2Q

2019
EARNINGS RESULTS

Conference Call

Friday, July 26, 2019
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Mexico City, July 25, 2019 – 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 second quarter ended June 30, 2019. All figures included herein were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in US dollars unless otherwise noted.

Highlights

- On May 6, 2019, Vesta announced the successful completion of a portfolio sale totaling 1.6 million square-feet at a 7.1% blended cap rate, representing a 20% premium over book value, for a total of US$ 109.3 million.
- Vesta announced on June 24, 2019 the prepayment of a US$150 million syndicated loan, due July 2021, and the dual-tranche private placement of US$85 million in unsecured investment grade bonds, maturing in 10 and 12 years with 5.18% and 5.28% semi-annual coupons, respectively. The Company also announced a commitment letter to receive an unsecured syndicated loan and revolving credit facility for US$80 million and US$ 125 at interest rates of Libor + 190 bps and Libor + 185 bps, respectively. Following this refinancing, Vesta has no material debt maturities for the next five years and the weighted average maturity of the Company’s debt has been extended to 7.2 years, while maintaining the same 4.8% weighted average interest rate.
- Vesta had a robust 1.04 million ft² (96,493 m²) in leasing activity, of which 687,153 ft² (63,839 m²) were new leases with existing and new international clients such as 3M, Daimler, Schlemmer, among others, and 351,494 million ft² (32,665 m²) of which were lease renewals, driving maturing GLA to 0.5% in 2019 and 6.6% in 2020. The Company expects continued renewals, while extending current contracts and increasing rents.
- The Company purchased 8.9 million shares during 2Q19 as part of Vesta’s share buy-back program, enabling a 15% increase in the quarterly dividend per share to US$0.4290 in 2Q19, from US$0.3740 in 2Q18. All shares repurchased under the buy-back program will be cancelled.
- NAV per share increased 13.1% to US$2.27 in 2Q19, from US$2.01 in 2Q18 representing a 9.4% CAGR over the last three years, in dollar terms.
- Continued growth of rent per square foot during the second quarter 2019; with a 4.9% increase to US$0.423 in 2Q19, from US$0.403 in 2Q18.
- Second quarter 2019 revenues increased by 11.0% to US$ 35.94 million, from US$ 32.28 million in 2Q18.
- Second quarter NOI and EBITDA margins reached 95.3% and 84.2%, respectively.
- Pre-tax FFO decreased 1.7% year over year, to US$ 19.05 million from US$ 19.39 million due to the reduced 2Q19 revenues related to the May 2019 portfolio sale and the increased interest expenses produced by the syndicated loan prepayment. Pre-tax FFO per share for 2Q19 remained at US$ 0.032, from US$ 0.032 in 2Q18.
- New buildings delivered during 2Q19 amounted to 419,673 ft² (38,989 m²) of GLA, of which 37% have been occupied.
- Stabilized portfolio grew to 27,527,064 ft² (2,557,348 m²) in 2Q19, from 27,036,573 ft² (2,511,780 m²) in 2Q18, while the stabilized occupancy rate remained stable at 95.4%. Vesta increased its total GLA portfolio by 785,466 ft² (72,972 m²) to 29,262,345 ft² (2,718,561 m²) in 2Q19, from 28,476,879 ft² (2,645,589 m²) in 2Q18. Total portfolio occupancy for 2Q19 was 91.2%, from 91.9% in 2Q18.
- Vesta’s development portfolio totaled 529,486 ft² (49,191 m²) of GLA in 2Q19, with no new additions. Weighted average expected return on cost is 11.4% for 2Q19 development projects.

				6 months		
Financial Indicators (million)	**2Q19**	**2Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Rental Income	35.94	32.38	11.0	72.23	63.75	13.3
NOI	34.25	31.31	9.4	69.20	61.80	12.0
NOI Margin %	*95.3%*	*96.7%*		*95.8%*	*97.0%*	
EBITDA	30.26	27.73	9.1	61.55	54.62	12.7
EBITDA Margin %	*84.2%*	*85.6%*		*85.2%*	*85.7%*	
Total Comprehensive Income	51.41	7.29	na	71.51	43.70	na
FFO	6.78	19.09	(64.5)	17.09	27.74	(38.4)
FFO Per Share	*0.0114*	*0.0319*	(64.2)	*0.0288*	*0.0463*	(37.9)
EPS	0.0865	0.0122	na	0.1203	0.0730	na
Shares (average)	594.38	598.70	(0.7)	594.39	598.70	(0.7)

