders.

I hope you have a great 2021 in all aspects.

Sincerely,

Jesús A. Acosta Castellanos
Chief Executive Officer of Acosta Verde

Acosta Verde

Acosta Verde was founded in 1970 by the Architect Jesús Acosta Verde. Acosta Verde is a Mexican company, a pioneer in necessity-based shopping center development in Mexico, with a solid track record in the planning, development, lease, management, and operation of community shopping centers in the country. In 2002, Acosta Verde created the Sendero shopping center concept and brand, through which the Company has developed a successful track record in terms of occupancy levels and high traffic of visitors in its necessity-based shopping centers. Plaza Sendero is recognized by its primary focus of satisfying the basic commercial needs of the community.

Since Acosta Verde developed its first Sendero shopping center, the business strategy has focused mainly on serving the middle and lower middle class population in Mexico, since they are the fastest growing segments and which comprise a significant percentage of the total population in the country, offering a considerable potential of consumers. Likewise, Acosta Verde seeks to offer this population high quality shopping centers where they can make their daily purchases and attend all their consumer needs thanks to the tenant mix offered by each Sendero.

In the business model of the Sendero shopping center, the hypermarket anchor store plays an important role in the success of the properties since it provides a constant visitor traffic and satisfies the basic consumer needs of the population.

Thanks to the experience acquired by Acosta Verde throughout its track record in the development and management of shopping centers, the Sendero brand has been able to be positioned among the main shopping center operators in Mexico, having developed solid relationships with the main national chains. Since inception, Acosta Verde has developed a total of 44 properties including Sendero Santa Catarina, which is expected to be opening in March 2021. An additional shopping center is under development in Ensenada, Baja California. Due to the actual contingency situation, the development of this property is currently paused.

Limitation of Liability

This report may contain certain future statements or subjective analysis, as well as statements that may involve some risk and uncertainty. The activities carried out by the management team of Acosta Verde involve risks and uncertainties that could change depending on several factors that are beyond the control of Acosta Verde. Any expectations reflect Acosta Verde's value judgments as of the date of this document. Future estimations may consist of information related to potential or projected results of operations, as well as a description of our business plans and strategies. Such future estimations are identified by the use of words such as "may", "could", "should", "we expect", "we plan", "we anticipate", "we believe", "we estimate", "is projected", "we predict", "we intend", "future", "potential", "suggested", "objective", "forecast", "continuing", and other similar expressions. Future statements are not historical facts, and are based on current expectations, beliefs, estimations, projections, as well as various assumptions of the management team, which are inherently uncertain by their nature and beyond our control. These expectations, beliefs, estimations and projections are expressed on a good faith basis and with the understanding that the management team considers that there is reasonable support for them. However, we can't assure that the expectations, beliefs, estimations and projections of the management team will be realized, therefore the actual results could differ materially from what is expressed or indicated by way of future estimations. Future estimations are limited to the date on which they are issued. Acosta Verde does not assume any obligation to update future estimations to reflect actual results, subsequent events or circumstances or other changes that affect the information expressed in future estimations, unless and to the extent that such update is required in terms of applicable regulations. Certain information in this document is based on forecasts by the management team and reflects prevailing market conditions, as well as the views of the management

team to date, all of which is subject to change. Future estimations in this presentation may include, for example, hypothetical statements about: our ability to complete any business transaction, the benefits of such transaction, our financial performance subsequent to such transaction, changes in reserves and operating results, and plans for expansion and opportunities. No statement regarding past trends or activities should be construed as a statement that such trends or activities will continue to occur in the future. Therefore, such future statements or trends should not be relied upon.

We warn that several important factors could cause current or future results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this report. In no event, neither the Company, nor any of its subsidiaries, affiliates, officers, executives, agents or employees may be liable to third parties (including investors) for any investment, decision, action taken or for any special or similar consequential damages regarding the information contained in this document. Many material factors could cause our actual results, performance or achievements to differ materially from those expressed or implied in our future estimations, including, but not limited to: uncertainties related to government permits or licenses; adverse results in litigation that may be in the future; general political, economic, social, demographic and commercial conditions in Mexico and in other countries; uncertainties related to the results of future elections in Congress in Mexico and other countries with which Mexico has a significant business relationship; changes in laws, norms, regulations and interpretations and their application applicable to the real estate sectors Mexico, including changes in the regulatory environment in which we operate and changes in the programs established to promote investments in the real estate industry; any unexpected increase in financing costs or the inability to obtain additional financing and/or capital on attractive terms; any change in the capital markets in general that may affect the policies or attitudes in Mexico, and/or Mexican companies with respect to financing granted or investments made in Mexico or in Mexican companies; fines or other penalties and claims by the authorities and/or clients; our ability to implement our capital expenditure plans or our business strategy, including our ability to obtain financing when necessary and on reasonable terms; government intervention, including measures that result in changes in Mexico's labor markets, foreign exchange markets or tax systems; ongoing and/or higher inflation rates and fluctuations in exchange rates, including the depreciation of the Mexican Peso; any event of force majeure, or macroeconomic fluctuations; changes in the demand for commercial premises; uncertainty related to the outbreak and spread of covid-19; environmental, health and safety regulations and industry standards that are becoming stricter; our relationship with our employees and our ability to retain key members of our senior management and key technical employees; the ability of our directors and officers to identify an adequate number of potential business opportunities; our expectations regarding the performance of our businesses; increased competition in our sector; and possible changes in regulation and free trade agreements as a result of political conditions in the United States, Mexico, or other Latin American nations.

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Summary of the Principal Financial and Operational Indicators

Financial Indicators

The following charts present a summary of the main financial indicators for 4Q20 and 4Q19 regarding the financial information that includes the results of the shopping centers:

Financial Metrics[2] (Thousands of pesos)	4Q20	4Q19	Var. %	2020	2019	Var. %
NOI	207,193	261,813	(20.9%)	687,478	1,014,125	(32.2%)
NOI Margin	88%	90%	(2) p.p	87%	90%	(3) p.p
Adjusted EBITDA	160,441	208,008	(23%)	718,036	835,888	(14%)
Adjusted EBITDA Margin	61%	67%	(6) p.p	65%	68%	(3) p.p
Financial Debt	5,938,949	5,944,978	0.0%	5,938,949	5,944,978	0.0%
LTV	19%	42%	(23) p.p.	19%	42%	(23) p.p.

Statements of Comprehensive Income (Mexican pesos in thousands)	4Q20	4Q19	Var. %	2020	2019	Var. %
Total revenue	255,340	302,329	(16%)	1,068,732	1,220,694	(12%)
Total operating expenses	(126,068)	(156,147)	(19%)	(580,420)	(473,488)	23%
Operating income (loss)	18,691	384,333	(95%)	(158,427)	1,427,024	(111%)
Operating income (loss) before valuation of investment properties and property	133,511	205,539	(35%)	490,873	711,848	(31%)
Operating margin	52%	68%		46%	58%	
Comprehensive income (loss) of the period	(419,709)	179,475	(334%)	(403,912)	533,727	(176%)

Operating Indicators

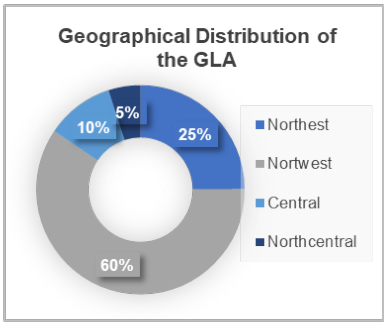
Operating Indicators	4Q20	4Q19	Var. %	2020	2019	Var. %
Number of operating properties [3]	16	16	0.0%	16	16	0.0%
Gross Leasable Area (GLA) sqm [4]	407,595	407,595	0.0%	407,595	407,595	0.0%
Occupancy Rate (%)	92.3%	95.7%	(3.4%)	92.3%	95.7%	(3.4%)
Visitors Traffic (millions)	18.4	29.1	(36.7%)	65.1	109.0	(40.3%)
Average Rent per sqm [5]	273	274	(0.5%)	274	269	2.0%

