# 1Q

## 2021
## EARNINGS RESULTS

### Conference Call

Monday, May 3, 2021
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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**Mexico City, April 30, 2021 –** 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 results for the first quarter ended March 31, 2021. 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 March 2021, Vesta's shareholders approved the Company's new financial plan at its annual Shareholders' Meeting. The plan includes raising US$ 300 million in capital and increasing Vesta's debt limit to US$ 1,250 million from US$ 850 million, ensuring Vesta has the necessary financial flexibility to continue its growth plans.
- On April 27, 2021 Vesta announced the successful conclusion of its primary equity offering of common shares through the Mexican Stock Exchange, successfully raising US$ 229 million in gross proceeds, including the over-allotment option which has been successfully exercised.
- As presented in the Shareholder´s Meeting and as part of the Company's financial plan, the Company is considering, subject to market and other conditions, the issuance of a new bond in order to refinance some of its existing debt and to extend the maturity profile of its debt portfolio.
- During the first quarter 2021, Vesta acquired additional land in the city of Monterrey on which it plans to develop a Vesta Park of approximately 1.4 million square feet, representing a total investment of approximately US$ 70 million including land cost and infrastructure costs.
- Revenues increased 1.8% during 1Q21 to US$ 38.39 million, from US$ 37.71 million in 1Q20, while NOI and EBITDA increased 5.0% and 6.3%, respectively, and margins reached 96.9% and 87.1%, respectively. This reflects a continued prudent approach to cost and administrative expenses as well as improved collections which reduced the Company's doubtful accounts reserve.
- 1Q21 NAV per share increased 2.7% to US$ 2.42, from US$ 2.36 in 1Q20, while pre-tax FFO per share increased 1.8% year on year, to US$ 0.0389 at the end of 1Q21, from US$ 0.0382 in 1Q20.
- Leasing activity for the quarter reached 1,303,180 ft² (121,069 m²) comprised of 545,486 ft² (50,677 m²) through 225,966 ft² (98,509 m²) related to Mercado Libre´s continued expansion as well as 319,520 ft² (29,684 m²) in new contracts with companies such DB Schenker and Living Spaces and 757,694 ft² (70,392 m²) in lease renewals. Closing 1Q21 with a 90.0% occupancy in our total portfolio and droving 2021 and 2022 maturities to 4.6%and 12.9%, respectively.
- Vesta began construction of two 305,684 ft² (28,399 m²) inventory building in Ciudad Juarez and has resumed the construction of a 405,509 ft² (37,673 m²) inventory building in Guadalajara. Vesta´s 1Q21 development portfolio therefore totaled 1,257,366 ft² (116,813 m²) with a US$ 68.8 million total investment, 18% of which has been leased, with a 10.6% expected weighted average return on cost.

| Financial Indicators (million) | 1Q21 | 1Q20 | Chg. % |
|---|---|---|---|
| **Rental Income** | **38.39** | **37.71** | **1.8** |
| NOI | 37.22 | 35.44 | 5.0 |
| ***NOI Margin %*** | ***96.9%*** | ***94.0%*** | |
| EBITDA | 33.44 | 31.46 | 6.3 |
| ***EBITDA Margin %*** | ***87.1%*** | ***83.4%*** | |
| *EBITDA Per Share* | *0.0581* | *0.0542* | 7.2 |
| Total Comprehensive Income | 13.47 | (25.93) | na |
| **FFO Pretax** | **22.39** | **22.17** | **1.0** |
| *FFO Pretax Per Share* | *0.0389* | *0.0382* | 1.8 |
| **FFO** | **16.87** | **20.32** | **(17.0)** |
| *FFO Per Share* | *0.0293* | *0.0350* | (16.3) |
| **EPS** | **0.0234** | **(0.0447)** | **na** |
| Shares (average) | 575.80 | 580.66 | (0.8) |