- Revenues increased 11.0% in 2Q19 to US$ 35.94 million, from US$ 32.38 million in 2Q18. This is primarily due to the increase in occupied space which was rented during the second quarter of the year.
- Net Operating Income ("NOI") increased 9.4% to US$ 34.25 million in 2Q19, compared to US$ 31.31 million in 2Q18. The second quarter 2019 NOI margin was 95.3%; a 139-basis-point decrease due to increased costs related to rental income generating properties, as well as the impact of the portfolio sale during the quarter.
- EBITDA increased 9.1% to US$ 30.26 million in the second quarter 2019, versus US$ 27.73 million in the second quarter of 2018. The EBITDA margin was 84.2% in 2Q19; a 143-basis point decrease, due to portfolio sale which resulted in lower income, while administrative expenses remained constant.
- Pretax funds from operations ("FFO pretax") for 2Q19 decreased by 177-basis points to US$ 19.05 million, from US$ 19.39 million for the same period in 2018. Pretax FFO per share was US$ 0.0321 for the second quarter 2019, compared with US$ 0.0324 for the same period in 2018; a 1.0% decrease. FFO after tax for 2Q19 was US$ 6.78 million, compared to US$ 19.09 million during 2Q18. This decrease was due to higher taxes resulting from the portfolio sale, which increased the current tax by US$ 6.14 million.
- Total comprehensive income for 2Q19 was US$ 51.41 million, versus US$ 7.29 million in the same quarter 2018. This increase was primarily due to US$ 16.02 in gains associated with properties sold, which were recognized in the second quarter of 2019.
- As of June 30, 2019, the total value of Vesta's investment property portfolio was US$ 1.88 billion; a 0.3% decrease compared to US$ 1.88 billion at the end of December 31, 2018.

Letter from the CEO
Launching Our Level 3 Strategy

Vesta has moved into the next phase of our Company's growth trajectory; evolving from Mexico's leading industrial real estate developer to become what today is a fully integrated real estate platform. We have successfully transformed the Company into a self-advised and self-managed vehicle that owns, manages, acquires, sells, develops and redevelops properties. This evolution therefore positions Vesta to now embark on a new and ambitious strategic growth plan for the next five years.

On June 4, 2019 we hosted our second annual Vesta Day; thanking our investment community for their continued trust and support during the last five years. We proudly announced the conclusion and successful implementation of our Vesta Vision 20/20 growth plan, which enabled us to increase our stabilized GLA at a 15% CAGR, FFO per share at a 24% CAGR and NAV per share at a 7% CAGR. We also unveiled the next phase of Vesta's growth plan, the *Vesta Level 3 Strategy*, designed to fully maximize total shareholder's return. For the subsequent five years, Vesta's management team will focus on two key 2024 performance targets: US$0.20 pre-tax FFO per share and US$ 3.0 NAV per share.

Management expects to achieve these targets by maintaining and strengthening the Company's current portfolio and investing and/or divesting to ensure ongoing value generation- while maintaining our focus on bolstering Vesta's balance sheet and diversifying funding sources. Above all, Vesta's flexibility- our unique ability to identify new opportunities and adapt to changing market conditions- continues to be an important competitive advantage.

During the second quarter, we capitalized on the benefits of today's contracting interest rate curve which enabled us to refinance Vesta's US$ 150 million syndicated loan that matures in 2021, through 10-year and 12-year private placements of an US$ 85 million and US$80 million 5-year syndicated loan, respectively. Our successful liability management has increased our weighted average debt maturity profile to 7.2 years, from 6.2 years, at the same weighted average interest rate of 4.8%. We maintained our healthy credit metrics below 6x net debt / EBITDA and 40% LTV thresholds, while securing funds for this years' capital allocation plans. The long-term nature of our debt profile provides the company with the resiliency required to maintain an unwavering focus on value generation.

Capital allocation decisions this quarter have focused on the most profitable options. And since Vesta's share price continues to represent an extraordinary accretive investment opportunity, Vesta repurchased 8.9 million shares during the second quarter. We therefore have repurchased a total of 48.2 million shares at an average 30% discount price to NAV per share, of which 25.3 million shares have already been cancelled. The balance of these remaining shares in our treasury, as well as any future share buy-backs, will also be cancelled.

As a result, Vesta's NAV per share increased at a 7.5% CAGR year-to-date, closing at US$ 2.27 per share as of June 2019, reflecting our management team's accretive investment and divestment success.

We also strengthened the quality of our portfolio during the second quarter 2019. Rent per square foot increased by 4.9%; to US$ 0.423 in 2Q19 from US$ 0.403 in 2Q18. Our 5.3-year weighted average lease maturity profile continues to be the highest in the Mexican industrial market. Stabilized occupancy reached 95.4% in 2Q19, despite the recent sale of stabilized properties. The above factors underscore our disciplined leasing activity, within Mexico's most dynamic markets. Along these lines, the northern regions of Mexico continue to demonstrate high demand at attractive rents per square foot, while we again saw increasing demand within the Bajío markets, driven by new automotive OEM operations in

Aguascalientes and San Luis Potosí. Total leasing activity reached 1.04 million square feet during the quarter, including 687,153 square feet of new leases with brand new clients like Schlemmer in Puebla, and repeat business with market leading companies such as 3M, Daimler and Daewoo, to name a few. Renewals and re-leases represented 351,494 square feet, which drove our 2019 maturities to 0.5% and 2020 maturities to 6.6%.

