

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



General Ordinary Shareholder's Meeting

Translation for Informational Purposes Only

Mexico City, March 30th, 2023



AGENDA

- I. Presentation, and in its case, approval of the annual report by the CEO prepared regarding the fiscal year 2022.
- II. Presentation, and in its case, approval, of the annual report by the Board of Directors referred to in fraction IV of Article 28 of the Securities Market Law, regarding the fiscal year 2022.
- III. Presentation, and in its case, approval, of the annual reports of the Audit, Corporate Practices, Investment, Ethics, Debt and Equity, Environmental, Social and Corporate Governance Committees regarding the fiscal year 2022.
- IV. Report on the compliance of tax obligations of the Company and its subsidiaries during the fiscal year 2022.
- V. Presentation, and in its case, approval, of the audited and consolidated financial statements of the Company and its subsidiaries prepared regarding the fiscal year 2022, including the report from the external auditor for the Company.

AGENDA

- VI. Presentation, and in its case, approval of the decree and payment of a cash dividend, delegation of authority to the Board of Directors.
- VII. Presentation, and in its case, approval of the exercise of the share repurchase program during the fiscal year 2022.
- VIII. Presentation, and in its case, approval of the share repurchase program for the Company for the fiscal year 2023, of the amount that may be used in a revolving manner, to such purposes and its execution.
- IX. Appointment, or in its case, ratification of the members of the Board of Directors, of the presidents of the Audit and Corporate Practices Committees, as well as their compensations.
- X. Proposal, and in its case, approval to increase the debt limit of the Company.
- XI. Appointment of special delegates for the General Ordinary Meeting.

I. Presentation, and in its case, approval of the annual report by the CEO prepared regarding the fiscal year 2022.

- 1) *For the report by the CEO. See Appendix 1.*
- 2) *For the report on the operation of the Share Repurchase Program. See Item VII.*
- 3) *For the audited and consolidated financial statements. See Appendix 2.*

II. Presentation, and in its case, approval, of the annual report by the Board of Directors referred to in fraction IV of Article 28 of the Securities Market Law, regarding the fiscal year 2022.

- 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 annual reports of the Audit, Corporate Practices, Investment, Ethics, Debt and Equity, Environmental, Social and Corporate Governance Committees regarding the fiscal year 2022.

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

- IV. Report on the compliance of tax obligations by the Company and its subsidiaries during the fiscal year 2022.

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 or administrative 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, February 15th, 2023

/s/

Juan Felipe Sottit Achutegui
CFO

- V. Presentation, and in its case, approval, of the audited and consolidated financial statements of the Company and its subsidiaries prepared regarding the fiscal year 2022, 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 for the decree and payment of a cash dividend, delegation of authority to the Board of Directors.

Dividend Proposal				
All Figures are in USD\$		2021 (2020 Results)	2022 (2021 Results)	2023 (2022 Results)
Dividend Calculation				
Plus (Loss) / Minus (Profit)		127,504,556	256,032,928	291,848,224
Depreciacion		1,477,413	1,601,216	1,463,920
Foreign Exchange Loss (Profit)		171,566	1,109,567	(1,939,848)
Non cash Share Compensation Plan 2015		3,678,097	5,554,353	6,650,487
Loss (Gain) on revaluation		(45,370,264)	(164,649,959)	(185,491,518)
Gain in sell properties		-	(13,992,675)	(5,027,826)
Non Cash Adjustements		(40,043,188)	(170,377,498)	(184,344,785)
Available Cash		87,461,368	85,655,431	107,503,440
Principal Repayment		(1,264,015)	(2,880,592)	(4,627,154)
Taxes Paid		(3,516,026)	(4,197,803)	(14,824,658)
Mintanence, Broker Reserve		(3,000,000)	(2,000,000)	(4,000,000)
Cash Adjustment		(7,780,041)	(9,078,395)	(23,451,812)
Distributable Profit		79,681,327	76,577,036	84,051,628
Dividend Recomendation		<u>55,776,929</u>	<u>57,432,777</u>	<u>60,307,043</u>
Dividend Ratio		70.0%	75.0%	71.8%
Dividends per Share (US\$/Share)		0.0989	0.0839	0.0870
		4.7%	-15.1%	3.7%
Outstanding Shares		564,214,434	684,252,626	692,963,624

➤ Dividends will be paid in 4 equal installments, on April, July, and October 2023, and January 2024.

VII. Presentation, and in its case, approval of the exercise of the share repurchase program during the fiscal year 2022.

Buy Back Fund								
		2022 Shareholder Authorization					\$	100,000,000
		Summary of Transaction						
		Period			# of Shares	Avg. Price	Pesos	Dollar
		1Q2022			3,393,272	\$ 36.8443	\$ 125,022,649	\$ 6,062,250.89
		2Q2022			5,198,974	\$ 36.6370	\$ 190,474,637	\$ 9,371,060.64
		3Q2022			61,752	\$ 36.9873	\$ 2,284,038	\$ 113,737.12
		4Q2022			-	\$ -	\$ -	\$ -
		2022			8,653,998	\$ 36.7208	\$ 317,781,324	\$ 15,547,049
		Available under current Program					\$	84,452,951
		Proposed Increase					\$	15,547,049
		Repurchase Fund for 2023					\$	100,000,000

VIII. Presentation, and in its case, approval of the share repurchase program for the Company for the fiscal year 2023, of the amount that may be used in a revolving manner, to such purposes and its execution.

Share Repurchase Fund

Authorized Amount during 2022: US\$100,000,000

Amount remaining from 2022: US\$84,452,951

Proposed increase: US\$15,547,049

Share repurchase fund for 2023: **US\$100,000,000**

Recommendation by the Board of Directors:

- It is 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 own shares be the equivalent of US\$100,000,000.00

- 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 own shares that may be used in a revolving manner during the fiscal year 2023, be the amount of US\$100,000,000
- For the purposes of the foregoing, management confirms 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 of directors updates or confirms said rules during its next meeting.

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

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

INTEGRATION OF THE BOARD OF DIRECTORS DURING 2022

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	Raúl Gallegos Navarro	Independent	Member
Luis de la Calle Pardo	Independent	Francisco Javier Mancera De Arrigunaga	Independent	Member
Alejandro Pucheu Romero	Non-member	Navil Rosario Marin Escamilla	Non-member	Secretary

PROPOSAL FOR INTEGRATION OF THE BOARD OF DIRECTORS FOR 2023

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

PROPOSAL FOR INTEGRATION OF THE BOARD OF DIRECTORS FOR 2023

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

INTEGRATION OF THE AUDIT AND CORPORATE PRACTICES COMMITTEES DURING 2022

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 2023

Audit Committee

Corporate Practices 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

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 from the shareholders meeting***

INTEGRATION OF THE COMMITTEES FOR 2023

(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 2023 ***(FOR INFORMATIONAL PURPOSES) contd'***

Debt and Equity Committee

José Manuel Domínguez Díaz Ceballos	President
Stephen B. Williams	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

COMPENSATIONS FOR MEMBERS OF THE BOARD AND COMMITTEES FOR 2023

Corporate Body	Compensation per Meeting
Members of the Board of Directors	US\$4,370.00
Presidents of the Committees	US\$4,600.00
Members of the Committees	US\$3,450.00

- 1. All the members of the board of directors shall have the right to receive compensation for participating in the board of directors and in the committees of the Company.***
- 2. Compensations will be added with the income tax to be withheld by the Company.***
- 3. Compensations may be paid in Pesos at the Exchange rate published by Banco de Mexico in the payment date.***
- 4. Compensations will only be paid with respect to meetings to which the member effectively attended.***
- 5. In case that the proprietary and the alternate attended to a meeting, only the proprietary will have the right to receive compensation, unless the board or the executive chairman determines that the presence of the alternate member was required.***
- 6. Employees of the Company participating in the board of directors and/or in the committees, will not have the right to receive compensation.***
- 7. The executive chairman of the board of directors will only receive the compensation approved by the board of directors on January 26th, 2023.***

X. Proposal, and in its case, approval to increase the debt limit of the Company.

Equity and Debt Program

Rationale

- ☐ The company has identified investment opportunities for US\$1.1 Billion for the following years.
- ☐ The company requires flexibility and optionality to implement the best alternatives for equity and debt.

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- ☐ It is required to increase the leverage capacity by US\$500,000,000 million over the following 5 years; therefore, the debt limit will increase from US\$1,250,000,000 to US\$1,750,000,000 million.
- ☐ The approved debt increase will be gradual as it is evaluated and approved by the corporate bodies of the Company (debt and equity committee and the board of directors) during the term of the program.
- ☐ Debt will be approved as long as the Company maintains conservative leverage limits, always keeping a healthy capitalization (i.e. approximately 40%LTV, approximately 6 times Net Debt-EBITDA, always considering the credit rating of the Company).

XI. 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
- José Eduardo Patiño Gutiérrez
- 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 2022

I couldn't be prouder of our 2022 results, which show an even more extraordinary year than the previous, thanks to the achievements of our winning team. We celebrate growth based on the macroeconomic fundamentals of Mexico, the organic growth of our clients and the recovery of their sectors -particularly the automotive, electronics, aerospace, and medical devices, among others-, the takeoff of nearshoring in our country, as well as the impeccable execution of our level 3 strategy.

Strategic and continuous development is what defines us. Our results in leasing, occupancy, development of new buildings, renewals, and increase in rents and their extension, as well as the rest of our successful financial indicators, reinforce our credibility.

- During 2022, we experienced an extraordinary leasing activity, reaching 10.6 million leased square feet, of which 3.8 million square feet were through new leases with multinational clients as Oxxo, Eaton, Herdez, Home Depot, Polaris, Foxconn, and Cummings, among others.
- We saw 6.8 million in renewals during 2022, with a 7.0% increase in rent spreads.
- We delivered during the year 2.4 million square feet, which allowed us to reach a total portfolio of 33.7 million square feet.
- During the quarter we acquired our first portfolio, since 2017. The portfolio consists of two buildings in Toluca with top clients' suppliers of Stellantis. The cost of the buildings was of US\$ 15.4.
- We strategically acquired additional land in Mexico City, Guadalajara, and Monterrey, to support our penetration to strategic markets.
- Vesta delivered exceptional financial results for the full year 2022, exceeding the upper range of the Company's revised guidance of 7.5-8% by 270 basis points to reach US\$ 178.0 million, a 10.7% increase year over year.
- NOI margin reached 95% exceeded guidance by 100 basis points, while EBITDA margin reached 84.4% below guidance by 93 basis points due to an accounting adjustment in administrative expenses from the retirement plan of Vesta.
- We had our successful Investors Vesta Day, in New York. We inaugurated our Vesta Park Guadalajara, leased in its entirety, and which continues to grow; we also celebrated the inauguration of other building, by the hand of our client Eaton in Ciudad Juárez.
- Our ESG Strategy, aligned with the level 3 business strategy, was launched at our Investors Vesta Day and, through the ESG Working Group, we gave it timely follow-up.
- As part of our goals, we reached almost 10 million pesos in fundraising, including our Vesta Challenge cycling event, and strategic alliances with clients, suppliers, and allies for the implementation of our projects.
- Regarding the environmental aspect, we started the certifications in operation granted by BOMA, LEED +M, Edge, and we obtained the LEED certifications of 5 new constructions. Likewise, we created the Biodiversity Policy, as well as updated the Vesta Sustainable Construction Manual and Checklist, in which we included new topics such as Biodiversity and Embedded Carbon, among others.