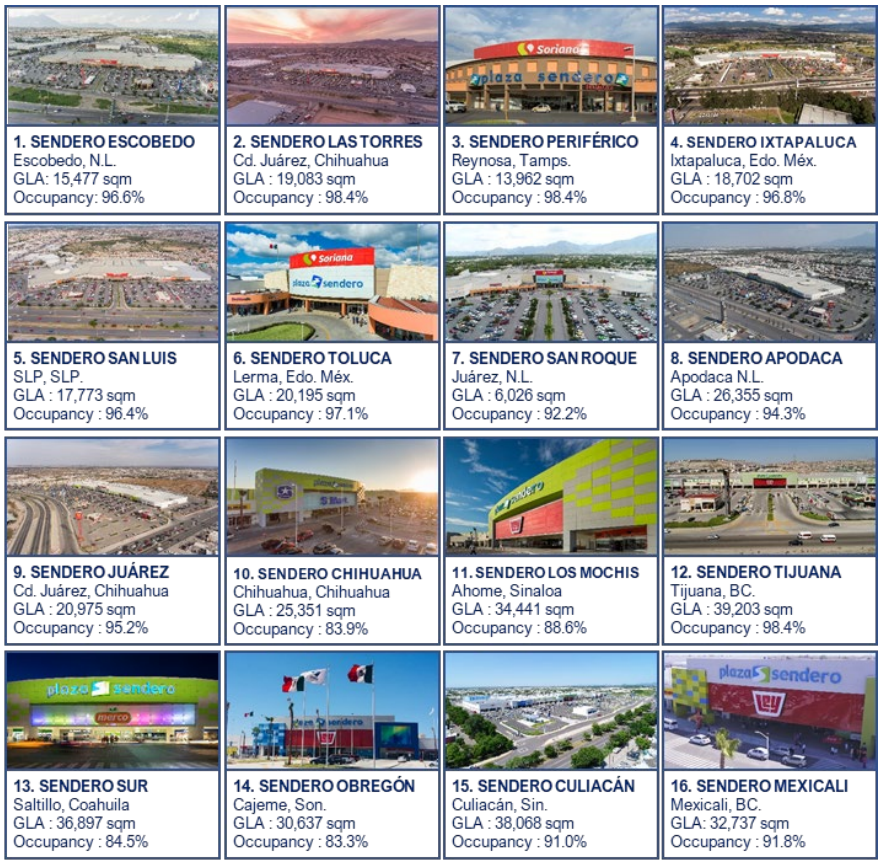
[2] The metrics and adjustments are not defined by IFRS, so, they do not represent a financial analysis of the results in accordance with IFRS and are shown only to measure the operating performance of the company.
[3] Additionally, Acosta Verde has completed Santa Catarina shopping center with an expected opening date for March 2021, has a development underway (currently paused) in Ensenada in Baja California, and administrates four shopping centers for third parties.
[4] Includes 100% of the GLA of the shopping centers.
[5] Metric excludes portfolio in stabilization.

Operating Portfolio

Geographical Distribution of the Operating Portfolio

At the end of 4Q20, Acosta Verde´s portfolio is composed of 16 community shopping centers located in nine states, mainly in the northern and central regions of Mexico. At the end of 4Q20, the properties recorded an average occupancy rate of 92.3%.





1. SENDERO ESCOBEDO
Escobedo, N.L.
GLA: 15,477 sqm
Occupancy: 96.6%

2. SENDERO LAS TORRES
Cd. Juárez, Chihuahua
GLA : 19,083 sqm
Occupancy : 98.4%

3. SENDERO PERIFÉRICO
Reynosa, Tamps.
GLA : 13,962 sqm
Occupancy : 98.4%

4. SENDERO IXTAPALUCA
Ixtapaluca, Edo. Méx.
GLA : 18,702 sqm
Occupancy : 96.8%

5. SENDERO SAN LUIS
SLP, SLP.
GLA : 17,773 sqm
Occupancy : 96.4%

6. SENDERO TOLUCA
Lerma, Edo. Méx.
GLA : 20,195 sqm
Occupancy : 97.1%

7. SENDERO SAN ROQUE
Juárez, N.L.
GLA : 6,026 sqm
Occupancy : 92.2%

8. SENDERO APODACA
Apodaca N.L.
GLA : 26,355 sqm
Occupancy : 94.3%

9. SENDERO JUÁREZ
Cd. Juárez, Chihuahua
GLA : 20,975 sqm
Occupancy : 95.2%

10. SENDERO CHIHUAHUA
Chihuahua, Chihuahua
GLA : 25,351 sqm
Occupancy : 83.9%

11. SENDERO LOS MOCHIS
Ahome, Sinaloa
GLA : 34,441 sqm
Occupancy : 88.6%

12. SENDERO TIJUANA
Tijuana, BC.
GLA : 39,203 sqm
Occupancy : 98.4%

13. SENDERO SUR
Saltillo, Coahuila
GLA : 36,897 sqm
Occupancy : 84.5%

14. SENDERO OBREGÓN
Cajeme, Son.
GLA : 30,637 sqm
Occupancy : 83.3%

15. SENDERO CULIACÁN
Culiacán, Sin.
GLA : 38,068 sqm
Occupancy : 91.0%

16. SENDERO MEXICALI
Mexicali, BC.
GLA: 32,737 sqm
Occupancy : 91.8%

Operating Properties

Acosta Verde´s portfolio is composed of 16 shopping centers located in nine States of Mexico, a total of 407,595 sqm, with an occupancy rate of 92.3% of the GLA at the end of the 4Q20. In this quarter, the portfolio registered a total of 18.4 million visitors and 65.1 million accumulated in 2020.

In order to make the analysis easier, we divided the portfolio into two groups: Stabilized Portfolio, formed by Shopping Centers with an average age of 14.9 years, with high occupancy levels and their income already stabilized, additionally there are eight commercial spaces bought in 2017 from a third party, which stores are located some of the Stabilized Shopping Centers. A second group named Portfolio in Stabilization, consists of Shopping Centers with an average age of 3.4 years. In this portfolio are shopping centers opened in 2016 or later and that still have great growth potential. New openings will be added to this group.

The table below includes information regarding the operating properties as of December 31, 2020.

Operating Portfolio	Shopping Center Format	Location	Opening Year	GLA (sqm)	Occupancy	Main Anchors
Stabilized Properties						
Sendero Escobedo	Community Center	Escobedo, N.L.	2002	15,477	97%	Soriana, Cinépolis
Sendero Las Torres	Community Center	Cd. Juárez, Chih.	2003	19,083	98%	Soriana, Cinépolis
Sendero Periférico	Community Center	Reynosa, Tamps.	2004	13,962	98%	Soriana, Cinépolis
Sendero Ixtapaluca	Community Center	Ixtapaluca, Edo. Mex.	2005	18,702	97%	Soriana, Cinépolis
Sendero San Luis	Community Center	San Luis Potosí, SLP.	2006	17,773	96%	Soriana, Cinépolis
Sendero Toluca	Community Center	Lerma, Edo. Mex.	2006	20,195	97%	Soriana, Cinépolis
Sendero San Roque	Community Center	Juárez, N.L.	2006	6,026	92%	Soriana, Cinépolis
Sendero Juárez	Community Center	Cd. Juárez, Chih.	2008	20,975	95%	Soriana, Cinépolis
Sendero Apodaca	Community Center	Apodaca, N.L.	2008	26,355	94%	Soriana, Cinépolis
F2715 Sub-ancho stores (1)		Chih. Mex, Tamps, SLP	-	11,713	100%	
Total Stabilized Portfolio				170,261	97%	
Portfolio in Stabilization						
Sendero Chihuahua	Community Center	Chihuahua, Chih.	2016	25,351	84%	Smart, Cinépolis
Sendero Los Mochis	Community Center	Ahome, Sin.	2016	34,441	89%	Casa Ley, Cinépolis
Sendero Tijuana	Community Center	Tijuana, BC	2016	39,203	98%	Casa Ley, Cinépolis
Sendero Sur	Community Center	Saltillo, Coah.	2017	36,897	84%	Merco, Cinépolis
Sendero Obregón	Community Center	Cajeme, Son.	2017	30,637	83%	Casa Ley, Cinépolis
Sendero Culiacán	Community Center	Culiacán, Sin.	2018	38,068	91%	Casa Ley, Cinépolis
Sendero Mexicali	Community Center	Mexicali, BC	2018	32,737	92%	Casa Ley, Cinépolis
Total Portfolio in Stabilization				**237,334**	**89%**	
Total Operating Portfolio				**407,595**	**92%**	

(1) Repurchased sub-anchors located in 5 Sendero Shopping Centers.
The information of the following shopping centers is presented including participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6%, Culiacán 75.3%, Mexicali 100% and CIB 2715 Trust 50%.

