3Q

2018

EARNINGS RESULTS

Conference Call

Friday, October 26, 2018
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Mexico City, October 25, 2018 – Corporación Inmobiliaria Vesta S.A.B. de C.V., ("Vesta", or the "Company") (BMV: VESTA), one of the leading pure-play industrial real estate companies in Mexico, today announced its results for the third quarter ended September 30, 2018. All figures included herein were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in US dollars unless otherwise noted.

Highlights

- Vesta is pleased to announce that its expected year-end revenues will exceed the upper range of its 2018 revenue growth guidance of 20%. Vesta also expects to exceed its 2018 NOI and EBITDA margin guidance of 95% and 83% respectively.
- Third quarter 2018 revenues increased by 20.2% to US$33.8 million in 3Q18 from US$ 28.2 million in 3Q17.
- Vesta achieved a 96.2% NOI margin and an 85.7% EBITDA margin.
- The Board of Directors approved the cancellation before year-end of 25.3 million shares that were repurchased and are held in Vesta's Treasury.
- Fitch Ratings maintained its investment grade corporate and private placement rating of BBB- /Stable for Vesta subsequent to its 2018 rating review.
- Same store portfolio reached a historically high occupancy level of 98.0% during 3Q18.
- New buildings delivered during 3Q18 amounted to 411,163 ft² (38,198 m²) * of inventory GLA, of which 54.2% has been occupied during its current lease-up period.
- A robust 1.1 million ft² (102,921 m²) in leasing activity, 564,135 ft² (52,410 m²) of new leases and 543,694 ft² (50,511 m²) of renewals, resulted in a stabilized portfolio occupancy of 96.4% and total portfolio of 91.9%, while also driving 2018 and 2019 maturities to 1.0% and 5.9%, respectively.
- Vesta's development portfolio totaled 1.85 million ft² (171,822 million m²) of GLA in 3Q18, with the addition of two new BTS buildings related to expansions by existing clients, Smurfit Kappa and RSB Transmissions, and two new inventory buildings. Weighted average expected return on cost is 11.1% for 3Q18 development projects.

2019 Guidance

Vesta expects an increase in rental revenues between 12% and 14% in 2019, with a 96% NOI margin and an 85% EBITDA margin, while remaining focused on maintaining the Company's record of strong performance across key operational metrics.

*Adjusted by changes during the development process

Financial Indicators (million)	3Q18	3Q17	Chg. %	*9 Months* 2018	2017	Chg. %
Rental Income	33.82	28.15	20.2	97.57	80.35	21.4
NOI	32.53	26.93	20.8	94.33	77.27	22.1
NOI Margin %	*96.2%*	*95.7%*		*96.7%*	*96.2%*	
EBITDA	28.97	23.86	21.4	83.59	68.36	22.3
EBITDA Margin %	*85.7%*	*84.8%*		*85.7%*	*85.1%*	
EBITDA Per Share	*0.0484*	*0.0388*	24.6	*0.1396*	*0.1114*	25.3
Total Comprehensive Income	51.79	14.30	na	95.50	110.59	na
FFO	4.10	15.37	(73.3)	31.84	34.45	(7.6)
FFO Per Share	*0.0069*	*0.0250*	(72.6)	*0.0532*	*0.0562*	(5.3)
EPS	0.0865	0.0233	na	0.1595	0.1803	na
Shares (average)	598.11	614.36	(2.5)	598.11	613.43	(2.4)

- Revenues increased 20.2%, to US$ 33.82 million in 3Q18 from US$ 28.15 million in 3Q17. During the first nine months of the year, revenues increased by 21.4% to US$ 97.57 million in 2018 from US$ 80.35 million in 2017 principally due to rental of new space.
- Net Operating Income (“NOI”) increased 20.8% to US$ 32.53 million in 3Q18, compared to US$ 26.93 million in 3Q17. The third quarter 2018 NOI margin was 96.2%, a 50-basis-point gain due to a cost efficiency.
- EBITDA increased 21.4% to US$ 28.97 million in 3Q18, versus US$ 23.86 million in the third quarter of 2017. The EBITDA margin was 85.7% in 3Q18, a 90-basis point gain, due to an increase in revenue, while the administrative expense margin remained constant.
- Funds from operations (“FFO”) for 3Q18 decreased by 73.3% to US$ 4.10 million from US$ 15.37 million for the same period of 2017. FFO per share was US$ 0.0069 for the third quarter, compared with US$ 0.0250 for the same period in 2017, a 72.6% decrease. The decline was due to a higher tax provision for the quarter, due to foreign exchange related provisional gains resulting from the appreciation of the peso and higher financial results for the quarter.
- Total comprehensive income for the third quarter 2018 was US$ 51.79 million, versus US$ 14.30 million in the third quarter 2017. This increase was primarily due to higher revenues and margins, a gain on property revaluation, and the increased effect of exchange differences on translating other functional currency operations.
- As of September 30, 2018, the total value of Vesta’s investment property portfolio was US$ 1.85 billion, an 8.8% increase compared to US$ 1.70 billion at December 31, 2017.

CEO Letter

A new chapter for Vesta

I'm honored to take the helm as Vesta's CEO, leading us into a new era for the Company. Our landscape is evolving, driven by ever-changing technological, social, political and macroeconomic environments. Our goal is therefore to continue strengthening Vesta's corporate culture, to enhance our ability to rapidly adapt to the changes that modern organizations today are demanding.