Our flexible structure enables leasing activity to set the pace for new developments, thus optimizing our operations and profitability. We've remained vigilant of short-term macroeconomic factors which could potentially affect our operations; ensuring we do not overdevelop while we maintain the strong market rent per square foot we have achieved in past quarters. As always, our focus remains on the long term and we believe Vesta is well positioned to capture new and exciting opportunities within the context of a shifting supply chain. This underscores Mexico's formidable and undisputed position as a global manufacturing and logistics leader.

Finally, in July we were honored to have again been recognized within the *Institutional Investor* 2019 awards which are granted to outstanding people and firms, for excellence across financial services, institutional investing and corporate management. Vesta's CFO, Juan Sottil, and our IR Team, IR program, and ESG program were ranked at first place within the "Latin America mid-cap Real Estate" category. We are honored to have the best management team in our industry. Together, we remain focused on "raising the bar" for Vesta's future endeavors.

As always, we thank you for your continued trust and support.

Lorenzo D. Berho
CEO

Second 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 also prepared using an historical cost basis, excluding investment properties and financial instruments at the end of each reporting period. Historical cost is largely based on the fair value of the consideration given in exchange for assets. Second quarter 2019 results are presented in comparison to the same period of the prior year and on an adjusted basis based on the same accounting rules.

Revenues

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q19**	**2Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Revenues						
Rental income	35.94	32.38	11.0	72.23	63.75	13.3
Operating Costs	**(1.78)**	**(1.37)**	**29.6**	**(3.34)**	**(2.41)**	**38.7**
Related to properties that generate rental income	(1.69)	(1.07)	57.8	(3.03)	(1.94)	55.7
Related to properties that did not generate rental income	(0.09)	(0.30)	(69.5)	(0.31)	(0.47)	(32.3)
Gross profit	**34.16**	**31.00**	**10.2**	**68.89**	**61.34**	**12.3**
Net Operating Income	**34.25**	**31.31**	**9.4**	**69.20**	**61.80**	**12.0**

Vesta's 2Q19 rental revenues increased 11.0% to US$ 35.94 million, from US$ 32.38 million in 2Q18. The US$ 3.56 million increase in rental revenues was primarily due to: [i] a US$ 0.29 million, or 29.2% 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, as well as the management fee received from the portfolio sold; [ii] a US$ 4.46 million, or 13.8%, increase from renting new space which had been vacant in 2Q18 but was rented in 2Q19; [iii] a US$ 1.00 million, or 3.1%, increase related to inflation adjustments made in 2Q19 on rented property; and [iv] a US$ 0.03 million increase in rental income due to the conversion of peso-denominated rental income into dollars.

These results were partially offset by: [i] a US$ 1.20 million, or 3.7%, decrease related to lease agreements which expired and were not renewed during 2Q19; [ii] a US$ 0.88 million, or 2.7%, decrease from the properties sold; [iii] US$ 0.14 million, or 0.4%, decrease related to lease agreements which were renewed during 2Q19 at a lower rental rate in order to retain certain client relationships.

84.8% of Vesta's second quarter 2019 revenues were denominated in US dollars and are indexed to the US Consumer Price Index ("CPI"), a decrease from 86.1% for the second quarter 2018. 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

Vesta's 2Q19 total operating costs reached US$ 1.78 million, compared to US$ 1.37 million in 2Q18; a US$ 0.41 million, or 29.6%, increase that reflects increased expenses at new properties.

During the second quarter of 2019, costs related to investment properties generating rental revenues amounted to US$ 1.69 million, compared to US$ 1.07 million for the same period in 2018. This was primarily attributable to an increase in the number of rental properties generating income, which increased real estate tax, insurance, maintenance and other property related expenses.

In addition, costs from investment properties which did not generate rental revenues during the quarter amounted to US$ 0.09 million; a US$ 0.21 million decrease compared to the same period of 2018. This was primarily due to fewer non-income-generating properties, which decreased the real estate tax expense, as well as insurance and other property related expenses.

Net Operating Income (NOI)

Second quarter Net Operating Income increased 9.4% to US$ 34.25 million, while NOI margin decreased 139 basis points to 95.3%, due to higher costs in related properties that generate rental income.

Administrative Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q19	2Q18	Chg. %	*6 months* 2019	2018	Chg. %
Administration Expenses	(4.60)	(3.76)	22.4	(8.73)	(7.69)	13.6
Long-term incentive (non-cash)	(0.70)	(0.48)	45.9	(1.40)	(0.97)	43.7
Depreciation	(0.34)	(0.12)	186.2	(0.65)	(0.23)	185.1
EBITDA	**30.26**	**27.73**	**9.1**	**61.55**	**54.62**	**12.7**

Administrative expenses for 2Q19 totaled US$ 4.60 million, compared to US$ 3.76 million in the second quarter of 2018; a 22.4% increase. The increase is mainly attributed to an increase in employee benefits.

