4Q

2019
EARNINGS RESULTS

Conference Call

Friday, February 21, 2020
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

The conference call can be accessed by dialing:

US, toll-free: **+1-877-705-6003**
International, toll: **+1-201-493-6725**
Mexico, toll-free: **+1 800-522-0034**

A replay will be available from February 21 until March 6, 2020 and can be accessed by dialing:

US, toll-free: **+1-844-512-2921**
International, toll: **+1-412-317-6671**
Conference ID: **13698384**

Juan Sottil
CFO
+52 55 5950-0070 ext. 133
jsottil@vesta.com.mx

Fernanda Bettinger
IRO
+52 55 5950-0070 ext. 163
mfbettinger@vesta.com.mx
investor.relations@vesta.com.mx

Barbara Cano
InspIR Group
+1 (646) 452-2334
barbara@inspirgroup.com

Mexico City, February 20, 2020 – 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 fourth quarter ended December 31, 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

- Year-end revenues exceeded the upper range of the Company's 2019 revenue guidance, reaching US$ 144.37 million; an 8.8% year-on-year increase, while NOI and EBITDA margins were in line with full year guidance at 95.0% and 84.1%, respectively.
- NAV per share increased 10.4% to US$ 2.34 in 4Q19, from US$ 2.12 in 4Q18, while pre-tax FFO per share increased 8.3% year on year, from US$ 0.1293 in 2018 to US$ 0.1400 at the end of 2019.
- Rent per square foot increased 6.9% during the full year of 2019 to US$ 0.417, from US$ 0.39 at the end of 2018.
- During the fourth quarter, Vesta acquired land in Monterrey through a redevelopment project on which the Company expects to construct two buildings on approximately 500,000 sf with a total investment of US$ 22 million. Also during the quarter, Vesta acquired 34.4 hectares of land in Tijuana, a region with particularly strong leasing demand, where Vesta expects to build approximately seven buildings with a total expected investment of approximately US$ 62 million.
- The Company purchased a total of US$ 22.7 million of shares during 2019. Vesta has purchased a total of US$ 68.8 million of shares since initiating its share buy-back program in 2016, all of which will be cancelled in the coming months.
- Leasing activity reached 862,987 ft² (80,174 m²) during 4Q19, with 209,802 ft² (19,491 m²) of new contracts with existing clients and 653,185 ft² (60,683 m²) of lease renewals.
- In the fourth quarter 2019 Vesta began construction of one new building in Guadalajara totaling 405,509 square-feet with a total investment of US$ 19.4 million. Therefore, Vesta's 4Q19 development portfolio totaled 762,674 ft² (70,855 m²) with a total expected investment of US$ 36.8 million. Weighted average expected return on cost is 10.8% for 4Q19 development projects.
- New buildings delivered during 4Q19 amounted to 455,792 ft² (42,344 m²) of GLA and were mostly inventory buildings in the regions of Tijuana and San Luis Potosí excluding the expansion of existing Vesta client BRP in Juarez.
- Vesta's total GLA portfolio ended the year with 29,792,047 ft² (2,767,772 m²) and a 91.7% occupancy. Vesta's stabilized portfolio grew to 28,779,464 ft² (2673,700 m²) in 4Q19, while the stabilized occupancy rate decreased to 94.7%.

2020 Guidance

Vesta expects rental revenues to increase between 4% to 5% in 2020 with a 94% NOI margin and an 83% EBITDA margin. Is important to note that the Company's May 2019 portfolio sale is reflected within 2020 guidance. Asset recycling will remain an integral component of the Company's strategy to drive value and maintain a robust balance sheet with financial flexibility to fund new, high-return investments.

Financial Indicators (million)	4Q19	4Q18	Chg. %	*12 months* 2019	2018	Chg. %
Rental Income	36.31	35.09	3.5	144.37	132.67	8.8
NOI	33.78	33.48	0.9	137.10	127.82	7.3
NOI Margin %	*93.0%*	*95.4%*		*95.0%*	*96.3%*	
EBITDA	29.07	29.24	-0.6	121.38	112.83	7.6
EBITDA Margin %	*80.1%*	*83.3%*		*84.1%*	*85.0%*	
EBITDA Per Share	*0.0507*	*0.0483*	5.0	*0.2067*	*0.1881*	9.9
Total Comprehensive Income	49.45	(7.95)	na	133.91	87.54	na
FFO Pretax	19.40	19.58	-0.9	82.22	77.54	6.0
FFO Pretax Per Share	*0.0338*	*0.0323*	4.6	*0.1400*	*0.1293*	8.3
FFO	11.57	23.80	(51.4)	44.55	55.64	(19.9)
FFO Per Share	*0.0202*	*0.0393*	(48.7)	*0.0759*	*0.0928*	(18.2)
EPS	0.0862	(0.0131)	na	0.2280	0.1459	na
Shares (average)	573.45	605.62	(5.3)	587.21	599.86	(2.1)

