annual report

2019

VESTA

contents

Data highlights

financial

29,792,050 square feet
of Gross Leasable Area (GLA)

USD 33,779,108
in Net Operating Income (NOI)

Total portfolio occupancy rate

2015	86.7%
2016	89.4%
2017	92.3%
2018	91.8%
2019	**91.7%**

environmental

Energy intensity of
0.92 kWh per m²
(Scope 2)

12,492 m³
of wastewater treated and reused for watering

social

46 hours
average training per employee

USD 269,086
invested in social projects

Social investment (USD million)

2015	146
2016	165
2017	280*
2018	234
2019	**269**

*In 2017 we allocated extraordinary social investment to initiatives for supporting people whose homes were damaged or lost in the September earthquakes in Oaxaca, Chiapas, Puebla and Mexico City.

Employees

2015	53
2016	65
2017	80
2018	90
2019	**91**

Letter from the Chief Executive Officer

102-14

The geopolitical and economic context in 2019 was complicated, both domestically and internationally, but our company nevertheless brought in solid financial results and laid the groundwork for our new strategy, called Vesta Level 3.

After successfully meeting the goals of our Vesta 2020 Vision Plan, we set some ambitious short, medium and long-term goals that will drive the next phase of growth, and we started working on them in the second half of the year. With these, we are anticipating the possible obstacles we might face in the years ahead, with a strategy that not only underscores the confidence we have in our ability to build long-term value for our shareholders, but above all, which reinforces and accelerates our strategic initiatives with all of our stakeholders in mind.

Vesta Level 3 plan is already under way. Major milestones to date include: 1) the successful sale of a portfolio covering 1.6 million square feet for USD 109.3 million; 2) the incorporation of new markets to our portfolio, like Guadalajara and Monterrey, through the strategic acquisition of land that is uniquely suited to support last-mile e-commerce operations; 3) the refinancing of Vesta debt so that we have no maturities

coming up in the next five years, and extension of our average weighted maturity term to seven years; 4) the repurchase of 14.8 million shares through Vesta's stock buyback program; 5) the launch of four new industrial parks in Mexico; 6) expanding and deepening our commitment to Vesta's ESG (environment, social and governance) platform, joining the best-in-class companies included in the Dow Jones Sustainability MILA Pacific Alliance index; 7) successfully celebrating our first annual Vesta Challenge, in which 500 cyclists took part and we raised more than USD 100,000 in sponsorships, adding to our investment to benefit 5,000 people in the communities where we operate; 8) earning Great Place to Work ® recognition and the Oracle Excellence Award for Construction and Engineering; 9) holding a successful workshop to update our Code of Ethics; and 10) refreshing our brand image and positioning.

For the year ahead, we are reinforcing our ESG efforts and initiatives to help improve society. We have aligned our initiatives in these areas with the Vesta Level 3 strategy to bolster alliances for social programs that can benefit a wide range of stakeholders, and we will also work to successfully meet the Vesta Challenge, raising funds to magnify our social impact. Furthermore, we will involve clients, investors, academe and suppliers in various high impact initiatives through our stakeholder engagement program.

We must persist in our cybersecurity efforts, lead change in our industry and raise our strategic standards to face the challenges that lie ahead in 2020, and in the years beyond that.

In the economic context, experts agree that the agreement with China and the new USMCA will bring greater certainty to international trade, although not necessarily more growth, while Mexico will continue to deal with political and social challenges.

As a fully integrated company that is setting the highest standards of industrial property ownership, management, acquisition, sale and development, Vesta remains committed to transforming Mexico's industrial real estate landscape.

We will continue to work for increasingly solid and sustainable financial performance, capitalizing on our in depth knowledge of the market to effectively anticipate trends and take advantage of opportunities, like those to be found the growth of e-commerce, and to maintain our position as one of Mexico's best industrial real estate managers.

I am extremely proud to lead this team made up of the best and most brilliant minds in our industry. Together we are poised for a successful execution of our strategy and for rising to the challenges, while creating value for our investors, our clients, and our team. I look forward to an exciting decade full of hard work and excellent results.

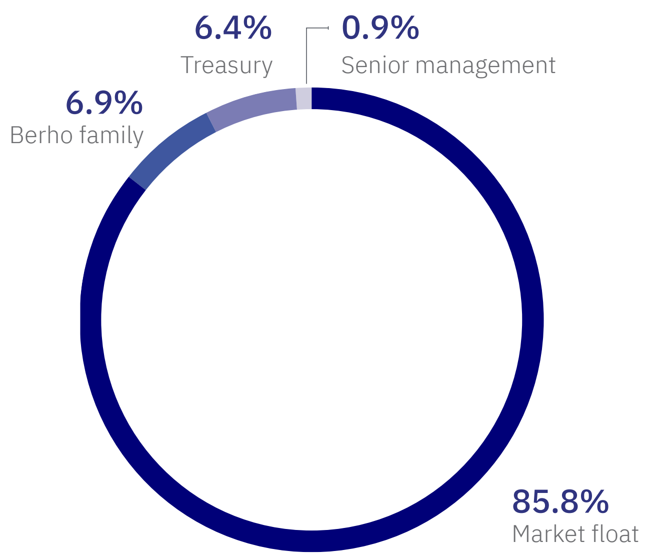
Lorenzo Dominique Berho Carranza
CHIEF EXECUTIVE OFFICER

We are Vesta

102-16

We are a publicly traded Mexican firm that develops, sells, purchases, administers and rents industrial buildings and distribution centers in Mexico. We offer our clients modern buildings that are constructed with eco-efficiency standards, strategically located in 15 states of Mexico, providing a secure and profitable platform to power our clients' growth.

SHAREHOLDER STOCK STRUCTURE[1]



MISSION

To maintain excellence in industrial real estate development, through an enterprising team that generates efficient, sustainable real estate solutions.

VISION

To develop sustainable industrial real estate, dedicated to the progress of humanity.

MASSIVE TRANSFORMATIVE PURPOSE

Innovating Mexico's industrial platform.

[1] As of April 13, 2020, there are 38,947,034 million treasury shares and 606,457,078 of subscribed and paid in capital stock; the possession percentage of the Berho family is calculated on the difference.

Products

102-2

Vesta works to offer Mexican industry a platform that meets the needs of space and interconnection for a large number of domestic and multinational firms. Through an extensive portfolio of industrial parks and buildings intended for light manufacturing and logistics, located in the fastest-growing commercial corridors and industrial regions of the country, we make it easier for clients to grow and connect with their supply chain.

OUR PRODUCTS ARE GROUPED INTO THREE MAJOR CATEGORIES:

INDUSTRIAL PARKS AND MULTI-TENANT BUILDINGS

Designed for more fluid traffic within the parks and built under standard industry specifications, ideal for manufacturing and logistics industries, these can be shared by two or more tenants.

PARK TO SUIT® PROPERTIES

Ideal for the aerospace, automotive, logistics and electronics industries. Designed and built to suit the needs of our clients in two ways: as clusters, where members of a supply chain can be grouped, or as a vendor park for companies in the same industry that supply one assembly firm.

BUILT TO SUIT PROPERTIES

We are active in the building design process, contributing suggestions aligned with best international practices and eco-efficiency trends in the industry, to create facilities appropriate to the specific needs of each client.

Presence

102-4, 102-6

We are strategically located to meet interconnection needs across the country. We cover three regions: North, Bajío and Central.

WE OFFER:

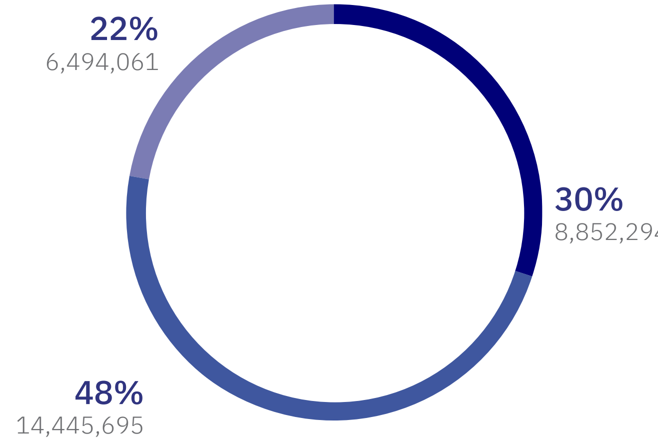
29,792,050 square feet of GLA[2]

184 industrial buildings

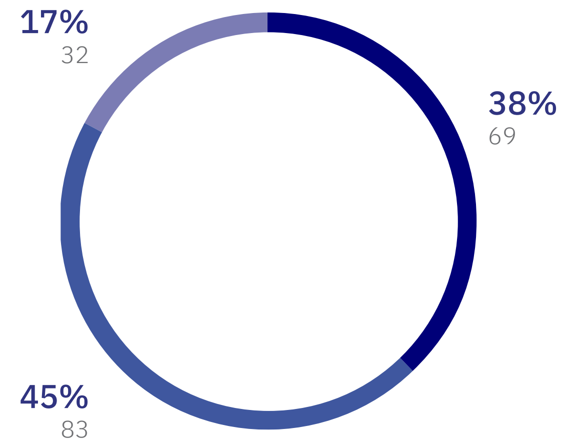
04 properties under development.

[2] Gross Leasable Area

GLA (square feet)



NUMBER OF BUILDINGS



NORTH

Baja California
Chihuahua
Nuevo Leon
Sinaloa
Tamaulipas

SURFACE AREA square feet
8,852,294

BUILDINGS
69

PROPERTIES UNDER DEVELOPMENT
2

CLIENTS
69

LAND BANK (ACRES)
118.61

BAJÍO

Aguascalientes
Guanajuato
Jalisco
Queretaro
San Luis Potosi

SURFACE AREA square feet
14,445,695

BUILDINGS
83

PROPERTIES UNDER DEVELOPMENT
1

CLIENTS
76

LAND BANK (ACRES)
861.46

CENTRAL

Estado de México
Puebla
Quintana Roo
Tlaxcala
Veracruz

SURFACE AREA square feet
6,494,061

BUILDINGS
32

PROPERTIES UNDER DEVELOPMENT
1

CLIENTS
30

LAND BANK (ACRES)
28.07

Clients

17 PARTNERSHIPS FOR THE GOALS

102-6, 102-43, 102-44

Our clients are our priority. We work to offer them the best terms at all times, along with cutting edge choices that can help them grow their businesses, thus contributing to Mexico's development.

Industrial sectors

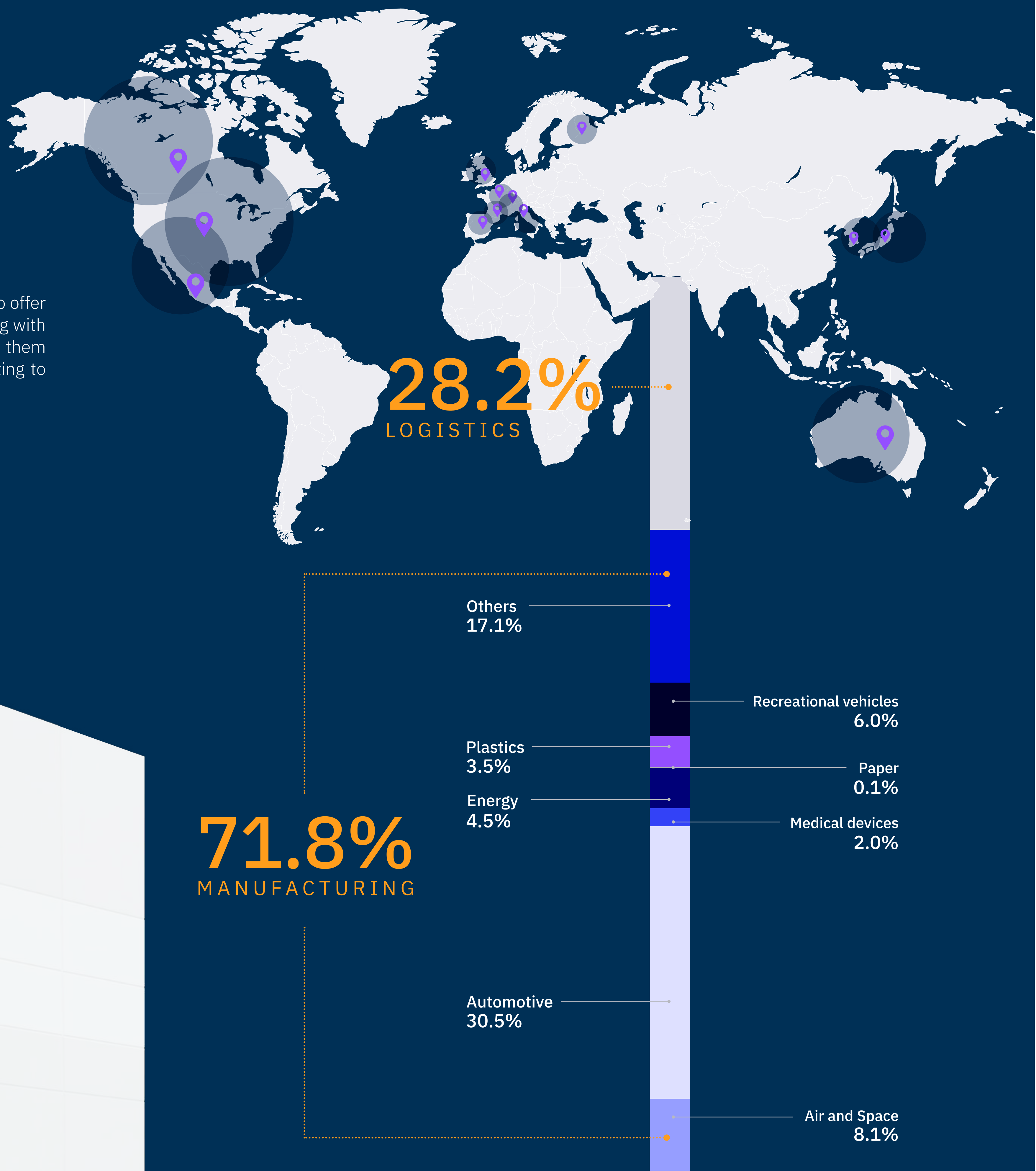
09

Clients

175

Client retention rate in 2019

91.7%



OUR MAIN CLIENTS

Client	Country of origin of capital	% of GLA	Contract expiration (years)	Credit rating
Nestlé	Switzerland	6.0%	5	AA2
BRP	Canada	4.6%	7	Baa3
tpi	United States	4.1%	8	NA
SAFRAN	France	3.9%	9	NA
NISSAN	Japan	3.6%	5	A3
BOMBARDIER	Canada	2.1%	6	B3
LEAR Corporation	United States	1.8%	5	Baa2
FCA	United States	1.7%	5	Ba1
elektra	Mexico	1.6%	4	Ba3
ZF	Germany	1.6%	5	BBB-

Our Asset Management area is in charge of providing on-site, close and personalized service to our tenants. It is staffed by professionals who administer and operate our parks and the third-party buildings we manage.

Additionally, to determine and evaluate how our quality, building design, services and response capacities are perceived by our clients, each year we conduct a **Clients Satisfaction Survey**.

In 2019 we obtained the following results:

Satisfaction level of

78%

among our clients.

Response rate of

85%

from our clients.

98%

of clients consider our staff to be friendly.

21%

of our clients consider efficiency and speed of response to be one of our greatest challenges.

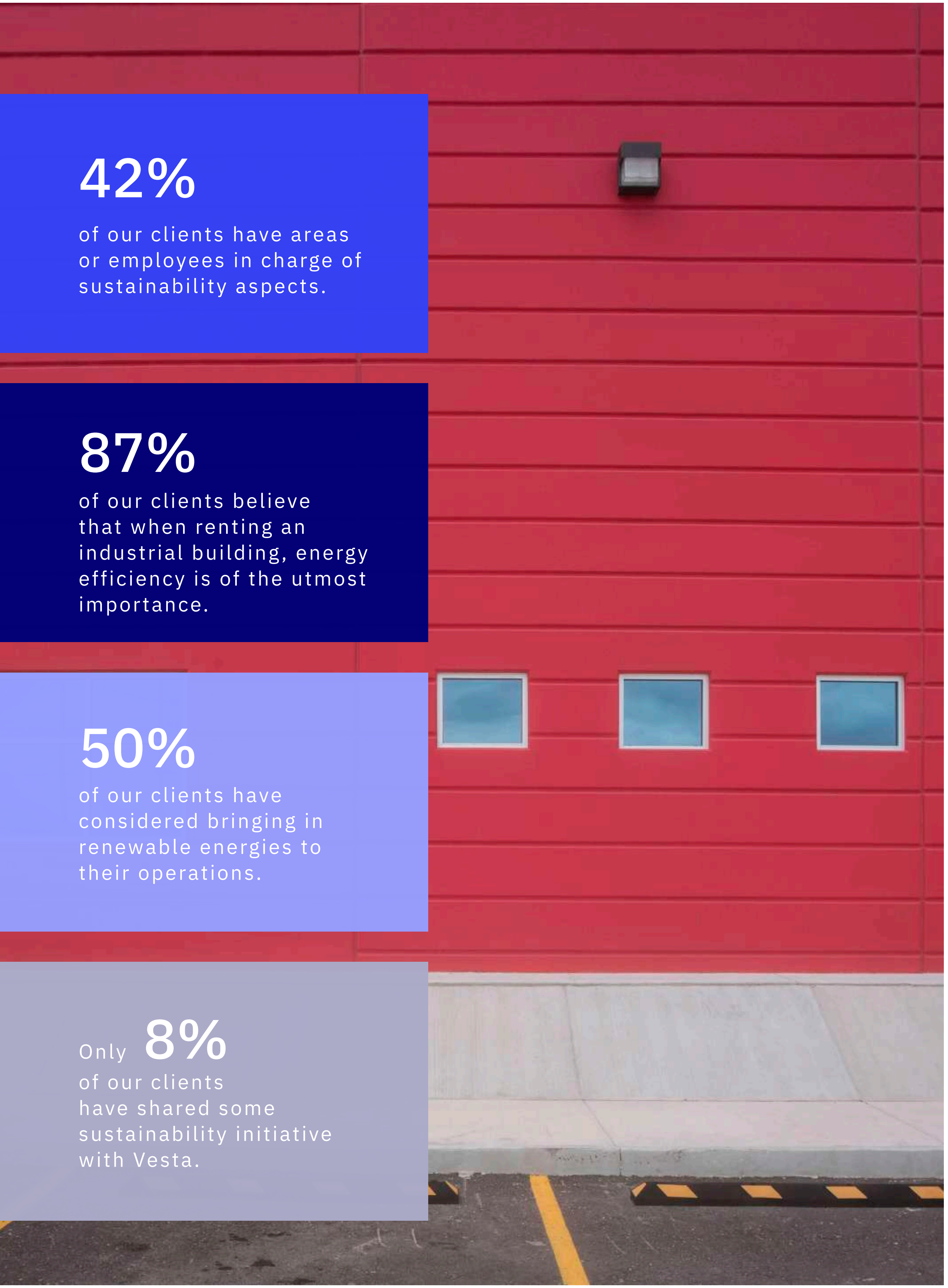
Aware of our responsibility to comprehensively and sustainably manage Vesta's portfolio, this year we added new topics to the Clients Satisfaction Survey, touching on environmental, social and governance (ESG) issues, in order to identify various aspects, for example whether our tenants carry out social responsibility initiatives, whether they have an area that supports these actions, and if they have earned any certifications of this type; whether they implement measures to improve energy, water and waste management efficiency in their operations, among other topics. Some of the results were:

63%

of our clients have social responsibility and/or environmental programs.

53%

of our clients have some certification, award or recognition of their environmental, labor or quality performance.



42%
of our clients have areas or employees in charge of sustainability aspects.

87%
of our clients believe that when renting an industrial building, energy efficiency is of the utmost importance.

50%
of our clients have considered bringing in renewable energies to their operations.

Only **8%**
of our clients have shared some sustainability initiative with Vesta.

WE ALSO FOUND THAT IN THE PAST FOUR YEARS:

37%
of our clients conducted an evaluation of the facilities to improve resource efficiency.

37%
implemented energy efficiency measures.

24%
implemented water efficiency measures.

50%
implemented waste management efficiency measures.

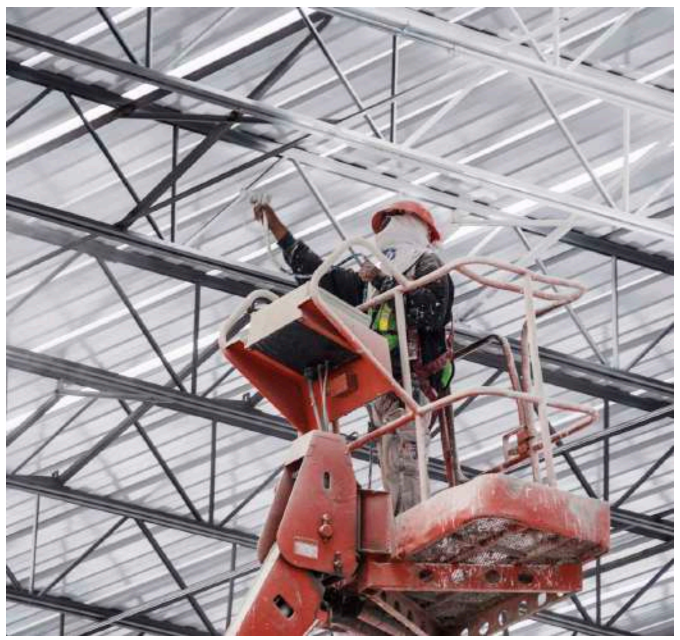
In 2019, we shared an ESG Guide with all of our tenants, underscoring our commitment to being a leading company in the environmental, social and governance management of our operations, in which we all play an important part. The guide offers recommendations on increasing energy and water efficiency and waste management, developing resilience capacities and building awareness among their own stakeholders about ESG issues.

Value chain

17 PARTNERSHIPS FOR THE GOALS

102-9, 308-1, 414-1, 414-2

We strive to provide the best real estate options to our clients, so we work closely with service providers and specialized contractors in the various phases of our operations.



OUR MAIN SKILLS

We focus on building commercial intelligence in order to act in advance to strategically develop buildings that are attractive to new industries.

OUTSOURCING SERVICES

To ensure top operating efficiency, we work together with companies that are experts in design, construction, project management and construction management, each of which is evaluated by our Purchasing area, along with the rest of our suppliers.

To guarantee the most competitive costs and response times, in awarding contracts for the construction of inventory and built to suit buildings in our parks we have a public tender process that is supervised by the Executive Committee, which takes into account various factors such as the flow of funding, quality, experience, an understanding of the regional context, sustainability, the use of advanced construction and engineering techniques, and work programs that ensure prompt delivery of the developments.

After construction is complete, the Asset Management team, together with the Purchasing area, coordinates the specialized suppliers to ensure proper maintenance of our portfolio.

SUPPLIERS

Our portfolio of suppliers includes around 800 companies, 59% of which (442 companies) are given copies of our Anti-corruption Policy, Code of Ethics, ESG Policy, supplier requirements in ESG matters, and Sustainable Sourcing Policy.

We evaluate our top ten contractors according to environmental and social criteria, to detect their hits and misses and areas of opportunity. Furthermore, beginning in the second half of 2019, we included environmental and social components in the public tender process for contractors. With regard to environmental aspects, we ask them to abide by the Sustainable Construction Manual and to prepare a checklist[3]; while for social issues, candidates must present a proposal for contributing to the social investment initiatives or projects being carried out at each Vesta location.

During the past fiscal year, the Ethics Committee identified five suppliers who were connected with corruption issues, so we ended our commercial relationship with them.

For all construction projects, our suppliers are required to conform to the **Workplace Safety Program**, which requires them to submit regular project security reports, supervised by our Project Manager. We also review and ensure that all construction workers are duly enrolled with the Mexican Social Security Institute (IMSS) according to Mexican law. In 2019 there were no employer incidents with suppliers nor measures of this necessary.

As we have been doing for the past four years, to learn more about how our suppliers feel about their relationship with us and how we can improve our internal processes, in May 2019 we conducted a **Supplier Satisfaction Survey.**

This time 47% of our suppliers participated, with the following results:

- **90%** say they are satisfied with their relationship with Vesta.
- **87%** believe we have qualified personnel for providing effective solutions.
- **85%** believe we interact with them promptly and expeditiously.
- **90%** believe we correctly fulfill our contracts with them.
- **95%** say we are friendly and effective.
- **95%** believe we are flexible.

[3] The checklist consists of a series of questions about how our contractors apply the Sustainable Construction Manual before, during and after construction. The same document asks that they keep close track of labor issues on the job site.

