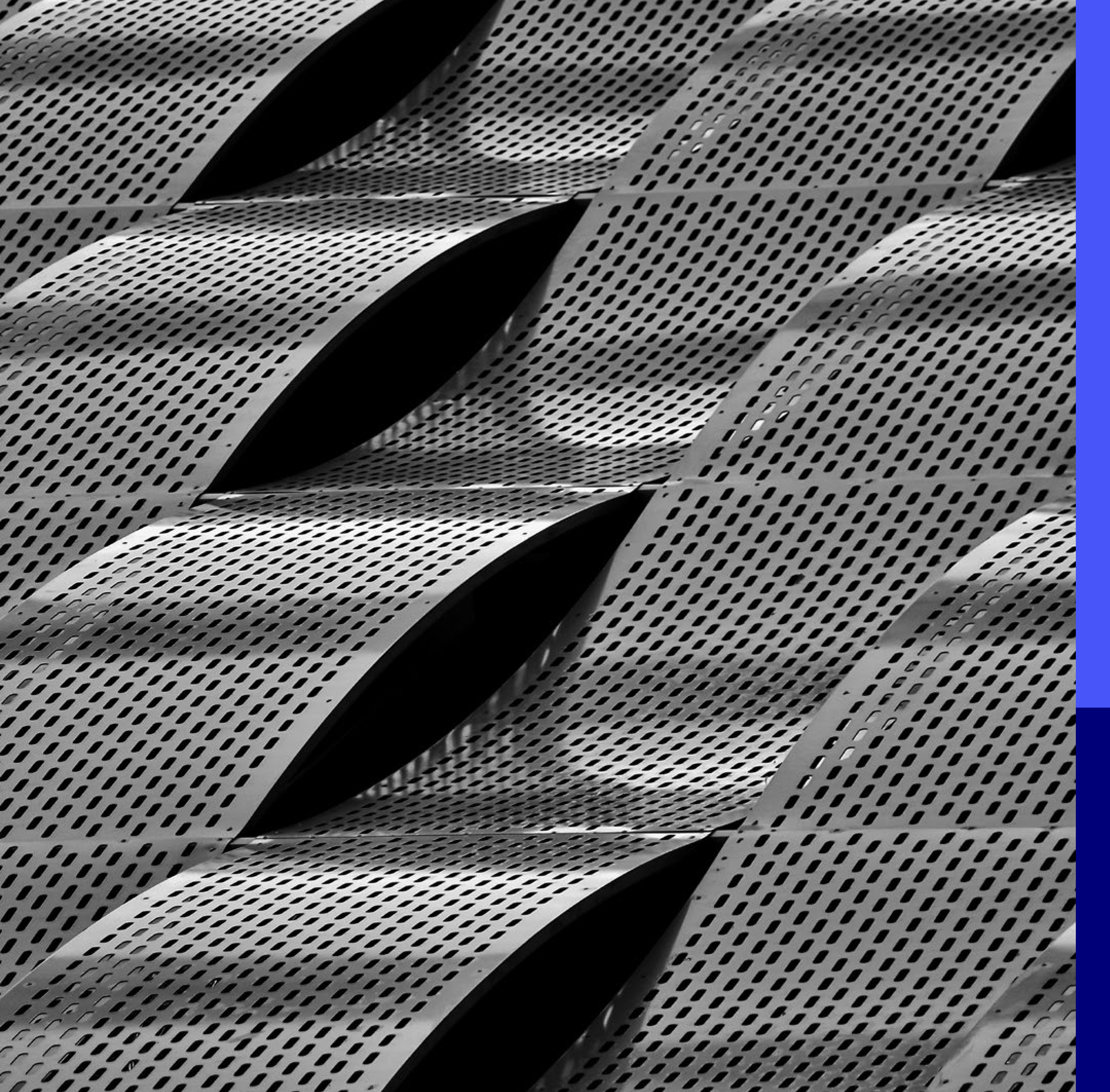

Annual report

2020

VESTA

VESTA

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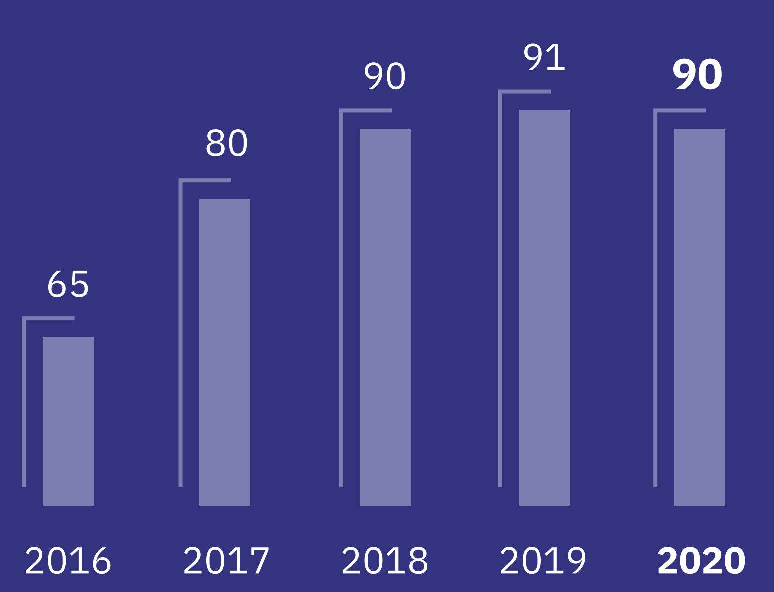
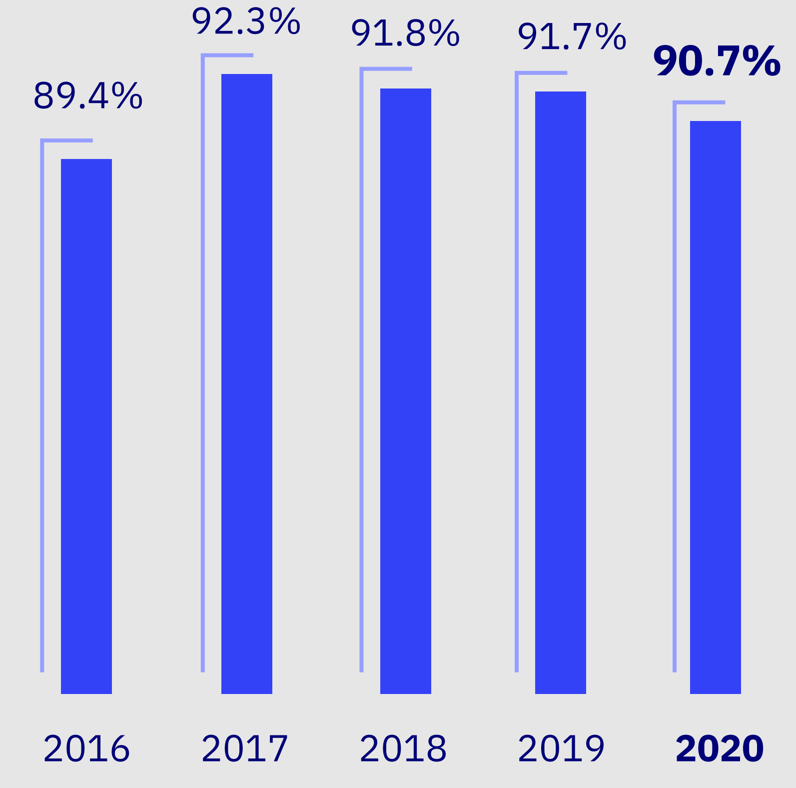
VESTA

Data highlights

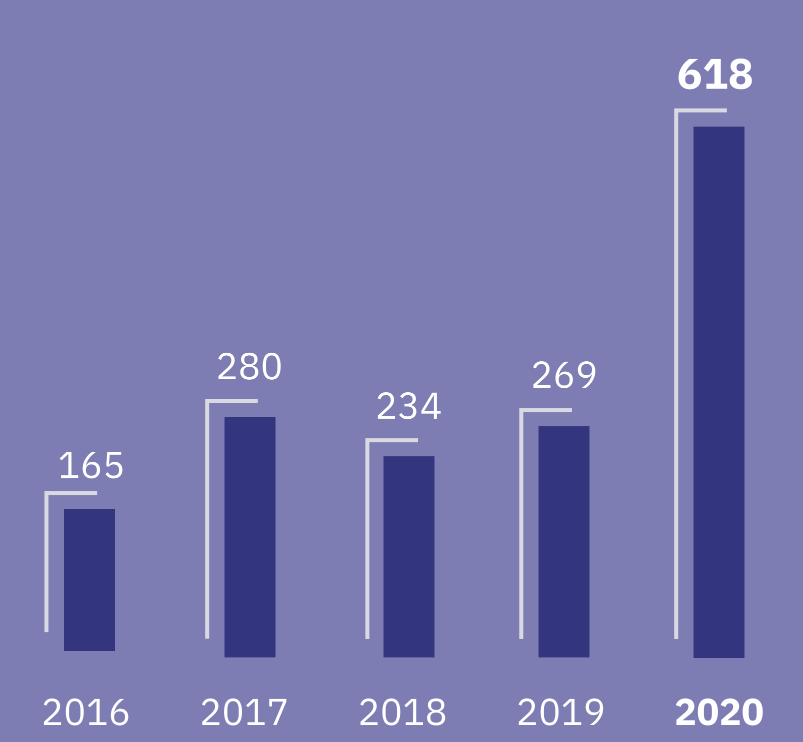
USD 256,410
additional funding for Covid-19 related initiatives



11
Covid-19 related initiatives



29
average hours of training per employee



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.

Social investment in 2018 and 2019 was consistent with the policy approved by shareholders in the Annual Meeting: one U.S. cent per square foot leased per year.

Social investment in 2020 was also consistent with the policy approved by shareholders in the Annual Meeting, of one U.S. cent per leased, managed and developed square foot, plus an extra USD 256,410 invested in Covid-19 related activities and the funds raised during the 2019 Vesta Challenge.

.48 kWh
per m² energy intensity[1]
(Scope 2)

51,849 m³
of wastewater treated and reused for watering[1]

USD 361,380
invested in ESG issues

31,221,034
square feet of Gross Leasable Area (GLA)

USD 140,929,815
in Net Operating Income (NOI)

1 Reductions in GHG emission and water consumption compared to previous years were due to the migration to home office schemes for most of our operations due to Covid-19.

Letter from the Chief Executive Officer

102-14

The events faced by all humankind in 2020 are engraved in the mind and spirits of each and every one of us. An unexpected year, with challenges we could not have foreseen, brought difficulties beyond public health, including a global economic slowdown. At Vesta, we acted in accordance with our strategy and with the support of a great team, which worked with passion to continue creating value for the company, our clients, and our country. With this, our performance was in line with expectations, and we are ready to move forward with renewed energy to what lies ahead.

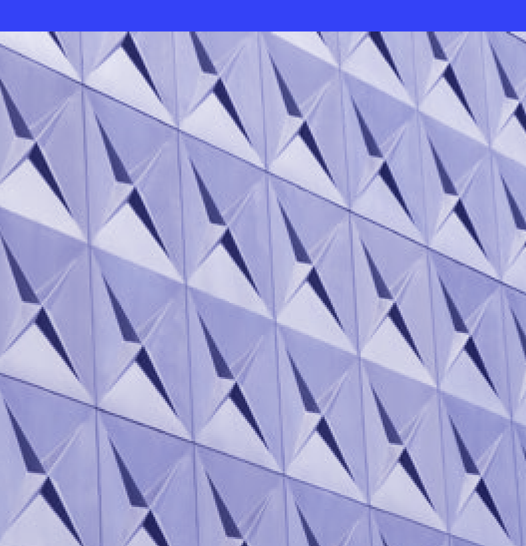
We continued to balance the company's short- and long-term objectives, even amid the difficulties of 2020, successfully implementing our Vesta Level 3 strategic plan. Among other actions, this year we created our Vesta Park Guadalupe in Monterrey and Vesta Park Guadalajara in El Salto, Jalisco, both of them new markets for us, and we strengthened commercial efforts by incorporating top-flight clients, diversifying our portfolio and expanding our participation in sectors new to us, like e-commerce.

Our close, long-term relationships with clients is a quality that sets us apart. We immediately devised constructive solutions for select companies that had asked us for extensions on the payment of their rent, and we also adapted to the situation with a strategy of new developments made up of pre-leased buildings, built-to-suit projects and expansions for existing clients. We continued our leasing activities and were able to grow through renewals and new contracts in sectors like e-commerce, while increasing our portfolio of premium clients.

No less important, we at Vesta believe the future is green, so our Environmental, Social and Governance (ESG) program is an integral part of our Level 3 strategy and our culture, as members of the communities where we operate. Since we are firmly convinced that we must all work together to prevent a climate change crisis, we have focused on improving the environmental impact of our portfolio and providing social support to the communities around us. This places us at the forefront of the global green movement, as a benchmark in our industry and among our peers.

In 2020 we were able to substantially improve our position in rating agency rankings and recognitions. We also became signatories of the UN PRI, a United Nations initiative that promotes responsible investment through an international network of companies that incorporate ESG principles into their investment decisions and properties.

Additionally, because of our ESG investment, planning and management efforts, in 2020 Vesta was selected to become part of the Dow Jones Sustainability



"At Vesta, we acted in accordance with our strategy and with the support of a great team, which worked with passion to continue creating value for the company, our clients, and our country."

Index MILA for the second year in a row and we rose 10 notches in the ranking. We were also the second company of ten to be recognized for their significant improvement in the Americas category of the Global Real Estate Sustainability Benchmark (GRESB) and the third of eight real estate companies chosen in the continent. We were rated at GRESB with more than 50% of the points assigned to each key indicator of the ranking.[2]

Finally, in terms of recognitions, Vesta was among the companies included in the first edition of the S&P/BMV Total ESG, which tracks the performance of a set of BMV-listed issuers selected for their incorporation of ESG factors in decision-making.

In this year of the pandemic, we supported an additional 11 programs, responding promptly and effectively to the growing demands of the health crisis, donating medical and sanitary supplies, stretchers, education for nurses, scholarships for underprivileged children, basic supplies for families in vulnerable conditions, and support for the creation of Covid hospitals and already established medical facilities, among others. This support was made possible by the direct donations of our employees, board members, and the company itself.

Also, very early on we created a health and safety protocol not just for our employees but for clients and suppliers in all Vesta Parks. Among other actions, these include sanitation measures, standards for suppliers and visitors entering the park, and correct signage regarding sanitary measures in the common areas of the parks.

We paid special attention to the health and well-being of our employees, who are the pillar of our company. We have reinforced our wellness program in order to ensure that remote work is conducted harmoniously and seamlessly in consideration of the physical and mental health of everyone concerned.

We also reinforced our medical expense insurance to provide the necessary support amid the crisis. Fortunately, our work force is healthy and complete, working long distance and/or close to our clients when conditions permit.

I would like to take this opportunity to thank everyone who has made Vesta's successes possible during this challenging year. Our team is characterized not only by its excellence and high standards, but also by its spirit and its humanity. Although we do not know how severe or how long-lasting this pandemic's effects will be, we know we are prepared to face the future.

LORENZO DOMINIQUE BERHO
CHIEF EXECUTIVE OFFICER

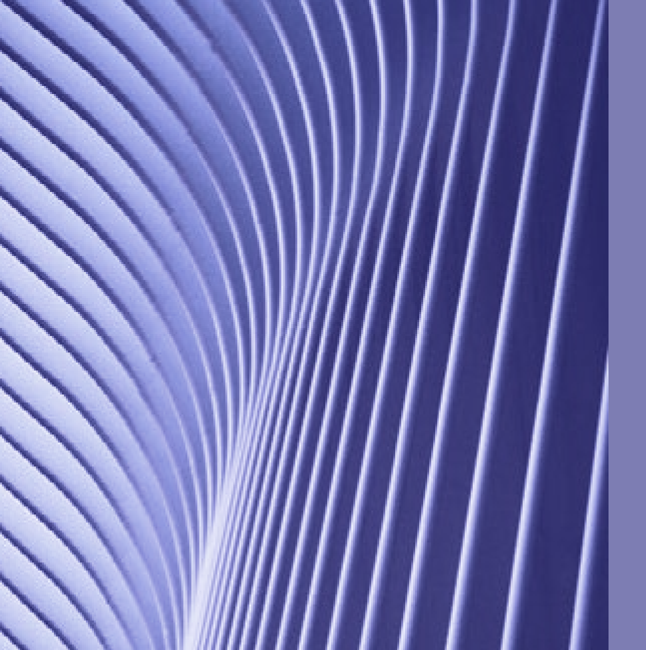
2 Companies that earn more than 15 points in Management and 35 points in Performance, or 15 points in Management and 35 points in Development earn Green Star ranking from GRESB, which is assigned on an absolute basis from participants only in the real estate category.

We are VESTA

102-16

188
industrial buildings

31,221,034
square feet of Gross Leasable Area (GLA)



11
industrial sectors served

177
clients

Vesta develops, sells, purchases, administers and rents industrial buildings and distribution centers in 15 states of Mexico, bringing real-estate solutions to our clients with eco-efficiency standards that promote their development and generate numerous benefits to the communities where we are present.

In recent years, we have worked to become a benchmark in our industry for environmental, social, and governance (ESG) management, leveraging innovation to offer a resilient, safe, intelligent, efficient and profitable industrial platform.

MASSIVE TRANSFORMATIVE PURPOSE

Innovating Mexico's Industrial Platform

We work by innovating permanently to bring the best industrial spaces to cutting-edge companies and to position Mexico as a leader in Industry 4.0.

Through our **Quality Policy**, we pledge to offer our clients an efficient service and sustainable real-estate developments, supported by an enterprising work team, offering personalized attention, establishing a respectful relationship with our suppliers and continuously improving our ISO-9001:2015 quality management system.

Our commitment to **integrity** inspires us to act every day in an ethical and honest manner, with zero tolerance for corruption and focused on helping build the foundations of a better Mexico. Our commitment to **innovation** means seeking out synergies with the industry, being disruptive in the way we operate to raise efficiency standards, being flexible to adapt to change and reinforcing work to promote sustainability. Furthermore, we are designing the Smart Parks of the future.

To safeguard the safety and well-being of our tenants, we have a Property Security Policy that protects their assets and information. Also, aware of global trends regarding climate change, security and health, digitalization and the scarcity of resources that may jeopardize the physical safety of our assets, we focus on strengthening the **resilience** of our developments.

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.

Stock structure*

We are a proudly Mexican company

Holder	%
FLOAT	88.56%
BERHO FAMILY	6.01%
TREASURY	4.81%
SENIOR MANAGEMENT	0.62%

* From March 13, 2020 to March 23, 2021, there are 30,652,439 shares in treasury, and share capital subscribed and paid is 606,457,078; among the shares subscribed and paid, is the Berho family and High Management percentage of tenure.

Products 102-2

At Vesta, we are committed to designing an industrial platform that satisfies the needs for space, logistics, intelligence and interconnection for world-class national and international companies.

We have more than 31,221,034 square feet of parks and industrial buildings that are configured to meet various needs for operation, connection and growth among our clients. The spaces we offer 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.

BUILT TO SUIT® PROPERTIES

Made-to-order buildings that follow the best international practices and eco-efficiency trends in the industry, to create facilities appropriate to the specific needs of each client.

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.

Number of buildings

NORTH	BAJÍO	CENTRAL
37%	45%	18%

Gross Leasable Area (GLA)

NORTH	BAJÍO	CENTRAL
29.1%	48.6%	22.3%

188
industrial buildings

31,221,034
square feet of Gross Leasable Area (GLA)

Presence

102-4, 102-6, IF-RE-000.A, IF-RE-000.B, IF-RS-000.A

We provide interconnection solutions throughout the country, covering three regions: North, Bajío and Central, with 31,221,034 square feet of gross leasable area (GLA).

To meet our clients' growth needs, we have five buildings under development, equivalent to 1,089,135 square feet of gross leasable area (GLA).

NORTH

Baja California, Chihuahua, Nuevo Leon, Sinaloa, Tamaulipas

71 CLIENTS	2 PROPERTIES UNDER DEVELOPMENT
70 BUILDINGS	107.17 LAND BANK (ACRES)

SURFACE AREA **9,078,487** square feet

BAJÍO

Aguascalientes, Guanajuato, Jalisco, Queretaro, San Luis Potosi

75 CLIENTS	2 PROPERTIES UNDER DEVELOPMENT
84 BUILDINGS	791.38 LAND BANK (ACRES)

SURFACE AREA **15,182,808** square feet

CENTRAL

Mexico State, Puebla, Quintana Roo, Tlaxcala, Veracruz

31 CLIENTS	1 PROPERTIES UNDER DEVELOPMENT
34 BUILDINGS	7.64 LAND BANK (ACRES)

SURFACE AREA **6,959,740** square feet

Clients

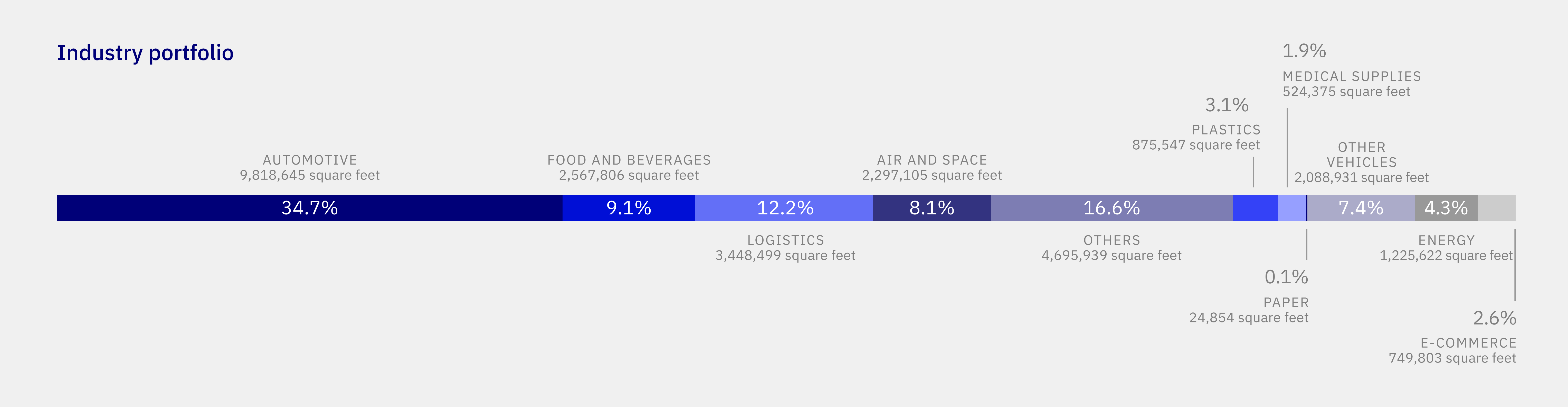
102-6, 102-43, 102-44
IF-RE-410a.3

28,317,125 square feet total occupancy

2,903,909 square feet vacant

31,221,034 square feet Gross Leasable Area (GLA)

Our clients are the heart of our business, so in order to provide them cutting-edge services that meet and exceed their expectations, we are continually transforming ourselves and innovating to keep our parks at the forefront of the Industry 4.0 revolution.



11 industrial sectors served

177 clients

90.7% client retention rate in 2020

MAIN CLIENTS

CLIENT	COUNTRY OF ORIGIN OF CAPITAL	% OF GLA	% ACCRUED RENT	CONTRACT EXPIRES (YEARS)	CREDIT RATING
Nestlé	Switzerland	5.8%	5.2%	4.1	Aa3
BRP	Canada	4.2%	6.0%	5.7	Baa3
tpi	United States	3.9%	6.0%	7.4	NA
SAFRAN	France	3.6%	5.0%	7.8	NA
NISSAN	Japan	3.4%	3.3%	4.0	Baa3
mercado libre	Argentina	2.2%	2.8%	10.8	Ba1
BOMBARDIER	Canada	2.0%	3.1%	5.3	Caa2
LEAR CORPORATION	United States	1.8%	1.4%	3.9	Baa2
ZF	Germany	1.6%	1.4%	3.7	Ba1
FCA	United States	1.6%	2.0%	4.0	BBB-

Our Asset Management area is a liaison for direct communication with our clients; through this area we are able to promptly address their needs and concerns.

Each year we conduct a **Satisfaction Survey** to learn about areas of opportunity and best practices regarding our service, attention and maintenance quality. Furthermore, intent on extending the ESG management philosophy to our tenants, we also included questions about the initiatives they carry out, to determine how far sustainability is incorporated in their operations. Additionally, we send them an explanatory video about why it is important for Vesta to collect their environmental data, to measure our combined impact and propose alternatives for continuous improvement.

We received responses from 75 tenants, which make up 40% of our total administered portfolio, the main results of which were as follows:

ESG ISSUES

75% of our clients have areas or employees in charge of sustainability aspects.
72% of our clients have social responsibility and/or environmental programs.
67% of our clients have some certification, award or recognition of their environmental, labor or quality performance.
72% of our clients believe that when renting an industrial building, energy efficiency is of the utmost importance.

Given the urgency of adjusting our facilities, safety and hygiene measures and service processes to respond to the pandemic, we took advantage of this survey to ask tenants for their opinion on how we handled the Covid-19 public health crisis in the early months of 2020.

61% believe that our health and safety protocol was good.
61% believe that communication during the most critical months was timely.

SERVICE AND MAINTENANCE

99% of tenants consider our personnel to be friendly

92% would renew their contract with Vesta

92% would recommend us

87% are satisfied with our service

82% believe the quality of our properties is good or excellent

17 PARTNERSHIPS FOR THE GOALS

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

To offer world-class industrial properties that apply best practices at the forefront of our industry, we create synergies with construction, engineering and design firms, contractors and other suppliers, making sure our public tender, operating and maintenance processes are efficient, prompt, obtain the best costs and are increasingly sustainable.

