

Corporación Inmobiliaria Vesta, S.A.B. de C.V.



General Ordinary Shareholder's Meeting

Translation for Informational Purposes Only

Mexico City, March 21st, 2024



AGENDA

- I. Presentation, and in its case, approval of the 2023 annual report by the CEO.
- II. Presentation, and in its case, approval, of the 2023 annual report by the Board of Directors referred to in fraction IV of Article 28 of the Securities Market Law.
- III. Presentation, and in its case, approval, of the 2023 annual reports of the Audit, Corporate Practices, Investment, Ethics, Debt and Equity, Environmental, Social and Corporate Governance Committees.
- IV. Report on the compliance of tax obligations of the Company and its subsidiaries, during 2023.
- V. Presentation, and in its case, approval, of the audited and consolidated financial statements of the Company and its subsidiaries, prepared for the fiscal year 2023, including the report from the external auditor for the Company.
- VI. Presentation, and in its case, approval of the decree and payment of a cash dividend, delegation of authority to the Board of Directors

AGENDA

- VII. Presentation, and in its case, approval of the share repurchase program during the fiscal year 2023.
- VIII. Presentation, and in its case, approval of the 2024 share repurchase program, of the amount that may be used in a revolving manner for such purposes and its execution.
- IX. Appointment, or in its case, ratification of the members of the Board of Directors, and of the presidents of the Audit and Corporate Practices Committees.
- X. Proposal and in its case, approval of the compensations payable to the members of the Board of Directors and committees, during 2024.
- XI. Proposal, and in its case, approval of the long-term incentive plan for the executives of the Company during the period 2024 - 2028.
- XII. Proposal, and in its case, approval to cancel unsubscribed and unpaid shares from the offerings carried out in 2023.
- XIII. Appointment of special delegates for the General Ordinary Meeting.

I. Presentation, and in its case, approval of the 2023 annual report by the CEO.


- 1) *For the report by the CEO. See Appendix 1.*
- 2) *For the audited and consolidated financial statements. See Appendix 2.*

II. Presentation, and in its case, approval, of the 2023 annual report by the Board of Directors referred to in fraction IV of Article 28 of the Securities Market Law.

- 1) *For the report by the board of directors. See Appendix 3*
- 2) *For the audited and consolidated financial statements. See Appendix 2.*
- 3) *For the activities' reports of the committees. See Appendixes 4 to 9.*
- 4) *For the report by the CEO. See Appendix 1.*

- III. Presentation, and in its case, approval, of the 2023 annual reports of the Audit, Corporate Practices, Investment, Ethics, Debt and Equity, Environmental, Social and Corporate Governance Committees.

For the annual reports for each of the committees. See Appendixes 4 to 9.



IV. Report on the compliance of tax obligations of the Company and its subsidiaries, during 2023.

Pursuant to Article 76 Section XIX of the Income Tax Law, I hereby inform you that, as of this date, Corporación Inmobiliaria Vesta, S.A.B. de C.V. and its subsidiaries:

- (i) Have filed in due time and manner each and every one of their corresponding tax returns.
- (ii) Have complied with all their tax obligations, both as a direct taxpayer and as a withholder.
- (iii) Have made each and every one of the tax payments and contributions, that according to the applicable law, they are bound to do; and
- (iv) There are no legal proceedings open by the tax authorities against Corporación Inmobiliaria Vesta, S.A.B. de C.V. or any of its subsidiaries for failure to comply with any tax obligation.

Mexico City, March 21st, 2024

/s/

Juan Felipe Sottit Achutegui
CFO

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- V. Presentation, and in its case, approval, of the audited and consolidated financial statements of the Company and its subsidiaries, prepared for the fiscal year 2023, including the report from the external auditor for the Company.

For the audited and consolidated financial statements. See Appendix 2.

VI. Presentation, and in its case, approval of the decree and payment of a cash dividend, delegation of authority to the Board of Directors.

All Figures are in USD\$	2022	2023	2024
	(2021 Results)	(2022 Results)	(2023 Results)
Dividend Calculation			
Plus (Loss) / Minus (Profit)	256,032,928	291,848,224	381,621,094
Depreciacion	1,601,216	1,463,920	1,578,073
Foreign Exchange Loss (Profit)	1,109,567	(1,939,848)	(8,906,782)
Non cash Share Compensation Plan 20	5,554,353	6,650,487	8,001,831
Loss (Gain) on revaluation	(164,649,959)	(185,491,518)	(243,459,821)
Gain in sell properties	(13,992,675)	(5,027,826)	461,600
Non Cash Adjustements	(170,377,498)	(184,344,785)	(242,325,099)
Available Cash	85,655,431	107,503,440	139,295,995
Principal Repayment	(2,880,592)	(4,627,154)	(4,613,002)
Taxes Paid	(4,197,803)	(14,824,658)	(38,773,726)
Mintanence, Broker Reserve	(2,000,000)	(4,000,000)	(3,500,000)
Cash Adjustment	(9,078,395)	(23,451,812)	(46,886,728)
Distributable Profit	76,577,036	84,051,628	92,409,267
Dividend Recomendation	<u>57,432,777</u>	<u>60,307,043</u>	<u>64,686,487</u>
Dividend Ratio	75.0%	71.8%	70.0%
Dividends per Share (US\$/Share)	0.0839	0.0870	0.0736
	-15.1%	3.7%	-15.4%
Outstanding Shares	684,252,626	692,963,624	878,764,798

- Dividends will be paid in 4 equal installments, on April 16, July 16, and October 15, 2024, and January 15, 2025.

VII. Presentation, and in its case, approval of the share repurchase program during the fiscal year 2023.

During 2023, the Company did not operate the Shares Repurchase Program; therefore, no shares were acquired or sold by the Company.

VIII. Presentation, and in its case, approval of the 2024 share repurchase program, of the amount that may be used in a revolving manner for such purposes and its execution.

Share Repurchase Fund for 2024

Authorized Amount during 2023: US\$100,000,000

Amount remaining from 2023: US\$100,000,000

Proposed increase: US\$0

Proposed Share repurchase fund for 2024: **US\$100,000,000**


Recommendation by the Board of Directors:

- Board of directors recommended to the General Shareholders Meeting to approve that the reserve to be used in a revolving manner for the repurchase of the Company's shares be the equivalent of US\$100,000,000.00, in the same terms as the reserve approved for 2023.

- The board of directors recommended to the shareholders of the Company to: (i) approve a share repurchase program; and (ii) authorize that the reserve amount for the repurchase of Company's shares that may be used in a revolving manner during the fiscal year 2024, be the amount of US\$100,000,000
- For the purposes of the foregoing, management confirmed that said amount does not exceed the total balance of the net profits of the Company, including those retained from previous fiscal years.
- The share repurchase program shall continue to operate pursuant to the current rules approved by the board of directors, until the board updates or confirms said rules during its next meeting.

IX. Appointment, or in its case, ratification of the members of the Board of Directors, and of the presidents of the Audit and Corporate Practices Committees.

For the CV of each of the proposed members of the board of directors. See Appendix 10.



INTEGRATION OF THE BOARD OF DIRECTORS DURING 2023

Proprietary	Character	Substitute	Character	Position
Lorenzo Manuel Berho Corona	Patrimonial	Lorenzo Dominique Berho Carranza	Patrimonial	President
Stephen B. Williams	Independent	Jorge Alberto de Jesús Delgado Herrera	Independent	Member
Jose Manuel Dominguez Díaz Ceballos	Independent	José Guillermo Zozaya Délano	Independent	Member
Craig Wieland	Independent	Enrique Carlos Lorente Ludlow	Independent	Member
Daniela Berho Carranza	Patrimonial	Elías Laniado Laborin	Patrimonial	Member
Luis Javier Solloa Hernández	Independent	Viviana Belaunzarán Barrera	Independent	Member
Loreanne Helena García Ottati	Independent	José Antonio Pujals Fuentes	Independent	Member
Oscar Francisco Cazares Elias	Independent	Rocío Ruiz Chávez	Independent	Member
Douglas M. Arthur	Independent	Manuela Molina Peralta	Independent	Member
Luis de la Calle Pardo	Independent	Francisco Javier Mancera De Arrigunaga	Independent	Member
Alejandro Pucheu Romero	Non-Member	José Eduardo Patiño Gutiérrez	Non-Member	Secretary

PROPOSED INTEGRATION OF THE BOARD OF DIRECTORS FOR 2024

Proprietary	Character	Substitute	Character	Position
Lorenzo Manuel Berho Corona	Patrimonial	Lorenzo Dominique Berho Carranza	Patrimonial	President
Manuela Molina Peralta	Independent	Jorge Alberto de Jesús Delgado Herrera	Independent	Member
Jose Manuel Dominguez Díaz Ceballos	Independent	José Guillermo Zozaya Délano	Independent	Member
Craig Wieland	Independent	Enrique Carlos Lorente Ludlow	Independent	Member
Daniela Berho Carranza	Patrimonial	Elías Laniado Laborin	Patrimonial	Member
Luis Javier Solloa Hernández	Independent	Viviana Belaunzarán Barrera	Independent	Member
Loreanne Helena García Ottati	Independent	José Antonio Pujals Fuentes	Independent	Member
Oscar Francisco Cazares Elias	Independent	Rocío Ruiz Chávez	Independent	Member
Douglas M. Arthur	Independent	Stephen B. Williams	Independent	Member
Luis de la Calle Pardo	Independent	Francisco Javier Mancera De Arrigunaga	Independent	Member
Alejandro Pucheu Romero	Non-Member	Jimena María García-Cuellar Céspedes	Non-Member	Secretary

***PROPOSAL FOR INTEGRATION OF THE BOARD OF
DIRECTORS FOR 2024 (cont')***

Members qualified as *“independent”*, is because as of this date, they do not fall within any of fractions I to V of article 26 of the Securities Market Law of Mexico.

Proposed members have accepted their respective offices, contingent upon final approval by the shareholders.

INTEGRATION OF THE AUDIT AND CORPORATE PRACTICES COMMITTEES DURING 2023

Audit Committee

Luis Javier Solloa Hernández	President **
Stephen B. Williams	Member
Viviana Belaunzarán Barrera	Member
José Manuel Domínguez Díaz Ceballos	Member
Lorenzo Manuel Berho Corona	Permanent Guest

Corporate Practices Committee

Francisco Javier Mancera de Arrigunaga	President **
José Guillermo Zozaya Délano	Member
José Antonio Pujals Fuentes	Member
Oscar Francisco Cázares Elías	Member
Lorenzo Manuel Berho Corona	Permanent Guest

INTEGRATION OF THE AUDIT AND CORPORATE PRACTICES COMMITTEES FOR 2024

Audit Committee

Luis Javier Solloa Hernández	President **
Manuela Molina Peralta	Member
Viviana Belaunzarán Barrera	Member
José Manuel Domínguez Díaz Ceballos	Member
Lorenzo Manuel Berho Corona	Permanent Guest

Corporate Practices Committee

Francisco Javier Mancera de Arrigunaga	President **
José Guillermo Zozaya Délano	Member
José Antonio Pujals Fuentes	Member
Oscar Francisco Cázares Elías	Member
Lorenzo Manuel Berho Corona	Permanent Guest

*** Requires approval form the shareholders meeting*

INTEGRATION OF COMMITTEES FOR 2024

(FOR INFORMATIONAL PURPOSES)

Ethics Committee

José Antonio Pujals Fuentes	President
Elías Laniado Laborin	Member
Alejandro Pucheu Romero	Member
Alfredo Marcos Paredes Calderón	Member
Daniela Berho Carranza	Member

Investment Committee

Douglas M. Arthur	President
Stephen B. Williams	Member
Lorenzo Manuel Berho Corona	Member
Craig Wieland	Member
Manuela Molina Peralta	Member

INTEGRATION OF THE COMMITTEES FOR 2024 ***(FOR INFORMATIONAL PURPOSES) cont'***

Debt and Equity Committee

José Manuel
Domínguez Díaz
Ceballos

President

Douglas M. Arthur

Member

Manuela Molina
Peralta

Member

Lorenzo Manuel
Berho Corona

Member

Environmental, Social and Corporate Governance Committee (ESG)

Jorge Alberto de
Jesús Delgado Herrera

President

José Manuel
Domínguez Díaz
Ceballos

Member

Daniela Berho
Carranza

Member

Lorenzo Manuel Berho
Corona

Member

Loreanne Helena
García Ottati

Member

X. Proposal and in its case, approval of the compensation payable to the members of the Board of Directors and committees, during 2024.

DIRECTORS' COMPENSATION

Aligning the interest of the investors with the Board of Directors

As per the advise of Green Street Advisors, leader in financial analysis and operating practices in the real estate sector; it is hereby proposed to adjust the compensation of the Directors and of the members of the Committees: (1) the cash compensation will remain, (2) in order to align the interests of the directors with the shareholders, at the end of each year an additional share compensation will be granted in an amount equivalent to the cash compensation received during such year.

Role		Compensation per meeting	Shares per meeting attended (equivalent amount)	Payment Proceedure
Board Member	Propietary	USD 4,180	USD 4,180	Annual compensation with a lock up period of 6 months. The number of shares will be equivalent to the amount of the cash compensation received during the year, considering the share Price by each December 31.
	Alternate	USD 4,180	USD 4,180	
Committee	President	USD 4,400	USD 4,400	
	Member	USD 3,300	USD 3,300	
50%		+		50%

Metholodgy will be periodically reviewed by the Corporate Practices Committee.

XI. Proposal, and in its case, approval of the long-term incentive plan for the executives of the Company during the period 2024 - 2028.



Executive Plan Compensation 2024-2028



LONG TERM COMPENSATION PLAN (LTI)



LTI 2021-2025:

- In 2020, the shareholders meeting approved a Long Term Incentive Plan (LTI) for the period 2021-2025 consisting in a total amount of 13.75 million shares = 2.75 million per year.
- The purpose of the LTI is to compensate the management in line with the return obtained by the Vesta's shareholders, so that, the shareholders obtained an exceptional performance in his return, management's compensation also is exceptional.
- From 2021 to 2023, shareholder's return was outstanding, and therefore, Vesta's management performance also was. Consequently, 84% of the total shares approved was delivered during this three years.
- Therefore, there are not enough shares to cover long-term management compensation for the following years, so it is necessary to approve a new plan.

EXECUTIVE COMPENSATION PLAN (“ECP”)



The Corporate Practices Committee and the Board of Directors recommend to this Shareholders Meeting, approved the following plan:

ECP Period:	2024-2028 (5 years)
Amount:	<ul style="list-style-type: none">▪ Total of shares for the period: 20 million of shares▪ equivalent to 4 million of shares per year, standard performance
Share total relative return:	<ul style="list-style-type: none">▪ Minimum: 50%▪ Target: 100%▪ Maximum: 150%▪ Payment scales linearly for returns above the return threshold
Peers comparison:	To determine Total Relative Return, the base of Company’s peers includes companies that have been within the Fibra index during the full measure period, and may also include some securities indexes of Mexico and US
<ul style="list-style-type: none">▪ Additional shares program:	To incentive a major alignment, the executives may exchange their cash bonus for shares at a rate of 1.20x. Delivery dates are aligned to those of the Long-term Incentive Plan.

XII. Proposal, and in its case, approval to cancel unsubscribed and unpaid shares from the offerings carried out in 2023.

- On March 2023, the shareholders authorized the issuance of 210,000,000 shares, single series, ordinary, nominative, non-par value, representative of the variable portion of the capital stock of the Company to be offered for subscription and payment through one or more public and/or private offerings in Mexico or in any other country.
- On July 5, 2023, 143,750,000 shares were subscribed and paid in the form 14,375,000 ADSs, for which the Company received US\$445,625,000.00 .
- On December 14, 2023, 42,500,000 shares were subscribed and paid; in the form of 4,250,000 ADSs, for which the Company received US\$148,750,000.00.
- Out of the 210,000,000 shares, today 23,750,000 shares, have not been subscribed nor paid.
- Management requests shareholders to approve the cancellation of such 23,750,000 unsubscribed shares.

XIII. Appointment of special delegates for the General Ordinary Meeting.

The persons listed below are proposed as special delegates of the general ordinary meeting for them to, acting jointly or severally, issue the certifications that may be convenient or necessary in connection with the minutes of this meeting, as well as, to appear before the notary public of their choice to formalize the minutes of this meeting and to register the respective originals at the public registry of commerce:

- Lorenzo Manuel Berho Corona
- Alejandro Pucheu Romero
- Jimena María García-Cuéllar Céspedes
- Navil Rosario Marín Escamilla

Appendix 1

Report by the CEO



Translation for Informational Purposes

**ANNUAL REPORT OF THE CHIEF EXECUTIVE OFFICER ("CEO") OF
CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.**

Fiscal Year 2023

2023 was an extraordinary year of intense work, to achieve challenges that celebrate our 25 years. The successful listing on the New York Stock Exchange (NYSE: VTMX) in July, and the subsequent follow-on at the end of the year have shown us our capabilities as a team and reinforce our commitment as a company that aims for global positioning.

This event is supported by excellent results based on our correct planning and efficient strategic execution, with which we are about to conclude the objectives of the Level 3 Strategic Plan, while we prepare the plan that will succeed it for the next 5 years.

Continuing to detect in time the opportunities presented by the current environment and the macroeconomic fundamentals of our country, have allowed us growth based on our efficient portfolio in development, our leasing and renewal capacity, the continuous increase in rents, a great occupancy and successful financial indicators that support our growth plans.

- Vesta announced the closing of its Initial Public Offering (IPO) in the United States on July 5, 2023, with 14,375,000 ADSs (American Depositary Shares"), representing 143,750,000 common shares at US\$ 31.00 per ADS. Gross income was approximately US\$ 445.6 million, which will be invested in the growth strategy. The subsequent offer, on December 13, meant additional income of US\$ 148.8 million.
- Vesta achieved strong leasing activity in 2023, reaching a total of 7.9 million sf; 4.5 million sf of which were from new leases with clients such as Polaris, Tesla, Foxconn, Samsung, Sumitomo, among others; while lease renewals reached 3.4 million, with a six-year average weighted lease life.
- Renewals and re-leasing for the year 2023, reached 4.1 million sf, with renewals spreads reaching 4% in line with inflation, while releasing spreads of 20%. The weighted average spread for the year was 6.2%.
- Same store NOI grew 9.5% in 2023.
- With this, Vesta reached a total of 37.3 million square feet of gross leasable area at the end of the year.
- By the end of the fourth quarter, our total development pipeline is 3.2 million square feet with an expected investment of US\$ 267.1 million and an average cap rate of 9.8%.
- Vesta again delivered exceptional financial results, with 2023 revenues increasing almost 20% to US\$ 212.5 million and NOI and EBITDA margins of 94.5% and 81.9%, respectively.
- 2023 Vesta FFO reached US\$ 127.8 million, a 23.0% year on year increase. We invested more than US\$ 263 million in innovative, best-in-class projects throughout the year.
- The ESG strategy was rigorously implemented, achieving the following breakthroughs: ESG area participation in 100% of tenant meetings; corporate training on climate Risk and Sustainable Taxonomy; training program for companies and Human Rights for suppliers; first Risk Analysis in terms of Human Rights (with collaborators, clients, suppliers and



communities participation); and the first Sustainable Taxonomy analysis created to make business decisions and align ourselves with the demands of the relevant actors, as well as to improve financing conditions, among others.

- On the other hand, we restructured the Social Investment strategy, including foundation audits and action plans, refocusing the causes to support, and creating standard evaluation methodologies.
- Thanks to the actions and active participation of the team, we are part of the S&P/BMV Total ESG index for the third consecutive year, along with 28 other issuers. In addition, we are part of the S&P Yearbook 2023, the CSA index where companies that have stood out in terms of ESG in their sector appear.
- Regarding the environmental aspect, we achieved operating certifications granted by BOMA, LEED +M and Edge, and we achieved LEED certifications for 7 new constructions. Edge recognized us as global champions for our participation.

Our approach and alignment to processes improves team performance and will help us have even more solid, transparent, and visible results, thanks to everyone's participation. Together, we are taking Vesta to the next level, with our wealth of local knowledge and experience, as well as a global vision, as we prepare our next 5-year plan for 2025-2029.

Our commitment reflects our successful 25 years of solid growth and great results, backed by the confidence of investors. We reiterate our purpose, focused on all our stakeholders.

I. Business Strategy

The business of the Company and its subsidiaries during the fiscal year 2023, was conducted in accordance with the organizational objectives matrix established by the management to that end and according to the Level 3 Strategic Plan.

II. Compliance with the Resolutions of the Shareholders and the Board of Directors.

I am pleased to inform that all agreements and resolutions adopted by the shareholders and the board of directors during the fiscal year 2023 were duly completed and executed, except for those which due to their own nature require more time for completion or require of a series of actions; however, for the latter, the Company and its subsidiaries have taken appropriate actions to ensure their fulfillment.

III. Internal Controls and Audit

During the fiscal year of 2023, the internal audit department of the Company worked according to the internal audit statute approved by the board of directors and reviewed projects and specific areas of the Company. The findings were periodically submitted to the audit committee and the management is taking the necessary actions to attend the findings and ensure that the internal processes of the Company are duly complied with.

IV. Information and Relevant Events

All the information and relevant events of the Company and its subsidiaries have been duly filed and reported to the corporate instances of the Company and to the relevant



authorities in terms of the applicable laws and in compliance with the requirements of the corresponding authorities.

V. Operations Related to the Repurchase of Shares

The general ordinary shareholders' meeting held on March 30th, 2023, approved to maintain the amount of US\$100,000,000.00 or its equivalent in Pesos, legal currency of United States of Mexico, as a revolving amount of the share's repurchase program of the Company for 2023.

During 2023, the Share Repurchase Program had no activity.

VI. Corrective and Responsibility Actions

During the fiscal year ended on December 31st, 2023, and as of this date, the Company has applied corrective measures to its internal processes, derived from the findings of the revisions made by our internal audit department.

Notwithstanding the foregoing, none of the findings had required the initiation of responsibility actions against the persons involved in the administration of the Company, since none of said findings constituted a loss for the Company.

VII. Capital Contributions

All capital contributions by the shareholders of the Company have been duly paid, and as of this date and there are no pending contributions.

VIII. Payment of Dividends

Dividends declared by the Company from previous fiscal year had been fully paid. Dividends declared by the shareholders' meeting of March 30th, 2023, were paid in four installments, three in 2023 and the last in January 2024, in strict compliance of that resolved by the shareholders of the Company as per the recommendation of the board of directors.

IX. Accounting and Information System

The accounting and reporting systems of the Company and its subsidiaries are kept in a complete and correct manner and in compliance with the U.S. Public Company Accounting Oversight Board ("PCAOB"), and the "IFRS", International Financial Reporting Standards issued by the International Accounting Rules Bureau and other rules and legal provisions applicable to the Company.

X. Financial Information

In compliance with the provisions of Article 44, section XI of the Securities Market Law and Article 172 of the General Corporations Law, it is hereby reported that the business strategy of the Company and its subsidiaries, has been at all times, within the strategic goals and objectives established by the administration at the beginning of each calendar year and according to the Level 3 Strategic Plan.