- Revenues increased by 1.8% in 1Q21 to US$ 38.39 million, from US$ 37.71 million in 1Q20. This increase is primarily due to new revenue-generating contracts closed during the first quarter 2021.
- Net Operating Income ("NOI") increased 5.0% to US$ 37.22 million in 1Q21, compared to US$ 35.44 million in 1Q20. The first quarter 2021 NOI margin was 96.9%; a 298-basis-point increase due to lower costs related to rental income generating properties.
- EBITDA increased 6.3% to US$ 33.44 million in the first quarter 2021, as compared to US$ 31.46 million in the first quarter of 2020. 1Q21 EBITDA margin was 87.1%; a 366-basis point increase due to the Company´s prudent approach to costs and administrative expenses during the quarter as well as an increase in the long-term incentive.
- Pre-tax funds from operations ("pre-tax FFO") for 1Q21 increased 1.0% to US$ 22.39 million, from US$ 22.17 million for the same period in 2020. Pretax FFO per share was US$ 0.0389 for the first quarter 2021, compared with US$ 0.0382 for the same period in 2020; a 1.8% increase. 1Q21 after tax FFO was US$ 16.87 million, compared to US$ 20.32 million during 1Q20. This decrease was due to increased current taxes in 1Q21.
- Total comprehensive gain for 1Q21 was US$ 13.47 million, versus a US$ 25.93 million loss in the same quarter 2020. This increase was primarily due to lower deferred taxes during 1Q21.
- As of March 31, 2021, the total value of Vesta's investment property portfolio was US$ 2.12 billion; a 0.9% increase compared to US$ 2.10 billion at the end of December 31, 2020.

## Letter from the CEO

**Economic rebound is becoming a reality**

2021 has begun to show initial signs that there is indeed a light at the end of the tunnel, and that the U.S. is poised for strong recovery- many economists forecast GDP growth of 6% or more for 2021. Wall Street's bullish outlook also reflects overall optimism- with a federal stimulus supported rebound, expected US government infrastructure spending, strengthened Federal Reserve policies, consumers itching to spend savings and stimulus money, and companies rushing to expand to address surging demand. Some forecasts predict extremely robust multi-year growth driven by high hopes with an end to the pandemic. As *The Economist* described: "America's post-lockdown boom has begun."

The significance of USMCA is clear, with more than 70 percent of Mexican exports sent to the U.S. and Canada per year. USMCA will therefore be the backbone for a renewed vision of North American competitiveness. Mexico's strong fundamentals have remained resilient throughout the pandemic, supported by continued trade momentum. 2021 Mexico´s GDP is forecast to partially rebound, increasing by 5.6%, while exports and imports are bouncing back. In March we've already seen a boost in the manufacturing sector from strengthened growth prospects in the US, with a 10% increase in exports compared to last year. Non-automotive export recovery is particularly significant, which we believe will drive leasing opportunities.

In light of the considerable opportunity we're seeing, Vesta's investors approved our new financial plan at our annual Shareholders' Meeting in March, which included raising US$ 300 million in capital and increasing Vesta's debt limit to US$ 1,250 million from US$ 850 million, ensuring our Company has the necessary financial flexibility to continue our growth plans. We successfully finalized our equity follow-on on April 27, raising US$ 229 million including the over-allotment option which has been successfully excised. This transaction provides Vesta with the important resources we need to fully capitalize on the exciting new opportunities we're seeing in the Mexican market.

We're already seeing strengthening market dynamics, with tenants' increased confidence and important signs of initial economic recovery. As part of Vesta's Level 3 Strategy, we've increased our presence on key metro area markets and in important industries such as e-commerce. An example is Mercado Libre's third expansion with Vesta in Guadalajara, ahead to the original projected plan. During the quarter we also closed new land in the city of Monterrey's most dynamic submarket, where we'll develop our second Vesta Park of approximately 1.4 million square feet and a total investment of approximately US$ 70 million.

In view of strong increase demand in certain markets we've expanded our development pipeline with two new inventory buildings in Ciudad Juarez and resumed construction of Guadalajara´s inventory building, to reach a development portfolio of 1.3 million square feet for 1Q21.

Vesta also began the year with solid leasing activity of 1.3 million square feet during the quarter, of which 545.5 thousand square feet are new contracts comprised of 226.0 thousand square feet related to Mercado Libre´s third expansion phase and 319.5 thousand square feet with companies such as DB Schenker and Living Spaces, and 757.6 thousand square feet in lease renewals. Total portfolio occupancy therefore reached 90.0% during the first quarter, strengthening our 2021 lease expiration maturity profile to 4.6% in 1Q21 from 7.8% during 4Q20.