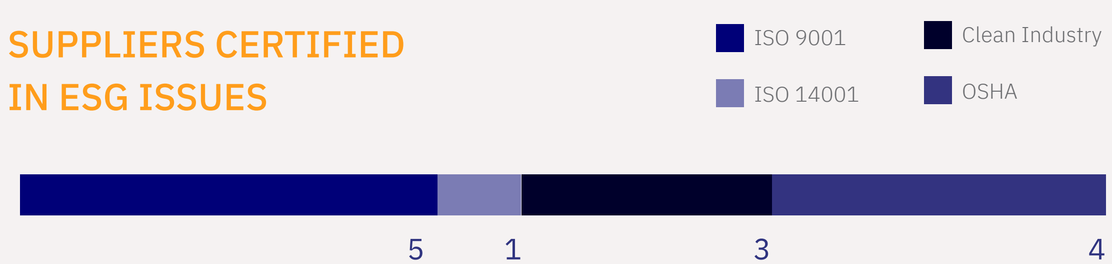
To improve our dealings with suppliers, for the first time this past year we also included questions relating to ESG in the survey, to identify suppliers who include environmental and/or social aspects in their service offering. Our findings were as follows:

- **62%** have waste management programs.
- **30%** have sustainable procurement policies.
- **30%** have social programs or community commitments.
- **27%** promote energy and water savings.
- **27%** have construction waste management programs.

We also measured the extent to which our suppliers are familiar with and apply Vesta's policies on these issues, with the following results:

- **60%** are familiar with and **63%** apply the Code of Ethics.
- **55%** are familiar with and **60%** apply the Anti-Corruption policy.
- **48%** are familiar with and **40%** apply the Policy of Environmental, Social and Governance Responsibility.
- **30%** are familiar with and **35%** apply the sustainable Purchasing Policy.
- **10%** are familiar with and **13%** apply the ESG Supplier Requirements.

SUPPLIERS CERTIFIED IN ESG ISSUES



Strategy

Our industry experience, solid financial position, and portfolio of high-quality industrial buildings, our clients and the strategic locations we operate, make us an excellent choice for investing and doing business. All of this commits us to a business strategy focused on excellence and sustainable profitability.

Evolving toward Vesta Level 3

102-16

This year we successfully met the last of the goals of our Vesta 2020 Vision Strategy, through which we increased our stabilized gross leasable area (GLA) at a CAGR of 15%, among other indicators. Heartened by this success, in our June 4, 2019 meeting with investors, we introduced the next phase of our growth plan, the **Vesta Level 3 Strategy.**

To become a fully integrated, world-class company, our management team will continue building our position in the market through intelligent capital allocation, asset recycling and active portfolio optimization.

The Vesta Level 3 plan consists of five main points:

01 Managing, **maintaining and improving** the current portfolio.

02 Investing and/or divesting for **continuous value creation**.

03 Continuing to **strengthen our balance sheet** and expand funding sources.

04 Strengthening our **organizational structure** to **successfully execute** this strategy.

05 Becoming an **industry benchmark** in ESG matters.

Materiality

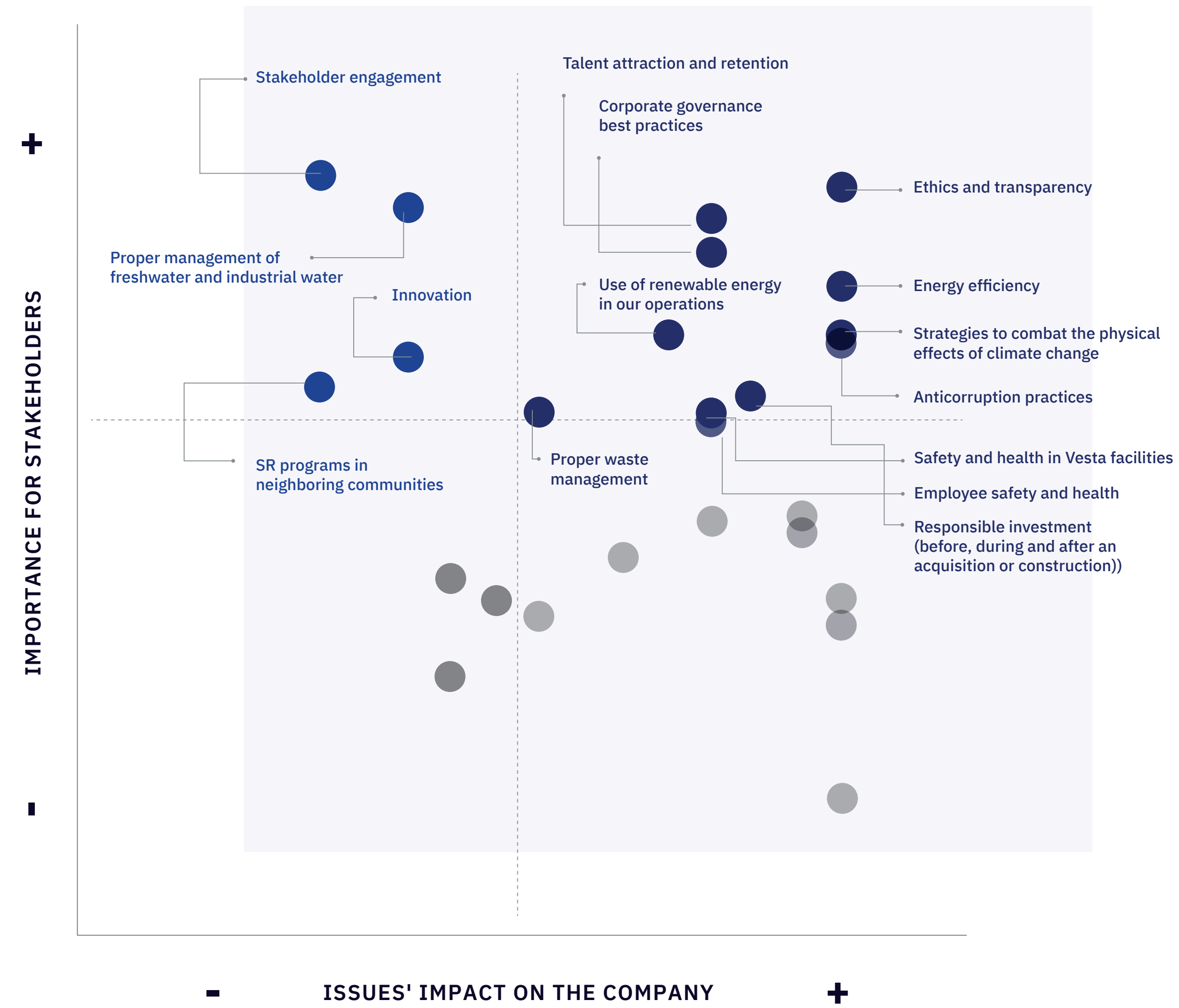
102-21, 102-46, 102-47

Taking into account the dynamics of our market, macroeconomic change and the situation in Mexico at large, in 2019 we overhauled our materiality exercise in order to identify the most material ESG issues for our business.

Based on the methodology proposed by the **Global Reporting Initiative** (GRI), we conducted an exhaustive analysis of the internal and external factors related to our industry and the world in which we operate.

This exercise also included consultation with 150 people: executives, employees, board members and investors, clients, suppliers, academics, nonprofit organizations and industry chambers, among other interest groups outside the organization, who helped us identify and prioritize our material issues.

The result was a list of eleven material issues for Vesta, and four additional issues that are material for our stakeholders.



The issues identified in our materiality analysis are used to define the goals of the ESG area, which in turn are incorporated into the company strategy. To address the material issues, in 2019 we took various actions and initiatives which are described in this report.

Environment, social and governance (ESG)

102-19, 102-20, 103-1, 103-2, 103-3

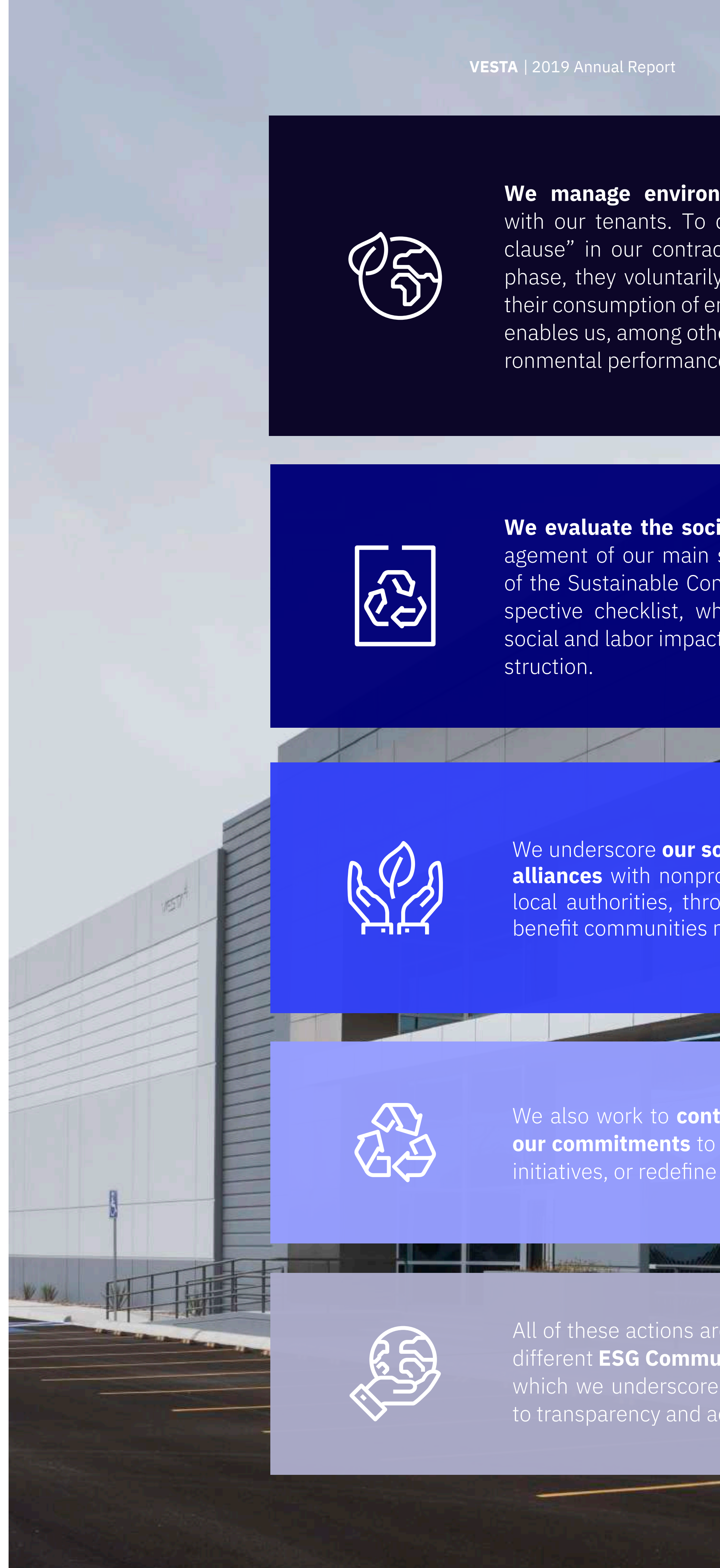
The Sustainability area was reinforced to deal with environmental, social and governance (ESG) issues with a much more comprehensive and committed approach.

In 2019, we updated our Materiality Analysis in order to identify the material issues that most affect our operations and which are most important to our stakeholders. The findings of that study led to various actions and procedures by which we can direct our efforts and budgets to what is most important to our business.

Based on this materiality analysis and other domestic and international best practices in the industry, we designed the **Vesta ESG Strategy**, aligned with the Level 3 Business Strategy. This will enable us to comprehensively manage Vesta's properties, in shared responsibility with our stakeholders, but especially with our tenants and suppliers.

To manage this strategy with our stakeholders, we have a Commitment Program, an initiative that defines actions by Vesta and its various departments toward their respective audiences, as well as specific commitments to improve the sustainable yield of our portfolio and activities.

Also, as part of Vesta's ESG Strategy, we created ESG indicators for our operations by which we can measure and improve how we manage our activities on various fronts:



We manage environmental indicators together with our tenants. To do this, we include a "green clause" in our contracts, in which, during the first phase, they voluntarily share information regarding their consumption of energy, water and waste, which enables us, among other things, to improve the environmental performance of the rented space.

We evaluate the social and environmental management of our main suppliers through application of the Sustainable Construction Manual and the respective checklist, which measure environmental, social and labor impact before, during and after construction.

We underscore **our social performance through alliances** with nonprofits, academe, society and local authorities, through various initiatives that benefit communities near our operations.

We also work to **continually improve and review our commitments** to determine the success of our initiatives, or redefine goals when necessary.

All of these actions are carried out in the context of different **ESG Communication Campaigns** through which we underscore our continuous commitment to transparency and accountability.

We also try to build transparent relations with our stakeholders, take responsibility for our environmental management and that of our clients and suppliers, be more resilient, improve quality of life in the communities where we are present, and strengthen our organizational culture with employees. All of this while focusing resources on the issues that are material to us and to our stakeholders.

Our **Social Responsibility, Environment and Governance Policy**[4] defines the basic principles by which social and environmental practices are carried out at all our facilities. These are planned, executed and monitored by the ESG Department, and the Social and Environmental Responsibility Committee checks that they are duly followed.

To guarantee that these practices generate social, environmental and governance value, we follow three strategic guidelines in defining and implementing them:

01 **Integrity and Governance.** For us, this means behaving in an honorable, responsible manner, with respect and discipline, ensuring that our words are consistent with our actions.

02 **Environment.** We are committed to reducing our environmental impact, both in our developments and in our operations, to benefit our tenants, the industrial real estate industry, and the communities where we operate.

03 **Responsible Investment.** We engage in constant dialogue with our stakeholders, staying abreast of local needs and development possibilities, complementing our projections with fundamental criteria such as human rights, development, inclusive and gender equity, among others.

[4] This policy is available at: https://www.vesta.com.mx/sustentabilidad/nusestras_politicas

Quality, safety and resilience

Vesta knows that being a resilient, safe and high-quality real estate company means having the capacity to identify risks and being able to mitigate them or adapt to them, and to respond quickly and effectively to challenges as they arise, while generating stable medium- and long-term returns for our investors.

For this reason, we try to mitigate the risks present in our parks and buildings to capitalize on our resources and to be efficient, supported by our **Quality Policy** and the **ISO 9001:015 Quality Management System** in all our operations.

Furthermore, through our **Property Safety Policy** we promote a culture of prevention in order to protect the value connected with our offices, including people, assets, information, processes and communities to ensure that tenants can go about their business without delays, safeguarding their physical integrity and wellness.

In line with this culture of prevention, and aware that there are global trends that threaten our assets, climate and demographic change, digital transformation, natural disasters, resource scarcity, and others, we are working to build the resilience of our developments.

Together with our stakeholders and supply chain, we are preparing to face these changes intelligently and strategically, using environmental, social and governance management tools to do so.

Potential

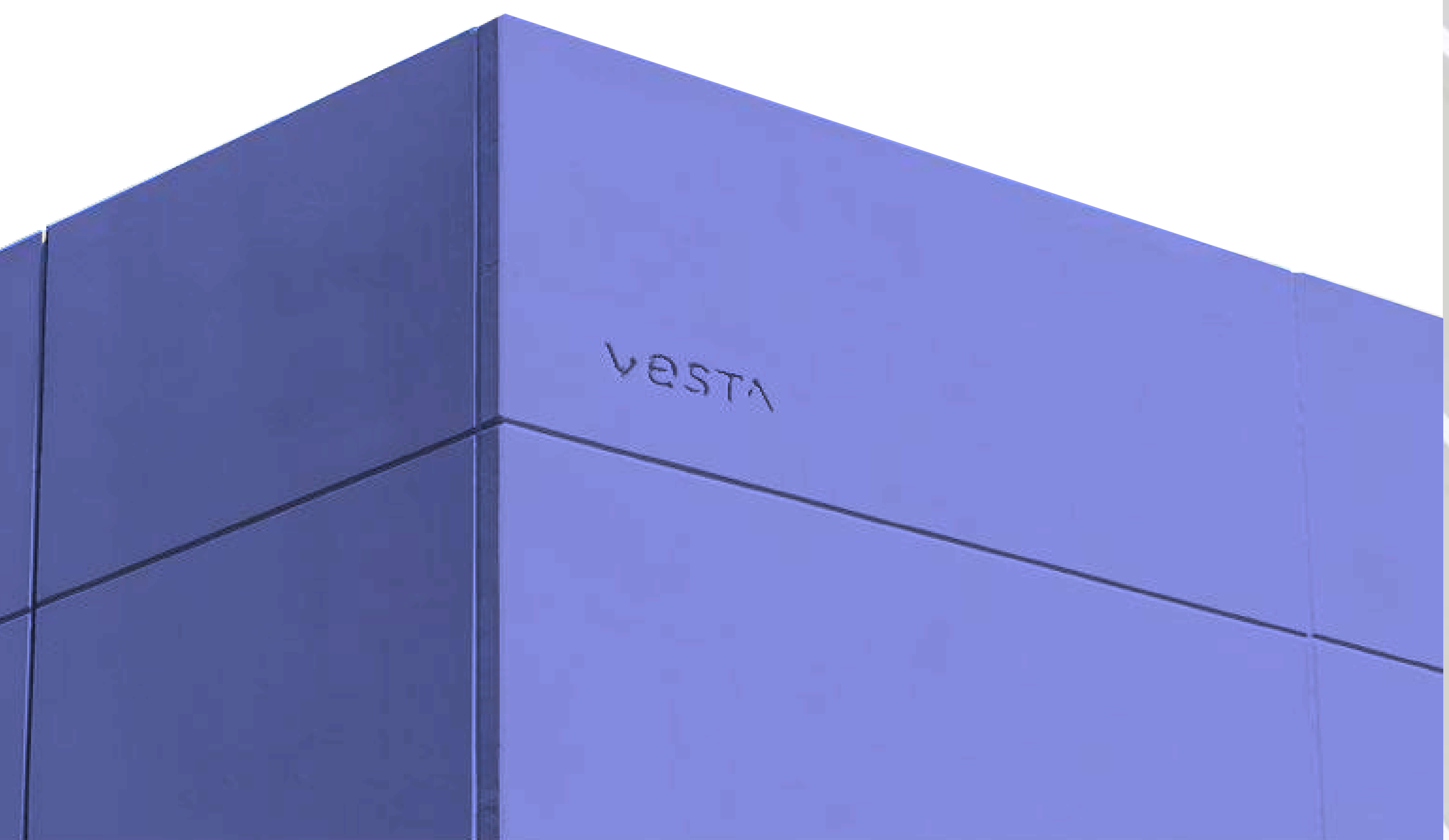
Our potential expands based on our vision of continuous growth toward the future, which we pursue from a solid strategic platform. At Vesta, we try to attain levels of excellence superior to those of our peers, while generating new business opportunities.

Growth

102-7

Our growth will always be focused on seeking a strategic position in Mexico's fastest-developing regions, according to industrial trends and the needs of our clients, so we can continue offering them efficient connectivity and logistical solutions.

In 2019 we opened three new parks and two new industrial bays, adding to our portfolio of more than 29.79 million square feet and our land bank of 44.13 million square feet.



Opening of Vesta Park Aguascalientes I.

Located across from Vesta Douki Seisan Park and adjacent to the Nissan Aguascalientes 2 automotive complex and COMPAS.

INVESTMENT: **up to USD 150 million**

SURFACE AREA: **197.68 acres in the first phase**

Opening of two industrial bays at Vesta Park Juárez Sur.

We plan to invest up to 36 million dollars in completing construction of the four buildings that make up this complex.

INVESTMENT: **up to USD 15 million**

SURFACE AREA: **37.07 acres**

Opening of Vesta Park Alamar in Tijuana.

In the first phase of the park, two buildings will be built totaling 613,704.35 square feet.

INVESTMENT: **up to USD 24 million**

SURFACE AREA: **30.39 acres**

Opening of Vesta Park Guadalajara

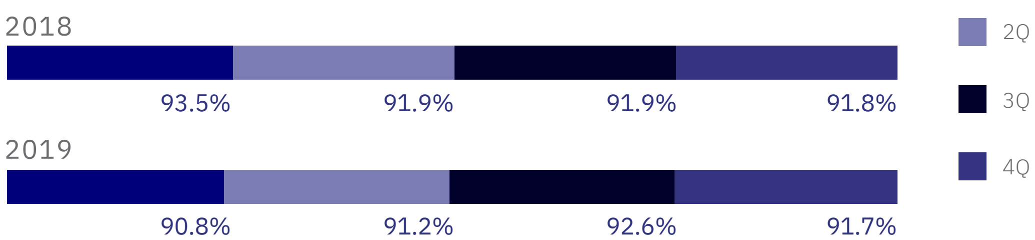
Two inventory buildings will be developed with surface areas of 430,556.42 square feet and 215,278.21 square feet, respectively.

INVESTMENT: **up to USD 85 million**

SURFACE AREA: **74.13 acres**

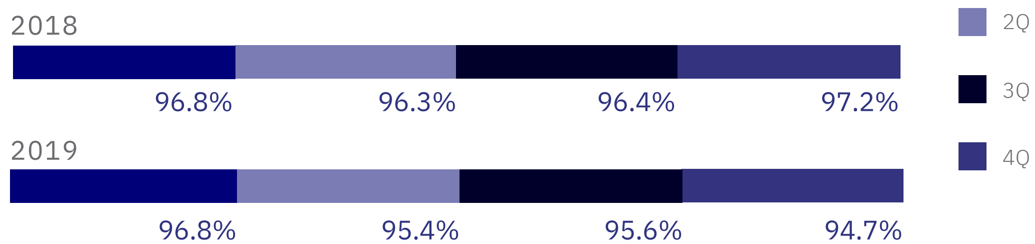
PORTFOLIO METRICS

TOTAL PORTFOLIO OCCUPANCY RATE



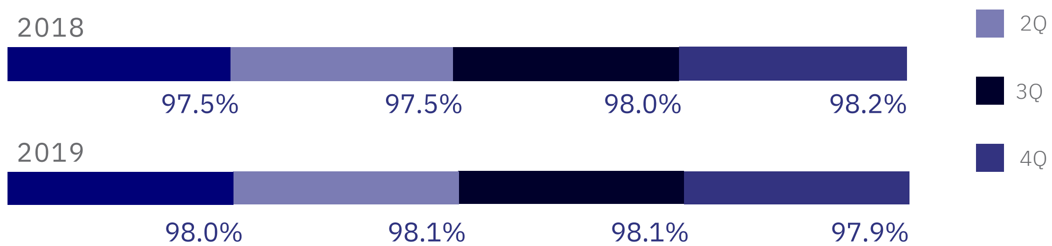
Total portfolio means all occupied properties, including developed, re-developed, stabilized and properties for sale.

% PORTFOLIO OCCUPANCY STABILIZED PORTFOLIO



Stabilized portfolio refers to properties that have reached an occupancy rate of 80% or which have been delivered during the first year after construction, whichever occurs first.

% PORTFOLIO OCCUPANCY SAME-STORE PORTFOLIO



Same-store portfolio refers to properties that have been operating (stabilized) for two comparable periods.

We report the performance of our portfolio, following market practices of the National Association of Real Estate Investment Trusts® (NAREIT®).

2019 PORTFOLIO METRICS

91.7% total portfolio

97.9% same-store portfolio

94.7% stabilized portfolio

Economic value

201-1

ITEM		2018 (+)	2018 (-)	2019 (+)	2019 (-)
Direct Economic Value Generated (EVG)	Leasing revenues	$128,393,401		$139,114,946	
	Reimbursable	$4,275,865		$5,177,456	
EVG		$132,669,266		$144,292,402	
Economic Value Distributed (EVD)	Property operation expense		$5,676,700		$8,140,618
	Direct employee benefits		$10,741,708		$10,551,704
	Administrative expense		$1,815,748		$1,372,071
	Legal and audit expense		$1,957,828		$1,511,179
	Marketing		$1,020,523		$962,862
	Others		-		-
	Property valuation expense		$448,965		$443,587
	Indirect stock issuance		$109,592		-
EVD			$21,771,064		$22,982,021
Economic value retained	Economic value generated (-) Economic value distributed	$110,898,202			$121,310,381

Amounts expressed in dollars.

2019 RESULTS

During the past year we signed new leasing contracts totaling 1,639,343 square feet, and renovated another 2,813,686 square feet of our portfolio, ending the year with total leasing activity of 4,451,953 square feet, a 12% decrease from the 5,063,343 square feet we reported in 2018.

The stabilized annual occupancy rate declined to 94.7% in 2019, 250 basis points lower than the 97.2% registered in 2018. Our stabilized gross leasable area (GLA) rose to 9,305,400 square feet, a 3% increase over 2018.

Advance renovations helped us achieve the best average leasing term to expiration in the industry, at 4.8 years, with very few contracts up for expiration in the next two years: 5% in 2020 and 8% in 2021. These factors accelerated the growth of our main financial metrics.

In May we completed the sale of a portfolio of 1.6 million square feet, consisting of eight industrial properties located in Querétaro and Toluca, with a value of USD 109.3 million, which helped us bolster our balance sheet and give us the financial flexibility we need to continue diversifying the distribution of capital in the development of our portfolio, purchasing properties and buying back shares under our stock repurchase program.

In June, we restructured our loans and carried out a new private placement for USD 85 million, so we now have no major debt maturities coming up in the next five years. Our average weighted debt maturity ended 2019 at 7.2 years, and we kept the same weighted average interest rate of 4.8%.

Despite the domestic context and other headwinds, because of our results and handling of our finances in 2019 we remain a reliable, solid company in the eyes of our investors. This is because our team is an industry leader, working to generate value for all our stakeholders by staying abreast of new market trends and aware of both micro and macroeconomic contexts.