Attached hereto as Annex "1" are: (i) the audited consolidated financial statements of the Company and its subsidiaries, which reflect the true, complete and correct financial position of the Company and its subsidiaries for the fiscal year ended December 31st, 2023, (ii) the consolidated income statement of the Company and its subsidiaries for the fiscal year ended December 31st, 2023, (iii) a statement of changes in the financial position of the Company during the fiscal year ended December 31st, 2023, (iv) a statement of changes in the items comprising the Company's patrimony expressed on a consolidated basis during the fiscal year ended December 31st, 2023, (v) the notes necessary to complete and clarify the information; and (vi) the report of the external auditor of the Company with respect to its review to the consolidated financial statements of the Company and its subsidiaries prepared for the fiscal year ended December 31st, 2023.

XI. Responsibility Actions Against Third Parties

During the fiscal year ended on December 31st, 2023, none of the Company or its subsidiaries was in the need to initiate any legal proceedings against third parties due to damages caused to the Company and/or any of its subsidiaries, except for those litigation and collection procedures incurred in the ordinary course of business of the Company and its subsidiaries.

Mexico City, January 14th, 2024

/S/

Lorenzo Dominique Berho Carranza

Chief Executive Officer

Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 2

Audited and Consolidated Financial Statements of the Company and report from the external auditor.

**Corporación Inmobiliaria
Vesta, S. A. B. de C. V. and
Subsidiaries**

Consolidated Financial Statements
for the Years Ended December 31,
2023, 2022 and 2021, and
Independent Auditor's Report
Dated February 20, 2023.

**Corporación Inmobiliaria Vesta, S. A. B. de C. V. and
Subsidiaries**

**Independent Auditor's Report and
Consolidated Financial Statements for 2023,
2022 and 2021**

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Independent Auditor's Report to the Board of Directors and Stockholders of Corporación Inmobiliaria Vesta, S. A. B. de C. V. (in US dollars)

Opinion

We have audited the consolidated financial statements of Corporación Inmobiliaria Vesta, S. A. B. de C. V. and Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2023, 2022 and 2021, and the consolidated statements of profit and other comprehensive income (loss), consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2023, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have concluded that the following Key Audit Matter should be communicated in our report.

Investment properties

The Entity uses external appraisers in order to determine the fair value for all investment properties. Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). The Entity engaged third-party valuation firms to assist with the determination of the fair value of investment properties. Fair values are determined using the discounted cash flows approach for the Entity's land and buildings and market approach for the Entity's land reserves. Factors and assumptions considered, the majority of which are not directly observable in the market, to estimate the fair value of our investment property, include discount rates, long-term net operating income, inflation rates, absorption periods and market rents. The Entity performs these procedures on an annual basis. The Entity adds initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. The Entity records gains and losses arising from the changes in the fair value determined by the third-party valuation firms in profit or loss in the period in which they arise. We obtained an understanding and evaluated the Entity's methodology for determining the fair value of investment properties. We evaluated the Entity's investment properties by performing detail procedures on the existence, by performing site visits. We evaluated the Entity's investment properties by performing detail procedures on the valuation, including, but not limited to, the involvement of internal fair value specialists in the review of business and valuation assumptions and methodologies utilized in the valuation models. We also held various discussions with accounting and operations management regarding certain business assumptions utilized in the valuation models and, on a test basis, obtained audit support to substantiate the assumptions therein. We also tested the design and implementation of management's controls over investment properties. Based on the procedures performed, investment properties appear reasonable in the context of the financial statements taken as a whole.

Information other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information comprises the information included in the annual report that the Entity will prepare pursuant to Article 33, Section I, Subsection b) of the Fourth Title, First Chapter of the General Provisions Applicable to Issuers and other Participants in the Mexican Stock Exchange and the Instructions attached to these provisions (the Provisions), but does not include the consolidated financial statements or our auditor's report thereon. As of the date of our auditor's report, we have not yet obtained these documents and they will be available only after the issuance of this Audit Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Alexis Hernández Almanza

February 20, 2024

Corporación Inmobiliaria Vesta, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2023, 2022 and 2021

(In U.S. dollars)

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Assets				
Current assets:				
Cash, cash equivalents and restricted cash	5	\$ 501,166,136	\$ 139,147,085	\$ 452,821,132
Recoverable taxes	6	33,864,821	30,088,473	19,377,562
Operating lease receivables- Net	7	10,100,832	7,690,195	9,039,147
Prepaid expenses and other current assets	7.vi	<u>21,299,392</u>	<u>25,308,351</u>	<u>483,581</u>
Total current assets		566,431,181	202,234,104	481,721,422
Non-current assets:				
Investment properties	8	3,212,164,164	2,738,465,276	2,263,170,941
Office furniture – Net		2,541,990	1,437,981	2,119,589
Right-of-use asset – Net	9	834,199	1,417,945	1,344,417
Security deposits paid, restricted cash and others		<u>10,244,759</u>	<u>9,601,094</u>	<u>11,510,701</u>
Total non-current assets		<u>3,225,785,112</u>	<u>2,750,922,296</u>	<u>2,278,145,648</u>
Total assets		<u>\$ 3,792,216,293</u>	<u>\$ 2,953,156,400</u>	<u>\$ 2,759,867,070</u>
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	10	\$ 69,613,002	\$ 4,627,154	\$ 2,880,592
Lease liabilities - short term	9	607,481	606,281	464,456
Accrued interest		3,148,767	3,847,752	3,840,079
Accounts payable	3.f	13,188,966	16,628,788	3,011,415
Income tax payable		38,773,726	14,824,658	27,838,872
Accrued expenses and taxes		7,078,988	5,154,626	15,246,156
Dividends payable	12.4	<u>15,155,311</u>	<u>14,358,194</u>	<u>13,944,232</u>
Total current liabilities		147,566,241	60,047,453	67,225,802
Non-current liabilities:				
Long-term debt	10	845,573,752	925,872,432	930,652,624
Lease liabilities - long term	9	290,170	897,658	915,957
Security deposits received		25,680,958	18,333,119	15,868,704
Long-term payable	3.f	7,706,450	7,889,937	-
Employee benefits	11	1,519,790	348,280	-
Deferred income taxes	18.3	<u>276,910,507</u>	<u>299,979,693</u>	<u>291,578,576</u>
Total non-current liabilities		<u>1,157,681,627</u>	<u>1,253,321,119</u>	<u>1,239,015,861</u>
Total liabilities		1,305,247,868	1,313,368,572	1,306,241,663

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Litigation and other contingencies	20			
Stockholders' equity:				
Capital stock	12	591,600,113	480,623,919	482,858,389
Additional paid-in capital	12.3	934,944,456	460,677,234	466,230,183
Retained earnings		989,736,218	733,405,749	547,213,771
Share-based payments reserve		3,732,350	5,984,051	7,149,453
Foreign currency translation reserve		(33,044,712)	(40,903,125)	(49,826,389)
Total stockholders' equity		<u>2,486,968,425</u>	<u>1,639,787,828</u>	<u>1,453,625,407</u>
Total liabilities and stockholders' equity		<u>\$ 3,792,216,293</u>	<u>\$ 2,953,156,400</u>	<u>\$ 2,759,867,070</u>

See accompanying notes to consolidated financial statements.

Corporación Inmobiliaria Vesta, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Profit and Other Comprehensive Income (Loss)

For the years ended December 31, 2023, 2022 and 2021

(In US dollars)

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Revenues:				
Rental income	13	\$ 213,448,296	\$ 178,025,461	\$ 160,698,385
Management fees		<u>1,019,316</u>	<u>-</u>	<u>87,973</u>
		214,467,612	178,025,461	160,786,358
Property operating costs related to properties that generated rental income	14.1	(13,476,324)	(8,940,789)	(8,543,961)
Property operating costs related to properties that did not generate rental income	14.1	(4,763,398)	(2,482,605)	(2,182,796)
General and administrative expenses	14.2	(31,719,895)	(24,414,428)	(21,400,917)
Interest income		9,414,027	2,640,687	76,871
Other income	15	5,138,158	1,330,853	150,478
Other expenses	16	(3,037,113)	(373,991)	(122,684)
Finance cost	17	(46,306,975)	(46,396,156)	(50,263,493)
Exchange gain (loss)- net		8,906,782	1,939,848	(1,109,567)
(Loss) gain on sale of investment property – net		(461,600)	5,027,826	13,992,675
Gain on revaluation of investment properties	8	<u>243,459,821</u>	<u>185,491,518</u>	<u>164,649,959</u>
Profit before income taxes		381,621,095	291,848,224	256,032,924
Current income tax expense	18.1	(91,953,099)	(41,981,391)	(50,262,466)
Deferred income tax benefit (expense)	18.1	<u>26,969,516</u>	<u>(6,242,079)</u>	<u>(31,828,085)</u>
Total income tax expense		<u>(64,983,583)</u>	<u>(48,223,470)</u>	<u>(82,090,551)</u>
Profit for the year		316,637,512	243,624,754	173,942,373
Other comprehensive income (loss) - net of tax:				
Items that may be reclassified subsequently to profit - Fair value gain on derivative instruments	19	-	-	2,892,985
Exchange differences on translating other functional currency operations		<u>7,858,413</u>	<u>8,923,264</u>	<u>(4,844,991)</u>
Total other comprehensive income (loss)		<u>7,858,413</u>	<u>8,923,264</u>	<u>(1,952,006)</u>
Total comprehensive income for the year		<u>\$ 324,495,925</u>	<u>\$ 252,548,018</u>	<u>\$ 171,990,367</u>
Basic earnings per share	12.5	<u>\$ 0.4183</u>	<u>\$ 0.3569</u>	<u>\$ 0.2683</u>
Diluted earnings per share	12.5	<u>\$ 0.4118</u>	<u>\$ 0.3509</u>	<u>\$ 0.2636</u>
See accompanying notes to consolidated financial statements.				

Corporación Inmobiliaria Vesta, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2023, 2022 and 2021

(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Valuation of Derivative financial instruments	Total Stockholders' Equity
Balances as of January 1, 2021	\$ 422,437,615	\$ 297,064,471	\$ 429,048,327	\$ 7,986,137	\$ (44,981,398)	\$ (2,892,985)	\$ 1,108,662,167
Equity issuance	58,773,174	164,422,275	-	-	-	-	223,195,449
Share-based payments	-	-	-	5,554,353	-	-	5,554,353
Vested shares	1,647,600	4,743,437	-	(6,391,037)	-	-	-
Dividends declared	-	-	(55,776,929)	-	-	-	(55,776,929)
Comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>173,942,373</u>	<u>-</u>	<u>(4,844,991)</u>	<u>2,892,985</u>	<u>171,990,367</u>
Balances as of December 31, 2021	482,858,389	466,230,183	547,213,771	7,149,453	(49,826,389)	-	1,453,625,407
Share-based payments	-	-	-	6,650,487	-	-	6,650,487
Vested shares	2,014,895	5,800,994	-	(7,815,889)	-	-	-
Dividends declared	-	-	(57,432,776)	-	-	-	(57,432,776)
Repurchase of shares	(4,249,365)	(11,353,943)	-	-	-	-	(15,603,308)
Comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>243,624,754</u>	<u>-</u>	<u>8,923,264</u>	<u>-</u>	<u>252,548,018</u>
Balances as of December 31, 2022	480,623,919	460,677,234	733,405,749	5,984,051	(40,903,125)	-	1,639,787,828
Equity issuance	108,771,608	466,218,277	-	-	-	-	574,989,885
Share-based payments	-	-	-	8,001,830	-	-	8,001,830
Vested shares	2,204,586	8,048,945	-	(10,253,531)	-	-	-
Dividends declared	-	-	(60,307,043)	-	-	-	(60,307,043)
Comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>316,637,512</u>	<u>-</u>	<u>7,858,413</u>	<u>-</u>	<u>324,495,925</u>
Balances as of December 31, 2023	<u>\$ 591,600,113</u>	<u>\$ 934,944,456</u>	<u>\$ 989,736,218</u>	<u>\$ 3,732,350</u>	<u>\$ (33,044,712)</u>	<u>\$ -</u>	<u>\$ 2,486,968,425</u>

See accompanying notes to consolidated financial statements.

Corporación Inmobiliaria Vesta, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023, 2022 and 2021

(In US dollars)

	December 31, 2023	December 31, 2022	December 31, 2021
Cash flows from operating activities:			
Profit before income taxes	\$ 381,621,095	\$ 291,848,224	\$ 256,032,924
Adjustments:			
Depreciation	974,291	901,492	1,143,134
Right-of-use depreciation	603,782	562,428	458,082
Gain on revaluation of investment property	(243,459,821)	(185,491,518)	(164,649,959)
Unrealized effect of foreign exchange rates	(1,048,369)	(1,939,848)	1,109,567
Interest income	(9,414,027)	(2,640,687)	(76,871)
Interest expense	44,335,420	44,852,043	45,482,028
Amortization of debt issuance costs	1,971,555	1,544,113	4,781,465
Expense recognized in respect of share-based payments	8,001,830	6,650,487	5,554,353
Loss (gain) on sale of investment property	461,600	(5,027,826)	(13,992,675)
Employee benefits and pension costs	1,171,510	348,280	-
Income tax benefit from equity issuance costs	8,307,906	-	-
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables – Net	(2,410,637)	1,348,952	(2,678,246)
Recoverable taxes	(3,776,348)	(10,710,911)	(4,516,452)
Security deposits paid, restricted cash and others	(1,138,296)	1,909,607	(7,004,175)
Prepaid expenses and other current assets	4,008,959	(17,338,623)	(63,524)
Increase (decrease) in:			
Accounts payable	3,258	(1,619,312)	(230,177)
Accrued expenses and taxes	1,924,362	(10,091,530)	10,936,516
Security deposits received	7,347,839	2,464,415	1,944,455
Financial assets held for trading	-	-	684,936
Interest received	9,414,027	2,640,687	76,871
Income taxes paid	(64,103,701)	(54,995,605)	(27,062,220)
Net cash generated by operating activities	144,796,235	65,214,868	107,930,032
Cash flows from investing activities:			
Purchases of investment property	(263,051,665)	(269,222,961)	(108,394,270)
Sale of investment property	42,057,500	7,285,242	124,565,539
Purchases of office furniture and vehicles	(2,078,300)	(219,884)	(219,143)
Net cash (used in) generated by investing activities	(223,072,465)	(262,157,603)	15,952,126
Cash flows from financing activities:			
Interest paid	(45,034,414)	(44,844,370)	(44,474,123)
Loans obtained	-	-	350,000,000
Loans paid	(16,789,756)	-	(252,500,000)
Costs of debt issuance	-	(1,667,278)	(7,746,222)
Dividends paid	(59,509,926)	(57,018,815)	(55,367,252)
Repurchase of treasury shares	-	(15,603,308)	-
Equity issuance proceeds	594,375,000	-	229,215,419
Equity issuance costs paid	(27,693,021)	-	(6,019,970)
Payment of lease liabilities	(606,279)	(647,961)	(564,677)
Net cash generated by (used in) financing activities	444,741,604	(119,781,732)	212,543,175
Effects of exchange rate changes on cash	(4,446,323)	3,050,420	(4,146,343)
Net (decrease) increase in cash, cash equivalents and restricted cash	362,019,051	(313,674,047)	332,278,990
Cash, cash equivalents and restricted cash at the beginning of year	139,147,085	453,556,444	121,277,454
Cash, cash equivalents and restricted cash at the end of year - Note 5	\$ 501,166,136	\$ 139,882,397	\$ 453,556,444

See accompanying notes to consolidated financial statements.

Corporación Inmobiliaria Vesta, S. A.B. de C. V. and Subsidiaries

Notes to Consolidated Financial Statements

For the years ended December 31, 2023, 2022 and 2021

(In US dollars)

1. General information

Corporación Inmobiliaria Vesta, S. A. B. de C. V. (“Vesta” or the “Entity”) is a corporation incorporated in Mexico. The address of its registered office and principal place of business is Paseo de los Tamarindos 90, 28th floor, Mexico City.

Vesta and subsidiaries (collectively, the “Entity”) are engaged in the development, acquisition and operation of industrial buildings and distribution facilities that are rented to corporations in eleven states throughout Mexico.

1.1 Significant events

On April 27, 2021, Vesta announced the favorable results of its primary offering of common shares (equity issuance). The offering consisted in an equity offering of shares in Mexico through the Mexican Stock Exchange with an international distribution. Vesta received gross income of \$200,000,000 from this equity issuance. The primary global offering considered 101,982,052 shares, and an over-allotment option of up to 15% calculated with respect to the number of shares subject to the primary offering, that was 15,297,306 additional shares, an option that could be exercised by the underwriters within the following 30 days to this date; such over-allotment was exercised by the underwriters on April 28, 2022 in a total of 14,797,307 shares for an amount of \$29,215,419. The cost of such equity issuance was \$6,019,970.

On May 13, 2021, Vesta offered \$350,000,000 of Senior Notes, Vesta ESG Global bond 35/8 05/31, with maturity on May 13, 2031. The notes will bear interest at a rate of 3.62% per annum. The cost of such debt issuance was \$7,746,222. On September 1, 2022, Vesta announced a new \$200,000,000 sustainability linked revolving credit facility with various financial institutions. As a part of such revolving credit, Vesta paid debt issuance costs in an amount of \$1,339,606. As of December 31, 2023 no amount has been borrowed yet.

As a result of the spread of the coronavirus (COVID-19) in Mexico and around the world, Vesta successfully maintained during 2020 the disciplined execution of strategies, which included rapidly adapting to the current environment and providing temporary relief to clients supported by strong relationships and its strong knowledge of the market. This allowed Vesta to quickly and timely identify emerging trends and seize new business opportunities. As part of negotiations with clients during 2020, Vesta only granted deferral of leases payments for those tenants who met certain strict criteria, focusing that decision on long-term growth. In total, there were 43 deferral agreements that represented approximately a \$5.5 million operating lease receivable, of which 84% were recovered during the second half of 2020 and 16% were recovered during 2021; agreements and payments have been fulfilled. It is important to note that, as of September 30, 2021, 95% of Vesta's tenants had reached pre-crisis operating levels and, at the end of the year, all are at normal levels. During 2021 Vesta did not grant additional deferrals to tenants. The economic trends of the real estate market in Mexico, and specifically the industrial real estate market, were not materially affected by the pandemic. See Note 8 “Investment Properties” for further details. Finally, from an internal point of view, Vesta continued with its surveillance measures and cost reduction, review of contracts with non-essential third parties and constant monitoring of its performance.

On April 23, 2021, a mandatory federal decree was published in Mexico where various labor and tax regulations were modified to generally prohibit the subcontracting of personnel and establish the rules under which specialized services may be subcontracted. During 2021, the Entity completed all the necessary corporate actions to approve the adjustments to the constitutive documents of the Entity and its subsidiaries, in order to adjust them to what it is established in the current legal framework; likewise, it took all previous actions to implement the administrative changes necessary to fully comply with the terms of the new legal framework on the beginning of its term; there was no impact on the Consolidated Financial Statements as of and for the period ended December 31, 2021 derived from these actions.

On September 1, 2022, Vesta announced a new \$200,000,000 sustainability linked revolving credit facility with various financial institutions. As a part of such revolving credit, Vesta paid debt issuance costs in an amount of \$1,339,606. As of December 31, 2023 no amount has been borrowed yet.

On June 29, 2023, Vesta entered into an underwriting agreement (the “Underwriting Agreement”) with Citigroup Global Markets Inc., BofA Securities, Inc. and Barclays Capital Inc., as representative of the underwriters, relating to Vesta’s initial public offering (the “Offering”) of 125,000,000 Common Shares in the form of American Depositary Shares (the “ADS”) each ADS representing 10 Common Shares of Vesta’s common stock (“common stock”), which included the exercise by the underwriters in full of the over-allotment option to purchase an additional 18,750,000 shares of Vesta’s common stock, at an Offering price of \$31.00 US dollars per ADS.

The closing of the Offering for the ADS’s took place on July 5, 2023, raising gross proceeds of approximately \$445,625,000, which included 18,750,000 shares sold by Vesta upon the exercise by the underwriters of the over-allotment option in full. Issuance expenses were approximately \$22,950,000. Vesta intends to use the net proceeds from the Offering to fund growth strategy including the acquisition of land or properties and related infrastructure investments, and for the development of industrial buildings.

On December 7, 2023, Vesta entered into an underwriting agreement (the “Follow-On Underwriting Agreement”) with Morgan Stanley & CO, LLC, BofA Securities, Inc. and Barclays Capital Inc., as representative of the underwriters, relating to Vesta’s sale of common shares (the “Follow-on Offering”) of 42,500,000 Common Shares in the form of ADS, each ADS representing 10 Common Shares of Vesta’s common stock, at a Follow-on Offering price of \$35.00 US dollars per ADS.

The closing of the Follow-on Offering for the ADS’s took place on December 13, 2023, raising gross proceeds of approximately \$148,750,000. Issuance expenses were approximately \$4,746,000. Vesta intends to use the net proceeds from the Follow-on Offering to fund growth strategy including the acquisition of land or properties and related infrastructure investments, and for the development of industrial buildings.

2. Adoption of new and revised International Financial Reporting Standards

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Entity has applied several amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Amendments to
IAS 1 *Presentation of
Financial Statements*
and IFRS Practice
Statement 2 *Making
Materiality Judgments*
– Disclosure of
accounting policies

Vesta has adopted the amendments to IAS 1 for the first time as of January 1, 2023. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step’ materiality process describer in IFRS Practice Statement 2.

Amendments to
IAS 8 *Accounting
Policies, Changes in
Accounting Estimates
and Errors –
Definition of
Accounting Estimates*

Vesta has adopted the amendments to IAS 8 for the first time as of January 1, 2023. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

IFRS 17 *Insurance
contracts* (including
the June 2020 and
December 2021
Amendments to
IFRS 17)

Vesta has adopted IFRS 17 and the related amendments for the first time as of January 1, 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

Vesta does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to
IAS 12 *Income Taxes –
Deferred Tax related
to Assets and
Liabilities arising from
a Single Transaction*

Vesta has adopted the amendments to IAS 12- Deferred tax related to assets and liabilities arising from a single transaction for the first time as of January 1, 2023. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 12 <i>Income Taxes</i> – International Tax Reform –Pillar Two Model Rules	<p>Vesta has adopted the amendments to IAS 12- International Tax Reform- Pillar two model rules for the first time as of January 1, 2023. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.</p> <p>The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p> <p>Following the amendments, an entity is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. As the Entity operates exclusively in Mexico, this Reform does not have any impact on the consolidated financial statements.</p>
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New and revised IFRS Standards issued but not yet effective for the current year

At the date of authorization of these consolidated financial statements, the Entity has not applied the following new and amended IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	<i>Sale or contribution of assets between an investor and its associate or joint venture</i>
Amendments to IAS 1 ⁽¹⁾	<i>Classification of liabilities as current or non-current and non-current liabilities with covenants.</i>
Amendments to IFRS 16 ⁽¹⁾	<i>Lease liability in a sale and leaseback</i>
Amendments to IAS 7 and IFRS 7 ⁽¹⁾	<i>Supplier Finance Arrangements</i>
Amendments to IAS 21 ⁽²⁾	<i>Lack of Exchangeability</i>

(1) Effective for annual periods beginning on January 1, 2024

(2) Effective for annual periods beginning on January 1, 2025

Management does not expect the adoption of the aforementioned standards to have a significant impact on the Entity's consolidated financial statements in future periods, except as indicated below:

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transactions with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application for the amendments is permitted. Vesta management anticipates that the application of these amendments may have an impact on Vesta's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 *Presentation of financial statements* - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants

The amendments to IAS 1 clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period.

The classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Entity is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Vesta management anticipates that the application of these amendments may have an impact on the disclosures of the consolidated financial statements in future periods.

Amendments to IFRS 16 *Leases* – Lease liability in a sale and leaseback

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Statements: Disclosures* – *Supplier Finance Arrangements*

The amendments specify disclosure requirements to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements.

Amendments to IAS 21 *Effects of Changes in Foreign Currency Rates* – Lack of Exchangeability

The amendment specifies when an entity must evaluate if a currency is exchangeable into another currency and when it is not and how an entity determines the exchange rate to apply when a currency is not exchangeable and requires additional disclosures when a currency is not exchangeable with information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flow.

A currency is exchangeable into another currency when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified currency.

A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements.

3. Material accounting policies

a. *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b. *Basis of preparation*

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, *Share-based Payments*.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

iii. Going concern

The consolidated financial statements have been prepared by Management assuming that the Entity will continue to operate as a going concern.

During the first months of 2020, the infectious disease COVID-19 caused by the coronavirus appeared and it was declared by the World Health Organization (WHO) as a Global Pandemic on March 11, 2020. Its expansion motivated a series of containment measures in the different geographies where the Entity operates and certain sanitary measures have been taken by the Mexican authorities to stop the spread of this virus. Derived from the uncertainty and duration of this pandemic, the Entity analyzed the considerations mentioned in Note 1.1 to determine if the assumption of continuing as a going concern is applicable.

c. ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of Vesta and entities (including structured entities) controlled by Vesta and its subsidiaries. Control is achieved when the Entity:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and other comprehensive income (loss) from the date the Entity gains control or until the date when the Entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

Subsidiary/Entity	Ownership percentage			Activity
	2023	2022	2021	
QVC, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
QVC II, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
WTN Desarrollos Inmobiliarios de México, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Baja California, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Bajío, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Querétaro, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties

Subsidiary/Entity	Ownership percentage			Activity
	2023	2022	2021	
Vesta DSP, S. de R. L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Management, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Provides specialized administrative services (REPSE # AR12757/2022)
Servicio de Administración y Mantenimiento Vesta, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Provide specialized administrative services (REPSE # AR17617/2022)
Enervesta, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Provides administrative services to the Entity
Trust CIB 2962	(1)	(1)	(1)	Vehicle to distribute shares to employees under the Long-Term Incentive plan.

- (1) Employee share trust established in conjunction with the 20-20 Long Term Incentive Plan over which the Entity exercises control.

d. ***Financial instruments***

Financial assets and financial liabilities are recognized in Vesta's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

e. ***Financial assets***

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) *Amortized cost and effective interest method*

The effective interest method is a method for calculating the amortized cost of a debt instrument and for allocating interest income during the relevant period.

For financial assets that were not purchased or originated by credit-impaired financial assets (for example, assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts future cash inflows (including all commissions and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts), excluding expected credit losses, over the expected life of the debt instrument or, if applicable, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting estimated future cash flows, including expected credit losses, at the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured on initial recognition minus repayments of principal, plus the accumulated amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss. The gross book value of a financial asset is the amortized cost of a financial asset before adjusting any provision for losses.

Interest income is recognized using the effective interest effect for debt instruments subsequently measured at amortized cost and at fair value through other comprehensive income. For financial assets purchased or originated other than financial assets with credit impairment, interest income is calculated by applying the effective interest rate to the gross book value of a financial asset, except for financial assets that have subsequently suffered impairment of credit (see below). For financial assets that have subsequently deteriorated credit, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If in subsequent reporting periods the credit risk in the credit-impaired financial instrument improves, so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross book value of the financial asset.

Interest income is recognized as realized in the consolidated statements of profit and other comprehensive income (loss) for the year.

Foreign exchange gains and losses

The book value of financial assets denominated in a foreign currency is determined in that foreign currency and it is translated at the exchange rate at the end of each reporting period.

For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in exchange gain (loss)-net in the statement of profit and other comprehensive income (loss).

Impairment of financial assets

The Entity recognizes lifetime expected credit losses (“ECL”) for operating lease receivables.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(i) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, the loss given the default (that is, the magnitude of the loss if there is a default), and the exposure at default.

The evaluation of the probability of default and the default loss is based on historical data adjusted for forward-looking information as described above. Regarding exposure to default, for financial assets, this is represented by the gross book value of the assets on the reporting date; for financial guarantee contracts, the exposure includes the amount established on the reporting date, along with any additional amount expected to be obtained in the future by default date determined based on the historical trend, the Entity's understanding of the specific financial needs of the debtors, and other relevant information for the future.

For financial assets, the expected credit loss is estimated as the difference between all the contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used to determine the expected credit losses are consistent with the cash flows used in the measurement of the lease receivable in accordance with IFRS 16 Leases.

The Entity recognizes an impairment loss or loss in the result of all financial instruments with a corresponding adjustment to their book value through a provision for losses account, except investments in debt instruments that are measured at fair value at through other comprehensive income, for which the provision for losses is recognized in other comprehensive and accumulated results in the investment revaluation reserve, and does not reduce the book value of the financial asset in the statement of financial position.

Derecognition policy

The Entity derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity does not transfer or retain substantially all the risks and benefits of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for the amounts due. If the Entity retains substantially all the risks and benefits of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a loan guaranteed by the income received.

Upon derecognition of a financial asset measured at amortized cost, the difference between the asset's book value and the sum of the consideration received and receivable is recognized in income. In addition, when an investment in a debt instrument classified as fair value through other comprehensive income is written off, the accumulated gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, in the derecognition of an investment in a capital instrument that the Entity chose in the initial recognition to measure at fair value through other comprehensive income, the accumulated gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profit (deficit).

f. **Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured subsequently at amortized cost

Financial liabilities (including borrowings) that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and expenses paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Entity exchanges with the existing lender a debt instrument in another with substantially different terms, that exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability. Similarly, the Entity considers the substantial modification of the terms of an existing liability or part of it as an extinction of the original financial liability and the recognition of a new liability. The terms are assumed to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the current discounted value of the remaining cash flows of the original financial liability. If the modification is not material, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification should be recognized in profit or loss as the gain or loss from the modification within other gains and losses.

The balance as of December 31, 2023, 2022 and 2021 of short-term accounts payables was:

	December 31, 2023	December 31, 2022	December 31, 2021
Construction in-progress ⁽¹⁾	\$ 6,421,225	\$ 13,369,927	\$ 354,012
Land ⁽²⁾	275,230	366,975	-
Existing properties	5,107,983	2,239,163	385,369
Others accounts payables	<u>1,384,528</u>	<u>652,723</u>	<u>2,272,034</u>
	<u>\$ 13,188,966</u>	<u>\$ 16,628,788</u>	<u>\$ 3,011,415</u>

- (1) At the end of fiscal year 2023 and 2022, the Entity began the construction of ten and six investment properties, respectively. The amount represents the advances according to the construction contract, which will be paid settled during the first quarter of the following year.
- (2) During the third quarter of 2022 the Entity acquired a land reserve and signed promissory agreements for a total of \$8,256,912 to be paid on quarterly installments of \$91,744 starting March 2023 plus a final payment of \$7,431,218 in June 2025; the long-term payable portion as of December 31, 2023 and 2022 is \$7,706,451 and \$7,889,937, respectively.

g. ***Cash and cash equivalents***

Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks. Cash is carried at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in interest income of the period. Cash equivalents are represented mainly by investments in treasury certificates (CETES) and money market funds.

h. ***Restricted cash and security deposits***

Restricted cash represents cash and cash equivalents balances held by the Entity that are only available for use under certain conditions pursuant to the long-term debt agreements entered into by the Entity (as discussed in Note 12). These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled, whereby the short-term restricted cash balance was classified within current assets under cash and cash equivalents and the long-term restricted cash was classified within security deposits made.

During 2022, the Entity paid \$7.5 million to Scotiabank for the issuance of letters of credit for the National Control Energy Center (CENACE, for its acronym in Spanish) in connection to the Aguascalientes and Querétaro projects, in exchange of a guarantee. This amount will be paid back to the Entity once the project investment conditions are met.

i. ***Investment property***

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. The Entity does not capitalize borrowing costs during the construction phase of investment properties. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon sale or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be received from such investment property. Any gain or loss arising on derecognition of the property (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is included in (loss) gain on sale of investment property in the period in which the property is derecognized.

j. ***Leases***

1) The Entity as lessor

Vesta, as a lessor, retains substantially all of the risks and benefits of ownership of the investment properties and account for its leases as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

2) The Entity as lessee

The Entity assesses whether a contract is or contains a lease, at inception of the contract. The Entity recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Entity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Rights-of-use assets consist of the initial measurement of the corresponding lease liability, the rental payments made on or before the commencement date, less any lease incentives received and any direct initial costs. Subsequent valuation is cost less accumulated depreciation and impairment losses.

If the Entity incurs an obligation arising from the costs of dismantling and removing a leased asset, restoring the place in which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision measured in accordance with IAS 37 should be recognized. To the extent that the costs are related to a rights of use asset, the costs are included in the related rights of use asset, unless such costs are incurred to generate inventories.

Assets for rights of use are depreciated over the shorter period between the lease period and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the asset for rights of use reflects that the Entity plans to exercise a purchase option, the asset for rights of use will be depreciated over its useful life. Depreciation begins on the lease commencement date.

Assets for rights of use are presented as a separate concept in the consolidated statement of financial position.

The Entity applies IAS 36 to determine whether a rights-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of assets other than goodwill' policy.

Leases with variable income that do not depend on an index or rate are not included in the measurement of the lease liability and the asset for rights of use. The related payments are recognized as an expense in the period in which the event or condition that triggers the payments occurs and are included in the concept of "Other expenses" in the consolidated statement of profits and other comprehensive Income (Loss).

As a practical expedient, IFRS 16 allows you not to separate the non-lease components and instead account for any lease and its associated non-lease components as a single arrangement. The Entity has not adopted this practical expedient. For contracts that contain lease components and one or more additional lease or non-lease components, the Entity assigns the consideration of the contract to each lease component under the relative selling price method independent of the lease component and aggregate stand-alone relative selling price for all non-lease components.

k. ***Foreign currencies***

The U.S. dollar is the functional currency of Vesta and all of its subsidiaries except for WTN Desarrollos Inmobiliarios de México, S. de R. L. de C. V. (“WTN”), which considers the Mexican peso to be their functional currency and is considered to be “foreign operations” under IFRS. However, Vesta and its subsidiaries keep their accounting records in Mexican pesos. In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the exchange rates in effect on the dates of each transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates in effect at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates in effect on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of WTN is translated into U.S. dollars using the exchange rates in effect on the last business day of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates in effect on the dates of the transactions are used. Exchange differences arising, if any, are recorded in other comprehensive income.

l. ***Employee benefits***

Employee benefits for termination

Employee benefits for termination are recorded in the results of the year in which they are incurred.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Entity in respect of services provided by employees up to the reporting date.

Post-employment and other long-term employee benefits

Post-employment and other long-term employee benefits, which are considered to be monetary items, include obligations for pension and retirement plans and seniority premiums. In Mexico, the economic benefits from employee benefits and retirement pensions are granted to employees with 10 years of service and minimum age of 60. In accordance with Mexican Labor Law, the Entity provides seniority premium benefits to its employees under certain circumstances. These benefits consist of a one-time payment equivalent to 12 days wages for each year of service (at the employee's most recent salary, but not to exceed twice the legal minimum wage), payable to all employees with 15 or more years of service, as well as to certain employees terminated involuntarily before the vesting of their seniority premium benefit.

For defined benefit retirement plans and other long-term employee benefits, such as the Entity's sponsored pension and retirement plans and seniority premiums, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. All remeasurement effects of the Entity's defined benefit obligation such as actuarial gains and losses are recognized directly in Other comprehensive gain – Net of tax. The Entity presents service costs within general and administrative expenses in the consolidated statement of profit and other comprehensive income (Loss). The Entity presents net interest cost within finance costs in the consolidated statement of profit and other comprehensive income (Loss). The projected benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation as of the end of each reporting period.

Statutory employee profit sharing ("PTU")

PTU is recorded in the results of the year in which it is incurred and is presented in General and administrative expenses line item in the consolidated statement of profit and other comprehensive income (loss).

As result of the recent changes to the Income Tax Law and the Labor Law, as of December 31, 2023, 2022 and 2021, PTU is determined based on taxable income, according to Section I of Article 9 of the that Law and the Article 127 of the Labor Law.

Compensated absences

The Entity creates a provision for the costs of compensated absences, such as paid annual leave, which is recognized using the accrual method.

m. ***Share-based payment arrangements***

Share-based payment transactions of the Entity

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Entity's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Entity revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

n. ***Income taxes***

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. *Current tax*

Current income tax ("ISR") is recognized in the results of the year in which is incurred. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Entity supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

2. *Deferred income tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is an enforceable legal right that allows offsetting current tax assets against current tax liabilities and when they are related to income taxes collected by the same tax authority and the Entity has the right to intention to settle your current tax assets and liabilities on a net basis.

3. *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

o. ***Provisions***

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Entity will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p. ***Revenue recognition***

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Energy income and Reimbursable building services arise from tenant leases and consists on the recovery of certain operating expenses of the respective property. Such reimbursements are included in rental income in the consolidated financial statements.

q. ***Segment***

The Entity's primary business is the acquisition, development, and management of industrial and distribution center real estate. Vesta manages its operations on an aggregated, single segment basis for purposes of assessing performance and making operating decisions and, accordingly, has only one reporting and operating segment. As of December 31, 2023, 2022 and 2021, all of our assets and operations are derived from assets located within Mexico.

r. ***Other income and Other expense***

Other income and other expenses consist of transactions which substantially depart from our rental income from operating leases; these mainly include the income and expenses derived from the charge and expense of energy consumption through the Entity's infrastructure to non-tenant third-parties, insurance recoveries and others.

s. ***Reclassifications***

Certain items in our consolidated statements of income and other comprehensive income (loss) and certain tables in our footnotes for the years ended December 31, 2021 and 2022 have been reclassified to conform to the 2023 presentation.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in Note 3, management of the Entity is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Valuation of investment properties

As described in Note 8, the Entity uses external appraisers in order to determine the fair value of its investment properties. Such appraisers use several valuation methodologies that include assumptions that are not directly observable in the market to estimate the fair value of its investment properties. Note 8 provides detailed information about the key assumptions used in the determination of the fair value of the investment properties.

In estimating the fair value of an asset or a liability, the Entity uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Entity engages third party qualified valuation experts. The valuation committee works closely with the qualified external valuation experts to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Entity every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 8 and 19.

The Entity's management believes that the chosen valuation methodologies and assumptions used are appropriate in determining the fair value of the Entity's investment properties.

5. Cash, cash equivalents and restricted cash

For purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, including restricted cash. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 501,093,921	\$ 139,056,863	\$ 452,802,049
Current restricted cash	<u>72,215</u>	<u>90,222</u>	<u>19,083</u>
	501,166,136	139,147,085	452,821,132
Non-current restricted cash	<u>735,312</u>	<u>735,312</u>	<u>735,312</u>
Total	<u>\$ 501,901,448</u>	<u>\$ 139,882,397</u>	<u>\$ 453,556,444</u>

Restricted cash represents balances held by the Entity that are only available for use under certain conditions pursuant to the loan agreements entered into by the Entity. Such conditions include payment of monthly debt service fee and compliance with certain covenants set forth in the loan agreement. These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled. Non-current restricted cash was classified within security deposits made in the accompanying consolidated statements of financial position.

Non-cash transactions

The Entity did not have additions to the right-of-use asset and lease liabilities during 2023. Additions to right of use assets during 2022 and 2021 of \$635,956 and \$1,144,662, respectively were financed by new leases. Other non-cash investing activities related to investment properties are included in Note 8.

Changes in liabilities arising from financing activities not requiring cash relate to a decrease for the amortization of debt issuance costs for \$1,971,555, \$1,544,113 and \$4,781,465 in 2023, 2022 and 2021, respectively and an increase for new lease liabilities for \$635,956 and \$1,144,662 in 2022 and 2021, respectively.

Unpaid dividends are included in Note 12.4.

6. Recoverable taxes

	December 31, 2023	December 31, 2022	December 31, 2021
Recoverable value-added tax ("VAT")	\$ 33,733,662	\$ 18,440,884	\$ 6,193,929
Recoverable income taxes	-	9,531,645	9,530,937
Recoverable dividend tax	-	1,818,971	3,533,983
Other receivables	<u>131,159</u>	<u>296,973</u>	<u>118,713</u>
	<u>\$ 33,864,821</u>	<u>\$ 30,088,473</u>	<u>\$ 19,377,562</u>

7. Operating lease receivables

i. The aging profile of operating lease receivables as of the dates indicated below are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
0-30 days	\$ 9,338,540	\$ 6,732,985	\$ 8,345,097
30-60 days	335,498	260,832	263,033
60-90 days	146,708	610,770	269,054
Over 90 days	<u>280,086</u>	<u>85,608</u>	<u>161,963</u>
Total	<u>\$ 10,100,832</u>	<u>\$ 7,690,195</u>	<u>\$ 9,039,147</u>

Pursuant to the lease agreements, rental payments should be received within 30 days following their due date; thereafter the payment is considered past due. As shown in the table above, 92%, 88%, and 92% of all operating lease receivables are current at December 31, 2023, 2022 and 2021, respectively.

All rental payments past due are monitored by the Entity; for receivables outstanding from 30 to 90 days' efforts are made to collect payment from the respective client. Operating lease receivables outstanding for more than 30 days but less than 60 days represent 3%, 3% and 3% of all operating lease receivables at December 31, 2023, 2022 and 2021, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 1%, 8%, and 3% of all operating lease receivable at December 31, 2023, 2022 and 2021. Operating lease receivables outstanding greater than 90 days represent 3%, 1%, and 2% as of December 31, 2023, 2022 and 2021, respectively.

ii. *Movement in the allowance for doubtful accounts receivable*

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the operating lease receivable.

The following table shows the movement in expected credit losses that has been recognized for the lease receivable:

	2023	2022	2021
Balance as of January 1	\$ 1,916,124	\$ 1,957,935	\$ 3,507,156
Increase in loss allowance arising from new financial assets recognized in the year	1,615,852	760,072	1,516,248
Decrease in loss allowance from derecognition of financial assets in the year	<u>(995,083)</u>	<u>(801,883)</u>	<u>(3,065,469)</u>
Balance as of December 31,	<u>\$ 2,536,893</u>	<u>\$ 1,916,124</u>	<u>\$ 1,957,935</u>

iii. *Client concentration risk*

As of December 31, 2023, 2022 and 2021 one of the Entity's clients account for 45% or \$4,525,100, 42% or \$3,249,692 and 43% or \$3,863,928, respectively, of the operating lease receivables balance. The same client accounted for 5%, 6%, and 6% of the total rental income of Entity for the years ended December 31, 2023, 2022 and 2021, respectively. No other client represented more than 10% of the Entity's total rental income during the years ended December 31, 2023, 2022 and 2021.

iv. *Leasing agreements*

Operating leases relate to non-cancellable lease agreements over the investment properties owned by the Entity, which generally have terms ranging between 5 to 15 years, with options to extend the term up to a total term of 20 years. Rents are customarily payable on a monthly basis, and are adjusted annually according to applicable inflation indices (US and Mexican inflation indices). Security deposits are typically equal to one or two months' rent. Obtaining property insurance (third party liability) and operating maintenance are obligations of the tenants.

All lease agreements include a rescission clause that entitles the Entity to collect all unpaid rents during the remaining term of the lease agreement in the event that the client defaults in its rental payments, vacates the properties, terminates the lease agreement or enters into bankruptcy or insolvency proceedings. All lease agreements are classified as operating leases and do not include purchase options.

v. *Non-cancellable operating lease receivables*

Future minimum lease payments receivable under non-cancellable operating lease agreements are as follows:

As of December 31,	2023	2022	2021
Not later than 1 year	\$ 204,723,974	\$ 155,267,112	\$ 140,816,013
Later than 1 year and not later than 3 years	344,644,619	250,043,235	213,202,071
Later than 3 year and not later than 5 years	329,579,421	209,592,871	169,944,066
Later than 5 years	<u>185,044,052</u>	<u>154,909,895</u>	<u>102,405,961</u>
	<u>\$ 1,063,992,066</u>	<u>\$ 769,813,113</u>	<u>\$ 626,368,111</u>

vi. *Prepaid expenses and other current assets*

As of December 31	2023	2022	2021
Advance payments ⁽¹⁾	\$ 19,308,297	\$ 17,201,933	\$ -
Other accounts receivables ⁽²⁾	328,082	7,486,147	-
Property expenses	1,638,607	543,804	-
Prepaid expenses	<u>24,406</u>	<u>76,467</u>	<u>483,581</u>
	<u>\$ 21,299,392</u>	<u>\$ 25,308,351</u>	<u>\$ 483,581</u>

- 1) During the second quarter of 2022 the Entity entered into an agreement for the procurement, permissioning and other conditions for the acquisition of several plots of land; if the conditions are met within a period of 18 months, or an additional 18-month extension, the advance deposit will be considered part of the final transactions price, otherwise approximately \$1 million will be forfeited to the counterparty and expensed; the remainder amount will be reimbursed to the Entity.
- 2) As stated in Note 8 the Entity sold land reserve located in Queretaro, and as of December 2022, there was an outstanding balance of \$7,486,147 that was settled in the first quarter of 2023.

8. **Investment property**

The Entity uses external appraisers in order to determine the fair value for all of its investment properties. The external appraisers hold recognized and relevant professional qualifications and have vast experience in the types of investment properties owned by the Entity. The external appraisers use valuation techniques such as the discounted cash flows approach, replacement cost approach and income cap rate approach. The techniques used include assumptions, the majority of which are not directly observable in the market, to estimate the fair value of the Entity's investment property such as discount rates, exit cap rates, long-term NOI, inflation rates, absorption periods and market rents.

The values, determined by the external appraisers annually, are recognized as the fair value of the Entity's investment property at the end of each reporting period. The appraisers use a discounted cash flow approach to determine the fair value of land and buildings (using the expected net operating income ("NOI") of the investment property) and a market approach to determine the fair value of land reserves. Gains or losses arising from changes in the fair values are included in the consolidated statements of profit or loss and other comprehensive (loss) income in the period in which they arise.

The Entity's investment properties are located in México and they are classified as Level 3 in the IFRS fair value hierarchy. The following table provides information about how the fair values of the investment properties are determined (in particular, the valuation techniques and inputs used).

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value/range	Relationship of unobservable inputs to fair value
Buildings and land	Level 3	Discounted cash flows	Discount rate	2023: 7.00% to 12.21% 2022: 7.50% to 12.24% 2021: 7.75% to 12.15%	The higher the discount rate, the lower the fair value.
			Exit cap rate	2023: 6.50% to 8.99% 2022: 6.50% to 8.99% 2021: 6.75% to 8.99%	The higher the exit cap rate, the lower the fair value.
			Long-term NOI	Based on contractual rent and then on market related rents	The higher the NOI, the higher the fair value.
			Inflation rates	Mexico: 3.6% to 4.25%, in 2023 3.4% to 5.0%, in 2022 3.55% to 4.15% in 2021 U.S.: 2.1% to 3.0%, in 2023 2.1% to 3.5% in 2022, 2.3% to 3.0% in 2021	The higher the inflation rate, the higher the fair value.
			Absorption period	12 months of average	The shorter the absorption period, the higher the fair value
			Market related rents	Depending on the park/state	The higher the market rent the higher the fair value
Land reserves	Level 3	Market comparable	Price per acre	Weighted average price per acre is \$195,196 in 2023, \$239,266 in 2022, \$149,153 in 2021.	The higher the price, the higher the fair value.

