2021 ANNUAL REPORT

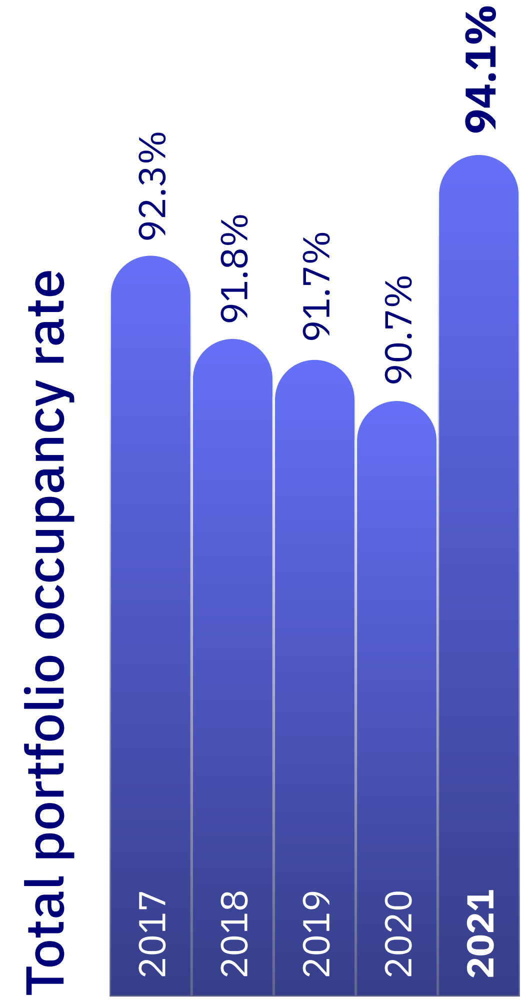
Contents

Data highlights

15
community initiatives

26
hours of training on average per employee

USD 588,170.63
invested in ESG issues

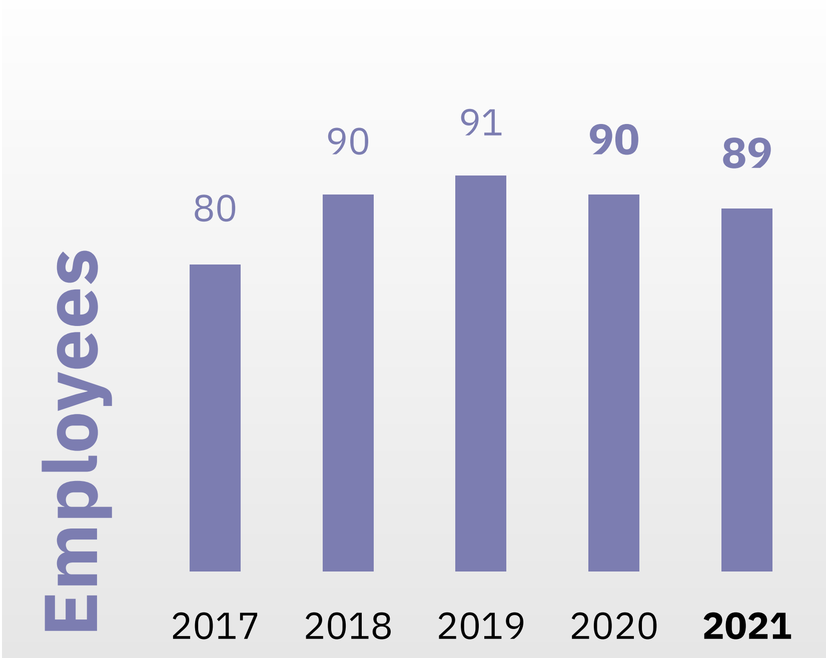


USD 350
million in a publicly offered sustainability-linked bond, the first in Latin America

42%
of our employees are women

35,475 m^3
of wastewater treated and reused

1.99 kWh per m^2
Energy intensity (Scope 2)



SOCIAL INVESTMENT
(USD million)

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

Social investment in 2018 and 2019 was determined by the policy approved in the General Annual Shareholders' Meeting: USD 0.01 per square foot leased per year.

The shareholders of Corporación Inmobiliaria Vesta, meeting at a shareholders' meeting on March 13, 2020, resolved that, as of that date, the Board of Directors had the responsibility to determine Vesta's annual budget for social responsibility and environmental actions. Therefore, the 2020 budget approved by the Board amounted to USD 618,000, which includes the annual amount of USD 256,410 for Covid-19 related activities and the funds raised in the 2019 Vesta Challenge.

Social investment in 2021 adheres to the modification approved by the General Shareholders' Meeting on March 13, 2020; therefore, the budget for social responsibility and environmental actions approved by the Board of Directors was for the amount of USD 588,170.63 which includes the annual amount of USD 201,689 for Covid-19 related activities and the funds raised in the 2020 Vesta Challenge.

31,081,749
square feet
of Gross Leasable Area (GLA)

USD 152,242,401
in Net Operating Income (NOI)

Letter from the Chief Executive Officer

2-22

2021 was an extraordinary year. The volatility generated by the pandemic during its second year seems to have become "the new normal"; the global economy recovered gradually after some of the most difficult months Mexico has endured, and industry began to recover its pace, with rising demand in our own sector and limited supply, which resulted in the highest occupancy rate in the history of our country and this company.

In this context, manufacturing in particular gained strength due to high demand and Mexico's position as a hub for this activity, with companies continuing the nearshoring trend and relocating operations to North America.

The extraordinary events of 2021 affected Vesta in many ways, given its financial and commercial results based on the targets of our Level 3 Strategic Plan, in which we reached record numbers in both operating and financial terms.

One of our biggest achievements during the year was strengthening our balance sheet with a follow-on offering on the Mexican Stock Exchange which raised capital amounting to USD 230 million. We also issued a sustainability-linked bond for USD 350 million and sold some of our portfolio, bringing in USD 108 million. Through actions such as these, we were able to capitalize on the shifting winds of the pandemic to expand within the e-commerce industry, investing capital and other resources in this market opportunity.

We also strengthened our position through strategic land acquisitions, anticipating growth opportunities in key markets like Guadalajara and Monterrey to ensure the continuing development of regions where demand is currently strongest, and with an expanded presence in the logistics and e-commerce industries.

This was reflected in a record level of leasing activity, particularly in renewals, new leases and new building development, with similarly high occupancy rates.

During the year, Vesta was selected for inclusion in the S&P/BMV Total Mexico Index for the second year in a row, and in the Dow Jones Sustainability Index MILA for the third consecutive year.

Our responsibility to sustainability was also reflected in our commitment to seeking LEED certification for our development portfolio. We closed the year with 9.2% of our gross leasable area certified according to LEED standards. In 2021 we added 300,000 square feet of new certifications, but the total percentage was less than in 2020 due to the sale of two LEED-certified properties, which together totaled 999,999 square feet.

The Vesta Challenge was organized once again in person in Querétaro, with 500 participants. Enrollments and sponsors raised an additional investment of USD 132,500 to be applied to our social projects in 2022.

In 2021, I completed my two-year term as Chairman of the Board of the Mexican Industrial Parks Association, AMPIP, where I worked to position in the industrial real-estate industry as the great engine for development that it is in Mexico.

Vesta has come out stronger than ever from this challenging year, sustained by its unrelenting focus on developing the best properties at the most strategic locations, strengthening our balance sheet and deploying our capital prudently. All of this was made possible by the dedicated and focused efforts of our great team.

Although we do not know for certain when the pandemic will end, we sincerely hope that it will soon become an endemic illness. With this in mind, we pledge to continue doing our best to help the world and our country to emerge stronger from this period of challenges.

Lorenzo D. Berho
Chief Executive Officer

We are Vesta

2-6, IF-RS-000.C

We have become an ***industry benchmark for our ESG management.***

We are a Mexican company with more than 20 years of experience in the real-estate industry with a massive, transformative purpose: ***To innovate Mexico's industrial platform.***

We specialize in developing, selling, purchasing, renting and administering industrial buildings and distribution centers in Mexico.

Our real-estate solutions are developed with the highest standards of quality, intelligence and eco-efficiency, thus supporting our clients' sustainable development and that of various industries, all the while generating economic benefits and being mindful of the environmental and social impact of our activities on the communities where we operate.

From our beginnings, we have worked to offer safe, resilient, efficient and profitable industrial buildings, which are administered with a sustainable, innovative approach, focusing on environmental, social and governance (ESG) issues.

189

industrial buildings in operation

7

industrial buildings in development and one expansion

31,081,749 square feet

of Gross Leasable Area (GLA)

11

industrial sectors served

15

states of Mexico where Vesta is present

175

clients served

We are committed to offering our clients an efficient, top-quality service, supported by an enterprising work team that provides personalized attention and establishes a respectful relationship with suppliers. We strive for continuous improvement through a quality management system based on ISO-9001:2015, and which is grounded in Vesta's Quality Policy.

We know that times change. That's why innovation is a highly important pillar of our organization. This characteristic enables us to be flexible, disruptive and resilient, creating better industrial spaces for companies and continuing to support Mexico as a leader in Industry 4.0.

For Vesta, how we do things is important, and that is why our commitment to integrity permeates the entire organization. This enables us to work ethically, honestly, and with zero tolerance for corruption by any of our stakeholders, always seeking to help build a better Mexico.

***In 2021, we placed a sustainability-linked bond whose conditions are contingent on the amount of Gross Leasable Area (GLA)** with LEED certification, a crucial KPI for the company's strategic properties, and one which enables us to recover and exceed expectations for 2026, alongside our existing certifications, those that are in progress, and construction projects.*

9 industrial and ESG affiliations

Mission

To be a company of excellence in industrial real-estate development, through an enterprising team that generates efficient, sustainable real-estate solutions.

Vision

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

Massive Transformative Purpose

To innovate Mexico's industrial platform.

Stock structure [1]

	PERCENTAGE	NUMBER OF SHARES
FLOAT	92.9%	648,713,117
BERHO FAMILY	5.5%	38,408,761
TREASURY	0.98%	6,769,839
SENIOR MANAGEMENT	0.62%	4,344,719

[1] As of the close of the fiscal period from March 23, 2021 to March 24, 2022, there were 6,769,839 treasury shares and 698,236,436 shares of subscribed and paid-in capital stock. The subscribed and paid-in shares include the holdings of the Berho family and members of senior management.

Products

2-6

Our aim is to meet the needs of Mexican and international companies for space, logistics, intelligence and interconnection through an industrial platform. To facilitate the offering of our spaces, we have classified our developments into four categories:

Multi-tenant buildings and industrial parks

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

Park to Suit properties

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

Built to suit properties

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.

Vesta Park

A sustainable industrial park with Class A buildings designed for light manufacturing and logistics for the operations of top-flight multinational companies. Vesta Parks are located in Mexico's most important industrial hubs. The configuration allows for the construction of multi-tenant and built-to-suit properties with latest-generation standards, meeting the specific needs of tenants.

Presence

2-1, 2-6, IF-RE-000.A, IF-RE-000.B, IF-RS-000.A, IF-RS-000.C

We have 189 industrial buildings covering 31,081,749 square feet of gross leasable area (GLA), distributed in three regions: North, Bajío and Central, maintaining nationwide interconnections.

To meet our clients' growth needs, we have 7 buildings under development, equivalent to 1,636,459 square feet of gross leasable area (GLA).

2,864,599 square feet of LEED-certified portfolio

31,081,749 square feet of GLA

NORTH

Baja California, Chihuahua, Nuevo León, Sinaloa, Tamaulipas

73 CLIENTS | 5 BUILDINGS UNDER DEVELOPMENT
72 BUILDINGS | 108.24 ACRES OF LAND BANK

TOTAL AREA **9,303,140 square feet**

BAJÍO

Aguascalientes, Guanajuato, Jalisco, Querétaro, San Luis Potosí

69 CLIENTS | 2 plus 1 expansion BUILDINGS UNDER DEVELOPMENT
83 BUILDINGS | 785.29 ACRES OF LAND BANK

TOTAL AREA **14,771,314 square feet**

CENTRAL

Estado de México, Puebla, Quintana Roo, Tlaxcala, Veracruz

33 CLIENTS | 0 BUILDINGS UNDER DEVELOPMENT
34 BUILDINGS | 2.12 ACRES OF LAND BANK

TOTAL AREA **7,007,295 square feet**

LEED certified portfolio

	SBA
2020	11.1%
2021	9.2%

Percentage buildings by region

	NORTH	BAJÍO	CENTRAL
2020	37%	45%	18%
2021	38%	44%	18%

Percentage of GLA by region

	NORTH	BAJÍO	CENTRAL
2020	29.1%	48.6%	22.3%
2021	29.9%	47.5%	22.5%

17 PARTNERSHIPS FOR THE GOALS

Clients

2-6, 2-29, IF-RE-410a.3

Our clients are the heart of our business, and we provide them with reliable, cutting-edge services of the highest quality. We are continually transforming ourselves and innovating to keep our parks at the forefront of the Industry 4.0 revolution.

Industry	2020	Area 2020 square feet	Area 2021 square feet	2021
Automotive	34.7%	9,818,645	9,924,541	33.9%
Food and beverages	9.1%	2,567,806	2,567,806	8.8%
Logistics	12.2%	3,448,498	3,454,322	11.8%
Air and space	8.1%	2,297,104	2,303,638	7.9%
Others	16.6%	4,695,939	5,532,230	18.9%
Plastics	3.1%	875,547	814,946	2.8%
Medical supplies	1.9%	524,375	613,855	2.1%
Paper	0.1%	24,854	24,854	0.1%
Other vehicles	7.4%	2,089,124	762,214	2.6%
Energy	4.3%	1,225,622	1,225,622	4.2%
E-commerce	2.6%	749,803	2,033,378	6.9%

175 clients

78% client retention rate in 2021[2]

11 industrial sectors served

[2] It is important to mention that the calculation methodology changed from previous years. During this year, all those contracts that expired during the year were considered as retention, and of those, how many were renewed.

Main customers

Nestlé
Country of origin of capital **Switzerland**
GLA **5.8%**
Accrued rent **5.3%**
Contract expires **3 years**
Credit rating **Aa3**

tpi
Country of origin of capital **USA**
GLA **3.9%**
Accrued rent **5.9%**
Contract expires **6 years**
Credit rating **NA**

SAFRAN
Country of origin of capital **France**
GLA **3.6%**
Accrued rent **4.8%**
Contract expires **7 years**
Credit rating **NA**

NISSAN
Country of origin of capital **Japan**
GLA **3.2%**
Accrued rent **2.9%**
Contract expires **3 years**
Credit rating **Baa3**

mercado libre
Country of origin of capital **Argentina**
GLA **2.9%**
Accrued rent **2.7%**
Contract expires **10 years**
Credit rating **Ba1**

BOMBARDIER
Country of origin of capital **Canada**
GLA **2.0%**
Accrued rent **3.0%**
Contract expires **2 years**
Credit rating **Caa2**

Coppel
Country of origin of capital **Mexico**
GLA **2.0%**
Accrued rent **2.1%**
Contract expires **10 years**
Credit rating **HR1**

ZF
Country of origin of capital **Germany**
GLA **1.9%**
Accrued rent **2.0%**
Contract expires **4 years**
Credit rating **Ba1**

LEAR CORPORATION
Country of origin of capital **USA**
GLA **1.8%**
Accrued rent **2.2%**
Contract expires **5 years**
Credit rating **Baa2**

STELLANTIS
Country of origin of capital **USA**
GLA **1.6%**
Accrued rent **2.0%**
Contract expires **3 years**
Credit rating **BBB-**

Portfolio by industry

	2020	2021
MANUFACTURING	66%	61%
LOGISTICS	34%	39%

29,257,406
square feet
occupied area

1,824,343
square feet
vacant area

31,081,749
square feet
Gross Leasable Area (GLA)

Aware of the importance of hearing first-hand our clients' needs and concerns, we maintain direct communication with them through our Asset Management area.

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 understanding how far sustainability is incorporated in their operations, the survey also includes questions about their own ESG management. With this we are able to identify common initiatives and propose other types of activities to work on improving together.

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.

This year we received responses from 92 tenants, which make up 66% of our total administered portfolio, the main results of which were as follows.

ESG issues
- 86% of our clients have social responsibility and/or environmental programs.
- 68% of our clients have some certification, award or recognition of their environmental, labor or quality performance.
- 97% of our clients believe that when renting an industrial bay, energy efficiency is of the utmost importance.

Service and maintenance

99% of tenants consider our personnel to be friendly

93% would renew their contract with Vesta

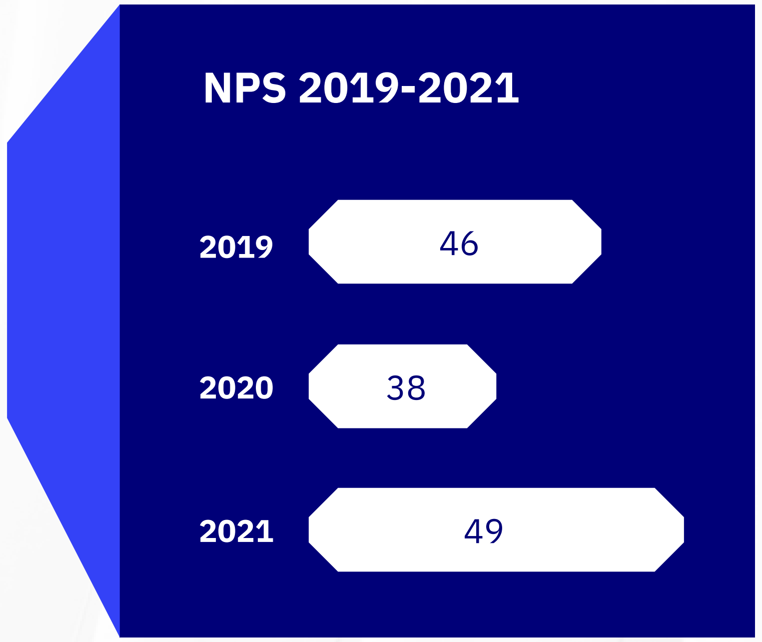
96% would recommend us

90% are satisfied with our service

86% believe the quality of our properties is good or excellent

Furthermore, in the interest of staying informed of our tenants' expectations and opinions, we continue to include the Net Promoter Score (NPS) criteria in our surveys in order to set satisfaction targets.

In 2021 we achieved an NPS of 49, which is 11 points better than in 2020.



Value chain

2-6, 308-1, 308-2, 414-1, 414-2

To promote Mexico’s industrial platform, we maintain synergies with construction, engineering and design firms, contractors and other suppliers. We also make sure our public tender, operating and maintenance processes are efficient, prompt, obtain the best costs and are increasingly sustainable.

In our practices for selecting construction, development and advanced engineering suppliers, we put all of our projects up for bidding through a public tender process, in which our Executive Committee evaluates the suppliers and the on-time delivery of developments. 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.

In order to reduce the risk of negative impacts from construction and magnify positive impacts with social investment projects for communities and the environment, we ask construction suppliers to abide by the provisions of our **Sustainable Construction Manual** and complete a checklist consisting of a series of questions that tell us how our contractors apply this manual before, during and after the work. In the same document we ask them to track labor matters in the project.

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). In addition, after the new labor reform of 2021, our suppliers are required to share documentation related to their employer registration with the IMSS, as well as their registration as a specialized service provider with the Secretary of Labor.

Likewise, committed to the safety and well-being of suppliers who work with us, we seek that, through the work contract, contractors and some service providers (as applicable), are obliged to take out different insurance policies to guarantee the safety of people and assets, against all types of damage and civil liability.

In 2021 we began commercial relations with 184 new suppliers, which had to meet certain environmental and social criteria in the selection process. We also evaluated the environmental, social and labor of 80 suppliers.

We continued audits of 42 suppliers for ESG issues, begun in 2020, and this time we sent the diagnostic process to 38 additional suppliers to assess how they managed their own ESG issues and to begin auditing them next year.

We are concerned about ensuring that Vesta's management of ESG issues is extended to our value chain, particularly to our key suppliers. In 2021, 46% of our suppliers signed their adherence to our ESG, Anti-Corruption and Sustainable Sourcing Policies and our Code of Ethics.

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 56%, which translated into evaluations of 64 suppliers, a 41% increase over 2020.

Overall supplier satisfaction level of **95%**

Supplier satisfaction

89%
say we correctly fulfill our contracts with them

95%
say their relationship with Vesta affords them growth opportunities

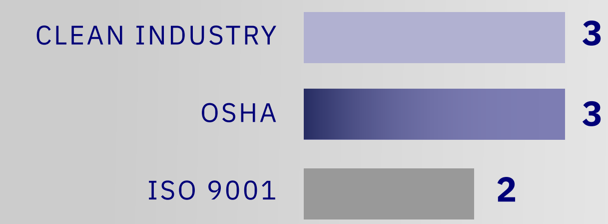
65%
say we have qualified personnel for providing effective solutions

95%
say they are satisfied with their relationship with Vesta

ESG Issues
- 41% have social programs or community commitments.
- 28% carry out sustainable sourcing.
- 17% have recycling programs.
- 42% promote energy and water savings.
- 45% manage waste.

Familiarity with Vesta Policies
- 61% are familiar with and 50% apply Vesta's Anti-Corruption policy in their operations.
- 61% are familiar with and 53% apply the Code of Ethics.
- 69% are familiar with and 58% apply the ESG Policy.
- 25% are familiar with and 25% apply the Sustainable Sourcing Policy.

Supplier Certification



Strategy

Vesta Level 3

2-13, 2-23, 2-24

Vesta is working hard to remain a benchmark in Mexico's real-estate industry, not just because of our experience, world-class quality or profitability, but also because of our efficient ESG management, which helps generate value for all of the stakeholders with whom we interact

In our constant evolution, we launched the **Vesta Level 3** strategic plan three years ago, focused on creating a new chapter in the success of our business as a sustainable, innovative and resilient business.

***Vesta Level 3** allows us to identify and mitigate negative impacts in ESG areas and magnify positive impacts, supporting the steady growth of this company.*

One of the goals of the strategy is to bring together key issues in our industry with the most influential ESG issues for our business, so that we can 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 built around five key organizational and commercial components.

1. MANAGE, MAINTAIN AND IMPROVE THE CURRENT PORTFOLIO.
2. INVEST AND/OR DIVEST TO CONTINUOUSLY CREATE VALUE.
3. CONTINUE STRENGTHENING OUR BALANCE SHEET AND EXPAND FUNDING SOURCES.
4. STRENGTHEN OUR ORGANIZATIONAL STRUCTURE TO SUCCESSFULLY EXECUTE OUR STRATEGY.
5. BECOME AN INDUSTRY BENCHMARK IN ESG MATTERS, ALIGNING OUR SUSTAINABLE AND RESILIENT PRACTICES WITH THE BUSINESS MODEL.

We are voluntary supporters of the United Nations Principles for Responsible Investment (UN PRI).

Since 2020, when we voluntarily signed the United Nations Principles for Responsible Investment (UN PRI), our investment and asset management decisions incorporate an evaluation of the positive and negative impacts that our business may have in ESG matters.

Our ESG commitment

An ESG management that is truly sustainable over time requires not only the commitment of Vesta itself but of all of our stakeholders as well. To this end, we created a **Stakeholder Engagement Program** in which we seek to open a two-way conversation on achieving various goals, and on measuring and managing resource consumption, as well as the associated economic and social costs.

Goals of the Stakeholder Engagement Program

INVESTORS

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

EMPLOYEES

Encourage engagement, 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 to ESG practices.

The Stakeholder Engagement Program defines 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.

TENANTS

Environmental indicator management
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 (SDG).

SUPPLIERS

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

SUPPLIERS

ESG criteria audit
To guarantee understanding and application of our environmental, social and governance requirements, we audited 42 of our suppliers for the first time and sent the purchasing diagnoses to another 67.

Social compliance
We carried out various initiatives to benefit communities neighboring our properties, through alliances with nonprofits, academe and local authorities.

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

ESG Communication
Through communication campaigns, we ensure transparency and accountability to our stakeholders regarding the implementation of all these actions and the progress of Vesta's ESG Strategy.

For the first time, we worked with our tenants to incorporate the **ENERGY STAR Portfolio Manager**, an interactive resource management tool for tracking and evaluating the energy performance, water consumption efficiency and carbon emissions of our buildings.

We established two profiles, one for common areas of our parks and another for our tenants. Our intention is to continue to adopt and put this tool to work on a daily basis in coming years so that together we can establish investment priorities, identify shortcomings in building efficiency, check efficiency improvements and, if all goes as planned, earn Environmental Protection Agency (EPA) recognition for our superior energy performance.

91%
of contracts signed in 2021 include a green clause

106
of our clients voluntarily shared their environmental information with us

We also conducted green assessments of 66 buildings in 2021, representing a total area of 11,819,677 square feet, in order to evaluate the maturity of our portfolio for obtaining green certification for some of our buildings.

We also have a Policy on Social, Environment and Governance Responsibility that guides the way in which social responsibility and sustainability practices should be carried out in all our properties, according to the business model, aligned with three principles:

1

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

2

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.

3

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, currently, the Environmental, Social and Governance Committee. In 2021 we created the ESG Working Group, which is made up of at least one member of each area of the company and is in charge of closely tracking compliance with Vesta's ESG Strategy.

[3] This policy can be viewed at:
https://vesta.com.mx/misc/pdfs/SocialResponsibility.pdf

Materiality

3-1, 3-2, 3-3

The materiality exercise is how we determine the issues that have the most impact on our business and which are most important to our stakeholders.

In 2020, we updated our materiality exercise to incorporate the new post-pandemic reality, following the methodology recommended by the Global Reporting Initiative (GRI) and including issues that are relevant to the industries we work in according to the Sustainability Accounting Standards Board (SASB), the requirements of S&P Corporate Sustainability Assessment (CSA), Carbon Disclosure Project (CDP), Global Real Estate Sustainability Benchmark (GRESB) and other ESG initiatives.