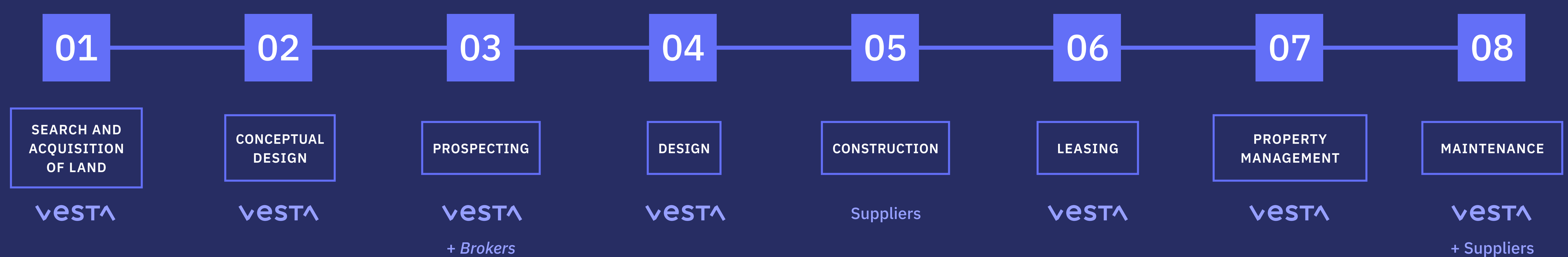
To ensure competitive practices in the selection of our construction and advanced engineering suppliers, we assign all of our projects through a public tender process, in which our Executive Committee evaluates the suppliers and the on-time delivery of developments, while the Asset Management team, together with the purchasing area, is in charge of coordinating suppliers to guarantee optimum maintenance once the properties are in operation.

Our construction suppliers are asked to follow the provisions of the Sustainable Construction Manual and complete a checklist[3] in order to reduce the risk of negative impacts and magnify positive impacts with social investment projects for communities and by being increasingly responsible about environmental impacts.

Suppliers must also adhere to the Workplace Safety Program, and we monitor them to make sure they comply with federal regulations on this matter. We also make sure all workers who participate in Vesta projects are enrolled with and covered by the Mexican Social Security Institute (IMSS).

"To offer world-class industrial properties that apply best practices at the forefront of our industry, we create synergies with construction, engineering and design firms, contractors and other suppliers."

VESTA VALUE CHAIN



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 them for a close track of labor issues on the job site.

To guarantee that our company's good practices permeate the value chain of our key suppliers, in 2020 9% of our suppliers signed their adherence to our ESG, Anti-Corruption and Sustainable Sourcing Policies and our Code of Ethics.

In 2020 we conducted our first audit of ESG criteria to detect shortcomings, successes and areas of opportunity regarding understanding and application of the environmental, social and governance requirements we ask of them. We invited 42 suppliers, 39 of which participated in training and 25 responded to the checklist with evidence of their management.

In this exercise we found that the most thoroughly applied Vesta documents are the ESG, Sustainable Sourcing and Anti-Corruption policies, and that 50% of audited suppliers are aligned with the Sustainable Development Goals and principles of the Global Compact. Furthermore, 52% of them have their own ESG policies and procedures.

Additionally, as we have been doing for the past five years, we conducted a **Supplier Satisfaction Survey** to learn more about how our suppliers feel about our processes and areas for improvement. The participation rate this year was 11%, because we expanded our base of surveyed suppliers from 72 to 354. The level of satisfaction with our relationship was 95%.

SUPPLIER SATISFACTION

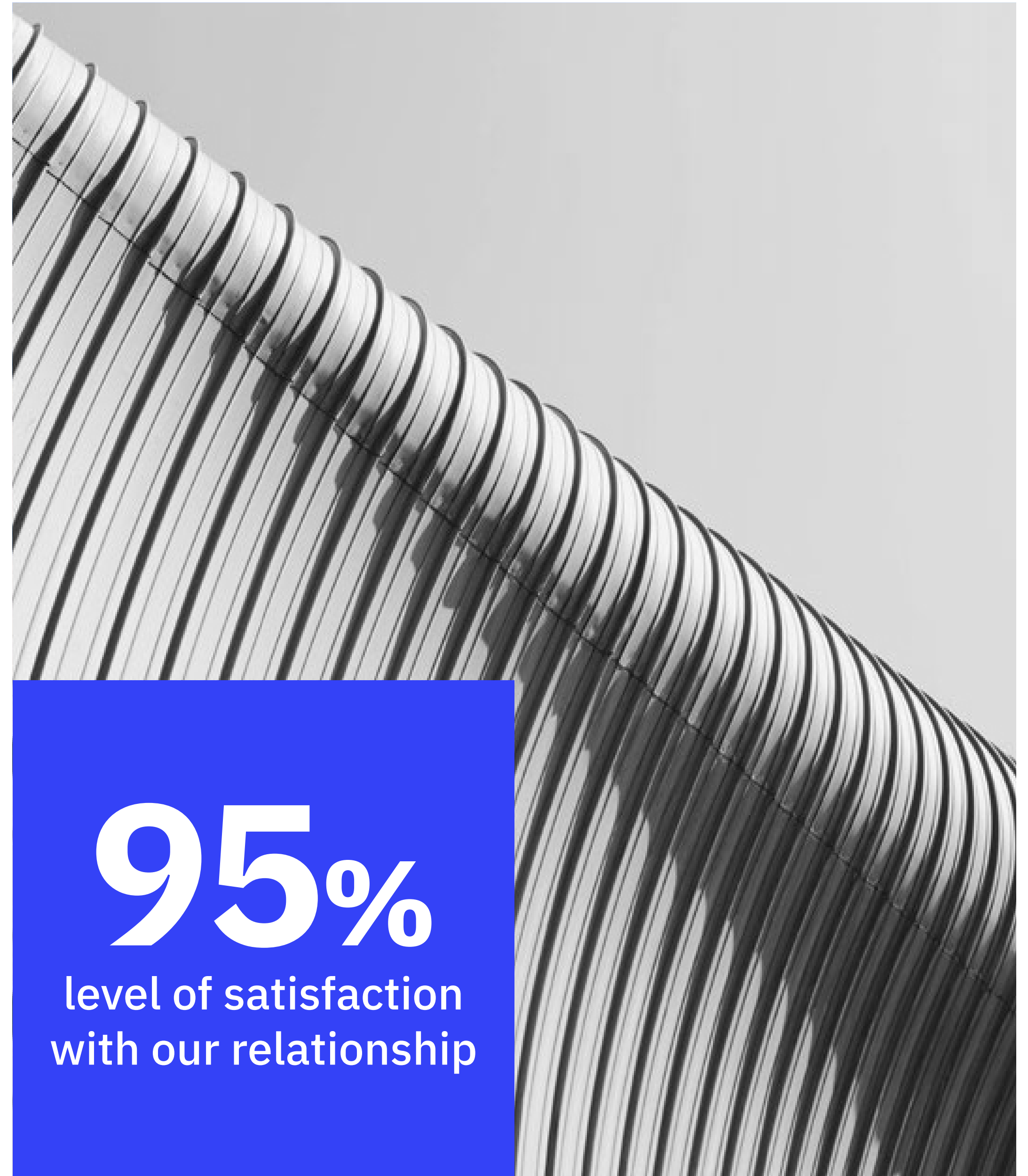
97% believe we have qualified personnel for providing effective solutions.
95% say they are satisfied with their relationship with Vesta.
92% believe we correctly fulfill our contracts with them.
89% believe their relationship with Vesta offers them growth opportunities.

ESG ISSUES

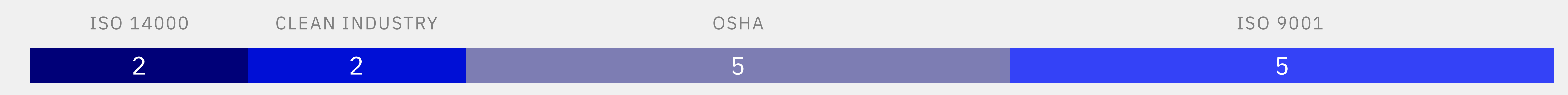
50% have social programs or community commitments.
40% carry out sustainable sourcing.
35% have recycling programs.
27% promote energy and water savings.
25% manage waste.

VESTA'S POLICIES

81% are familiar with and **62%** apply Vesta's Anti-Corruption policy in their operations.
74% are familiar with and **58%** apply the Code of Ethics.
67% are familiar with and **54%** apply the ESG Policy.
37% are familiar with and **20%** apply the Sustainable Sourcing Policy.



95%
level of satisfaction with our relationship



100% would be willing to obtain certification by some standard in order to continue being our suppliers.

39
audited suppliers for ESG aspects for the first time

Strategy

Vesta wants to be Mexico's benchmark for real-estate solutions, not just because of our experience in the industry, the profitability we offer or the world-class industrial buildings we operate, but also because of our efficient ESG management, which we have developed over time and are confident we will generate shared value for all.

Vesta Level 3

102-16, 102-19, 102-20 ,103-1, 103-2, 103-3

Intent on opening a new chapter in the success of our business as a fully integrated, sustainable and resilient real-estate company, we continued to evolve our Vesta Level 3 growth plan, which we began in 2019.

With this strategy we work to create value and reduce risks over time, driving a steady growth in our business by attracting intelligent capital, recycling assets and proactively optimizing our portfolio with the best social, environmental and governance performance.

This business strategy aims to bring together the more relevant issues in our industry with the most influential ESG issues for our business, so that we can take actions in a single direction to evolve toward a sustainable vision of the business in which we are also jointly responsible with our tenants and suppliers in managing the properties.

The Vesta Level 3 strategy is structured around five key commercial components, which in turn require us to strengthen some elements of our organizational structure.

01

Manage, maintain and improve the current portfolio.

02

Invest and/or divest to continuously create value.

03

Continue strengthening our balance sheet and expand funding sources.

04

Strengthen our organizational structure to successfully execute our strategy.

05

Become an industry benchmark in ESG matters, aligning our sustainable and resilient practices with the business model.

OUR ESG COMMITMENT

In the interests of defining Vesta's commitments with our stakeholders and vice versa, to improve the sustainable yield of our portfolio, we have a Commitment Program in which we seek to build a dialogue through the use of tools to measure and manage resource consumption, as well as the associated economic and social costs.

INVESTORS

Attract new capital, improve transparency of information and build a better reputation.

EMPLOYEES

Encourage commitment, motivation, development, teamwork, work-life balance and understanding of ESG issues.

TENANTS

Increase levels of satisfaction and support for them in improving ESG practices.

INDUSTRY - ACADEMY

Identify ways to solve key problems in the industry by improving and adapting our processes to current ESG challenges.

COMMUNITY

Generate shared and sustainable value through the collaborative exchange of knowledge, skills and experiences.

SUPPLY CHAIN

Ensure suppliers are aware of Vesta's preferences for acquiring sustainable products and services that adhere ESG practices.

Within our Commitment Program, we define ESG indicators by which we can establish the bases of shared responsibility between Vesta, tenant and suppliers, for the social and environmental management of our properties.

ENVIRONMENTAL INDICATOR MANAGEMENT TENANTS

We have a "green clause" in our contracts by which, in the first phase, they voluntarily share information on their energy and water consumption and waste generation, and we invite them to work together with Vesta toward the Sustainable Development Goals.

SOCIAL AND ENVIRONMENTAL MANAGEMENT SUPPLIERS

Through the Sustainable Construction Manual and the ESG checklist, we monitor compliance with environmental social and labor requirements before, during and after the project.

ESG CRITERIA AUDIT SUPPLIERS

To guarantee understanding and application of our environmental, social and governance requirements, we audited 39 of our suppliers for the first time.

SOCIAL COMPLIANCE VESTA

We carried out various initiatives to benefit communities neighboring our properties, through alliances with nonprofits, academia and local authorities. In dealing with the Covid-19 crisis, in 2020 we allocated additional resources to support the community during the pandemic.

CONTINUOUS IMPROVEMENT VESTA

We reviewed the commitments defined for these initiatives in order to identify best practices, areas of opportunity or redefine goals if necessary.

ESG COMMUNICATION VESTA

Through communication campaigns, we ensure transparency and accountability to our stakeholders regarding the implementation of all these actions.

64% of the contracts signed in 2020 had a "green clause"

60 of our clients voluntarily shared their environmental information

3 trained contractors on filling out the Sustainable Construction Manual checklist

In addition to the Commitment Program, we have a **Policy on Social, Environment and Governance Responsibility**[4] that guides the way in which social responsibility and sustainability practices should be carried out in all our properties, according to the business model and our daily operations.

These practices should be aligned around three principles:

01 INTEGRITY AND GOVERNANCE
We conduct ourselves honorably and responsibly, with respect and discipline, and we are consistent in our words and deeds.

02 ENVIRONMENT
We are committed to reducing the environmental impact of our developments and operations to benefit our tenants, the industrial real-estate industry, and the communities where we operate.

03 RESPONSIBLE INVESTMENT
We create a dialogue with our stakeholders, recognizing local needs as possibilities for growth, complementing projects with fundamental criteria such as human rights, community development, inclusion and gender equality, among others.

The ESG Department is the area responsible for planning, executing and monitoring these activities, while compliance is verified by the Social and Environmental Responsibility Committee.

In 2020, we voluntarily signed the United Nations Principles for Responsible Investment (UN PRI), which propose including ESG criteria into all investment and asset management decisions.

4 View our Policy on Social, Environment and Governance Responsibility

Materiality

102-21, 102-46, 102-47

Our most recent materiality exercise was conducted in 2019. Due to the dramatic shift in reality with the Covid-19 pandemic and in the interests of understanding the new priorities of the real-estate industry and our business, this year we updated our materiality analysis using the methodology proposed by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

For this update, we reviewed internal information on Vesta as well as the priority issues for ESG initiatives around the globe and in our industry. The result was a set of new material issues and a reorganization of those that we had identified in the previous exercise.

The issue of most importance to our stakeholders is client satisfaction; for Vesta, it is energy management.

Based on the results of this new study, we hope to turn our strategy toward building ongoing dialogue with investors, clients, employees, contractors and other stakeholders in order to understand the risks and take advantage of the opportunities we have before us, to contribute to the development of our business and our country.

Throughout this report we present the actions we took on each of these issues in 2020, and the management approach by which we connect them with our business strategy.

ENVIRONMENTAL SOCIAL GOVERNANCE

VESTA

Stakeholders

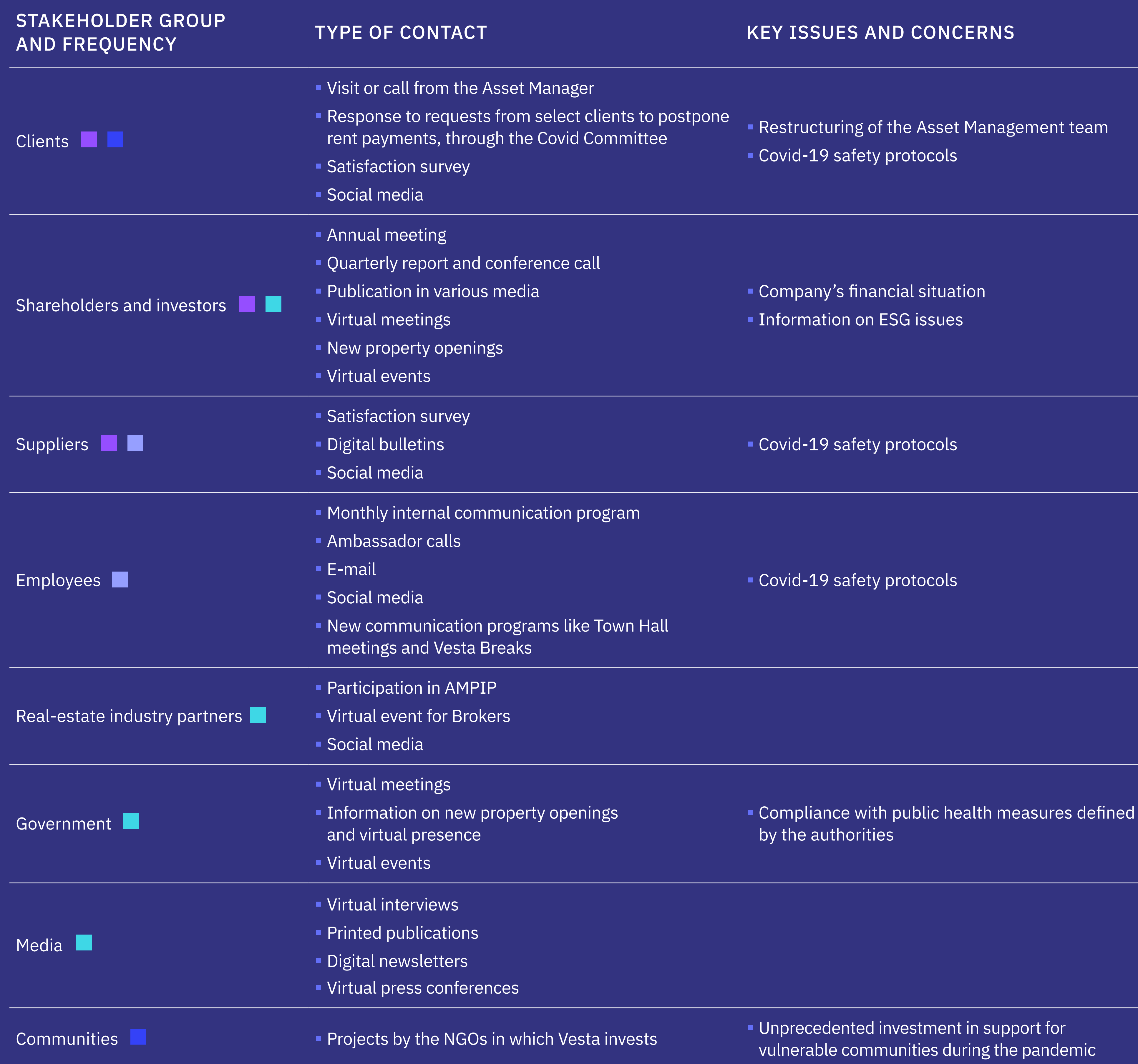
103-1 ,103-2, 103-3, 102-21, 102-40, 102-42, 102-43, 102-44

To ensure two-way, mutually beneficial relations, we keep a number of channels of communication open with our stakeholders.

The main channels are through our ESG and Investor Relations area, the Social and Environmental Responsibility Committee, and direct channels like e-mail, events, publications, surveys, phone and social media.

"We have a Commitment Program whose aim is to improve the sustainable yield of our portfolio."

ANNUALLY MONTHLY QUARTERLY WEEKLY



STAKEHOLDER GROUP AND FREQUENCY	TYPE OF CONTACT	KEY ISSUES AND CONCERNS
Clients	▪ Visit or call from the Asset Manager ▪ Response to requests from select clients to postpone rent payments, through the Covid Committee ▪ Satisfaction survey ▪ Social media	▪ Restructuring of the Asset Management team ▪ Covid-19 safety protocols
Shareholders and investors	▪ Annual meeting ▪ Quarterly report and conference call ▪ Publication in various media ▪ Virtual meetings ▪ New property openings ▪ Virtual events	▪ Company's financial situation ▪ Information on ESG issues
Suppliers	▪ Satisfaction survey ▪ Digital bulletins ▪ Social media	▪ Covid-19 safety protocols
Employees	▪ Monthly internal communication program ▪ Ambassador calls ▪ E-mail ▪ Social media ▪ New communication programs like Town Hall meetings and Vesta Breaks	▪ Covid-19 safety protocols
Real-estate industry partners	▪ Participation in AMPIP ▪ Virtual event for Brokers ▪ Social media	
Government	▪ Virtual meetings ▪ Information on new property openings and virtual presence ▪ Virtual events	▪ Compliance with public health measures defined by the authorities
Media	▪ Virtual interviews ▪ Printed publications ▪ Digital newsletters ▪ Virtual press conferences	
Communities	▪ Projects by the NGOs in which Vesta invests	▪ Unprecedented investment in support for vulnerable communities during the pandemic

Participation in associations

102-12, 102-13

Joining our efforts with national and international real-estate industry chambers and associations is one way we strengthen our commitment to fulfilling our Massive Transformative Purpose.

> *"We form partnerships to promote the development of the Mexican real-estate industry."*

Since 2018, Lorenzo Berho Corona, Executive chairman of the Board of Directors, has been a member of the B20 Trade and Investment Taskforce. He is also a member of the Steering Committee of the Alliance for Integrity in Mexico.

Starting 2020, Lorenzo Dominique Berho Carranza was appointed president of the Mexican Association of Industrial Parks.

ASSOCIATIONS

- Alliance for Integrity[1,2]
- *Asociación Mexicana de Parques Industriales* (AMPIP)[1,2,3]
- *Asociación de Parques Industriales Privados del Estado de Guanajuato* (APIPEG)
- *Comité de Emisoras de la Bolsa Mexicana de Valores*
- *Comité de Sustentabilidad de la Bolsa Mexicana de Valores*[2]
- *Comité México-Alemania de Comercio e Industria* (CAMEXA)[1,2]
- *Consejo de América Latina de* Real Estate Network *de* YPO/WPO[2]
- *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología* (COMCE)[1,2]
- *Desarrollo Económico de Ciudad Juárez*[2]
- *Desarrollo Económico e Industrial de Tijuana* (DEITAC)[1,2,3]
- *Federación Mexicana de la Industria Aeroespacial* (FEMIA)
- ISO 9001:2015[2]
- United Nations Global Compact
- Smart Border Coalition[1,2]
- *Sustentabilidad para México* (SUME)
- US Green Building Council (USGBC)
- WELL Building Standard
- Borderplex Alliance (El Paso, Juarez and Las Cruces)
- Index Tijuana
- *Consejo de Desarrollo para la CDMX*[1]
- SANDAG Borders Committee[2]
- *Asociación Mexicana de Venta Online*

1. Vesta participates in the governance body of the organization.
2. Vesta participates in projects or committees.
3. Vesta provides funding outside of the membership fee or dues.

VESTA

We work every day to offer our clients an industrial platform that exceeds their expectations and enables them to empower their own businesses, while being resilient to change. Vesta developments have a strong focus on strategic ESG management, because we are convinced that this approach is our best ally to guaranteeing future sustainability.

2

new locations, Monterrey and Guadalajara

Potential

90.7%

occupancy of total portfolio

Growth 102-7

To build an industrial platform that meets our clients' needs and exceeds their expectations, we aim at growth in strategic locations that favor connectivity throughout the country, while we develop industrial buildings and parks with the highest standards of quality and efficiency, consistent with the latest ESG trends.

Despite the adversities of 2020, we opened two new parks with an initial surface area of 828,563 square feet in two new locations for Vesta.

+828
thousand square feet of area added to our portfolio

"We aim at growth in strategic locations that favor connectivity throughout the country."

2
new parks

VESTA

VESTA PARK GUADALUPE

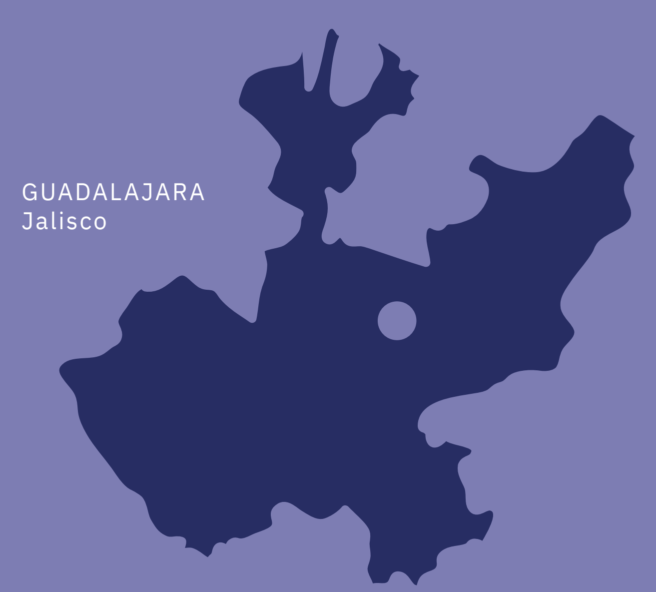
INVESTMENT
USD 12.92
billion

SURFACE AREA
168,498 square feet
in the first building

VESTA PARK GUADALAJARA

INVESTMENT
USD 38.81
billion

SURFACE AREA
660,064 square feet
in the first building



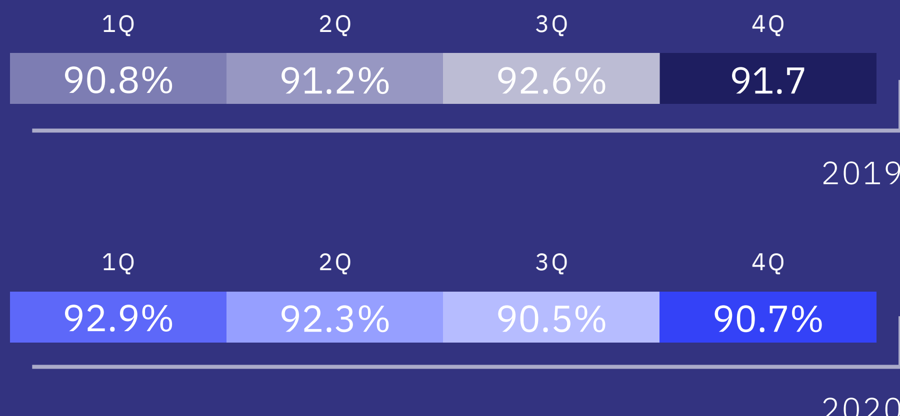
Portfolio metrics 2020

IF-RE-000.D

We measure the occupancy and performance of our industrial bays and parks following the metrics recommended by the National Association of Real Estate Investment Trusts® (NAREIT®).

Total portfolio

% OCCUPANCY

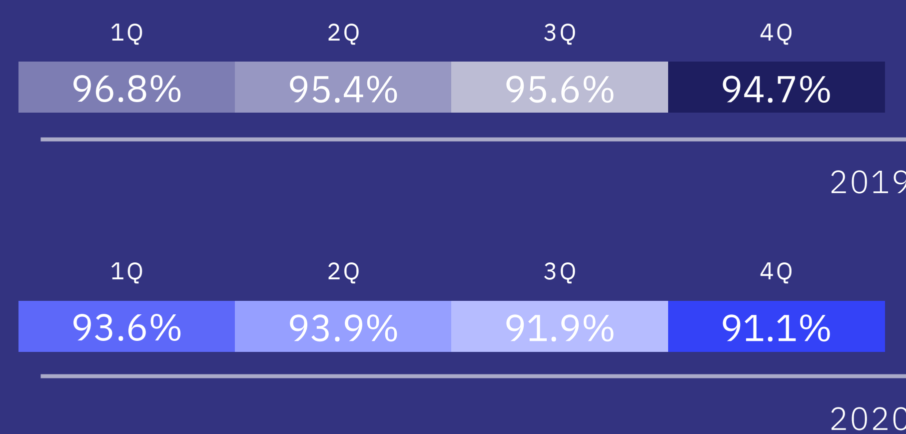


Includes developed, redeveloped, and stabilized properties and properties for sale.