- Revenues increased 3.5% in 4Q19 to US$ 36.31 million, from US$ 35.09 million in 4Q18. This is primarily due to higher rent per square foot in the occupied spaces rented during the fourth quarter 2019.
- Net Operating Income ("NOI") increased 0.9% to US$ 33.78 million in 4Q19, compared to US$ 33.48 million in 4Q18. The fourth quarter 2019 NOI margin was 93.0%; a 237-basis-point decrease due to increased costs related to rental income generating properties which resulted from an increase in property taxes, maintenance, payments executed during the 4Q not made during the year, as well as an increase in the allowance for accounts receivable.
- EBITDA decreased 0.6% to US$ 29.07 million in the fourth quarter 2019, versus US$ 29.24 million in the fourth quarter of 2018. 4Q19 EBITDA margin was 80.1%; a 326-basis point decrease, due to Vesta's portfolio sale and an increase in administrative expenses during the quarter which resulted from the statutory employee profit sharing "PTU" and bonuses.
- Pretax funds from operations ("FFO pretax") for 4Q19 decreased 0.9% to US$ 19.40 million, from US$ 19.58 million for the same period in 2018. Pretax FFO per share was US$ 0.0338 for the fourth quarter 2019, compared with US$ 0.0323 for the same period in 2018; a 4.6% increase. FFO after tax for 4Q19 was US$ 11.57 million, compared to US$ 23.80 million during 4Q18. This decrease was due to higher current taxes resulting from Mexican peso appreciation.
- Total comprehensive income for 4Q19 was US$ 49.45 million, versus a US$ 7.95 million loss in the same quarter 2018. This increase was primarily due to higher gain in revaluation of investment properties and a positive effect generated by deferred taxes in the fourth quarter of 2019.
- As of December 31, 2019, the total value of Vesta's investment property portfolio was US$ 1.99 billion; a 5.5% increase compared to US$ 1.88 billion at the end of December 31, 2018.

Letter from the CEO

2019: we end the decade and look forward to the next

2019 has ended- and with it, a decade of exciting accomplishments. We therefore would like to take this letter to celebrate our progress over the last 10 years and look to the future as we pursue new opportunities leveraging our strategic planning. We successfully achieved our Vesta Vision 2020 Plan objectives. We then promptly established important near, medium and long-term goals to drive Vesta's next growth phase- as outlined within the new "Level 3 Strategy" strategic plan which we unveiled and began successfully executing just over six months ago. Therefore, while we undoubtedly will continue facing highly complex macroeconomic and geopolitical headwinds in the years ahead, we have anticipated these hurdles by establishing a solid foundation through our long-term strategy.

I´m pleased to report that Vesta's Level 3 Strategy remains on track, having achieved key related milestones during the second half of the year, including: 1) the successful sale of a portfolio totaling 1.6 million square feet for US$109.3 million; 2) entering new markets such as Guadalajara and Monterrey by acquiring strategically located land with strong attributes to support last-mile e-commerce operations; 3) refinancing Vesta's debt with no maturities over the next five years and extending our weighted average maturity to 7 years; 4) repurchasing US$ 22.7 million of shares under Vesta's share buy-back program during 2019; 5) launching four new industrial parks across the country; and 5) broadening and deepening our commitment to Vesta's ESG platform by joining the best in class companies comprising the Dow Jones Sustainability MILA Pacific Alliance Index and celebrating our first annual Vesta Challenge.

Vesta delivered strong shareholder results in 2019 despite volatile macroeconomic conditions, with 37.3% annual total shareholder returns in dollars on the back of solid share price appreciation and a healthy dividend yield, as well as a 10.4% increase in NAV per share for the year.

2019 leasing activity reached 4.4 million ft², in line with overall market dynamics. While activity in the Northern region was solid throughout the year, the pace slowed in the Bajio region. Renewals remained strong, representing nearly 70% of total leasing activity while the remaining 30% of new leases was lower than we had forecast, mainly due to historically low demand in the Bajio region. This led to a decrease in our stabilized portfolio occupancy rate, which ended the year at 94.6%.

Turning to key financial metrics, 2019 revenues rose 8.8% year-on-year to US$ 144.37 million, exceeding the upper range of our adjusted guidance for the year, while NOI and EBITDA margin were in line with guidance at 95.0% and 84.1%, respectively. Pre-tax FFO increased 6.0% to US$ 82.22 million in 2019, while pre-tax FFO per share ended the year at US$ 0.14. It's important to note that we will continue to acquire Vesta shares at attractive prices should our shares trade at a discount relative to NAV. To date we have repurchased US$ 68.8 million of shares under Vesta's buyback program, all of which will ultimately be cancelled.

In the year ahead we plan to bolster our ESG efforts and make further positive contributions to our society, the communities where we have a presence and to our environment reducing the l impact of our developments and our operations. We therefore have aligned our ESG initiatives with Vesta's Level 3 Strategic Plan, reinforcing alliances with related programs that benefit a broad range of stakeholders and building on our success raising charitable funds through the Vesta Challenge.

As a fully integrated company that is setting the highest standards in owning, managing, acquiring, selling, developing and redeveloping industrial properties, Vesta remains committed to transforming Mexico's industrial real estate landscape. We will deliver solid and sustainable financial performance by leveraging our deep market knowledge to effectively anticipate trends and seize exciting opportunities- such as those related to e-commerce growth- and by maintaining our position as one of Mexico's best industrial real estate managers.