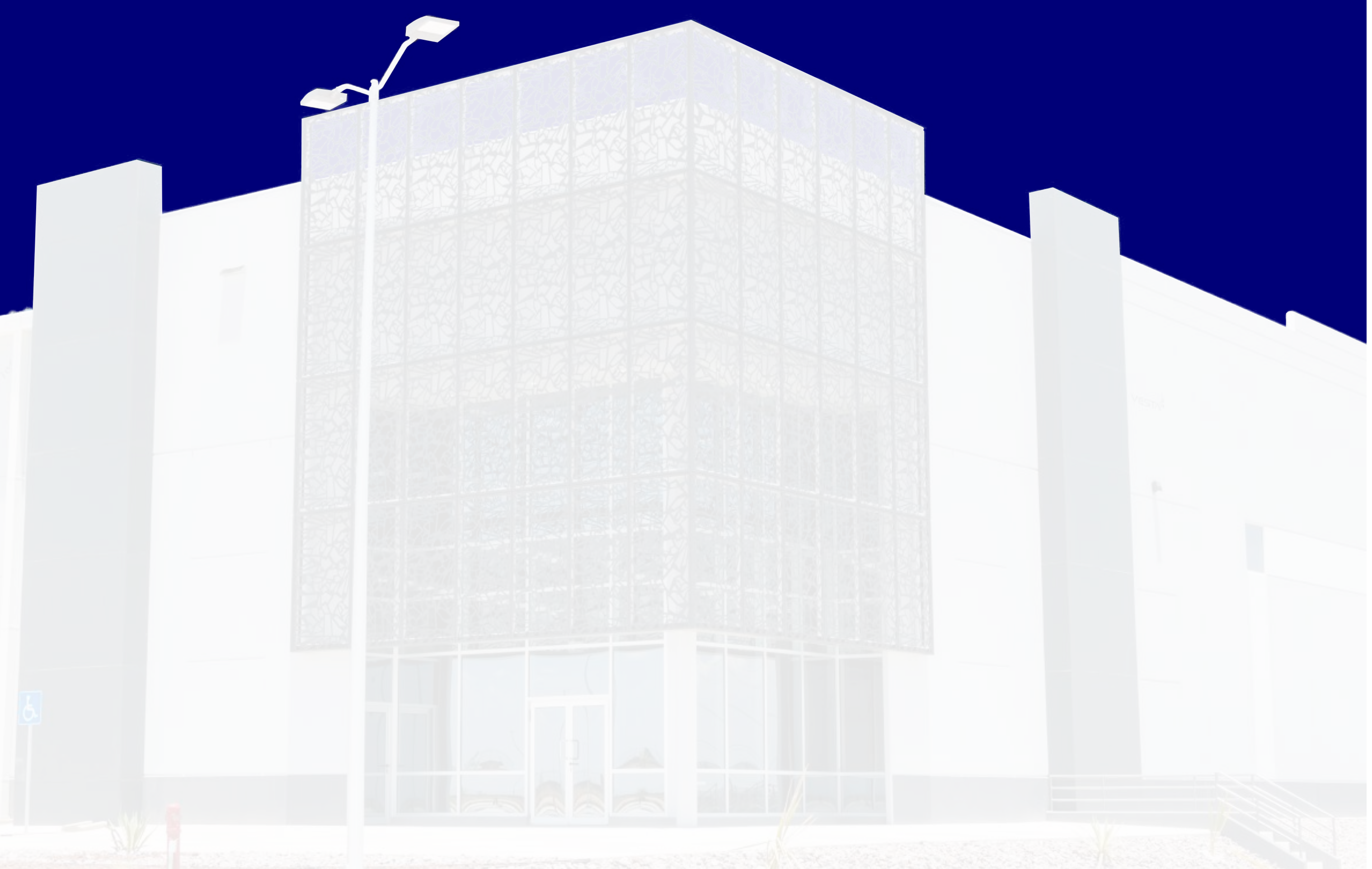
Collaboration

Vesta's results and steady growth would not be possible without the collaboration of the Board members, senior management and employees, all of whom play a part in the company's decisions, offering their know-how and talent to keep the company at the forefront of our industry.

Corporate *governance*

102-10, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28, 102-31, 102-33, 102-34, 102-35, 102-36, 405-1

Vesta is headed by a group of seasoned experts with a mastery of finance, business and the industrial real estate industry. Our highest governance body is the Board of Directors, which is made up of 10 regular members and 10 alternates; four of these are related members and 16 are independent.



All were selected on the basis of their extensive professional experience and career, and all are firmly committed to acting in an ethical way in which decisions are not subject to personal, family or pecuniary interests, as established in article 26 of the Mexican Securities Market Act.

The Board of Directors is headed by Lorenzo Manuel Berho Corona, and the company's Chief Executive Officer is Lorenzo Dominique Berho Carranza. Board members are nominated and/or ratified in the Annual Shareholders' meeting.

2020 BOARD OF DIRECTORS

MEMBER	TYPE	ALTERNATE	TYPE
Lorenzo Manuel Berho Corona	Related/Chairman	Lorenzo Dominique Berho Carranza	Related
Stephen B. Williams	Independent	Douglas M. Arthur	Independent
José Manuel Domínguez Díaz Ceballos	Independent	José Humberto López Niederer	Independent
Craig Wieland	Independent	Enrique Carlos Lorente Ludlow	Independent
Thomas J. McDonald	Related	Daniela Berho Carranza	Related
Luis Javier Solloa Hernández	Independent	Viviana Belaunzarán Barrera	Independent
John Andrew Foster	Independent	José Antonnio Pujals Fuentes	Independent
Oscar Francisco Cázares Elías	Independent	Rocío Ruiz Chávez	Independent
Francisco Uranga Thomas	Independent	Jorge Alberto de Jesús Delgado Herrera	Independent
Luis De La Calle Pardo	Independent	Javier Mancera Arrigunaga	Independent
Alejandro Pucheo Romero	Non-member/ Secretary	Navil Rosario Marín Escamilla	Non-member/ Secretary

*This Board was appointed during the Shareholders' meeting of March 13, 2020.

THE BOARD MET FIVE TIMES IN 2019.

Date and percentage attendance

100% January 31	90% February 14
100% April 25	100% July 26
80% October 24	

The main duties of the Board are:

- Executing and overseeing that shareholders' decisions are executed.
- Defining and establishing strategies for the main business directives.
- Approving the annual business plan and budget.
- Designing and following up on implementation of ESG strategies and policies for the business.
- Analyzing potential risks.
- Approving compensation for the CEO and executive chairman and guidelines for compensation of key executives.
- Overseeing correct compliance with standards, certifications and Code of Ethics.
- Other faculties and obligations imposed by the Securities Market Act and the General Commercial Corporations Law.
- Approving extraordinary transactions as provided for in the applicable laws.

Vesta has ***six operating committees*** *that support the* ***Board of Directors*** *in its duties.*

Vesta board members receive economic compensation for their contributions, experience and knowledge of our industry, amounting to USD 3,800 for each meeting they attend. Committee chairmen receive USD 4,000 for every meeting and other members receive USD 3,000 per meeting. Members of senior management receive compensation in accordance with their responsibilities, market values, and an assessment of their goals and targets, and this compensation is reviewed annually by the Corporate Practices Committee.

This committee, in conjunction with the Board of Directors, is responsible for evaluating the performance of the CEO and making a recommendation on his compensation, which is approved or modified by the Board.

These operating committees are made up of senior executives and at least one independent board member, who in turn serve as Chairman or members in most cases, except for the Audit Committee and Corporate Practices Committee, which are made up exclusively of independent board members.

CORPORATE PRACTICES COMMITTEE

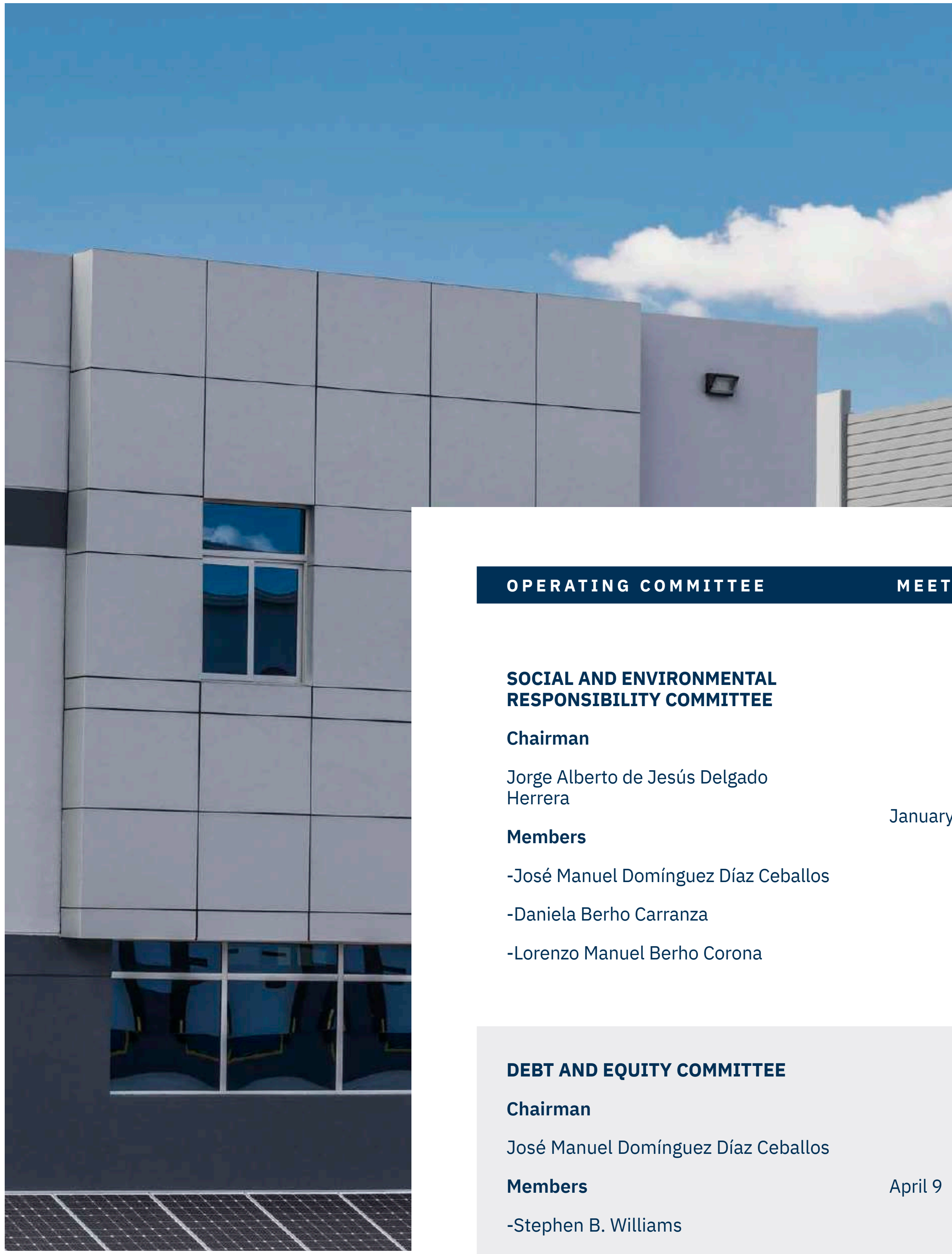
By express appointment of the Board of Directors, this committee is responsible for nominating candidates to the Board and its committees. Members of the Board are ratified by shareholders in the General Ordinary Annual Meeting, as are the chairpersons of the Audit and Corporate Practices Committees.

To ensure that all important matters for Vesta are taken into account, our CEO participates actively in almost all committee sessions, while the Executive Chairman of the Board of Directors serves as a link between the Board of Directors and the High Management. In addition, in some of the Board's ordinary sessions, progress reports are presented to reaffirm knowledge on social, environmental and economic issues, and sometimes the session is held in our parks with the aim of having a greater perspective of the situation of the communities where we have influence.

In 2019, the structure of these committees and the respective matters they dealt with was as follows:

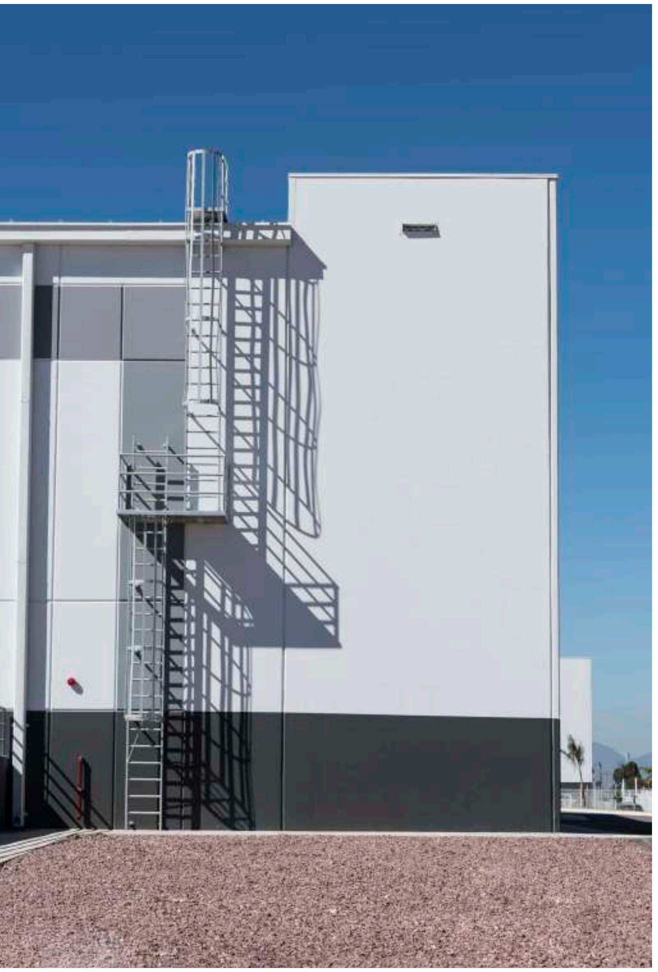
OPERATING COMMITTEE	MEETING DATES	MAIN ISSUES DEALT WITH
AUDIT COMMITTEE **Chairman** Luis Javier Solloa Hernández **Members** -Stephen B. Williams -José Humberto López Niederer -José Manuel Domínguez Díaz Ceballos -Lorenzo Manuel Berho Corona *	February 11 April 23 July 23 October 22	• Review and analysis of audited and consolidated financial statements. • Review of consolidated financial statements, audited by the independent auditor. • Review of compliance with tax obligations by Vesta's component companies. • Evaluation of independent audit plan, service proposal and recommendation on engagement of independent auditor. • Assessment and decision on services other than the audit of the basic financial statements. • Analysis and follow-up on the Company's operating budget for fiscal year 2019. • Review of quarterly reports issued by the internal auditor and follow-up on its findings. • Selection of suppliers of independent valuation services in 2019 and 2020. • Monitoring of compliance with resolutions passed by the Shareholders' Meeting and Board of Directors. • Approval of the operating budget for fiscal year 2020.

OPERATING COMMITTEE	MEETING DATES	MAIN ISSUES DEALT WITH
CORPORATE PRACTICES COMMITTEE **Chairman** Javier Mancera Arrigunaga **Members** -Stephen B. Williams -José Antonio Pujals Fuentes -Oscar Francisco Cázares Elias -Lorenzo Manuel Berho Corona*	January 22 July 10 October 3 December 10	• Review of executive goals for fiscal year 2019. • Review of salaries and short-term bonus applicable for 2019. • Engagement of an external consultant to conduct an executive compensation study and analyze the long-term compensation plan. • Review of the long-term incentive bonus for executives in fiscal year 2019. • Performance bonuses for 2019-2020. • Compensation of the CEO for 2019. • Composition of the Company's Board and Committees for fiscal year 2019. • Review of the work of the external consultant regarding executive compensation. • Review of the compensation budget for 2020. • Review and recommendation to the Board to approve the new policy on trading in company securities by people with access to inside or confidential information. • Start of work on policies governing transactions with parties related to Company executives.
INVESTMENT COMMITTEE **Chairman** John Andrew Foster **Members** -Stephen B. Williams -Lorenzo Manuel Berho Corona -Craig Wieland -Thomas J. McDonald	March 8 May 17 May 29 June 24 July 8 September 4 October 7 November 26	Approved total investment of USD 168,984,964 on projects such as: • Inventory and Build to Suit properties. • Building expansions. • Remodeling. • Acquisition of land and parcels. • Continuation of infrastructure.
ETHICS COMMITTEE **Chairman** José Antonio Pujals Fuentes **Members** -Elías Laniado Laborin -Alejandro Pucheu Romero -Alfredo Paredes Calderón -Lorenzo Manuel Berho Corona	October and various conference calls among members	• Dismissal of an employee for actions in violation of the Company Code of Ethics with a supplier, which had no material impact on the Company. • Adjustment of policies by the Human Resources department regarding reimbursement of employees in the corporate offices for vehicle parking expenses. • Clarifying talks with two employees. • Support for one employee who was affected by personal issues that were affecting his conduct on the job.



OPERATING COMMITTEE	MEETING DATES	MAIN ISSUES DEALT WITH
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE **Chairman** Jorge Alberto de Jesús Delgado Herrera **Members** -José Manuel Domínguez Díaz Ceballos -Daniela Berho Carranza -Lorenzo Manuel Berho Corona	January 10 2020	**Social** • Implementation of 17 social investment project in 10 states aligned with the issues of education, inclusion and community development. **Environmental** • Improvement in collection of environmental data. • Preparation of an ESG Recommendations Guide for tenants. • Creation of a Sustainable Construction Manual checklist to measure impacts and guarantee that contractors are using the manual. • Creation of a "green clause" for inclusion in lease contracts. **Corporate Governance** • Drafting of policies and procedures to generate Vesta's ESG system. • Program of commitment to stakeholders.
DEBT AND EQUITY COMMITTEE **Chairman** José Manuel Domínguez Díaz Ceballos **Members** -Stephen B. Williams -John Andrew Foster -Lorenzo Manuel Berho Corona	April 9	• Refinancing an existing syndicated loan for USD 150,000,000 set to mature in 2021. • Acquisition of a new revolving line of credit for up to USD 125,000,000.

*Permanent guest



In 2019, the Board of Directors was not notified of any critical concerns, and all other matters were addressed and resolved by the respective Committee.

We have policies that regulate the activities of board members, directors and employees with access to confidential or inside information, to company securities and guidelines for stock repurchase as established by the Securities Market Act, the Unified Issuers' Bulletin and Other Market Participants.

Furthermore, whenever our stakeholders require information or have a recommendation on matters relating to company management, financial information or corporate governance, we have channels of communication open for their use:

E-mail:
investor.relations@vesta.com.mx

Webpage:
www.vesta.com.mx

Publication of material information.

Reports to the Mexican stock Exchange and the National Banking and Securities Commission.

Annual and quarterly reports.

SENIOR MANAGEMENT

Vesta's corporate structure is made up of 20 directors, 27 managers and 44 employees.

Economic, social and environmental decision-making is delegated to these directors, who in turn carry out the instructions they receive from the Board of Directors and its respective Committees.

Risk management

102-15, 102-29, 102-30, 102-31

Vesta identifies, addresses, evaluates and regularly manages the internal and external risks the company faces, which stem from the market, regulatory, legal, technological, environmental and social phenomena to which we are exposed, considering local and global conditions.

Some of the specific risks to our business are: a general decline in rent values, devaluation of property values, reduced demand for spaces, higher interest rates, exchange-rate fluctuations, changes in government policies, financial market volatility, economic slowdown, rising competition, damage to property because of natural events, new environmental or security regulations, risks and effects of climate change, an adverse political situation in Mexico and global economic slowdown, and others.

Each area is in charge of identifying its specific risks in order to weigh them and define actions plans for assessing, mitigating and monitoring them under a strict comprehensive framework.

The result of this exercise last year was the identification of 47 high-risk situations, 56 considered medium-risk and 15 considered low-risk, relating to operations in the following areas of the organization:

- Portfolio management
- Internal audit
- Commercial
- Purchasing
- Communication
- Accounting
- Development
- Finance
- Integrity
- Investment
- Legal
- Marketing
- Human Resources
- Public relations
- Senior management
- Environmental
- Social

Ethics and human *rights*

102-16, 102-17, 102-25, 103-1, 103-2, 103-3, 205-1, 205-2, 205-3, 206-1, 406-1, 407-1, 408-1, 409-1, 412-1, 412-2, 412-3

We do business according to a culture of trust, respect, honesty, integrity, equitability, fairness and legality. The document that expresses our ethical commitment and serves as our guide to regulate the conduct of everyone who works in or with the company is the **Vesta Code of Ethics**[5].

In order to keep this code up to date, in December 2019 we held a workshop with our employees, and every year we also hold dialogue sessions with our stakeholders in which we discuss new ethical issues and dilemmas in real estate industry.

[5] You can view Vesta's Code of Ethics at: https://www.vesta.com.mx/misc/pdfs/CodeofEthics.pdf

When new hires join the company, they are asked to read and sign the Code of Ethics, and they also receive information on our ethical philosophy during the onboarding program. Other personnel receive training on integrity and anti-corruption. In 2019 we offered training to our Board members and all employees on anti-corruption procedures, legality culture, risk identification and mitigation, and other aspects. Our suppliers are given a kit containing Vesta's ESG policies, ESG requirements for suppliers, the Anti-corruption Policy and Code of Ethics. Other stakeholders have access to all of our policies on our website at vesta.com.mx

We have a zero-tolerance stance on corruption, which we share with our employees and other stakeholders, and we ask both our clients and suppliers to familiarize themselves with our Code of Ethics and to comply, like us, with the Law on Prevention and Identification of Transactions with Resources of Illegal Origin, with the Federal Labor Law, and the Manual of Sustainable Construction for contractors.

Claims and reports of violations of our Code of Ethics are handled by an independent party, which creates an objective process that can be carried out under orderly procedures, giving our stakeholders more confidence in this process.

This independent company is called Global Ethics, and it manages a whistleblower hotline through which all of our stakeholders can file their complaints and reports confidentially and anonymously.

CHANNELS FOR FILING CLAIMS AND REPORTS

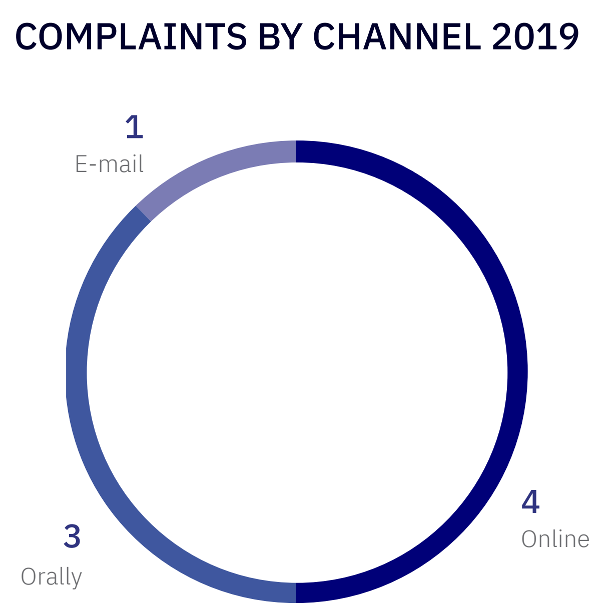
E-mail: **etica@vesta.com.mx** o **reporte@nuestrocompromisoetico.com**

Phone: **01 800 04 ética (38422)**

Webpage: **www.nuestrocompromisoetico.com**

App: **Ethics Global**

Members of the Ethics Committee can also receive complaints directly from employees by e-mail or phone, if the employee wishes.



In 2019 we received ***eight complaints****, four of which were regarding ethical issues and four* ***administrative matters.***

100% of the grievances filed were sent directly to the Ethics Committee for investigation and to determine the appropriate sanction, which might range from an admonishment to dismissal or the filing of legal charges. Conflicts of interest complaints were addressed and resolved by the Corporate Practices Committee. Applying the sanctions is the responsibility of company management.

To avoid conflicts of interest, we include recommendations in the Vesta Code of Ethics and, since 2018 we have asked executives and employees to fill out a disclosure form on this issue, and we also evaluate all of our operations for corruption-related risks.

In 2019 Vesta received no reviews, complaints, sanctions or fines relating to anti-competitive practices or actions against free competition, privacy or the theft or loss of personal data, or for any other violations of the law.

We respect the **human rights** of all the people with whom we interact, so our Code of Ethics, ESG Policy, leasing and supplier contracts include specific clauses on human rights protection. We also have a clear stance against using child labor or any form of forced labor, and have been signatories of the United Nations Global Compact since 2011, principles that we promote among our stakeholders.

Because of this commitment, in 2019 we received no complaints of violations of laws regarding labor practices or freedom of association, or of forced labor, child labor, discrimination, negative social impacts or human rights violations.

Our team

102-7, 102-8, 102-35, 102-36, 102-41, 103-1, 103-2, 103-3, 401-1, 401-2, 401-3, 403-2, CRE6, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-1, 404-3, 405-1

We are able to offer measurably superior service to our clients and develop our strategic business vision because of the talent of our 91 employees, whose extensive experience in their areas have supported Vesta's drive to become the best option for real estate developments in Mexico.