90.7%

Stabilized portfolio

% OCCUPANCY

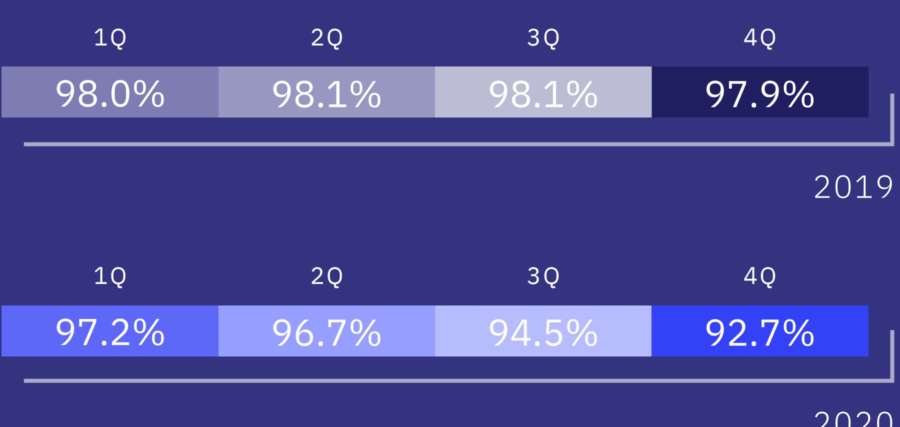


Properties that have achieved an occupancy of 80% or which have been delivered during the first year after construction, whichever occurs first.

91.1%

Same-store portfolio

% OCCUPANCY



Properties that have been in operation (stabilized) for two comparable periods.

92.7%

Economic value

201-1

In a year marked by challenges and change, Vesta continued to drive real-estate development in this country, with all of its areas working together to remain a solid, reliable company, and above all a resilient one.

In Mexico, as in most of the world, the pandemic forced companies and people to adapt to a digital economy, which made e-commerce and logistics the drivers of growth in 2021. Since Vesta is part of the logistics chain of many companies, we are strengthening our focus on key markets and industries in the current context, always with an eye to the future.

The resilience of our Vesta Level 3 strategy enabled us to adapt quickly and efficiently to the changing environment, to identify emerging trends and take advantage of new commercial opportunities.

Two examples of this are the Vesta Park Monterrey and the Vesta Park Guadalajara, opened in 2020, both with leasing contracts in new markets for Vesta, but aligned with our strategic commercial approach to premium clients in fast-growing industries.

Our revenues totaled USD 149.9 million, a year-over-year growth of 3.8%, above our 2% guidance for the year. The NOI and EBITDA margins also exceeded our guidance at 94.0% and 84.2%, respectively, compared to 92% and 83% in our adjusted guidance for 2020.

Despite the slowdown in new leasing activity during the year, we reached some key agreements in the North and Bajío regions, where we leased a total of 0.5 million square meters in 2020, 48% of which came from new contracts and growth projects, while the other 52% were renewals, with a positive leasing spread of 0.5% and a weighted average leasing term of approximately seven years.

To deal with the “new normal,” we adapted with an active development portfolio of pre-leased buildings, built-to-suit projects and expansions with existing tenants focused on key growth industries and markets. We delivered 100,000 square meters in 2020, 91% of which are already leased, with two new built-to-suit buildings delivered ahead of schedule. We closed the year with 100,000 square meters in our development portfolio, 23% of which are already leased.

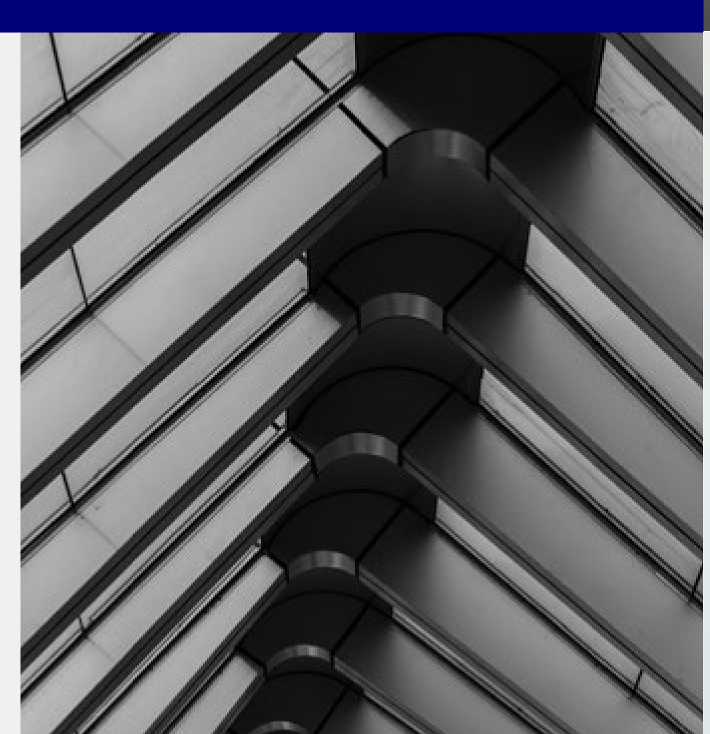
Over the years we have focused on improving the sustainability of our portfolio while providing social support to our communities, positioning ourselves as a benchmark in the industry and among our peers.

We are grateful to our employees who, in this challenging year, showed outstanding leadership and capacity for adapting to the new requirements of the market and to generate sustainable value for all of our stakeholders.

ITEM		2019		2020	
		(+)	(-)	(+)	(-)
Direct Economic Value Generated (EVG)	Leasing revenues	$139,114,946		$144,052,296	
	Reimbursable	$5,177,456		$5,483,591	
	Management			$319,446	
EVG		**$144,292,402**		**$149,855,333**	
Economic Value Distributed (EVD)	Property operation expense		$8,140,618		$10,154,655
	Direct employee benefits		$10,551,704		$10,773,381
	Administrative expense		$1,372,071		$94,560
	Legal and audit expense		$1,511,179		$1,268,212
	Marketing		$962,862		$557,267
	Others				-
	Property appraisal expense		$443,587		$812,962
	Indirect stock issuance				
EVD			**$22,982,021**		**$23,661,037**
Economic Vaule Retained	Economic value generated (-) Economic value distributed		$121,310,381		$126,194,296

Amounts in dollars.

Governance



Strategic decision-making is a key success factor in our business. Vesta's Board of Directors plays a very important role in guiding us toward the innovation of resilient, sustainable industrial real estate solutions.

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, 102-37, 405-1

Our highest governance body is the Board of Directors, made up of experts in the industrial real-estate sector, business and finance, and it is their decisions that guide the execution of the Vesta Level 3 and ESG strategy to amplify our growth.

Vesta's Board of Directors is made up of 10 regular members, eight of them independent. Its chairman is Lorenzo Manuel Berho Corona.

The independent members of the Board of Directors and their respective alternates are selected as established in article 26 of the Mexican Securities Market Act and on the basis of their experience, career and good character. Independent Board Members are also required to be free of any personal or economic interests or equity in the company.

By express appointment of the Board of Directors, the Corporate Practices Committee is responsible for selecting candidates for the Board and its Committees. Board Members, like the chairpersons of the Audit Committee and Corporate Practices Committee, are appointed or ratified each year in the Shareholders' Meeting.

BOARD OF DIRECTORS

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

Note: These Board Members were appointed or ratified in the March 13, 2020 Meeting and served during the fiscal year ended December 31, 2020.

AMONG THE MAIN DUTIES OF OUR BOARD OF DIRECTORS ARE THE FOLLOWING:

- 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.
- Approving the Company's annual ESG budget.
- 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.
- Approving extraordinary transactions as provided for in the applicable laws.
- Other faculties and obligations imposed by the Securities Market Act and the General Commercial Corporations Law.

The Board of Directors met four times in 2020, three of which were virtual meetings due to the public health emergency. It also held two work meetings.

DATE	PERCENTAGE ATTENDANCE	TYPE OF MEETING
January 29	100%	In person
February 12	100%	In person
March 19	100%	Virtual
April 22	100%	Virtual
July 23	100%	Virtual
October 22	100%	Virtual

Vesta has six operating committees that support the Board of Directors in its duties. These operating committees are made up of senior management and at least one independent board member, who in some cases serves as their Chairman or in others simply as a member. The exception is the Audit Committee and Corporate Practices Committee, which are made up exclusively of independent board members.

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

AUDIT COMMITTEE

CHAIRMAN
Luis Javier Solloa Hernández*

MEMBERS
- Stephen B. Williams*
- José Humberto López Niederer*
- José Manuel Domínguez Díaz Ceballos*
- Lorenzo Manuel Berho Corona**

MEETING DATES
February 10
April 20
July 20
October 20

ADDITIONAL WORK MEETINGS
June 10 and 18

MAIN ISSUES ADDRESSED

- 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 constituent 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 2020.
- Review of quarterly reports issued by the internal auditor and follow-up on its findings.
- Selection of suppliers of independent valuation services in 2020 and 2021.
- Monitoring of compliance with resolutions passed by the shareholders' meeting and board of directors.
- Approval of the operating budget for fiscal year 2021.

CORPORATE PRACTICES COMMITTEE

CHAIRMAN
Francisco Javier Mancera de Arrigunaga*

MEMBERS
- Stephen B. Williams*
- José Antonio Pujals Fuentes*
- Oscar Francisco Cázares Elías*
- Lorenzo Manuel Berho Corona**

MEETING DATES
January 21
February 21
October 8

MAIN ISSUES ADDRESSED

- Performance of Company executives and employees.
- Review of executive goals for fiscal year 2020.
- Compensation of the CEO for 2020.
- Compensation for the Executive Chairman of the Board of Directors for 2020.
- Review of salaries and short-term bonus applicable for 2020.
- Composition of the Company's board and committees for fiscal year 2020.
- Review of the compensation plan and salary budget for 2021.

*Independent Board Member
**Permanent guest.

ETHICS COMMITTEE

CHAIRMAN
José Antonio Pujals Fuentes*

MEMBERS
- Lorenzo Manuel Berho Corona**
- Elias Laniado Laborin
- Alfredo Paredes Calderón
- Alejandro Pucheu Romero

MEETING DATES
Members remained in contact via remote communications media to analyze and decide on any reports that reached this committee directly or through the hotline.

MAIN ISSUES ADDRESSED

- Analysis and decision on a report received through the independent whistleblower's hotline.
- Presentation of the Company's Code of Ethics, resulting from the biannual workshop organized by the committee with the majority of employees.
- Coordination with the Human Resources area to evaluate employees regarding their knowledge of the Code of Ethics.

INVESTMENT COMMITTEE

CHAIRMAN
John Andrew Foster*

MEMBERS
- Stephen B. Williams*
- Lorenzo Manuel Berho Corona**
- Craig Wieland*
- Thomas J. McDonald

MEETING DATES
January 21
March 3
August 27
December 14

MAIN ISSUES ADDRESSED

A total of USD 64,949,124 approved for the following projects:

- Built-to-suit project at Vesta Park Guadalajara.
- Conditional approval of an inventory building at Vesta Park Guadalajara.
- Conditional approval of an inventory building at Vesta Park Guadalupe.
- Conditional approval of an inventory building at Vesta Park Alamar.
- Conditional approval of an inventory building at Vesta Park Guadalajara.
- Conditional approval of an inventory building in Ciudad Juarez.

*Independent Board Member
**Permanent guest.

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**

MEETING DATES
January 10
April 17
December 7

MAIN ISSUES ADDRESSED

- Implementation of 11 projects relating to Covid-19.
- Implementation of 11 social investment projects under three lines of action: education, inclusion and community development.
- Improvement in collection and quality of environmental data on common areas, clients and offices.
- Environmental audits.
- Corporate governance activities.
- ESG audits of suppliers.
- Training contractors on filling out the Sustainable Construction Manual checklist.
- Implementation of the “green clause” for inclusion in lease contracts.
- Adhesion to the United Nations Principles for Responsible Investment (UNPRI).
- Development of an ESG risks and opportunities map.
- Perception study.
- Response to investor rankings.

DEBT AND EQUITY COMMITTEE

CHAIRMAN
José Manuel Domínguez Díaz Ceballos*

MEMBERS
- Stephen B. Williams*
- John Andrew Foster*
- Lorenzo Manuel Berho Corona**

MEETING DATES
April 1
June 24

MAIN ISSUES ADDRESSED

- Drawdown of all of the available revolving line of credit.
- Analysis of the Company’s financial condition, cash flow projections and funding alternatives.

*Independent Board Member
**Permanent guest.

"Our Chief Executive Officer and Executive Chairman of the Board participates actively in almost all Committee meetings."

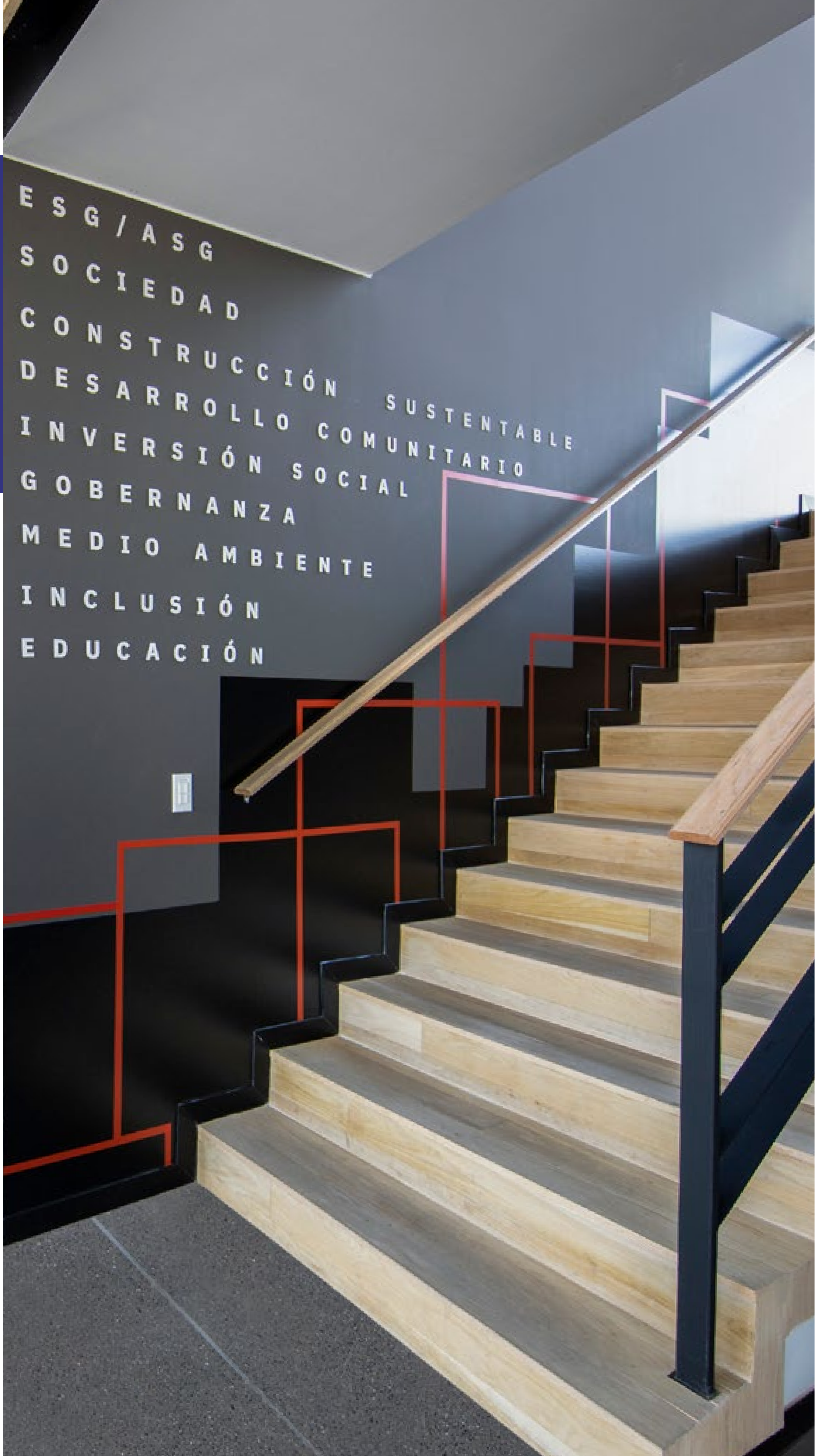
In 2020, the Board of Directors was not notified of any critical concerns.

Senior management is responsible for executing and ensuring correct implementation of Vesta's strategy, as well as the recommendations of the Board and any of its committees regarding ESG matters.

The Chief Executive Officer, ESG Department and ESG Committee are specifically responsible for managing climate-related issues, and for reporting on these matters to the Board of Directors.

The ESG Department, together with the Development and Asset Management Areas, are in charge of evaluating Vesta's portfolios in matters of climate change, and to incorporate energy efficiency and water consumption metrics, among others, which encompass everything from the development of properties to their day-to-day operation.

While the majority of Vesta's ESG Committee members are experts on social issues, we are working to offer them training in environmental issues and climate change to incorporate these topics into the decision-making process.



Stakeholders who require information or have a recommendation on matters relating to company management, financial information or corporate governance have the following channels of communication open for their use:

CHANNELS OF COMMUNICATION

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.

Board members, Committee chairmen and other members receive economic compensation amounting to USD 3,800, USD 4,000 and USD 3,000, respectively, per meeting, as compensation for their contributions, experience and knowledge.

Senior management receives economic compensation in keeping with its responsibilities, prevailing market values, and an assessment of their targets and goals, which is reviewed each year by the Corporate Practices Committee.

The Corporate Practices committee is also responsible for evaluating the performance of the Chief Executive Officer to assess his compensation, which must be approved or modified by the Board of Directors.

VESTA

Risk Management

102-15, 102-29, 102-30, 102-31, IF-RE-450a.2
TCFD Strategy a), Risk management a) and b), Metrics and targets a)

Identifying, mitigating and addressing the risks to which we are exposed in order to deal with them in a resilient manner is an area of central concern for the company's senior management.

Some of the risks and opportunities that might affect our business are financial, market, regulatory, legal, technological or social issues, as well as natural disasters and phenomena involving climate change.

2020 proved to us that local and global conditions can change at any time, so Vesta endeavors to remain resilient, strengthening our processes and structure so that we are prepared to face any adversity.

In 2019 we began a process of identifying climate change risks that relate directly to our operations, so that we could define a strategy and action plans to manage these risks and take advantage of any of them that could represent opportunities.

At the end of 2020, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and GRESB, we designed a matrix of transition, physical and social risks that affect each area of the company, in order to lay the groundwork for our strategy of resilience and climate change.

VESTA AREA	RISK
▪ Asset Management ▪ Communication	▪ Identification of operations that involve more greenhouse gas (GHG) emissions above permitted limits. P
▪ Asset Management	▪ Scarcity of water for operations. P ▪ Regional climate phenomenas. P
▪ Development	▪ Identification of operations during construction of properties that involve GHG emissions. P ▪ Environmental pollution: material that involve toxic emission or the generation of dust during construction. P S
▪ Development ▪ Finance ▪ Fiscal ▪ Communication ▪ Asset Management	▪ Delay in the transformation of buildings toward de-carbonization. P
▪ Development	▪ Loss of biodiversity, absence of native plants or local pollinizers. P
▪ Development ▪ Asset Management	▪ Being unaware of climate/physical risks to assets (e.g. flooding) and therefore failure to take steps to protect against them. P
▪ IT	▪ Loss of data integrity. T ▪ Process definition. T ▪ Generation of solid, efficient information. S T ▪ Data disasters. P ▪ Loss of data security. S T
▪ Communication ▪ Asset Management ▪ ESG	▪ Implementation of ESG strategies for tenants. S
▪ Legal ▪ Development ▪ Asset Management	▪ Building codes and laws relating to resilience and climate change. T
▪ Risk	▪ Insurance that covers resilience and climate change aspects. T

P PHYSICAL S SOCIAL T TRANSITION

"We manage ESG and climate risks in accordance with TCFD and GRESB recommendations."

Each area is responsible for regularly monitoring its risks and opportunities in order to develop action plans to prevent, mitigate, address or take advantage of them.

VESTA AREA	RISK
▪ Finance	▪ Stability of financial system during disruptions. T ▪ Access to institutional and/or green financing to retain and attract tenants and maintain the flow of rental revenues. T ▪ Failure to take advantage of tax incentives for sustainable initiatives. T
▪ Purchasing	▪ Products and services. P T S
▪ Investor Relations	▪ Monitoring compliance with standards, laws and trends to meet market needs and keep investors informed. P T S
▪ Communication	▪ When there is a natural disaster, communication on steps to take is vital. P
▪ Communication	▪ Social media that include climate change and resilience issues for our stakeholders. S
▪ Communication ▪ Human Resources	▪ Code of Ethics (Compliance). S
▪ Human Resources	▪ Lack of employee training in resilience and climate change risks. P S
▪ Integrity	▪ Noncompliance with the Code of Ethics. S
▪ New Businesses	▪ Due diligence in rental or sale transactions, ability to fulfill clients' sustainability requirements. P T S
▪ Accounting	▪ Increased use of paper. T
▪ Accounting ▪ Asset Management	▪ Payment of energy and water bills. T
▪ Treasury and New Businesses	▪ Payment of energy and water bills. T
▪ Investments	▪ Acquisition of properties (both active and greenfield) with major climate risks. P T S
▪ ESG ▪ Risk	▪ Noncompliance with regulations and by stakeholders (investors and tenants) as well as loss of asset value and increase in portfolio risk. P T S

HIGH RISK MODERATE RISK LOW RISK P PHYSICAL S SOCIAL T TRANSITION

Ethics and human rights

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

Vesta's actions, decisions and businesses are guided by the highest standards of ethics, respect, honesty, integrity, equality, justice and legality. This work culture is sustained by **Our Ethical Commitment: The Spirit of Vesta**[5], which also serves as a guide to define the behaviors we expect of those who work for or engage with the company.

Our Ethical Commitment is how our culture of integrity is embodied in every relationship we undertake with our co-workers, clients, suppliers, real-estate partners, government shareholders, the environment and society.

To ensure that the activities of our board members, directors and employees with access to confidential or inside information are consistent with the highest standards of integrity, and that the values of the company are present in all their actions, we have specific policies. We also follow the guidelines on stock repurchases established in the Mexican Securities Market Law, General Provisions Applicable to Issuers of Securities and Other Participants in the Securities market (the "Unified Bulletin").

To keep our Code up to date, every two years we organize dialogue sessions with various of our stakeholder groups to identify new issues or ethical dilemmas that affect the real-estate industry.

We are also continually training our employees in ethics and anticorruption matters, and we include content regarding the Code of Ethics in our onboarding program for new hires.

"In 2020, we offered virtual training in ethics to 100% of our employees."

To avoid conflicts of interest, Our Ethical Commitment offers a series of recommendations, and we also require senior management and employees and, since 2020, suppliers as well, to fill out a form disclosing any conflict of interest in order to be aware of and deal with situations that require the company's attention. If any such conflict of interest arises, the Corporate Practices Committee is responsible for addressing and resolving them, unless by nature they must be resolved directly by the Board of Directors.

Furthermore, Vesta has a zero-tolerance stance on corruption, which we enforce by compliance with the Law on Prevention and Identification on Transactions with Resources of Illicit Origin, the Federal Labor Law, our Sustainable Construction Manual for contractors, and our recently created **Code of Ethics for Suppliers**.

5 View Our Ethical Commitment: The Spirit of Vesta

"100% of our employees and Board members received information and training on anti-corruption policies and procedures in 2020."

Ethics Global is an independent company engaged by Vesta to ensure that reports received are addressed in an orderly, impartial and confidential manner. Stakeholders who have knowledge of conduct that violates the Vesta Code of Ethics or any of our policies can file a report through whistleblower channels:

WHISTLEBLOWER CHANNELS

E-MAIL
etica@vesta.com.mx
report@ourethicscommitment.com

TOLL-FREE PHONE NUMBER
01 800 04 ética (38422)

WEBSITE
www.nuestrocompromisoetico.com/?l=en

APP
Ethics Global

ETHICS COMMITTEE
By e-mail of phone

PROCESS FOR HANDLING REPORTS

1. Ethics Global, which receives the report, is responsible for evaluating it, and if it is admitted, for forwarding it to all the members of the Ethics Committee.
2. The Ethics Committee analyzes the report and decides on a course of action, including assigning responsibility within the committee itself for investigating the matter.
3. The Committee receives the results of the investigation, unless the person being reported is a Committee member, in which case that person must recuse themselves from the process.
4. Finally, the committee rules on the matter and determines the sanction, as appropriate.

Independently of this reporting process, the Ethics Committee is responsible for ensuring the Code of Ethics is in force at all times. The Chief Integrity Officer is the person responsible for applying best integrity practices and ensuring that Vesta operates in an ethical and honest manner, focused on building a better Mexico.

100%
of the reports received during the year were addressed and closed in the same period

Reports by topic

CONFLICTS OF INTEREST	OTHERS
1	2

Reports by channel

ONLINE PLATFORM
3

Together with our commitment to integrity, Vesta respects the human rights of everyone we interact with in all of our operating processes.

Our Code of Ethics, together with our policies on Human Rights[6] and on Diversity and Inclusion[6] and our membership in the United Nations Global Compact back this commitment to universal human rights and ensures that it is present in all the actions we take in our day-to-day work.

We reject any form of discrimination, child labor, forced labor, violation of the rights of indigenous peoples, abuse, coercion, limitation on freedom of association or collective bargaining and/or threats.

