

INNOVATING MEXICO'S INDUSTRIAL PLATFORM

VESTA DAY 2017

Part 1

Geopolitics and NAFTA

Part 2

Vision, Objectives, and Execution

Part 3

On the Ground Reality, Numbers, and Financials

Global Geopolitical Trends and Mexico

Dr. George Friedman

Founder and Chairman of Geopolitical Futures

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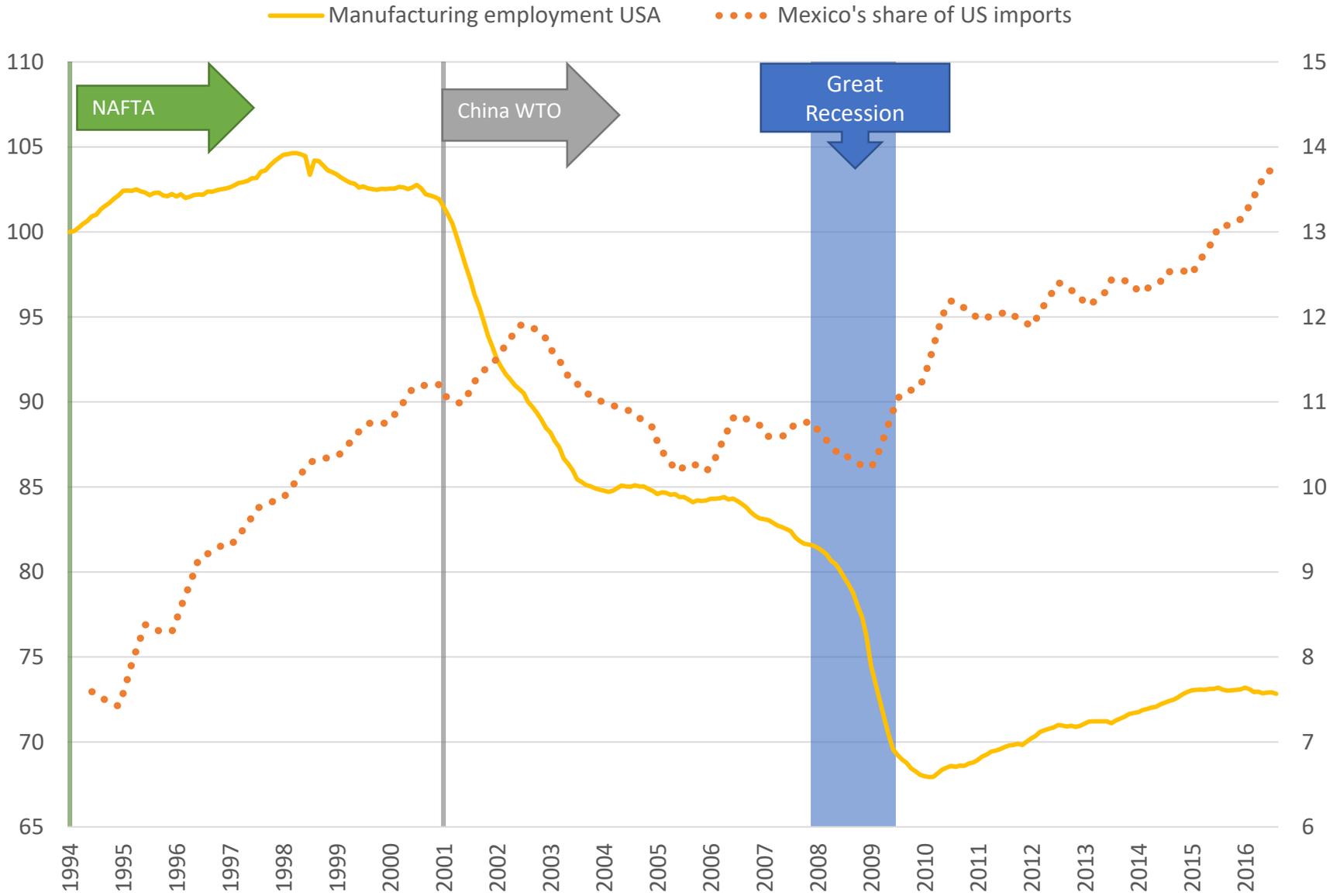
Corporación Inmobiliaria Vesta,
S.A.B. de C.V.