As we execute the Vesta Vision 20/20 strategic plan, we have increased our focus on what we have always done well: setting a high bar in corporate governance, optimizing the management of our growing portfolio, maintaining our leadership in current markets while establishing a footprint in potential new markets, making the right decisions with first-hand market intelligence, and above all, driving profitability to increase shareholder value.

Accordingly, the new administration is focused on increasing NAV per share while maintaining a sound dividend distribution. Vesta's September 2018 NAV per share reached US$2.09; a 7.7% increase from US$1.94 in the same period last year. The increase in Vesta's intrinsic value reflects a year of operational excellence beyond our expectations.

I'm pleased to report that we will exceed our 2018 guidance. A number of factors contributed to our success, starting with an increased same store component of our stabilized portfolio, which achieved an historically high occupancy rate of 98.0%. This is the result of a disciplined focus on accretive investments, robust leasing activity of 3.02 million ft^2 and timely building deliveries of 1.98 million ft^2 during the last 12 months in strategic markets.

Our low lease maturities in 2019 of 5.9% of occupied GLA, the long-term nature of our lease agreements, our first-hand intel data on market dynamics, along with solid demand for new space enabled us to deliver solid guidance for 2019. Despite the material revenue growth that Vesta has achieved over the past 5 years, and the resulting increasing comparable base, we can still foresee double-digit top-line growth and a higher margin guidance.

This year's growth was financed through prudent credit metrics, reflected in the renewal of Fitch's investment grade corporate and private placement ratings (BBB - / stable) for Vesta subsequent to its 2018 review. We will continue to prioritize selective profitable capital allocation in the future as we continue to expand our portfolio, with balanced financing and non-dilutive measures.

Our accretive approach to investing provided value-purchase opportunities for share buy-backs at important discount levels. I applaud the Board's approval to cancel 25.3 million shares currently held in Treasury, underscoring our focus on per-share value creation.

I am delighted to lead our industry's most talented and professional team. Vesta's strong foundation, thanks to the actions taken in the past, with benefit of our committed management team, will ensure we continue our growth trajectory from 2020 and beyond.

Thank you very much for your trust and support.

Lorenzo D. Berho
CEO

Third Quarter Financial Summary

Consolidated Statutory Accounts

The accompanying consolidated condensed interim financial statements have been prepared based on International Accounting Standards (IFRS).

The financial statements presented were prepared using a historical cost basis, except for investment properties and financial instruments at the end of each period. Historical cost is largely based on the fair value of the consideration given in exchange for assets. Third quarter 2018 results are presented in comparison to the same period of the prior year and on an adjusted basis based on the same rules.

Revenues

				9 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**3Q18**	**3Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Revenues						
Rental income	33.82	28.15	20.2	97.57	80.35	21.4
Operating Costs	(1.47)	(1.43)	3.4	(3.88)	(3.59)	8.1
Related to properties that generate rental income	(1.29)	(1.22)	5.5	(3.24)	(3.08)	4.9
Related to properties that did not generate rental income	(0.18)	(0.20)	(9.7)	(0.65)	(0.51)	27.1
Gross profit	32.35	26.72	21.0	93.69	76.76	22.1
Net Operating Income	32.53	26.93	20.8	94.33	77.27	22.1

Vesta’s 3Q18 rental revenues increased 20.2% to US$ 33.82 million, from US$ 28.15 million in 3Q17. The US$ 5.67 million increase in rental revenues was primarily attributed to: [i] a US$ 5.85 million, or 20.8%, increase from the rental of new space which had previously been vacant in 3Q17 but was rented in 3Q18; [ii] a US$ 0.78 million, or 2.8%, increase related to inflationary adjustments made in 3Q18 on rented property and [iii] a US$ 0.25 million, or 34.9%, increase in reimbursements from the expenses paid by Vesta on behalf of its clients but not considered to be rental revenue, due to a higher stabilized portfolio. These factors were partially offset by: [i] a US$ 0.87 million, or 3.1%, decrease related to lease agreements which expired and were not renewed during 3Q18; [ii] a US$ 0.22 million decrease in rental income due to the conversion of peso-denominated rental income into dollars and [iii] a US$ 0.12 million, or 0.4%, decrease related to lease agreements which were renewed during 3Q18 at a lower rental rate in order to retain certain client relationships.

86.5% of Vesta's third quarter revenues were denominated in US dollars and are indexed to the US Consumer Price Index ("CPI"), an increase from 84.7% for the third quarter 2017. Those contracts denominated in pesos are adjusted annually based on the equivalent Mexican consumer price index, the "Indice Nacional de Precios al Consumidor" (INPC).

Property Operating Costs

3Q18 total operating costs reached US$ 1.47 million, compared to US$ 1.43 million in 3Q17, which represents a US$ 0.05 million, or 3.4%, an increase reflecting higher expenses from new properties.

During the third quarter of 2018, costs related to investment properties generating rental revenues amounted to US$ 1.29 million, compared with US$ 1.22 million for the same period of 2017. This was primarily attributable to an increase in the number of properties generating income.

In addition, costs from investment properties which did not generate rental revenues amounted to US$ 0.18 million, a US$ 0.02 million decrease compared to the same period of 2017. This was primarily attributable to a lower number of non-income-generating properties.