In 2Q19, the share-based payment of Vesta's compensation plan expense amounted to US$ 0.70 million. For more detailed information on Vesta's expenses, please see Note 15 in the Financial Statements.

Depreciation

Depreciation during the second quarter of 2019 was US$ 0.34 million, compared to US$ 0.12 million in the second quarter of 2018, due to a larger property base.

EBITDA

2Q19 EBITDA increased 9.1% to US$ 30.26 million, from US$ 27.73 million in the 2Q18, while EBITDA margin decreased 143-basis-points to 84.2%, as compared to 85.6% for the same period of last year. This is due to lower revenues resulting from the portfolio sale, while the margin of administrative expenses remained constant.

Other Income and Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q19	2Q18	Chg. %	*6 months* 2019	2018	Chg. %
Other Income and Expenses						
Interest income	0.02	0.02	(10.4)	0.04	0.03	na
Other income	0.00	(0.04)	na	(0.00)	0.47	(100.5)
Transaction cost on debt issuance	0.00	(0.01)	na	0.00	(0.14)	(100.0)
Interest expense	(11.21)	(8.33)	34.6	(21.02)	(15.71)	33.8
Exchange gain (loss)	0.69	(4.91)	na	1.93	(1.02)	na
Gain in sell properties	16.02	0.00	na	16.02	0.00	na
Gain on revaluation of investment properties	32.44	24.27	33.6	44.40	31.53	40.8
Total other (expenses) income	**37.96**	**11.01**	**na**	**41.36**	**15.16**	**172.7**

Total other income at the end of the second quarter of 2019 reached US$ 37.96 million, compared to other income of US$ 11.01 million at the end of the second quarter of 2018. This increase was mainly due to the gain from properties sold and a higher gain on the revaluation of investment properties.

Interest income decreased to US$ 0.002 million in 2Q19, due to the use of cash during the quarter, generating lower interest.

Interest expense increased to US$ 11.21 million in 2Q19, compared to US$ 8.33 million in same quarter last year. This year-on-year increase reflects the amortization of the syndicated loan that was prepaid during the second quarter.

The foreign exchange gain in 2Q19 was US$ 0.69 million, compared to a loss of US$ 4.91 million in 2Q18. Said foreign exchange gain relates primarily to sequential currency movements in Vesta's dollar-denominated debt balance between 1Q19 and 2Q19 within WTN, the Company's only subsidiary that uses the Mexican peso as its functional currency. As the value of the peso appreciated in the global markets during 2Q19, this peso-denominated subsidiary reported a higher dollar-denominated income.

The gain from properties sold amounted to US$ 16.02 million, this is the result of US$ 109.26 million in cash generated through the transaction and the cost on investment properties of US$ 93.24 million.

The valuation of investment properties in June 2019 resulted in a US$ 32.44 million gain, compared to a US$ 24.27 million gain in the second quarter of 2018. This increase was primarily due to a change in the valuation of properties used by Vesta's appraisers, which lowered the discount and exit rate, increasing the value of the portfolio in 2Q19.

Profit Before Income Taxes

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q19	2Q18	Chg. %	6 months 2019	6 months 2018	Chg. %
Profit Before Income Taxes	**67.18**	**38.13**	**76.2**	**100.86**	**68.59**	**47.1**
Income Tax Expense	(17.84)	(26.22)	(31.9)	(29.81)	(20.70)	44.0
Current Tax	(12.27)	(0.30)	na	(23.44)	(11.03)	112.4
Deferred Tax	(5.57)	(25.92)	(78.5)	(6.37)	(9.67)	(34.1)
Profit for the Period	49.33	11.91	na	71.06	47.89	48.4
Valuation of derivative financial instruments	(1.01)	0.55	na	(1.67)	2.06	(180.7)
Exchange differences on translating other functional currency operations	3.08	(5.18)	na	2.13	(6.25)	na
Total Comprehensive Income for the period	51.41	7.29	605.5	71.51	43.70	63.7

Due to the above factors, profit before income tax amounted to US$ 67.18 million, compared to US$ 38.13 million in the same quarter last year.

Income Tax Expense

During the second quarter of 2019, the Company reported an income tax expense of US$ 17.84 million, compared to a US$ 26.22 million expense in the prior year period. The current tax from 2Q19 was US$ 12.27 million, compared to US$ 0.30 million in 2Q18. This increase in current tax for the 2Q19 period was due to higher operating tax that increased because of the taxes paid for the portfolio sell.

Current Tax Expense	1Q19	2Q19
Operating Current Tax	(6.43)	(10.01)
Operating Tax	(6.43)	(3.87)
Portfolio Tax	0.00	(6.14)
Exchange Rate Related Current Tax	(4.73)	(2.26)
Total Current Tax Expense	**(11.17)**	**(12.27)**

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 taxes (including the monetary value of Vesta's investment properties and the tax loss benefits to amortize) in U.S. dollars at the end of the second quarters of 2019 and 2018; [ii] the impact of an inflation 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 these assets is based on their historical cost and is then appreciated.