In 2020, we received no reports of improper labor practices, discrimination, slavery, child labor, negative social impacts or human rights violations, nor any claims of violation of data privacy laws.

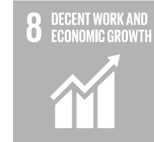
We first signed the United Nations Global Compact in 2011

"In our ESG audits of suppliers and the Sustainable Construction Manual Checklist that our contractors fill out, we analyze risks relating to corruption, child labor or slavery and other possible human rights violations."

6 Visit our Policy on Diversity, equality and Inclusion

Cooperation

Our position as an industry leader is due largely to the experience and commitment of our team. Vesta offers employees benefits that exceed those required by law, constant training and a safe working environment.



Our team

102-8, 102-35, 102-36, 102-37, 102-41, 401-1, 401-2, 401-3, 405-1

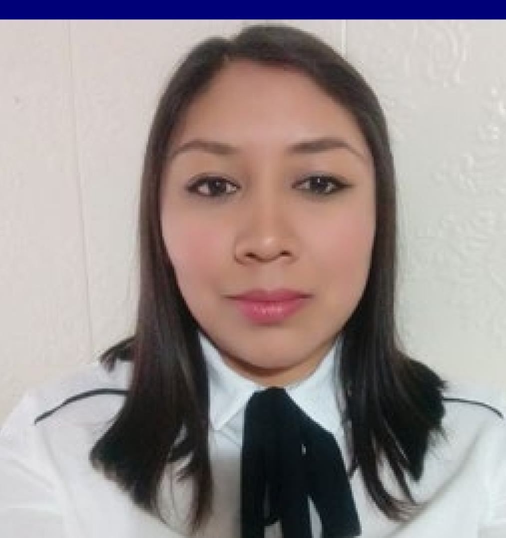
90
employees comprise our workforce

Employees by gender

53 men

37 women

100%
of our employees have permanent employment contracts and work full time



"The 53 men and 37 women who make up the Vesta family devote themselves every day to one purpose: ***innovating Mexico's industrial platform."***

Percentage of employees by gender, age range and employee category

JOB CATEGORY	W -30 years	M -30 years	W 31-50 years	M 31-50 years	W +51 years	M +51 years
Directors	1.11%	0.00%	1.11%	11.11%	1.11%	6.66%
Managers	2.22%	2.22%	3.33%	12.22%	1.11%	4.44%
Administrative	8.88%	4.44%	17.77%	15.55%	4.44%	2.22%
Total	12.21%	6.66%	22.21%	38.88%	6.66%	13.38%

We value diversity in terms of age, gender, origin, nationality, marital status, ideas, opinion, religion, social or economic situation, preferences and ways of thinking, because we know that all of these complement each other within the team, and make us stronger.

We offer equal opportunity in recruitment, selection, hiring, promotion and performance evaluations, as well as salaries and benefits that are determined exclusively according to the professional position held.

All of our workforce is hired directly by Vesta Management, S. de R.L. de C.V. and enjoys freedom of association, but so far none of our employees has joined a union.

Vesta develops, sells, buys, administers and rents industrial buildings, builds through contractors independent of our company that have their own collective bargaining agreements with their employees.[7]

Despite the adversities of the pandemic, eight new employees joined our team in 2020. The process of hiring two of these people was conducted virtually, and the other six were hired in face-to-face interactions, because they took place before the start of the pandemic.

New hires by gender, age range and region

NORTH	CENTRAL	BAJÍO	HEADQUARTERS
▪ 1 WOMAN -30 years ▪ 1 MAN 31 - 50 years	▪ 1 WOMAN -30 years	▪ 1 WOMAN 31 - 50 years ▪ 1 MAN -30 years	▪ 2 WOMEN 31 - 50 years ▪ 1 MAN -30 years

In 2020, there were 9 absences for our workforce, equivalent to an absenteeism rate of 0.044%.

In the same year, ten employees ended their labor relationship with Vesta for various reasons, 40% of which were voluntary.

Employee departures by gender, age range and region

NORTH	CENTRAL	BAJÍO	HEADQUARTERS
▪ 1 WOMAN +50 years	▪ 1 WOMAN 31 - 50 years	▪ 1 WOMAN 31 - 50 years	▪ 2 WOMEN 31 - 50 years ▪ 1 WOMAN +50 ▪ 4 MEN 31 - 50 years

Employee turnover

	2017	2018	2019	2020
New hires	20	16	10	8
Dismissals	10	7	6	10
Total employees	80	90	91	90
Turnover	20.5%	13.5%	8.3%	9.0%

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

7 For more information about our contractors and suppliers, see the section entitled **Value Chain**

We are certain that our team is one of the main factors in the success of our business, so we endeavor to make sure every employee feels satisfied, rewarded and proud of being part of Vesta. We have policies and programs that translate into benefits higher than those required by Mexican law.

Additionally, we offer competitive compensation that is determined in consultation with experts in the field. We apply the HAY methodology[8], which groups our employee categories into a table that reflects the degree of responsibility of each position and compares it with its equivalents in companies in similar industries and with comparable sales volume and workforce.

JOB BENEFITS

- Performance bonus
- Annual performance bonus (two months)
- Annual bonus based on seniority
- 25% Vacation bonus
- Profit-sharing
- Between 6 and 25 vacation days depending on the position
- Parental leave
- Bank holidays
- Gasoline vouchers
- Grocery vouchers
- Major medical insurance for employees and dependents
- Life insurance
- Auto insurance (Vesta fleet policy)
- Executive stock incentive plan

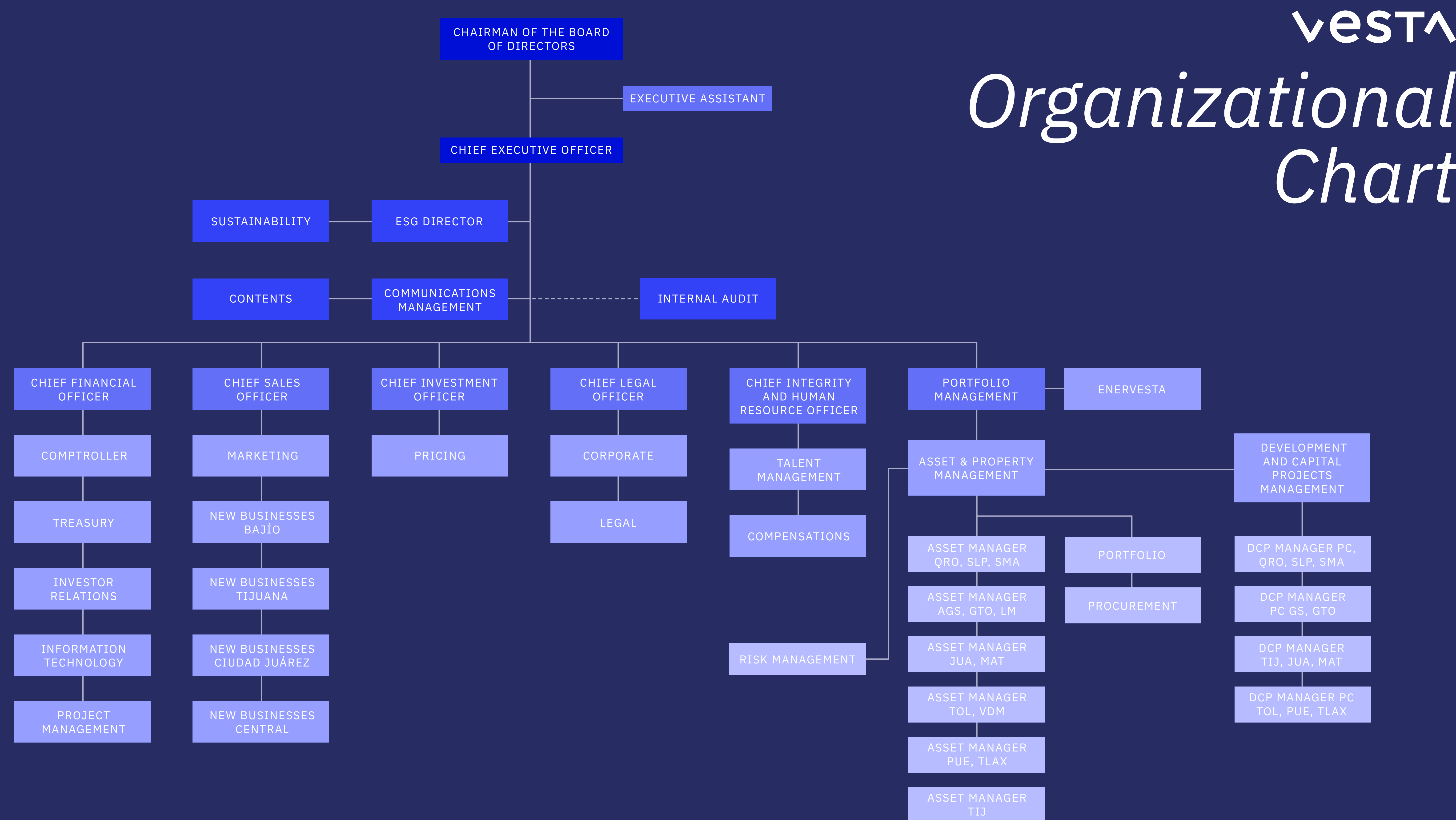
VESTA COMPENSATION

- Fixed salary
- Variable salary
- Hiring bonuses
- Severance pay
- Reimbursements
- Retirement benefits

We also offer parental leave to our employees. An employee who will soon be a mother can decide on the start of her maternity leave period and choose flex time with full pay for up to six months after the leave ends. Employees looking forward to fatherhood have 10 business days' leave with full pay, which he may use starting on the date of birth or adoption, or during the following six months.

During the year, two women employees and one man took parental leave, and 100% of them returned to work after the leave ended, and are still with Vesta twelve months later.

8 For more information about this methodology, visit: www.kornferry.com/haygroup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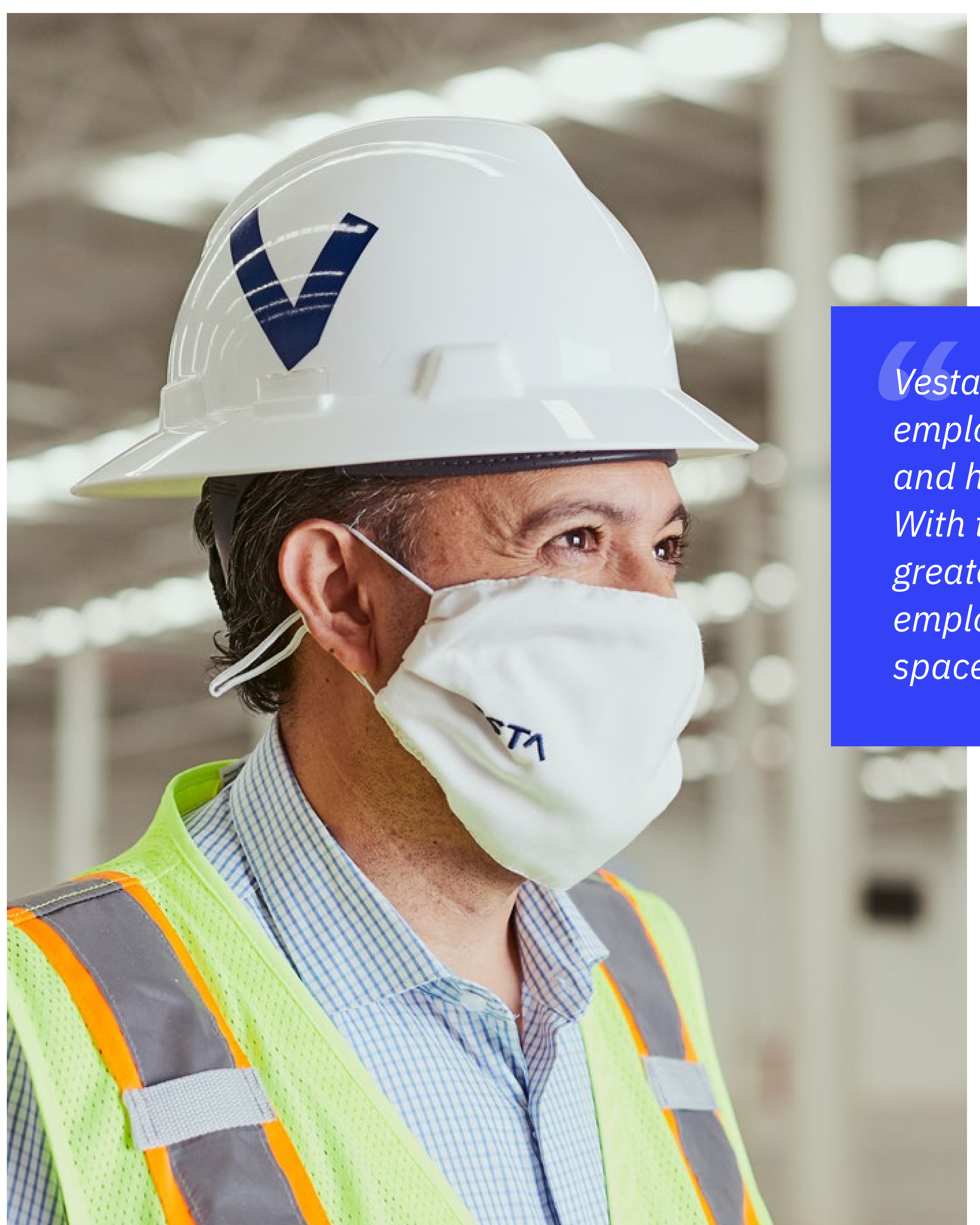
Organizational Chart
CHAIRMAN OF THE BOARD OF DIRECTORS
EXECUTIVE ASSISTANT
CHIEF EXECUTIVE OFFICER
SUSTAINABILITY
ESG DIRECTOR
CONTENTS
COMMUNICATIONS MANAGEMENT
INTERNAL AUDIT
CHIEF FINANCIAL OFFICER
COMPTROLLER
TREASURY
INVESTOR RELATIONS
INFORMATION TECHNOLOGY
PROJECT MANAGEMENT
CHIEF SALES OFFICER
MARKETING
NEW BUSINESSES BAJÍO
NEW BUSINESSES TIJUANA
NEW BUSINESSES CIUDAD JUÁREZ
NEW BUSINESSES CENTRAL
CHIEF INVESTMENT OFFICER
PRICING
CHIEF LEGAL OFFICER
CORPORATE
LEGAL
CHIEF INTEGRITY AND HUMAN RESOURCE OFFICER
TALENT MANAGEMENT
COMPENSATIONS
RISK MANAGEMENT
PORTFOLIO MANAGEMENT
ENERVESTA
ASSET & PROPERTY MANAGEMENT
ASSET MANAGER QRO, SLP, SMA
ASSET MANAGER AGS, GTO, LM
ASSET MANAGER JUA, MAT
ASSET MANAGER TOL, VDM
ASSET MANAGER PUE, TLAX
ASSET MANAGER TIJ
PORTFOLIO
PROCUREMENT
DEVELOPMENT AND CAPITAL PROJECTS MANAGEMENT
DCP MANAGER PC, QRO, SLP, SMA
DCP MANAGER PC GS, GTO
DCP MANAGER TIJ, JUA, MAT
DCP MANAGER PC TOL, PUE, TLAX



Health and **safety**

103-1, 103-2, 103-3, 403-1, 403-2, CRE6, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9

"Vesta has always worked to provide employees with a safe, harmonious and healthy working environment. With the pandemic, it became an even greater priority to guarantee that our employees could do their jobs in safe spaces appropriate to their duties."

The first thing we did when the authorities declared a public health emergency was to send 100% of our employees to work from home. We provided them the necessary equipment—chairs, computer monitors, desks, and other instruments needed for work from home, while we equipped our internal infrastructure with tools like Teams. The Information Technology area trained all employees in this tool for their professional use so they could continue to do their jobs just as they would have at the office.

Employees who had a specific need to visit the office during the most critical months of the pandemic, as well as those working in direct contact with clients, were given a kit that included facemask, safety goggles, sanitizing wipes and anti-bacterial gel, and we made masks and safety goggles mandatory in these circumstances, among other hygiene protocols.

We designed a **Health and Safety Operating Standard Protocol** that includes Covid-19 safety measures, employee wellness, health hotline and special attention to employees exposed to Covid, which we shared with all our employees. We also designed a protocol for the safety of clients, suppliers and administrative staff in our industrial parks, where activities resumed partially or fully depending on federal provisions governing the suspension of and return to essential and non-essential economic activities during the pandemic.

For the time when a safe return to the office is permitted by federal and local provisions, we created a system of alternating desks and restricted spaces, installed Plexiglas shields in common areas to avoid direct contact, and bolstered measures for staggered working hours for our staff, which are part of our protocol. Throughout the year we respected the provisions of the Mexican Social Security Institute (IMSS).

Vesta

MEASURES TO CONTROL COVID-19 IN VESTA PARKS

"In our industrial buildings and parks, we introduced safety measures and protocols to protect tenants and visitors at entrances and common areas."

ENTRANCE PROTOCOL

- Installation of awnings with the necessary sanitary measures at park entrances.
- Mandatory use of face masks and security goggles at all times.
- Temperatures taken at the entrance to the security desk.
- Support protocol when a high temperature is detected.
- Remote registry (without having to hand over identification) of visitors and maintenance staff.
- Use of antibacterial gel before signing the visitors' log.
- Minimum distance of 1.5 meters between people at sign-in.
- Use of sanitizing carpet for shoes at the entrance.

SECURITY BOOTHS

- Biweekly sanitation with certified products at security booths and machine rooms.
- Daily surface cleaning.
- Constant supply of gel, anti-bacterial soap and disposable hand towels in bathrooms.

USE OF COMMON AREAS

- Professional disinfection of common areas once a month.
- Closure of non-essential common areas.
- Installation of gel dispensers at park entrances and exits.
- Placement of banners on park lampposts showing pertinent measures and recommendations.

Beginning on July 28, 2020 we set up a dedicated hotline for employees to ask questions about Covid-19. The hotline was open 24/7.

We formed a partnership with our insurance company, MetLife, by which employees had preferred prices on Covid-19 testing, along with medical, nutritional and psychological assistance through an app, web chat or exclusive phone line.

To protect the mental health of our people as well, we reinforced our **Vesta Wellness** program, in which the last Friday of every month we offered sessions on topics like stress, energy management, mindfulness, good posture, distraction and productivity drains, listening to our bodies, and emotions. The program has been an excellent way to confront the challenges of social distancing and ensure not just the team's emotional wellness but also close communication with everyone, including an opening message by the CEO in every session.

Another program we offered last year was **Vesta Breaks**, which are talks of between half an hour and an hour with the CEO, which employees participated in groups of six to eight people to share their feelings and concerns about the global situation within their families and personal lives.

Also during the year, we continued to support our employees' holistic wellness by offering a USD 535 subsidiary for annual gym membership, sports events and sports equipment, which was extended to the acquisition of office tools to facilitate work from home.

WELL BUILDING STANDARD

Vesta's offices located in Mexico City and Queretaro have earned WELL Building Standard® developed by the International WELL Building Institute™.

This means that our spaces combine best practices in design and construction to improve working conditions in seven aspects:

1. Air Quality
2. Water preservation
3. Nutrition
4. Lighting
5. Promotion of physical activity
6. Comfort
7. Mental wellness

Because we have this certification, we were able to more quickly and effectively apply sanitary measures to deal with the pandemic, particularly those regarding physical activity, comfort and mental wellness.

Although because the nature of our business, Vesta employees are not involved in any high-risk activities, we are committed to their safety so we are constantly evaluating our facilities to make sure they are in optimum condition and safe for anyone who works in or visits them. As part of this effort to keep our work force safe, even when they are off the premises, we offered a series of virtual safety talks in 2020, in which we shared prevention measures and actions they can take in any situation of danger, theft or attack.

We have an occupational health and safety system compliant with NOM-035 standards for all operations involving our employees.

"There were no reported accidents, injuries or fatalities in 2020."

In 2019, we introduced a **psycho-social risk survey** to understand the risks to which our employees are most exposed. We identified three main areas of concern: a growing workload for some positions; work days that extend beyond normal working hours; and interference in the work-family balance.

To address these, we devised a **psycho-social risk prevention policy**, by which we regularly conduct medical and psychological assessments, and we defined an action plan in 2019 that remained in effect in 2020, and involves:

- Vesta Wellness talks once a month.
- An app called *Integra Contigo* in which employees can ask about medical, emotional and physical issues, 24/7.
- The Holistic Concept app, which helps manage stress through exercise, practices and tools relating to holistic health.
- Shortened Fridays and flex time.

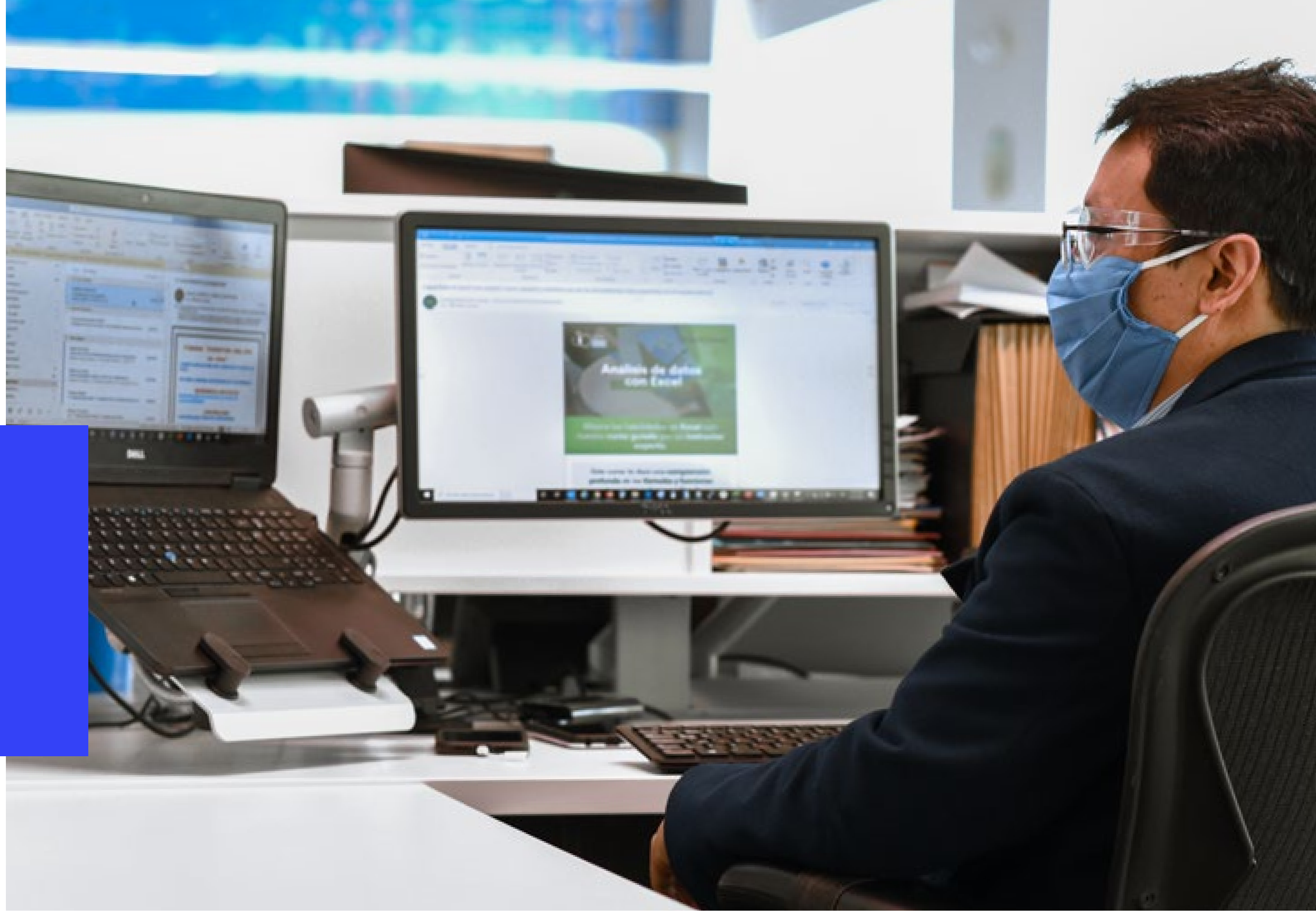
Training

103-1, 103-2, 103-3, 404-1, 404-3

In a changing and highly competitive world, Vesta considers it essential to support the professional and personal advancement of employees. In 2020 we offered various alternatives for online training, including English courses, tax updates, leadership skills, project management and courses that help employees to advance within their area, plus support or specialization courses and diplomas.

The Human Resources area is responsible for identifying market trends and needs within Vesta in order to define the necessary training plans.

> *"In 2020, we evaluated the performance of 100% of our employees."*



Employee training by gender and job category

2,582 hours of training for our employees

JOB CATEGORY	TRAINING HOURS		AVERAGE TRAINING HOURS	
	W	M	W	M
Directors	250	316	62	20
Managers	134	736	22	39
Administrative	778	368	29	20
Total	**1,162**	**1,420**	**31**	**27**

29 hours on average per employee

We made some budget adjustments due to the pandemic, which required a reduction in the amount of training we offer our employees.

To make sure we are making the most of our employees' potential, every two years we apply a 360° performance evaluation that includes both a self-evaluation and an assessment by an independent expert. The results serve as the basis for a five-step personal skills development plan:

1. Awareness and connection
2. Sketch out your plan of action
3. Speak to your boss or mentor and close your plan
4. Share it with the others
5. Follow-up and reinforcement

Every year we conduct a performance evaluation of all our employees based on individual and organizational targets, defined and monitored jointly by the employee and their direct superior. With this we keep track of our progress against goals and targets, both personal and collective.