Net Operating Income (NOI)

Third quarter Net Operating Income increased by 20.8% to US$ 32.53 million, while NOI margin increased by 50 basis points to 96.2% due to higher rental revenue and a lower cost margin.

Administrative Expenses

				9 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**3Q18**	**3Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Administration Expenses	(3.88)	(3.27)	18.7	(11.57)	(9.45)	22.4
Long-term incentive (non cash)	(0.50)	(0.40)	24.8	(1.47)	(1.05)	40.6
Depreciation	(0.14)	(0.09)	59.4	(0.37)	(0.27)	37.9
EBITDA	28.97	23.86	21.4	83.59	68.36	22.3

Administrative expenses for the 3Q18 totaled US$ 3.88 million, compared to US$ 3.27 million in the third quarter of 2017; a 18.7% increase. The increase is mainly attributed to higher salaries from a higher employee base, marketing expenses, as well as an increase in long-term incentives.

In 3Q18, the share-based payment of the compensation plan expense amounted to US$ 0.50 million. For more detailed information on Vesta's expenses, please review Note 15 within the Financial Statements.

Depreciation

Depreciation during the third quarter of 2018 was US$ 0.14 million, compared with US$ 0.09 million in the third quarter of 2017.

EBITDA

3Q18 EBITDA increased 21.4% to US$ 28.97 million, from US$ 23.86 million in the 3Q17, while EBITDA margin increased 90 basis points to 85.7% year-on-year, due to the increase of revenues while the margin of administrative expenses remained constant.

Other Income and Expenses

				9 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**3Q18**	**3Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Other Income and Expenses						
Interest income	0.22	0.01	15.3	0.25	0.04	na
Other income	0.01	(0.16)	(1.1)	0.48	0.34	41.9
Transaction cost on debt issuance	0.00	(0.10)	na	(0.14)	(0.09)	na
Interest expense	(9.80)	(5.09)	0.9	(25.50)	(12.90)	97.8
Exchange gain (loss)	3.63	(0.97)	(4.7)	2.61	9.24	na
Gain on revaluation of investment properties	19.24	4.05	3.8	50.77	57.20	(11.2)
Total other (expenses) income	13.31	(2.26)	(6.9)	28.48	53.83	na

Total other income at the end of the third quarter of 2018 reached US$ 13.31 million, compared to other expense of US$ 2.26 million at the end of the third quarter of 2017. This increase is mainly attributed to a gain on revaluation of investment properties and an exchange gain during 3Q18.

Interest income increased to US$ 0.22 million in 3Q18, due to the liquid investment of exceeding cash.

Interest expense increased to US$ 9.80 million at the close of 3Q18, compared to US$ 5.09 million for same quarter last year. This year on year increase reflects a higher debt balance related to the Company's recent debt issuance.

The foreign exchange gain in 3Q18 was US$ 3.63 million, compared to a loss of US$ 0.97 million in 3Q17. The foreign exchange loss relates primarily to sequential currency movements on Vesta's dollar-denominated debt balance within WTN, the Company's only subsidiary using the Mexican peso as its functional currency, for 3Q18 compared to 2Q18. As the value of the peso increased in the global markets during 3Q18, such peso-denominated subsidiary will have higher dollar-denominated income.

The valuation of investment properties undertaken in September 2018 resulted in a US$ 19.24 million gain, compared with US$ 4.05 million gain in the third quarter of 2017, primarily due to: property additions, higher stabilized portfolio occupancy rate and construction progress of properties under development.

Profit Before Income Taxes

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	3Q18	3Q17	Chg. %	9 months 2018	9 months 2017	Chg. %
Profit Before Income Taxes	41.64	21.10	1.0	110.23	120.87	(0.1)
Income Tax Expense	(2.28)	(7.40)	(0.7)	(22.98)	(6.06)	na
Current Tax	(15.08)	(3.30)	3.6	(26.11)	(20.92)	na
Deferred Tax	12.80	(4.10)	(4.1)	3.13	14.86	na
Profit for the Period	39.36	13.71	1.9	87.25	114.81	na
Valuation of derivative financial instruments	0.27	0.00	na	2.34	0.00	na
Exchange differences on translating other functional currency operations	12.16	0.59	19.6	5.91	(4.22)	na
Total Comprehensive Income for the period	51.79	14.30	2.6	95.50	110.59	na

Due to the above factors, profit before income taxes amounted to US$ 41.64 million, compared to US$ 21.10 million recorded in the same quarter last year.

Income Tax Expense

During the third quarter of 2018, the Company reported an income tax expense of US$ 2.28 million, compared to a US$ 7.40 million expense in the prior year period, due to higher gain in deferred taxes during 3Q18 resulting from a higher dollar fiscal cost.

Deferred taxes primarily reflect: [i] the effect of the exchange rate used to convert taxable assets on the Company's balance sheet into Mexican pesos when calculating tax (including the monetary value of Vesta's investment properties and the tax loss benefits to amortize) into U.S. dollars at the end of the third quarter of 2018 and 2017; [ii] the impact of an inflationary benefit on the tax base of the Company's fiscal assets, in keeping with income tax laws; and, [iii] the recognition of the fair value of investment properties for accounting purposes, as tax assessed on the assets is based on their historical cost and is then appreciated.

Third Quarter 2018 Profit

Due to the explanations provided above, the Company's profit for the third quarter of 2018 amounted to US$ 39.36 million, compared to a US$ 13.71 million profit in the 3Q17.