Fair value sensitivity:

The following table presents a sensitivity analysis to the impact of 10 basis points (“bps”) of the discount rates and exit cap rate and the aggregated impact, in absolute terms, of these two on fair values of the investment properties – land and buildings representing leased land and buildings valued used the discounted cash flows method. An increase/decrease in discount rates and exit cap rate will decrease/increase the building and land valuation as of December 31, 2023, 2022 and 2021:

	December 31, 2023		
	Impact of +/- 10 bps on exit cap rate	Impact of +/- 10 bps on discount rate	Impact of +/- 10 bps on exit cap rate and discount rate
Buildings and land	\$ 14,622,874	\$ 15,652,178	\$ 36,530,020

	December 31, 2022		
	Impact of +/- 10 bps on exit cap rate	Impact of +/- 10 bps on discount rate	Impact of +/- 10 bps on exit cap rate and discount rate
Buildings and land	\$ 12,177,562	\$ 20,763,362	\$ 21,538,398
	December 31, 2021		
	Impact of +/- 10 bps on exit cap rate	Impact of +/- 10 bps on discount rate	Impact of +/- 10 bps on exit cap rate and discount rate
Buildings and land	\$ 15,072,887	\$ 15,978,900	\$ 29,857,968

The table below sets forth the aggregate values of the Entity's investment properties for the years indicated:

	2023	2022	2021
Buildings and land	\$ 3,167,770,000	\$ 2,657,513,766	\$ 2,167,895,680
Land improvements	16,277,544	7,562,174	7,975,906
Land reserves	<u>138,380,000</u>	<u>208,910,000</u>	<u>133,859,180</u>
	3,322,427,544	2,873,985,940	2,309,730,766
Less: Cost to conclude construction in-progress	<u>(110,263,380)</u>	<u>(135,520,664)</u>	<u>(46,559,825)</u>
Balance at end of year	<u>\$ 3,212,164,164</u>	<u>\$ 2,738,465,276</u>	<u>\$ 2,263,170,941</u>

The reconciliation of investment property is as follows:

	2023	2022	2021
Balance at beginning of year	\$ 2,738,465,276	\$ 2,263,170,941	\$ 2,103,214,762
Additions	259,757,058	292,349,582	109,032,511
Foreign currency translation effect	13,001,109	7,196,797	(3,742,001)
Disposal of investment property	(42,519,100)	(9,743,562)	(109,984,290)
Gain on revaluation of investment property	<u>243,459,821</u>	<u>185,491,518</u>	<u>164,649,959</u>
Balance at end of year	<u>\$ 3,212,164,164</u>	<u>\$ 2,738,465,276</u>	<u>\$ 2,263,170,941</u>

A total of \$19,510,889, \$23,866,003, and \$739,381 additions to investment property related to land reserves and new buildings that were acquired from third parties, were not paid as of December 31, 2023, 2022 and 2021, respectively, and were therefore excluded from the consolidated statements of cash flows for those years.

A total of \$15,884,322, \$739,381 and \$933,571 of 2022, 2021 and 2020 additions were paid during 2023, 2022 and 2021, respectively and were included in the 2023, 2022 and 2021 consolidated statement of cash flows.

During 2023, the Entity reached an agreement to sell a land reserve located in Aguascalientes totaling 914,932 square feet for \$5,057,500 and also sold a 313,410 square feet building in Tijuana for \$37,000,000, the cost associated with the sales was \$42,519,100, generating a loss in sale of investment property of \$461,600.

During 2022, the Entity reached an agreement to sell two land reserves located in Queretaro totaling 115,101 square feet for \$909,005 and also sold land reserves located in Cd. Juarez totaling 1,297,508 square feet for \$13,862,383, the cost associated with the two sales was \$9,743,562, generating a gain in sale of investment property of \$5,027,826.

During 2021, the Entity reached an agreement to sell four land reserves located in Queretaro totaling 2.1 million square feet for \$16,317,539, the cost associated with the sale was \$7,395,427, generating a gain in sale of investment property of \$8,922,112.

During 2021, the Entity reached an agreement to sell two industrial properties located in Queretaro and Ciudad Juarez totaling 1,371,129 square feet for \$108,248,000, the cost associated with the sale was \$103,177,437, generating a gain in sale of investment property of \$5,070,563.

During 2007, the Entity entered into an agreement to build the Querétaro Aerospace Park, which consists of a Trust created by the Government of the State of Querétaro, as grantor (*fideicomitente*), Aeropuerto Intercontinental de Querétaro, S. A. de C. V., as a participant for the purposes of granting its consent, Bombardier Aerospace México, S.A. de C.V., as beneficiary (*fideicomisario*), and BBVA Bancomer, S.A., as Trustee (*fiduciario*), to which the Entity, through its subsidiary, Proyectos Aeroespaciales, S. de R. L. de C. V. (PAE), adhered as grantee and beneficiary. The Government of the State of Queretaro contributed certain rights to the Trust, including rights to use the land and the infrastructure built by the state of Queretaro, allowing PAE to build and lease buildings for a total period equivalent to the term of the concession granted to the Aerospace Park; the remaining term is approximately 41 years as of December 31, 2023.

PAE is the only designated real estate developer and was granted the right to use the land and infrastructure to develop industrial facilities thereon, lease such industrial facilities to companies in the aerospace and related industries and to collect the rents derived from the lease of the industrial facilities, for a period of time equivalent to the remaining term of the airport concession (approximately 34 years as of December 31, 2023). With respect to such rights, all construction, addition and improvements made by Proyectos Aeroespaciales to the contributed land (including without limitation, the industrial facilities) will revert in favor of the Government of the State of Queretaro at the end of the term of the Trust, for zero consideration.

During 2013, the Entity entered into an agreement with Nissan Mexicana, S.A. de C.V. (“Nissan”) to build and lease to Nissan the Douki Seisan Park (“DSP Park”) located in Aguascalientes, Mexico. The land where the DSP Park is located is owned by Nissan. On July 5, 2012, Nissan created a Trust (Trust No. F/1704 with Deutsche Bank México, S.A. as Trustee) to which the Entity (through one of its subsidiaries, Vesta DSP, S. de R.L. de C.V), is beneficiary and was granted the use of the land for a period of 40 years. The infrastructure and all the related improvements were built by and are managed by the Entity.

Some of the Entity’s investment properties have been pledged as collateral to secure its long-term debt, the long-term debt is secured by 67 investment properties with a carrying amount of \$642,470,000.

9. Lease liabilities

1. *Right-of-use asset:*

Rights-of-use	January 1, 2023	Additions	Disposals	December 31, 2023
Office space	\$ 2,552,121	\$ -	\$ -	\$ 2,552,121
Vehicles and office furniture	<u>791,773</u>	<u>-</u>	<u>-</u>	<u>791,773</u>
Cost of rights-of-use	<u>\$ 3,343,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,343,894</u>

Depreciation of rights-of-use	January 1, 2023	Additions	Disposals	December 31, 2023
Office space	\$ (1,508,871)	\$ (452,154)	\$ -	\$ (1,961,025)
Vehicles and office furniture	<u>(417,078)</u>	<u>(131,592)</u>	<u>-</u>	<u>(548,670)</u>
Accumulated depreciation	<u>(1,925,949)</u>	<u>(583,746)</u>	<u>-</u>	<u>(2,509,695)</u>
Total	<u>\$ 1,417,945</u>	<u>\$ (583,746)</u>	<u>\$ -</u>	<u>\$ 834,199</u>
Rights-of-use	January 1, 2022	Additions	Disposals	December 31, 2022
Office space	\$ 2,296,581	\$ 255,540	\$ -	\$ 2,552,121
Vehicles and office furniture	<u>411,357</u>	<u>380,416</u>	<u>-</u>	<u>791,773</u>
Cost of rights-of-use	<u>\$ 2,707,938</u>	<u>\$ 635,956</u>	<u>\$ -</u>	<u>\$ 3,343,894</u>
Depreciation of rights-of-use				
Office space	\$ (1,078,035)	\$ (430,836)	\$ -	\$ (1,508,871)
Vehicles and office furniture	<u>(285,486)</u>	<u>(131,592)</u>	<u>-</u>	<u>(417,078)</u>
Accumulated depreciation	<u>(1,363,521)</u>	<u>(562,428)</u>	<u>-</u>	<u>(1,925,949)</u>
Total	<u>\$ 1,344,417</u>	<u>\$ 73,528</u>	<u>\$ -</u>	<u>\$ 1,417,945</u>
Rights-of-use	January 1, 2021	Additions	Disposals	December 31, 2021
Office space	\$ 1,260,626	\$ 1,035,955	\$ -	\$ 2,296,581
Vehicles and office furniture	<u>302,650</u>	<u>108,707</u>	<u>-</u>	<u>411,357</u>
Cost of rights-of-use	<u>\$ 1,563,276</u>	<u>\$ 1,144,662</u>	<u>\$ -</u>	<u>\$ 2,707,938</u>
Depreciation of rights-of-use				
Office space	\$ (717,375)	\$ (360,660)	\$ -	\$ (1,078,035)
Vehicles and office furniture	<u>(188,064)</u>	<u>(97,422)</u>	<u>-</u>	<u>(285,486)</u>
Accumulated depreciation	<u>(905,439)</u>	<u>(458,082)</u>	<u>-</u>	<u>(1,363,521)</u>
Total	<u>\$ 657,837</u>	<u>\$ 686,580</u>	<u>\$ -</u>	<u>\$ 1,344,417</u>

2. **Lease obligations:**

	January 1, 2023	Additions	Disposals	Interests accrued	Repayments	December 31, 2023
Lease liabilities	<u>\$1,503,939</u>	<u>\$</u>	<u>\$</u>	<u>\$ 103,611</u>	<u>\$ (709,899)</u>	<u>\$ 897,651</u>
	January 1, 2022	Additions	Disposals	Interests accrued	Repayments	December 31, 2022
Lease liabilities	<u>\$1,380,413</u>	<u>\$ 635,956</u>	<u>\$ -</u>	<u>\$ 135,531</u>	<u>\$ (647,961)</u>	<u>\$1,503,939</u>

	January 1, 2021	Additions	Disposals	Interests accrued	Repayments	December 31, 2021
Lease liabilities	\$ 731,285	\$1,144,662	\$ -	\$ 69,143	\$ (564,677)	\$1,380,413

3. *Analysis of maturity of liabilities by lease:*

Finance lease liabilities	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
Less than 1 year	\$ 662,388	\$ 709,901	\$ 523,281
Later than 1 year and not later than 5 years	301,099	963,487	968,672
	963,487	1,673,388	1,491,953
Less: future finance cost	(65,836)	(169,449)	(111,540)
Total lease liability	\$ 897,651	\$ 1,503,939	\$ 1,380,413
Finance lease - short term	\$ 607,481	\$ 606,281	\$ 464,456
Finance lease - long term	290,170	897,658	915,957
Total lease liability	\$ 897,651	\$ 1,503,939	\$ 1,380,413

10. **Long-term debt**

In September 1, 2022, the Entity obtained a three-year unsecured sustainability-linked revolving credit facility for \$200 million. This loan bears interest at a rate of SOFR plus 1.60 percentage points. As a part of such revolving credit, Vesta paid debt issuance costs in an amount of \$1,339,606. As of December 31, 2023 no amount has been borrowed yet.

On May 13, 2021, the Entity offered \$350,000,000 of Senior Notes (“Vesta ESG Global bond 35/8 05/31”) with maturity on May 13, 2031. The notes bear interest at a rate of 3.625%. The cost of such debt issuance was \$7,746,222.

On August 2, 2019, the Entity entered into a new five-year unsecured credit agreement with various financial institutions for an aggregated amount of \$80,000,000 which proceeds were received on the same date, and a revolving credit line of \$125,000,000. This loan bears interest at a rate of LIBOR plus 2.15 percentage points. On March 23, 2020 and April 7, 2020, the Entity borrowed \$85,000,000 and \$40,000,000, respectively, out of the revolving credit line, bearing quarterly interest at a rate of LIBOR plus 1.85 percentage points.

On June 25, 2019, the Entity entered into a 10-year Senior Note series RC and 12-year Senior Note series RD with various financial institutions, for aggregate amounts of \$70,000,000 and \$15,000,000, respectively. Each Series RC notes and Series RD notes bear interest on the unpaid balance at the rates of 5.18% and 5.28%, respectively.

On May 31, 2018, the Entity entered into an agreement for the issuance and sale of Series A Senior Note of \$45,000,000 due on May 31, 2025, and Series B Senior Note of \$45,000,000 due on May 31, 2028. Each Series A Note and Series B Note bear interest on the unpaid balance at the rates of 5.50% and 5.85%, respectively.

On November 1, 2017, the Entity entered into a loan agreement with Metropolitan Life Insurance Company for \$118,000,000 due on December 1, 2027. This loan bears interest at a rate of 4.75%.

On September 22, 2017, the Entity entered into an agreement for an issuance and sale Series A Senior Note of \$65,000,000 due on September 22, 2024, and Series B Senior Note of \$60,000,000 due on September 22, 2027. Each Series A Note and Series B Note bears interest on the unpaid balance of such Series A Note and Series B Note at the rates of 5.03% and 5.31%, respectively, payable semiannually on the September 22 and March 22 of each year.

On July 27, 2016, the Entity entered into a 10-year loan agreement with Metropolitan Life Insurance Company (“MetLife”) for a total amount of \$150,000,000 due on August 2026. The proceeds of both of the aforementioned credit facilities were used to settle the Entity’s debt with Blackstone which matured on August 1, 2016.

The long-term debt is comprised by the following notes:

Loan	Amount	Annual interest rate	Monthly amortization	Maturity	31/12/2023	31/12/2022	31/12/2021
MetLife 10-year	150,000,000	4.55%	(1)	August 2026	144,266,224	146,723,915	149,071,012
Series A Senior Note	65,000,000	5.03%	(3)	September 2024	65,000,000	65,000,000	65,000,000
Series B Senior Note	60,000,000	5.31%	(3)	September 2027	60,000,000	60,000,000	60,000,000
Series A Senior Note	45,000,000	5.50%	(3)	May 2025	45,000,000	45,000,000	45,000,000
Series B Senior Note	45,000,000	5.85%	(3)	May 2028	45,000,000	45,000,000	45,000,000
MetLife 10-year	118,000,000	4.75%	(2)	December 2027	103,955,374	117,867,109	118,000,000
MetLife 8-year	26,600,000	4.75%	(1)	August 2026	25,620,991	26,041,321	26,441,925
Series RC Senior Note	70,000,000	5.18%	(4)	June 2029	70,000,000	70,000,000	70,000,000
Series RD Senior Note	15,000,000	5.28%	(5)	June 2031	15,000,000	15,000,000	15,000,000
Vesta ESG Global bond 35/8 05/31	350,000,000	3.63%	(6)	May 2031	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>
					923,842,589	940,632,345	943,512,937
Less: Current portion					(69,613,002)	(4,627,154)	(2,880,592)
Less: Direct issuance cost					<u>(8,655,835)</u>	<u>(10,132,759)</u>	<u>(9,979,721)</u>
Total Long-term debt					<u>\$ 845,573,752</u>	<u>\$ 925,872,432</u>	<u>\$ 930,652,624</u>

- (1) On July 22, 2016 the Entity entered into a 10-year loan agreement with MetLife, interest on this loan is paid on a monthly basis. On March 2021, under this credit facility, an additional loan was contracted for \$26,600,000 bearing interest on a monthly basis at a fixed interest rate of 4.75%. Principal amortization over the two loans will commence on September 1, 2023. This credit facility is guaranteed with 48 of the Entity’s properties.
- (2) On November 1, 2017, the Entity entered into a 10-year loan agreement with MetLife, interest on this loan is paid on a monthly basis. The loan bears monthly interest only for 60 months and thereafter monthly amortizations of principal and interest until it matures on December 1, 2027. This loan is secured by 19 of the Entity’s investment properties under a Guarantee Trust. On November 28, 2023, the Entity prepaid \$12,194,600 associated with the sale of one investment property under the Guarantee trust.
- (3) Series A Senior Notes and Series B Senior Notes are not secured by investment properties of the Entity. The interest on these notes is paid on a monthly basis. As of December 31, 2023, Series A Senior Notes were reclassified to the Current portion of long-term debt.
- (4) On June 25, 2019, the Entity entered into a 10-year senior notes series RC to financial institutions, interest on these loans is paid on a semiannual basis December 14, 2019. The note payable matures on June 14, 2029. Five of its subsidiaries are joint obligators under these notes payable.

- (5) On June 25, 2019, the Entity entered into a 12-year note payable to financial institutions, interest on these loans is paid on a semiannual basis beginning December 14, 2019. The note payable matures on June 14, 2031. Five of its subsidiaries are joint obligators under these notes payable.
- (6) On May 13, 2021, the Entity offered \$350,000,000 Senior Notes, Vesta ESG Global bond 35/8 05/31 with maturity on May 13, 2031. Interest is paid on a semiannual basis at an annual interest rate of 3.625%. The cost incurred for this issuance was \$7,746,222.

These credit agreements require the Entity to maintain certain financial and to comply with certain affirmative and negative covenants. The Entity is in compliance with such covenants as of December 31, 2023.

The credit agreements also entitle MetLife to withhold certain amounts deposited by the Entity in a separate fund as guarantee deposits for the debt service and tenants guarantee deposits of the Entity's investment properties pledged as collateral. Such amounts are presented as guaranteed deposit assets in the consolidated statement of financial position.

Scheduled maturities and periodic amortization of long-term debt are as follows:

2025	49,856,047
2026	165,520,823
2027	98,852,717
2028	105,000,000
2029	70,000,000
Thereafter	365,000,000
Less: direct issuance cost	<u>(8,655,835)</u>
Total long-term debt	<u>\$ 845,573,752</u>

11. Employee benefits

The analysis of the employee benefit liabilities recorded in the consolidated financial statements is detailed below:

Assumptions: The Entity performs an annual evaluation of the reasonableness of the assumptions used in the calculations of the defined benefit obligations, the post-employment and other long-term employee benefits.

The principal long-term assumptions used in determining the retirement plan, seniority premium and the current service cost are as follows:

As of December 31,	2023	2022	2021
Financial:			
Discount rate	9.80%	10.30%	8.20%
Rate of salary increase	5.00%	5.00%	4.50%
Rate of minimum wage increase	5.00%	5.00%	4.50%
Inflation rate	4.00%	4.00%	3.50%
Biometric:			
Mortality	EMSSA-09	EMSSA-09	EMSSA-09
Incapacity	EMSSIH-97	EMSSIH-97	EMSSIH-97
Retirement age	65 years	65 years	65 years
Rotation	20% / 100%	20% / 100%	20% / 100%

In Mexico, the methodology used to determine the discount rate was the Yield or Internal Rate of Return ("IRR"), which includes a yield curve. In this case, the expected rates were taken from a yield curve of the Federation Treasury Certificate (known in Mexico as CETES), because there is no deep market for high quality corporate obligations in Mexican pesos.

Balance of liabilities for defined benefit obligations:

As of December 31,	2023	2022	2021
Seniority premium			
Net defined benefit liability	\$ 40,453	\$ 9,270	\$ -
Retirement plan			
Net defined benefit liability	<u>1,479,337</u>	<u>339,010</u>	<u>-</u>
Employee benefit liability	<u>\$ 1,519,790</u>	<u>\$ 348,280</u>	<u>\$ -</u>

Considering the materiality of labor liabilities, Vesta does not include sensitivity analysis of the actuarial assumptions.

Vesta presents a maturity analysis to facilitate understanding of the effect of the defined benefit plan on the timing, amount and uncertainty in the entity's future cash flows:

Based on our assumptions, the benefit amounts expected to be paid in the following years are as follows:

Assumption	Seniority premium	Retirement Plan
2024	5,047	265,205
2025	7,798	538,736
2026	4,099	73,151
2027	4,012	86,782
2028	3,091	71,281
2029 onwards	56,858	1,923,520

12. Capital stock

1. *Capital stock as of December 31, 2023, 2022 and 2021 is as follows:*

	2023		2022		2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Fixed capital						
Series A	5,000	\$ 3,696	5,000	\$ 3,696	5,000	\$ 3,696
Variable capital						
Series B	<u>870,104,128</u>	<u>\$91,596,417</u>	<u>679,697,740</u>	<u>480,620,223</u>	<u>684,247,628</u>	<u>482,854,693</u>
Total	<u>870,109,128</u>	<u>\$591,600,113</u>	<u>679,702,740</u>	<u>\$480,623,919</u>	<u>684,252,628</u>	<u>\$482,858,389</u>

2. *Treasury shares*

As of December 31, 2023, 2022 and 2021 total treasury shares are as follows:

	2023	2022	2021
Treasury shares (1)	5,721,638	10,077,405	5,652,438
Shares in Long-term incentive plan trust (2)	<u>8,655,670</u>	<u>8,456,290</u>	<u>8,331,369</u>
Total Treasury shares	<u>14,377,308</u>	<u>18,533,695</u>	<u>13,983,807</u>

- (1) Treasury shares are not included in the Total Capital Stock of the Entity; they represent the total stock outstanding under the repurchase program approved by the resolution of the general ordinary stockholders meeting on March 13, 2020.

- (2) Shares in long-term incentive plan trust are not included in the Total Capital Stock of the Entity. The trust was established in 2018 in accordance with the resolution of the general ordinary stockholders meeting on January 6, 2015 as the 20-20 Long Term Incentive Plan, this compensation plan was extended for the period 2021 to 2025, "Long Term Incentive Plan" by a resolution of the general ordinary stockholders meeting on March 13, 2020. Such trust was created by the Entity as a vehicle to distribute shares to employees under the mentioned incentive plan (see Note 21) and is consolidated by the Entity. The shares granted to the eligible executives and deposited in the trust accrue dividends for the employee any time the ordinary shareholders receive dividends and those dividends do not need to be returned to the Entity if the executive forfeits the granted shares.

3. *Fully paid ordinary shares*

	Number of shares	Amount	Additional paid-in capital
Balance as of January 1, 2021	564,214,433	\$ 422,437,615	\$ 297,064,471
Vested shares	3,258,637	1,647,600	4,743,437
Repurchase of shares	<u>116,779,558</u>	<u>58,773,174</u>	<u>164,422,275</u>
Balance as of December 31, 2021	684,252,628	482,858,389	466,230,183
Vested shares	4,161,111	2,014,895	5,800,995
Repurchase of shares	<u>(8,710,999)</u>	<u>(4,249,365)</u>	<u>(11,353,944)</u>
Balance as of December 31, 2022	679,702,740	480,623,919	460,677,234
Vested shares	4,156,388	2,204,586	8,048,945
Equity Issuance	<u>186,250,000</u>	<u>108,771,608</u>	<u>466,218,277</u>
Balance as of December 31, 2023	<u>870,109,128</u>	<u>\$ 591,600,113</u>	<u>\$ 934,944,456</u>

4. *Dividend payments*

Pursuant to a resolution of the general ordinary stockholders meeting on March 30, 2023, the Entity declared a dividend of \$60,307,043, approximately \$0.08782 per share. The dividend will be paid in four equal installments of \$15,076,761 due on April 17, 2023, July 15, 2023, October 15, 2023 and January 15, 2024. As of December 31, 2023, the unpaid dividends are \$15,155,311.