EMPLOYEES

2016	66
2017	80
2018	90
2019	91

EMPLOYEES BY LENGTH OF DAY AND GENDER 2019

91 Colaboradores

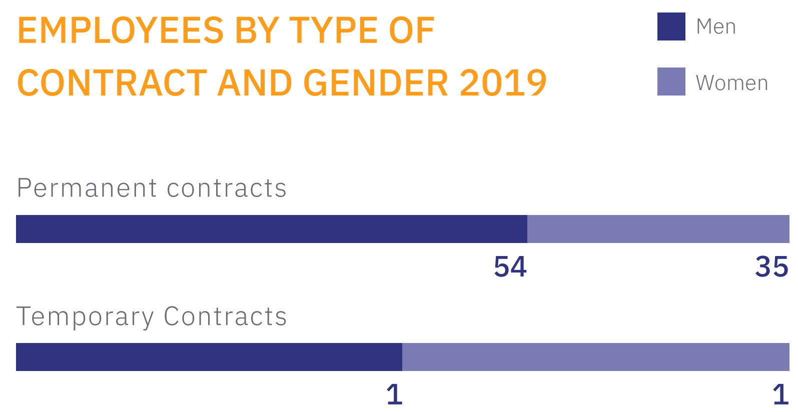
FULL-TIME

55 Men

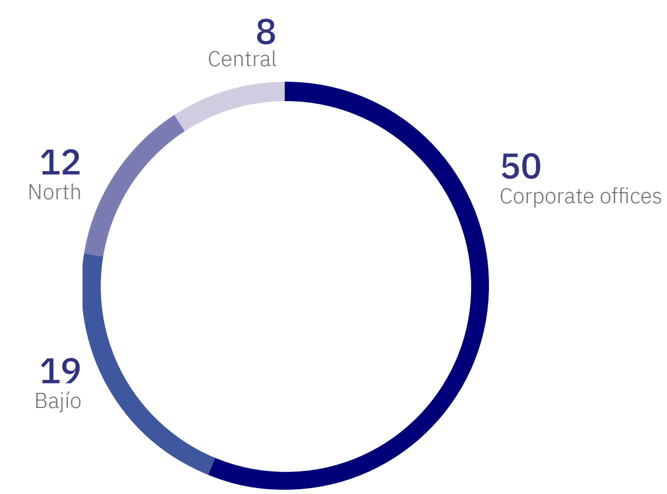
36 Women

*All our employees work full-time.

EMPLOYEES BY TYPE OF CONTRACT AND GENDER 2019



EMPLOYEES WITH PERMANENT CONTRACT BY REGION 2019



*At our headquarters, there are two employees with temporary contracts.

Our staff is made up of men and women who have been selected for their professional and technical qualifications, without regard to age, gender, origin, nationality, marital status, ideas, opinions, religion, social or economic situation, political or sexual preference, in line with our Diversity and Inclusion Policy. And although we promise our employees full freedom of association, no employee is a union member.

The personnel with whom we have permanent contracts are employed directly by Vesta Management, S. de R.L. de C.V. Our industrial buildings and parks are built by independent contractors who maintain their own collective bargaining agreements with their employees.

PERCENTAGE EMPLOYEES BY GENDER, AGE RANGE AND POSITION 2019

JOB CATEGORY	WOMEN -30 YEARS	MEN -30 YEARS	WOMEN 31-50 YEARS	MEN 31-50 YEARS	WOMEN +51 YEARS	MEN +51 YEARS
Directors	1%	0%	1%	12%	1%	6%
Managers	1%	1%	4%	13%	2%	4%
Administrative	9%	4%	17%	17%	5%	2%
Total	**11%**	**5%**	**22%**	**42%**	**8%**	**12%**

NEW HIRES BY GENDER, AGE RANGE AND REGION 2019

Bajío Region

2 men
- Less than 30 years: 1
- Between 31 and 50 years: 1

Corporate

4 men
- Less than 30 years: 2
- Between 31 and 50 years: 2

4 women
- Less than 30 years: 2
- Between 31 and 50 years: 2

EMPLOYEE DISMISSALS BY GENDER, AGE RANGE AND REGION 2019

North Region

1 woman
- Less than 30 years: 1

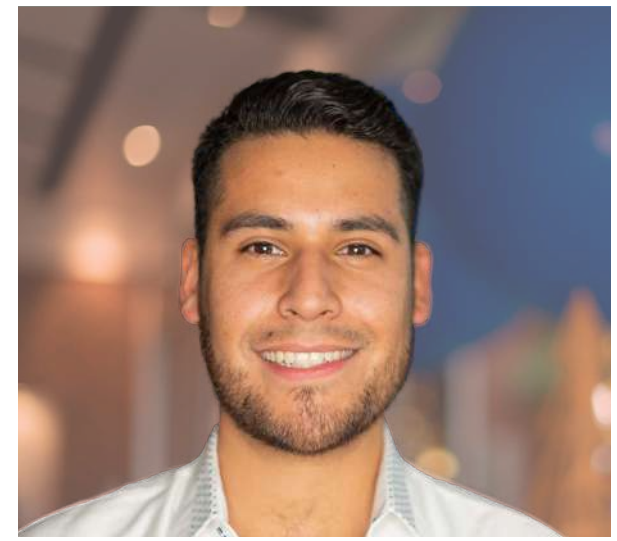
Corporate

3 women
- Less than 30 years: 2
- Between 31 and 50 years: 1

Bajío Region

1 woman
- Between 31 and 50 years: 1

1 man
- Between 31 and 50 years: 1



We offer competitive compensation to our employees, based on expert opinions, and adjust them annually. Compensation is calculated using the HAY terminology, which groups together positions in the company into a table that takes into account the responsibilities of each position and their equivalent in companies that are similar in terms of industry, sales volume and number of employees. Compensation is composed of fixed and variable income, hiring bonuses or incentives, severance pay, reimbursements and retirement benefits.

EMPLOYEE TURNOVER

	2016	2017	2018	2019
New hires	25	20	16	10
Dismissals	11	10	7	6
Total employees	66	80	90	91
Turnover	30.2%	20.5%	13.5%	8.3%

Turnover = (hires + dismissals)/2*100, divided by the total number of employees at the start of the year + total employees at the end of the period/2

JOB BENEFITS

Because we want to retain and motivate our team, we offer performance bonuses and benefits that exceed the Mexican regulatory minimum. Among these benefits are: seniority bonus, 25% vacation bonus, profit-sharing, between six and 25 days of vacation depending on the position, bank business holidays, annual performance bonus equivalent to two months' salary, gasoline and grocery vouchers, major medical insurance for employees and their family members under 24, life insurance and auto insurance on Vesta's fleet. We also have a stock incentive plan for executives.

Pregnant employees have the option of deciding the date on which to start their regulatory maternity leave and can work flex time at full salary for up to six months after the end of that period and, in some cases, depending on their position, may choose a home office situation. Male employees are given 10 extra personal days that they may take at any time during the six months following a birth or adoption. In 2019 we granted one maternity leave, and the employee returned to work at the end of this period.

Vesta's headquarters, located in Mexico City, have earned **WELL Building Standard®** since 2017 by the **International WELL Building Institute™**, which means that our spaces combine best practices in design and construction to improve working conditions as regards:

- Air Quality
- Water preservation
- Nutrition
- Lighting
- Promotion of physical activity
- Comfort
- Mental wellness

Because we want our employees to enjoy a balanced lifestyle, every day we offer healthy snacks, and we provide a subsidy of up to Ps. $10,440 a year for gym memberships, sports programs and races.

Furthermore, to ensure our employees' health and physical safety, We make sure all of our facilities are safe for employees, contractors, suppliers, or any other visitor. In 2019 we offered training in civil defense, first aid and basic life support to all our employees for the first time, creating a brigade that is prepared to respond in evacuations and other emergencies that may occur in our facilities, and minimize the risk of accidents on the job.

This past year we conducted a survey to identify psycho-social risks and learn more about the factors that affect our employees and take action to prevent or mitigate these risks. Through this exercise, we identified three main psycho-social risks:

01 **Workload.** There are positions whose workload has grown over time, and these have now been identified to restructure them and better distribute the responsibilities so that these employees are not overburdened by their work. We will also be giving a time management workshop.

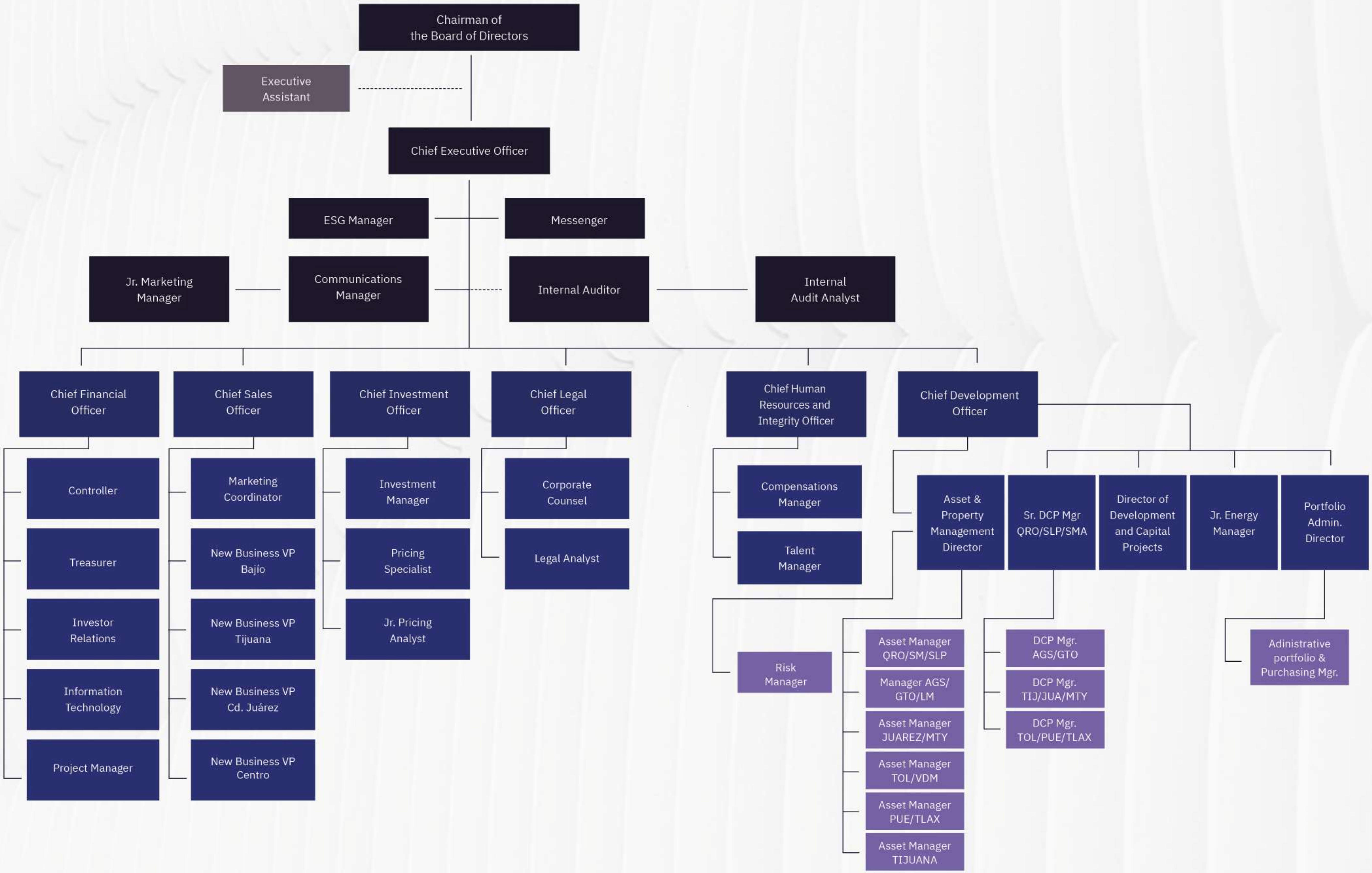
02 **Work day.** In some positions, like Asset manager, given the nature of their job they must be on call outside of usual working hours because problems in our properties can arise at any time.

03 **Interference in work-family relationship.** Vesta employees already have a system of escalated work hours, and the last Friday of every month we offer a wellness talk on a variety of issues to provide them with indispensable tools and information on improving their own well-being and that of their families. One of the actions we will take to mitigate this risk is to organize events in which employee family members can participate.

Another action we took last year to address these risks was to update the policy on prevention of psychosocial risks in each workplace, offer medical and psychological checkups, wellness talks focused on these issues, and an app for following up on actions discussed in the talks, among others.

Because the nature of our business, we at Vesta are not involved in any high-risk activities, nor do we use hazardous materials, so there are no major risks to our employees of contracting some work-related illness. As a result, in 2019 we had no accidents, injuries, absenteeism or fatalities.

VESTA ORGANIZATIONAL CHART



We make a constant effort to stay at the forefront of the real estate industry, while working to support the professional growth of our employees. For this reason we offer them a variety of professional and personal training and education options, including English courses, tax updates, leadership skills, project management and courses that help employees to advance within their area, even specialization courses in functional areas and support for continuing education and master's degrees.

Our development and training plans are managed by the Human Resource Department, which is also responsible for applying a 360º performance evaluation of our team every year. As a result of this evaluation, each employee is given a personal development plan to improve his or her skills.

*In 2019, we provided **3,814 hours** of training to our employees, an average of **42 hours** per employee.*

EMPLOYEE TRAINING BY GENDER AND JOB CATEGORY 2019

	Women			Men		
Job category	Total employees	Total training hours	Average training hours per year	Total employees	Total training hours	Average training hours per year
Directors	3	8		12	634	
Managers	7	1,662	62	9	486	29
Administrative	25	504		35	520	
Total	**35**	**2,174**		**56**	**1,640**	

This year we applied the Great Place to Work® Survey to measure the organizational culture that operates within Vesta. Our rating in 2019 was 81%, which is only average, so we will be applying various initiatives to strengthen areas and innovate our culture to align more with new generations.

Stakeholders

103-1, 103-2, 103-3, 102-21,
102-40, 102-42, 102-43, 102-44

Our growth and results depend largely on all the people we interact with, and who we have identified and classified into seven main stakeholder groups.

We maintain frequent, two-way conversation with them to learn about their concerns, keep them abreast of issues that concern them in our business, and above all to meet their needs.

We do this through our ESG and Investor Relations departments, the Social and Environmental Responsibility Committee, and other direct paths of communication with the specific Vesta area involved in the issue. In 2019 we began a Commitment Program with the aim of improving the sustainability yield of our portfolio through targeted actions that support Vesta's cooperation with its stakeholders.

STAKEHOLDER AND FREQUENCY OF COMMUNICATION	TYPE OF CONTACT	KEY ISSUES AND CONCERNS
Clients **(Monthly, annual)**	• Asset Management visit or call by region and client. • Biannual Customer Satisfaction Survey. • Frequent group and individual meetings. • Building maintenance program and contract renewals. • Additional contact from Asset Management areas in headquarters and regional offices, for specific needs. • Web page. • External quarterly newsletter. • Integrated annual report. • Participation in industry events and forums in all regions. • Participation in social responsibility projects. • Openings and foundation-laying ceremonies. • Complaints hotline. • Tenant Appreciation Day. • E-mail address monitored daily: info@vesta.com.mx.	• Improve frequency and speed of service for tenants. • Action plan for Asset Managers.

STAKEHOLDER AND FREQUENCY OF COMMUNICATION	TYPE OF CONTACT	KEY ISSUES AND CONCERNS
Shareholders and Investors **(Annual, quarterly)**	• Shareholders' Meeting. • Quarterly call. • Investors Day. • Integrated annual report. • Reports to the BMV and CNBV. • Constant contact with the Investor Relations Office. • Participation in investment forums. • Meetings with shareholders, investors, financial analysts, debt holders and global bankers. • Visits to industrial properties and parks. • Web page. • Complaints hotline. • E-mail address monitored daily: investor.relations@vesta.com.mx	• Income statements. • Company financial position. • Information on sustainability, primarily regarding scope 2.
Suppliers **(Annual, weekly)**	• Annual satisfaction survey. • Oracle system for expedited payments. • Contractors Day. • Public tenders for contractor selection. • Work meetings and calls. • Weekly report during construction process. • Participation in social responsibility projects. • Complaints hotline. • E-mail address monitored daily: info@vesta.com.mx	• Time between billing and payment.
Employees **(Weekly)**	• Monthly internal newsletter. • Quarterly information meeting. • Monthly communications from the CEO. • Biannual organizational climate survey. • Annual performance evaluation. • E-mail address for complaints. • Intranet. • Web page. • Open-door policy to see any director. • Complaints hotline. • Videowall. • Quarterly meeting with the CEO. • E-mail address monitored daily: info@vesta.com.mx	• Keep employees informed of important issues for Management through ambassadors' program. • Renewal of ambassador program for 2020. • Satisfaction with company prestige. • Pride in being part of the employee team. • Training program. • Deficient internal communication.

STAKEHOLDER AND FREQUENCY OF COMMUNICATION	TYPE OF CONTACT	KEY ISSUES AND CONCERNS
Real estate industry partners **(Quarterly)**	• Participation in industry associations. • Brokers Day. • Participation as speaker and/or sponsor in industry events. • Frequent meetings with brokers. • Visits to industrial buildings and parks. • Media interviews. • Presence in foreign investment and sustainability journals. • E-mail address monitored daily: info@vesta.com.mx	• Joint cooperation to strengthen the Mexican real estate industry.
Society and communities **(Monthly)**	• Vesta social investment projects working together with NGOs. • Publications in a variety of media. • Involvement in local community projects. • B20, AFL, YPO and other panels. • Open communication before and during development of our industrial parks. • Complaints hotline. • Press invitations to openings and cornerstone-laying ceremonies. • Presence in magazines promoting foreign investment and sustainable issues. • Web page. • Advertisements for our developments in various media. • E-mail address monitored daily: info@vesta.com.mx • Social media.	• Involvement in communities where our projects are present, according to the needs and always aligned with our core business.
Government **(Quarterly)**	• Ribbon-cutting ceremonies, meetings and other events. • Participation in forums and events focused on attracting foreign investment. • Meetings and calls. • Presence in magazines promoting foreign investment and sustainable issues. • Participation in municipal and state forums. • Complaints hotline. • E-mail address monitored daily: info@vesta.com.mx	• Compliance with federal, estate and municipal laws in all of our operations.
Media **(Quarterly)**	• Radio and print media interviews. • Press conferences. • Web page. • Press releases and stakeholder newsletters.	• Greater investment in media in line with the company's growth.

INVESTORS & BROKERS DAYS

In June 2019, we held our Investors' Day in New York. The event was attended by 73 analysts and investors, and in it we commented on the successful completion of the targets of our Vesta 20/20 Vision Strategic Plan and announced our new business strategy, the **Vesta Level 3 Strategic Plan**, which conceives of us as a fully-integrated, publicly-owned company that buys, sells, develops, re-develops, administers and rents industrial buildings and parks in 15 states of Mexico.

In addition to cultivate our relationship with brokers that have closed deals for us, in October we held Brokers' Day in San Miguel de Allende. This three day event included an introduction to Vesta Park Querétaro and various activities at the Hotel Live Aqua in San Miguel. It was attended by 80 guests.

Industry associations

102-12, 102-13

We are deeply committed to development and promotion of the real estate industry, which is why we seek out strategic alliances with national and international industry associations and industry chambers, and participate actively in them to fulfill this commitment.

Additionally, our Chairman of the Board Lorenzo Berho Corona, has been a member of the Interdisciplinary Board of Responsible Business Conduct and Anti-Corruption for the B20 since 2018, and since 2018 has sat on the Consulting Committee of Alliance for Integrity in Mexico.

- Alliance for Integrity[1,2]
- *Asociación Mexicana de la Industria Maquiladora y Exportación* (AIM) *Tijuana y Ciudad Juárez*[1]
- *Asociación Mexicana de Parques Industriales* (AMPIP)[1,2,3]
- *Asociación de Parques Industriales Privados del Estado de Guanajuato* (APIPEG)[1,2]
- B20[2]
- *Comité de Emisoras de la Bolsa Mexicana de Valores*
- *Comité de Sustentabilidad de la Bolsa Mexicana de Valores*[1]
- *Comité México-Alemania de Comercio e Industria* (CAMEXA)
- *Consejo de América Latina de* Real Estate Network *de YPO/WPO*
- *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología* (COMCE)[1,2]
- *Desarrollo Económico de Ciudad Juárez*
- *Desarrollo Económico e Industrial de Tijuana* (DEITAC)[1,2,3]
- *Federación Mexicana de la Industria Aeroespacial* (FEMIA)
- SIOR / Mexico Chapter[1]
- ISO 9001:2015
- National Association of Real Estate Investment Trusts (NAREIT)
- United Nations Global Compact (UNGC)[1]
- Smart Border Coalition[1,2]
- *Sustentabilidad para México* (SUME)
- US Green Building Council (USGBC)
- Urban Land Institute (ULI)[2]
- WELL Building Standard
- Borderplex Alliance (El Paso, Juárez y Las Cruces)[1,2]
- NAIOP Commercial Real Estate Development Association[1]

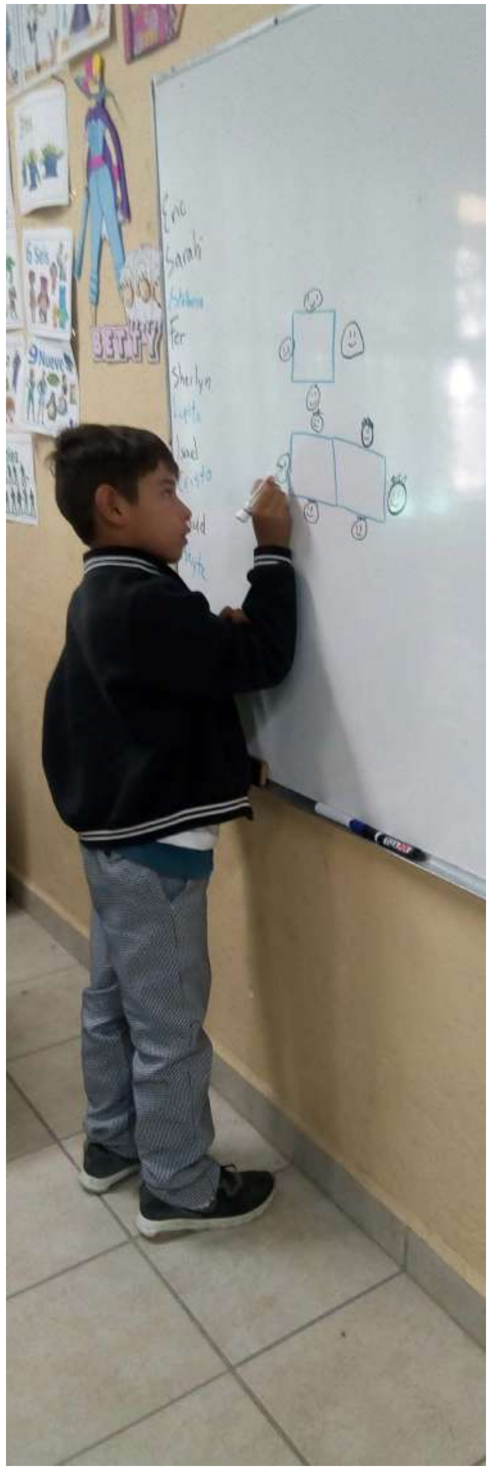
[1] We occupy a position in the association's corporate governance

[2] We participate in association projects or committees

[3] We provide financing our membership dues, toward sponsorships, events and marketing

Commitment

As key actors in the communities where our properties are located, we are aware of our responsibility to create opportunities for dialogue and development with our stakeholders, and to manage in a sustainable way the resources we use to operate.



We promote economic growth, create jobs, transfer knowledge and build innovation and connectivity not just through our properties but also through the infrastructure provided by our industrial parks, which directly contributes to better standards of living for the communities around them.

In 2019 we invested more than 2 million pesos in 22,819.49 square feet of concrete paving for streets.

We advocate for sustainable development and work to reduce negative impacts on the environment. We build only in spaces previously zoned for industrial activity by local governments, which also ensures a low social impact, because we are not involved in voluntary or involuntary displacement of communities.

Social contribution

102-11, 203-1, CRE7, 103-1, 103-2, 103-3, 413-1, 413-2

According to our **Environmental, Social and Governance Policy**, Vesta invests one U.S. cent in the community for every square foot rented. This year we invested USD 269,086.

With this investment, we work toward positive social change in 100% of the regions where we operate, through 17 social investment projects.

Annual investment in social initiatives (USD)

2017*

$280,047

2018

$234,049

2019

$269,086

To focus our efforts, all of our social investment projects are aligned with three action lines that relate to our business: **education, inclusion, and community development**. To ensure we are contributing in the best way possible to each cause, we carry out these projects in partnership with non-governmental organizations, the community, with some suppliers and clients, with academe, and with local authorities.

All of Vesta's projects are approved by the Social and Environmental Responsibility Committee (SERC) and the CEO. They also follow a work plan designed specially to meet the needs of the community where they are in place, based on a specific socio-economic, environmental and cultural diagnosis prepared by experts in the field. Furthermore, we closely track the impact of each initiative during its implementation, and continue it for at least two or three years to ensure a real and lasting change in the well-being of the community in question.