Further, key 1Q21 financial metrics reflect our management team's consistent prudent approach towards costs and expenses, with a 1.8% year on year revenue increase to US$ 38.4 million, while NOI and EBITDA margins reached 96.9% and 87.1%, respectively. Pre-tax FFO increased 1.0% to US$ 22.4 million and 1.8% increase on a per share basis to US$ 0.0389. Vesta´s NAV per share increased 2.7% to US$ 2.42, from US$ 2.36 in 1Q20.

As the last year demonstrated, the market has become considerably more dynamic, and continues to adapt and evolve to an ever-changing demand environment. Vesta is extremely well positioned to aggressively implement our Level 3 Strategic Plan, now with benefit of a strengthened balance sheet and considerable resources to drive our Company's future growth in today's exciting market environment.

Together, our team and I are committed to leading Vesta's continued growth and evolution with passion, focus and enthusiasm.

As always, thank you for your continued support.

Lorenzo D. Berho
CEO

# First 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. First quarter 2021 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**

| Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million) | 1Q21 | 1Q20 | Chg. % |
|---|---|---|---|
| **Revenues** | | | |
| Rental income | 38.39 | 37.71 | 1.8 |
| **Operating Costs** | **(1.45)** | **(2.52)** | **(42.6)** |
| Related to properties that generate rental income | (1.17) | (2.28) | (48.4) |
| Related to properties that did not generate rental income | (0.27) | (0.24) | 12.3 |
| **Gross profit** | **36.95** | **35.20** | **5.0** |
| **Net Operating Income** | **37.22** | **35.44** | **5.0** |

Vesta's 1Q21 rental revenues increased 1.8% to US$ 38.39 million, from US$ 37.71 million in 1Q20. The US$ 0.68 million increase in rental revenues was primarily due to: [i] a US$ 1.85 million, or 4.9%, increase from renting new space which had been vacant in 1Q21 but was rented in 1Q20; [ii] a US$ 1.13 million, or 3.0%, increase related to inflation adjustments made in 1Q21 on rented property; [iii]  a US$ 0.12 million, or 0.3%, increase in reimbursements for expenses paid by Vesta on behalf of its clients but not considered to be rental revenue; and [vi] a US$ 0.02 million increase in management fees paid for the portfolio sold.

These results were partially offset by: [i] a US$ 2.03 million, or 5.4%, decrease related to lease agreements which expired and were not renewed during 1Q21; [ii] a US$ 0.26 million decrease in rental income due to the conversion of peso-denominated rental income into US dollars; and [iii] a US$ 0.15 million, or 0.4%, decrease related to lease agreements which were renewed during 1Q21 at a lower rental rate in order to retain certain client relationships.

84.5% of Vesta's first quarter 2021 revenues were denominated in US dollars and are indexed to the US Consumer Price Index ("CPI"), an increase from 83.5% in first quarter 2020. 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 1Q21 total operating costs reached US$ 1.45 million, compared to US$ 2.52 million in 1Q20; a US$ 1.07 million, or 42.6%, decrease resulting from lower costs at occupied properties.

During the first quarter 2021, costs related to investment properties generating rental revenues amounted to US$ 1.17 million, compared to US$ 2.28 million for the same period in 2020. This was primarily attributable to a decrease in other property related expenses that includes the allowance for bad accounts receivable which decreased as the Company recovered a portion of these accounts during the 1Q21.

In addition, costs from investment properties which did not generate rental revenues during the quarter increased to US$ 0.27 million, compared with US$ 0.24 million in the same period of 2020. This was primarily due to higher vacancy, which increased costs related to insurance, maintenance and other property related expenses.

**Net Operating Income (NOI)**

First quarter Net Operating Income increased 5.0% to US$ 37.22 million, while NOI margin increased 298 basis points to 96.9%, due to lower costs related to properties that generate rental income.

**Administrative Expenses**

| **Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)** | **1Q21** | **1Q20** | **Chg. %** |
|---|---|---|---|
| Administration Expenses | (4.93) | (4.67) | 5.6 |
| Long-term incentive (non cash) | 1.42 | 0.94 | *51.0* |
| Depreciation | (0.39) | (0.49) | (21.1) |
| **EBITDA** | **33.44** | **31.46** | **6.3** |

1Q21 administrative expenses totaled US$ 4.93 million, compared to US$ 4.67 million in the first quarter of 2020; an 5.6% increase. The increase is mainly due to an increase in the long-term incentive.