I am therefore extremely proud to lead our team of the industry's very best and brightest. Together we're aligned in successfully executing our strategy and will continue prevailing against challenges while creating value for our investors, our clients and our team. I look forward to another excellent decade ahead of hard work and great results.

Thank you for your continued 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 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. Fourth 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

				12 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**4Q19**	**4Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Revenues						
Rental income	36.31	35.09	3.5	144.37	132.67	8.8
Operating Costs	**(2.99)**	**(1.79)**	**66.4**	**(8.14)**	**(5.68)**	**43.4**
Related to properties that generate rental income	(2.53)	(1.61)	56.9	(7.27)	(4.85)	49.9
Related to properties that did not generate rental income	(0.45)	(0.18)	151.2	(0.87)	(0.83)	5.6
Gross profit	**33.33**	**33.30**	**0.1**	**136.22**	**126.99**	**7.3**
Net Operating Income	**33.78**	**33.48**	**0.9**	**137.10**	**127.82**	**7.3**

Vesta's 4Q19 rental revenues increased 3.5% to US$ 36.31 million, from US$ 35.09 million in 4Q18. The US$ 1.22 million increase in rental revenues was primarily due to: [i] a US$ 2.79 million, or 7.9%, increase from renting new space which had been vacant in 4Q18 but was rented in 4Q19; [ii] a US$ 0.90 million, or 2.6%, increase related to inflation adjustments made in 4Q19 on rented property; [iii] a US$ 0.20 million, or 20.6%, increase in reimbursements from the expenses paid by Vesta on behalf of its clients but not considered to be rental revenue; [iv] a US$ 0.08 million increase in rental income due to the conversion of peso-denominated rental income into dollars; and [v] a US$ 0.06 million increase in management fees paid for the portfolio sold.

These results were partially offset by: [i] a US$ 1.72 million, or 4.9%, decrease related to the properties sold during the year; [ii] a US$ 0.90 million, or 2.6%, decrease related to lease agreements which expired and were not renewed during 4Q19; and [iii] US$ 0.19 million, or 0.6%, decrease related to lease agreements which were renewed during 4Q19 at a lower rental rate in order to retain certain client relationships.

84.7% of Vesta's fourth 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 fourth 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 4Q19 total operating costs reached US$ 2.99 million, compared to US$ 1.79 million in 4Q18; a US$ 1.19 million, or 66.4% increase resulting from the higher costs at both occupied and vacant properties.

During the fourth quarter of 2019, costs related to investment properties generating rental revenues amounted to US$ 2.53 million, compared to US$ 1.61 million for the same period in 2018. This was primarily attributable to an increase resulted from an increase in property taxes, maintenance, payments executed during the 4Q that where not done during the year and an increase in the allowance for accounts receivable.

In addition, costs from investment properties which did not generate rental revenues during the quarter increased to US$ 0.45 million compared with US$ 0.18 million in the same period of 2018. This was primarily due to the delivery of three new Vesta Parks: Queretaro, San Luis Potosí and Aguascalientes, which have begun operations but still most of the buildings have not yet been occupied or constructed.

Net Operating Income (NOI)

Fourth quarter Net Operating Income increased 0.9% to US$ 33.78 million, while NOI margin decreased 237 basis points to 93.0%, due to higher costs related to properties that generate rental income.

Administrative Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q19	4Q18	Chg. %	2019	2018	Chg. %
Administrative Expenses	(4.95)	(4.53)	9.4	(17.63)	(16.09)	9.5
Long-term incentive (non-cash)	(0.70)	(0.47)	*49.3*	(2.79)	(1.93)	*44.3*
Depreciation	(0.42)	(0.20)	111.6	(1.49)	(0.57)	160.8
EBITDA	**29.07**	**29.24**	**(0.6)**	**121.38**	**112.83**	**7.6**

Administrative expenses for 4Q19 totaled US$ 4.95 million, compared to US$ 4.53 million in the fourth quarter of 2018; a 9.4% increase. The increase is mainly attributed to statutory employee profit sharing "PTU" and bonuses.

In 4Q19, 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 fourth quarter of 2019 was US$ 0.42 million, compared to US$ 0.20 million in the fourth quarter of 2018, due to a larger property base.

EBITDA

4Q19 EBITDA decreased 0.6% to US$ 29.07 million, from US$ 29.24 million in the 4Q18, while EBITDA margin decreased 326-basis-points to 80.1%, as compared to 83.3% for the same period of last year. This is due to lower revenues resulting from the portfolio sale during 2Q19, while the margin of administrative expenses increased.