*In 2017 we made an extraordinary investment in social initiatives to support people whose homes were destroyed or damaged in the September earthquakes in Oaxaca, Chiapas, Puebla and Mexico City.

Education

VESTA WALKING TOGETHER

Fifth year of the program

With this project, previously called “Vesta Adopts a School,” we promote and follow up on the acquisition and development of skills for healthy lifestyles and holistic wellbeing for children, involving teachers and parents, to improve the school environment, boost academic yield, prevent violence, and build awareness about being good citizens.

The schools we worked with last year were: The Othón Martínez Elementary School in Ciudad Juárez, Chihuahua, the Indepedencia Elementary School in Huamantla, Tlaxcala, and the José Peinado Altable Preschool in San Blas, State of Mexico. In 2019 we held 35 participative sessions with all the schools and conducted various evaluations. The key results were:

EARLY ELEMENTARY

40% increase in Vesta’s community visibility

8% Empathy

33% increase in planning ability

6% Self-esteem

10% of classroom rules followed

2% Self-awareness

MIDDLE ELEMENTARY

32% increase in perception that Vesta is concerned about children’s well-being

10% in awareness of children’s rights

8% in ability to handle social pressure

30% increase in Vesta’s community visibility

In gender equity issues, children are willing to engage in activities regardless of whether they’re traditionally considered for men or women.

PRESCHOOL

21%

of conducts favor gender equity

Boys and girls were able to identify their emotions and are in the process of developing social skills that contribute to an appropriate school environment.

TEACHERS

Teachers at the Othón Martínez Lara Elementary School have the experience and tools needed to continue the program on their own.

40%

increase in awareness about active citizenship, its components and human rights

33%

increase in Vesta visibility with teachers

Beneficiaries:
430 students
30 teachers
3 instructors
46 parents

Investment:
Ps. **$506,250**

Alliances:
Fundación Yo Quiero Yo puedo -IMIFAP and Nestlé.

Location:
Ciudad Juárez, Tlaxcala, and Toluca

CHILDFUND MEXICO

Ninth year of the program

We helped transform the life of schoolchildren in rural areas through a comprehensive community development project involving our employees as sponsors.

Sponsored boys and girls have access to a programmatic offering developed by ChildFund for each life stage:

- **Life stage I (0-5 year olds):** Growing with You to support emotional, cognitive, and motor development and healthy lifestyles for children under 6.
- **Life stage II (6-12 year olds):** My body and me, Growing without violence, Technological skills.
- **Life stage III (13-18 years olds):** My body and Me, Growing without violence, #MiVozExige, technological skills and online high school degrees.

In 2019 we maintained communication between sponsors and their foster children through letters. We also conducted focus group evaluations in two categories. The results were:

Children 3-8 years

- **9** children participated.
- **100%** had heard people talk about their rights.
- **100%** were able to identify the risks to which they are exposed.
- **100%** were aware of the risks of browsing the web without adult supervision.
- **100%** know what respectful communication is.
- **89%** can identify violence toward children.
- **78%** like teamwork.
- **67%** can identifying bullying actions.
- **67%** know that eating well and exercising is the best way to stay healthy and strong.
- **67%** identify what being a friend means.
- **33%** know there are options for resolving a problem.
- **11%** can identify some failure or problem in the way children are protected in the community.

Children 9-12 years

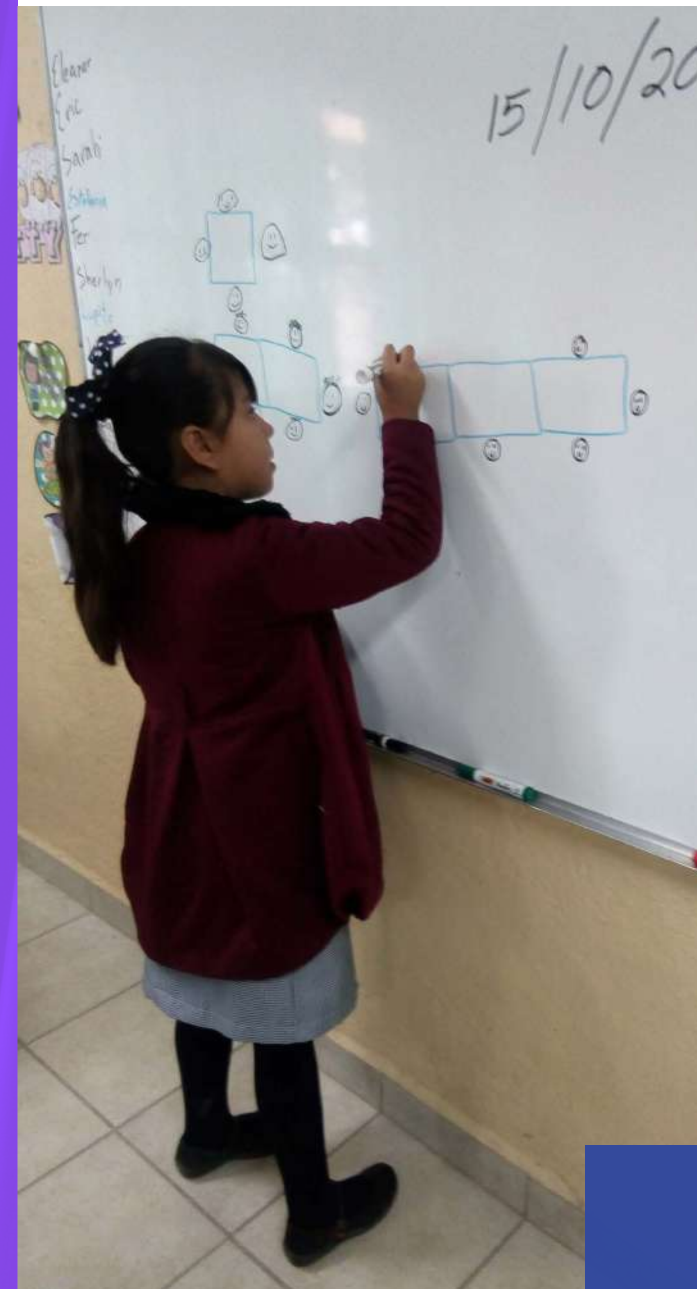
- **13** children participated.
- **100%** know they have rights that protect them.
- **100%** identify bullying as a type of violence that begins in school.
- **100%** know that teamwork means integration.
- **92%** can identify violence against children.
- **85%** know that the best way to raise children is with care and affection.
- **85%** know that self-care involves body, mind and diet.
- **77%** identify friends as someone they can trust.
- **69%** recognize that family is a refuge and feel protected by the family ties.
- **61%** will ask help from the parents for making decisions or solving problems.
- **8%** cannot identify an addiction.

Beneficiaries:
27 boys and girls

Investment:
Ps. **$112,500**

Alliances:
ChildFund Mexico, La Casa de los Niños de Tezonapa, A.C.

Location:
Puebla



#MATEMATIZA2

Second year of the project

We gave a course to a third-grade elementary class to develop their mathematical, algebraic and arithmetic skills and to encourage reasoning, generalization and representation in various mathematical situations. We also modified schemes for teaching and learning math.

This year we found that a third of the kids we were working with had difficulties with reading and writing. Although we recorded a significant 7.8% improvement in the ability of the children evaluated to solve problems with mathematical elements, there was also an 8.6 point improvement between the pre- and post-evaluation results.

Beneficiaries:
41 children
6 teachers
239 children

Investment:
Ps. **$187,500**

Alliances:
Fondo Unido, Cristóbal Colón Elementary School, UNAM, Universidad Veracruzana, CINVESTAV

Location:
Aguascalientes

ADOPT A TALENT PROGRAM

Second year of the project

We encourage children and teenagers to develop science talent through workshops, courses and activities in which they build knowledge through exploration, experimentation and analysis.

As we do every year, in 2019 we evaluated the development of science skills in children, like observing, asking, explaining, predicting, planning and interpreting. We saw a 45% improvement over 2018 in the results of this evaluation. We also provided training to pre-school, elementary school and middle school teachers.

Beneficiaries:
689 children
48 teachers

Investment:
Ps. **$318,750**

Alliances:
Fundación Pauta, Fundación UNAM, Instituto de Ciencias Nucleares de la UNAM, UNAM Campus Juriquilla, Universidad Autónoma de Querétaro, CONACYT

Location:
Querétaro

A BETTER FUTURE IS POSSIBLE

First year of the project

We provided business training to young persons between 15 and 29 years of age to strengthen their confidence and self-esteem and develop their social and business schools so they can enter a productive field and become economically self-sufficient.

In 2019 we gave a workshop entitled “Emprende,” where students learned about human development, gender equity, management, marketing, finance, legal and tax aspects, sales, customer service and corporate social responsibility. At the end of the workshop, the students had created 71 business plans, which were reviewed in five group sessions.

Additionally, 59 students received a diploma at the end of the workshop, 12 of them with an 80% attendance rate. At the conclusion of the project 22 young persons had learned a productive activity, 77% of which obtained jobs and the remaining 23% went into business for themselves.

Beneficiaries:
75 young people
60 families

Investment:
Ps. **$150,000**

Alliances:
Fundación Proempleo Productivo, Colegio Nacional de Educación Técnica CONALEP 176, Escuela Preparatoria Municipal Nueva Generación

Location:
San Luis Potosí

Inclusion

BIRDS WITHOUT PARADISE

One-time project, implemented in 2018-2019

This binational program was created to promote respect for human rights and cooperation in the Tijuana-San Diego region. Participants created birds out of corn husks, representing freedom and creativity. The birds were hung in downtown Tijuana, at the Tijuana International Airport border crossing, and Liberty Station in San Diego.

This was not a political program, nor did it have to do with migration issues; its purpose was simply to promote cooperation in the region.

Beneficiaries:
700 children
100 volunteers
22 schools

Total investment in the project:
Ps. **$373,875**
Sponsorships in 2018 and 2019: Ps. **$656,718**

Alliances:
Manuel Molina, Tijuana City Council, the San Diego School District, Seica, Hermosillo y Asociados, Sentre, Ware Malcomb, Joe Smith, Smart Border Coalition, RL Jones Customhouse Brokers, NTC Foundation, Rabbit Graphics and Generador

Location:
Tijuana and San Diego, California

Community development

SUEÑO MEXA 2.0 + PLURALES

Second year of the project

We seek to encourage children to develop a deeper sense of social responsibility to themselves and their community by improving conduct, encouraging freedom of expression, crime prevention, and creating healthy environments for getting along with others.

The project is aimed at teenagers between 13 and 16 years old who have problems with anti-social conduct, abuse, violence or bullying, dropping out, low academic performance or critical family problems.

In 2019 we introduced a psychological filter to detect the main areas where children needed work. We found that:

80%
were having problems with socio-emotional skills, self-image and self-esteem

50%
exhibited hypersexualized behavior

40%
said they were having conflicts with authority figures

30%
showed some sign or risk of physical, sexual or psychological abuse

For this reason, we defined five action lines for the preparation of the workshops: socioeconomic skills, sexuality, conflict resolution, resilience and social awareness.

Beneficiaries:
130 teenagers
4 volunteers
13 workshop leaders

Investment:
Ps. **$83,437**

Alliances:
Sueño Mexicano + Plurales, Tijuana Innovadora, Centro de Iniciación Xoloitzcuintle, Universidad Iberoamericana, Centro Comunitario El Florido IV Sección, Casa de las Ideas

Location:
Tijuana

DEVELOPMENT OF LOCAL ECONOMIES

Second year of the program

We work to develop local communities, while respecting their local history, culture, and identity, as well as each other characteristics, strengthening their entrepreneurship and innovation ecosystems.

Starting this year, in partnership with our allies, we worked on training local entrepreneurs to address objectives of local, shared, sustainable development. We offered four training programs totaling 11,360 hours of training, 71 hours per entrepreneur.

As a result, 25 projects were selected and awarded a total of Ps. $500,000 in seed capital; Ps. $1.2 million invested in local projects; and Ps. $2.1 million invested in the municipality through a joint investment by the city council, Vesta and Ballon Latam. One telling indicator of this intervention's success was that sales revenues for the 75 entrepreneurs totaled Ps. $1.14 million over a five-month period.

30
local agents connected

10
projects in the UPAEP incubator

37
media mentions

93%
of people with some type of entrepreneurship project

30
projects participating in fairs

78%
with social and environmental impact projects

73% participate in activities to benefit the community

67% main source of household income is entrepreneurship

54% of participants are women

78% confidence due to jobs created

increase in confidence from **4.5** to 10

36% increase in trust in government

43% mention belonging and pride

Beneficiaries:
160 social entrepreneurs
76 leader social entrepreneurs

Investment:
Ps. **$600,000**

Alliances:
Balloon Latam, Huejotzingo Municpal Government, Universidad Popular Autónoma del Estado de Puebla

Location:
Puebla

CONSTRUYENDO

Fourth year of the program

We built a new wing for the Sor Juana Inés de la Cruz school in the community of Santiago Tilapa, with the help of volunteers from corporate office and our Toluca office, with allied contractors.

Beneficiaries:
50 children
25 parents
48 volunteers
14 allied contractors

Investment:
Ps. **$206,000**

Alliances:
Construyendo

Location:
Toluca

BAJA CHALLENGE

Fourth year of the program

We helped build a home for the Nova Sotelo family, which were living in a vulnerable situation.

Beneficiaries:
1 - 4 member family
12 volunteers

Investment:
Ps. **$93,750**

Alliances:
Ware Malcomb

Location:
Tijuana

PARTICIPATIVE PLANNING PROCESS: CHICHIMEQUILLAS COMMUNITY

First year of the project

We began a process of participative planning to create common projects and promote local development in the Chichimequillas community of Guanajuato.

In 2019, through four participative workshops, we assisted the community in a self-diagnosis to determine its current needs in the areas of education, health, economy, housing, migration and infrastructure. We then went on to help them define actions to manage and/or carry out in the short, medium and long term, for each issue.

Furthermore, to make the project sustainable, we organized local groups of community residents who will follow up on the actions with the support of the foundation.

Beneficiaries:
500 people in the community surveyed

Investment:
Ps. **$187,500**

Alliances:
Fundación Comunitaria del Bajío, A.C..

Location:
Silao, Guanajuato

Other social activities

VESTA CHALLENGE 2019

First year of the project

We organized a bicycling event as a fundraiser in which 100% of the inscription fees went to support education, inclusion and community development in the states where Vesta is present. The event was open to bicyclists of all ages from the region. It was held on October 5 in the city of Querétaro, starting at Vesta Park Querétaro.

Beneficiaries:
600 bicyclists and **250** volunteers

Distances:
Gran Fondo **(104km)**, Medio Fondo **(52km)** and Piccolo Fondo **(3.7km)**

Alliances:
6 foundations and **10** stores that sold inscriptions, supported bicyclists and publicized the race, **15** sponsors.

Location:
Querétaro

SUPPORT FOR CASTRO LIMÓN BIKE RACE

Fourth year of the project

We sponsored a bicycle race organized by the Castro-Limón Foundation to benefit children with cancer. The race was 60 kilometers long, from Baja Studios in Rosarito to Vinos Bibayoff in Valle de Guadalupe.

Beneficiaries:
5 children

Investment:
Ps. $**93,750**

Alliances:
Fundación Castro-Limón

Location:
Tijuana

SAN LUIS POTOSÍ VOLUNTEER CORPS

First year of the project

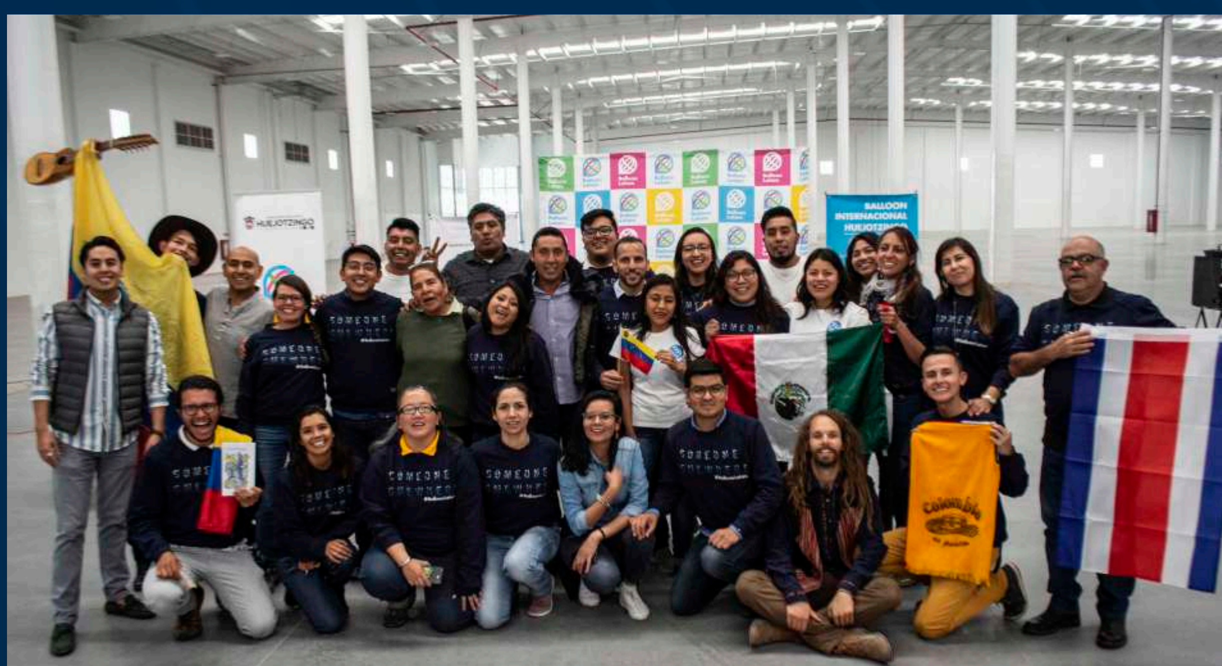
We improved infrastructure for two schools through activities like painting, replacing windows and repairing and changing light fixtures and locks.

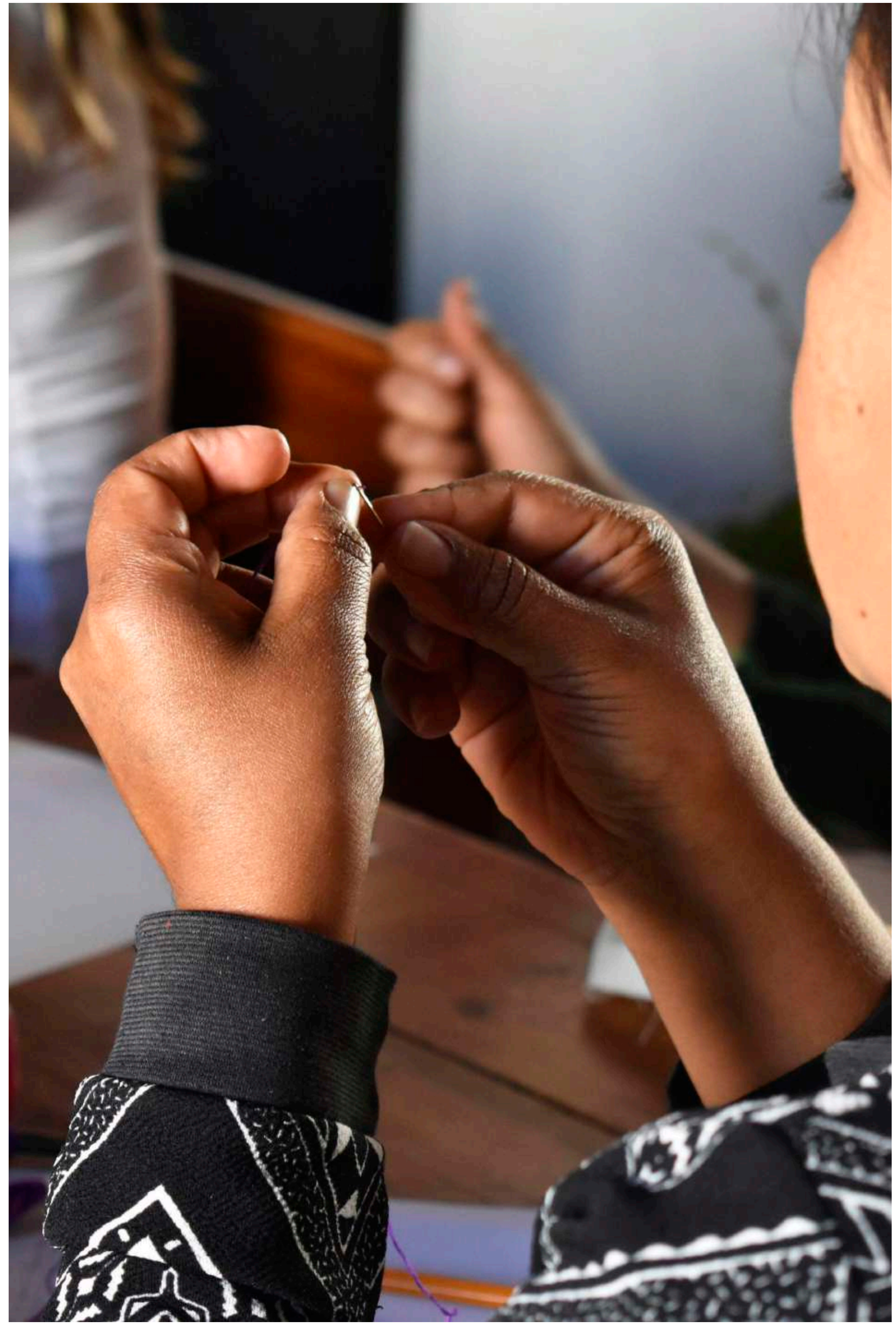
Beneficiaries:
2 schools (Conalep 11 Villa de Reyes and Escuela Preparatoria Municipal Nueva Generación)

Investment:
Ps. $**180,000**

Alliances:
Contractors, Vesta employees

Location:
San Luis Potosí





Environment

102-12

To improve the way we manage, measure and report our environmental performance, in 2018 we conducted a diagnosis of environmental risk in Vesta properties, which helped us identify aspects on which we needed to create short and medium term action plans together with each area involved.

These findings served as the basis for follow up and organization of our ESG information and the main real estate sector indicators of our common and leased areas.

Due to this transformation in the management of our ESG information, we were able to improve our results in the indexes we belong to and certifications we have earned:

a. **Dow Jones Sustainability Index MILA:** We were incorporated into the index for the first time in 2019.
b. **GRESB (Global Real Estate Sustainability Benchmark):** We obtained an A rating on the following disclosure aspects: Governance, Implementation of Sustainability Strategy, and Commitment Programs.
c. **Ecovadis:** Gold medal for our achievements; recognized for excellence in sustainability; named “Top performing company in Latin America and the Caribbean in the Ecovadis Sustainability Leadership Awards for small and mid-sized companies.”
d. **WorldCob:** Obtained WORLDCOB-CSR: 2011.3/ABC certification, which indicates that the company’s corporate structure and system for social responsibility management meets the established requirements.

Notes on reported consumption

In order to provide more detail in our reporting of consumption in our properties, since 2018 we have been working to compile information not just on our common areas, but also on the main environmental data (energy, water and waste) of our tenants.

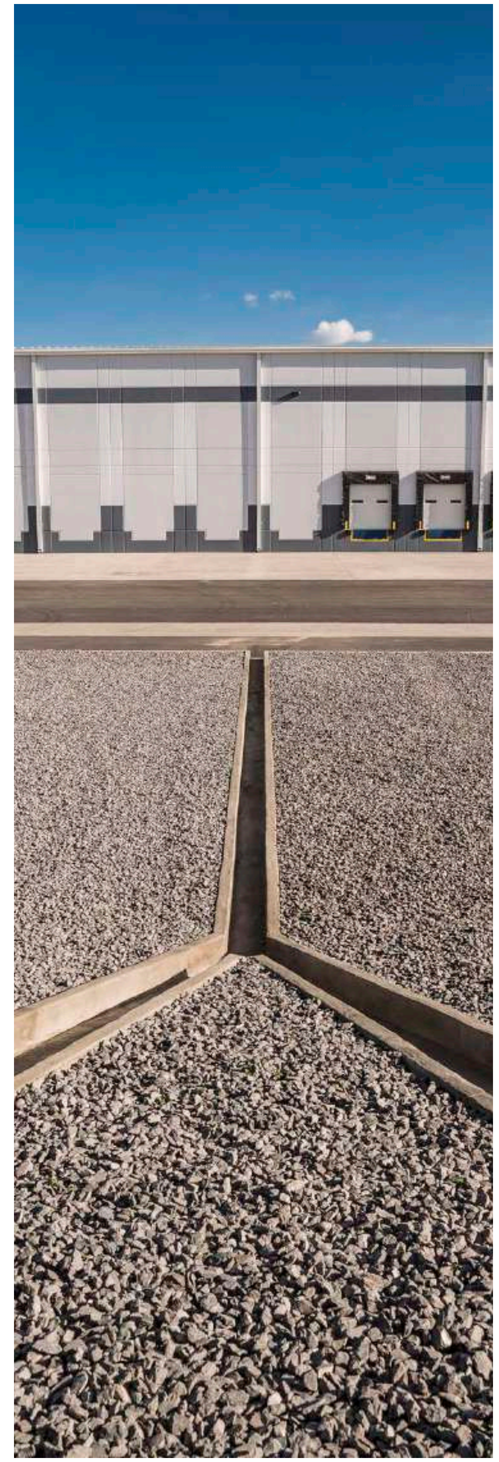
This year, we obtained data on consumption by 57 tenants, accounting for 33% of our rented industrial buildings, which in turn represent a leasable area of 13,221,192.76 square feet, equivalent to 44% of our GLA.