Total Comprehensive Income (Loss) for the Period

Vesta closed the third quarter 2018 with US$ 51.79 million in total comprehensive income, compared with US$ 14.30 million profit at the end of the third quarter of 2017. This was due to the explanations provided, as well as to an increase in the exchange rate discrepancies when translating other functional currency operations in the amount of US$ 12.16 million, compared to US$ 0.50 million in the same quarter of 2017.

Funds Derived from Operations (FFO)

				9 months		
FFO Reconciliation (million)	**3Q18**	**3Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Total Comprehensive Income for the period	51.79	14.30	na	95.50	110.59	na
Adjustments						
Exchange differences	(12.16)	(0.59)	na	(5.91)	4.22	(239.9)
Gain on revaluation of investment properties	(19.24)	(4.05)	na	(50.77)	(57.20)	na
Long-term incentive (non cash)	0.50	0.40	24.8	1.47	1.05	40.6
Exchange Gain (Loss)	(3.63)	0.97	na	(2.61)	(9.24)	na
Depreciation	0.14	0.09	59.4	0.37	0.27	37.9
Other income	(0.01)	0.16	na	(0.48)	(0.34)	41.9
Valuation of derivative financial instruments	(0.27)	0.00	na	(2.34)	0.00	na
Interest income	(0.22)	(0.01)	na	(0.25)	(0.04)	na
Income Tax Expense	2.28	7.40	na	22.98	6.06	na
Current Tax	(15.08)	(3.30)	na	(26.11)	(20.92)	na
FFO Attributable	**4.10**	**15.37**	(73.3)	**31.84**	**34.45**	(7.6)
FFO per share	0.0069	0.0250	(72.6)	0.0532	0.0562	(5.3)

Funds from Operations (FFO) attributable to common stockholders for 3Q18 totaled US$ 4.10 million, or US$ 0.0069 per share, compared with US$ 15.37 million, or US$ 0.0250 per share, for 3Q17.

The actual effect of the current tax will be determined mainly by the exchange rate at the end of 2018. Is also important to note that this tax effect is based on the full year 2018. The current tax associated with the Company's operations resulted in a US $ 15.08 million charge. The exchange-rate related portion of the current tax represented a US$ 5.48 million cost while the current operating tax represented a US$ 9.60 million expense.

Current Tax Expense	1Q18	2Q18	3Q18
Operating Current Tax	(3.06)	(10.17)	(9.60)
Exchange Rate Related Current Tax	(7.68)	9.87	(5.48)
Total Current Tax Expense	**(10.74)**	**(0.30)**	**(15.08)**
Adjusted FFO	**16.41**	**9.22**	**9.58**
Adjusted FFO per share	0.0274	0.0154	0.0160

Accumulated Current Tax Expense	3M18	6M18	9M18
Operating Current Tax	(3.06)	(13.23)	(22.83)
Exchange Rate Related Current Tax	(7.68)	2.20	(3.28)
Total Current Tax Expense	**(10.74)**	**(11.03)**	**(26.11)**
Adjusted FFO	**16.41**	**25.63**	**35.21**
Adjusted FFO per share	0.0274	0.0428	0.0589

Capex

Investing activities were primarily related to payments for works in progress in the construction of new buildings in Ciudad Juarez, Tijuana, Aguascalientes, San Miguel de Allende, Silao and San Luis Potosí. Total investments for the quarter amounted to US$ 29.42 million.

Debt

As of September 30, 2018, the overall balance of debt was US$ 699.43 million, all of which is related to long-term liabilities. The secured portion of the debt, 48.4% of the total debt, is guaranteed by some of the Company's investment properties, as well as by the related income derived. As of 3Q18, 100% of Vesta's debt was denominated in U.S. dollars and 100% of its interest rate was fixed.

Stabilized Portfolio

As of 4Q15, Vesta discloses "operating portfolio" occupancy as an additional measure of occupancy. Vesta currently reports both portfolio occupancy and same store occupancy as management believes these metrics are useful indicators of the performance of the Company's operating portfolio. The additional metrics are intended to reflect market practices and assist in comparing Vesta's performance with the performance of its public industrial real estate peers.

Under the "operating portfolio" calculation, the measure will include properties that have reached 80% occupancy or have been completed for more than one year, whichever occurs first.

Region	3Q17 Stabilized Portfolio SF	3Q17 Stabilized Portfolio %	Growth SF	3Q18 Stabilized Portfolio SF	3Q18 Stabilized Portfolio %
Central Mexico	6,549,346	28.3%	363,568	6,912,914	25.5%
Bajio	11,808,845	50.9%	1,111,048	12,919,892	47.7%
Baja California	2,851,375	12.3%	1,674,786	4,526,161	16.7%
Juarez	1,972,573	8.5%	730,070	2,702,643	10.0%
Total	**23,182,139**	**100%**	**3,879,471**	**27,061,611**	**100%**

	3Q17 Occupancy SF	3Q17 % Total	3Q18 Occupancy SF	3Q18 % Total
Central Mexico	6,251,977	95.5%	6,561,194	94.9%
Bajio	11,267,427	95.4%	12,341,702	95.5%
Baja California	2,843,475	99.7%	4,476,851	98.9%
Juarez	1,853,393	94.0%	2,695,267	99.7%
Total	**22,216,273**	**95.8%**	**26,075,014**	**96.4%**

Same Store Portfolio

Vesta also updated its definition of "same store occupancy" in the fourth quarter of 2015. Management believes this to be a useful indicator of the performance of the Company's operating portfolio. Based on the updated calculation, this metric will only include properties within the Company's portfolio that have been stabilized for the entirety of the two comparable periods. This amended definition is intended to reflect market best practices and aid in the comparison of Vesta's performance with the performance of its public industrial real estate peers. Vesta has provided a reconciliation of the updated definition versus the prior definition below.