Other Income and Expenses

				12 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**4Q19**	**4Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Other Income and Expenses						
Interest income	0.02	0.18	(90.3)	0.07	0.43	na
Other income	0.85	(0.01)	na	1.05	0.48	120.9
Transaction cost on debt issuance	0.00	0.00	na	0.00	(0.14)	(100.0)

Interest expense	(9.67)	(9.65)	0.1	(39.16)	(35.16)	11.4
Exchange gain (loss)	1.69	(3.33)	na	2.16	(0.72)	na
Gain in sell properties	0.00	0.00	na	17.92	0.00	na
Gain on revaluation of investment properties	27.72	2.05	na	86.06	52.82	62.9
Total other (expenses) income	**20.62**	**(10.76)**	na	**68.10**	**17.72**	**284.3**

Total other income at the end of the fourth quarter of 2019 reached US$ 20.62 million, compared to other expenses of US$ 10.76 million at the end of the fourth quarter of 2018. This increase was mainly due to an increase in the revaluation of investment properties.

Interest income decreased to US$ 0.02 million in 4Q19, due to the use of cash during the quarter, generating lower interest.

Other income for the quarter increased to US$ 0.85 million in 4Q19, due to the tax refund update.

Interest expense increased to US$ 9.67 million in 4Q19, compared to US$ 9.65 million in same quarter last year. This year-on-year increase reflects higher debt balance.

The foreign exchange gain in 4Q19 was US$ 1.69 million, compared to a loss of US$ 3.33 million in 4Q18. Said foreign exchange gain relates primarily to sequential currency movements in Vesta's dollar-denominated debt balance between 3Q19 and 4Q19 within WTN, the Company's only subsidiary that uses the Mexican peso as its functional currency. As the value of the Mexico peso appreciated in the global markets during 4Q19, this peso-denominated subsidiary reported a higher dollar-denominated gain.

The valuation of investment properties in December 2019 resulted in a US$ 27.72 million gain, compared to a US$ 2.05 million gain in the fourth quarter of 2018. This increase was a result of valuing some of the existing land bank to market value instead valuing based on cost, due to the Company´s policy that subsequent to four years a given land bank must be valued in line with market value.

Profit Before Income Taxes

				12 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**4Q19**	**4Q18**	**Chg. %**	**2019**	**2018**	**Chg. %**
Profit Before Income Taxes	**48.57**	**17.82**	**172.7**	**185.20**	**128.04**	**44.6**
Income Tax Expense	(0.20)	(12.00)	(98.3)	(50.59)	(34.98)	44.6
Current Tax	(7.83)	4.22	na	(37.67)	(21.89)	72.1
Deferred Tax	7.63	(16.22)	na	(12.92)	(13.09)	(1.3)
Profit for the Period	**48.37**	**5.81**	**na**	**134.61**	**93.06**	**44.6**
Valuation of derivative financial instruments	0.47	(1.25)	na	(1.55)	1.09	(242.7)

Exchange differences on translating other functional currency operations	(1.29)	(12.52)	na	0.85	(6.61)	na
Total Comprehensive Income for the period	47.55	(7.95)	na	133.91	87.54	53.0

Due to the above factors, profit before income tax amounted to US$ 48.57 million, compared to US$ 17.82 million in the same quarter last year.

Income Tax Expense

During the fourth quarter of 2019, the Company reported an income tax expense of US$ 0.20 million, compared to a US$ 12.00 million expense in the prior year period. The current tax from 4Q19 was US$ 7.83 million, compared to US$ 4.22 million gain in 4Q18. This decrease is explained by the appreciation of the peso which generated a negative exchange rate related effect.

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 (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 fourth quarter 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.

Fourth Quarter 2019 Profit

Due to the factors described above, the Company's profit for the fourth quarter of 2019 amounted to US$ 48.37 million, compared to US$ 5.81 million in 4Q18.

Total Comprehensive Income (Loss) for the Period

Vesta closed fourth quarter 2019 with US$ 47.55 million in total comprehensive income, compared to US$ 7.95 million loss at the end of the fourth quarter of 2018, due to the factors previously described. This gain was increased by US$ 0.47 million gain on valuation of derivative financial instruments and was offset by US$ 1.29 million an expense in functional currency operations resulted in a loss.

Funds from Operations (FFO)

FFO Reconciliation (million)	4Q19	4Q18	Chg. %	2019	2018	Chg. %
				12 months		
Total Comprehensive Income for the period	47.55	(7.95)	(697.9)	133.91	87.54	na
Adjustments						
Exchange differences	1.29	12.52	(89.7)	(0.85)	6.61	(112.8)
Gain on revaluation of investment properties	(27.72)	(2.05)	na	(86.06)	(52.82)	na
Gain in sell properties	0.00	0.00	na	(17.92)	0.00	na
Long-term incentive (non-cash)	0.70	0.47	49.3	2.79	1.93	44.3
Exchange Gain (Loss)	(1.69)	3.33	(150.9)	(2.16)	0.72	na
Depreciation	0.42	0.20	na	1.49	0.57	160.8
Other income	(0.85)	0.01	na	(1.05)	(0.48)	120.9
Valuation of derivative financial instruments	(0.47)	1.25	na	1.55	(1.09)	na
Interest income	(0.02)	(0.18)	(90.3)	(0.07)	(0.43)	na
Income Tax Expense	0.20	12.00	na	50.59	34.98	na
Pretax FFO	**19.40**	**19.58**	(0.9)	**82.22**	**77.54**	6.0
Pretax FFO per share	0.0338	0.0323	4.6	0.1400	0.1293	8.3
Current Tax	(7.83)	4.22	(285.6)	(37.67)	(21.89)	na
FFO Attributable	**11.57**	**23.80**	(51.4)	**44.55**	**55.64**	(19.9)
FFO per share	0.0202	0.0393	(48.7)	0.0759	0.0928	(18.2)

Funds from Operations (FFO) attributable to common stockholders for 4Q19 totaled US$ 11.57 million, or US$ 0.0202 per share, compared with US$ 23.80 million, or US$ 0.0393 per share, for 4Q18.