The revenue of the portfolio corresponds to Fixed Rent, Variable Rent (% of tenant sales), Common Areas (parking, advertising, rent of common areas) and Key Money. The following table presents the financial results of the portfolio on a cash flow basis as of December 31, 2020.

Total Revenue (In thousands of pesos)	4Q20	4Q20	Var. %	2020	2019	Var. %
Sendero Escobedo	12,072	15,818	(23.7%)	41,963	64,915	(35.4%)
Sendero Las Torres	14,513	20,894	(30.5%)	55,755	79,456	(29.8%)
Sendero Periférico	13,289	11,778	12.8%	42,670	45,587	(6.4%)
Sendero Ixtapaluca	15,551	19,533	(20.4%)	50,375	78,890	(36.1%)
Sendero San Luis	18,710	22,467	(16.7%)	65,131	89,879	(27.5%)
Sendero Toluca	19,610	25,950	(24.4%)	68,246	105,941	(35.6%)
Sendero San Roque	1,056	2,285	(53.8%)	4,188	10,466	(60.0%)
Sendero Apodaca	20,878	24,881	(16.1%)	66,492	92,321	(28.0%)
Sendero Juárez	9,728	13,986	(30.4%)	34,878	53,336	(34.6%)
F2715 Sub-ancho stores	7,687	10,447	(26.4%)	24,043	40,449	(40.6%)
Stabilized Portfolio	**133,095**	**168,038**	**(20.8%)**	**453,740**	**661,239**	**(31.4%)**
Sendero Chihuahua	10,035	15,530	(35.4%)	37,546	60,303	(37.7%)
Sendero Los Mochis	13,509	16,111	(16.1%)	44,569	63,729	(30.1%)
Sendero Tijuana	24,921	23,874	4.4%	75,469	93,999	(19.7%)
Sendero Sur	12,736	16,515	(22.9%)	46,944	63,578	(26.2%)
Sendero Obregón	10,491	11,386	(7.9%)	34,919	44,571	(21.7%)
Sendero Culiacán	16,377	19,648	(16.6%)	52,824	76,124	(30.6%)
Sendero Mexicali	15,081	18,301	(17.6%)	48,627	67,150	(27.6%)
Portfolio in Stabilization	**103,149**	**121,365**	**(15.0%)**	**340,898**	**469,455**	**(27.4%)**
Total Operating Portfolio	**236,244**	**289,403**	**(18.4%)**	**794,638**	**1,130,694**	**(29.7%)**

The information presented is on a Cash Flow Basis and not on an Accrual Basis.
The information of the following shopping centers is presented including participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis, 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6% and Culiacán 75.3% and Mexicali at 100%.
Additionally, it includes the 100% of the income of the joint venture between AV has with CIB 2715 Trust, which are not consolidated in AV and are recorded according to the Proportional Consolidation Method. AV participation is 50%

Revenue breakdown information presented below is on a cash basis:

Revenue Breakdown (In thousands of pesos)	4Q20	4Q19	Var. %	2020	2019	Var. %
Fixed Rent	207,626	245,893	(15.6%)	690,815	941,874	(26.7%)
Variable Rent	8,977	13,619	(34.1%)	34,810	83,378	(58.3%)
Common Areas	17,938	26,668	(32.7%)	52,564	84,021	(37.4%)
Key Money	1,703	3,223	(47.2%)	16,448	21,421	(23.2%)
Total Revenue	**236,244**	**289,403**	**(18.4%)**	**794,638**	**1,130,694**	**(29.7%)**

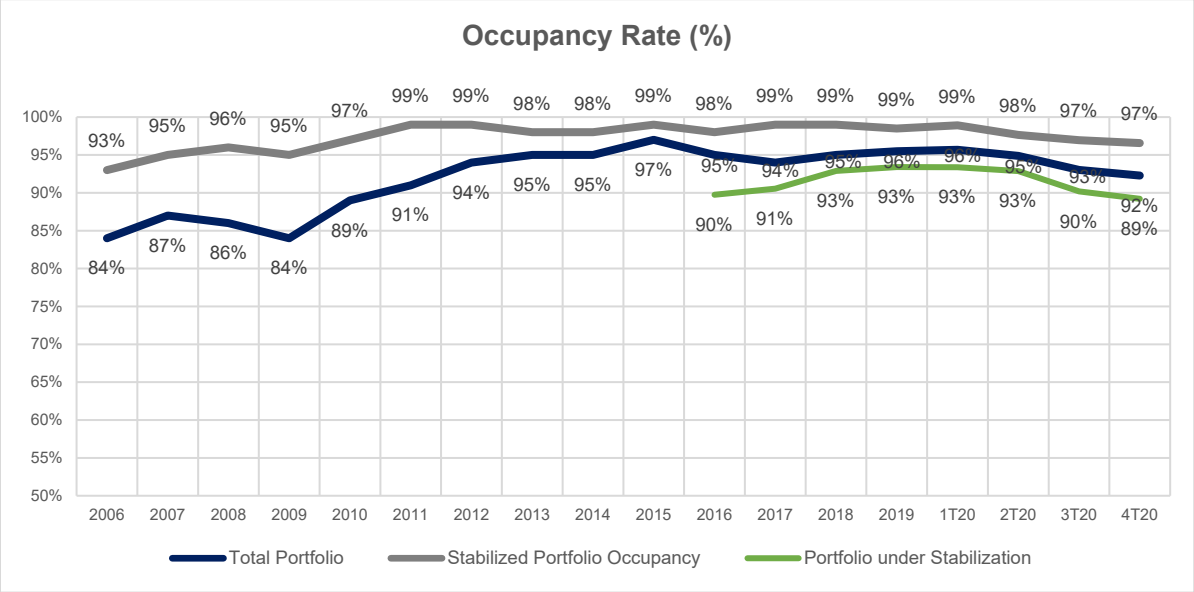
The information presented is on a Cash Flow Basis and not on an Accrual Basis.
The information of the following shopping centers is presented including participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis, 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6%, Culiacán 75.3% and Mexicali at 100%.
Additionally, it includes the 100% of the income of the joint venture between AV has with CIB 2715 Trust, which are not consolidated in AV and are recorded according to the Proportional Consolidation Method. AV participation is 50%

NOI (In thousands of pesos)	4Q20	4Q19	Var. %	2020	2019	Var. %
Sendero Escobedo	10,694	14,671	(27.1%)	37,420	59,982	(37.6%)
Sendero Las Torres	13,585	19,538	(30.5%)	51,544	74,989	(31.3%)
Sendero Periférico	12,662	11,182	13.2%	40,525	43,025	(5.8%)
Sendero Ixtapaluca	14,321	18,289	(21.7%)	45,913	73,714	(37.7%)
Sendero San Luis	17,481	21,220	(17.6%)	60,172	84,583	(28.9%)
Sendero Toluca	18,069	24,461	(26.1%)	62,662	99,485	(37.0%)
Sendero San Roque	371	1,499	(75.2%)	1,482	7,077	(79.1%)
Sendero Apodaca	15,219	19,598	(22.3%)	45,134	71,560	(36.9%)
Sendero Juárez	8,249	12,644	(34.8%)	29,583	47,181	(37.3%)
F2715 Sub-ancho stores	7,554	10,307	(26.7%)	23,510	39,890	(41.1%)
Stabilized Portfolio	**118,205**	**153,408**	**(22.9%)**	**397,944**	**601,486**	**(33.8%)**
Operating Margin	89%	91%		88%	91%	
Sendero Chihuahua	8,145	13,735	(40.7%)	30,747	53,237	(42.2%)
Sendero Los Mochis	11,441	14,344	(20.2%)	36,547	55,456	(34.1%)
Sendero Tijuana	23,257	21,796	6.7%	68,910	85,960	(19.8%)
Sendero Sur	10,503	15,055	(30.2%)	39,847	56,589	(29.6%)
Sendero Obregón	8,366	9,621	(13.0%)	27,015	36,223	(25.4%)
Sendero Culiacán	13,849	17,230	(19.6%)	43,829	65,372	(33.0%)
Sendero Mexicali	13,426	16,624	(19.2%)	42,640	59,802	(28.7%)
Portfolio in Stabilization	**88,988**	**108,404**	**(17.9%)**	**289,534**	**412,639**	**(29.8%)**
Operating Margin	86%	89%		85%	88%	
Total Operating Portfolio	**207,193**	**261,813**	**(20.9%)**	**687,478**	**1,014,125**	**(32.2%)**
Operating Margin	88%	90%		87%	90%	

The information presented is on a Cash Flow Basis and not on an Accrual Basis.
The information of the following shopping centers is presented including participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6%, Culiacán 75.3% and Mexicali 100%.
Additionally, it includes the 100% of the income of the joint venture between AV has with CIB 2715 Trust, which are not consolidated in AV and are recorded according to the Proportional Consolidation Method. AV participation is 50%

Occupancy

At the end of 4Q20, the occupancy rate of the total portfolio was 92.3%, compared to 95.7% in 4Q19. The occupancy rate of the stabilized portfolio at the end of 4Q20 was 96.6%, compared to 98.9% at the end of the same period in the previous year. The projects in stabilization had an occupancy rate of 89.2% at the end of 4Q20 vs. 93.4% at the end of 4Q19.