Region	3Q17 Same Store Portfolio SF	3Q17 Same Store Portfolio %	Growth SF	3Q18 Same Store Portfolio SF	3Q18 Same Store Portfolio %
Central Mexico	6,337,728	31.7%	211,618	6,549,346	28.2%
Bajio	9,919,880	49.6%	1,936,918	11,856,798	51.0%
Baja California	2,684,254	13.4%	174,421	2,858,675	12.3%
Juarez	1,061,080	5.3%	911,493	1,972,573	8.5%
Total	**20,002,942**	**100%**	**3,234,451**	**23,237,393**	**100%**

3Q17	3Q18

	Occupancy SF	% Total	Occupancy SF	% Total
Central Mexico	6,040,358	95.3%	6,263,386	95.6%
Bajio	9,676,099	97.5%	11,695,111	98.6%
Baja California	2,676,354	99.7%	2,858,675	100.0%
Juarez	1,013,060	95.5%	1,965,197	99.6%
Total	**19,405,872**	**97.0%**	**22,782,370**	**98.0%**

Total Portfolio

As of September 30, 2018, the Company's portfolio was comprised of 180 high-quality industrial assets, with a total GLA of 28.9 million ft^2 (2.68 million m^2) with 86.5% of the Company's income denominated in U.S. dollars. Most of Vesta's properties are located in markets representing the most significant economic growth in the country, such as the Central and Bajio regions. Vesta's tenants are predominantly multinational companies, and the Company has balanced industry exposure to sectors such as food and beverage, automotive, aerospace, and logistics, among others.

	2Q18		3Q18		
Region	Existing Portfolio		Growth SF	Total Portfolio	
	SF	%	SF	SF	%
Central Mexico	7,122,837	25.0%	284	7,123,121	24.6%
Bajio	13,645,227	47.9%	132,444	13,777,670	47.7%
Baja California	4,790,147	16.8%	287,984	5,078,131	17.6%
Juarez	2,918,667	10.2%	0	2,918,667	10.1%
Total	**28,476,879**	**100%**	**420,711 ***	**28,897,590**	**100%**

* Adjusted by changes in the initial size of the portfolio.

Total Vacancy

As of September 30, 2018, Vesta's property portfolio had a vacancy rate of 8.1%.

	2Q18		3Q18	
	Vacant SF	% Total	Vacant SF	% Total
Central Mexico	676,569	9.5%	508,760	7.1%
Bajio	1,121,908	8.2%	1,435,969	10.4%
Baja California	354,406	7.4%	313,044	6.2%
Juarez	151,400	5.2%	93,780	3.2%
Total	**2,304,283**	**8.1%**	**2,351,552**	**8.1%**

Projects Under Construction

Vesta is currently developing 1,849,475 ft^2 (171,822 m^2) in inventory and BTS buildings.

Project	GLA (SF)	GLA (m^2)	Investment [1] (thousand USD)	Type	Expected Termination Date	City	Region
Delta Exp	91,635	8,513	5,416	BTS	Jun-19	Tijuana	North Region
Q-2	220,139	20,452	9,963	Inventory	May-19	Juarez	North Region
Q-3	107,899	10,024	5,399	Inventory	May-19	Juarez	North Region
BRP Exp	214,829	19,958	9,304	BTS	Nov-18	Juarez	North Region
AGS 1	180,827	16,799	7,606	Inventory	Oct-18	Aguascalientes	Bajio Region
PI06	158,656	14,740	6,921	Inventory	Nov-18	Silao	Bajio Region
PI07	158,366	14,713	6,904	Inventory	Feb-19	Silao	Bajio Region
RSB Exp	15,485	1,439	675	BTS	Mar-19	Silao	Bajio Region
SMA 06	162,924	15,136	6,377	Inventory	Feb-19	San Miguel de Allende	Bajio Region
SMA 07	187,864	17,453	7,387	Inventory	Nov-18	San Miguel de Allende	Bajio Region
VP SLP 01	147,440	13,698	5,919	Inventory	Feb-19	San Luis Potosi	Bajio Region
VP SLP 02	203,411	18,898	8,112	Inventory	Nov-18	San Luis Potosi	Bajio Region
Total	**1,849,475**	**171,822**	**79,982**				

(1) Investment includes proportional cost of land and infrastructure.

Land Reserves

As of September 30, 2018, the Company had 33,556,977 ft^2 (3,117,545 m^2) of land reserves.