4Q19 pretax operating FFO, which excludes current taxes, totaled US$ 19.40 million; a 0.9% decrease, compared with US$ 19.58 million for 4Q18.

The current tax associated with the Company's operations resulted in a US$ 7.83 million expense. The exchange-rate related portion of the current tax represented a US$ 7.94 million loss while the current operating tax represented a US$ 0.11 million gain.

Current Tax Expense	1Q19	2Q19	3Q19	4Q19
Operating Current Tax	(6.43)	(10.01)	(10.90)	0.11
Exchange Rate Related Current Tax	(4.73)	(2.26)	4.51	(7.94)
Total Current Tax Expense	**(11.17)**	**(12.27)**	**(6.40)**	**(7.83)**
Adjusted FFO	**15.50**	**9.04**	**9.58**	**19.51**
Adjusted FFO per share	0.0274	0.0154	0.0160	0.0340

Accumulated Current Tax Expense	3M19	6M19	9M19	12M19
Operating Current Tax	(6.43)	(16.44)	(27.35)	(27.24)
Exchange Rate Related Current Tax	(4.73)	(7.00)	(2.49)	(10.43)
Total Current Tax Expense	**(11.17)**	**(23.44)**	**(29.84)**	**(37.67)**
Adjusted FFO	**15.50**	**24.54**	**34.12**	**53.64**
Adjusted FFO per share	0.0274	0.0428	0.0581	0.0913

Capex

Investing activities were primarily related to payments for works in progress in the construction of new buildings in the North, Bajio and Central region. Total investments for the fourth quarter 2019 amounted to US$ 32.37 million.

Debt

As of December 31, 2019, the Company´s overall balance of debt was US$ 714.43 million, of which US$ 0.79 is related to short-term liabilities and US$ 713.63 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 4Q19, 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	4Q18 Stabilized Portfolio		Growth SF	4Q19 Stabilized Portfolio	
	SF	%	SF	SF	%
Central Mexico	7,122,733	25.5%	-628,673	6,494,060	22.6%
Bajio	13,347,436	47.8%	393,941	13,741,377	47.7%
Baja California	4,526,161	16.2%	643,967	5,170,128	18.0%
Juarez	2,918,667	10.5%	455,233	3,373,900	11.7%
Total	**27,914,997**	**100%**	**864,467**	**28,779,464**	**100%**

	4Q18		4Q19	
	Occupancy SF	**% Total**	**Occupancy SF**	**% Total**
Central Mexico	6,650,712	93.4%	6,103,490	94.0%
Bajio	13,185,646	98.8%	12,602,012	91.7%
Baja California	4,476,851	98.9%	5,170,128	100.0%
Juarez	2,824,887	96.8%	3,366,524	99.8%
Total	**27,138,097**	**97.2%**	**27,242,154**	**94.7%**

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.

	4Q18			4Q19	
Region	**Same Store Portfolio**		**Growth SF**	**Same Store Portfolio**	
	SF	**%**	**SF**	**SF**	**%**
Central Mexico	6,730,884	26.4%	-236,824	6,494,060	24.7%
Bajio	12,121,907	47.5%	44,128	12,166,035	46.2%
Baja California	4,526,161	17.7%	146	4,526,307	17.2%
Juarez	2,133,200	8.4%	1,000,723	3,133,923	11.9%
Total	**25,512,153**	**100%**	**808,172**	**26,320,325**	**100%**

	4Q18		4Q19	
	Occupancy SF	**% Total**	**Occupancy SF**	**% Total**
Central Mexico	6,415,902	95.3%	6,103,490	94.0%
Bajio	12,039,875	99.3%	12,015,641	98.8%
Baja California	4,476,851	98.9%	4,526,307	100.0%

Juarez	2,125,824	99.7%	3,126,547	99.8%
Total	**25,058,453**	**98.2%**	**25,771,985**	**97.9%**

Total Portfolio

As of December 31, 2019, the Company's portfolio was comprised of 184 high-quality industrial assets, with a total GLA of 29.8 million ft^2 (2.76 million m^2) and with 84.7% 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 North, 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.

	3Q19		4Q19		
Region	Existing Portfolio		Growth SF	Total Portfolio	
	SF	%	SF	SF	%
Central Mexico	6,494,060	22.1%	0	6,494,060	21.8%
Bajio	14,210,107	48.4%	235,591	14,445,698	48.5%
Baja California	5,169,912	17.6%	200,579	5,370,491	18.0%
Juarez	3,461,961	11.8%	19,838	3,481,799	11.7%
Total	**29,336,039**	**100%**	**456,008 ***	**29,792,047**	**100%**

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

Total Vacancy

As of December 31, 2019, Vesta's property portfolio had a vacancy rate of 8.3%.