Management of materials

302-5, CRE8

To promote the responsible use of materials by the contractors who build our developments, and to conform to international environmental standards, we have a **Sustainable Construction Manual**, a document that establishes five essential requirements for construction:

1. **Sustainable sites.** Reduce contamination and negative impacts at the construction site through soil erosion and sedimentation control plans, the use of insulating materials and permeable pavements for rainwater capture, and protect surrounding habitats and natural resources.
2. **Water efficiency.** Establish rainwater capture and reuse systems, install water saving equipment, planting native vegetation with minimal irrigation requirements, and treat wastewater to minimize the use of fresh water.
3. **Energy and atmosphere.** Include specifications for thermal materials in windows, skylights, floor and wall coverings to reduce energy consumption, maintain optimal consumption levels consistent with Heating, Ventilation and Air Conditioning (HVAC) code standards and consider the use of natural light, LED light fixtures and solar panels.
4. **Materials and resources.** Use locally-sourced, recycled or environmentally friendly materials to reduce environmental impact while contributing to local development; consider provided spaces for separation of waste and recycling within the property.
5. **Interior environmental quality.** Reduce the amount of volatile organic compounds that can affect employee health and productivity, promote access to spaces with pleasant views, natural light and comfortable climate, and minimize exposure to smoke, in order to generate an overall environment of wellness.



Additionally, this year we developed a checklist with questions that our contractors must answer about how they apply the Sustainable Construction manual before, during and after the project, and thus be able to measure its environmental and social impact.

Vesta does not control the activities or consumption of resources by our tenants, but we do promote the application of best practices and the creation of sustainable spaces. We do so, among other things, through our Sustainable Construction Manual and by obtaining Leadership in Energy and Environmental Design (LEED) Certification[6], as well as the ESG Guide for tenants.

The following table shows Vesta's LEED-certified buildings.

[6] LEED is a system for certifying sustainable buildings, developed by the U.S. Green Building Council. It incorporates aspects relating to energy efficiency, the use of alternative energies, improved the quality of interior environments, water consumption efficiency, sustainable development of free spaces and sourcing. Through a point system, with some obligatory prerequisites that do not earn points, and optional credits, a building can earn one of the four possible levels of certification: 40 to 49 points, LEED certification; 50 to 59 points, LEED silver, 60 to 79 points, LEED Gold; and 80 points and over, LEED Platinum.

LEED CERTIFIED FACILITIES AT THE CLOSE OF 2019

PROJECT	CERTIFICATION LEVEL AND YEAR	GLA square feet
Bombardier MA2	LEED *Silver* (2014)	228,270.25
TPI Juárez	LEED *Silver* (2017)	329,999.97
BRP Querétaro	LEED *Silver* (2014)	536,753.16
Safran Albany Querétaro	LEED *Silver* (2018)	335,252.75
Bombardier J85	LEED (2013)	183,675.37
BRP Juárez	LEED (2016)	407,004.98
TPI Bldg. 03 Juárez	LEED (2018)	331,646.84
Pacifico II	LEED (2019)	191,733
TPI Matamoros	LEED (2019)	490,038
Total		**3,034,374.32**
Total portfolio		**29,792,050**
% LEED		**10.18%**

Energy management

103-1, 103-2, 103-3, CRE1, 302-1, 302-2, 302-3

The energy we consume for operating our common areas and our offices in industrial parks and corporate offices. We also have 515 solar panels installed at seven of our parks.

INDIRECT ENERGY CONSUMPTION 2019 (Scope 2)

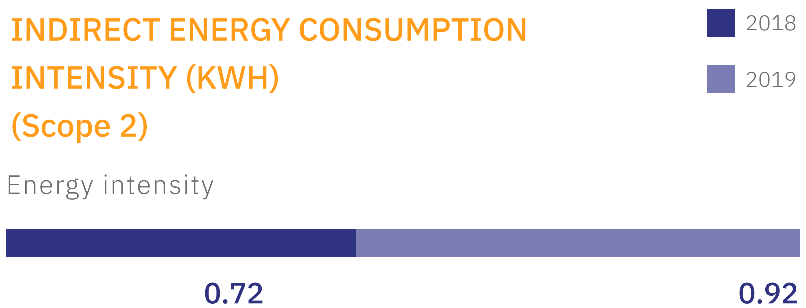
TYPE	kWh	GJ
Conventional	1,421,593	5,118
Total	**1,421,593**	**5,118**

INDIRECT ENERGY CONSUMPTION (GJ) (Scope 2)

In 2019 we did not record the consumption from solar panels.

We consume 0.92 kWh per m^2, considering 1,421,593 kWh of total energy consumption and 16,722,283.79 square feet of offices and common areas, which represents our energy intensity.

INDIRECT ENERGY CONSUMPTION INTENSITY (KWH) (Scope 2)

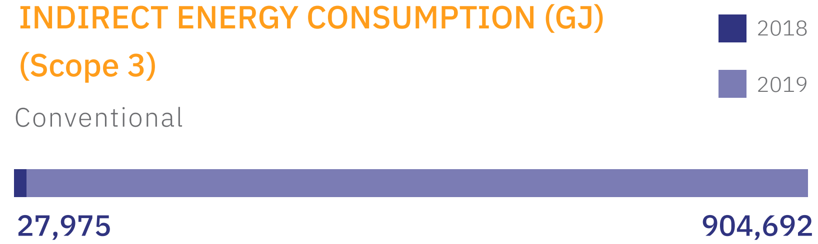


Most of the energy used in our industrial parks is consumed by our tenants, over whom we have no direct control. Nevertheless, in 2019 we were able to account for 33% of our occupied industrial building, in which our tenants consumed 251,303,212 kWh, equivalent to 902,900 GJ of electrical energy.

INDIRECT ENERGY CONSUMPTION 2019 (Scope 3)

TYPE	kWh	GJ
Conventional	251,303,212	904,692
Total	**251,303,212**	**904,692**

INDIRECT ENERGY CONSUMPTION (GJ) (Scope 3)



The environmental information we reported on our clients in 2018 corresponded to 10% of Vesta's total portfolio; for 2019 these figures cover 33% of our occupied industrial buildings.

Based on total energy consumption of 251,303,212 kWh and leased surface area of 13,221,192.76 square feet, in 2019 our tenants consumed 204.6 kWh per m^2, which represents our energy intensity.

INDIRECT ENERGY CONSUMPTION INTENSITY (KWH) (Scope 3)

204.6
kWh/m^2

Fire extinguishing systems in 10 of our parks use diesel fuel. In 2019 this consumption was limited to testing to ensure proper functioning, and amounted to 19,100 liters, equivalent to 675 GJ.

Water *management*

103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-3

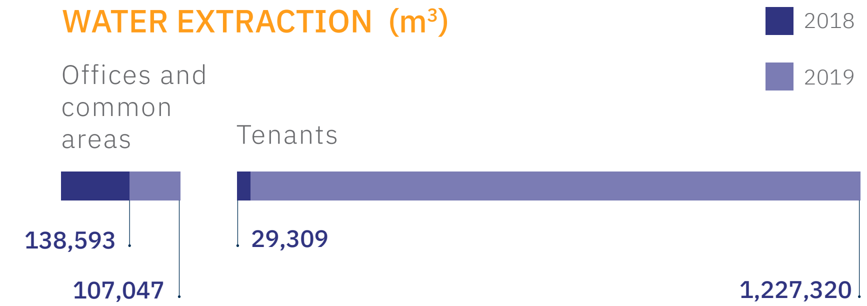
The water used at Vesta for sanitary services and watering of green areas comes primarily from the municipal supply and from wells.

2019 WATER EXTRACTION

TYPE	m^3
Offices and park common areas	107,047
Tenants (less than 10%)	1,227,320
Total	**1,334,367**

To calculate our consumption of this resource, we use our water bills as a basis. In 2018 we reported water consumption in our corporate offices separately; this year the figure includes offices and common areas.

WATER EXTRACTION (m^3)



The environmental information we reported on our clients in 2018 corresponded to 10% of Vesta's total portfolio; for 2019 these figures cover 33% of our occupied industrial buildings.

For the purposes of this table, water consumption in our corporate offices in 2018 was combined with consumption by offices and common areas for that same year.

In 2019, we generated 1,334,369 m^3 of wastewater[7], 1,321,877 m^3 of which were sent to the public sewage system and 12,492 m^3 were treated and reused for watering at the Vesta Park Aguascalientes I. The treated water is of quality acceptable under Official Mexican Standards for discharging into drainage and public works.

In 2019, we received no complaints or claims regarding significant spills or any impact from our water related activities.

[7] Data on wastewater is based on the sum of water consumption by our tenants plus water consumption for common areas. Water that is sent to the public sewage system is determined as consumption less wastewater treated at the plant.

Managing emissions

305-1, 305-2, 305-3

Most of our greenhouse gas (GHG) emissions come from the consumption of electrical energy for our operations (Scope 2) and our tenants' consumption for their operations (Scope 3).

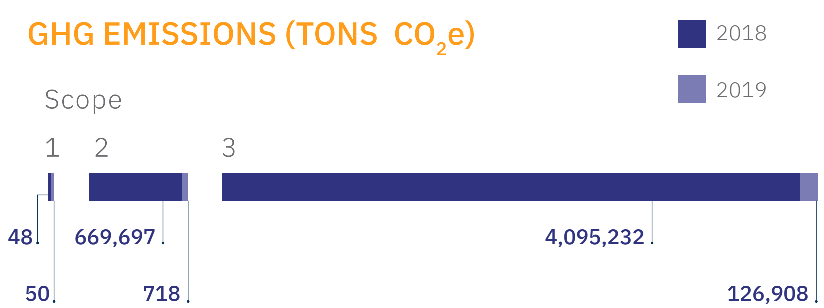
We also generate scope 1 emissions from diesel fuel use.

GHG EMISSIONS 2019

TYPE	TONS CO_2e
Scope 1	50
Scope 2	718
Scope 3	126,908
Total	**127,676**

Scope 2 emissions change from year to year, because the tenants that shared information with us this year reported changes from last year.

GHG EMISSIONS (TONS CO_2e)



Notes on the calculation of Scope 2 and 3 emissions:

-We used the emission factor of 0.527 metric tons of CO_2/MWh supplied by the National Electrical System for 2018.
-We used the standard global warming potential (GWP) factor of 1.00.
-The source of our emission factors was direct operations.
-We used the operational control approach for consolidating emissions.

Waste

CRE5, 103-1, 103-2, 103-3, 306-2, 307-1

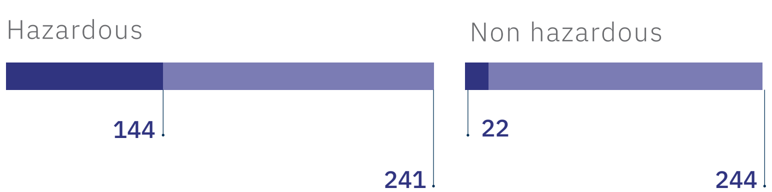
Do to the nature of Vesta's business, it does not generate important amounts of waste. However, in case it generates non hazardous waste, they are sent to a landfill and when it generates hazardous waste they are treated by a certified specialist.

WASTE GENERATED IN PARKS AND OFFICES BY TYPE 2019

TYPE OF WASTE	METRIC TONS
Hazardous	241
Non-hazardous	244
Total	**485**

In 2018, we reported on special handling waste (electronics); for 2019, this type of waste was included in the total non-hazardous waste category.

WASTE GENERATED IN PARKS AND OFFICES BY TYPE (METRIC TONS)



For the purposes of this graph, special handling waste (electronics) reported in 2018 were included under non hazardous waste for that year.

WASTE GENERATED BY TENANTS, BY TYPE, 2019

TYPE	METRIC TONS
Hazardous	177,875
Non-hazardous	644,257
Total	**822,132**

In 2018 we did not report this information because we did not have data on our tenants' waste generation.

WASTE GENERATED BY TENANTS, BY TYPE (METRIC TONS)

In 2019, we received no fine, sanction or claim relating to non-compliance with environmental regulations in terms of waste, nor did we have to remediate any soil or land as a result of our activities or those of our tenants.

We work tirelessly to responsibly manage our impact on the environment, and, to the extent possible, that of our tenants. We intend to continue improving the way we measure and report on the energy consumption, emissions and waste generation from all our developments, with the clear aim of ensuring they are comparable, and help us to be more efficient in our performance in coming years.

About this Report

About this Report

102-1, 102-5, 102-10, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

In order to openly share the economic, corporate governance, labor, social, environmental and financial achievements and results of this company in the period between January 1 and December 31, 2019, we are presenting this 2019 Annual Report for Corporación Inmobiliaria Vesta, S.A.B. de C.V.[8]

This document contains information on our activities in the 15 states of Mexico where we are present: Aguascalientes, Baja California, Chihuahua, State of Mexico, Guanajuato, Jalisco, Puebla, Querétaro, Quintana Roo, San Luis Potosí, Sinaloa, Tamaulipas, Tlaxcala, Nuevo León and Veracruz. The reported performance is limited to Vesta's operations, and thus does not include information on suppliers, contractors, or other entities; only tenants are included in the Commitment section, and in the cases where this is specified.

In 2019 Vesta underwent significant changes in size, ownership and structure compared to 2018. We built 949,452.25 square feet in properties and acquired another 7,874,026.51 square feet in the purchase of three plots of land in the states of Jalisco, Baja California and Nuevo León.

The 2019 Annual Report was prepared on the basis of standards developed by the Global Reporting Initiative (GRI), as well as GRI Construction and Real Estate Industry Supplement for reporting information specific to our industry.

This report has been prepared in accordance with the Core Option of GRI Standards. Furthermore, it has been externally assured by e3 Consultoría Ambiental.

Throughout this document, we comment on our direct and indirect contributions to meeting the Sustainable Development Goals (SDG) of the United Nations, through our developments, operations and community activities.

[8] Corporación Inmobiliaria Vesta, S.A.B. de C.V. (Vesta) is a publicly traded company listed on the Mexican Stock Exchange; it also has securities placed privately under Rule 144A and Regulation S of the U.S. Securities and Exchange Commission.

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.

ISSUER AND PUBLICLY-TRADED COMPANY

REAL ESTATE COMPANY ASSETS

- 99.99% QVCII, S. de R.L. de C.V.
- 99.99% Ener Vesta, S. de R.L. de C.V.
- 99.99% Vesta Querétaro, S. de R.L. de C.V.
- 99.99% Vesta Baja California, S. de R.L. de C.V.
- 99.99% QVC, S. de R.L. de C.V.
- 99.99% WTN desarrollos inmobiliarios de México, S. de R.L. de C.V.
- 99.99% Proyectos Aeroespaciales, S. de R.L. de C.V.
- 99.99% Vesta DSP, S. de R.L. de C.V.
- 99.99% Vesta Bajío, S. de R.L. de C.V.

MANAGEMENT SUBSIDIARIES

- 99.99% Vesta Management, S. de R.L. de C.V.
- 99.99% Servicios de Administración y Mantenimiento Vesta, S. de R.L. de C.V.

Independent Assurance Report

Vesta 2019 Annual Report

Scope

We announce to the stakeholders of Corporación Inmobiliaria Vesta S.A.B. de C.V., Vesta, that RYM Servicios Ambientales Internacionales S.C, e3 Consultora Ambiental, has concluded an independent review of the operative performance, corporate governance, labour practices and environmental performance contents results of Vesta, corresponding to the period of 2019.

Summary of activities

e3 Consultora Ambiental reviewed disclosures of corporate government, ethics, economic impact, environmental matters, labor practices and human rights, that were included on the report. To validate the quality of a sample of contents from the Vesta 2019 Annual Report, the auditor team requested access to the consolidated information records shared among the Company's departments.

The Company’s current Materiality Analysis was used to confirm the coverage of the indicators required by the Guides for the preparation of the sustainability reports, GRI Standards with the Core option.

Methodologies

This independent verification report was prepared based on the following standards: ISAE 3000 and The External Assurance of Sustainability Reporting (GRI).

The application of the principles for the definition of the contents of the record and the coverage of the disclosures related to the material issues and the presentation of the GRI Standards Index of Contents was confirmed by taking the GRI 101: Foundations 2016.

Conclusions

- There was no evidence to indicate that the definition of the content of the report was not prepared based on the principles of stakeholder participation, the context of sustainability, materiality and exhaustiveness.
- Based on a review of the evidence that supports the figures presented in a sample of the indicators covered by the record, no situations arose that led us to conclude that there are any significant errors or omissions in the information disclosed in the Vesta 2019 Annual Report.
- There is no evidence that led us to object to the Vesta 2019 Annual Report have been prepared with the Core option of the GRI Standards.

Recommendations

- The detailed recommendations are provided separately in an internal report addressed to Sustainability Officer of Vesta.

David Parra
Director
e3 Consultora Ambiental

NOTES. This work covers a limited verification exercise conducted under the assignment of Vesta that was completed in April 2020. Under no circumstances shall this work be understood as an audit of the figures contained in the report or an exhaustive review of the internal control mechanisms for the generation, analysis, calculation and filing of Vesta's non-financial information. e3 Consultora Ambiental is a company independent from Vesta. The verifying team did not take part in the preparation of the Vesta 2019 Annual Report.

GRI Content Index

102-55

GRI STANDARD	DESCRIPTION	PAGE NUMBER
	GRI 101: Foundation	
	GRI 102: General disclosures	
1. ORGANIZATIONAL PROFILE 2016		
102-1	Name of the organization.	128
102-2	Activities, brands, products, and services.	13
102-3	Location of headquarters.	Back page
102-4	Location of operations.	16
102-5	Ownership and legal form.	128
102-6	Markets served.	16, 18
102-7	Scale of the organization.	42, 68
102-8	Information on employees and other workers.	68
102-9	Supply chain.	24
102-10	Significant changes to the organization and its supply chain.	50, 128
102-11	Precautionary Principle or approach.	93
102-12	External initiatives.	89, 112
102-13	Membership of associations.	89
2. STRATEGY 2016		
102-14	Statement from senior decision-maker .	6
102-15	Key impacts, risks, and opportunities .	62

GRI STANDARD	DESCRIPTION	PAGE NUMBER
3. ETHICS AND INTEGRITY 2016		
102-16	Values, principles, standards, and norms of behavior.	10, 30, 64
102-17	Mechanisms for advice and concerns about ethics.	64
4. GOVERNANCE 2016		
102-18	Governance structure.	50
102-19	Delegating authority.	34, 50
102-20	Executive-level responsibility for economic, environmental, and social topics.	34, 50
102-21	Consulting stakeholders on economic, environmental, and social topics.	32, 82
102-22	Composition of the highest governance body and its committees.	50
102-23	Chair of the highest governance body.	50
102-24	Nominating and selecting the highest governance body.	50
102-25	Conflicts of interest.	64
102-26	Role of highest governance body in setting purpose, values, and strategy.	50
102-27	Collective knowledge of highest governance body.	50
102-28	Evaluating the highest governance body’s performance.	50
102-29	Identifying and managing economic, environmental, and social impacts.	62
102-30	Effectiveness of risk management processes.	62

GRI STANDARD	DESCRIPTION	PAGE NUMBER
102-31	Review of economic, environmental, and social topics.	50, 62
102-32	Highest governance body's role in sustainability reporting.	The Social and Environmental Responsibility Committee, together with the Legal Area and the ESG Management, are responsible for evaluating and approving Vesta's 2019 Annual Report.
102-33	Communicating critical concerns.	50
102-34	Nature and total number of critical concerns.	50
102-35	Remuneration policies.	50, 68
102-36	Process for determining remuneration.	50, 68
102-38	Annual total compensation ratio.	The median annual compensation for all employees, excluding the highest-paid person, is Ps. $1,002,304, and the ratio is 5.78 to 1.
102-39	Percentage increase in annual total compensation ratio.	The average percentage increase in annual compensation for all employees was 8.34%.
5. STAKEHOLDER ENGAGEMENT 2016		
102-40	List of stakeholder groups.	82
102-41	Collective bargaining agreements.	68
102-42	Identifying and selecting stakeholders.	82
102-43	Approach to stakeholder engagement.	18, 82
102-44	Key topics and concerns raised.	18, 82

GRI STANDARD	DESCRIPTION	PAGE NUMBER
6. REPORTING PRACTICES 2016		
102-45	Entities included in the consolidated financial statements.	128
102-46	Defining report content and topic Boundaries.	32
102-47	List of material topics.	32
102-48	Restatements of information.	128
102-49	Changes in reporting.	128
102-50	Reporting period.	128
102-51	Date of most recent report.	128
102-52	Reporting cycle.	128
102-53	Contact point for questions regarding the report.	Back page
102-54	Claims of reporting in accordance with the GRI Standards.	128
102-55	GRI content index.	132
102-56	External assurance.	128

GRI STANDARD	DESCRIPTION	PAGE NUMBER
Material topic. Ethics and transparency		
103-1	Explanation of the material topic and its boundary.	64
103-2	The management approach and its components.	64
103-3	Evaluation of the management approach.	64
Material topic. Stakeholder commitment		
103-1	Explanation of the material topic and its boundary.	82
103-2	The management approach and its components.	82
103-3	Evaluation of the management approach.	82
Material topic. Responsible investment		
103-1	Explanation of the material topic and its boundary.	34
103-2	The management approach and its components.	34
103-3	Evaluation of the management approach.	34
GRI 200: Economic standards		
GRI 201: Economic performance 2016		
201-1	Direct economic value generated and distributed.	45
GRI 203: Indirect economic impacts 2016		
203-1	Infrastructure investments and services supported.	93

GRI STANDARD	DESCRIPTION	PAGE NUMBER
GRI 205: Anti-corruption 2016		
103-1	Explanation of the material topic and its boundary.	64
103-2	The management approach and its components.	64
103-3	Evaluation of the management approach.	64
205-1	Operations assessed for risks related to corruption.	64
205-2	Communication and training about anti-corruption policies and procedures.	64
205-3	Confirmed incidents of corruption and actions taken.	64
GRI 206: Anti-competitive behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	64
GRI 207: Tax 2019		
207-1	Approach to tax.	The Chief Financial Officer is in charge of reviewing and approving the fiscal strategy, which must be presented to the Audit Committee. Vesta adheres to the fiscal guidelines established by the authorities, so it does not integrate in its processes fiscal strategies that contradict fiscal guidelines; taxes are paid according to fiscal laws.
207-2	Tax governance, control and risk management.	We assess compliance with the government and fiscal control framework with the periodicity in which tax payments must be presented and the correct way to calculate them. In addition, we present a tax opinion in each fiscal year reviewed by external auditors; in the financial statements' notes we mention tax compliance.
207-3	Stakeholder engagement and management of concerns related to tax.	Our suppliers have to deliver their letter of compliance with obligations; we verify that they are not on the SAT blacklist; all works are registered in the IMSS and when concluded, they must present their obligations' payment in order to pay the settlement.

GRI STANDARD	DESCRIPTION	PAGE NUMBER
GRI 300: Environmental standards		
GRI 302: Energy 2016		
103-1	Explanation of the material topic and its boundary.	117
103-2	The management approach and its components.	117
103-3	Evaluation of the management approach.	117
CRE1	Energy intensity in properties.	117
302-1	Energy consumption within the organization.	117
302-2	Energy consumption outside of the organization.	117
302-3	Energy intensity.	117
302-5	Reductions in energy requirements of products and services.	114
GRI 303: Water and effluents 2018		
103-1	Explanation of the material topic and its boundary.	120
103-2	The management approach and its components.	120
103-3	Evaluation of the management approach.	120
303-1	Interactions with water as a shared resource .	120
303-2	Management of water discharge-related impacts.	120
303-3	Water withdrawal.	120
303-4	Water discharge.	120
303-5	Water consumption.	120
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions.	122
305-2	Energy indirect (Scope 2) GHG emissions.	122
305-3	Other indirect (Scope 3) GHG emissions.	122

GRI STANDARD	DESCRIPTION	PAGE NUMBER
GRI 306: Effluents and waste 2016		
CRE5	Need for mediation and remediation of the land for the current and potential use of the land, in accordance with the corresponding legal framework.	123
306-1	Water discharge by quality and destination.	120
103-1	Explanation of the material topic and its boundary.	123
103-2	The management approach and its components.	123
103-3	Evaluation of the management approach.	123
306-2	Waste by type and disposal method.	123
306-3	Significant spills.	120
GRI 307: Environmental compliance 2016		
307-1	Non-compliance with environmental laws and regulations.	123
GRI 308: Supplier environmental assessment 2016		
308-1	New suppliers that were screened using environmental criteria.	24
GRI 400: Social standards		
GRI 401: Employment 2016		
103-1	Explanation of the material topic and its boundary.	68
103-2	The management approach and its components.	68
103-3	Evaluation of the management approach.	68
401-1	New employee hires and employee turnover.	68
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	68
401-3	Parental leave.	68

GRI STANDARD	DESCRIPTION	PAGE NUMBER
GRI 403: Occupational health and safety 2018		
103-1	Explanation of the material topic and its boundary.	68
103-2	The management approach and its components.	68
103-3	Evaluation of the management approach.	68
403-1	Occupational health and safety management system.	68
403-2	Hazard identification, risk assessment, and incident investigation.	68
CRE6	Percentage of the organization that operates under an internationally recognized and verifiable health and safety management system.	68
403-3	Occupational health services.	68
403-4	Worker participation, consultation, and communication on occupational health and safety.	68
403-5	Worker training on occupational health and safety.	68
403-6	Promotion of worker health.	68
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	68
403-9	Work-related injuries.	68
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee.	68
404-3	Percentage of employees receiving regular performance and career development reviews.	68
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees.	50, 68

GRI STANDARD	DESCRIPTION	PAGE NUMBER
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken.	64
GRI 407: Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	64
GRI 408: Child labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor.	64
GRI 409 Forced or compulsory labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	64
GRI 412: Human rights assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments.	64
412-2	Employee training on human rights policies or procedures.	64
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	64
GRI 413: Local communities 2016		
CRE7	Number of people voluntarily or involuntarily displaced and/or relocated by development, by project.	93
103-1	Explanation of the material topic and its boundary.	93
103-2	The management approach and its components.	93
103-3	Evaluation of the management approach.	93
413-1	Operations with local community engagement, impact assessments, and development programs.	93

GRI STANDARD	DESCRIPTION	PAGE NUMBER
413-2	Operations with significant actual and potential negative impacts on local communities.	93
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria.	24
414-2	Negative social impacts in the supply chain and actions taken.	24
GRI 415: Public policy 2016		
415-1	Political contributions.	Vesta does not contribute to political parties or candidates of any kind.
GRI 416: Customer health and safety 2016		
CRE8	Type and number of sustainability certification and classification method for new constructions, administration, occupation and modernization.	114
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	In 2019, we were not subject to breaches of regulations for this concept.
GRI 418: Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	In 2019 we received no complaints for this concept.
GRI 419: Socioeconomic compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area.	In 2019, we did not receive any fines or sanctions for this concept.