The result was a set of new material issues and a reorganization of those that we had identified in the previous exercise. The following are our three top material issues and the reasons they are important to both Vesta and our stakeholders, as well as possible impacts.

Vesta's main material topics

CUSTOMER SATISFACTION

Our clients are the heart of our business and the main influence in our revenues. To provide them with cutting-edge services that meet and exceed their expectations and cause them to choose us over the competition, we are continually transforming ourselves and innovating to keep our industrial parks at the forefront of the Industry 4.0 Revolution.

MANAGING WASTE IN THE ASSET LIFECYCLE

Much of the waste we generate at Vesta comes from our tenants' activities. We are developing a Master Waste Management Plan that will ensure that the solid urban waste and special-handling waste generated in Vesta-managed facilities (common areas of the parks and corporate headquarters) are minimized, used and monetized, through comprehensive management of the generation, internal collection, storage, external collection, reuse and/or recycling and final disposal.

EMPLOYEE TRAINING AND DEVELOPMENT

In a changing, highly competitive world, we believe it is essential to support the personal and professional advancement of our employees, and to evaluate their performance in order to exceed our clients' expectations, promote innovation and remain a benchmark in the industrial market for the way we do business.

Management of material issues is highly important for ensuring the sustainability and execution of our Vesta Level 3 strategy, which is why compensation for all members of senior management is linked to fulfillment of Vesta's ESG Strategy.

Based on this analysis, we found that although we have a series of environmental management initiatives, we need to redouble our efforts to reduce our current impact in terms of water, energy, emissions and waste. To this end, we set some targets for 2025 focused on minimizing these impacts.

2025 Environmental targets[4]

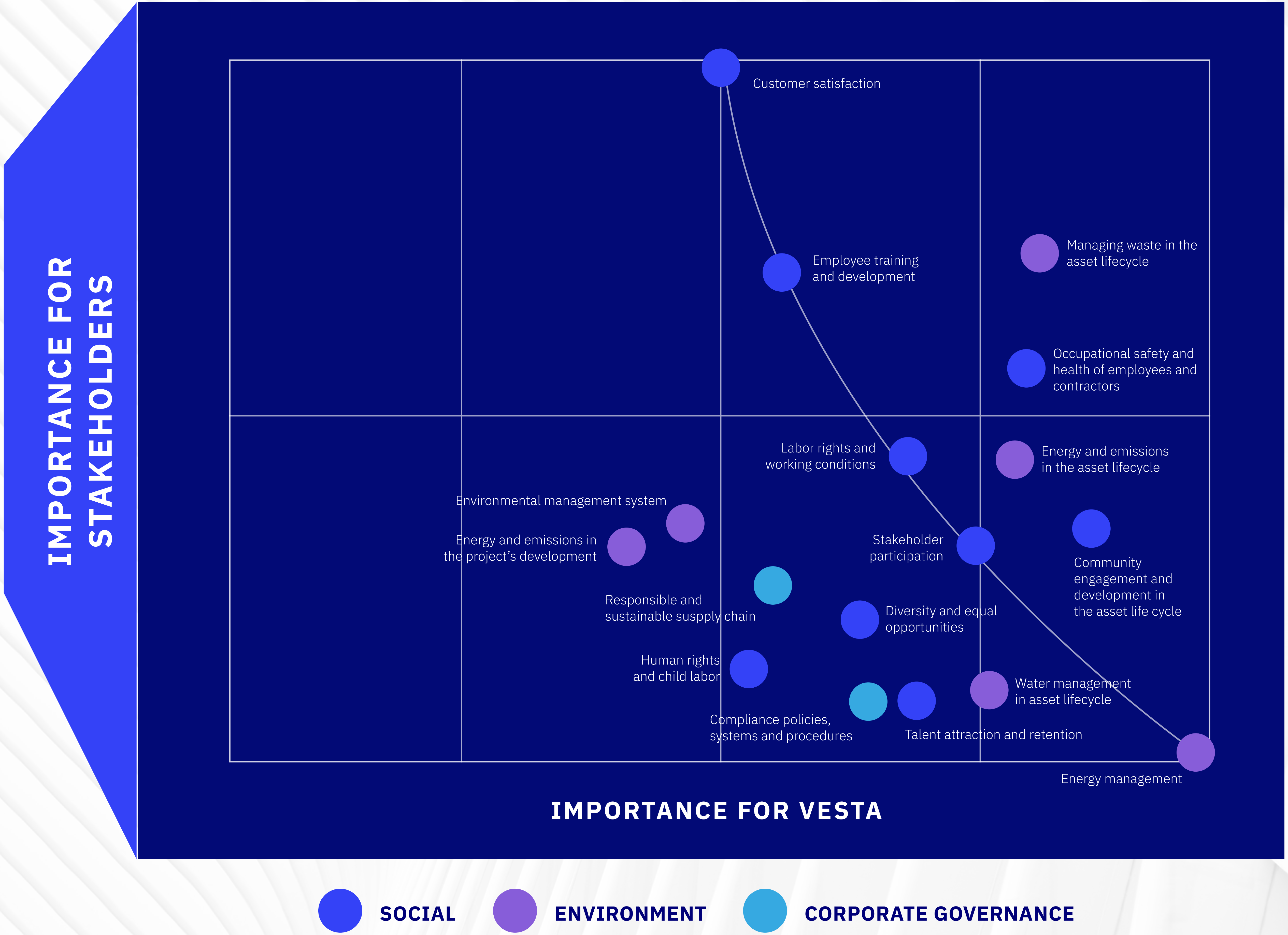
Reduce energy consumption in common areas and offices by 20%

Reduce water consumption in common areas and offices by 20%

Increase the proportion of waste recycled and/or reused by 50%.

[4]These targets use 2019 as the base year.

We also found that we can anticipate negative impacts across our value chain if we continue to work with our suppliers on aspects such as evaluation diagnoses, audits and the implementation of ESG action plans, as well as our Sustainable Construction Manual and checklist. With our tenants, we continue to manage environmental indicators and conduct green assessments of our buildings in order to achieve green certifications relating to sustainability issues.


IMPORTANCE FOR STAKEHOLDERS
Customer satisfaction
Employee training and development
Managing waste in the asset lifecycle
Occupational safety and health of employees and contractors
Labor rights and working conditions
Energy and emissions in the asset lifecycle
Environmental management system
Energy and emissions in the project's development
Stakeholder participation
Community engagement and development in the asset life cycle
Responsible and sustainable suspply chain
Diversity and equal opportunities
Human rights and child labor
Water management in asset lifecycle
Compliance policies, systems and procedures
Talent attraction and retention
Energy management
IMPORTANCE FOR VESTA
SOCIAL
ENVIRONMENT
CORPORATE GOVERNANCE

	Highly relevant material issue	Type of impact	Mitigation actions	Executive whose compensation is linked to issue
1	Customer satisfaction	Currently and potentially positive or negative for our clients	• Customer satisfaction survey	Asset Management Communication
2	Managing waste in the asset lifecycle	Potentially negative for environment and society	**2025 target: Increase the proportion of waste recycled and/or reused by 50% using 2019 as the base year** • Sustainable Sourcing Policy • Management of environmental indicators with tenants • Report on waste generation • Implementation of the Waste Management Plan for offices and common areas	Asset Management
3	Employee training and development	Currently and potentially positive or negative for our employees and human rights	• Training through digital platforms • 360º Performance evaluations • Other performance evaluations	Human Resources
4	Occupational safety and health of employees and contractors	Currently and potentially positive or negative for our employees, contracts and human rights	• Occupational Health and Safety System • Psycho-social Risk Prevention Policy • Health and Safety Operating Standards Protocol • Park Health and Safety Protocol • Vesta Wellness • WELL Building Standard Certification • Contractors are contractually obligated to comply with safety and health guidelines for their workers during the construction process with Vesta	Human Resources
5	Labor rights and working conditions	Currently and potentially positive or negative for our employees and human rights	• Ambassadors Program • WELL Building Standard Certification • Human Rights Strategy	Communication Human Resources ESG

	Highly relevant material issue	Type of impact	Mitigation actions	Executive whose compensation is linked to issue
6	Energy and emissions in the asset lifecycle	Currently and potentially negative for the environment and society	**2025 target: Reduce energy consumption in common areas and offices by 20% against 2019** • Issue of a Sustainability-linked bond • LEED Certified buildings • Emissions report	Development Asset Management ESG
7	Energy management	Potentially negative for the environment and society	**2025 target: Reduce energy consumption in common areas and offices by 20% against 2019** • Implementation of ENERGY STAR Portfolio Manager • Management of environmental indicators with tenants • Energy consumption reports	Asset Management Development ESG
8	Community engagement and development in the asset life cycle	Currently and potentially positive for society and economy	• Social investment projects in three action lines: education, inclusion and community development • Our Responsible Investment Policy places a high priority on managing community issues before, during and after construction of parks and buildings	ESG Development
9	Stakeholder engagement	Currently and potentially positive or negative for our stakeholders	• Customer satisfaction survey • Supplier satisfaction survey • Commitment program • Materiality analysis	Communication Asset Management Purchasing ESG

Note. Details on our mitigation actions are provided throughout this report, in the chapter corresponding to each issue.

In 2022 we will once again update our materiality analysis.

Stakeholders

2-29

To identify the main concerns and needs of our stakeholders and promptly address them, as well as the potential impacts which may, taken together, affect our relationship, we have areas that serve as bridges for open and close two-way communication with each of them, as well as the traditional channels of e-mail, events, publications, surveys, phone and social media.

The areas in charge of these relations are ESG, Investor Relations, Communication and the Environmental, Social and Governance Committee.

Stakeholder group and frequency	Type of contact	Key issues and concerns
Clients Annually Monthly	• Visit or call from the Asset Manager • Satisfaction survey • Social media	Property maintenance and general satisfaction
Shareholders and investors Annually Quarterly	• Annual meeting • Quarterly report and conference call • Publication in various media • Virtual meetings • New property openings • Virtual events	Company's financial and ESG performance
Suppliers Annually Weekly	• Satisfaction survey • Digital newsletters • Social media	Follow-up on processes according to ESG protocols.
Employees Weekly	• Monthly internal communication program • Ambassador Program • E-mail • Social media • New communication programs like Town Hall meetings and Vesta Breaks	Company results, motivation to achieve personal and business goals, training, wellness, work-family balance
Real-estate industry partners Quarterly	• Participation in events, Chair and Board of AMPIP • Annual virtual event for Brokers • Regional events for Brokers • Social media	Company results, best industry practices and attracting more investment to industrial parks in Mexico
Government Quarterly	• Virtual and face-to-face meetings • Information on new property openings and virtual presence • Virtual events	Compliance with regulations and paper-work, attracting more investment to industrial parks in Mexico.

Stakeholder group and frequency	Type of contact	Key issues and concerns
Media Quarterly	• Virtual interviews • Printed publications • Digital newsletters • Virtual press conferences	Company results
Communities Monthly	• Projects by the NGOs in which Vesta invests	Sustainable community development through social investment programs.

Participation in associations

2-28

We belong to various associations and national and international real-estate industry chambers because we are convinced that together we can help propel Mexico's industrial platform.

Lorenzo Berho Corona, Executive Chairman of the Board of Directors, is a member of the Steering Committee of the ***Alliance for Integrity*** in Mexico, an association with which we have a close relationship due to our shared interest in promoting anti-corruption initiatives.

Mr. Berho has also been part of the B20 Investment and Trade Desk since 2018. In addition, from January 2020 to December 2021, Lorenzo Dominique Berho Carranza served as president of the Mexican Association of Industrial Parks.

Alliance for Integrity[1,2] • *Asociación Mexicana de Parques Industriales (AMPIP)*[1] • ***Asociación de Parques Industriales Privados del Estado de Guanajuato (APIPEG)*** • *Asociación de Parques Industriales de Jalisco* • ***Clúster Industrial de Aguascalientes*** • *Comité de Sustentabilidad de la Bolsa* ***Mexicana de Valores***[2] • *Comité México-Alemania de Comercio e Industria (CAMEXA)*[1] • ***Consejo de América Latina de Real Estate Network de YPO/WPO*** • *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología (COMCE)* • ***Desarrollo Económico de Chihuahua*** • *Desarrollo Económico e Industrial de Tijuana (DEITAC)*[1,2] • National Association of Real Estate Investment Trusts (NAIRET) • *Industria Nacional de Autopartes (INA)* • ***Federación Mexicana de la Industria Aeroespacial (FEMIA)*** • *El Gran Bajío* • ***EDC Ciudad Juárez***[1] • Smart Border Coalition2,3 • ***Sustentabilidad para México (SUME)*** • US Green Building Council • Index Tijuana • *Consejo de Desarrollo para la CDMX*[1] • ***Asociación Mexicana de Ventas Online***

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

Success story: Alliance for Integrity

Lorenzo Berho Corona is a member of the global Steering Committee for Alliance for Integrity, and in June 2020, he was appointed chairman of the Mexico Steering Committee for that organization, made up of 14 institutions. The alliance serves as an advisory body on strategic decisions for identifying, developing and adopting different approaches and solutions for creating a work plan to encourage integrity in the private sector in Mexico and internationally.

In 2021, much of the work of the Mexico Steering Committee focused on developing the 2025 Vision and sustainability plan for the alliance and creating the Global Integrity Campaign.

Among the activities of the operating team in 2021, supported by the Mexico Steering Committee for Alliance for Integrity, were:

- Integrity training for SMEs, micro-businesses and entrepreneurs, through the peer-to-peer "De Empresas para Empresas" corruption prevention training program, in which our Chief Integrity Officer is an active trainer.
- Strategies for activities at the subnational level, in northern, central and southern Mexico.
- Ratification of the cooperative alliance with the Mexican Employers' Association (COPARMEX).
- Mutual support activities in northern Mexico with PERSÉ *Centro de Responsabilidad Social para el Desarrollo Sostenible*, to promote integrity within the framework of T-MEC.
- Formation of a binational Mexico-Colombia work group on Gender and Business Integrity.
- Activities relating to the 6th Regional Latin American Integrity Week, held in October 2021 and hosted by Colombia.

Vesta's participation in the Global Integrity Campaign

In 2021, along with more than 60 strategic allies in the public and private sector as well as nonprofits, Alliance for Integrity launched its **Global Integrity Campaign**, focused on building awareness of the negative effects of corruption, particularly during the pandemic, and the benefits of acting with integrity, calling upon all of society to assume its responsibility.

To highlight the importance of this issue, celebrities from around the world, CEOs and young leaders filmed testimonials to talk about it.

Some of these testimonials can be viewed here:

As a platinum partner, Vesta was a key ally in this initiative, contributing funding and more than 240 hours of effective work by our communication team in creating, producing, executing and distributing the campaign.

We also participate actively in:

The Steering Committee for the global campaign, together with 12 partners from around the world, the German advertising agency charged with conceptualizing and executing the campaign, and Alliance for Integrity team. The Steering Committee came up with the concepts and approved ideas by the ad agency. It also decided on the theme for the video, the components of the campaign, and the timeline and roles for team coordination.

Script development, production, coordination, photos, animation, editing, translation and adaption of the video from the Andean region, in Spanish, subtitled in English.

Managing participants from the Andean region for successful production of the region's video.

Editing 37 testimonial videos in English and Spanish.

Producing, executing and editing the testimonial by Vesta CEO Lorenzo D. Berho.

Campaign execution and network distribution, in which the Andean regional video achieved 2,128 views, higher even than the global video (1,491 views).

CEO Lorenzo D. Berho's testimonial can be seen here:

View the regional Andean video on the campaign here:

Watch the making of the video here:

In Alliance for Integrity, Vesta has taken a leadership role in exploring ways to link business integrity issues and compliance programs with ESG Strategies.

Potential

Growth

2-6

We are transforming industrial real-estate in Mexico, developing and strengthening an intelligent industrial platform with the highest standards of quality and efficiency, strategically located and connected with the entire country, to meet our clients' needs and exceed their expectations.

This year we faced decisive moments that required us to adapt and evolve to meet the changing demands of our market. We acquired 36 hectares adjoining the Vesta Park Guadalajara, along with two lots covering 15,244 and 3.1 million square feet, respectively, both in Apodaca, Nuevo León. These three acquisitions represent development opportunities and the potential for Vesta's ongoing growth in two of Mexico's most in-demand regions.

Also during the year, we built 2,899,399 square feet of industrial buildings in Monterrey, Querétaro, the Mexico City metropolitan area, Ciudad Juárez, Tijuana, Guadalajara, and San Miguel Allende.

2021 Portfolio metrics

IF-RE-000.D

As we do every year, we measured the occupancy and performance of our industrial buildings and parks following the metrics recommended by the National Association of Real Estate Investment Trusts® (NAREIT®).

Total portfolio

% occupancy

	2020	2021
1Q	92.9%	90.0%
2Q	92.3%	92.5%
3Q	90.5%	92.8%
4Q	90.7%	94.1%

Stabilized portfolio

% occupancy

	2020	2021
1Q	93.6%	90.6%
2Q	93.9%	92.7%
3Q	91.9%	93.1%
4Q	91.1%	94.3%

Same-store portfolio

% occupancy

	2020	2021
1Q	97.2%	91.1%
2Q	96.7%	93.0%
3Q	94.5%	93.5%
4Q	92.7%	94.0%

Total portfolio: Includes occupied, developed, redeveloped, and stabilized properties and properties for sale.

Stabilized portfolio: properties that have achieved an occupancy of 80% or have been delivered in the first year after their construction, whichever comes first.

Same-store portfolio: Properties that have been in operation (stabilized) for two comparable periods.

Economic value

201-1

During this year of recovery for the world economy, we saw the confidence of our clients and investors reflected in long-term commitments. Leading global corporations are now investing in Mexico, seeking to expand and broaden their presence.

These opportunities and the solid execution of our Vesta Level 3 strategy brought us exceptional results during 2021. One of the year's greatest milestones was the strengthening of our balance sheet which, thanks to the financial community's confidence in our company and our strategy, enables us to successfully issue USD 230 million in stock and USD 350 million in sustainability-linked bonds. We also raised USD 108 million through the portfolio sale as part of our capital recycling program, as Vesta's best properties continue to attract major buyers.

Our rental income totaled USD 160,78 million with the NOI and EBITDA margins rising to 94.7% and 84.5%, respectively.

Vesta is the first real-estate company in Latin America to issue a sustainability-linked bond and the first company in our industry in Mexico to receive an investment grade rating from S&P.

We reported record leasing activity with a total of 6,399,995 square feet, 2,699,998 square feet of which were new leases, approximately 999,999 square feet in growth derived from BTS projects and renovations accounting for 2,699,998 square feet.

This year's leasing activity included global leaders in e-commerce, retail, transportation and logistics, light manufacturing, and other industries. More than 50% of all new leases were logistics and e-commerce related, as we expanded our presence in metro and last-mile markets.

Total occupancy in Vesta's portfolio reached an all-time high of 94.1%, accompanied by increases in stabilized occupancy and comparable occupancy, which reached 94%, respectively.

We also increased the area of projects under construction, to 2,158,745 square feet in development projects at an average return of 10% over cost. Additionally, we delivered 1,222,683 square feet of new construction during the last quarter of 2021 with plans to begin building 1,636,459 square feet in Monterrey, Tijuana, Guadalajara, and San Miguel de Allende.

Reaffirming our commitment to a sustainable future, this year we successfully closed on our first sustainability-linked bond offering, placing USD 350 million in 10-year notes linked to sustainability indicators, at an interest rate of 3.625%. The issue received a credit rating of BBB- from S&P Global Ratings and Baa3 from Moody's.

As part of our financial commitment, by 2026 we plan to earn green certification for 20% of our GLA, and 28% by 2030.

Because of our resilience and the support of our employees, we were able to emerge stronger from the challenges of the past year, and we will continue to focus on what we do best: innovate Mexico's industrial platform.

	ITEM	2020		2021	
		(+)	(-)	(+)	(-)
Direct Economic Value Generated (EVG)	Leasing revenues	$144,052,296		$154,068,806	
	Reimbursable	$5,483,591	.	$6,629,583	
	Management	$319,446		$87,973	
EVG		**$149,855,333**		**$160,786,362**	
Economic Value Distributed (EVD)	Property operation expense		$10,154,655		$10,726,761
	Direct employee benefits		$10,773,381		$11,744,548
	Administrative expense		$94,560		$129,571
	Legal and audit expense		$1,268,212		$815,843
	Marketing		$557,267		$871,705
	Others		-		-
	Property appraisal expense		$812,962		$683,681
	Indirect stock issuance				
EVD			**$23,661,037**		**$24,972,109**
Economic Value Retained	Economic value generated (-) Economic value distributed		$126,194,296		$135,814,253

Amounts in dollars.

Governance

Corporate governance

2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-17, 2-18, 2-19, 2-20
TCFD Governance a) & b)

Our highest governance body is the **Board of Directors**[5], in charge of managing and guiding the business while overseeing fulfillment of the Vesta Level 3 Strategy and our commitment to ESG matters. It also ensures that all of the company's decisions and actions are consistent with the principles of sound corporate governance, safeguarding the interests of our investors, shareholders, tenants, employees, suppliers and communities.

The Board is made up of ten permanent members, eight of them independent. All of these are selected as established in the Mexican Securities Market Act. Vesta's bylaws and our Code of Ethics, as well as their experience in the industrial real-estate and financial businesses, their professional career and good character. Independent Board members are also required to be free of any personal or economic interests or equity in the company.

To guarantee the interests of our shareholders, independent Board members represent a majority in that body, thus ensuring that all decisions are made autonomously and free of any conflict of interest.

The Corporate Practices Committee is responsible for selecting candidates for the Board and its Committees, acting as the Nomination Committee. Board members, like the chairpersons of the Audit Committee and Corporate Practices Committee, are appointed or ratified each year in the Shareholders' Meeting.

Both the selection and the conditions under which Board members discharge their duties are determined solely on the basis of their knowledge, relevant skills in areas of impact, capacity, experience, professional background and independence. In this process we do not discriminate on the basis of gender, origin, marital status, religion or sexual preference

Vesta's Board of Directors is chaired by Lorenzo Manuel Berho Corona.

[5] For more information about our Board of Directors and corporate governance, visit:
https://vesta.com.mx/investors/corporate_gover

Vesta Board of Directors
Permanent members

Name	Type	Nationality	Age	Member since	Mandates
Lorenzo Manuel Berho Corona	• Equity • Non-executive	Mexico	61	2001	21
Stephen B. Williams	• Independent • Non-executive	USA	70	2001	21
José Manuel Domínguez Díaz Ceballos	• Independent • Non-executive	Mexico	61	2015	7
Craig Wieland	• Independent • Non-executive	USA	61	2016	6
Elizabeth Bell[6]	• Equity • Non-executive	USA	39	2021	1
Luis Javier Solloa Hernández	• Independent • Non-executive	Mexico	54	2015	7
John Andrew Foster	• Independent • Non-executive	USA	62	2007	15
Oscar Francisco Cázares Elías	• Independent • Non-executive	Mexico	61	2014	8
Douglas M. Arthur	• Independent • Non-executive	USA	40	2021	1
Luis de la Calle Pardo	• Independent • Non-executive	Mexico	61	2011	11

Note. Information according to March 2021 annual meeting.

[6] Elizabeth Bell announced her resignation from the Board of Directors. Because Jaguar's holdings in Vesta is now below the 5% that Company held at the start, Jaguar decided it would be appropriate for Ms. Bell to resign from the Board as of December 31, 2021..

Alternates

Name	Type	Nationality	Age	Member since	Mandates
Lorenzo Dominique Berho Carranza	• Equity • Executive	Mexico	38	2001	21
Jorge Alberto de Jesús Delgado Herrera	• Independent • No ejecutivo	Mexico	74	2011	11
José Guillermo Zozaya Délano	• Independent • Non-executive	Mexico	69	2021	1
Enrique Carlos Lorente Ludlow	• Independent • Non-executive	Mexico	49	2007	15
Daniela Berho Carranza	• Equity • Non-executive	Mexico	37	2014	8
Viviana Belaunzarán Barrera	• Independent • Non-executive	Mexico	49	2020	2
José Antonio Pujals Fuentes	• Independent • Non-executive	Mexico	83	2001	11
Rocío Ruíz Chávez	• Independent • Non-executive	Mexico	78	2019	3
Elías Laniado Laborín	• Equity • Executive	Mexico	70	2021	1
Francisco Javier Mancera Arrigunaga	• Independent • Non-executive	Mexico	60	2011	11

Note. Information according to March 2021 annual meeting.

The average seniority of current Board members is 9.8 years.

Primary duties of the Vesta Board of Directors

- Executing and overseeing that shareholders' decisions are carried out.
- Defining and establishing strategies toward the main business goals.
- 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, as well as Vesta's bylaws.

Meetings of the Board of Directors

Date	Percentage attendance	Type of meeting
January 20, 2021	100%	Virtual
April 21, 2021	100%	Virtual
July 21, 2021	100%	Virtual
October 20, 2021	100%	Virtual

The Board met four times in 2021, with an average attendance of 100%.

In some Board meetings, management and committee members report on ESG progress in order to keep the Board abreast of these issues and invite it to participate in key ESG decisions. Additionally, every year the Environmental, Social and Governance Committee presents a detailed report on its activities.