Second Quarter 2019 Profit

Due to the factors described above, the Company's profit for the second quarter of 2019 amounted to US$ 49.33 million, compared to US$ 11.91 million in 2Q19.

Total Comprehensive Income (Loss) for the Period

Vesta closed second quarter 2019 with US$ 51.41 million in total comprehensive income, compared to US$ 7.29 million at the end of the second quarter of 2018, due to the factors previously described. This gain was offset by a higher expense in the valuation of derivative financial instruments, while exchange differences on translating other functional currency operations resulted in a gain.

Funds from Operations (FFO)

				6 months		
FFO Reconciliation (million)	**2Q19**	**2Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Total Comprehensive Income for the period	51.41	7.29	605.5	71.51	43.70	na
Adjustments						
Exchange differences	(3.08)	5.18	(159.5)	(2.13)	6.25	(134.0)
Gain on revaluation of investment properties	(32.44)	(24.27)	33.6	(44.40)	(31.53)	na
Gain in sell properties	(16.02)	0.00	na	(16.02)	0.00	na
Long-term incentive (non-cash)	0.70	0.48	45.9	1.40	0.97	43.7
Exchange Gain (Loss)	(0.69)	4.91	(114.1)	(1.93)	1.02	na
Depreciation	0.34	0.12	na	0.65	0.23	185.1
Other income	0.00	0.04	na	0.00	(0.47)	(100.5)
Valuation of derivative financial instruments	1.01	(0.55)	na	1.67	(2.06)	na
Interest income	(0.02)	(0.02)	(10.4)	(0.04)	(0.03)	na
Income Tax Expense	17.84	26.22	na	29.81	20.70	na
Current Tax	(12.27)	(0.30)	4013.0	(23.44)	(11.03)	na
FFO Attributable	**6.78**	**19.09**	(64.5)	**17.09**	**27.74**	(38.4)
FFO per share	0.0114	0.0319	(64.2)	0.0288	0.0463	(37.9)

Funds from Operations (FFO) attributable to common stockholders for 2Q19 totaled US$ 6.78 million, or US$ 0.0114 per share, compared with US$ 19.09 million, or US$ 0.0319 per share, for 2Q18.

2Q19 pretax operating FFO, which excludes current taxes, totaled US$ 19.05 million; a 1.7% decrease, compared with US$ 19.39 million for 2Q18.

The current tax associated with the Company's operations resulted in a US$ 12.27 million expense. The exchange-rate related portion of the current tax represented a US$ 2.26 million expense while the current operating tax represented a US$ 10.01 million expense. It is important to note that US$ 6.14 million of the operating tax, is related to the portfolio sale, as described above.

Current Tax Expense	**1Q19**	**2Q19**
Operating Current Tax	(6.43)	(10.01)
Exchange Rate Related Current Tax	(4.73)	(2.26)
Total Current Tax Expense	**(11.17)**	**(12.27)**
Adjusted FFO	**15.50**	**9.04**
Adjusted FFO per share	0.0274	0.0154

Accumulated Current Tax Expense	**3M19**	**6M19**
Operating Current Tax	(6.43)	(16.44)
Exchange Rate Related Current Tax	(4.73)	(7.00)
Total Current Tax Expense	**(11.17)**	**(23.44)**
Adjusted FFO	**15.50**	**24.54**
Adjusted FFO per share	0.0274	0.0428

Capex

Investing activities were primarily related to payments for works in progress in the construction of new buildings in the North and Bajio region. Total investments for the second quarter 2019 amounted to US$ 17.75 million.

Debt

As of June 30, 2019, the overall balance of debt was US$ 697.55 million, of which US$ 60.77 is related to short-term liabilities and US$ 636.78 is related to long-term liabilities. The secured portion of the debt is just below 50% of total debt and is guaranteed by some of the Company's investment properties, as well as by the related income derived. As of 2Q19, 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	2Q18 Stabilized Portfolio		Growth SF	2Q19 Stabilized Portfolio	
	SF	%	SF	SF	%
Central Mexico	6,912,630	25.6%	-418,570	6,494,060	23.6%
Bajio	12,895,138	47.7%	122,015	13,017,153	47.3%
Baja California	4,526,161	16.7%	355,767	4,881,928	17.7%
Juarez	2,702,643	10.0%	431,280	3,133,923	11.4%
Total	**27,036,573**	**100%**	**490,491**	**27,527,064**	**100%**

	2Q18		2Q19	
	Occupancy SF	**% Total**	**Occupancy SF**	**% Total**
Central Mexico	6,393,101	92.5%	6,080,810	93.6%
Bajio	12,523,319	97.1%	12,308,703	94.6%
Baja California	4,435,741	98.0%	4,750,043	97.3%
Juarez	2,695,267	99.7%	3,126,547	99.8%
Total	**26,047,429**	**96.3%**	**26,266,103**	**95.4%**

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 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 below a reconciliation of the updated definition versus the prior definition.

