2023 • ANNUAL REPORT

vesta

CONTENTS

DATA HIGHLIGHTS

37.4 million square feet
Gross Leasable Area (GLA)

10,413,147 square feet
of GLA with some green certification[1]

Certified in 2023:

1,569,884 square feet LEED | **3,189,592 square feet Edge** | **685,664 square feet BOMA**

11 community initiatives

10 hours of training on average per employee

US $546,254 invested in ESG issues

45% of our employees are women

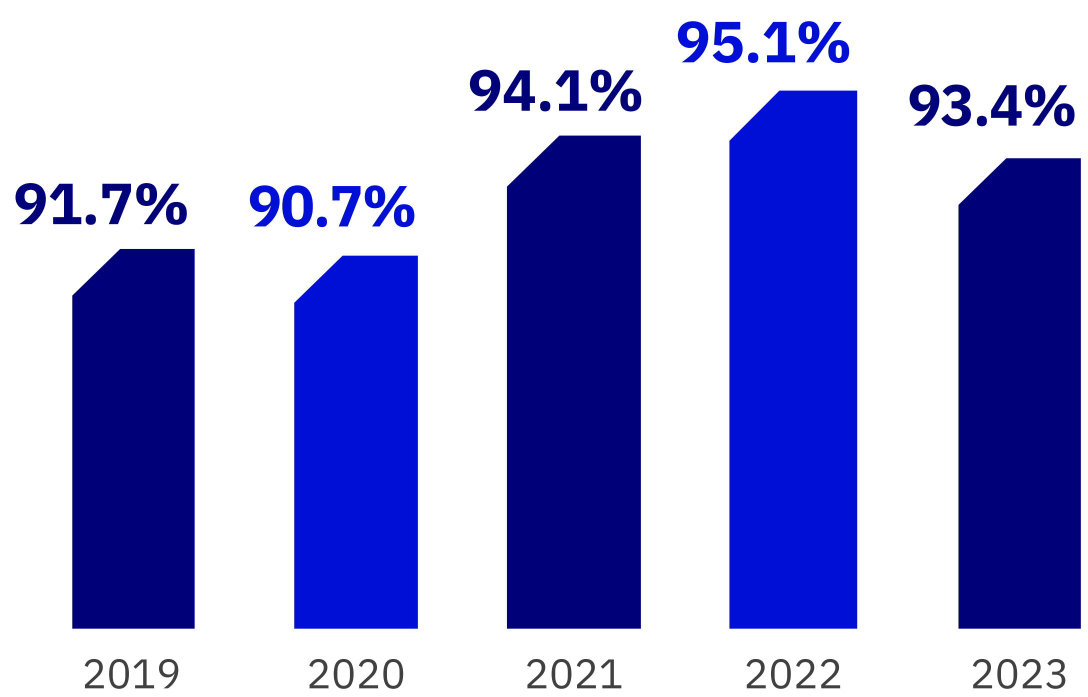
Energy intensity of **1.7 kWh** per m² (scope 2)

US $203,093,348 in Net Operating Income (NOI)

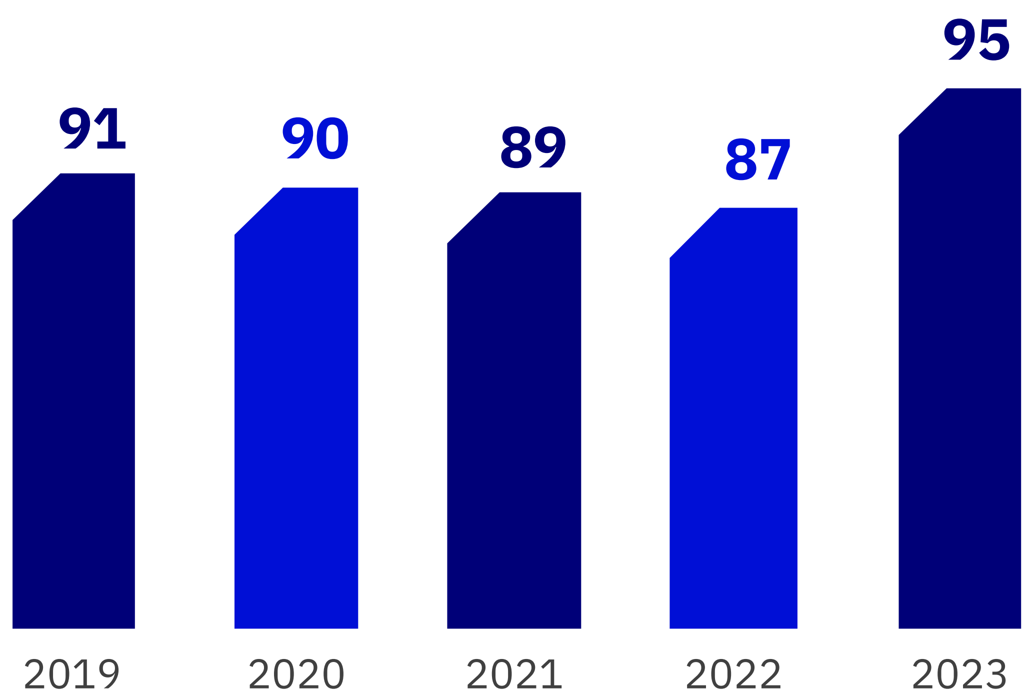
17,836 m³ of wastewater treated and reused

[1] This surface area corresponds to accumulated GLA that received some green certification between 2013 and as of the close of 2023.

Total portfolio occupancy



Employees



Social investment (thousands of US)[2]

2019

269

- Investment of US $0.01 per square foot leased during the year, as per the policy approved by the General Shareholders' Meeting.

2020

618

Includes:

- Amount raised in the Vesta Challenge 2019.
- US $256,410 for COVID-19 related activities.

2021

588

Includes:

- US $201,689 for COVID-19 related activities.
- Amount raised in the 2020 Vesta Challenge.

2022

435

Includes:

- The amount raised in the 2021 Vesta Challenge.
- There were no COVID-19 projects in 2023 that required funding, so the US $109,685 in that budget was not used.

2023

546

Includes:

- Amount raised in the 2022 Vesta Challenge.

[2] The shareholders of Corporación Inmobiliaria Vesta, S.A.B. de C.V. ("Vesta" or "the Company") met for their General Annual Meeting on March 13, 2020, and voted that as of that date the Board of Directors would have the authority to determine Vesta's annual budget for social and environmental responsibility actions.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

GRI 2-22

This has been a great year for Vesta: marking our 25th year of operation, we have had extraordinary growth in line with our strategy, and we were able to join the list of successful companies listed on the New York Stock Exchange through an initial public offering and a follow-on offering, raising almost US $600 million in capital, which will be invested for further growth, thanks to investors and all of the stakeholders who place their trust in us.

Vesta's solid performance in industrial real estate continued to be driven by favorable market conditions such as nearshoring and e-commerce trends. The company's momentum, evident in robust leasing activity, with a record 7,911,108 square feet leased during the year, renovations covering 3,386,046 square feet and new construction adding 3,101,653 square feet, among other achievements, reflects the success of our growth plan, which is on target for completion ahead of schedule.

Since our founding, we have been deeply interested in environmental, social and governance (ESG) issues, with a sound system of corporate governance in place since the company's inception.

We have continually reinforced our ESG strategy year after year and have achieved major milestones in these areas, including the start of a process of corporate training on climate risks and sustainable taxonomy for our employees and Board members; conducting our first risk analysis on terms of human rights issues (covering employees, customers, suppliers and communities); and beginning the process of applying the Sustainable Taxonomy of Mexico and the European Union to Vesta's operations.

By focusing on our core values, for the past 25 years we have worked steadily with determination to contribute meaningfully to Mexico's economic and social progress through integrity and teamwork.

With all of this, we have buttressed our business decision-making and aligned ourselves with the needs of our most relevant stakeholders, while improving our financial condition.

This year we also restructured our Social Investment strategy, which now includes a robust process of auditing the nonprofits we work with, to develop specific action plans, refocusing on the causes we support, and adapting standard methodologies that will help us improve the evaluation of social projects and thus ensure a more tangible impact on the communities where we operate.

As a result of these actions and with the active involvement of the entire Vesta team, we were included in the S&P/BMV Total Mexico ESG index for the third year in a row.

In addition, we are included in the S&P Global Sustainability Yearbook 2023, the CSA index that recognizes companies with outstanding ESG performance in their industries, and we also improve our CDP and MSCI ratings.

One of the most prominent megatrends of the past year has been a growing focus on climate change and resilience. In this regard, we achieved operational certifications from BOMA, LEED and EDGE, the latter recognizing us as “global champions” for the number of square meters certified in just one year. We also achieved LEED certifications for seven new buildings.

Our unwavering commitment to excellence, integrity and sustainability supports our determination to continue this brisk pace of growth.

Lorenzo D. Berho
Chief Executive Officer

WE ARE VESTA 01

GRI 2-6
SASB IF-RS-000.C

We are a publicly traded Mexican company that operates, leases, sells, and purchases portfolios of industrial buildings for manufacturing, logistics and e-commerce at strategic locations in Mexico.

Our world class real estate portfolio facilitates sustainable development for our clients and the industries we serve because of their quality, strategic location and reputation for service.

We innovate Mexico's industrial platform.

This is our purpose and our reason for being. We work to provide the best industrial spaces for cutting-edge companies, positioning Mexico as a leader in Industry 4.0.

Mission

Our mission is to be a company of excellence, supported by an enterprising team. We create efficient, sustainable real estate solutions.

Vision

Developing sustainable industrial real estate is our vision. We are dedicated to the progress of humanity.

Quality approach

Our approach to quality is to offer efficient service and sustainable real estate developments. We have an enterprising work team that provides personalized attention. We undertake respectful relations with our suppliers and pursue continuous improvement in our ISO9001:2015 quality management system.

Integrity

Our core value is integrity. We conduct ourselves ethically and honestly every day, with zero tolerance for corruption, focused on joining forces to pave the way for a better Mexico.

We have the best strategic locations and world class buildings that are ideal for light manufacturing, distribution and e-commerce operations.

We belong to a number of ESG initiatives that enable us to build sustainable value for our clients, investors and employees.

37.4 million square feet
of Gross Leasable Area (GLA)

11 industrial
buildings under development

12 industrial
sectors served

214 industrial
buildings in operation

16 states
of Mexico where Vesta is present

187 clients

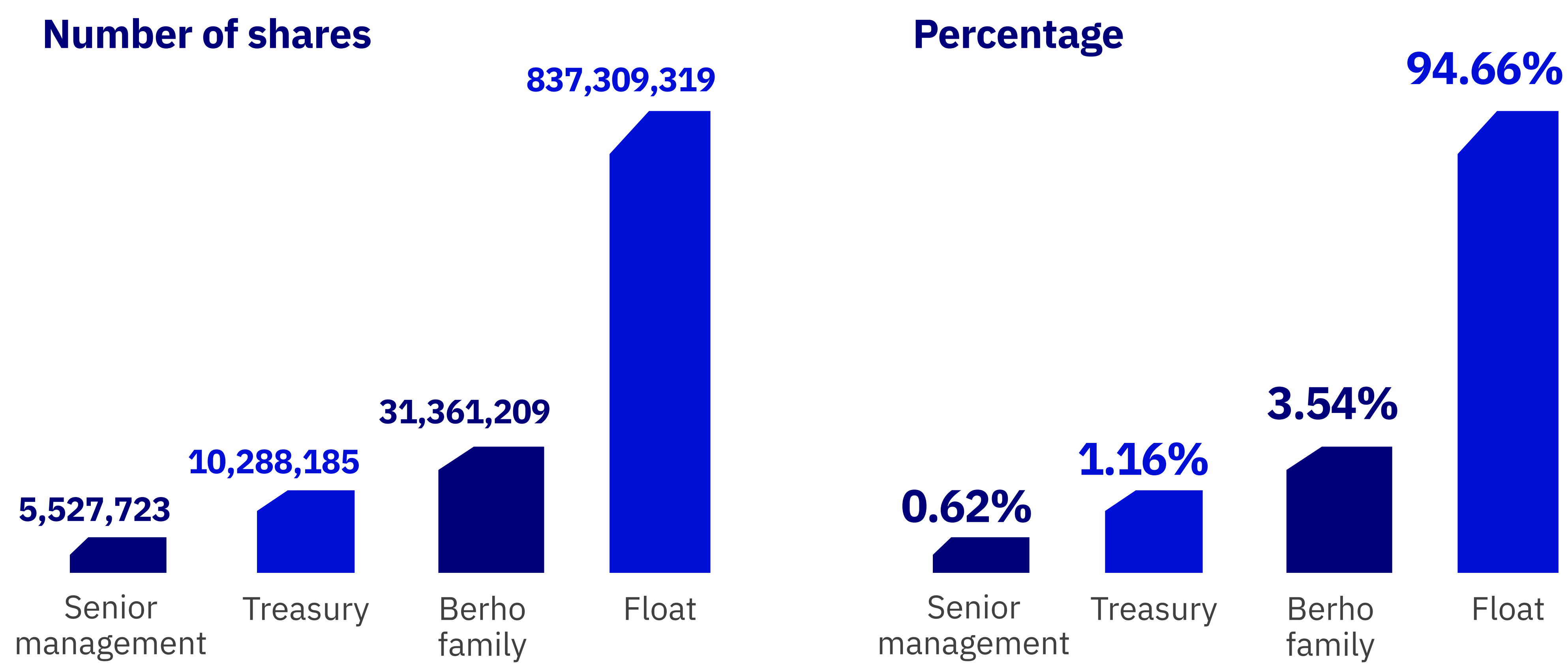
11 social
investment initiatives

At Vesta, we build synergies between industries, and we are flexible in adapting to change. We are committed to sustainability, making it a priority to serve as a key ally in our clients' value chain by offering them safe, resilient and efficient industrial buildings.

We develop our spaces with focus on environmental, social and governance (ESG) aspects, ensuring long-term profitability while benefiting the environment and communities in the 16 states where we are present.

In the interests of offering an increasingly sustainable portfolio of properties, and in line with the terms of the public sustainability-linked bond we issued a couple years ago, in 2023 we obtained LEED certification on 7 new buildings, EDGE certification for another 15, and BOMA certification for 3.

Stock structure[3]



Figures as of April 10, 2024.

Figures as of April 10, 2024.

[3] As of the close of the fiscal period from March 31, 2023 to April 10, 2024, there were 10,288,185 treasury shares and 884,486,436 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.

Senior management shares do not include members of the Berho Family.

Treasury shares include shares under the long-term incentive plan approved by the Board of Directors.

The shares subscribed for in both the initial offering and the subsequent offering on the NYSE are in the form of American Depositary Shares (ADSs), each representing 10 (ten) shares and were conducted in the United States of America pursuant to the Securities and Exchange Act of 1933, and in other foreign markets, in accordance with the applicable provisions.

PRODUCTS

GRI 2-6

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

To offer our domestic and international clients personalized attention and products tailored to their needs for space, logistics and connectivity, we have a broad array of industrial parks, classified into two types of development:

Multi-tenant buildings and industrial parks

Designed for more fluid traffic within the parks and built under standard industry specifications, ideal for light manufacturing, logistics and e-commerce, these can be exclusively occupied or shared by two or more tenants. The parks may also be clusters or parks for suppliers of a specific industry or company(ies).

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.

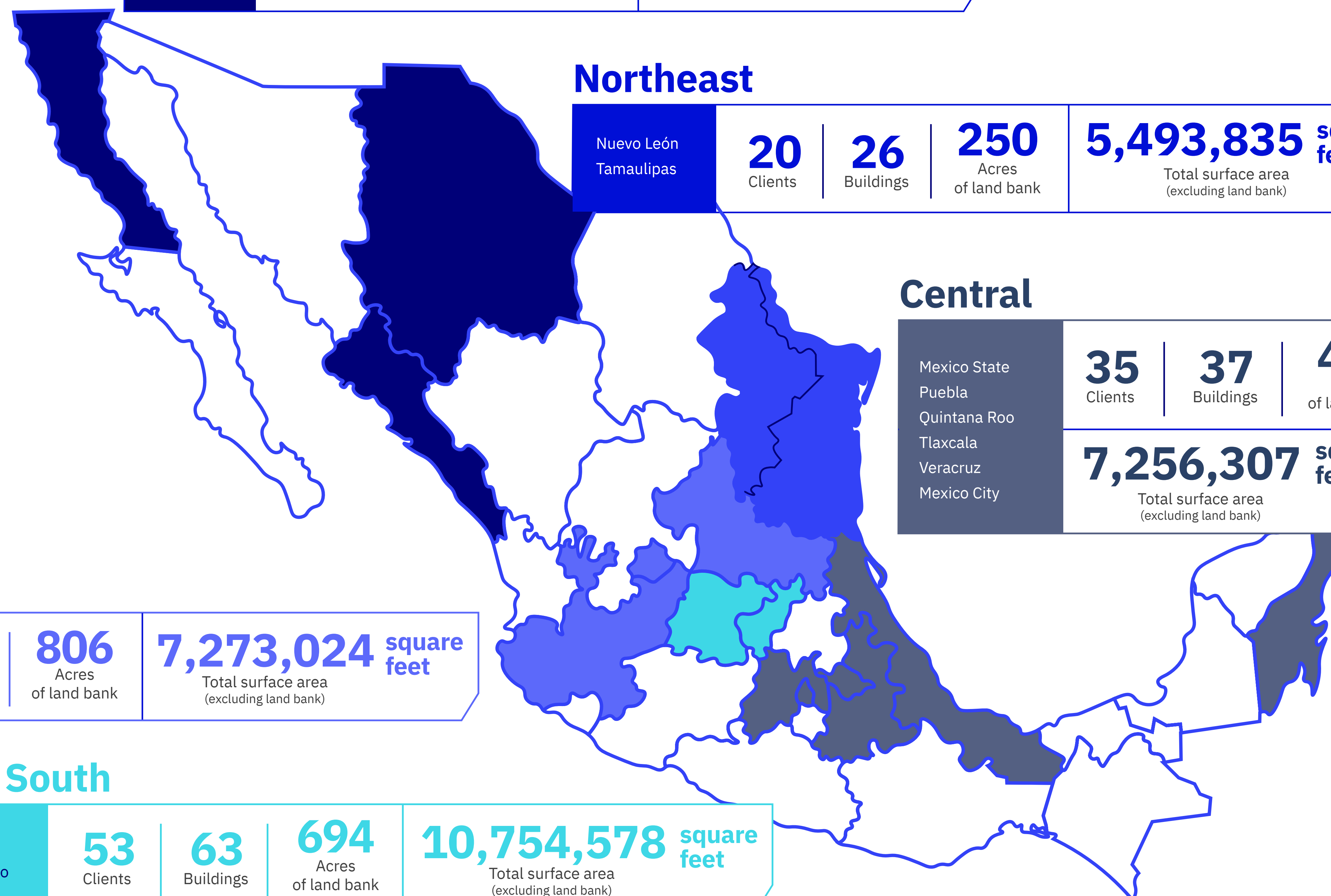
PRESENCE

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

Vesta's Level 3 Strategy remained under way last year; it consists of investing in metropolitan areas considered strategic points for serving various industries.

At present, we have a portfolio of 214 industrial buildings, with a gross leasable area (GLA) of 37,354,504 square feet distributed across five key regions of Mexico: Northeast, Northwest, Bajío North, Bajío South, and Central.

We are prepared to offer high-quality storage and logistics solutions to our clients throughout the country, and we are committed to continuing our growth and expansion. To this end, we developed an additional 11 buildings in 2021, which add another 3,101,653 square feet of GLA.



Northwest

States	Clients	Buildings	Acres of land bank	Total surface area
Baja California Chihuahua Sinaloa	55	59	0	6,576,749 square feet

Northeast

States	Clients	Buildings	Acres of land bank	Total surface area (excluding land bank)
Nuevo León Tamaulipas	20	26	250	5,493,835 square feet

Central

States	Clients	Buildings	Acres of land bank	Total surface area (excluding land bank)
Mexico State Puebla Quintana Roo Tlaxcala Veracruz Mexico City	35	37	4.9	7,256,307 square feet

Bajío North

States	Clients	Buildings	Acres of land bank	Total surface area (excluding land bank)
Aguascalientes Jalisco San Luis Potosí	24	29	806	7,273,024 square feet

Bajío South

States	Clients	Buildings	Acres of land bank	Total surface area (excluding land bank)
Querétaro Guanajuato	53	63	694	10,754,578 square feet

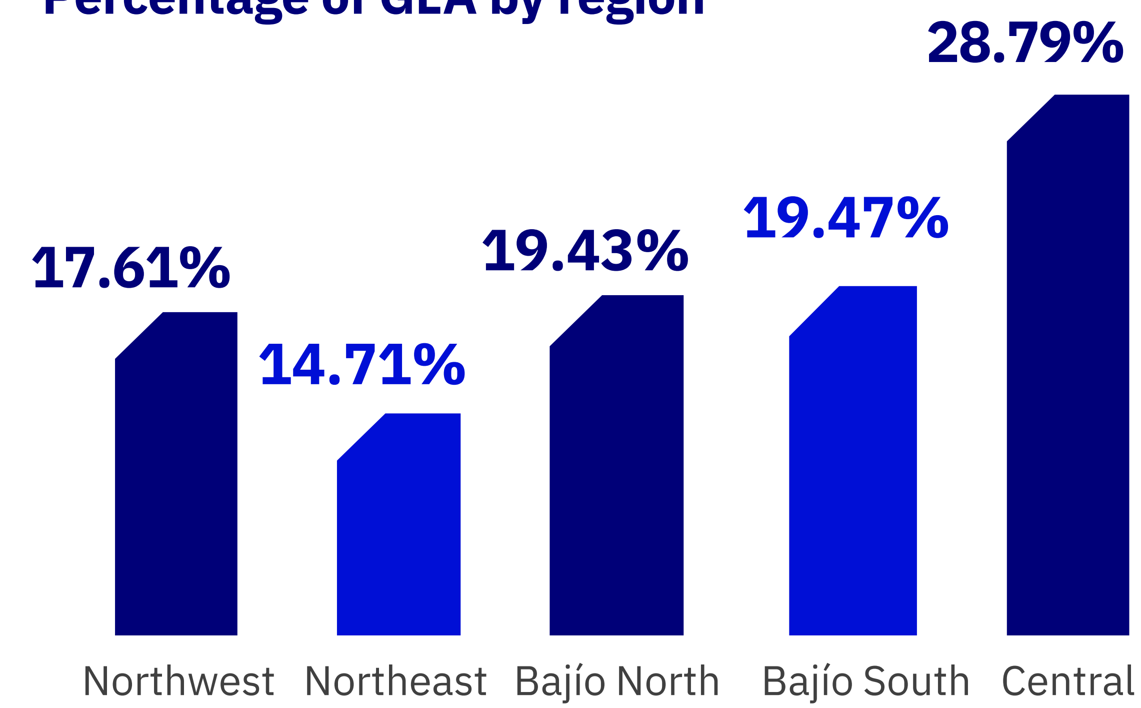
Green certifications achieved in 2023
5,445,139 of GLA* square feet

Green certifications to date 2013-2023
10,413,147 of GLA** square feet

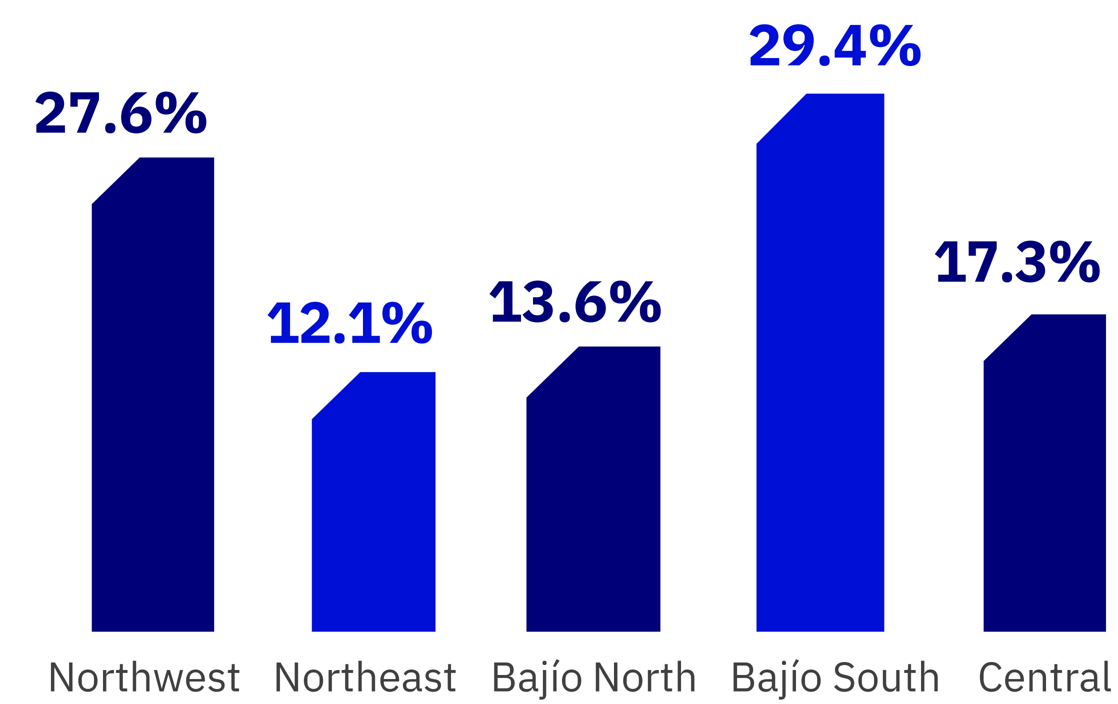
*The total surface area of 7 LEED-certified buildings (1,569,884 square feet), 15 EDGE-certified buildings (3,189,592 square feet) and 3 BOMA-certified buildings (685,664 square feet), a total of 25 buildings.

**Includes all green certifications for properties as of the close of 2023.

Percentage of GLA by region



Percentage of buildings by region



CLIENTS

GRI 2-6, 2-29
SASB IF-RE-410a.3, IF-RE-000.B

17 PARTNERSHIPS FOR THE GOALS

Our clients are successful companies that are seeking in Vesta a strategic ally and more dependable service. With this in mind, we are continually transforming the solutions we offer them, not just to meet their needs but to pursue our aim of positioning Mexico as a local leader with the best global standards.

187 clients

12 industries served

75.6% client retention rate

34,876,082 square feet of GLA occupied

2,478,412 square feet of GLA vacant

	2022		2023	
Industry	Surface area square feet	%	Surface area square feet	%
Automotive	11,208,654	35.0%	11,527,287	33.1%
Food and beverages	3,161,522	9.9%	3,159,520	9.1%
Logistics	3,868,054	12.1%	4,213,479	12.1%
Air and space	2,321,732	7.2%	2,365,434	6.8%
Others	5,123,826	16.0%	4,336,715	12.4%
Plastics	820,371	2.5%	785,001	2.3%
Medical supplies	610,249	1.9%	651,507	1.9%
Paper	434,690	1.4%	434,690	1.2%
RVs	762,009	2.4%	1,339,278	3.8%
Energy	1,225,622	3.8%	1,225,622	3.5%
E-commerce	2,517,280	7.8%	2,396,499	6.9%
Electronics	-	-	2,441,050	7.0%

Portfolio by industry

59% 2022 • **60%** 2023

Manufacturing

41% 2022 • **40%** 2023

Logistics

Main clients

Nestlé
Country of origin of capital: **Switzerland**
% of GLA: **4.8%**
% accrued rent: **5.4%**
Contract expires (years): **7**
Credit rating: **Aa3**

Foxconn
Country of origin of capital: **Taiwan**
% of GLA: **3.7%**
% accrued rent: **1.4%**
Contract expires (years): **7**
Credit rating: **NA**

Safran
Country of origin of capital: **France**
% of GLA: **3.3%**
% accrued rent: **4.2%**
Contract expires (years): **6**
Credit rating: **Baa3**

TPI
Country of origin of capital: **USA**
% of GLA: **3.3%**
% accrued rent: **4.7%**
Contract expires (years): **4**
Credit rating: **Ba1**

Nissan
Country of origin of capital: **Japan**
% of GLA: **2.7%**
% accrued rent: **2.7%**
Contract expires (years): **1**
Credit rating: **B3**

Mercado Libre
Country of origin of capital: **Argentina**
% of GLA: **2.5%**
% accrued rent: **3.1%**
Contract expires (years): **8**
Credit rating: **A-**

Bombardier
Country of origin of capital: **Canada**
% of GLA: **1.8%**
% accrued rent: **2.2%**
Contract expires (years): **13**
Credit rating: **NA**

Continental
Country of origin of capital: **Germany**
% of GLA: **1.7%**
% accrued rent: **1.6%**
Contract expires (years): **4**
Credit rating: **Baa2**

Coppel
Country of origin of capital: **Mexico**
% of GLA: **1.7%**
% accrued rent: **1.6%**
Contract expires (years): **8**
Credit rating: **HR1**

Gates
Country of origin of capital: **USA**
% of GLA: **1.6%**
% accrued rent: **1.8%**
Contract expires (years): **8**
Credit rating: **Ba3**

We work to maintain direct communication with our clients through the Asset Management department. This allows us to learn first-hand about their needs and concerns and respond assertively to their requests.

Every year for the past 12 years, we have conducted a **Client Satisfaction Survey** to learn about areas of opportunity in our properties, our relations with tenants, and their level of commitment to sustainability. Based on the results of the survey, we look for opportunities to work together.

The following are the findings of this year's survey, based on responses from 54% of our clients. Although both the total percentage of participants and the level of satisfaction was lower than in 2022, this year we earned a higher rating for perceived friendliness and kept the percentage of complaints at 4%. We were also pleased to note that no client who made any complaint in 2022 were still dissatisfied in 2023, evidence that their complaints were addressed appropriately during the reporting period.

95% of clients renewed their lease agreements with Vesta.

ESG issues

41%
of our clients have environmental programs.

72%
of our clients have social and/or environmental responsibility programs.

48%
of our clients have some certification, award or recognition of their environmental, labor or quality performance.

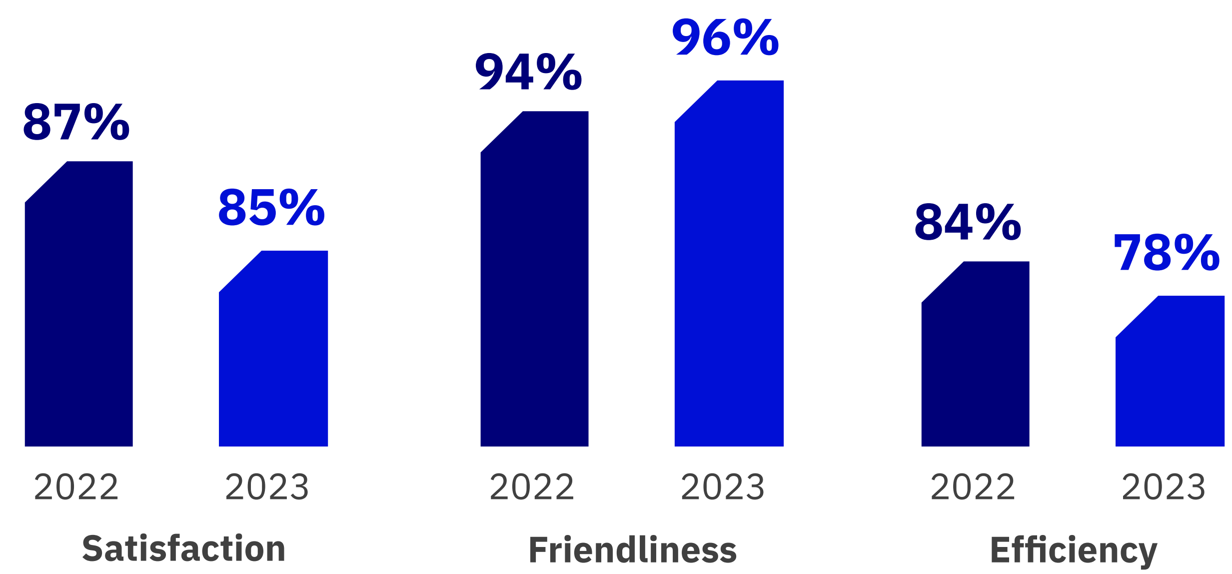
31%
have taken some measure to improve energy efficiency and conservation.

30%
have taken some measure to improve water efficiency and conservation.

61%
have taken some measure to improve waste management.

Service and maintenance

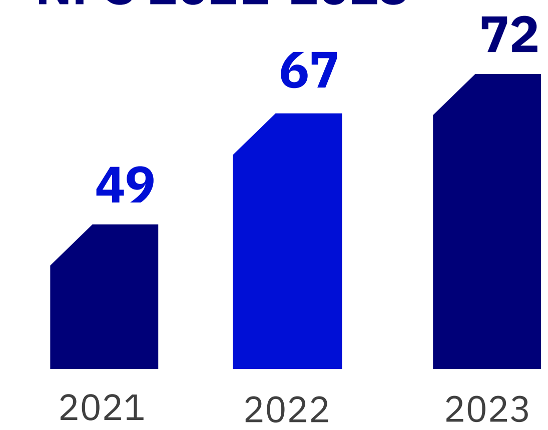
General scores



85% of those surveyed are satisfied with our service.