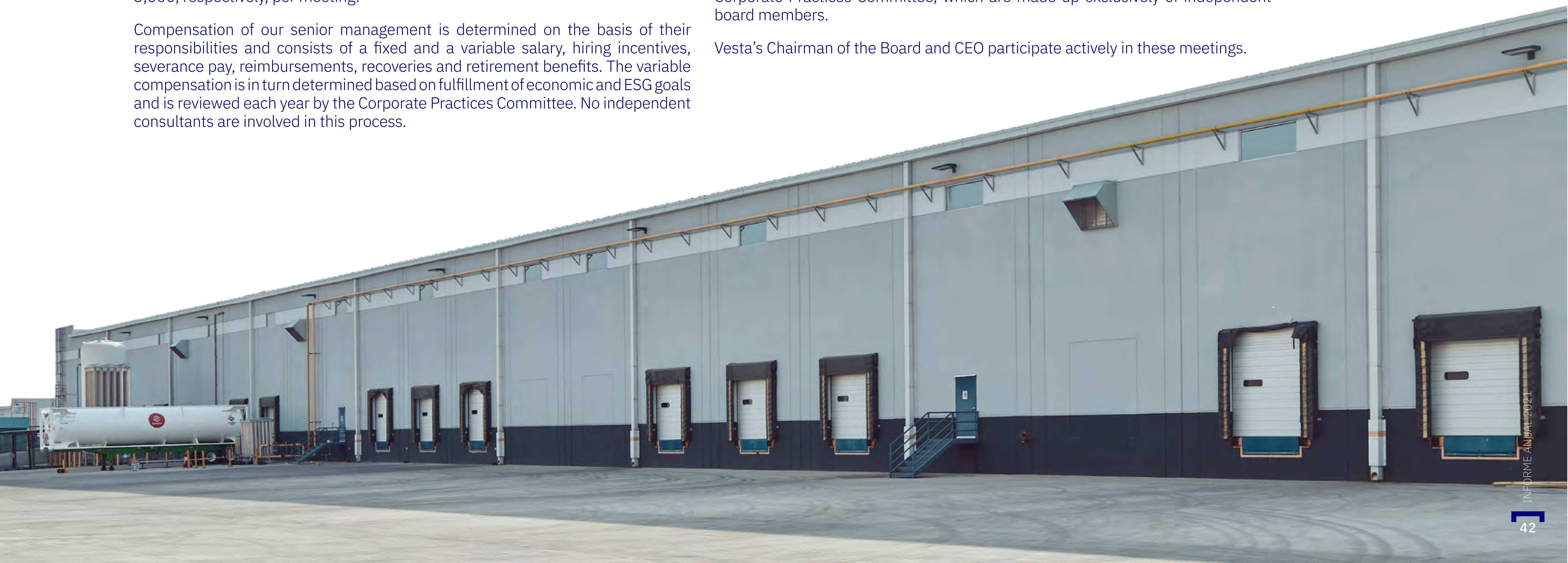
In compensation for their experience, know-how and contributions to fulfilling Vesta's strategy, members of the Board, committee chairs and other members received during 2021 an economic payment of USD 3,800, USD 4,000 and USD 3,000, respectively, per meeting.

Compensation of our senior management is determined on the basis of their responsibilities and consists of a fixed and a variable salary, hiring incentives, severance pay, reimbursements, recoveries and retirement benefits. The variable compensation is in turn determined based on fulfillment of economic and ESG goals and is reviewed each year by the Corporate Practices Committee. No independent consultants are involved in this process.

The Corporate Practices Committee is responsible for evaluating the performance of the Chief Executive Officer in order to determine the variable proportion of his salary, which is approved or modified by the Board of Directors, with recommendations from the Corporate Practices Committee.

There are 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. The exception is the Audit Committee and Corporate Practices Committee, which are made up exclusively of independent board members.

Vesta's Chairman of the Board and CEO participate actively in these meetings.



Audit Committee

Chairman	Luis Javier Solloa Hernández[1]
Members	• Stephen B. Williams[1] • Viviana Belaunzarán Barrera[1] • José Manuel Domínguez Díaz Ceballos[1] • Lorenzo Manuel Berho Corona[2,3]
Meeting dates	• February 9, 2021 • April 19,2021 • July 19, 2021 • October 18, 2021
Main issues discussed	• 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 2021. • Review of quarterly reports issued by the internal auditor and follow-up on its findings. • Selection of suppliers of independent valuation services in 2021 and 2022. • Monitoring of compliance with resolutions passed by the shareholders' meeting and Board of Directors. • Approval of the operating budget for fiscal year 2022.

Corporate Practices Committee

Chairman	Francisco Javier Mancera de Arrigunaga[1]
Members	• Stephen B. Williams[1] • José Antonio Pujals Fuentes[1] • Oscar Francisco Cázares Elías[1] • Lorenzo Manuel Berho Corona[2,3]
Meeting dates	• January 12, 2021 • June 24, 2021 • October 11, 2021 • November 3, 2021
Main issues discussed	• Performance of Company executives and employees. • Review of executive goals for fiscal year 2021. • Compensation of the CEO for 2021. • Compensation for the Executive Chairman of the Board of Directors for 2021. • Review of salaries and short-term bonuses applicable for 2021. • Composition of the Company's board and committees for fiscal year 2021. • Review of the compensation plan and salary budget for 2022.

* Responsible for decision-making and managing Vesta's impacts on the economy, environment and on individuals.
[1] Independent Board member.
[2] Permanent guest.
[3] Executive Chairman of the Board.

Ethics Committee

Chairman	José Antonio Pujals Fuentes[1]
Members	• Lorenzo Manuel Berho Corona[3] • Elías Laniado Laborín • Alfredo Paredes Calderón • Alejandro Pucheu Romero
Meeting dates	In respect for recommended sanitary measures, committee members kept in regular touch via remote communication to analyze and decide on matters relating to ethical complaints.
Main issues discussed	• 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[1]
Members	• Stephen B. Williams[1] • Lorenzo Manuel Berho Corona[3] • Craig Wieland[1] • Douglas M. Arthur
Meeting dates	• May 21, 2021 • August 16, 2021
Main issues discussed	An investment total of USD 146,350,000 was approved for investment in the following projects: • Recommendation for the acquisition of a plot of land totaling approximately 7.7 million square feet in Tepotzotlán, Mexico State. • Expansion of the industrial building located in San Miguel de Allende for Thyssenkrup Bilstein. • Expansion of a multi-tenant building at Vesta Park Guadalajara. • Acquisition of an additional 88.95 acres of land in Guadalajara. • Development of a multi-tenant building at Vesta Park Guadalupe. • Development of infrastructure at Vesta Park Monterrey. • Development of a multi-tenant building at Vesta Park Monterrey.

* Responsible for decision-making and managing Vesta's impacts on the economy, environment and on individuals.
[1] Independent Board member.
[2] Permanent guest.
[3] Executive Chairman of the Board.

Debt and Equity Committee*

Chairman	José Manuel Domínguez Díaz Ceballos[1]
Members	• Stephen B. Williams[1] • John Andrew Foster[1] • Lorenzo Manuel Berho Corona[3]
Meeting dates	• January 14, 2021 • February 24, 2021 • March 15, 2021 • April 22, 2021
Main issues discussed	• Drawdown of all of the available revolving line of credit. • Analysis of the Company's financial condition, cash flow projections and funding alternatives.

* Responsible for decision-making and managing Vesta's impacts on the economy, environment and on individuals.
[1] Independent Board member.
[2] Permanent guest.
[3] Executive Chairman of the Board.

Social and Environmental Responsibility Committee (currently, Environmental, Social and Governance Committee)*

Chairman	Jorge Alberto de Jesús Delgado Herrera[1]
Members	• José Manuel Domínguez Díaz Ceballos[1] • Daniela Berho Carranza • Lorenzo Dominique Berho Carranza[2] • Lorenzo Manuel Berho Corona[2,3]
Meeting dates	• May 20, 2021 • November 24, 2021 • December 9, 2021
Main issues discussed	• Implementation of 11 projects relating to COVID-19. • Implementation of 15 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. • Green assessments of operating properties • 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. • Development of the Climate Change and Resilience Risk Matrix. • Development of an ESG risks and opportunities map. • Perception study. • Response to national and international rankings and investor concerns.

Delegation of responsibility for managing impacts

TCFD Governance a) and b)

As the preceding tables illustrate, economic impacts for our organization are managed through the Board's support committees and our operating areas, which are trained to appropriately identify and address such impacts.

Environmental and social impacts are identified through the Social and Environmental Responsibility Committee (CRSA) (currently, Environmental, Social and Governance Committee) and executed and addressed by the ESG Department. The ESG Working Group also keeps close track of Vesta's ESG strategy.

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:

- E-mail: investor.relations@vesta.com.mx
- Webpage: www.vesta.com.mx
- Publication of material information.
- Reports to the Mexican Stock Exchange and to the National Banking and Securities Commission.
- Annual and quarterly reports.

In 2021 none of the inquiries or reports received through these channels related to critical concerns that warranted consideration by Vesta's Board of Directors.

In recent years we have focused efforts on incorporating into the Board's decision-making process the environmental, social and corporate governance issues that are relevant to our investors, the real-estate industry, our stakeholders, and above all, to humanity. In this regard, we incorporated ESG goals aligned with Vesta's Level 3 strategy into the priorities of some departments in order to decide on specific actions to achieve them and also communicate them to the Board of Directors.

We have policies on Responsible Investment and on Climate Change and Resilience, a procedure and checklist of basic ESG issues for the investment, Development and Asset Management areas to follow whenever buying or selling any land, property or park.

Aware that climate change is a reality that we must address in managing our business, the ESG Department, working together with the Development and Asset Management areas, is in charge of evaluating risks and opportunities related to climate change in Vesta's portfolio, and incorporating the measures necessary to mitigate negative impacts throughout our business process, from building design and development through daily operations.

The Environmental, Social and Governance Committee meets two or three times a year to follow-up on the ESG issues identified by the ESG Department and the ESG Work Group, as well as any climate change related issues. The committee also reviews the company's progress against our 2025 energy, water and waste goals.

The CEO, the ESG Department and the Environmental, Social and Governance Committee are responsible for managing issues related to climate change and to report on these to the Board of Directors.

Climate risk and opportunity management

2-12, 201-2, IF-RE-450a.2, TCFD Strategy a) and b), Risk management a), b) y c), Metrics and targets a)

Like any organization, Vesta is exposed to risks[7] in financial, regulatory, market, fiscal, technological, social, ethical, human rights and climate change related areas. These may have adverse consequences for our business and for the value we generate for stakeholders. They may also bring opportunities.

Identifying and assessing climate change related risks in particular has become increasingly important in recent years because of the effects they have on climate patterns, human health, the supply of food and raw materials, human migrations caused by resource scarcity, human rights impacts and loss of biodiversity, among many others. Aware of these risks, Vesta has joined in the effort to identify those that are directly related to our operations in order to define a strategy and action plans for managing risks and taking advantage of those that may represent opportunities.

In 2020 we formulated a **climate change and resilience risk matrix**, the purpose of which is to identify, prioritize, mitigate and address the short-, medium- and long-term measures to confront climate risk and resilience in Vesta's operating lifecycle, classified, as suggested by TCFD and GRESB, into physical, transitional and social.

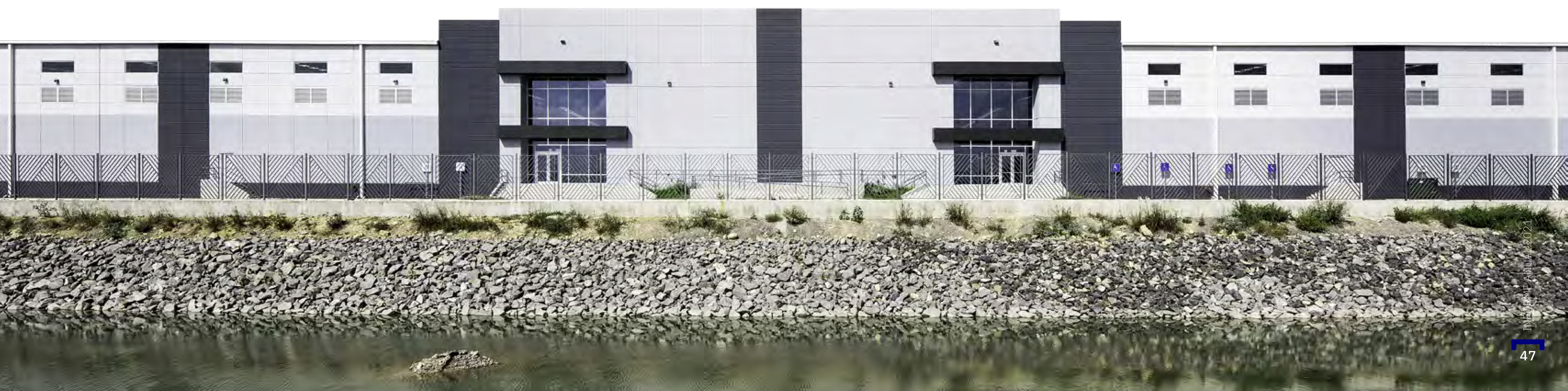
Each area identifies and evaluates trends by completing the matrix, then analyzes the risks they have entered there. Once this is done, to visually catalog each of the risks, the Risk and ESG areas analyze the information using a probability and impact matrix and a heat map.

After this matrix is approved by Vesta's Environmental, Social and Governance Committee, the communication process begins, in which the responsible areas communicate their risks internally and externally through the Integrated Annual Report and in meetings with our stakeholders.

The ESG area provides training, guidance and external resources, when necessary, for staff to be able to understand and identify the relevance and magnitude of resilience and climate related risks in our operations. These services are available both to persons involved within our organization and to any interested outside party.

Each risk is closely traced in the individual meetings of each area, and every two months with the ESG Working Group, along with the progress discussed in Social and Environmental Responsibility Committee meetings.

[7] Information about the non climate related risks to which this organization is exposed can be found in the financial section of this report.



Risk	Impact	Financial implications	Risk management
P Operations that involve GHG emissions above permitted limits	• Environmental. Increased consumption and scarcity of energy resources, GHG emissions. • Social. Tenants looking for lower operating costs and environmental impacts will rent more efficient properties. • Economic. Loss of rent and tenant retention; consuming more energy would mean lower NOI and tenants would seek out other properties.	Not quantified.	• Manage environmental data annually. • Promote better sustainable practices for operations in both common and rented areas. • Train Property Managers and tenants on GHG emissions/climate change, use and management of resources. • Propose remodeling or retrofitting facilities for more efficient energy and water supply systems. • Invest between USD 1 and USD 3 per square foot to upgrade the portfolio. • Monitor through surveys. • Prepare and distribute a protocol of global best practices.
P Scarcity of water for operations	• Environmental. Greater consumption and scarcity of water resources. • Social. Tenants looking for lower operating costs and environmental impacts. • Economic. Consuming more water would mean lower NOI and it would be more difficult to attract and retain tenants.	Consuming water from sources other than municipal supply, like tanker trucks, would be 5.2 times more expensive.	• Manage environmental data annually. • Promote better sustainable practices for operations in both common and rented areas. • Train Property Managers and tenants on GHG emissions/climate change, use and management of resources. • Propose remodeling or retrofitting facilities for more efficient energy and water supply systems. • Invest between USD 1 and USD 3 per square foot to upgrade the portfolio. • Monitor through surveys. • Prepare and distribute a protocol of global best practices.

Table key

F Physical
S Social
T Transition
C High risk
M Moderate risk
L Low risk
• Short term
• Medium Term
• Long Term

Risk	Impact	Financial implications	Risk management
P Delay in the transformation of buildings toward decarbonization	• Environmental. Buildings produce GHG. • Social. Operations and well-being of occupants. • Economic. Extra cost of building or transforming, higher rent collected in more efficient buildings, loss of rent or lower attraction of clients because portfolio is not efficient.	Lower rental revenues due to less efficient buildings.	• Introduce more resilient designs. • Evaluate requirements for building net zero properties. • Communicate ESG issues according to Vesta Level 3 Strategy, ESG pillar and communication plan. • Update Sustainable Construction Manual to take these aspects into account.
P ESG Strategies for tenants	• Social, environmental and economic. By not training tenants in ESG matters, we could lose or reduce their support for Vesta's ESG strategy. • Environmental. Inability to remove or prohibit the use of asbestos in buildings. Continuing or increasing levels of pollution and water and carbon footprint of our assets.	Loss of time to achieve Net Zero transformation.	• Create ESG guide for tenants. • Apply different cleaning, health and wellness practices. • Provide resilience training. • Develop a plan to address occupants' needs in an emergency.
P P M Building codes and laws regarding resilience and climate change Non-compliance with regulations and by stakeholders (investors and tenants) as well as loss of asset value and increase in portfolio risk	• Economic. Fines or possible closure that would affect tenants and rents. • Environmental. Noncompliance with environmental laws could affect ground, water or air. • Social. Impact on the community. • Environmental, social and economic. Asset value, energy and water supply, operations that produce GHG emissions, production and management of waste, insurance, certifications (new and ongoing), transformation of buildings that require a transition to decarbonization, legal, reputational and information security aspects.	Fines or sanctions for Non-compliance	• Procedures to guarantee internal and external legal compliance in our operations, for example, purchase-sale contracts, leasing and service agreements, construction, maintenance, processing and analysis. • Review and enforce environmental clauses in current contracts and adopt a climate change approach, as applicable. • Decide on actions for including these in various standardform agreements. • Involve, train and build awareness in the corresponding areas. • Complete the matrix and action plan for 2021. • Update matrix every year to detect new risks and improvements in general. • Communicate results, improvements and new guidelines to all stakeholders through the Annual Report and other channels.

Table key

F Physical	**T** Transition	**M** Moderate risk	• Short term	• Long Term
S Social	**C** High risk	**L** Low risk	• Medium Term	

Risk	Impact	Financial implications	Risk management
T M Access to institutional and/or green financing to retain and attract tenants and maintain the flow of rental revenues	• Economic. Reduced access to credit at better rates and which are attractive to investors provided we can prove lower portfolio risk due to solid ESG KPIs.	Not quantified.	• Establish KPIs to provide the company's performance and transition toward greener, more efficient and more resilient technologies that generate value and reduce risks. • Collect data for target setting. • Obtain more accreditations and certifications (CSA, GRESB, Sustainalytics, UN PRI, LEED, EDGE, BOMA). • Carry out sustainable retrofitting of assets that require it, retaining the company's profitability metrics. • Have the appropriate reporting tools. • Learn about investors' demands.
P S Employees untrained in resilience and climate change risks	• Social. Physical integrity of Vesta employees, contractors and suppliers on our premises. • Economic. Impact on company revenues.	Not quantified.	• Develop risk matrix by area referencing laws, regulations and standards that apply to their jobs.
T Acquisition of properties (both active and greenfield) with major climate risks	• Economic. Loss of asset value due to exposure to physical risks. • Social. Impact on health and safety of tenants and society at large.	Not quantified.	• Apply Responsible Investment Policy and Responsible Investment Procedure. • Implement Responsible Investment Checklist.
S Loss of data integrity	• Social, environmental and economic. Unexpected costs and poor decision quality, requiring tasks to be redone and excess energy consumption.	Not quantified.	• Train those who manage this information. • Provide support and monitoring. • Back up data to the cloud.

Table key

F Physical **T** Transition **M** Moderate risk • Short term • Long Term

S Social **C** High risk **L** Low risk • Medium Term

Risk	Impact	Financial implications	Risk management
P Loss of biodiversity, absence of native plants or local pollinizers	• Environmental. Disappearance of regional ecosystems and irrational use of water for non-native species. • Social. Loss of connection between users, community and nature. • Economic. Extra expenses of water for maintaining green areas and fines in the case of endangered species.	Not quantified.	• Create a Biodiversity Policy. • Include Biodiversity in the Sustainable Construction Manual.

Table key

F Physical	**C** High risk	• Short term
S Social	**M** Moderate risk	• Medium Term
T Transition	**L** Low risk	• Long Term

Also, this year for the first time we conducted an exercise to identify the opportunities we might access due to climate change.

Opportunity	Impact	Financial implications and associated benefit	Management of opportunity and associated cost
T Resource efficiency	• Use of more efficient construction methods. • Use of cleaner, renewable energies. • Use of resource saving technologies. • Reduced water consumption. • Waste management. • Measurement and reduction of embodied carbon.	• Attraction of more and better rents. • Reduction of operating costs and better NOI and TIR. • Improved satisfaction among tenants (current and future), employees, supply chain and community. • Improvement in Vesta's reputation, better competitive position in investor and client preferences. • Reduced carbon and water footprint, lower exposure to coal and water costs. • Improvement in care and protection of biodiversity in our operations.	• Update of Vesta's Sustainable Construction and Remodeling Manual and creation of checklist. • Training for Project Managers and tenants in best ESG practices. • LEED BD+C certification for all new assets since 2019. • Implementation of environmental pre-audits. **USD 92,683** • Green Assessments and Green PCA asset diagnosis (energy, water and waste management efficiency) to define opportunities by asset and type of certification available. **USD 2,995,322** • Training for Project Managers and tenants in best ESG practices. • Introduction of a Green Lease Clause.
Energy sources	• Use of cleaner and more efficient energy. • Government incentives. • Participation in the carbon market.		• Change and use of efficient energy technologies. • Use of renewable energy. Cost not yet determined.

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.

Ethics and human rights

2-15, 2-23, 2-24, 2-25, 2-26, 205-2, 205-3, 206-1, 406-1, 407-1, 408-1, 409-1, 418-1

Our Ethical Commitment[8] defines Vesta's integrity culture with each of our stakeholder groups. We propose to be a source of information in both day-to-day and transcendental decisions.

For our suppliers and any person who provides professional services to the company, we also have a **Code of Ethics for Suppliers**.

Both documents set forth the principles for creating workplaces that are respectful, free of discrimination, equitable, inclusive and open to dialogue, with suggested steps for doing the right thing when faced with issues like conflicts of interest, transparency and accountability, risk management, personal data protection, information security, anticorruption, diversity and inclusion, labor relations, bribery, human rights, harassment, environmental protection and community engagement, among others.

We also follow the guidelines on stock repurchase established by the Mexican Securities Market Act, the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market (the "Unified Circular").

Every year we take various actions to reinforce our employees' understanding and application of our principles on ethical conduct and anticorruption. One example is our **Code of Ethics Workshop** for employees, where they attend presentations on issues like embodying Vesta values, respect for human rights, balance between work and personal life, gender equity, violence, discrimination, integrity, anticorruption and social programs. In this workshop we also learn about their perceptions so that we can improve our operations.

For new hires, ethical content is included in the onboarding program.

[8] See Our Ethical Commitment at:
https://vesta.com.mx/misc/pdfs/CodeofEthics.pdf

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 Code of Ethics for Suppliers.

100% of our employees received anticorruption training in 2021

To avoid conflicts of interest, we require senior management, employees and suppliers 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 it, unless by nature it must be resolved directly by the Board of Directors.

We have several channels for reporting any non-compliance with the issues covered by our Ethical Commitment or any of our policies, available 24 hours a day, 365 days a year, and open to all our stakeholders. These channels are managed by Ethics Global, an independent company engaged by Vesta to ensure that reports received are addressed in an orderly, impartial and confidential manner.

Whistleblower channels

- **E-mail:** etica@vesta.com.mx, reporte@nuestrocompromisoetico.com
- **Toll-free phone number:** 800 04 ética (38422)
- **Website:** www.nuestrocompromisoetico.com
- **App:** Ethics Global
- **Ambassadors:** Direct contact between employees and the Ethics Committee
- **Ethics committee:** by e-mail or phone

Process for handling reports

1. Ethics Global receives the report, evaluates it and forwards it to the Ethics Committee.
2. The Ethics Committee analyzes it and assigns responsibility for investigating the matter.
3. The Ethics Committee receives the results of the investigation.
4. The Ethics Committee rules on the matter and determines the sanction, as appropriate.

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.

In 2021, we received three reports. Although none was found to be justified, all were addressed and completely resolved during the period.

We received no reports of corruption, discrimination, violation of the right to free association, forced labor, child labor, conflicts of interest, anti-competitive practices, violations of client privacy, violations of employee human rights or leaks of client data in 2021.

Reports received

Type of complaint	Number
Inappropriate employee treatment	1
Others	2
Total	**3**

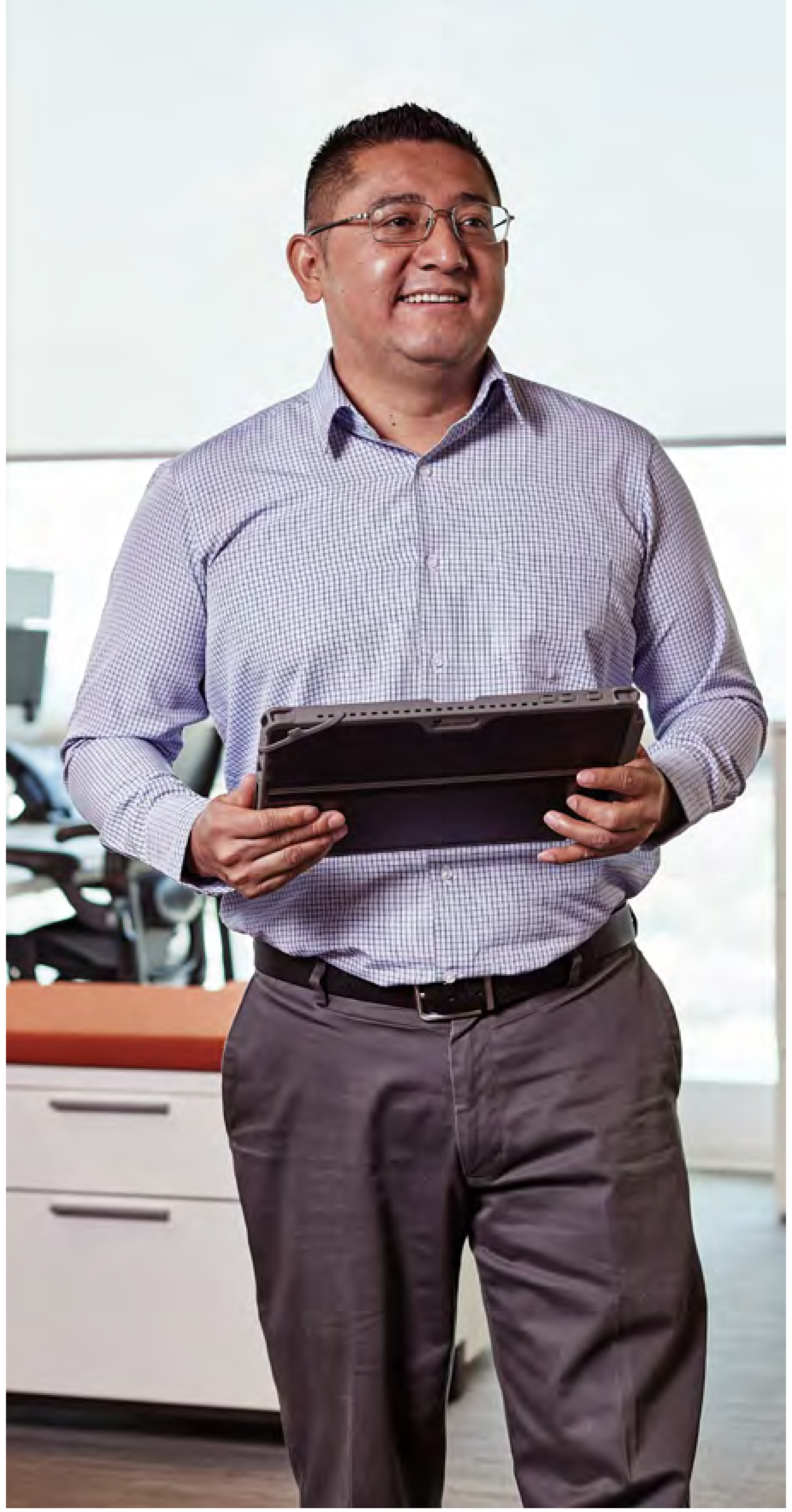
We also received no significant fines, lawsuits or monetary losses relating to unfair competition or breaches of voluntary standards or codes regarding marketing communication.