Tenants Overview

Plaza Sendero has a proven necessity-based shopping center model (layout and operation), where the anchor stores and tenant mix play an important role in the performance of the shopping center. Approximately 50% of the GLA of each shopping center is leased to national chains that have been participating in each project of Acosta Verde. Additionally, this helps new developments to achieve the high GLA occupancy rate goal since its opening.

At the end of 4Q20, the portfolio properties concentrated a total of approximately 1,614 lease agreements, with an important tenant mix and geographic location, which ensures the primary focus of satisfying the main consumption, convenience, services, and needs of our visitors. Likewise, there are approximately 280 lease agreements for spaces in common areas, which generate part of the Company´s operating income.

The next table shows the distribution of lease agreements by tenant category as a percentage of GLA and fixed rent.

Fixed Rent Distribution by Tenant Category	% Fixed Rent	% GLA
Food and Beverage	16%	10%
Entertainment	16%	22%
Clothing and Footwear	14%	11%
Departmental Stores	13%	22%
Specialized items	9%	6%
Accessories	6%	2%
Telephony	4%	2%
Supermarkets	4%	12%
Banks	3%	2%
Sporting Goods	3%	2%
Furniture	2%	3%
Other	11%	8%

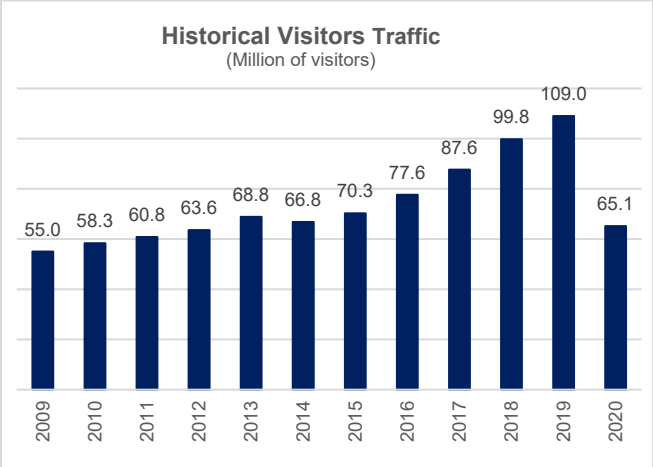
The following table shows the top ten tenants in the portfolio in terms of GLA.

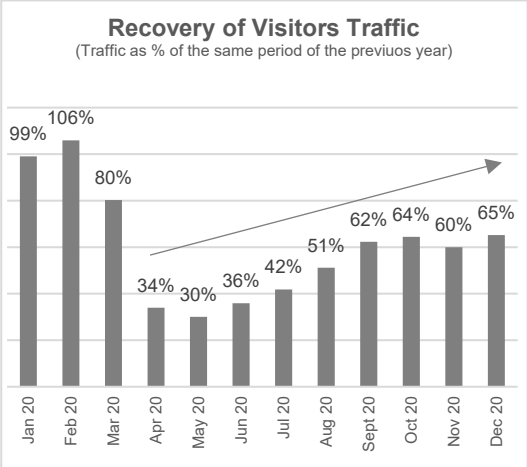
Distribution by GLA			
Top 10 Tenant	Number of Leases	GLA (sqm)	% of total GLA
cinépolis	15	64,282	17.1%
Casa Ley	5	33,686	9.0%
Suburbia	3	19,029	5.1%
Coppel	13	18,622	5.0%
FAMSA	6	13,666	3.6%
Woolworth	6	11,551	3.1%
Promoda	4	7,179	1.9%
merco	1	5,463	1.5%
Parisina	8	5,411	1.4%
S-Mart	1	4,906	1.3%
Total	**62**	**183,795**	**48.9%**

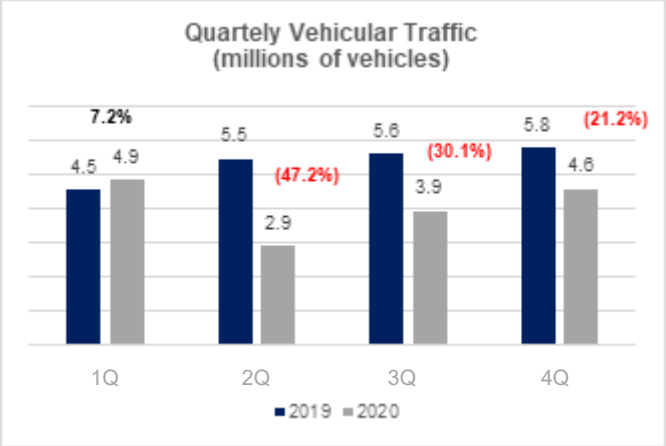
Visitor Traffic

As a result of the health contingency caused by the COVID-19 pandemic, the federal, state, and local authorities announced their first health measures as of mid-March and the Shopping Centers began to operate partially, causing a decrease in the number of visitors. As of December 31, 2020, the properties had annual traffic of approximately 65.1 million, presenting a decrease of 40% compared to the same period of the previous year when approximately 109 million visitors were registered. As of December 31, 2020, the properties had traffic of approximately 65.1 million accumulated visits during the current year, a decrease of 40% compared to approximately 109.0 million visitors over the same period during the previous year. At the end of 4Q20, the parking lots at the shopping centers had traffic of approximately 4,557,280 vehicles, 21.2% compared with 4Q19 with 5,783,19 vehicles registered. In 4Q20, the traffic flow in the properties has presented better performance than the last two quarters. At the end of December 2020, the properties had vehicular traffic of 16.2 million of accumulated during the year, a decrease of 24.2% below same period of 2019 with 21.3 million vehicles registered.

At the end of 4Q20, all the shopping centers were in operation, with certain restrictions on tenant categories and in the number of people permitted in the properties at one time, in accordance with the official regulations issued by each state and local authorities.







Fixed Rent Income

The monthly average fixed rent leased per square meter in stabilized properties reached Ps. 273 in 4Q20, which represents a decrease of only (0.5%) compared to the Ps. 274 per square meter in 4Q19.

Agreements Renewal and Lease Spread

At the end of the fourth quarter, 5,446 sqm of GLA in the portfolio were renewed, equivalent to 67 lease agreements.

The Lease Spread (indicator that reflects the variation between the average rent of a group of new leases compared to the average rent that expired regarding this same group) in 4Q20 was 3.4%, based on 6,658 sqm renewed and replaced during the quarter.

Maturity of Lease Agreements

The following table includes information regarding the expiration of lease agreements as of December 31, 2020. As can be seen in the following chart, the highest percentage of GLA will expire in the long term (2026 and beyond).

Year	Number of Agreements to Expire	GLA of Agreements to expire (sqm)	% of GLA that expires	Fixed Rent that expires	% of Fixed Rent that expires
2021	661	76,619	20%	24,899,172	31%
2022	461	51,129	14%	16,571,841	21%
2023	305	60,114	16%	13,919,257	17%
2024	46	18,039	5%	3,708,638	5%
2025	22	6,711	2%	1,509,032	2%
2026 and after	119	163,031	43%	19,112,752	24%

Portfolio Under Development

As of the date of the report, Acosta Verde has completed the construction of Sendero Santa Catarina shopping center in the state of Nuevo León with an initial opening day coming soon, while in Baja California is the development of Sendero Ensenada with the construction on hold.

Additionally to the development of the portfolio, we continue to search for good investment opportunities in the market since we have available capital, which we consider a competitive advantage to materialize investments. Regarding the above, continuous analysis are carried out in research of new investment opportunities to increase the current portfolio and increase the profits of the company. At the same time, with the acquisition of new shopping centers and through an adequate market positioning strategy, we expect to increase Sendero brand recognition.