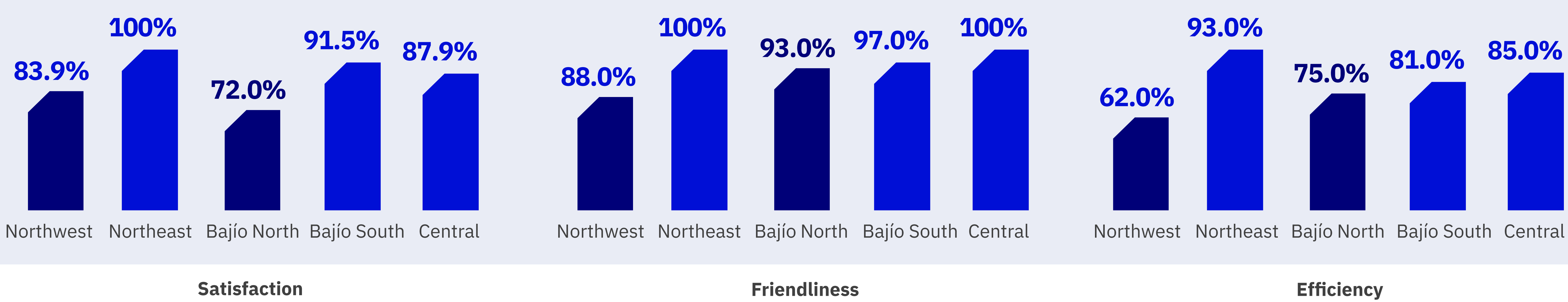
Furthermore, to set a clear and measurable target for satisfaction, in 2023 we continued to include Net Promoter Score (NPS) criteria in the survey in order to set satisfaction targets*. In 2023 we achieved an NPS of 72, which is 5 points better than in 2022.

NPS 2021-2023



* The Net Promoter Score (NSP) helps us understand clients' willingness to share our brand with others. A positive (high) NSP score means more people would recommend our company than discourage others from renting our buildings. A rating of above 50 points indicates that the company is doing things right; our target is 70, which we surpassed in 2023.

Results by region



VALUE **CHAIN**

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

To create efficient, sustainable real estate solutions, we have a strategic value chain made up of companies that supply construction, engineering, design, and other services. We organize public tender, operation and maintenance processes that are prompt, sustainable and secured at the best conditions and prices.

In that process we pursue integrity and top quality in every phase from the search for land through property maintenance:

We work closely with our suppliers throughout the various project phases, from selection to coordination, to ensure that they, too, are working in alignment with our principles, commitments and initiatives to transition toward sustainability.

We select and engage suppliers and service providers on the basis of standardized processes that foster competition and transparency. For contractors, we have a selection process in which our Portfolio Executive Committee evaluates the candidates to make sure they can guarantee on-time delivery of property developments. We also require construction suppliers to abide by the provisions of our **Sustainable Construction Manual** and complete a checklist that is applied before, during and after the work.

Once selected, suppliers are coordinated by the Asset Management and Purchasing areas to guarantee optimum and continued maintenance in operations. We ask them to track labor matters in the project and to adhere to the Workplace Safety Program, while magnifying positive impacts with sustainability projects.

All of our suppliers must follow labor regulations and guarantee the social security of their workers by ensuring that they are enrolled with the Mexican Social Security Institute (IMSS). They must also submit documentation regarding their registry as employers with the IMSS and as specialized service suppliers with the Ministry of Labor. We require that contractors and service providers have insurance policies to cover the safety of their employees and assets in the event of any damage or civil liability.

In any process or transaction for the acquisition of goods and services, we offer equal and equitable treatment, under the best commercial conditions and according to fair, transparent and professional practices.

To check that suppliers fulfill these criteria, we continued to conduct **ESG Suppliers' Audits** to ensure compliance with applicable regulations, alignment with our policies and procedures, reduction of risks and operating costs and reduction of the negative environmental impact of their operations.

Based on the results of a pre-audit process, suppliers were divided into two groups: basic and intermediate. Each group was given a training session for the new ESG audit process, covering the background, the evaluation methodology and the process for grading the results. Subsequently, we shared with them some important documents that they must comply with, including policies and a checklist by which they would be evaluated. For construction suppliers, these documents also included the sustainable construction manual checklist.

In 2023, we invited 50 suppliers of various products and services to undergo a review of their compliance with environmental, social and labor criteria. Of the suppliers we evaluated, we identified 34 with possible negative environmental impacts because they lacked energy and water savings or waste management programs, and 43 with possible negative social impacts because they lacked social responsibility programs, or had low levels of labor risk and safety management strategies.

In any process or transaction for the acquisition of goods and services, we offer equal and equitable treatment, with the best commercial conditions and based on fair, transparent and professional practices.

In 2023, we conducted ESG audits of 50 new suppliers, who presented 38% of the information and documentation requested.

Based on the information submitted by suppliers, we assigned them a rating from 0 to 5 points indicating their compliance with each of the requested ESG issues (0 indicating total non-compliance and 5 indicating excellence). If the audit revealed that a certain supplier showed negative impacts in some area, they were given a plan of action with recommendations for continuous improvement. This plan incorporated the situations identified in the audit checklist evaluation process, and a set of practical activities applicable to the supplier, establishing appropriate times for planning and execution in each case. In general they were given six months to address the recommendations.

The following are the results of the ESG audits implemented in 2023:

ESG issues

20%
have their own ESG policy.

14%
have water management and/or saving plans.

16%
assess safety and health risks in their activities.

18%
have a waste management plan.

18%
have energy management and saving plans.

16%
have social or community engagement programs.

Familiarity with Vesta's policies

38%
are familiar with and apply Vesta's Anti-Corruption policy.

38%
are familiar with and apply the Sustainable Sourcing Policy.

38%
are familiar with and apply the ESG Policy.

26%
are familiar with and apply the Code of Ethics.

Each year, we apply a **Supplier Satisfaction Survey** to learn their opinions about our relationship and our service, and identify areas of improvement. This time, we invited 110 suppliers to participate and obtained responses from 51% of them. Although this response rate was lower than in 2022, it was in part because we issued more invitations (only 67 the year before), so the number of responses was actually higher (56 suppliers this year compared to 39 last year).

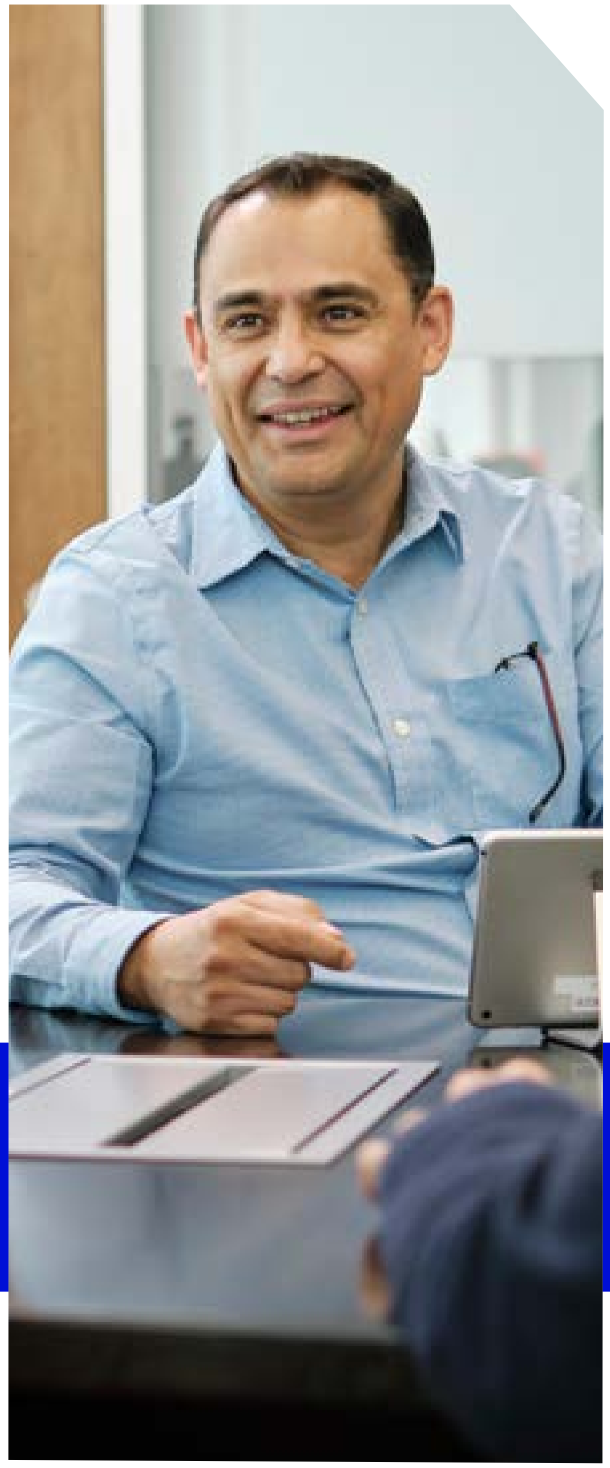
The satisfaction rating for the reported period showed a 4-percentage-point increase in supplier satisfaction, from 87% in 2022 to 91% in 2023.

Supplier satisfaction

90%
of suppliers say they are satisfied with Vesta compared to similar clients.

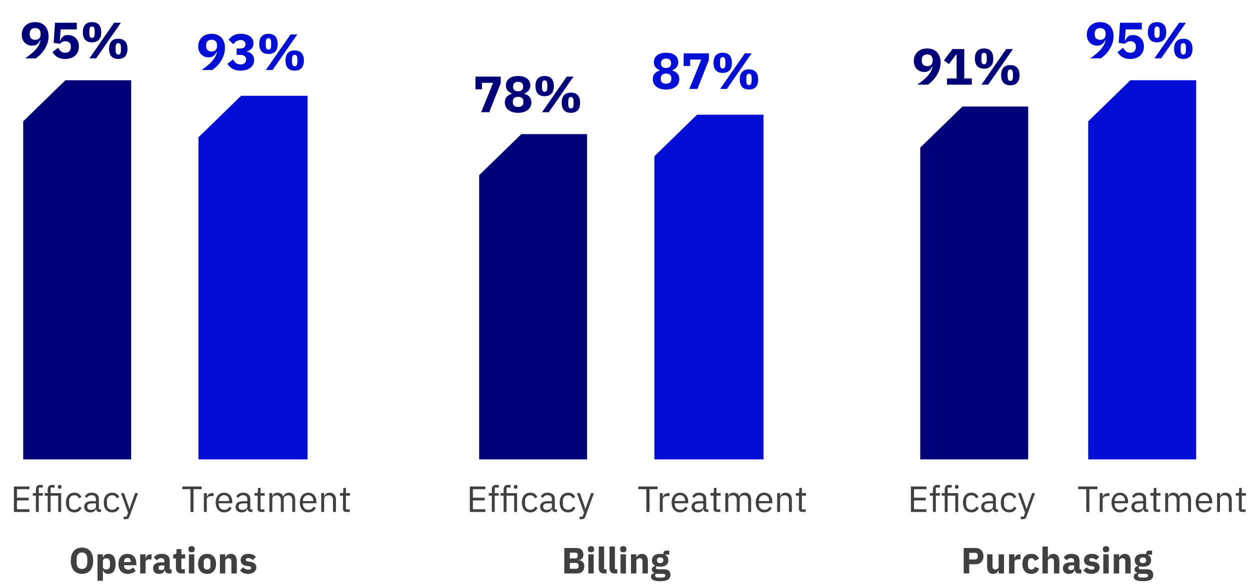
93%
believe that Vesta offers a flexible framework for suppliers to contribute their expertise.

93%
say the evolution of their relationship with Vesta was very good or good.



91% level of general satisfaction
among Vesta's suppliers.

Level of satisfaction with efficacy and treatment



100% of suppliers surveys believe **Vesta is a market benchmark.**

As part of this survey, we **applied the supplier NPS survey for the first time, obtaining an excellent result of 79**, with only three detractors, a full 29 points above the mark for excellence.

Vesta's policies

54%
say that the ESG Policy impacts their processes with Vesta.

27%
say that the Code of Ethics impacts their processes with Vesta.

11%
say that the anti-corruption policy impacts their processes with Vesta.

34%
say that the sustainable sourcing policy impacts their processes with Vesta.

ESG certifications and distinctions obtained by our suppliers

ISO 19011 **1.8%**

OSHA **5%**

Industria Limpia **5%**

ISO 9001:2015 **9%**

The results of the survey are taken into account to design an efficient, assertive sustainability strategy, assessing the impact of ESG actions taken by each of our suppliers. To this end, we identified a set of critical suppliers. Beginning with a total base of 309 active suppliers, we found 7 level 4 and 11 level 3 suppliers, resulting in a total of 18 suppliers identified as critical[4]. We identified these based on the results of a survey in which we obtained the volume of business we do with that company, that is, the economic magnitude of their largest project divided into four categories in ascending order, levels 3 and 4 being the highest.

Having identified these companies, we evaluated the impact of their ESG actions and strategies. For each of the eight general points on the checklist used in the 2022 ESG audit process, we established a weighting factor.

[4] According to the ESG Supplier Audit Procedure, Critical suppliers were defined as those who concentrate the greatest volume of annual spending (80%) along with those who provide services the suspension of which would have a significant financial, legal, or operational impact or affect the safety of property and persons or directly impact Vesta's clients.

Weighting percentages used

2.99%
Regulatory compliance.

5.97%
Climate change and resilience.

20.90%
Familiarity with and application of Vesta's ESG requirements.

20.90%
Occupational safety and health.

8.96%
Ethics and anti-corruption.

14.93%
Human rights.

2.99%
Supplier ESG policy.

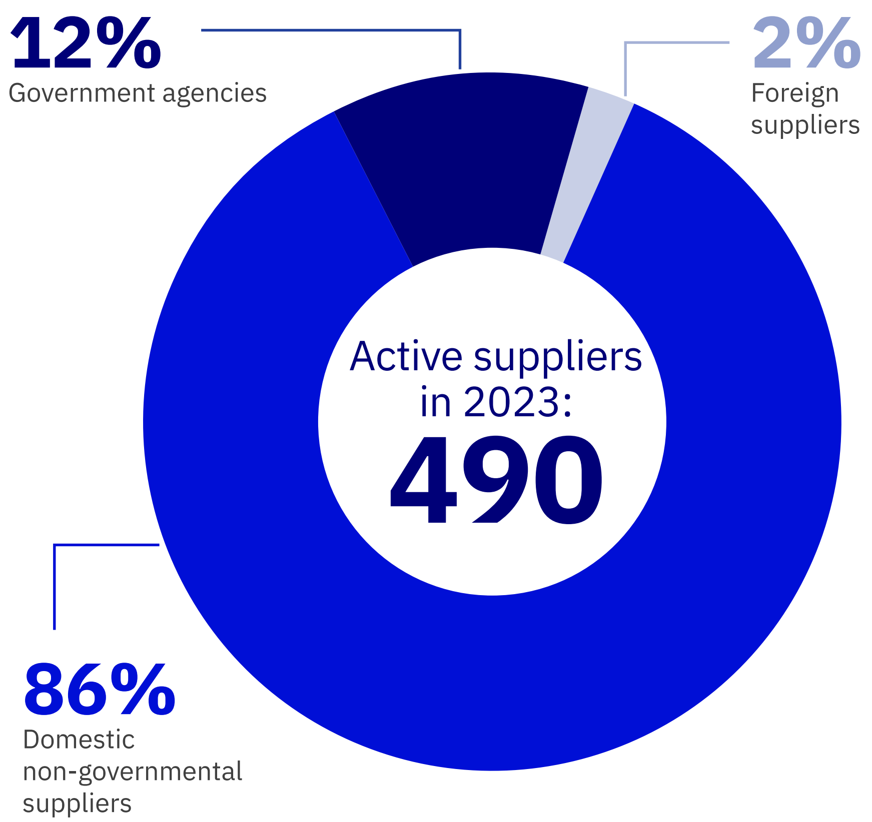
4.48%
Social aspects.

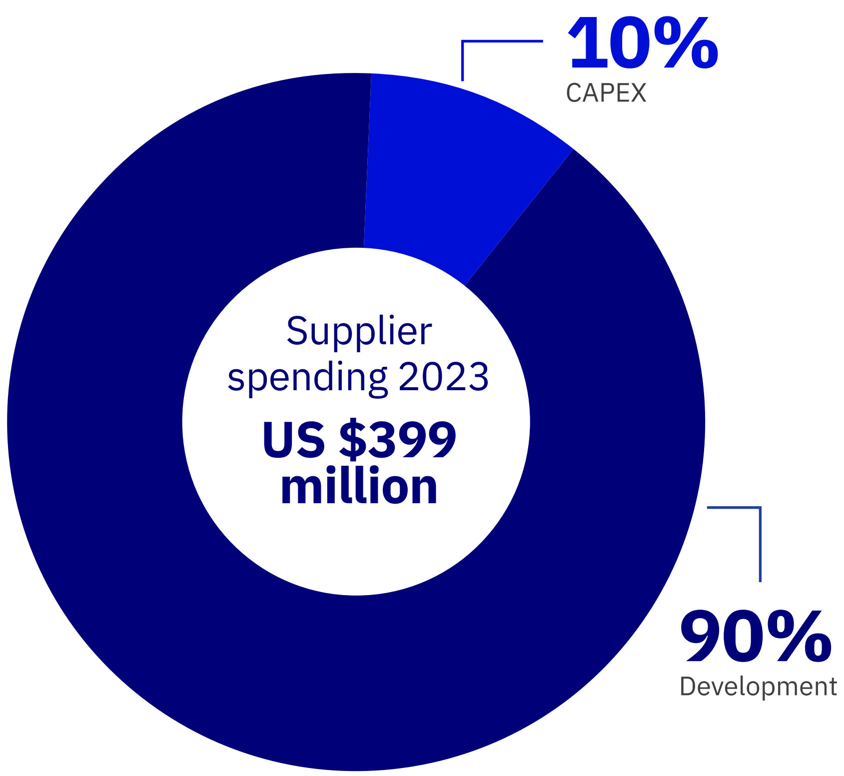
13.43%
Environment.

4.48%
Continuous improvement.

The weighting factor for each point was calculated by dividing the possible score of that point by the maximum score that could be obtained (180 points). The final grade was determined by multiplying the score that the supplier obtained on each point by the weighting factor, and adding these together.

Weighted rating	Criteria	Number of suppliers
0-33.29	Significantly negative risk	41
33.3-66.69	Moderately negative risk	7
66.7-100	Insignificant negative risk	2





The total amount of transactions with our suppliers came to US $399 million in 2023. All of the suppliers defined as critical are paid out of the capital projects development budget.

STRATEGY
02

GRI 2-13, 2-23, 2-24, 3-3

VESTA **LEVEL 3**

At Vesta, environmental, social and governance (ESG) aspects are central to our business strategy, and influence our decisions on everything from investment to administration of assets, because we are committed to innovating in Mexico's industrial platform.

Since 2020 we have been voluntary supporters of the United Nations Principles for Responsible Investment.

The Vesta Level 3 strategy is a plan we developed with an eye to the long term, seeking to fortify our position in the real estate industry as ESG leaders, while managing our properties with experience, innovation and quality.

Vesta Level 3 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.**

OUR
ESG COMMITMENT

To become an ESG benchmark in the real estate industry, aligning our sustainable and resilient practices with our business model.

Vesta's ESG strategy is embedded in every area of the organization, relying on synergies and collaboration to achieve goals.

Social

- Impact communities through social investment programs.
- Continue improving our human capital policies to guarantee best human rights practices, diversity and equal opportunity.

Environmental

- Reduce our environmental impact.
- Increase our efficiency through green certifications of our buildings.
- Step up resilient and climate change actions.

- Become the standard for best corporate governance practices with our stakeholders.

Governance

Because ESG concerns are one of the pillars of our Level 3 Strategy, they affect every area of the company in one way or another, which is how we are able to meet our goals on time. This strategy supports the company in:

- **Keeping operations efficient** and responsibly managing the portfolio by incorporating environmental initiatives into buildings, parks and offices, in our management of physical and transitional risks to Vesta operations and the first evaluation of our facilities for biodiversity risks.
- **Investing in social areas** that help strengthen our organizational structure and create continuing value in the communities where our developments are located, improving our relations with possible sources of labor and with authorities.
- **Attracting more sources of financing** through robust corporate governance and transparent reporting of financial and non-financial information, optimizing accountability.

What this means is that environmental, social and governance issues are at the heart of our business, and translate into the following actions:

Purchasing
ESG audits of suppliers, evaluating suppliers according to ESG criteria, supplier commitment.

IT
Cybersecurity, ESG platform to cover environmental data on our properties and volunteer work.

Risk management
Managing the system of risks regarding climate change and resilience.

Human resources
Employee commitment through the ambassadors program, diversity, inclusion and salary equity, human rights, ESG training, volunteer program.

New businesses
Introduction of a Green Clause and communication of ESG activities to new and future clients.

Investments
Responsible investment process.

Finance
Investor commitment, ESG bonds, long-term vision.

Asset Management
Client engagement and training, collection of environmental information from clients, green certifications, responsible investment process, waste management program.

Development
Sustainable Construction manual and checklist, green certifications, responsible investment process.

Legal
Labor and human rights practices with suppliers.

Board of Directors
ESG Committee, Board diversity, Integrated Annual Report and other reports.

Communication and marketing
Stakeholder commitment, internal and external communication and PR about ESG issues.

By integrating environmental and social aspects into our business model, we intend to become a benchmark for best practices in corporate governance, attracting more funding sources, ensuring transparency and accountability.

Vesta's **Policy on Environmental, Social and Governance Responsibility**[5] establishes the guidelines under which sustainability and social responsibility practices must be aligned. The ESG Department and the Environmental, Social and Governance Committee plan, execute and monitor the activities carried out to ensure that they align with the ESG Strategy.

Our Policy on Environmental, Social and Governance Responsibility is aligned with three principles:

1. Integrity and governance.

We take all decisions and actions with integrity and transparency, conducting ourselves responsibly, with respect and discipline.

2. Environment.

We work to lessen the environmental impact of our developments and operations to contribute less to climate change.

3. Responsible investment.

We create projects that respond to the needs of our stakeholders and local communities, aimed at protecting human rights, community development, inclusion and gender equality, among others.

[5] This policy can be viewed at: https://vesta.com.mx/storage/app/media/politicas/64a759d1a4a2f901572831.pdf

Vesta believes in the impact of partnerships and collaboration, so one of the goals of our strategic plan is to share responsibility for ESG real estate management with our suppliers and tenants.

To this end, we have a **Commitment Program** which is governed by six goals and four metrics that define the bases for shared responsibility of our properties between Vesta, suppliers, tenants and the charitable foundations with which we work.

This program is based on the AA1000SES series of standards, issued by The Accountability Standards Board, incorporating four basic principles:

Inclusivity

People should have a say in decisions that impact them.

Relevance

Decision makers should identify and be clear about the ESG issues that matter.

Responsiveness

Organizations should act transparently on relevant ESG issues and their related impacts.

Impact

Organizations should monitor, measure, and account for how their actions affect their broader ecosystems.

GOALS OF THE **ENGAGEMENT PROGRAM**

Investors

Attracting new capital, improving information transparency on the performance of assets under management and operation, and enhancing reputation.

Employees

Encourage engagement, motivation, recruitment, talent retention, work-life balance, teamwork, and leadership development and understanding of ESG issues.

Tenants

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

Industry – academy

Identify approaches to key industry-related issues such as acquisitions, construction, operation, and maintenance of industrial parks and buildings, to better adapt and improve our processes in line with current ESG challenges.

Community

Generate shared and sustainable value through the collaborative exchange of knowledge, skills and experiences. Assess socio-economic effects to minimize the potential negative impact of new construction and major renovation projects.

Supply chain

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

ESG INDICATORS

Tenants

Environmental indicator management

We have a "green clause" in our contracts by which tenants 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.

Community

ESG criteria audit

Through this activity, we evaluate compliance by our SCO allies with regulations and appropriately manage reputational financial and legal risk, as well as their impact and organizational structure. This process is carried out by an independent firm.

Supply chain

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.

Supply chain

ESG criteria audit

We check that our suppliers are correctly interpreting and implementing environmental, social and governance standard through ESG audits.

According to the AA1000SES standard, successful engagement depends on understanding why an organization is engaging (the purpose), what issues to engage on (the scope), and who needs to be involved in the engagement (ownership, mandate, stakeholders).

To monitor and evaluate the energy performance, water efficiency and waste generation of our leased assets, we use ENERGY STAR Portfolio Manager® (ESPM), an application where we upload consumption data and receive an evaluation score for each asset profile.

To improve control over target management and investment prioritization, Vesta created two profiles: one for tenants and one for the common spaces in our parks. This division allows us to detect building performance issues and monitor efficiency gains.

The information from our tenants is collected in logs aligned with international ESG standards, which are first sent to our regional Asset Managers so that they can in turn send them promptly to each tenant and follow up on the established deadlines.

In 2023 we collected information from 100% of our operating parks and loaded them into the ESPM platform for evaluation.

Results of information tracking assessment for common areas by topic (ESPM)

100%
energy

100%
water

100%
non-hazardous waste

100%
hazardous waste

MATERIALITY

GRI 3-1, 3-2

We know how important it is to keep our materiality analysis up to date, to reflect changing market dynamics and stakeholder expectations so that we can establish priorities for our efforts to fulfill the Vesta Level 3 strategy.

In our 2022 materiality exercise, we assessed the risks associated with Vesta's ESG issues based on the impact they could have on the organization's economic value creation, as well as the potential impact they might have on stakeholders in terms of scale, scope, likelihood and remediability.

In 2023, to complement this exercise, we consulted senior management, ESG Committee members and the Board of Directors for a second evaluation of the issues, but now from a financial perspective. This second evaluation phase included financial indicators and elements that could be affected, positively or negatively, by the different ESG issues.

Together, the two exercises make up what is called a **dual materiality analysis**, conducted in accordance with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Financial Reporting Standards (IFRS) and European Financial Reporting Advisory Group (EFRAG) frameworks. It consisted of the following stages:

- **Starting point:** the dual materiality update was based on the exercise conducted the previous year.
- **Identification of IROs:** potential and actual impacts, risks and opportunities (IROs) were identified from a financial and impact perspective, so that they could be subsequently classified and prioritized into different topics.
- **Analysis and prioritization of issues (impact):** in the 2022 exercise, the most relevant issues for Vesta were analyzed and prioritized. Surveys were conducted of employees, tenants, suppliers, investors, associations and other stakeholders in order for them to evaluate the issues from an impact perspective (referring to how Vesta affects the environment and society). A representative group of executives from various Vesta areas participated in a high-level exercise to bring their experience and knowledge of operations to bear in identifying issues that could pose a risk to Vesta. Once identified, goals were designed for 2025 that cover all these issues, taking 2022 as the base year.

- **Analysis and prioritization of issues (financial):** in the 2023 update, an assessment was conducted in accordance with the capitals methodology supplied by EFRAG[6] to identify the issues that could be most relevant from a financial perspective (the risks that affect Vesta economically). Senior management, members of the ESG Committee and the Board of Directors participated in this assessment through one-on-one survey response exercises.

[6] European Sustainability Reporting Guidelines, Double materiality conceptual guidelines for standard-setting: https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/Appendix%202.6%20-%20WP%20on%20draft%20ESRG%201.pdf&AspxAutoDetectCookieSupport=1

LIST OF CAPITALS ACCORDING TO **EFRAG**

Financial

Funds available in the organization for use in the production of goods or provision of services.

Intellectual

Intangible assets produced by an organization's knowledge, such as intellectual property or organizational capital.

Industrial

Manufactured physical objects that are available to an organization for use in the production of goods or the provision of services.

Human

People's competencies, skills and experience, and their motivations to innovate, manage and collaborate.

Natural

Renewable and non-renewable environmental resources and processes that provide the goods and services that sustain prosperity.

Social and relational

Shared norms, common values and behaviors; relationships with key stakeholders; intangibles associated with brand and reputation.

MATERIAL ISSUE UPDATE

The result of this exercise was a new double-materiality matrix with 22 material topics: five of them were critical, three significant, nine important and five informative.

Critical

- Water management (4)
- Migration to renewable energy (3)
- Corporate governance (20)
- Sustainable development and construction (22)
- Risk management and resilience (16)

Significant

- Climate change adaptation (6)
- Human capital recruitment, retention and development (9)
- Responsible investment (21)

Important

- Ethics and anti-corruption (18)
- Emissions (2)
- Tenant and employee satisfaction (8)
- Community engagement and development (12)
- Sustainable supply chain (15)
- Cybersecurity and technology (23)
- Waste (1)
- Adaptation to regulatory changes (19)
- Tenant sustainability management (14)

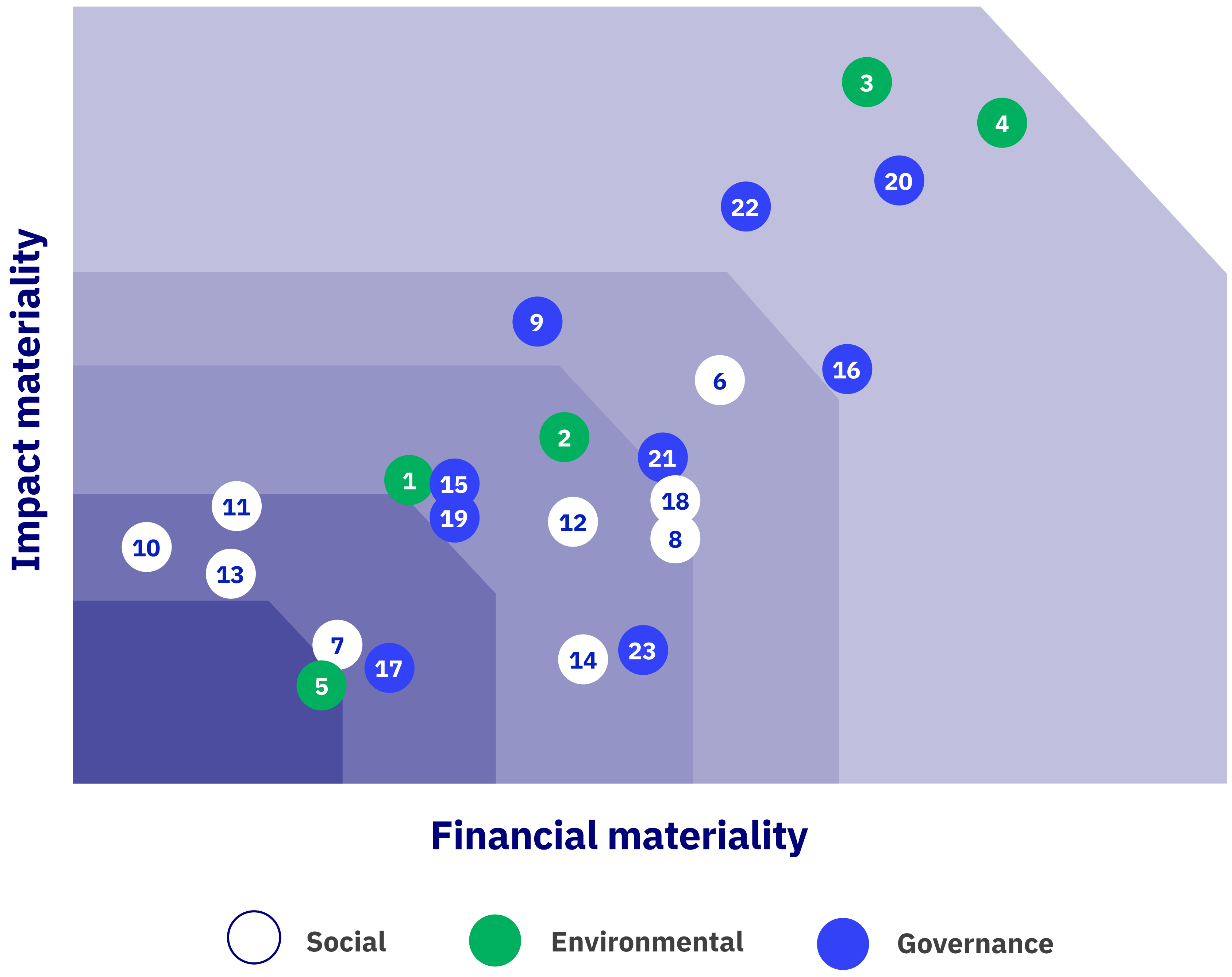
Informative

- Labor practices (11)
- Human rights (17)
- Occupational health and safety (10)
- Diversity and inclusion (13)
- Biodiversity impact management (7)

Minimal

- Environmental management system (5)

IMPORTANCE OF **STAKEHOLDERS**



The table below shows the change in Vesta's main material topics compared to our previous analysis, when we considered only the impacts, and not the financial perspective[7]. As a result, the issues of responsible investment, ethics and anticorruption, and tenant and employee satisfaction, gained a place in this listing.

Material issues under the impact analysis (2022 Materiality)

Migration to renewable energies
Corporate governance
Water management
Sustainable development and construction
Human capital attraction, retention and development
Risk management and resilience
Climate change adaptation
Emissions
Waste
Community engagement and development
Occupational health and safety
Diversity and inclusion

Material issues under the impact and financial analysis (2023 Materiality)

Water management
Migration to renewable energy
Corporate governance
Sustainable development and construction
Risk management and resilience
Climate change adaptation
Human capital attraction, retention and development
Responsible investment
Ethics and anti-corruption
Emissions
Tenant and employee satisfaction
Community involvement and development

[7] ↓: topic declined in priority
↑: topic rose in priority
= : topic remained at the same level

No longer a priority **Positioned as relevant**

Although the priorities were reshuffled among the top three material topics, these three remained the most important for both stakeholders and Vesta. Accordingly, in line with our sustainability strategy and our ESG commitment, we are continuing to pursue the goals and initiatives we have in place to manage our impact in these areas.