One issue that has always been fundamental at Vesta, and which has become increasingly important because of the number of issues that relate to it, is respect for human rights. At Vesta, we do not see this as an isolated issue but rather as a daily behavior, incorporated into the company's strategy and ESG initiatives.

We promote and practice respect for the human rights and basic freedoms of our employees, suppliers, clients and communities through our **Policy on Human Rights**[9], which we published on our web page in 2021.

This policy was reviewed by the United Nations Global Compact and approved by various Vesta departments, because in 2021 we joined the Community of Practice on Business and Human Rights.

The policy is based on the Universal Declaration of Human Rights, the Sustainable Development Goals, the United Nations Global Compact, and the recommendations of the International Labor Organization (ILO), among other international initiatives.



[9] See our **Policy on Human Rights** at https://vesta.com.mx/misc/pdfs/HumanRightsPolicy.pdf

Principles and commitments contained in our policy

- Contributing to sustainable development and respect for human rights
- Rejecting forced labor and child labor
- Respect for diversity and non-discrimination
- Freedom of association and collective bargaining
- Occupational safety and health
- Fair and favorable working conditions
- Respect for communities' human rights
- Integrity
- Privacy and communications
- Promoting a culture of respect for human rights and building awareness on this issue among Vesta employees
- Promoting a commitment to human rights throughout our value chain

By putting our Policy on Human Rights into practice, we minimize the risk of violating these rights in any sphere of activity and with any stakeholder group.

In 2021, 100% of our employees received training in areas relating to respect for human rights.

Our Ethical Commitment, Supplier Code of Ethics, Policy on Diversity, Equity and Inclusion, our Policy on Human Rights, and Vesta's endorsement of the principles of the United Nations Global Compact, all attest to our commitment to operating and managing our business with absolute respect for the human rights of our employees and our entire value chain.

The areas responsible for overseeing compliance with and respect for human rights are the Human Resources area and the ESG area.

We offered a talk on human rights to our employees throughout the year, and 100% of them received training in areas relating to this topic. We also took a number of actions in the areas of diversity and gender, which are part of Vesta's ESG strategy; and we continue a series of social investment projects focused on improving education, inclusion and community development.

We are also aligned with the Target Gender Equality initiative of the United States and the Community of Practice on Business and Human Rights, organized by the Global Compact Network in Mexico.

In order to analyze how we experience the issue of human rights within Vesta and in relations with our stakeholders, during 2021 we carried out an assessment involving 95% of our employees.

Based on the findings of this exercise, we set the goal of strengthening Our Ethical Commitment with more specific guidelines on respect for human rights and establishing the next steps in implementation of our Human Rights strategy at Vesta.

[10] See our **Policy on Diversity, Equity and Inclusion** at https://vesta.com.mx/misc/pdfs/DiversityEquality.pdf

Additionally, based on the ESG audits that we conduct with suppliers and on evaluation of the checklist our contractors fill out as part of the Sustainable Construction Manual, we analyzed the risks of corruption, child and forced labor and possible human rights violations. In this way, we work to mitigate negative impacts on the human rights of all the people involved.

Our lease agreements include a specific clause in which our tenants agree to respect the human rights of their employees and all people in general in all their relationships, avoiding discrimination, harassment, abuse or intimidation in any form based on age, language or origin, nationality or race, marital status, gender, pregnancy, diseases such as AIDS, ideas, opinions

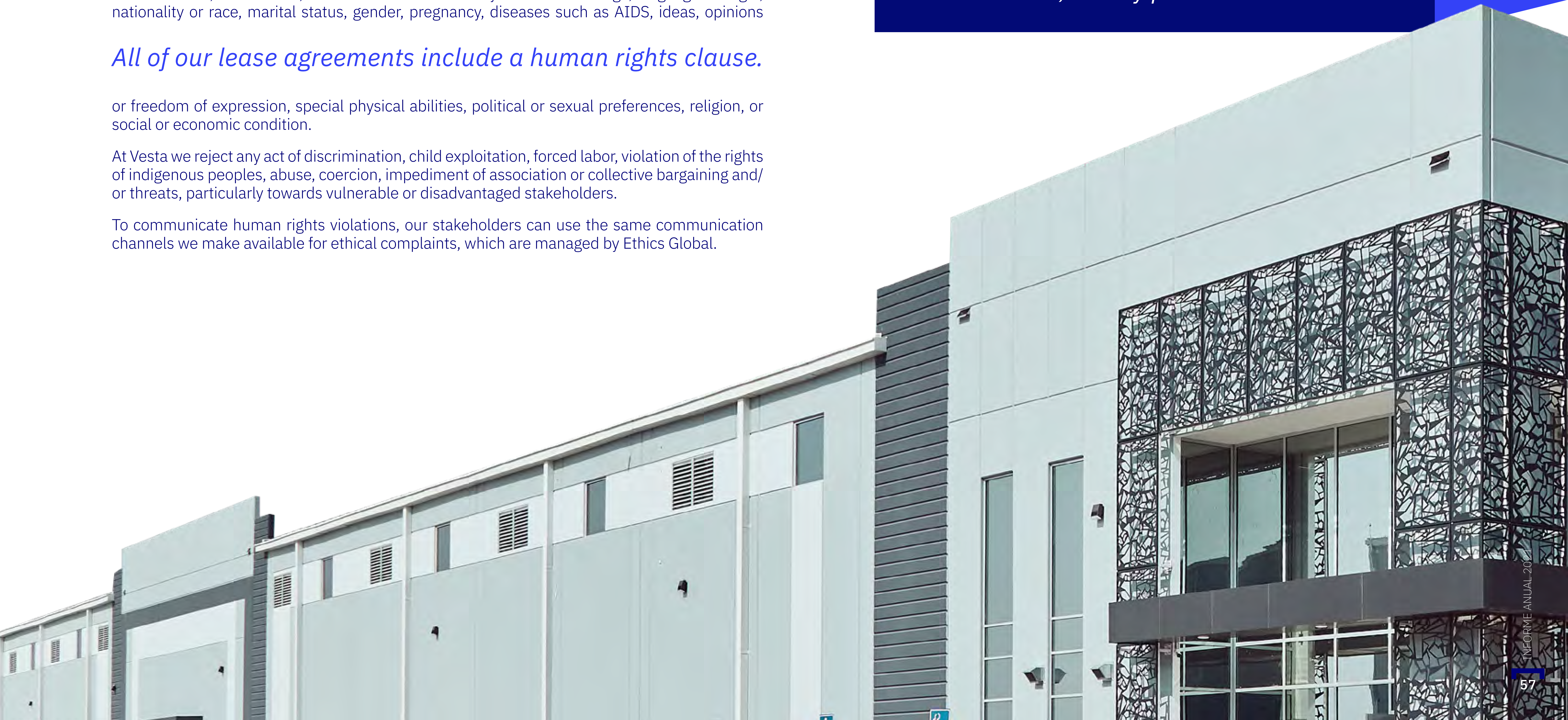
All of our lease agreements include a human rights clause.

or freedom of expression, special physical abilities, political or sexual preferences, religion, or social or economic condition.

At Vesta we reject any act of discrimination, child exploitation, forced labor, violation of the rights of indigenous peoples, abuse, coercion, impediment of association or collective bargaining and/or threats, particularly towards vulnerable or disadvantaged stakeholders.

To communicate human rights violations, our stakeholders can use the same communication channels we make available for ethical complaints, which are managed by Ethics Global.

During the year, we received no reports of human rights violations and therefore were not required to take any actions for remediation, merely prevention.



Collaboration

8 DECENT WORK AND ECONOMIC GROWTH

Our team

2-7, 2-8, 2-19, 2-20, 2-21, 401-1, 401-2, 401-3, 405-1, 405-2

The experience and commitment of the 89 people who make up our team have made us a leading company in Mexico's real estate industry.

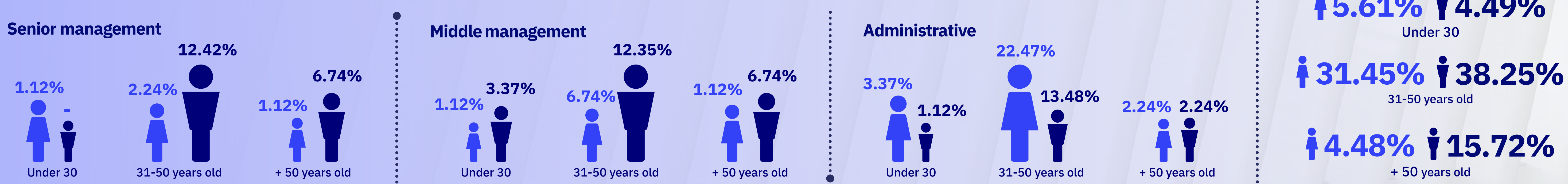
Out of our total workforce, 86 people have a permanent contract and three are working under a temporary contract. All of them work full-time under a hybrid scheme, 70% of their time in Vesta offices and properties and, if their duties permit, 30% from home.

Employees by gender

Total employees

Employees by region

Percentage of employees by gender, age range and position



Our processes for recruiting, selecting, hiring, promoting and evaluating employees are fair and non-discriminatory, as are the salaries and benefits we offer, which are consistent with the professional category of each employees' job.

We are proud of our team; we value the diversity of our workforce, which grows stronger every day as it includes people of different ages, genders, national origin, marital status, ideas, opinions, religions, social and economic situations, orientations and ways of thinking.

We recognize the central role our employees play in our business. We try to enrich our collective talent through committed, innovative people, offering them attractive working conditions like a competitive salary, benefits that exceed regulatory requirements, and a positive work environment where they can learn, grow and advance themselves personally and professionally.

100% of our staff is hired directly by one of Vesta's subsidiaries, and all enjoy freedom of association, although currently we have no employees who are union members at present.

Four new employees joined our team this year.

Vesta is engaged in the development, purchase, sale, administration and rental of industrial buildings. We build our industrial buildings through independent contractors who have their own collective bargaining contracts with their workers.

In 2021 we continued working under a hybrid scheme, so there were no absences to report.

[11] 47 employees work for Vesta Management, S. de R.L. de C.V.; 33 for Servicios de Administración y Mantenimiento Vesta, S. de R.L. de C.V.; and the remaining nine for Corporación Inmobiliaria Vesta, S.A.B. de C.V.; Proyectos Aeroespaciales, S. de R.L. de C.V.; QVC, S. de R.L.; QVC II, S. de R.L. de C.V.; Vesta Baja California, S. de R.L. de C.V.; Vesta Bajío, S. de R.L. de C.V.; Vesta DSP, S. de R.L. de C.V.; Vesta Querétaro, S. de R.L. de C.V.; and WTN Desarrollos Inmobiliarios de México, S. de R.L. de C.V.

[12] Learn more about our contractors and suppliers in the section entitled: Value Chain.

New hires by gender, age range and region 2021

31-50 years

1 woman in the North

1 woman in the Bajío

2 men in the Headquarters

Five employees ended their labor relationship with Vesta for various reasons last year, 100% of which were voluntary.

Employee departures by gender, age range and region

-30 years

1 man in the Bajío

1 man in the Headquarters

31-50 years

1 man in the Central

1 man in the Bajío

+50 years

1 woman in the Headquarters

Employee turnover

Focus group	2018	2019	2020	2021
New hires	16	10	8	4
Dismissals	7	6	10	5
Total employees	90	91	90	89
Turnover	13.5%	8.3%	9.0%	5.0%

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

Vesta offers highly competitive salaries to its employees. Every year we hire an independent consultant to gather information on market salaries, benefits and payroll, among others, to compare against our own. This gives us a wage table organized by job category on which to base our employees' compensation.

Vesta compensation

- Fixed salary
- Variable salary[13]
- Severance pay
- Reimbursements
- Retirement benefits

Total annual pay ratio

The total annual compensation of the highest-paid person in the organization is four times the average for all employees.

The percentage increase in total annual compensation of the highest-paid person in the organization was equal to the average percentage increase in total annual compensation for all employees.

Ratio of base salary per job category and gender

Job category	Ratio of men to women
Senior Management	0.36
Middle Management	0.62
Administrative	0.73

[13] Variable salary is awarded on the basis of each employee's individual results and their meeting of certain targets. For some areas these targets have to do with ESG matters.

Pay ratio by job category and gender

Job category	Ratio of men to women
Senior Management	0.25
Middle Management	0.66
Administrative	0.94

We offer all our employee benefits that exceed federal labor law requirements, ensuring that for each of them, Vesta is the best place to advance professionally.

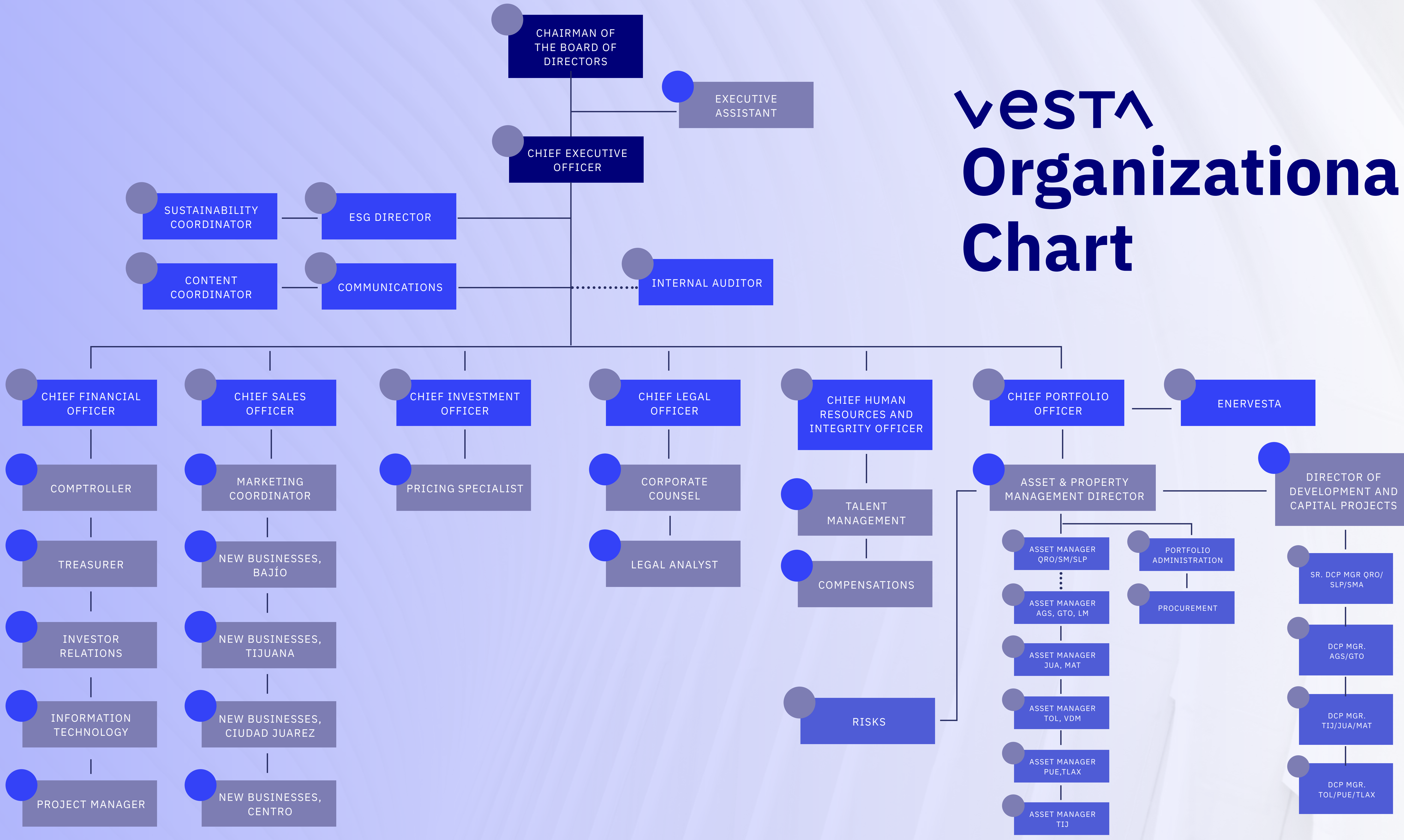
Job benefits

- Performance bonus
- Mandatory year-end bonus based on time with company
- 25% Vacation bonus
- Profit-sharing
- Between six 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

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 three men took parental leave, and 100% of them returned to work after the leave ended.

Organizational Chart



Note. Information to 2021.

Health and safety

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

At Vesta, employee health and safety go beyond preventing accidents, injuries and illness. We have an Occupational Safety and Health System and Policy on Prevention of Psycho-Social Risks aligned with Mexican standard NOM-035, Psycho-Social Risk Factors at Work.

To learn about how our employees feel about working at Vesta and how they perceive their well-being in connection with their jobs, in 2021 we introduced a Wellness Survey, in which 70 employees participated. These were the findings:

51% of respondents were men

40% of respondents were women

70% said they felt satisfied in their jobs

+50% of those surveyed were very happy working from home

30% work during their vacations

22% of employees consider their work from home very productive

50% of employees would like to have a coach

We also offered medical and psychological checks, and on this basis devised an action plan. These were the actions taken in 2021:

- We hired two agencies with expertise in wellness issues to offer advice and talks with an innovative content, aimed at improving our employees' emotional and physical health.
- The talks included a course entitled "Stress Junkies," consisting of four sessions in which they learned about tactics for managing and reducing stress.
- We invited 30 employees to participate in a coaching program of six 30-minute sessions.

Additionally, we are continually reviewing our facilities to make sure they are in optimum conditions and ready to provide everyone a safe visit. We also made an online medical service available through our major medical expense insurance policy, which employees can use 24/7 for assistance with any accident or symptom they may have.

There were no accidents, injuries or fatalities among Vesta employees or contractors this year.

To safeguard the health of our employees, suppliers, tenants and clients in this new post-Covid reality, we have a Health and Safety Operating Standards Protocol and a Parks Protocol, compliant with the guidelines of the Ministry of Health Safety and Hygiene Protocol.

We reinforced Covid prevention measures in our offices in 2021, applying antigen testing more frequently and imposing isolation measures when necessary. We also continued working closely with our tenants to protect everyone's health.

We delivered kits that included face masks, safety glasses, sanitizing wipes and antibacterial gel to all employees and clients visiting our properties.

As employees returned to work in the office, we created a system of staggered desks and restricted spaces, set up acrylic screens in high-traffic areas to avoid direct contact, and reinforced measures to stagger employee presence in the office, in addition to complying with other federal and local regulations.

One issue that has become critical during the pandemic is mental health. Aware of this, we continued our **Vesta Wellness** program, which offers talks to employees on the last Friday of every month on topics like energy management, mindfulness, emotional intelligence, stress, good posture, productivity loss and distraction, burnout, and awareness of our bodies and emotions. These sessions have been very well received. In 2021 an average of 75% of our workforce attended them.

In 2021, with the impact of the pandemic becoming increasingly long-term, we incorporated personal coaching into our wellness program for 40% of our employees, and offered group sessions to discuss specific concerns, as well as a workshop on stress management open to all employees.

As we have been doing for several years, last year we continued to support our employees' holistic wellness by offering a $10,440 pesos subsidiary for annual gym membership, yoga classes, pilates, boxing, spinning, functional training, sports events and sports equipment. If the employee preferred, they could use this subsidy to acquire office tools to facilitate work from home.

WELL *Building Standard*

Vesta's offices, located in Mexico City and Querétaro, are certified by the International WELL Building Institute™, with WELL Building Standard® for our Mexico City offices and the Health and Safety Rating ® for Querétaro.

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

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

Training

404-1, 404-2, 404-3

The pandemic has accelerated digitalization in many Vesta processes, and employee training was no exception. This year, many of the courses we offered were given through digital platforms like Zoom, Teams and Google Meet, which helped not only to improve our teams' abilities in various areas, but also to strengthen digitalization as a part of our daily processes.

The Human Resources area creates training programs aligned with the needs of each employee and team, on topics like English, new tax regulations, leadership, project management, human rights, real-estate investment and emotional salary.

In 2021, we provided 2,230 hours of training to our employees, an average of 26 hours per employee.

Employee training by gender and job category

Job category	Total training hours		Average training hours per year	
	Women	Men	Women	Men
Directors	64	405	21	24
Managers	175	505	29	32
Administrative	706	375	27	20
Total	**945**	**1,285**	**27**	**25**

We have two systems for measuring the skills and abilities of our team and creating personal development plans and succession paths. The first of these is a 360° performance evaluation, conducted every two years, involving analysis by an independent third party and a self-evaluation.

The second is a performance evaluation conducted 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 individual and collective.

Performance evaluations by gender and job category

Job category	Total training hours		Average training hours per year	
	Women	Men	Women	Men
Directors	4	17	5%	19%
Managers	8	20	9%	22%
Administrative	25	15	28%	17%
Total	**37**	**52**	**42%**	**58%**

In 2021, we evaluated the performance of 100% of our employees.

Commitment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Social Commitment

2-23, 2-24, 2-25, 203-1, 203-2, CRE7, 413-1, 413-2

Vesta is committed to improving the lives of people in communities neighboring our properties, so we join forces with various organizations to build development opportunities.

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

We promote economic growth in these communities through knowledge transfer, technology and innovation, job opportunities and connectivity options, while supporting their sustainable development through social investment projects.

Our **Social and Environmental Responsibility and Governance** policy provides guidelines on improving quality of life in the communities around our parks and facilities. One of its tenets is to invest USD 0.1 in the community for every square foot rented, managed and developed every year; then this budget is approved by the Board of Directors. In 2021 this translated into an investment of USD 588,170.

To hear firsthand the opinions of those who reside in our neighboring communities, we carry out consultations, participation plans, social and environmental assessments, and formal processes for channeling grievances and complaints in 100% of these communities.

All of our social investment projects fall under one of three categories of action: education, inclusion and community development. We also continued donating resources to help communities deal with the public health and food emergencies caused by the Covid-19 pandemic.

Annual investment in environmental, social and governance projects (USD)

Year	Amount (USD)
2018	$234,049
2019	$269,086
2020	$618,790
2021	**$588,170**

The projects we support at Vesta are selected according to the criteria we establish in our Social Investment Policy, which can be viewed on our website. This document stipulates that a prime factor in implementation of our social investment initiatives is that they contribute to the development of the communities in the long term, rather than simply offering support in specific or emergency situations, for example, natural disasters or the Covid-19 pandemic.

Social investment projects

For the past 10 years, we have been working to transform the lives of communities where we are present through high-impact social investment projects. We select projects for participation based on our Social Investment Policy. To ensure that the work plan for each project truly meet communities' needs, we appoint experts to conduct a socio-economic, environmental and cultural diagnosis of the communities where we will be intervening.

After that, and before the project is implemented, it is evaluated and approved by the Environmental, Social and Governance Committee, the Executive Chairman of the Board and the CEO of Vesta.

During the life of each project we closely track its impact and record changes in the quality of life and well-being of the community.

In 2021 we carried out:

15 social projects

12 states of Mexico

4,000 people directly benefited

Education

Vesta Walking Together

Seventh year of the program

We promote and monitor the health and overall development of school-age boys and girls and help empower them through the acquisition of life skills. This model involves the participation of teachers as well as parents.

Because of the public health emergency, we adapted and applied a program of online teaching which allows us to reach more schools.

This year we trained teachers in topics like physical, mental and emotional self-care, prevention of violence and environmental care, which helped foster more positive attitudes toward healthy eating and exercise, and knowledge about physical activity, proper rest, mental health and civics.

We also gave a workshop on Covid-19 prevention for parents, who had the opportunity to address their emotions in this context.

Another part of the course offering included gender issues, so we were able to implement our inclusion strategy in this project.