The first installment of the 2023 declared dividends, paid on April 17, 2023, was approximately \$0.0218 per share, for a total dividend of \$15,076,761.

The second installment of the 2023 declared dividends, paid on July 17, 2023, was approximately \$0.0180 per share, for a total dividend of \$15,076,761.

The third installment of the 2023 declared dividends, paid on October 16, 2023, was approximately \$0.0182 per share, for a total dividend of \$15,076,761.

Pursuant to a resolution of the general ordinary stockholders meeting on March 24, 2022, the Entity declared a dividend of \$57,432,776, approximately \$0.08306 per share. The dividend will be paid in four equal installments of \$14,358,194 due on April 15, 2022, July 15, 2022, October 15, 2022 and January 15, 2023. As of December 31, 2022, the unpaid dividends are \$14,358,194.

The first installment of the 2022 declared dividends, paid on April 15, 2022, was approximately \$0.0207 per share, for a total dividend of \$14,358,194.

The second installment of the 2022 declared dividends, paid on July 15, 2022, was approximately \$0.02086 per share, for a total dividend of \$14,358,194.

The third installment of the 2022 declared dividends, paid on October 15, 2022, was approximately \$0.02086 per share, for a total dividend of \$14,358,194.

The fourth installment of the 2022 declared dividends, paid on January 15, 2023, was approximately \$0.02086 per share, for a total dividend of \$14,358,194.

Pursuant to a resolution of the general ordinary stockholders meeting on March 23, 2021, the Entity declared a dividend of \$55,776,929, approximately \$0.097 per share. The dividend will be paid in four equal installments of \$13,944,232 due on April 15, 2021, July 15, 2021, October 15, 2021 and January 15, 2022. As of December 31, 2021, the unpaid dividends are \$13,944,232.

The first installment of the 2021 declared dividends, paid on April 15, 2021, was approximately \$0.0242 per share, for a total dividend of \$13,944,232.

The second installment of the 2021 declared dividends, paid on July 15, 2021, was approximately \$0.0242 per share, for a total dividend of \$13,944,232.

The third installment of the 2021 declared dividends, paid on October 15, 2021, was approximately \$0.0242 per share, for a total dividend of \$13,944,232.

The fourth installment of the 2021 declared dividends, paid on January 15, 2022, was approximately \$0.0237 per share, for a total dividend of \$13,534,554.

Stockholders' equity, except restated common stock and tax-retained earnings, will incur income tax payable by the Entity at the rate in effect at the time of its distribution. Any tax paid on such distribution may be credited against income for the year in which the dividend tax is paid and, in the subsequent two years, against tax for the year and the related estimated payments.

Dividends paid from tax profits generated from January 1, 2014 to residents in Mexico and to nonresident stockholders may be subject to an additional tax of up to 10%, which will be withheld by the Entity.

Pursuant temporary provisions of the Income Tax Law of 2016, a tax benefit was granted to individual taxpayers that are subjects to 10% withholding tax on dividends received from legal entities, which come from earnings generated in 2014, 2015 and 2016, subject to compliance with specific requirements. The tax benefit consists in a tax credit equivalent to 5% of the distributed dividend (applicable only to dividends distributed in 2020 and onwards). Such tax credit will be credited only against the aforementioned 10% withholding tax.

Retained earnings that may be subject to withholding of up to 10% on distributed dividends is as follows:

Period	Amount	Reinvested earnings	Distributed earnings (1)	Amount that may be subject to withholding	Amount not subject to withholding
Retained earnings through December					
31, 2013	\$204,265,028	204,265,028	204,265,028	\$ -	\$ -
2014	24,221,997	24,221,997	24,221,997	-	\$ -
2016	45,082,793	45,082,793	45,082,793	-	\$ -
2017	126,030,181	126,030,181	126,030,181	-	\$ -
2018	93,060,330	93,060,330	22,541,485	70,518,845	\$ -
2019	134,610,709	134,610,709	-	134,610,709	\$ -
2020	66,956,082	66,956,082	-	66,956,082	\$ -
2021	173,942,373	173,942,373	-	173,942,373	\$ -
2022	243,624,754	243,624,754	-	243,624,754	\$ -
2023	325,012,754	325,012,754	-	325,012,754	\$ -

- (1) Dividend paid in 2019, were distributed from earnings generated in 2014 and 2016, which were reinvested until the days in which the dividends were paid. Dividend paid in 2020 were distributed from earnings generated in 2017. Dividends paid in 2021 and 2022 were distributed from earnings generated in 2013 and 2017.

5. *Earnings per share*

The amounts used to determine earnings per share are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Basic Earnings per share			
Earnings attributable to ordinary shares outstanding	\$ 316,637,512	\$ 243,624,754	\$ 173,942,373
Weighted average number of ordinary shares outstanding	756,961,868	682,642,927	648,418,962
Basic Earnings per share	0.4183	0.3569	0.2683
Diluted Earnings per share			
Earnings attributable to ordinary shares outstanding and shares in Long-term Incentive Plan	\$ 316,637,512	\$ 243,624,754	\$ 173,942,373
Weighted average number of ordinary shares plus shares in Long-term Incentive Plan	768,845,264	694,253,758	692,934,852
Diluted earnings per share	0.4118	0.3509	0.2636

Shares held in the Incentive Plan trust accrue dividends, which are irrevocable, regardless if the employee forfeits the granted shares.

13. **Rental income**

	December 31, 2023	December 31, 2022	December 31, 2021
Rents	\$ 200,267,401	\$ 166,875,957	\$ 154,954,624
Energy income	1,940,693	1,831,137	571,684
Reimbursable building services	<u>11,240,202</u>	<u>9,318,367</u>	<u>5,172,077</u>
	<u>\$ 213,448,296</u>	<u>\$ 178,025,461</u>	<u>\$ 160,698,385</u>

14. **Property operating costs and General and administrative expenses**

1. *Property operating costs consist of the following:*

- a. Direct property operating costs from investment properties that generated rental income during the year:

	December 31, 2023	December 31, 2022	December 31, 2021
Real estate tax	\$ 2,658,183	\$ 1,831,436	\$ 1,887,480
Insurance	1,062,027	691,462	655,883
Maintenance	2,083,252	1,624,366	1,559,539
Structural maintenance accrual	111,851	110,403	105,228
Trust fees	114,062	110,439	106,752
Energy costs	2,102,060	1,345,588	571,684
Other property related expenses	<u>5,344,889</u>	<u>3,227,095</u>	<u>3,657,395</u>
	<u>\$ 13,476,324</u>	<u>\$ 8,940,789</u>	<u>\$ 8,543,961</u>

- b. Direct property operating costs from investment property that did not generate rental income during the year:

	December 31, 2023	December 31, 2022	December 31, 2021
Real estate tax	\$ 683,843	\$ 328,919	\$ 449,403
Insurance	33,298	42,973	63,388
Maintenance	625,648	458,178	403,167
Other property related expenses	<u>3,420,609</u>	<u>1,652,535</u>	<u>1,266,838</u>
	<u>4,763,398</u>	<u>2,482,605</u>	<u>2,182,796</u>
Total property operating costs	<u>\$ 18,239,722</u>	<u>\$ 11,423,394</u>	<u>\$ 10,726,757</u>

2. General and administrative expenses consist of the following:

	December 31, 2023	December 31, 2022	December 31, 2021
Employee annual salary plus employee benefits	\$ 17,883,095	\$ 13,501,686	\$ 11,744,548
Auditing, legal and consulting expenses	2,357,281	971,629	815,843
Property appraisal and other fees	572,207	682,905	683,681
Marketing expenses	948,211	1,026,804	871,705
Other	<u>379,197</u>	<u>116,997</u>	<u>129,571</u>
	22,139,991	16,300,021	14,245,348
Depreciation	<u>1,578,073</u>	<u>1,463,920</u>	<u>1,601,216</u>
Share-based compensation expense – Note 21.3	<u>8,001,831</u>	<u>6,650,487</u>	<u>5,554,353</u>
Total	<u>\$ 31,719,895</u>	<u>\$ 24,414,428</u>	<u>\$ 21,400,917</u>

15. Other income

	December 31, 2023	December 31, 2022	December 31, 2021
Non-tenant electricity income	\$ 2,191,789	\$ -	\$ -
Insurance recovery	2,447,112	1,153,350	102,943
Inflationary effect on tax recovery	188,750	122,855	43,980
Others	<u>310,507</u>	<u>54,648</u>	<u>3,555</u>
Total	<u>\$ 5,138,158</u>	<u>\$ 1,330,853</u>	<u>\$ 150,478</u>

16. Other expenses

	December 31, 2023	December 31, 2022	December 31, 2021
Non-tenant electricity expense	\$ 1,834,479	\$ -	\$ -
Commissions paid	127,513	104,680	122,684
Others	<u>1,075,121</u>	<u>269,311</u>	<u>-</u>
Total	<u>\$ 3,037,113</u>	<u>\$ 373,991</u>	<u>\$ 122,684</u>

17. Finance costs

	December 31, 2023	December 31, 2022	December 31, 2021
Interest on loans	\$ 44,335,420	\$ 44,852,043	\$ 45,482,028
Loan prepayment fees	<u>1,971,555</u>	<u>1,544,113</u>	<u>4,781,465</u>
Total	<u>\$ 46,306,975</u>	<u>\$ 46,396,156</u>	<u>\$ 50,263,493</u>

18. Income taxes

The Entity is subject to ISR. The statutory ISR rate is 30%.

18.1 Income taxes are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
ISR expense:			
Current	\$ 91,953,099	\$ 41,981,391	\$ 50,262,466
Deferred	<u>(26,969,516)</u>	<u>6,242,079</u>	<u>31,828,085</u>
Total income taxes	<u>\$ 64,983,583</u>	<u>\$ 48,223,470</u>	<u>\$ 82,090,551</u>

18.2 The effective ISR rates for fiscal 2023, 2022 and 2021 differ from the statutory rate as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Statutory rate	30%	30%	30%
Effects of exchange rates on tax balances	(2%)	(20%)	(7%)
Effects of inflation	<u>(11)%</u>	<u>7%</u>	<u>9%</u>
Effective rate	<u>17%</u>	<u>17%</u>	<u>32%</u>

18.3 The main items originating the deferred tax liability are:

	December 31, 2023	December 31, 2022	December 31, 2021
Deferred ISR assets (liabilities):			
Investment property	\$ (279,051,207)	\$ (302,909,300)	\$ (291,729,224)
Effect of tax loss carryforwards	6,076	5,461	-
Other provisions and prepaid expenses	<u>2,134,624</u>	<u>2,924,146</u>	<u>150,648</u>
Deferred income taxes – Net	<u>\$ (276,910,507)</u>	<u>\$ (299,979,693)</u>	<u>\$ (291,578,576)</u>

To determine deferred tax the Entity applied the applicable tax rates to temporary differences based on their estimated reversal dates.

18.4 A reconciliation of the changes in the deferred tax liability balance is presented as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Deferred tax liability at the beginning of the period	\$ (299,979,693)	\$ (291,578,576)	\$ (260,873,091)
Movement included in profit or loss	26,969,522	(6,242,079)	(31,828,085)
Movement included in other comprehensive income	<u>(3,900,336)</u>	<u>(2,159,038)</u>	<u>1,122,600</u>
Deferred tax liability at the end of the year	<u>\$ (276,910,507)</u>	<u>\$ (299,979,693)</u>	<u>\$ (291,578,576)</u>

19. Financial instruments

19.1 Capital management

The Entity manages its capital to ensure that the Entity will be able to continue as a going concern while maximizing the return to partners through the optimization of the debt and equity balance.

The capital structure of the Entity consists of net debt (total borrowings, including the current portion, as detailed in Note 10 offset by cash and bank balances) and equity of the Entity (comprising issued capital, additional paid-in capital, retained earnings and other comprehensive income as detailed in Note 12). The Entity is not subject to any externally imposed capital requirements.

19.2 Leverage ratio

The Board reviews the capital structure of the Entity on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The leverage ratio at end of following reporting periods was as follows:

As of December 31,	2023	2022	2021
Debt	\$ 915,186,754	\$ 930,499,586	\$ 933,533,216
Cash, cash equivalents and restricted cash	(501,166,136)	(139,147,085)	(452,821,132)
Net debt	414,020,618	791,352,501	480,712,084
Equity	<u>2,486,968,425</u>	<u>1,639,787,828</u>	<u>1,453,652,407</u>
Net debt to equity ratio	<u>17%</u>	<u>48%</u>	<u>33%</u>

19.3 Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

The Entity's principal financial assets are bank balances, cash equivalents and restricted cash as disclosed in Note 5 and operating lease receivables as disclosed in Note 7. The Entity's principal financial liability is long-term debt as disclosed in Note 10.

19.4 *Financial risk management objectives*

The Entity seeks to minimize the effects of market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The use of financial derivatives is governed by the Entity's policies approved by the board of directors. The Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

19.5 *Market risk*

The Entity's activities expose it primarily to the financial risks of changes in interest rates (see 17.8 below) and foreign currency exchange rates (see 17.6 below). The Entity enters into an interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using value-at-risk (VaR) supplemented by sensitivity analysis.

19.6 *Foreign currency risk management*

The Entity is exposed to foreign exchange risk, primarily with respect to the Mexican peso and to the US dollar in respect of one of its subsidiaries, whose functional currency is the Mexican peso. Foreign exchange risk arises from future commercial transactions and recognized monetary assets and liabilities.

The carrying amounts of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as well as the relevant exchange rates are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Exchange rates:			
Mexican pesos per US dollar at the end of the period	16.8935	19.3615	20.5835
Mexican pesos per US dollar average during the year	17.7576	20.1249	20.2818
Monetary assets:			
Mexican pesos	\$ 120,056,104	\$ 229,361,977	\$ 249,437,217
US dollars	21,161	263,033	1,486,635
Monetary liabilities:			
Mexican pesos	\$ 14,408,011	\$ 260,708,893	\$ 195,227,796
US dollars	30,777,579	30,979,579	33,081,624

19.7 *Foreign currency sensitivity analysis*

The following table details the Entity's sensitivity to a 10% appreciation or depreciation in the US Dollar against the Mexican peso. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates. A positive number below indicates an increase in profit or equity where the US dollar appreciates 10% against the relevant currency. For a 10% depreciation of the US dollar against the Mexican peso, there would be a comparable impact on the profit or equity, and the balances below would be negative:

	December 31, 2023	December 31, 2022	December 31, 2021
Profit or loss impact:			
Mexican peso - 10% appreciation - gain	\$ 100,921	\$ 147,185	\$ (239,421)
Mexican peso - 10% depreciation - loss	(123,347)	(179,893)	292,626
U.S. dollar - 10% appreciation – loss	(51,958,356)	(59,471,840)	(65,033,544)
U.S. dollar - 10% depreciation – gain	51,958,356	59,471,840	65,033,544

19.8 *Interest rate risk management*

The Entity minimizes its exposure to interest rate risk by borrowing funds at fixed rates or entering into interest rate swap contracts where funds are borrowed at floating rates. This minimizes interest rate risk together with the fact that properties owned by the Entity generate a fixed income in the form of rental income which is indexed to inflation.

Interest rate swap contracts

Under interest rate swap contracts, the Entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Entity to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the reporting period.

19.9 In May 2021, the interest rate swap contracts were cancelled as related loans were paid.

19.10 *Credit risk management*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Entity's exposure and the credit ratings of its counterparties are monitored, and the transactions consummated are entered into with approved counterparties. The Entity's maximum credit risk is the total of its financial assets included in its statement of financial position.

The Entity's clients operate in a variety of industries. Its real estate portfolio is primarily concentrated in the food and beverage, automotive, aerospace, medical, logistics and plastics industries. The Entity's exposure to these industries subjects it to the risk of economic downturns in such industrial sectors to a greater extent than if its properties were more diversified across other industries.

19.11 *Liquidity risk management*

If the Entity is unable to raise additional debt or equity, its results of operations could suffer. The Entity closely monitors the maturity of its liabilities and the cash needs of its operations. It prepares and provides a detailed cash flow analysis on a quarterly basis and presents it to its board of directors. Decisions are made to obtain new financing or limit cash investments in order to maintain a healthy projected cash balance.

The maturity of the long-term, its current portion and the accrued interest at December 31, 2023, 2022 and 2021 is as follows:

December 31, 2023	Weighted average interest rate %	1 to 3 months	3 months to 1 year	1 to 4 years	5 or more years	Total
Long-term debt		\$ 1,143,783	\$ 67,306,362	\$420,392,444	\$435,000,000	\$923,842,589
Accrued interest	4.98%	<u>17,523,667</u>	<u>20,701,788</u>	<u>118,441,437</u>	<u>29,034,658</u>	<u>185,701,550</u>
		<u>\$ 18,667,450</u>	<u>\$ 88,008,150</u>	<u>\$538,833,881</u>	<u>\$464,034,658</u>	<u>\$1,109,544,139</u>

December 31, 2022	Weighted average interest rate %	1 to 3 months	3 months to 1 year	1 to 4 years	5 or more years	Total
Long-term debt		\$ 1,183,062	\$ 3,444,093	\$501,005,191	\$435,000,000	\$940,632,346
Accrued interest	4.98%	<u>17,700,067</u>	<u>21,144,641</u>	<u>143,645,742</u>	<u>46,594,158</u>	<u>229,084,608</u>
		<u>\$ 18,883,129</u>	<u>\$ 24,588,724</u>	<u>\$ 644,650,933</u>	<u>\$ 481,594,158</u>	<u>\$1,169,716,954</u>

December 31, 2021	Weighted average interest rate %	1 to 3 months	3 months to 1 year	1 to 4 years	5 or more years	Total
Long-term debt		\$ 702,749	\$ 2,177,843	\$290,278,136	\$650,354,209	\$943,512,937
Accrued interest	4.98%	<u>6,635,998</u>	<u>35,791,636</u>	<u>153,899,886</u>	<u>73,591,722</u>	<u>269,919,242</u>
		<u>\$ 7,338,747</u>	<u>\$ 37,969,479</u>	<u>\$444,178,022</u>	<u>\$723,945,931</u>	<u>\$1,213,432,179</u>

19.12 Fair value of financial instruments

19.12.1 Fair value of financial assets that are measured at fair value on a recurring basis

The Entity's investments are classified as level 1 in the IFRS 13 fair value hierarchy since they are traded in an active market.

19.12.2 Fair value of financial instruments carried at amortized cost

The fair value of long-term debt and its related current portion as of December 31, 2023, 2022 and 2021 is \$881,873,634, \$912,330,632 and \$951,153,932, respectively. This measurement is classified as level 2 since management uses an adjusted observable discount rate to determine fair value of debt.

Management considers that the carrying amounts of all other financial assets and other financial liabilities recognized in the consolidated financial statements approximate their fair values.

20. Transactions and balances with related parties

Compensation of key management personnel

The remuneration of Entity's management and key executives is determined by the remuneration committee taking in to account the individual performance of the officer and market trends. The performance bonus elected into share-based compensation includes a 20% premium (Equity plus).

The following table details the general and administrative expense of the annual salary plus short-term benefits as well as the Long-term incentive plan and Equity plus that are reflected in the general and administrative expense of the Entity:

	December 31, 2023	December 31, 2022	December 31, 2021
Employee annual salary plus employee benefits	\$ 7,128,489	\$ 6,217,721	\$ 4,704,415
Share-based compensation expense (Note 21.3)	<u>8,001,831</u>	<u>6,650,487</u>	<u>5,554,353</u>
	<u>\$ 15,130,320</u>	<u>\$ 12,868,208</u>	<u>\$ 10,258,768</u>
Number of key executives	23	21	23

21. Share-based payments

21.1 *Details of the share-based plans of the Entity*

Currently grants shares to its executives and employees as follows:

- i. A trust was established in 2018 by the resolution of the general ordinary stockholders meeting on January 6th, 2015, as the "20-20 Long Term Incentive Plan", this compensation plan was extended for the period 2021 to 2025, "Level 3 Long Term Incentive Plan", by a resolution of the general ordinary stockholders meeting on March 13th, 2020.
- ii. The plan is share-based and is calculated by comparing Vesta's Total Relative Return, stock price appreciation, plus dividend payments over the preceding three years with the same metric calculated for our peers. Under the plan, if Vesta is at the median of the group, the grant would be equal to the expected share grant; if Vesta is the worst performer, there would be no grant, and if Vesta is the best performer, the grant would be 150% of the expected share amount. In addition, for some executives, a portion of their short-term annual cash bonus is granted as an additional stock bonus with an equity-plus premium of 20% additional shares.
- iii. The grant and the equity-plus are delivered to management over three years after the grant year, thus providing a solid executive retention tool. The granted shares are deposited to a Trust that manages the shares' delivery to the employees as per the schedules described above.

- iv. The Shareholder Assembly of January 2015 assembly approved 10.4 million shares for the Vesta Vision 2020 LTI plan. In March 2020, the shareholder approved 13.8 million shares for the Level 3 LTI plan.

Grant Year	Total Relative Return (*)	Shares granted in LTI	Equity Plus Guaranteed Shares	Cumulative Exercised Shares	Shares in trust	Plan Parameters		
						MIN	TARGET	MAX
2015	0%	\$ -	\$ -	\$ -	\$ -	\$ -	1,738,037	2,600,000
2016	55%	863,499	483,826	(1,347,325)	-	695,215	1,738,037	2,607,056
2017	40%	637,200	944,674	(1,581,873)	-	695,215	1,738,037	2,607,056
2018	145%	3,423,106	753,372	(4,176,478)	-	1,000,000	2,500,000	3,750,000
2019	150%	3,550,449	515,706	(4,066,156)	-	1,000,000	2,500,000	3,750,000
2020	150%	3,707,949	520,492	(2,818,960)	1,409,481	1,000,000	2,500,000	3,750,000
2021	143%	3,760,851	525,181	(1,395,612)	2,890,420	1,100,000	2,750,000	4,125,000
2022	143%	3,763,449	592,318	-	4,355,769	1,100,000	2,750,000	4,125,000
2023	143%	<u>3,722,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	1,100,000	2,750,000	4,125,000
Total		<u>\$ 23,428,930</u>	<u>\$ 4,335,569</u>	<u>\$ (15,386,404)</u>	<u>\$ 8,655,670</u>			

* Calculated for the previous three years.

21.2 Fair value of share options granted in the year

Vesta Long Term Incentive Plan - Based on the Relative Total Return, entity share price performance plus dividends relative to the performance of its peer set, for the last three calendar years ended December 31, 2023, 2022 and 2021. The calculation resulted in a grant of 3,722,427, 3,763,449 and 3,687,231 shares, with a market value of \$14,857,978, \$9,040,519 and \$7,168,103, respectively.