	3Q19		4Q19	
	Vacant SF	**% Total**	**Vacant SF**	**% Total**
Central Mexico	390,570	6.0%	390,570	6.0%
Bajio	1,586,286	11.2%	1,843,685	12.8%
Baja California	131,885	2.6%	200,363	3.7%
Juarez	52,908	1.5%	52,908	1.5%
Total	**2,161,650**	**7.4%**	**2,487,527**	**8.3%**

Projects Under Construction

Vesta is currently developing 762,674 ft^2 (70,855 m^2) in inventory buildings.

Projects under Construction

Project	GLA (SF)	GLA (m^2)	Investment (1) (thousand USD)	Type	Expected Termination Date	City	Region
Q1 Exp	143,602	13,341	6,776	Inventory	April-20	Juarez	North Region
Q4	78,382	7,282	4,274	Inventory	April-20	Juarez	North Region
GDL 01	405,509	37,673	19,397	Inventory	Oct-20	Guadalajara	Bajio Region
VP PI 03	135,182	12,559	6,358	Inventory	May-20	Puebla	Central Region
Total	**762,674**	**70,855**	**36,805**				

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

Land Reserves

As of December 31, 2019, the Company had 43.9 million square feet of land reserves

	September 30, 2019	*December 31, 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	10,280,898	(0.00)
Tijuana	630,241	3,475,121	4.51
Monterrey	0	964,543	NA
Cd. Juarez	727,910	727,897	(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
Guadalajara	3,256,940	3,256,940	0.00
Total	**40,106,895**	**43,916,301**	**9.50%**

Summary of 12-Month 2019 Results

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q19	4Q18	Chg. %	2019	2018	Chg. %
				12 months		
Revenues						
Rental income	36.31	35.09	3.5	144.37	132.67	8.8
Operating Costs	**(2.99)**	**(1.79)**	**66.4**	**(8.14)**	**(5.68)**	**43.4**
Related to properties that generate rental income	(2.53)	(1.61)	56.9	(7.27)	(4.85)	49.9
Related to properties that did not generate rental income	(0.45)	(0.18)	151.2	(0.87)	(0.83)	5.6
Gross profit	**33.33**	**33.30**	**0.1**	**136.22**	**126.99**	**7.3**
Net Operating Income	**33.78**	**33.48**	**0.9**	**137.10**	**127.82**	**7.3**
Administration Expenses	(4.95)	(4.53)	9.4	(17.63)	(16.09)	9.5
Long-term incentive (non-cash)	(0.70)	(0.47)	*49.3*	(2.79)	(1.93)	*44.3*
Depreciation	(0.42)	(0.20)	111.6	(1.49)	(0.57)	160.8
EBITDA	**29.07**	**29.24**	**(0.6)**	**121.38**	**112.83**	**7.6**
Other Income and Expenses						
Interest income	0.02	0.18	(90.3)	0.07	0.43	na
Other income	0.85	(0.01)	na	1.05	0.48	120.9
Transaction cost on debt issuance	0.00	0.00	na	0.00	(0.14)	(100.0)
Interest expense	(9.67)	(9.65)	0.1	(39.16)	(35.16)	11.4
Exchange gain (loss)	1.69	(3.33)	na	2.16	(0.72)	na
Gain in sell properties	0.00	0.00	na	17.92	0.00	na
Gain on revaluation of investment properties	27.72	2.05	1252.0	86.06	52.82	62.9
Total other (expenses) income	**20.62**	**(10.76)**	na	**68.10**	**17.72**	**284.3**
Profit Before Income Taxes	**48.57**	**17.82**	**172.7**	**185.20**	**128.04**	**44.6**
Income Tax Expense	(0.20)	(12.00)	(98.3)	(50.59)	(34.98)	44.6
Current Tax	(7.83)	4.22	na	(37.67)	(21.89)	72.1
Deferred Tax	7.63	(16.22)	na	(12.92)	(13.09)	(1.3)
Profit for the Period	**48.37**	**5.81**	**na**	**134.61**	**93.06**	**44.6**
Valuation of derivative financial instruments	0.47	(1.25)	na	(1.55)	1.09	(242.7)
Exchange differences on translating other functional currency operations	(1.29)	(12.52)	na	0.85	(6.61)	na
Total Comprehensive Income for the period	47.55	(7.95)	na	133.91	87.54	53.0
Shares (average)	573.45	605.62	(5.3)	587.21	599.86	(2.1)
EPS	0.083	-0.013	na	0.228	0.146	56.3

Consolidated total revenues increased 8.8%, to US$ 144.37 million at the end of the year 2019, compared to US$ 132.67 million last year.

Gross profit for 2019 increased 7.3% year-on-year to US$ 136.22 million. The operating cost increased 43.4%, due to an increase in cost of related properties that generate rental revenue; this increase was related to higher taxes, maintenance and an allowance for accounts receivable.

At the close of December 31, 2019, administrative expenses increased 9.5%, from US$ 16.09 million in 2018 to US$ 17.63 million in 2019, mostly due to an adjustment made in the fourth quarter to statutory employee profit sharing “PTU” and bonuses.