In 1Q21, the share-based payment of Vesta's compensation plan expense amounted to US$ 1.42 million. For more detailed information on Vesta's expenses, please see Note 16 within the Financial Statements.

### Depreciation

Depreciation during the first quarter of 2021 was US$ 0.39 million, compared to US$ 0.49 million in the first quarter of 2020, due to the depreciation of Vesta´s offices and office equipment and the amortization of operating systems used by the Company.

### EBITDA

1Q21 EBITDA increased 6.3% to US$ 33.44 million, from US$ 31.46 million in the 1Q20, while the EBITDA margin increased 366-basis-points to 87.1%, as compared to 83.4% for the same period of last year. This increase was due to higher gross profit and lower administrative expenses and an increase in the long-term incentive during the quarter.

### Other Income and Expenses

| Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million) | 1Q21 | 1Q20 | Chg. % |
|---|---|---|---|
| **Other Income and Expenses** | | | |
| Interest income | 0.02 | 0.01 | na |
| Other income | 0.09 | 0.08 | na |
| Transaction cost on debt issuance | 0.00 | 0.00 | na |
| Interest expense | (11.05) | (9.30) | 18.8 |
| Exchange gain (loss) | 0.50 | (9.10) | na |
| Gain in sell properties | 4.30 | 0.00 | na |
| Gain on revaluation of investment properties | (3.72) | 13.90 | (126.7) |
| **Total other (expenses) income** | **(9.85)** | **(4.41)** | na |

Total other expenses at the end of first quarter of 2021 reached US$ 9.85 million, compared to other expenses of US$ 4.41 million at the end of the first quarter of 2020. This increase in expenses was mainly due to a lower revaluation gain and higher interest expense.

Year on year interest income remained mostly flat in 1Q21, at US$ 0.02 million, due to an increased cash reserve with lower interest rates.

Other income for the quarter increase to US$ 0.09 million in 1Q21 due to the net result of the Company's other accounting expenses.

1Q21 interest expense increased to US$ 11.05 million, compared to US$ 9.30 million in same quarter last year. This increase reflects the effect of the swap during the first quarter of 2021.

Vesta's 1Q21 foreign exchange gain was US$ 0.50 million, compared to a US$ 9.10 million loss in 1Q20. The 1Q21 gain relates primarily to sequential currency movement in Vesta's dollar-denominated debt balance during the 1Q21 within WTN, the Company's only subsidiary that uses the Mexican peso as its functional currency.

During 1Q21 the Company sold land in Queretaro which resulted in a US$ 4.30 million gain in properties sold.

The valuation of investment properties in March 2021 resulted in a US$ 3.72 million loss, compared to a US$ 13.90 million gain in the first quarter of 2020. This decrease was a result of higher vacancy and an adjustment in the gross leasing area that generated income during the quarter.

### Profit Before Income Taxes

| Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million) | 1Q21 | 1Q20 | Chg. % |
|---|---|---|---|
| **Profit Before Income Taxes** | **21.77** | **25.62** | **(15.0)** |
| Income Tax Expense | (7.46) | (50.04) | na |
| Current Tax | (5.52) | (1.85) | na |
| Deferred Tax | (1.94) | (48.19) | na |
| **Profit for the Period** | **14.31** | **(24.42)** | **na** |
| Valuation of derivative financial instruments | 0.72 | (2.91) | na |
| Exchange differences on translating other functional currency operations | (1.55) | 1.39 | na |
| **Total Comprehensive Income for the period** | 13.47 | (25.93) | na |

Due to the above factors, 1Q21 profit before income tax amounted to US$ 21.77 million, compared to US$ 25.62 million in the same quarter last year.

### Income Tax Expense

During the first quarter of 2021, the Company reported an income tax expense of US$ 7.46 million, compared to a US$ 50.04 million expense in the prior year period. The current tax expense in 1Q21 was US$ 5.52 million, compared to US$ 1.85 million expense in 1Q20. This increase is due to an increase in operating current tax during 1Q21.