	Water management	Migration to renewable energy sources	Corporate governance
Business case	Although ours is not a water-intensive operation, water is one of the resources we use at Vesta, in cleaning, sanitation and watering our green areas. We therefore believe it is important to have initiatives to use it responsibly.	Energy is one of the main resources we use at Vesta to operate and administer our parks. We are working to reduce our negative environmental impacts by migrating to the use of renewable energies and away from traditional sources, so we can reduce the amount of GHG emissions we generate.	All decisions and actions made within the company must be carried out with sound corporate governance. Our Board of Directors is the body responsible for managing and leading the business and overseeing compliance with the Vesta Level 3 Strategy; we strive at all times to protect the interests of our stakeholders.
Impact	Risk	Risk	Risk
Strategy	Have real and accurate data on water use in our common areas. Introduce efficiency measures to achieve consumption reduction targets, monitor these metrics from the construction phase through operating activities, based on the Sustainable Construction Manual.	Have real and accurate data on energy use in our common areas. Introduce efficiency measures to achieve consumption reduction targets, monitor these metrics from the construction phase through operating activities, based on the Sustainable Construction Manual. We carried out our first emissions inventory exercise to identify our main sources of emissions and to determine the role of energy in our operations.	Apply the Policy and Responsible Investment Checklist in acquisitions and sales of portfolio, land and parks. Introduce measures to improve diversity in our Board of Directors.
Related target or metric	Reduce water consumption by 20% in Vesta-managed areas*.	Reduce our carbon footprint (Scopes 1 and 2) in Vesta-managed areas by 20%.	100% of our investment decisions made according to the Principles for Responsible Investment. Have three women as regular members of the Board of Directors.

*The areas managed by Vesta include common areas and offices.

	Water management	Migration to renewable energy sources	Corporate governance
Base year		2022	
Target year		2025	
2023 progress	In 2023, we conducted a second-level diagnosis to identify initiatives that can help us reduce water consumption in all our parks and offices.	In 2023, we conducted a second-level diagnosis to identify initiatives to reduce energy consumption in our parks and offices and evaluate renewable energy initiatives.	We now have three women on the Board of Directors.
Department whose compensation is linked to the issue	• Asset Management • Development • ESG • Communication	• Asset Management • Development	• Board of Directors

ESG goals by department

Material topic	ESG Strategy target	Proposed actions/goals (performance evaluation)	Departments involved	Levels involved
Corporate governance	100% of our investment decisions made according to the Principles for Responsible Investment.	• Apply the Responsible Investment Policy and checklist in acquisitions and sales of portfolio, land and parks. • Promote the Green Clause in new lease agreements.	• Investments and acquisitions • Development • Commercial/Legal	• C-Suite and full area • C-Suite and full area • C-Suite and full area
Occupational safety and health	Establish ESG commitments with 35% of total suppliers including those most critical or relevant.	• Perform a supplier diagnosis to conduct ESG audits. • Promote the Commitment Plan with Suppliers (ESG audits). • Have an efficient platform for extracting the information needed from suppliers to receive the supplier diagnosis.	• Purchasing (Asset Management, Development and VM) • ESG • IT	• Full area • Full area • Full area
Corporate governance	Have 3 women as regular members of the Board of Directors.	• Improve diversity on the Board of Directors. Although currently the objective only deals with women, we are actually working toward full diversity.	• Board of Directors	• Shareholders
Risk management and resilience	Instill a culture of risk management.	• Have a company-wide risk management plan (mapping, management and mitigation plans).	• C-Suite	• C-Suite

Material topic	ESG Strategy target	Proposed actions/goals (performance evaluation)	Departments involved	Levels involved
Climate change adaptation and improved resilience	Identify physical and transition risks to decide on mitigation and prevention actions.	• Have a company-wide climate change management plan that is part of the general Vesta risk plan (mapping, management and mitigation plans). • Have a climate scenario analysis.	• C-Suite • ESG	• C-Suite and full area
Community engagement and development	Volunteer program US $1 million in strategic alliances for ESG projects.	• Participate in Vesta Volunteer Program. • Introduce Social Investment Projects, Vesta Challenge, and bring on more strategic allies.	• Employees • ESG	• Entire company • Full area
Occupational safety and health Human capital recruitment, retention and development	100% of employees trained in ESG topics every year.	• Prepare and apply an ESG training at Vesta for all employees.	• ESG • Human Resources • Communication	• Full area • C-Suite and full area • Full area
Migration to renewable energy sources Water stewardship Climate change adaptation Emissions and waste	Build client awareness about ESG topics every year and achieve reductions proposed in our ESG Strategy.	• Request environmental information (consumption) from tenants in our portfolio, reaching 100% of our operations. Report 100% of the consumption in common areas. • Promote the Green Clause in new lease agreements. • Communicate ESG actions to tenants and continue taking a satisfaction survey of clients that includes ESG questions. • Introduce Commitment Plan with tenants.	• Asset Management • Commercial • Communication • ESG	• Full area • C-Suite and full area • Full area • Full area

Material topic	ESG Strategy target	Proposed actions/goals (performance evaluation)	Departments involved	Levels involved
Migration to renewable energy sources Water stewardship Climate change adaptation Emissions	Reduce our carbon footprint and water consumption in Vesta-managed areas: Scope 1 and 2 emissions by 20% and water consumption by 20%.	• Have real and accurate data on water and energy use in our common areas. Introduce efficiency measures to achieve consumption reduction targets, monitor these metrics from the construction phase by applying the Sustainable Construction Manual. • Report these measures and reductions for inclusion in the Annual Report and in the rankings in which Vesta participates.	• Development • Asset Management • ESG	• C-Suite and full area • C-Suite and full area • C-Suite and full area • Full area
Waste	Increase the amount of waste recycled or reused by 50% (Waste Management Plan).	• Introduce the Waste Management Plan in parks (common areas) and offices within the parks. • Introduce the Waste Management Plan at Vesta offices. • Comply with the Waste Management Plan in Parks and Offices. • Measure and monitor application of the Waste Management Plan.	• Asset Management • Human Resources • Vesta employees • ESG and employees	• C-Suite and full area • C-Suite and full area • Entire company • Entire company

Material topic	ESG Strategy target	Proposed actions/goals (performance evaluation)	Departments involved	Levels involved
Climate change adaptation Sustainable construction and development	Have some type of green certification on 19% of our GLA by 2025.	• Operating certifications. • New construction certifications. • Compliance with bond KPIs. • Promotion of certified construction firms with new clients.	• Asset Management • Development • Finance • Commercial	• C-Suite and full area • C-Suite and full area • Full area • C-Suite and full area
Diversity and inclusion	Reduce the gender wage gap by 15% at the management and executive level. Have more women in senior management and C-Suite positions.	• Promote actions to achieve these goals.	• Complete C-Suite • Human Resources	• C-Suite • C-Suite and full area

STAKEHOLDERS

GRI 2-29

Vesta has three areas in charge of maintaining frequent, bilateral communication with our stakeholders: ESG, Investor Relations, and Communication, along with the Environmental, Social and Governance Committee.

Through various channels, we endeavor to promptly identify the main concerns and needs of our stakeholders so we can respond in a timely manner and generate shared value.

Stakeholder group	Level of interaction	Type of contact	Contact frequency	Key issues and concerns
Tenants	• Organizational / Local	• Visit or call from the Asset Manager • Satisfaction survey • Social media	• Annually • Monthly	• Property maintenance and general satisfaction.
Shareholders and investors	• Local	• Annual meeting • Quarterly report and conference call • Publications in various media • Virtual meetings • New property openings • Virtual events • Visits to parks	• Annually • Quarterly	• Company's financial and ESG performance.
Suppliers	• Organizational / Local	• Satisfaction survey • Digital newsletters • Social media • ESG Audits	• Annually • Weekly	• Follow-up on processes according to ESG criteria.

Stakeholder group	Level of interaction	Type of contact	Contact frequency	Key issues and concerns
Employees	• Organizational / Local	• Monthly internal communication program • Ambassador Program • E-mail • Social media • Town Hall meetings	• Weekly • Monthly	• Company results, motivation to achieve personal and business goals, training, wellness, work-family balance.
Real estate industry partners	• Organizational	• Participation in events, and Board of AMPIP • Annual in-person or virtual event for Brokers • Regional events for Brokers • Social media	• Quarterly	• Company results, best industry practices and attracting more investment to Mexico in industrial parks.
Government	• Organizational / Local	• Virtual and in-person meetings • Information on new property openings • In-person or virtual events	• Quarterly	• Compliance with regulations and paperwork, attracting more investment to Mexico in industrial parks.
Media	• Organizational	• Virtual interviews • Printed publications • Digital newsletters • In-person or virtual press conferences	• Quarterly	• Company results.
Communities	• Organizational / Local	• Projects by the NGOs in which Vesta invests	• Monthly	• Sustainable community development through social investment programs.

MEMBERSHIP IN ASSOCIATIONS

17 PARTNERSHIPS FOR THE GOALS

Vesta recognizes the potential of collaborative effort to propel Mexico's industrial platform, which is why we continue to belong to a number of local, national and international groups and real estate chambers with which we maintain a close and active involvement.

GRI 2-28

ALLIANCE FOR INTEGRITY • ASOCIACIÓN DE PARQUES INDUSTRIALES DE JALISCO • ASOCIACIÓN MEXICANA DE PARQUES INDUSTRIALES (AMPIP)[8,9], • ASOCIACIÓN MEXICANA DE VENTAS ON LINE • BORDERPLEX ALLIANCE • COMITÉ MÉXICO-ALEMANIA DE COMERCIO E INDUSTRIA (CAMEXA)[9] • CONSEJO EMPRESARIAL MEXICANO DE COMERCIO EXTERIOR, INVERSIÓN Y TECNOLOGÍA (COMCE)[9] • CONSEJO DE DESARROLLO PARA LA CDMX[8] • DESARROLLO ECONÓMICO E INDUSTRIAL DE TIJUANA (DEITAC)[8] • DESARROLLO ECONÓMICO DE CHIHUAHUA[8] • EDC CIUDAD JUÁREZ[8] • EL GRAN BAJÍO • FEDERACIÓN MEXICANA DE LA INDUSTRIA AEROESPACIAL (FEMIA) • INDEX TIJUANA • MÉXICO EN MOVIMIENTO[8] • NATIONAL ASSOCIATION OF REAL ESTATE INVESTMENT TRUSTS (NAIRET) • SMART BORDER COALITION • CONSEJO DE AMÉRICA LATINA DE REAL ESTATE NETWORK DE YPO/ WPO[8]

Alliance for Integrity activity highlights

May

Alfredo Paredes (CIHRO) taught a module of the "Company to Company" training course[10] in the city of León, Guanajuato.

August

Alfredo Paredes (CIHRO) attended an event marking the signing of a letter of support between CONCAMIN and the Alliance for Integrity to build closer ties with México's manufacturing and industrial sectors.

September

First "train the trainer" workshop on human rights for SMEs, micro companies and entrepreneurs.

[8] Vesta holds a position in the organization's governance body.
[9] Vesta participates in projects or committees.
[10] Course aimed at SMEs, micro-sized companies and entrepreneurs of the Bajío region with little or no knowledge of compliance issues and an interest in developing such topics within their organization.

POTENTIAL 03

GRI 2-6, 203-1

GROWTH

We create and administer buildings and industrial parks with the highest standards of quality and efficiency, following global standards and trends in environmental and social responsibility and governance. Our strategy is based on strategically locating our facilities to ensure comprehensive national coverage with connectivity to international markets. This approach not only allows us to meet but surpass our clients' expectations, cementing our position as a key partner in the industrial sector.

We aim to consolidate a leading industrial platform that offers exceptional experiences to all who rely on us.

In 2023, we saw strong leasing activity, reaching a total of 7,911,431 square feet, of which 4,525,395 square feet came from new leases, while lease renewals reached 3,386,046 square feet with a weighted average lease term of six years.

As part of our growth plan, aligned with the Vesta Level 3 Strategy, we opened the Vesta Park Mega Región in Tijuana, where we now have six new buildings with a GLA of 1,198,454 square feet. Additionally, we acquired a 76,370 square feet building in Toluca, Mexico State, for US $7 million, equivalent to an estimated capitalization rate of 8.1%.

At the same time, we are developing 3,101,653 square feet in inventory buildings distributed throughout the regions where we are present, representing an estimated investment of US $267.1 million and a return on costs of 9.8%.

We sold a 313,004 square feet building in Tijuana, Baja California. The net proceeds from this sale will be used in part to pay the company's current debt, taxes, and other corporate purposes. We also sold 21 acres of land in Aguascalientes.

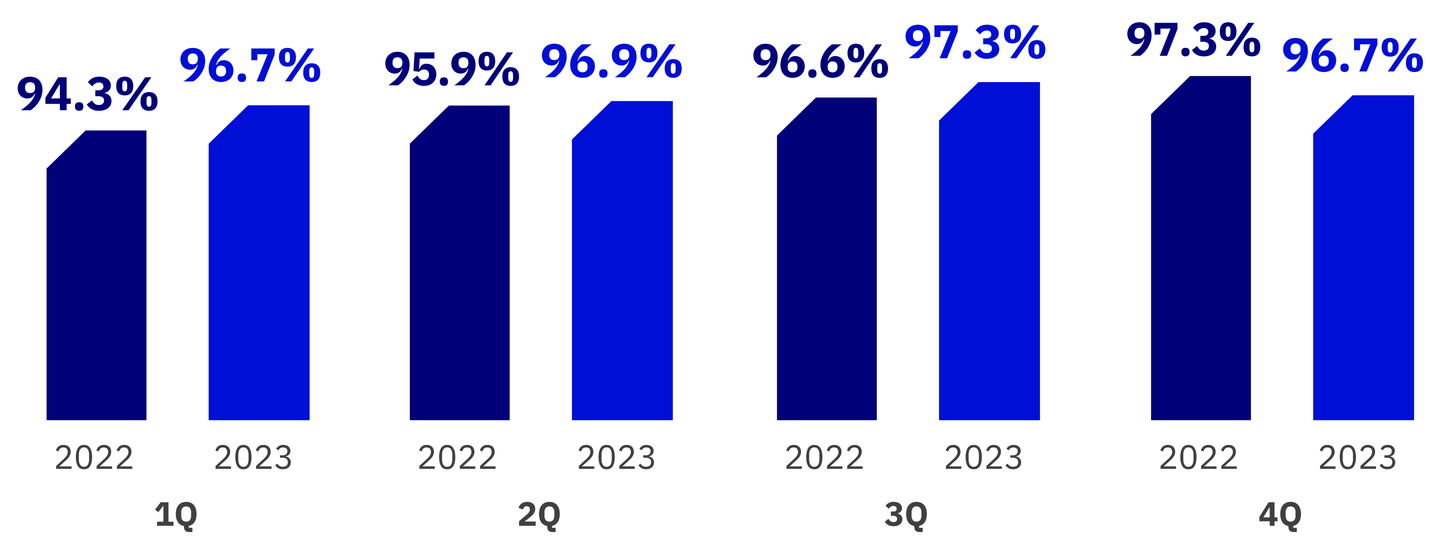
In addition to the usual benefits provided by our operation and our business, we seek to expand the benefits to the communities with which we interact through our properties.

PORTFOLIO **METRICS**

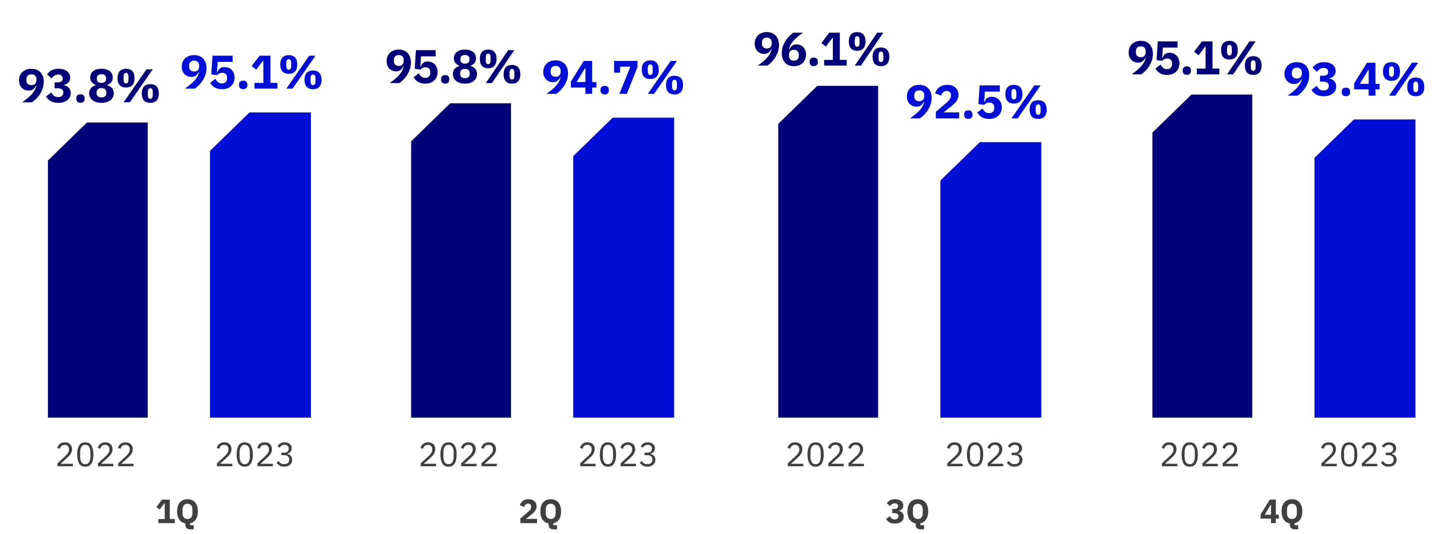
SASB IF-RE-000.D

The metrics recommended by the National Association of Real Estate Investment Trusts® (NAREIT®) enable us to track and report on the occupancy and performance of our industrial buildings and parks.

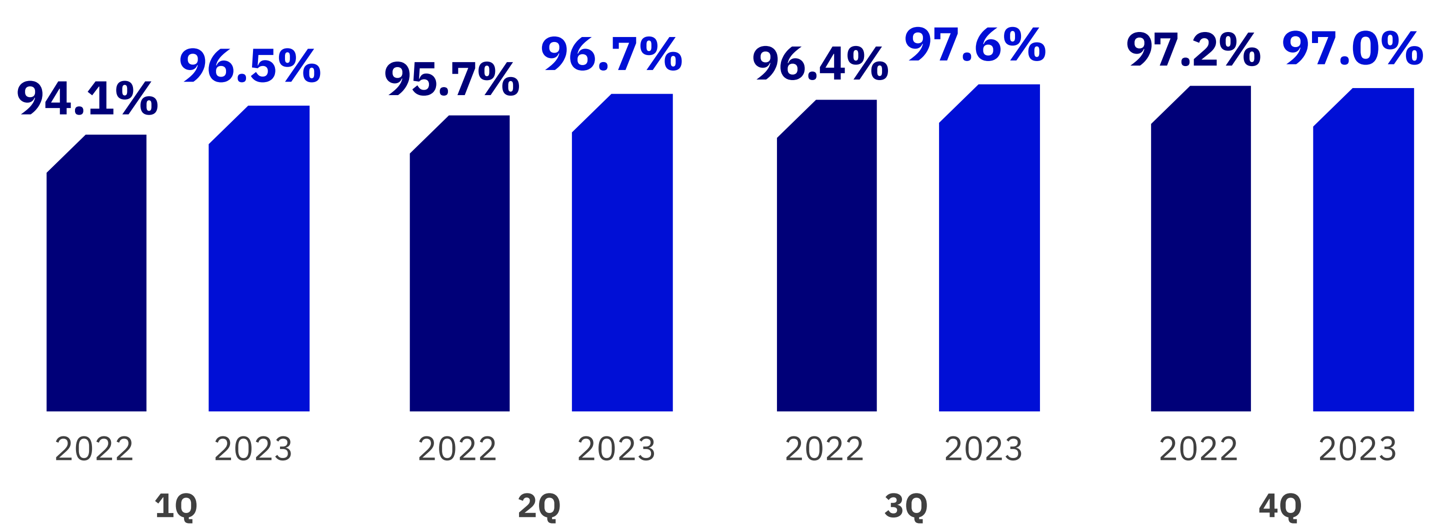
Stabilized portfolio (% occupancy)



Total portfolio (% occupancy)



Comparable portfolio (% occupancy)



ECONOMIC **VALUE**

GRI 201-1

We continue to improve and innovate to develop proposals that generate value for our clients, at the same time as Mexico grows increasingly appealing as a destination for foreign investment.

Our parks' location is a point of attraction for multinational companies seeking to expand their reach and take advantage of growth opportunities. With this and the Vesta Level 3 strategy, we achieved exceptional results in 2023.

At year-end, our total revenues stood at US $214.5 million, a 20.5% increase over 2022. The adjusted NOI margin and adjusted EBITDA margin were 94.6% and 82.0%, respectively, both exceeding guidance. Over the course of 2023, we invested over US $263 million in innovative and top-tier projects.

With 214 buildings in operation and 11 buildings under development, the activity derived from new contracts amounted to 4,525,395 square feet, and leasing activity for renewals in 2023 reached 3,386,046 square feet. With this we were able to maintain our stabilized portfolio occupancy at 96.7%.

We closed the year with 7 buildings certified by LEED, 15 buildings by EDGE, and 3 by BOMA, equivalent to 1,569,884 square feet, 3,189,592 square feet and 685,664 square feet of GLA, respectively, which puts us on track to achieve our goals relating to the sustainable bond that we issued in early 2021[11].

Concept		2022		2023	
		(+)	(-)	(+)	(-)
Direct Economic Value Generated (EVG)	Leasing revenues	$168,707,094		$200,267,401	
	Reimbursable	$9,318,367		$13,180,895	
	Management			$1,019,316	
VEG		**$178,025,461**		**$214,467,612**	
Economic Value Distributed (EVD)	Property operation expense		$11,423,394		$18,239,722
	Direct employee benefits		$13,501,686		$17,883,095
	Administrative expense		$116,997		$379,197
	Legal and audit expense		$971,629		$2,357,281
	Marketing		$1,026,804		$948,211
	Others		-		
	Property appraisal expense		$682,905		$572,207
	Indirect stock issuance		-		-
EVD			$27,723,415		$40,379,713
Economic Value Retained	Economic value generated (-) Economic value distributed		**$150,302,046**		**$174,087,899**

Amounts in US dollars.

[11] These data add to the green certifications we held in previous years; at the close of 2023, we had 10,413,147 square feet in SBA certified properties.

Vesta lists its shares on **the New York Stock Exchange**

On July 5th, we successfully set the price of our initial public offering (IPO) in the United States, consisting of 14,375,000 American Depositary Shares (ADS), at a price of US $31 per ADS. Since then, Vesta has been listed on the New York Stock Exchange (NYSE) under the ticker symbol VTMX.

We participated in the ringing of the opening bell ceremony, accompanied by **50 of our employees**.

We are proud to have secured access to the world's most important equity market in 2023 by raising nearly **US $600 million through the Vesta ADS IPO on the New York Stock Exchange**, with a follow-on offering shortly after, allowing investors to continue investing in the nearshoring trend.

Vesta's listing on the **NYSE was a historic milestone.**

- We are the **first Mexican real estate company** to be listed on US markets.
- We are also the **first company since 2019 to issue an IPO** as a business domiciled in Mexico.

This was the largest IPO for a Mexican company in the United States since 2013.

GOVERNANCE

04

CORPORATE **GOVERNANCE**

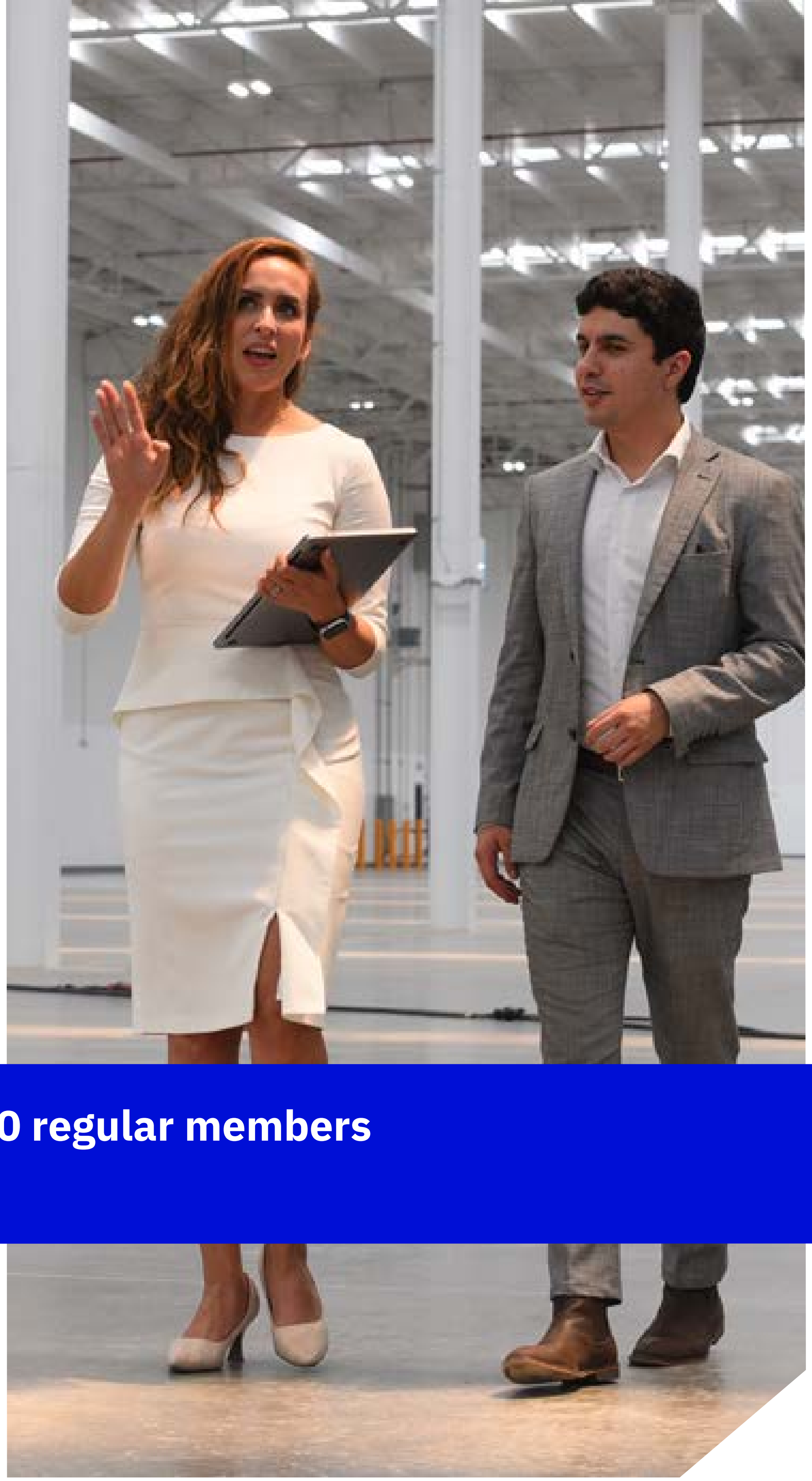
GRI 3-3, 2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-17, 2-18, 2-19, 2-20

Our Board of Directors[12] is in charge of ascertaining that the organization's decisions are made in keeping with our Vesta Level 3 Strategy and that the actions we undertake are aligned with the commitments we have assumed on various ESG topics.

The Board is made up of 10 regular members and their respective alternates. Eight of the regular members are independent[13] and three are women; two of the alternates are women. Lorenzo Manuel Berho Corona is the executive chairman of Vesta's Board of Directors.

Board members are selected according to the requirements of the Mexican Securities Market Act, Vesta by-laws and our Code of Ethics. The **Corporate Practices Committee**, which also acts as the nominating committee, is in charge of evaluating and proposing candidates for board members. This committee also proposes members and chairs of the respective committees which are in turn submitted for approval by shareholders; after that the Shareholders' Meeting appoints or ratifies members, as the case may be[14].

Board members are selected 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, ideas, opinions, religion, social or economic situation, sexual orientation or preference. The election of board members is consistent with the Mexican Securities Market Act and US Securities and Exchange Commission regulations.



Our Board of Directors is made up of **10 regular members and their alternates.**

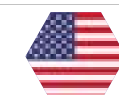
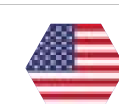
[12] For more information about our Board of Directors and corporate governance, visit: https://ir.vesta.com.mx/corporate-governance/board-members

[13] Because 80% of our board members are independent, all decisions are made autonomously and free of any conflict of interest, protecting the interests of our investors, shareholders and other stakeholders.

[14] Vesta board members are not elected individually.

VESTA BOARD OF DIRECTORS

Regular members

Name	Type	Nationality	Age	Member since	Experience	Other board memberships
Lorenzo Manuel Berho Corona	Equity, non-executive		64	2001	Real estate	Chairman of the Comité Empresarial México-Alemania del Consejo Empresarial Mexicano para el Comercio Exterior, AMPIP
Manuela Molina Peralta	Independent, non-executive		51	2023	Accounting and finance	–
José Manuel Domínguez Díaz Ceballos*	Independent, non-executive		64	2015	Finance	Intercam Grupo Financiero, Fin Común, Sociedad Financiera Popular and various charitable organizations
Craig Wieland*	Independent, non-executive		64	2016	Contractor	–
Daniela Berho Carranza	Equity, non-executive		39	2014	Marketing	Board Member of Reina Madre, Clínicas de la Mujer.
Luis Javier Solloa Hernández*	Independent, non-executive		56	2015	Accounting and finance	Infonavit, Abastecedora Lumen, Promotora y Operadora de Infraestructura, Gifan Internacional.
Loreanne Helena García Ottati*	Independent, non-executive		42	2022	Administration	Kavak
Oscar Francisco Cázares Elías*	Independent, non-executive		64	2014	Administration	Bafar and Cultiba
Douglas M. Arthur*	Independent, non-executive		43	2021	Real estate	Sentre Partners
Luis de la Calle Pardo*	Independent, non-executive		64	2011	Economics	Aeroméxico

14 members of Vesta's Board of Directors are members of four or fewer boards of other companies.

Information according to Shareholders' meeting of March 21, 2024.

*Independent, non-executive member that sits in four or fewer other boards.

Note: Vesta has no set quota for independent members. For more information on the specific definition of independent member, see https://ir.vesta.com.mx/corporate-governance

Alternate Board Members

Name	Type	Nationality	Age	Member since	Experience	Other board memberships
Lorenzo Dominique Berho Carranza	Equity Executive		41	2001	Real estate	Corazón Capital México en Movimiento Ampip USA School Foundation Nexxus
Jorge Alberto de Jesús Delgado Herrera*	Independent, non-executive		77	2011	Manufacturing	Tecnológico de Monterrey
José Guillermo Zozaya Délano*	Independent, non-executive		71	2021	Consulting	–
Enrique Carlos Lorente Ludlow*	Independent, non-executive		57	2007	Legal	–
Elías Laniado Laborín	Equity Executive		73	2021	Real estate	Smart Border Coalition
Viviana Belaunzarán Barrera*	Independent, non-executive		52	2020	Accounting and finance	–
José Antonio Pujals Fuentes*	Independent, non-executive		86	2001	Industry	–
Rocío Ruíz Chávez	Independent, non-executive		80	2019	Economics	–
Stephen B. Williams*	Independent, non-executive		73	2001	Real estate	San Diego Regional Economic Development Corporation, Connect Sentre Partners
Francisco Javier Mancera Arrigunaga*	Independent, non-executive		64	2011	Economics	–

Information according to Shareholders' meeting of March 21, 2024.

*Independent, non-executive member that sits in four or fewer other board.

Note: Vesta has no set quota for independent members. For more information on the specific definition of independent member, see https://ir.vesta.com.mx/corporate-governance

GRI 3-3

Primary duties of the Vesta Board of Directors

- **Executing and overseeing** that shareholders' decisions are carried out.
- **Defining and establishing** strategies of the main business directives.
- **Approving the annual business plan** and budget.
- **Designing and following** up on implementation of ESG strategies and policies for the business.
- **Analyzing** potential risks.
- **Approving compensation** for the CEO and executive chairman and guidelines for compensation of key executives.
- **Overseeing correct compliance** with standards, certifications and Code of Ethics.
- **Approving extraordinary transactions** as provided for in the applicable laws.
- **Other faculties and obligations imposed by the Securities Market Act,** the US Securities Act of 1933 and the General Commercial Corporations Law.

By defining and establishing Vesta's strategy, including approval of business plans and the annual budget, designing and monitoring the application of our environmental, social and governance policy, the Board of Directors manages the company's impact on the economy, the environment and people.

Vesta is committed to managing ESG issues from the highest echelons of the organization and in everything we do. For investment processes, we have a **Responsible Investment Policy and Procedure** consistent with the United Nations Principles for Responsible Investment (UN PRI) and a responsible investment checklist by which we evaluate these topics in investment processes.

The Board of Directors is responsible for approving Vesta's ESG strategy.

Meetings of the Board of Directors

Date	Percentage attendance[15]	Format
January	90%	In person
April	100%	In person
July	100%	In person
July	100%	Videoconference
October	100%	In person
October	100%	Videoconference

The Board met six times in 2023, with an average attendance of 100%.

The Board meets regularly to gain a broader perspective on Mexico's macroeconomic situation, the markets in which we participate, and communities where we have an impact. **The Environmental, Social and Governance Committee** also provides a written annual report to the Board of Directors, detailing activities and progress in ESG matters, in order to reinforce members' knowledge of these issues.

We also engage an independent consultant to analyze board meetings and measure the degree of commitment among board members. The consultant issues a report with critical metrics that are compared against performance in previous sessions, as well as recommendations on area of opportunities and plans for improvement.

Compensation for members of the Board of Directors is based on their experience, know-how and contributions to the pursuit of Vesta's strategy, in line with the applicable laws and regulations.

[15] The minimum required attendance for all members is 75%.

Economic retribution per session was US $4,370 in 2023 for members of the board of directors, US $4,600 for committee chairpersons and US $3,450 for other committee members.

The compensation paid to senior management incorporates both a fixed and a variable salary, hiring incentives, severance pay, reimbursements, recoveries and retirement benefits; These are determined according to their responsibility and level of experience. Each year the Corporate Practices Committee reviews their variable compensation, which depends on their performance against our economic and ESG goals. This process does not involve independent consultants.

The Board of Directors decides whether to approve or change the compensation of the company's Chief Executive Officer according to the proposal of the Corporate Practices Committee based on his or her performance.