Total other income for the twelve months of 2019 was US$ 68.10 million, compared to US$ 17.72 million in the prior year. The result reflects the gain of the properties sold for US$ 17.92 million and a higher gain in the revaluation of investment properties of US$ 86.06.

Due to these factors, the Company’s profit before tax amounted to US$ 185.20 million in the year end 2019.

Income taxes at the close of December 31, 2019 were US$ 50.59 million, compared to US$ 34.98 million at the close of December 31, 2018. The higher income tax expense is primarily due to a higher current tax of US$ 37.67 million in 2019, as well as higher deferred taxes that amounted to US$ 12.92 million.

Total comprehensive income for the year 2019 was US$ 133.91 million, compared to US$ 87.54 million in 2018, due to the above-mentioned factors.

For the whole year 2019, Capex amounted to US$ 106.38 million and was related to the development of investment properties.

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 January 15, 2019 Vesta paid cash dividends for the fourth quarter equivalent to PS$ 0.43517 per ordinary share. The dividend was paid through the S.D. Indeval S.A. de C.V. (INDEVAL) Institucion para el Deposito de Valores, this amount was provisioned in the financial statements at the end of the fourth quarter as an account payable.

	Dividends per share
1Q19	0.42540
2Q19	0.42896
3Q19	0.43517
4Q19	0.43517

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q19	4Q18	Chg. %	*12 months* 2019	2018	Chg. %
Revenues						
Rental income	36.31	35.09	3.5	144.37	132.67	8.8
Operating Costs	**(2.99)**	**(1.79)**	**66.4**	**(8.14)**	**(5.68)**	**43.4**
Related to properties that generate rental income	(2.53)	(1.61)	56.9	(7.27)	(4.85)	49.9
Related to properties that did not generate rental income	(0.45)	(0.18)	151.2	(0.87)	(0.83)	5.6
Gross profit	**33.33**	**33.30**	**0.1**	**136.22**	**126.99**	**7.3**
Net Operating Income	**33.78**	**33.48**	**0.9**	**137.10**	**127.82**	**7.3**
Administration Expenses	(4.95)	(4.53)	9.4	(17.63)	(16.09)	9.5
Long-term incentive (non-cash)	(0.70)	(0.47)	*49.3*	(2.79)	(1.93)	*44.3*
Depreciation	(0.42)	(0.20)	111.6	(1.49)	(0.57)	160.8
EBITDA	**29.07**	**29.24**	**(0.6)**	**121.38**	**112.83**	**7.6**
Other Income and Expenses						
Interest income	0.02	0.18	(90.3)	0.07	0.43	na
Other income	0.85	(0.01)	na	1.05	0.48	120.9
Transaction cost on debt issuance	0.00	0.00	na	0.00	(0.14)	(100.0)
Interest expense	(9.67)	(9.65)	0.1	(39.16)	(35.16)	11.4
Exchange gain (loss)	1.69	(3.33)	na	2.16	(0.72)	na
Gain in sell properties	0.00	0.00	na	17.92	0.00	na
Gain on revaluation of investment properties	27.72	2.05	1252.0	86.06	52.82	62.9
Total other (expenses) income	**20.62**	**(10.76)**	na	**68.10**	**17.72**	**284.3**
Profit Before Income Taxes	**48.57**	**17.82**	**172.7**	**185.20**	**128.04**	**44.6**
Income Tax Expense	(0.20)	(12.00)	(98.3)	(50.59)	(34.98)	44.6
Current Tax	(7.83)	4.22	na	(37.67)	(21.89)	72.1
Deferred Tax	7.63	(16.22)	na	(12.92)	(13.09)	(1.3)
Profit for the Period	**48.37**	**5.81**	**na**	**134.61**	**93.06**	**44.6**
Valuation of derivative financial instruments	0.47	(1.25)	na	(1.55)	1.09	(242.7)
Exchange differences on translating other functional currency operations	(1.29)	(12.52)	na	0.85	(6.61)	na
Total Comprehensive Income for the period	47.55	(7.95)	na	133.91	87.54	53.0
Shares (average)	573.45	605.62	(5.3)	587.21	599.86	(2.1)
EPS	0.083	-0.013	na	0.228	0.146	56.3