Region	2Q18 Same Store Portfolio SF	2Q18 Same Store Portfolio %	Growth SF	2Q19 Same Store Portfolio SF	2Q19 Same Store Portfolio %
Central Mexico	6,549,346	28.8%	-265,493	6,283,853	24.7%
Bajio	11,321,728	49.9%	623,640	11,945,367	46.9%
Baja California	2,858,675	12.6%	1667632	4,526,307	17.8%
Juarez	1,972,573	8.7%	730,070	2,702,643	10.6%
Total	**22,702,322**	**100%**	**2,755,848**	**25,458,170**	**100%**

	2Q18 Occupancy SF	2Q18 % Total	2Q19 Occupancy SF	2Q19 % Total
Central Mexico	6,140,785	93.8%	5,923,663	94.3%
Bajio	11,201,806	98.9%	11,816,781	98.9%
Baja California	2,817,606	98.6%	4,526,307	100.0%
Juarez	1,965,197	99.6%	2,695,267	99.7%
Total	**22,125,395**	**97.5%**	**24,962,018**	**98.1%**

Total Portfolio

As of June 30, 2019, the Company's portfolio was comprised of 182 high-quality industrial assets, with a total GLA of 29.3 million ft^2 (2.72 million m^2) and with 84.8% 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.

Region	1Q19 Existing Portfolio SF	1Q19 Existing Portfolio %	Growth SF	2Q19 Total Portfolio SF	2Q19 Total Portfolio %
Central Mexico	7,122,733	23.4%	-628,673	6,494,060	22.2%
Bajio	15,081,603	49.6%	-945,191	14,136,412	48.3%
Baja California	5,078,131	16.7%	91,781	5,169,912	17.7%
Juarez	3,133,923	10.3%	328,038	3,461,961	11.8%
Total	**30,416,390**	**100%**	**-1,154,045 ***	**29,262,345**	**100%**

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

VESTA

Total Vacancy

As of June 30, 2019, Vesta's property portfolio had a vacancy rate of 8.8%.

	1Q19		2Q19	
	Vacant SF	**% Total**	**Vacant SF**	**% Total**
Central Mexico	472,021	6.6%	413,250	6.4%
Bajio	1,990,769	13.2%	1,683,721	11.9%
Baja California	313,044	6.2%	203,693	3.9%
Juarez	7,376	0.2%	273,047	7.9%
Total	**2,783,210**	**9.2%**	**2,573,712**	**8.8%**

Projects Under Construction

Vesta is currently developing 529,486 ft^2 (49,191 m^2) in inventory and Build-to-Suit (BTS) buildings.

Projects under Construction

Project	GLA (SF)	GLA (m^2)	Investment (1) (thousand USD)	Type	Expected Termination Date	City	Region
BRP Exp	19,838	1,843	1,249	BTS	Oct-19	Tijuana	North Region
Alamar	200,363	18,614	10,746	Inventory	Dec-19	Juarez	North Region
BRP Exp	73,694	6,846	2,874	BTS	Aug-19	Queretaro	Bajio Region
VP SPL 03	235,591	21,887	9,319	Inventory	Oct-19	San Luis Potosi	Bajio Region
Total	**529,486**	**49,191**	**24,188**				

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

Land Reserves

As of June 30, 2019, the Company had 37.4 million square feet of land reserves

	March 31, 2019	*June 30, 2019*	
Region	**Gross Land Area (SF)**	**Gross Land Area (SF)**	**% Chg.**
San Luis Potosi	3,811,268	3,811,268	0.00
Queretaro	10,280,901	10,280,901	0.00
Tijuana	1,079,172	630,241	(0.42)
Cd. Juarez	1,257,108	1,257,108	0.00
Guanajuato	3,358,171	3,358,171	0.00
Aguascalientes	12,947,870	12,947,870	0.00
Puebla	1,223,360	1,223,360	0.00
SMA	3,870,234	3,870,234	0.00
Total	**37,828,084**	**37,379,153**	**-1.19%**

Subsequent Events

Dividends:

During the Company's General Ordinary Shareholders Meeting, Vesta shareholders agreed to pay a US$ 52.21 million-dollar dividend, to be paid in quarterly installments. This resulted in an annual payment of PS$ 1,007,986,049. Quarterly dividend per share will be determined based on the outstanding shares on the distribution date.

On July 15, 2019 Vesta paid cash dividends for the second quarter equivalent to PS$ 0.428963 per ordinary share. The dividend was paid through the S.D. Indeval S.A. de C.V. (INDEVAL) Institucion para el Deposito de Valores.