Vesta's Board of Directors is supported by six committees. Except for the Audit Committee and the Corporate Practices Committee, both of which are made up entirely of independent members, each committee consists of Vesta officers and at least one independent board member. The Chairman of the Board and CEO also participate actively in committee meetings.

Vesta's Board of Directors is supported by six committees.

Through the Corporate Practices Committee, following the ABA high-impact methodology for Boards and Board members, our Board conducts a self-evaluation of its performance.

AUDIT **COMMITTEE***

Chairman

Luis Javier Solloa Hernández, Independent board member

Members

Manuela Molina Peralta, Independent board member

Viviana Belaunzarán Barrera, Independent board member

José Manuel Domínguez Díaz Ceballos, Independent board member

Lorenzo Manuel Berho Corona, Permanent Guest

Meetings held

5

Attendance per session

1 session with 75%

4 sessions with 100%

Meeting dates

- February 13
- March 13
- April 18
- July 18
- October 17

*Responsible for making decisions on and managing Vesta's impacts on the economy, environment and persons.

Note 1: Information on Committee members according to the March 21 2024 meeting.

Note 2: Information on number and date of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

- **Review of the internal and consolidated financial statements** for the company and its subsidiaries during the fiscal year ended December 31, 2023. After which the committee recommended that the Board approve those financial statements for subsequent submission to the General Ordinary Shareholders' Meeting for their final approval.
- **The Audit Committee corroborated compliance** with the tax obligations of all of the companies that make up Corporación Inmobiliaria Vesta, S.A.B. de C.V., as direct contributor and as withholder.
- **Authorization for the audit** of the financial statements of the Company and its subsidiaries according to the standards of the Public Company Accounting Oversight Board, and the compensation to be paid to the independent auditor.
- **Authorization of expenses** for the development of training for Audit Committee members by the independent auditor, regarding the obligations and responsibilities of the Audit Committee in light of the new rules applicable to the company as a result of its listing on the New York Stock Exchange.
- **Evaluation of independent audit plan,** service proposal and recommendation on engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche (Tomatsu Limited), as independent auditor of the company and its subsidiaries, for fiscal year 2023 and for the first two quarters of 2024.
- **Assessment and decision on services** other than the audit of the basic financial statements that the Company may require of Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche (Tomatsu Limited), during fiscal year 2023 and for the first two quarters of 2024; and the maximum amount payable for the provision of those additional services.
- **Confirmation of the independence requirements** of the auditor and team assigned to the project, in accordance with the applicable regulations.
- **Analysis and follow-up** on the Company's operating budget for the fiscal year ended December 31, 2023.
- **Review of quarterly reports** issued by the internal auditor according to the work plan of the internal audit area and follow-up on its findings.
- **Monitoring of compliance with resolutions** passed by the shareholders' meeting and Board of Directors; and
- **Follow-up on the work** of external consultants regarding compliance with the standards applicable to the company in the securities markets where its shares are listed.

CORPORATE **PRACTICES COMMITTEE***

Chairman

Francisco Javier Mancera de Arrigunaga, Independent board member

Members

José Guillermo Zozaya Délano, Independent board member

José Antonio Pujals Fuentes, Independent board member

Oscar Francisco Cázares Elías, Independent board member

Lorenzo Manuel Berho Corona, Permanent Guest

Meetings held

5

Attendance per session

1 session with 75%

4 sessions with 100%

Meeting dates

- January 19
- February 1
- March 6
- March 9
- November 11

*Responsible for making decisions on and managing Vesta's impacts on the economy, environment and persons.

Note 1: Information on Committee members according to the March 21 2024 meeting.

Note 2: Information on number and date of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

- **Performance of Company executives and employees** in fiscal year 2023.
- **Review of executive goals** for the Company in fiscal year 2023.
- **Fixing of the compensation of the CEO** and executive chairman of the Board of Directors and policies for the compensation of senior management for 2023, including salaries, short- and long-term bonuses.
- **Composition of the Board of Directors** and committees and their compensation for fiscal year 2023.
- **Review of the Company's** organizational structure.
- **Review of duties of the members** of the Corporate Practices Committee; and
- **Approval of the policy on transactions** with related parties.

ETHICS **COMMITTEE**

Chairman

José Antonio Pujals Fuentes, Independent board member

Members

Elías Laniado Laborín, Equity Board member
Alejandro Pucheu Romero, Executive
Alfredo Paredes Calderón, Executive
Daniela Berho Carranza, Equity Board Member

Meetings held
1

Attendance per session
100%

Meeting dates

- September 5

Note 1: Information on the members of the Committee, according to the March 21, 2024 Assembly.

Note 2: Information on number and dates of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

- **Analysis of the Society's Code of Ethics** in light of the new requirements relating to the listing of securities on the New York Stock Exchange and applicable regulations in that market.
- **Interview with the supplier selected** to update of the Code of Ethics to fulfill the new requirements applicable to the Company.

INVESTMENT **COMMITTEE***

Chairman

Douglas M. Arthur, Independent board member

Members

Stephen B. Williams, Independent board member

Lorenzo Manuel Berho Corona, Equity board member

Craig Wieland, Independent board member

Manuela Molina Peralta, Independent board member

Meetings held

2

Attendance per session

100%

Meeting dates

- April 14
- August 17

*Responsible for making decisions on and managing Vesta's impacts on the economy, environment and persons.

Note 1: Information on Committee members according to the March 21 2024 meeting.

Note 2: Information on number and date of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

	Project	Approved investment
1	Infrastructure in central region	US $74,950,000
2	Built-to-suit building in Bajío region	US $10,420,000
3	Inventory building in Bajío region	US $10,700,000
4	Inventory building in Northern region	US $15,500,000
5	Inventory building in Bajío region	US $13,600,000
6	Inventory building in Bajío region	US $7,380,000
7	Increase in authorized investment for the inventory building in Central region	US $3,630,000
8	Increase in investment in inventory building in Bajío region	US $1,710,000
9	Approval of the sale of a building in Northwest region	N/A
Total approved investment		US $137,890,000

DEBT AND EQUITY **COMMITTEE***

Chairman

José Manuel Domínguez Díaz Ceballos, Independent board member

Members

Douglas M. Arthur, Independent board member

Manuela Molina Peralta, Independent board member

Lorenzo Manuel Berho Corona, Equity board member

Meetings held

3

Attendance per session

100%

Meeting dates

- February 28
- June 19
- December 2

*Responsible for making decisions on and managing Vesta's impacts on the economy, environment and persons.

Note 1: Information on Committee members according to the March 21 2024 meeting.

Note 2: Information on number and date of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

- **Review of the Company's capital structure** and cash flow structure.
- **Review of financing alternatives** available to the Company.
- **Approval of the terms applicable** to the Company's capital increase and public offering on the New York Stock Exchange; and
- **Approval of a follow-on public offering** of Company shares on the New York Stock Exchange.

ENVIRONMENTAL, **SOCIAL AND GOVERNANCE (ESG) COMMITTEE***

Chairman

Jorge Alberto de Jesús Delgado Herrera, Independent board member

Members

José Manuel Domínguez Díaz Ceballos, Independent board member

Daniela Berho Carranza, Equity Board Member

Lorenzo Manuel Berho Corona, Equity board member

Loreanne Helena García Ottati, Independent board member

Meetings held

1

Attendance per session

100%

Meeting dates

- December 13

*Responsible for making decisions on and managing Vesta's impacts on the economy, environment and persons.

Note 1: Information on Committee members according to the March 21 2024 meeting.

Note 2: Information on number and date of meetings, attendance per meeting, main topics addressed, according to the fiscal year from March 20, 2023 to March 21, 2024.

Main matters addressed

- **Drafting of the first "ESG Scan + ESG Scan Risk Compliance" analysis.**
- **Creation and updating** of four ESG policies and eight procedures.
- **Update of the Green Lease clause** and inclusion of the ESG clause in the Building Maintenance Manual as of January 2024.
- **Approval of the Responsible Investment Policy** and checklist for its implementation.
- **ESG audits of suppliers** and participation in the Mexican Stock Exchange's Sustainable Accompaniment Program course.
- **Preparations for meeting current** and future requirements of the European Union and Mexican Taxonomy.
- **Stakeholder training** on various ESG issues.
- **Restructuring** of the Social Investment Strategy.
- **Fundraising** for social investment projects.
- **Preparation of a Level 1 and 2 Diagnosis** in parks and offices for the ISO 14001:2015 certification process.
- **Implementation of the biodiversity assessment** (TNFD) and alignment process with IFRS ESG standards (NS1 and NS2).
- **Assessment of climate change risks** and opportunities.
- **Start of the process of creating** physical and transition risk matrices and construction of climate scenarios.

ESG
RISK MANAGEMENT

GRI 3-3, 201-2
SASB IF-RE-450a.2
TCFD Governance a) and b), Risk management c)

Vesta has an ESG Committee consisting of four members, three of which are regular members of the Board of Directors. The ESG Department reports on its progress in these areas to the ESG Committee and communicates to the Board of Directors once a year on actions taken with regard to climate change.

We also have an ESG department that manages all of the company's ESG activities, including climate-related activities.

Vesta's Board of Directors oversees ESG risks and issues pertaining to climate change and nature in its annual meetings.

ESG AND CLIMATE CHANGE **LEADERSHIP AT VESTA**

Board of Directors

Annual meeting

Once a year, incorporates the reports of the ESG committee into its annual report to shareholders, supervises performance and establishes functional and effective governance mechanisms.

ESG Committee

Annual meeting

Reports annually to the Board on ESG activities and initiatives undertaken and supervises compliance with ESG and climate change goals established by the company and renders accounts on the allocation of budget for these purposes.

ESG Department

Applies and manages all the company's ESG initiatives, including matters relating to climate change, on which the ESG Committee reports performance to the Board.

We pursue the ESG goals that are embedded in our strategy and ensure that all departments and employees have the resources necessary to meet them. Furthermore, compensation for our executives is linked to meeting these goals.

The Climate Change and Resilience Policy is part of Vesta's ESG strategy, which is in turn part of Vesta's Level 3 Strategy.

Along these same lines, we have developed various policies by which we can closely track ESG issues in the investment, purchase, sale or management of any land, building or park by the Investment, Development and Asset Management areas. Some of these are: the **Responsible Investment Policy, Climate Change and Resilience Policy[16], Biodiversity Policy[17]**, and a procedure and checklist of basic ESG issues. Additionally, in 2023 we conducted our first assessment of biodiversity in the areas surrounding our properties based on the standards of the Taskforce on Nature-related Financial Disclosures (TNFD).

We understand the importance of climate change and its implications, and we address it at all levels of our business.

Our ESG area, together with Development and Asset Management, are responsible for climate-related risks and opportunities during the entire life of our portfolio, and for making sure we have a sustainable, resilient business model.

The ESG Committee meets once a year to explore in greater detail the issues of climate change, environment, society and governance that have been identified by the ESG Department and corresponding areas, and the results are presented to the Board of Directors.

Because we want to make climate change a core concern in all decision-making, this year we offered an online course in climate change and sustainable taxonomy, aimed primarily at the Board of Directors and members of Vesta's six committees, as well as employees at all levels of the organization.

Our ESG strategy incorporates climate change targets, which are tracked annually in the ESG Committee meeting.

In 2020 we conducted our first exercise in preparing a matrix of physical risks, and since then we have prepared our annual reports according to TCFD criteria. In 2023, with the support of an independent consultant, we updated our identification and assessment of climate-related risks[18], classifying them in accordance with TCFD recommendations and also reflected in IFRS S2 (physical and transition risks).

[16] See the Climate Change and Resilience Policy at: https://vesta.com.mx/en/nuestras-politicas

[17] See the Biodiversity Policy at: https://vesta.com.mx/en/nuestras-politicas

[18] Vesta currently has no internal process for including climate risks in its comprehensive risk management.

IDENTIFICATION AND ASSESSMENT **OF CLIMATE-RELATED RISKS**

TCFD Strategy c), Risk management a) and b)

1 Prior analysis

An analysis of the current context of Vesta's properties based on statistical climate information and data from geographic information systems as well as regulatory, technological and market factors that influence the organization.

2 Scenario evaluation

We assessed the change in exposure to certain climate phenomenon related to climate change in three IPCC[19] physical scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5) and assessed our exposure to regulatory, market and technological changes in the IEA[20] Net Zero and APS scenarios.

3 Risk identification

We used risk identification methodologies appropriate to the specific risks Vesta faces under scenarios such as FMEA and "what-if."

4 Risk assessment

Risks were assessed by incorporating the following variables: Hazard (in the scenario), Impact and Vulnerability (for physical risks) and Probability and Impact (for transition risks).

5 Risk magnitude

The magnitude of risk was estimated based on the variables.

6 Response and mitigation

We assessed the response capacity and mitigation actions taken, to identify opportunities and areas of improvement in climate change adaptation and mitigation.

[19] Intergovernmental Panel on Climate Change (IPCC).
[20] International Energy Agency (IEA).

The analysis incorporated five climate scenarios, three physical scenarios and two transition scenarios. The physical scenarios were taken from the IPCC's sixth Assessment report (AR6), as follows:

- **SSP1-1.9.** An expected rise in mean global temperatures of between 1 and 1.8°C, averaging 1.4°C and a rise in sea levels of between 0.28 and 0.55 meters, averaging 0.38 meters. This is the scenario outlined under the Paris Agreement.
- **SSP2-4.5.** An expected rise in mean global temperatures of between 2.1 and 4.0°C, averaging 2.9°C and a rise in sea levels of between 0.44 and 0.76 meters, averaging 0.56 meters.
- **SSP5-8.4.** An expected rise in mean global temperatures of between 3.3 and 5.7°C, averaging 4.4°C and a rise in sea levels of between 0.63 and 1.01 meters, averaging 0.77 meters.

The transition scenarios used in our exercise correspond to those described by the IEA in its World Energy Outlook 2023, and Latin America Energy Outlook 2023, as described below:

- **Net Zero Emission by 2050 scenario (NZE).** In this scenario the energy sector achieves net zero emissions by 2050, describes the actions needed to reach this result and integrates current trends.
- **Announced Pledges Scenario (APS).** This scenario assumes that the commitments announced in the NDCs and by companies are achieved. This scenario was complemented by an analysis of Mexico's NDCs and its National Climate Change Strategy.

In order to determine which risks could have a significant financial impact for Vesta, we began by calculating exposure to the risk, the impact it would have on various dimensions of the organization and the likelihood of occurrence. These three variables **constitute the risk magnitude**, for which five levels were defined, on a scale of 1 to 5, from very low (1) to very high (5). For risks with high and very high magnitude, a financial quantification of the risk was carried out.

Based on the magnitude of the risk and an assessment of response capacity, we identified areas and opportunities for improvement to reduce the risk to which our facilities are exposed. For risks rated very low to medium magnitudes, risk control or monitoring measures must be deployed. If the response capability analysis identifies that such controls do not exist, appropriate actions are proposed. For risks rated high and very high magnitude, mitigation measures are required. If the response capacity analysis identifies new mitigation actions or improvements in the mitigation actions already taken, appropriate actions are proposed.

In order to determine which are the most prominent risks, climate risks were prioritized according to their magnitude and the time horizon in which they might materialize. The greater the magnitude of risk, the higher its level of priority. The shorter the time horizon in which it could materialize, the higher the priority.

In general, risks with high and very high magnitudes are given the highest priority, and mitigation actions will be prioritized according to the time horizon for materialization.

Since Vesta's properties are distributed across the Mexican Republic, in order to assess the physical and transition risks

in an optimal manner, these assets were classified into groups by state.

- **Bajío North:** Aguascalientes, Jalisco and San Luis Potosí.
- **Bajío South:** Querétaro and Guanajuato.
- **Central:** Mexico State, Mexico City metro area, Tlaxcala, Puebla, Quintana Roo, Veracruz.
- **Northeast:** Nuevo León and Tamaulipas.
- **Northwest:** Baja California, Chihuahua and Sinaloa.

Climate change risks

TCFD Strategy a) and b), Metrics and targets a)

Risk factor	Risk description	Classification (physical or transition)	Type	Time horizon	Impact related to risk	Financial implications of risk before measures are taken	Methods used to manage risk	Cost of actions taken to manage risk
Increased water stress and extraordinary drought conditions	Challenges to Vesta's water resources exploitation permit due to tenant operations that increase the organization's water footprint.	Transition	Reputational	Short term	Corporate image tarnished by failure to reduce impacts on water resources in its value chain. May affect the conditions under which aquifer exploitation concessions have been obtained for certain parks.	Not yet estimated	Vesta has several elements to manage this risk. 1. Supplier policies and Sustainable Construction Manual, which provides indicators and specifications for the supply of products and services, especially in the development and maintenance of assets. 2. ESG audits of suppliers. 3. Green lease clauses in contracts with tenants, which integrate environmental efficiency indicators for their operations. 4. Raising tenant awareness of climate change and its management, seeking joint solutions for efficiency.	Not yet estimated
Increased water stress and extraordinary drought conditions	Local community opposition to the installation and operation of industrial parks in areas with high water stress.	Transition	Reputational	Short term	Reduced income due to a negative impact on the organization's image, mainly due to an increase in vacant properties as a result of shifting population density.	Not yet estimated	Aware of the importance of water resources and their increasing scarcity, Vesta has water stewardship initiatives aligned with its ESG commitment and aims at a 20% reduction in consumption by 2025. Water stewardship is central to Vesta's policies and is incorporated from the design phase to ensure that parks conserve water. The use of water resources is a shared responsibility, which is why Vesta's lease agreements include water efficiency clauses, and tenants are asked to voluntarily provide information on their consumption in order to compile accurate records.	Not yet estimated

Risk factor	Risk description	Classification (physical or transition)	Type	Time horizon	Impact related to risk	Financial implications of risk before measures are taken	Methods used to manage risk	Cost of actions taken to manage risk
Increased sustainability expectations of investors and stakeholders	Increased interest rates and stricter terms on credit if funded projects fail to meet investors' sustainability standards	Transition	Market	Medium term	Limited investment in development due to reduced access to capital in the event the company does not meet investors' expectations of sustainability.	Not yet estimated	For the real estate industry, sustainability is closely related to the energy and resource efficiency of its assets and the sustainable management of its value chain, including tenants. Main actions taken: 1. Commitment to up-to-date, transparent and efficient disclosure to stakeholders of the actions taken, through adoption of different reporting frameworks. 2. Building Certification Program and implementation of Green PCAs to identify opportunities to improve buildings and operations for certification purposes. 3. Design and construction of buildings according to the best practices available through implementation and constant updating of the Sustainable Construction Manual.	Not yet estimated
Climate change mitigation and adaptation	Loss of value of operating industrial parks located in areas with high incidence of extreme weather events.	Transition	Market	Long term	Reduced profitability due to lower income resulting from a drop in demand for services due to extreme weather events that affect facilities in certain regions.	Not yet estimated	Vesta is in the process of updating its climate risk analysis based on scenarios to identify the areas most affected at present, and those that could potentially face increased impacts in the future. The purpose is to identify areas of opportunity to improve the resilience of the properties and prevent future impacts.	Not yet estimated
Sustainable development and construction	Unplanned investment in renovations to industrial parks to comply with stricter energy efficiency standards.	Transition	Legal	Medium term	Heavy investment over a short period of time that may affect or limit the annual budget of other projects.	Not yet estimated	Building Certification Program and Sustainable Construction Manual. These ensure that buildings are constructed in accordance with best practices and the highest efficiency specifications available.	Not yet estimated

Risk factor	Risk description	Classification (physical or transition)	Type	Time horizon	Impact related to risk	Financial implications of risk before measures are taken	Methods used to manage risk	Cost of actions taken to manage risk
Biodiversity	Imposition of fines due to the impact on natural ecosystems in the surrounding area or as a result of the construction of new industrial parks.	Transition	Reputational	Short term	Corporate image damaged by imposition of fines related to the environmental impact of its developments, as well as weakened community relations.	Not yet estimated	Vesta's commitment to preserving natural ecosystems and developing industrial parks in previously affected (urbanized) areas. In addition, the development process includes mandatory identification, monitoring, management and proper documentation of any potential environmental, social and governance issues. Therefore, the environmental impacts associated with construction, property use and future demolition are anticipated and mitigated.	Not yet estimated
Increased water stress and extraordinary drought conditions	Reduced demand for services due to reduced water availability in some regions.	Transition	Market	Long term	Decreased availability of water for Vesta and tenants' activities, pressuring revenues due to reduced demand for services and migration of customers to areas with greater water availability.	Not yet estimated	Reduced water consumption in industrial parks, installation of water recirculation technologies, and higher tenant awareness of water stewardship.	Not yet estimated
Heat waves	Temporary closure of facilities due to forest and urban fires.	Physical	Serious	Medium term	Operational disruptions at industrial facilities due to forest or urban fires in the vicinity, causing the emission of pollutants and particles that may affect visibility and health problems.	Not yet estimated	Although this risk is less prominent because the parks have been developed in urbanized areas, firefighting systems are installed and regular inspections of our properties are conducted to prevent this type of occurrence. In addition, the Sustainable Construction Manual specifies the use of fire retardant exterior coatings.	Not yet estimated

Risk factor	Risk description	Classification (physical or transition)	Type	Time horizon	Impact related to risk	Financial implications of risk before measures are taken	Methods used to manage risk	Cost of actions taken to manage risk
Droughts	Increased investment in diversification of water supply and storage (rainwater capture, holding ponds, treatment plants).	Physical	Chronic	Medium term	Reduced availability of water will mainly affect assets that depend on municipal water supply and are supplied by piped water. Investment in building elements and water capture technologies will help mitigate this risk.	Not yet estimated	Vesta has invested in rainwater capture projects, treatment plants, and water recycling technology necessary for the operation of common areas in industrial parks.	Not yet estimated
Flooding	Increased repair costs due to damage to infra-structure as a result of heavy rainfall.	Physical	Serious	Short term	Increased frequency and intensity of rainfall may cause damage to facilities and in-crease repair costs.	Not yet estimated	Vesta currently has a Responsible Investment Policy that identifies the level of risk in prospec-tive acquisitions. In addition, the Sustainable Construction Manual stresses the incorporation of green areas that allow for natural infiltration of water into the subsoil and sewage systems that prevent sedimentation which could obstruct the flow of water.	Not yet estimated

Climate-related opportunities

TCFD Strategy a) and b), Metrics and targets a)

Description	Type	Time horizon	Impact related to the opportunity	Financial implications of opportunity before measures are taken	Methods used to manage the opportunity	Cost of actions taken to manage the opportunity
Development and/or expansion of low-emission products and services	Products / Services	Medium term	Increase in LEED-certified buildings and buildings designed and built according to LEED standards.	Not yet quantified	Vesta's Building Certification Program, which applies Green PCAs and environmental audits to identify areas that need improvement to obtain or improve the certification of existing buildings. Since 2019, all parks are designed according to LEED energy efficiency requirements.	Not yet quantified
Investment in rainwater capture projects	Resilience	Medium term	To improve our parks' resilience to conditions of extreme heat and drought caused by climate change, Vesta has invested in rainwater capture projects.	Not yet quantified	Vesta's strategy requires investment in water savings and efficiency through: • Maintenance of parks' water infrastructure • Rainwater capture • Reuse and recycling of water from treatment plants • Water stewardship initiatives • Repair of leaks	Not yet quantified
Investment in power generating facilities to cover the demand for electricity in properties (common areas)	Energy source	Medium term	Reduced electricity expense, reduced Scope 2 emissions	Not yet quantified	Medium-term opportunity identified; no method for pursuing this opportunity has been developed yet.	Not yet quantified

At Vesta we define short, medium and long term based on the following considerations:

a) **Short term.** This applies to risks and opportunities that may have financial results in the nearest horizon of our strategy, business model and assets, including those that could materialize during the reporting year or in the following two years (0 to 2 years). For example, the precise impact on one or more industrial parks from a specific weather event or the inability to integrate renewable energy into the park's energy grid due to current regulations.

b) **Medium term.** Incorporates climate-related risks and opportunities whose financial impact on the strategy, business model and assets will take time to become apparent and potentially require adjustments to the strategy and business model in order to mitigate or exploit them. For example, the opportunity to contribute to the decarbonization of tenant activities by including facilities for the use of electric vehicles, or increased regulation on water management.

c) **Long term.** Considers risks that may imperil the viability, continuity and security of Vesta's long-term strategy, business model or assets, and which could materialize at some point after the time established in the corporate planning (3 to 10 years). For example, a reduction in the demand for industrial space in areas of high water stress due to the migration of industry, or a reduction in property values in areas exposed to flooding due to changes in the frequency and intensity of rainfall.

Climate change risks were assessed based on variables such as exposure, probability of occurrence and the impact of the risks on different aspects. Based on this analysis, the following risks were defined for each time horizon:

- **Increased frequency of heat waves.** In the short term, tenant energy consumption would increase each year to cope with the increase in temperatures, which would expand our Scope 3 carbon footprint. In the medium term, we may begin to face stricter regulations on energy efficiency and the inclusion of new building standards. In the long term, we may see a reduced demand for services as industrial tenants migrate to areas that are less exposed to high temperatures.

- **Worsening of the water crisis.** In the short term, we anticipate cutbacks in municipal supply and increased regulation of groundwater exploitation. In the medium term we foresee tighter regulation of wastewater treatment and energy efficiency, and even a potential increase in the social conflicts and litigation over the construction or operation of parks in areas with high water stress. In the long term, there may be a reduction in the demand for rental space in the areas most affected by water stress conditions.

- **Energy efficiency regulation.** In the short term, we expect growing pressure for the construction of green and efficient buildings that draw their energy from renewable or low-emission sources. In the medium term, stricter industrial equipment efficiency regulations lie ahead, along with rising interest among stakeholders in energy efficiency management across the value chain. Finally, in the long term, there is the possibility of a loss of competitiveness against more efficient industrial parks.

We have identified both negative and positive impacts from climate-related issues in some areas of Vesta:

- **Products and services:** Our facilities have been negatively affected by the increased frequency and intensity of storms, hail and wind speed, as well as by the intensification of heat waves and reduced water availability in some regions. These effects are expected to persist over the short, medium and long term, so we work year after year to make our assets more sustainable and resilient, from construction through operation, by applying the Sustainable Construction Manual and Policies for suppliers and monitoring improvements through Green PCAs, remodeling and certifications. We are also in the process of expanding our civil protection activities to incorporate climate change issues from a preventive approach.
- **Production and value chain:** We are aware that climate-related issues such as water scarcity, increased energy efficiency requirements in buildings, and restrictions on the construction of industrial parks, to name just a few, can have negative consequences for our suppliers, properties and tenants. However, opportunities have also opened up that have had a positive impact on our real estate offering, from the design and construction of industrial parks according to our Sustainable Construction Manual, which includes best practices to ensure the energy and resource efficiency of buildings, to our tenants' inclusion in Vesta's strategy through our effort to boost awareness and incorporate green lease clauses.
- **Adaptation and mitigation activities:** Climate-related issues have influenced our strategy, so we have incorporated energy efficiency, sustainable construction and green leasing elements as part of our climate change adaptation and mitigation measures at various levels of the value chain.
- **Investment in research and development:** We monitor property efficiency (through Green PCAs, environmental audits and certifications) to identify development opportunities that can reduce climate risks and increase organizational resilience.
- **Operations:** Climate-related issues have also had an impact on Vesta's expansion, as we are opting to build our industrial parks in previously impacted (urban) areas to reduce our impact on biodiversity, and keeping the Sustainable Construction Manual up to date by incorporating best practices for construction and operation of industrial facilities.

Finally, by including the results of climate risk assessment, we have been able to improve our financial planning.

Capital expenditures and capital allocation

The identification and prioritization of climate-related opportunities, along mitigation and adaptation actions, require frequent updates to Vesta's strategy to incorporate the newly identified risks and opportunities. This influences action planning and the allocation of resources to achieve the defined goals.

Costs and operating income

Based on our analysis of climate-related risks and considering investors' growing interest in energy efficiency, reduced environmental impacts and greater climate resilience, one of Vesta's main strategic axes has been the construction of efficient, resilient, and sustainable buildings. To manage this risk, we apply our Sustainable Construction Manual and evaluate performance (through Green PCAs and environmental audits), which together have earned Vesta's buildings LEED, EDGE, and BOMA certifications, meaning reduced direct costs thanks to the energy savings achieved through eco-design and construction standards.

Acquisitions or sales

In the property acquisition process, Vesta considers different elements for selection, including whether the property is located in an area that has been previously impacted, in order to avoid an impact on wildlife vegetation and the environment.

Access to capital

The integration of climate change mitigation and adaptation features into the development of industrial parks allowed Vesta to issue a sustainability-linked bond in 2021.

Vesta's current strategy is to manage elements that allow us to mitigate and prevent some of the existing climate change risks. We have measures in place for moving toward the Net Zero scenario, which are sufficient for mitigating risks in the short and medium term.

If worst-case scenarios materialize, mitigation actions would have to be stepped up, especially for physical risks, since some of our properties are located in 100-year flood zones, a situation that we have taken into account, and we are expanding our response capacities starting with the prevention phase.

ETHICS AND HUMAN **RIGHTS**

GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 406-1, 407-1, 408-1, 409-1

Our Ethical Commitment is the title of Vesta's Code of Ethics. This document frames the culture of ethics and integrity we embody in this organization and which we encourage in every action or decision by our directors, Board members and employees.

Our Ethical Commitment describes principles for creating respectful work environments free of discrimination, with equal opportunities, inclusive and open to dialogue.

In the company's onboarding program, new hires learn about ethical and human rights issues to improve their understanding of topics that are critical to Vesta. We also offer ongoing training in ethics, anti-corruption, respect for human rights, work-life balance, gender equality, violence, discrimination, integrity and social programs.

This year we began the process of updating our Code of Ethics to incorporate best international standards and the requirement of the SEC. We also organized a Conflict of Interest course that is mandatory for board members, employees and suppliers.

The Code of Ethics is constantly monitored by the Ethics Committee to ensure that it remains up to date and in force. Our Chief Integrity Officer implements best integrity practices to preserve the culture that defines us, and ensures that Vesta is operating in an honest and forthright manner at all times.

To promote ethics, integrity and transparency among our various stakeholders, we have a **Supplier Code of Ethics** applicable to any other party that supplies professional services to the company, as well as an **Anti-corruption Policy** in which we establish guidelines on detecting, sanctioning and preventing any type of corruption in any activity or interaction involving the company.

These documents define minimum standards that employees must follow in any communication between Vesta and the government agencies, public servants, clients and suppliers. They also suggest steps for doing the right thing when faced with issues like conflicts of interest, transparency and accountability, risk management, personal data protection, information security, anti-corruption, bribery, diversity and inclusion, labor relations, human rights, harassment, environmental protection and community engagement.

In addition to our internal codes and policies, Vesta operates in compliance with the Federal Labor Law, the Law on Prevention and Identification of Transactions with Resources of Illicit Origin, and the Sustainable Construction Manual, which reinforces our commitment and zero-tolerance stance against corruption. We also abide by all provisions of the Securities Market Act regarding stock repurchases, contained in the General Provisions Applicable to Issuers of Securities and Other Participants in the Securities Market (otherwise known as the Unified Circular).

Our operations have not been assessed for corruption-related risks.

We communicate our Anticorruption Policy to 100% of our suppliers.

Vesta understands that there are certain situations that cannot be avoided, so addressing and resolving conflicts of interest is the responsibility of the Corporate Practices Committee, except for cases that must be directly resolved by our Board of Directors. To the same end, 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.

Respecting and protecting the human rights over everyone involved in our operations is something that touches every area of our company. The document that formalizes this commitment is the **Policy on Human Rights.**

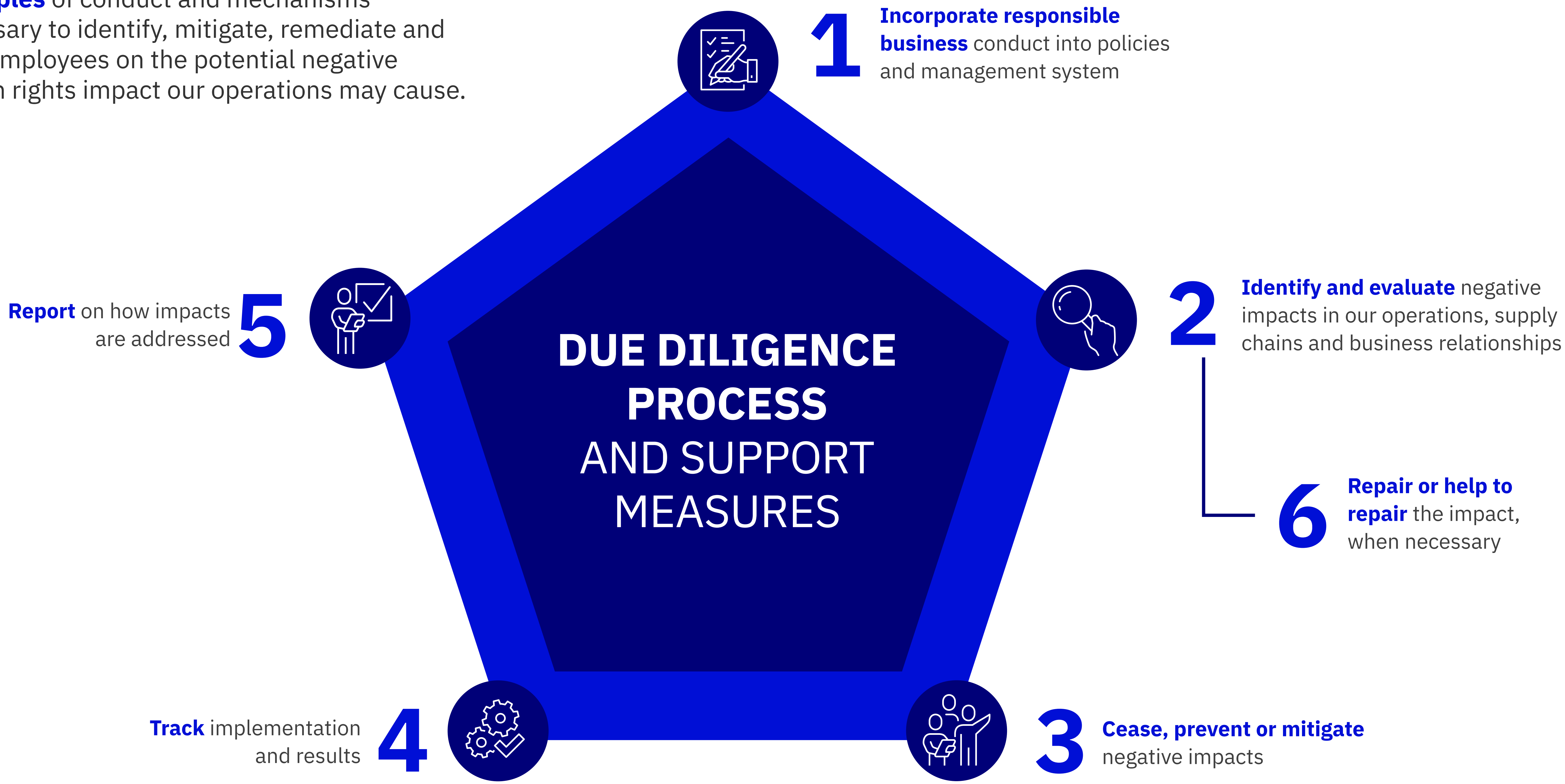
Our Policy on Human Rights is based on a series of international efforts like the Universal Declaration of Human Rights, the Sustainable Development Goals, the United Nations Global Compact, and the recommendations of the International Labor Organization (ILO), and it has also been reviewed and approved by the Global Compact.