Our achievements are possible thanks to our great team, who have a mentality of focus, delivery and work based on strategic objectives. Together, we achieve success for our stakeholders, particularly for our investors and our clients. Our commitment is with each of those we interact with, and we will continue to focus on achieving the best future for our country and for Mexicans. Thank you for being part of this success story.

I. Business Strategy

The business of the Company and its subsidiaries during the fiscal year 2022, 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 2022 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 2022, 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 24, 2022, 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 2022.

Share's repurchase during 2022 were made in strict compliance to the rules set forth by the board of directors for the exercise of the program.



VI. Corrective and Responsibility Actions

During the fiscal year ended on December 31st, 2022, 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 24, 2022, were paid in four installments, three in 2022 and the last in January 2023, 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 "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 management at the beginning of each calendar year and according to the Level 3 Strategic Plan.

Attached hereto as Annex "1" are: (i) the interim 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, 2022, (ii) the consolidated income statement of the Company and its subsidiaries for the fiscal year ended December 31st, 2022, (iii) a statement of changes in the financial position of the Company and its subsidiaries during the fiscal year ended December 31st, 2022, (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, 2022, and (v) the notes necessary to complete and clarify said information.



XI. Responsibility Actions Against Third Parties

During the fiscal year ended on December 31st, 2022, 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, February 15th, 2022

/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,
2022, 2021 and 2020, and
Independent Auditor's Report
Dated March 10, 2023



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

**Independent Auditor's Report and
Consolidated Financial Statements for 2022,
2021 and 2020**

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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, 2022, 2021 and 2020, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2022, 2021 and 2020 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

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. 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. The Entity uses external appraisers in order to determine the fair value for all of its investment properties. The independent 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, long-term net operating income, inflation rates, absorption periods and market rents. The audit procedures performed to test investment properties were significant for our audit; for this reason, in order to test the reasonableness of the fair value of the investment properties, we involved an internal expert in valuation. As a result, our audit procedures included, among others: i) testing the Entity's internal controls related to management's review of relevant assumptions used in the discounted cash flow approach, approval of construction of new investment properties as well as cash disbursements related to such construction; ii) performing detail substantive testing of the additions in investment properties made during the year; iii) using the work of our internal valuation expert to test the fair value as determined by the Entity's expert of a sample of investment properties; and iv) performing an analytical substantive test of the fair value of the investment properties. Our procedures also included reviewing the appropriateness of the Entity's disclosures regarding the assumptions and accounting policies for the recognition of investment properties, which are included in the Note 9 to the consolidated financial statements.

Information other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information comprises two documents, the Entity's Annual Report and the information that will be incorporated in the Annual Report which the Entity is required to prepare in accordance with Article 33 section I, subsection b) of Title Four, Chapter One, of the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market in Mexico (the "Provisions". 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 conclusion 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, we will issue the legend on the reading of the annual report, as required in Article 33, Section I, subsection b) numeral 1.2 of the Provisions.

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, as issued by the IASB, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

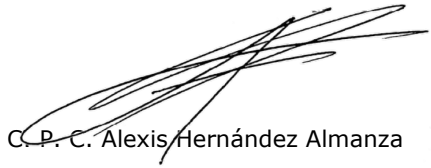
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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

March 10, 2023



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

Consolidated Statements of Financial Position

As of December 31, 2022, 2021 and 2020

(In U.S. dollars)

	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Assets				
Current assets:				
Cash, cash equivalents and restricted cash	5	\$ 139,147,085	\$ 452,821,132	\$ 120,542,142
Financial assets held for trading	6	-	-	684,936
Recoverable taxes	7	30,088,473	19,377,562	14,861,110
Operating lease receivables	8	7,690,195	9,039,147	6,360,901
Prepaid expenses and advance payments	8.vi	<u>25,308,351</u>	<u>483,581</u>	<u>420,057</u>
Total current assets		<u>202,234,104</u>	<u>481,721,422</u>	<u>142,869,146</u>
Non-current assets:				
Investment property	9	2,738,465,276	2,263,170,941	2,103,214,762
Office furniture - Net		1,437,981	2,119,589	2,854,654
Right-of-use asset	10	1,417,945	1,344,417	657,837
Guarantee deposits made, restricted cash and others		<u>9,601,094</u>	<u>11,510,701</u>	<u>4,506,526</u>
Total non-current assets		<u>2,750,922,296</u>	<u>2,278,145,648</u>	<u>2,111,233,779</u>
Total assets		<u>\$ 2,953,156,400</u>	<u>\$ 2,759,867,070</u>	<u>\$ 2,254,102,925</u>
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	11	\$ 4,627,154	\$ 2,880,592	\$ 1,923,573
Lease liabilities - short term	10	606,281	464,456	510,417
Accrued interest		3,847,752	3,840,079	2,832,174
Accounts payable	3.f	24,518,725	3,011,415	1,825,850
Income tax payable		14,824,658	27,838,872	3,516,026
Accrued expenses and taxes		5,154,626	15,246,156	4,309,640
Dividends payable	12.4	<u>14,358,194</u>	<u>13,944,232</u>	<u>13,534,555</u>
Total current liabilities		<u>67,937,390</u>	<u>67,225,802</u>	<u>28,452,235</u>
Non-current liabilities:				
Long-term debt	11	925,872,432	930,652,624	837,837,479
Lease liabilities - long term	10	897,658	915,957	220,868
Derivative financial instruments	1.8	-	-	4,132,836
Guarantee deposits received		18,333,119	15,868,704	13,924,249
Employee benefits		348,280	-	-
Deferred income taxes	16.3	<u>299,979,693</u>	<u>291,578,576</u>	<u>260,873,091</u>
Total non-current liabilities		<u>1,245,431,182</u>	<u>1,239,015,861</u>	<u>1,116,988,523</u>
Total liabilities		<u>1,313,368,572</u>	<u>1,306,241,663</u>	<u>1,145,440,758</u>



	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Litigation and other contingencies	20s			
Stockholders' equity:				
Capital stock	12	480,623,919	482,858,389	422,437,615
Additional paid-in capital	12.3	460,677,234	466,230,183	297,064,471
Retained earnings		733,405,749	547,213,771	429,048,327
Share-based payments reserve	19	5,984,051	7,149,453	7,986,137
Foreign currency translation		(40,903,125)	(49,826,389)	(44,981,398)
Valuation of derivative financial instruments	17.8	<u>-</u>	<u>-</u>	<u>(2,892,985)</u>
Total stockholders' equity		<u>1,639,787,828</u>	<u>1,453,625,407</u>	<u>1,108,662,167</u>
Total liabilities and stockholders' equity		<u>\$ 2,953,156,400</u>	<u>\$ 2,759,867,070</u>	<u>\$ 2,254,102,925</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, 2022, 2021 and 2020

(In US dollars)

	Notes	December 31,2022	December 31,2021	December 31,2020
Revenues:				
Rental income	13	\$ 178,025,461	\$ 160,698,385	\$ 149,535,887
Management fees		<u>-</u>	<u>87,973</u>	<u>319,446</u>
		178,025,461	160,786,358	149,855,333
Property operating costs related to properties that generated rental income	14.1	(8,940,789)	(8,543,961)	(8,925,518)
Property operating costs related to properties that did not generate rental income	14.1	<u>(2,482,605)</u>	<u>(2,182,796)</u>	<u>(1,229,137)</u>
General and administrative expenses	14.2	(24,414,428)	(21,400,917)	(18,661,892)
Interest income		2,640,687	76,871	311,959
Other income - net		956,862	27,795	7,852
Finance cost	15	(46,396,156)	(50,263,493)	(39,052,739)
Exchange gain (loss)- net		1,939,848	(1,109,567)	(171,566)
Gain on sale of investment property		5,027,826	13,992,675	-
Gain on revaluation of investment property	9	<u>185,491,518</u>	<u>164,649,959</u>	<u>45,370,264</u>
Profit before income taxes		291,848,224	256,032,924	127,504,556
Current income tax expense	16.1	(41,981,391)	(50,262,466)	(26,150,480)
Deferred income tax	16.1	<u>(6,242,079)</u>	<u>(31,828,085)</u>	<u>(34,397,994)</u>
Total income tax expense		<u>(48,223,470)</u>	<u>(82,090,551)</u>	<u>(60,548,474)</u>
Profit for the year		243,624,754	173,942,373	66,956,082
Other comprehensive income (loss) - net of tax:				
<i>Items that may be reclassified subsequently to profit - Fair value gain on derivative instruments</i>	17	-	2,892,985	(3,007,456)
Exchange differences on translating other functional currency operations		<u>8,923,264</u>	<u>(4,844,991)</u>	<u>(1,890,465)</u>
Total other comprehensive income (loss)		<u>8,923,264</u>	<u>(1,952,006)</u>	<u>(4,897,921)</u>
Total comprehensive income for the year		<u>\$ 252,548,018</u>	<u>\$ 171,990,367</u>	<u>\$ 62,058,161</u>
Basic earnings per share	12.5	<u>\$ 0.3569</u>	<u>\$ 0.2683</u>	<u>\$ 0.1182</u>
Diluted earnings per share	12.5	<u>\$ 0.3509</u>	<u>\$ 0.2636</u>	<u>\$ 0.1167</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, 2022, 2021 and 2020

(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-Based Payments Reserve	Foreign Currency Translation	Valuation of Derivative financial instruments	Total Stockholders' Equity
Balances as of January 1, 2020	\$ 426,300,951	\$ 303,741,438	\$ 416,230,463	\$ 7,828,591	\$ (43,090,933)	\$ 114,471	\$ 1,111,124,981
Share-based payments	-	-	-	4,413,135	-	-	4,413,135
Vested shares	1,238,891	3,016,698	-	(4,255,589)	-	-	-
Dividends declared	-	-	(54,138,218)	-	-	-	(54,138,218)
Repurchase of shares	(5,102,227)	(9,693,665)	-	-	-	-	(14,795,892)
Comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>66,956,082</u>	<u>-</u>	<u>(1,890,465)</u>	<u>(3,007,456)</u>	<u>62,058,161</u>
Balances as of December 31, 2020	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	-	-	(57,432,777)	-	-	-	(57,432,777)
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	<u>\$ 480,623,919</u>	<u>\$ 460,677,234</u>	<u>\$ 733,405,748</u>	<u>\$ 5,984,051</u>	<u>\$ (40,903,125)</u>	<u>\$ -</u>	<u>\$ 1,639,787,827</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, 2022, 2021 and 2020

(In US dollars)