21.3 Compensation expense recognized

The long-term incentive expense for the years ended December 31, 2023, 2022 and 2021 was as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
Share-based compensation expense	<u>\$ 8,001,831</u>	<u>\$ 6,650,487</u>	<u>\$ 5,554,353</u>
Total share-based compensation expense	<u>\$ 8,001,831</u>	<u>\$ 6,650,487</u>	<u>\$ 5,554,353</u>

Compensation expenses related to these plans will continue to be accrued through the end of the service period.

21.4 Share awards outstanding at the end of the year

As of December 31, 2023, 2022 and 2021, there are 8,655,670, 8,456,290, and 8,331,369 shares outstanding, respectively, with a weighted average remaining contractual life of 13 months. All of the shares granted but outstanding to be delivered were in the trust during the vesting period.

22. Litigation and commitments

Litigation

In the ordinary course of business, the Entity is party to various legal proceedings. The Entity is not involved in any litigation or arbitration proceeding for which the Entity believes it is not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on the Entity or its financial position, results of operations or cash flows.

Commitments

As mentioned in Note 8, all rights to construction, improvements and infrastructure built by the Entity in the Queretaro Aerospace Park and in the DSP, Park automatically revert to the government of the State of Queretaro and to Nissan at the end of the concessions, which is approximately in 41 and 34 years, respectively.

23. Events after the reporting period

The fourth installment of the 2023 declared dividends, paid on January 15, 2024, was approximately \$0.0172 per share, for a total dividend of \$15,155,311.

On January 24, 2024, the Entity sold a land reserve located in Queretaro totaling 64,583 square feet for \$780,000, the cost associated with the sales was \$583,000, generating a gain in sale of investment property of \$197,000.

24. Approval of the financial statements

On February 20, 2024, the issuance of the consolidated financial statements was authorized by Juan Sottit, Vesta's CFO, consequently, they do not reflect events occurring after that date. These consolidated financial statements are subject to approval by the Board of Directors and the General Ordinary Shareholders' Meeting, who may decide to modify such consolidated financial statements according to the Mexican General Corporate Law.

* * * * *

Appendix 3

Annual Report by the Board of Directors





Translation for Informational Purposes Only

**ANNUAL REPORT OF THE BOARD OF DIRECTORS OF
CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.**

Fiscal year 2023

Dear shareholders of Corporación Inmobiliaria Vesta, S.A.B. de C.V.:

The undersigned, acting as executive chairman of the Board of Directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the "Company"), in compliance with the provisions of article 28 section IV of the Securities Market Law and article 172 section b) of the General Corporations Law, hereby submit to your consideration the annual report of the board of directors corresponding to the fiscal year ended on December 31st, 2023.

During the fiscal year ended 2023, the board of directors was integrated as follows:

Member	Character	Substitute	Character	Title
Lorenzo Manuel Berho Corona	Chairman	Lorenzo Dominique Berho Carranza	Patrimonial	Patrimonial
Stephen B. Williams	Independent	Jorge Alberto de Jesús Delgado Herrera	Independent	Member
José Manuel Domínguez Díaz Ceballos	Independent	José Guillermo Zozaya Délano	Independent	Member
Craig Wieland	Independent	Enrique Carlos Lorente Ludlow	Independent	Member
Daniela Berho Carranza	Patrimonial	Elías Laniado Laborín	Patrimonial	Member
Luis Javier Solloa Hernández	Independent	Viviana Belaunzarán Barrera	Independent	Member
Loreanne Helena García Ottati	Independent	José Antonio Pujals Fuentes	Independent	Member
Oscar Francisco Cázares Elias	Independent	Rocío Ruíz Chávez	Independent	Member
Douglas M. Arthur	Independent	Manuela Molina Peralta	Independent	Member
Luis de la Calle Pardo	Independent	Francisco Javier Mancera de Arrigunaga	Independent	Member
Alejandro Pucheu Romero	Not member	José Eduardo Patiño Gutiérrez	Not Member	Secretary

The performance of the Board of Directors during the fiscal year 2023 was according to the provisions in the Securities Market Law, General Corporations Law, General Provisions Applicable to Issuers of Securities and Other Participants in the Stock Market, the code of principles and best



practices of corporate governance and other laws, regulations and rules applicable to the Company in the markets where its shares are being traded.

During fiscal year ended on December 31st, 2023, the board of directors met 4 (four) times and adopted 3 (three) unanimous resolutions, and therefore, submits this:

ANNUAL REPORT

I. Report of the Corporate Practices Committee

Attached hereto as Annex "1", is the report of the corporate practices committee of the Company, issued pursuant to the provisions of article 43 section I of the Securities Market Law, with respect to the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company confirms that it has reviewed said report and agrees with the terms thereof; therefore, recommends its approval by the shareholders.

II. Report of the Audit Committee

Attached hereto as Annex "2" is the report of the audit committee of the Company, issued pursuant to the provisions of article 43 section II of the Securities Market Law, with respect to the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company confirms that it has reviewed said report and agrees with the terms thereof; therefore, recommends its approval by the shareholders.

III. Opinion on the Report by the Chief Executive Officer

Attached hereto as Annex "3" is the report of the Chief Executive Officer of the Company, issued pursuant to the provisions of article 44 section XI of the Securities Market Law, and which includes a copy of the report of the external auditor of the Company regarding to the audited and consolidated financial statements of the Company and its subsidiaries prepared for the fiscal year ended on December 31st, 2023.

In connection with the report of the chief executive officer, after completing its review, this board of director is of the opinion that: (i) it complies with the provisions of the Securities Market Law, (ii) confirms the application of the internal controls related to information and records of the transactions of the Company and its subsidiaries, (iii) clearly expresses matters related to the business of the Company; and (iv) includes the financial information that the Company and its subsidiaries shall submit for the approval of the shareholders.

Likewise, according to the report of the external auditor of the Company and the report of the chief executive officer, it is hereby concluded that: (1) the policies and criteria of information of the Company are adequate and sufficient, considering the particular circumstances of the Company, (2) said policies and criteria have been consistently applied in the information submitted by the chief executive officer, and (3) the report presented by the chief executive officer reflects



reasonably the financial situation and results of the Company and its subsidiaries for the fiscal year ended on December 31st, 2023.

Therefore, this board of directors issues a favorable opinion and recommends the shareholders to approve the annual report of the chief executive officer in the terms of the document attached herein.

IV. Report of the Investment Committee

Attached hereto as Annex "4" is the annual activity report of the investment committee of the Company for the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company has reviewed and approved said report, since it falls within the authority of the board of directors.

V. Report of the Ethics Committee

Attached hereto as Annex "5" is the annual activity report of the ethics committee of the Company for the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company has reviewed and approved said report, since it falls within the authority of the board of directors.

VI. Report of the Environmental, Social and Governance Committee

Attached hereto as Annex "6" is the annual activity report of the environmental and social responsibility committee of the Company for the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company has reviewed and approved said report, since it falls within the authority of the board of directors.

VII. Report of the Debt and Equity Committee

Attached hereto as Annex "7" is the annual activity report of the debt and equity committee of the Company for the fiscal year ended on December 31st, 2023.

In this regard, the board of directors of the Company has reviewed and approved said report, since it falls within the authority of the board of directors.

VIII. Principal Accounting and Administration Policies and Criteria

For purposes of the provisions of section b) of Article 172 of the General Corporations Law, this board of directors confirms that the main accounting and administration policies and criteria are:



a) The audited and consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Rules Bureau ("IFRS") and have also been audited pursuant to the standards of the Public Companies Accounting Oversight Board - PCAOB.

b) The consolidated financial statements of the Company and its subsidiaries have been prepared on a historical cost basis, except for the investment in real estate and financial instruments, which are measured according to their fair market value.

c) The financial statements of the Company consolidate the entities for which the Company has the power to impose financial and operating policies.

d) All intercompany transactions are eliminated once they are financially consolidated.

e) When carrying out acquisitions, the assets and liabilities assumed are recognized based on their fair market values, except for deferred taxes or labor liabilities.

f) The dollar of the United States of America has been established as the functional currency of the Company and its subsidiaries. Notwithstanding the foregoing, the accounting records are kept in Pesos, national currency. The differences on monetary assets are recognized as profit or loss in the period in which they occur.

g) Labor responsibilities are registered as they occur.

h) The financial assets and liabilities are recognized at fair market value and when the Company or the subsidiaries are part of any agreement thereon.

i) Real estate properties of the Company and its subsidiaries are destined for lease. Investments in real estate are initially considered based on their cost, and thereafter based on their market value.

j) Leases with respect to the real estate properties of the Company and its subsidiaries are considered as operating leases, since the Company and its subsidiaries have all the benefits and risks of ownership of said property.

k) Rental income is recognized along the term of the respective lease.

l) Rental income tax is recognized within the annual results of the year when incurred;
and

m) The deferred tax income is recognized only when there is a high probability of being recovered.

IX. Transactions in which the Board of Directors Participated.



During the fiscal year from January 1st, 2022 to December 31st, 2022, the board of directors attended the ordinary matters related to the administration of the Company and adopted specific resolutions in connection with the following topics, which do not correspond to the ordinary course of the administration of the Company.

- Approval of capitalization alternatives for the Company.
- Approved the hiring of the external auditor for the review of the financial statements of the Company and its subsidiaries according to the standards of the Public Accounting Oversight Board - PCAOB.
- Approved the hiring of additional services by the external auditor in connection with the public offerings of the shares of the capital stock of the Company in accordance to the standards of the Public Accounting Oversight Board- PCAOB.

Mexico City, February 20th, 2024

/s/

Mr. Lorenzo Manuel Berho Corona
Executive Chairman of the Board of Directors of
Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 4

Audit Committee Report





TRANSLATION FOR INFORMATIONAL PURPOSES

**CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE AUDIT COMMITTEE
Fiscal Year of 2023**

Dear shareholders and members of the board of directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V.:

The undersigned in my character of chairman of the audit committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the “Company”), in compliance to the provisions of article 43 of the Securities Market Law, I hereby submit to your consideration the annual report of the audit committee during the fiscal year ended on December 31st, 2023.

During the fiscal year of 2023, the audit committee was integrated as follows:

Member	Title	Character
Luis Javier Solloa Hernández	President	Independent Member
Viviana Belaunzarán Barrera	Member	Independent Member
Stephen B. Williams	Member	Independent Member
José Manuel Domínguez Díaz Ceballos	Member	Independent Member
Lorenzo Manuel Berho Corona	Permanent Invitee	Executive Chairman of the Board

The work of the audit committee during the fiscal year of 2022 was performed according to the provisions of the Securities Market Law, the General Provisions Applicable to Issuers and other Participants in the Securities Market, the code of principles and best practices of corporate governance as well as other laws, regulations and rules applicable in the markets where the shares of the Company are traded.

During the fiscal year ending on December 31st, 2023, the audit committee met 5 times on: (i) February 13th, (ii) March 23th, (iii) April 17th, (iv) July 18th and (v) October 17th, 2022, and adopted unanimous resolutions on January 2nd, March 27th and October 11th, 2023.

The relevant matters attended on which this audit committee issued an authorization, opinion and/or recommendation to the Board of Directors of the Company were the following:

- XII.** The committee reviewed the audited and consolidated financial statements of the Company and its subsidiaries prepared by the external auditor for the fiscal year ended on December 31st, 2023, it is important to point out, that such external auditor issued a clean opinion with respect to said financial statements. Based on the foregoing, the committee recommended the board of directors to approve said financial statements, for them to be thereafter submitted for definitive approval by the shareholders.

All financial information mentioned before, was prepared based on the International Financial Reporting Standards, in compliance with the regulations issued by the National Banking and Securities Commission, as well as, according to the standard - s of the Public Company Accounting Oversight Board – PCAOB.



- XIII.** The audit committee confirmed compliance by Corporación Inmobiliaria Vesta, S.A.B. de C.V. and each of its subsidiaries of their respective tax obligations either as direct payee and as receiver.
- XIV.** Authorized the audit of the financial statements of the Company and its subsidiaries pursuant to the standards of the Puclib Company Accounting Oversight Board – PCAOB.
- XV.** Authorized the expenses related to the development of a training for the audit committee by the external auditor, in connection with the obligations and responsibilities of the audit committee in accordance with the regulations applicable to the Company derived from the listing of its shares at the New York Stock Exchange.
- XVI.** Evaluation of the external audit plan, the services proposal and recommendation to engage Galaz, Yamazaki, Ruiz Urquiza, S.C. member of Deloitte Touche (Tomatsu Limited), as external auditor of the Company and its subsidiaries for the fiscal year of 2023 and the first 2 quarters of 2023.
- XVII.** Evaluation, determination and authorization of the additional services to the audit of the basic financial statements of the Company, required from Galaz, Yamazaki, Ruiz Urquiza, S.C. member of Deloitte Touche (Tomatsu Limited) during the fiscal year of 2023 and the first 2 quarters of 2024, as well as the maximum amount payable therefor.
- XVIII.** Confirmed compliance of the independence requirements of the auditing firm and of the auditing team, pursuant to the applicable regulations.
- XIX.** Analysis and follow up of the operating budget of the Company for the fiscal year 2023.
- IX.** Review of the quarterly reports issued by the internal auditor of the Company, according to the internal audit working plan, as approved by this committee, and follow up of its findings.
- X.** Monitored the resolutions adopted by the shareholders and by the board of directors of the Company; and
- X.** Monitored the work of the external auditors in connection with the compliance of the regulations applicable to the Company considering the markets where its shares are being traded.

Likewise, the audit committee has had, at all times, direct access and free communication with the external and internal auditors of the Company, when deemed necessary and without intervention or presence of the management.

Company's Internal Control

The Company and its subsidiaries, have policies and procedures for internal control, designed to ensure the correct recordation and report of transactions according to the information standards adopted by the Company, which are the *"International Financial Reporting Standards"*, issued by the International Accounting Standards Bureau.



Due to the foregoing, and according to the evaluation performed to the information issued by the administration, the internal audit reports, the audited financial statements and other documents received and analyzed, this committee concluded that the internal control system of Corporación Inmobiliaria Vesta, S.A.B. de C.V. is in a stage of definitive consolidation.

The Company has an internal auditing area, which verifies the application of said internal control policies and procedures, according to a duly approved internal auditing plan.

Preventive and Corrective Measures

During the fiscal year of 2023, the management developed and applied corrective and preventive actions with respect to the findings of the internal auditor of the Company, to establish adequate controls.

Evaluation of the External Auditor

The external auditor of the Company during the fiscal year ended on December 31st, 2023 was Galaz, Yamasaki, Ruiz Urquiza, S.C. (member of Deloitte Touche Tomatsu Limited) acting through its auditing partners Mr. Alexis Hernández Almanza and Mrs. Monique Viramontes, whose offices are located at Paseo de la Reforma 489, Piso 6, Colonia Cuauhtémoc, Ciudad de Mexico, C.P. 06500.

As of the date hereof, the performance of the appointed external auditor has been acceptable and according to what was expected from, and agreed with said external auditor; therefore, the audit committee express no objection to the performance of the external auditor during the fiscal year ended on December 31st, 2023. It is worth to mentioned that within the interviews and audit committee sessions with the external auditors, the committee confirmed the requirements of independence and rotation of supervising personnel of the external auditor, in terms of the provisions of applicable law.

Additional Services by the External Auditor

During the fiscal year ended on December 31st 2023, the external auditor provided services related to the study of the long term incentive plan for 2023, the transfer pricing studies for 2023, review of the investment properties appraisals prepared by external appraisers, review of internal controls, which were provided under the previously agreed terms and conditions, and in accordance to the services that the board of directors determined when approving the engagement of the external auditor.

All services provided by other advisors of the Company, were hired in the ordinary course of business, and under market terms and conditions.

Modifications to the Accounting Policies.

During the fiscal year ended on December 31st, 2023 this committee performed periodical reviews to the quarterly and annual consolidated financial statements of the Company and its



subsidiaries, and confirmed that there was no modification to the accounting policies followed by the Company.

The “*International Financial Reporting Standards*” IFRS issued by the International Accounting Standards Bureau; have been consistently applied by the Company and its subsidiaries in the preparation of their internal and audited financial statements.

Complaints

During the fiscal year subject matter of this report, the audit committee did not receive any comment or complaint from shareholders, board members, relevant directors, employees or third parties in connection with the internal controls of the Company or any related matters, nor any accusations regarding any irregularity or transactions with related parties, other than those that the Company normally carries out with its subsidiaries, which were duly reviewed by the external auditor.

Differences with Management

As of the date of the report, there have been no differences of opinion between the audit committee and the relevant officers of the Company or with the internal and external auditors.

With respect to the annual report of the CEO to be submitted to the shareholders of the Corporación Inmobiliaria Vesta, S.A.B. de C.V. and that was previously distributed among the corporate instances of the Company, it is important to note that, it clearly summarizes what occurred during the fiscal year of 2023. Due to the foregoing, this committee considers that the report to be submitted by the CEO truly and sufficiently reflects the operation and results of the Company.

Mexico City, February 19th, 2024

/s/

Luis Javier Solloa Hernández
Chairman of the Audit Committee

Appendix 5

Corporate Practices Committee Report





Translation for Informational Purposes Only

**CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE CORPORATE PRACTICES COMMITTEE**

Fiscal Year of 2023

Dear shareholders and members of the board of directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V:

The undersigned in my character of chairman of the corporate practices committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the "Company"), and according to the provisions of article 43 of the Securities Market Law, hereby submit the annual report of the committee presided by the undersigned during the fiscal year ended on December 31st, 2023.

During the fiscal year ended on December 31st, 2023, the committee was comprised as follows:

Member	Title	Character
Francisco Javier Mancera de Arrigunaga	President	Independent Board Member
Oscar Francisco Cázares Elias	Member	Independent Board Member
José Guillermo Zozaya Delano	Member	Independent Board Member
José Antonio Pujals Fuentes	Member	Independent Board Member
Lorenzo Manuel Berho Corona	Permanent Invitee	Executive Chairman of the Board

The activities of the corporate practices committee during the fiscal year of 2023 were performed according to the provisions of the Securities Market Law, the General Provisions Applicable to the Issuers and other Participants in the Market, the code of principles and best practices of corporate governance, and other laws, regulations and rules applicable to the Company.

During the fiscal year ended on December 31st, 2023, the corporate practices committee adopted resolutions on: (i) January 19th, (ii) February 1st, (iii) March 6th, (iv) March 9th, and (iv) November 11th.

The relevant matters attended and with respect to which this corporate practice committee issued a resolution and/or a recommendation to the board of directors of the Company, were the following:

- I. Performance of the employees and executives of the Company during 2022.
- II. Review of the objectives for the executives of the Company for 2023.
- III. Compensation package of the CEO, the executive chairman of the board of directors and the upper management for 2023, including salaries, short and long term incentives.



- IV. Integration of the board and committees of the Company and their respective compensations for 2023.
- V. Review of the organizational structure of the Company.
- VI. Review of executives' compensation plans.
- VII. Review of the duties of the members of the committee; and
- VIII. Approval of the related parties' transactions policy.

During the fiscal year ended on December 31st, 2023, the committee did not receive any notice of transactions with parties related to the executives of the Company, nor did grant any waiver for the executives of the Company to benefit from business opportunities corresponding to the Company.

Mexico City, January 8th, 2024.

/S/

Javier Mancera Arrigunaga
Chairman of the Corporate Practices Committee of
Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 6

Ethics Committee Report





Translation for Informational Purposes Only

**CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE ETHICS COMMITTEE**

Fiscal Year of 2023

Dear members of the board of directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V.:

The undersigned in my character of chairman of the ethics committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the "Company"), hereby submit to your consideration the annual report of the ethics committee for the fiscal year ended on December 31st, 2023.

During the fiscal year ended on December 31st, 2023, the committee was comprised as follows:

Member	Title	Character
José Antonio Pujals Fuentes	President	Independent Board Member
Daniela Berho Carranza	Member	Patrimonial Board Member
Elías Laniado Laborin	Member	Independent Board Member
Alfredo Marcos Paredes Calderón	Member	Executive
Alejandro Pucheu Romero	Member	Executive

The activities of the ethics committee during the fiscal year of 2023 were performed in accordance with the resolutions of the board of directors incorporating this committee and according to the provisions of the ethics code of the Company.

During the fiscal year ended on December 31st, 2023, the members of the ethics committee gathered in person once on September 5th, 2023.

At the above-mentioned meeting, the committee adopted resolutions in connection with:

- 1) The analysis of the ethics code of the Company considering the new requirements derived from the offering of securities of the Company in the New York Stock Exchange and the obligations derived from the regulations



applicable in such market, as per the comments received from the Company's advisors during said offering process; and

- 2) Interview with the selected supplier to update the ethics code for it to fulfill the new requirements applicable to the Company.

Additionally, this committee attended, without meeting in person, the complaints received through the hot-line of the Company, since none of those complaints were related with serious violations to the ethics code.

Likewise, there was contact with the members of the "*embassadors*" program to give permanent follow up to the concerns of the collaborators in the different regions.

Mexico City, January 8th, 2024.

/S/

Mr. Jose Antonio Pujals Fuentes
Chairman of the Ethics Committee of
Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 7

Investment Committee Report





Translation for Informational Purposes

**CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT INVESTMENT COMMITTEE**

Fiscal year 2023

Dear shareholders and members of the board of directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V.:

The undersigned acting as president of the investment committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the “Company”), hereby submit to your consideration, the annual activity report of the investment committee during the fiscal year ended on December 31st, 2023. During the fiscal year of 2023, the investment committee was integrated as follows:

Member	Position	Quality
Douglas M. Arthur	President	Independent Board Member
Stephen B. Williams	Member	Independent Board Member
Lorenzo Manuel Berho Corona	Member	Executive Chairman of the Board of Directors
Craig Wieland	Member	Independent Board Member
Manuela Molina Peralta	Member	Independent Board Member

The performance of the investment committee during the fiscal year of 2023 was according with the applicable rules set forth by the board of directors.

During the fiscal year ended on December 31st, 2023, the investment committee met twice times on: (i) April 14th and (ii) August 17th. The relevant topics attended by the investment committee were focused on establishing approvals and recommendations for the real estate projects of the Company.

The following projects and investment amounts, were approved:

N.P.	PROJECT	APPROVED INVESTMENT
1	Development of the infrastructure and 2 inventory buildings at Vesta Park Punta Norte	US\$74,950,000.00
2	Development of a built to suit building at Vesta Park Querétaro	US\$10,420,000.00
3	Development of inventory building 03 of Vesta Park Aguascalientes	US\$10,700,000.00

N.P.	PROJECT	APPROVED INVESTMENT
4	Development of inventory buildings 03, 04 and 05 of Vesta Park Juárez Oriente	US\$15,500,000.00
5	Development of inventory building 04 of Vesta Park San Luis Potosí	US\$13,600,000.00
6	Development of inventory building PTN10 at Parque Tres Naciones, San Luis Potosí	US\$7,380,000
7	Increase to the approved investment for inventory building at Vesta Park la Villa, CDMX	US\$3,630,000.00
8	Increase to the approved investment for inventory building 07 of Vesta Park Querétaro	US\$1,710,000.00
9	Approval of sale price for the Brady building in Tijuana	N/A
	Total Approved Investment	US\$137,890,000.00

Mexico City, January 4th, 2024
/S/

Douglas M. Arthur
President of the Investment Committee of
Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 8

Debt and Equity Committee Report



Translation for Informational Purposes Only

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE DEBT & EQUITY COMMITTEE

Fiscal Year of 2023

Dear shareholders and members of the Board of Directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V:

The undersigned in my character of chairman of the Debt & Equity Committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the "Company"), hereby submit the annual activity report of the committee I chaired during the fiscal year ended on December 31st, 2023.