The following information about each project under development is based on estimations and expectations. The information presented in this section may suffer changes or modifications in the future derived from external factors to the Company; so, these figures should be considered today as estimations and not as definitive data.

Sendero Santa Catarina

At the end of 4Q20, the shopping center has completed its construction in Nuevo León, located on Monterrey - Saltillo # 2601 Highway, Col. La Puerta, in the municipality of Santa Catarina. This municipality is part of the Monterrey metropolitan area, which has an approximate population of 4.6 million inhabitants. The project has an estimated trade area of 373,000 inhabitants and 97,000 households. The land has an area of 150,889 sqm. Currently there are signed leases with important commercial brands, such as Merco supermarket, Cinépolis, Coppel, Muebles Foly, Hemsa, Parisina and Del Sol.

Acosta Verde has a 40% stake in the asset which controls and consolidates in AV's financial statements. Sendero Santa Catarina is scheduled to open in March 2021.

Location	Monterrey, N.L.
GLA	34,812 sqm
% of Construction Progress	100%
% of Leased GLA (GLA signed)	70%
Estimated Opening Date	First Quarter 2021
Current Investment	781 million (without VAT)
Pending Investment	65.6 million (without VAT)

Sendero Ensenada

Construction began during 1Q20 in Baja California, however the construction is currently on hold. It is located on Libramiento Sur, intersecting with Mariano Marquez street, in the municipality of Ensenada. The project has a trade area of approximately 337,000 inhabitants and 92,000 households. The location has significant vehicular traffic and is a densely populated area. Sendero Ensenada will be the only shopping center of its type in the city. The anchor stores are Casa Ley and Cinépolis. Due to the actual contingency situation, the development of the shopping center is currently paused.

Acosta Verde has a 100% stake in the project. With the opening of Sendero Ensenada, Acosta Verde will have presence in the 3 most important cities of the state, considering the previous openings of Sendero Tijuana and Sendero Mexicali.

Location	Ensenada, B.C.
GLA	25,490 sqm
% of Construction Progress	7%
% of Leased GLA (GLA signed)	41%
Estimated Opening Date	To be defined
Current Investment	214 million (without VAT)
Pending Investment	335 million (without VAT)

Financial Statements

The following tables present unaudited consolidated financial statements of the company in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS):

Statement of financial position

Acosta Verde, S. A. B. de C. V., and Subsidiaries

Unaudited Consolidated Statements of Financial Position

December 31, 2020 and 2019

(Mexican pesos in thousands)

		December 31, 2020	December 31, 2019	Var. %
Assets				
Current assets				
Cash	$	3,301,792	555,103	495%
Accounts receivable		70,667	35,668	98%
Related parties		5,042	23,876	(79%)
Other accounts receivable		4,555	2,919	56%
Advance payments		5,087	8,206	(38%)
Lease incentives to tenants		56,378	-	100%
Recoverable taxes		299,111	334,570	(11%)
Land inventory		8,800	43,355	(80%)
Derivative financial instruments		-	2,641	(100%)
Total current assets		**3,751,432**	**1,006,338**	**273%**
Non-current assets				
Construction in progress		520,727	114,656	354%
Investment properties		12,757,221	13,406,521	(5%)
Property and equipment, net		121,350	106,156	14%
Restricted cash		119,581	140,319	(15%)
Lease incentives to tenants		63,891	-	100%
Guarantee deposits		22,418	21,408	5%
Intangible assets, net		3,949	3,611	9%
Lease asset		141,609	147,447	(4%)
Derivative financial instruments		173	201	(14%)
Investment in associates		199,054	202,511	(2%)
Deferred income tax		35,927	-	100%
Total non-current assets		**13,985,900**	**14,142,830**	**(1%)**
Total assets	**$**	**17,737,332**	**15,149,168**	**17%**
Liabilities and stockholders' equity				
Current liabilities				
Current debt	$	233,881	430,687	(46%)
Accounts payable and deferred revenue		325,363	317,384	3%
Lease liability		16,859	15,441	9%
Related parties		-	474,357	(100%)
Derivative financial instruments		4,128	3,415	21%
Income tax		684	3,136	(78%)
Total current liabilities		**580,915**	**1,244,420**	**(53%)**
Non-current liabilities:				
Non-current debt		5,596,855	5,394,294	4%
Lease liability		143,057	141,207	1%
Deferred revenue		27,389	28,214	(3%)
Derivative financial instruments		104,219	39,125	166%
Deferred income tax		1,667,021	1,835,104	(9%)
Employees' benefits		5,373	3,787	42%
Total non-current liabilities:		**7,543,914**	**7,441,731**	**1%**
Total liabilities		**8,124,829**	**8,686,151**	**(6%)**
Stockholders' equity				
Capital stock		5,925,603	2,216,268	167%
Premium on Issuance of shares		37,904	37,904	0%
Retained earnings		2,740,502	3,019,892	(9%)
Other equity accounts		(114,943)	(6,579)	1647%
Other comprehensive results		(2,090)	(1,364)	53%
Total controlling interest		8,586,976	5,266,121	63%
Non-controlling interest		1,025,527	1,196,896	(14%)
Total stockholders' equity		**9,612,503**	**6,463,017**	**49%**
Total liabilities and stockholders' equity	**$**	**17,737,332**	**15,149,168**	**17%**

Analysis of Consolidated Statements of Financial Position

Cash
Cash balance at the end of 2020 is MXN 3,301,792 an increase of MXN 2,746,689 or 495% compared to December 31, 2019. The increase is mainly explained by the USD $200mm equity increase (MXN 3,724,900) for the 37.98% capital stock acquisition made by Promecap Acquisition Company, S. A. B. de C. V. on February 7, 2020.

Accounts receivable
Accounts receivable as of December 31, 2020, totaled MXN 70,667 representing a 98% annual increase. Current and past-due accounts increase is explained by the lower collections due to the economic impact of COVID-19 disruption. At the end of December 2020, the allowance of the uncollectable accounts is MXN 48,238.

Lease incentives to tenants
At the end of 2020 the lease incentive to tenants account is MXN 56,378 which are rent concessions or discounts provided as a direct result of the COVID-19 pandemic for an agreed time to be accrued in accordance to IFRS 16 guidance

Recoverable taxes
Recoverable taxes balance as of December 31, 2020, for VAT and income tax is MXN 299,111 representing 11% decrease compared to the same period last year.

Land inventory
Land inventory account as of December 31, 2020, is MXN 8,800, with an MXN 34,555 decrease compared to 2019. Decrease is explained by a payment-in-kind in Santa Catarina's #3401 trust.

Construction in progress
The balance of construction in progress account as of December 31, 2020, is MXN 520,727, increasing by 354% or MXN 406,071 compared to 2019 explained by Plaza Sendero Santa Catarina and Plaza Sendero Ensenada projects investment.

Investment properties
Investment properties as of December 31, 2020, have a value of MXN 12,757,221, which decreased by MXN 649,300 compared to December 31, 2019. This can be explained by the changes on the properties fair values due to the restrictions related to COVID-19. On March 11, 2020, the World Health Organization declared the COVID-19 a global pandemic and recommended lockdowns, business closures, quarantines, travel restrictions, capacity limitations and social distancing measures.

Current liabilities
Current liabilities as of December 31, 2020, are MXN 580,915, decreasing by 53% compared to December 2019. Variation is explained by the payment of the following liabilities: related parties for USD $24mm and bank loans with Invex, Sabadell and Bancrea.

Non-Current liabilities
Non-Current liabilities as of December 31, 2020, are MXN 7,543,914 with an annual increase of MXN 72,574 or 1% explained by long term bank loans.

Stockholders' equity
Stockholders' equity at the end of 2020 is MXN 9,612,503 in comparison with stockholders' equity at the end of 2019 of MXN 6,463,017. The 49% increase is explained by the USD $200mm equity increase made by Promecap Acquisition Company, S. A. B. de C. V. in February 2020.

Consolidated Statements of Comprehensive Income

The consolidated Financial Statements of comprehensive income contain the following concepts:

Revenue. The main source of Acosta Verde income is the lease income that comes from the rents that the lessees pay for the use of commercial spaces. Lease income is recognized on a straight-line basis over the term of the leasing.