New York, NY
June 14, 2017

Vesta Day 2017

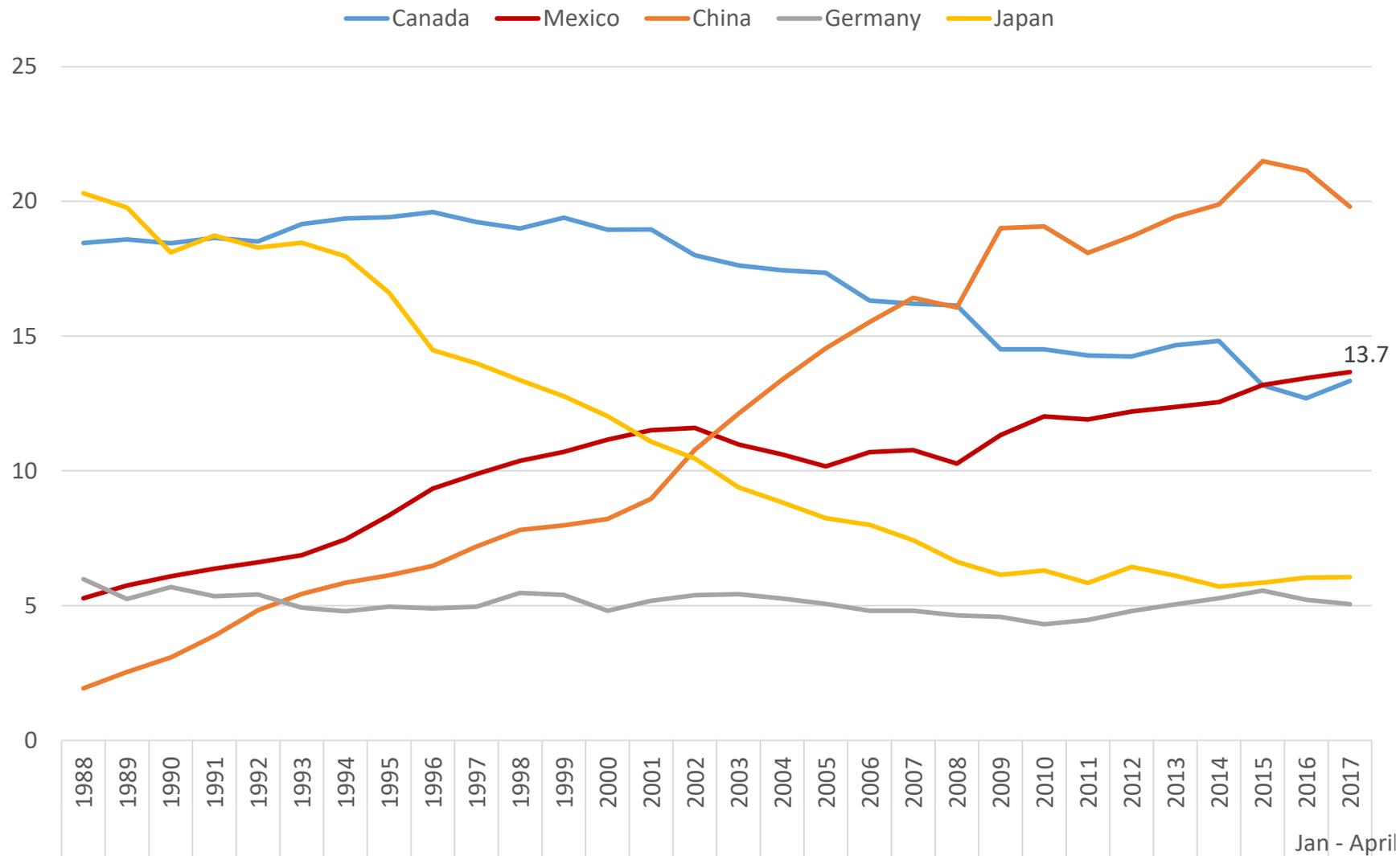
June 2017



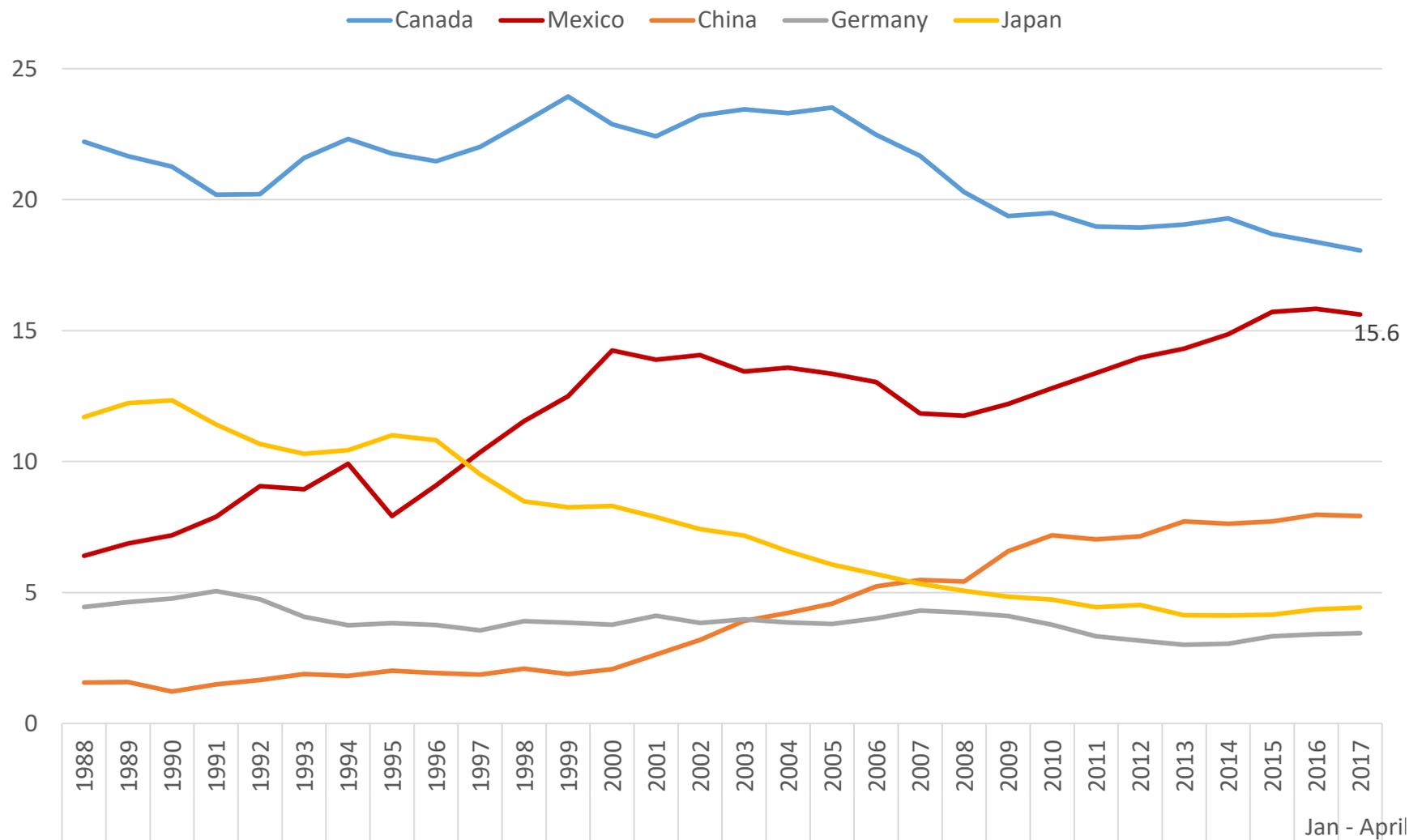


Source: Bureau of Labor Statistics, US Census Bureau and INEGI

Market share of US imports

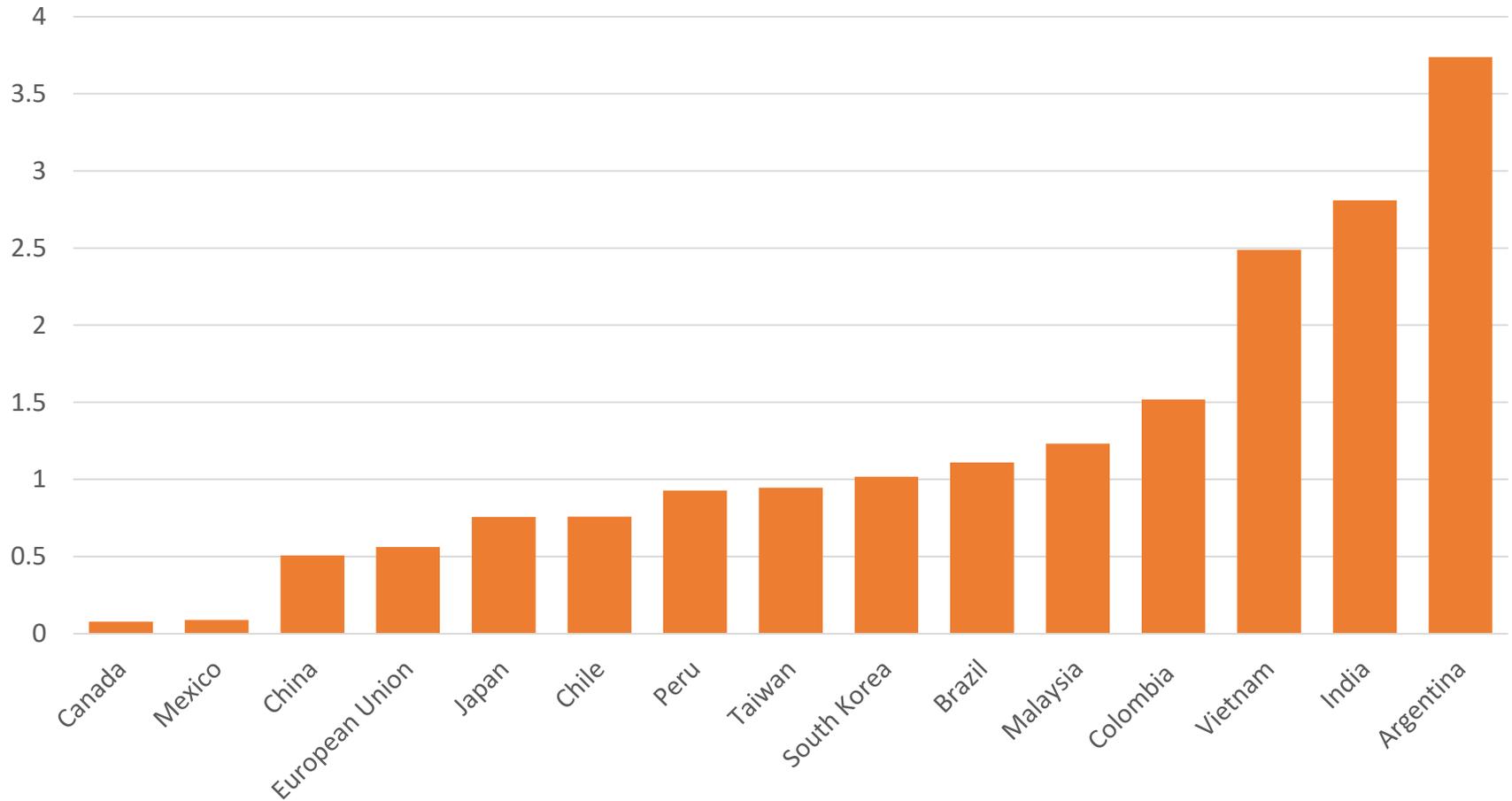


Market share of US exports

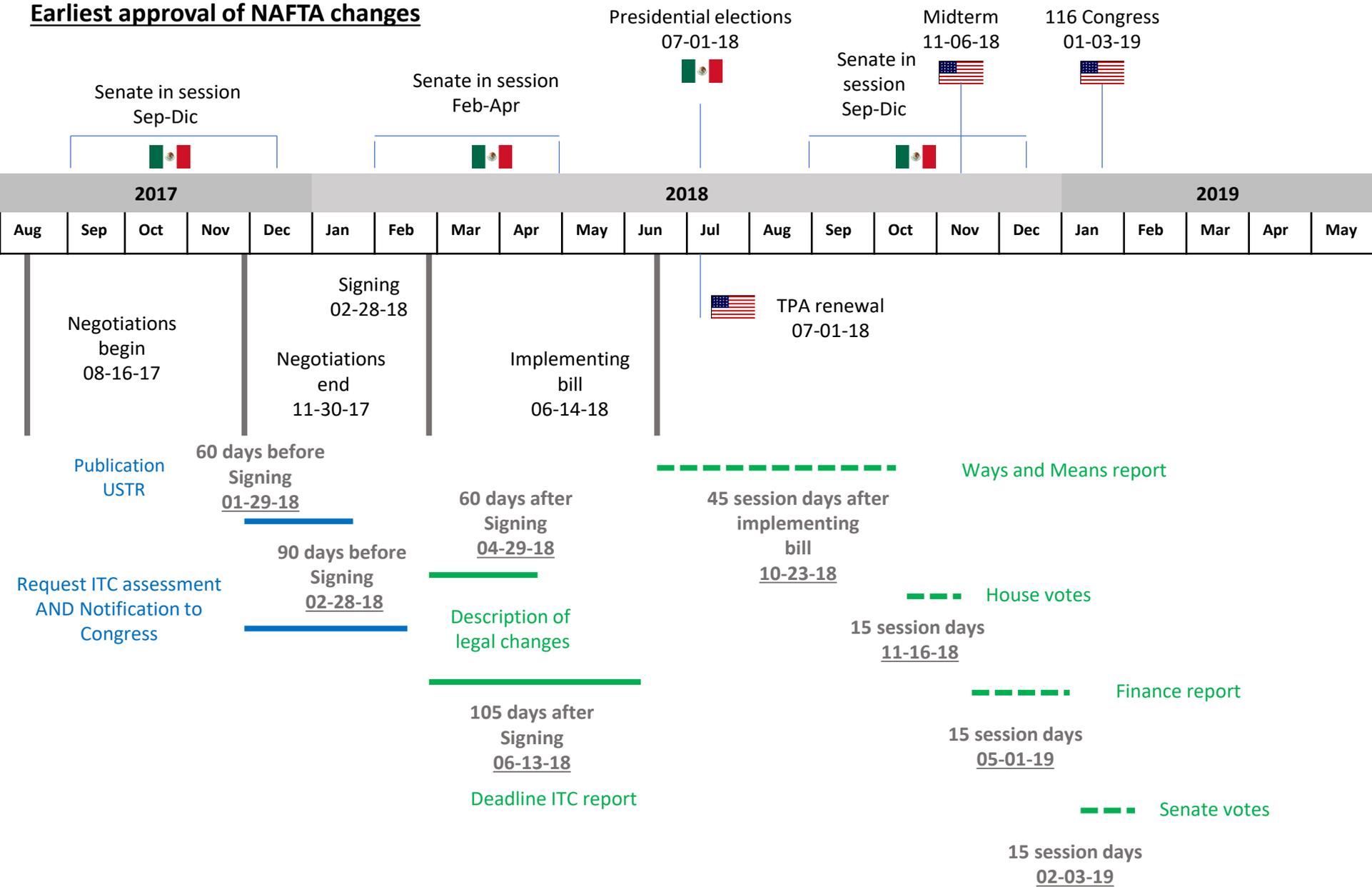


National Trade Estimate

Number of characters/US exports (USD millions)



Earliest approval of NAFTA changes



Scenario: **no changes** to trade remedy laws

Session days approximate, based on 2017 calendar

VISION, OBJECTIVES, AND EXECUTION

LORENZO BERHO
CHIEF EXECUTIVE OFFICER

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EXPERIENCED MANAGEMENT TEAM



Lorenzo Berho
Chief Executive Officer
and President

19 years with Vesta

- Founder of Vesta



Guillermo Diaz
Chief Investment
Officer

10 years with Vesta



Lorenzo D Berho
Chief Operating Officer

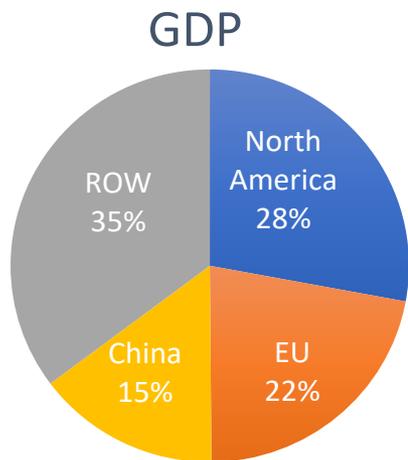
14 years with Vesta



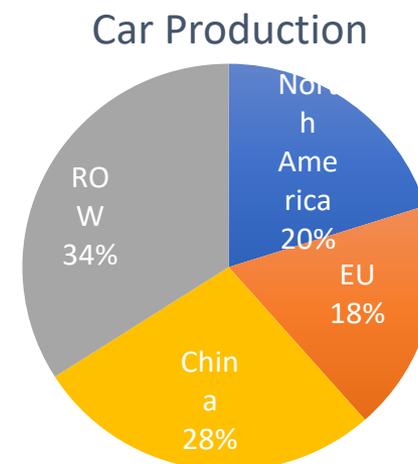
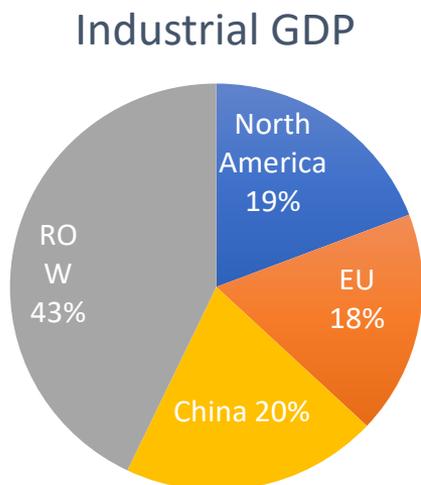
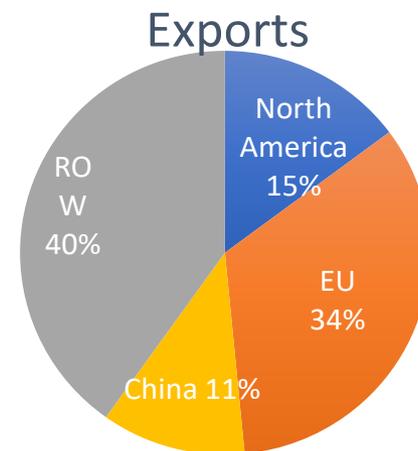
Juan Sottit
Chief Financial Officer

8 years with Vesta

OVER THE PAST 23 YEARS, A NEW INDUSTRIAL SYSTEM HAS EVOLVED IN NORTH AMERICA



The system became more important than the treaty from which it was originated...