Market and Financial Analysis

Summary Financial Information

This Annual Report includes our audited consolidated annual financial statements as of December 31, 2019, 2018 and 2017, for the fiscal years then ended, together with the accompanying notes.

The financial information contained in this Annual Report has been prepared in accordance with IFRS accounting standards. See “Management’s Comments and Analysis on the Financial Situation and Operating Results - Bases for the Preparation of Financial Information.”

Revenues

Leasing revenues at the close of December 31, 2019, 2018 and 2017 were USD 144.4 million, USD 132.7 million and USD 109.4 million, respectively. At the close of 2019, leasing revenues had risen USD 11.7 million, or 8.8%, compared to December 31, 2018. Revenues at the close of December 31, 2018, showed an increase of USD 23.2 million, or 21.2%, against the same period of 2017.

Property Operating Costs

The cost of operating our properties in the period ended December 31, 2019 was USD 8.14 million, compared to USD 5.68 million at the close of December 31, 2018, which was an increase of USD 2.46 million, or 43.4%. As of December 31, 2017, this cost totaled USD 4.99 million.

Administration Expenses

Administration expenses at the close of December 31, 2019, 2018 and 2017 totaled USD 17.63 million, USD 16.09 million and USD 13.91 million, respectively. At the close of December 31, 2019, administration expenses stood USD 1.53 million higher, or 9.5%, compared to the close of December 31, 2018. In 2018 the increase was USD 2.18 million, or 15.7%, over the previous year.

Depreciation

Depreciation expenses closed December 31, 2019 at USD 1.49 million, compared to USD 0.57 million at the close of December 31, 2018. Depreciation expenses at the close of December 2017 had been USD 0.35 million.

Other Revenues and Expenses

Intermediate Consolidated Income Statements and Other Comprehensive Results	Fiscal year ended December 31			Figures in pesos for informational purposes		
	2019	2018	2017	2019	2018	2017
Other revenues and expenses						
Interest income	70,394	434,427	55,171	1,355,922	8,357,116	1,044,398
Other revenues (expenses)	1,051,904	476,240	449,193	20,261,670	9,161,477	8,503,313
Transaction costs for debt issuance	-	(139,062)	(395,559)	-	(2,675,150)	(7,488,011)
Interest expense	(39,161,931)	(35,156,825)	(19,668,274)	(754,333,199)	(676,315,358)	(372,324,360)
Foreign-exchange loss	2,156,930	(719,007)	2,897,256	41,546,570	(13,831,610)	54,845,636
Gain from property sale	17,920,717	-	-	345,187,059	-	-
Gain from appreciated value of investment properties	86,062,112	52,822,802	84,058,105	1,657,719,795	1,016,157,524	1,591,236,739
Total other (expenses) revenues	**68,100,126**	**17,718,575**	**67,395,892**	**1,311,737,817**	**340,853,999**	**1,275,817,715**

Other revenues (expenses) at the close of December 31, 2019 generated a revenue of USD 68.10 million. Other revenues (expenses) at the close of December 31, 2018 generated a revenue of USD 17.72 million, compared to a revenue of USD 67.40 million at the close of December 31, 2017.

Interest income declined by USD 0.36 million in the year ended December 31, 2018, from USD 0.43 million in 2018 to USD 0.07 million in 2019. Interest income as of December 31, 2017 totaled USD 0.05 million.

Other revenues grew by USD 0.58 million at the close of December 31, 2019. The increase was attributable to inflation adjustments that were lower than tax returns and credits in 2019. At the close of December 31, 2018, other revenues stood USD 0.03 million higher than in the same period of 2017. The reduction was due to inflation adjustments that were higher than tax returns and credits in 2018.

Transaction costs for debt issuance at the close of December 31, 2019 were zero, while at the close of 2018 and 2017 they were USD 0.14 million and USD 0.40 million, respectively.

Interest expenses rose by USD 4.01 million, or 11.4%, at the close of December 31, 2019, compared to the same period of 2018, due to the acquisition of new debt. As of December 31, 2018, interest expense rose by USD 15.49 million, or 78.7% higher than in the same period of 2017 , due to the acquisition of new debt.

In 2019, foreign exchange gains rose by USD 2.88 million compared to 2018, and in 2018 they declined by USD 3.62 million compared to 2017. The foreign exchange gain was due primarily to the impact of the peso-dollar exchange rate on the balance of dollar debt at STN, a Company subsidiary whose functional currency is the peso, and on cash and investments in pesos that the Company itself holds.

Gains from the sale of properties in 2019 was USD 17.92 million. That year was the first time the company sold property.

Gains from the appreciated value of investment properties as of December 31, 2019, rose USD 33.24 million, or 62.9%, compared to 2018. As of December 31, 2018, gains from the appreciated value of investment properties declined by USD 31.24 million, or 37.2%, compared to 2017.

Pretax income

For the reasons described above, the Company's pretax income at the close of December 31, 2019 was USD 185.20 million; at the close of December 31, 2018 it was USD 128.04 million and at the close of December 31, 2017, it was USD 157.56 million.

Income tax

Income tax expense at the close of December 31, 2019 totaled USD 50.59 million compared to an expenses of USD 34.98 million at the close of December 31, 2018. At the close of December 31, 2017, the income tax expense was USD 31.52 million.

Fiscal-year earnings

For the reasons described above, our earnings as of December 31, 2019 were USD 134.61 million, compared to earnings at the close of December 31, 2018 totaling USD 93.06 million. As of December 31, 2017 we reported earnings of USD 126.03 million.

Comprehensive fiscal-year earnings

Comprehensive earnings include exchange rate differences stemming from the conversion of operations in other countries, which reflects the impact of exchange rate fluctuations from one year to another in the capital accounts of WTN and Vesta Management, which are our only subsidiaries that use the peso as a functional currency. They also include gains from valuation of derivative financial instruments at reasonable value.

At the close of December 31, 2019, we reported a loss from the valuation of derivative financial instruments totaling USD 1.55 million, compared to a gain of USD 1.09 million at the close of December 31, 2018. As of December 31, 2017, the gain from these derivative instruments was USD 0.58 million.

At the close of December 31, 2019, we entered a loss from exchange rate differences stemming from the conversion of foreign operations totaling USD 0.85 million, compared to a loss of USD 6.61 million at the close of December 31, 2018 and a gain of USD 0.92 million as of December 31, 2017.

Therefore, comprehensive earnings for the year 2019 were USD 133.91 million, compared to earnings of USD 87.54 million in 2018. At the close of December 31, 2017, we reported comprehensive earnings of USD 127.53 million.

Consolidated Financial Statements

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

For the Years Ended December 31, 2019, 2018 and 2017, and Independent Auditors' Report Dated February 12, 2020

Independent auditors 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, 2019, 2018 and 2017, 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, 2019, 2018 and 2017 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 audit 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.

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 Matters 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 the 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) performing physical inspection of some of the Entity's investment properties; iv) using the work of our internal expert on valuation to test the fair value as determined by the Entity's expert of a sample of investment properties; v) 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 33Ib) of Title Four, Chapter One, of the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market in Mexico. 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.

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. PEDRO LUIS CASTAÑEDA HERRERA

February 12, 2020

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

Consolidated Statements of financial position

As of December 31, 2019, 2018 and 2017
(In US dollars)

	NOTES	31/12/2019	31/12/2018	31/12/2017
Assets				
Current assets:				
Cash, cash equivalents and restricted cash	5	$ 75,063,593	$ 64,483,395	$ 91,001,709
Financial assets held for trading	6	804,967	724,399	677,828
Recoverable taxes	7	10,365,121	26,340,810	26,678,697
Operating lease receivables	8	8,272,093	8,130,553	5,221,517
Prepaid expenses		1,267,893	537,428	369,675
Total current assets		95,773,667	100,216,585	123,949,426
Non–current assets:				
Investment property	9	1,989,131,091	1,884,621,430	1,701,006,371
Office furniture – Net		3,063,650	2,490,902	1,868,778
Right–of–use asset	10	1,104,036	–	–
Derivative financial instruments	15.8	163,530	2,380,863	827,251
Guarantee deposits made and restricted cash		4,461,865	4,376,105	4,440,163
Total non–current assets		1,997,924,172	1,893,869,300	1,708,142,563
Total assets		$ 2,093,697,839	$ 1,994,085,885	$ 1,832,091,989
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long–term debt	11	$ 794,905	$ 4,513,388	$ –
Finance leases payable – short term	10	435,177	–	–
Accrued interest		2,996,611	5,315,332	3,772,187
Accounts payable and client advances		2,539,117	2,788,387	4,082,166
Taxes payable, mainly income taxes		1,458,209	412,853	344,599
Accrued expenses		4,452,725	3,663,962	3,821,201
Total current liabilities		12,676,744	16,693,922	12,020,153
Non–current liabilities:				
Long–term debt	11	713,632,678	695,284,034	581,994,879
Finance leases payable – long term	10	729,069	–	–
Guarantee deposits received		13,255,463	13,053,383	11,539,472
Dividend payable	12.4	13,371,920	–	–
Deferred income taxes	14.3	228,906,984	215,350,973	204,205,361
Total non–current liabilities		969,896,114	923,688,390	797,739,712
Total liabilities		$ 982,572,858	$ 940,382,312	$ 809,759,865
Litigation and other contingencies	18			
Stockholders' equity:				
Capital stock	12	426,300,951	435,613,239	439,843,107
Additional paid-in capital	12.3	303,741,438	321,021,039	327,270,539
Retained earnings		416,230,463	333,833,754	288,671,405
Share-based payments reserve	17	7,828,591	5,507,719	3,300,560
Foreign currency translation		(43,090,933)	(43,938,783)	(37,332,563)
Valuation of derivative financial instruments	15.8	114,471	1,666,605	579,076
Total stockholders' equity		1,111,124,981	1,053,703,573	1,022,332,124
Total liabilities and stockholders' equity		$ 2,093,697,839	$ 1,994,085,885	$ 1,832,091,989

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, 2019, 2018 and 2017
(In US dollars)

	NOTES	31/12/2019	31/12/2018	31/12/2017
Revenues:				
Rental income		$ 144,365,079	$ 132,669,266	$ 109,427,282
Property operating costs:				
Related to properties that generated rental income	13.1	(7,266,490)	(4,848,618)	(4,106,403)
Related to properties that did not generate rental income	13.1	(874,128)	(828,082)	(886,688)
Gross profit		136,224,461	126,992,566	104,434,191
Administration expenses	13.2	(17,630,342)	(16,094,364)	(13,911,938)
Depreciation		(1,494,778)	(573,177)	(356,727)
Other income and expenses:				
Interest income		70,394	434,427	55,171
Other income (expense)– net		1,051,904	476,240	449,193
Transaction costs on debt issuance		–	(139,062)	(395,559)
Interest expense		(39,161,931)	(35,156,825)	(19,668,274)
Exchange gain (loss)– net		2,156,930	(719,007)	2,897,256
Gain in sale of investment property		17,920,717	–	–
Gain on revaluation of investment property	9	86,062,112	52,822,802	84,058,105
Total other income and expenses		68,100,126	17,718,575	67,395,892
Profit before income taxes		185,199,467	128,043,600	157,561,418
Income tax expense	14.1	(50,588,758)	(34,983,270)	(31,531,237)
Profit for the year		134,610,709	93,060,330	126,030,181
Other comprehensive income (loss) – net of tax:				
Items that may be reclassified subsequently to profit –				
Fair value gains on derivative instruments	15.8	(1,552,134)	1,087,529	579,076
Exchange differences on translating other functional currency operations		847,850	(6,606,220)	924,539
Total other comprehensive income (loss)		(704,284)	(5,518,691)	1,503,615
Total comprehensive income for the year		$ 133,906,425	$ 87,541,639	$ 127,533,796
Basic and diluted earnings per share	12.5	$ 0.229	$ 0.155	$ 0.207

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, 2019, 2018 and 2017
(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, 2017	$ 450,880,150	$ 343,037,228	$ 201,751,251	$ 1,973,372	$ (38,257,102)	$ –	$ 959,384,899
Share–based payments	–	–	–	1,477,158	–	–	1,477,158
Vested shares	58,201	91,769	–	(149,970)	–	–	–
Dividends declared	–	–	(39,110,027)	–	–	–	(39,110,027)
Repurchase of shares	(11,095,244)	(15,858,458)	–	–	–	–	(26,953,702)
Comprehensive income	–	–	126,030,181	–	924,539	579,076	127,533,796
Balances as of December 31, 2017	439,843,107	327,270,539	288,671,405	3,300,560	(37,332,563)	579,076	1,022,332,124
Share–based payments	–	–	–	2,984,358	–	–	2,984,358
Vested shares	297,786	479,413	–	(777,199)	–	–	–
Dividends declared	–	–	(47,897,981)	–	–	–	(47,897,981)
Repurchase of shares	(4,527,654)	(6,728,913)	–	–	–	–	(11,256,567)
Comprehensive income (loss)	–	–	93,060,330	–	(6,606,220)	1,087,529	87,541,639
Balances as of December 31, 2018	435,613,239	321,021,039	333,833,754	5,507,719	(43,938,783)	1,666,605	1,053,703,573
Share–based payments	–	–	–	3,631,933	–	–	3,631,933
Vested shares	507,966	803,095	–	(1,311,061)	–	–	–
Dividends declared	–	–	(52,214,000)	–	–	–	(52,214,000)
Repurchase of shares	(9,820,254)	(18,082,696)	–	–	–	–	(27,902,950)
Comprehensive income (loss)	–	–	134,610,709	–	847,850	(1,552,134)	133,906,425
Balances as of December 31, 2019	$ 426,300,951	$ 303,741,438	$ 416,230,463	$ 7,828,591	$ (43,090,933)	$ 114,471	$ 1,111,124,981

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, 2019, 2018 and 2017
(In US dollars)

	31/12/2019	31/12/2018	31/12/2017
Cash flows from operating activities:			
Profit before income taxes	$ 185,199,467	$ 128,043,600	$ 157,561,418
Adjustments:			
Depreciation	1,035,538	573,177	356,727
Depreciation by lease	459,240	–	–
Gain on revaluation of investment property	(86,062,112)	(52,822,802)	(84,058,105)
Unrealized effect of foreign exchange rates	(2,156,930)	719,007	(2,897,256)
Interest income	(70,394)	(434,427)	(55,171)
Interest expense	39,161,931	35,156,825	19,668,274
Expense recognized in respect of share–based payments	2,788,939	1,942,810	1,477,158
Profit from property sales and investment	(17,920,717)	–	–
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables – Net	(141,540)	(2,909,036)	1,807,458
Recoverable taxes	(4,558,054)	(8,943,673)	(14,325,040)
Prepaid expenses	(730,465)	(167,753)	(332,484)
Increase (decrease) in:			
Accounts payable and client advances	684,301	(2,227,350)	3,363,652
Accrued expenses	1,631,757	884,309	1,839,939
Income taxes paid	(16,091,649)	(12,542,218)	(2,242,043)
Net cash generated by operating activities	103,229,312	87,272,469	82,164,527
Cash flows from investing activities:			
Purchases of investment property	(106,376,406)	(137,897,718)	(196,210,053)
Sale of investment property	109,260,000	–	–
Acquisition of office furniture	(1,608,286)	(1,195,300)	(260,314)
Financial assets held for trading	(80,568)	(46,571)	(64,813)
Interest received	70,394	434,427	55,171
Net cash generated by (used in) investing activities	1,265,134	(138,705,162)	(196,480,009)
Cash flows from financing activities:			
Guarantee deposits made	(85,760)	64,058	(1,519,688)
Guarantee deposits collected	202,080	1,513,911	2,670,811
Interest paid	(41,334,634)	(33,613,680)	(15,907,052)
Loans obtained	225,000,000	–	–
Repayments of borrowings	(210,948,263)	(123,019)	–
Dividends paid	(39,444,748)	(47,897,981)	(39,110,027)
Repurchase of treasury shares	(27,902,950)	(11,256,567)	(26,953,702)
Proceeds from borrowings	7,302,578	116,600,000	243,000,000
Repayments of finance leases	(545,048)	–	–
Debt issuance costs	(6,724,154)	1,325,562	(3,474,806)
Net cash (used in) generated by financing activities	(94,480,899)	26,612,284	158,705,536
Effects of exchange rates changes on cash	566,651	(1,697,905)	(4,109,096)
Net increase in cash, cash equivalents and restricted cash	10,580,198	(26,518,314)	40,280,958
Cash, cash equivalents and restricted cash at the beginning of year	65,218,707	91,737,021	51,456,063
Cash, cash equivalents and restricted cash at the end of year – Note 5	$ 75,798,905	$ 65,218,707	$ 91,737,021

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, 2019, 2018 and 2017
(In US dollars)

1. GENERAL INFORMATION

Corporación Inmobiliaria Vesta, S. A. B. de C. V. ("Vesta") 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.

On April 21, 2017, the Entity renewed, in advance, the Nestle and Nestle related Cereal Partners Worldwide lease agreements for a combined leasable area of 1,713,600 square feet. The leases were extended for 7 and 8 years, beginning on January 1, 2017 to December 31, 2023 and December 31, 2024, respectively. The lease agreements will remain indexed to Mexican investment units (UDIS for its acronym in Spanish) having monthly rent increases according to the increase in the value of UDIS.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Entity has applied a number of amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2019

2.1 New and amended IFRSs that are mandatorily effective for the current year

IFRS 16, *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 was issued in January 2016 and will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. "Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of -use asset and a corresponding liability have to recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payment as well as the impact of lease modifications, among the others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows, whereas under the IFRS 16 model, the lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively.

Furthermore, extensive disclosures are required by IFRS 16.

However, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term for leases with a lease term of 12 months or less and containing no purchase options (this election is made by class of underlying asset); and leases where the underlying asset has a low value when new, such as personal computers or small items of office furniture (this election can be made on a lease-by-lease basis).

Impact on Lessee Accounting
IFRS 16 changes how the Entity accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Entity:

- Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;

- Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss;

- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Entity has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

Impact on Lessor Accounting
IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

IFRS 16 establishes different transitional provisions, including retrospective application or the modified retrospective application where the comparative periods are not restated.

The Entity has adopted this standard in its consolidated financial statements, the impacts derived from the adoption can be observed in Note 10.

Impact of application of other amendments to IFRS Standards and Interpretations

In the current year, the Entity has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 12 Income Taxes
The amendments clarify that an entity should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

IFRS 3 Business Combinations
The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognized assets, liabilities and goodwill relating to the joint operation.

IFRIC 23 Uncertainty over Income Tax Treatments
IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as an entity; and

- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

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

IFRS 17	Insurance Contracts
IFRS 10 e IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 e IAS 8	Definition of material
Conceptual Framework	Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards

Management do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

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).

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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

	OWNERSHIP PERCENTAGE			
SUBSIDIARY/ENTITY	2019	2018	2017	ACTIVITY
QVC, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
QVC II, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
WTN Desarrollos Inmobiliarios de México, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Baja California, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Bajío, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Querétaro, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
CIV Infraestructura, S. de R.L. de C. V.	(1)	(1)	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 administrative services to the Entity
Servicio de Administración y Mantenimiento Vesta, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Provides administrative services to the Entity
Enervesta, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Provides administrative services to the Entity
Trust CIB 2962	(2)	(2)	–	Vehicle to distribute shares to employees under the Long Term Incentive plan

(1) On April 26, 2018, the board of directors of the Entity, unanimously approved the merger of CIV Infraestructura, S. de R. L. de C. V., with Proyectos Aeroespaciales, S. de R. L. of C. V., as a merged company.

(2) 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; 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.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. 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.

Impairment of financial assets

The Entity always recognizes lifetime 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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Write-off policy

The Entity writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

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.

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 15.

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. The impact of the Master Netting Agreements on the Entity's financial position is disclosed in Note 15.8. 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.

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.

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
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..

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. 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).

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.

n. Leases

1) The Entity as lessor
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 Group 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.

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") and Vesta Management, S. de R.L. de C.V. (VM), which consider the Mexican peso to be their functional currency and are 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 and VM are 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 administration expenses line item in the consolidated statement of profit (loss) and other comprehensive income.

As result of the 2014 Income Tax Law, as of December 31, 2019, 2018 and 2017, PTU is determined based on taxable income, according to Section I of Article 9 of the that 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 17.

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.

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.

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 15.

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:

	2019	2018	2017
Cash and cash equivalents	$ 75,031,869	$ 64,434,016	$ 90,415,448
Current restricted cash	31,724	49,379	586,261
	75,063,593	64,483,395	91,001,709
Non-current restricted cash	735,312	735,312	735,312
Total	$ 75,798,905	$ 65,218,707	$ 91,737,021

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 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 positon.

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

		2019		2018		2017
Recoverable value-added tax ("VAT")	$	1,958,949	$	11,008,204	$	15,100,478
Recoverable income taxes		7,855,714		7,000,756		425,808
Recoverable dividend tax		109,781		8,202,066		10,719,907
Other receivables		440,677		129,784		432,504
	$	10,365,121	$	26,340,810	$	26,678,697

8. OPERATING LEASE RECEIVABLES

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

		2019		2018		2017
0-30 days	$	7,438,454	$	6,944,766	$	4,508,045
30-60 days		313,014		373,514		223,456
60-90 days		259,434		229,724		229,591
Over 90 days		261,191		582,549		260,425
Total	$	8,272,093	$	8,130,553	$	5,221,517

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, 90%, 86% and 86% of all operating lease receivables are current at December 31, 2019, 2018 and 2017, 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 4%, 5% and 4% of all operating lease receivables at December 31, 2019, 2018 and 2017, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 3%, 3% and 4% of all operating lease receivable at December 31, 2019, 2018 and 2017. Operating lease receivables outstanding greater than 90 days represent 3%, 7% and 5% as of December 31, 2019, 2018 and 2017, respectively.

ii. Movement in the allowance for doubtful accounts receivable

The Entity recognizes lifetime 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.

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 balance as of December 31, 2019, 2018 and 2017 is $908,699, $350,314 and $283,538, respectively.

iii. Client concentration risk

As of December 31, 2019, 2018 and 2017 one of the Entity's clients account for 36% or $2,997,680, 23% or $1,883,826 and 40% or $2,093,433, respectively, of the operating lease receivables balance. The same client accounted for 6%, 7% and 11% of the total rental income of Entity for the years ended December 31, 2019, 2018 and 2017, respectively.

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 to15 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::

		2019		2018		2017
Not later than 1 year	$	135,776,309	$	131,017,926	$	126,991,489
Later than 1 year and not later than 3 years		236,689,312		230,133,415		226,252,896
Later than 3 year and not later than 5 years		215,670,367		239,526,395		266,140,992
Later than 5 years		113,092,864		128,475,873		161,262,379
	$	701,228,852	$	729,153,609	$	780,647,757

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 VALOR RAZONABLE
Buildings and land	Level 3	Discounted cash flows	Discount rate	2019: 9.20% to 10.15% 2018: 9.35% 2017: 9.35%	The higher the discount rate, the lower the fair value.
			Exit cap rate	2019: 8.56% to 8.7% 2018: 8.25% 2017: 8.75%	The higher the exit cap rate, the lower the fair value.