	December 31,2022	December 31,2021	December 31,2020
Cash flows from operating activities:			
Profit before income taxes	\$ 291,848,224	\$ 256,032,924	\$ 127,504,556
Adjustments:			
Depreciation	901,492	1,143,134	1,031,214
Right-of-use depreciation	562,428	458,082	446,199
Gain on revaluation of investment property	(185,491,518)	(164,649,959)	(45,370,264)
Unrealized effect of foreign exchange rates	(1,939,848)	1,109,567	171,566
Interest income	(2,640,687)	(76,871)	(311,959)
Interest expense	44,852,043	45,482,028	37,924,366
Amortization of debt issuance costs	1,544,113	4,781,465	1,128,373
Expense recognized in respect of share-based payments	6,650,487	5,554,353	3,678,097
Gain on sale of investment property	(5,027,826)	(13,992,675)	-
Employee benefits	348,280	-	-
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables - Net	1,348,952	(2,678,246)	1,911,192
Recoverable taxes	(10,710,911)	(4,516,452)	(4,495,989)
Guarantee deposits paid	1,909,607	(7,004,175)	(44,661)
Prepaid expenses	(24,824,770)	(63,524)	847,836
Increase (decrease) in:			
Accounts payable and client advances	(1,619,312)	(230,177)	(713,267)
Accrued expenses and taxes	(10,091,530)	10,936,516	(143,085)
Guarantee deposits collected	2,464,415	1,944,455	668,786
Financial assets held for trading	-	684,936	120,031
Interest received	2,640,687	76,871	311,959
Income taxes paid	(54,995,605)	(27,062,220)	(24,092,663)
Net cash generated by operating activities	57,728,721	107,930,032	100,572,287
Cash flows from investing activities:			
Purchases of investment property	(269,222,961)	(108,394,270)	(72,523,331)
Sale of investment property	14,771,389	124,565,539	-
Purchases of office furniture and vehicles	(219,884)	(219,143)	(822,218)
Net cash (used in) generated by investing activities	(254,671,456)	15,952,126	(73,345,549)
Cash flows from financing activities:			
Interest paid	(44,844,370)	(44,474,123)	(37,986,844)
Loans obtained	-	350,000,000	125,000,000
Loans paid	-	(252,500,000)	(794,904)
Costs of debt issuance	(1,667,278)	(7,746,222)	-
Dividends paid	(57,018,815)	(55,367,252)	(53,975,583)
Repurchase of treasury shares	(15,603,308)	-	(14,795,892)
Equity issuance	-	229,215,419	-
Costs of equity issuance	-	(6,019,970)	-
Payment of lease liabilities	(647,961)	(564,677)	(534,920)
Net cash generated by financing activities	(119,781,732)	212,543,175	16,911,857
Effects of exchange rates changes on cash	3,050,420	(4,146,343)	1,339,954
Net (decrease) increase in cash, cash equivalents and restricted cash	(313,674,047)	332,278,990	45,478,549
Cash, cash equivalents and restricted cash at the beginning of year	453,556,444	121,277,454	75,798,905
Cash, cash equivalents and restricted cash at the end of year - Note 5	\$ 139,882,397	\$ 453,556,444	\$ 121,277,454

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, 2022, 2021 and 2020

(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, 2022 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 9 “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.

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 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

<i>Amendments to IFRS 3 Reference to the Conceptual Framework</i>	The Entity has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
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<i>Amendments to IAS 16 - Property, Plant and Equipment - Income before its planned use</i>	The Entity has adopted the amendments to IAS 16 Property Plant and Equipment for the first time this year. The amendments prohibit deducting from the cost of a property, plant, and equipment asset any income from the sale of goods produced before it is ready for use, for example, income generated while the asset is moved to a location and refurbished. necessary to make it operable in the manner that it is intended in accordance with the intentions of the administration. Consequently, an entity must recognize those sales revenues and costs in profit or loss. The entity measures the costs of those goods produced in accordance with IAS 2 Inventories.
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The amendments also clarify the meaning of 'testing whether an asset is working properly'. Now, IAS 16 specifies this as an assessment in which the physical and technical performance of the asset is capable of being used in the production or supply of goods or services, for rental or other, or administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of revenue and cost in profit or loss related to items that are not an output from the ordinary activities of the entity, in the line item(s) in the statement of comprehensive income where revenues and costs are included.

<i>Annual Improvements to IFRS Accounting Standards 2018-2020</i>	The Entity has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.
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<i>Amendments to IFRS 9 - Financial Instruments</i>	The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
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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 IAS 1	<i>Classification of liabilities as current or non-current.</i>
Amendments to IAS 1 and Practice Statement 2	<i>Disclosure of accounting policies</i>
Amendments to IAS 8	<i>Definition of accounting estimates</i>
Amendments to IAS 12	<i>Deferred taxes related to assets and liabilities arising from a single transaction</i>

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 IAS 1 Presentation of financial statements - Classification of Liabilities as Current and Non-current

The amendments to IAS 1 published in January 2020, affect only the presentation of liabilities as current and non-current in the statement of financial position and not by the amount or moment in which any asset, liability, income or expense is recognized. , or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current and non-current is based on whether the rights are in existence at the end of the reporting period, specify that the classification is not affected by expectations about whether the entity will exercise its right to defer settlement of a liability, explains that rights exist if covenants are met at the end of the reporting period, and introduces the definition of 'settlement' to make it clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or other services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with earlier application permitted. The IASB is currently considering further amendments to the requirements of IAS 1 regarding the classification of liabilities as current or non-current, including the deferral of the application of the January 2020 amendments.

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

Amendments to IAS 1 and Practice Statement 2 Judgments on materiality - Disclosure of Accounting Policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies. The amendment replaces the terms "significant accounting policies" with "information on material accounting policies". Accounting policy information is material when it is considered that, together with other information included in an entity's financial statements, it could reasonably be expected to influence the decision-making of the primary users of financial statements for general use. based on said financial statements.

The supporting paragraphs in IAS 1 are amended to clarify that accounting policies that relate to immaterial transactions, other events or conditions are immaterial and need not be disclosed. Information regarding accounting policies may be material because of the nature of the related transactions, other events and conditions, even if the amounts therein are immaterial. However, not all information about accounting policies relating to material transactions or other events or conditions is material by itself.



The IASB has developed guidance and examples to explain and demonstrate the application of the “four-step process for determining materiality” described in Practice Statement 2.

The amendments to IAS 1 will be effective for annual periods beginning on January 1, 2022, with the option of early application and are prospectively applicable. The amendments to Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

The amendments replace the definition of a change in accounting estimate. Under the new definition, accounting estimates are “monetary amounts in the financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was removed. However, the IASB retained the concept of changes in an accounting estimate in the standard with the following clarifications:

- A change in an accounting estimate is the result of new information or a new development, not the correction of an error.
- The effects of a change in an input or a valuation technique used to develop an accounting estimate are changes in accounting estimates if they do not result from a correction of prior period errors.

The IASB added two examples (examples 4 and 5) to the IAS 8 Implementation Guide that accompanies the standard. The IASB has removed one example (example 3) as it could cause confusion in relation to the amendments.

The amendments will be effective for annual periods beginning on January 1, 2023 for changes in accounting policies and changes in accounting estimates that occur on or after the start of such period with an option for early application.

Amendments to IAS 12 Deferred taxes - Deferred taxes related to assets and liabilities that arise from a single transaction.

The amendments introduced an additional exception apart from the initial recognition exemption. In the amendments, an entity does not apply the initial recognition exception for transactions that give rise to taxable and deductible temporary differences.

Depending on the applicable tax law, taxable and deductible temporary differences may occur on initial recognition of an asset and a liability in a transaction that is not a business combination and does not affect accounting or taxable profit. For example, it may occur with the recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 Leases at the inception date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax assets and liabilities, considering that the recognition of any deferred tax assets is subject to the recoverability criteria in IAS 12.

The IASB also added an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period being presented. Additionally, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent it is probable that taxable income is available against the deductible temporary difference) and a deferred tax liability for all taxable and temporary deductions associated with:
 - Right-of-use assets and lease liabilities
 - Liabilities for decommissioning, restoration and other similar liabilities and the corresponding amounts recognized as part of the cost of the related assets.



- The cumulative effect of the initial application of the amendments as an adjustment to the opening balance of retained earnings (or some other component of equity, as applicable) as of that date.

The amendments will be in force for the annual periods beginning on January 1, 2023, with the option of early application.

The Entity's management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods if such transactions arise.

3. Significant 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), except for presentation of comparative information for the preceding period for all amounts reported in the current period

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 2021, 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, 2021. Its recent global expansion has 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.

iv. Consolidated Income Statement presentation

During 2022 the Entity modified its presentation the Consolidated Income Statement; the Entity considers this new presentation reflects enhanced relevance and with the same reliability in only one measure of profit and loss the results of the Entity managerial activities to the users of the financial information.

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 (loss) and other comprehensive income from the date the Entity gains control 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
	2022	2021	2020	
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 Queretaro, 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
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 exercise 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**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the 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.

For financial assets acquired or originated that are credit impaired, the Entity recognizes interest income by applying the effective interest rate adjusted for credit to the amortized cost of the financial asset from its initial recognition. The calculation does not return to the gross basis, even if the financial asset's credit risk subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized as gains / losses and is included in the concept "Financial income - Interest income".

(ii) *Debt instruments classified at fair value through other comprehensive income*

Corporate bonds held by the Entity are classified at Fair value through other comprehensive income. Corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the book value of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment of gains or losses (see below), and interest income calculated through the effective interest method (see (i) above) are recognized in profit or loss. The amounts that are recognized as gains or losses are the same as the amounts that would have been recognized as gains or losses if they had been measured at amortized cost. All other changes in the carrying amount at amortized cost. All other changes in the book value of these corporate bonds are recognized in other comprehensive income or accumulated under the concept of 'investment revaluation reserve'. When these corporate bonds are unknown, the accumulated gains or losses previously recognized in other comprehensive income are reclassified to income.

(iii) *Equity investments designated as Fair Value through other comprehensive income*

On initial recognition, the Entity may make an irrevocable election (instrument by instrument) to designate equity investments instruments at Fair Value through other comprehensive income. The designation at fair value through other comprehensive income is not allowed if the equity investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination.

Equity investments instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. Accumulated profit or loss cannot be reclassified to profit or loss at the disposal of equity investments, but is transferred to retained earnings.

Dividends from these equity investments instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "financial income" item in profit or loss for the year.

The Entity has designated all equity investments instruments that are not held for trading at fair value through other comprehensive income in the initial application of IFRS 9.



A financial asset is held for trading if:

- It has been obtained with the main objective of being sold in the short term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Entity manages together and has evidence of a recent pattern of obtaining profits in the short term; or
- It is a derivative (except for derivatives that are contractual financial guarantees or an effective hedging instrument).

(iv) *Financial Assets at fair value through profit or loss*

Financial assets that do not meet the criteria to be measured at amortized cost or fair value through other comprehensive income (see (i) to (iii) above) are measured at fair value through income. Specifically:

- Equity investments instruments are classified at fair value through profit or loss, unless the Entity designates an equity investment that is not held for trading or a contingent consideration arising from a business combination at fair value through other comprehensive income on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortized cost criteria or the fair value criteria through other comprehensive income (see (i) and (ii) above) are classified with fair value through income. In addition, debt instruments that meet the amortized cost criteria or the fair value criteria through other comprehensive income may be designated as fair value through income at the time of initial recognition if such designation eliminates or significantly reduces an inconsistency of measurement or recognition (called "accounting disparity") that would arise from the measurement of assets or liabilities or the recognition of gains and losses on them on different bases. The Entity has not designated any debt instrument with fair value through results.

Financial assets at FVTPL are stated at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income (expenses) - Net' line item.