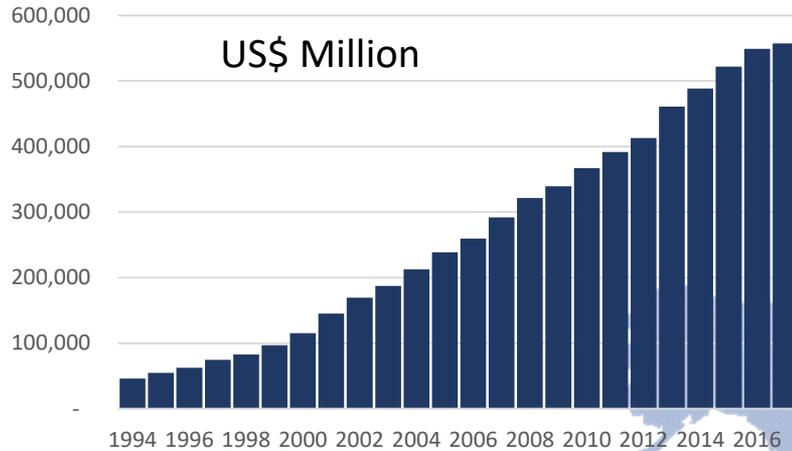


...and will continue to flourish.

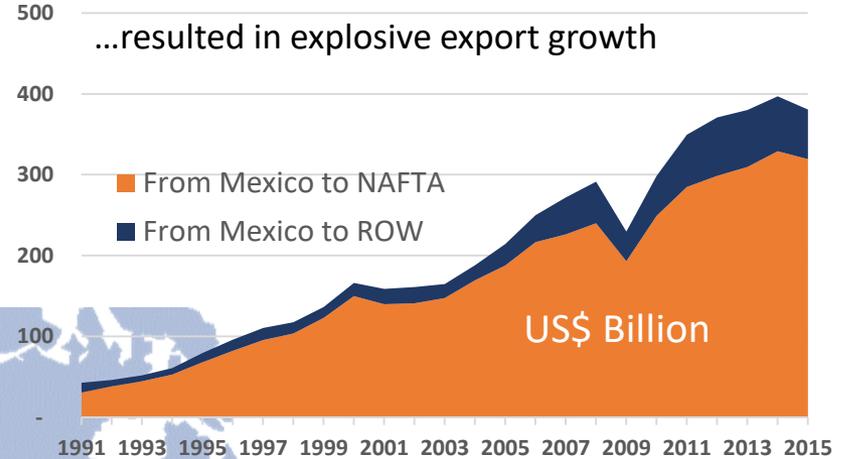
INDUSTRIAL MEXICO BECAME THE SYSTEM'S KEY COMPONENT

Mexico was transformed by NAFTA...

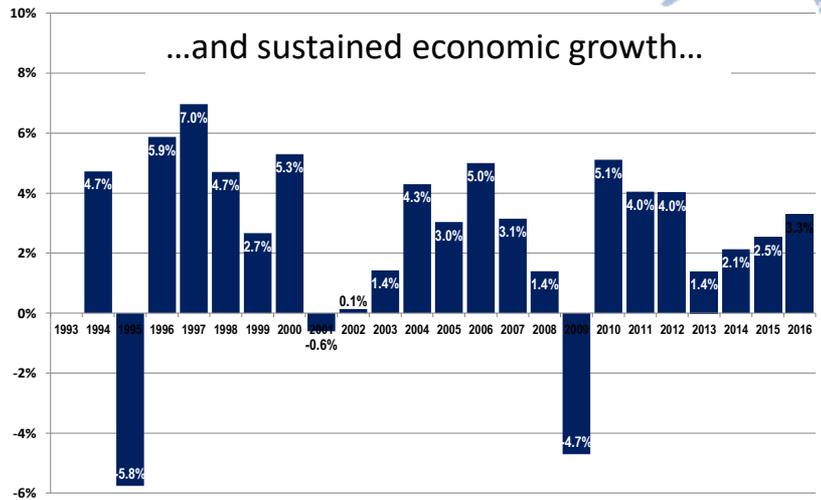
Massive foreign investment...



...resulted in explosive export growth

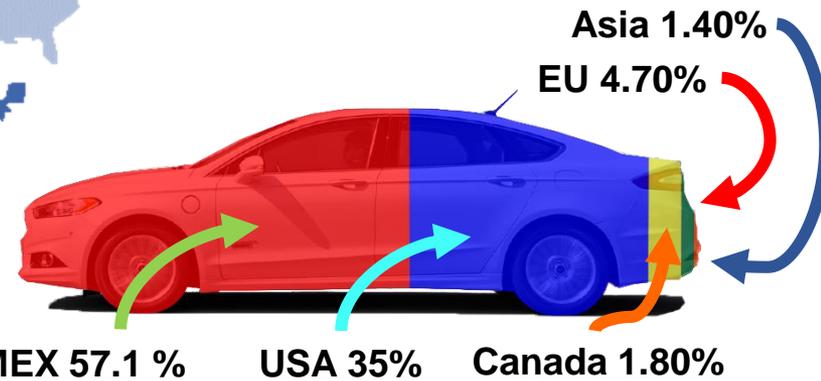


...and sustained economic growth...



...with high interdependence

Composition of a car assembled in Mexico



...and became key to Region's success

MEXICO BECAME A WORLD-CLASS MANUFACTURING HUB



Auto exports



Appliances exports



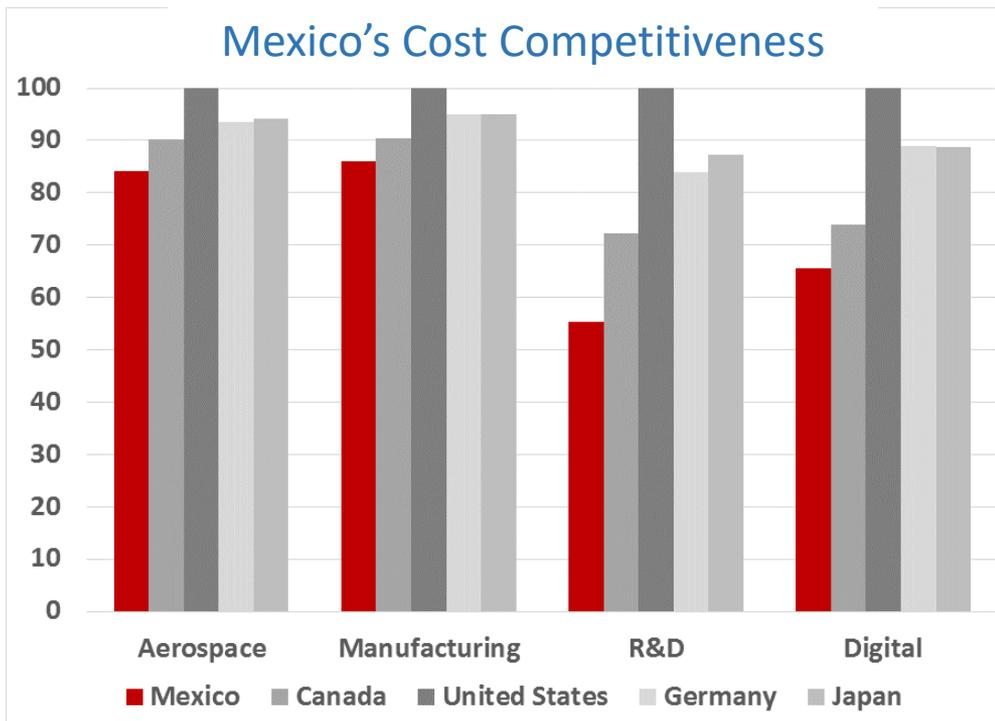
Auto Parts Manufacturing



Manufacturing exports



GDP



21 auto OEM's/
28 plants



Growing aerospace hub:
312 facilities in 19 states



2,500 auto part manufacturers



Leading Appliance Producer:
177 companies, 7 states

...creating one of the world's most productive industrial systems

VESTA HAS BEEN AN ACTIVE PARTICIPANT IN MEXICO'S SUCCESS, FOR OVER 20 YEARS



Active participant in creating the System

Focused on the most profitable sectors, markets, clients

Built a world-class portfolio of tenants and high quality properties

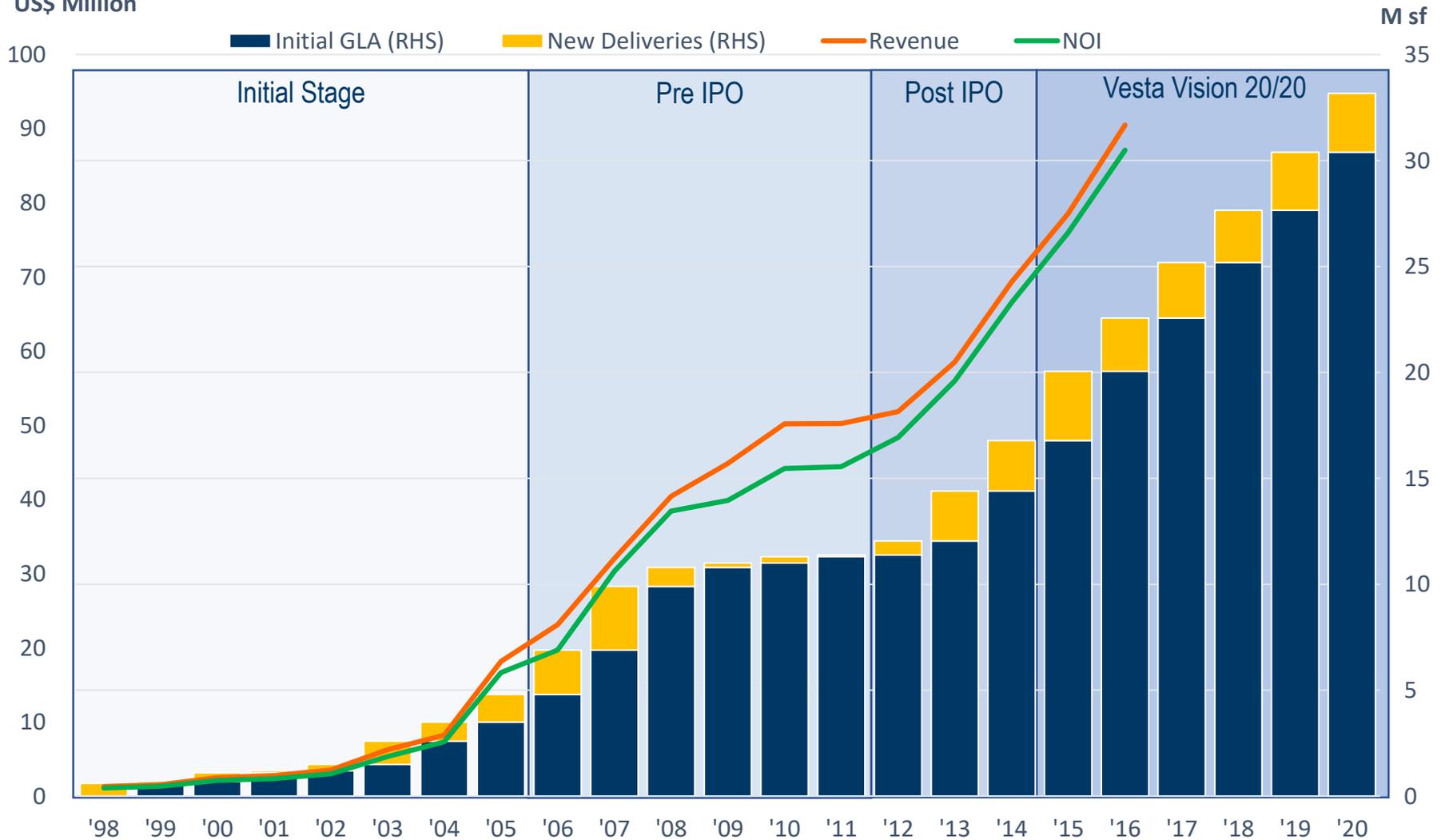
Critical component of our clients' successful supply chains