	Dividends per share
1Q19	0.425
2Q19	0.429

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q19	2Q18	Chg. %	2019	2018	Chg. %
				6 months		
Revenues						
Rental income	35.94	32.38	11.0	72.23	63.75	13.3
Operating Costs	**(1.78)**	**(1.37)**	**29.6**	**(3.34)**	**(2.41)**	**38.7**
Related to properties that generate rental income	(1.69)	(1.07)	57.8	(3.03)	(1.94)	55.7
Related to properties that did not generate rental income	(0.09)	(0.30)	(69.5)	(0.31)	(0.47)	(32.3)
Gross profit	**34.16**	**31.00**	**10.2**	**68.89**	**61.34**	**12.3**
Net Operating Income	**34.25**	**31.31**	**9.4**	**69.20**	**61.80**	**12.0**
Administration Expenses	(4.60)	(3.76)	22.4	(8.73)	(7.69)	13.6
Long-term incentive (non-cash)	(0.70)	(0.48)	45.9	(1.40)	(0.97)	43.7
Depreciation	(0.34)	(0.12)	186.2	(0.65)	(0.23)	185.1
EBITDA	30.26	27.73	9.1	61.55	54.62	12.7
Other Income and Expenses						
Interest income	0.02	0.02	(10.4)	0.04	0.03	na
Other income	0.00	(0.04)	na	(0.00)	0.47	(100.5)
Transaction cost on debt issuance	0.00	(0.01)	na	0.00	(0.14)	(100.0)
Interest expense	(11.21)	(8.33)	34.6	(21.02)	(15.71)	33.8
Exchange gain (loss)	0.69	(4.91)	na	1.93	(1.02)	na
Gain in sell properties	16.02	0.00	na	16.02	0.00	na
Gain on revaluation of investment properties	32.44	24.27	33.6	44.40	31.53	40.8
Total other (expenses) income	**37.96**	**11.01**	**na**	**41.36**	**15.16**	**172.7**
Profit Before Income Taxes	**67.18**	**38.13**	**76.2**	**100.86**	**68.59**	**47.1**
Income Tax Expense	(17.84)	(26.22)	(31.9)	(29.81)	(20.70)	44.0
Current Tax	(12.27)	(0.30)	na	(23.44)	(11.03)	112.4
Deferred Tax	(5.57)	(25.92)	(78.5)	(6.37)	(9.67)	(34.1)
Profit for the Period	49.33	11.91	na	71.06	47.89	48.4
Valuation of derivative financial instruments	(1.01)	0.55	na	(1.67)	2.06	(180.7)
Exchange differences on translating other functional currency operations	3.08	(5.18)	na	2.13	(6.25)	na
Total Comprehensive Income for the period	51.41	7.29	605.5	71.51	43.70	63.7
Shares (average)	594.38	598.70	(0.7)	594.39	598.70	(0.7)
EPS	0.086	0.012	610.6	0.120	0.073	64.8

Consolidated Statements of Financial Position (million)	June 30, 2019	December 31, 2018
ASSETS		
CURRENT		
Cash and cash equivalents	131.05	64.48
Financial assets held for trading	0.77	0.72
Accounts receivable net	11.95	26.34
Operating lease receivable, net	9.48	8.13
Due from related parties	0.00	0.00
Prepaid expenses	2.08	0.54
Guarantee deposits made	0.00	0.00
Total current assets	**155.34**	**100.22**
NON-CURRENT		
Investment properties	1,878.34	1,884.62
Leasing Terms	1.33	0.00
Office equipment - net	2.07	2.49
Derivative financial instruments	0.00	2.38
Guarantee Deposits made	4.43	4.38
Total non-current assets	**1,886.17**	**1,893.87**
TOTAL ASSETS	**2,041.51**	**1,994.09**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	60.77	4.51
Financial leases payable-short term	0.54	0.00
Accrued interest	6.47	5.32
Accounts payable	4.91	2.79
Income tax payable	0.42	0.41
Derivative financial instruments	0.06	0.00
Accrued expenses	2.88	3.66
Total current liabilities	**76.06**	**16.69**
NON-CURRENT		
Long-term debt	636.78	695.28
Financial leases payable-long term	0.83	0.00
Guarantee deposits received	13.34	13.05
Dividends payable	39.44	0.00
Deferred income taxes	221.76	215.35
Total non-current liabilities	**912.14**	**923.69**
TOTAL LIABILITIES	**988.20**	**940.38**
STOCKHOLDERS' EQUITY		
Capital stock	428.81	435.61
Additional paid-in capital	308.46	321.02
Retained earnings	352.25	333.83
Share-base payments reserve	5.60	5.51
Foreign currency translation	(41.81)	(43.94)
Valuation of derivative financial instruments	0.00	1.67
Total shareholders' equity	**1,053.30**	**1,053.70**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,041.51**	**1,994.09**