PROPERTY	FAIR VALUE HIERARCHY	VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	VALUE/RANGE	RELATIONSHIP OF UNOBSERVABLE INPUTS VALOR RAZONABLE
			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: 4% to 4.1% in 2019, 4.00% in 2018 and 4.10% in 2017 U.S.: 2.2% to 2.3% in 2019, 2.2% in 2018 and 2.1% in 2017	The higher the inflation rate, the higher the fair value.
			Absorption period	12 months on 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
			Exchange rate - Mexican pesos per $1	2019: 19.5 to 20.48 2018: 20.35 2017: 18.80	The higher the exchange rate the lower the fair value
Land reserves	Level 3	Market value	Price per acre	Weighted average price per acre is $141,819 in 2019, $107,599 in 2018 and $111,786 in 2017.	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:

	2019	2018	2017
Buildings and land	$ 1,841,395,000	$ 1,817,308,000	$ 1,679,059,000
Land improvements	23,743,778	28,193,736	18,815,371
Land reserves	142,979,000	92,523,000	87,631,000
	2,008,117,778	1,938,024,736	1,785,505,371
Less: Cost to complete construction in-progress	(18,986,687)	(53,403,306)	(84,499,000)
Balance at end of year	$ 1,989,131,091	$ 1,884,621,430	$ 1,701,006,371

The reconciliation of investment property is as follows:

	2019	2018	2017
Balance at beginning of year	$ 1,884,621,430	$ 1,701,006,371	$ 1,415,714,762
Additions	105,442,836	138,831,289	195,132,819
Foreign currency translation effect	4,343,996	(8,039,032)	6,100,685
Disposal of investment property	(91,339,283)	–	–
Gain on revaluation of investment property	86,062,112	52,822,802	84,058,105
Balance at end of year	$ 1,989,131,091	$ 1,884,621,430	$ 1,701,006,371

A total of $933,571 additions to investment property related to land reserves and new buildings that were acquired from third parties, were not paid as of December 31, 2018 and were therefore excluded from the consolidated statements of cash flows for that year. Such additions were paid during 2019 and were included in the 2019 consolidated statement of cash flows, no other unpaid amounts existed as of December 31, 2019 and 2017.

During 2019, the Entity reached an agreement to sell eight industrial properties located in Queretaro and Toluca totaling 1.6 million square feet for $109,260,000, the cost associated with the sale was $91,339,283, generating a gain in sale of investment property of $17,920,717.

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 35 years as of December 31, 2019.

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 35 years as of December 31, 2019). 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, 2019, 2018 and 2017, the Entity's investment properties have a gross leasable area (unaudited) of and 29,792,047 square feet (or 2,767,772 square meters), 29,867,577 square feet (or 2,77,4,789 square meters) and 26,721,171 square feet (or 2,482,478 square meters), respectively, and they were 91.7%, 91.8% and 92.3% occupied by tenants (unaudited), respectively. As of December 31, 2019, 2018 and 2017, investment properties with a gross leasable area (unaudited) of 884,655 square feet (or 82,188 square meters), 1,041,753 square feet (or 96,782 square meters) and 2,330,549 square feet (or 216,515 square meters), respectively, were under construction, representing an additional 3.0%, 3.4% and 8.7% of the Entity's total leasable area.

Most of the Entity's investment properties have been pledged as collateral to secure its long-term debt.

10. ENTITY AS LESSEE

1. Rights to use:

RIGHTS TO USE	JANUARY 1, 2019	ADDITIONS	DISPOSALS	DECEMBER 31, 2019
Property	$ 1,260,626	$ –	$ –	$ 1,260,626
Vehicles and office equipment	302,650	–	–	302,650
Cost of rights to use	$ 1,563,276	$ –	$ –	$ 1,563,276

DEPRECIATION OF RIGHTS TO USE	JANUARY 1, 2019	ADDITIONS	DISPOSALS	DECEMBER 31, 2019
Property	$ –	$ (365,208)	$ –	$ (365,208)
Vehicles and office equipment	–	(94,032)	–	(94,032)
Accumulated Depreciation	–	(459,240)	–	(459,240)
Total	$ 1,563,276	$ (459,240)	$ –	$ 1,104,036

2. Lease obligations:

	JANUARY 1, 2019	ADDITIONS	DISPOSALS	INTERESTS PAID	REPAYMENTS	DECEMBER 31, 2019
Lease liabilities	$ 1,563,276	$ –	$ –	$ 146,018	$ (545,048)	$ 1,164,246

3. Analysis of maturity of liabilities by lease:

FINANCE LEASE LIABILITIES	2019
Not later than 1 year	$ 534,924
Later than 1 year and not later than 5 years	804,131
Later than 5 years	–
	1,339,055
Less: future finance cost	(174,809)
Total lease liability	$ 1,164,246
Finance lease - short term	435,177
Finance lease - long term	729,069
Total lease liability	$ 1,164,246

11. LONG-TERM DEBT

On August 2, 2019, the Entity entered into a new five-year credit agreement with various financial institutions for an aggregated amount of $80,000,000, due on August 2, 2024. This loan bears quarterly interest at a rate of LIBOR plus 2.15 percentage points. The proceeds were received on the same date ("New Syndicated Loan").

On June 25, 2019, the Entity entered into a 10-year senior notes series RC and 12-year senior notes series RD with various financial institutions, for and aggregated 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 Notes of $45,000,000 due on May 31, 2025, and Series B Senior Notes 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 monthly 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 Notes of $65,000,000 due on September 22, 2024, and Series B Senior Notes of $60,000,000 due on September 22, 2027. Each Series A Note and Series B Note bear interest on the unpaid balance of such Series A Note and Series B Note at the rates of 5.03% and 5.31%, respectively, per annum payable semiannually on the September 22 and March 22 of each year.

On July 22, 2016, the Entity entered into a new five-year credit agreement with various financial institutions for an aggregated amount of $150,000,000; the proceeds were received on the same date (the "Syndicated Loan"). This loan was paid in advance in June 24, 2019.

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	31/12/2019	31/12/2018	31/12/2017
Crédito Sindicado	$ 150,000,000	Tasa Variable (1)	(1)	Julio 2021	$ –	$ 150,000,000	$ 150,000,000
Syndicated Loan	$ 150,000,000	Variable rate plus margin	(1)	July 2021	$ –	$ 150,000,000	$ 150,000,000
MetLife 10–year	150,000,000	4.55%	(2)	August 2026	150,000,000	150,000,000	150,000,000
MetLife 7–year	47,500,000	4.35%	(3)	April 2022	46,551,737	47,376,981	47,500,000
Series A Senior Note	65,000,000	5.03%	(5)	September 2024	65,000,000	65,000,000	65,000,000
Series B Senior Note	60,000,000	5.31%	(5)	September 2027	60,000,000	60,000,000	60,000,000
Series A Senior Note	45,000,000	5.50%	(5)	May 2025	45,000,000	45,000,000	–
Series B Senior Note	45,000,000	5.85%	(5)	May 2028	45,000,000	45,000,000	–
MetLife 10–year	118,000,000	4.75%	(4)	December 2027	118,000,000	118,000,000	118,000,000
MetLife 8–year	26,600,000	4.75%	(2)	August 2026	26,600,000	26,600,000	–
Series RC Senior Note	70,000,000	5.18%	(6)	June 2029	70,000,000	–	–
Series RD Senior Note	15,000,000	5.28%	(7)	June 2031	15,000,000	–	–
Syndicated Loan (New)	80,000,000	Variable rate plus margin	(8)	August 2024	80,000,000	–	–
					721,151,737	706,976,981	590,500,000
Less: Current portion					(794,905)	(4,513,388)	–
Less: Direct issuance cost					(6,724,154)	(7,179,559)	(8,505,121)
Total Long–term debt					$ 713,632,678	$ 695,284,034	$ 581,994,879

(1) Five-year Syndicated Loan, interest is 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 has been outstanding. Currently the applicable margin is 200 basis points; if leverage ratio is higher than 40% the margin would increase to 225 basis points. Principal amortization will commence on July 22, 2019; thereafter the Syndicated Loan will have quarterly principal payments equal to 1.25% of the loan amount. This loan was paid in advance on June 24, 2019.

(2) 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 and calculated using an annual fixed rate of 4.55%. On March 2019, under this credit facility, an additional loan was contracted for $26,600,000 bearing interest on a monthly basis at an annual fixed 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, which expires on August 1, 2026.

(3) On March 9, 2015, the Entity entered into a 7-year loan with MetLife, interest on this loan is paid on a monthly basis and calculated using an annual rate of 4.35%. The loan has monthly interest only payments for 42 months and thereafter monthly amortizations of principal and interest until it matures on April 1, 2022. The loan is secured by 6 of the Entity's investment properties.

(4) 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 and calculated using an annual rate of 4.75%. The loan bears monthly interest only for 60 months and thereafter monthly amortizations of principal and interest until it matures on December 1, 2027. The loan is secured by 21 of the Entity's investment properties.

(5) Series A Senior Notes and Series B Senior Notes are not secured by investment properties of the Entity. The interest on these notes are paid on a semiannually basis and calculated using an annual rates established in the table above.

(6) On June 25, 2019, the Entity entered into a 10-year senior notes series RC to financial institutions, interest on these loans are paid on a semiannual basis and calculated using an annual rate of 5.18%. The loan bears semiannual interest only beginning December 14, 2019. The notes payable matures on June 14, 2029. Five of its subsidiaries are joint obligators under these notes payable.

(7) On June 25, 2019, the Entity entered into a 12-year notes payable to financial institutions, interest on these loans are paid on a semiannual basis and calculated using an annual rate of 5.28%. The loan bears semiannual interest only beginning December 14, 2019. The notes payable matures on June 14, 2031. Five of its subsidiaries are joint obligators under these notes payable.

(8) Five-year Syndicated Loan, interest is 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 has been outstanding. Currently the applicable margin is 215 basis points. Principal amortization will commence payable on August 2, 2024 (maturity date).

These credit agreements require the Entity to maintain certain financial ratios (such as Cash-on-Cash and debt service coverage ratios) and to comply with certain affirmative and negative covenants. The Entity is in compliance with these covenants as of December 31, 2019.

The credit agreements with MetLife request to withhold certain amounts deposited by the Entity in a separate fund as guarantee deposits for the debt service. Such amounts are presented as guarantee deposit assets in the statement of financial position.

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

As of December 2020	$	794,905
As of December 2021		1,713,376
As of December 2022		47,657,231
As of December 2023		4,608,725
Thereafter		666,377,500
Less: direct issuance cost		(6,724,154)
Total long-term debt	$	714,427,583

12. CAPITAL STOCK

1. Capital stock as of December 31, 2019, 2018 and 2017 is as follows:

	2019		2018		2017	
	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	573,449,946	426,297,255	591,409,572	435,609,543	600,262,388	439,839,411
Total	573,454,946	$ 426,300,951	591,414,572	$ 435,613,239	600,267,388	$ 439,843,107

2. Shares in treasury

As of December 31, 2019, 2018 and 2017 total shares in treasury area as follows:

	2019	2018	2017
Shares in treasury (1)	$ 27,735,920	$ 37,831,460	$ 31,458,735
Shares in long term incentive plan trust (2)	5,626,212	2,480,091	–
Total share in treasury	33,002,132	40,311,551	31,458,735

(1) The Board of Directors approved on October 25, 2018 the cancellation of 25,269,045 shares that had been repurchased by the Entity under the stock repurchase program. On December 10, 2019, the entity filed a request with the National Banking and Exchange Commission (CNBV) to update the number of shares issued in the National Securities Records.

(2) An employee share trust was established in 2018, in conjunction with the 20-20 Long Term Incentive Plan. Such trust was created by the Entity as a vehicle to distribute shares to employees under the mentioned incentive plan (see Note 17) and is consolidated by the Entity. The shares granted to the eligible executives and deposited in the trust accrue dividends 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 December 31, 2016	621,097,663	$ 450,880,150	$ 343,037,228
Vested shares	118,670	58,201	91,769
Repurchase of shares	(20,948,945)	(11,095,244)	(15,858,458)
Balance as of December 31, 2017	600,267,388	439,843,107	327,270,539
Vested shares	567,788	297,786	479,413
Repurchase of shares	(9,420,604)	(4,527,654)	(6,728,913)
Balance as of December 31, 2018	591,414,572	435,613,239	321,021,039
Vested shares	976,400	507,966	803,095
Repurchase of shares	(18,936,025)	(9,820,254)	(18,082,696)
Balance as of December 31, 2019	$ 573,454,947	$ 426,300,951	$ 303,741,438

4. Dividend payments

Pursuant to a resolution of the general ordinary stockholders meeting on March 15, 2019, the Entity declared a dividend of $1,007,986,049 Mexican pesos, approximately $0.089 per share, equivalent to $52,214,000. The dividend will be paid in four equal installments of $251,996,512 Mexican pesos due on April 15, 2019, July 15, 2019, October 15, 2109 and January 15, 2020 in cash. As of December 31, 2019, the unpaid dividends are $13,371,920.

The first installment due during the second quarter was paid for approximately $0.425 Mexican pesos per share, for a total dividend of $13,466,408.

The second installment due during the third quarter was paid for approximately $0.429 Mexican pesos per share, for a total dividend of $13,100,942.

The third installment due during the fourth quarter was paid for approximately $0.435 Mexican pesos per share, for a total dividend of $12,877,398.

Pursuant to a resolution of the general ordinary stockholders' meeting on March 21, 2018, the Entity declared a dividend of approximately $0.079 per share, for a total dividend of $47,897,981. The dividend was paid on April 13, 2018 in cash.

Pursuant to a resolution of the general ordinary stockholders' meeting on March 2, 2017, the Entity declared a dividend of approximately $0.064 per share, for a total dividend of $39,110,027. The dividend was paid on March 30, 2017 in cash.

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 2019 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	$ 155,001,403	$ 49,263625	$ –
2014	24,221,997	24,221,997	24,221,997	–	–
2016	45,082,793	45,082,793	15,425,752	29,657,041	–
2017	126,030,181	126,030,181	–	126,030,181	–
2018	93,060,330	93,060,330	–	93,060,330	–

(1) Dividend paid in 2019, were distributed form earnings generated in 2014 and 2016, which were reinvested until the days in which the dividends were paid.

5. Earnings per share

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

	2019	2018	2017
Basic Earnings per shares			
Earnings attributable to ordinary share outstanding (1)	$ 133,320,977	$ 92,675,577	$ 126,030,181
Weighted average number of ordinary shares outstanding	581,587,442	597,380,020	609,850,516
Basic Earnings per share	0.229	0.155	0.207
Diluted Earnings per shares			
Earnings attributable to ordinary shares outstanding and shares in Incentive Plan Trust (1)	$ 134,610,709	$ 93,060,330	$ 126,030,181
Weighted average number of ordinary shares plus shares in Incentive Plan trust	587,213,654	599,860,111	609,850,516
Diluted earnings per share	0.249	0.155	0.207
(1) Total earnings	$ 134,610,709	$ 93,060,330	$ –
Less: Earnings attributable to shares in Incentive Plan trust	1,289,732	384,753	–
Earnings attributable to ordinary shares outstanding	$ 133,320,977	$ 92,675,577	$ –

Shares held in the Incentive Plan trust accrue dividends which are irrevocable, regardless if the employee forfeits the granted shares. Earnings used for basic and diluted EPS are adjusted for such dividends.

13. PROPERTY OPERATING COSTS AND ADMINISTRATION EXPENSES

1. Property operating costs consist of the following:

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

	2019	2018	2017
Real estate tax	$ 1,701,347	$ 1,322,097	$ 1,285,697
Insurance	416,089	392,293	366,613
Maintenance	1,186,630	1,030,590	873,367
Structural maintenance accrual	111,360	167,253	168,502
Other property related expenses	3,851,064	1,936,385	1,412,224
	$ 7,266,490	$ 4,848,618	$ 4,106,403

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

		2019		2018		2017
Real estate tax	$	225,236	$	302,280	$	268,448
Insurance		28,907		48,972		53,731
Maintenance		75,181		111,412		100,440
Other property related expenses		544,804		365,418		464,069
		874,128		828,082		886,688
Total property operating	$	8,140,618	$	5,676,700	$	4,993,091

2. Administration expenses consist of the following:

		2019		2018		2017
Employee direct benefits	$	10,551,704	$	8,798,898	$	7,849,558
Auditing, legal and consulting expenses		1,511,179		1,957,828		1,282,256
Property appraisal and other fees		443,587		448,965		359,832
Indirect equity issuance and trading costs		–		109,592		209,168
Marketing expenses		962,862		1,020,523		1,328,200
Other		1,372,071		1,815,748		1,405,893
		14,841,403		14,151,554		12,434,907
Long-term incentive - Note 17.3		2,788,939		1,942,810		1,477,031
Total	$	17,630,342	$	16,094,364	$	13,911,938

14. INCOME TAXES

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

14.1 Income taxes are as follows:

		2019		2018		2017
ISR expense:						
Current	$	37,670,744	$	21,892,031	$	15,137,320
Deferred		12,918,014		13,091,239		16,393,917
Total income taxes	$	50,588,758	$	34,983,270	$	31,531,237

14.2 The effective ISR rates for fiscal 2019, 2018 and 2017 differ from the statutory rate as follows:

	2019	2018	2017
Statutory rate	30%	30%	30%
Effects of exchange rates on tax balances	(3%)	(1%)	(6%)
Effects of inflation	0%	(2%)	(5%)
Other	–	–	1%
Effective rate	27%	27%	20%

14.3 The main items originating the deferred ISR liability are:

		2019		2018		2017
Deferred ISR assets (liabilities):						
Investment property	$	(229,597,974)	$	(215,221,274)	$	(207,074,235)
Effect of tax loss arryforwards		–		598,913		4,097,337
Other provisions and prepaid expenses		690,990		(728,612)		(1,228,463)
Deferred income taxes - Net	$	(228,906,984)	$	(215,350,973)	$	(204,205,361)

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

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

		2019		2018		2017
Deferred tax liability at the beginning of the period	$	(215,350,973)	$	(204,205,361)	$	(185,733,064)
Movement included in profit or loss		(12,918,014)		(13,091,239)		(16,393,916)
Movement included in other comprehensive income		(637,998)		1,945,627		(2,078,381)
Deferred tax liability at the end of the year	$	(228,906,984)	$	(215,350,973)	$	(204,205,361)

15. FINANCIAL INSTRUMENTS

15.1 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.

15.2 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:

		2019		2018		2017
Debt	$	714,427,583	$	699,797,422	$	581,994,879
Cash, cash equivalents and restricted cash		(75,063,593)		(64,483,395)		(91,001,709)
Financial assets held for trading		(804,967)		(724,399)		(677,828)
Net debt		638,559,023		634,589,628		490,315,342
Equity		1,111,124,981		1,053,703,573		1,022,332,124
Net debt to equity ratio		57%		60%		48%

15.3 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, derivate 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.

15.4 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.

15.5 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.

15.6 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:

	2019	2018	2017
Exchange rates:			
Mexican pesos per US dollar at the end of the period	18.8452	19.6829	19.7354
Mexican pesos per US dollar average during the year	19.2619	19.2371	18.9302
Monetary assets:			
Mexican pesos	$ 428,678,974	$ 592,340,267	$ 651,151,481
US dollars	512,762	347,594	445,751
Monetary liabilities:			
Mexican pesos	$ 158,652,308	$ 25,320,881	$ 51,171,796
US dollars	38,817,667	31,782,583	26,992,726

15.7 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:

	2019	2018	2017
Profit or loss impact:			
Mexican peso - 10% appreciation - gain	$ (1,302,606)	$ (2,618,883)	$ (2,763,745)
Mexican peso - 10% depreciation - loss	1,592,075	3,200,857	3,377,910
U.S. dollar - 10% appreciation – loss	(74,118,981)	(61,873,174)	(52,391,517)
U.S. dollar - 10% depreciation - gain	74,118,981	61,873,174	52,391,517

15.8 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

	2019		
	CONTRACTED FIXED INTEREST RATE	NOTIONAL PRINCIPAL VALUE	FAIR VALUE ASSETS (LIABILITIES)
Outstanding receive floating pay fixed contracts	1.645	$ 80,000,000	$ 163,530

	2018		
	CONTRACTED FIXED INTEREST RATE	NOTIONAL PRINCIPAL VALUE	FAIR VALUE ASSETS (LIABILITIES)
Outstanding receive floating pay fixed contracts	1,944	$ 150,000,000	$ 2,380,863

15.9 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 5% of its total portfolio's gross leasable area (unaudited), and 26%, 23% and 40% of its operating lease receivable balance and 5.8%, 6% and 7% its annualized rents as of and for the years ended December 31, 2019, 2018 and 2017, 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.

15.10 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, 2019 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		$ 198,232	$ 596,673	$ 53,979,332	$ 666,377,500	$ 721,151,737
Accrued interest	5.05%	5,607,312	17,736,285	80,128,580	28,966,482	132,438,659
		$ 5,805,544	$ 18,332,958	$ 134,107,912	$ 695,343,982	$ 853,590,396

15.11 Fair value of financial instruments

15.11.1 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.

15.11.2 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, 2019, 2018 and 2017 is $701,480,932, $707,100,000 and $590,500,000, 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.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

16.1 Compensation of key management personnel

The remuneration of Entity's management and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of members of key management personnel during the year was as follows:

	2019	2018	2017
Short-term benefits	$ 5,455,377	$ 4,955,056	$ 3,804,628
Share-based compensation expense	2,788,939	1,942,810	1,477,031
	$ 8,244,316	$ 6,897,866	$ 5,281,659

17. SHARE-BASED PAYMENTS

17.1 Details of the share-based plans of the Entity

The Entity has granted shares to its executives and employees under two different plans as follows:

i. Under the Vesta 20-20 Long-term Incentive Plan (the Vesta 20-20 Incentive Plan or LTI), as approved by the Board of Directors, the Entity will use a "Relative Total Return" methodology to calculate the total number of shares to be granted. The shares granted each year will vest over the three years following the grant date.

ii. The total number of shares to be granted during the six-year period is 10,428,222 shares at the expected performance. The shares to be used to settle this plan were issued by the Entity during January 2015; no awards will be paid in cash. The granted shares are contributed to a trust and delivered in three equal settlement dates to the executives after 12, 24 and 36 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

From 2015 to 2020 the plan consists on awarding the eligible executives of the company (15 executives during 2019). The actual grant ranges from a minimum threshold level, an expected amount and a maximum potential grant. The actual grant is determined based on these levels are determined at the beginning of each fiscal year by the Corporate Practice Committee.

GRANT YEAR	SHARES GRANTED IN LTI	CUMULATIVE EXERCISED SHARES	SHARES GRANTED	PLAN PARAMETERS MIN	TARGET	MAX
2015	$ –	$ –	$ –	$ –	1,738,037	2,600,000
2016	1,347,325	(898,217)	449,109	695,215	1,738,037	2,607,056
2017	1,581,874	(527,291)	1,054,583	695,215	1,738,037	2,607,056
2018	4,176,478	–	4,176,478	1,000,000	2,500,000	3,750,000
Total	7,105,677	(1,425,508)	5,680,170			

iii. The total number of shares to be granted in each of the six years' ranges from 695,215 to 1,738,037 shares, at the expected performance level, to a maximum of 2,607,055 shares, plan parameters changed beginning 2018 to ranges from 1,000,000 to 2,500,000 shares, to a maximum of 3,750,000 shares, if the Entity's shares perform at peak performance compared to other publicly traded entities in each year.

iv. Under the 2014 Long-term Incentive Plan (the 2014 Incentive Plan), the Entity has a share-based plan for 12 top executives of the Entity. In accordance with the terms of the plan, as approved by the board of directors, based on certain performance metrics, the Entity executed a long-term incentive plan that will be settled by the Entity with its own shares which have been repurchased in the market. Under this plan, eligible executives will receive compensation, based on their performance during 2014, settled in shares and delivered over a three-year period. For this plan shares are kept in treasury and may be placed in a trust; they will be delivered to the executives in three equal settlement dates to the executives after 24, 36 and 48 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

17.2 Fair value of share options granted in the year

i. Vesta 20-20 Incentive plan - Based on the performance of the Entity's shares for the years ended December 31, 2019, 2018 and 2017, the shares granted were 5,680,169, 3,379,720 and 637,200, respectively.

ii. 2014 Incentive Plan - The fair value of the share awards granted under the 2014 Plan, was determined based on a fixed amount of cash determined as per the Entity's plan. It is assumed that executives will receive the awards after vesting date. The expense under this plan affects the cash position of the Entity.

17.3 Compensation expense recognized

The long-term incentive expense for the years ended December 31, 2019, 2018 and 2017 was as follows:

	2019	2018	2017
Vesta 20-20 Incentive Plan	$ 2,788,939	$ 1,933,246	$ 1,430,143
2014 Incentive Plan	–	9,564	46,888
Total long-term incentive expense	$ 2,788,939	$ 1,942,810	$ 1,477,031

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

17.4 Share awards outstanding at the end of the year

As of December 31, 2019, there are 5,680,169 shares outstanding with a weighted average remaining contractual life of 13 months.

18. LITIGATION, OTHER CONTINGENCIES 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 back 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.

19. FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 12, 2020 the issuance of the consolidated financial statements was authorized by the Board of Directors, consequently, they do not reflect events occurred after that date. These consolidated financial statements are subject to approval at the General Ordinary Shareholders' Meeting, where the stockholders may decide to modify such consolidated financial statements according to the Mexican General Corporate Law.

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