A HISTORY OF VALUE CREATION



US\$ Million



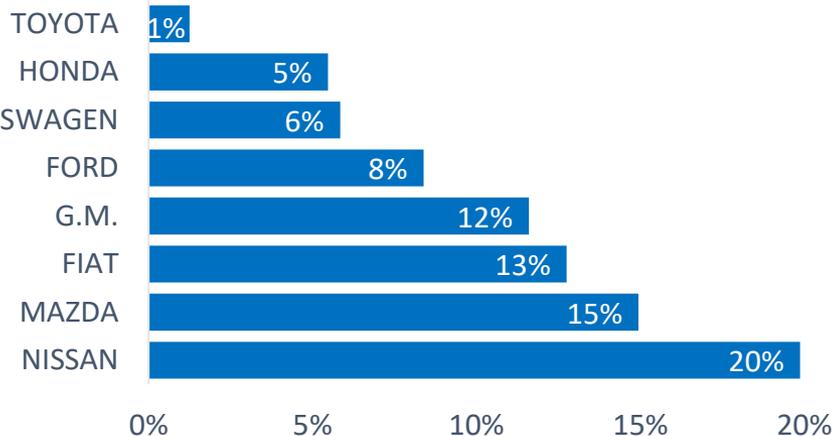
THE OUTLOOK: INDUSTRIAL MEXICO AND VESTA WILL CONTINUE TO SUCCEED



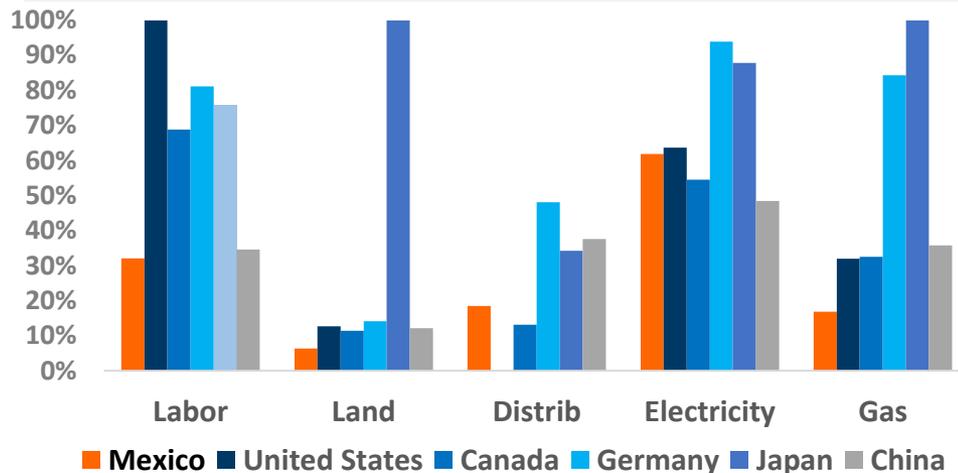
Mexico is a crucial, efficient platform of global manufacturer's facilities...

...and continues to be the optimal location for export to the US

% Of world production from Mexico



Cost Index



Global corporations are heavily invested in México and Vesta is a Key partner in their supply chains



- 
- A dark blue silhouette of the map of Mexico is positioned in the background of the slide, behind the text.
- Mexico has developed a strong industrial platform, which is crucial to North America's competitiveness
 - Vesta has played a key role as partner to Mexico's most important supply chains
 - Industry 4.0 is growing in Vesta's parks across Mexico
 - Vesta, driven by innovation and passion, is evolving into an exponential organization...beyond a real estate team

HOW TO ACHIEVE IT

GUILLERMO DIAZ
CHIEF INVESTMENT OFFICER

TRANSFORMING VESTA INTO AN EXPONENTIAL ORGANIZATION

We want to be an *Exponential Organization*

- ExO = Impact is disproportionately large (> 10x larger) compared to its peers by using organizational techniques that leverage accelerating technologies

What does it mean to transform Vesta into an ExO?

- Organize the company to:
 - Overcome the challenges to succeed in a fast-changing world
 - Exponentially increase productivity
- Define exponential goals for the company in the financial, market, operating and internal dimensions
- Identify, acquire resources to achieve those exponential objectives
- The key to succeed: **Shift to an information-based environment**

TRANSFORMING VESTA INTO AN EXPONENTIAL ORGANIZATION

Transformation requires a serious methodology based on sound Theory

- Identifying and combining the best managerial tools
- ExO philosophy + Strategy Maps + Competitive Strategy Theory
- Result: An effective strategic management platform

We started the process by developing Vesta's Strategy Map

- Develop Vesta's Massive Transformative Purpose
- Review, update long term objectives
- Align objectives to all organizational units and individuals

Translate plan to specific, high-impact projects

- The process is under way
- We are starting to see very good, promising results

VESTA'S STRATEGY MAP



STRATEGY MAP: FINANCIAL PERSPECTIVE

2020 Objectives

Increase Total Portfolio

GLA 2020

33.2 M sf

Δ GLA

10.6 M sf

Invest

\$407M

STRATEGY MAP: MARKET PERSPECTIVE

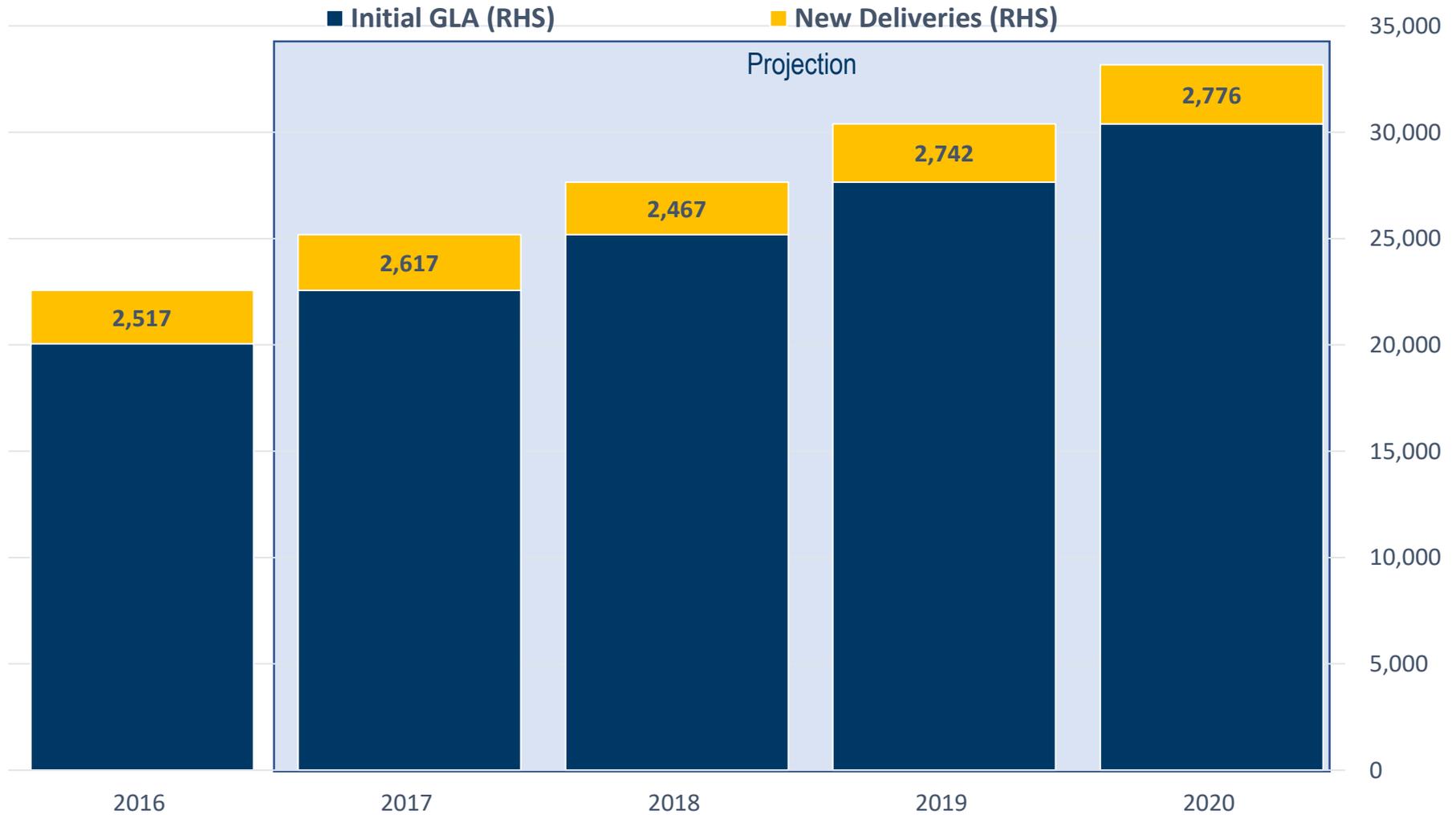
Total		
<i>Concept</i>	<i>2017-2020</i>	<i>Δ</i>
GLA	33.2 M sf	
Land Acquisition	71 acres	
Development	10.6 M sf	
Leasing	11.7 M sf	
Renewals	4.8 M sf	
Occupancy	92.4%	

Central		
<i>Concept</i>	<i>2017-2020</i>	<i>Δ</i>
GLA	8.3 M sf	
Land Acquisition	34 acres	
Development	1.4 M sf	
Leasing	2.3 M sf	
Renewals	1.6 M sf	
Occupancy	94.1 %	

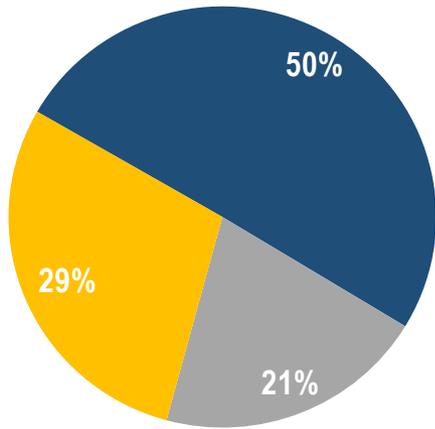
Bajío		
<i>Concept</i>	<i>2017-2020</i>	<i>Δ</i>
GLA	18.0 M sf	
Land Acquisition	8 acres	
Development	6.6 M sf	
Leasing	6.9 M sf	
Renewals	1.4 M sf	
Occupancy	93.0 %	