Additionally, the Company receives income from management fees, which consists of income obtained from the shopping center management activity, and includes the following: (i) development fee, (ii) leasing fee (consists on a fee paid for obtaining and signing the first generation of leasing contracts in a shopping center), (iii) fee for renewal of leasing contracts (in stabilized projects, it consists of a fee paid by lessees for renewals), (iv) management fee, and (v) Asset management Fee ("know-how" of shopping centers administration).

Management income is recognized in the financial statements at the rates agreed for the respective service provisions. In this way, (i) the development fee totals for each project 8% of the project's land and construction value, (ii) the leasing fee and the leasing renewal fee total a 5% of the total value of the leasing contracts, (iii) the management fee is equal to 3% of the shopping center collection, and (iv) the asset management fee totals the fixed amount agreed upon with each shopping center.

Operating expenses. The operating expenses is integrated mainly by fees, advisory work , leasing expenses, depreciation and amortization, construction projects expenses, shopping centers maintenance expenses, corporate office expenses, and taxes, among other general expenses.

Valuation of investment properties. The valuation of investment properties is calculated as the change in the fair value of investment properties (shopping centers, land inventory, etc.).

Other income/expenses. The concept of other income/expenses includes the following: income from reimbursement, air conditioner income and other non-recurring income. The other expenses include cancellation of accounts, air conditioner expenses, and other various expenses.

Financial income/expenses. Financial income and expenses are conformed by interest income, interest paid, financial instruments, bank fees, and foreign exchange profit and loss.

Income (loss) from unconsolidated entities. The participation in results of joint ventures and associates consists of the recognition in results that the Company invested in shares or stock participations of associated companies or trusts. Associates are all those entities over which the Company has significant influence but not control, therefore, to classify as an associate, the Company must hold between 20% and 50% of the voting rights in the respective associate.

Income taxes. The income tax is made up of the tax caused on the respective year and deferred taxes.

Acosta Verde, S. A. B. de C. V., and Subsidiaries

Unaudited Consolidated Statements of Comprehensive Income

For the Three Months Ended December 31, 2020 and 2019 and for the Year Ended December 31, 2020 and 2019

(Mexican pesos in thousands)

		For the Three Months Ended December 31,			For the Year Ended December 31,		
		2020	2019	Var. %	2020	2019	Var. %
Revenue:							
Lease income	$	225,482	275,747	(18%)	954,892	1,088,447	(12%)
Property sales		-	-	-	-	21,815	(100%)
Management fees		29,858	26,582	12%	113,840	110,432	3%
Total revenue		**255,340**	**302,329**	**(16%)**	**1,068,732**	**1,220,694**	**(12%)**
Operating expenses:							
Cost of property sold		-	-	-	-	(11,500)	(100%)
Operating expenses		(126,068)	(156,147)	(19%)	(580,420)	(461,988)	26%
Total cost and operating expenses		**(126,068)**	**(156,147)**	**(19%)**	**(580,420)**	**(473,488)**	**23%**
Valuation of investment properties and property		(114,820)	178,794	(164%)	(649,300)	715,176	(191%)
Other income(expense), net		4,239	59,357	- (93%)	2,561	(35,358)	- (107%)
Operating income (loss)		**18,691**	**384,333**	**(95%)**	**(158,427)**	**1,427,024**	**(111%)**
Financial Income		(2,562)	61,077	(104%)	1,016,172	191,412	431%
Financial Expenses		(551,715)	(200,083)	176%	(1,369,976)	(850,653)	61%
Financial expense, net		**(554,277)**	**(139,006)**	**299%**	**(353,804)**	**(659,241)**	**(46%)**
(Loss) from unconsolidated entities		-	-	-	-	(38,692)	(100%)
Income from unconsolidated entities		7,261	5,756	26%	8,854	22,612	(61%)
Income (loss) before income tax	**$**	**(528,325)**	**251,083**	**(310%)**	**(503,377)**	**751,703**	**(167%)**
Income tax		109,342	(70,826)	(254%)	100,191	(217,194)	(146%)
Net income	**$**	**(418,983)**	**180,257**	**(332%)**	**(403,186)**	**534,509**	**(175%)**
Other comprehensive results items		(726)	(782)	(7%)	(726)	(782)	(7%)
Comprehensive income (loss) of the period	**$**	**(419,709)**	**179,475**	**(334%)**	**(403,912)**	**533,727**	**(176%)**
Comprehensive income attributable to:							
Controlling interest		(361,218)	146,382		(276,561)	428,390	
Non-controlling interest		(58,491)	33,093		(127,351)	105,337	
		(419,709)	179,475		(403,912)	533,727	

Analysis of Consolidated Statements of Comprehensive Income

Comparison of the main items of the comprehensive income statement for the three-month period ended December 31, 2020, versus the three-month period ended December 31, 2019.

Revenue
The total lease income for the three-month period ended December 31, 2020, is MXN 225,482 compared to MXN 275,747 for the three-month period ended December 31, 2019, representing a decrease of 16%. Such decrease is attributed to lower lease income by MXN 50,265 due the effect of the COVID-19 pandemic.

The chart below shows the distribution of rental income for each shopping center for the three months ended December 31, 2020, and December 31, 2019:

Detail of lease income *(MXN in thousands)*	4Q20	4Q19
Sendero Escobedo	12,889	13,174
Sendero Las Torres	15,785	18,037
Sendero Periférico	12,247	11,897
Sendero Ixtapaluca	14,742	19,240
Sendero San Luis	15,915	22,865
Sendero Toluca	22,339	26,825
Sendero San Roque	905	2,251
Sendero Juárez	10,667	14,972
Sendero Apodaca	20,145	24,126
Sendero Chihuahua	10,057	15,116
Sendero Los Mochis	13,598	15,657
Sendero Tijuana	23,671	24,047
Sendero Sur	12,976	15,981
Sendero Obregón	9,834	11,154
Sendero Culiacán	14,783	19,221
Sendero Mexicali	14,929	18,282
Other lease income	-	2,902
	225,482	**275,747**

Income from management fees for the period ended December 31, 2020, increased by 12% compared to the same period in 2019 explained by higher income in administrative fees.

Cost and operating expenses
Total cost and operating expenses for the three-month period ended December 31, 2020, is MXN 126,068 compared to MXN 156,147 for the three-month period ended December 31, 2019, representing a decrease of 19%.

Valuation of Investment properties and property
The effect on results of the Valuation of Investment properties for the three-month period ended December 31, 2020, is MXN (114,820) compared to MXN 178,794 for the three-month period ended December 31, 2019, representing a decrease of 164%. The decrease is attributable to the changes on the properties fair values (appraisal values) due to the effects related to COVID-19.

Other income (expenses), net
The total other income and expenses net for the three-month period ended December 31, 2020, resulted in an income of MXN4,239 compared to MXN 59,357 of income for the three-month period ended December 31, 2019.

Financial expenses, net
The total net financial expenses resulted in MXN 554,277 for the three-month period ended December 31, 2020, compared with the MXN 139,006 for the same period last year, which represent an increase of 299%. This effect is mainly due to loss in foreign exchange registered in the quarter.

Income (loss) from unconsolidated entities
Income (loss) from unconsolidated entities for the three-month period concluded on December 31, 2020, was MXN 7,621, compared to the same period last year of MXN 5,756. Acosta Verde has a 50% participation in the CIB/2715 trust, which owns 5 commercial spaces located in company's shopping centers.

Income taxes
Income taxes for the three-month period concluded on December 31,2020, was MXN (109,342) versus the MXN 70,826 expense registered for the same period last year which represents a 254% negative variation attributable to deferred taxes due to changes in the appraisal values of the shopping centers.

Comprehensive income (loss) of the period
The comprehensive loss for the three-month period ended December 31, 2020, is MXN 419,709, compared to MXN 179,475 income registered same period last year, which represents a 334% decrease. This is attributed to the combination of increases and decreases of the items described above.

Comparison of the main items of the comprehensive income statement for the twelve-month period ended December 31, 2020, versus the twelve-month period ended December 31, 2019.

Revenue
The total lease income for the year ended December 31, 2020, is MXN 954,892 compared to MXN 1,088,447 for the twelve-month period ended December 31, 2019, representing a decrease by 12%. Such decrease is attributed to lower lease income due the effect of the COVID-19 pandemic.