Consolidated Statements of Financial Position (million)	December 31, 2019	December 31, 2018
ASSETS		
CURRENT		
Cash and cash equivalents	75.06	64.48
Financial assets held for trading	0.80	0.72
Accounts receivable net	10.37	26.34
Operating lease receivable, net	8.27	8.13
Due from related parties	0.00	0.00
Prepaid expenses	1.27	0.54
Guarantee deposits made	0.00	0.00
Total current assets	**95.77**	**100.22**
NON-CURRENT		
Investment properties	1,989.13	1,884.62
Leasing Terms	1.10	0.00
Office equipment - net	3.06	2.49
Derivative financial instruments	0.16	2.38
Guarantee Deposits made	4.46	4.38
Total non-current assets	**1,997.92**	**1,893.87**
TOTAL ASSETS	**2,093.70**	**1,994.09**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	0.79	4.51
Financial leases payable-short term	0.44	0.00
Accrued interest	3.00	5.32
Accounts payable	2.54	2.79
Income tax payable	1.46	0.41
Derivative financial instruments	0.00	0.00
Accrued expenses	4.45	3.66
Total current liabilities	**12.68**	**16.69**
NON-CURRENT		
Long-term debt	713.63	695.28
Financial leases payable-long term	0.73	0.00
Derivative financial instruments	0.00	
Guarantee deposits received	13.26	13.05
Dividends payable	13.37	0.00
Deferred income taxes	228.91	215.35
Total non-current liabilities	**969.90**	**923.69**
TOTAL LIABILITIES	**982.57**	**940.38**
STOCKHOLDERS' EQUITY		
Capital stock	426.30	435.61
Additional paid-in capital	303.74	321.02
Retained earnings	416.23	333.83
Share-base payments reserve	7.83	5.51
Foreign currency translation	(43.09)	(43.94)

Valuation of derivative financial instruments	0.11	1.67
Total shareholders' equity	**1,111.12**	**1,053.70**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,093.70**	**1,994.09**

Consolidated Statements of Cash Flows (million)	**December 31, 2019**	**December 31, 2018**
Cash flow from operating activities:		
Profit before income taxes	185.20	128.04
Adjustments:		
Depreciation	1.04	0.57
Depreciation of right of use assets	0.46	0.00
Gain on revaluation of investment properties	(86.06)	(52.82)
Effect of foreign exchange rates	(2.16)	0.72
Interest income	(0.07)	(0.43)
Interest expense	39.16	35.16
Share base compensation	2.79	1.94
Gain in sale of investment property	(17.92)	0.00
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	(0.14)	(2.91)
Recoverable taxes	(4.56)	(8.94)
Prepaid expenses	(0.73)	(0.17)
Guarantee Deposits made	0.00	0.00
(Increase) decrease in:		
Accounts payable	0.68	(2.23)
Guarantee Deposits received	0.00	0.00
Accrued expenses	1.63	0.88
Income Tax Paid	(16.09)	(12.54)
Income Tax Deferred	0.00	0.00
Net cash generated by operating activities	103.23	87.27
Cash flow from investing activities		
Purchases of investment property	(106.38)	(137.90)
Sale of investment property	109.26	0.00
Acquisition of office furniture	(1.61)	(1.20)
Financial assets held for trading	(0.08)	(0.05)
Interest received	0.07	0.43
Net cash used in investing activities	1.27	(138.71)
Cash flow from financing activities		
Guarantee deposits made	(0.09)	0.06
Guarantee deposits collected	0.20	1.51
Interest paid	(41.33)	(33.61)
Loans obtained	225.00	0.00
Repayments of borrowings	(210.95)	(0.12)
Dividends paid	(39.44)	(47.90)
Repurchase of treasury shares	(27.90)	(11.26)
Proceeds from borrowings	7.30	116.60
Repayments of finance leases	(0.55)	0.00
Debt issuance costs	(6.72)	1.33
Net cash (used in) generated by financing activities	(94.48)	26.61

Effects of exchange rates changes on cash	0.57	(1.70)
Net Increase in cash and cash equivalents	10.58	(26.52)
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	75.80	65.22

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 December, 2017	**439.84**	**327.27**	**288.67**	**3.30**	**(37.33)**	**0.58**	**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	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	0.00	0.00	0.00	0.00	0.00	0.00
Comprehensive income (loss)	0.00	0.00	93.06	0.00	(6.61)	1.09	87.54
Balances as of December 31, 2018	**435.61**	**321.02**	**333.83**	**5.51**	**(43.94)**	**1.67**	**1053.70**
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	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	3.63	0.00	0.00	3.63
Dividends payments	0.00	0.00	(52.21)	0.00	0.00	0.00	(52.21)
Repurchase of shares	(9.82)	(18.08)	0.00	0.00	0.00	0.00	(27.90)
Comprehensive income	0.00	0.00	134.61	0.00	0.85	(1.55)	133.91
Balances as of December 31, 2019	**426.30**	**303.74**	**416.23**	**7.83**	**(43.09)**	**0.11**	**1111.12**

Financial Derivative Instruments

In 2018, Vesta signed a derivative contract to fix the company´s 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 on 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. When 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)		December 31, 2019	December 31, 2018
Underlying	***Type of Instrument***	***Mark to Market***	
3M Libor Syndicated Loan	Swap	0.47	(1.27)

Notes and Disclaimers

Interim Consolidated Condensed Financial Statements: The figures presented within this release for the three-month periods ending December 31, 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	
December 31, 2018	19.683
December 31, 2019	18.845
Income Statement	
4Q18 *(average)*	19.829
4Q19 (*average)*	19.282
2018 *(average)*	19.237
2019 *(average)*	19.262

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
- Banco Invex, S.A.
- 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.
- Grupo Signum, 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 December 31, 2019, Vesta owned 184 properties located in modern industrial parks in 14 states of Mexico totaling a GLA of 29.8 million ft^2 (2.76 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.