North		
<i>Concept</i>	<i>2017-2020</i>	<i>Δ</i>
GLA	6.9 M sf	
Land Acquisition	29 acres	
Development	2.6 M sf	
Leasing	2.5 M sf	
Renewals	1.8 M sf	
Occupancy	88.6 %	

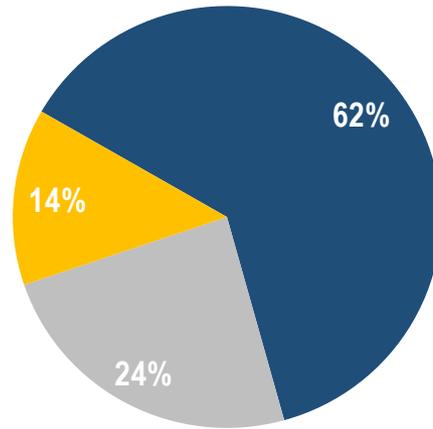
VESTA'S GROWTH PATH



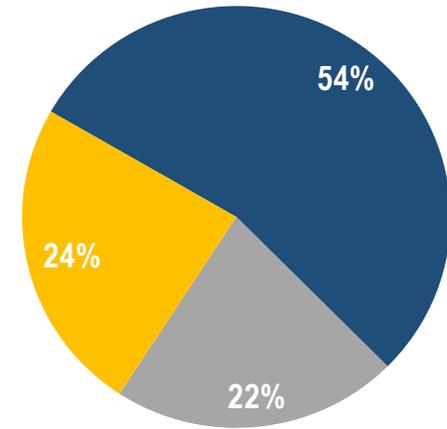
GROWTH BY REGION 2017 – 2020



GLA 2016
22.6 M sf



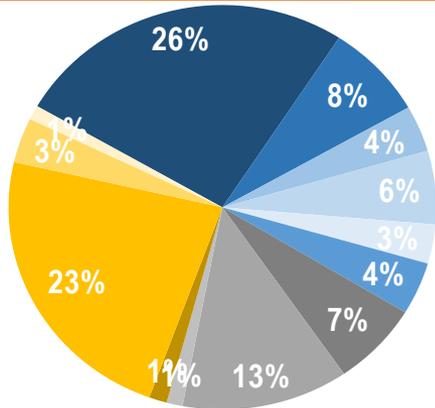
Growth
10.6 M sf



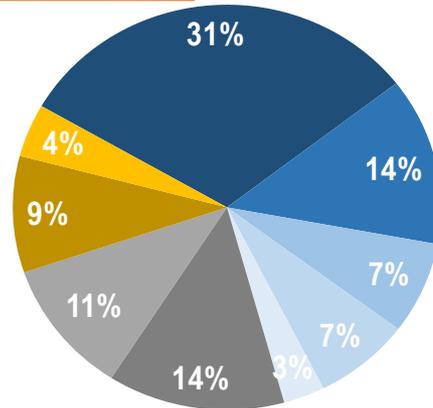
GLA 2020
33.2 M sf

Market	Growth M s	% GLA	% Growth	CAGR	M sf/yr
Bajío	6.6	62.4%	58.2%	12.1%	1.7
North	2.6	24.1%	55.2%	11.6%	0.6
Central	1.4	13.5%	21.8%	5.1%	0.4
Total	10.6	100.0%	47.0%	10.1%	2.7

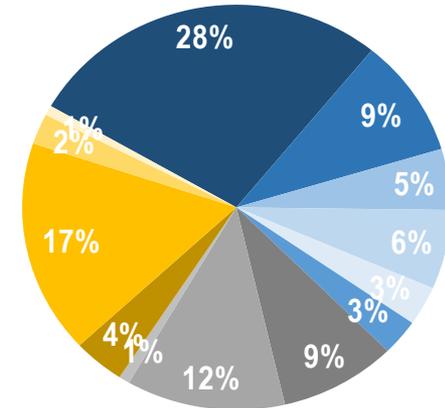
GROWTH BY MARKET 2017 – 2020



GLA 2016
22.6 M sf



Growth
10.6 M sf



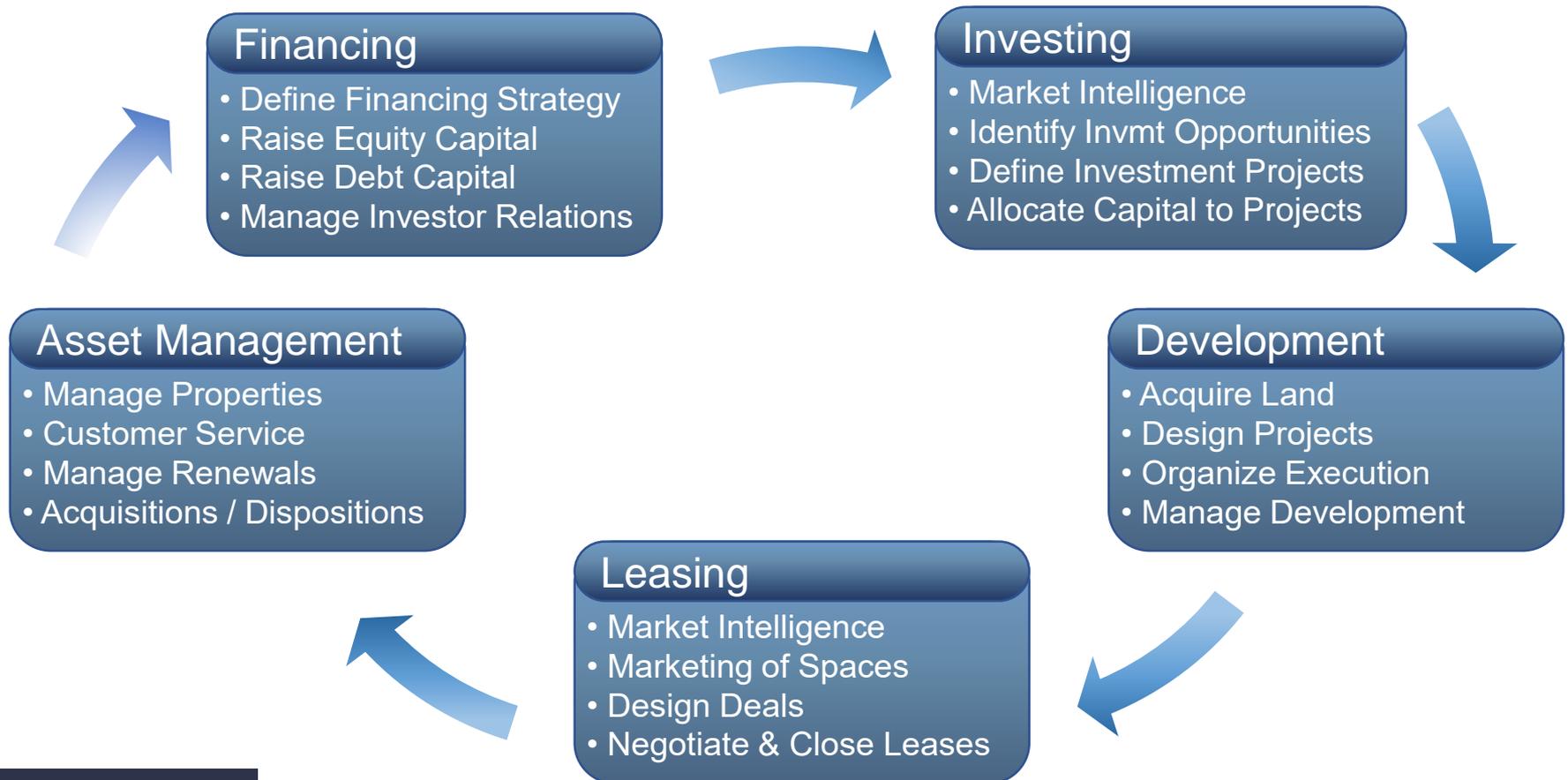
GLA 2020
33.2 M sf

Market	Growth M s	%GLA	% Growth	CAGR	M sf/yr
Qro	3.3	31.2%	31.2%	11.9%	0.8
Ags	1.4	13.4%	13.4%	16.3%	0.4
SMA	0.8	7.3%	7.3%	17.9%	0.2
Silao	0.8	7.3%	7.3%	12.2%	0.2
SLP	0.3	3.1%	3.1%	10.1%	0.1
Lagos	0.0	0.0%	0.0%	0.0%	0.0
Juarez	1.4	13.4%	13.4%	18.0%	0.4
Tijuana	1.1	10.7%	10.7%	8.8%	0.3
Other	0.0	0.0%	0.0%	0.0%	0.0
Puebla	1.0	9.3%	9.3%	43.5%	0.2
Toluca	0.5	4.2%	4.2%	2.1%	0.1
Tlaxcala	0.0	0.0%	0.0%	0.0%	0.0
VM	0.0	0.0%	0.0%	0.0%	0.0
Total	10.6	100.0%	47.0%	10.1%	2.7

OPERATIONAL PERSPECTIVE: MAIN PROCESSES

We are focused on creating a process-based competitive advantage

- Reality check: The exponential miracle runs on an information platform
- Then key processes can be scaled with disruptive accelerating technologies



LEARNING AND GROWTH PERSPECTIVE

Developing the Human Capital of Vesta

- Combining solid expertise with youthful innovation
- Developing the best team

Developing the Informational Capital of Vesta

- Identifying mission critical applications
- Reengineering processes to information enable them
- Finding the disruptive accelerating technologies

Developing the Organizational Capital of Vesta

- Aligning objectives
- Rewarding the performance that matters
- Creating a learning organization

ORGANIZATIONAL TRANSFORMATION AGENDA

A list of key projects

- Long Term Plan (Vesta Vision 20/20 v 2.0) / Smart Investment Strategy
- Market Intelligence / Analytics
- Strategic Information System
- Strategic Management / Goal Alignment System
- Team Development / Wiz Kids Program/Entrepreneurial Mindset
- Scale Key Processes

We are developing Vesta 2.0, to drive financial success

BUSINESS DRIVERS – ON THE GROUND

LORENZO D. BERHO
CHIEF OPERATING OFFICER

“Vesta’s reputation is a reflection of our clients”

- *Geographically Diversified Operational Team*
- *Operational Team – Key Achievements*
- *Vesta’s Portfolio*
- *Process of Stabilizing our Projects*

WORLD-CLASS, GLOBAL CLIENTS FROM DIVERSE INDUSTRIES





Clients value:

- Vesta's 20 years of experience designing high-quality creative solutions for challenging supply chain needs
- Close relationship with team, at all levels
- Deep understanding of Mexico's industrial market



Develop close, long-term relationships to help our clients grow through a true real estate partnership



Disciplined, targeted and strategic approach to attracting world-class global tenants

GEOGRAPHICALLY DIVERSIFIED OPERATIONAL TEAM...