The chart below shows the distribution of rental income for each shopping center for the year ended December 31, 2020, and December 31, 2019:

Detail of lease income *(MXN in thousands)*	2020	2019
Sendero Escobedo	54,182	64,911
Sendero Las Torres	67,114	73,685
Sendero Periférico	47,299	45,658
Sendero Ixtapaluca	63,197	78,663
Sendero San Luis	72,246	91,164
Sendero Toluca	93,274	106,065
Sendero San Roque	4,779	10,425
Sendero Juárez	50,228	57,750
Sendero Apodaca	81,363	92,776
Sendero Chihuahua	50,806	59,352
Sendero Los Mochis	59,030	62,902
Sendero Tijuana	85,640	92,728
Sendero Sur	56,226	62,537
Sendero Obregón	41,700	44,137
Sendero Culiacán	65,558	75,303
Sendero Mexicali	62,250	67,489
Other lease income	-	2,902
	954,892	**1,088,447**

Revenue from Property Sales registered for the year ended December 31, 2019, is explained by Tijuana's extra land parcel sale for MXN 21,815.

Income from management fees for the twelve-month period ended on December 31, 2020, increased by 3% compared to the same period in 2019.

Cost and operating expenses
Total cost and operating expenses for the twelve-month period ended December 31, 2020, is MXN 580,420 compared to MXN 473,488 for the twelve-month period ended on December 31, 2019, representing a decrease of 23% or MXN 106,932. This increase in operating cost and expenses is mainly explained by a net effect of MXN (11,500) in investment property costs from the Tijuana's extra land parcel sale in 2019 and an annual increase in 2020 of MXN 118,432 in operating expenses due to transactional expenses of the company's transaction with Promecap Acquisition Company and the listing as a public company on the Mexico stock exchange (BMV).

Valuation of Investment properties and property
The effect on results of the Valuation of Investment properties for the twelve-month period ended on December 31, 2020, is MXN (649,300) compared to MXN 715,176 for the twelve-month period ended on December 31, 2019, representing a decrease of 191%. The decrease is attributable to the changes on the properties fair values (appraisal values) due to the effects related to COVID-19.

Other income (expenses), net
Total other income and expenses net for the twelve-month period ended on December 31, 2020, resulted on an income of MXN 2,561 compared to MXN 35,358 expense for the twelve-month period ended on December 31, 2019. The variation is mainly explained by other expenses recorded in 2019, which were related to the sale of participation in associates (MAZCOA) and extraordinary expenses for write off AR from related parties.

Financial expenses, net
The total net financial expenses resulted in MXN 353,804 for the twelve-month period ended on December 31, 2020, compared with the MXN 659,241 for the same period last year, which represent a decrease by MXN 305,437 mainly explained by foreign exchange earnings and lower interest expenses.

Comprehensive income (loss) of the period
The comprehensive loss for the twelve-month period ended on December 31, 2020, is MXN 403,912, compared to MXN 533,727 income registered for the same period last year, which represents a 176% decrease. This is attributed to the combination of increases and decreases of the items described above.

Consolidated Statements of Cash Flows

Acosta Verde, S. A. B. de C. V., and Subsidiaries

Unaudited Consolidated Statements of Cash Flows - Indirect Method

For the years ended December 31, 2020 and 2019

(Mexican pesos in thousands)

		Year ended December 31, 2020	2019	Var. %
Cash flows from operating activities				
Comprehensive income (loss) of the year	$	(403,912)	533,727	(176%)
Adjustments to reconcile net income to operating activities net cash flows				
Depreciation and amortization		30,311	38,591	(21%)
Provisions for employee benefits		18,476	-	100%
Uncollectable accounts		38,507	2,117	1719%
Equity operation		(10,000)	-	100%
Land parcel sale profit		-	(5,796)	(100%)
Income tax withheld to investors		-	(2,011)	(100%)
Loss in sale of investment properties		-	61,088	(100%)
Deferred tax		(158,060)	155,377	(202%)
Valuation of investment properties		649,300	(715,176)	(191%)
Account receivable cancelation		5,500	-	100%
Income from unconsolidated entities		(8,854)	(22,612)	(61%)
Loss from unconsolidated entities		-	38,692	(100%)
Direct employees' benefits		997	761	31%
Other comprehensive results items		726	(782)	(193%)
Merge transaction effects		5,259	-	100%
Financial Instruments valuation		115,943	93,713	24%
Income from interest		(62,613)	(61,930)	1%
Interest and commissions		495,519	591,892	(16%)
Subtotal		**717,099**	**707,651**	1%
Changes in:				
Accounts receivable, net		(73,673)	(7,024)	949%
Other accounts receivable		(1,635)	87,096	(102%)
Incentives to tenants to be accrued		(120,269)	-	100%
Related parties		18,834	(250)	(7648%)
Advance Payments		(31,548)	(27,335)	15%
Recoverable taxes		35,458	129,297	(73%)
Guarantee deposits		(8,176)	5,501	(249%)
Accounts payable and deferred income		13,874	(48,743)	(128%)
Income taxes		(2,452)	(489)	402%
Operating activities net cash flows		**547,512**	**845,704**	**(35%)**
Cash flows from investment activities				
Acquisition of investment property		-	(373,421)	(100%)
Collected interests		186	137	35%
Profits collected		59,851	30,807	94%
Profits received from joint ventures		12,310	9,915	24%
Sale of Investment property		-	17,296	(100%)
Advance for sale of property		1,100	-	100%
Construction in progress		(406,071)	(113,939)	256%
Acquisiton of property, furniture and transportation equipment		(23,450)	(4,750)	394%
Sale in associates		-	36,000	(100%)
HQ offices payment		-	(9,008)	(100%)
Net cash flows from investment activities		**(356,074)**	**(406,962)**	**(13%)**
Cash flows from financing activities				
Contributions from non-controlling interest		6,289	292,734	(98%)
Returns of contributions to non-controlling interest		(15,752)	(37,526)	(58%)
Bank loans obtained		463,504	200,041	132%
Payment of bank loans		(372,314)	(235,170)	58%
Payment of other loans		(1,723)	(16,255)	(89%)
ACOSTCB15 payment		(85,527)	(71,910)	19%
Interest and commissions paid		(460,902)	(565,685)	(19%)
Loans to related parties		-	(93)	(100%)
Payment of loans to related parties		(453,735)	-	100%
Payment of interest to related parties		(11,656)	(70,381)	(83%)
Leases		(1,607)	-	100%
Payments of principal from leases		(15,540)	(21,244)	(27%)
Derivate financial instrument		(43,360)	-	100%
Payment of interest of derivate financial Instrument		(27,862)	-	100%
Expenses related to increase in capital stock		(134,676)	-	100%
Payments to stockholder's		(19,994)	-	100%
Increase in capital stock		3,724,920	-	100%
Decrease in capital stock		(15,585)	(54,503)	(71%)
Restricted cash		20,738	(9,564)	(317%)
Net cash flows from financing activities		**2,555,218**	**(589,558)**	**(533%)**
Increase In cash, net		**2,746,656**	**(150,815)**	**(1921%)**
Cash at beginning of the year		**555,103**	**705,918**	**(21%)**
Cash from merger		**33**	**-**	**100%**
Cash at the end of year	**$**	**3,301,792**	**555,103**	**495%**

Reconciliation of Operating Income - EBITDA

EBITDA Reconciliation

The following table shows the reconciliation of EBITDA with the income statement ((Loss) operating profit) at the end of December 30, 2020, and December 30, 2019.

Figures in thousands of pesos	For the Three Months Ended on December 31			For the Year Ended December 31		
	2020	2019	Var. %	2020	2019	Var. %
(Loss) Operating Profit	18,691	384,333	(95%)	(158,427)	1,427,024	(111%)
(-) Property Revaluation	114,820	(178,794)	(164%)	649,300	(715,176)	(191%)
Depreciation and Amortization	7,192	7,003	3%	28,595	27,744	3%
EBITDA	**140,702**	**212,542**	(34%)	**519,468**	**739,592**	(30%)
(-) Other income and expenses [1]	(4,239)	(59,357)	(93%)	(2,561)	35,358	(107%)
(-) Real estate sale	-	-	-	-	(21,815)	(100%)
(+) Cost of sales of investment properties	-	-	-	-	11,500	(100%)
(+) F2715 Sub-anchor stores [2]	6,769	10,245	(34%)	30,680	39,883	(23%)
(-) Mazcoa [3]	-	-	-	-	(2,092)	(100%)
(+) Nonrecurring expenses and others [4]	17,208	44,578	(61%)	170,449	33,461	409%
Adjusted EBITDA	**160,440**	**208,008**	(23%)	**718,035**	**835,888**	(14%)
Adjusted EBITDA Margin	**61%**	**67%**	(6) p.p	**65%**	**68%**	(3) p.p

[1] Includes income from sale of participation in Mazatlán and Coatzacoalcos (MAZCOA) and Villahermosa shopping centers
[2] Includes 100% of the operating income and expenses of the joint venture that AV has with Trust CIB 2715, which are not consolidated in AV and are recorded by the equity method. AV participation is 50%
[3] Includes income and expenses of MAZCOA only the participation of Acosta Verde
[4] Includes recognition of IFRS leasing expense, recognition of corporate licenses, compensation and nonrecurring expenses

NOI Reconciliation

The Company calculates NOI on a cash flow basis, the next chart shows the reconcliation of the accounting NOI to the cash flow NOI at the end of December 30, 2020 and December 30, 2019.