Consolidated Statements of Cash Flows (million)	June 30, 2019	June 30, 2018
Cash flow from operating activities:		
Profit before income taxes	100.86	30.20
Adjustments:		
Depreciation	0.42	0.11
Depreciation of right of use assets	0.23	0.00
Gain on revaluation of investment properties	(44.40)	(7.26)
Effect of foreign exchange rates	(1.93)	(3.89)
Interest income	(0.04)	(0.02)
Interest expense	21.02	7.36
Share base compensation	1.40	0.49
Gain in sale of investment property	(16.02)	0.00
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	(1.35)	(1.08)
Recoverable taxes	5.77	(1.15)
Prepaid expenses	(1.55)	(1.42)
Guarantee Deposits made	0.00	0.00
(Increase) decrease in:		
Accounts payable	2.12	(2.58)
Guarantee Deposits received	0.00	0.00
Accrued expenses	(0.78)	(0.41)
Income Tax Paid	(14.05)	(3.73)
Income Tax Deferred	0.00	0.00
Net cash generated by operating activities	51.71	16.63
Cash flow from investing activities		
Purchases of investment property	(38.14)	(33.30)
Sale of investment property	109.26	0.00
Acquisition of office furniture	0.00	(0.12)
Financial assets held for trading	0.00	(0.06)
Interest received	0.04	0.02
Net cash used in investing activities	71.16	(33.46)
Cash flow from financing activities		
Financial leasing paid	(0.27)	0.00
Repurchase of treasury shares	(20.68)	(2.21)
Repayments of borrowings	(150.50)	0.00
Dividends paid	(13.20)	0.00
Interest paid	(19.79)	(5.23)
Guarantee deposits granted	(0.05)	0.13
Guarantee deposits collected	0.28	0.96
Costs paid for debt issuance	3.26	0.00
Borrowings	145.00	26.60
Net cash (used in) generated by financing activities	(55.95)	20.24
Effects of exchange rates changes on cash	(0.36)	2.94
Net Increase in cash and cash equivalents	66.57	6.35
Cash, restricted cash and cash equivalents at the beginning of period	65.22	91.74
Cash, restricted cash and cash equivalents at the end of period	131.79	98.09

Consolidated Statements of Changes in Stockholders' Equity (million)	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-based payment reserve	Foreign Currency Translation	Valuation of derivative financial instruments	Total Stockholders´ Equity
Balances as of January 1, 2018	**439.84**	**327.27**	**288.67**	**3.30**	**(37.33)**	**0.58**	**1022.33**
Equity issuance							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	2.98	0.00	0.00	2.98
Dividends declared	0.00	0.00	(47.90)	0.00	0.00	0.00	(47.90)
Repurchase of shares	(4.53)	(6.73)	0.00	0.00	0.00	0.00	(11.26)
Derivative financial instruments							0.00
Comprehensive income (loss)	0.00	0.00	93.06	0.00	(6.61)	1.09	87.54
Balances as of June 30, 2018	**435.61**	**321.02**	**333.83**	**5.51**	**(43.94)**	**1.67**	**1053.70**
Balances as of January 1, 2019	**435.61**	**321.02**	**333.83**	**5.51**	**(43.94)**	**1.67**	**1053.70**
Equity issuance							0.00
Vested shares	0.51	0.80	0.00	(1.31)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	1.40	0.00	0.00	1.40
Dividends payments	0.00	0.00	(52.64)	0.00	0.00	0.00	(52.64)
Repurchase of shares	(7.31)	(13.37)	0.00	0.00	0.00	0.00	(20.68)
Comprehensive income	0.00	0.00	71.06	0.00	2.13	(1.67)	71.51
Balances as of June 30, 2019	**428.81**	**308.46**	**352.25**	**5.60**	**(41.81)**	**0.00**	**1053.30**

Financial Derivative Instruments

In 2018, Vesta signed a derivative contract to fix our floating interest rate to a fixed interest rate in order to reduce the Company's financial risks.

Because it is a derivative for accounting purposes, the IFRS practice of "hedging financial instruments" applies. Vesta values the derivative at fair value. The fair value is based on the market prices of 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)		June 30, 2019	December 31, 2018
Underlying	***Type of Instrument***	***Mark to Market***	
3M Libor Syndicated Loan	Swap	(1.01)	(1.27)

Notes and Disclaimer

Interim Consolidated Condensed Financial Statements: The figures presented within this release for the three-month periods ending June 30, 2019 and 2018 have not been audited.

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

Date	Exchange Rate
Balance Sheet	
June 30, 2018	19.863
June 30, 2019	19.169
Income Statement	
2Q18 *(average)*	19.370
2Q19 *(average)*	19.125
6M18 *(average)*	19.067
6M19 *(average)*	19.173

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, except 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, income tax, gain (loss) due to the

revaluation of 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 best-in-class, fully integrated real estate company that owns, manages, acquires, sells, develops and re-develops industrial properties in Mexico. As of June 30, 2019, Vesta owned 182 properties located in modern industrial parks in 14 states of Mexico totaling a GLA of 29.3 million ft^2 (2.72 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.