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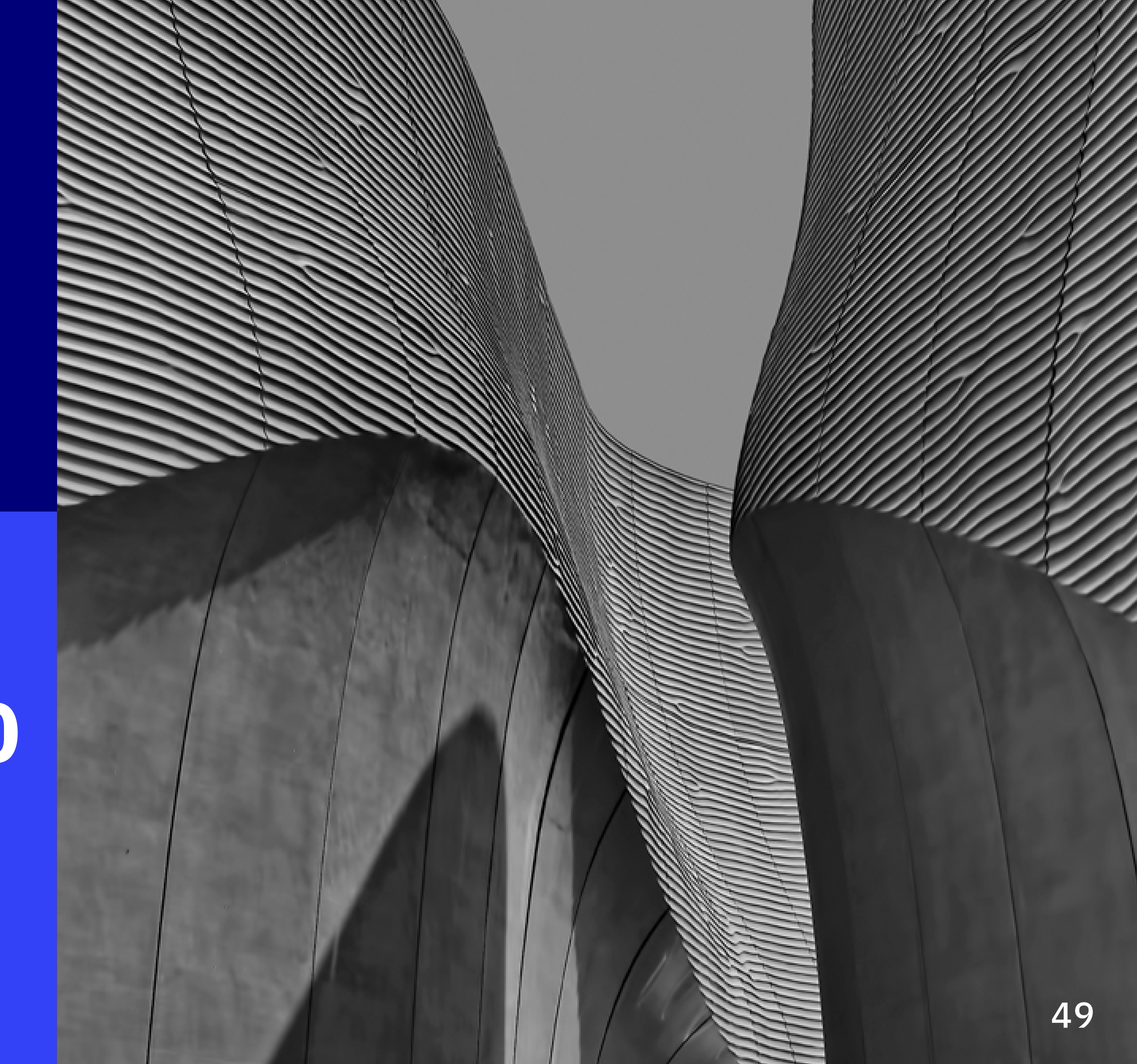
To transform Mexico's industrial platform, Vesta's plans include improving the environment for communities where we are present, playing a key role in their inclusion and sustainable development.

11
Covid-19 related initiatives

Commitment

USD 361,380
invested in ESG issues



Social

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

Transforming a community for the better is closely related with its economic growth and its inhabitants' access to quality infrastructure, job opportunities, transfer of knowledge and alternatives for connectivity. For this reason, our business strategy focuses on the sustainable development of the towns and cities where we operate.

All of our industrial buildings and parks are built in spaces previously designed by local authorities as industrial zones, so we do not cause any voluntary or involuntary displacement of communities.

Once in operation, we try to improve quality of live of communities around every park or facility. Our Social and Environmental Responsibility and Governance policy is the document where this commitment is formally expressed.

> *"In 2020, Vesta invested one U.S. cent in the community for every leased, managed and developed square foot."*

This meant a total of USD 361,380 in social investment in the places where we operate, an ESG budget approved by the Board of Directors. Effective as of 2021, the Board will have the authority to define the annual ESG budget without limiting itself to the one-cent rule.

Furthermore, to help communities deal with the effects of the Covid-19 pandemic, Vesta employees made donations and volunteered their time to assist in the public health and food emergency. The Executive Chairman of the Board and members of the Board of Vesta, along with employees, donated a total of USD 256,410 over and above the ESG budget, which was allocated to various initiatives developed together with allies in various industries.

In total, with the update of our policy, the voluntary contributions of our people, and the amount collected in the 2019 Vesta Challenge, we invested USD 618,790 to benefit Mexican communities in 2020.

Projects to deal with the ***Covid-19 pandemic***

In response to the public health emergency, we invested in 11 social initiatives over and above the projects we usually support in the areas of education, inclusion and community development, together with other companies, foundations, non-profits and institutions, in an effort to benefit as many people as possible.

TRAINING FOR HEALTHCARE WORKERS

We provided 84 academic scholarships to nursing students who volunteered during the pandemic to care for Covid-19 patients in State of Mexico.

We also provided specialized training to 300 students and donated a thousand prevention and self-care kits for attending to patients with the virus.

INVESTMENT
USD 51,282

PARTNERSHIP
Instituto Salus

LOCATION
State of Mexico

PONTE LA VERDE COVID-19

Let's come together for Mexico

In response to the pandemic, we joined in a non-profit initiative to invite interested young people to create high-impact social projects that can help Mexico overcome the repercussions of the pandemic.

The call for entries went out to 340 higher educational institutions and inspired more than 5,000 youth to propose projects in three areas: food, health and education. The winners earned seed capital for their projects and scholarships. The funds raised were distributed among the winning projects.

Food

- Donation of food to restaurants and communities in southeast Mexico.

Health

- Distribution of sanitary protocols to small shops so they could reopen sooner and clients could have the confidence that they were applying all necessary hygiene and safety measures.
- Support for interpreting X-rays at state clinics.

Education

- Translation of important information about Covid-19 into indigenous languages.

In addition to the seed capital donated, the CEO and Chief ESG Officer at Vesta were members of the jury for selecting the projects.

INVESTMENT
USD 12,820

PARTNERSHIPS
PINFRA, Grupo México, Santander, GBM, Rotoplas, FUNED, ITESM, ITAM, Fundación UNAM, ULA, UTC, Lottus Education, American Chamber Mexico, ANUIES, Fundación Origen, Avalancha, Fundación GBM, Líderes en Desarrollo, GOSMO, Líderes de Mañana, Procura, Gilberto A.C., Metabase Q, Kuspit and Síclo

LOCATION
Nationwide

HOSPITAL BEDS WITH OXYGEN TANKS

Together with Fluídica, a Mexican company that makes hydraulic vises, we supported the manufacture of seven special stretchers equipped with portable oxygen concentrators, extraction ventilators with replaceable filters, and all the equipment needed for transporting patients with Covid-19, which we donated to two hospitals in State of Mexico: the Hospital Las Américas Ecatepec and the Hospital Regional de Alta Especialidad de Zumpango.

INVESTMENT
USD 13,846

PARTNERSHIP
Fluídica

LOCATION
State of Mexico

TEMPORARY COVID-19 UNIT AT CITIBANAMEX CENTER

To help deal with a shortage of medical services and overcrowding of hospitals due to the demand for care of patients with Covid-19, during the most critical months of the pandemic, in partnership with various other private organizations, we helped equip the Citibanamex Center to serve a short-term medical care facility.

The space has 854 hospital beds and 36 intermediate therapy beds to attend to patients with mild and moderate symptoms convalescing from the virus, who required oxygen therapy, fluid therapy and laboratory studies.

INVESTMENT
USD 51,282

PARTNERSHIPS
Fundación Carlos Slim, Fundación Telmex, Fundación CIE, Secretaría de Salud de la Ciudad de México and UNAM

LOCATION
Mexico City

APOYEMOS TIJUANA

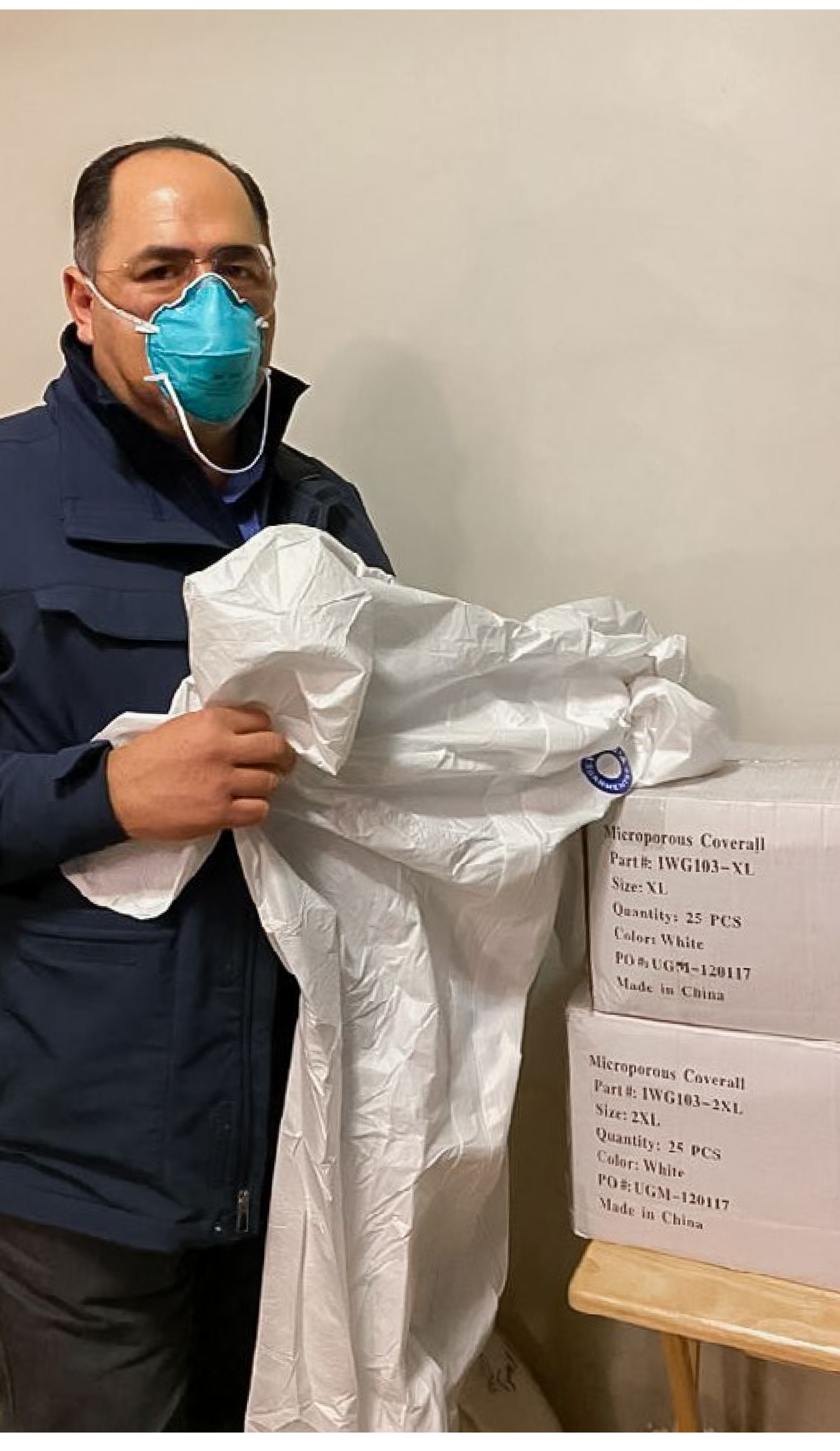
This civic initiative arose from the need to support the healthcare sector with supplies, equipment and infrastructure to care for patients with Covid-19.

We helped equip the Tijuana basketball arena as a temporary healthcare clinic by providing personal protection equipment for medical staff, devices, linens, hygiene and cleaning articles, food and beverages.

INVESTMENT
USD 10,256

PARTNERSHIPS
Iniciativa ciudadana and Secretaría de Salud Estatal

LOCATION
Tijuana



PATRONATO PRO-HOSPITAL CIVIL DE TIJUANA, A.C.

We donated funds for the purchase of instruments, medical equipment and medicine for fighting Covid-19 at the Tijuana general hospital.

Supplies

- **+730** coveralls with hood
- **250** pairs of disposable surgical boots
- **89** boxes of glucometer reactive strips
- **84** P100 filters
- **30** disposable robes
- **30** 1-liter glass aspiration bottles
- **29** cans of milk protein powder dietary drink
- **24** cans for cardio drainage

Medications

- **+270** units of medicine

INVESTMENT
USD 20,512

PARTNERSHIPS
Hospital General de Tijuana and Patronato

LOCATION
Tijuana

HÉROES DE LA SALUD

We organized virtual lectures to raise funds for the “Health Heroes” project, which supported a 30% increase in the base salary of healthcare professionals and support for families of the “medical heroes” who lost their lives during the pandemic, through life insurance.

INVESTMENT
USD 12,820

PARTNERSHIPS
Gobierno del Estado de Chihuahua, Unidos con Valor and Desarrollo Económico de Ciudad Juárez

LOCATION
Ciudad Juarez

ESPÍRITU DE CAMPEÓN

Through this initiative we supported underprivileged children whose family budgets were affected by the pandemic, offering them scholarships so they could remain in school.

Espíritu de Campeón is a nonprofit organization that supports teaching, integration, promotion, education and family, to meet the basic subsistence needs of vulnerable groups.

INVESTMENT
USD 1,282

PARTNERSHIP
Espíritu de Campeón

LOCATION
Mexico City

TEMPORARY COVID-19 HOSPITAL AT ABC OBSERVATORIO

We helped equip a unit to attend patients with Covid-19 at the ABC Observatorio Hospital in Mexico City, with 141 beds, and the funds necessary for hospital equipment and supplies, medical processing and treatment of patients.

INVESTMENT
USD 15,384

PARTNERSHIP
Hospital ABC Observatorio

LOCATION
Mexico City

PYMO AMPIP

In partnership with the Mexican Association of Industrial Parks (AMPIP), of which we are a member, and PYMO, we donated medical supplies to the Matehuala General Hospital and *Hospital del Niño y la Mujer*, both in San Luis Potosi.

Medical supplies donated

- **600** face masks
- **300** shoe protectors
- **200** KN95 face masks
- **200** robes
- **200** goggles
- **150** face shields
- **150** caps
- **24** biohazard suits

INVESTMENT
USD 12,820

PARTNERSHIPS
Asociación Mexicana de Parques Industriales (AMPIP) and PYMO

LOCATION
San Luis Potosi

BASIC FOOD SUPPLIES

We distributed 250 packages of basic food supplies to families in the municipality of Colón.

INVESTMENT
USD 4,718

PARTNERSHIPS
Fundación Misión Santa Fe and DIF de Colón

LOCATION
Mexico City

Social investment projects

Because Vesta wants its social transformation projects to reach as many people as possible through high-impact strategies, we focus our social investment projects on three main lines of action, which we pursue in partnership with nonprofit organizations, communities, some suppliers and clients, academia and local authorities.

ACTION LINES FOR VESTA SOCIAL INVESTMENT

EDUCATION

INCLUSION

COMMUNITY DEVELOPMENT

In order for our projects to have the intended impact, we select them according to our Social Investment Policy, which establishes guidelines on forming strategic partnerships.

Experts also conduct socioeconomic, environmental and cultural diagnoses in the communities where we plan to intervene, so that we can make sure the working plans for each project truly address the needs of the community itself.

After that, the Social and Environmental Responsibility Committee and CEO of Vesta assess and approve each project before it is implemented, and during its lifecycle we closely track its progress to evaluate impact and document the change in community well-being.

Following our three action lines, in 2020 we brought 11 social projects to people in ten states of Mexico, directly benefiting more than 2,600 people.

11 social projects

2,600 people benefited

1,230 children

404 teachers

BENEFICIARIES

170 teenagers

650 social entrepreneurs

156 parents

71 community members

11 families

EDUCATION

4 QUALITY EDUCATION

VESTA WALKING TOGETHER

Sixth year of the program

In an effort to improve life in the classroom and academic yield, in addition to preventing violence among school-age boys and girls, we promote and follow up on the acquisition and development of skills for healthy lifestyles and holistic wellbeing through the acquisition of life skills. This model involves the participation of teachers as well as parents.

Because of the public health emergency last year, we had to transform activities to continue this program within "the new normal," but we were able to reach six schools, three more than we were served in 2019.

With an experiential, participative methodology, teachers were able to significantly expand their knowledge on matters of citizenship in times of Covid-19, healthy living and prevention of violence, which they could then pass on to their students.

We also developed 12 visual materials on life skills, violence prevention, life in the classroom and sexuality, which were replicated by teachers in a virtual workshop with 275 pre-school and elementary school students.

BENEFICIARIES
275 students
316 teachers
53 parents

INVESTMENT
USD 35,410

PARTNERSHIPS
Fundación Yo Quiero Yo Puedo, IMIFAP, Nestlé, Escuela preescolar José Peinado Altable (San Blas, Estado de México), Escuelas Primarias Othón Martínez Lara, Aurora Reyes Flores, Ford 180 Bartolomé de las Casas y José Tristán de la Cruz (Ciudad Juárez, Chihuahua) and Escuela Primaria Independencia (Huamantla, Tlaxcala)

LOCATION
Ciudad Juarez, Tlaxcala and Toluca

GODPARENTS PROGRAM

Tenth year of the project

We helped to build harmonious environments and protective communities through volunteer godparents of fifty children under six years old living in rural areas of Tlacotepec, Puebla.

Our employees acted as godparents to these children and stayed in touch with them through letters.

In 2020 we also helped teens aged 13 and 14 years old to boost their self-esteem, develop an awareness of their sexual rights and protect their bodies, developing strategies to talk about sexuality with their parents, caretakers and peers through the Comprehensive Sex Education program.

BENEFICIARIES
50 godchildren
50 godparents

INVESTMENT
USD 11,000

PARTNERSHIPS
ChildFund México and La Casa de los Niños de Tezonapa, A.C.

LOCATION
Puebla

#MATEMATIZA2

Third year of the project

We continued our efforts to transform math education paradigms by helping students develop their mathematical, algebraic and arithmetic skills and to encourage reasoning, generalization and representation in various mathematical situations.

This year we worked on developing algebraic thinking for elementary school teachers so they can transmit this in their teaching practice, and also to encourage various algebraic skills for all teachers, to make them core promoters of change in the math teaching and learning system.

Due to the Covid-19 pandemic, evaluations and workshops were given virtually, but we recorded an increase in overall performance of the teachers.

BENEFICIARIES
9 teachers

INVESTMENT
USD 14,000

PARTNERSHIPS
Fondo Unido México, Escuela Primaria Cristóbal Colón, Primaria México, UNAM, Universidad Veracruzana and CINVESTAV

LOCATION
Aguascalientes

ADOPT A TALENT PROGRAM

Third year of the project

With the aim of encouraging children and youth to develop science talent through workshops, courses and activities in which they build knowledge through exploration, experimentation and analysis, this year we continued to instill scientific skills among 704 students and 587 science clubs in public schools at various grade levels. We also provided training for 48 teachers at various grade levels using the PAUTA methodology.

As a way to adapt to the new normal, with the support of IBM we incorporated the PAUTA methodology into digital courses developed for high school teachers and students.

We also stayed in group contact through video sessions involving live activities, and we organized WhatsApp groups to provide weekly follow-up for students with limited access to the internet, encouraging group reflection and the presentation of individual work to their classmates.

As a result of this effort, 64 research projects by 74 students were presented at the PAUTA national science fair, and 26 prizes were awarded.

BENEFICIARIES
900 boys and girls
68 teachers

INVESTMENT
USD 20,514

PARTNERSHIPS
Fundación Pauta, Fundación UNAM, Instituto de Ciencias Nucleares de la UNAM Campus Juriquilla, Universidad Autónoma de Querétaro, Conacyt and IBM

LOCATION
Queretaro

COMMUNITY DEVELOPMENT

SUEÑO MEXA 3.0 + PLURALES

Third year of the project

We 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 children 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 the program's third year, we introduced a specialized individual program, carried out virtually, in which young people could strengthen their personal skills and have the conditions needed to remain physically, mentally and emotionally healthy during the pandemic.

Since the start of this project, 270 youth in the Tijuana area have benefited:

40%	60%
GIRLS	BOYS

Problems addressed by Sueño Mexa + Plurales

- Insecurity and low self-esteem
- Difficulty studying
- Character, personality and impulse control
- Aggressiveness, anger and irritability
- Grief and loss of loved ones
- Stress
- Ability to ask for and express affection
- Family problems
- Emotional tone

BENEFICIARIES

11 teenagers
12 volunteers
11 workshop organizers
10 families
8 mothers

INVESTMENT

USD 11,100

PARTNERSHIPS

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

LOCATION

Tijuana

DEVELOPMENT OF LOCAL ECONOMIES

Third year of the program

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

Since 2019, we have been working on training entrepreneurs, setting shared goals for local and sustainable development.

This year we offered two training programs made up of 36 workshops, a total of 45 hours of training per entrepreneur.

In partnership with the Universidad Popular Autónoma del Estado de Puebla (UPAEP), we developed two blocks in the business incubator and acceleration process. At the close of the year, 60 entrepreneurs promoted 30 local businesses that reported revenues of USD 8,718.

Additionally, in an effort to generate income for Huejotzingo entrepreneurs during the pandemic, we created a project to sell their products in and around the city of Puebla. In five months, more than 1,500 packages of 30 different products were sold, translating into USD 18,620 in income that benefited 40 families.

With an eye to the future, we forged key partnerships that will enable us to support 350 new entrepreneurial projects in the communities of Huejotzingo.

BENEFICIARIES
380 community entrepreneurs
270 trained entrepreneurs
56 local leaders
15 local agents connected
30 projects in the UPAEP incubator

INVESTMENT
USD 41,100

PARTNERSHIPS
Balloon Latam, Gobierno Municipal de Huejotzingo y Universidad Popular Autónoma del Estado de Puebla, Programa para el Desarrollo de las Naciones Unidas, Citibanamex and Nacional Monte de Piedad

LOCATION
Puebla

CHICHIMEQUILLAS COMMUNITY

Second year of the project

To promote local development in the community of Chichimequillas, Guanajuato, we created community spaces to facilitate access to activities focused on quality education, training and technical skills.

We equipped a community computer center with quality infrastructure and qualified staff to provide education, training and technology information services improving educational, social and economic life for the community.

With the arrival of the pandemic, we developed an emergency program to make face masks and anti-bacterial gel for distribution among community residents.

BENEFICIARIES
95 people
46 teenagers

INVESTMENT
USD 16,500

PARTNERSHIPS
Fundación Comunitaria del Bajío A.C., Instituto de Alfabetización y Educación Básica para Adultos (INAEBA), Fundación Soriana and Fundación ProEmpleo Productivo

LOCATION
Guanajuato

A BETTER FUTURE IS POSSIBLE

Second year of the project

To support the household budgets of young people and temper the negative economic effects of the public health emergency, in 2020 we provided business training to youngsters between 15 and 29 years of age in an Online Enterprising Workshop to help them earn their own money and join the productive world.

The workshop consisted of five modules on aspects such as human development, management, marketing, finance, legal and tax aspects, sales, customer service and corporate social responsibility.

Ten youth completed their training with a more than 70% attendance rate.

BENEFICIARIES
50 teenagers

INVESTMENT
USD 10,000

PARTNERSHIPS
Fundación ProEmpleo Productivo, Colegio Nacional de Educación Profesional Técnica CONALEP 176 and Escuela Preparatoria Municipal "Nueva Generación"

LOCATION
San Luis Potosi

CONSTRUYENDO

Fifth year of the project

We donated funds to build two remote-learning community high school classrooms in Valle de Bravo and Donato Guerra, both in Mexico State, benefiting 64 teenagers who were able to study in dignified classrooms. For one of the classrooms we contributed 100% of the funding needed to build it, and for the second we shared funding with other partners.

BENEFICIARIES
64 teenagers

INVESTMENT
USD 13,800

PARTNERSHIPS
Grupo Desc and Grupo Lar

LOCATION
Valle de Bravo and Donato Guerra, Mexico State

OTHER VESTA SOCIAL ACTIVITIES

VESTA CHALLENGE 2020

Second year of the program

For the second time, we organized our bicycling event for charity, this time in virtual mode, to raise funds for our education, inclusion and community development programs in the states where we are present.

The event was held on the Bkool platform, with 200 cyclists participating. Entrants biked for 65 kilometers using a smart or conventional roller, in both cases from home, or at bicycling studies in Mexico City or Queretaro.

The proceeds of the entrance fees were used for social investment projects in 2021.

PARTICIPANTS
200 bicyclists

PARTNERSHIPS
11 sponsors

AMOUNT IN SPONSORSHIPS
USD 70,067

LOCATION
Bkool Platform

SUPPORT FOR CASTRO-LIMÓN FOUNDATION

We sponsored a bicycle race organized by the Castro-Limón Foundation to benefit children with cancer.

Because of social distancing requirements during the pandemic, this year the race was held virtually with distances of 5K and 10K.

BENEFICIARIES
5 children

INVESTMENT
USD 5,000

LOCATION
Tijuana

BAJA CHALLENGE

Fifth year of the program

We donated funding to build a home for a family living in a vulnerable situation.

BENEFICIARIES
1 family of 4 members
12 volunteers
1 home

INVESTMENT
USD 6,500

PARTNERSHIP
Ware Malcomb

LOCATION
Tijuana

Environment

Vesta recognizes the reality of climate change, and to identify the status of our climate-related financial information we conducted a maturity analysis in order to report on our risks and opportunities in this area, in keeping with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In this analysis, we evaluated the solidity of internal processes and reporting practices for each of the categories identified by the TCFD: governance, strategy, risk management, metrics and targets.