During the fiscal year of 2023, the Debt & Equity was integrated as follows:

Member	Position	Quality
José Manuel Domínguez Díaz Ceballos	Chairman	Independent Member
Stephen B. Williams	Member	Independent Member
Manuela Molina Peralta	Member	Independent Member
Lorenzo Manuel Berho Corona	Member	Executive Chairman of the Board of Directors

The debt and equity committee acted in accordance with the guidelines established by the Board of Directors of the Company when incorporating said committee, and during the fiscal year of 2023 met 3 (three) times: (i) February 28th, (ii) June 19th, and (iii) December 2nd.

During the fiscal year of 2023, we had no knowledge of any breach of the guidelines and financing policies of the Company or of its subsidiaries.

The relevant issues addressed by, and in respect to which this debt and equity committee issued an opinion and/or recommendation to the Board of Directors of the Company, were the following:

- I. Review of the capital structure as well as the cash flow of the Company.
- II. Review of the financing alternatives for the Company.
- III. Approval of the terms and conditions applicable to the capital increase of the Company and public offering of the securities representatives thereof, including the recommendation to list the Company at the New York Stock Exchange; and
- IV. Approval of a follow on offering of securities of the Company representative of the capital increase approved by the general extraordinary shareholders' meeting at the New York Stock Exchange.

The committee ensured that the financing and capital obtained by the Company during fiscal year 2023 was consistent with the Company's medium and long-term strategic plans.

Sincerely.

Mexico City, January 8th, 2024

/s/

José Manuel Domínguez Díaz Ceballos
President of the Debt & Equity Committee of
Corporación Inmobiliaria Vesta, S.A.B. de C.V.

Appendix 9

Environmental, Social and Corporate Governance Committee Report



Translation for Informational Purposes Only

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Fiscal Year of 2023

Dear shareholders and members of the Board of Directors of Corporación Inmobiliaria Vesta, S.A.B. de C.V.:

The undersigned, as president of the Environmental, Social and Governance Committee of Corporación Inmobiliaria Vesta, S.A.B. de C.V. (the “Company”), by this means submit to your consideration the annual activities report of the committee which I presided during the fiscal year ending on December 31st, 2023.

During the fiscal year of 2023, the Environmental, Social and Governance Committee was integrated as follows:

Member	Position	Condition
Jorge Alberto de Jesús Delgado Herrera	President	Independent Board Member
José Manuel Domínguez Díaz Ceballos	Member	Independent Board Member
Loreanne Helena García Ottati	Member	Independent Board Member
Daniela Berho Carranza	Member	Patrimonial Board Member
Lorenzo Manuel Berho Corona	Member	Patrimonial Board Member

The activities of the Environmental, Social and Governance Committee during the fiscal year of 2023 were carried out based on the commitment of client and shareholder satisfaction, the interest for our collaborators and the community in general, compliance of environmental laws in all regions in which we operate, and strict ethics guidelines with the aim of achieving economic and social development, as well as care for the environment, as a fundamental element of our competitiveness.

In 2023, we carried out our first analysis “**ESG Scan + ESG Scan Risk Compliance**” with the help of Social Value Institute and the Mijares, Angoitia, Cortés y Fuentes, S.C. law firm, and based on said analysis, executed the work plan 2023. This analysis had the milestone of generate management awareness about the state of institutional maturity in



corporate sustainability. This process contributed to the generation of strategic dialogues to embark on a path of internal evolution, taking into account all the ESG elements that can generate gradual changes when correctly structured and aligned to the business model.

Corporate sustainability invites organizations to look beyond the financial performance of the business to define its success and the following points are considered:

- The human dimension, referring to your relationship with collaborators, supply chain, clients, communities where the operation is located.
- The environmental dimension refers to the use and exploitation of natural resources, the management and mitigation of the pollution that is generated, respect for biodiversity, reduction of greenhouse gas emissions into the atmosphere, among other topics, and
- Governance, which is another of these pillars and is related to the management of companies, their good practices, codes of conduct and ethics, risk analysis and the way they manage their governance in social and environmental compliance.

The results of the indices in which we participated were:

INDICE	QUALIFICATION	COMMENTS
CSA	63	We remained practically the same as in 2022. We climbed in the environmental and social section. And we must emphasize the results in the Human Rights part, where from having a score of 20 in 2022, this year 99 out of 100 was obtained, for everything done on this topic.
GRESB*	63	The rating of 63 was obtained and we have 1 Green Star.
EcoVadis	In process	The questionnaire was sent on December 15.
Pacto Mundial	Advanced	
S&P/BMV Total ESG Index	Part of the Index	This 2023, they gave us places to the 29 stations that are part of said index, they only notified the stations that are part of this index. Third year in the index
CDP	Pending results	The questionnaire was sent in September and the results will be published in January 2024.
UN PRI	Signatories	Pending results
MSCI	AA	Go up vs 2022.
S&P Yearbook 2023	Part of the Index	This index includes companies that have stood out in terms of ESG in their sector. (This evaluation comes from the CSA)



AMAFORE	They have no score	First year that we respond to this questionnaire; since the BMV launched this questionnaire in 2023. With the aim that all AFORES can consult the ESG information of companies listed on the Stock Exchange and thus reduce the number of questionnaires requested from companies.
GEI Bloomberg	Pending Results	From this year they will evaluate with the information that is public on the website. Questionnaire is no needed

- In addition to these indexes, we are part of:
 - TCFD: we formally join
 - WEPs (Women's Empowerment Principles): We are official signatories of the UN Women's Empowerment Principles. And we deliver a progress report in 2023.
 - Target Gender Equality: Which promotes gender equality in companies.
 - Questionnaires and calls with Investors: Banorte, Jennison, Nuveen, OAKs, Redwheel, Scotiabank (Refinitive)

Among the general advances for 2023 are:

A) Corporate Governance:

- Annual Report was prepared based on the GRI, TCFD, ODS and SASB methodologies.
- Creation and updating of 4 policies and 8 procedures regarding ESG:
 - Diversity and Inclusion
 - Social investment
 - Responsible investment
 - Responsible Purchasing (replacing the Responsible Purchasing Policy)
- Procedures and Guides:
 - Supplier ESG Audit Procedure
 - Procedures for ISO 14001:2015 Certification of parks and offices
- Update of the Green Lease clause and inclusion of the ESG Clause in the Building Maintenance Manual starting in January 2024.
- Approval of the Responsible Investment Policy and Checklist for its implementation in land and portfolio acquisitions; With this process we seek to ensure that our investments comply with ESG criteria and thus reduce environmental, social and corporate governance risks when making an acquisition.



- **Audits ESG Suppliers and Participation in the BMV PAS Course.**

- a) This process seeks to evaluate the incorporation of ESG actions by Vesta suppliers, based on existing regulations, applicable policies and Vesta's Commitment Program with its Stakeholders. As well as demanding applicable regulatory compliance, reducing risks, operating costs and the socio-environmental impact of supplier operations in Vesta projects.

- **Sustainable Support Program (PAS):**

The program was developed by the Mexican Stock Exchange (BMV) and was carried out from August 29 to October 17, 2023, with the objective of training and involving companies that are part of the ESG criteria in the adoption of ESG criteria. broadcasters' supply chains.

- b) The program was aimed at finance directors, treasurers, legal, sustainability, among others. On Vesta's part, 5 suppliers participated who were chosen according to the importance they have for Vesta: Statera S.A. de C.V., Dore Associates, SeAmbiental, Cushwake and Ware Malcomb.

Presentation of the index of the Corporate Governance Manual: Currently the market, investors and international indices are requiring that public companies have a Corporate Governance Manual where the greatest amount of information is established on the governing bodies, the functions of said bodies, among other relevant topics, and is public for consultation by all peers and interested persons. It is important to mention that much of this information is already public and is found in different documents; Work is underway on the preparation of said manual.

- **Sustainable Taxonomy¹:** With this activity, we seek:
 - Prepare Vesta to respond to a current and futures requirements of the UE and Mexico.
 - Connect the result of the Taxonomy with business decision making in Vesta and thus be able to:
 - Align ourselves with the current and future demands of the relevant actors.

¹ Taxonomía Sostenible es un sistema de clasificación que se utiliza para identificar y etiquetar actividades económicas y financieras que contribuyen al desarrollo sostenible y al logro de los objetivos ambientales y climáticos.



- Improve financing conditions.
- Facilitate access to clients who require a transparent supply chain.
- Satisfy the growing global ESG demand in the market.

B) Social:

- **Training for our Stakeholders:** Collaborators, Tenants and Suppliers:
 - **Collaborators:** The topics addressed were:
 - **Trends and Changes in Green Building:** This training was given by Rebeca Ortiz, Business Development Leader at GBCI Mexico
 - **Biodiversity in Real Estate and its Importance for Vesta:** This training was given by the PIIMA Consultant, experts in the subject of Biodiversity.
 - **Tenants:**
 - Participation of the ESG area in 100% of the asset management meetings with tenants, on Park issues.
- The following two trainings were prepared, to be implemented in 2024:
 - **Corporate Training on Climate Risk and Sustainable Taxonomy:**
 - **Addressed to:** Board members, C-Suite, executives, Managers and Vesta Staff.
 - **Form of Implementation:** Electronic platform.
 - **Date of Implementation:** January 2024.
 - **Generals:** It will be carried out on a platform with a very friendly language, with the aim that the issues of climate change and sustainable taxonomy are well understood and, therefore, their management, identification and reduction of risks can be carried out from the highest level of the organization. Likewise, there will be timely monitoring of the people who take the course and the grade obtained in these evaluations.
 - **Training Program in Business and Human Rights:**
 - **Addressed to:** Vesta Suppliers
 - **Form of Implementation:** Electronic Platform.
 - **Date of Implementation:** January 2024.
 - **Generals:** It aims to establish a common understanding of the ways in which Vesta's supplier companies can contribute through their activities to the realization of responsible business behavior and the role that the companies themselves can play in promoting business practices that are



sustainable and respectful of human rights. This methodology will be carried out through webinars, a discussion forum for networking and exchange of experiences. At the end of the course, a certificate of participation will be delivered.

- In 2023, the first Human Rights Risk Analysis was carried out at Vesta, through a due diligence process, in accordance with international recommendations, especially the OECD guidelines. In this way, we will be able to work proactively on risk prevention, being able to communicate our management structure and results to investors, raters and other interest groups.
 - The scope of said project was:
 - Identification of human rights risks, in direct operation
 - Same analysis in the activities developed by allies in the value chain.
 - Prioritization of human rights risks, based on the variables of probability of occurrence and impact.
 - Preparation of a proposed action plan in this regard, in order to prioritize the main initiatives.
- **Restructure Social Investment Strategy:** In this regard, various actions were carried out:
 - Foundation Audits and Action Plans: In 2022 and 2023, Foundation Audits were carried out: CASE Evaluation (Compliance, Accountability & Sustainability Evaluation) by PYMO; with the aim of improving the transparency and accountability of the foundations with which we work and thus reduce any type of financial, reputational and/or legal risk for Vesta
 - The results of the Social Investment Projects were:
 - 100% of regions with social projects
 - 10 Social investment projects
 - 11 States
 - 2 lines of action: Education and Community Development
 - Project Beneficiaries:
 - 1,778 boys and girls
 - 850 youths
 - 1405 teachers
 - 156 parents
 - 6 schools
 - 252 women
 - 787 community members
 - 20 community
 - 458 entrepreneurs

The results of our 5th edition of the Vesta Challenge in 2023:



- **DATE:** November 5th, 2023
- **DISTANCE:** 100 KM 66Km y 3.7 Km
- **PARTICIPANTS:** 388 ciclistas
- **SPONSORS:** 14
- **SPONSORS AMOUNT:** \$2,400,000.00 Pesos
- **SPONSORS AMOUNT (IN KIND):** \$ 579,885.00 Pesos

TOTAL AMOUNT RAISED FOR SOCIAL INVESTMENT PROJECTS (Strategic Alliances y Vesta Challenge): \$ 10,665,082.00 pesos

C) Environmental:

- **Preparation of Level 1 and 2 Diagnosis in Vesta parks and offices, to begin the Certification process ISO 14001:2015:**

This initiative seeks to establish a baseline in terms of water, energy and waste in parks and offices, to be able to create and implement improvement projects and processes in the specific areas of greatest consumption, to generate savings in said areas. Once this is done, we will seek to implement ISO 14001:2015 certification in Vesta parks and offices. Participants 19 parks and includes all Vesta administrative offices.

- **The implementation of the following activities began:**

- **Biodiversity Assessment (TNFD):** In 2023, the evaluation of the risks and opportunities related to the loss of biodiversity and the impact on ecosystems began based on TNFD (Taskforce on Nature-related Financial Disclosures).
- **Alignment Process with IFRS standards on ESG (NS1 and NS2) and Financial Assessment of Risks associated with Climate Change:** The new IFRS body, the International Sustainability Standards Board (ISSB), created a foundation of high-quality disclosure standards on corporate sustainability:
 - **IFRS S1:** General requirements for disclosure of financial information related to sustainability.
 - **IFRS S2:** Climate-related disclosures, establishing a connection between the disclosed information and the financial statements.
- In addition to the above, we seek to identify and evaluate the risks and opportunities to Climate Change, so that they can improve decision-making regarding capital investment for the mitigation and adaptation of climate change.
- Likewise, the process of creating Vesta's physical and transitional risk matrices began, as well as the construction of scenarios, to generate a catalog with said information, with the aim of being prepared in this matter.



Mexico city, January 14th, 2024

Jorge Alberto de Jesús Delgado Herrera
President of the Environmental, Social and Governance Committee

Appendix 10

Biography of each of the proposed members for the Board of Directors





BOARD OF DIRECTORS OF VESTA / CONSEJO DE ADMINISTRACIÓN DE VESTA

Ejercicio 2024 / Year 2024

(Proprietary Members / Miembros Propietarios)

Lorenzo Manuel Berho Corona

Mr. Berho is one of the founders of Vesta and was our Chief Executive Officer for 20 years and since August 1st, 2019 serves as Executive Chairman. From 2007 to 2009, he served as President of the Mexican Association of Industrial Parks. From 1991 to 1992, and from 1997 to 1998 he acted as Vice President of the Mexican Chamber of the Manufacturing Industry. He serves as President of the Mexico-Germany Business Committee of the Mexican Business Council for Foreign Trade. He was Regional Chair at the YPO/WPO Real Estate Network of Latin America. Mr. Berho holds a degree in Industrial Engineering at Universidad Anahuac and finished the Owner/President Management Program at Harvard Business School in 1994. He has more than 36 years of experience in the real estate industry.

El Sr. Berho es uno de los fundadores de Vesta, fue nuestro Director General durante 20 años y desde el 1º de Agosto de 2019 es Presidente del Consejo de Administración. De 2007 a 2009, se desempeñó como Presidente de la Asociación Mexicana de Parques Industriales. De 1991 a 1992 y de 1997 a 1998, fue Vicepresidente de la Cámara Mexicana de la Industria Manufacturera. Se desempeña como Presidente del Comité Empresarial México-Alemania del Consejo Empresarial Mexicano para el Comercio Exterior. Ocupó también el cargo de Presidente Regional en la Red de Bienes Raíces YPO / WPO de América Latina. El Sr. Berho es Ingeniero Industrial de la Universidad Anáhuac y finalizó el Programa de Administración de Dueños/Presidentes de *Harvard Business School* en 1994. Tiene más de 36 años de experiencia en la industria de bienes raíces.

Manuela (Nelly) Molina Peralta

Mrs. Molina currently serves as Vice President of Audit Services of Sempra, which is a Fortune 500 company that develops, builds, operates and invests in infrastructure critical to meet the world's energy and climate needs. Before her current position, Mrs. Molina held leadership roles at Sempra, IENOVIA (a Sempra Company), Kinder Morgan, Inc (Mexico), and El Paso Corp (Mexico).

Mrs. Molina holds a bachelor's degree in accounting by Universidad de Sonora in Hermosillo, Sonora, Mexico, where she graduated with honors. Mrs. Molina also holds a master's degree in finance by EGADE Business School at Instituto Tecnológico y de Estudios Superiores de Monterrey in Mexico City, along with certifications in finance disciplines, corporate directions and corporate governance.

Mrs. Molina has served as board member for major commerce and energy corporations in Mexico, as well as member of several committees and organizations.

La Sra. Molina ocupa actualmente el cargo de Vicepresidenta de Servicios de Auditoría de Sempra, una empresa incluida en la lista Fortune 500 que desarrolla, construye, opera e invierte en infraestructura esencial para satisfacer las necesidades energéticas y climáticas del mundo. Antes de ocupar su cargo actual, la Sra. Molina desempeñó funciones directivas en Sempra, IENOVIA (una empresa de Sempra), Kinder Morgan, Inc (México) y El Paso Corp (México).



La Sra. Molina es licenciada en contabilidad por la Universidad de Sonora en Hermosillo, Sonora, México, donde se graduó con honores. La Sra. Molina también tiene una maestría en finanzas por la EGADE Business School del Instituto Tecnológico y de Estudios Superiores de Monterrey en Ciudad de México, así como certificaciones en disciplinas financieras, dirección y gobierno corporativos.

La Sra. Molina ha sido consejera de importantes empresas comerciales y energéticas de México, así como miembro de diversos comités y organizaciones.

José Manuel Domínguez Díaz Ceballos

Mr. Dominguez is semi-retired from a close to 30 years banking career, which started at Citibank in Mexico in 1985, worked at BofA Mexico for 5 years and spent his last 22 years at HSBC Mexico where he was originally responsible for Corporate banking, then Commercial Banking for Latin America covering 15 countries and ended up his career as CEO for 8 LATAM countries, also responsible for its divestiture process in 2014. He is currently an independent Board and Committees member of three institutions including Vesta, and actively participates for many years now in 4 non-profit organizations in Mexico. Mr. Domínguez earned an undergraduate degree in Business and Finance from Universidad Panamericana in Mexico City and a MBA degree from The University of Wisconsin at Madison with majors in International Business, Banking and Finance.

El Sr. Domínguez está semiretirado de una carrera de cerca de 30 años en el sector bancario, que comenzó en Citibank México en 1985, trabajó también en Bank of America México por 5 años y pasó su últimos 22 años de carrera en HSBC México, en dónde fue responsable del área de banca corporativo, después en el área de banca comercial para Latinoamérica cubriendo 15 países y concluyó su carrera como director general para 8 países de Latinoamérica, también fue responsable de la desinversión en el año de 2014. Actualmente es miembro independiente en el consejo y comités de 3 compañías, incluyendo Vesta, y desde hace 4 años participa activamente en organizaciones sin fines de lucro en México. El Sr. Domínguez cuenta con una licenciatura en Administración y Finanzas por la Universidad Panamericana en la Ciudad de México y una maestría en Administración y Finanzas por la Universidad de Wisconsin en Madison con enfoque en Negocio Internacionales, Banca y Finanzas.

Craig Wieland

Mr. Wieland, he joined his father's company, The Wieland-Davco Corporation in 1977, as a laborer, and moved up quickly through the ranks of Superintendent, Project Manager and within ten years was named Vice President. Upon the passing of his father in 1990 Craig assumed the role he still holds; President of The Wieland-Davco Corp. Under Craig's leadership the company has grown from a small family owned firm located in Northern Michigan with an annual sales volume of \$3 Million dollars to one of the largest General Contractors in the US with offices in Lansing Michigan, Orlando Florida, Shreveport, Louisiana, Newport Beach and San Diego California. He is the author of four books on topics from Economics, Conservative Thought, and fiction.

El Sr. Wieland ingresó en la empresa de su padre en 1977, The Wieland-Davco Corporation como obrero y ascendió rápidamente a los puestos de Superintendente, Gerente de Proyecto y en diez años fue nombrado Vicepresidente. Tras el fallecimiento de su padre en 1990, Craig asumió el cargo que aún mantiene, Presidente de *The Wieland-Davco Corp.* Bajo el liderazgo de Craig, la compañía ha pasado de ser una pequeña empresa familiar ubicada en el norte de Michigan con un volumen de ventas anual de \$3 millones de dólares a uno de los contratistas generales más grandes de los EE. UU. Con oficinas en Lansing



Michigan, Orlando Florida, Shreveport Louisiana, Newport Beach y San Diego California. Es autor de cuatro libros sobre temas de economía, pensamiento conservador y ficción.

Daniela Berho Carranza

Daniela Berho is CEO and founding partner of The Dailey Method Mexico. Previously she served as Marketing Manager of Corporación Inmobiliaria Vesta, where she focused in the corporate image strategy of the Company. She currently serves also as a member of the Social and Environmental Responsibility Committee of the Company. Before joining the Company she served as marketing assistant at Condé Nast Mexico. She holds a bachelor's degree in administration by the Universidad Iberoamericana and obtained a MBA at Universidad Panamericana (IPADE). She also has a diploma in Strategic Negotiation at the Harvard Business School and on Real Estate Innovation at the Singularity University. Since 2014 she participates as board member of *"Reina Madre", clínicas de la mujer*. Daniela Berho is the daughter of Lorenzo Manuel Berho Corona.

Daniela Berho es directora general y socia fundadora de The Dailey Method México. Antes de eso actuó como gerente de mercadotecnia de Corporación Inmobiliaria Vesta, donde se enfocó en la estrategia de imagen corporativa de la Compañía. También participa como miembro en el Comité de Responsabilidad Social y Ambiental de la Compañía. Antes de unirse a la Compañía también trabajó como asistente de mercadotecnia en Condé Nast México. Daniela Berho tiene una licenciatura en Administración de Empresas por la Universidad Iberoamericana, y obtuvo una maestría en administración por la Universidad Panamericana (IPADE). También tiene diplomas en Negociación Estratégica en la escuela de negocios de Harvard y en Innovación en Bienes Raíces por Singularity University. Desde 2014 participa como miembro del consejo de administración de *"Reina Madre", clínicas de la mujer*. Daniela Berho es hija de Lorenzo Manuel Berho Corona.

Luis Javier Solloa Hernández

Javier Solloa is Principal Partner at Solloa-Nexia since 1995. He is a Certified Public Accountant responsible for national and international due diligence projects, management of end-of-year audits and due diligence reporting. Among his experience, he has belonged to the following audit committees: INFONAVIT, Abastecedora Lumen, Promotora y Operadora de Infraestructura, and Gifan Internacional. He is member of the board of multiple national and international entities. He holds a bachelor's degree in accounting from Universidad Nacional Autónoma de México and a Masters of Business Administration from Universidad Iberoamericana (UIA), he also has a diploma in Financial Engineering from the Colegio de Contadores Públicos de México and in Institutional Governance from Instituto Panamericano de Alta Dirección de Empresas (IPADE).