Local presence in key industrial markets

(As of March 31, 2017)

Exceed Client Expectations

Client Retention

84.6%

**Growth with
existing clients**

49.1%¹

**Long-term lease
commitments**

5.4 years²

**~ 20 years building client
relationships**

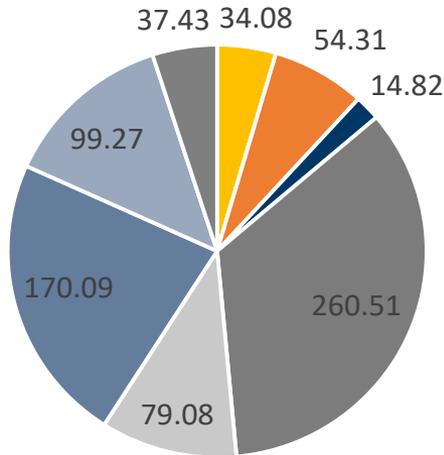
KEY ACHIEVEMENTS: INVESTMENT OPPORTUNITIES



(As of March 31, 2017)

Land Reserve¹

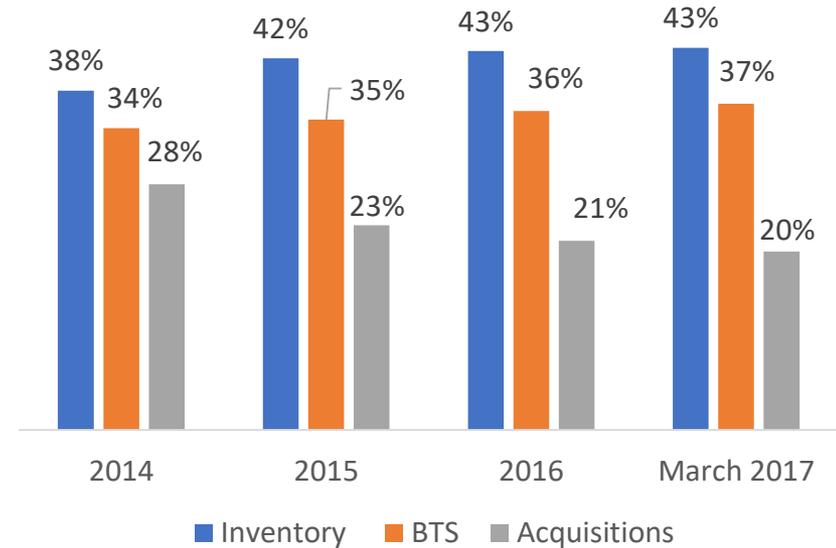
(Acres)



- Tijuana
- Juárez
- San Luis Potosí
- Querétaro
- Guanajuato
- Aguascalientes
- SMA
- Puebla

Vesta's Buildings²

(% GLA)



2012 - 2016 total investment



US\$ 560.8 million

An average of US\$ 112.2 million per year

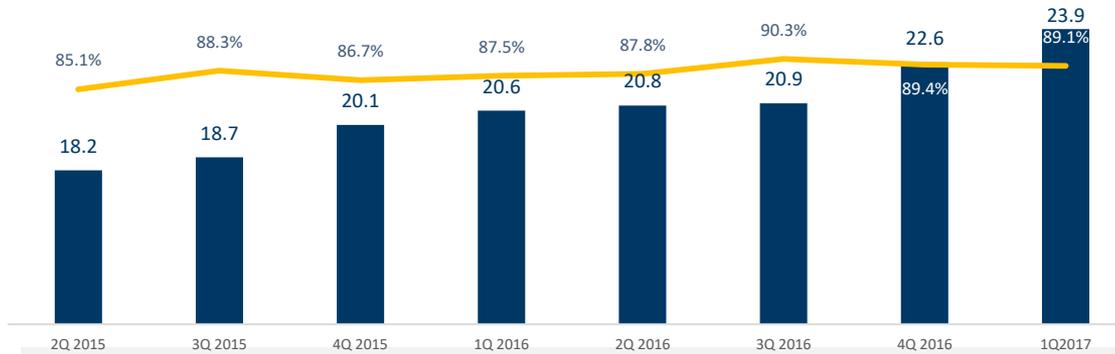
(1) Supplemental Package as of March 31, 2017
 (2) Historical Financial Statements

PORTFOLIO

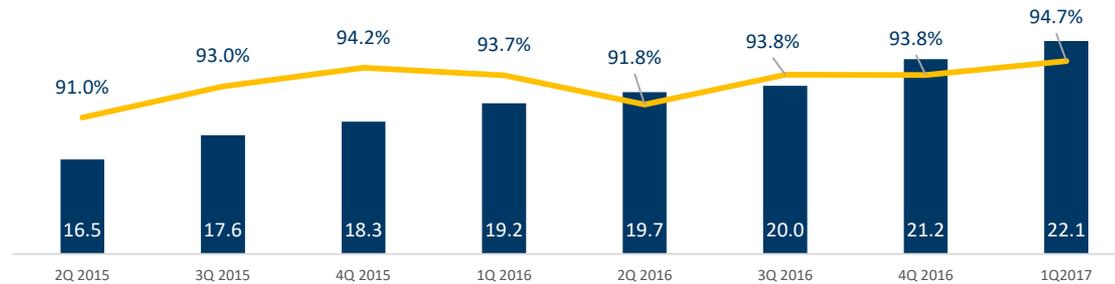


(As of March 31, 2017)

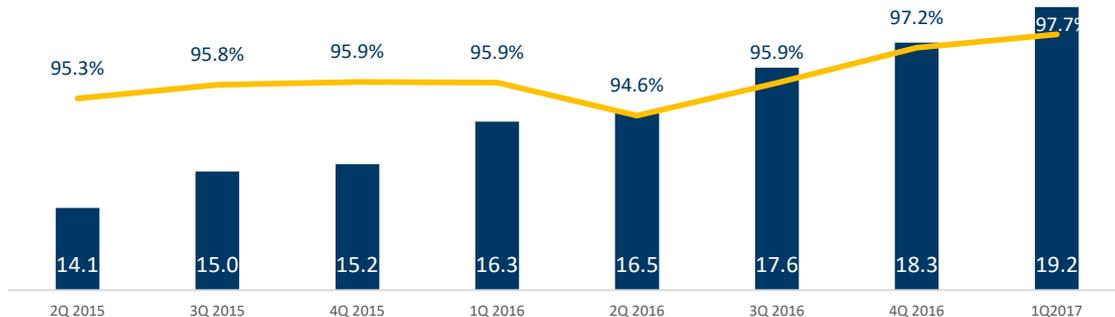
Total Portfolio % Occupancy



Stabilized Portfolio % Occupancy



Same Store Portfolio % Occupancy



Strong growth trajectory combined with steady occupancy

* Adjusted changes in the initial size of the portfolio.

STRONG LEASING ACTIVITY



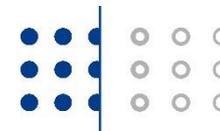
(As of March 31, 2017)

Lease up Properties

Region	Buildings	Square Feet	% of leased up
Bajío	SMA 2	131,329	23.20%
	SMA 3	205,474	62.50%
	PTO 9	167,034	0.00%
	PTO 8	151,653	0.00%
	PIQSA 10	87,844	0.00%
	PIQSA 11	191,969	68.70%
	SLP 5	150,000	0.00%
Central	PUEBLA 1	181,642	59.10%
	PUEBLA 2	181,642	0.00%
	S6	206,799	0.00%
North	J10 Exp	161,081	0.00%
Total		1,816,467	21.90%

Stabilized but not Same Store

Region	Buildings	Square Feet	% Lease
Bajío	Tachi-S exp	57,381	100.00%
	SMA 1	170,307	100.00%
	Thyssen-Bilstein	205,526	100.00%
	PTO 1	225,052	0.00%
	PTO 2	213,502	25.00%
	SNECMA 2	337,997	100.00%
Central	H-2	183,397	0.00%
	H-3	172,203	0.00%
North	TPI	358,797	100.00%
	J-10	213,312	100.00%
	TPI 2	339,384	100.00%
	Florida 2	302,692	100.00%
	Florida 3	167,121	100.00%
Total		2,946,671	74.86%



carcoustics

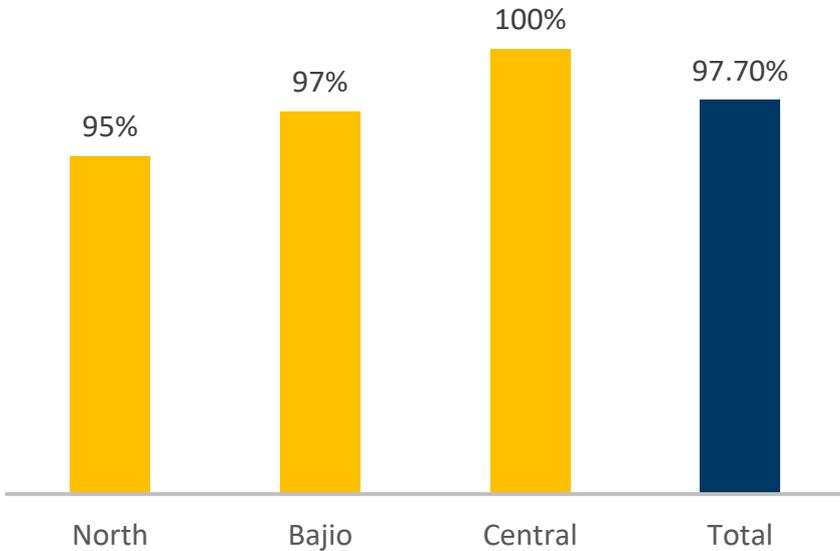


HIGH OCCUPANCY ACROSS ALL REGIONS

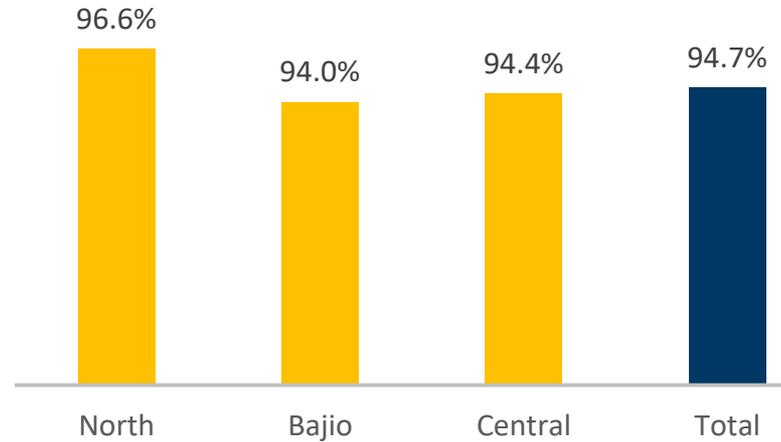


(As of March 31, 2017)