We found that in the **governance** category our level of maturity is high, because we have defined functions and roles both at the Corporate Governance and management level, for identifying, managing and monitoring risks and opportunities.

In **risk management**, we have a process for identifying, evaluating and managing risk in response to the regulatory demands that govern us. As for **metrics and targets**, we monitor our carbon footprint and climate-related opportunities in our services.

We also work to identify the risks and opportunities we face in this regard, which is why it is crucial for us to pursue environmental efficiency initiatives in order to reduce the negative impact of our own operations and those of our clients.

To address the issue in an orderly fashion, since 2018 we have conducted an environmental diagnosis of all our properties in order to determine what areas require short- medium- and long-term action plans. This creates the groundwork for our organization, tracking and reporting of main environmental indicators for common and leased areas.

Although consumption and activities within our properties are controlled by our tenants, Vesta encourages the adoption of sustainable practices through the **ESG Guide for Tenants**, provides training in ESG topics, and invites tenants to voluntarily report on their environmental impact by adhering to a Green Clause.

Notes on reported consumption
In order to provide an increasing amount of information on environmental management in our properties, since 2018 we have been working to compile information not just on our offices and common areas, but also for our tenants.

This year, we obtained data on consumption by 60 tenants, accounting for 34% of our rented industrial bays, which in turn represent a leasable area of 19,752,895 square feet, equivalent to 63% of our GLA. Not all of our tenants shared this information on all aspects nor for all the months, so the scope of the metrics is specified case-by-case.

The environmental information on our offices and common areas covers 100% of our surface area.

MANAGEMENT OF MATERIALS

302-5, CRE8, IF-RE-130a.4

Vesta subcontracts the construction of industrial buildings and parks. To ensure that our portfolio is consistent with international trends in sustainable sourcing, we developed a series of ESG criteria that contractors and suppliers must adopt.

Our **Sustainable Construction Manual** is a document that establishes five essential requirements for construction contractors:

01 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 protection of surrounding habitats and natural resources.

02 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.

03 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.

04 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.

05 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.

Subsequently, to measure the environmental and social impact of our properties' development, contractors must complete a checklist of questions about how they apply the manual before, during and after construction.

To complement these initiatives, 3,470,468 square feet of our GLA has Leadership in Energy and Environmental Design (LEED) Certification.[9] This is given to spaces where tenants have incorporated aspects relating to energy efficiency, use of alternative energies, improvement of internal air quality, water use efficiency, sustainable development of free spaces and selection of materials.

LEED CERTIFIED FACILITIES

BUILDING	REGION	SQUARE FEET GLA	CERTIFICATION LEVEL	YEAR CERTIFIED
SLP-VPSLPI-03	Bajío	232,834	LEED v4 BD+C: CS (Silver)	2020
TIJ-VPALI-01	North	198,390	LEED v4 BD+C: CS (Certified)	2020
TPI Matamoros	North	490,038	LEED	2019
Pacífico II	North	191,727	LEED	2019
TPI Edif 03 Juárez	North	331,647	LEED	2018
Safran Albany Querétaro	Bajío	335,253	LEED Silver	2018
TPI Juárez	North	352,798	LEED Silver	2017
BRP Juárez	North	389,083	LEED	2016
BRP Querétaro	Bajío	536,753	LEED Silver	2014
Bombardier MA2	Bajío	228,270	LEED Silver	2014
Bombardier J85	Bajío	183,675	LEED	2013
Total		**3,470,468**		
% of total portfolio with LEED		**11.10%**		

9 LEED is a system for certifying sustainable buildings, developed by the U.S. Green Building Council. 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.

ENERGY MANAGEMENT

103-1, 103-2, 103-3, CRE1, 302-1, 302-2, 302-3, 302-4
IF-RE-130a.1, IF-RE-130a.2, IF-RE-130a.3
TCFD Metrics and targets c)

“Our target is to achieve a 20% reduction in energy consumption in our common areas and offices by the year 2024, using 2019 as the base year.”

The energy we consume for operating our common areas and our offices in industrial parks and corporate offices comes mainly from the Federal Electricity Commission (CFE) supply; a smaller percentage comes from solar panels installed at three of our parks.

We also use diesel in our firefighting systems; in 2020 this use was limited to testing to ensure proper functioning.

Fuel consumption for offices and common areas (SCOPE 1)

TYPE	LITERS	GJ
Diesel	21,890	825
Total	**21,890**	**825**

Electricity consumption for offices and common areas (SCOPE 2)

TYPE	kWh	GJ
Conventional	2,011,442	7,241
Solar	109,938	396
Total	**2,121,380**	**7,637**

Electrical energy consumption for offices and common areas 2018-2020 (GJ) (SCOPE 2)

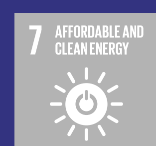
2018	2019	2020
4,299	5,118	7,637

Energy intensity for offices and common areas 2018-2020* (kWh/m²) (SCOPE 2)

2018	2019	2020
0.72	0.92	0.48

208

solar panels installed in our parks at Toluca, Tlaxcala and Aguascalientes



This year the tenants who reported information consumed 129,040,501 kWh, equivalent to 464,545 GJ of electrical energy.

Indirect consumption of energy in tenant operations (SCOPE 3)

TYPE	kWh	GJ
Conventional	129,040,501	464,545
Total	**129,040,501**	**464,545**

Indirect consumption of energy in tenant operations 2019-2020** (GJ) (SCOPE 3)

2019 (8% OF REPORTED GLA)	2020 (17% OF REPORTED GLA)
904,692	464,545

Based on 129,040,501 kWh of total energy consumption and 31,221,034 square feet of leased surface area, en 2020 our tenants consumed 44.40 kWh per m², which represents their energy intensity.

* Calculated based on surface area of common areas, which has grown by 63% since 2018.
** Calculations based on absolute data.
In 2020, in addition to calculating energy intensity from electricity consumption (0.48 kWh/m²) we calculated the energy intensity of our diesel consumption, which was 0.058 kWh/m².

WATER MANAGEMENT

303-1, 303-3
IF-RE-140a.1, IF-RE-140a.2 IF-RE-140a.3
TCFD Métricas y objetivos c)

"We intend to achieve a 20% reduction in water consumption in our common areas and offices by the year 2024, using 2019 as the base year."

We use water primarily for sanitary services in all our facilities and for watering green areas.

Most of the water we use comes from the municipal supply and some from subsoil wells and water tanker trucks. We also have wastewater treatment plants (WWTP) in some of our parks, and we reuse waste water for watering green areas.

The main water impact derived from Vesta park operations and their tenants is the extraction of water for human consumption and processing, as well as waste water discharge.

To mitigate these impacts, Vesta complies with and requires compliance with environmental regulations on the use, treatment and reuse of water in both common and leased areas. Furthermore, when we build and operate our assets, we encourage best practices in the use, treatment and reuse of water, according to current regulations, our Sustainable Construction Manual and checklist and the Sustainability Guide we share every year with our tenants, and the signing of a "Green Clause" in our lease agreements.

* 100% of the water we consume at Vesta comes from water stressed areas.
NA: not available.

Extraction of water for offices, common areas and tenants* (m^3)

MUNICIPAL SUPPLY FOR COMMON AREAS AND OFFICES

59,041

TENANT CONSUMPTION

532,012

Total: 591,053

To calculate water consumption for Vesta offices, common areas and tenants, we used the information found in our water bills.

Water extraction 2018-2020 (m^3)

YEAR	OFFICES AND COMMON AREAS	TENANTS	
	m^3		% of reported GLA
2018	138,593	29,309	NA
2019	107,047	1,227,320	8%
2020	59,041	532,012	15%

In 2020, we generated 51,849 m^3 of wastewater, which was reused for watering green areas. Both the water we discharge into the municipal network and the treated water is of quality acceptable under Official Mexican Standards.

In 2020, we received no complaints or claims regarding significant spills or any impact from our water-related activities.

51,849 m^3
of wastewater treated and reused

MANAGING EMISSIONS

103-1, 103-2, 103-3, 305-1, 305-2, 305-3
TCFD Metrics and goals b)

Most of our greenhouse gas (GHG) emissions come from the consumption of electrical energy for our operations, diesel consumption for firefighting systems, and indirectly from the energy our tenants consume for their operations.

GHG EMISSIONS

TYPE	Ton CO_2e
Scope 1 Consumption of fuel for offices and common areas	61
Scope 2 Consumption of electricity for offices and common areas	1,016
Scope 3 Indirect energy consumption from tenant operations	65,165
Total	**66,242**

GHG Emissions 2018-2020

YEAR	SCOPE 1	SCOPE 2	SCOPE 3	
	Ton CO_2e			% of reported GLA
2018	48	670	4,095,232	NA
2019	50	718	126,908	8%
2020	61	1,016	65,165	17%

NA: not available

Notes on the calculation of emissions

- We used the emission factor of 0.505 metric tons of CO_2/MWh supplied by the National Electrical System for 2019, since March 2020, the factor was still under review by the National Emissions Registry (RENE).
- The source of our emission factors was direct operations.
- We used the operational control approach for consolidating emissions.

WASTE MANAGEMENT

103-1, 103-2, 103-3, 306-1, 306-3, 306-4, 306-5
TCFD Metrics and targets c)

"We aim to achieve a 50% increase in the amount of recycled and/or reused waste by 2024, using 2019 as the base year."

The nature of Vesta's business is such that it does not generate tremendous quantities of waste, but of what we do generate, nonhazardous waste is sent to landfill and hazardous waste is treated by a certified specialist.

To prevent waste generation, we work closely with our tenants, encouraging them to develop circular economy practices and abide by our Sustainable Sourcing Policy, which establishes that materials sourced should have the following characteristics:

- Reusable.
- Made with a certain percentage of recycled material.
- Contain little or no packaging, or packaging made with recyclable materials.
- Minimize and help preserve resources.
- Contain no toxic ingredients or substances.
- Biodegradable.
- Minimize atmospheric emissions.

Waste generated in parks and offices by type

(Metric tons)

NON HAZARDOUS

24

Waste generated in tenant operations by type

(Metric tons)

Total: 6,236

Waste generated in parks and offices by type 2018-2020 (Metric tons)

Waste generated in tenant operations by type 2019-2020

YEAR	METRIC TONS	% OF REPORTED GLA
2019	822,132	5%
2020	6,236	18%

In 2020, we received no fines, sanctions or claims relating to non-compliance with environmental regulations in terms of waste.

Vesta is committed to reducing the environmental impact of its business, developing strategies together with tenants to jointly and responsibly manage 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

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

This 2020 Vesta Annual Report shares with stakeholders the results of our economic, corporate governance, labor, social, environmental and financial efforts last year, as well as the measures we took in response to the Covid-19 pandemic, between January 1 and December 31, 2020.

This document contains information on our activities in the 15 states of Mexico where we are present, and is limited to Vesta operations, so it thus does not include information on contractors or other entities; only tenants, in the cases where this is specified. As part of the improvement of our ESG performance practices we conducted audits of certain suppliers, and we specify when information on their operations is presented.

Among the many actions we took to contend with the pandemic, around 64% of our employees worked from home full-time starting in mid-March, which resulted in a reduction in our consumption of energy, water and materials, as well as emissions and waste generation in our offices. For other cases, any restatement of information from previous years is indicated on a case-by-case basis.

Committed to improving the way we manage ESG issues, in addition to Global Reporting Initiative (GRI) content and the GRI Construction and Real Estate Industry Supplement for information specific to our industry, and our contributions to the UN Sustainable Development Goals, this year for the first time we include information according to the standards of the Sustainability Accounting Standards Board (SASB) pertaining to the real-estate and real-estate services industry to which we belong.

We have also adhered to the U.N. Principles for Responsible Investment (UN-PRI), and we took our first actions toward disclosure of information on our climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

CERTIFICATIONS

DJSI MILA
Member since 2019. We rose 10 notches in this index compared to 2019.

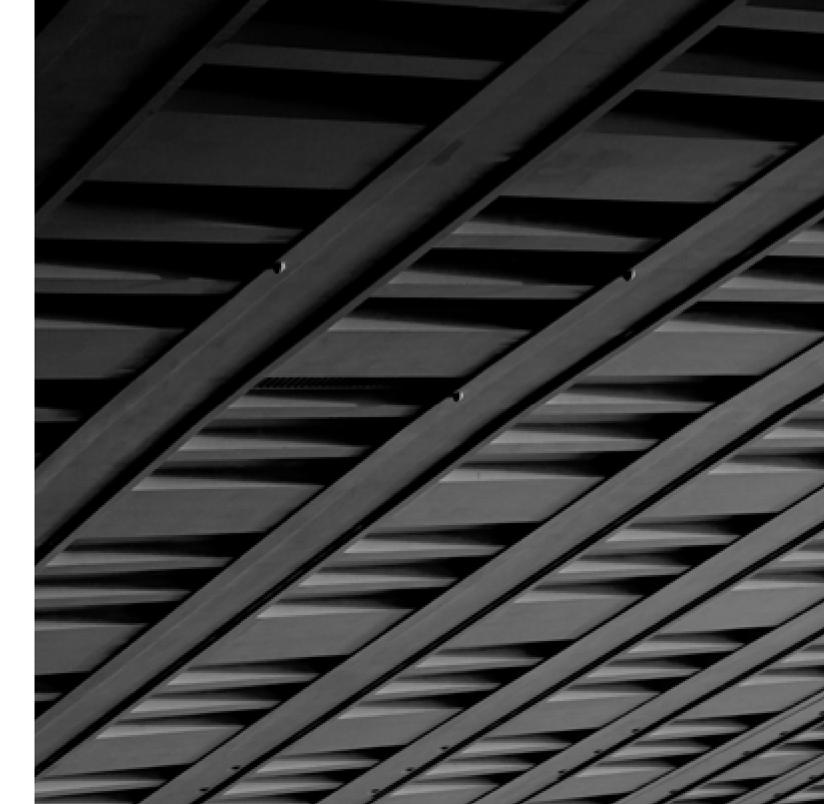
GRESB
For the first year, Vesta was awarded three green stars in the GRESB ranking, achieving a score of more than 50% of the points assigned to each relevant component of the ranking. Thus, we obtained the second place in the recognition given to 10 companies for a significant improvement in their performance in the GRESB benchmark; we were the third of 8 companies listed in the Americas.

S&P/BMV Total ESG
Vesta is one of the companies included in this index.

CDP
We obtained a "C" Rating.

EcoVadis
We obtained a gold medal for our ESG management.

WorldCob
WORLD-COB-CSR 2011.3 / A B C. Certification



"This report has been prepared in accordance with the GRI Standards: Core Option. External assurance was provided by Valora Consultores."

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.[10]

ISSUER AND PUBLICLY TRADED CORPORATION

REAL ESTATE COMPANY HOLDINGS

100% QVCII, S. DE R.L. DE C.V.

100% VESTA QUERÉTARO, S. DE R.L. DE C.V.

100% QVC, S. DE R.L. DE C.V.

100% PROYECTOS AEROESPACIALES, S. DE R.L. DE C.V.

100% VESTA BAJÍO, S. DE R.L. DE C.V.

100% ENER VESTA, S. DE R.L. DE C.V.

100% VESTA BAJA CALIFORNIA, S. DE R.L. DE C.V.

100% WTN DESARROLLOS INMOBILIARIOS DE MÉXICO, S. DE R.L. DE C.V.

100% VESTA DSP, S. DE R.L. DE C.V.

ADMINISTRATIVE SUBSIDIARIES

100% VESTA MANAGEMENT, S. DE R.L. DE C.V.

100% SERVICIOS DE ADMINISTRACIÓN Y MANTENIMIENTO VESTA, S. DE R.L. DE C.V.

10 Corporación Inmobiliaria Vesta, S.A.B. de C.V. “Vesta” is a publicly-traded company listed on the Mexican Stock Exchange and with securities placed privately among institutional investors under Rule 144ª and Regulation S of the 1933 Securities Market Act in the United States.

EXTERNAL ASSURANCE LETTER

MADRID - A CORUÑA - AMSTERDAM
BARCELONA – LONDRES – PARIS
ISTANBUL - TURQUÍA - MÉXICO

Independent Review Report to the Management of Corporación Inmobiliaria Vesta, S.A.B. de C.V.

(Translation from Spanish Language Original). This letter has been translated from the Spanish language original and for the convenience of foreign/English-speaking readers – in case of discrepancy, Spanish prevails.

To the Management Corporación Inmobiliaria Vesta, S.A.B. de C.V. "Vesta",

As per your request, we were required to provide a limited level of assurance about the information content on the 2020 Annual Report of Vesta (hereinafter "Annual Report"), for the period January 1st to December 31st, 2020.

The "Annual Report" has been prepared in accordance with the contents proposed in the Global Reporting Initiative (GRI) Standards, the Construction and Real State Sector Supplement of the GRI Guide version G4, the parameters of the Sustainability Accounting Standards Board (SASB) for the Industries of: Real Estate and Real Estate Services and Vesta's performance indicators.

Vesta responsabilities

The Management of Vesta was responsible for the preparation, content and presentation of the "Annual Report", including compliance with the requirements of the "Core" option of the GRI Standards.

This responsibility includes designing, implementing and maintaining such internal control that is considered necessary to enable the information contained in the "Annual Report" is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility was to carry out a limited review on the content of the "Annual Report" regarding the verified contents enlisted in the Annex I. of this Independent Review Report, both the GRI Standards, the contents of the Construction and Real State Sector Supplement, the SASB Standards, and Vesta's performance indicators.

To ensure that the assurance process accomplishes with the ethical requirements necessary to ensure the independence of our work as auditors of non-financial information, our work was carried out in accordance with the Standard ISAE 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

Scope

The scope of our independent review, as well as the evidence gathering procedures performed was of limited assurance level, which is less than the one performed in an engagement with a reasonable assurance level and therefore also the security level provided. This report must not be understood as an audit report.

The procedures that were carried out, in general, are described below:

- Selection of information to verify based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for providing the information contained in the "Annual Report" to learn the principles, systems and applied management approaches
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the "Annual Report" based on the operations and the material aspects identified.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of what is required in accordance with the GRI Standards and the SASB Standards.

Conclusion

Based on our review and the evidence obtained by Vesta nothing caught our attention that causes us to believe that their information contained in the 2020 Annual Report has not been obtained with reliability, was not presented properly, or that there were significant discrepancies or omissions, or that has not been prepared in accordance with the requirements established in the GRI Standards and the SASB Standards.

Luis Miguel Vilatela Riba
Valora Mexico Director
Valora Sostenibilidad e Innovación S.A. de C.V.
Mexico City, 13th, May, 2021

MADRID - A CORUÑA - AMSTERDAM
BARCELONA – LONDRES – PARIS
ISTANBUL - TURQUÍA - MÉXICO

Annex I.

Detail of the GRI Standards, GRI G4 Sector Supplement, SASB Standards and Vesta's own indicators revised:

GRI Standards	
General Disclosures	
Disclosure	**Description**
102-8	Information on employees and other workers
102-9	Supply chain
102-17	Mechanisms for advice and concerns about ethics
102-18	Governance structure
102-21	Consulting stakeholders on economic, environmental, and social topics
102-22	Composition of the highest governance body and its committees
102-28	Evaluating the highest governance body's performance
102-34	Nature and total number of critical concerns
102-44	Key topics and concerns raised
102-46	Defining report content and topic Boundaries
102-47	List of material topics
Economic	
201-1	Direct economic value generated and distributed
203-1	Infrastructure investments and services supported
Environment	
302-1	Energy consumption within the organization
302-3	Energy intensity
303-3	Water withdrawal
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
308-1	New suppliers that were screened using environmental criteria
Social	
401-1	New employee hires and employee turnover
403-9	Work-related injuries
404-1	Average hours of training per year per employee
405-1	Diversity of governance bodies and employees
Construction and Real State Sector Supplement of the GRI Guide version G4	
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.

SASB Standards for the Industries of: Real Estate and Real Estate Services.	
IF-RE-000.A	Number of assets, by property subsector
IF-RE-000.B	Leasable floor area, by property subsector
IF-RE-000.D	Average occupancy rate, by property subsector
IF-RS-000.A	Number of property management clients, categorized by: (1) tenants and (2) real estate owners
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants

Vesta's performance indicators	
LEED	Percentage of Gross Leasable Area (GLA) that is LEED certified.

End of document.

GRI and SASB Content Index

102-55

GRI Standard or SASB	Content	Disclosure	Page or response
GRI 101: Foundation			
Organizational profile 2016			
GRI 102: General Disclosures 2016	102-1	Name of the organization	70
	102-2	Activities, brands, products, and services	8
	102-3	Location of headquarters	120
	102-4	Location of operations	9
	102-5	Ownership and legal form	70
	102-6	Markets served	9, 10
	102-7	Scale of the organization	24
	102-8	Information on employees and other workers	41
	102-9	Supply chain	13
	102-10	Significant changes to the organization and its supply chain	29, 70
	102-11	Precautionary Principle or approach	50
	102-12	External initiatives	22
	102-13	Membership of associations	22
2. Strategy 2016			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	4
	102-15	Key impacts, risks, and opportunities	35
3. Ethics and integrity 2016			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	6, 16, 37
	102-17	Mechanisms for advice and concerns about ethics	37

GRI Standard or SASB	Content	Disclosure	Page or response
		4. Governance 2016	
GRI 102: General Disclosures 2016	102-18	Governance structure	29
	102-19	Delegating authority	16, 29
	102-20	Executive-level responsibility for economic, environmental, and social topics	16, 29
	102-21	Consulting stakeholders on economic, environmental, and social topics	20, 21
	102-22	Composition of the highest governance body and its committees	29
	102-23	Chair of the highest governance body	29
	102-24	Nominating and selecting the highest governance body	29
	102-25	Conflicts of interest	37
	102-26	Role of highest governance body in setting purpose, values, and strategy	29
	102-27	Collective knowledge of highest governance body	29
	102-28	Evaluating the highest governance body's performance	29
	102-29	Identifying and managing economic, environmental, and social impacts	35
	102-30	Effectiveness of risk management processes	35
	102-31	Review of economic, environmental, and social topics	29, 35
	102-32	Highest governance body's role in sustainability reporting	The Social and Environmental Responsibility Committee, Chief Legal Officer and ESG Department are responsible for approving the Annual Report.
	102-33	Communicating critical concerns	29
	102-34	Nature and total number of critical concerns	29
	102-35	Remuneration policies	29, 41
	102-36	Process for determining remuneration	29, 41
	102-37	Stakeholders' involvement in remuneration	29, 41
	102-38	Annual total compensation ratio	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees is 8.4 to 1.
	102-39	Percentage increase in annual total compensation ratio	The median annual percentage increase in employee compensation was 6%
		5. Stakeholder engagement 2016	
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	21
	102-41	Collective bargaining agreements	41

GRI Standard or SASB	Content	Disclosure	Page or response
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	21
	102-43	Approach to stakeholder engagement	10, 21
	102-44	Key topics and concerns raised	10, 21
		6. Reporting practice 2016	
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	70
	102-46	Defining report content and topic Boundaries	20
	102-47	List of material topics	20
	102-48	Restatements of information	70
	102-49	Changes in reporting	70
	102-50	Reporting period	70
	102-51	Date of most recent report	70
	102-52	Reporting cycle	70
	102-53	Contact point for questions regarding the report	121
	102-54	Claims of reporting in accordance with the GRI Standards	70
	102-55	GRI content index	73
	102-56	External assurance	70
REAL ESTATE Sustainability Accounting Standard: Activity metrics	IF-RE-000.A	Number of assets, by property subsector	9
	IF-RE-000.B	Leasable floor area, by property subsector	9
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	100% of Vesta-owned properties are indirectly managed.
	IF-RE-000.D	Average occupancy rate, by property subsector	26
REAL ESTATE SERVICES Sustainability Accounting Standard: Activity metrics	IF-RS-000.A	Number of property management clients, categorized by: tenants and real estate owners	8 Vesta manages eight buildings that it does not own.
	IF-RS-000.B	Floor area under management with owner operational control	353,199,044 square feet corresponding to the surface area of 188 Vesta-owned buildings plus the surface area of the eight buildings Vesta manages that it does not own.
	IF-RS-000.C	Number of buildings under management with owner operational control	196 buildings, corresponding to the 188 Vesta-owned buildings plus the eight buildings Vesta manages that it does not own.
		GRI 200: Economic Standards	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	27
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	50

GRI Standard or SASB	Content	Disclosure	Page or response
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	37
	205-2	Communication and training about anti-corruption policies and procedures	37
	205-3	Confirmed incidents of corruption and actions taken	37
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	37
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 complies with the fiscal guidelines established by government authorities, and its processes therefore do not include tax strategies that contravene these guidelines; taxes are accrued and paid pursuant to existing tax laws.
	207-2	Tax governance, control, and risk management	We evaluate compliance in the tax governance and control framework, and the correct calculation of our tax obligations, with the same frequency as the law requires that taxes must be filed. We also present a fiscal opinion for every fiscal year, reviewed by independent auditors. The notes to the financial statements mention this tax compliance.
	207-3	Stakeholder engagement and management of concerns related to tax	Our suppliers must present a letter certifying their compliance with all tax obligations. We check that they are not included in the SAT black list, that projects have all employees registered with the IMSS, and that all such obligations must be paid by the end of the project in order to receive the final quitclaim payment.
GRI 300: Environmental Standards			
GRI 302: Energy 2016	103-1	Explanation of the material topic and its Boundary	66
	103-2	The management approach and its components	66
	103-3	Evaluation of the management approach	66
	CRE1	Building energy intensity.	66
	302-1	Energy consumption within the organization	66
	302-2	Energy consumption outside of the organization	66
	302-3	Energy intensity	66
	302-5	Reduction in energy requirements of products and services	64
REAL ESTATE Sustainability Accounting Standard: Energy Management	IF-RE-130a.1	Energy consumption data coverage as apercentage of total floor area, by property subsector	66 Partial response.
	IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, percentage grid electricity, and percentage renewable, by property subsector	66 Partial response.