Deferred taxes primarily reflect: [i] the effect of the exchange rate used to convert taxable assets on the Company's balance sheet from Mexican pesos (including the monetary value of Vesta's investment properties and the tax loss benefits to amortize) into U.S. dollars at the end of first quarter 2021 and 2020; [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.

### First Quarter 2021 Gain

Due to the factors described above, the Company's profit for the first quarter of 2021 was US$ 14.31 million, compared to a US$ 24.42 million loss in 1Q20.

### Total Comprehensive Income (Loss) for the Period

Vesta closed the first quarter 2021 with US$ 13.47 million in total comprehensive income, compared to US$ 25.93 million loss at the end of the first quarter of 2020, due to the factors previously described. This gain was partially increased by a US$ 0.72 million gain on valuation of derivative financial instruments and was offset by US$ 1.55 million loss in functional currency operations.

### Funds from Operations (FFO)

| **FFO Reconciliation (million)** | **1Q21** | **1Q20** | **Chg. %** |
|---|---|---|---|
| Total Comprehensive Income for the period | 13.47 | (25.93) | (152.0) |
| ***Adjustments*** | | | |
| Exchange differences | 1.55 | (1.39) | na |
| Gain on revaluation of investment properties | 3.72 | (13.90) | na |
| Gain in sell properties | (4.30) | 0.00 | na |
| Long-term incentive (non cash) | 1.42 | 0.94 | 51.0 |
| Exchange Gain (Loss) | (0.50) | 9.10 | (105.5) |
| Depreciation | 0.39 | 0.49 | na |
| Other income | (0.09) | (0.08) | na |
| Valuation of derivative financial instruments | (0.72) | 2.91 | na |
| Interest income | (0.02) | (0.01) | 66.3 |
| Income Tax Expense | 7.46 | 50.04 | na |
| **Pretax FFO** | **22.39** | **22.17** | 1.0 |
| **Pretax FFO per share** | 0.0389 | 0.0382 | 1.8 |
| Current Tax | (5.52) | (1.85) | 198.2 |

| | | | |
|---|---|---|---|
| **FFO Attributable** | **16.87** | **20.32** | (17.0) |
| **FFO per share** | 0.0293 | 0.0350 | (16.3) |

1Q21 Funds from Operations (FFO) attributable to common stockholders totaled US$ 16.87million, or US$ 0.0293 per share, compared with US$ 20.32 million, or US$ 0.0350 per share, for 1Q20.

1Q21 pretax operating FFO, which excludes current taxes, totaled US$ 22.39 million, a 1.8% increase compared with US$ 22.17 million in 1Q20.

The current tax associated with the Company's operations resulted in a US$ 5.52 million expense. The exchange-rate related portion of the current tax represented a US$ 1.93 million gain, while the current operating tax represented a US$ 7.45 million expense, which includes an extraordinary tax from the properties sold of US$ 1.9 million,

| **Current Tax Expense** | **1Q21** |
|---|---|
| Operating Current Tax | (7.45) |
| Exchange Rate Related Current Tax | 1.93 |
| **Total Current Tax Expense** | **(5.52)** |
| | |
| **Adjusted FFO** | **14.94** |
| **Adjusted FFO per share** | 0.0260 |

## Capex

Investing activities during the first quarter of 2021 were primarily related to payments for works in progress in the construction of new buildings in the Northern, Bajio and Central regions. Total investments in the first quarter 2021 were to US$ 25.61 million.

## Debt

As of March 31, 2021, the Company´s overall balance of debt was US$ 839.80 million, of which US$ 47.30 million is related to short-term liabilities and US$ 792.50 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 from these properties. As of 1Q21, 100% of Vesta's debt was denominated in U.S. dollars and almost 85% 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.

| | 1Q20 | | | 1Q21 | |
|---|---|---|---|---|---|
| Region | Stabilized Portfolio | | Growth SF | Stabilized Portfolio | |
| | SF | % | SF | SF | % |
| Central Mexico | 6,494,214 | 22.0% | 373,298 | 6,867,511 | 22.0% |
| Bajio | 14,212,231 | 48.1% | 1,014,988 | 15,227,219 | 48.8% |
| North | 8,852,385 | 29.9% | 226,100 | 9,078,485 | 29.1% |
| **Total** | **29,558,829** | **100%** | **1,614,385** | **31,173,214** | **100%** |

| | 1Q20 | | 1Q21 | |
|---|---|---|---|---|
| | Occupancy SF | % Total | Occupancy SF | % Total |
| Central Mexico | 6,126,172 | 94.3% | 6,003,622 | 87.4% |
| Bajio | 12,806,647 | 90.1% | 13,482,269 | 88.5% |
| North | 8,745,250 | 98.8% | 8,770,061 | 96.6% |
| **Total** | **27,678,069** | **93.6%** | **28,255,952** | **90.6%** |