Javier Solloa es el socio director de Solloa-Nexia desde 1995. Es Contador Público Certificado, responsable de los procesos de "due diligence", administración de las auditorías de fin de año y el reporte de "due diligence". Entre su experiencia, ha pertenecido a los siguientes comités de auditoría: INFONAVIT, Abastecedora Lumen, Promotora y Operadora de Infraestructura y Gifán Internacional. Es miembro del consejo de varias entidades nacionales e internacionales. Tiene una Licenciatura en Contabilidad por la Universidad Nacional Autónoma de México y una Maestría en Administración de Empresas por la Universidad Iberoamericana (UIA), así como un diplomado en Ingeniería Financiera por el Colegio de Contadores Públicos de México y en Gobierno Institucional por el Instituto Panamericano de Alta Dirección de Empresas (IPADE).



Loreanne Helena García Ottati

Loreanne García is Co-Founder & Chief People Officer at Kavak Mexico, a Mexican company dedicated to buy and sell used cars in Mexico. Before joining to Kavak, Ms. García acted as Corporate Strategic Planning Manager at Coca-Cola FEMSA, and as commercial director at Aprecia Financiera in Mexico and acted as associate of McKinsey & Company in San Francisco Bay Area.

Ms. García obtain her degree as Production Engineer at Universidad Simón Bolívar. She was a member of the Young Entrepreneurs Association Simon Bolivar University, President and Logistics Coordinator of Expotalento and President of the Young Entrepreneurs Association. Ms. García has a Master of Business and Administration from Stanford University Graduate School of Business.

Loreanne García es co-fundadora y directora de recursos humanos de Kavak México, una empresa mexicana dedicada a la compra y venta de vehículos usados en México. Antes de unirse a Kavak, la Srita. García actuó como gerente de planeación corporativa estratégica en Coca-Cola FEMSA y como directo comercial en Aprecia Financiera en Mérico, también trabajó como asociada en McKinsey & Compañía en el área de la bahía de San Francisco.

La srita. García obtuvo su grado como Ingeniera de Producción en la Universidad Simón Bolívar. Fue miembro de la Asociación de Jóvenes Emprendedores de la Universidad Simón Bolívar, Presidente y Coordinador Logístico de Expotalento y Presidente de la Asociación de Jóvenes Emprendedores. La srita. García tiene un grado de maestría en negocios y administración por la Escuela de Negocios de la Universidad de Stanford.

Oscar F. Cázares Elías

Mr. Cázares is the founder and current Chief Executive Officer of Duroplast de Mexico, S.A. de C.V., and was the President and Chief Executive Officer of PepsiCo de México and Pepsi-Cola Mexicana from 1999 - 2007. Mr. Cázares holds a bachelor's degree in Industrial Engineering at the Tecnológico de Chihuahua and a Masters in Business Direction (Medex) at the same institution. He is also a member of the Board of Directors of Bafar and Cultiba, public companies traded at the Mexican Stock Exchange.

El Sr. Cázares es el fundador y actual director general de Duroplast de México, S.A. de C.V., y fue Presidente y Director General de PepsiCo de México y Pepsi-Cola Mexicana de 1999 a 2007. El Sr. Cázares tiene una licenciatura en Ingeniería Industrial del Tecnológico de Chihuahua y una Maestría en Dirección de Negocios (Medex) en la misma institución. También es miembro del Consejo de Administración de Bafar y Cultiba, compañías públicas cotizadas en la Bolsa Mexicana de Valores.

Douglas M. Arthur

Douglas Arthur, President & CEO of SENTRE, leads the company's full-service investment and development platform, sets the strategic vision for the firm and is active in the company's acquisitions, dispositions, development, joint ventures and capital markets activities. Doug also leads the company's Board of Directors and Investment Committee. He joined SENTRE in 2004. Prior to becoming President & CEO, Doug founded SENTRE Living, the company's multi-family platform, that focuses on acquiring and developing apartment communities throughout the West Coast and Mexico.



Doug graduated from Harvard Business School's OPM Executive Education program and received a Master's in Real Estate from the University of San Diego. Doug also graduated with honors from the University of California, Santa Barbara. He is a licensed real estate broker in the State of California and has earned the CCIM (Certified Commercial Investment Member) and LEED AP (Leadership in Energy & Environmental Design) designations.

Douglas Arthur, presidente y director general de SENTRE, dirige la plataforma de inversión y desarrollo de servicio completo de la compañía; establece la visión estratégica de la empresa y participa activamente en las actividades de adquisiciones, disposiciones, desarrollo, joint ventures y mercados de capital de la compañía. Doug también dirige el consejo de administración y el Comité de Inversiones de la compañía. Se unió a SENTRE en 2004. Antes de convertirse en Presidente y CEO, Doug fundó SENTRE Living, la plataforma multifamiliar de la empresa, que se centra en la adquisición y el desarrollo de comunidades de departamentos en toda la costa Oeste y México.

Doug se graduó del programa de Educación Ejecutiva OPM de Harvard Business School y recibió una Maestría en Bienes Raíces de la Universidad de San Diego. Doug también se graduó con honores en la Universidad de California, Santa Bárbara. Es corredor de bienes raíces con licencia en el estado de California y ha obtenido las designaciones de CCIM (miembro de inversión comercial certificado) y LEED AP (liderazgo en diseño de energía y medio ambiente).

Luis de la Calle Pardo

Mr. Luis De la Calle is the managing director and founding partner of the consulting firm De la Calle, Madrazo and Mancera, S.C. and Chairman for Latin America of Hill + Knowlton Strategies. From 2000 to 2002, Mr. De la Calle served as Undersecretary of International Trade Negotiations for the Mexican Secretary of Economy. From 2002 to 2004, he acted as Managing Director of Public Strategies de Mexico Inc. He holds a BA in Economics from Instituto Tecnológico Autónomo de Mexico (ITAM) and a Ph.D. in Economics from the University of Virginia.

El Sr. Luis De la Calle es el director general y socio fundador de la firma de consultoría De la Calle, Madrazo y Mancera, S.C. y Presidente para América Latina de Hill + Knowlton Strategies. De 2000 a 2002 el Sr. De la Calle se desempeñó como Subsecretario de Negociaciones Comerciales Internacionales para la Secretaría de Economía de México. De 2002 a 2004, se desempeñó también como Director General de Public Strategies de Mexico Inc. Tiene una licenciatura en Economía del Instituto Tecnológico Autónomo de México (ITAM) y un Doctorado en Economía de la Universidad de Virginia.



(Alternate Members / Miembros Suplentes)

Lorenzo Dominique Berho Carranza

Lorenzo Berho Carranza is our Chief Executive Officer since August 1st, 2018, previously he was our Operating Officer and was responsible for the performance of the business, including acquisitions of properties, valuation and analysis of investments, capital raising and financial efforts, as well as projects such as mergers, co-investments and structures of the Company. Previously, he held the office of asset manager within the Company. He also served as Vice- President of the Urban Land Institute in Mexico. He holds an industrial engineer degree by the Universidad Iberoamericana and received a master's degree in Real Estate Sciences from the University of San Diego. Mr. Lorenzo Berho Carranza is son of Mr. Lorenzo Manuel Berho Corona.

Lorenzo Berho Carranza es nuestro Director General desde el 1° de Agosto de 2018, anteriormente se desempeñó como Director de Operaciones y está a cargo del desempeño de nuestro negocio, incluyendo adquisiciones de propiedades y carteras, valuación y análisis de inversiones, obtención de capital y esfuerzos financieros y proyectos tales como fusiones, co-inversiones y estructuras de sociedad. Previamente, desempeño el puesto de *Asset Manager* dentro de la Compañía. Fungió también como Vicepresidente de Urban Land Institute en México. Se tituló como ingeniero industrial de la Universidad Iberoamericana y tiene una maestría en ciencias inmobiliarias de la Universidad de San Diego. El Sr. Lorenzo Dominique Berho Carranza es hijo del Sr. Lorenzo Manuel Berho Corona.

Jorge Alberto de Jesús Delgado Herrera

Mr. Delgado is the president of the board of directors of Deltek, S.A. de C.V., a company involved in development of solar energy production and protection to the environment. He also served as Secretary of Economic Development of the State of Morelos, and was chief executive officer of Grupo Jet, S.A. He also acts as adviser for Nacional Financiera and is a member of the board of trustees of the Instituto Tecnológico de Estudios Superiores Monterrey. Mr. Delgado has a bachelor's degree in Mechanical Engineering by the Instituto Politécnico Nacional, and a MBA from the Instituto Tecnológico de Estudios Superiores Monterrey.

El Sr. Delgado es presidente del consejo de administración de Deltek, S.A. de C.V., una compañía dedicada al desarrollo de proyectos de producción de energía solar y protección al ambiente. También actuó como Secretario de Desarrollo Económico del Estado de Morelos y fue director general de Grupo Jet, S.A. También ha servido como asesor de Nacional Financiera y es miembro del patronato del Instituto Tecnológico de Estudios Superiores Monterrey. El señor Delgado es Ingeniero Mecánico por el Instituto Politécnico Nacional y tiene una maestría en administración por el Instituto de Estudios Superiores Monterrey.

José Guillermo Zozaya Délano

From 2006 to 2020 Mr. Zozaya was the president, general manager and executive representative of Kansas City Southern México, a major rail freight transport company in Mexico; prior to that we acted as legal and governmental relations director of Exxon Mobile México and we was also director of research at the Mexican Antitrust Commission. He has extensive experience as corporate lawyer and as executive.



Mr. Zozaya was first non-US President of the prestigious American Chamber Mexico. He also serves as president of the Mexican Transportation Council and is member of several associations like Latin American Railroad Association, National Association of Business Lawyers, Appleseed Mexico Foundation, National Academy of Lawyers, Executive Council of Global Companies and US-Mexico Chamber of Commerce.

Mr. Zozaya obtained his BA degree in Law from the Universidad Iberoamericana, has a Diploma in Corporate Law from the Instituto Tecnológico Autónomo de México, he also completed the international management executive program at the Thunderbird University, and the Lawyers Management Program at Yale University, among others.

De 2006 a 2020 el Sr. Zozaya fue presidente, director general y representante ejecutivo de Kansas City Southern México, una de las más importantes compañías de transporte ferroviario en México; antes de eso se desempeñó como director jurídico y de relaciones gubernamentales de Exxon Mobile México y también fue director de investigación de la Comisión Federal de Competencia. Tiene además amplia experiencia como abogado corporativo y como ejecutivo.

El Sr. Zozaya fue el primer presidente no estadounidense de la prestigiosa American Chamber México. También ha sido presidente de la Cámara Mexicana de Transporte, y es miembro de diversas asociaciones como la Asociación Latinoamericana de Transporte Ferroviario, Asociación Nacional de Abogados de Empresa, la Fundación Appleseed México, la Academia Nacional de Abogados, el Consejo Ejecutivo de Compañías Globales y la Cámara de Comercio México-Estados Unidos.

El Sr. Zozaya obtuvo su grado de abogado por la Universidad Iberoamericana, tiene un posgrado en derecho corporativo por el Instituto Tecnológico Autónomo de México, y también ha completado programas internacionales para ejecutivos en la Universidad de Thunderbird y el programa de Manejo de Abogados por la Universidad de Yale, entre otros.

Enrique Carlos Lorente Ludlow

Enrique Lorente is founding partner of Woodhouse and Lorente Ludlow, a law firm in Mexico City, where he specializes in real estate and infrastructure projects. During his professional experience, he has participated in all stages of development required for these types of projects, including conceptualization and structuring; engagement through public bidding procedures or private contracting; development and construction; as well as financing and daily operation of projects once they have been developed. He holds a law degree from the *Escuela Libre de Derecho*.

Enrique Lorente es socio fundador de Woodhouse y Lorente Ludlow, una firma de abogados en la Ciudad de México, donde se especializa en proyectos inmobiliarios y de infraestructura. Durante su experiencia profesional, ha participado en todas las etapas de desarrollo requeridas para este tipo de proyectos, incluida la conceptualización y la estructuración; compromiso a través de procedimientos de licitación pública o contratación privada; desarrollo y construcción; así como el financiamiento y la operación diaria de los proyectos una vez que se hayan desarrollado. Es licenciado en Derecho por la Escuela Libre de Derecho.



Elías Laniado Laborín

Mr. Laniado has been managing Vesta's portfolio in Baja California from 2005 to 2021 when he retired. Prior to incorporating to Vesta, he was the managing partner for Grupo La Mesa, a company that developed La Mesa Industrial Park and Nordika Industrial Park in Tijuana, Baja California, prior to that he was founding partner of Alepo Construcciones, a construction company in Tijuana, Baja California. He was the pioneer in the development and installation of a variety of industrial plants in El Salvador and Costa Rica.

Mr. Laniado graduated with a major of Mechanical Electrical Engineer from the Autonomous University of Guadalajara, taking post-graduate courses in Industrial Engineering at San Diego State University. He took the program of administration of Real Estate and business at Harvard University in 2007. He has been and stills an active member in several organizations, which their main objective is the promotion of the Industrial Economic development in the city of Tijuana.

Mr. Laniado was appointed Honorary Consul of Norway for the States of Baja California and Sonora in 1990, honorary position granted by that country to date. He was also the President of the accredited consular corps in Baja California. He is currently a board member of the Smart Border Coalition, he 's a board member for CDT and board member of Scotia Bank Inverlat.

El Sr. Laniado ha manejado el portafolio de Vesta en Baja California del año de 2005 al 2021, año en el que se retiró. Previo a su incorporación a Vesta, fue director de Grupo La Mesa, una compañía que desarrolló el Parque Industrial La Mesa y el Parque Industrial Nordika en Tijuana, Baja California, antes de ese fue socio fundador de Alepo Construcciones, una compañía de construcción en Tijuana, Baja California. Fue pionero en el desarrollo e instalación de una serie de plantas industriales en El Salvador y Costa Rica.

El Sr. Laniado se graduó de Ingeniero Electromecánico por la Universidad Autónoma de Guadalajara, y cursó posgrados en Ingeniería Industrial en la Universidad de San Diego. Cursó además el programa de administración de negocios inmobiliarios en la Universidad de Harvard en 2007. Ha sido y continúa siendo miembro activo en varias organizaciones, cuyo principal objetivo es promover el desarrollo económico de la ciudad de Tijuana.

El Sr. Laniado ha sido nombrado cónsul honorario de Noruega para los estados de Baja California y Sonora desde el año de 1990 a la fecha. Fue también presidente del cuerpo consular en Baja California. Es miembro del consejo de *Smart Border Coalition*, y del CDT, así como del banco Scotia Bank Inverlat.

Viviana Belaunzaran Barrera

She is a public accountant graduated from the Instituto Tecnológico Autónomo de México. Likewise, she obtained a certificate in the International Tax Program at Harvard University, as well as a Diploma in the International Tax Program at Instituto Tecnológico Autónomo de México. She is a member of the College of Public Accountants of Mexico and of the Mexican Institute of Public Accountants.

She worked 15 years in the tax consulting area at Mancera, Ernst & Young, where she was senior manager in the international tax area of said firm. Has participated as partner in other boutique firms specialized in tax matters and currently is a partner at the tax consulting and compliance practice of SKATT. Her experience includes advising companies of the financial sector, multinational companies, private and public funds.



Es contador público graduada del Instituto Tecnológico Autónomo de México. Asimismo, cursó el Programa en Impuestos Internacionales impartido por la Universidad de Harvard, así como el diplomado de Impuestos en el Instituto Tecnológico Autónomo de México. Es miembro del Colegio de Contadores de México y del Instituto Mexicano de Contadores Públicos.

Trabajó por 15 años en Mancera, Ernst & Young en el área de consultoría fiscal como gerente senior en el área de impuestos internacionales de dicha firma. Ha participado como socio en otras firmas boutique especializadas en materia fiscal y actualmente se desempeña como socio de consultoría fiscal y cumplimiento en SKATT. Su experiencia abarca la asesoría de varias empresas en el sector financiero, compañías multinacionales, fondos privados y fondos públicos.

José Antonio Pujals Fuentes

Mr. Pujals was Managing Director at Rassini Auto Parts Division from 1992 to 1999, formerly he was Managing Director of Moresa (TRW), General Manager of assembly plants and Vice President of Manufacturing at Chrysler de México, President and CEO of Barnes Group, Vice President of Manufacturing in General Mills toys division, among others. He was also Chairman of the Mexico-Germany Committee of COMCE, where he is currently Honorary President and he also has been a guest teacher and speaker in the Master Programs of Instituto Panamericano de Alta Dirección de Empresas (IPADE). Mr. Pujals is a Mechanical Engineer from the Instituto Politécnico Nacional (IPN) and a bachelor's degree in Administration from the Instituto Tecnológico Autónomo de México (ITAM) and he also has an Industrial Engineering course from the Massachusetts Institute of Technology (MIT).

El Sr. Pujals fue Director General en Rassini División Autopartes de 1992 a 1999, previamente fue Director General de Moresa (TRW), Gerente General de Plantas de Ensamble y Vicepresidente de Manufactura en Chrysler de México, Presidente y Director General de Barnes Group, Vicepresidente de Manufactura en General Mills División Juguetes, entre otros. También fue Presidente del Comité México-Alemania del COMCE, en donde actualmente es Presidente Honorario y ha sido profesor invitado conferencista para los programas Master del IPADE. El Sr. Pujals es Ingeniero Mecánico por el Instituto Politécnico Nacional (IPN) y Licenciado en Administración por el Instituto Tecnológico Autónomo de México (ITAM), también cuenta con un curso de Ingeniería Industrial por el Instituto Tecnológico de Massachusetts (MIT).

Rocío Ruiz Chávez

Rocío Ruiz acted as Undersecretary for Competitiveness and Regulation at the Secretary of Economy until 2018, where she was responsible of the policy for improvement of the business environment to facilitate the incorporation, operation and dissolution of companies in Mexico, as well as the issuance of public policies for normalization and metrology and to develop and implement innovative technological tools for eliminating procedures. Rocío Ruiz is economist by the *Universidad Nacional Autónoma de México* and has diplomas in foreign commerce and international businesses and in free trade agreements.

Rocío Ruiz also participates in the board of directors of entities such as: *Comisión Federal de Electricidad, Banco Nacional de Comercio Exterior S.N.C., ProMéxico, Instituto Mexicano de la Propiedad Industrial, Instituto Nacional del Emprendedor, Entidad Mexicana de Acreditación, A.C., Comisión Nacional de Vivienda* and *Comisión Nacional para el Desarrollo de los Pueblos Indígenas*.

Rocío Ruiz se desempeñó como Subsecretaria de Competitividad y Normatividad Secretaría de Economía hasta el año 2018, en dónde fue responsable de la política de mejora del ambiente de negocios para



facilitar la constitución, operación y disolución de empresas en México, así como la formulación de políticas públicas en materia de normalización y metrología; y el desarrollo e implementación de herramientas tecnológicas innovadoras para la eliminación de trámites presenciales. Rocío Ruíz es licenciada en economía por la Universidad Nacional Autónoma de México y cuenta con diplomados en comercio exterior y negocios internacionales y tratado de libre comercio.

Rocío Ruíz también participa en los consejos de administración de empresas, tales como: Comisión Federal de Electricidad, Banco Nacional de Comercio Exterior S.N.C., ProMéxico, Instituto Mexicano de la Propiedad Industrial, Instituto Nacional del Emprendedor, Entidad Mexicana de Acreditación, A.C., Comisión Nacional de Vivienda y Comisión Nacional para el Desarrollo de los Pueblos Indígenas.

Stephen B. Williams

Mr. Williams is co-founder of Vesta and founder of SENTRE Partners, a real estate investment and services company which owns, manages and/or leases a commercial real estate portfolio in San Diego and Orange County, California, he sits on both company's Board of Directors. Mr. Williams is also a co-founder of Bandwidth Now, which transforms commercial buildings into "next gen" environments. Mr. Williams was formerly a partner with Trammell Crow Company, where he was responsible for the San Diego division. Mr. Williams graduated from UCLA in 1972 and received an MBA from USC in 1974. He is a licensed CPA and licensed real estate salesman. He is active in ULI and was a former national board member of NAIOP. He is active in the community and currently serves on the boards of the San Diego Regional Economic Development Corporation and CONNECT. He is also the past Co-Chair of the Southern California Leadership Council along with Former Governor, Pete Wilson. He has previously served as Chair of LEAD San Diego. He has also previously served on the boards of the San Diego Chamber of Commerce, the Burnham Institute and the Reuben H. Fleet Science Center.

El Sr. Williams es cofundador de Vesta y fundador de SENTRE Partners, una compañía de servicios e inversiones inmobiliarias que posee, administra y / o arrienda una cartera de bienes raíces comerciales en San Diego y el condado de Orange, California, es miembro del Consejo de Administración de ambas compañías. El Sr. Williams también es cofundador de Bandwidth Now, que transforma edificios comerciales en entornos de "próxima generación". El Sr. Williams fue anteriormente socio de Trammell Crow Company, donde era responsable de la división de San Diego. El Sr. Williams se graduó de UCLA en 1972 y recibió un MBA de USC en 1974. Es contador público autorizado y vendedor de bienes raíces con licencia. Está activo en ULI y fue miembro de la junta nacional de NAIOP. El Sr. Williams es activo en la comunidad y actualmente es miembro de las juntas directivas de la Corporación de Desarrollo Económico Regional de San Diego y CONNECT. También fue co-presidente del Consejo de Liderazgo del Sur de California junto con el exgobernador Pete Wilson. Anteriormente se desempeñó como presidente de LEAD San Diego. También se ha desempeñado anteriormente en las juntas directivas de la Cámara de Comercio de San Diego, el Instituto Burnham y el Centro de Ciencias Reuben H. Fleet.

Francisco Javier Mancera de Arrigunaga *(a/k/a Javier Mancera Arrigunaga / también conocido como Javier Mancera Arrigunaga)*

Mr. Mancera is a founding partner at De la Calle, Madrazo, Mancera, S.C. He is responsible for the area of international trade, strategic planning, and government relations for the firm. Before founding CMM, Mr. Mancera was director at Public Strategies de México, an international public affairs company. Prior



entering the private sector, Mr. Mancera held several high-level government posts. In 1999-2002 he was Trade and Nafta Minister at the Embassy of Mexico in Washington, D.C., where he defended and expanded Mexico's gains under Nafta and helped develop media, government, financial, and business alliances across the U.S. Mr. Mancera also served as senior Nafta counselor at the Mexican Embassy.

Mr. Mancera teaches seminars and conferences on Mexico-U.S. trade relations and on Mexico's democratic transition to democracy. He taught Political Philosophy at Georgetown University and has published several articles, including "The Trade and Environment Debate" in Greening the Americas. He holds a BA from Mexico's Universidad Nacional Autónoma de México, and obtained his Master's degree from Georgetown University, where he is also a Ph.D. Candidate in Government.

El Sr. Mancera es socio fundador de De la Calle, Madrazo, Mancera, S.C., donde es responsable de las áreas de comercio internacional, planeación estratégica y relaciones con gobierno. Antes de fundar CMM, el Sr. Mancera era director de Public Strategies de México, una firma de asuntos públicos. Antes de participar en el sector privado, el Sr. Mancera ocupó diversos puestos de alto nivel en el gobierno. Entre 1999-2002, actuó como Ministro de Comercio y Tratado de Libre Comercio en la Embajada de México en Washington, D.C., en dónde defendió y expandió las ganancias de México conforme al Tratado de Libre Comercio y ayudó en el desarrollo de alianzas mediáticas, gubernamentales, financieras y de negocios en los Estados Unidos de América. El Sr. Mancera también fue Consultor senior en materia del Tratado de Libre Comercio en la Embajada de México en Estados Unidos de América.

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