Beneficiaries	31 teachers 701 primary and pre-school children 109 parents
Vesta's Investment	USD 33,500
Partnerships	Fundación Yo Quiero Yo Puedo e IMIFAP, Escuela Preescolar José Peinado Altable (San Blas, Estado de México), Escuela Aurora Reyes Flores, Escuela Ford 180 Bartolomé de las Casas y Escuela José Tristán de la Cruz (Ciudad Juárez, Chihuahua), Escuela Primaria Independencia (Huamantla, Tlaxcala)
Partner Investment	USD 7,605
Location	Chihuahua, Estado de México y Tlaxcala

#ConCiencia 2021 (#Matematiza2)

Fourth year of the program

This program focuses on the notion of science as a fundamentally practical field. Its goal is to promote mathematical-scientific thought through a practical, fun and contextualized approach, encouraging understanding of basic physics and math concepts.

In 2021 workshops were given via Zoom, using the Classroom platform, developing activities in the following areas to guarantee a practical exercise of the skills required for a successful implementation and replication of #ConCiencia:

- Initial assessment
- Explanation of psycho-pedagogical criteria (mathematical)
- Supervised practice
- Feedback
- Illustration
- Final assessment (goal meeting).

#ConCiencia encourages participation to prepare more sophisticated mathematical representations, a connection between the domains of mathematics, arithmetic and algebra and between the disciplines of physics and mathematics.

Beneficiaries	23 teachers 3 schools 572 children
Vesta's Investment	USD 12,600
Partnerships	Escuela Profesor Edmundo Gámez Orozco, Centro Educativo La Fuente, Centro Escolar Nuevo Milenio
Location	Aguascalientes

Adopt a Talent Program (PAUTA)

Fourth year of the program

We encourage scientific talent in children and young people through workshops, courses and activities that help them build knowledge by exploring, experimenting and analyzing the world around them.

The program's activities include teacher training, science clubs, non-intensive continuing education and workshops at the Querétaro campus of UNAM, where parents also participate.

This year seven groups of workshops were opened with a total of 90 children and young people, 82 of them from various municipalities of Querétaro. For the first time, high school groups also attended.

This initiative was recognized as one of the best practices for Mexican companies in the study **Mexican Companies for the 2030 Agenda in the Decade of Action**[14], published by the Mexican Global Compact Network. PAUTA contributes to Sustainable Development Goal 9: Inclusive industry, innovation and resilient infrastructure.

Beneficiaries	16 teachers 191 children 175 young people
Vesta's Investment	USD 18,400
Partnerships	Fundación Dibujando un Mañana, IBM, Fundación Televisa, CONACYT, UNAM Campus Juriquilla
Partner Investment	USD 20,390
Location	Querétaro

[14] Mexican companies for Agenda 2030 in the Decade of Action – Global Compact Mexico

Dream Mexa

Fourth year of the program

This is a comprehensive program that seeks an active intervention in the lives of at-risk youth, their families and communities, bringing them options for advancement, social integration and exercise of their rights. We try to reach residents in conflictive parts of the city in order to reduce the associated risks through both group dynamics and individual follow-up.

We monitored and assisted youth in learning processes through 146 individual interventions and six groups, applying vocational and professional interest tests to help them develop a medium-term life project. We continued providing psychological counseling and guidance so that youth could embark upon their life project in the short term, connecting their areas of interest with skill-strengthening activities.

Beneficiaries	60 youth 70 families
Vesta's Investment	USD 10,500
Partnerships	Universidad Autónoma de Baja California, Fundación Más Humano A.C., SEICA, Instituto de la Juventud de Baja California
Partner Investment	USD 10,859
Location	Tijuana

Inclusion

Inventive women

First year of the program

The goal of this program is to teach girls and young women to be inventors by inspiring, motivating and preparing them to use their empathy to identify problems in their community and to develop solutions creatively and collaboratively, applying their knowledge of science, technology, engineering, art and mathematics (STEAM).

The project has three elements: teacher training, STEAM workshops for girls and development of a STEAM education strategy for the Instituto de la Mujer de Guadalupe.

Through a five-day, 10-hour program, two groups of girls learned about environmental engineering, civil engineering, aerospace engineering, coding and robotics, developing more than 20 prototypes, experiments and activities.

Beneficiaries	39 primary and high school teachers 19 girls (6 to 12 years)
Vesta's Investment	USD 10,000
Partnerships	STEAM for Kids, Instituto de la Mujer de Guadalupe, *Mind the Gap*
Location	Guadalupe, Nuevo León

Community Development

Huejotzingo Resilience

Fourth year of the program

This project involves two initiatives: Empower yourself, an online training and education program in alliance with the United Nations Development Program (UNDP), and A Thousand Extraordinary Women: an economic empowerment program that trains and provides financing to women in the region.

The results of this initiative include:

- 100 entrepreneurs fine-tuned their business models and received personalized mentoring.
- 700 women received methodological assistance.
- 175 hours of online training
- 600 loans extended as of October 2021.

Beneficiaries	100 entrepreneurs 700 women
Vesta's Investment	USD 40,788
Partnerships	UPAEP, CitiBanamex, Fundación Nacional Monte de Piedad, Alianza Microwd: Empresa social española que tiene como objetivo acelerar el desarrollo de comunidades en Latinoamérica ofreciendo servicios financieros a mujeres (microcréditos y créditos) y el PNUD
Partner Investment	USD 118,703
Location	Huejotzingo, Puebla

El Salto Resilience

First year of the program

In the municipality of El Salto, this program offers online training and education in finance, business models, social networks, sales and digital collection methods for sustainable entrepreneurship and development.

In 2021, the first year of this program's development, we prepared a community diagnosis to decide on the problems to be addressed and resolved. In conjunction with Balloon, local government and a nonprofit called Un Salto, we organized a Local Entrepreneurs' Fair, with the following activities and achievements:

- 100 participating entrepreneurs fine-tuned their business models and received personalized mentoring.
- 900 people attended the fair.
- 70 local entrepreneurs participated in the fair, strengthening the local economy by completing the entire training and education program.
- •100,000 pesos in sales at the fair.
- 20 hours of online training
- 3 in-person events to get to know entrepreneurs in the region.

Beneficiaries	100 entrepreneurs
Vesta's Investment	USD 21,000
Partnerships	Mercado Libre, El Municipio El Salto, Sistema B, Balloon y Un Salto
Partner Investment	USD 80,488
Location	El Salto, Jalisco

Education, Training and Employability

Third year of the project

Through this initiative we work to better educate, train and build technical skills for people, accelerating local development and encouraging their academic education, human development and employment.

This year we served people above the age of 15, helping them to complete their studies, initially working with 24 people at the primary school level (literacy) and five people at the high school level.

We introduced other actions as well, like training 92 people in technical and soft skills, and helping to paint a primary school along with parents of the schoolchildren, benefiting 396 students.

We also continued to work with six sports teams, benefiting a total of 70 children and young people.

Beneficiaries	396 children 99 youth 92 community members
Vesta's Investment	USD 16,087
Partnerships	Instituto de Alfabetización y Educación Básica para Adultos (INAEBA), IECA, IMUG, PDH
Partner Investment	USD 6,363
Location	Silao, Guanajuato

Online enterprise

Third year of the project

This is a training program to develop business skills and abilities and create equal opportunities for access to formal jobs, generating economic prosperity and improving standards of living for participants.

It uses a theoretic-practical and explanatory-participative approach to practice basic concepts involved in starting up or improving micro-businesses, using real-life examples and situations.

78% of the program's beneficiaries are women and 22% are men, between 15 and 54 years of age. This year, 56% of participants sought out training to improve their company, 33% to start up a company and 11% simply to be better trained in their area.

All of the entrepreneurs presented a business plan during their formal training. Thanks to this workshop, participants were able to boost their income by an average of 50%.

Beneficiaries	9 young people graduated: 7 women and 2 men 50 youth trained in the online workshop
Vesta's Investment	USD 9,500
Partnerships	ProEmpleo
Partner Investment	USD 4,280
Location	San Luis Potosí

Covid-19 Projects

Thanks to donations by the members of our Board of Directors and the amount Vesta allocates to these activities, we supported 11 social initiatives who work to mitigate the effects of the pandemic. These projects work in alliance with other companies, foundations, nonprofits and agencies to benefit the greatest number of people possible.

Vesta Impact Program

We provide specialized training in Covid-19 management to 800 healthcare professionals and assistance for family members affected by the virus, as well as economic aid for 100 nursing school students who demonstrated exceptional achievement and vocation.

The training was given in four programs: ABCs of caring for Covid-19 patients, first aid at home, psychological first aid, and nutrition in times of Covid.

Investment	USD 27,421
Beneficiaries	7,763 healthcare professionals and their families 100 nursing students
Partnerships	Instituto Salus
Location	Mexico State

Support Tijuana

We donated to the healthcare sector, providing medical infrastructure, personal protection equipment and supplies that benefit more than 125,000 people each month.

Donations of personal protection equipment:

1,000
pairs of protective glasses

1,000
KN95 facemasks

10,000
pairs of nitrile gloves

2,100
pairs of shoe covers

350
Tyvek coveralls

We also made weekly donations of food and hygiene products to institutions that support vulnerable people affected by the pandemic.

Inversión	USD 9,756
Alianzas	Apoyemos Tijuana
Ubicación	Tijuana

Antibacterial Gel Dispensers with Thermometers

We donated 40 contactless antibacterial gel dispensers equipped with thermometers for use in various areas and points of the Zumpango Regional Specialties Hospital.

Investment	USD 5,854
Beneficiaries	850 trabajadores del hospital
Partnerships	Fluídica
Location	Mexico State

Handwashing Stations

To help schools prepare for a safe return to the classroom, we helped them build handwashing stations.

Each station was built with:

- 3 sinks with soap dispensers and hand-drying equipment
- A continuous source of water supply
- Distribution of wastewater to sewage lines.

Investment	USD 6,341
Beneficiaries	Students in two schools
Partnerships	Construyendo
Location	Mexico State

Covid 19 Care Center

We donated basic medical equipment to the Tijuana General Hospital for the care and treatment of patients with Covid-19 and other illnesses.

Medical equipment donated:

- **34** overbed tables
- **20** commercial supply carts
- **20** 12-liter buckets and trolleys
- **20** bucket trolleys
- **20** sinks
- **7** chrome Mayo tables
- **7** Mayo trays

Inversión	USD 9,756
Beneficiarios	160 inpatients 20 emergency room patients 6 intensive care patients
Alianzas	Patronato Pro Hospital Civil de Hospital Civil de Tijuana, A.C.
Ubicación	Tijuana

Capital for you

To help people affected by the pandemic to keep up with their work and their businesses, this program offered personal loans under preferred conditions to individuals residing in Mexico City, averaging 30,000 pesos, and assistance on making the best use of the money.

Investment	USD 48,780
Beneficiaries	+7,500 people 250 signed up on the platform 45 preapproved loans 17 offers accepted 8 files completed pending signing 11 loans granted
Partnerships	Corazón Capital, Financiera Nacional Monte de Piedad y ProEmpleo
Location	Mexico City

Covid-19 Kits: Hospital Supplies

Through this initiative, we donated medical equipment to several hospitals in Mexico City and the metropolitan area. The hospitals were chosen using an algorithm designed by PYMO, which analyzed the need and emergency services of these medical centers, to maximize the impact of the donated supplies.

Donations:

15,000 pieces of personal protection equipment

3,000 facemasks

3,000 cKN95 facemasks

3,000 surgical gowns

3,000 pairs of shoe covers

3,000 gloves

Investment	USD 13,480
Beneficiaries	Hospital Escandón Hospital Materno Infantil Guadalupe Victoria Cruz Roja Mexicana Huixquilucan
Partnerships	PYMO
Location	Mexico City and Mexico State

Covid 19 PPE Support

We supported the Ciudad Juárez Department of Civil Defense, supplying 11 firefighting stations with personal protection equipment and material to deal with the pandemic

Personal protection equipment donated:

- 120 trashcans
- 12 soap dispensers
- 30 pairs of gloves
- 60 facemasks
- Antibacterial gel
- Hand soap
- Chlorine and multipurpose disinfectant
- Disinfectants
- Thermometers

Investment	USD 1,840
Beneficiaries	+125,000 people per month
Partnerships	Protección Civil
Location	Ciudad Juárez

Safe Schools*

We helped six schools prepare for a safe return to the classroom and reduce the risk of Covid-19 contagion by donating supplies, signage, protocols and emotional counseling.

Investment	USD 10,676
Beneficiaries	Students and teachers
Partnerships	PYMO
Location	Mexico State

Opening Access: Continuing Education Program*

This is a program that has been helping disadvantaged students at the Universidad Autónoma de Baja California (UABC) since 2008 by providing them with laptops so they can have the appropriate tools for learning.

With the pandemic, the use of computers in education became essential for students. The UABC identified almost 3,000 students with difficulties in accessing online connectivity, which is a considerable challenge to educational equality and can have consequences for vulnerable students' development.

Vesta contributed to the UABC fund to acquire 500 laptops to be assigned to students at any of the state university's campuses.

Investment	USD 14,634
Beneficiaries	20 students
Partnerships	Fundación Universidad Autónoma de Baja California
Location	Tijuana

Pilot Program to Transform a Bricks-and-Mortar School to a Virtual Educational Campus*

The goal of this project is to re-equip and transform school facilities based on a collaborative model of teaching and a combination of classroom/virtual learning, to serve as a replicable pilot for reducing educational delays and improve the performance of both students and teachers.

We participated in this pilot program to transform a bricks-and-mortar school to a hybrid model (combining classroom and online education). The goal is to not only improve students' and teachers' performance but to remediate some of the educational lag caused by the pandemic.

Investment	USD 53,073
Beneficiaries	570 students
Partnerships	Fundación Tú Más Yo, A.C.
Location	Tijuana

* Because these initiatives were begun in December 2021, their results will be reported in the 2022 Vesta Annual Report.

Other Vesta social activities

Vesta Challenge 2021

Third year of the project

Our bicycling-for-a-cause event raises money to support our social investment projects. Since pandemic conditions had improved and the proper health protocols were in place, we were able to hold this third annual race in person.

Participants	500 bicyclists
Amount raised	USD 88,795
Partnerships	18 sponsors
Location	Querétaro

*This amount will be allocated to social projects for 2022.

Baja Challenge

Sixth year of the program

We helped build a home for a vulnerable family in Tijuana, with the voluntary support of 12 employees.

Beneficiaries	1 family of 4 members
Investment	USD 6,341
Partnerships	Project Mercy, WareMalcomb
Location	Tijuana

Construyendo
Sixth year of the program

We helped build a classroom for a vulnerable community in Mexico State.

Beneficiaries	102 students
Investment	USD 9,756
Partnerships	Construyendo, Nexxus Capital, DESC
Location	Mexico State

Godparents Program
11th year of the program

This year we carried out the project in partnership with Childfund. Our employees donate their time to interact with the children sponsored with Vesta donations. In 2021 we sponsored 50 boys and girls, interacting with them through handwritten letters from employees.

Beneficiaries	50 children
Investment	USD 10,800
Partnerships	Childfund México
Location	Puebla

Castro-Limón Race
Fifth year of the project

For the past five years, we have sponsored a bicycle race organized by the Castro-Limón Foundation to benefit children with cancer. This year we had 1,500 bicyclists participating virtually, on stationary bikes at home or on the route of their choice.

Beneficiaries	5 children
Vesta Investment	USD 5,000
Partnerships	Fundación Castro Limón
Location	Tijuana

Environmental

Shared transparency

IF-RE 410.2

We are committed to steadily increasing the amount of information we report on the environmental management of our properties. Since 2018 we have been working to gather and report on environmental data relating to our office and common areas as well as our tenants' spaces.

Energy and water consumption and activities in our buildings are controlled by our tenants, whom we encourage to adopt sustainable practices through the **ESG Guide for Tenants**, and we invite them to report their environmental impact voluntarily by adopting a green clause.

This year, we obtained data on consumption by 106 tenants, accounting for 61% of our occupied industrial bays, which in turn represent a leasable area of 14,092,886 square feet, equivalent to 45% of gross leasable area (GLA)[15].

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

To determine the maturity status of the main indicators on common and leased areas we carried out a number of initiatives, which included continuing training for the asset management team on ESG matters and collecting data on common areas. Additionally, we recorded our environmental information in the ENERGY STAR system.

Our tenants receive virtual training on the importance of compiling data and on industry trends. We also conducted various Green Assessments and Green PCAs for a substantial portion of our portfolio, enabling us to determine which properties were ready for certification and under what parameters. Furthermore, in 2021 we conducted audits of our industrial parks at Silao and Aguascalientes.

Another area we focused on was training and informing key interested parties, contractors, subcontractors and suppliers about the variety of strategies that may be used during construction and renovation to minimize the negative impact on occupants, operations, the environment and society.

Toward our goal of obtaining green certification for at least 20% of our GLA by the year 2026, we incorporate best ESG practices and trends into the construction of our assets, so that we are better prepared for both construction and operating certifications, reducing operating costs and environmental impact and increasing value for our stakeholders.

[15] Because this is a voluntary exercise, not all of our tenants shared this information on all aspects nor for the entire year, so the scope of the metrics is specified case-by-case.

Management of materials

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

As developers of industrial buildings, we have an environmental and social impact (both positive and negative) at the time of construction, and this affects the building's operating efficiency, the health and comfort of its occupants and the community around it. With this in mind, since 2021 we have been applying the Vesta Sustainable Construction Manual, whose purpose is to create the most sustainable and resilient buildings possible by requiring contractors to meet five essential requirements:

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.

Water efficiency. Establish rainwater capture and reuse systems, install water-saving equipment, plant native vegetation with minimal irrigation requirements, and treat wastewater to minimize the use of fresh water.

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.

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.

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.

In the interests of innovation and remaining at the cutting edge of industry trends, this year we modified and updated some of the manual's content to include issues that enable us to fulfill our ESG strategy more effectively and reduce our environmental impact before, during and after construction. The following are the most important new sections added:

- **Biodiversity**
- **Resilience and climate change**
- **Embodied carbon**
- **Innovation**
- **Waste Management**
- **Social responsibility during construction**

Our contractors must complete a checklist indicating how they applied the manual's requirements before, during and after construction. This helps us measure the environmental and social impact of the buildings.

To complement these initiatives, and line with the KPI of the sustainability-linked bond we issued this past year, 2,864,599 square feet of our GLA, equivalent to 9.2% of the total, has Leadership in Energy and Environmental Design (LEED) Certification[16] In 2021 we added 300,000 square feet of newly certified area, but the total percentage was less than in 2020 due to the sale of two LEED-certified properties that together amounted to 999,999 square feet.

According to the US Green Building Council, a LEED-certified building can save up to 30% in CO_2 emissions per year.

[16] LEED is a system for certifying sustainable buildings, developed by the US Green Building Council. Through a system of points, a building can earn one of the four possible levels of certification: 40 to 49 points, LEED certification; 50 to 59 points, LEED Silver, 60 to 79 points, LEED Gold; and 80 points and over, LEED Platinum.

LEED-certified assets

Building	Region	Square feet GLA	Certification Level	Year certified
PUE-03	Central	134,172	Certified LEED v4 BD+C:CS	2021
Q-1exp	North	143,601	Silver LEED V4 BD+C:CS	2021
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	532,232	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
Bombardier MA2	Bajío	228,270	LEED Silver	2014
Bombardier J85	Bajío	183,675	LEED	2013
Total		**2,864,599**		
% of total portfolio with LEED		**9.2%**		

Energy management

302-1, 302-2, 302-3, CRE1, IF-RE-130a.1, IF-RE-130a.2, IF-RE-130a.3, IF-RE-130a.5. TCFD Metrics and targets c)

We use electrical energy supplied primarily by the Federal Electricity Commission (CFE), in addition to 208 solar panels installed in our parks at Toluca, Tlaxcala and Aguascalientes. We use electricity for powering our common areas and our offices in industrial parks and headquarters. We also use diesel in our fire-fighting systems

Our target is to achieve a 20% reduction in energy consumption in our common areas and offices by the year 2025, using 2019 as the base year.

Fuel consumption for offices and common areas

(Scope 1)*

Type	kWh	GJ
Diésel	20,542	810
Total	**20,542**	**810**

*Starting in 2021 we are including fuel consumption at the Vesta Park Guadalajara.

[17] Vesta has a total of 515 solar panels.

Electricity consumption for offices and common areas

(Scope 2)*

Type	kWh	GJ
Conventional	2,312,771	8,326
Solar	13,331	48
Total	**2,326,102**	**8,374**

*Starting in 2021 we are including fuel consumption at the Vesta Park Guadalajara.

Fuel consumption for offices and common areas 2019-2021 (GJ)

(Scope 1)*

Year	GJ
2019	734.6
2020	825
2021	810

*Starting in 2021 we are including fuel consumption at the Vesta Park Guadalajara.

Electricity consumption for offices and common areas 2019-2021 (GJ)

(Scope 2)

Year	GJ
2019	5,118
2020	7,637
2021	**8,326**

*Starting in 2021, we are including fuel consumption at the Vesta Park Guadalajara.

Energy intensity for offices and common areas 2019-2021 (kWh/m²)

(Scope 2)

Year	m²
2019	0.92
2020	1.84
2021	**1.99**

Note: The 2020 energy intensity for offices and common areas was corrected due to a recalculation in the common area of the Querétaro and San Luis Potosí parks.

*Starting in 2021, we are including energy consumption at the Vesta Park Guadalajara.

The energy intensity of operations managed by Vesta in the year 2021 resulted in a consumption of 1.99 kWh per m², factoring in 2,312,771 kWh electric energy consumption and 12,482,659 square feet ofcommon areas and offices.[18]

This year the tenants who reported information consumed 249,954,744 kWh, equivalent to 899,837 GJ of electrical energy.

[18] Visit our Social Responsibility, Environment and Governance Policy at: https://vesta.com.mx/misc/pdfs/SocialResponsibility.pdf

Indirect consumption of energy in tenant operations 2021

(Scope 3)*

Type	kWh	GJ
Convencional	249,954,744	899,837
Total	**249,954,744**	**899,837**

*Starting in 2021 we are including fuel consumption at the Vesta Park Guadalajara.

Indirect consumption of energy in tenant operations 2021

(Scope 3)*

Tipo	Litros	GJ
Diésel	790,964,667	31,199,320
Total	**790,964,667**	**31,199,320**

*Starting in 2021 we are including energy consumption by tenants at the Vesta Park Guadalajara.

Indirect consumption of energy in tenant operations 2019-2021

(Scope 3)*

Year	GJ	% of reported GLA
2019	904,692	8%
2020	464,545	26%
2021	**899,837**	**45%**

Calculations based on absolute data.

*Starting in 2021 we are including fuel consumption by tenants at the Vesta Park Guadalajara.

Note. The percentage of GLA reported in 2020 changed due to a correction in the areas of tenants who shared information for that year.

Water management

303-1, 303-2, 303-3, 303-5, IF-RE-140a.1, IF-RE-140a.2, IF-RE-140a.3, IF-RE-140a.4, IF-RE-410a.2
TCFD Métricas y objetivos c)

We use water primarily for sanitation services in all our facilities and for watering green areas, and most of it comes from the municipal supply, some from subsoil wells and some occasionally water tanker trucks.

The main water impact derived from Vesta's park operations and that of our 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, as well as compliance with current regulations, with our Sustainable Construction Manual and checklist, and the ESG Guide we share every year with our tenants, along with the signing of a "Green Clause" in our lease agreements.

Extraction and consumption of water for offices, common areas and tenants 2021*

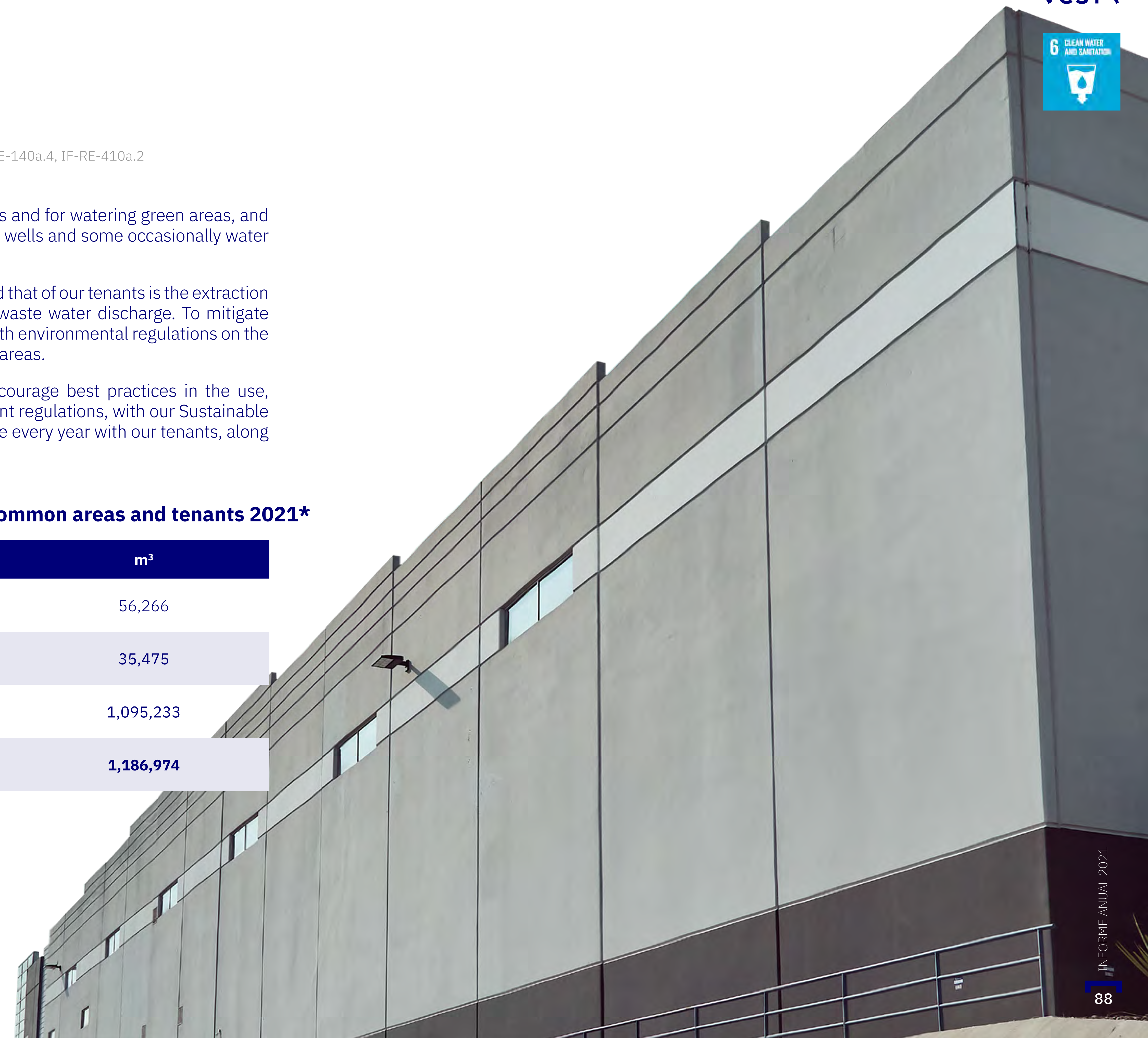
Source	m^3
Municipal supply for common areas and offices	56,266
Extraction for outside water (WWTP)**	35,475
Tenant Consumption	1,095,233
Total * **	**1,186,974**

*100% of the water we consume at Vesta comes from water stressed areas.