**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 | 1Q20 Same Store Portfolio SF | 1Q20 Same Store Portfolio % | Growth SF SF | 1Q21 Same Store Portfolio SF | 1Q21 Same Store Portfolio % |
|---|---|---|---|---|---|
| Central Mexico | 6,494,214 | 24.5% | -8,608 | 6,485,605 | 22.0% |
| Bajio | 12,373,118 | 46.6% | 1,830,735 | 14,203,853 | 48.1% |
| North | 7,660,230 | 28.9% | 1196274 | 8,856,503 | 30.0% |
| **Total** | **26,527,562** | **100%** | **3,018,400** | **29,545,962** | **100%** |

| | 1Q20 Occupancy SF | 1Q20 % Total | 1Q21 Occupancy SF | 1Q21 % Total |
|---|---|---|---|---|
| Central Mexico | 6,126,172 | 94.3% | 5,621,716 | 86.7% |
| Bajio | 12,100,822 | 97.8% | 12,694,386 | 89.4% |
| North | 7,553,095 | 98.6% | 8,604,962 | 97.2% |
| **Total** | **25,780,090** | **97.2%** | **26,921,064** | **91.1%** |

## Total Portfolio

As of March 31, 2021, the Company's portfolio was comprised of 189 high-quality industrial assets, with a total GLA of 31.59 million ft$^2$ (2.93 million m$^2$) and with 84.5% of the Company's income denominated in US dollars. The majority of Vesta's properties are located in markets representing the most significant economic growth in the country, such as the Northern, Central and Bajio regions. Vesta's tenants are predominantly multinational companies and the Company has balanced industry exposure to sectors such as e-commerce/online retail, food and beverage, automotive, aerospace, and logistics, among others.

| Region | 4Q20 Existing Portfolio SF | 4Q20 Existing Portfolio % | Growth SF SF | 1Q21 Total Portfolio SF | 1Q21 Total Portfolio % |
|---|---|---|---|---|---|
| Central Mexico | 6,959,744 | 22.0% | 43,381 | 7,003,125 | 22.2% |
| Bajio | 15,182,807 | 47.9% | 44,412 | 15,227,219 | 48.2% |
| North | 9,078,485 | 17.8% | 283,032 | 9,361,517 | 29.6% |
| **Total** | **31,221,035** | **88%** | **370,825 *** | **31,591,860** | **100%** |

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

## Total Vacancy

As of March 31, 2021, Vesta's property portfolio had a vacancy rate of 10.0%.

| | 4Q20 | | 1Q21 | |
|---|---|---|---|---|
| | **Vacant SF** | **% Total** | **Vacant SF** | **% Total** |
| Central Mexico | 779,705 | 11.2% | 999,504 | 14.3% |
| Bajio | 1,728,115 | 11.4% | 1,744,949 | 11.5% |
| Baja California | 396,091 | 4.4% | 422,959 | 4.5% |
| **Total** | **2,903,910** | **9.3%** | **3,167,412** | **10.0%** |

## Projects Under Construction

Vesta is currently developing 1,257,366 ft² (116,813 m²) in inventory and BTS buildings.