Our Human Rights Policy includes the following principles and commitments:

- **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
- **Fostering** a commitment to human rights throughout our value chain

We encourage protection and respect for human rights in every interaction with stakeholders and in every Vesta activity.

We also have a **Human Rights Due Diligence Process which establishes the basic principles** of conduct and mechanisms necessary to identify, mitigate, remediate and train employees on the potential negative human rights impact our operations may cause.



We regularly conduct a **human rights risk analysis** through a global due diligence process in accordance with OECD directives and international recommendations. This process involves employees, suppliers tenants, tenant employees and community members and covers all of our portfolio assets, corporate operations, and the activities of tenants and suppliers in our value chain.

The outcome provided us with a list of different risks relating to labor, the environment, human rights, corruption, information disclosure and other matters, which were prioritized in a matrix so they can be duly managed.

Furthermore, through our **Policy on Diversity, Equality and Inclusion**, we ensure that our employees feel recognized and valued, in a culture of respect for diversity, equality and inclusion. This document also establishes our principles on nondiscrimination, equal opportunities and respect for individuals within Vesta, including employees, contractors and other stakeholders.

Vesta Tools for Inclusion, Equality and Diversity

1. **Ethics Committee**
2. **Policy on Diversity, Equality and Inclusion**
3. **Code of Ethics**
4. **Whistleblower tools**
   https://lineaeticavesta.com/
5. **Policy on Human Rights**

We provide human rights, diversity and inclusion **training to all of our employees.**

To guarantee protection of human rights in our value chain, our lease agreements include a specific clause in which our tenants agree to respect the human rights of their employees and all people with whom they interact, 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 or freedom of expression, special physical abilities, political or sexual preferences, religion, or social or economic condition.

To complement these efforts, in 2023 we continued with our ESG audits of our suppliers and evaluation of the Sustainable Construction Manual and checklist to assess the risks associated with corruption, child labor, and slavery.

Vesta categorically rejects any form of discrimination, as well as any form of child exploitation, forced labor, violation of the rights of indigenous peoples, abuse, coercion, impediment of association or collective bargaining and/or threats. In 2023 there were no reports of discrimination, child labor or slavery or any operations in which employees were at risk of being denied their right to free association.

For reporting any conduct at variance with our policies, human rights violations or any other type of abuse, we have a whistleblower system open to all of our stakeholders through various channels and available 24 hours a day, 365 days a year.

These channels are managed by EthicsGlobal, an independent company, engaged by Vesta to ensure that reports received are addressed in an orderly, impartial and confidential manner.

Whistleblower channels

1. **E-mail:** reporte@lineaeticavesta.com
2. **Toll-free phone number:** 800 04 ética (38422)
3. **Website:** https://lev.lineaeticavesta.com/contents/informar-ahora?l=es#
4. **App:** EthicsGlobal
5. **Ambassadors:** Direct contact between employees and the Ethics Committee
6. **Ethics committee:** by e-mail or phone

Process for handling reports

1 **EthicsGlobal 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 committee receives the results** of the investigation.

4 **The committee rules on the matter** and generates a conclusion and recommendation for administration to impose the necessary sanction, when applicable.

In 2023, we received three reports, which were investigated by the Ethics Committee and completely resolved during the year through actions taken based on the investigation.

Complaints received

Type of complaint	Number	Percentage
Conflict of interest	1	33%
Others	2	67%
Total	**3**	**100%**

Note: All of the reports in 2023 were received through the online platform.

Two of the reports were closed for lack of evidence, and the other was investigated based on the evidence received.

The third was investigated as necessary, because it involved a conflict of interest; the Ethics Committee took the measures necessary to resolve it. Of the communications received through these channels there were no critical concerns that required attention by the Board of Directors.

Regarding unfair business practices or violations of laws or voluntarily agreed standards governing marketing communications, we incurred no fines, legal proceedings or financial damages, nor did we have any pending or completed legal actions on unfair competition, or violations of applicable antitrust and monopoly laws. We received no reports of abuse or human rights violations.

In 2023, we were fined US $29,010 by the Puebla Ministry of Finance for the regularization of two buildings in Vesta Park Puebla, in connection with an incomplete environmental impact response at the time of construction.

CYBERSECURITY

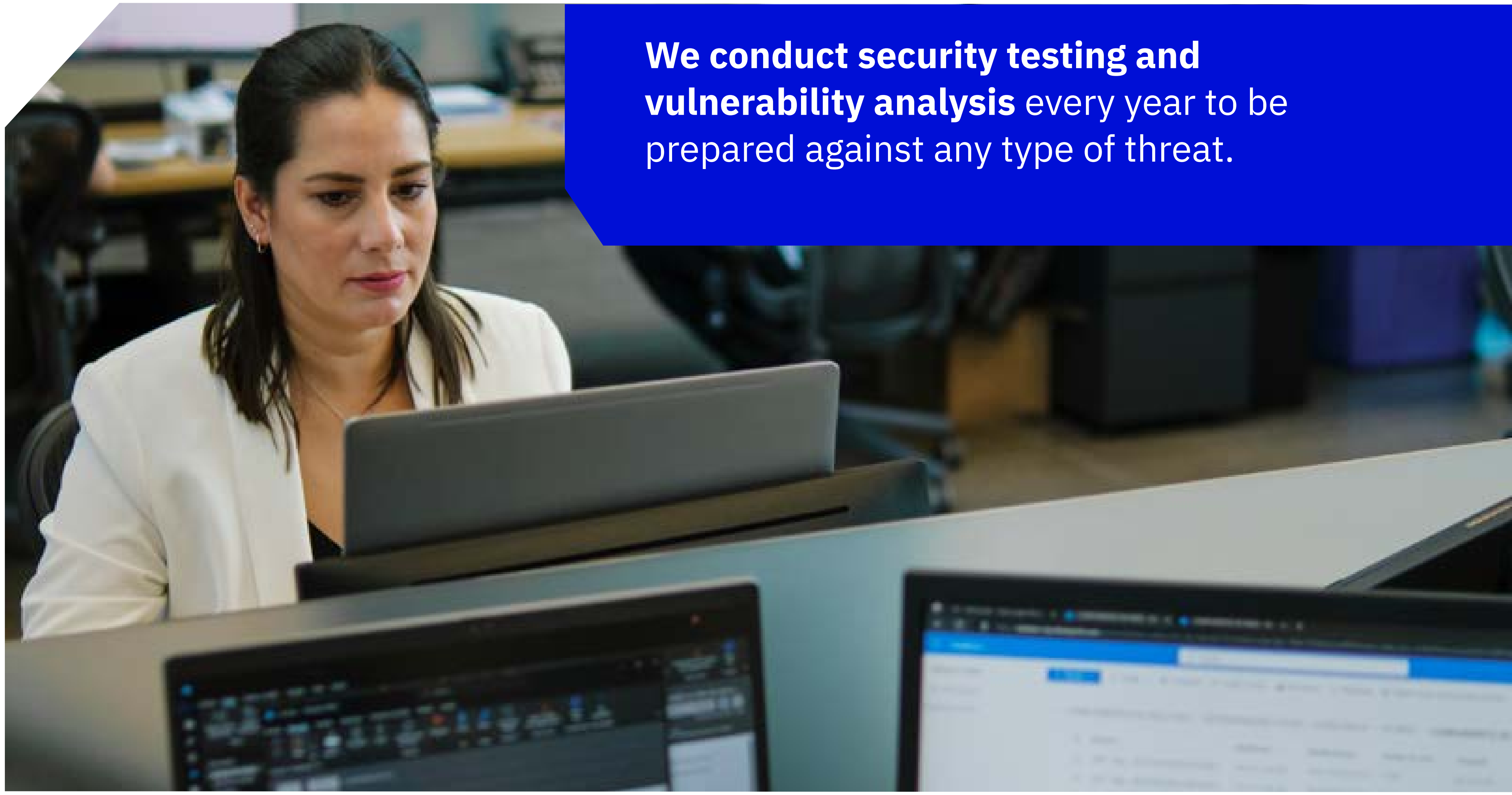
GRI 418-1

Information security has become a critical issue for our organization, so we strive to maintain the highest standards in cybersecurity in order to guarantee that our systems and corporate information are protected. The Cybersecurity Manager is the position responsible for managing Vesta's cybersecurity policy.

This **Cybersecurity Policy** contains the basic governance principles, and guidelines for protecting Vesta's information from external and internal cyberthreats, and ensuring that the information technology team is prepared to respond promptly to them.

Our **Information Security Regulations** seek to guarantee the use, protection and security of the digital information stored on Vesta's computers, servers or work equipment. This document details what must be done if any of our employees detect incidents on their computers and devices, as well as the steps to report them to the IT department for proper investigation.

In the event of a cybersecurity incident, our employees promptly receive a formal email notification, and we take the necessary security measures to mitigate its impact.



We conduct security testing and vulnerability analysis every year to be prepared against any type of threat.

In 2023, we developed a set of policies outlining organizational procedures and requirements designed to safeguard Vesta's information assets against both internal and external cyber threats. This approach not only strengthens business resilience, but also reinforces our ability to respond to cyber security-related eventualities.

We have a **Disaster Recovery Plan** (DRP) which is reviewed and tested at least once a year, to guarantee business continuity in the event of any contingency.

The suppliers we have engaged to guarantee information security at Vesta have certifications that meet various local and global standards, including ISO/IEC 27001, 27017:2015 (ISO 27017) and ISO/IEC 27018:2019 (ISO 27018).

Given that the vast majority of Vesta's critical infrastructure is located in some cloud-based server, around 99% of our infrastructure is certified according to these standards. Only local site and non-critical systems are not certified.

We also have an independent firm conduct a vulnerability analysis each year. The penetration tests of 2023 demonstrated that we remained within the required security standards, both in local and cloud infrastructure, and were able to reject simulated attacks aimed specifically at breaching, penetrating, modifying or erasing resources from the company's servers.

To keep our employees up to date on the information security threats we might face, we also communicate regularly regarding new threats and how to avoid them, reminding them of the appropriate use of electronic devices and other good cybersecurity practices. We also provide them with videos explaining how to detect phishing attempts and how our systems are configured to protect information.

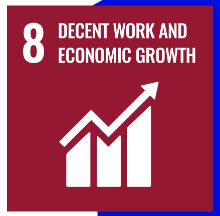
In 2023 we received no substantiated claims of violations of the applicable laws on data leaks or violations of customer privacy.

COLLABORATION

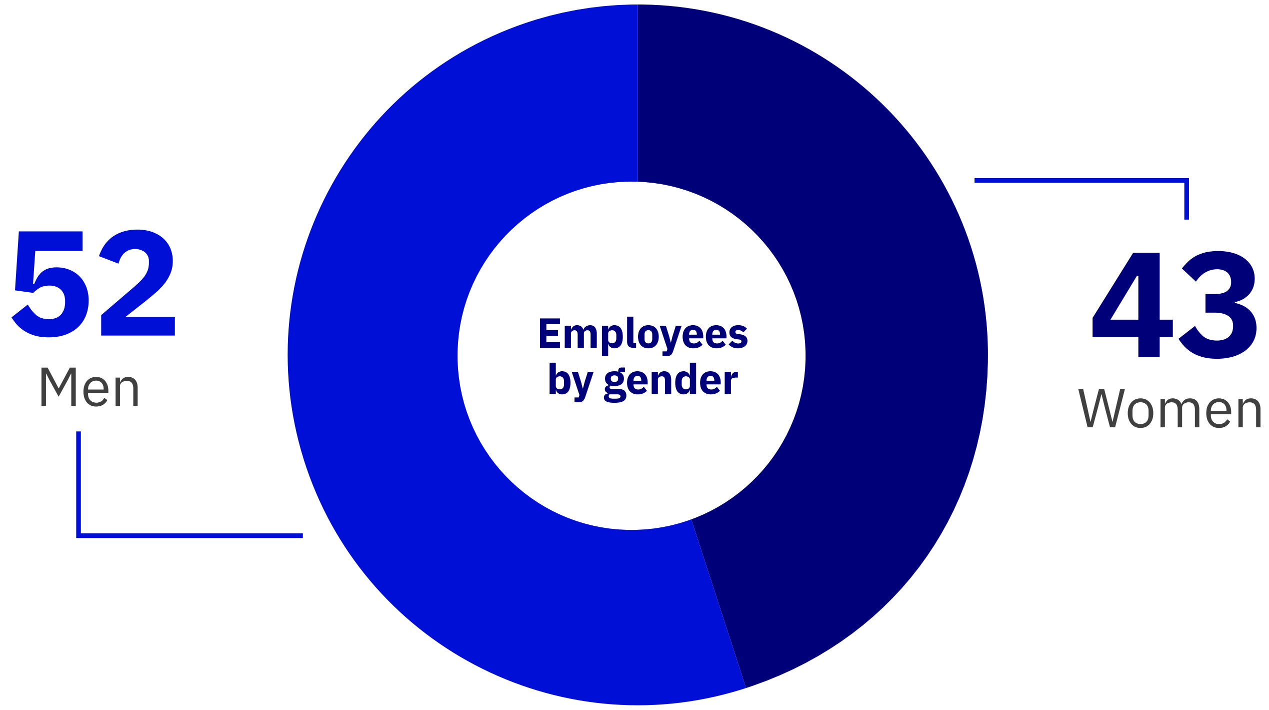
05

OUR **TEAM**

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



At present, 100% of our employees have a permanent contract with Vesta.

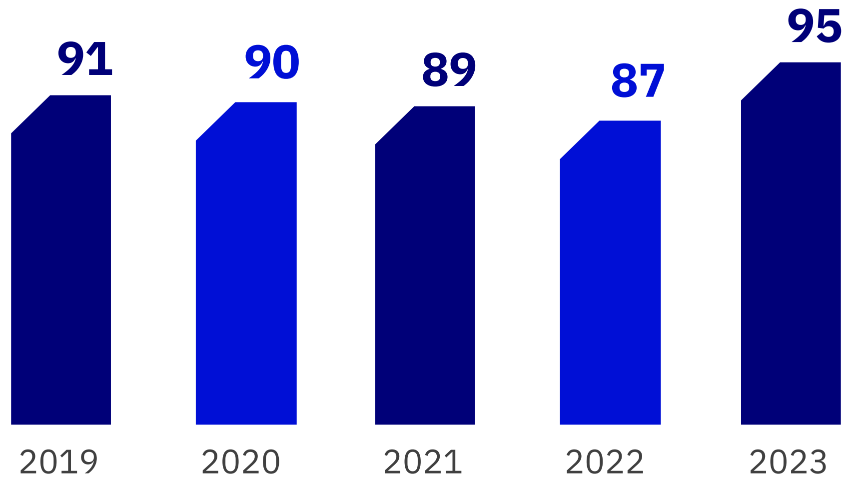


The 95 people who comprise our team[21] have made us a leading company in Mexico's real estate industry.

All of our employees work full-time under permanent contracts for an indefinite period. We also offer some of our staff the opportunity to work under flex-time arrangements.

[21] For comparative purposes, this figure covers equivalent full-time employees (FTE), and is the average total number of employees in 2023.

Our workforce

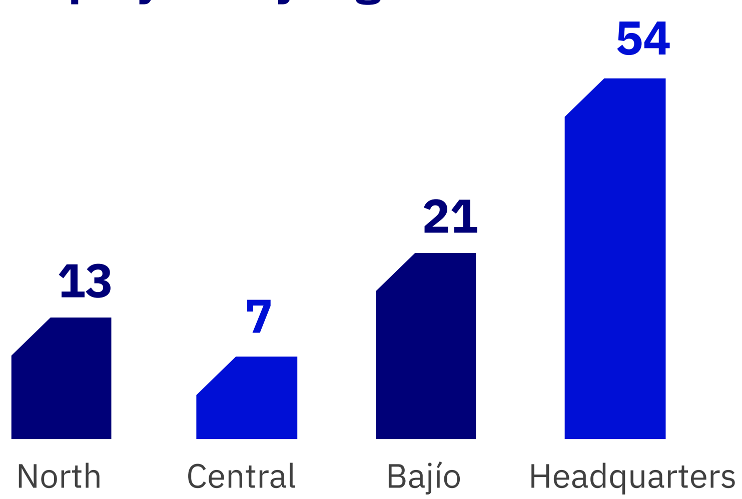


Note: Vesta has no employees that work without guaranteed hours, meaning those who have no fixed or minimum number of hours, days, weeks or months worked but who must remain available whenever the job requires. It also has no one working that is not a Vesta employee.

Workforce by region and job category

Job Category	North	Central	Bajío	Headquarters
Senior management	2	1	3	18
Middle management	8	3	11	11
Administrative	3	3	7	25
Total	**13**	**7**	**21**	**54**

Employees by region



45% of our employees are women.

Percentage of employees by gender, age range and position

	-30 years		31-50 years		+50 years	
	Women	Men	Women	Men	Women	Men
Senior management	-	-	5.26%	10.53%	2.11%	6.32%
Middle management	2.11%	1.05%	14.74%	10.53%	-	3.16%
Administration	3.16%	4.21%	15.79%	10.53%	2.11%	2.11%
IT Engineering	-	-	-	3.16%	-	3.16%
Total	5%	5%	36%	35%	4%	15%

In keeping with our values and commitments, Vesta makes no distinction regarding age, gender, sexual orientation, origin, nationality, marital status, ideas, opinion, religion, social or economic situation, orientation or ways of thinking in all our recruitment, hiring and promotion processes. We believe in the added value of diversity and recognize that it enriches our work environment and drives innovation.

Diversity indicators

10.52%
Women in science, technology, engineering and mathematics (STEM) positions

21.05%
Women in non-management positions, in proportion to all non-management positions

1.05%
Women in revenue-generating management positions, in proportion to all employees in those management positions

6.31%
Women in management positions (two levels below CEO)

3.15%
Women in junior management

16.84%
Women in junior, medium and top management

7.4%
Women in senior management

The average employee age is 42 years.

All of our employees are hired directly by one of Vesta's subsidiaries[22]. In respect for the basic labor rights of our employees, they all enjoy freedom of association, although at the moment we do not have any employees who are union members. Salaries and benefits are assigned fairly and in keeping with each employees' job category.

In 2023, our team grew with the incorporation of 15 people.

New hires by gender, age range and region

-30 years				+31 years			
Women	Region	Men	Region	Women	Region	Men	Region
2	Bajío	1	Bajío	5	Headquarters	2	Headquarters
1	Headquarters	2	Headquarters	1	North	1	Central

[22] 49 employees work for Vesta Management, S. de R.L. de C.V.; 37 for Servicios de Administración y Mantenimiento Vesta, S. de R.L. de C.V.; and the remaining 9 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.

Vesta is engaged in the development, purchase, sale, administration and rent of industrial properties. Our construction of industrial buildings is done through independent contractors with their own collective bargaining agreements[23].

For various reasons, seven employees left the company in 2023, **100% of which were voluntary departures.**

Employee turnover

	2020	2021	2022	2023
New hires	8	4	8	15
Dismissals	10	5	10	7
Total employees	90	89	87	95
Turnover	11.04%	5.68%	11.36%	7.69%

The formula we use to calculate turnover is: R = S/((I+F)/2)*100

Employee departures by gender, age range and region

1 Men — **Bajío**

1 Men — **Headquarters**

-30 years

Employee departures by gender, age range and region

3 Women — **Headquarters**

1 Men — **North**

1 Men — **Central**

31-50 years

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

We recognize the central role our employees play in our business. We offer them attractive working conditions like a competitive salary, benefits that exceed regulatory requirements, and a positive work environment where they can continually learn, grow and advance themselves personally and professionally.

Every three years, we hire an independent consultant to gather information on market salaries, benefits and payroll expense, among others, to compare against our own and offer a better benefits package. This gives us a wage table organized by job category on which to base our employees' compensation, to ensure that we offer highly competitive conditions to our employees.

VESTA **COMPENSATION**

- Fixed salary
- Variable salary[24]
- Severance pay
- Reimbursements
- Retirement benefits

TOTAL ANNUAL **WAGE RATIO**

The compensation structure at Vesta is designed to reflect our values of equality and transparency. In 2023, the total annual compensation of the highest-paid person in the organization was 11.43 times the average for all employees. The ratio of the increase in total annual compensation of the highest-paid person in the organization was 4% compared to the percentage increase in average total annual compensation for all employees. The gender wage gap at Vesta was 33% in 2023.

[24] Variable salary is awarded on the basis of each employee's individual results and their meeting of certain targets relating to ESG matters. This applies to all of our employees regardless of level or area. Compensation for the CEO also incorporates financial metrics like profits, occupancy rate, and relative total annual return.

Ratio of base salary by job category and gender

Job category	Ratio of men to women
Senior Management	0.55
Middle Management	0.88
Administrative	0.82

Pay ratio by job category and gender

Job category	Ratio of men to women
Senior Management	0.53
Middle Management	0.86
Administrative	0.79

At Vesta, we value talent and support the development of our people. We want to be the best place to advance professionally, so we offer all our employee benefits beyond federal labor law requirements.

EMPLOYEE **BENEFITS**

- Annual performance bonus equivalent to two months' salary
- Mandatory year-end bonus based on time with company
- 25% Vacation bonus
- Profit-sharing
- Between 12 and 25 vacation days depending on the position
- Parental leave (above legal minimum)
- Bank holidays
- Gasoline vouchers
- Grocery vouchers
- Major medical insurance for employees and dependents
- Life insurance
- Auto insurance on the Vesta fleet policy
- Executive stock incentive plan

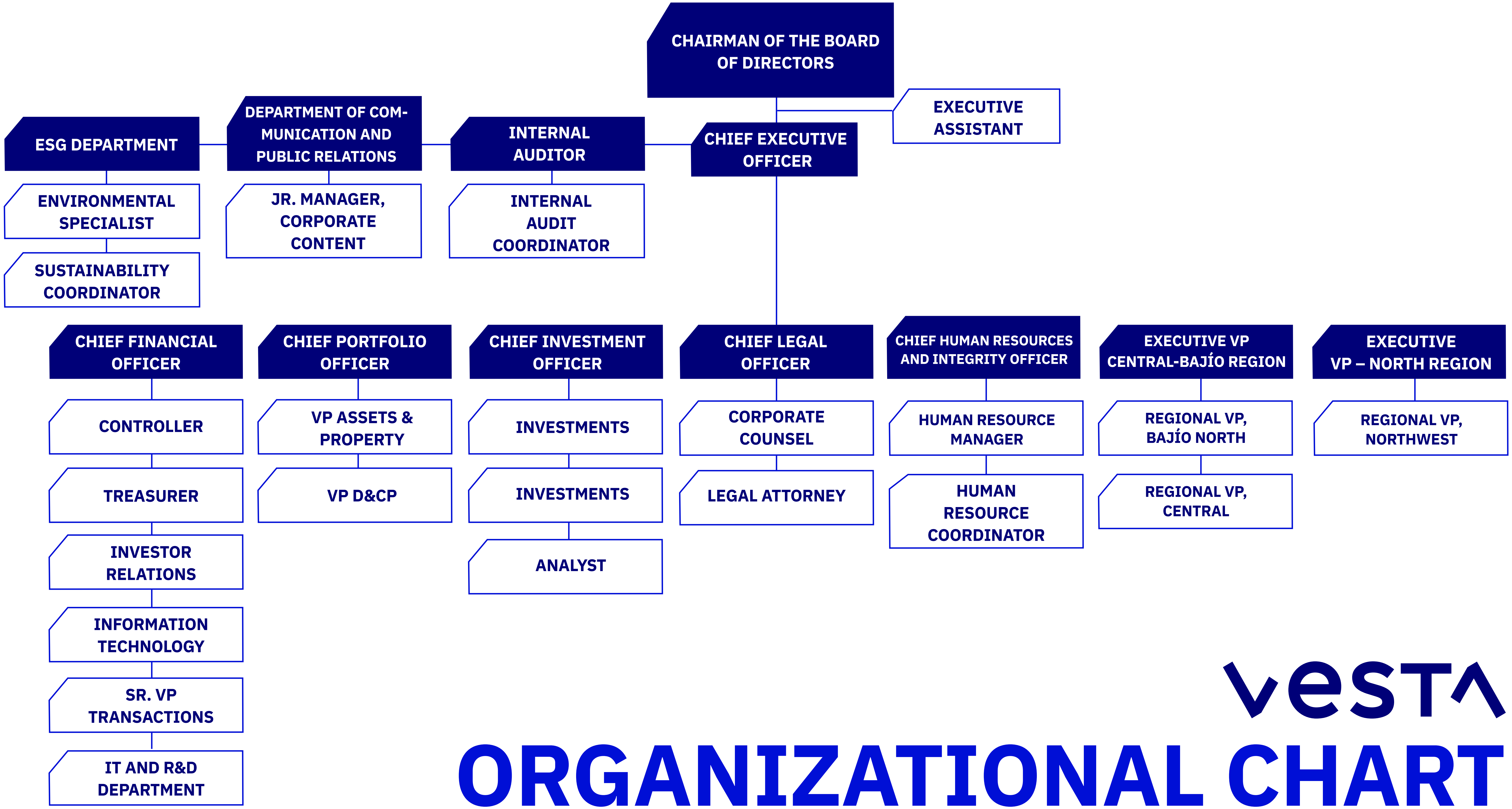
We offer equal benefits to men and women in the same job category.

Aware of the needs and caregiving tasks required of new mothers in the first months after their child is born, we also offer our employees the option of choosing a flex time arrangement with full salary for up to six months after the end of her maternity leave. Because we are committed to gender equity, employees looking forward to fatherhood have 20 business days' leave with full pay, which they may use starting on the date of birth or adoption, or during the following six months.

During the year, one woman took maternity leave[25] as well as the six months of remote work and returned to work after the leave ended.

[25] 84 days at full salary paid by the Mexican Social Security Institute.

ORGANIZATIONAL CHART

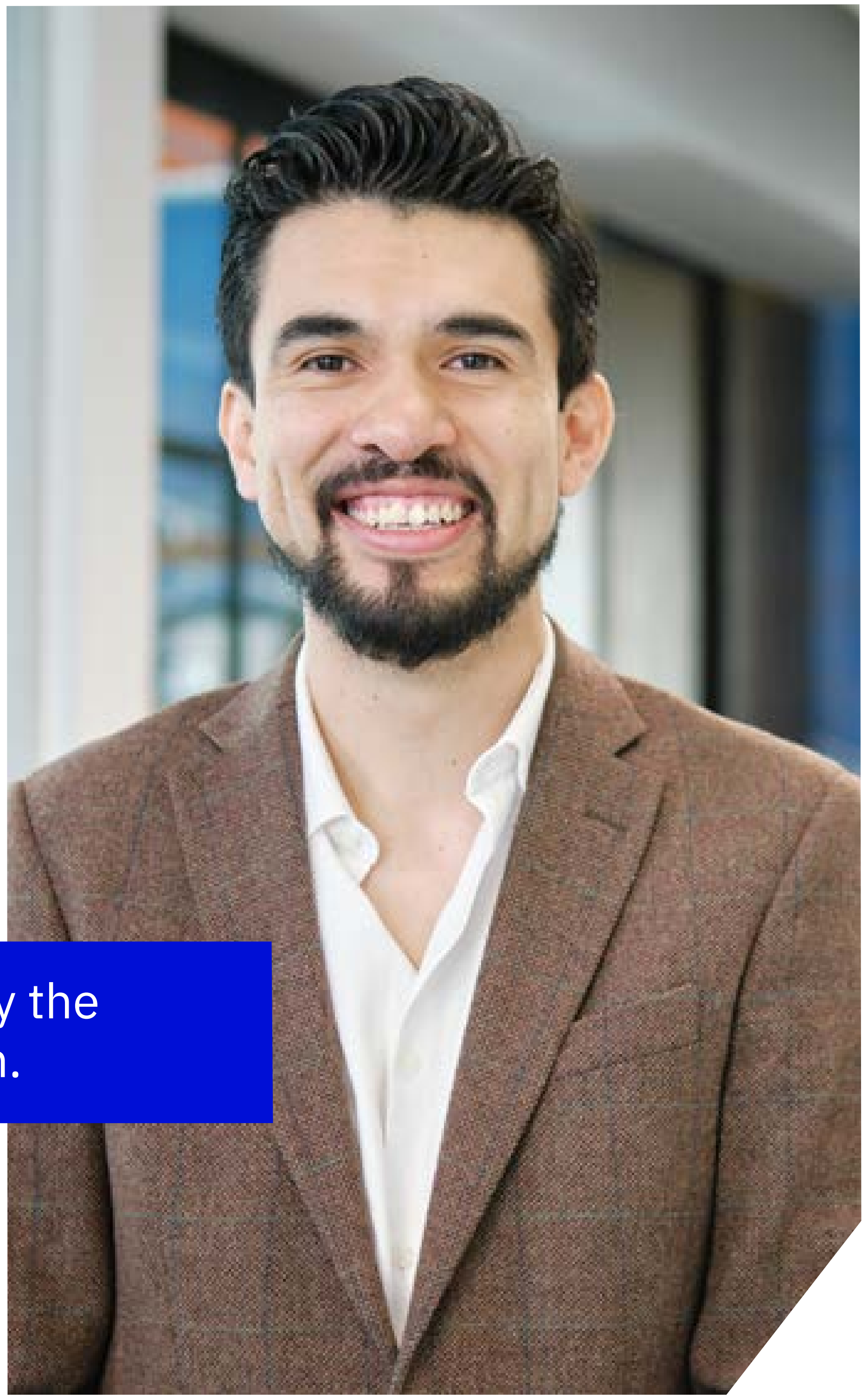


HEALTH AND **SAFETY**

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

For Vesta, the physical and emotional well-being of our employees is something we are continually on the alert for, and every day we strive to guarantee they feel safe at home and on our premises.

To do so, 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.



100% of our employees are covered by the Occupational Safety and Health System.

As part of this commitment to our employees' health and safety, we continued the **Flexibility Program**, originally introduced in 2022, by which we hope our employees can improve the balance between their work and family lives through schemes that mix in-person with remote work. We have two systems:

- **80-20 (80% in person – 20% remote).** For positions that lead or manage a work team, make decisions or manage construction projects, administer properties, maintenance, and others.
- **60-40 (60% in person – 40% remote).** For positions whose duties and activities involve administrative support to various areas of the company and require a certain degree of specialization.

The program also includes various activities aimed at promoting employee wellness by encouraging them to disconnect from work, build teams with their co-workers, receive special time off (for marriage, personal issues, graduation, academic celebrations or the death of an immediate family member) and choose remote work options for some seasons of the year.

Vesta Flexibility Wellness Programs

Revitaliza-T

Last Friday of each month off for recreational activities, to disconnect from work.

Work from Anywhere

Option to work remotely for one or two weeks (depending on the work scheme) in specific seasons.

Vesta Super Day

Teambuilding events in March, June and November

Vesta Moms and Dads

Six first weeks of parenthood working remote for moms; paternity leave up to 20 days.

In July we held our **Health Week**, where we invited employees to undergo laboratory tests, a nutritional diagnosis using the InBody tool and medical consultations as a follow-up to the tests, as well as relaxing massages.

Lab tests:
61 participants

Medical consultations:
45 participants

InBody:
41 participants

Massages:
18 participants

Based on the results of the Health Week, we received recommendations that will be implemented during 2024.

We continued to offer sessions given by experts on various mental health topics such as energy management, mindfulness, emotional intelligence, stress, postural hygiene, burnout, dispersion and productivity leaks, and recognition of the body and emotions, among other topics. We also provided coaching sessions on work, family, financial and retirement issues.

Aware of the increase in the number of people at retirement age in Vesta, since 2023 we have been offering our staff a retirement coaching program so that they can prepare themselves fully for this phase of their life, helping them to visualize their current financial and emotional situation, and then define a concrete plan of action for their retirement that is in line with their personal, professional and family objectives.

In addition, we have a **Wellness Policy** which establishes the guidelines for the wellness subsidy that Vesta offers its employees to promote their physical and mental health, encouraging productivity, motivation and a continuous improvement in the working environment.

Once again last year we gave each employee a subsidiary of US $588 that they could use to support self-care, health, emotional management and integration.

In addition, we provided 12 of our employees with special grant of US $1,182 for the purchase of Trinx and Java bicycles, with which we signed an agreement. Each employee decided on the model and cost of their bike. For the purchase, discounts from their salaries were given every fortnight from June until the first fortnight of December. This was one reason for the increased employee participation in the 2023 Vesta Challenge.