	June 30, 2018	*September 30, 2018*	
Region	**Gross Land Area (SF)**	**Gross Land Area (SF)**	**% Chg.**
San Luis Potosi	4,254,328	4,254,328	0.00
Queretaro	10,280,901	10,280,901	(0.00)
Tijuana	1,079,172	1,079,172	0.00
Cd. Juarez	2,045,280	2,045,280	0.00
Guanajuato	2,816,703	2,816,703	0.00
Aguascalientes	6,780,851	8,260,014	0.22
Puebla	1,223,360	1,223,360	0.00
SMA	3,597,220	3,597,220	0.00
Total	**32,077,815**	**33,556,977**	**4.61%**

Summary of Nine-Month 2018 Results

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	3Q18	3Q17	Chg. %	2018 (9 months)	2017 (9 months)	Chg. % (9 months)
Revenues						
Rental income	33.82	28.15	20.2	97.57	80.35	21.4
Operating Costs	(1.47)	(1.43)	3.4	(3.88)	(3.59)	8.1
Related to properties that generate rental income	(1.29)	(1.22)	5.5	(3.24)	(3.08)	4.9
Related to properties that did not generate rental income	(0.18)	(0.20)	(9.7)	(0.65)	(0.51)	27.1
Gross profit	32.35	26.72	21.0	93.69	76.76	22.1
Net Operating Income	32.53	26.93	20.8	94.33	77.27	22.1
Administration Expenses	(3.88)	(3.27)	18.7	(11.57)	(9.45)	22.4
Long-term incentive (non cash)	(0.50)	(0.40)	24.8	(1.47)	(1.05)	40.6
Depreciation	(0.14)	(0.09)	59.4	(0.37)	(0.27)	37.9
EBITDA	28.97	23.86	21.4	83.59	68.36	22.3
Other Income and Expenses						
Interest income	0.22	0.01	15.3	0.25	0.04	na
Other income	0.01	(0.16)	(1.1)	0.48	0.34	41.9
Transaction cost on debt issuance	0.00	(0.10)	na	(0.14)	(0.09)	na
Interest expense	(9.80)	(5.09)	0.9	(25.50)	(12.90)	97.8
Exchange gain (loss)	3.63	(0.97)	(4.7)	2.61	9.24	na
Gain on revaluation of investment properties	19.24	4.05	3.8	50.77	57.20	(11.2)
Total other (expenses) income	13.31	(2.26)	(6.9)	28.48	53.83	na
Profit Before Income Taxes	41.64	21.10	1.0	110.23	120.87	(0.1)
Income Tax Expense	(2.28)	(7.40)	(0.7)	(22.98)	(6.06)	na
Current Tax	(15.08)	(3.30)	3.6	(26.11)	(20.92)	na
Deferred Tax	12.80	(4.10)	(4.1)	3.13	14.86	na
Profit for the Period	39.36	13.71	1.9	87.25	114.81	na
Valuation of derivative financial instruments	0.27	0.00	na	2.34	0.00	na
Exchange differences on translating other functional currency operations	12.16	0.59	19.6	5.91	(4.22)	(239.9)
Total Comprehensive Income for the period	51.79	14.30	2.6	95.50	110.59	na
Shares (average)	598.11	614.36	(0.0)	598.11	613.43	(2.4)
EPS	0.087	0.023	2.7	0.160	0.180	na

Consolidated total revenues increased 21.4%, to US$ 97.57, for the nine-month period ending September 30, 2018, compared to US$ 80.35 million for the same period last year.

Gross profit for the nine-month period ended September 30, 2018 increased by 22.1% year on year, to US$ 93.69 million. The operating cost increased 8.1%, due to an increase in the number of properties.

At the close of September 30, 2018, salaries and human resource-related expenses, marketing expenses and others were reflected in the Company’s administrative expenses for the nine-month period.

Total other income for the nine months of 2018 was US$ 28.48 million, compared to a US$ 53.83 million profit in the prior year. The result reflects a decreased gain in revaluation of investment properties of US$

50.77, compared to a gain of US$ 57.20 million in 2017, as well as higher transaction cost on debt issuance of US$ 0.14 million and higher interest expense of US$ 25.50 million, in the nine months of 2018.

Due to these factors, the Company's profit before tax amounted to US$ 110.23 million in the nine months of 2018.

Income taxes at the close of September 30, 2018 resulted in a US$ 22.98 million expense compared to a US$ 6.06 million expense at the close of September 30, 2017. This increased tax expense is primarily due to higher current tax expense of US$ 26.11 million in the 9-month period of 2018 compared to the US$ 20.92 million expense in current taxes during the same period of last year.

Total comprehensive income for the nine-month period ended September 30, 2018 was US$ 95.50 million, compared to a US$ 110.59 million profit in the same 2017 period, due to the above-mentioned factors.

During the nine months of 2018, Capex amounted to US$ 100.62 million, related to the development of investment properties and acquisitions.