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. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in income under the heading "other gains and losses";
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences in the amortized cost of the debt instrument are recognized in income under the heading of "other income and losses". Other exchange differences are recognized in other comprehensive income in the investment revaluation reserve;
- For financial assets measured at fair value through results that are not part of a designated hedging relationship, exchange differences are recognized in income under "other gains and losses"; and
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

See the hedge accounting policy regarding foreign exchange differences where the risk component of a foreign currency for a financial asset designated as a foreign currency risk hedging instrument.



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.

For all other financial instruments, the Entity recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, the 12-month ECL represents the portion of the expected lifetime loss that is expected to result from predetermined events in a financial instrument that are possible within 12 months of the reporting date.

(i) Significant increase in credit risk

When evaluating whether the credit risk in a financial instrument has increased significantly since initial recognition, the Entity compares the risk of a default on the financial instrument on the reporting date with the risk of a default on the financial instrument at the start date recognition. In making this evaluation, the Entity considers both quantitative and qualitative information that is reasonable and substantiated, including historical experience and prospective information that is available without unnecessary cost or effort.

The forward-looking information considered includes the future prospects of the industries in which the Entity's debtors operate, obtained from reports of economic experts, financial analysts, government agencies, relevant expert groups and other similar organizations, as well as the consideration of various external sources of real information and projected economic information related to the Entity's core operations.

In particular, the following information is taken into account when evaluating whether credit risk has increased significantly since initial recognition:

- An existing or expected significant impairment in the external (if any) or internal rating of the financial instrument;
- Significant impairment in external market indicators of credit risk for a specific financial instrument, for example, a significant increase in the credit spread, credit default swap for the debtor, or the period of time or the extent to which the value fair value of a financial asset is less than its amortized cost;
- Existing or expected adverse changes in economic, financial or business conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligation;
- A current or expected significant impairment in the debtor's operating results;
- Significant increases in credit risk in other financial instruments of the same debtor;
- An existing or expected adverse change in the debtor's regulatory, economic or technological conditions that result in a significant decrease in the debtor's ability to meet its obligations.

Regardless of the result of the previous evaluation, the Entity assumes that the credit risk in a financial asset has increased significantly since the initial recognition when the contractual payments have a maturity of more than 30 days, unless the Entity has reasonable and reliable information that proves otherwise.



Despite the foregoing, the Entity assumes that the credit risk in a financial instrument has not increased significantly since the initial recognition if it is determined that the financial instrument has a low credit risk on the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low default risk,
- (2) The debtor has a notable ability to meet its contractual cash flow obligations in the short term, and
- (3) Adverse changes in economic and business conditions in the long term may reduce the ability of the debtor to meet its contractual cash obligations, but will not necessarily happen.

The Entity considers that a financial asset has low credit risk when the asset has an external credit rating of "investment grade" according to the globally accepted definition, or if there is no external rating available, the asset has an internal "achievable" rating. Achievable means that the counterparty has a strong financial position and there are no past amounts outstanding.

For financial guarantee contracts, the date on which the Entity becomes part of the irrevocable commitment is considered the date of initial recognition for the purposes of evaluating the impairment of the financial instrument. When evaluating whether there has been a significant increase in credit risk since the initial recognition of financial guarantee contracts, the Entity considers changes in the risk that the specified debtor will default on the contract.

The Entity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and reviews them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount has been defeated.

(ii) *Definition of non-compliance*

The Entity considers that the following constitutes an event of default for internal credit risk management purposes, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- When the debtor breaches the financial agreements;
- Information developed internally or obtained from external sources indicates that it is unlikely that the debtor will pay its creditors, including the Entity, in full (without taking into account any guarantees that the Entity has).

Regardless of the previous analysis, the Entity considers that the default has occurred when a financial asset is more than 90 days old, unless the Entity has reasonable and reliable information to demonstrate that a later default criterion is more appropriate.

(iii) *Credit Impaired Financial Assets*

A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of that financial asset. Evidence that a financial asset is credit-impaired includes observable data on the following events:

- (a) Significant financial difficulty on the part of the issuer or the debtor;
- (b) The breach of a contract, such as a default or an expired event (see (ii) above);
- (c) The debtor's lenders, for economic or contractual reasons related to the debtor's financial difficulty, grant the debtor a concession that the lenders would not otherwise consider;
- (d) It is increasingly likely that the debtor will enter bankruptcy or some other financial reorganization; or
- (e) The extinction of a functional market for the financial asset due to its financial difficulties.



(iv) *Write-off policy*

The Entity derecognizes a financial asset when there is information that indicates that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example, when the debtor has been placed in liquidation or has entered bankruptcy, or in the case of trade receivables, when the amounts are due more than two years, whichever is earlier. Financial assets written off may still be subject to compliance activities under the Entity's recovery procedures, taking into account legal advice when appropriate. Any recovery made is recognized in profits.

(v) *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.

For a financial guarantee contract, where the Entity is obliged to make payments only in the event of default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss forecast is the expected payment to reimburse the holder for a credit loss incurred less any amount that the Entity expects to receive from the holder, the debtor or any other party.

If the Entity has measured the provision for losses for a financial instrument in an amount equal to the expected credit loss for life in the previous reporting period, but determines, at the current reporting date, that the conditions for the loss are no longer met lifetime expected credit loss, the Entity measures the loss margin in an amount equal to the 12-month expected credit loss on the current reporting date, except for assets for which the simplified approach was used.

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 or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.
- A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
 - Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
 - The financial liability forms part of an Entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Entity that are designated by the Entity as at FVTPL are recognized in profit or loss.



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 rate. 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, 2022 and 2021 of accounts payables was:

	December 31, 2022	December 31, 2021
Construction in-progress ⁽¹⁾	\$ 13,369,927	\$ 354,012
Land ⁽²⁾	8,256,913	-
Existing properties	2,239,163	385,369
Others accounts payables	<u>652,722</u>	<u>2,272,034</u>
	<u>\$ 24,518,725</u>	<u>\$ 3,011,415</u>

- (1) At the end of fiscal year 2022, the Entity began the construction of six investment properties, 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 acquire a land reserve and signed promissory agreements to be paid on quarterly basis.

g. ***Derivative financial instruments***

The Entity enters into a variety of derivative financial instruments to manage its exposure to interest and foreign exchange rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note 17.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.



A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Entity has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

h. ***Hedge accounting***

The Entity designates certain hedging instruments, which include derivatives in respect of interest rate risk as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Entity documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedging instrument and the hedged item;
- The effect of credit risk does not dominate the value of the changes that result from the economic relationship; and
- The hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Entity actually covers and the amount of the hedging instrument that the Entity actually uses to cover that amount of the hedged item.

If a hedging relationship no longer meets the hedge effectiveness requirement related to the hedging relationship, but the risk management objective for that designated hedging relationship remains the same, the Entity adjusts the hedging relationship of the hedging relationship (that is, rebalances the coverage) so that it meets the qualification criteria again.

The Entity designates the complete change in the fair value of a forward contract (that is, it includes the forward items) as the hedging instrument for all of its hedging relationships that involve forward contracts.

The Entity designates only the intrinsic value of the option contracts as a hedged item, that is, excluding the time value of the option. Changes in the fair value of the time-aligned value of the option are recognized in other comprehensive income and accumulated in the cost of the hedge reserve. If the hedged item is related to the transaction, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is related to the period of time, then the accumulated amount in the cost of the hedge reserve is reclassified to profit or loss in a rational manner: the Entity applies amortization in a straight line. Those reclassified amounts are recognized in profit or loss on the same line as the hedged item. If the hedged item is a non-financial item, the amount accrued in the cost of the hedge reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Entity expects that part or all of the accumulated loss in the cost of the hedge reserve will not be recovered in the future, that amount will be immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other income (expenses) - Net' line item.



Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Entity expects that part or all of the accumulated loss in the cash flow hedge reserve will not be recovered in the future, that amount will be immediately reclassified to profit or loss.

Hedge accounting is discontinued when the Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

i. ***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.

j. ***Office furniture***

Office furniture is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of office furniture is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of the asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

k. ***Restricted cash and guarantee 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 11). 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 guarantee deposits made.

During 2022, the Entity carried out a payment of \$7.5 million to Scotiabank with the aim of being issued 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 certain conditions are met.

l. ***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 Company 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 profit or loss in the period in which the property is derecognized.

m. ***Impairment of long-lived assets other than goodwill***

At the end of each reporting period, the Entity reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When the asset does not generate cash flows independent of other assets, the Entity estimates the recoverable amount of the cash-generating unit to which said asset belongs. When a reasonable and consistent basis of distribution can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the Entity's smallest of cash-generating units for which a reasonable and consistent distribution base can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, except if the asset is recorded at a revalued amount, in which case the impairment loss should be considered as a decrease in revaluation.

n. ***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 Group 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.

The Entity revalues the lease liability (and makes the corresponding adjustment to the related use rights asset) when:

- The lease term is modified or there is a significant event or change in the circumstances of the lease resulting in a change in the evaluation of the purchase option exercise, in which case the lease liability is measured by discounting the updated rent payments using a updated discount rate.
- Rent payments are modified as a result of changes in indices or rate or a change in the expected payment under a guaranteed residual value, in which cases the lease liability is revalued by discounting the updated rent payments using the same discount rate (unless the change in rent payments is due to a change in a variable interest rate, in which case an updated discount rate is used).
- A lease is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is revalued based on the lease term of the modified lease, discounting the updated rent payments using a discount rate updated on the date of entry into force of the modification.

The Entity did not perform any of the aforementioned adjustments in the periods presented.

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 losses.



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 used this practical file. 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.

o. ***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.

p. ***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 and statutory employee profit sharing (“PTU”)

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.

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 (loss) and other comprehensive income.

As result of the recent changes to the Income Tax Law and the Labor Law, as of December 31, 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.



q. ***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 19.

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.

r. ***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.

s. ***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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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.

t. ***Revenue recognition***

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. 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.

u. ***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, 2022, 2021 and 2020, all of our assets and operations are derived from assets located within Mexico.

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 9, 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 9 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 9 and 17.

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, 2022	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 139,056,863	\$ 452,802,049	\$ 119,731,799
Current restricted cash	<u>90,222</u>	<u>19,083</u>	<u>810,343</u>
	139,147,085	452,821,132	120,542,142
Non-current restricted cash	<u>735,312</u>	<u>735,312</u>	<u>735,312</u>
Total	<u>\$ 139,882,397</u>	<u>\$ 453,556,444</u>	<u>\$ 121,277,454</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 guarantee deposits made in the accompanying consolidated statements of financial position.

Non-cash transactions

Additions to right of use assets during the year amounting to \$1,144,662 were financed by new leases.

Changes in liabilities arising from financing activities not requiring cash relate to a decrease for the amortization of debt issuance costs for \$4,781,465 and an increase for new lease liabilities for \$1,144,662. Unpaid dividends are included in Note 12.4.

6. Financial assets held for trading

The portfolio of financial assets that the Entity has classified as held for trading relates to investments used by the Entity to manage its cash surplus. Such financial assets were acquired in active markets and are principally comprised of investment funds with no maturity date and which mainly invest in AAA debt instruments, such as government bonds. These are classified as at fair value through profit (loss).