**WWTP: Wastewater Treatment Plant

*** Beginning in 2021, includes data relating to water consumption by tenants at Vesta Park Guadalajara.

This consumption was calculated on the basis of information from logs kept by tenants and Vesta's administrative areas.



Water consumption 2019-2021 (m³)*

Year	Offices and common areas	Tenants	
	m³		% of reported GLA
2019	107,047	1,227,320	8%
2020	59,041	532,012	26%
2021	**56,266**	**1,095,233**	**43%**

Note. The percentage of GLA reported in 2020 changed due to a correction in the areas of tenants who shared information for that year.

*Beginning in 2021, includes data relating to water consumption by tenants at Vesta Park Guadalajara.

At the Aguascalientes, Puebla and Toluca parks, we water green areas using the water from our wastewater treatment plants (WWTP). The water we discharge into the municipal network and treated water has the quality required under Official Mexican Standards. In 2021, we treated 35,475 m^3 of wastewater.

During the year, we received no complaints or reports of significant spills or impacts from our activities relating to water.

Our goal is to achieve a 20% reduction in water consumption in our common areas and offices by the year 2025, using 2019 as the base year.

Emissions management

305-1, 305-2, 305-3, 305-4. TCFD Metrics and targets b) and c)

Most of our greenhouse gas emissions come from the consumption of electrical energy by our tenants and their operations and, to a lesser extent, our own use of electricity in offices and common areas, and diesel consumption for firefighting systems.

2021 GHG Emissions*

Scope 1 Consumption of fuel for offices and common areas	**57** Ton CO_2e
Scope 2 Consumption of electricity for offices and common areas	**978** Ton CO_2e
Scope 3	
• Indirect energy consumption from tenant operations	**105,730** Ton CO_2e
• Indirect fuel consumption from tenant operations	**2,208,207** Ton CO_2e
• Indirect fuel consumption for air travel by employees	**29** Ton CO_2e
TOTAL:	**2,313,966** Ton CO_2e

*Beginning in 2021, includes data relating to GHG emissions by tenants at Vesta Park Guadalajara.

Our target for the year 2025 is to reduce scope 1 and 2 emissions by 20%, using 2019 as the base year.

For the first time, in addition to the direct scope 3 emissions we report from energy consumption by tenants, we are including the emissions caused by their fuel consumption, as well as by 199 airline trips, equivalent to 251,400 km of travel by our employees for Vesta activities in 2021.

GHG Emissions 2019-2021*

Year	Scope 1	Scope 1	Scope 3	
	MTon CO_2e			% of reported GLA
2019	50	718	126,908	8%
2020	61	1,016	65,165	26%
2021	**57**	**978**	**105,730**	**45%**

Note. The percentage of GLA reported in 2020 changed due to a correction in the areas of tenants who shared information for that year.
*Beginning in 2021, includes data relating to GHG emissions by tenants at Vesta Park Guadalajara.

Emission intensity Scope 2 2019-2021
(Ton CO_2e/m^2)

Year	Ton CO_2e/m^2
2019	0.00046
2020	0.00093
2021	**0.00084**

Emission intensity Scope 3 2019-2021
(Ton CO_2e/m^2)

Year	Ton CO_2e/m^2
2019	0.103
2020	0.022
2021	**0.037**

Notes on the calculation of emissions:

- We used the emission factor of 0.423 metric tons of CO^2/MWh supplied by the National Electrical System for 2021.
- The source of our emission factors was direct operations.
- We used the operational control approach for consolidating emissions.
- To calculate emissions from air travel, we used the following tool: https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx

Waste management

306-1, 306-2, 306-3, 306-4, 306-5. TCFD Métricas y objetivos c)

The waste generated at Vesta comes primarily from our tenants' activities, and to a lesser extent our own operations. In both cases, nonhazardous waste is sent to landfill and hazardous waste is treated by a certified specialist.

To reduce waste generation, we encourage our suppliers to employ circularity practices and we require that they abide by our Sustainable Sourcing Policy, which establishes that materials sourced should be reusable, made with a certain percentage of recycled material, contain little or no packaging, or packaging made with recyclable materials, minimize and help conserve resources, contain no toxic ingredients or substances, be biodegradable, and minimize atmospheric emissions.

This past year, we designed a Waste Management Plan for our parks and our offices, which will be in effect starting 2022. The purpose of this plan is to harmonize Vesta information (offices and common areas) and facilitate waste management and handling in the future.

Waste generated in offices and common areas by type
(metric tons) 2021*

Type	Metric tons
Hazardous	0
Non-hazardous	884
Total	**884**

*Beginning in 2021, includes data relating to waste generation at Vesta Park Guadalajara.

Waste generated in tenant operations by type
(metric tons) 2021*

Type	Metric tons
Hazardous	2,858
Non-hazardous	18,013
Total	**20,871**

*Beginning in 2021, includes data relating to waste generation by tenants at Vesta Park Guadalajara.

Of the 20,871 tons of waste generated by our tenants, 11,498 tons were recycled, so this waste was not sent to landfill, nor was it destined for disposal.

We target a 50% increase in the amount of waste recycled and/or reused by 2025, using 2019 as the base year.

Waste generated in parks and offices by type 2019-2021
(metric tons)

Year	Hazardous	Non hazardous
	Metric tons	
2019	241	244
2020	0	24
2021	**0**	**884**

*Beginning in 2021, includes data relating to waste generation at Vesta Park Guadalajara.

Waste generated in tenant operations by type 2019-2021
(metric tons)*

Year	Metric tons	% of reported GLA
2019	822,132	5%
2020	6,236	16%
2021	**20,871**	**26%**

Note. The percentage of GLA reported in 2020 changed due to a correction in the areas of tenants who shared information for that year.

*Beginning in 2021, includes data relating to waste generation by tenants at Vesta Park Guadalajara.

In 2021, we received no fines, sanctions or claims relating to non-compliance with environmental regulations in terms of waste.

About this report

2-1, 2-3, 2-4, 2-5, 2-6, 2-14

This Vesta Annual Report shares with stakeholders the results of our economic, corporate governance, labor, social, environmental and financial efforts during the year 2021.

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 does not include information on contractors or other entities; only tenants, in the cases where this is specified.

For the second year in a row, as part of our best ESG performance practices, we conducted audits of certain suppliers, and we specify when information on their operations is presented.

Vesta has prepared this report in accordance with Global Reporting Initiative (GRI) standards for the period from January 1 to December 31, 2021, as well as the GRI industry supplement for Construction and Real Estate. We have also incorporated the indicators of the Sustainability Accounting Standards Board (SASB) applicable to the real-estate and real-estate services industries. Any restatement of information from prior years is noted on a case-by-case basis.

Our senior management was involved in the drafting of this report, providing their perspectives on the material issues and relevant milestones of the year. Furthermore, the ESG, Communication and Legal department are responsible for reviewing and approving the final version of the 2021 Vesta Annual Report.

Additionally, in the interests of improving the quality of the information we disclose on climate change, for the second year in a row we carried out a gap analysis to determine our maturity in the management of climate related risks and opportunities, in line with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). In this document we disclose our salient findings on the core topics of governance, strategy, risk management, metrics and targets.

External assurance for the 2021 Vesta Annual Report was provided by Valora Consultores.

Memberships, recognitions and certifications

- Principles for Responsible Investment (UN PRI) – members since 2020.
- DJSI MILA - Members since 2019. We moved up 9 notches in this index from 2020.
- GRSEB – In 2021, we ranked fourth among nine (listed) public industrial funds, and among the top ten Industrial funds in the Americas.
- S&P/BMV Total ESG – Vesta is one of the companies included in this index.
- CDP – We obtained a D Rating in climate change assessment and C- in the value chain commitment rating.
- EcoVadis - We obtained a platinum medal for our ESG management and were recognized as Best Performer The Americas for our results in that assessment, in the category of small and mid-sized companies.
- WELL Building Standard – members since 2017.

Park certifications

- Certification of compliance with standard NMX-R-046-SCFI-2015 (Industrial Parks) from the AMPIP for Vesta Park Querétaro, Vesta Park Toluca II, Vesta Park Juárez I, Vesta Park Puebla and Vesta Park San Luis Potosí

Corporación Inmobiliaria Vesta, S.A.B. de C.V.[19]

2-2

Issuer and publicly traded corporation

Real estate company holdings

- 100% QVII, S. de R.L. de C.V.
- 100% Vesta Querétaro, S. de R.L. de C.V.
- 100% QVC, S. de R.L.
- 100% Proyectos Aeroespaciales, S. de R.L. de C.V.
- 100% Vesta Bajío, 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.
- 100% Ener Vesta, S. de R.L. de C.V.

This 2021 Vesta Annual Report includes information on the ESG performance of this company, which are the same as those included in our financial report.

[19] Corporación Inmobiliaria Vesta, S.A.B. de C.V. Ticker symbol "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.

VALORA SOSTENIBILIDAD E INNOVACION
www.valoraconsultores.com

MADRID - A CORUÑA - AMSTERDAM
BARCELONA – LONDON – PARIS – ISTANBUL
MEXICO CITY – GUATEMALA CITY – PANAMA CITY - QUITO

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 Managemen Corporación Inmobiliaria Vesta, S.A.B. de C.V. and subsidiaries "Vesta",

As per your request, we were required to provide a limited level of assurance about the information content on the 2021 Annual Report of Vesta (hereinafter "Annual Report"), for the period January 1st to December 31st , 2021.

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

Vesta Management has been responsible for the preparation, content and presentation of the "Annual Report", including the compliance with the requirements for conformity in the application of the GRI and SASB 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:

- Selección de información a verificar con base en la materialidad y conocimiento previo de la compañía.
- 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 2021 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, 31th, May, 2022

VALORA SOSTENIBILIDAD E INNOVACION
www.valoraconsultores.com

MADRID - A CORUÑA - AMSTERDAM
BARCELONA – LONDON – PARIS – ISTANBUL
MEXICO CITY – GUATEMALA CITY – PANAMA CITY - QUITO

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**
2-7	Information on employees and other workers
2-20	Process for determining remuneration
2-26	Mechanisms for advice and concerns about ethics
3-1	Defining report content and topic Boundaries
3-2	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
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
305-4	GHG emissions intensity
306-4	Waste diverted from disposal
308-1	New suppliers that were screened using environmental criteria
Social	
401-1	New employee hires and employee turnover
403-5	Training of workers on health and safety at work.
403-9	Work-related injuries
404-1	Average hours of training per year per employee
404-2	Programs to improve employee skills and transition assistance programs.
405-1	Diversity of governance bodies and employees
405-2	Ratio of base salary and remuneration of women compared to men.
414-1	New suppliers that have passed selection filters according to social criteria.
Construction and Real State Sector Supplement of the GRI Guide version G4	
CRE1	Energy intensity in buildings.
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.C	Number of buildings managed with operational control of the owner.
IF-RS-000.D	Number of Leases Negotiated, 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.2	(1) Total energy consumed by area of the portfolio that has data coverage, (2) percentage of electricity from the network and (3) percentage of renewables, by real estate 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-130a.5	Description of how building energy management considerations are integrated into real estate investment analysis and operating strategy.
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-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
IF-RE-450a.2	Description of the analysis of exposure to climate change risk, degree of systematic exposure of the portfolio and strategies to mitigate risks.

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

Fin del documento.

GRI Content Index

Universal Standards

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
GRI 1 Foundation 2021			
GRI 2 General Disclosures 2021			
1. THE ORGANIZATION AND THE REPORTING PRACTICES			
GRI 2 General Disclosures 2021	2-1	Organizational details	11, 93
	2-2	Entities included in the organization’s sustainability reporting	95
	2-3	Reporting period, frequency and contact point	93
	2-4	Restatements of information	93
	2-5	External assurance	93
2. ACTIVITIES AND METRICS			
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	6, 9, 11, 12, 15, 33, 93
	2-7	Employees	59
	2-8	Workers who are not employees	59
3. GOVERNANCE			
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	38
	2-10	Nomination and selection of the highest governance body	38
	2-11	Chair of the highest governance body	38
	2-12	Role of the highest governance body in overseeing the management of impacts	38, 47
	2-13	Delegation of responsibility for managing impacts	18, 38
	2-14	Role of the highest governance body in sustainability reporting	93 The Environmental, Social and Governance Committee, the Legal Counsel and the ESG Direction are responsible for the Annual Report's approval.
	2-15	Conflicts of interest	53

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
	2-16	Communication of critical concerns	38
	2-17	Collective knowledge of the highest governance body	38
	2-18	Evaluation of the performance of the highest governance body	38
	2-19	Remuneration policies	38, 59
	2-20	Process to determine remuneration	38, 59
	2-21	Annual total compensation ratio	59
4. STRATEGY, POLICIES AND PRACTICES			
GRI 2 General Disclosures 2021	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	18, 53, 68
	2-24	Embedding policy commitments	18, 53, 68
	2-25	Processes to remediate negative impacts	18, 53, 68
	2-26	Mechanisms for seeking advice and raising concerns	53
	2-27	Compliance with laws and regulations	During 2021 we were not subject to any fine or sanction. However, this year we paid a fine of $10,295 pesos for surcharges and updates for an unpaid difference in the registration and surveillance fee of the National Banking and Securities Commission (CNBV).
	2-28	Membership associations	28
5. STAKEHOLDER ENGAGEMENT			
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement	12,27
	2-30	Collective bargaining agreements	Not applicable.
GRI 3 MATERIAL TOPICS 2021			
GRI 3 Material topics 2021	3-1	Process to determine material topics	22
	3-2	List of material topics	22
	3-3	Management of material topics	22

Topic-specific Standards

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
GRI 200: ECONOMIC STANDARDS			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	35
	201-2	Financial implications and other risks and opportunities due to climate change	47
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	68
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	During 2021 we did not assess our operations for risks related to corruption.
	205-2	Communication and training about anti-corruption policies and procedures	53
	205-3	Confirmed incidents of corruption and actions taken	53
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	53
GRI 207: Tax 2019	207-1	Approach to tax	The Finance Director is in charge of reviewing and approving the fiscal strategy, which must be presented to the Audit Committee. At Vesta we comply with the applicable regulations on this matter established by government authorities, so we do not integrate tax strategies into our processes.
	207-2	Tax governance, control, and risk management	We evaluate compliance with the fiscal governance and control framework with the periodicity in which tax payments must be submitted and the correct way of calculating them. In addition, we present a tax opinion each fiscal year reviewed by external auditors, in the notes of the financial statements mention is made of tax compliance.

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
GRI 207: Tax 2019	207-3	Stakeholder engagement and management of concerns related to tax	Our suppliers have to deliver their letter of compliance with obligations, we verify that they are not on the SAT blacklist, the works are registered with the IMSS and at the end they must present the payment of their obligations in order to pay the settlement. In addition, in the Audit Committee, which is held every three months, tax issues of interest can be communicated, those that may affect the organization and the measures that must be taken. In this same session, the committee itself requests the General and Finance Areas to involve an external expert to help in the implementation of the changes and in the review of the results, in such a way that we avoid omissions or errors.
GRI 300: ENVIRONMENTAL STANDARDS			
GRI 302: Energy 2016	CRE 1	Building energy intensity.	86
	302-1	Energy consumption within the organization	86
	302-2	Energy consumption outside of the organization	86
	302-3	Energy intensity	86
	302-5	Reduction in energy requirements of products and services	84
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	88
	303-2	Management of water discharge-related impacts	88
	303-3	Water withdrawal	88
	303-5	Water consumption	88
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	90
	305-2	Energy indirect (Scope 2) GHG emissions	90
	305-3	Other indirect (Scope 3) GHG emissions	90
	305-4	Intensity of GHG emissions	90

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
GRI 306: Waste 2020	CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations.	In 2021, we did not remediate any asset as a result of Vesta's activities or of our tenants.
	306-1	Waste generation and significant waste-related impacts	92
	306-2	Management of significant waste-related impacts	92
	306-3	Waste generated	92
	306-4	Waste diverted from disposal	92
	306-5	Waste directed to disposal	92
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	15
	308-2	Negative environmental impacts in the supply chain and actions taken	15
GRI 400: SOCIAL STANDARDS			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	59
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	59
	401-3	Parental permission	59
GRI 403: Occupational Health and Safety 2017	403-1	Occupational Health and Safety Management System	63
	403-2	Hazard identification, risk assessment and incident investigation	63
	CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	Not applicable.
	403-3	Occupational Health Services	63
	403-4	Worker participation, consultation and communication on occupational health and safety	63
	403-5	Training of workers in occupational health and safety was added	63
	403-6	Promotion of the health of the worker was added	63
	403-7	Prevention and mitigation of occupational health and safety impacts linked to commercial relations was added	63
	403-9	Work-related Injuries was added	63

GRI STANDARD		DISCLOSURE	PAGE OR RESPONSE
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	65
	404-2	Programs for upgrading employee skills and transition assistance programs	65
	404-3	Percentage of employees receiving regular performance and career development reviews	65
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	59
	405-2	Ratio of basic salary and remuneration of women to men	59
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	53
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	53
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	53
GRI 409: Forced of Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	53
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	At Vesta we have no security personnel.
GRI 413: Local Communities 2016	CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	68
	413-1	Operations with local community engagement, impact assessments, and development programs	68
	413-2	Operations with significant actual and potential negative impacts on local communities	68 During 2021 we did not report any incidents of this kind.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	15
	414-2	Negative social impacts in the supply chain and actions taken	15
GRI 415: Public Policy 2016	415-1	Political contributions	At Vesta we do not contribute to political parties.
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.	84
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2021 we did not report any incidents of this kind.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53

SASB Content Index

SASB STANDARD		DISCLOSURE	PAGE OR REPONSE
REAL ESTATE: Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	86
	IF-RE-130a.2	1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	86
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector.	86
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) 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 property investment analysis and operational strategy	86
REAL ESTATE: Water Management	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	88
	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	88
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	88
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	88
REAL ESTATE: Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiencyrelated capital improvements and (2) associated leased floor area, by property subsector	At Vesta we do not provide these services.
	IR-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	83, 88
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	12

SASB STANDARD		DISCLOSURE	PAGE OR REPONSE
REAL ESTATE: Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Not reported.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	47
REAL ESTATE: Activity metrics	IF-RE-000.A	Number of assets, by property subsector	11
	IF-RE-000.B	Leasable floor area, by property subsector	11
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	100% of Vesta-owned properties are directly managed.
	IF-RE-000.D	Average occupancy rate, by property subsector	34
REAL ESTATE SERVICES: Sustainability Services	IF-RS-410a.1	Revenue from energy and sustainability services	Vesta does not provide this type of service.
	IF-RS-410a.2	(1) Floor area and (2) number of buildings under management provided with energy and sustainability services	Vesta does not provide this type of service.
	IF-RS-410a.3	(1) Floor area and (2) number of buildings under management that obtained an energy rating	None of our properties has any energy certification other than LEED.
REAL ESTATE SERVICES: 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 did not report any losses of this type in 2021.
REAL ESTATE SERVICES: Activity metrics	IF-RS-000.A	Number of property management clients, categorized by: (1) tenants and (2) real estate owners	100% of our clients are tenants.
	IF-RS-000.B	Floor area under management with owner operational control	51,497,206 square feet, which includes our common areas and territorial reserves.
	IF-RS-000.C	Number of buildings under management with owner operational control	6,11 189 buildings
	IF-RS-000.D	Number of leases transacted, categorized by: (1) tenants and (2) real estate owners	100% of our leasing contracts are with tenants.
	IF-RS-000.E	Number of appraisals provided	Vesta does not provide this type of service.

TCFD Index

TCFD CATEGORY		RECOMMENDATION	PAGE OR ANSWER
TCFD - Governance	a)	Board's oversightof climate-related risks and opportunities	38
	b)	Management's role inassessing and managing climate-related risks and opportunities.	38
TCFD - Strategy	a)	Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	47
	b)	Impact of climaterelated risks and opportunities on the organization's businesses, strategy, and financial planning.	47
	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.	47
	b)	Organization's processes for managing climate-related risks.	47
	c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	47
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.	47
	b)	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	90
	c)	Targets used by the organization to manage climate-related risks and opportunities and performance against targets.	86, 88, 90, 92

Market and Financial Information

SUMMARY FINANCIAL INFORMATION

This annual report includes our audited consolidated annual financial statements as of December 31, 2021, 2020 and 2019 and for the fiscal years then ended, along with the accompanying notes thereto. The exchange rate used for the income statement was $20.28 pesos per dollar on average for the year 2021, $21.49 pesos for 2020 and $19.26 pesos for 2019. The exchange rate used for the balance sheet was the end-of-year exchange rate, which was $20.58 pesos per dollar for 2021, $19.95 pesos for 2020 and $18.85 pesos for 2019.

The financial information contained in this Annual Report has been 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

Los ingresos por arrendamiento al cierre del 31 de diciembre Leasing revenues as of December 31, 2021 totaled USD $160.8 million, compared to USD $149.9 million as of December 31, 2020, an increase of USD $10.9 million, or 7.3%. The rise in rental revenues is mainly due to:

- An increase of USD $12.97 million or 8.7% for new contracts in new spaces or spaces that had been vacant during 2020 and were occupied during 2021;
- An increase of USD $4.50 million, or 3%, in rental revenues that resulted from inflation adjustments to rent as provided in the lease agreements. Most of our leases include a provision whereby rents are automatically adjusted annually to reflect changes in the United States Consumer Price Index, if rent payments are denominated in dollars, or the Mexican Consumer Price Index if rent payments are denominated in pesos.
- An increase of USD $1.15 million, or 20.9%, in expenses related to payments we made on behalf of our clients, and which were subsequently reimbursed by them and which are considered as rental revenues.
- An increase of USD $0.86 million, or 0.6%, due to the effects of currency translation of those rents denominated in pesos;

These increases were partially offset by:

- A reduction of USD $7.8 million, or 5.2%, in rental revenues derived from contracts that expired in 2020 and were not renewed in 2021;
- A decrease of USD $0.52 million, or 0.3%, in rental revenues from contracts in which, in order to retain the client, the rental price per square meter was reduced at the time of renewal.
- A decrease of USD $0.23 million, due to the management fee we received for the portfolio sold in 2019.

PROPERTY OPERATING COST

Our property operating cost for the period ended December 31, 2021 was USD $10.73 million, compared to USD $10.15 million at the close of December 31, 2020, which was an increase of USD $0.57 million, or 5.6%.

Within this change, the direct operating cost of investment properties leased, and which generated rental revenues, decreased by USD $0.38 million. During 2021 this cost was USD $8.54 million, while in 2020 it amounted to USD $8.93 million.

This change is attributed mainly to:

- An increase of USD $0.22 million, or 12.9%, in property taxes, which were USD $1.89 million in 2021 and USD $1.67 million in 2020;
- An increase of USD $0.27 million, or 70.4%, in insurance on Investment properties; during 2020 the insurance paid was USD $0.38 million and USD $0.66 million during 2021.
- •An increase of USD $0.18 million, or 13.5%, in maintenance costs. Maintenance costs totaled USD $1.56 million and USD $1.37 million in 2021 and 2020, respectively.
- An increase of USD $0.001 million, or 0.8%, in the structural maintenance provision.
- A decrease of USD $1.05 million or 19.6% in other property costs, derived from a decrease in the uncollectible debt reserve.

Additionally, direct operating costs on Investment properties that have not been rented and which did not generate rental revenues increased by USD $0.95 million. This increase is due primarily to the increase in the number of Vesta wind farms, which meant higher costs, as follows:

- Taxes increased by USD $0.16 million. Taxes paid in 2020 were USD $0.29 million compared to USD $0.45 million paid in 2021.
- An increase of USD $0.04 million in insurance.
- An increase of USD $0.27 million in maintenance expenses.
- And an increase of USD $0.48 million in other related expenses.

ADMINISTRATIVE EXPENSE

Administrative expenses as of December 31, 2021 were USD $19.80 million, compared to USD $17.18 million as of December 31, 2020, an increase of USD $2.58 million, or 15.1%

The increase is primarily the result of the long-term incentive plan, which increased USD $1.88 million, or 51.0%, whose expense as of December 31, 2021 was USD $5.55 million, compared to USD $3.68 million as of December 31, 2020.

This stock compensation plan was created for senior executives by the Board of Directors in order to encourage solid corporate governance practices by giving management a strong incentive to build shareholder returns.