Figures in thousands of pesos	For the Three Months Ended on December 31			For the Year Ended December 31		
	2020	2019	Var. %	2020	2019 [6]	Var. %
Accounting NOI Income	225,481	275,748	(18%)	954,892	1,085,546	(12%)
Accounting F2715 Sub-anchor stores [1]	6,823	10,308	(34%)	31,266	40,450	(23%)
Property Tax	(3,944)	(4,080)	(3%)	(15,775)	(16,159)	(2%)
Maintenance Service	(14,493)	(12,171)	19%	(53,204)	(54,072)	(2%)
NOI Accrued Base	**213,868**	**269,804**	**(21%)**	**917,178**	**1,055,765**	**(13%)**
Land Leasing [2]	(3,692)	(3,573)	3%	(14,491)	(13,976)	4%
Management Expense [3]	(6,829)	(8,239)	(17%)	(23,310)	(32,675)	(29%)
Adjustment Cash Flow vs. Accrued [4]	(4,493)	(3,459)	30%	(2,309)	5,088	(145%)
Adjustment Incentives Amort to Lessees [5]	(14,883)	0	100%	(120,269)	0	100%
Accounts Payable Adjustment and Uncollectible	23,223	7,280	219%	(69,321)	(76)	91652%
NOI Cash Flow Basis	**207,193**	**261,813**	**(21%)**	**687,478**	**1,014,125**	**(32%)**

[1] Includes 100% of the operating income and expenses of the joint venture that AV has with Trust CIB 2715, which are not consolidated in AV and are recorded by the equity method. AV participation is 50%
[2] The Apodaca´s land leasing is not an accounting expense by IFRS regulations
[3] Management Expense is an intercompany expense, in the consolidated results the accounting effect is zero; however, since it is an expense of each shopping center it is considered in the NOI Cash flow basis
[4] The adjustment is mainly due to Key Money, which is amortized throughout the contract
[5] The incentive to tenants is amortized over the remaining term of the contract, this effect is eliminated in the cash flow basis.
[6] NOI reconciliation is a comparison of the same shopping centers, in 2019 the AV participation in Mazatlán and Coatzacoalcos shopping centers (MAZCOA) is not included. The revenues generated in 2019 by MAZCOA are $2,902 and expenses of $724

Debt Analysis[6]

Acosta Verde, closed 4Q20 with a total debt of Ps 5,938,949 and an LTV of 19%.

Debt Analysis (In thousands of Ps.)	4Q20	4Q19	Var. %
Total Debt[1]	5,938,949	5,944,978	0%
Total Net Debt [1]	2,491,190	5,680,947	(56%)
Proportional Net Debt [1]	1,629,383	5,062,265	(68%)
Loan to Value [2]	19%	42%	(23) p.p.

[1] Total Debt: is the result of adding the corporate debt plus the debt of creditors and suppliers. The Total Net Debt is the Total Debt minus cash and equivalents (which 89% is in dollars).
[2] Value calculated by taking the total net debt divided by the Appraised Value of Assets corresponding to the debt.

Corporate Debt (In Thousands of MXN)	Due Date	Current Balance[1]	Base Rate	Spread	AV Participation	Proportional Debt Balance[2]
AcostCB15 (2)	Feb-35	2,714,443	8.00%	-	100%	2,714,443
Sendero Chihuahua	Jul-31	308,729	TIIE 28 days	2.50%	57%	175,667
Sendero Los Mochis	Aug-31	360,759	TIIE 28 days	2.50%	57%	205,272
Sendero Tijuana	Feb-33	427,521	TIIE 28 days	2.50%	76%	323,206
Sendero Sur	Aug-34	387,079	TIIE 28 days	2.50%	76%	292,632
Sendero Obregón	Sep-34	284,670	TIIE 28 days	2.50%	76%	215,211
Sendero Culiacán	May-32	442,476	TIIE 28 days	2.50%	75%	333,185
Sendero Mexicali	Apr-25	402,074	TIIE 28 days	2.25%	100%	402,074
Sendero Santa Catarina	Dec-26	411,225	TIIE 28 days	2.25%	40%	164,490
F2715 Sub-anchors (3)	Oct-27	119,706	TIIE 28 days	2.50%	100%	119,706
Short Term Debt (4)	Feb-21	20,578	6.99%	-	65%	13,280
Short Term Debt (4)	Mar-21	33,236	6.97%	-	61%	21,095
Total Corporate Debt		**5,912,497**				**4,980,261**

[1] Includes provisional interest as of December 31, 2020.
[2] AcostCB15 has as collateral the Stabilized Portfolio (except for Sendero San Roque and F2715 Sub-anchors)
[3] The F2715 debt is not consolidated into the Financial Statements. AV has a 50% participation; however, the debt corresponds 100% to AV. In the Financial Statements, the 50% is recognized for the structure generated for financing.
[4] Shot term credits on Chihuahua, Los Mochis, Tijuana, Sur y Obregón.

[6] Total Debt and Total Corporate Debt includes the participation of minorities, AV ownership is: Chihuahua 56.9%, Los Mochis, 56.9%, Tijuana 75.6%, Sur 75.6%, Obregón 75.6%, Culiacán 75.3% and Mexicali 100%. Additionally, includes debt of 2715 Trust. Debt which is not consolidated in AV but corresponds 100% to AV, even when AV participation is 50%. On Proportional Debt figures it excludes the minorities participation.

Conference Call

Acosta Verde is pleased to invite you in the fourth quarter results conference call 2020.
Date: February 25, 2021
Time: 16:00 pm Mexico City time

México: +1 212-231-2927
U.S.A. & Canada (Toll Free): +1 800-954-1053
International: +1 212-231-2927

Webcast: http://public.viavid.com/index.php?id=143683

Presenting:
Jesus Adrián Acosta Castellanos - Chief Executive Officer
Edgar Maldonado de los Reyes - Administration and Financial Director
Hernán Treviño de Vega - Legal and Operations Director

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Glossary of Terms and Definitions:

This document contains certain non-IFRS financial and operational measures, which are expressed in thousands of Mexican pesos ("Ps and/or "$") and are defined herein:

GLA or “ABR” (for its acronym in Spanish) means the gross leasable area corresponding to the area of a property that is subject to leasing.

EBITDA means earnings before financial income and expenses, interest, taxes, depreciation, and amortization.

Adjusted EBITDA is calculated: EBITDA minus other income and expenses, minus the net sale of investment properties, minus non-recurring expenses and adding the results of associated companies and trusts that do not consolidate or are not considered in the results of the company.

Net Operating Income or “NOI” means net operating income, a measure prepared on cash flow basis. The Company calculates NOI by adding the following concepts i) income produced by fixed rent, ii) income from variable rent, iii) income generated in the common areas of Shopping Centers (parking, spaces for leasing and advertising), and iv) income from Key Money; and subtracting the following concepts: i) maintenance expenses for vacant space or with a payment agreement, ii) the leasing expenses of the land of one of the Shopping Centers (Sendero Apodaca), iii) management fees payable to Acosta Verde, and iv) property tax.

LTV means loan to value and it is a financial term used by financial entities to express the ratio of a loan in relation to the value of an asset. Value is calculated by taking the total net debt divided by the appraised value of assets corresponding to the debt.

NOI, NOI margin, adjusted EBITDA, adjusted EBITDA margin, and LTV are financial measures not defined under IFRS. A financial measure not defined under IFRS is generally defined as one that intends to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be adjusted to the most comparable extent in accordance with IFRS.

Given that not all companies use identical calculations, NOI, EBITDA, and LTV presented may not be comparable to other similar measures used by other companies.