7. Recoverable taxes

	December 31, 2022	December 31, 2021	December 31, 2020
Recoverable value-added tax ("VAT")	\$ 18,440,884	\$ 6,193,929	\$ 5,359,817
Recoverable income taxes	9,531,645	9,530,937	517,928
Recoverable dividend tax	1,818,971	3,533,983	8,737,362
Other receivables	<u>296,973</u>	<u>118,713</u>	<u>246,003</u>
	<u>\$ 30,088,473</u>	<u>\$ 19,377,562</u>	<u>\$ 14,861,110</u>



8. Operating lease receivables

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

	December 31, 2022	December 31, 2021	December 31, 2020
0-30 days	\$ 6,732,985	\$ 8,345,097	\$ 5,986,117
30-60 days	260,832	263,033	259,016
60-90 days	610,770	269,054	46,475
Over 90 days	<u>85,608</u>	<u>161,963</u>	<u>69,293</u>
Total	<u>\$ 7,690,195</u>	<u>\$ 9,039,147</u>	<u>\$ 6,360,901</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, 88%, 92% and 94% of all operating lease receivables are current at December 31, 2022, 2021 and 2020, 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 4% of all operating lease receivables at December 31, 2022, 2021 and 2020, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 8%, 3% and 1% of all operating lease receivable at December 31, 2022, 2021 and 2020. Operating lease receivables outstanding greater than 90 days represent 1%, 2% and 1% as of December 31, 2022, 2021 and 2020, 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:

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

iii. *Client concentration risk*

As of December 31, 2022, 2021 and 2020 one of the Entity's clients account for 42% or \$3,249,692, 43% or \$3,863,928 and 36% or \$2,267,628, respectively, of the operating lease receivables balance. The same client accounted for 6%, 6% and 5% of the total rental income of Entity for the years ended December 31, 2022, 2021 and 2020, respectively. No other client represented more than 10% of the Entity's total rental income during the years ended December 31, 2022, 2021 and 2020.



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:

	2022	2021	2020
Not later than 1 year	\$ 155,267,112	\$ 140,816,013	\$ 138,281,031
Later than 1 year and not later than 3 years	250,043,235	213,202,071	238,267,534
Later than 3 year and not later than 5 years	209,592,871	169,944,066	193,877,884
Later than 5 years	<u>154,909,895</u>	<u>102,405,961</u>	<u>105,963,985</u>
	<u>\$ 769,813,113</u>	<u>\$ 626,368,111</u>	<u>\$ 676,390,434</u>

vi. *Prepaid expenses and advance payments*

	31/12/2022	31/12/2021
Advance payments ⁽¹⁾	\$ 17,201,933	\$ -
Other accounts receivables ⁽²⁾	7,486,147	-
Property expenses	543,804	-
Prepaid expenses	<u>76,467</u>	<u>483,581</u>
	<u>\$ 25,308,351</u>	<u>\$ 483,581</u>

- (1) During the second quarter of 2022 the Entity signed promissory agreements to future transactions; once the acquisition takes place, the advance payments will be considered part of the final transactions price.
- (2) As state in Note 9 the Entity sold land reserve locate in Queretaro, and as of December 2022, there is an outstanding balance that will be settled in the first quarter of 2023.

9. Investment property

The Entity uses external appraisers in order to determine the fair value for all of its investment properties. The independent appraisers, who hold recognized and relevant professional qualifications and have vast experience in the types of investment properties, owned by the Entity, 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, 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	2022: 7.50% to 12.24% 2021: 7.75% to 12.15% 2020: 8.25% to 11.96%	The higher the discount rate, the lower the fair value.
			Exit cap rate	2022: 6.50% to 8.99% 2021: 6.75% to 8.99% 2020: 7.5% to 9.5%	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: 3.4% to 5.0%, 3.55% to 4.15% in 2021 and 3.48% to 3.9% in 2020 U.S.: 2.1% to 3.5%, 2.3% to 3.0% in 2021 and 2.1% to 2.5% in 2020	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 \$239,266 in 2022, \$149,153 in 2021, and \$136,947 in 2020.	The higher the price, the higher the fair value.

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

	2022	2021	2020
Buildings and land	\$ 2,657,513,766	\$ 2,167,895,680	\$ 1,963,602,133
Land improvements	7,562,174	7,975,906	38,471,121
Land reserves	<u>208,910,000</u>	<u>133,859,180</u>	<u>124,098,159</u>
	2,873,985,940	2,309,730,766	2,126,171,413
Less: Cost to conclude construction in-progress	<u>(135,520,664)</u>	<u>(46,559,825)</u>	<u>(22,956,651)</u>
Balance at end of year	<u>\$ 2,738,465,276</u>	<u>\$ 2,263,170,941</u>	<u>\$ 2,103,214,762</u>



The reconciliation of investment property is as follows:

	2022	2021	2020
Balance at beginning of year	\$ 2,263,170,941	\$ 2,103,214,762	\$ 1,989,131,091
Additions	292,349,582	109,032,511	72,523,331
Foreign currency translation effect	7,196,797	(3,742,001)	(3,809,924)
Disposal of investment property	(9,743,562)	(109,984,290)	-
Gain on revaluation of investment property	<u>185,491,518</u>	<u>164,649,959</u>	<u>45,370,264</u>
Balance at end of year	<u>\$ 2,738,465,276</u>	<u>\$ 2,263,170,941</u>	<u>\$ 2,103,214,762</u>

A total of \$23,866,003, \$739,381 and \$101,140 additions to investment property related to land reserves and new buildings that were acquired from third parties, were not paid as of December 31, 2022, 2021 and 2020, respectively, and were therefore excluded from the consolidated statements of cash flows for those years. The \$933,571 of 2020 additions were paid during 2021 and were included in the 2021 consolidated statement of cash flows, no other unpaid amounts existed as of December 31, 2022.

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 reserved 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 32 years as of December 31, 2022.

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 33 years as of December 31, 2022). 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.



As of December 31, 2022, 2021 and 2020, the Entity's investment properties have a gross leasable area (unaudited) of 33,714,370 square feet (3,132,168 square meters), 31,081,746 square feet (or 2,887,589 square meters) and 31,221,035 square feet (or 2,900,529 square meters), respectively, and they were 94.1%, 90.7% and 91.7% occupied by tenants (unaudited), respectively. As of December 31, 2022, 2021 and 2020, investment properties with a gross leasable area (unaudited) of 3,865,491 square feet (or 359,116 square meters), 1,636,465 square feet (or 152,033 square meters) and 1,096,541 square feet (or 101,872 square meters), respectively, were under construction, representing an additional 11.5%, 5.2% and 3.5% of the Entity's total leasable area.

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 69 investment properties which represent 24% (unaudited) of Building and land value at the end of December 2022.

10. Lease liabilities

1. *Rights-of-use:*

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>



Rights-of-use	January 1, 2020	Additions	Disposals	December 31, 2020
Office space	\$ 1,260,626	\$ -	\$ -	\$ 1,260,626
Vehicles and office furniture	<u>302,650</u>	<u>-</u>	<u>-</u>	<u>302,650</u>
Cost of rights-of-use	<u>\$ 1,563,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,563,276</u>
Depreciation of rights-of-use				
Office space	\$ (365,208)	\$ (352,167)	\$ -	\$ (717,375)
Vehicles and office furniture	<u>(94,032)</u>	<u>(94,032)</u>	<u>-</u>	<u>(188,064)</u>
Accumulated depreciation	<u>(459,240)</u>	<u>(446,199)</u>	<u>-</u>	<u>(905,439)</u>
Total	<u>\$ 1,104,036</u>	<u>\$ (446,199)</u>	<u>\$ -</u>	<u>\$ 657,837</u>

2. **Lease obligations:**

	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 paid	Repayments	December 31, 2021
Lease liabilities	<u>\$ 731,285</u>	<u>\$ 1,144,662</u>	<u>\$ -</u>	<u>\$ 69,143</u>	<u>\$ (564,677)</u>	<u>\$ 1,380,413</u>

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

Finance lease liabilities	2022
Less than 1 year	\$ 709,901
Later than 1 year and not later than 5 years	<u>963,487</u>
	1,673,388
Less: future finance cost	<u>(169,449)</u>
Total lease liability	<u>\$ 1,503,939</u>
Finance lease - short term	606,281
Finance lease - long term	<u>897,658</u>
Total lease liability	<u>\$ 1,503,939</u>

11. **Long-term debt**

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%.

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	31/12/2022	31/12/2021	31/12/2020
MetLife 10-year	150,000,000	4.55%	(1)	August 2026	146,723,915	149,071,012	150,000,000
MetLife 7-year	47,500,000	-%	(2)	April 2022	-	-	45,756,834
Series A Senior Note	65,000,000	5.03%	(4)	September 2024	65,000,000	65,000,000	65,000,000
Series B Senior Note	60,000,000	5.31%	(4)	September 2027	60,000,000	60,000,000	60,000,000
Series A Senior Note	45,000,000	5.50%	(4)	May 2025	45,000,000	45,000,000	45,000,000
Series B Senior Note	45,000,000	5.85%	(4)	May 2028	45,000,000	45,000,000	45,000,000
MetLife 10-year	118,000,000	4.75%	(3)	December 2027	117,867,109	118,000,000	118,000,000
MetLife 8-year	26,600,000	4.75%	(1)	August 2026	26,041,321	26,441,925	26,600,000
Series RC Senior Note	70,000,000	5.18%	(5)	June 2029	70,000,000	70,000,000	70,000,000
Series RD Senior Note	15,000,000	5.28%	(6)	June 2031	15,000,000	15,000,000	15,000,000
		Variable rate plus					
Syndicated Loan	80,000,000	margin	(7)	August 2024	-	-	80,000,000
		Variable rate plus					
Syndicated Loan	125,000,000	margin	(8)	August 2022	-	-	125,000,000
Vesta ESG Global bond 35/8 05/31	350,000,000	3.625%	(9)	May 2031	<u>350,000,000</u>	<u>350,000,000</u>	-
					940,632,345	943,512,937	845,356,834
Less: Current portion					(4,627,154)	(2,880,592)	(1,923,573)
Less: Direct issuance cost					<u>(10,132,759)</u>	<u>(9,979,721)</u>	<u>(5,595,782)</u>
Total Long-term debt					<u>\$ 925,872,432</u>	<u>\$ 930,652,624</u>	<u>\$ 837,837,479</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 March 9, 2015, the Entity entered into a 7-year loan with MetLife, interest on this loan is paid on a monthly basis. The loan had monthly interest only payments for 42 months and thereafter monthly amortizations of principal and interest until it would mature on April 1, 2022. The loan was secured by 6 of the Entity's investment properties. In May 2021, the Entity paid the loan.
- (3) 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 21 of the Entity's investment properties under a Guarantee Trust.
- (4) 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.
- (5) 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.
- (6) On June 25, 2019, the Entity entered into a 12-year note payable to financial institutions, interest on these loans is are 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.
- (7) Five-year Syndicated Loan, interest was paid on a quarterly basis and calculated using LIBOR (London interbank offered rate) plus an applicable margin. The applicable margin varied depending on the Entity's leverage ratio (higher or lower than 40%) and the number of months that the Syndicated Loan was outstanding. The applicable margin was 215 basis points. Principal amortization would commence payable on August 2, 2024 (maturity date); however, in May 2021, the Entity paid the loan.
- (8) Under the Syndicated Loan revolving credit line, interest was paid on a quarterly basis and calculated using LIBOR (London interbank offered rate) plus an applicable margin. The applicable margin varies depending on the Entity's leverage ratio (higher or lower than 40%) and the number of months that the Syndicated Loan was outstanding. The applicable margin was 185 basis points. Principal amortization would commence payable on August 2, 2022 (maturity date); however, in May 2021, the Entity paid the loan.
- (9) 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. 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, 2022.