Based on the performance of Vesta's shares as of December 31, 2021 and 2020, under the Vesta 20-20 Plan, shares were granted. The results thus reflect a share-based expense of USD $3.68 million and USD $2.79 million, respectively. This expense is calculated as the fair value of the premium on the date the stocks were awarded, determined using a Monte Carlo model, which takes into account the probability of Vesta's share performance. The long-term incentive plan does not represent a cash outflow and thus has no cash impact at the EBITDA level. For more information, read Note 17 of the Financial Statements.

DEPRECIATION

Los gastos por depreciación al cierre del 31 de diciembre de Depreciation expense totaled USD $1.60 million as of December 31, 2021, compared to USD $1.48 million at the close of December 31, 2020.

OTHER REVENUES AND EXPENSES

Other revenues and expenses in the twelve months of fiscal year 2021 increased to revenues of USD $127.37 million, compared to revenues of USD $6.47 million in the same period the previous year. The increase is mainly due to a growth of USD $120.91 million in gain from revaluation of investment properties to USD $164.65 million, compared to USD $45.37 million in the previous year; the appraisal was made as of December 31, 2021 and reflects the real estate market conditions prevailing on that date. There was a sale of properties that represented a profit of US$13.99 million in 2021.

	Figures in USD $ Fiscal year ended December 31			Figures in pesos for informational purposes		
Consolidated Intermediate Statements of Revenues and Other Comprehensive Results	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Other revenues and expenses						
Interest revenues	76,871	311,959	70,394	1,559,082	6,705,899	1,355,922
Other revenues (expense)	27,795	7,852	1,051,904	563,732	168,787	20,261,670
Transaction cost of the debt issuance	-	-	-	-	-	-
Interest expense	(50,263,493)	(39,052,739)	(39,161,931)	(1,019,433,823)	(839,481,199)	(754,333,199)
Foreign-exchange loss	(1,109,567)	(171,566)	2,156,930	(22,504,010)	(3,687,998)	41,546,570
Gain from the sale of properties	13,992,675	-	17,920,717	283,796,555	-	345,187,059
Gain from the revaluation of investment properties	164,649,959	45,370,264	86,062,112	3,339,396,591	975,283,286	1,657,719,795
Total other (expenses) revenues	**127,374,240**	**6,465,770**	**68,100,126**	**2,583,378,128**	**138,988,775**	**1,311,737,817**

Interest income decreased by USD $0.24 million, from USD $0.31 million in 2020 to USD $0.07 million in 2021. This is the result of lower interest rates during the year.

Other income increased USD $0.02 million due to the net result of other expenses accountable by the Company.

Interest expense in 2021 was USD $11.21 million higher than in 2020, the result of an increase in the balance of the Company's debt.

The foreign-exchange loss in 2021 was USD $1.11 million, compared to a loss of USD $0.17 million in 2020. The foreign-exchange gain or loss is caused primarily by the effect of the peso/dollar exchange rate on the balance of WTN's dollar debt.

During 2021, Vesta sold a portfolio of industrial buildings, resulting in a gain of USD $13.99 million.

Gains from the revaluation of income-generating properties for December 31, 2021 increased by USD $120.91 million against 2020.

PRETAX INCOME

For the above reasons, Vesta's pretax income as of December 31, 2021 totaled USD $256.03 million, up from a profit of USD $127.50 million as of December 31, 2020.

INCOME TAXES

Income tax expense at the close of December 31, 2021, was USD $82.01 million, compared to an expense of USD $60.55 million at the close December 2020. This is chiefly due to an increase in taxes payable from the sale of properties, which as of December 31, 2021 totaled USD $50.26 million; the effects of deferred taxes came to USD $31.82 million.

Deferred taxes are affected mainly by: (i) the effect of variations in the end-of-year exchange rate used to convert assets on our balance sheet to Mexican pesos for tax purposes (including investment properties and profits from net tax loss carryforwards) to US dollars, (ii) a benefit resulting from the impact of inflation on the tax base of our assets (including Investment properties and net tax loss carryforwards gains), as permitted under the Income Tax Law, and (iii) the effect of recognizing the investment properties at fair value for accounting purposes, since for tax purposes assets continued to be valued at their cost, adjusted for depreciation.

FISCAL-YEAR EARNINGS

With the foregoing, our net earnings at the close of December 31, 2021 stood at USD $173.94 million, compared to earnings of USD $66.96 million at the close of December 31, 2020..

COMPREHENSIVE INCOME FOR THE YEAR

Comprehensive income includes fiscal-year earnings plus exchange-rate differences from the translation of foreign operations, which reflects the impact of the exchange-rate variations from one year to another in the capital accounts of WTN, our only subsidiary that uses the peso as its functional currency.

As of December 31, 2021, we reported a loss of USD $4.84 million from foreign-exchange translation differences, compared to a loss of USD $1.89 million as of December 31, 2020.

We acquired derivative financial instruments in 2017 and in 2021 we dissolved these positions. During 2021, our hedging activity resulted in a gain of USD $2.89 million at year-end, compared to a loss of USD $3.01 million at the close of December 2020.

With this, comprehensive income for the year 2021 was USD $171.99 million, compared to a profit of USD $62.06 million in 2020.

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

Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019, and Independent Auditors' Report Dated February 15, 2022

Independent Auditors' Report and Consolidated Financial Statements for 2021, 2020 and 2019

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, 2021, 2020 and 2019, 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, 2021, 2020 and 2019 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) 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; iv) performing an analytical substantive test of the fair value of the investment properties. Our procedures also included reviewing the appropriateness of the Entity's disclosures regarding the assumptions and accounting policies for the recognition of investment properties, which are included in the Note 9 to the consolidated financial statements.

Information other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information comprises two documents, the Entity's Annual Report and the information that will be incorporated in the Annual Report which the Entity is required to prepare in accordance with Article 33 section I, subsection b) of Title Four, Chapter One, of the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market in Mexico (the "Provisions". As of the date of our 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, 2022

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

Consolidated Statements of Financial Position

As of December 31, 2021, 2020 and 2019
(In US dollars)

Assets	Notes	31/12/2021	31/12/2020	31/12/2019
Current assets:				
Cash, cash equivalents and restricted cash	5	$ 452,821,132	$ 120,542,142	$ 75,063,593
Financial assets held for trading	6	-	684,936	804,967
Recoverable taxes	7	19,377,562	14,861,110	10,365,121
Operating lease receivables	8	9,039,147	6,360,901	8,272,093
Prepaid expenses		483,581	420,057	1,267,893
Total current assets		481,721,422	142,869,146	95,773,667
Non-current assets:				
Investment property	9	2,263,170,941	2,103,214,762	1,989,131,091
Office furniture – Net		2,119,589	2,854,654	3,063,650
Right-of-use asset	10	1,344,417	657,837	1,104,036
Derivative financial instruments	15.8	-	-	163,530
Guarantee deposits made and restricted cash		11,510,701	4,506,526	4,461,865
Total non-current assets		2,278,145,648	2,111,233,779	1,997,924,172
Total assets		$ 2,759,867,070	$ 2,254,102,925	$ 2,093,697,839

Liabilities and stockholders' equity	Notes	31/12/2021	31/12/2020	31/12/2019
Current liabilities:				
Current portion of long-term debt	11	$ 2,880,592	$ 1,923,573	$ 794,905
Finance leases payable - short term	10	464,456	510,417	435,177
Accrued interest		3,840,079	2,832,174	2,996,611
Accounts payable and client advances		3,011,415	1,825,850	2,539,117
Income tax payable		27,838,872	3,516,026	1,458,209
Accrued expenses and taxes		15,246,156	4,309,640	4,452,725
Dividends payable	12.4	13,944,232	13,534,555	13,371,920
Total current liabilities		67,225,802	28,452,235	26,048,664
Non-current liabilities:				
Long-term debt	11	930,652,624	837,837,479	713,632,678
Finance leases payable - long term	10	915,957	220,868	729,069
Derivative financial instruments	15.8	-	4,132,836	-
Guarantee deposits received		15,868,704	13,924,249	13,255,463
Deferred income taxes	14.3	291,578,576	260,873,091	228,906,984
Total non-current liabilities		1,239,015,861	1,116,988,523	956,524,194
Total liabilities		1,306,241,663	1,145,440,758	982,572,858
Litigation and other contingencies	18			
Stockholders' equity:				
Capital stock	12	482,858,389	422,437,615	426,300,951
Additional paid-in capital	12.3	466,230,183	297,064,471	303,741,438
Retained earnings		547,213,771	429,048,327	416,230,463
Share-based payments reserve	17	7,149,453	7,986,137	7,828,591
Foreign currency translation		(49,826,389)	(44,981,398)	(43,090,933)
Valuation of derivative financial instruments	15.8	-	(2,892,985)	114,471
Total stockholders' equity		1,453,625,407	1,108,662,167	1,111,124,981
Total liabilities and stockholders' equity		$ 2,759,867,070	$ 2,254,102,925	$ 2,093,697,839

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Profit and Other Comprehensive Income (Loss)

For the years ended December 31, 2021, 2020 and 2019
(In US dollars)

	Notes	31/12/2021	31/12/2020	31/12/2019
Revenues:				
Rental income		$ 160,698,385	$ 149,535,887	$ 144,292,402
Management fees		87,973	319,446	72,677
Property operating costs:				
Related to properties that generated rental income	13.1	(8,543,961)	(8,925,518)	(7,266,490)
Related to properties that did not generate rental income	13.1	(2,182,796)	(1,229,137)	(874,128)
Gross profit		150,059,601	139,700,678	136,224,461
Administration expenses	13.2	(19,799,701)	(17,184,479)	(17,630,342)
Depreciation		(1,601,216)	(1,477,413)	(1,494,778)
Other income and expenses:				
Interest income		76,871	311,959	70,394
Other income - net		27,795	7,852	1,051,904
Interest expense		(50,263,493)	(39,052,739)	(39,161,931)
Exchange gain (loss)- net		(1,109,567)	(171,566)	2,156,930
Gain on sale of investment property		13,992,675	-	17,920,717
Gain on revaluation of investment property	9	164,649,959	45,370,264	86,062,112
Total other income and expenses		127,374,240	6,465,770	68,100,126

	Notes	31/12/2021	31/12/2020	31/12/2019
Profit before income taxes		256,032,924	127,504,556	185,199,467
Current income tax expense	14.1	(50,262,466)	(26,150,480)	(37,670,744)
Deferred income tax	14.1	(31,828,085)	(34,397,994)	(12,918,014)
Total income tax expense		(82,090,551)	(60,548,474)	(50,588,758)
Profit for the year		173,942,373	66,956,082	134,610,709
Other comprehensive income (loss) - net of tax:				
Items that may be reclassified subsequently to profit –				
Fair value (loss) gains on derivative instruments	15.8	2,892,985	(3,007,456)	(1,552,134)
Exchange differences on translating other functional currency operations		(4,844,991)	(1,890,465)	847,850
Total other comprehensive loss		(1,952,006)	(4,897,921)	(704,284)
Total comprehensive income for the year		$ 171,990,367	$ 62,058,161	$ 133,906,425
Basic and diluted earnings per share	12.5	$ 0.2511	$ 0.117	$ 0.229

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2021, 2020 and 2019
(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, 2019	$ 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
Equity issuance	58,773,174	164,422,275	-	-	-	-	223,195,449
Share-based payments	-	-	-	5,554,353	-	-	5,554,353
Vested shares	1,647,600	4,743,437	-	(6,391,037)	-	-	-
Dividends declared	-	-	(55,776,929)	-	-	-	(55,776,929)
Comprehensive income (loss)	-	-	173,942,373	-	(4,844,991)	2,892,985	171,990,367
Balances as of December 31, 2021	$ 482,858,389	$ 466,230,183	$ 547,213,771	$ 7,149,453	$ (49,826,389)	$ -	$ 1,453,625,407

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2021, 2020 and 2019
(In US dollars)

	31/12/2021	31/12/2020	31/12/2019
Cash flows from operating activities:			
Profit before income taxes	$ 256,032,924	$ 127,504,556	$ 185,199,467
Adjustments:			
Depreciation	1,143,134	1,031,214	1,035,538
Right-of-use depreciation	458,082	446,199	459,240
Gain on revaluation of investment property	(164,649,959)	(45,370,264)	(86,062,112)
Unrealized effect of foreign exchange rates	1,109,567	171,566	(2,156,930)
Interest income	(76,871)	(311,959)	(70,394)
Interest expense	45,482,028	37,924,366	36,433,726
Amortization of debt issuance costs	4,781,465	1,128,373	2,728,205
Expense recognized in respect of share-based payments	5,554,353	3,678,097	2,788,939
Gain on sale of investment property	(13,992,675)	-	(17,920,717)
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables - Net	(2,678,246)	1,911,192	(141,540)
Recoverable taxes	(4,516,452)	(4,495,989)	(4,558,054)
Guarantee deposits paid	(7,004,175)	(44,661)	(85,760)
Prepaid expenses	(63,524)	847,836	(730,465)
Increase (decrease) in:			
Accounts payable and client advances	(230,177)	(713,267)	684,301
Accrued expenses and taxes	10,936,516	(143,085)	1,631,753
Guarantee deposits collected	1,944,455	668,786	202,080
Income taxes paid	(27,062,220)	(24,092,663)	(16,091,645)
Net cash generated by operating activities	107,168,225	100,140,297	103,345,632

	31/12/2021	31/12/2020	31/12/2019
Cash flows from investing activities:			
Purchases of investment property	(108,394,270)	(72,523,331)	(106,376,406)
Sale of investment property	124,565,539	-	109,260,000
Purchases of Office furniture and Vehicles	(219,143)	(822,218)	(1,608,286)
Financial assets held for trading	684,936	120,031	(80,568)
Interest received	76,871	311,959	70,394
Net cash generated by (used in) investing activities	16,713,933	(72,913,559)	1,265,134
Cash flows from financing activities:			
Interest paid	(44,474,123)	(37,986,844)	(38,606,429)
Loans obtained	350,000,000	125,000,000	225,000,000
Loans paid	(252,500,000)	(794,904)	(210,000,000)
Costs of debt issuance	(7,746,222)	(3,098,044)	
Dividends paid	(55,367,252)	(53,975,583)	(39,444,748)
Repurchase of treasury shares	-	(14,795,892)	(27,902,950)
Equity issuance	229,215,419	-	-
Costs of equity issuance	(6,019,970)	-	-
Finance leases payments	(564,677)	(534,920)	(545,048)
Net cash generated by (used in) financing activities	212,543,175	16,911,857	(94,597,219)
Effects of exchange rates changes on cash	(4,146,343)	1,339,954	566,651
Net increase in cash, cash equivalents and restricted cash	332,278,990	45,478,549	10,580,198
Cash, cash equivalents and restricted cash at the beginning of year	121,277,454	75,798,905	65,218,707
Cash, cash equivalents and restricted cash at the end of year - Note 5	$ 453,556,444	$ 121,277,454	$ 75,798,905

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021, 2020 and 2019
(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 fifteen states throughout Mexico.

1.1 Significant events

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

On May 13, 2021, Vesta offered $350,000,000 of Senior Notes, Vesta ESG Global bond 35/8 05/31, with mature on May 13, 2031. The notes will bear interest at a rate of 3.62% per annum. The cost of such debt issuance was $7,746,222.

As a result of the spread of the coronavirus (COVID-19) in Mexico and around the world, Vesta successfully maintained during 2020 the disciplined execution of strategies, which included rapidly adapting to the current environment and providing temporary relief to clients supported by strong relationships and its strong knowledge of the market. This allowed Vesta to quickly and timely identify emerging trends and seize new business opportunities. As part of negotiations with clients during 2020, Vesta only granted deferral of leases payments for those tenants who met certain strict criteria, focusing that decision on long-term growth. In total, there were 43 deferral agreements that represented approximately $5.5 million, of which 84% were recovered during the second half of 2020 and 16% were recovered during 2021; agreements and payments have been fulfilled. It is important to note that, as of September 30, 2020, 95% of Vesta's tenants had reached pre-crisis operating levels and, at the end of the year, all are at normal levels. During 2021 Vesta did not grant additional deferrals to tenants. The economic trends of the real estate market in Mexico, and specifically the industrial real estate market, were not materially affected by the pandemic. See Note 9 "Investment Properties" for further details. Finally, from an internal point of view, Vesta continued with its surveillance measures and cost reduction, review of contracts with non-essential third parties and constant monitoring of its performance.

On April 23, 2021, a mandatory federal decree was published in Mexico where various labor and tax regulations were modified in order to generally prohibit the subcontracting of personnel and establish the rules under which specialized services may be subcontracted. During 2021, the Entity completed all the necessary corporate actions to approve the adjustments to the constitutive documents of the Entity and its subsidiaries, in order to adjust them to what it is established in the current legal framework; Likewise, it took all previous actions to implement the administrative changes necessary to fully comply with the terms of the new legal framework on the beginning of its term.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Initial impact of the application of the Reform of the reference interest rate

In the previous year, the Entity changed the Phase 1 of the amendments of the Benchmark Interest Rate Reform: Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments specifically modify the hedge accounting requirements to allow than the same, continue due to the effects on the hedges during a period of uncertainty before the hedged items or the hedging instruments are modified as a result of the reform by the reference interest rate.

In the current year, the Entity will change Phase 2 of the amendments of the Reference Interest Rate Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments allows the Entity reflects the effects of the transition from the Interbank Offered Rate (IBOR) to a reference interest rate (also known as "risk-free rate" or RFR) without generating an impact that could produce information that is not useful for users of financial statements. The Entity has not restated the previous period. Instead, the amendments have been applied retrospectively with any adjustments recognized in the appropriate components of capital as of January 1, 2021.

The application such standard had no impact on the Entity, since it does not handle instruments with those characteristics.

Initial impact from Concessions applied to Rents under IFRS 16 due to issues related to COVID-19 after June 30, 2021, amendment to IFRS 16

In the previous year, the Entity early adopted Concessions applied to Rents under IFRS 16 due to issues related to COVID-19 (amendment to IFRS 16) which provides practical resources for the accounting of concessions for lessees as a direct consequence of the COVID-19, introducing a practical expedient to IFRS 16.

In March 2021, the IASB issued Income Concessions related to COVID-19 after June 30, 2021 (amendment to IFRS 16). When the IASB published the amendments to IFRS 16 in May 2020, the lessor was allowed to apply the rent allowance practical expedient for any reduction in lease payments affecting the original payments before or as of June 30, 2021. Due to the nature of the COVID-19 pandemic, the amendment extended a practical expedient to apply those original payments before or on June 30, 2022.

In the current year, the Entity has applied the amendments to IFRS 16 (as issued by the IASB in May 2021) in advance of the effective date.

The application of such standard did not have a significant impact on the Entity´s consolidated financial statements.

New and amended IFRS standards that are not yet effective

At the date of authorization 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 in force:

IFRS 17	Insurance Contracts
IFRS 10 e IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IFRS 3	References to the conceptual framework
Amendments to IAS 16	Property, Plant and Equipment - before being used
Amendments to IAS 37	Onerous contracts - costs of fulfilling a contract
Annual improvements to IFRS 2018 - 2020	Amendments to IFRS 1 First adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture
Amendments to IAS 1 and to 2 IFRS practical expedients	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction

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

Modifications to IAS Classification of Liabilities as Current and Non-Current

The amendments to IAS 1 affect only the presentation of liabilities as current and non-current in the statement of financial position and not for the amount or time in which any asset, liability, income or expense is recognized, or the information disclosed about it.

The amendments clarify that the classification of liabilities as current and non-current is based on the rights in existence at the end of the reporting period, specify that the classification is not affected by expectations about whether the entity is going to exercise the right to defer settlement of the liability, explain that rights exist if there are covenants to be fulfilled at the end of the reporting period, and introduce a definition of 'arrangement' to make it clear that the arrangement refers to the transfer of cash from the counterparty, capital instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with earlier application 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 instead of 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 lien that occurred on the date of acquisition.

Finally, the amendments add an explicit statement that the purchaser 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 in advance.

Amendments to IAS 16 - Property, Plant and Equipment - Before use.

The amendments prohibit the deduction from the cost of a property, plant, or equipment asset of any proceeds from selling the asset after it is ready for use, for example, proceeds while the asset is being brought to location and necessary fittings are performed so that be operable in the manner for which it is intended in accordance with management. Consequently, an entity must recognize those sales revenues and costs in profit or loss. The Entity measures the costs of these items in accordance with IAS 2 Inventories.

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

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

The modifications are applied retrospectively, but only to 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 are prepared of the Entity in which the modifications are applied for the first time.

The Entity shall recognize the cumulative effect of the initial application of the amendments as a balance sheet adjustment in retained earnings (or some component of equity, as appropriate) at the beginning of the earliest period 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 - Costs to Fulfill a Contract

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

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

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

Annual Amendments to IFRS 2018-2020 standards

The Annual Modifications include the modification to four standards.

IFRS 1 First Time Adoption of International Financial Reporting Standards – No impact on the Entity.

IFRS 9 Financial Instruments

The amendment clarifies that when applying the '10%' test to assess whether a financial liability should be written off, an Entity includes only the fees paid or received between the entity (the borrower) and the lender, including fees paid or received by the Entity or the provider.

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 the option of early application.

IFRS 16 Leases

The amendments eliminate the figure of reimbursement for improvements to leases.

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

IAS 41 Agriculture – No impact on the Entity

The amendments are effective for annual periods beginning on or after January 1, 2022, with the option of initial adoption. The Entity continues to evaluate the impact that it may have on the Entity's consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statements 2 Disclosure of Accounting Policies

The amendments change the requirements to IAS 1 with respect to disclosure of accounting policies. The amendment replaces the terms "significant accounting policies" with "information on material accounting policies". Information on accounting policies is material when it is considered that, together with other information included in the financial statements of an entity, they may influence the decision making of the primary users of the financial statements in general use and that they are made in the basis of those financial statements.

The supporting paragraphs in IAS 1 are amended to clarify accounting policy information that relates to immaterial transactions, other events or conditions that are themselves material.

To support these modifications, the IASB has developed guidance and examples to explain and demonstrate the application of the "4-step materiality process" described in the IFRS practice 2 statements.

The amendments to IAS 1 will be in force for the annual periods beginning on January 1, 2021, with the option of early application and are applied prospectively. The amendments to the IFRS Practice 2 statements do not contain an effective date or transition requirements.

Amendments to IAS 8 Definition of accounting estimates.

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

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

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

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

The modifications will be in force for the annual periods beginning on January 1, 2023 for changes in accounting policies and changes in accounting estimates that occur on or after the beginning of said period with the option of early application.

Amendments to IAS 12 Deferred taxes related to assets and liabilities arising from a single transaction.
The amendments introduced an additional exception aside from the initial recognition exemption. In the amendments, an entity does not apply the initial recognition exception for transactions that give rise to taxable and deductible temporary differences.

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

Following the amendments to IAS 12, an Entity is required to recognize deferred tax assets and liabilities, with the recognition of any deferred tax assets being subject to the recoverability criteria.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments apply.

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

- A deferred tax asset (to the extent that it is probable that taxable income is available against the deductible temporary difference) and a deferred tax liability for all taxable and temporary deductions associated with:
- Right-of-use assets and lease liabilities.
- Decommissioning, restoration and similar liabilities that correspond to amounts recognized as part of the costs related to the asset.
- The cumulative effect at the beginning of the application of the amendments as an adjustment in the opening balances of retained earnings (or some other component of capital, as applicable) to date.

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

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.

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	2021	2020	2019	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 Queretaro, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta DSP, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Management, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Provides specialized administrative services (REPSE # AR12757/2021)
Servicio de Administración y Mantenimiento Vesta, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Provide specialized administrative services (REPSE # AR17617/2021)
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 recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

i. Cash and cash equivalents

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

j. Office furniture

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

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

k. Restricted cash and guarantee deposits

Restricted cash represents cash and cash equivalents balances held by the Entity that are only available for use under certain conditions pursuant to the long-term debt agreements entered into by the Entity (as discussed in Note 11). These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled, whereby the short-term restricted cash balance was classified within current assets under cash and cash equivalents and the long-term restricted cash was classified within guarantee deposits made.

During 2021, the Entity carried out a payment of $7.5 million to Scotiabank with the aim of being issued letters of credit for the National Control Energy Center (CENACE, for its acronym in Spanish) in connection to the Aguascalientes and Querétaro projects, in exchange of a guarantee. This amount will be paid back to the Entity once certain conditions are met.

l. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. 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 recent changes to the Income Tax Law and the Labor Law, as of September 30, 2021 and 2020, PTU is determined based on taxable income, according to Section I of Article 9 of the that Law and the Article 127 of the Labor Law.

q. Share-based payment arrangements

Share-based payment transactions of the Entity
Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 17.

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

r. Income taxes

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

1. Current tax
   Current income tax ("ISR") is recognized in the results of the year in which is incurred.

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

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

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

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

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

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

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:

		2021		2020		2019
Cash and cash equivalents	$	452,802,049	$	119,731,799	$	75,031,869
Current restricted cash		19,083		810,343		31,724
		452,821,132		120,542,142		75,063,593
Non-current restricted cash		735,312		735,312		735,312
Total	$	453,556,444	$	121,277,454	$	75,798,905

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

		2021		2020		2019
Recoverable value-added tax (“VAT”)	$	6,193,929	$	5,359,817	$	1,958,949
Recoverable income taxes		9,530,937		517,928		109,781
Recoverable dividend tax		3,533,983		8,737,362		7,855,714
Other receivables		118,713		246,003		440,677
	$	19,377,562	$	14,861,110	$	10,365,121

8. OPERATING LEASE RECEIVABLES

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

		2021		2020		2019
0-30 days	$	8,345,097	$	5,986,117	$	7,438,454
30-60 days		263,033		259,016		313,014
60-90 days		269,054		46,475		259,434
Over 90 days		161,963		69,293		261,191
Total	$	9,039,147	$	6,360,901	$	8,272,093

Pursuant to the lease agreements, rental payments should be received within 30 days following their due date; thereafter the payment is considered past due. As shown in the table above, 92%, 94% and 90% of all operating lease receivables are current at December 31, 2021, 2020 and 2019, respectively.