GRI Standard or SASB	Content	Disclosure	Page or response
REAL ESTATE Sustainability Accounting Standard: Energy Management	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	66 Partial response.
	IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating and is certified to ENERGY STAR, by property subsector	None of our properties has any energy certification other than LEED.
	IF-RE-130a.5	Description of how building energy management considerations are integrated into real estate investment analysis and operational strategy	64
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	67
	303-3	Water withdrawal	67
REAL ESTATE Sustainability Accounting Standard: Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area and floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	67 Partial response.
	IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage and percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	67 Partial response.
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	67 Partial response.
GRI 305: Emissions 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
	305-1	Direct (Scope 1) GHG emissions	68
	305-2	Energy indirect (Scope 2) GHG emissions	68
	305-3	Other indirect (Scope 3) GHG emissions	68
GRI 306: Waste 2020	103-1	Explanation of the material topic and its Boundary	69
	103-2	The management approach and its components	69
	103-3	Evaluation of the management approach	69
	CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	In 2020 we did not have to remediate any property as a result of activities by Vesta or its tenants.
	306-1	Waste generation and significant waste-related impacts	69
	306-3	Waste generated	69
	306-4	Waste diverted from disposal	69
	306-5	Waste directed to disposal	69
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	We report no non-compliance of this kind in 2020.
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	13

GRI Standard or SASB	Content	Disclosure	Page or response
REAL ESTATE **Sustainability Accounting Standard:** Management of Tenant Sustainability Impacts	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	10
REAL ESTATE **Sustainability Accounting Standard:** Climate Change Adaptation	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	35
REAL ESTATE SERVICES **Sustainability Accounting Standard:** Sustainability Services	IF-RS-410a.1	Revenue from energy and sustainability services	Vesta does not provide this type of service.
	IF-RS-410a.2	Floor area and number of buildings under management provided with energy and sustainability services	Vesta does not provide this type of service.
	IF-RS-410a.3	Floor area and number of buildings under management that obtained an energy rating	None of our properties has any energy certification other than LEED.
REAL ESTATE SERVICES **Sustainability Accounting Standard:** Transparent Information & Management of Conflict of Interest	IF-RS-510a.1	Brokerage revenue from dual agency transactions	Vesta does not provide this type of service.
	IF-RS-510a.2	Revenue from transactions associated with appraisal services	Vesta does not provide this type of service.
	IF-RS-510a.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Vesta does not report any losses of this type in 2020.
GRI 400: Social Standards			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	41
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41
	401-3	Parental leave	41
GRI 403: Occupational Health and Safety 2018	103-1	Explanation of the material topic and its Boundary	45
	103-2	The management approach and its components	45
	103-3	Evaluation of the management approach	45
	403-1	Occupational health and safety management system	45
	403-2	Hazard identification, risk assessment and incident investigation	45
	CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	45
	403-3	Occupational health services	45
	403-4	Worker participation, consultation and communication on occupational health and safety	45
	403-5	Worker training on occupational health and safety	45
	403-6	Promotion of worker health	45
	403-7	Prevention and mitigation of occupational health and safety impacts linked by business relationships	45
	403-9	Work-related injuries	45

GRI Standard or SASB	Content	Disclosure	Page or response
GRI 404: Training and education 2016	103-1	Explanation of the material topic and its Boundary	48
	103-2	The management approach and its components	48
	103-3	Evaluation of the management approach	48
	404-1	Average hours of training per year per employee	48
	404-3	Percentage of employees receiving regular performance and career development reviews	48
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	29, 41
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	37
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	37
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	37
GRI 409: Forced of compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	37
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	37
	412-2	Employee training on human rights policies or procedures	37
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	37
GRI 413: Local communities 2016	103-1	Explanation of the material topic and its Boundary	50
	103-2	The management approach and its components	50
	103-3	Evaluation of the management approach	50
	CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	50
	413-1	Operations with local community engagement, impact assessments, and development programs	50
	413-2	Operations with significant actual and potential negative impacts on local communities	50 We received no claims of this type in 2020.
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	13
	414-2	Negative social impacts in the supply chain and actions taken	13
GRI 415: Public policy 2016	415-1	Political contributions	We made no contributions to political parties in 2020.
GRI 416: Customer health and safety 2016	CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation, and redevelopment	64
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We report no non-compliance of this kind in 2020.

GRI Standard or SASB	Content	Disclosure	Page or response
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We received no claims of this type in 2020.
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	We report no non-compliance of this kind in 2020.

TCFD Index

TCFD Index		Disclosure	Page or response
TCFD - Governance	a)	Organization's governance around climate-related risks and opportunities	34
	b)	Management's role inassessing and managing climate-related risks and opportunities	34
TCFD - Strategy	a)	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	35
	b)	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Not reported.
	c)	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Not reported.
TCFD - Risk Management	a)	Organization's processes for identifying and assessing climate-related risks	35
	b)	Organization's processes for managing climate-related risks	35
	c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Not reported.
TCFD - Metrics and Targets	a)	Metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process	35 Partial report.
		Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	68 Partial report.
	c)	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	66, 67, 69

Market and Financial Information

FINANCIAL INFORMATION SUMMARY

This annual report includes our audited consolidated annual financial statements as of December 31, 2020, 2019 and 2018 and for the fiscal years then ended, along with the accompanying notes thereto. The exchange rate used for the income statement was 21.49 Mexican pesos per dollar on average for the year 2020, 19.26 for 2019 and 19.24 for 2018. The exchange rate used for the balance sheet was the end-of-year exchange rate, which was 19.95 pesos per dollar for 2020, 18.85 for 2019 and 19.69 for 2018.

The financial information contained in this Annual Report has bee prepared in accordance with IFRS. See "Management's Comments and Analysis on the Financial Position and Results of Operations - Bases for the Preparation of the Financial Information."

REVENUES

Leasing revenues at the close of December 31, 2020, 2019 and 2018 were USD $149.86 million, USD $144.4 million, and USD $132.7 million respectively. At the close of 2020, leasing revenues had risen USD $5.49 million or 3.8% over December 31, 2019. At the close of 2019, leasing revenues stood USD $11.7 million higher, or 8.8%, compared to December 31, 2018.

PROPERTY OPERATING COST

Our property operating cost for the period ended December 31, 2020 was USD $10.15 million, compared to USD $8.14 million at the close of December 31, 2019, which was an increase of USD $2.01 million, or 24.7%. As of December 31, 2018, the cost was USD $5.68 million.

ADMINISTRATIVE EXPENSE

At the close of December 31, 2020, 2019 and 2018 the company reported administrative expenses of USD $17.18 million, USD $17.63 million and USD $16.09 million, respectively. The administrative expenses reported as of December 31, 2020 were USD $0.45 million lower, or 2.5%, than at the close of 2019. At the close of December 31, 2019, administrative expenses stood USD $1.53 million higher, or 9.5%, than on December 31, 2018.

DEPRECIATION

Depreciation expense totaled USD $1.48 million as of December 31, 2020, compared to USD $1.49 million at the close of December 31, 2019. Depreciation expense as of December 31, 2018 stood at USD $0.57 million. .

OTHER INCOME AND EXPENSES

Other income (expenses) closed December 31, 2020 with an income of USD $6.47 million. Other income (expenses) as of December 31, 2019 showed an income of USD $68.10 million, compared to an income of USD $17.72 million as of the close on December 31, 2018.

Interest income rose by USD $0.24 million for the year ended December 31, 2020, from USD $0.07 million in 2019 to USD $0.31 million in 2020. Interest income as of December 31, 2018 was USD $0.43 million.

Other revenues declined by USD $1.04 million as of December 31, 2020. The reduction is due to the net result of other accounting expenses reported by the Company. As of the close of December 31, 2019, other revenues had risen by USD $0.58 million compared to the same period of 2018. The increase is attributed to minor inflation adjustments to tax refunds and credits in 2019.

	Figures in USD $ *Fiscal year ended December 31,*			Figures in pesos for informational purposes		
	2020	2019	2018	2020	2019	2018
Other income and expenses						
Interest income	311,959	70,394	434,427	6,705,899	1,355,922	8,357,116
Other income (expense)	7,852	1,051,904	476,240	168,787	20,261,670	9,161,477
Transaction cost of the debt issuance	-	-	(139,062)	-	-	(2,675,150)
Interest expense	(39,052,739)	(39,161,931)	(35,156,825)	(839,481,199)	(754,333,199)	(676,315,358)
Foreign-exchange loss	(171,566)	2,156,930	(719,007)	(3,687,998)	41,546,570	(13,831,610)
Gain from the sale of properties	-	17,920,717	-	-	345,187,059	-
Gain from the revaluation of investment properties	45,370,264	86,062,112	52,822,802	975,283,286	1,657,719,795	1,016,157,524
Total other (expenses) income	**6,465,770**	**68,100,126**	**17,718,575**	**138,988,775**	**1,311,737,817**	**340,853,999**

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

Consolidated ***Financial Statements***

For the Years Ended December 31, 2020, 2019 and 2018,
and Independent Auditors' Report Dated February 15, 2021

Independent Auditors' Report and Consolidated Financial Statements for 2020, 2019 and 2018

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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, 2020, 2019 and 2018, 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, 2020, 2019 and 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Matters

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have concluded that the following Key Audit 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 management's review of relevant assumptions used in the discounted cash flow approach, approval of construction of new investment properties as well as cash disbursements related to such construction; ii) performing detail substantive testing of the additions in investment properties made during the year; iii) performing physical inspection of some of the Entity's investment properties; iv) using the work of our internal valuation expert to test the fair value as determined by the Entity's expert of a sample of investment

properties; 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 33 section I, subsection b) of Title Four, Chapter One, of the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market in Mexico (the "Provisions". As of the date of our auditors' report, we have not yet obtained these documents and they will be available only after the issuance of this Audit Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, we will issue the legend on the reading of the annual report, as required in Article 33, Section I, subsection b) numeral 1.2 of the Provisions.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

C. P. C. ALEXIS HERNÁNDEZ ALMANZA
February 15, 2021

Consolidated Statements of **Financial Position**

As of December 31, 2020, 2019 and 2018
(In US dollars)

Assets	Notes	2020	2019	2018
Current assets:				
Cash, cash equivalents and restricted cash	5	$ 120,542,142	$ 75,063,593	$ 64,483,395
Financial assets held for trading	6	684,936	804,967	724,399
Recoverable taxes	7	14,861,110	10,365,121	26,340,810
Operating lease receivables	8	6,360,901	8,272,093	8,130,553
Prepaid expenses		420,057	1,267,893	537,428
Total current assets		142,869,146	95,773,667	100,216,585
Non-current assets:				
Investment property	9	2,103,214,762	1,989,131,091	1,884,621,430
Office furniture - Net		2,854,654	3,063,650	2,490,902
Right-of-use asset	10	657,837	1,104,036	–
Derivative financial instruments	15.8	–	163,530	2,380,863
Guarantee deposits made and restricted cash		4,506,526	4,461,865	4,376,105
Total non-current assets		2,111,233,779	1,997,924,172	1,893,869,300
Total assets		$ 2,254,102,925	$ 2,093,697,839	$ 1,994,085,885

Liabilities and stockholders' equity	Notes	2020	2019	2018
Current liabilities:				
Current portion of long-term debt	11	$ 1,923,573	$ 794,905	$ 4,513,388
Finance leases payable - short term	10	510,417	435,177	–
Accrued interest		2,832,174	2,996,611	5,315,332
Accounts payable and client advances		1,825,850	2,539,117	2,788,387
Taxes payable, mainly income taxes		3,516,026	1,458,209	412,853
Accrued expenses		4,309,640	4,452,725	3,663,962
Dividends payable	12.4	13,534,555	13,371,920	–
Total current liabilities		28,452,235	26,048,664	16,693,922
Non-current liabilities:				
Long-term debt	11	837,837,479	713,632,678	695,284,034
Finance leases payable - long term	10	220,868	729,069	–
Derivative financial instruments	15.8	4,132,836	–	–
Guarantee deposits received		13,924,249	13,255,463	13,053,384
Deferred income taxes	14.3	260,873,091	228,906,984	215,350,972
Total non-current liabilities		1,116,988,523	956,524,194	923,688,390
Total liabilities		$ 1,145,440,758	$ 982,572,858	$ 940,382,312
Litigation and other contingencies	18			
Stockholders' equity:				
Capital stock	12	422,437,615	426,300,951	435,613,239
Additional paid-in capital	12.3	297,064,471	303,741,438	321,021,039
Retained earnings		429,048,327	416,230,463	333,833,754
Share-based payments reserve	17	7,986,137	7,828,591	5,507,719
Foreign currency translation		(44,981,398)	(43,090,933)	(43,938,783)
Valuation of derivative financial instruments	15.8	(2,892,985)	114,471	1,666,605
Total stockholders' equity		1,108,662,167	1,111,124,981	1,053,703,573
Total liabilities and stockholders' equity		$ 2,254,102,925	$ 2,093,697,839	$ 1,994,085,885

See accompanying notes to consolidated financial statements.

Consolidated Statements of **Profit and Other Comprehensive Income (Loss)**

For the years ended December 31, 2020, 2019 and 2018
(In US dollars)

	Notes	2020	2019	2018
Revenues:				
Rental income		$ 149,535,887	$ 144,292,402	$ 132,669,266
Management fees		319,446	72,677	–
Property operating costs:				
Related to properties that generated rental income	13.1	(8,925,518)	(7,266,490)	(4,848,618)
Related to properties that did not generate rental income	13.1	(1,229,137)	(874,128)	(828,082)
Gross profit		139,700,678	136,224,461	126,992,566
Administration expenses	13.2	(17,184,479)	(17,630,342)	(16,094,364)
Depreciation		(1,477,413)	(1,494,778)	(573,177)
Other income and expenses:				
Interest income		311,959	70,394	434,427
Other income – net		7,852	1,051,904	476,240
Transaction costs on debt issuance		–	–	(139,062)
Interest expense		(39,052,739)	(39,161,931)	(35,156,825)
Exchange gain (loss)– net		(171,566)	2,156,930	(719,007)
Gain on sale of investment property		–	17,920,717	–
Gain on revaluation of investment property	9	45,370,264	86,062,112	52,822,802
Total other income and expenses		6,465,770	68,100,126	17,718,575
Profit before income taxes		127,504,556	185,199,467	128,043,600
Current income tax expense	14.1	(26,150,480)	(37,670,744)	(21,892,031)
Deferred income tax	14.1	(34,397,994)	(12,918,014)	(13,091,239)
Total income tax expense		(60,548,474)	(50,588,758)	(34,983,270)

	Notes	2020	2019	2018
Profit for the year		66,956,082	134,610,709	93,060,330
Other comprehensive income (loss) - net of tax:				
Items that may be reclassified subsequently to profit –				
Fair value (loss) gains on derivative instruments	15.8	(3,007,456)	(1,552,134)	1,087,529
Exchange differences on translating other functional currency operations		(1,890,465)	847,850	(6,606,220)
Total other comprehensive income (loss)		(4,897,921)	(704,284)	(5,518,691)
Total comprehensive income for the year		$ 62,058,161	$ 133,906,425	$ 87,541,639
Basic and diluted earnings per share	12.5	$ 0.117	$ 0.229	$ 0.155

See accompanying notes to consolidated financial statements.

Consolidated Statements of **Changes in Stockholders' Equity**

For the years ended December 31, 2020, 2019 and 2018
(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, 2018	$ 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
Share-based payments	–	–	–	4,413,135	–	–	4,413,135
Vested shares	1,238,891	3,016,698	–	(4,255,589)	–	–	–
Dividends declared	–	–	(54,138,218)	–	–	–	(54,138,218)
Repurchase of shares	(5,102,227)	(9,693,665)	–	–	–	–	(14,795,892)
Comprehensive income (loss)	–	–	66,956,082	–	(1,890,465)	(3,007,456)	62,058,161
Balances as of December 31, 2020	$ 422,437,615	$ 297,064,471	$ 429,048,327	$ 7,986,137	$ (44,981,398)	$ (2,892,985)	$ 1,108,662,167

See accompanying notes to consolidated financial statements.

Consolidated Statements of **Cash Flows**

For the years ended December 31, 2020, 2019 and 2018
(In US dollars)

	2020	2019	2018
Cash flows from operating activities:			
Profit before income taxes	$ 127,504,556	$ 185,199,467	$ 128,043,600
Adjustments:			
Depreciation	1,031,214	1,035,538	573,177
Right-of-use depreciation	446,199	459,240	–
Gain on revaluation of investment property	(45,370,264)	(86,062,112)	(52,822,802)
Unrealized effect of foreign exchange rates	171,566	(2,156,930)	719,007
Interest income	(311,959)	(70,394)	(434,427)
Interest expense	37,924,366	36,433,726	33,831,263
Amortization of debt issuance costs	1,128,373	2,728,205	1,325,562
Expense recognized in respect of share-based payments	3,678,097	2,788,939	1,942,810
Gain on sale of investment property	–	(17,920,717)	–
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables - Net	1,911,192	(141,540)	(2,909,036)
Recoverable taxes	(4,495,989)	(4,558,054)	(8,943,674)
Prepaid expenses	847,836	(730,465)	(167,753)
Increase (decrease) in:			
Accounts payable and client advances	(713,267)	684,301	(2,227,350)
Accrued expenses	(143,085)	1,631,753	884,310
Income taxes paid	(24,092,663)	(16,091,645)	(12,542,218)
Net cash generated by operating activities	99,516,172	103,229,312	87,272,469
Cash flows from investing activities:			
Acquisition of investment property	(72,523,331)	(106,376,406)	(137,897,718)
Sale of investment property	–	109,260,000	–
Acquisition of office furniture	(822,218)	(1,608,286)	(1,195,300)
Financial assets held for trading	120,031	(80,568)	(46,571)
Interest received	311,959	70,394	434,427
Net cash (used in) generated by investing activities	(72,913,559)	1,265,134	(138,705,162)

	2020	2019	2018
Cash flows from financing activities:			
Guarantee deposits collected	668,786	202,080	1,513,911
Guarantee deposits paid	(44,661)	(85,760)	64,058
Interest paid	(37,986,844)	(38,606,429)	(32,288,118)
Loans obtained	125,000,000	225,000,000	116,600,000
Repayments of borrowings	(794,904)	(210,000,000)	(123,019)
Dividends paid	(53,975,583)	(39,444,748)	(47,897,981)
Repurchase of treasury shares	(14,795,892)	(27,902,950)	(11,256,567)
Finance leases payments	(534,920)	(545,048)	–
Debt issuance costs	–	(3,098,044)	–
Net cash generated by (used in) financing activities	17,535,982	(94,480,899)	26,612,284
Effects of exchange rates changes on cash	1,339,954	566,651	(1,697,905)
Net increase in cash, cash equivalents and restricted cash	45,478,549	10,580,198	(26,518,314)
Cash, cash equivalents and restricted cash at the beginning of year	75,798,905	65,218,707	91,737,021
Cash, cash equivalents and restricted cash at the end of year – Note 5	$ 121,277,454	$ 75,798,905	$ 65,218,707

See accompanying notes to consolidated financial statements.

Notes to **Consolidated Financial Statements**

For the years ended December 31, 2020, 2019 and 2018
(In US dollars)

1. General information

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

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

1.1 Significant event

As a result of the spread of the coronavirus (Covid-19) in Mexico and around the world, Vesta successfully maintained during 2020 the disciplined execution of strategies, which included rapidly adapting to the current environment and providing temporary relief to clients supported by strong relationships and its strong knowledge of the market. This allowed Vesta to quickly and timely identify emerging trends and seize new business opportunities.

As part of negotiations with clients, Vesta only granted deferral of leases payments for those tenants who met certain strict criteria, focusing that decision on long-term growth. In total, there were 43 deferral agreements that represented approximately $5.5 million, of which 84% were recovered during the second half of the year and 16% will be recovered during 2021; agreements and payments have been fulfilled. It is important to note that, as of September 30, 2020, 95% of Vesta's tenants had reached pre-crisis operating levels and, at the end of the year, all are at normal levels.

The economic trends of the real estate market in Mexico, and specifically the industrial real estate market, were not materially affected by the pandemic. See Note 9 "Investment Properties" for further details. Finally, from an internal point of view, Vesta continued with its surveillance measures and cost reduction, review of contracts with non-essential third parties and constant monitoring of its performance.

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, 2020.

Initial impact of the application of the Interest Rate Benchmark Reform (Amendment to IFRS 9, IAS 39, and IFRS 7)

In September 2019, the IASB issued the Interest Rate Benchmark Reform document (amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for the affected hedges during the uncertainty period before the hedge of items or instruments affected by the current interest rate benchmark is modified as result of ongoing reforms of the interest rate benchmark.

These modifications are not relevant for the Entity since it applies hedge accounting to its exposure to reference interest rates. The impacts of the modifications applied to the Entity's accounting are as follows:

- The Entity has a variable rate of debt, indexed to IBOR, which hedges cash flows using interest rate swaps.
- The Entity will retain the accumulated gains or losses by reserving the hedging of cash flows designated to cash flows that are subject to the Interest Rate Benchmark Reform, even though there is some uncertainty about the Interest Rate Benchmark Reform regarding the time and quantity of the cash flow hedged items. The Entity must consider that future cash flow hedges are not expected to occur due to reasons other than those of the Interest Rate Benchmark Reform, accumulated gains or losses will be immediately reclassified to results.

The amendments also introduce a new disclosure requirement by IFRS 7 for hedging relationships that are subject to exceptions introduced by the amendment to IFRS 9.

Initial impact of concessions applied to Lease under IFRS 16 related to the effects of Covid-19

In May 2020, the IASB issued the amendment to IFRS 16, *Covid-19-Related Rent Concessions* that provides practical resources for rent concessions of lessee that occurred as a direct consequence of Covid-19, thus introducing a practical expedient for IFRS 16. The practical expedient allows a lessee the choice to assess whether a lease concession related to Covid-19 is a lease modification. The lessee making this choice should account for any change in lease payments resulting from the lease concession related to Covid-19 applying IFRS 16 as if the change were not a modification to the lease.

The practical expedient only applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
b) Any reduction in lease payments affects only payments due on or before June 30, 2021 (a rental concession meets this condition if it results in a reduction in payments before June 30, 2021 or increases lease payments after June 30, 2021); and
c) There is no substantive change to other terms and conditions of the lease.

During the year, the Entity did not apply the amendments to IFRS 16 (as issued by the IASB in May 2020) in advance.

Initial impact of the application of other new and modified IFRS that are effective for the fiscal years and reporting periods beginning on or after January 1, 2020

In the current year, the Entity has applied a number of amendments to IFRS Standards issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to references to the Conceptual Framework in IFRS Standards

The Entity has adopted the amendments included in *Amendments to references to the Conceptual Framework in IFRS Standards* for the first time this year. The amendments include derivative amendments to the affected standards that now refer to the new *Conceptual Framework*. Not all amendments, however, update such pronouncements with respect to references and phrases to the *Conceptual Framework* that refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the *Conceptual Framework* they refer to (the IASC *Conceptual Framework* adopted by the IASB in 2001, the IASB *Conceptual Framework* from 2010, or the new and revised *Conceptual Framework* from 2018) or to indicate the definitions of standards that have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The standards that have had modifications are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32

Amendments to IAS 1 and IAS 8 Definition of materiality

The Entity has adopted the amendments to IAS 1 and IAS 8 in the year. The amendments made the definition of "material" in IAS 1 easier to understand and it is not intended to alter the underlying concept of materiality in IFRS. The concept of "obscuring" material information with immaterial information has been included as part of the new definition.

The threshold of materiality influencing users has been changed from 'could influence' to 'reasonably expected to influence'.

The definition of "material" in IAS 8 has been replaced by a reference to the definition in IAS 1. In addition, the IASB modified other standards and the *Conceptual Framework* to contain a definition of "material" to ensure consistency.

New and amended IFRS Standards that are not yet effective

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

Amendments to IAS 1	*Classification of liabilities as current or non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment — Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Annual improvements to IFRS Standards 2018-2020	*Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases.*

Management do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Entity in future periods, except as noted below:

Amendments to IAS 1 Classification of Liabilities as Current and Non-current

The final amendments affect only the presentation of liabilities as current and non-current in the statement of financial position, not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.

The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months; make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1are applied retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application continues to be permitted.

Amendments to IFRS 3 - Reference to the Conceptual Framework

The amendments update IFRS 3 so that it can refer to the 2018 Conceptual Framework rather than the 1989 Framework. They also added a requirement that, for obligations within the scope of IAS 37, a buyer applies IAS 37 to determine whether the acquisition date is a present obligation or exists as a result of a past event. For liens that are within the scope of IFRIC 21 Liens, the buyer applies IFRIC 21 to determine whether the obligation gives rise to a liability to pay the levy that occurred on the acquisition date.

Finally, the amendments add an explicit statement that the buyer will not recognize a contingent asset acquired from a business combination.

The amendments are effective for business combinations whose acquisition date is on or after the initial period of the first annual period beginning on or after January 1, 2022. With the option of early application if the Entity also applies all other updated references (published together with the Conceptual Framework) at the same time or earlier application.

Amendments to IAS 16- Property, Plant and Equipment — Proceeds before Intended Use

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use, for example, income while the asset is brought to the location and the necessary conditioning is made to make it operable in the manner that is intended according to management. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Entity measures the costs of these items in accordance with IAS 2 *Inventories*.

The amendments clarify the meaning of 'testing if an asset works properly'. Now IAS 16 specifies this as an assessment in which the physical and technical performance of the asset is capable of being used in the production or supply of goods or services, for rent or other, or administrative purposes.

If it is not presented separately in the statement of comprehensive income, the financial statements must disclose the amounts of income and costs in results related to items that are not an output from the ordinary activities of the entity, in the entry line (s) in the statement of comprehensive income where income and costs are included.

The modifications are applied retrospectively, but only to the items of property, plant and equipment that are brought to the location and conditions necessary for them to be able to operate as management has planned on or after the beginning of the period in which the financial statements of the Entity are presented, in which the amendments are applied for the first time.

The Entity must recognize the cumulative effect of the initial application of the amendments as an adjustment to the balance sheet in retained earnings (or some capital component, as appropriate) at the beginning of the first period to be presented.

The modifications are effective for annual periods beginning on January 1, 2022 with the option of early application.

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the 'costs of fulfilling' a contract include the 'costs directly related to the contract'. The costs that are directly related to a contract consist of the incremental costs and the costs of fulfilling a contract (example: labor or materials) and the allocation of other costs that are directly related to fulfill a contract (such as the allocation of the depreciation of property, plant and equipment items to fulfill the contract).