In 2023 there were no accidents, injuries or fatalities reported among our staff or contractors.

Ways to use the wellness subsidy

- **Sports activities:** races, fitness centers, yoga classes, Pilates, boxing, spinning or functional workouts.
- **Sports accessories and/or equipment:** sports clothing, in-house and outdoors exercise equipment, smartwatches, bicycles.
- **Healthcare:** medical checkups, lab tests, psychological counseling, nutrition, spa, cosmetic treatments, courses and self-improvement workshops.
- **Cultural activities:** movies, theater, museums, concerts.
- **Reading:** Kindle tablet, books and audiobooks.
- **Pet accessories:** leashes and sports adaptations.
- **Recreational and tourist activities**: theme parks, water parks, tours, snorkeling, glamping and camping.
- **Equipment and accessories for home office:** chairs, desks, printers, monitors, adapters, earphones, headsets for calls, routers, hard disks, mouses, mouse pads and laptop coolers.

WELL **BUILDING STANDARD**

We have two certifications granted by the International WELL Building Institute™.

Vesta's offices in Mexico City are certified with WELL Building Standard®, while our Querétaro offices obtained the Health and Safety Rating®, recognizing our strategies for protecting the health and welfare of our employees and tenants.

Additionally, we are in the process of creating a certification model that draws on synergies between LEED and WELL; we have completed the LEED documentation process and are 80% of the way toward completing WELL documentation.

These certifications indicate that our spaces combine best practices in design and construction to improve working conditions in seven aspects:

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

We created this plan to reduce risks and safeguard the physical safety of our employees on our premises, guarantee continuity of our operations, protect our property and ensure the resilience of the organization.

Last year we put in place our **Anti-Disaster Emergency Plan** for Vesta employees, to serve as a tool that contains emergency readiness and response measures to disasters, so that we know how to respond technically and responsibly to such events.

We also offer our employees access to the medical services of our major medical expense insurance policy online, available 24/7 to resolve any accident or illness they may suffer.

TRAINING

GRI 3-3, 404-1, 404-2, 404-3

We know that we need to maintain skills and knowledge for our staff that allow them to develop professionally. These needs are covered through training programs that range from English classes to specific topics pertaining to their job responsibilities, or topics of general interest such as tax updates, real estate investment, human rights, diversity and inclusion, and development of soft skills such as leadership or project management, among others.

To provide tools that adapt to the scheduling, needs and interests of our staff, this year we implemented the **VestaOnline** internal training platform, through which our team can continue their learning from anywhere.

Employee training by gender and job category

	Total training hours		Average training hours per year	
	Women	Men	Women	Men
Senior management	459	456	65.57	26.82
Middle management	414	582	25.87	34.23
Administrative	167	149	8.35	8.27
Total	**1,040**	**1,187**	**24.18**	**22.82**

We provided 2,227 hours of training in total, an average of **24.2 hours** a year for woman employees and **22.8** for men.

To reinforce our employees' knowledge of climate change issues, this year we offered an **online course on climate change** and sustainable taxonomy for our employees, Board of Directors and members of Vesta's six committees. The course was organized in modules to provide an overview of the relationship between climate change and the real estate industry, covering five topics:

1. **Global and national context** in emissions reduction
2. **Climate risks** and opportunities, and their financial implications
3. **Climate risk** and resilient business strategies
4. **Corporate trends** on climate change
5. **Current trends** in emission mitigation and seizing

We also provided **training on biodiversity** and its importance in the real estate industry, addressing its impacts and advantages, along with strategies that could be implemented in all phases of our business: design, construction and operation of industrial parks, which could have a positive impact under LEED guidelines. During this session, we also reviewed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

69% and 73% of our staff participated in the climate change and biodiversity courses, respectively.

Toward the same end, we monitor the skills and competencies of our work teams through two evaluation exercises that allow us to design personal development plans and paths to follow. Every two years, we carry out 360° performance evaluations that include an analysis by an independent third party and a self-assessment.

As we do every year, we evaluate the performance of 100% of our workforce in a scheme where each person dialogues with his or her direct superior to assess the fulfillment of individual and organizational objectives.

Performance evaluations by gender and job category

	Employees evaluated		% of total workforce	
Job category	Women	Men	Women	Men
Senior management	7	17	100%	100%
Middle management	16	17	100%	100%
Administrative	20	18	100%	100%
Total	**43**	**52**	**100%**	**100%**

In 2023, we evaluated the performance of 100% of our employees.

SOCIAL COMMITMENT

06

SOCIAL **COMMITMENT**

GRI 2-23, 2-24, 2-25, 3-3, 203-1, 203-2, CRE7, 413-1, 413-2

Vesta is committed to working through ESG and business strategies to ensure a positive impact on the communities where we operate. Our responsibility to society is one of the key principles that guide our action plans.

Through strategic partnerships, we support projects involving knowledge transfer, technology and innovation, employment opportunities and connectivity alternatives that foster economic growth for our communities. Additionally, we promote social investment projects to ensure the continuous development of these initiatives.

To ensure that our initiatives are pertinent and effective, we stay in close and proactive communication with communities neighboring our properties. We carry out consultations, participation plans, and social and environmental assessments, to ensure their needs are addressed.

The annual budget allocated to the social and environmental responsibility area is determined by the Board of Directors, as stipulated in our **Social, Environmental, and Governance Policy**[26]**.**

In 2023, we invested US $546,254 to social and environmental responsibility initiatives, including the US $99,394 raised through the 2023 Vesta Challenge.

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

2020
$618,790

2021
$588,170

2022
$435,432

2023
$546,254

[26] See our Social, Environmental and Governance Policy at: https://vesta.com.mx/storage/app/media/politicas/64a759d1a4a2f901572831.pdf

SOCIAL INVESTMENT **PROJECTS**

All of our social investment projects fall under one of two actions lines: **education** and **community development**. Gender inclusion and attention to vulnerable groups are an intrinsic part of both these areas.

To focus our resources on projects that contribute to the development of the communities in the long term, we select each of them according to the criteria established in our **Social Investment Policy**[27]. With these criteria, we leave purely charitable support only for specific or emergency situations, like natural disasters.

To meet the specific needs of the community where we will be working, ensure that projects respond effectively to the context and will yield the expected results, before we intervene in a community, we appoint experts to conduct a socio-economic, environmental and cultural diagnosis. Furthermore, each project is evaluated and approved by the ESG Committee, the Executive Chairman of the Board and the CEO.

11 social projects

+5,000 people benefited

11 states in Mexico

To identify the level of maturity in transparency, sustainability and reliability in the non-governmental organizations (NGOs) with which we work, for the first time this past year we engaged our ally PYMO[30] to conduct an audit exercise called a **CASE Assessment.**

It is divided into four stages: financial risk, legal risk, project structure, and impact. In each of these the project is assigned a rating of low, medium, or high.

Under this assessment, three organizations passed the audit and obtained CASE Certification, and five showed points of non-compliance in some areas. For these, we developed a specific action plan by which they could resolve these issues for the next cycle.

NGOs audited in the CASE Assessment

- Plurales Proyectos Creativos, A.C.
- Acción Comunitaria del Bajío, A.C.
- Programa Adopte un Talento, A.C.
- Movimiento STEM
- Fundación Pro Empleo Productivo, A.C.
- Construyendo Comunidades Integrales
- Instituto Mexicano de Investigación de Familia y Población, A.C.
- EMPREDIEM, S.A.P.I. de C.V.

[27] See our social investment policy at: https://vesta.com.mx/storage/app/media/politicas/64a759f4006b1059728660.pdf

[28] PYMO is a startup that evaluates and certifies NGOs in Mexico to support them in raising funds from multinational and public companies to support their social and environmental projects.

EDUCATION

VESTA WALKING TOGETHER

9th YEAR OF THE PROGRAM

We supported the comprehensive development of children in primary school, along with the teaching staff of one preschool and two primary schools, encouraging the acquisition of key skills, knowledge and tools for life. Working together with teachers and parents, we offered training programs in the areas of healthy living, civics and ethics.

3 states where the project was active.

37 teachers trained in hybrid workshops on gender perspective and the culture of violence.

161 students benefited as of the date of this report.

711 people expected to benefit, directly and indirectly, by the end of the 2023-2024 school year.

Beneficiaries

- **37** teachers
- **161** students
- **90** parents

Partnerships

• **Fundación Yo Quiero Yo Puedo** • IMIFAP • **Escuela Primaria Cuauhtémoc in Ciudad Juárez, Chihuahua** • Escuela Primaria Independencia in Huamantla, Tlaxcala • **Preescolar José Peinado Altable in San Blas, Mexico State**

Vesta investment

US $46,286

Location

Chihuahua, State of Mexico and Tlaxcala

ADOPT A TALENT PROGRAM (PAUTA)

6th YEAR OF THE PROGRAM

As allies in this program, which has been recognized by the Center for Intercultural Innovation of BMW Group and UNAOC, as one of the ten largest global initiatives, 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.

11 science workshops | **26** science clubs

6 training workshops for teachers on introduction to scientific research and classroom strategies.

We worked on some of the projects related directly to women in science, including:

- A communication campaign contest to promote female role models in science.
- Women in Science Day in Querétaro, with 260 students participating.
- "*Micro-machismos*" workshops held in 10 schools.
- Invitation to women scientists to participate in capsules and talks with young girls and teenagers, to support the visibility of women as models in science.

In October 2023, PAUTA received the **"Teaching Challenge to restore learning"** educational award from Fundación Merced.

Beneficiaries

- **1,316** teachers
- **797** children

Partnerships

• **PAUTA** • Engineering School at Ciudad Universitaria, Universidad Autónoma de Querétaro Centro • **Merck** • Roof Master (a Vesta supplier) • **Michelin** • Centro Educativo del Estado de Querétaro "Manuel Gómez Morín" • **Museo Histórico de Jalpan de Sierra** • BerryMex • **Museo de Ciencias Ximhai**

Vesta investment

US $26,439.18

Partner investment

US $34,179

Location

Querétaro

MEXA DREAM

6th YEAR OF THE PROGRAM

Focused on support for youth in conflict-ridden areas of Tijuana, we developed this program for comprehensive assistance in learning. It helps young people create a medium-term life project through both group dynamics and individual follow-up, applying vocational and professional interest tests.

We provided psychological counseling, psycho-pedagogical guidance and group workshops to encourage youth to embark upon their life project in the short term, connecting their areas of interest with activities to achieve their fullest potential and build a better quality of life for themselves and thus for their families and communities.

Some of the results of this project in 2023 were the taping of a podcast called Radio MEXA, an alternative tool for holding educational and training sessions that spark young people's creativity, and a focus on mathematics through educational management and catch-up for learning in high school and preparatory school.

314 youth benefited from risk prevention and comprehensive development.

16 psychological sessions for youth.

24 youth received support for catching up in math.

150 hours of individual assistance.

Beneficiaries

- **689** youth from 12 to 17 years of age
- **14** communities

Partnerships

• **Centro Comunitario El Florido, fourth section, Tijuana** • Instituto de la Juventud del Estado de Baja California • **DIF Estatal de Baja California** • Plurales Proyectos Creativos, A.C. • **Multitaskr Latinoamérica**

Vesta investment

US $14,639.63

Partner investment

US $19,624.33

Location

Tijuana, Baja California

INVENTIVE WOMEN

3rd YEAR OF THE PROGRAM

The goal of this program is to teach girls and young women to invent and find creative and collaborative solutions for the problems of their communities by applying their knowledge of science, technology, engineering, and mathematics (STEM).

To align contents, work strategies, invitations and program execution with the specific characteristics and needs of the communities, we included diagnostic and evaluation tools to better visualize the context of the community and develop skills to deal with current technological challenges.

The social impact projects that make up this initiative include workshops for teachers and students in STEM topics like mechanical engineering, aerospace engineering, financial literacy and entrepreneurship.

62 teachers benefited from workshops on active teaching methods.

28 hours of sessions given.

100% of the project aimed at young girls and women.

Beneficiaries

- **52 teachers**
- **97 girls**

Vesta investment

US $18,018

Partner investment

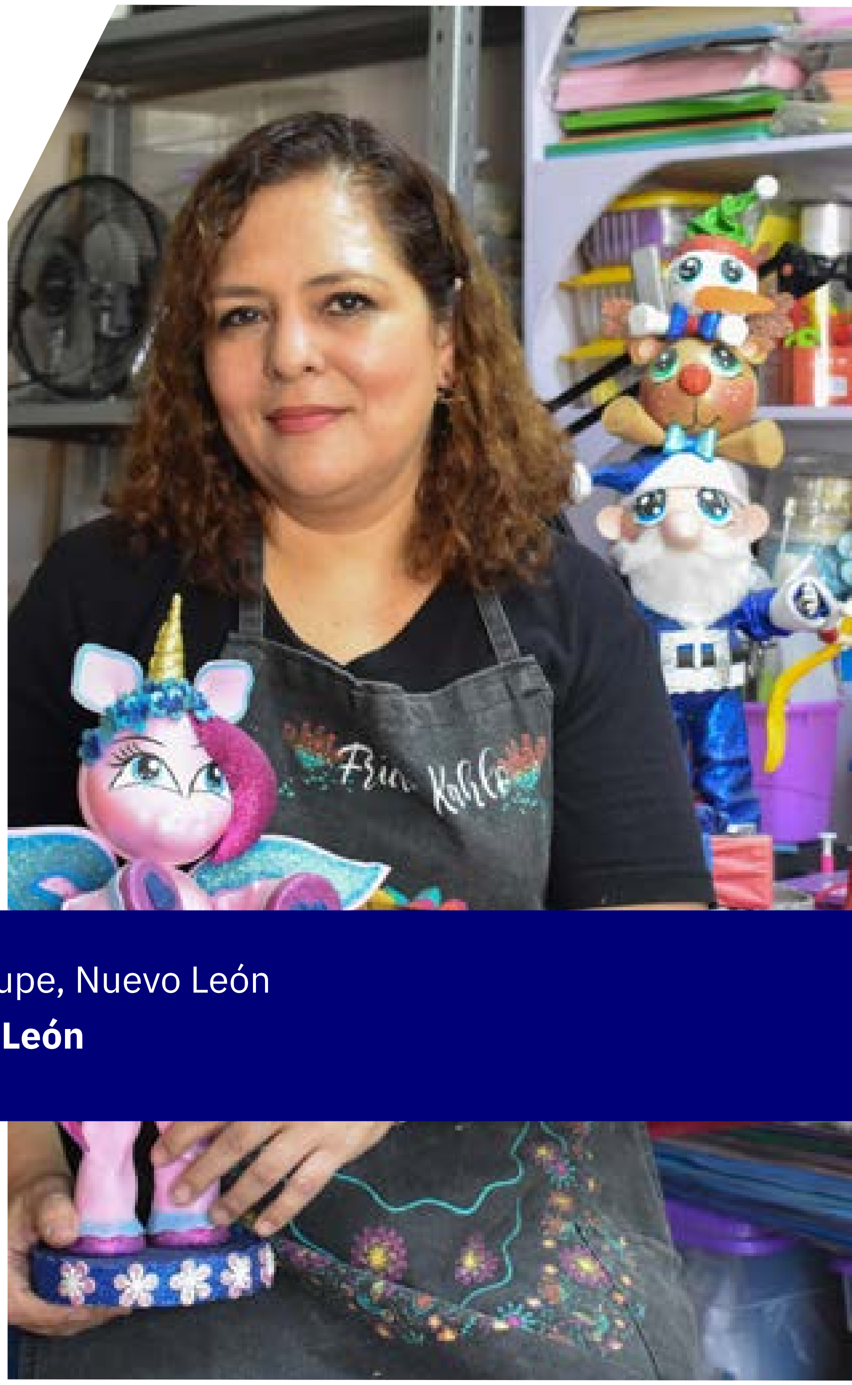
US $3,659.90 in kind

Partnerships

- **STEM for Kids Movement** • Museo de la Ciudad Guadalupe, Nuevo León
- **Secretaría de Bienestar Guadalupe, Nuevo León**

Location

Guadalupe, Nuevo León



COMMUNITY **DEVELOPMENT**

COMMUNITY DEVELOPMENT (HUEJOTZINGO RESILIENCE)

6th YEAR OF THE PROGRAM

The goal of this program is to empower women of the region through two major initiatives: Empower Yourself, an online training and education program, and A Thousand Extraordinary Women, which trains and provides financing to women in the region.

These two initiatives boost women's professional and personal potential through methodologies and knowledge in innovation that enable them to lead social, economic, and environmental projects, contributing to the development of their community and creating jobs.

In 2023, 13 workshops on financial inclusion and six virtual programs were delivered in partnership with the Tec de Monterrey, Guadalajara Campus, which were also joined by multidisciplinary university students from ITESM, generating a total of 100 hours of methodological training. Additionally, six networking discussions were held with women entrepreneurs, and 120 credits were extended to women to promote their financial inclusion.

Beneficiaries

- 200 entrepreurs
- 12 change leaders
- 50 university students

Vesta investment

US $46,171.17

Partner investment

US $137,950.45 + US $25,337.83 in kind

In the sixth year of partnership with this project, we multiplied Vesta's support and improved our positioning with the community, and the academic and government authorities.

Partnerships

- Balloon Latam • Alianza Microwd
- City Council of Huejotzingo, Puebla
- Tec de Monterrey, Guadalajara Campus

Location

Huejotzingo, Puebla

EL SALTO RESILIENCE

3rd YEAR OF THE PROGRAM

After a diagnose conducted in the community of El Salto in 2021 to determine the types of products and services offered by local businesses, their specific needs for improvement and channels for sales and advertising, among others, we continued this annual online training and education program for El Salto's entrepreneurs.

The project provides participants with digital collection tools, training in financial topics and business models through videos and tutorials that promote sustainable development of local businesses.

Two programs were offered in 2023:

- **An intensive online accelerator program** in partnership with ITESM, to turn multidisciplinary students into "Balloon Shields" and help detect challenges, provide assistance and work on business models for the entrepreneurs.
- **The online program "Impulsa Challenge,"** developed by students at ITESM's Guadalajara campus completing their social service requirement, provided assistance and training in tools and skills to strengthen entrepreneurs' business models.

"I believe in my product, I'm familiar with it and I'm not afraid anymore."

Isabel Salazar, El Salto Centro

234 entrepreneurs participating.

56 hours of methodological training.

5 locations.

Beneficiaries

234 entrepreneurs

Vesta investment

US $32,355.85

Partner investment

US $50,675.67 + US $20,270.27 in kind

Partnerships

• **Balloon Latam** • Mercado Libre[29] • **City Council of El Salto, Jalisco** • CONALEP • **CECTyTE** • ITESM Guadalajara Campus

Location

El Salto, Jalisco

[29] In 2023 we completed the partnership with Mercado Libre, which invested US $121,058.55 over three years in support of 842 entrepreneurs.

EDUCATION, TRAINING AND EMPLOYABILITY

5th YEAR OF THE PROGRAM

To contribute to the development of local communities through better education, training and technical skills, the program supports the development of family skills and leadership and helps strengthen the social fabric.

In 2023, we funded community support and public space restoration programs, along with awareness-building, addiction prevention, and cultural and sports support. Among the main results were:

- **A program on establishing healthy relations was created,** focused on young girls and teenagers, to help them develop their skills and set limits so they can grow to their fullest potential in the family environment.
- **A women's empowerment** leadership course was given.
- **A program called "Weaving Leaderships"** was organized to create tools for increasing employability in the community and helping to restore the social fabric.
- **Cyclone-mesh fencing was installed** to protect the computer center in the community of Chichimequillas.
- **Two schools in Chichimequillas received advice on training** from Enseña X México, to help reduce the educational lag in the community.
- **A workshop on addiction prevention** was given for high school and preparatory schools of the community.
- **Soccer uniforms were given** to three schools, along with bats and baseballs for the youth team of Chichimequillas.

573 children benefited.

2 Chichimequillas schools received Enseña X México training.

Beneficiaries

- 573 children and young people
- 39 women
- 66 senior citizens
- 65 parents

Partnerships

• **Fundación Comunitaria Bajío** • Instituto de Alfabetización y Educación Básica para Adultos (INAEBA) • **Pirelli** • Fidesseg (Secretaría de Desarrollo Social y Humano) • **ITESI (Instituto Tecnológico Superior de Irapuato)** • Voluntariado SEG (Secretaría de Educación de Guanajuato) • **American Axle**

Vesta investment

US $18,032.65

Partner investment

US $64,527 in cash + US $3,907.65 in kind

Location

Silao, Guanajuato

A BETTER POSSIBLE FUTURE

5th YEAR OF THE PROGRAM

Through a methodology that combined theory, practice, explanation and participation, this program builds business skills and abilities for local people, ensuring equal opportunities and improving quality of life for participants.

Through practical work with real-life examples and situations, participants reinforce basic concepts to begin or improve their micro-businesses, while improving equal opportunities and strengthening their position in the formal sector, and economic prosperity.

The initiative consists of two programs: the **Emprende workshop,** which consists of five modules, offers training in human development and gender equity; administration and marketing; financial, legal and fiscal aspects; sales and customer service; and business social responsibility. The **Reemprende Digital workshop** is an online training opportunity that offers alternatives for dealing with the challenges of e-commerce. It consists of three modules: introduction to digital transformation, e-commerce, and creating a webshop.

The initiative also offers specialized consultancy in finance, taxes, administration, marketing and graphic design, with a total of 115 hours of assistance in 2023.

Emprende workshop:

5 training modules.

100 hours of training per person.

Reemprende Digital program:

3 training modules.

30 hours of training per person.

Beneficiaries

- **59 women**
- **12 men**

Vesta investment

US $20,270.27

Partner investment

US $3,378.37

Partnerships

• **ProEmpleo** • Kichaj, A.C. • **CECyTE Huehuetlán** • Alianza por la Huasteca Potosina, A.C. • **Club de Niños y Niñas de San Luis Potosí** • Fomento Económico en Ciudad Fernández

Location

San Luis Potosí

VOLUNTEERING

VESTA VOLUNTEER PROGRAM

In 2023, we began executing a volunteer program with the abilities, needs and preferences of our employees in mind, which includes both professional volunteering and physical onsite volunteering.

In both types, we will participate in initiatives with our current foundation partners, and if our employees have a new initiative they're interested in, they can submit to the program for review and possible inclusion.

The following are some of the projects carried out under this new volunteer program.

BAJA CHALLENGE

8th YEAR OF THE PROGRAM

Thanks to the work of six Vesta volunteers, we helped build a home for a vulnerable family of three in Tijuana, giving them a better quality of life.

Beneficiaries

1 family

Vesta investment

US $7,000

Partnerships

• Project Mercy • Waremalcomb

Location

Tijuana, Baja California

CONSTRUYENDO

8th YEAR OF THE PROGRAM

This year, as part of our initiative to support education in Mexico through volunteer work, we built a schoolroom for a primary school in a low-income community, with the support of parents, teachers, community members and Vesta volunteers.

49 volunteers from Vesta supported this project.

Beneficiaries

- **309 students**
- **718 community members**

Partnerships

- **Construyendo • Escuela Primaria General Lázaro Cárdenas**

Vesta investment

US $12,669

Location

Santiago Tianguistenco, Mexico State

EXTRAORDINARY INITIATIVE:

SUPPORT FOR VICTIMS OF HURRICANE OTIS

In 2023, responding to devastating damage left by hurricane Otis on families in Acapulco Guerrero, we pitched in with donations from employees and the Vesta donations budget.

Beneficiaries

Families of Acapulco, Guerrero (no specific number of beneficiaries)

Partnerships

Vesta employees

Monto recaudado

US $5,692.56 (donated by Vesta)
+ US $3,654.27 donated by employees

Location

Acapulco, Guerrero

VESTA CHALLENGE 2023

5th YEAR OF THE PROGRAM

Through this annual cycling-for-a-cause event, we raised funds for social investment projects.

In our fifth Vesta Challenge, 388 participants biked in three segments: Gran Fondo (106 km), Medio Fondo (65 km) and Piccolo (3.7 km).

Participants

388 cyclists (40% women, 60% men)

Partnerships

• Emoción Deportiva • 14 sponsors

Amount of sponsorships

US $135,135.13 + US $32,651.18 in kind

Location

Vesta Park Querétaro

Environmental COMMITMENT

07

SHARED **TRANSPARENCY**

SASB IF-RE-410a.2, IF-RE-410a.3

13 CLIMATE ACTION

Through the green clause, we invite our tenants to voluntarily report their energy, water and waste data on an annual basis.

As a company engaged in the development, operating, leasing, sale and purchase of industrial buildings, parks and portfolios of these properties for clients in the manufacturing, logistics and e-commerce industries, we are aware of the environmental impact of our business, so we continue to work in concert to compile and report environmental data associated with our own operations and those of our tenants.

This compilation and reporting is a sign of our commitment to transparent environmental management, because it helps us to understand the impact of the activities that take place in our parks and detect areas of opportunity for minimizing them or for undertaking initiatives to restore the environment.

Although obviously the industrial activities that take place within the facilities are not operated by Vesta, and the natural and energy resources they consume are not directly under our control, we include a **green lease** for all tenants where we seek their participation in voluntarily supplying environmental data, so we can lay the groundwork for measuring the sustainability progress of our parks.

This year, with the aim of improving the quality of the information we report on our tenants' environmental performance, we collected and managed energy, emissions, water and waste data from them, as follows:

- **Scope 3 energy consumption and emissions data** were calculated based on electrical bills and estimated data, which were reported in the emissions inventory.
- **Water data are calculated** based on Vesta information, supported by payment receipts.
- **Waste data was provided directly by our tenants** (Vesta is not responsible for the accuracy and quality of this information).

For Vesta's common areas and office, the environmental information reported applies to 100% of these areas.

In order to keep tenants informed on general topics related to safety, maintenance, renovation projects, environmental resource management and other park issues, we organize meetings with them throughout the year. We take advantage of these sessions to share with them the progress and priorities of our ESG Strategy.

We use the **ENERGY STAR Portfolio Manager®** tool to interactively monitor the water and energy efficiency performance of our portfolio of buildings and parks based on the data our clients provide.

Additionally, we have a **Tenant ESG Guide**, where we convey relevant information on sustainability to the companies that occupy our buildings, so that they can adopt practices and measures to develop their own ESG strategy.

In line with our priorities for 2025 under the Vesta Level 3 Strategy, we continue to provide ongoing training on ESG issues to our employees, especially to members of our Asset Management team. In 2023, we provided two environmental training sessions, one on green certifications and the other on biodiversity, in which 66 and 69 employees participated, respectively.

GRI 3-3
TCFD Metrics and targets c)

ENVIRONMENTAL CERTIFICATIONS

Hold some kind of green certification
for 20% of our GLA by 2026.

Progress as of 2023:

28%

Progress as of 2023: 10,413,147 square feet, which is 28% of our GLA, has some kind of green certification, consistent with the KPI on the sustainability-linked bond that we placed on the public market in 2022.

At Vesta, we want our buildings to have sustainable features aligned with the require-ments of green certifications such as LEED, EDGE and BOMA, so that our tenants can obtain a variety of environmental and social benefits.

LEED-certified assets[30]

Building	Region	GLA square feet	Certification Level	Year certified
Guadalajara 4	Bajío	371,161	LEED v4 BD+C: CS (Certified)	2023
Guadalajara 3	Bajío	220,832	LEED v4 BD+C: CS (Certified)	2023
Las Torres II (Exp)	North	96,929	LEED v4 BD+C: CS (Certified)	2023
Guadalupe 2	North	201,436	LEED v4 BD+C: CS (Silver)	2023
Guadalajara 5	Bajío	346,835	LEED v4 BD+C: CS (Certified)	2023
Querétaro 4	Bajío	166,345	LEED v4 BD+C: WDC (Certified)	2023
Querétaro 5	Bajío	166,345	LEED v4 BD+C: WDC (Certified)	2023
VPMGI-01	North	283,037	LEED v4 BD+C: CS (Silver)	2022
Q-4	North	78,415	LEED v4 BD+C: CS (Certified)	2022
BTS PepsiCo	Central	288,785	LEED v4 BD+C: WDC (Gold)	2022
Alamar II	North	320,205	LEED v4 BD+C: CS (Certified)	2022
BTS Mercado Libre (F1+F2+F3)	Bajío	876,903	LEED v4 BD+C: CS (Certified)	2022

[30] 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.

Building	Region	GLA square feet	Certification Level	Year certified
Las Torres V	North	256,063	LEED v4 BD+C: CS (Gold)	2022
PUE-03	Central	134,172	LEED v4 BD+C: CS (Certified)	2021
Q-1exp	North	143,601	LEED v4 BD+C: CS (Silver)	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 v4 BD+C: CS (Certified)	2019
Pacífico II	North	191,727	LEED v4 BD+C: CS (Certified)	2019
TPI Edif 03 Juárez	North	331,647	LEED v2009 BD+C: CS (Certified)	2018
Safran Albany Querétaro	Bajío	335,253	LEED v2009 BD+C: CS (Silver)	2018
TPI Juárez	North	352,798	LEED v2009 BD+C: CS (Silver)	2017
Bombardier MA2	Bajío	228,270	LEED v2009 BD+C: CS (Silver)	2014
Bombardier J85	Bajío	183,675	LEED v2009 BD+C: CS (Certified)	2013
Total		**6,537,892**		

EDGE-Certified Assets

Building	City	GLA square feet
PBQU10003	Querétaro	129,901
PESA10174	San Miguel de Allende	170,307
PESA10177	San Miguel de Allende	212,247
PESA10178	San Miguel de Allende	283,812
PIQU10015	Santa Rosa Jáuregui	258,118
PLCO10144	Silao	367,038
PPIN10146	Guanajuato	225,103
VPFL10085	Tijuana	150,588
VPFL10086	Tijuana	302,692
VPFL10087	Tijuana	167,263
VPME10072	Tijuana	60,252
VPME10078	Tijuana	184,542
VPPU10124	Huejotzingo	186,899
VPTO20052	Toluca	279,072
VPTO20053	Toluca	211,758
Total		**3,189,592**

Our EDGE-certified buildings together **reduced** energy consumption by **8,572 MWh.**

We are very proud to report that this year we were named an **EDGE Champion by the International finance Corporation (IFC)[31],** for having more than 2.1 million square feet of EDGE-certified GLA.

Vesta will continue to certify portfolio to improve operating efficiency and remain at the forefront of the market for green buildings in Mexico.

[31] The IFC is a branch of the World Bank, and the leading private-sector international development institution involved in emerging markets.

BOMA-certified assets

Site	Certification level	City	GLA square feet
VPAG10172	BOMA Best Bronze	Aguascalientes	183,618
PESA10175	BOMA Best Bronze	San Miguel de Allende	213,795
VPLE10112	BOMA Best Bronze	Tijuana	288,250
Total			**685,664**

Furthermore, to identify opportunities for improving our energy efficiency, our consumption of resources and our reuse and recycling of materials, this year we conducted 38 Green PCAs in our properties, covering 7,805,762 square feet of GLA.

Green PCAs

Region	Number of buildings	GLA square feet
Bajío South	12	1,920,535
Bajío North	7	2,180,728
Central	13	2,615,436
Northwest	2	755,652
Northeast	4	333,410
Total	**38**	**7,805,762**

To ensure increasingly robust operations from an environmental perspective, in 2023 we began implementing **Level 1 and 2 Diagnostics.**

The goal of the Level 1 Diagnostic was to establish a baseline distribution of energy loads, water consumption and waste generation in common areas and offices. We will use this to make improvements in the areas found to have the highest consumption in each park (Pareto 80/20 rule), through a program for water and energy saving and waste reduction.

The Level 2 Diagnostic continued the first level, with the following objectives:

- **Standardize operating processes** in the parks with current regulations.
- **Determine the quality of energy** applied for sustainable use (power factor, reactive energy, etc.).
- **Introduce systems for reusing** treated water and capturing rainwater.
- **Introduce a Comprehensive Waste Management Plan** for each park to minimize waste (circular economy) and register ourselves with the authorities as small, medium and large waste generators.
- **Formulate environmental metrics** for energy, water and waste.
- **Use a platform** to manage and monitor this data.
- **Set and apply annual environmental targets** based on the indicators defined in the ESG Strategy.
- **Obtain Environmental Quality** and ISO 14001:2015 certification for our parks.
- **Develop procedures and checklists** for energy, water and waste.
- **Focus investments** based on requirements in an efficient, low-cost and high-impact manner.

MATERIALS MANAGEMENT

GRI 2-27, 302-5, CRE5, CRE8, 3-3
SASB IF-RE-130a.4

We have a **Sustainable Construction Manual** that sets forth five guidelines that Vesta expects contractors to follow in building and remodeling industrial buildings.

Furthermore, to ensure that these guidelines are followed, and at the same time measure the environmental and social impact of development before, during and after construction of our properties, we verify compliance with our manual by means of a checklist. In this regard, we did not have to carry out land remediation activities in 2023.

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, planting 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.

Despite our efforts to comply with legal provisions at all stages of our operation, in 2023 the Ministry of Finance of Puebla fined Vesta US $29,010.30 for the regularization of two buildings in Vesta Park Puebla, due to the lack of an environmental impact response at the time they were built.

ENERGY MANAGEMENT

GRI 3-3, 302-1, 302-2, 302-3, CRE1
SASB IF-RE-130a.1, IF-RE-130a.2, IF-RE-130a.3, IF-RE-130a.5, IF-RE-410a.2
TCFD Metrics and targets c)

We are aware that energy consumption is one of the most important indicators for our business. We use electrical energy for lighting and powering common spaces, offices in parks and the corporate offices. In addition, we consume fossil fuels, such as diesel, which is used for fire extinguishing systems, and, to a lesser extent, gasoline, which is used in vehicles.

Our main electricity supplier is the Comisión Federal de Electricidad (CFE), while we continue to work on generating and consuming more renewable energy. To this end, we have 218 solar panels installed at three of our industrial parks (Toluca, Tlaxcala and Aguascalientes) that together generated 274 GJ of electricity in 2023.

7 AFFORDABLE AND CLEAN ENERGY

20% reduction in energy consumption in our offices and common areas by 2025.