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	3Q18	3Q17	Chg. %	2018 (9 months)	2017 (9 months)	Chg. % (9 months)
Revenues						
Rental income	33.82	28.15	20.2	97.57	80.35	21.4
Operating Costs	(1.47)	(1.43)	3.4	(3.88)	(3.59)	8.1
Related to properties that generate rental income	(1.29)	(1.22)	5.5	(3.24)	(3.08)	4.9
Related to properties that did not generate rental income	(0.18)	(0.20)	(9.7)	(0.65)	(0.51)	27.1
Gross profit	32.35	26.72	21.0	93.69	76.76	22.1
Net Operating Income	32.53	26.93	20.8	94.33	77.27	22.1
Administration Expenses	(3.88)	(3.27)	18.7	(11.57)	(9.45)	22.4
Long-term incentive (non cash)	(0.50)	(0.40)	24.8	(1.47)	(1.05)	40.6
Depreciation	(0.14)	(0.09)	59.4	(0.37)	(0.27)	37.9
EBITDA	28.97	23.86	21.4	83.59	68.36	22.3
Other Income and Expenses						
Interest income	0.22	0.01	15.3	0.25	0.04	na
Other income	0.01	(0.16)	(1.1)	0.48	0.34	41.9
Transaction cost on debt issuance	0.00	(0.10)	na	(0.14)	(0.09)	na
Interest expense	(9.80)	(5.09)	0.9	(25.50)	(12.90)	97.8
Exchange gain (loss)	3.63	(0.97)	(4.7)	2.61	9.24	na
Gain on revaluation of investment properties	19.24	4.05	3.8	50.77	57.20	(11.2)
Total other (expenses) income	13.31	(2.26)	(6.9)	28.48	53.83	na
Profit Before Income Taxes	41.64	21.10	1.0	110.23	120.87	(0.1)
Income Tax Expense	(2.28)	(7.40)	(0.7)	(22.98)	(6.06)	na
Current Tax	(15.08)	(3.30)	3.6	(26.11)	(20.92)	na
Deferred Tax	12.80	(4.10)	(4.1)	3.13	14.86	na
Profit for the Period	39.36	13.71	1.9	87.25	114.81	na
Valuation of derivative financial instruments	0.27	0.00	na	2.34	0.00	na
Exchange differences on translating other functional currency operations	12.16	0.59	19.6	5.91	(4.22)	(239.9)
Total Comprehensive Income for the period	51.79	14.30	2.6	95.50	110.59	na
Shares (average)	598.11	614.36	(0.0)	598.11	613.43	(2.4)
EPS	0.087	0.023	2.7	0.160	0.180	na

Consolidated Statements of Financial Position (million)	September 30, 2018	December 31, 2017
ASSETS		
CURRENT		
Cash and cash equivalents	90.14	91.00
Financial assets held for trading	0.75	0.68
Accounts receivable -net	31.54	26.68
Operating lease receivable, net	7.17	5.22
Due from related parties	0.00	0.00
Prepaid expenses	1.59	0.37
Guarantee deposits made	0.00	0.00
Total current assets	**131.19**	**123.95**
NON-CURRENT		
Investment properties	1,851.29	1,701.01
Office equipment - net	1.93	1.87
Derivative financial instruments	4.17	0.83
Guarantee Deposits made	4.32	4.44
Total non-current assets	**1,861.70**	**1,708.14**
TOTAL ASSETS	**1,992.89**	**1,832.09**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	0.00	0.00
Accrued interest	4.46	3.77
Accounts payable	2.51	4.08
Income tax payable	0.40	0.34
Accrued expenses	4.37	3.82
Total current liabilities	**11.74**	**12.02**
NON-CURRENT		
Long-term debt	699.43	581.99
Guarantee deposits received	12.94	11.54
Deferred income taxes	201.74	204.21
Total non-current liabilities	**914.12**	**797.74**
TOTAL LIABILITIES	**925.86**	**809.76**
STOCKHOLDERS' EQUITY		
Capital stock	438.36	439.84
Additional paid-in capital	325.15	327.27
Retained earnings	328.02	288.67
Share-base payments reserve	4.00	3.30
Foreign currency translation	(31.42)	(37.33)
Valuation of derivative financial instruments	2.92	0.58
Total shareholders' equity	**1,067.03**	**1,022.33**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,992.89**	**1,832.09**

Consolidated Statements of Cash Flows (million)	September 30,2018	September 30,2017
Cash flow from operating activities:		
Profit before income taxes	110.23	120.87
Adjustments:		
Share base compensation	1.47	1.05
Depreciation	0.37	0.27
Gain on revaluation of investment properties	(50.77)	(57.20)
Effect of foreign exchange rates	(2.61)	(9.24)
Interest income	(0.25)	0.00
Interest expense	25.50	12.90
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	(1.95)	1.32
Recoverable taxes	(14.57)	5.41
Prepaid expenses	(1.22)	(1.14)
Guarantee Deposits made	0.00	0.00
(Increase) decrease in:		
Accounts payable	(1.57)	(0.16)
Guarantee Deposits received	0.00	0.00
Accrued expenses	(14.12)	(8.47)
Income Tax Paid	(1.68)	(1.28)
Net cash generated by operating activities	48.82	64.34
Cash flow from investing activities		
Purchases of investment property	(100.62)	(67.85)
Acquisition of office furniture	(0.43)	(0.07)
Financial assets held for trading	(0.07)	0.00
Interest received	0.25	0.00
Net cash used in investing activities	(100.86)	(67.92)
Cash flow from financing activities		
Revolving line	0.00	45.00
Proceeds from debt issuance	116.60	125.00
Guarantee deposits made	0.12	(1.30)
Guarantee deposits collected	1.40	1.37
Interest paid	(24.81)	(11.19)
Dividends paid	(47.90)	(39.11)
Repurchase of treasury shares	(4.37)	(16.95)
Payment cost form debt issuance	0.84	(1.24)
Net cash (used in) generated by financing activities	41.88	101.57
Effects of exchange rates changes on cash	9.30	(7.27)
Net Increase in cash and cash equivalents	(0.87)	90.72
Cash, restricted cash and cash equivalents at the beginning of period	91.74	51.46
Cash, restricted cash and cash equivalents at the end of period	90.87	142.17