The amendments apply to contracts in which the Entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which the Entity applies the modifications for the first time. The comparatives should not be reformulated. Instead, the Entity should recognize the cumulative effect of the initial application of the amendments as an adjustment to the balance sheet in retained earnings or some other component of equity, as appropriate, by the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with the option of early application.

Annual improvements to IFRS Standards 2018-2020

The Annual improvements include the improvement to four Standards.

IFRS 1, *First-time Adoption of International Financial Reporting Standards*

The amendment provides additional relief for the subsidiary for the first-time adoption after its parent with respect to accounting for accumulated translation differences. As a result of the amendments, a subsidiary uses the exception of IFRS 1: D16 (a) can now choose to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS, if there were no adjustments for the consolidation procedures and for the effects of business combinations in which the parent acquired the subsidiary. A similar choice is available for an associate or joint venture that uses the exception in IFRS 1: D16 (a).

The amendment is effective for periods beginning on or after January 1, 2022, with the option of early adoption.

IFRS 9, *Financial Instruments*

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments are applied prospectively to modifications or changes that occur on or after the date, the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application.

IFRS 16, *Leases*

The amendment removes the reimbursement of leasehold improvements by the lessor.

As the amendments to IFRS 16 are only with respect to an illustrative example, there is no set start date.

Management do not expect that the adoption of the aforementioned Standards will have a material impact on the Entity's consolidated financial statements 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are ot based on observable market data.

iii. Going concern

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

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

iv. Reclassifications

The consolidated financial statements as of December 31, 2019 have been reclassified to conform their presentation with the financial information as of December 31, 2020. The only reclassification corresponded to Dividends payable to show them in current liabilities.

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	2020	2019	2018	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
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	(1)	(1)	(1)	Vehicle to distribute shares to employees under the Long Term Incentive plan.

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

d. ***Financial instruments***

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

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

e. ***Financial assets***

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

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

Classification of financial assets

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

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

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

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

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

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

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

(i) *Amortized cost and effective interest method*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foreign exchange gains and losses

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

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

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

Impairment of financial assets

The Entity recognizes lifetime expected credit losses ("ECL") for operating lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors.

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

(i) Significant increase in credit risk

When evaluating whether the credit risk in a financial instrument has increased significantly since initial recognition, the Entity compares the risk of a default on the financial instrument on the reporting date with the risk of a default on the financial instrument at the start date recognition. In making this evaluation, the Entity considers both quantitative and qualitative information that is reasonable and substantiated, including historical experience and prospective information that is available without unnecessary cost or effort. The forward-looking information considered includes the future prospects of the industries in which the Entity's debtors operate, obtained from reports of economic experts, financial analysts, government agencies, relevant expert groups and other similar organizations, as well as the consideration of various external sources of real information and projected economic information related to the Entity's core operations.

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

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

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

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

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

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

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

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

(ii) Definition of non-compliance

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

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

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

(iii) Credit Impaired Financial Assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of expected credit losses

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

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

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

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

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

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

Derecognition policy

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

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

f. Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

- A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of an Entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

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

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

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

Financial liabilities measured subsequently at amortized cost

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

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

Derecognition of financial liabilities

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

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

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, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

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

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

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

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

Note 15.8 establishes the details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

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

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

Hedge accounting is discontinued when the Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is re-cognized 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). When the asset does not generate cash flows independent of other assets, the Entity estimates the recoverable amount of the cash-generating unit to which said asset belongs. When a reasonable and consistent basis of distribution can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the Entity's smallest of cash-generating units for which a reasonable and consistent distribution base can be identified.

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

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

n. Leases

1) The Entity as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

2) The Entity as lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

o. ***Foreign currencies***

The U.S. dollar is the functional currency of Vesta and all of its subsidiaries except for WTN Desarrollos Inmobiliarios de México, S. de R. L. de C. V. ("WTN") 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, 2020, 2019 and 2018, 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.

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

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

3. Current and deferred tax for the year

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

s. ***Provisions***

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

t. ***Revenue recognition***

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

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:

	2020	2019	2018
Cash and cash equivalents	$ 119,731,799	$ 75,031,869	$ 64,434,016
Current restricted cash	810,343	31,724	49,379
	120,542,142	75,063,593	64,483,395
Non-current restricted cash	735,312	735,312	735,312
Total	$ 121,277,454	$ 75,798,905	$ 65,218,707

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

	2020	2019	2018
Recoverable value-added tax (“VAT”)	$ 5,359,817	$ 1,958,949	$ 11,008,204
Recoverable income taxes	517,928	109,781	7,000,756
Recoverable dividend tax	8,737,362	7,855,714	8,202,066
Other receivables	246,003	440,677	129,784
	$ 14,861,110	$ 10,365,121	$ 26,340,810

8. Operating lease receivables

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

	2020	2019	2018
0-30 days	$ 5,986,117	$ 7,438,454	$ 6,944,766
30-60 days	259,016	313,014	373,514
60-90 days	46,475	259,434	229,724
Over 90 days	69,293	261,191	582,549
Total	$ 6,360,901	$ 8,272,093	$ 8,130,553

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, 94%, 90% and 86% of all operating lease receivables are current at December 31, 2020, 2019 and 2018, 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%, 4% and 5% of all operating lease receivables at December 31, 2020, 2019 and 2018, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 1%, 3% and 3% of all operating lease receivable at December 31, 2020, 2019 and 2018. Operating lease receivables outstanding greater than 90 days represent 1%, 3% and 7% as of December 31, 2020, 2019 and 2018, respectively.

ii. Movement in the allowance for doubtful accounts receivable

The Entity recognizes lifetime expected credit losses (“ECL”) for operating lease receivables. The ECL 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, 2020, 2019 and 2018 is $3,507,156; $908,699 and $350,314, respectively.

iii. Client concentration risk

As of December 31, 2020, 2019 and 2018 one of the Entity's clients account for 36% or 2,267,628, 36% or $2,997,680 and 36% or $1,883,826, respectively, of the operating lease receivables balance. The same client accounted for 5%, 6% and 7% of the total rental income of Entity for the years ended December 31, 2020, 2019 and 2018, respectively. No other client represented more than 10% of the Entity's total rental income during the years ended December 31, 2020, 2019 and 2018.

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:

	2020	2019	2018
Not later than 1 year	$ 138,281,031	$ 135,776,309	$ 131,017,926
Later than 1 year and not later than 3 years	238,267,534	236,689,312	230,133,415
Later than 3 year and not later than 5 years	193,877,884	215,670,367	239,526,395
Later than 5 years	105,963,985	113,092,864	128,475,873
	$ 676,390,434	$ 701,228,852	$ 729,153,609

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

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value/range	Relationship of unobservable inputs to fair value
Buildings and land	Level 3	Discounted cash flows	Discount rate	2020: 8.25% to 11.96% 2019: 9.20% to 10.15% 2018: 9.35%	The higher the discount rate, the lower the fair value.
			Exit cap rate	2020: 7.5% to 9.5% 2019: 8.56% to 8.7% 2018: 8.75%	The higher the exit cap rate, the lower the fair value.
			Long-term NOI	Based on contractual rent and then on market related rents	The higher the NOI, the higher the fair value.
			Inflation rates	Mexico: 3.48% to 3.9% in 2020, 4% to 4.1% in 2019 and 4.1% in 2018 U.S.: 2.1% to 2.5% in 2020, 2.2% to 2.3% in 2019 and 2.1% in 2018	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	2020: 20.0 to 20.50 2019: 19.5 to 20.48 2018: 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 $136,947 in 2020, $141,819 in 2019 and $111,786 in 2018.	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:

	2020	2019	2018
Buildings and land	$ 1,963,602,133	$ 1,841,395,000	$ 1,817,308,000
Land improvements	38,471,121	23,743,778	28,193,736
Land reserves	124,098,159	142,979,000	92,523,000
	2,126,171,413	2,008,117,778	1,938,024,736
Less: Cost to conclude construction in-progress	(22,956,651)	(18,986,687)	(53,403,306)
Balance at end of year	$ 2,103,214,762	$ 1,989,131,091	$ 1,884,621,430

The reconciliation of investment property is as follows:

	2020	2019	2018
Balance at beginning of year	$ 1,989,131,091	$ 1,884,621,430	$ 1,701,006,371
Additions	72,523,331	105,442,836	138,831,289
Foreign currency translation effect	(3,809,924)	4,343,996	(8,039,032)
Disposal of investment property	–	(91,339,283)	–
Gain on revaluation of investment property	45,370,264	86,062,112	52,822,802
Balance at end of year	$ 2,103,214,762	$ 1,989,131,091	$ 1,884,621,430

A total of $101,140 and $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, 2020 and 2019, respectively, and were therefore excluded from the consolidated statements of cash flows for those years. The $933,571 of 2019 additions were paid during 2020 and were included in the 2020 consolidated statement of cash flows, no other unpaid amounts existed as of December 31, 2018.

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 Queretaro Aerospace Park, which consists of a trust created by the Government of the State of Queretaro, 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 34 years as of December 31, 2020.

PAE is the only designated real estate developer and was granted the right to use the land and infrastructure to develop industrial facilities thereon, lease such industrial facilities to companies in the aerospace and related industries and to collect the rents derived from the lease of the industrial facilities, for a period of time equivalent to the remaining term of the airport concession (approximately 34 years as of December 31, 2020). 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, 2020, 2019 and 2018, the Entity's investment properties have a gross leasable area (unaudited) of and 31,159,681 square feet (or 2,894,829 square meters), 29,792,047 square feet (or 2,767,772 square meters) and 29,867,577 square feet (or 2,774,789 square meters), respectively, and they were 90.9%, 91.7% and 91.8% occupied by tenants (unaudited), respectively. As of December 31, 2020, 2019 and 2018, investment properties with a gross leasable area (unaudited) of 776,334 square feet (or 72,124 square meters), 762,674 square feet (or 70,855 square meters) and 1,041,753 square feet (or 96,782 square meters), respectively, were under construction, representing an additional 2.5%, 2.6% and 3.0% 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:

	January 1, 2019	Additions	Disposals	December 31, 2019
Rights to use				
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				
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

	January 1, 2020	Additions	Disposals	December 31, 2020
Rights to use				
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				
Property	$ (365,208)	$ (352,167)	$ –	$ (717,375)
Vehicles and office equipment	(94,032)	(94,032)	–	(188,064)
Accumulated Depreciation	(459,240)	(446,199)	–	(905,439)
Total	$ 1,104,036	$ (446,199)	$ –	$ 657,837

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

	January 1, 2020	Additions	Disposals	Interests paid	Repayments	December 31, 2020
Lease liabilities	$ 1,164,246	$ –	$ –	$ 101,959	$ (534,920)	$ 731,285

3. Analysis of maturity of liabilities by lease:

Finance lease liabilities	
Not later than 1 year	$ 504,612
Later than 1 year and not later than 5 years	299,526
	804,138
Less: future finance cost	(72,853)
Total lease liability	$ 731,285
Finance lease - short term	510,417
Finance lease - long term	220,868
Total lease liability	$ 731,285

11. Long-term debt

On August 2, 2019, the Entity entered into a new five-year unsecured credit agreement with various financial institutions for an aggregated amount of $80,000,000, and a revolving credit line of $125,000,000. This loan bears quarterly interest at a rate of LIBOR plus 2.15 percentage points. The proceeds were received on the same date, as of December 31, 2019 the revolving credit line have not been used. ("Syndicated Loan"). On March 23, 2020 and April 7, 2020, the Entity disposed $85,000,000 and $40,000,000, respectively, out of the revolving credit line, bearing quarterly interest at a rate of LIBOR plus 1.85 percentage points.

On June 25, 2019, the Entity entered into a 10-year senior 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, 2020.

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		31/12/2020		31/12/2019		31/12/2018
Syndicated Loan	$	150,000,000	Variable rate plus margin	(1)	July 2021	$	–	$	–	$	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		45,756,834		46,551,737		47,376,981
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		45,000,000
Series B Senior Note		45,000,000	5.85%	(5)	May 2028		45,000,000		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		26,600,000
Series RC Senior Note		70,000,000	5.18%	(6)	June 2029		70,000,000		70,000,000		–
Series RD Senior Note		15,000,000	5.28%	(7)	June 2031		15,000,000		15,000,000		–
Syndicated Loan (New)		80,000,000	Variable rate plus margin	(8)	August 2024		80,000,000		80,000,000		–
Syndicated Loan (New)		125,000,000	Variable rate plus margin	(9)	August 2022		125,000,000		–		–
							845,356,834		721,151,737		706,976,981
Less: Current portion							(1,923,573)		(794,905)		(4,513,388)
Less: Direct issuance cost							(5,595,782)		(6,724,154)		(7,179,559)
Total Long-term debt						$	837,837,479	$	713,632,678	$	695,284,034

(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 2020, 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 note 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).

(9) Under the Syndicated Loan revolving credit line, 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 185 basis points. Principal amortization will commence payable on August 2, 2022 (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, 2020.

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 2022	$	47,800,914
As of December 2023		129,627,154
As of December 2024		4,811,407
Thereafter		661,193,784
Less: direct issuance cost		(5,595,780)
Total long-term debt	$	837,837,479

12. Capital stock

1. Capital stock as of December 31, 2020, 2019 and 2018 is as follows:

	2020		2019		2018	
	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	564,209,433	422,433,919	573,449,946	426,297,255	591,409,572	435,609,543
Total	564,214,433	$ 422,437,615	573,454,946	$ 426,300,951	591,414,572	$ 435,613,239

2. Shares in treasury

As of December 31, 2020, 2019 and 2018 total shares in treasury area as follows:

	2020	2019	2018
Shares in treasury (1)	34,880,880	27,735,920	37,831,460
Shares in long term incentive plan trust (2)	7,361,766	5,626,212	2,480,091
Total share in treasury	42,242,646	33,362,132	40,311,551

(1) Shares in treasury are not included in the Total Capital Stock of the Entity, they represent the total stock outstanding under the repurchase program approved by the resolution of the general ordinary stockholders meeting on March 13, 2020. The Board of Directors approved on July 26, 2019 the cancellation of 25,000,000, on November 12, 2019 the Entity filed the request with the National Banking and Exchange Commission (CNBV) and initiated the process.

(2) Shares in long-term incentive plan trust are not included in the Total Capital Stock of the Entity. The trust was established in 2018 in accordance with the resolution of the general ordinary stockholders meeting on January 6, 2015 as the 20-20 Long Term Incentive Plan, this compensation plan was extended for the period 2021 to 2025, "Long Term Incentive Plan" by a resolution of the general ordinary stockholders meeting on March 13, 2020. Such trust was created by the Entity as a vehicle to distribute shares to employees under the mentioned incentive plan (see Note 17) and is consolidated by the Entity. The shares granted to the eligible executives and deposited in the trust accrue dividends for the employee any time the ordinary shareholders receive dividends and those dividends do not need to be returned to the Entity if the executive forfeits the granted shares.

3. Fully paid ordinary shares

	Number of shares	Amount	Additional paid-in capital
Balance as of January 1, 2018	$ 600,267,388	$ 439,843,107	$ 327,270,539
Vested shares	567,788	297,786	479,413
Repurchase of shares	(9,420,605)	(4,527,654)	(6,728,913)
Balance as of December 31, 2018	591,414,571	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	573,454,946	426,300,951	303,741,438
Vested shares	2,330,601	1,238,891	3,016,698
Repurchase of shares	(11,571,114)	(5,102,227)	(9,693,665)
Balance as of December 31, 2020	564,214,433	$ 422,437,615	$ 297,064,471

4. Dividend payments

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

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

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

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

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, 2019 and January 15, 2020 in cash. As of December 31, 2019, the unpaid dividends are $13,371,920.

The first installment, of the 2019 declared dividends, paid on April 15, 2019 was approximately $0.425 Mexican pesos per share, for a total dividend of $13,466,408.

The second installment, of the 2019 declared dividends, paid on July 15, 2019 was approximately $0.429 Mexican pesos per share, for a total dividend of $13,100,942.

The third installment, of the 2019 declared dividends, paid on October 15, 2019 was approximately $0.435 Mexican pesos per share, for a total dividend of $12,877,398.

The fourth installment, of the 2019 declared dividends, paid on January 15, 2020 was approximately $0.435 Mexican pesos per share, for a total dividend of $13,371,920.

Pursuant to a resolution of the general ordinary stockholders' meeting on March 21, 2018, the Entity declared a dividend of approximately $0.064 per share, for a total dividend of $47,897,981. The dividend was paid on April 13, 2018 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 2020 and onwards). Such tax credit will be credited only against the aforementioned 10% withholding tax.

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

Period	Amount	Reinvested earnings	Distributed earnings (1)	Amount that may be subject to withholding	Amount not subject to withholding
Retained earnings through December 31,					
2013	$ 204,265,028	$ 204,265,028	$ 155,001,403	$ 49,263,625	$ –
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	53,975,583	72,054,598	–
2018	93,060,330	93,060,330	–	93,060,330	–
2019	134,610,709	134,610,709	–	–	–

(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. Dividend paid in 2020 were distributed from earnings generated in 2017.

5. Earnings per share

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

		2020		2019		2018
Basic Earnings per shares						
Earnings attributable to ordinary share outstanding (1)	$	66,103,277	$	133,320,977	$	92,675,577
Weighted average number of ordinary shares outstanding		566,610,301		581,587,442		597,380,020
Basic Earnings per share		0.117		0.229		0.155
Diluted Earnings per shares						
Earnings attributable to ordinary shares outstanding and shares in Incentive Plan Trust (1)	$	66,956,082	$	134,610,709	$	93,060,330
Weighted average number of ordinary shares plus shares in Incentive Plan trust		573,972,067		587,213,654		599,860,111
Diluted earnings per share		0.117		0.229		0.155
(1) Total earnings	$	66,956,082	$	134,610,709	$	93,060,330
Less: Earnings attributable to shares in Incentive Plan trust		852,805		1,289,732		384,753
Earnings attributable to ordinary shares outstanding	$	66,103,277	$	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:

		2020		2019		2018
Real estate tax	$	1,671,299	$	1,701,347	$	1,322,097
Insurance		384,837		416,089		392,293
Maintenance		1,374,592		1,186,630		1,030,590
Structural maintenance accrual		104,344		111,360		167,253
Other property related expenses		5,390,446		3,851,064		1,936,385
	$	8,925,518	$	7,266,490	$	4,848,618

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

		2020		2019		2018
Real estate tax	$	288,766	$	225,236	$	302,280
Insurance		24,920		28,907		48,972
Maintenance		133,326		75,181		111,412
Other property related expenses		782,125		544,804		365,418
		1,229,137		874,128		828,082
Total property operating	$	10,154,655	$	8,140,618	$	5,676,700

2. Administration expenses consist of the following:

	2020	2019	2018
Employee direct benefits	$ 10,773,381	$ 10,551,704	$ 8,798,898
Auditing, legal and consulting expenses	1,268,212	1,511,179	1,957,828
Property appraisal and other fees	812,962	443,587	448,965
Indirect equity issuance and trading costs	–	–	109,592
Marketing expenses	557,267	962,862	1,020,523
Other	94,560	1,372,071	1,815,748
	13,506,382	14,841,403	14,151,554
Long-term incentive - Note 17.3	3,678,097	2,788,939	1,942,810
Total	$ 17,184,479	$ 17,630,342	$ 16,094,364

14. Income taxes

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

14.1 Income taxes are as follows:

	2020	2019	2018
ISR expense:			
Current	$ 26,150,480	$ 37,670,744	$ 21,892,031
Deferred	34,397,994	12,918,014	13,091,239
Total income taxes	$ 60,548,474	$ 50,588,758	$ 34,983,270

14.2 The effective ISR rates for fiscal 2020, 2019 and 2018 differ from the statutory rate as follows:

	2020	2019	2018
Statutory rate	30%	30%	30%
Effects of exchange rates			
on tax balances	9%	(3)%	(1)%
Effects of inflation	8%	-%	(2)%
Effective rate	47%	27%	27%

14.3 The main items originating the deferred ISR liability are:

	2020	2019	2018
Deferred ISR assets (liabilities):			
Investment property	$ (264,464,006)	$ (229,597,974)	$ (215,221,274)
Effect of tax loss carryforwards	70,927	–	598,913
Other provisions and prepaid			
expenses	3,519,988	690,990	(728,611)
Deferred income taxes - Net	$ (260,873,091)	$ (228,906,984)	$ (215,350,972)

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:

	2020	2019	2018
Deferred tax liability at the beginning of the period	$ (228,906,984)	$ (215,350,972)	$ (204,205,361)
Movement included in profit or loss	(34,397,994)	(12,918,014)	(13,091,239)
Movement included in other comprehensive income	2,431,887	(637,998)	1,945,628
Deferred tax liability at the end of the year	$ (260,873,091)	$ (228,906,984)	$ (215,350,972)

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:

	2020	2019	2018
Debt	$ 839,761,052	$ 714,427,583	$ 699,797,422
Cash, cash equivalents and restricted cash	(120,542,142)	(75,063,593)	(64,483,395)
Financial assets held for trading	(684,936)	(804,967)	(724,399)
Net debt	718,533,974	638,559,023	634,589,628
Equity	1,108,662,167	1,111,124,981	1,053,703,573
Net debt to equity ratio	65%	57%	60%

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:

	2020	2019	2018
Exchange rates:			
Mexican pesos per US dollar at the end of the period	19.9487	18.8452	19.6829
Mexican pesos per US dollar average during the year	21.4961	19.2619	19.2371
Monetary assets:			
Mexican pesos	$ 447,966,664	$ 428,678,974	$ 592,340,267
US dollars	1,153,979	512,762	347,594
Monetary liabilities:			
Mexican pesos	$ 291,458,863	$ 158,652,308	$ 25,320,881
US dollars	31,656,730	38,817,667	31,782,583

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:

	2020	2019	2018
Profit or loss impact:			
Mexican peso - 10% appreciation - gain	$ (713,229)	$ (1,302,606)	$ (2,618,883)
Mexican peso - 10% depreciation - loss	871,724	1,592,075	3,200,857
U.S. dollar - 10% appreciation - loss	(60,849,023)	(74,118,981)	(61,873,174)
U.S. dollar - 10% depreciation - gain	60,849,023	74,118,981	61,873,174

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

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

	Contracted fixed interest rate 2019	Notional principal value 2019	Fair value assets (liabilities) 2019
Outstanding receive floating pay fixed contracts	1.645	$ 80,000,000	$ 163,530

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, 2020, 2019 and 2018, 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, 2020 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		$ 212,547	$ 126,711,026	$ 252,320,747	$ 466,112,514	$ 845,356,834
Accrued interest	5.05%	13,321,210	33,649,209	118,307,722	38,077,647	203,355,788
		$ 13,533,757	$ 160,360,235	$ 370,628,469	$ 504,190,161	$ 1,048,712,622

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, 2020, 2019 and 2018 is $891,930,307; $701,480,932 and $707,100,000, 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:

	2020	2019	2018
Short-term benefits	$ 4,281,418	$ 5,455,377	$ 4,955,056
Share-based compensation expense	3,678,097	2,788,939	1,942,810
	$ 7,959,515	$ 8,244,316	$ 6,897,866

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. The trust was established in 2018 in accordance with the resolution of the general ordinary stockholders meeting on January 6, 2015 as the 20-20 Long Term Incentive Plan, this compensation plan was extended for the period 2021 to 2025, "Long Term Incentive Plan", by a resolution of the general ordinary stockholders meeting on March 13, 2020.

ii. Under the Vesta 20-20 Long-term Incentive Plan (the Vesta 20-20 Incentive Plan), as approved by the Board of Directors, the Entity used 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.

iii. The total number of shares to be granted during the six-year period, 2015 to 2020 is up to 10,428,222 shares at the expected performance. The total number of shares to be granted during the five-year period, will be 2021 to 2025 is up to 13,750,000. In addition, the Long Term Incentive Plan. The shares will be 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.

The actual grant ranges from a minimum threshold level, an expected amount and a maximum potential grant, these levels are determined at the beginning of each fiscal year by the Corporate Practice Committee.

					Plan Parameters		
Grant Year	Shares granted in LTI	Guaranteed Shares	Cumulative Exercised Shares	Shares granted	MIN	TARGET	MAX
2015	–	–	–	–	–	1,738,037	2,600,000
2016	863,499	483,826	(1,347,325)	–	695,215	1,738,037	2,607,056
2017	637,200	944,674	(1,070,581)	511,293	695,215	1,738,037	2,607,056
2018	3,423,106	753,372	(1,392,159)	2,784,319	1,000,000	2,500,000	3,750,000
2019	3,550,449	515,706	–	4,066,154	1,000,000	2,500,000	3,750,000
Total	8,474,254	2,697,578	(3,810,065)	7,361,766			

iv. 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.

v. 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.

vi. The Equity plus program allows employees to invest their cash incentive bonus in the Entity shares with an additional incentive provided by the Entity, this incentive follows the same delivery guidelines than the share-base payment.

17.2 *Fair value of share options granted in the year*

i. Vesta Long Term Incentive Plan - Based on the performance of the Entity's shares for the years ended December 31, 2020, 2019 and 2018, the shares granted were 7,361,766, 5,680,169 and 3,379,720, 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, 2020, 2019 and 2018 was as follows:

		2020		2019		2018
Long Term Incentive Plan	$	3,678,097	$	2,788,939	$	1,933,246
2014 Incentive Plan		–		–		9,564
Total long-term incentive expense	$	3,678,097	$	2,788,939	$	1,942,810

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, 2020, y 2019, there are 7,361,766 and 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. Subsequent events

In follow-up to the Covid-19 pandemic, as of the date of issuance of these consolidated financial statements, Vesta has not granted additional deferrals to those disclosed in Note 1.1 "Significant Events" and the measures to monitor and reduce expenses, reassessment of contracts with non-essential third parties and constant monitoring of their results. In the same way, closeness with clients is maintained to identify possible problems and negotiations. Although the duration of the Covid-19 pandemic is unknown, Vesta management considers that, to this date, there are no ongoing business problems and the real estate market trends remain similar to those of December 31, 2020.

In January 2021, Vesta sold certain land reserves in Queretaro for an approximate amount of 3.9 million dollars.

20. Financial statements issuance authorization

On February 15, 2021 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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