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 unaudited condensed consolidated interim statement of financial position.

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

2024	\$ 69,811,407
2025	50,081,269
2026	165,594,809
2027	170,517,706
Thereafter	480,000,000
Less: direct issuance cost	<u>(10,132,759)</u>
Total long-term debt	<u>\$ 925,872,432</u>



12. Capital stock

1. *Capital stock as of December 31, 2022, 2021 and 2020 is as follows:*

	2022		2021		2020	
	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>679,697,740</u>	<u>480,620,223</u>	<u>684,247,628</u>	<u>482,854,693</u>	<u>564,209,433</u>	<u>422,433,919</u>
Total	<u>679,702,740</u>	<u>\$480,623,919</u>	<u>684,252,628</u>	<u>\$482,858,389</u>	<u>564,214,433</u>	<u>\$422,437,615</u>

2. *Treasury shares*

As of December 31, 2022, 2021 and 2020 total treasury shares are as follows:

	2022	2021	2020
Treasury shares (1)	10,077,405	5,652,438	34,880,880
Shares in Long-term incentive plan trust (2)	<u>8,456,290</u>	<u>8,331,369</u>	<u>7,361,766</u>
Total Treasury shares	<u>18,533,695</u>	<u>13,983,807</u>	<u>42,242,646</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 19) 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, 2020	573,454,946	\$ 426,300,951	\$ 303,741,438
Vested shares	2,330,601	1,238,891	3,016,698
Repurchase of shares	<u>(11,571,114)</u>	<u>(5,102,227)</u>	<u>(9,693,665)</u>
Balance as of December 31, 2020	564,214,433	422,437,615	297,064,471
Vested shares	3,258,637	1,647,600	4,743,437
Equity issuance	<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	<u>679,702,740</u>	<u>\$ 480,623,919</u>	<u>\$ 460,677,234</u>



4. *Dividend payments*

Pursuant to a resolution of the general ordinary stockholders meeting on March 24, 2022, the Entity declared a dividend of \$57,432,777, 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.

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.

Pursuant to a resolution of the general ordinary stockholders meeting on March 13, 2020, the Entity declared a dividend of \$54,138,218, approximately \$0.094 per share. The dividend will be paid in four equal installments of \$13,534,555 due on April 15, 2020, July 15, 2020, October 15, 2020 and January 15, 2021. As of December 31, 2020, the unpaid dividends are \$13,534,555.

The first installment of the 2021 declared dividends, paid on April 15, 2020 was approximately \$0.0237 per share, for a total dividend of \$13,534,555.

The second installment of the 2020 declared dividends, paid on July 15, 2020 was approximately \$0.0237 per share, for a total dividend of \$13,534,554.

The third installment of the 2020 declared dividends, paid on October 15, 2020 was approximately \$0.0237 per share, for a total dividend of \$13,534,554.

The fourth installment of the 2020 declared dividends, paid on January 15, 2021, 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	88,264,623	37,765,558	-
2018	93,060,330	93,060,330	-	93,060,330	-
2020	66,956,082	66,956,082	-	66,956,082	-
2021	173,942,373	173,942,373	-	173,942,373	-
2022	291,848,224	291,848,224	-	-	-

- (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*

Restatement of basic and diluted earnings per share in 2020 and 2021

During 2022 the corrected the computation of basic and diluted earnings per share to account for potential equity participating instruments not previously considered as well as the period outstanding of these and common outstanding shares.

	As presented December 31, 2021	Adjustment	Restated December 31, 2021
Basic earnings per share	\$ 0.2511	\$ 0.0172	\$ 0.2683
Diluted earnings per share	0.2511	0.0125	0.2636
	As presented December 31, 2020	Adjustment	Restated December 31, 2020
Basic earnings per share	\$ 0.1170	\$ 0.0012	\$ 0.1182
Diluted earnings per share	0.1170	0.0001	0.1169

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

	December 31, 2022	December 31, 2021 (restated)	December 31, 2020 (restated)
Basic Earnings per share			
Earnings attributable to ordinary shares outstanding	\$ 243,624,754	\$ 173,942,373	\$ 66,956,082
Weighted average number of ordinary shares outstanding	682,642,927	648,418,962	566,674,202
Basic Earnings per share	0.3569	0.2683	0.1182



	December 31, 2022	December 31, 2021 (restated)	December 31, 2020 (restated)
Diluted Earnings per share			
Earnings attributable to ordinary shares outstanding and shares in Long-term Incentive Plan	\$ 243,624,754	\$ 173,942,373	\$ 66,956,082
Weighted average number of ordinary shares plus shares in Long-term Incentive Plan	694,253,758	659,934,852	573,596,398
Diluted earnings per share	0.3509	0.2636	0.1167

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, 2022	December 31, 2021	December 31, 2020
Rents	\$ 168,707,094	\$ 154,954,624	\$ 144,052,296
Reimbursable building services	<u>9,318,367</u>	<u>5,743,765</u>	<u>5,483,591</u>
	<u>\$ 178,025,461</u>	<u>\$ 160,698,389</u>	<u>\$ 149,535,887</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, 2022	December 31, 2021	December 31, 2020
Real estate tax	\$ 1,831,436	\$ 1,887,480	\$ 1,671,299
Insurance	691,462	655,883	384,837
Maintenance	1,624,366	1,559,539	1,374,592
Structural maintenance accrual	110,403	105,228	104,344
Trust fees	110,439	106,752	104,826
Other property related expenses	<u>4,572,683</u>	<u>4,229,079</u>	<u>5,285,620</u>
	<u>\$ 8,940,789</u>	<u>\$ 8,543,961</u>	<u>\$ 8,925,518</u>

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

	December 31, 2022	December 31, 2021	December 31, 2020
Real estate tax	\$ 328,919	\$ 449,403	\$ 288,766
Insurance	42,973	63,388	24,920
Maintenance	458,178	403,167	133,326
Other property related expenses	<u>1,652,535</u>	<u>1,266,838</u>	<u>782,125</u>
	<u>2,482,605</u>	<u>2,182,796</u>	<u>1,229,137</u>
Total property operating	<u>\$ 11,423,394</u>	<u>\$ 10,726,757</u>	<u>\$ 10,154,655</u>



2. *General and administrative expenses consist of the following:*

	December 31, 2022	December 31, 2021	December 31, 2020
Employee annual salary plus short-terms benefits	\$ 13,501,686	\$ 11,744,548	\$ 10,773,381
Auditing, legal and consulting expenses	971,629	815,843	1,268,212
Property appraisal and other fees	682,905	683,681	812,962
Marketing expenses	1,026,804	871,705	557,267
Other	<u>116,997</u>	<u>129,571</u>	<u>94,560</u>
	16,300,021	14,245,348	13,506,382
Depreciation	<u>1,463,920</u>	<u>1,601,216</u>	<u>1,477,413</u>
Long-term incentive plan and Equity plus - Note 19.3	<u>6,650,487</u>	<u>5,554,353</u>	<u>3,678,097</u>
Total	<u>\$ 24,414,428</u>	<u>\$ 21,400,917</u>	<u>\$ 18,661,892</u>

15. **Finance costs**

	December 31, 2022	December 31, 2021	December 31, 2021
Interest on loans	\$ 44,852,043	\$ 45,482,028	\$ 37,924,366
Loan prepayment fees	<u>1,544,113</u>	<u>4,781,465</u>	<u>1,128,373</u>
Total	<u>\$ 46,396,156</u>	<u>\$ 50,263,493</u>	<u>\$ 39,052,739</u>

16. **Income taxes**

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

16.1 Income taxes are as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
ISR expense:			
Current	\$ 41,981,391	\$ 50,262,466	\$ 26,150,480
Deferred	<u>6,242,079</u>	<u>31,828,085</u>	<u>34,397,994</u>
Total income taxes	<u>\$ 48,223,470</u>	<u>\$ 82,090,551</u>	<u>\$ 60,548,474</u>

16.2 The effective ISR rates for fiscal 2022, 2021 and 2020 differ from the statutory rate as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Statutory rate	30%	30%	30%
Effects of exchange rates on tax balances	(20%)	(7%)	9%
Effects of inflation	<u>7%</u>	<u>9%</u>	<u>8%</u>
Effective rate	<u>17%</u>	<u>32%</u>	<u>47%</u>



16.3 The main items originating the deferred ISR liability are:

	December 31, 2022	December 31, 2021	December 31, 2020
Deferred ISR assets (liabilities):			
Investment property	\$ (302,909,300)	\$ (291,729,224)	\$ (264,464,006)
Effect of tax loss carryforwards	5,461	-	70,927
Other provisions and prepaid expenses	<u>2,924,146</u>	<u>150,648</u>	<u>3,519,988</u>
Deferred income taxes - Net	<u>\$ (299,979,693)</u>	<u>\$ (291,578,576)</u>	<u>\$ (260,873,091)</u>

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

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

	December 31, 2022	December 31, 2021	December 31, 2020
Deferred tax liability at the beginning of the period	\$ (291,578,576)	\$ (260,873,091)	\$ (228,906,984)
Movement included in profit or loss	(6,242,079)	(31,828,085)	(34,397,994)
Movement included in other comprehensive income	<u>(2,159,038)</u>	<u>1,122,600</u>	<u>2,431,887</u>
Deferred tax liability at the end of the year	<u>\$ (299,979,693)</u>	<u>\$ (291,578,576)</u>	<u>\$ (260,873,091)</u>

17. Financial instruments

17.1 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 11 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.

17.2 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:

	2022	2021	2020
Debt	\$ 930,499,586	\$ 933,533,216	\$ 839,761,052
Cash, cash equivalents and restricted cash	(139,147,085)	(452,821,132)	(120,542,142)
Financial assets held for trading	<u>-</u>	<u>-</u>	<u>(684,936)</u>
Net debt	791,352,501	480,712,084	718,533,974
Equity	<u>1,639,787,828</u>	<u>1,453,652,407</u>	<u>1,108,662,167</u>
Net debt to equity ratio	<u>48%</u>	<u>33%</u>	<u>65%</u>



17.3 *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, operating lease receivables as disclosed in Note 8, derivative financial instruments disclosed within this note, and financial assets held for trading in the Note 6. The Entity's principal financial liability is long-term debt as disclosed in Note 11.

17.4 *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.

17.5 *Market risk*

The Entity's activities expose it primarily to the financial risks of changes in interest rates (see 15.8 below) and foreign currency exchange rates (see 15.6 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.