Fuel consumption for offices and common areas

(Scope 1)

Type	Liters	GJ	MWh
Diesel	24,381	930	258
Gasoline	26,747	944	262
Total	**51,128**	**1,874**	**520**

Fuel consumption for offices and common areas 2020-2023

(Scope 1)

Year	GJ	MWh
2020	825	229
2021	810	225
2022	924	257
2023	1,874	520

Electricity consumption for offices and common areas
(Scope 2)

Type	kWh	GJ	MWh
Conventional	3,233,553	11,641	3,234
Solar	76,183	274	76
Total	**3,309,736**	**11,915**	**3,310**

Electricity consumption for offices and common areas 2020-2023
(Scope 2)

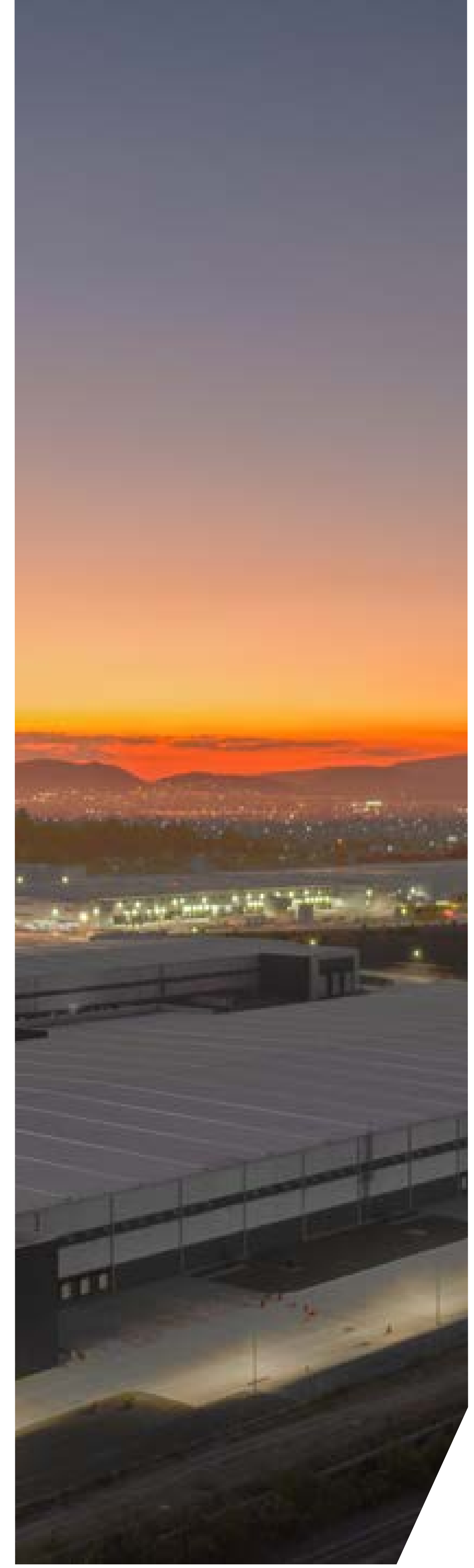
Year	GJ	MWh
2020	7,637	2,121
2021	8,326	2,313
2022	10,669	2,964
2023	11,915	3,310

Note: Not including energy from solar panels.

Energy intensity for offices and common areas 2020-2023

Year	kWh/m²
2020	1.84
2021	1.99
2022	1.69
2023	1.74

Note: These figures include only electricity supplied by the CFE.



The energy intensity of operations managed by Vesta in the year 2023 was 1.74 kWh per m², factoring in 3,233,553 kWh total energy consumption from the CFE and 19,921,931 square feet of common areas and offices.

Indirect consumption of energy in tenant operations[32]
(Scope 3)

Type	KWh	GJ	MWh
Conventional	434,526,270	1,564,295	434,526
Renewable	138,569,280	498,849	138,569
Total	**573,095,550**	**2,063,144**	**573,095**

Note: This year we obtained 92% of the electricity data from CFE bills and 8% were estimated.

Electrical energy intensity from tenant operations

Year	kWh/m²
2023	153.32

According to tenant information, their operations consumed 573,095,550 kWh of electrical energy, equivalent to 2,063,144 GJ, divided into our total GLA 37,354,504 square feet, which results in an energy intensity for our tenants of 153.32 kWh/m².

[32] The electricity consumption of 8% of our tenants is metered separately.

Indirect consumption of energy in tenant operations 2020-2023
(Scope 3)

Year	GJ	MWh	% of GLA reported
2020	464,545	129,040	26%
2021	899,837	249,955	45%
2022	967,466	268,741	42%
2023	2,063,144	573,095	100%

Indirect consumption of fuel in tenant operations
(Scope 3)

Type	Liters	GJ	MWh
Diesel	67,281	2,567	713
Gasoline	146,559	5,174	1,437
LP Gas	37,123	970	269
Natural gas	3,762,539	793,817	220,505
Total	**4,013,502**	**802,528**	**222,924**

Indirect consumption of fuel in tenant operations 2020-2023
(Scope 3)

Year	GJ	MWh	% of GLA reported
2020	Not reported	-	-
2021	31,199,320	8,666,478	23%
2022	5,165,989	1,434,997	26%
2023	802,528	222,924	10%

Note: Fuel consumption in tenants operations is significantly lower in 2023 than in 2022, as less tenants reported their consumption.

Total electricity consumption, Vesta and tenants (GJ)

Vesta

11,641 (0.6%)

Tenants

2,063,144 (99.4%)

Total fuel consumption, Vesta and tenants (GJ)

Vesta
1,874 (0.2%)

Tenants
802,528 (99.8%)

Energy consumption by real estate subsector (MWh)

Real estate subsector	Electricity consumption	Fuel consumption	Use of renewable energy
Total industrial	434,526.27	224,063.23	138,559.28
Like-for-like industrial	-165,785.70	1,210,933.67	138,559.28
Total	**268,740.58**	**1,434,996.90**	**277,118.56**

Note: This increase in electrical energy was due primarily to the fact that in 2023 we obtained data from the 100% of the electrical energy of the portfolio.

Energy intensity

Vesta electricity consumption (GJ)	Tenant electricity consumption (GJ)	Vesta fuel consumption (GJ)	Tenant fuel consumption (GJ)	Rented surface area (square feet)	Surface area of offices and common areas (square feet)	Energy intensity (GJ/m^2)
11,641	2,063,144	1,874	802,528	37,354,504	19,921,931	
			2,879,187		**57,276,436**	**0.54**

Vesta electricity consumption (MWh)	Tenant electricity consumption (MWh)	Vesta fuel consumption (MWh)	Tenant fuel consumption (MWh)	Rented surface area (square feet)	Surface area of offices and common areas (square feet)	Energy intensity (MWh/m^2)
3,234	573,095	520	222,924	37,354,504	19,921,931	
			799,773		**57,276,436**	**0.15**

Note: This calculation includes electricity and fuel consumed by Vesta for offices and common areas, and by tenants, over total gross leasable area and surface area specific to Vesta operations.

WATER **STEWARDSHIP**

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5
SASB IF-RE-140a.1, IF-RE-140a.2, IF-RE-140a.3, IF-RE-140a.4, IF-RE-410a.2
TCFD Metrics and targets c)

6 CLEAN WATER AND SANITATION

Our goal is to reduce water consumption in our common areas and offices **by 20%** by the **year 2025**.

Mitigation target

Vesta is aware that Mexico is currently in a state of water crisis, and for this reason we work to pursue responsible water stewardship in our park operations. We encourage tenants to reduce the main impacts associated with its use and to ensure their wastewater discharges are compliant with maximum permissible limits of pollutants, as defined in the applicable regulations and legislation, for example, in the Mexican Official Standards NOM-001-SEMARNAT-1996, NOM-002-SEMARNAT-1996 and NOM-003-SEMARNAT-1997, which establish these limits for wastewater and treated water discharges.

Last year we also carried out our first **human rights risk analysis exercise through a due diligence process,** which we conducted in accordance with OECD guidelines and international recommendations. As a result, we suggested proactive actions for risk prevention, and developed information to be distributed to investors, rating agencies and other stakeholders. **This analysis covered environmental risks**, including problems derived from effluent contamination that affect water conditions and the depletion of natural resources.

Regarding water stewardship in our operations, the water we consume for our operations at present is fresh water, mainly from the municipal network and underground wells, and is used for sanitary services and irrigation of green areas. In some parks, however, such as those located in Aguascalientes, Puebla and Toluca, we try to use water more efficiently by reusing wastewater that is processed through treatment plants and directed to activities that by nature do not require a specific quality, such as watering of green areas.

The quality of the treated water we discharge into the municipal network is in compliance with the corresponding Mexican Official Standards. We treated 17,836 m³ of wastewater in 2023.

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

Fuente	Megaliters
Ground water*	75.58
Municipal supply*	50.46
Outside water (treated)*	17.84
Tenant consumption[33]	436.74
Total	**580.72**

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

Note: Consumption data calculated based on logs shared by Vesta's administrative areas and tenants.

[33] Water withdrawals by 67% of our tenants are metered separately.

As part of Vesta's ESG strategy, we have begun water stewardship projects such as replacing water meters, rainwater capture and treatment, and others.

Water withdrawals by real estate subsector
(megaliters)

Real estate subsector	Volume of water withdrawals in 2022	Volume of water withdrawals in 2023	Percentage change
Industrial	95.8	436.74	455.88%

Water consumption 2020-2023

Year	Offices and common areas	Tenants	
	m^3		% of reported GLA
2020	59,041	532,012	26%
2021	91,741	1,095,233	43%
2022	100,402	4,081,889	41%
2023	143,875	436,740	33%

In 2023 we worked with 19 of our parks to diagnose important aspects of water consumption: infrastructure, equipment in use, and water volume consumed. This allowed us to address areas of opportunity to access higher quality data and improve how we manage the data.

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

EMISSIONS MANAGEMENT

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

Reduce scopes 1 and 2 emissions by 20% by the year 2025

Mitigation target

We calculate our greenhouse gas (GHG) emissions based on the specifications of the Corporate Accounting and Reporting Standard and the GHG Protocol Technical Guidance Guide for the calculation of Scope 3 emissions, under an operational control approach.

Emissions directly related to our operations derive mostly from the consumption of fossil fuels used in fixed and mobile sources, as well as the consumption of electricity used for the operation of common areas and offices.

We also estimate the emissions associated with our supply chain, specifically those generated by the products and services purchased, by the production of fossil fuels and the transmission of electricity, by the management of waste generated by the organization, by business trips made and by employee commuting, as well as by our leased assets (downstream).

Our direct (scope 1) and indirect (scope 2) emissions were calculated entirely through the use of emission factors and activity data from reliable and traceable source evidence, while 92% of our Scope 3 indirect emissions were estimated through traceable source data and 8% through estimated data.

[34] Emissions broken down by GHG type were as follows:
Direct (scope 1) emissions: 134.36 tCO_2, 0.74 tCH_4, 2.15 tN_2O.
Indirect (scope 2) emissions: 1,416.30 tCO_2.

GHG **EMISSIONS**[34]

Scope 1

Consumption of fuel for offices and common areas

137.25 tCO_2e

Scope 2

Consumption of electricity for offices and common areas

1,416.30 tCO_2e

Scope 3

- Products and services purchased (118,645.22 tCO_2e)
- Fuel and energy not included in scopes 1 and 2 (347.5 tCO_2e)
- Business travel (92.54 tCO_2e)
- Employee commuting (225.45 tCO_2e)
- Leased assets (downstream) (242,157.67 tCO_2e)

361,468.38 tCO_2e

Total: 363,021.93 tCO_2e

Note: For scope 3 emissions we included: gasoline vouchers totaling 99,142.80 liters of fuel, equivalent to 1,189,713.56 kilometers traveled; 344 domestic airplane trips, equivalent to 424,219 kilometers; 76 international airplane trips, equivalent to 247,454 kilometers; and 146 bus trips, equivalent to 14,253 kilometers.

GHG Emissions 2020-2023

Year	Scope 1	Scope 2	Scope 3
	tCO_2e		
2020	61	1,016	65,165
2021	57	978	105,730
2022	68	1,289	497,979
2023	137	1,416	361,468.3

Scope 2 emission intensity 2020-2023

Year	tCO_2e/m^2
2020	0.00093
2021	0.00084
2022	0.00044
2023	0.00076

Emission intensity 2020-2023

0.19614 tCO_2e/m^2

Note: Calculated on the basis of total emissions generated in all three scopes, in surface area specifically for Vesta operations.

Notes on the calculation of emissions:

- We used the emission factor of 0.438 metric tons of CO_2/MWh supplied by the National Electrical System for 2023.
- The source of our emission factors was direct operations.
- To calculate emissions from air travel, we used the following tool: https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx
- To estimate our Scope 1 (direct) emissions, we used the emission factors from the Agreement that establishes the technical particularities and formulas for the application of methodologies for the calculation of greenhouse gas or compound emissions.
- For our Scope 2 (indirect) emissions, the emission factor from the Notice on the electric emission factor for the 2024 report was used.
- For our Scope 3 (indirect) emissions, the emission factors from "Department for Energy Security and Net Zero, Gov.UK, Greenhouse gas reporting: conversion factors 2023" and from United States Environmental Protection Agency, Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. 2021.

In 2023, we prepared a GHG emissions inventory, which laid the groundwork for a standardized and systematic process that we will be able to easily replicate in future years. We are also working on developing a **GHG Emissions Recalculation Policy** that will allow us to adjust our base year emissions, clearly establishing the rationale and context for any emissions recalculation.

Also, toward defining a net-zero strategy going forward, we have prepared the ground for our scope 1, 2, and 3 GHG emission inventory as well as management of climate-related risks (physical and transition).

WASTE **MANAGEMENT**

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

We target a 50% increase in the amount of waste recycled and/or reused by 2025.

Adaptation target

We work to find solutions that reduce waste generation and help us detect opportunities to incorporate it into a new lifecycle through recycling strategies.

Most of the direct waste we generate is non-hazardous, which is usually directed to landfill, and to a lesser extent, hazardous waste, which we seek to have handled, to the extent possible, by outside suppliers authorized by the corresponding government authorities.

Given the nature of their operations, on the other hand, our tenants' waste generation consists primarily of hazardous waste; although they also produce a considerable amount of non-hazardous waste, of which 38 metric tons were recycled, thus diverting this from landfill.

Waste collection at Vesta is handled by a supplier authorized by state in which the parks and offices are located.

We address relevant aspects of circularity through our **Responsible Sourcing Policy**, which establishes guidelines for the acquisition of supplies that stress the recycling and/or reuse of materials.

In 2022, we began executing our **Waste Management Plan** for our parks and offices, which in 2023 yielded strategic benefits that resulted in significantly improved waste management. For example, we placed waste separation islands in our corporate offices in Mexico City, and we trained our staff so that they can correctly dispose of urban solid waste and special handling waste.

We have faced some challenges due to the lack of suppliers who handle urban solid waste and special handling waste and which provide a complete and authorized service for the disposal of recoverable and non-recoverable waste in some of our locations. We have continued to work with suppliers that offer this scope, even if they are located in other regions.

Starting this year, with the beginning of our application of the Level 1 and 2 Diagnostic, the waste management of both parks and offices is covered by a **Comprehensive Waste Plan**, which seeks to establish efficient management mechanisms that minimize, take advantage of and/or monetize the urban solid waste and special handling waste generated in Vesta's facilities through appropriate comprehensive management of its generation, internal collection, storage, external collection, reuse and/or recycling, through final disposal.

Waste generated in tenant operations by type

Type	Metric tons
Hazardous	932
Non-hazardous	17,423
Total	**18,355**

Note: This information represents 4% of our GLA for hazardous waste and 8% of our GLA for non-hazardous waste.

Waste generated in tenant operations by type 2020-2023

Year	Metric tons
2020	6,236
2021	20,871
2022	12,067,322
2023	18,355

Waste generated in parks offices and common areas by type

Type	Metric tons
Hazardous	1.03
Non-hazardous	453.01
Total	**454.04**

Waste generated in parks offices and common areas by type 2020-2023

Year	Hazardous	Non-hazardous
	Metric tons	
2020	0	24
2021	0	884
2022	1	185
2023	1	453

BIODIVERSITY

The loss of nature is a direct threat to economic activities that currently account for more than half of Mexico's gross domestic product (GDP). Every year, ecosystems provide services valued at more than US $40 billion, approximately half of global GDP (WEF, 2000).

Recognizing that all economic activities depend in some way on biodiversity and ecosystem services, Vesta has begun a nature and biodiversity analysis of our operations.

In 2023, we initiated our first assessment of the biodiversity surrounding Vesta facilities based on the recommendations of the **Taskforce on Nature-related Financial Disclosure** (TNFD), so that we can assess and communicate our risks and opportunities related to biodiversity loss and ecosystem impacts.

As part of our Biodiversity Policy, and in line with SDG 15, we pledge to help put an end to deforestation.

Our **Biodiversity Policy** stipulates our compliance with 10 of the AICHI targets established in the COP 10 in Japan, 15 of the SDGs, and 3 of the 5 principles of the Taskforce on Nature-related Financial Disclosure (TNFD).

Through this policy:

- **We guarantee compliance** with legal obligations concerning biodiversity laws and regulations at the state, national and international level.
- **We take urgent**, significant action to reduce the degradation of natural habitats, supporting the conservation, restoration and sustainable use of land ecosystems as well as other ecosystems and habitats with which we have a direct relationship.
- **We consider natur**e (flora and fauna) as a central factor in every important decision we make, incorporating it into our projects and developments.

We also have a Biodiversity Protocol that underpins our biodiversity policy by establishing clear actions aligned with international standards and best practices in the sector.

One of these is our commitment to avoiding deforestation, in an effort to encourage the sustainable management of all types of forests, put an end to deforestation, recover degraded forests and increase afforestation and reforestation worldwide.

08

ABOUT THIS REPORT

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

This Vesta Annual Report for 2023 has been prepared to share with stakeholders the financial, labor, social, environmental and governance performance achieved by our company throughout the year. It contains information on our activities in the 16 states of Mexico where we are present, and is limited to Vesta operations, and in some cases specific tenants or suppliers; thus, it does not include information on contractors or other external entities. Any restatement of information from prior years is noted on a case-by-case basis.

Vesta has prepared this report in accordance with the GRI Standards for the period from January 1 to December 31, 2023. We also responded to the GRI industry supplement for Construction and Real Estate and the indicators of the Sustainability Accounting Standards Board (SASB) applicable to the real estate and real estate services industries. Furthermore, it reflects the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) to assess our competence in managing climate-related and nature and biodiversity-related risks and opportunities, respectively.

This report also represents our first approach to respond to International Financial Reporting Standards (IFRS) S1 and S2, which for this reporting period are not mandatory in Mexico.

Our 2023 Vesta Annual Report was prepared with the involvement of our senior management, who provided their perspectives on the material issues and relevant milestones of the year, while the ESG, Communication and Legal department were responsible for reviewing and approving the final version of the report.

External assurance for the 2023 Vesta Annual Report was provided by Valora Consultores, an independent firm unrelated to our company.

MEMBERSHIPS, RECOGNITIONS
AND CERTIFICATIONS

Sustainability Yearbook Member

- S&P Global ESG Score 2023 63/100.
- We were selected for the S&P 2024 Yearbook.

GRESB

- Respondents since 2014.

We obtained a final score of 63 and have 1 Green Star.

ecovadis

- Joined in 2014.
- We obtained platinum level in this evaluation.

Bloomberg Gender-Equality Index 2023

- Joined in 2022.
- Included in the 2023 index.

S&P/BMV Total Mexico ESG Index

- Joined in 2020
- Part of the 2023 index.

CDP

- Participants in this evaluation since 2018.
- We obtained a "B" grade for our environmental performance.

Signatory of: PRI Principles for Responsible Investment

- Joined in 2020
- Signatories of this initiative.
- In 2023, we obtained the following results:

  Policy Governance and Strategy: 83 points.

  Direct – Real Estate: 83 points.

  Confidence Building Measures: 60 points.

WOMEN'S EMPOWERMENT PRINCIPLES

- Joined in 2022
- We are official signing members of the United Nations Women's Empowerment Principles.

United Nations Global Compact

- Joined in 2011.

International WELL Building Institute

- Joined in 2017.

Alliance for Integrity

- Joined in 2017.

Target Gender Equality

- Joined in 2021.

TCFD Task Force on Climate-Related Financial Disclosures

- Formally joined in 2022.

CORPORACIÓN INMOBILIARIA VESTA, S.A.B DE C.V.[35]

GRI 2-2

- Issuer and publicly-traded corporation

Real estate company holdings

- 100% QVCII, S. de R.L. de C.V.
- 100% Vesta Querétaro, S. de R.L. de C.V.
- 100% QVC, S. de R.L.
- 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 2023 Vesta Annual Report includes information on the ESG performance of this company, which are the same as those included in our financial report.

[35] 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.

ASSURANCE **LETTER**

MADRID - A CORUÑA
AMSTERDAM – LONDRES – PARIS - ISTANBUL
CIUDAD DE MÉXICO – CIUDAD DE PANAMÁ – CIUDAD DE GUATEMALA – QUITO

Limited Independent Assurance Report of Corporación Inmobiliaria Vesta, S.A.B de C.V.

To management of Corporación Inmobiliaria Vesta, S.A.B de C.V. (hereinafter "Vesta"),

Scope

According to your request, we have been required to provide a limited level of assurance on the performance indicators selected by Vesta; included in the "Annual Report 2023" (hereinafter "Annual Report") and mentioned in "Annex A" for the fiscal year form January 1 to December 31, 2023.

Vesta Responsibilities

Vesta has been responsible for the preparation, content and presentation of the "Annual Report" including the compliance of the contents proposed (criteria) in the *Global Reporting Initiative (GRI) Standards* and the accounting parameters of the Sustainability *Accounting Standards Board* (*SASB*) for the Real Estate and Real Estate Services Industry.

This responsibility considers the design, implementation and maintenance of the internal control that is considered necessary to allow the information contained in the "Annual Report" to be free of material misstatement due to fraud or error.

Valora Consultores Responsibilities

Our responsibility consisted in expressing a conclusion of the presentation of indicators and information listed in Annex A, according to the GRI Standards and the SASB accounting parameters for Real Estate and Real Estate Services Industry.

Control and Independence

To ensure that the process of independent assurance accomplishes the ethical requirements necessary to ensure the independence of our work as non-financial information auditors. Our work was developed according with the ISAE 3000 Standard, 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).

Procedures performed

The scope of our independent assurance, as well as the evidence gathering procedures performed was of limited assurance level, which is less than a reasonable security job and therefore also the level of security being provided. This Independent Assurance Report should in no way be understood as an audit report.

The procedures we perform are described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for generating and providing the information contained in the 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 Report based on the operations and previously identified material aspects.
- 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 and SASB Standards.

Conclusion

Based on our review and the evidence presented by Vesta we were not aware of any situation that causes us to believe that the indicators contained inside the "Annual Report 2022" of Vesta, has not been reliably obtained, is not fairly presented, has significant deviations or omissions, or has not been prepared in accordance with the requirements established in the GRI Standards and the SASB accounting parameters.

Gerardo Gustavo Torres Fernández
Director of Transformation and ESG Impact Mexico
April 25, 2024: Mexico City.

Annex A.

Information contents

GRI	Information content name	Compliance level of the GRI content (clauses)
2-6	Activities, value chain and other business relationships	a, b, c
2-7	Employees	a, b. c, d, e
2-12	Role of the highest governance body in overseeing the management of impacts	a, b, c
2-13	Delegation of responsibility for managing impacts	a, b
2-26	Mechanisms for seeking advice and raising concerns.	a
3-1	Process to determine material topics	a, b
3-2	List of material topics	a, b

Performance indicators

GRI	Name of the content or indicator	Scope of information	Compliance level the GRI content (clauses)	Reported information	Unit
203-1[1]	Infrastructure investments and services supported	All operations	a, b, c	0	Million Mexican pesos
302-1	Energy consumption within the organization	Offices and common areas	a, b, c, d, e, f, g	1,874	Total energy consumption in GJ for fuel
				520	Total energy consumption in MWh for fuel
				11,915	Total energy consumption in GJ for electricity
				3,310	Total energy consumption in MWh for electricity
		Tenants		802,528	Total energy consumption in GJ for fuel
				222,924	Total energy consumption in MWh for fuel
				573,095	Total energy consumption in GJ for electricity
				2,063,144	Total energy consumption in MWh for electricity
302-3	Energy intensity	Offices and common areas	a, b, c, d	1.74	kWh/m²
303-5	Water consumption	Offices and common areas	a, b, c	143,875	m³ of water
		Tenants (40.75% de SBA)		436,740	m³ of water
308-1[2]	New suppliers that were screened using environmental criteria	All operations	a	0	New suppliers evaluated with environmental criteria
CRE-1	Building energy intensity	Offices and common areas	a, b	1.74	kWh/m²
CRE-8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation, and redevelopment	All operations	a, b	7	New LEED certified facilities
				15	New EDGE certifications
				3	New BOMA certifications
401-1	New employee hires and employee turnover	Employees	a, b	15	New hires
				3	New hires men <30 years old
				3	New hires women <30 years old
				6	New hires women 31-50 years old
				2	New hires men 31-50 years old
				1	New hires > 50 years old
				3	New hires Bajío
				10	New hires Corporate
				1	New hires in the Northern Region
				1	New hires in the Central Region
				3	Departures women 31-50 years old Bajío
				1	Departures men <30 years old Bajío
				1	Departures men <30 years old Corporate
				1	Departures men 31-50 years Central
				1	Departures men 31-50 years old Norte
				9.09	Employee turnover Bajío
				7.41	Employee turnover North
				13.33	Employee turnover Central
				5.41	Employee turnover Corporate
				7.69	General employee turnover
403-9	Work-related injuries	Employees	a	0	Number of accidents
405-1	Diversity of governance bodies and employees	Employees	a, b	6.32	Percentage Senior management men > 50 years old
				2.11	Percentage Senior management women >50 years old
				10.53	Percentage Senior management men 31-50 years old
				5.26	Percentage Senior management women 31-50 years old
				3.16	Percentage Middle management men > 50 years old
				0	Percentage Middle management women >50 years old
				10.53	Percentage Middle management men 31 -50 years old
				14.74	Percentage Middle management women 31-50 years old
				1.05	Percentage Middle management men under 30 years old

[1] In 2023 there were no investments specifically in infrastructure
[2] In 2023 Vesta had no new suppliers, however, ESG audits were performed for the first time on 50 suppliers

GRI	Name of the content or indicator	Scope of information	Compliance level the GRI content (clauses)	Reported information	Unit
				2.11	Percentage Middle management women under 30 years
				2.11	Percentage Administrative men > 50 years old
				2.11	Percentage Administrative women > 50 years old
				10.53	Percentage Administrative men 31 - 50 years old
				15.79	Percentage Administrative women 31 - 50 years old
				4.21	Percentage Administrative men under 30 years old
				3.16	Percentage Administrative women under 30 years old
				3.16	Percentage IT Engineering men 31 - 50 years old
				3.16	Percentage IT Engineering men > 50 years old
405-2	Ratio of basic salary and remuneration of women to men	Employees	a	0.55	Senior management ratio of basic salary men to women
				0.88	Middle management ratio of basic salary men to women
				0.82	Administrative ratio of basic salary men to women
				0.53	Senior management ratio of remuneration men to women
				0.86	Middle management ratio of remuneration men to women
				0.79	Administrative ratio of remuneration men to women
414-1[3]	New suppliers that were screened using social criteria	All operations	a	0	New suppliers evaluated based on social criteria

SASB /OWN performance indicator	Name of the content or performance indicator	Information coverage	Reported information	Unit
IF-RE-000.A	Number of assets, by property subsector	All operations	214	Number of assets operating
IF-RE-000.B	Leasable floor area, by property subsector	All operations	3,470,347	m² SBA
IF-RS-000.C	Number of buildings under management with owner operational control	All operations	0	Number of buildings
IF-RS-000.D	Number of leases transacted, categorized by: (1) tenants and (2) real estate owners	All operations	100%	% leases transacted with tenants
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	Offices and common areas	138,559.28	Total consumption for Industrial renewable energy in MWh
			138,559.28	Total consumption for Industrial like for like renewable energy in MWh
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	All operations	100	Percentage of water consumption
			75.58	Groundwater consumption in megaliters
			50.46	Municipal water consumption in megaliters
			17.84	Third party water consumption (PTAR) in megaliters
Green certifications	Percentage of Gross Leasable Area (GLA) that has green certifications	All operations	28	Percentage certified assets LEED, Edge and BOMA

3 In 2023 Vesta had no new suppliers, however, ESG audits were performed for the first time on 50 suppliers

GRI CONTENT INDEX

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GRI **CONTENT INDEX**

UNIVERSAL **STANDARDS**

GRI Standard		Disclosure	Page, response or reason for omission
GRI 1 Foundation 2021			
GRI 2 General Disclosures 2021			
1. The organization and its reporting practices			
GRI 2 General Disclosures 2021	2-1	Organizational details	12, 133
	2-2	Entities included in the organization's sustainability reporting	135
	2-3	Reporting period, frequency and contact point	133
	2-4	Restatements of information	133
	2-5	External assurance	133
2. Activities and metrics			
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	8, 11, 12, 14, 18, 50, 133
	2-7	Employees	86
	2-8	Workers who are not employees	86
3. Governance			
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	55
	2-10	Nomination and selection of the highest governance body	55
	2-11	Chair of the highest governance body	55
	2-12	Role of the highest governance body in overseeing the management of impacts	55

GRI Standard		Disclosure	Page, response or reason for omission
GRI 2 General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	26, 55
	2-14	Role of the highest governance body in overseeing the management of impacts	133 The Environmental, Social and Governance committee, Chief Legal Officer and the ESG Department are responsible for approving the Annual Report.
	2-15	Conflicts of interest	78
	2-16	Communication of critical concerns	55
	2-17	Collective knowledge of the highest governance body	55
	2-18	Evaluation of the performance of the highest governance body	55
	2-19	Remuneration policies	55, 86
	2-20	Process to determine remuneration	55, 86
	2-21	Annual total compensation ratio	86
4. Strategy, policies and practices			
GRI 2 Contenidos Generales 2021	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	26, 78, 100
	2-24	Embedding policy commitments	26, 78, 100
	2-25	Processes to remediate negative impacts	78, 100
	2-26	Mechanisms for seeking advice and raising concerns	78
	2-27	Compliance with laws and regulations	78, 120 We received one environmental fine in 2023, which is discussed in the Environmental Commitment chapter of this report.
	2-28	Membership associations	48

GRI Standard		Disclosure	Page, response or reason for omission
5. Stakeholder engagement			
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement	14, 46
	2-30	Collective bargaining agreements	Not applicable. Vesta guarantees freedom of association, but currently no employees belong to unions.
GRI 3 Material Topics 2021			
GRI 3 Material topics 2021	3-1	Process to determine material topics	35
	3-2	List of material topics	35

TOPIC-SPECIFIC **STANDARDS**

GRI standard		Disclosure	Page, response or reason for omission
Material topic 1: Water stewardship			
GRI 3 Material topics 2021	3-3	Management of material topics	125
GRI 303 Water and effluents 2018	303-1	Interactions with water as a shared resource	125
	303-2	Management of water discharge-related impacts	125
	303-3	Water withdrawal	125
	303-4	Water discharges	125
	303-5	Water consumption	125
Material topic 2: Migration to renewable energy			
GRI 3 Material topics 2021	3-3	Management of material topics	121
GRI 302 Energy 2016	302-1	Energy consumption within the organization	121
	302-2	Energy consumption outside of the organization	121
Material topic 3: Corporate governance			
GRI 3 Material topics 2021	3-3	Management of material topics	55
Material topic 4: Sustainable construction and development			
GRI 3 Material topics 2021	3-3	Management of material topics	26, 120
Material topic 5: Risk management and resilience			
GRI 3 Material topics 2021	3-3	Management of material topics	26, 66
Material topic 6: Climate change adaptation			
GRI 3 Material topics 2021	3-3	Management of material topics	66, 116
GRI 201 Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	66

GRI standard		Disclosure	Page, response or reason for omission
Material topic 7: Human capital recruitment, retention and development			
GRI 3 Material topics 2021	3-3	Management of material topics	86, 97
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	86
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee	97
	404-2	Programs for upgrading employee skills and transition assistance programs	97
	404-3	Percentage of employees receiving regular performance and career development reviews	97
Material topic 8: Responsible investment			
GRI 3 Material topics 2021	3-3	Management of material topics	58
GRI 200 Economic standards			
GRI 201 Performance	201-1	Direct economic value generated and distributed	52
GRI 203 Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	50, 100
	203-2	Significant indirect economic impacts	100
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	78
	205-2	Communication and training about anti-corruption policies and procedures	78 During 2023 we did not assess any operations for risks related to corruption.
	205-3	Confirmed incidents of corruption and actions taken	78
GRI 206 Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	78

GRI standard		Disclosure	Page, response or reason for omission
GRI 207 Tax 2019	207-1	Approach to tax	The finance director is responsible for reviewing and managing the taxes incurred under existing tax laws, which are reviewed and approved by the Audit Committee. Vesta complies with all applicable tax regulations established by government authorities and thus there are tax strategies applied to our processes.
	207-2	Tax governance, control, and risk management	We assess compliance with the governance and tax control framework with the frequency required of tax payments and applying the correct calculations. We also present a tax opinion for each fiscal year, delivered by an independent auditor; the notes to the financial statements also certify our tax compliance.
	207-3	Stakeholder engagement and management of concerns related to tax	Suppliers are required to present a certificate of tax compliance; we also check to ensure they are not on the SAT blacklist, that contractors for al projects are registered with the IMSS, and at the conclusion of the project they must present proof that they have fulfilled all these obligations, in order to receive final settlement. In addition, in the Audit Committee meeting held every three months, tax matters of interest to the company are discussed, along with the measures to be taken. In the same meeting, the committee requests that the office of the CEO and the CFO engage an external expert to assist in applying changes and reviewing results, to avoid any omissions or errors.