Consolidated Statements of Changes in Stockholders' Equity (million)	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-based payment reserve	Valuation of derivative financial instruments	Foreign Currency Translation	Total Stockholders´ Equity
Balances as of January 1, 2017	**450.88**	**343.04**	**201.75**	**1.97**	**0.00**	**(38.26)**	**959.38**
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vested shares	0.06	0.09	0.00	(0.15)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	1.05	0.00	0.00	1.05
Dividends declared	0.00	0.00	(39.11)	0.00	0.00	0.00	(39.11)
Repurchase of shares	(6.94)	(10.01)	0.00	0.00	0.00	0.00	(16.95)
Derivative financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comprehensive income (loss)	0.00	0.00	114.81	0.00	0.00	(4.22)	110.59
Balances as of September 30, 2017	**444.00**	**333.12**	**277.46**	**2.87**	**0.00**	**(42.48)**	**1014.96**
Balances as of January 1, 2018	**439.84**	**327.27**	**288.67**	**3.30**	**0.58**	**(37.33)**	**1022.33**
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vested shares	0.30	0.48	0.00	(0.78)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	1.47	0.00	0.00	1.47
Dividends payments	0.00	0.00	(47.90)	0.00	0.00	0.00	(47.90)
Repurchase of shares	(1.78)	(2.60)	0.00	0.00	0.00	0.00	(4.37)
Comprehensive income	0.00	0.00	87.25	0.00	2.34	5.91	95.50
Balances as of September 30, 2018	**438.36**	**325.15**	**328.02**	**4.00**	**2.92**	**(31.42)**	**1067.03**

Financial Derivative Instruments

Vesta signed a derivative contract to fix our floating interest rate to a fixed interest rate and in this way minimize the financial risks for the company.

Because it is a derivative for accounting coverage, the IFRS practice of "hedging financial instruments" will apply. Vesta values the derivative at fair value. The fair value is based on the market prices of the derivatives traded in recognized markets.

Fair value is recognized in the balance sheet as an asset or liability, in accordance with the rights or obligations derived from the contracts executed and in accordance with accounting norms. For hedging derivatives, changes in fair value are recorded temporarily in other comprehensive income within stockholders' equity and are subsequently reclassified to results while they are affected by the item being hedged.

Financial Derivative Instruments (million)		September 30, 2018	June 30, 2018
Underlying	***Type of Instrument***	***Mark to Market***	
3M Libor Syndicated Loan	Swap	0.27	0.55

Notes and Disclaimer

Interim Consolidated Condensed Financial Statements: The figures presented within this release for the three-month periods ending September 30, 2018 and 2017 have not been audited.

Exchange Rate: The exchange rate used for the figures expressed in US dollars (US$) were:

Date	Exchange Rate
Balance Sheet	
September 30, 2017	18.198
September 30, 2018	18.812
Income Statement	
3Q17 *(average)*	17.822
3Q18 *(average)*	18.978
9M17 *(average)*	18.928
9M18 *(average)*	19.037

Prior period: Unless otherwise stated, the comparison of operating and financial figures compare the same prior year period.

Percentages may not sum to total due to rounding.

Net Operating Income (NOI) is calculated as: rental income minus the operating cost for the investment properties that generated income.

EBITDA represents rental revenue minus the operating cost of the investment properties minus the administrative costs, expect for the long-term incentive plan. The rental cost and administrative cost do not include depreciation or amortization.

Funds from Operations (FFO) are calculated as: the total comprehensive gain/loss in the period minus the conversion effect of the foreign operations, the income tax, gain (loss) due to the revaluation of the investment properties, foreign exchange gain (loss), other income (expenses), interest income, depreciation of other assets and paid taxes in cash.

Build to Suit (BTS): a building tailor-made in design and construction in order to meet client-specific needs.

Inventory buildings: buildings constructed in accordance with standard industry specifications, for those clients that do not require a BTS Building.

Analyst Coverage

In compliance with the internal regulation of the BMV, article 4.033.01 Frac. VIII, Vesta is covered by analysts at the following brokers:

- Barclays Bank Mexico, S.A.
- Bradesco BBI Research
- BTG Pactual US Capital LLC
- Casa de Bolsa Credit Suisse S.A. de C.V.
- Casa de Bolsa Santander S.A. de C.V.
- Citigroup Global Markets Inc.
- GBM Grupo Bursátil Mexicano S.A. de C.V.
- Grupo Financiero Interacciones S.A. de C.V.
- HSBC México S.A. de C.V.
- Itaú Corretora de Valores S.A
- J.P. Morgan Casa de Bolsa, S.A. de C.V.
- Merrill Lynch Mexico, S.A. de C.V.
- Scotia Inverlat Casa de Bolsa S.A. de C.V.
- UBS Casa de Bolsa S.A.

About Vesta

Vesta is a real estate owner, developer and asset administrator of industrial buildings and distribution centers in Mexico. As of September 30, 2018, Vesta owned 180 properties located in modern industrial parks in 14 states of Mexico totaling a GLA of 28.9 million ft^2 (2.68 million m^2). The Company has multinational clients, which are focused in industries such as aerospace, automotive, food and beverage, logistics, medical devices, and plastics, among others. For additional information visit: www.vesta.com.mx.

Note on Forward-Looking Statements

This report may contain certain forward-looking statements and information relating to the Company that reflects the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe,” “anticipate,” “expect,” “envisages,” “will likely result,” or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.