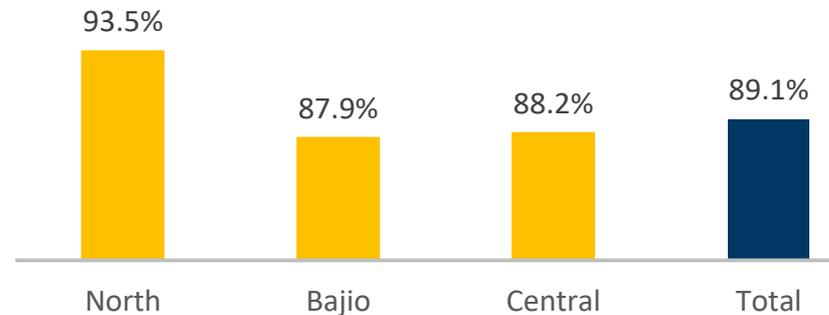
Same Store Occupancy



Stabilized Occupancy



Total Occupancy

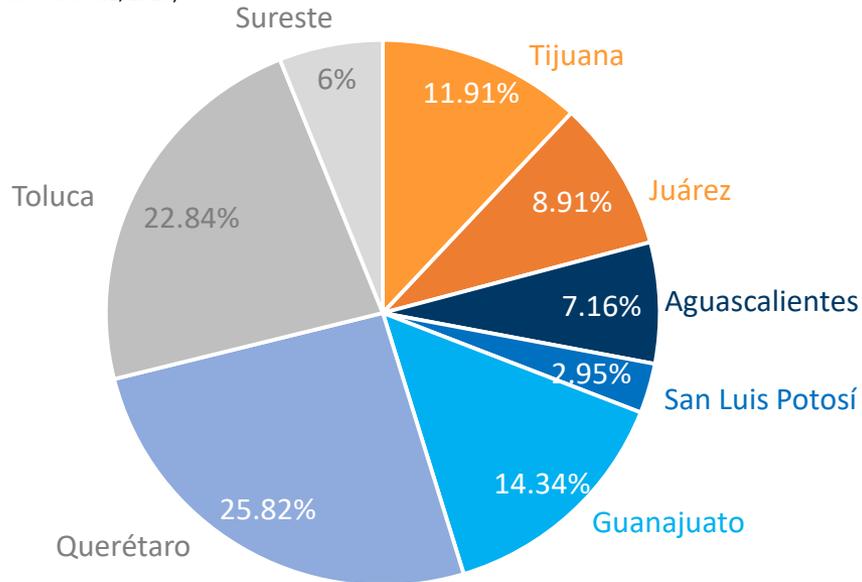


DIVERSIFIED PORTFOLIO



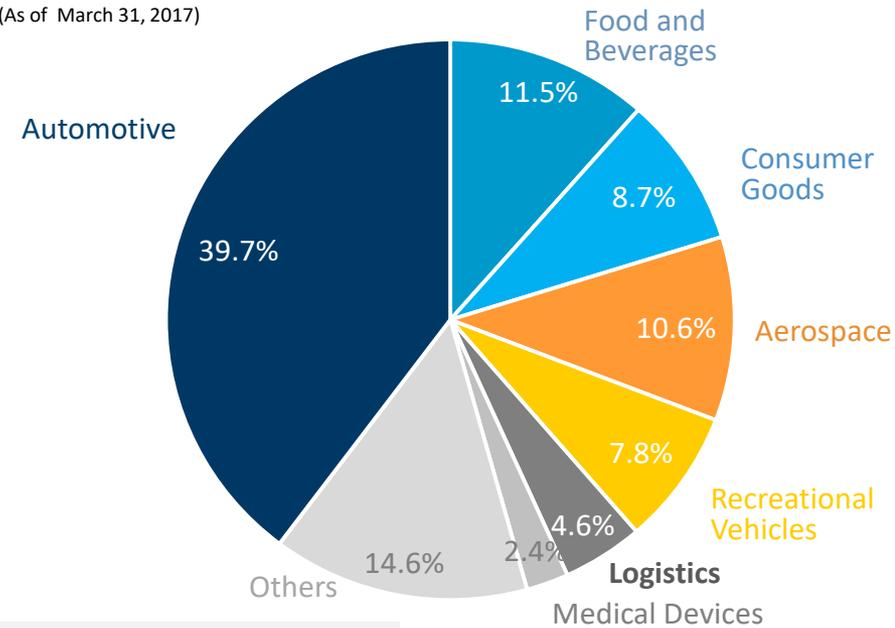
GLA by Region

(As of March 31, 2017)



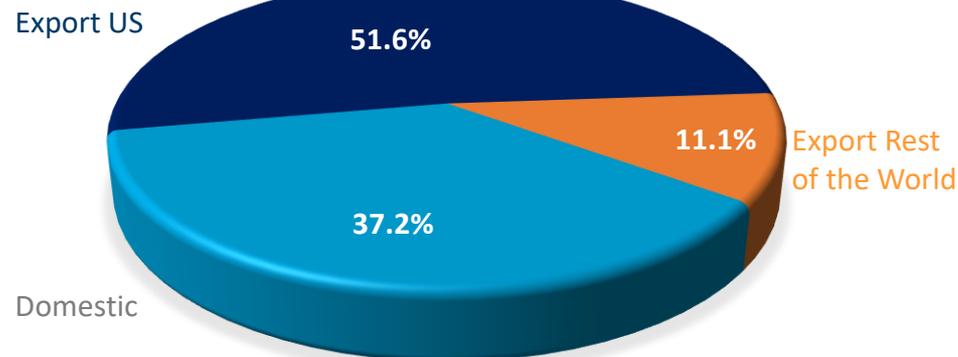
GLA by Industry

(As of March 31, 2017)



Tenants sales destination

(As of December 31, 2017)



CASE STUDIES

Querétaro Aerospace Park

- Construction start 2006
- GLA 2.18 million sf
- 13 buildings
- Total investment of US\$106.93 million
- Stabilized Cap rate: 12.13%
- Appraisal value of US\$ US\$151.92 million



CASE STUDIES

Nissan Supplier Park - Aguascalientes

Douki Seisan Park

- Construction start 2013
- GLA 2.13 million sf
- 8 buildings
- Total investment of US\$70.91
- Stabilized Cap Rate: 14.88%
- Appraisal value of US\$117.39 million



Vesta Park Toluca II

- Construction start 2013
- GLA 1.47 million sf
- 6 buildings
- Total investment of US\$67.01 million
- Stabilized Cap rate: 11.46%
- Appraisal value of US\$92.20 million



CASE STUDIES

Vesta Park Juárez

Potential GLA SF 68,721
 Construction Start jul-17
 GLA Developed 0%
 Investment US\$29M
 Investment to Date US\$0N

Vesta Park Puebla I

Potential GLA SF 1,137,017
 Construction Start abr-16
 GLA Developed 32%
 Investment US\$49M
 Investment to Date US\$22N

Vesta Park Puerto Interior I

Potential GLA SF 2,375,004
 Construction Start abr-15
 GLA Developed 44%
 Investment US\$112,M
 Investment to Date US\$39M

San Miguel de Allende

Potential GLA SF 2,772,686
 Construction Start dic-14
 GLA Developed 32%
 Investment US\$111 M
 Investment to Date US\$35

Vesta Park Aguascalientes I

Potential GLA SF 2,952,920
 GLA Developed 0%
 Investment US\$111 M
 Investment to Date US\$8

Vesta Park Querétaro

Potential GLA SF 4,502,414
 Construction Start may-14
 GLA Developed 0%
 Investment US\$189 M
 Investment to Date US\$16

Total potential GLA of 14.4M SF, total investment of ~US\$603.5 million and US\$131.1 investment to date

BUSINESS DRIVERS- FINANCIALS

JUAN SOTTIL
CHIEF FINANCIAL OFFICER

BECOME BEST-IN-CLASS



High Quality Portfolio

- Class-A portfolio
- Lower cap-ex required
- High-credit multi-national tenants

Strong Corporate Platform

- Focus on U.S. standards of corporate governance
- Implementing Best Practices throughout organization

Value Creating Focus

- Attractive development yield opportunity
- Strong management team to execute on growth plan
- Strong balance sheet
 - Low leverage

HIGH QUALITY PORTFOLIO

(as of March 31, 2017)

143 industrial properties located in Mexico's key trade corridors and manufacturing centers

126 tenants

- **5.6 yrs** average contract life⁽¹⁾
- **90.7%** of the lease contracts denominated in USD⁽²⁾
- **84.5%** of the rental income is denominated in USD



Balanced Portfolio Use

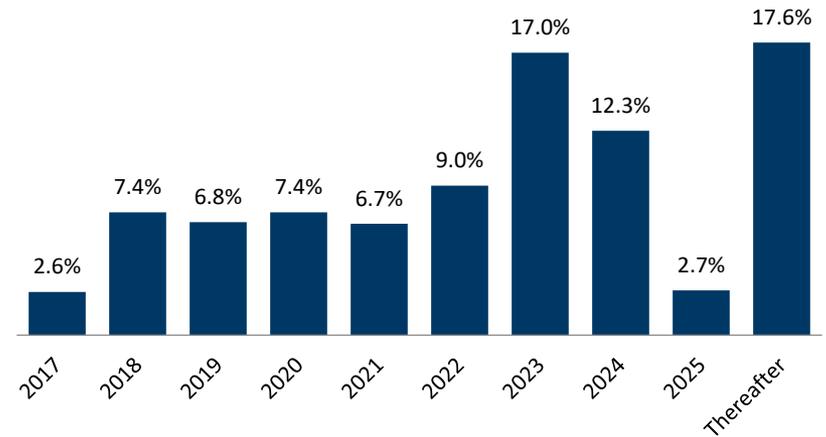
(% of GLA, as of March 31, 2017)



Long-term Maturity Profile⁽¹⁾

(% of GLA, as of March 31, 2017)

5.6 yrs average contract life⁽²⁾



Well diversified portfolio of tenants

Country										
Tenant										
% of GLA	7.2%	4.4%	4.4%	3.9%	2.9%	2.7%	2.6%	2.1%	2.0%	1.7%
Years with Vesta	14	3	8	3	1	7	9	3	7	6
Credit rating	AA	N/A	N/A	A-	B	BB-	N/A	A	BB-	N/A

(1) Vacancy rate of 10.9% as of 1Q'17, including recently finished buildings.
 (2) In terms of GLA.

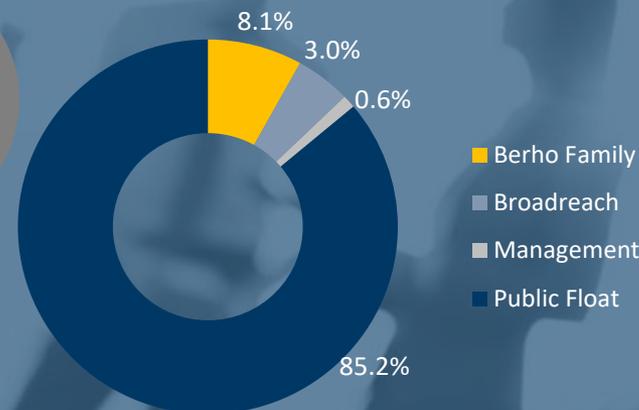
Solid standards

- **10** Board members
 - **80%** independent members
- **100%** Committees chaired by Board members
 - **80%** Committees are chaired by independent Board members
- High governance standards required by public market and institutional investors

Shareholder structure

(As of March 31, 2017)

85.2%
Public Float



Awards and Corporate Responsibility

Mexican Stock Exchange and Issuers Committee Award 2016
Corporate Governance

Institutional Investor Real Estate Executive Team Ranking 2016:

- 3° Best CEO
- 3° Best CFO
- 2° Best IRO

Euromoney Awards for Excellence 2015
2° place in Mexico
7th place in Latin America