GRI standard		Disclosure	Page, response or reason for omission
GRI 300 Environmental standards			
GRI 302 Energy 2016	302-3	Energy intensity	121
	CRE 1	Building energy intensity	121
	302-5	Reduction in energy requirements of products and services	120
GRI 305 Emissions 2016	305-1	Direct (scope 1) GHG emissions	127
	305-2	Energy indirect (scope 2) GHG emissions	127
	305-3	Other indirect (scope 3) GHG emissions	127
	305-4	Intensity of GHG emissions	127
GRI 306 Waste 2020	CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	120 In 2023, no asset required remediation as a result of activities by Vesta or our tenants.
	306-1	Waste generation and significant waste-related impacts	129
	306-2	Management of significant waste-related impacts	129
	306-3	Waste generated	129
	306-4	Waste diverted from disposal	129
	306-5	Waste directed to disposal	129
GRI 308 Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	In 2023, Vesta had no new suppliers, but we conducted ESG audits of 50 of our existing suppliers.
	308-2	Negative environmental impacts in the supply chain and actions taken	18

GRI standard		Disclosure	Page, response or reason for omission
GRI 400 Social standards			
GRI 401 Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	86
	401-3	Parental leave	86
GRI 403 Occupational health and safety 2017	403-1	Occupational health and safety management system	93
	403-2	Hazard identification, risk assessment and incident investigation	93
	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	93
	403-4	Worker participation, consultation and communication on occupational health and safety	93
	403-5	Training of workers in occupational health and safety	93
	403-6	Promotion of the health of the worker	93
	403-7	Prevention and mitigation of occupational health and safety impacts linked to commercial relations	93
	403-9	Work-related injuries	93
GRI 405 Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	86
	405-2	Ratio of basic salary and remuneration of women to men	86
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	78
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	78
GRI 408 Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	78

GRI standard		Disclosure	Page, response or reason for omission
GRI 409 Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	78
GRI 410 Security practices 2016	410-1	Security personnel trained in human rights policies or procedures	Vesta has no security employees.
GRI 413 Local communities 2016	CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	100
	413-1	Operations with local community engagement, impact assessments, and development programs	100
	413-2	Operations with significant actual and potential negative impacts on local communities	100 During 2023 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	18 In 2023, Vesta had no new suppliers, but we conducted ESG audits of 50 of our existing suppliers.
	414-2	Negative social impacts in the supply chain and actions taken	18
GRI 415 Public policy 2016	415-1	Political contributions	Vesta makes no contributions to political parties or representatives, directly or indirectly.
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	120
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2023 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	83

SASB **INDEX**

Real estate

SASB Standard		Disclosure	Page or response
Real estate: Energy management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	121
	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	121
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	121
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to energy star, by property subsector	120
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	121
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	125
	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	125
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	125
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	125

SASB Standard		Disclosure	Page or response
Real estate: Management of tenant sustainability impacts	IF-RE-410a.1	(1) percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	In 2023 no lease agreements were signed with a cost recovery clause.
	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	114, 121, 125
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	14, 114
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	66
Real estate: Activity metrics	IF-RE-000.A	Number of assets, by property subsector	12
	IF-RE-000.B	Leasable floor area, by property subsector	14
	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	51

Real estate services

SASB Standard		Disclosure	Page or response
Real estate services: Sustainability services	IF-RS-410a.1	Revenue from energy and sustainability services	Not reported.
	IF-RS-410a.2	(1) floor area and (2) number of buildings under management provided with energy and sustainability services	Not reported.
	IF-RS-410a.3	(1) floor area and (2) number of buildings under management that obtained an energy rating	37,354,499 square feet 214 buildings
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 2023.
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	12
	IF-RS-000.C	Number of buildings under management with owner operational control	8, 12
		Number of leases transacted, categorized by: (1) tenants and (2) real estate owners	100% of our leasing agreements are with tenants.
	IF-RS-000.E	Number of appraisals provided	Vesta does not provide this type of service.

MARKET AND FINANCIAL ANALYSIS

10

SUMMARY OF FINANCIAL INFORMATION

OPERATING RESULTS

A. RESULTS OF OPERATIONS IN 2023, COMPARED TO FISCAL YEAR 2022

REVENUES

Rental revenues

Rental revenues at the end of December 31, 2023 totaled US $214.5 million, compared to US $178.0 million at the end of December 31, 2022, an increase of US $36.4 million, or 20.5%. The increase in rental revenues is due mainly to:

- **an increase of US $29.9 million** or 84.5%, in rental revenues from leasing new space or space that became vacant during 2022;
- **an increase of US $8.5 million** or 24.0%, in revenues resulting from rent increases due to inflation adjustments in accordance with our leases;
- **an increase of US $3.2 million** or 9.0%, resulting from reimbursement of expenses paid by us on behalf of our customers and entered on the books as rental income; and
- **an increase of US $1.9 million** or 5.4%, due to the currency translation effects of Mexican peso-denominated leases.

This increase was partially offset by:

- **a decrease of US $8.7 million** or 24.6%, in rental income from leases that expired in 2022 and were not renewed for 2023;
- **a decrease of US $0.1 million** or 0.3%, in revenues as a result of rent reductions agreed upon when renewing our leases, to retain customers; and
- **an increase of US $1.0 million** in management fees in connection with support for tenant improvement, a line on which we entered no expense in the year ended December 31, 2022. This was primarily due to the contract to manage and monitor tenant improvements entered into by the tenants.

OPERATING COSTS

Our property operating cost for the period ended December 31, 2023 was US $18.2 million, compared to US $11.4 million at the end of December 31, 2022, which is an increase of US $6.8 million, or 59.7%.

The direct operating cost on investment properties leased and which generated rental income accounted for US $4.5 million of this increase. In 2023 this cost was US $13.5 million, while in 2022 it amounted to US $8.9 million.

This change is mainly attributable to:

- **an increase of US $0.9 million** or 19.6%, in property taxes to US $1.8 million in 2023 from US $2.7 million in 2022, due to the absence of early payment discounts we had received in that year;
- **an increase of US $0.4 million** or 8.7%, in energy costs, to US $1.1 million by 2023 from US $0.7 million by 2022, because of a higher number of properties and increased construction activity;
- **an increase of US $0.5 million** or 10.9%, in maintenance costs, to US $2.1 million by 2023 from US $1.6 million by 2022;
- **an increase of US $0.7 million** or 15.2%, in energy costs, to US $2.1 million by 2023 from US $1.4 million by 2022, related to increased tenant operations; and
- **an increase of US $2.1 million** or 45.7%, in other property-related expenses, because of a higher number of properties in 2023 than in 2022.

Additionally, direct operating costs on investment properties that have not been leased and which did not generate rental income increased by US $2.3 million, to US $4.8 million in 2023 from US $2.5 million in 2022. This increase was chiefly the result of the increase in the number of Vesta parks, which meant in higher costs, mainly:

- **an increase of US $0.4 million** in property taxes, to US $0.7 million for the year ended December 31, 2023 from US $0.3 million for the year ended December 31, 2022; and
- **an increase of US $1.7 million** in other property-related expenses related to an increase in construction activity.

ADMINISTRATIVE EXPENSES

Administrative expenses closed December 31, 2023 at US $30.1 million, compared to US $23.0 million at the end of December 31, 2022, an increase of US $7.2 million, or 31.3%.

This increase was primarily the produce of higher salaries, and an increase in legal and consulting fees, which were affected by the peso's and rose by US $4.4 million or 60.3%, and payments under our Long-Term Incentive Plan (as defined below), an increase of US $1.4 million, or 19.2% related to which rose by US $1.3 million or 17.8% to US $8.0 million for 2023 from US $6.7 million for 2022.

We entered a stock-based compensation expense of US $8.0 million related to shares granted to our executive officers based on the market price performance of our stock in 2023, compared to US $6.7 million for 2022. The amount of this expense is determined based on the fair value of our shares at the date of the stock award, using the Monte Carlo model, which takes into account the probable performance of our shares and those of a designated peer group. The Long-Term Incentive Plan does not involve cash payments and does not affect our Adjusted EBITDA or Vesta's FFO. For more information, see note 20 to the audited consolidated financial statements included elsewhere in this Annual Report.

DEPRECIATION

Depreciation expenses at the end of December 31, 2023 totaled US $1.6 million, compared to US $1.5 million at the end of December 31, 2022.

OTHER INCOME AND EXPENSES

Other income and expenses for the twelve months of the year increased to a gain of US $217.1 million in 2023, compared to a gain of US $149.0 million for the same period last year. The growth is primarily due to a US $58.6 million increase in the gain from revaluation of investment properties to US $243.5 million compared to US $184.8 million in the prior year; the valuation was made as of December 31, 2022 and reflects the real estate market conditions observed as of that date.

	Year ended December 31,			Figures in Mexican pesos for informational purposes		
	2023	2022	2021	2023	2022	2021
Other income and expenses						
Interest income	9,414,027	2,640,687	76,871	167,211,950	53,143,507	1,559,082
Other income	5,138,158	1,330,853	27,795	91,263,964	26,783,256	563,732
Other expenses	(3,037,113)	(373,991)	–	(53,945,202)	(7,526,524)	
Transaction cost of debt issuance	–	–	–	–	–	–
Financial expense	(46,306,975)	(46,396,156)	(50,263,493)	(822,504,503)	(933,717,034)	(1,019,433,823)
Foreign exchange loss	8,906,782	1,939,848	(1,109,567)	158,202,264	39,039,207	(22,504,010)
Gain on sale of properties	(461,600)	5,027,826	13,992,675	(8,198,939)	101,184,391	283,796,555
Gain in revaluation of investment properties	243,459,821	185,491,518	164,649,959	4,324,333,407	3,732,994,388	3,339,396,591
Total other (expenses) income	**217,113,100**	**149,660,585**	**127,374,240**	**3,856,362,942**	**3,011,901,191**	**2,583,378,128**

Interest income increased US $6.8 million, to US $9.4 million in 2023 from US $2.6 million in 2022. Of this increase, approximately US $6.0 was attributable to an increase in our cash position based on capital raised in July and December 2023 and US $0.6 million was due to an increase in interest rates.

In 2023, our net interest expense declined by US $0.1 million as a result of our advance payment of debt.

Other income increased US $3.8 million, driven primarily by US $2.2 million in electricity charges to non-tenants and US $1.3 million related to insurance recoveries during the year.

Other expenses increased US $2.6 million, driven by US $1.8 million in non-tenant electricity costs and US $0.8 million in other fees and charges.

In 2023, we recorded a foreign-exchange exchange loss of US $8.9 million, compared to a foreign-exchange gain of US $1.9 million in 2022. The foreign exchange loss of 2023) is mainly explained by the effect of the peso-dollar exchange rate on WTN's U.S. dollar-denominated debt.

In 2023, we sold an investment property and a plot of land from our land bank, resulting in a loss of US $0.5 million, while in 2022, our property sales netted us a gain of US $5.0 million. We sold approximately 497,677 fewer square feet of land bank in 2023 than in 2022; and our sales in Aguascalientes in 2023 have a lower margin than those completed in Querétaro and Ciudad Juárez in 2022, resulting in a reduction of approximately US $1.8 million. In addition, we incurred US $3.2 million loss on the sale of a building where conditions precedent established the sales price prior to the actual closing and the fair value gain on the cost of the building in the interim period increased by the amount of the loss.

We recorded a US $58.0 million increase in the gain from revaluation of investment properties, to US $243.5 million in 2023 from US $185.5 million in 2022. The valuation was performed as of December 31, 2023 and reflects prevailing real estate market conditions as of that date, driven primarily by higher gross leasable area, higher lease rates and higher average price per acre of our land bank in 2023 compared to the close of 2022.

INCOME BEFORE TAXES

For the reasons described above, our pretax income at the end of December 31, 2023 was US $381.6 million, compared to a gain of US $291.2 million at the end of December 31, 2022.

INCOME TAXES

The income tax expense at the end of December 31, 2023 was US $65.0 million, compared to an expense of US $48.0 million at the end of December 31, 2022. This is due primarily to an increase in income taxes, to US $92.0 million at the close of 2023, while the effect of deferred taxes was a gain of US $27.0 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 from 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, 2023 stood at US $316.6 million, compared to earnings of US $243.62 million at the close of December 31, 2022.

COMPREHENSIVE FISCAL YEAR EARNINGS

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, 2023, we reported a gain of US $7.9 million from foreign-exchange translation differences, compared to a gain of US $8.9 million as of December 31, 2022.

With this, comprehensive income for the year 2023 was US $324.5 million, compared to a profit of US $252.1 million in 2022.

CONSOLIDATED FINANCIAL STATEMENTS

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

For the Years Ended December 31, 2023, 2022 and 2021,
and Independent Auditor's Report Dated February 20, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF CORPORACIÓN INMOBILIARIA VESTA, S. A. B. DE C. V. (in US dollars)

Opinion

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

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

Basis for Opinion

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

Other Matters

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

Key Audit Matters

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

Deloitte se refiere a Deloitte Touche Tohmatsu Limited, sociedad privada de responsabilidad limitada en el Reino Unido, y a su red de firmas miembro, cada una de ellas como una entidad legal única e independiente. Conozca en www.deloitte.com/mx/conozcanos la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Investment properties

The Entity uses external appraisers in order to determine the fair value for all investment properties. Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). The Entity engaged third-party valuation firms to assist with the determination of the fair value of investment properties. Fair values are determined using the discounted cash flows approach for the Entity's land and buildings and market approach for the Entity's land reserves. Factors and assumptions considered, the majority of which are not directly observable in the market, to estimate the fair value of our investment property, include discount rates, long-term net operating income, inflation rates, absorption periods and market rents. The Entity performs these procedures on an annual basis. The Entity adds initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. The Entity records gains and losses arising from the changes in the fair value determined by the third-party valuation firms in profit or loss in the period in which they arise.

We obtained an understanding and evaluated the Entity's methodology for determining the fair value of investment properties. We evaluated the Entity's investment properties by performing detail procedures on the existence, by performing site visits. We evaluated the Entity's investment properties by performing detail procedures on the valuation, including, but not limited to, the involvement of internal fair value specialists in the review of business and valuation assumptions and methodologies utilized in the valuation models. We also held various discussions with accounting and operations management regarding certain business assumptions utilized in the valuation models and, on a test basis, obtained audit support to substantiate the assumptions therein. We also tested the design and implementation of management's controls over investment properties. Based on the procedures performed, investment properties appear reasonable in the context of the financial statements taken as a whole.

Information other than the Financial Statements and Auditor's Report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have anything to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. P. C. ALEXIS HERNÁNDEZ ALMANZA FEBRUARY 20, 2024

February 20, 2024

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023, 2022 and 2021

(In U.S. dollars)

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Assets				
Current assets:				
Cash, cash equivalents and restricted cash	5	$ 501,166,136	$ 139,147,085	$ 452,821,132
Recoverable taxes	6	33,864,821	30,088,473	19,377,562
Operating lease receivables- Net	7	10,100,832	7,690,195	9,039,147
Prepaid expenses and other current assets	7.vi	21,299,392	25,308,351	483,581
Total current assets		566,431,181	202,234,104	481,721,422
Non-current assets:				
Investment properties	8	3,212,164,164	2,738,465,276	2,263,170,941
Office furniture – Net		2,541,990	1,437,981	2,119,589
Right-of-use asset – Net	9	834,199	1,417,945	1,344,417
Security deposits paid, restricted cash and others		10,244,759	9,601,094	11,510,701
Total non-current assets		3,225,785,112	2,750,922,296	2,278,145,648
Total assets		$ 3,792,216,293	$ 2,953,156,400	$ 2,759,867,070

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	10	$ 69,613,002	$ 4,627,154	$ 2,880,592
Lease liabilities - short term	9	607,481	606,281	464,456
Accrued interest		3,148,767	3,847,752	3,840,079
Accounts payable	3.f	13,188,966	16,628,788	3,011,415
Income tax payable		38,773,726	14,824,658	27,838,872
Accrued expenses and taxes		7,078,988	5,154,626	15,246,156
Dividends payable	12.4	15,155,311	14,358,194	13,944,232
Total current liabilities		147,566,241	60,047,453	67,225,802
Non-current liabilities:				
Long-term debt	10	845,573,752	925,872,432	930,652,624
Lease liabilities - long term	9	290,170	897,658	915,957
Security deposits received		25,680,958	18,333,119	15,868,704
Long-term payable	3.f	7,706,450	7,889,937	-
Employee benefits	11	1,519,790	348,280	-
Deferred income taxes	18.3	276,910,507	299,979,693	291,578,576
Total non-current liabilities		1,157,681,627	1,253,321,119	1,239,015,861
Total liabilities		1,305,247,868	1,313,368,572	1,306,241,663
Litigation and other contingencies	20			
Stockholders' equity:				
Capital stock	12	591,600,113	480,623,919	482,858,389
Additional paid-in capital	12.3	934,944,456	460,677,234	466,230,183
Retained earnings		989,736,218	733,405,749	547,213,771
Share-based payments reserve		3,732,350	5,984,051	7,149,453
Foreign currency translation reserve		(33,044,712)	(40,903,125)	(49,826,389)
Total stockholders' equity		2,486,968,425	1,639,787,828	1,453,625,407
Total liabilities and stockholders' equity		$ 3,792,216,293	$ 2,953,156,400	$ 2,759,867,070

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

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

(In US dollars)

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Revenues:				
Rental income	13	$ 213,448,296	$ 178,025,461	$ 160,698,385
Management fees		1,019,316	-	87,973
		214,467,612	178,025,461	160,786,358
Property operating costs related to properties that generated rental income	14.1	(13,476,324)	(8,940,789)	(8,543,961)
Property operating costs related to properties that did not generate rental income	14.1	(4,763,398)	(2,482,605)	(2,182,796)
General and administrative expenses	14.2	(31,719,895)	(24,414,428)	(21,400,917)
Interest income		9,414,027	2,640,687	76,871
Other income	15	5,138,158	1,330,853	150,478
Other expenses	16	(3,037,113)	(373,991)	(122,684)
Finance cost	17	(46,306,975)	(46,396,156)	(50,263,493)
Exchange gain (loss)- net		8,906,782	1,939,848	(1,109,567)
(Loss) gain on sale of investment property – net		(461,600)	5,027,826	13,992,675
Gain on revaluation of investment properties	8	243,459,821	185,491,518	164,649,959
Profit before income taxes		381,621,095	291,848,224	256,032,924

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Current income tax expense	18.1	(91,953,099)	(41,981,391)	(50,262,466)
Deferred income tax benefit (expense)	18.1	26,969,516	(6,242,079)	(31,828,085)
Total income tax expense		(64,983,583)	(48,223,470)	(82,090,551)
Profit for the year		316,637,512	243,624,754	173,942,373
Other comprehensive income (loss) - net of tax:				
Items that may be reclassified subsequently to profit - Fair value gain on derivative instruments	19	-	-	2,892,985
Exchange differences on translating other functional currency operations		7,858,413	8,923,264	(4,844,991)
Total other comprehensive income (loss)		7,858,413	8,923,264	(1,952,006)
Total comprehensive income for the year		$ 324,495,925	$ 252,548,018	$ 171,990,367
Basic earnings per share	12.5	$ 0.4183	$ 0.3569	$ 0.2683
Diluted earnings per share	12.5	$ 0.4118	$ 0.3509	$ 0.2636

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2023, 2022 and 2021
(In US dollars)

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

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(In US dollars)

	December 31, 2023	December 31, 2022	December 31, 2021
Cash flows from operating activities:			
Profit before income taxes	$ 381,621,095	$ 291,848,224	$ 256,032,924
Adjustments:			
Depreciation	974,291	901,492	1,143,134
Right-of-use depreciation	603,782	562,428	458,082
Gain on revaluation of investment property	(243,459,821)	(185,491,518)	(164,649,959)
Unrealized effect of foreign exchange rates	(1,048,369)	(1,939,848)	1,109,567
Interest income	(9,414,027)	(2,640,687)	(76,871)
Interest expense	44,335,420	44,852,043	45,482,028
Amortization of debt issuance costs	1,971,555	1,544,113	4,781,465
Expense recognized in respect of share-based payments	8,001,830	6,650,487	5,554,353
Loss (gain) on sale of investment property	461,600	(5,027,826)	(13,992,675)
Employee benefits and pension costs	1,171,510	348,280	-
Income tax benefit from equity issuance costs	8,307,906	-	-
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables – Net	(2,410,637)	1,348,952	(2,678,246)
Recoverable taxes	(3,776,348)	(10,710,911)	(4,516,452)
Security deposits paid, restricted cash and others	(1,138,296)	1,909,607	(7,004,175)
Prepaid expenses and other current assets	4,008,959	(17,338,623)	(63,524)
Increase (decrease) in:			
Accounts payable	3,258	(1,619,312)	(230,177)
Accrued expenses and taxes	1,924,362	(10,091,530)	10,936,516
Security deposits received	7,347,839	2,464,415	1,944,455
Financial assets held for trading	-	-	684,936
Interest received	9,414,027	2,640,687	76,871
Income taxes paid	(64,103,701)	(54,995,605)	(27,062,220)
Net cash generated by operating activities	144,796,235	65,214,868	107,930,032

	December 31, 2023	December 31, 2022	December 31, 2021
Cash flows from investing activities:			
Purchases of investment property	(263,051,665)	(269,222,961)	(108,394,270)
Sale of investment property	42,057,500	7,285,242	124,565,539
Purchases of office furniture and vehicles	(2,078,300)	(219,884)	(219,143)
Net cash (used in) generated by investing activities	(223,072,465)	(262,157,603)	15,952,126
Cash flows from financing activities:			
Interest paid	(45,034,414)	(44,844,370)	(44,474,123)
Loans obtained	-	-	350,000,000
Loans paid	(16,789,756)	-	(252,500,000)
Costs of debt issuance	-	(1,667,278)	(7,746,222)
Dividends paid	(59,509,926)	(57,018,815)	(55,367,252)
Repurchase of treasury shares	-	(15,603,308)	-
Equity issuance proceeds	594,375,000	-	229,215,419
Equity issuance costs paid	(27,693,021)	-	(6,019,970)
Payment of lease liabilities	(606,279)	(647,961)	(564,677)
Net cash generated by (used in) financing activities	444,741,604	(119,781,732)	212,543,175
Effects of exchange rate changes on cash	(4,446,323)	3,050,420	(4,146,343)
Net (decrease) increase in cash, cash equivalents and restricted cash	362,019,051	(313,674,047)	332,278,990
Cash, cash equivalents and restricted cash at the beginning of year	139,147,085	453,556,444	121,277,454
Cash, cash equivalents and restricted cash at the end of year - Note 5	$ 501,166,136	$ 139,882,397	$ 453,556,444

See accompanying notes to consolidated financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(In US dollars)

1. GENERAL INFORMATION

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

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

1.1 Significant events

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

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

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

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

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

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

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

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

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

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments* – Disclosure of accounting policies	Vesta has adopted the amendments to IAS 1 for the first time as of January 1, 2023. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step' materiality process describer in IFRS Practice Statement 2.
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Accounting Estimates	Vesta has adopted the amendments to IAS 8 for the first time as of January 1, 2023. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.
IFRS 17 *Insurance contracts* (including the June 2020 and December 2021 Amendments to IFRS 17)	Vesta has adopted IFRS 17 and the related amendments for the first time as of January 1, 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. Vesta does not have any contracts that meet the definition of an insurance contract under IFRS 17.
Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Vesta has adopted the amendments to IAS 12- Deferred tax related to assets and liabilities arising from a single transaction for the first time as of January 1, 2023. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

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

New and revised IFRS Standards issued but not yet effective for the current year

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

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

(1) Effective for annual periods beginning on January 1, 2024
(2) Effective for annual periods beginning on January 1, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES

a. *Statement of compliance*

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

b. *Basis of preparation*

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

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

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

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

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

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

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

c. *Basis of consolidation*

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

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

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

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

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

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

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

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

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

d. *Financial instruments*

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

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

e. *Financial assets*

Classification of financial assets

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

- The Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) *Amortized cost and effective interest method*

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

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

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

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

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

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

(i) *Measurement and recognition of expected credit losses*

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

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

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

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

Derecognition policy

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

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

Financial liabilities measured subsequently at amortized cost

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

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

Derecognition of financial liabilities

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

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

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

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

[1] At the end of fiscal year 2023 and 2022, the Entity began the construction of ten and six investment properties, respectively. The amount represents the advances according to the construction contract, which will be paid settled during the first quarter of the following year.

[2] During the third quarter of 2022 the Entity acquired a land reserve and signed promissory agreements for a total of $8,256,912 to be paid on quarterly installments of $91,744 starting March 2023 plus a final payment of $7,431,218 in June 2025; the long-term payable portion as of December 31, 2023 and 2022 is $7,706,451 and $7,889,937, respectively.

g. *Cash and cash equivalents*

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

h. *Restricted cash and security deposits*

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

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

i. *Investment property*

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

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

j. *Leases*

1) The Entity as lessor

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

2) The Entity as lessee

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

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

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

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

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

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

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

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

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

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

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

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

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

k. *Foreign currencies*

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

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

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

l. *Employee benefits*

Employee benefits for termination

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

Short-term and other long-term employee benefits

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

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

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

Post-employment and other long-term employee benefits

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

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

Statutory employee profit sharing ("PTU")

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

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

Compensated absences

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

m. Share-based payment arrangements

Share-based payment transactions of the Entity

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

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

n. Income taxes

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

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

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

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

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

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

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

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

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

o. Provisions

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

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

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

p. Revenue recognition

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

q. Segment

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

r. Other income and Other expense

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

s. Reclassifications

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Valuation of investment properties

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

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

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

5. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

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

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

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

Non-cash transactions

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

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

Unpaid dividends are included in Note 12.4.

6. RECOVERABLE TAXES

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

7. OPERATING LEASE RECEIVABLES

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

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

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

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

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

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

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

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

iii. *Client concentration risk*

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

iv. *Leasing agreements*

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

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

v. *Non-cancellable operating lease receivables*

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

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

vi. *Prepaid expenses and other current assets*

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

1) During the second quarter of 2022 the Entity entered into an agreement for the procurement, permissioning and other conditions for the acquisition of several plots of land; if the conditions are met within a period of 18 months, or an additional 18-month extension, the advance deposit will be considered part of the final transactions price, otherwise approximately $1 million will be forfeited to the counterparty and expensed; the remainder amount will be reimbursed to the Entity.

2) As stated in Note 8 the Entity sold land reserve located in Queretaro, and as of December 2022, there was an outstanding balance of $7,486,147 that was settled in the first quarter of 2023.

8. INVESTMENT PROPERTY

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

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

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

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

Fair value sensitivity:

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

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

	December 31, 2022		
	Impact of +/- 10 bps on exit cap rate	Impact of +/- 10 bps on discount rate	Impact of +/- 10 bps on exit cap rate and discount rate
Buildings and land	$ 12,177,562	$ 20,763,362	$ 21,538,398

	December 31, 2021		
	Impact of +/- 10 bps on exit cap rate	Impact of +/- 10 bps on discount rate	Impact of +/- 10 bps on exit cap rate and discount rate
Buildings and land	$ 15,072,887	$ 15,978,900	$ 29,857,968

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

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

The reconciliation of investment property is as follows:

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

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

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

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

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

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

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

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

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

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

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

9. LEASE LIABILITIES

1. *Right-of-use asset:*

	January 1, 2023	Additions	Disposals	December 31, 2023
Rights-of-use				
Office space	$ 2,552,121	$ -	$ -	$ 2,552,121
Vehicles and office furniture	791,773	-	-	791,773
Cost of rights-of-use	$ 3,343,894	$ -	$ -	$ 3,343,894
Depreciation of rights-of-use				
Office space	$ (1,508,871)	$ (452,154)	$ -	$ (1,961,025)
Vehicles and office furniture	(417,078)	(131,592)	-	(548,670)
Accumulated depreciation	(1,925,949)	(583,746)	-	(2,509,695)
Total	$ 1,417,945	$ (583,746)	$ -	$ 834,199

	January 1, 2022	Additions	Disposals	December 31, 2022
Rights-of-use				
Office space	$ 2,296,581	$ 255,540	$ -	$ 2,552,121
Vehicles and office furniture	411,357	380,416	-	791,773
Cost of rights-of-use	$ 2,707,938	$ 635,956	$ -	$ 3,343,894
Depreciation of rights-of-use				
Office space	$ (1,078,035)	$ (430,836)	$ -	$ (1,508,871)
Vehicles and office furniture	(285,486)	(131,592)	-	(417,078)
Accumulated depreciation	(1,363,521)	(562,428)	-	(1,925,949)
Total	$ 1,344,417	$ 73,528	$ -	$ 1,417,945

	January 1, 2021	Additions	Disposals	December 31, 2021
Rights-of-use				
Office space	$ 1,260,626	$ 1,035,955	$ -	$ 2,296,581
Vehicles and office furniture	302,650	108,707	-	411,357
Cost of rights-of-use	$ 1,563,276	$ 1,144,662	$ -	$ 2,707,938
Depreciation of rights-of-use				
Office space	$ (717,375)	$ (360,660)	$ -	$ (1,078,035)
Vehicles and office furniture	(188,064)	(97,422)	-	(285,486)
Accumulated depreciation	(905,439)	(458,082)	-	(1,363,521)
Total	$ 657,837	$ 686,580	$ -	$ 1,344,417

2. *Lease obligations:*

	January 1, 2023	Additions	Disposals	Interests accrued	Repayments	December 31, 2023
Lease liabilities	$ 1,503,939	$ -	$ -	$ 103,611	$ (709,899)	$ 897,651

	January 1, 2022	Additions	Disposals	Interests accrued	Repayments	December 31, 2022
Lease liabilities	$ 1,380,413	$ 635,956	$ -	$ 135,531	$ (647,961)	$ 1,503,939

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

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

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

10. LONG-TERM DEBT

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

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

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

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

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

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

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

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

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

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

(1) On July 22, 2016 the Entity entered into a 10-year loan agreement with MetLife, interest on this loan is paid on a monthly basis. On March 2021, under this credit facility, an additional loan was contracted for $26,600,000 bearing interest on a monthly basis at a fixed interest rate of 4.75%. Principal amortization over the two loans will commence on September 1, 2023. This credit facility is guaranteed with 48 of the Entity's properties.

(2) On November 1, 2017, the Entity entered into a 10-year loan agreement with MetLife, interest on this loan is paid on a monthly basis. The loan bears monthly interest only for 60 months and thereafter monthly amortizations of principal and interest until it matures on December 1, 2027. This loan is secured by 19 of the Entity's investment properties under a Guarantee Trust. On November 28, 2023, the Entity prepaid $12,194,600 associated with the sale of one investment property under the Guarantee trust.

(3) Series A Senior Notes and Series B Senior Notes are not secured by investment properties of the Entity. The interest on these notes is paid on a monthly basis. As of December 31, 2023, Series A Senior Notes were reclassified to the Current portion of long-term debt.

(4) On June 25, 2019, the Entity entered into a 10-year senior notes series RC to financial institutions, interest on these loans is paid on a semiannual basis December 14, 2019. The note payable matures on June 14, 2029. Five of its subsidiaries are joint obligators under these notes payable.

(5) On June 25, 2019, the Entity entered into a 12-year note payable to financial institutions, interest on these loans is paid on a semiannual basis beginning December 14, 2019. The note payable matures on June 14, 2031. Five of its subsidiaries are joint obligators under these notes payable.

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

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

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

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

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

11. EMPLOYEE BENEFITS

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

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

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

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

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

Balance of liabilities for defined benefit obligations:

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

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

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

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

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

12. CAPITAL STOCK

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

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

2. *Treasury shares*

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

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

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

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

3. *Fully paid ordinary shares*

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

4. *Dividend payments*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[1] Dividend paid in 2019, were distributed 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 and 2022 were distributed from earnings generated in 2013 and 2017.

5. Earnings per share

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

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

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

13. RENTAL INCOME

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

14. PROPERTY OPERATING COSTS AND GENERAL AND ADMINISTRATIVE EXPENSES

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

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

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

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

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

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

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

15. OTHER INCOME

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

16. OTHER EXPENSES

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

17. FINANCE COSTS

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

18. INCOME TAXES

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

18.1 Income taxes are as follows:

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

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

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

18.3 The main items originating the deferred tax liability are:

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

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

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

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

19. FINANCIAL INSTRUMENTS

19.1 Capital management

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

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

19.2 Leverage ratio

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

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

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

19.3 Categories of financial instruments

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

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

19.4 Financial risk management objectives

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

19.5 Market risk

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

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

19.6 Foreign currency risk management

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

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

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

19.7 *Foreign currency sensitivity analysis*

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

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

19.8 *Interest rate risk management*

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

Interest rate swap contracts

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

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

19.9 *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.

19.10 *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, 2023, 2022 and 2021 is as follows:

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

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

December 31, 2021	Weighted average interest rate %	1 to 3 months	3 months to 1 year	1 to 4 years	5 or more years	Total
Long-term debt		$ 702,749	$ 2,177,843	$ 290,278,136	$ 650,354,209	$ 943,512,937
Accrued interest	4.98%	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

19.11 Fair value of financial instruments

19.11.1 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.

19.11.2 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, 2023, 2022 and 2021 is $881,873,634, $912,330,632 and $951,153,932, respectively. This measurement is classified as level 2 since management uses an adjusted observable discount rate to determine fair value of debt.

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

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Compensation of key management personnel

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

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

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

21. SHARE-BASED PAYMENTS

21.1 Details of the share-based plans of the Entity

Currently grants shares to its executives and employees as follows:

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

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

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

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

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

* Calculated for the previous three years.

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

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

21.3 *Compensation expense recognized*

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

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

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

21.4 *Share awards outstanding at the end of the year*

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

22. LITIGATION AND COMMITMENTS

Litigation

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

Commitments

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

23. EVENTS AFTER THE REPORTING PERIOD

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

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

24. APPROVAL OF THE FINANCIAL STATEMENTS

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

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