17.6 *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, 2022	December 31, 2021	December 31, 2020
Exchange rates:			
Mexican pesos per US dollar at the end of the period	19.3615	20.5835	19.9487
Mexican pesos per US dollar average during the year	20.1249	20.2818	21.4961
Monetary assets:			
Mexican pesos	\$ 229,361,977	\$ 249,437,217	\$ 447,966,664
US dollars	263,033	1,486,635	1,153,979
Monetary liabilities:			
Mexican pesos	\$ 260,708,893	\$ 195,227,796	\$ 291,458,863
US dollars	30,979,579	33,081,624	31,656,730



17.7 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, 2022	December 31, 2021	December 31, 2020
Profit or loss impact:			
Mexican peso - 10% appreciation - gain	\$ 147,185	\$ (239,421)	\$ (713,229)
Mexican peso - 10% depreciation - loss	(179,893)	292,626	871,724
U.S. dollar - 10% appreciation - loss	(59,471,840)	(65,033,544)	(60,849,023)
U.S. dollar - 10% depreciation - gain	59,471,840	65,033,544	60,849,023

17.8 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 and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following table detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Cash flow hedges

	Contracted fixed interest rate 2020	Notional principal value 2020	Fair value assets (liabilities) 2020
Outstanding receive floating pay fixed contracts	1.645	\$ 80,000,000	\$ (4,132,836)

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



17.9 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.

The Entity currently leases two distribution facilities to a single customer, which represent 6% of its total portfolio's gross leasable area (unaudited), and 43%, 43% and 26% of its operating lease receivable balance and 5.6%, 5.6% and 5.8% its annualized rents as of and for the years ended December 31, 2022, 2021 and 2020, respectively. If this customer were to terminate its lease agreements with the Entity, the Entity may experience a material loss with respect to future rental income.

17.10 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, 2022 is as follows:

	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	4.28%	<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>\$ 24,588,734</u>	<u>\$ 644,650,933</u>	<u>\$ 481,594,158</u>	<u>\$1,169,716,954</u>

17.11 Fair value of financial instruments

17.11.1 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.

The interest rate swap held by the Entity is classified as level 2 in the IFRS 13 fair value hierarchy as it derives from market inputs and prices. Other disclosures required by the standards are not deemed material.



17.11.2 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, 2022, 2021 and 2020 is \$912,330,632, \$951,153,932 and \$891,930,307, 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.

18. 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, 2022	December 31, 2021	December 31, 2020
Employee annual salary plus short-term benefits	\$ 6,217,721	\$ 4,704,415	\$ 4,281,418
Share-based compensation expense (Note 19.3)	<u>6,650,487</u>	<u>5,554,353</u>	<u>3,678,097</u>
	<u>\$ 12,868,208</u>	<u>\$ 10,258,768</u>	<u>\$ 7,959,515</u>
Number of key executives	21	23	18

19. Share-based payments

19.1 *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	(1,581,874)	-	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	(2,710,771)	1,355,384	1,000,000	2,500,000	3,750,000
2020	150%	3,707,949	520,493	(1,409,480)	2,818,962	1,000,000	2,500,000	3,750,000
2021	143%	3,760,851	525,183	(4,089)	4,281,944	1,100,000	2,750,000	4,125,000
2022	<u>143%</u>	<u>3,763,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	1,100,000	2,750,000	4,125,000
Total		<u>\$ 19,706,503</u>	<u>\$ 3,743,254</u>	<u>\$ (11,230,016)</u>	<u>\$ 8,456,290</u>			

* Calculated for the previous three years.

19.2 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, 2022. The calculation resulted in a grant of 3,763,449 shares, with a market value of \$9,040,519.

19.3 Compensation expense recognized

The long-term incentive expense for the years ended December 31, 2022, 2021 and 2020 was as follows:

	December 31, 2022	December 31, 2021	December 31, 2020
Vesta 20-20 Incentive Plan	<u>\$ 6,650,487</u>	<u>\$ 5,554,353</u>	<u>\$ 3,678,097</u>
Total long-term incentive expense	<u>\$ 6,650,487</u>	<u>\$ 5,554,353</u>	<u>\$ 3,678,097</u>

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

19.4 Share awards outstanding at the end of the year

As of December 31, 2022, 2021 and 2020, there are 8,456,290, 8,331,369 and 7,361,766 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.



20. 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 9, 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 42 and 35 years, respectively.

21. Approval of the financial statements

On March 10, 2023, 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 2022

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, 2022.

During the fiscal year ended 2022, the board of directors was integrated as follows:

Member	Character	Substitute	Character	Title
Lorenzo Manuel Berho Corona	Patrimonial	Lorenzo Dominique Berho Carranza	Patrimonial	Chairman
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 Elías	Independent	Rocío Ruíz Chávez	Independent	Member
Douglas M. Arthur	Independent	Raúl Gallegos Navarro	Independent	Member
Luis de la Calle Pardo	Independent	Francisco Javier Mancera de Arrigunaga	Independent	Member
Alejandro Pucheu Romero	Not member	Navil Rosario Marin Escamilla	Not Member	Secretary

The performance of the Board of Directors during the fiscal year 2022 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.

During fiscal year ended on December 31st, 2022, the board of directors met 4 (four) times, 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, 2022.

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, 2022.

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 consolidated financial statements of the Company and its subsidiaries prepared for the fiscal year ended on December 31st, 2022.

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 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 reasonably reflects the financial situation and results of the Company and its subsidiaries for the fiscal year ended on December 31st, 2022.



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, 2022.

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, 2022.

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, 2022.

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, 2022.

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 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").



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, legal currency of the United Mexican States. 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.



- Successfully completed a portfolio acquisition of 3 buildings comprising 30,000 square meters, for US\$22.9 million.
- Approved entering into new markets such as north and east of Mexico City, through the acquisition of strategically located land.
- Approved the development of the industrial park Vesta Park Apodaca, NL

Mexico City, February 15th, 2023

/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 only
CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.
ANNUAL REPORT OF THE AUDIT COMMITTEE

Fiscal Year of 2022

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, 2022.

During the fiscal year of 2022, 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 to the Company.

During the fiscal year ending on December 31st, 2022, the audit committee met 4 times on: (i) February 10th, (ii) April 18th, (iii) July 19th and October 18th, 2022.

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

- I.** The committee reviewed the interim consolidated financial statements of the Company and its subsidiaries prepared for the fiscal year ended on December 31st, 2022. 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.

- II.** 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.



- III.** 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 2022 and the first 2 quarters of 2023.
- IV.** Evaluation and determination of the additional services to the audit of the basic financial statements of the Company, that may be required from Galaz, Yamazaki, Ruiz Urquiza, S.C. member of Deloitte Touche (Tomatsu Limited) during the fiscal year of 2022 and the first 2 quarters of 2023, as well as the maximum amount payable therefor.
- V.** Based on that approved by the board of directors, Galaz, Yamazaki, Ruiz Urquiza, S.C. member of Deloitte Touche (Tomatsu Limited) was engaged to carry out a review of the financial statements of the Company based on the standards of the Public Company Accounting Oversight Board – PCAOB, pursuant to the terms and fees approved by the board of directors.
- VI.** Confirmed compliance of the independence requirements of the auditing firm and of the auditing team, pursuant to the applicable regulations.
- VII.** Analysis and follow up of the operating budget of the Company for the fiscal year 2022.
- VIII.** 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.
- IX.** Monitored the resolutions adopted by the shareholders and by the board of directors of the Company.
- X.** Approval of the operating budget for 2023.
- XI.** Analysis on the tax provisions related to the controlling beneficiary.

Likewise, the audit committee has had, at all time, 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 2022, 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, 2022 was Galaz, Yamasaki, Ruiz Urquiza, S.C. (member of Deloitte Touche Tomatsu Limited) acting through its auditing partner Mr. Alexis Hernández Almanza, 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, 2022. 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 2022, the external auditor provided services related to the study of the long term incentive plan for 2022, the transfer pricing studies for 2022, 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, 2022, 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 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 2022. Due to the foregoing, the report to be submitted by the CEO truly and sufficiently reflects the operation and results of the Company.

Mexico City, February 13th, 2023

/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 2022

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, 2022.

During the fiscal year ended on December 31st, 2022, the committee was comprised as follows:

Member	Title	Character
Francisco Javier Mancera de Arrigunaga	President	Independent Board Member
Oscar Francisco Cázares Elías	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 2022 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, 2022, the corporate practices committee adopted resolutions on: (i) January 14th, (ii) February 14th and (iii) October 14th.

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:

- VIII. Performance of the employees and executives of the Company during 2021.
- IX. Review of the objectives for the executives of the Company for 2022.
- X. Compensation package of the CEO, the executive chairman of the board of directors and the upper management for 2022, including salaries, short and long term incentives.
- XI. Integration of the board and committees of the Company and their respective compensations for 2022.
- XII. Review of the salaries' budget for 2023.



- XIII. Review of the related parties policies, and
- XIV. Review of the policies applicable for transactions with shares of the Company made by board members, officers and persons having access to privileged information.

During the fiscal year ended on December 31st, 2022, 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 11th, 2023.

/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 2022

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, 2022.

During the fiscal year ended on December 31st, 2022, 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 2022 were performed in accordance to 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, 2022, the members of the ethics committee gathered in person and through electronic means (i) on February 14, 2022, (ii) on February 17, 2022 and (iii) on July 7, 2022.

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

- 1) Certain complaints received through the ethics channel by certain collaborators, and advised management on the actions to be taken; and



- 2) Finalized the review, issued and distributed the updated Ethics Code of the Company.

It is worth to underline that none of the complaints received by this committee through the ethics line, was related to a serious violation to the Company's Ethics Code, and that for third year in a row, the number of complaints received through the ethics line has decreased.

Likewise, there was close 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 11th, 2023.

/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 OF THE INVESTMENT COMMITTEE**

Fiscal year 2022

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, 2022. During the fiscal year of 2022, the investment committee was integrated as follows:

Miembro	Cargo	Calidad
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
Raúl Gallegos Navarro	Member	Independent Board Member

During the meetings of the committee most of its members were present, except for Mr. Raúl Gallegos Navarro, who only attended one meeting during 2022.

The performance of the investment committee during the fiscal year of 2022 was according to the applicable rules set forth by the board of directors.

During the fiscal year ended on December 31st, 2022, the investment committee met 6 (six) times on: (i) March 3rd, (ii) May 31st, (iii) August 15th, (iv) September 1st, (v) October 4th; and (vi) November 8th. The relevant topics attended by the investment committee were focused on establishing approvals and recommendations for acquisitions and developments by the Company.