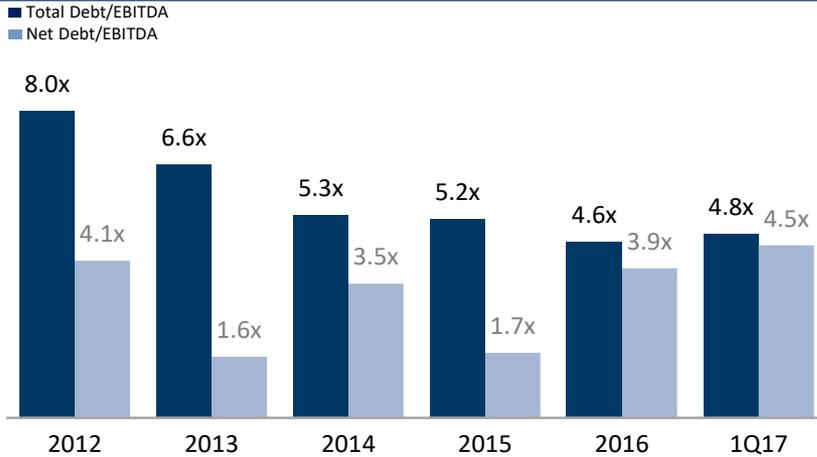


STRONG CORPORATE PLATFORM



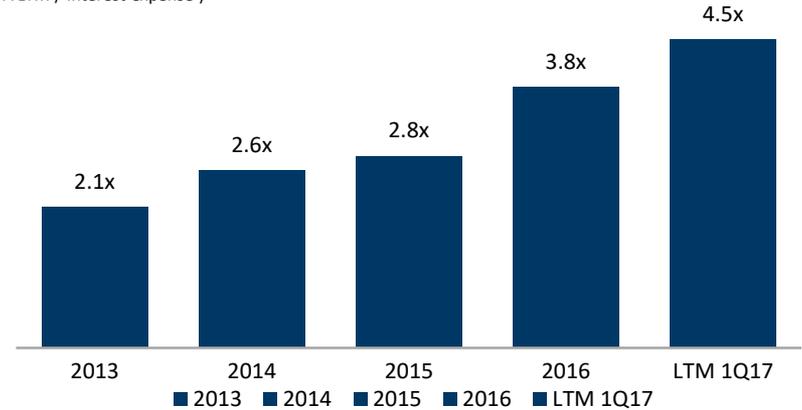
Vesta's solid credit metrics provide flexibility to finance additional growth

Prudent Leverage Ratios

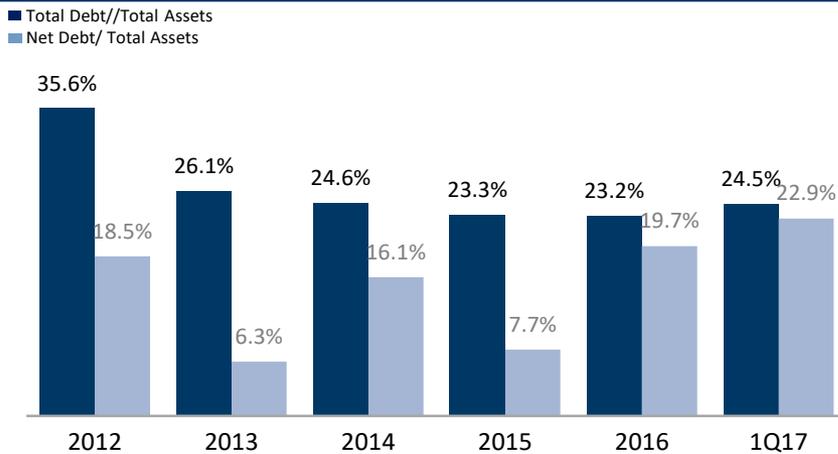


Strong Coverage Ratios

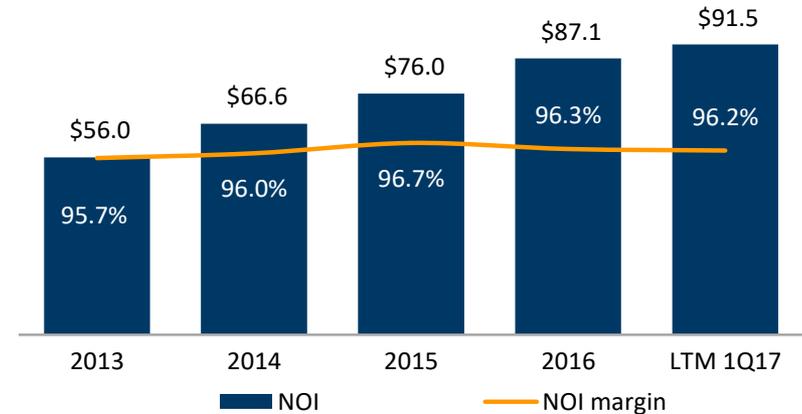
(EBITDA LTM / Interest expense)



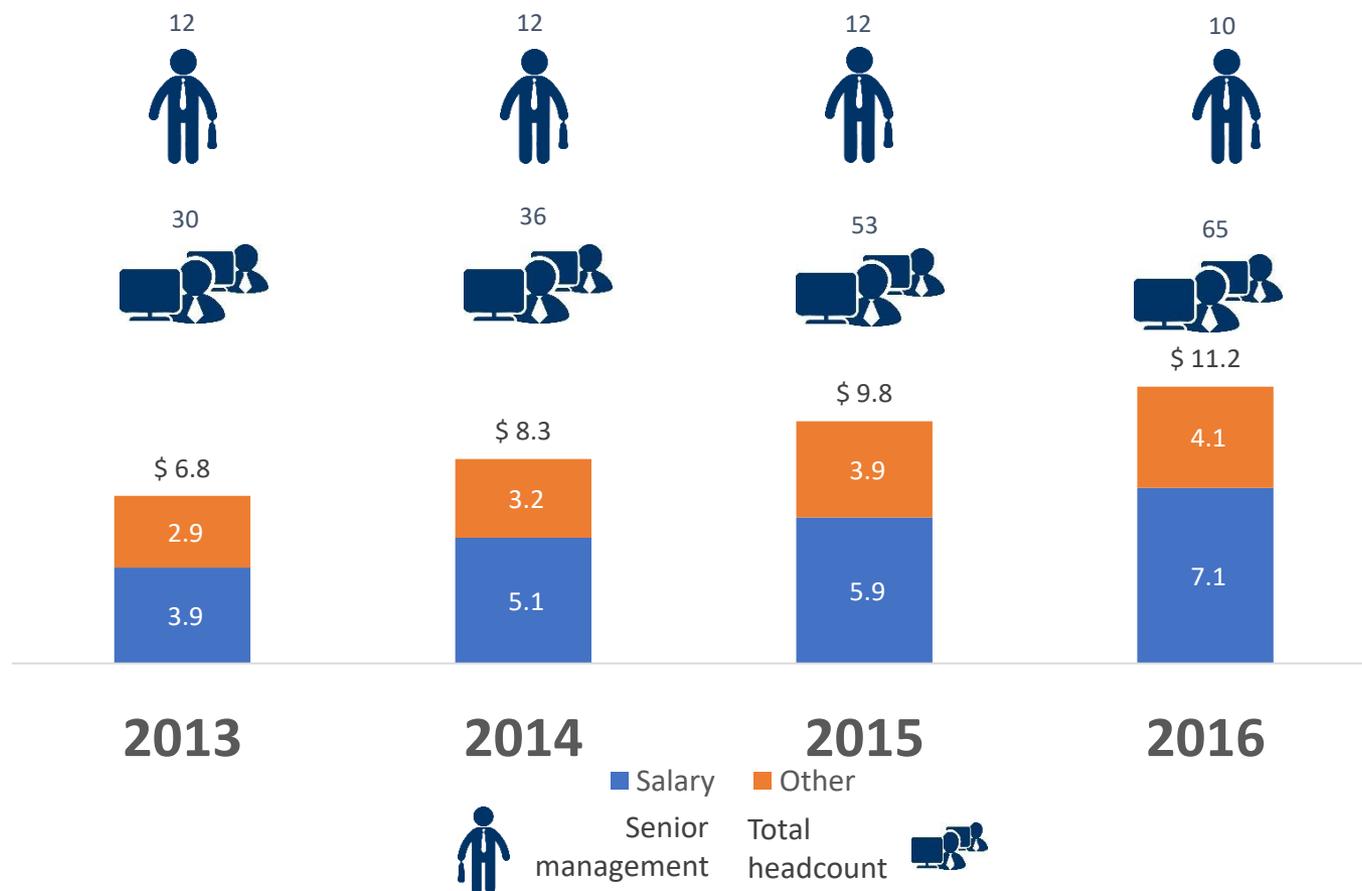
Loan to Value



High NOI profitability and low margin volatility(1)



Disciplined Resource Management



Economies of scale will amplify our margins

STRONG BALANCE SHEET

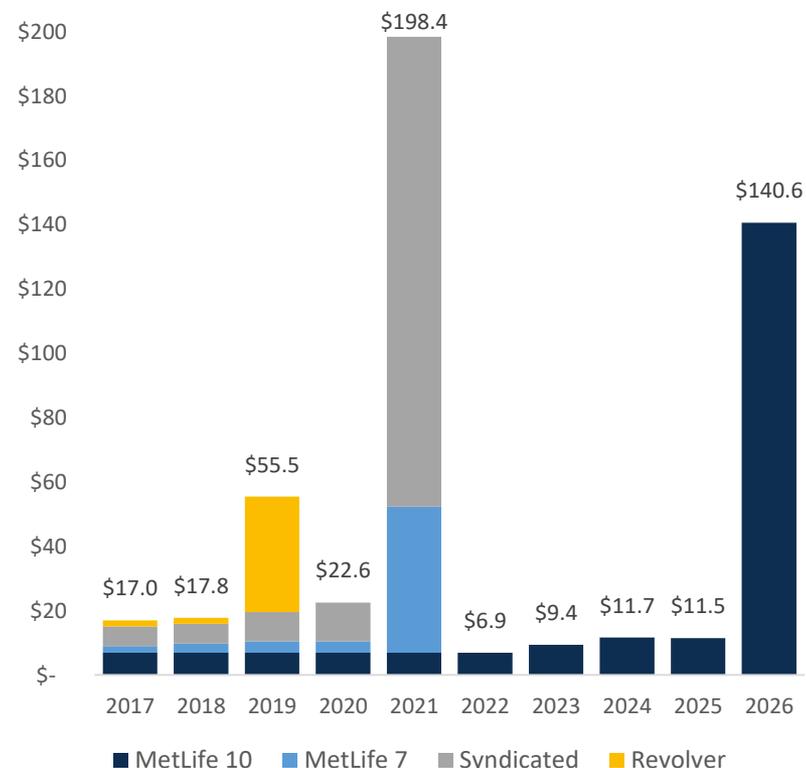


Total Enterprise Value (TEV) (\$mm)

	03/31/2017	Rate	Maturity
Secured Debt			
MetLife 7	\$47.5	4.35%	4.8 years
MetLife 10	\$150.0	4.55%	9.2 years
Total Secured Debt	\$197.5		
Unsecured Debt			
Revolver	\$35.0*	L + 225 bps	2.1 years
Syndicated Loan	\$150.0	L + 200 bps	4.1 years
Total Unsecured Debt	\$185.0		
Total Debt	\$382.5	3.80%	4.2 years
Common Equity (@ MXN\$26.03/share as of 3/31)	\$850.3		
Total Equity	\$850.3		
Total Market Capitalization	\$1,232.8		
Less: Cash and Cash Equivalents	\$25.3		
Total Enterprise Value (TEV)	\$1,207.5		

Net Debt / TEV	36%
Secured Debt / TEV	15%
Net Debt / EBITDA LTM	5.9x
Percentage of Floating Rate Debt	60%

Debt Maturity Schedule (\$mm)



- Industrial Mexico and Vesta will continue to succeed
- Vesta continues to evolve into an Exponential Organization
- Strategic approach attracts world-class global tenants
- Talented customer-focused team with entrepreneurial spirit
- Strong balance sheet enables future growth
- Transforming Mexico's industrial platform for future generations

THANK YOU