All rental payments past due are monitored by the Entity; for receivables outstanding from 30 to 90 days' efforts are made to collect payment from the respective client. Operating lease receivables outstanding for more than 30 days but less than 60 days represent 3%, 4% and 4% of all operating lease receivables at December 31, 2021, 2020 and 2019, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 3%, 1% and 3% of all operating lease receivable at December 31, 2021, 2020 and 2019. Operating lease receivables outstanding greater than 90 days represent 2%, 1% and 3% as of December 31, 2021, 2020 and 2019, 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, 2021, 2020 and 2019 is $1,957,935, $3,507,156 and $908,699, respectively.

iii. Client concentration risk

As of December 31, 2021, 2020 and 2019 one of the Entity's clients account for 43% or $3,863,928, 36% or $2,267,628 and 36% or $2,997,680, respectively, of the operating lease receivables balance. The same client accounted for 6%, 5% and 6% of the total rental income of Entity for the years ended December 31, 2021, 2020 and 2019, respectively. No other client represented more than 10% of the Entity's total rental income during the years ended December 31, 2021, 2020 and 2019.

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:

	2021	2020	2019
Not later than 1 year	$ 140,816,013	$ 138,281,031	$ 135,776,309
Later than 1 year and not later than 3 years	213,202,071	238,267,534	236,689,312
Later than 3 year and not later than 5 years	169,944,066	193,877,884	215,670,367
Later than 5 years	102,405,961	105,963,985	113,092,864
	$ 626,368,111	$ 676,390,434	$ 701,228,852

9. INVESTMENT PROPERTY

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

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

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

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value/range	Relationship of unobservable inputs to fair value
Buildings and land	Level 3	Discounted cash flows	Discount rate	2021: 7.75% to 12.15% 2020: 8.25% to 11.96% 2019: 9.20% to 10.15%	The higher the discount rate, the lower the fair value.
			Exit cap rate	2021: 6.75% to 8.99% 2020: 7.5% to 9.5% 2019: 8.56% to 8.7%	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: 3.55% to 4.15% in 2021, 3.48% to 3.9% in 2020 and 4% to 4.1% in 2019 U.S.: 2.3% to 3.0% in 2021, 2.1% to 2.5% in 2020 and 2.2% to 2.3% in 2019	The higher the inflation rate, the higher the fair value.
			Absorption period	12 months of average	The shorter the absorption period, the higher the fair value
			Market related rents	Depending on the park/state	The higher the market rent the higher the fair value
			Exchange rate - Mexican pesos per $1	2021: 20.25 to 21.00 2020: 20.0 to 20.50 2019: 19.5 to 20.48	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 $149,153 in 2021, $136,947 in 2020 and $141,819 in 2019	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:

	2021	2020	2019
Buildings and land	$ 2,167,895,680	$ 1,963,602,133	$ 1,841,395,000
Land improvements	7,975,906	38,471,121	23,743,778
Land reserves	133,859,180	124,098,159	142,979,000
	2,309,730,766	2,126,171,413	2,008,117,778
Less: Cost to conclude construction in-progress	(46,559,825)	(22,956,651)	(18,986,687)
Balance at end of year	$ 2,263,170,941	$ 2,103,214,762	$ 1,989,131,091

The reconciliation of investment property is as follows:

	2021	2020	2019
Balance at beginning of year	$ 2,103,214,762	$ 1,989,131,091	$ 1,884,621,430
Additions	109,032,511	72,523,331	105,442,836
Foreign currency translation effect	(3,742,001)	(3,809,924)	4,343,996
Disposal of investment property	(109,984,290)	-	(91,339,283)
Gain on revaluation of investment property	164,649,959	45,370,264	86,062,112
Balance at end of year	$ 2,263,170,941	$ 2,103,214,762	$ 1,989,131,091

A total of $739,381, $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, 2021, 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 2021, the Entity reached an agreement to sell four land reserved located in Queretaro totaling 2,101,938 square feet for $16,317,539, the cost associated with the sale was $7,395,427, generating a gain in sale of investment property of $8,922,112.

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

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

During 2007, the Entity entered into an agreement to build the Querétaro Aerospace Park, which consists of a Trust created by the Government of the State of Querétaro, as grantor (fideicomitente), Aeropuerto Intercontinental de Querétaro, S. A. de C. V., as a participant for the purposes of granting its consent, Bombardier Aerospace México, S.A. de C.V., as beneficiary (fideicomisario), and BBVA Bancomer, S.A., as Trustee (fiduciario), to which the Entity, through its subsidiary, Proyectos Aeroespaciales, S. de R. L. de C. V. (PAE), adhered as grantee and beneficiary. The Government of the State of Queretaro contributed certain rights to the Trust, including rights to use the land and the infrastructure built by the state of Queretaro, allowing PAE to build and lease buildings for a total period equivalent to the term of the concession granted to the Aerospace Park; the remaining term is approximately 33 years as of December 31, 2021.

PAE is the only designated real estate developer and was granted the right to use the land and infrastructure to develop industrial facilities thereon, lease such industrial facilities to companies in the aerospace and related industries and to collect the rents derived from the lease of the industrial facilities, for a period of time equivalent to the remaining term of the airport concession (approximately 33 years as of December 31, 2021). 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, 2021, 2020 and 2019, the Entity's investment properties have a gross leasable area (unaudited) of 31,081,746 square feet (or 2,887,589 square meters), 31,221,035 square feet (or 2,900,529 square meters) and 29,792,047 square feet (or 2,767,772 square meters), respectively, and they were 94.1 %, 90.7% and 91.7% occupied by tenants (unaudited), respectively. As of December 31, 2021, 2020 and 2019, investment properties with a gross leasable area (unaudited) of 1,636,465 square feet (or 152,033 square meters), 1,096,541 square feet (or 101,872 square meters), and 762,674 square feet (or 70,855 square meters), respectively, were under construction, representing an additional 5.2%, 3.5% and 2.6% 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, 2021	Additions	Disposals	December 31, 2021
Rights to use				
Property	$ 1,260,626	$ 1,035,955	$ -	$ 2,296,581
Vehicles and office equipment	302,650	108,707	-	411,357
Cost of rights to use	$ 1,563,276	$ 1,144,662	$ -	$ 2,707,938
Depreciation of rights to use				
Property	$ (717,375)	$ (360,660)	$ -	$ (1,078,035)
Vehicles and office equipment	(188,064)	(97,422)	-	(285,486)
Accumulated Depreciation	(905,439)	(458,082)	-	(1,363,521)
Total	$ 657,837	$ 686,580	$ -	$ 1,344,417

	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

	1 de enero de 2019	Altas	Bajas	31 de diciembre de 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	$ -	$ (459,240)	$ -	$ 1,104,036

2. Lease obligations:

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

	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	2021
Not later than 1 year	$ 523,281
Later than 1 year and not later than 5 years	968,672
	1,491,953
Less: future finance cost	(111,540)
Total lease liability	$ 1,380,413
Finance lease - short term	$ 464,456
Finance lease - long term	915,957
Total lease liability	$ 1,380,413

11. LONG-TERM DEBT

On May 13, 2021, the Entity offered $350,000,000 of Senior Notes (“Vesta ESG Global bond 35/8 05/31”) with mature on May 13, 2031. The notes bear annual interest at a rate of 3.625%.

On August 2, 2019, the Entity entered into a new five-year unsecured credit agreement with various financial institutions for an aggregated amount of $80,000,000, 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 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	31/12/2021	31/12/2020	31/12/2019
MetLife 10-year	150,000,000	4.55%	(1)	August 2026	149,071,012	150,000,000	150,000,000
MetLife 7-year	47,500,000	4.35%	(2)	April 2022	-	45,756,834	46,551,737
Series A Senior Note	65,000,000	5.03%	(4)	September 2024	65,000,000	65,000,000	65,000,000
Series B Senior Note	60,000,000	5.31%	(4)	September 2027	60,000,000	60,000,000	60,000,000
Series A Senior Note	45,000,000	5.50%	(4)	May 2025	45,000,000	45,000,000	45,000,000
Series B Senior Note	45,000,000	5.85%	(4)	May 2028	45,000,000	45,000,000	45,000,000
MetLife 10-year	118,000,000	4.75%	(3)	December 2027	118,000,000	118,000,000	118,000,000
MetLife 8-year	26,600,000	4.75%	(1)	August 2026	26,441,925	26,600,000	26,600,000
Series RC Senior Note	70,000,000	5.18%	(5)	June 2029	70,000,000	70,000,000	70,000,000
Series RD Senior Note	15,000,000	5.28%	(6)	June 2031	15,000,000	15,000,000	15,000,000
Syndicated Loan	80,000,000	Variable rate plus margin	(7)	August 2024	-	80,000,000	80,000,000
Syndicated Loan	125,000,000	Variable rate plus margin	(8)	August 2022	-	125,000,000	-
Vesta ESG Global bond 35/8 05/31	350,000,000	3.625%	(9)	May 2031	350,000,000	-	-
					943,512,937	845,356,834	721,151,737
Less: Current portion					(2,880,592)	(1,923,573)	(794,905)
Less: Direct issuance cost					(9,979,721)	(5,595,782)	(6,724,154)
Total Long-term debt					$ 930,652,624	$ 837,837,479	$ 713,632,678

(1) On July 22, 2016 the Entity entered into a 10-year loan agreement with MetLife, interest on this loan is paid on a monthly basis 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.

(2) On March 9, 2015, the Entity entered into a 7-year loan with MetLife, interest on this loan is paid on a monthly basis and calculated using an annual rate of 4.35%. The loan had monthly interest only payments for 42 months and thereafter monthly amortizations of principal and interest until it would mature on April 1, 2022. The loan was secured by 6 of the Entity's investment properties. In May 2021, the Entity paid the loan.

(3) On November 1, 2017, the Entity entered into a 10-year loan agreement with Metlife, interest on this loan is paid on a monthly basis 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. This loan is secured by 21 of the Entity's investment properties under a Guarantee Trust.

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

(5) 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.

(6) 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.

(7) Five-year Syndicated Loan, interest was paid on a quarterly basis and calculated using LIBOR (London interbank offered rate) plus an applicable margin. The applicable margin varied depending on the Entity's leverage ratio (higher or lower than 40%) and the number of months that the Syndicated Loan was outstanding. The applicable margin was 215 basis points. Principal amortization would commence payable on August 2, 2024 (maturity date); however, in May 2021, the Entity paid the loan.

(8) Under the Syndicated Loan revolving credit line, interest was paid on a quarterly basis and calculated using LIBOR (London interbank offered rate) plus an applicable margin. The applicable margin varies depending on the Entity's leverage ratio (higher or lower than 40%) and the number of months that the Syndicated Loan was outstanding. The applicable margin was 185 basis points. Principal amortization would commence payable on August 2, 2022 (maturity date); however, in May 2021, the Entity paid the loan.

(9) On May 13, 2021, the Entity offered $350,000,000 Senior Notes, Vesta ESG Global bond 35/8 05/31 with mature on May 13, 2031. The notes bear annual interest at a rate of 3.625%. Interest is paid on a semiannual basis. The cost incurred for this issuance was $7,746,222.

These credit agreements require the Entity to maintain certain financial 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, 2021.

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

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

As of December 2023	$	4,627,154
As of December 2024		69,811,407
As of December 2025		50,081,269
Thereafter		816,112,515
Less: direct issuance cost		(9,979,721)
Total long-term debt	$	930,652,624

12. CAPITAL STOCK

1. Capital stock as of December 31, 2021, 2020 and 2019 is as follows:

	2021		2020		2019	
	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	684,247,628	482,854,693	564,209,433	422,433,919	573,449,946	426,297,255
Total	684,252,628	$ 482,858,389	564,214,433	$ 422,437,615	573,454,946	$ 426,300,951

2. Shares in treasury

As of December 31, 2021, 2020 and 2019 total shares in treasury area as follows:

	2021	2020	2019
Shares in treasury (1)	5,652,438	34,880,880	27,735,920
Shares in long term incentive plan trust (2)	8,331,369	7,361,766	5,626,212
Total share in treasury	13,938,807	42,242,646	33,362,132

(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.

(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, 2019	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
Vested shares	3,258,837	1,647,600	4,743,437
Equity issuance	116,779,358	58,773,174	164,422,275
Balance as of December 31, 2021	684,252,628	$ 482,858,389	$ 466,230,183

4. Dividend payments

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

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

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

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

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

The first installment of the 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.

The fourth installment of the 2020 declared dividends, paid on January 15, 2021, was approximately $0.0237 per share, for a total dividend of $13,534,554.

Pursuant to a resolution of the general ordinary stockholders meeting on March 15, 2019, the Entity declared a dividend of $52,214,000, approximately $0.089 per share. 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.

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

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

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

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

Period	Amount	Reinvested earnings	Distributed earnings (1)	Amount that may be subject to withholding	Amount not subject to withholding
Retained earnings through December 31,					
2013	$ 204,265,028	$ 204,265,028	$ 204,265,208	$ -	$ -
2014	24,221,997	24,221,997	24,221,997	-	-
2016	45,082,793	45,082,793	45,082,793	-	-
2017	126,030,181	126,030,181	30,831,846	95,198,335	-
2018	93,060,330	93,060,330	-	93,060,330	-
2019	134,610,709	134,610,709	-	134,610,709	-
2020	66,956,082	66,956,082	-	66,956,082	-
2021	173,942,373	173,942,373	-	173,942,373	-

(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. Dividends paid in 2021 were distributed from earnings generated in 2013 and 2017.

5. Earnings per share

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

		2021		2020		2019
Basic Earnings per shares						
Earnings attributable to ordinary share outstanding (1)	$	171,849,950	$	66,103,277	$	133,320,977
Weighted average number of ordinary shares outstanding		684,252,626		566,610,301		581,587,442
Basic Earnings per share		0.2511		0.117		0.229
Diluted Earnings per shares						
Earnings attributable to ordinary shares outstanding and shares in Incentive Plan Trust (1)	$	173,942,373	$	66,956,082	$	134,610,709
Weighted average number of ordinary shares plus shares in Incentive Plan trust		692,583,998		573,972,067		587,213,654
Diluted earnings per share		0.2511		0.117		0.229
(1) Total earnings	$	173,942,373	$	66,956,082	$	134,610,709
Less: Earnings attributable to shares in Incentive Plan trust		2,092,423		852,805		1,289,732
Earnings attributable to ordinary shares outstanding	$	171,849,950	$	66,103,277	$	133,320,977

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:

		2021		2020		2019
Real estate tax	$	1,887,480	$	1,671,299	$	1,701,347
Insurance		655,883		384,837		416,089
Maintenance		1,559,539		1,374,592		1,186,630
Structural maintenance accrual		105,228		104,344		111,360
Other property related expenses		4,335,831		5,390,446		3,851,064
	$	8,543,961	$	8,925,518	$	7,266,490

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

		2021		2020		2019
Real estate tax	$	449,403	$	288,766	$	225,236
Insurance		63,388		24,920		28,907
Maintenance		403,167		133,326		75,181
Other property related expenses		1,266,838		782,125		544,804
		2,182,796		1,229,137		874,128
Total property operating	$	10,726,757	$	10,154,655	$	8,140,618

2. Administration expenses consist of the following:

	2021	2020	2019
Employee annual salary plus short-terms benefits	$ 11,744,548	$ 10,773,381	$ 10,551,704
Auditing, legal and consulting expenses	815,843	1,268,212	1,511,179
Property appraisal and other fees	683,681	812,962	443,587
Marketing expenses	871,705	557,267	962,862
Other	129,571	94,560	1,372,071
	14,245,348	13,506,382	14,841,403
Long-term incentive and equity plus - Note 17.3	5,554,353	3,678,097	2,788,939
Total	$ 19,799,701	$ 17,184,479	$ 17,630,342

14. INCOME TAXES

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

14.1 Income taxes are as follows:

	2021	2020	2019
ISR expense:			
Current	$ 50,262,466	$ 26,150,480	$ 37,670,744
Deferred	31,828,085	34,397,994	12,918,014
Total income taxes	$ 82,090,551	$ 60,548,474	$ 50,588,758

14.2 The effective ISR rates for fiscal 2021, 2020 and 2019 differ from the statutory rate as follows:

	2021	2020	2019
Statutory rate	30%	30%	30%
Effects of exchange rates on tax balances	7%	9%	(3)%
Effects of inflation	9%	8%	0%
Effective rate	32%	47%	27%

14.3 The main items originating the deferred ISR liability are:

	2021	2020	2019
Deferred ISR assets (liabilities):			
Investment property	$ (291,729,224)	$ (264,464,006)	$ (229,597,974)
Effect of tax loss carryforwards	-	70,927	-
Other provisions and prepaid expenses	150,648	3,519,988	690,990
Deferred income taxes - Net	$ (291,578,576)	$ (260,873,091)	$ (228,906,984)

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:

	2021	2020	2019
Deferred tax liability at the beginning of the period	$ (260,873,091)	$ (228,906,984)	$ (215,350,972)
Movement included in profit or loss	(31,828,085)	(34,397,994)	(12,918,014)
Movement included in other comprehensive income	1,122,600	2,431,887	(637,998)
Deferred tax liability at the end of the year	$ (291,578,576)	$ (260,873,091)	$ (228,906,984)

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:

	2021	2020	2019
Debt	$ 933,533,216	$ 839,761,052	$ 714,427,583
Cash, cash equivalents and restricted cash	(452,821,132)	(120,542,142)	(75,063,593)
Financial assets held for trading	-	(684,936)	(804,967)
Net debt	480,712,084	718,533,974	638,559,023
Equity	$ 1,453,652,407	$ 1,108,662,167	$ 1,111,124,981
Net debt to equity ratio	33%	65%	57%

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:

	2021	2020	2019
Exchange rates:			
Mexican pesos per US dollar at the end of the period	20.5835	19.9487	18.8452
Mexican pesos per US dollar average during the year	20.2818	21.4961	19.2619
Monetary assets:			
Mexican pesos	$ 249,437,217	$ 447,966,664	$ 428,678,974
US dollars	1,486,635	1,153,979	512,762
Monetary liabilities:			
Mexican pesos	$ 195,227,796	$ 291,458,863	$ 158,652,308
US dollars	33,081,624	31,656,730	38,817,667

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:

	2021	2020	2019
Profit or loss impact:			
Mexican peso - 10% appreciation - gain	$ (239,421)	$ (713,229)	$ (1,302,606)
Mexican peso - 10% depreciation - loss	292,626	871,724	1,592,075
U.S. dollar - 10% appreciation – loss	(65,033,544)	(60,849,023)	(74,118,981)
U.S. dollar - 10% depreciation - gain	65,033,544	60,849,023	74,118,981

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

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

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

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 6% of its total portfolio's gross leasable area (unaudited), and 43%, 26% and 23% of its operating lease receivable balance and 5.6%, 5.8% and 6% its annualized rents as of and for the years ended December 31, 2021, 2020 and 2019, 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, 2021 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		$ 702,749	$ 2,177,843	$ 290,278,136	$ 650,354,209	$ 943,512,937
Accrued interest	4.98%	6,635,998	35,791,636	153,899,886	73,591,722	269,919,242
		$ 7,338,747	$ 37,969,479	$ 444,178,022	$ 723,945,931	$ 1,213,432,179

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, 2021, 2020 and 2019 is $951,153,932, $891,930,307 and $701,480,932, respectively. This measurement is classified as level 2, since management uses an adjusted observable discount rate to determine fair value of debt.

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

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Compensation of key management personnel

The remuneration of Entity's management and key executives is determined by the remuneration committee taking in to account the induvial performance of the officer and market trends. The share-based compensation expense includes the 20% premium of equity plus portion.

The following table details the administration expense of the annual salary plus short term benefits as well as the long term incentive and equity plus portion of the compensation of key management personnel that are reflected in the administrative expense of Entity:

	2021	2020	2019
Employee annual salary plus short-terms benefits	$ 4,704,415	$ 4,281,418	$ 5,455,377
Share-based compensation expense	5,554,353	3,678,097	2,788,939
	$ 10,258,768	$ 7,959,515	$ 8,244,316
Number of key executives	23	18	15

17. SHARE-BASED PAYMENTS

17.1 Details of the share-based plans of the Entity

Currently grants shares to its executives and employees as follows:

i. A trust was established in 2018 by the resolution of the general ordinary stockholders meeting on January 6th, 2015, as the "20-20 Long Term Incentive Plan", this compensation plan was extended for the period 2021 to 2025, "Level 3 Long Term Incentive Plan", by a resolution of the general ordinary stockholders meeting on March 13th, 2020.

ii. The plan is share-based and is calculated by comparing Vesta's Total Relative Return, stock price appreciation, plus dividend payments over the preceding three years with the same metric calculated for our peers. Under the plan, if Vesta is at the median of the group, the Grant would be equal to the expected share grant; if Vesta is the worst performer, there would be no grant, and if Vesta is the best performer, the Grant would be 150% of the expected share amount. In addition, for some executives, a portion of their short-term annual cash bonus is granted as an additional stock bonus with an equity-plus premium of 20% additional shares.

iii. The Grant and the equity-plus are delivered to management over three years after the grant year, thus providing a solid executive retention tool. The granted shares are deposited to a Trust that manages the shares' delivery to the employees as per the schedules described above.

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

						Plan Parameters		
Grant Year	Total Relative Return (*)	Shares granted in LTI	Equity Plus Guaranteed Shares	Cumulative Exercised Shares	Shares in trust	MIN	TARGET	MAX
2015	0%	-	-	-	-	-	1,738,037	2,600,000
2016	55%	863,499	483,826	(1,347,325)	-	695,215	1,738,037	2,607,056
2017	40%	637,200	944,674	(1,581,873)	-	695,215	1,738,037	2,607,056
2018	145%	3,423,106	753,372	(2,784,319)	1,392,159	1,000,000	2,500,000	3,750,000
2019	150%	3,550,449	515,706	(1,355,386)	2,710,769	1,000,000	2,500,000	3,750,000
2020	150%	3,707,949	520,492	-	4,228,441	1,000,000	2,500,000	3,750,000
2021	143%	3,760,851	-	-	-	1,100,000	2,750,000	3,761,000
Total		15,943,054	3,218,070	(7,068,903)	8,331,369			

(*) Calculated for the previous three years.

17.2 Fair value of share options granted in the year

Vesta Long Term Incentive Plan - Based on the Relative Total Return, entity share price performance plus dividends relative to the performance of its peer set, for the last three calendar years, ended December 31, 2020. The calculation resulted in a grant of 4,228,441 shares, with a market value of $8,238,671.

17.3 Compensation expense recognized

The long-term incentive expense for the years ended December 31, 2021, 2020 and 2019 was as follows:

	2021	2020	2019
Long Term Incentive Plan	$ 5,554,353	$ 3,678,097	$ 2,788,939
2014 Incentive Plan	-	-	-
Total long-term incentive expense	$ 5,554,353	$ 3,678,097	$ 2,788,939

Compensation expenses 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, 2021, 2010 and 2019, there are 8,331,369, 7,361,766 and 5,626,212 shares outstanding, respectively, with a weighted average remaining contractual life of 13 months. All of the shares granted but outstanding to be delivered were in the trust during the vesting period.

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.

20. FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 15, 2022 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.

* * * * * *

Contact

2-3

ESG Matters

sustainability@vesta.com.mx

Corporate Headquarters

Paseo de los Tamarindos 90 Torre 2, Piso 28
Cuajimalpa de Morelos
Mexico City, C.P. 05120
Phone: +52 (55) 5950 0070

Aguascalientes

Carretera Panamericana Sur Km 112
Municipio Ejido Peñuelas
Aguascalientes, Aguascalientes, C.P. 20340
Phone: +52 (449) 688 2601

Ciudad Juárez

Av. del Charro No. 215, Tercer Piso.
Local 3B Zona Sur, Fraccionamiento
Sicomoros, Torre Cantabria,
Ciudad Juárez, Chihuahua, C.P. 32349
Phone: +52 (656) 378 0330

Guadalajara

Carretera Guadalajara
El Salto Vía El Verde No 1900
Municipio El Salto, Jalisco, C.P. 45694
Phone: +52 (55) 4381 5309

Puebla I

Boulevard Antonio de Deza y Ulloa
No 103, Col. Cuarto Barrio
Huejotzingo, Puebla C.P. 74160
Phone: (227) 688 0517/18

Querétaro

Camino a Nativitas Km 800
Municipio de Colón, Querétaro, C.P. 76295
Phone: +52 (442) 240 9273

San Luis Potosí

Boulevard BMW No.100, Ojo de Agua de Gato,
Parque Industrial Logistik II,
Ejido Laguna de San Vicente,
Municipio Villa de Reyes, San Luis Potosí. C.P. 76526
Phone: +52 (444)459 0040

Silao

Plaza de la Paz 102, Edificio G100 int 601,
Col. Puerto Interior,
Silao de la Victoria, Guanajuato, C.P. 36275
Phone: +52 (472) 117 9120

Tijuana

Blvd. Agua Caliente 10611-1201
Centro Corporativo Centura
Col. Aviación
Tijuana, Baja California, C.P. 22420
Phone: +52 (664) 972 9473

Tlaxcala

Virgen de la Caridad 19
Ciudad Industrial Xicoténcatl II
Huamantla, Tlaxcala, C.P. 90500
Phone: +52 (247) 102 4736

Toluca I

Av. de las Partidas s/n
Col. Villa de Santín Otzolotepec
Toluca, Estado de México, C.P. 50070
Tel. +52 (722) 249 7283

Toluca II

Isidro Fabela 120
Col. San Blas Otzolotepec
Toluca, Estado de México, C.P. 50230
Phone: +52 (722) 249 7283

www.vesta.com.mx