The following projects and investment amounts, were approved:

N.P.	PROJECT	APPROVED INVESTMENT
1	Development of the second phase of infrastructure in Vesta Park Guadalajara	US\$17,100,000.00
2	Development of the inventory building of 346,824 SF in Vesta Park Guadalajara	US\$14,700,000.00
3	Development of (i) an inventory industrial building of 157,713 SF; and (ii) an inventory industrial building of 222,974 in Vesta Park Megaregión	US\$17,040,000.00

N.P.	PROJECT	APPROVED INVESTMENT
4	Development of two inventory buildings of 169,981 SF in Vesta Park Querétaro	US\$14,840,000.00
5	Development of an inventory building of 256,000 SF in Vesta Park Apodaca	US\$10,560,000.00
6	Acquisition of approximately 29.6 hectares of land adjacent to Vesta Park Apodaca	US\$24,100,000.00
7	Acquisition of approximately 37 hectares of land in Ciudad Juárez, Chihuahua to develop the Vesta Park Juárez Oriente	US\$29,200,000.00
8	Acquisition of approximately 3.5 hectares of land in Ciudad de México to develop Vesta Park La Villa	US\$17,500,000.00
9	Acquisition of approximately 20.9 hectares of land in Estado de México to develop Vesta Park SMO	US\$34,800,000.00
10	Authorization to analyze a transaction with PSP Investment, investment fund of Canada	NA
11	Acquisition of an approximately area of 12,205.19 m ² , within the Parque Industrial Santa Fe III, Puerto Interior, Silao	US\$829,953.05
12	Acquisition of approximately 32,667 m ² , within Parque Industrial Santa Fe III, Puerto Interior, Silao	US\$1,927,377.80
13	Develop of the infrastructure of Vesta Park Juárez Oriente	US\$14,800,000.00
14	Develop of the inventory building 1 of Vesta Park Juárez Oriente, having a total leasable area of 279,000 SF	US\$12,190,000.00
15	Develop of inventory building 2 of Vesta Park Juárez Oriente having a total leasable area of 250,000 SF	US\$11,280,000.00
16	Develop of the additional power infrastructure of Vesta Park Guadalajara	US\$1,810,000.00
17	Develop of inventory building 6 in Vesta Park Guadalajara having a total leasable area of 342,000 SF	US\$15,100,000.00
18	Develop of inventory building 7 in Vesta Park Guadalajara having a total leasable area of 394,000 SF	US\$17,010,000.00
19	Develop of inventory building 5 in Vesta Park Megaregión having a total leasable area of 395,000 SF	US\$18,100,000.00
20	Develop of inventory building 6 in Vesta Park Megaregión having a total leasable area of 115,000 SF	US\$6,800,000.00
21	Develop of additional power infrastructure in Vesta Park Megaregión	US\$5,200,000.00

N.P.	PROJECT	APPROVED INVESTMENT
22	To discuss with the board of directors, to analyze and approve a development of a building Built to suit in Vesta Park Apodaca	NA
23	Develop the infrastructure of Vesta Park Apodaca	US\$19,600,000.00
24	Subject to buildings 1 and 2 are leased, develop the inventory building 3 in Vesta Park Apodaca having a total leasable area of 223,000 SF	US\$9,100,000.00
25	Subject to buildings 1 and 2 are leased, develop the inventory building 4 in Vesta Park Apodaca having a total leasable area of 223,000 SF	US\$9,100,000.00
26	Develop an expansion of the Safran/Saesa building of 81,000 SF in Parque Aeroespacial Querétaro	US\$4,450,000.00
27	Develop an expansion of 111,000 SF to the OXXO's building in Parque Industrial Querétaro	US\$5,490,000.00
28	Acquisition of a leased portfolio with three in Toluca, Estado de México having a total leasable area of 268,577 SF	US\$22,960,000.00
29	Develop of the inventory building 08 in Vesta Park Guadalajara having a total leasable area of 680,333 SF	US\$29,100,000.00
30	Develop the inventory building 01 in Vesta Park La Villa having a total leasable area of 207,963 SF	US\$11,700,000.00
31	Develop the inventory building 07 in Vesta Park Querétaro having a total leasable area of 264,275 SF	US\$11,570,000.00
32	Develop the inventory building 03 in Vesta Park Guanajuato having a total leasable area of 231,252 SF	US\$9,680,000.00
	Total Approved Investment	US\$417,637,330.85

Mexico City, January 11th, 2023

/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 2022

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, 2022.

During the fiscal year of 2022, the Debt & Equity Committee was integrated as follows:

Member	Position	Quality
José Manuel Domínguez Díaz Ceballos	Chairman	Independent Member
Stephen B. Williams	Member	Independent Member
Raúl Gallegos Navarro	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 the Committee, and during the fiscal year of 2022 met twice: (i) on June 29th; and (ii) on October 4th.

During the fiscal year of 2022, 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 and, if applicable, approval for a 3-year revolving line of credit.
- II. Approved the hiring of bankers, lawyers, accountants and other advisors to analyze and propose the establishment of an ADR's (American Depositary Receipts) program to be listed on one or more stock exchanges in the United States of America.

The committee ensured that the financing and capital obtained by the Company during fiscal year 2022 was consistent with the Company's medium and long-term strategic plans.

Sincerely,

Mexico City, January 11th, 2022

/s/

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

Appendix 9

Environment, 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 2022

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, 2022.

During the fiscal year of 2022, 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 2022 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.

Based on a high sense of social responsibility, efficiency and opportunity, we developed programs in the fields of education, employment, health, nutrition, social justice, culture, human development, economic development, protection and conservation of the environment, which contributed to the improvement of the life quality of population of all ages in the regions in which we have presence, promoting the formation of human



capital and generation opportunities to promote the integral development of people, as well as of their communities.

During the fiscal year ending on December 31st, 2022, the Environmental, Social and Governance Committee convened on 1 (one) occasion, on December 8th, 2022; meeting in which the committee reviewed the progress of the different programs developed by the Company, as well as the application of the corresponding budgets.

Some of the programs developed during the fiscal year of 2022 are detailed below:

Social Investment Projects:

- 100% of regions with social projects
- 12 projects
- 11 states
- 2 lines of action:
 - Education
 - Community development
- Project Beneficiaries:
 - 2,083 benefited kids
 - 120 benefited docents
 - 486 social entrepreneurs
 - 1,522 community members
 - 1,978 young people
 - 120 parents
 - 31 families
 - 252 Women
 - 323 seniors
 - 24 members with disabilities
- Money raised from Strategic Alliances:
 - UPAEP
 - Fomento Social Banamex
 - Alianza Microwd
 - PNUD
 - Mercado Libre
 - El Municipio El Salto
 - Instituto de Alfabetización y Educación Básica para Adultos (INAEBA)
 - Universidad Instituto Irapuato
 - Enseña por México AC
 - Home Depot
 - Instituto para las Mujeres Guanajuatenses
 - Centro de Atención Múltiple CAM



- Dirección de Fomento Económico de Ciudad Fernández SLP
- Fundación Caarem
- Merck
- Roof Master
- Centros de Ciencias de la Complejidad
- UNAM Campus Juriquilla
- DIF/INMUJER/PROSALUD
- Universidad Autónoma de Baja California
- Artes sin Fronteras AC
- Instituto de la Mujer de Guadalupe
- TOTAL AMOUNT: \$6,318,220.25 Pesos
- Vesta Challenge 2022:
 - Date: November 5th, 2022
 - Media: Presential
 - Cost: \$1,450.00 pesos adults \$700 Pesos child
 - Distance: 100 KM 66Km and 3.7 Km
 - Participants: 450 cyclists
 - Sponsors: 18
 - Sponsor amount: \$2,811,840.00 Pesos

TOTAL AMOUNT FOR SOCIAL INVESTMENT PROJECTS: (Alliances and Vesta Challenge): \$9,130,060.25 pesos

Environmental

- Improvement on the collection and quality of environmental data from common areas, clients and offices.
- The following activities were carried out:
 - Tenants Webinar and shipping guide ASG for tenants (to sensitive on ASG issues)
 - Certifications in operation (BOMA, LEED O+M, EDGE) and Certifications of New Constructions (LEED)
 - Construction manual update and checklist
 - Biodiversity politics manual
 - Participation in a workshop on human rights policies
 - Updating of the Sustainability construction manual and checklist, including new items as biodiversity, embedded carbon among others.
- Environmental KPIs. It is being carried out with the Asset Management and Development area to establish guidelines for the Company's environmental consumption and establish reduction percentages.
- Environmental Pre-Audits in Company's Parks; By obtaining Environmental Quality from PROFEPA, the parks can access AMPIP certifications:



- Sustainable Industrial Park
- Clean Industrial Park (depending on tenant's compliance)

Corporate Governance Activities

- The ESG Strategy was presented to investors in June in NYC:
 - Monitoring of the ESG Strategy, through the ESG Working Group.
- Update of the Materiality Analysis 2022
- ESG risks:
 - Updating and continuity of the Resilience and Climate Change Matrix and Action Plans.
 - Creation of the Physical Risk Matrix by property.
 - Beginning of the Human Rights Due Diligence process.
- Creation of the ESG Management System based on ISO 14001 and the IQ SR10 Social Responsibility Standard.
- Review to update the green clause in contracts and inclusion of the ESG Clause in the property Maintenance Manual.
- Training for our stakeholders: Collaborators, Tenants, Suppliers and Work Group.
 - ESG Training for Employees: Climate Change and Resilience; human rights due diligence; and diversity and inclusion.
- With regard to the Program of Commitment to our stakeholders, which seeks to create a constructive dialogue between Vesta and said stakeholders, to share the way in which aspects of ESG are managed, and to take advantage of the business opportunities associated with the challenges in this area. In this aspect, we have the following advances:
 - Audits for Suppliers on ESG matters:
 - Selection of suppliers: 67 guests (they were the most representative suppliers for Vesta in terms of business).
 - Clients:
 - In 2022, 82% of the lease agreement executed with the implementation of the green clause
 - Participation the ESG area on the 100% of Tenant's meetings in 2022.
 - Deliver to Tenants of the ESG guidelines 2002
 - ESG Map:
 - Based on the detailed review of each of the certifications and indexes in which Vesta participates, an ESG Map of opportunities and risks was developed.



- The main objective is to identify the opportunities that Vesta has in terms of ESG and to identify the impact that the non-fulfilment or lack of a strategy or program can have in terms of ESG.

Rankings and Investor Relationships

- We participated in the following rankings:
 - CSA: Grew up 3 points vs 2021
 - GRESB We maintain the qualification in 69 points with 2 green stars. 5 points were obtained above the average of the peers.
 - S&P/ BMV Total ESG Index This 2022, Vesta was one of the 29 issuers that are part of said index.
 - Ecovadis: To this time, we do not have the assessment 2022.
 - MSCI: Obtained A qualification
 - CDP: Obtained C qualification
 - GEI Bloomberg: We are part of the Ranking 2023.
- We are part of:
 - United Nations Principles for Responsible Investment
 - Global Pact Network
 - TCFD: We formally adhere
 - WEPs (Women Empowerment Principles): We are official signatories to the Women's Empowerment Principles.
 - Initiatives:
 - Target Gender Equality
 - Human Rights practical community
- We answered investment questionnaires from the following funds:
 - Ashmore
 - Banorte
 - Bradesco
 - Clarity
 - Fitch
 - Lazar Emerging Markets
 - MSCI
 - Scotiabank

Mexico City, January 11th, 2022

/S/

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 2023 / Year 2023

(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.

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.

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 Human Resources 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.

Loreanne 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. She 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 Méico, también trabajó como asociada en McKinsey & Compañía en el área de la bahía de San Francisco.

Loreanne 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. Tiene un grado de maestría en negocios y administración por la Escuela de Negocios de la Universidad de Stanford.

Oscar Francisco 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 1º 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 Ruíz Chávez

Rocío Ruíz 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 Ruíz is economist by the *Universidad Nacional Autónoma de México* and has diplomas in foreign commerce and international businesses and in free trade agreements.

Rocío Ruíz 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 Ruíz 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.

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, IENOVA (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, IENOVA (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.

Francisco Javier Mancera de 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 donde 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.

El Sr. Mancera participa en seminarios y conferencias sobre las relaciones comerciales México- EUA y en materia de transición democrática en México. Ha sido maestro de Filosofía Política en la Universidad de Georgetown y ha publicado diversos artículos, incluyendo "El debate sobre Comercio y Medio Ambiente" en Greening the Americas. Es licenciado en economía por la Universidad Nacional Autónoma de México y obtuvo un grado de maestría en la Universidad de Georgetown, en donde es candidato a doctor en Gobierno.

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