**Projects under Construction**

| Project | GLA (SF) | GLA (m²) | Investment [(1)] (thousand USD) | Type | Expected Termination Date | City | Region |
|---|---|---|---|---|---|---|---|
| VPLT-02 Exp | 49,632 | 4,611 | 4,562 | Inventory | Sep-21 | Juarez | North Region |
| VPLT-05* | 256,052 | 23,788 | 12,284 | Inventory | Nov-21 | Juarez | North Region |
| Alamar 02 | 320,207 | 29,748 | 18,914 | Inventory | Nov-21 | Tijuana | North Region |
| GDL 01 | 405,509 | 37,673 | 19,397 | Inventory | Dec-21 | Guadalajara | Bajio Region |
| Mercado Libre F3* | 225,966 | 20,993 | 13,685 | BTS | Nov-21 | Guadalajara | Bajio Region |
| **Total** | **1,257,366** | **116,813** | **68,843** | | | | |

## Land Reserves

As of March 31, 2021, the Company had 41.65 million square feet of land reserves

| | *December 31, 2020* | *March 31, 2021* | |
|---|---|---|---|
| **Region** | **Gross Land Area (SF)** | **Gross Land Area (SF)** | **% Chg.** |
| San Luis Potosi | 3,811,268 | 3,811,268 | (0.00) |
| Queretaro | 8,449,915 | 7,508,063 | (0.11) |
| Tijuana | 3,475,121 | 3,475,121 | (0.00) |
| Monterrey | 465,087 | 3,582,396 | 6.70 |
| 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 | 332,493 | 332,493 | (0.00) |
| SMA | 3,870,234 | 3,870,234 | (0.00) |
| Guadalajara | 2,035,053 | 2,035,053 | (0.00) |
| **Total** | **39,473,122** | **41,648,566** | **5.51%** |

# Subsequent Events

**Dividends:**

During the Company's Annual General Shareholders Meeting, Vesta shareholders agreed to pay a US$ 55.78 million-dollar dividend, to be paid in quarterly installments at the closing exchange rate of the day prior to payment. Quarterly dividend per share will be determined based on the outstanding number of shares on the distribution date.

Vesta paid a cash dividend for the first quarter 2021 equivalent to PS$ 0.48612 per ordinary share on April 15, 2021. The dividend was paid through the S.D. Indeval S.A. de C.V. (INDEVAL) Institución para el Deposito de Valores. This amount was provisioned within the Company's financial statements at the end of the fourth quarter 2020 as an account payable.

| | Dividends per share |
|---|---|
| 1Q21 | 0.48612 |

# Appendix: Financial Tables

| **Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)** | **1Q21** | **1Q20** | **Chg. %** |
|---|---|---|---|
| **Revenues** | | | |
| Rental income | 38.39 | 37.71 | 1.8 |
| **Operating Costs** | **(1.45)** | **(2.52)** | **(42.6)** |
| Related to properties that generate rental income | (1.17) | (2.28) | (48.4) |
| Related to properties that did not generate rental income | (0.27) | (0.24) | 12.3 |
| **Gross profit** | **36.95** | **35.20** | **5.0** |
| **Net Operating Income** | **37.22** | **35.44** | **5.0** |
| Administration Expenses | (4.93) | (4.67) | 5.6 |
| Long-term incentive (non cash) | 1.42 | 0.94 | *51.0* |
| Depreciation | (0.39) | (0.49) | (21.1) |
| **EBITDA** | **33.44** | **31.46** | **6.3** |
| **Other Income and Expenses** | | | |
| Interest income | 0.02 | 0.01 | na |
| Other income | 0.09 | 0.08 | na |
| Transaction cost on debt issuance | 0.00 | 0.00 | na |
| Interest expense | (11.05) | (9.30) | 18.8 |
| Exchange gain (loss) | 0.50 | (9.10) | na |
| Gain in sell properties | 4.30 | 0.00 | na |
| Gain on revaluation of investment properties | (3.72) | 13.90 | (126.7) |
| **Total other (expenses) income** | **(9.85)** | **(4.41)** | na |
| **Profit Before Income Taxes** | **21.77** | **25.62** | **(15.0)** |
| Income Tax Expense | (7.46) | (50.04) | na |
| Current Tax | (5.52) | (1.85) | na |
| Deferred Tax | (1.94) | (48.19) | na |
| **Profit for the Period** | **14.31** | **(24.42)** | **na** |
| Valuation of derivative financial instruments | 0.72 | (2.91) | na |
| Exchange differences on translating other functional currency operations | (1.55) | 1.39 | na |
| **Total Comprehensive Income for the period** | **13.47** | **(25.93)** | na |
| Shares (average) | 575.8 | 580.66 | (0.8) |
| EPS | 0.023 | -0.045 | na |

| Consolidated Statements of Financial Position (million) | March 31, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash and cash equivalents | 99.12 | 120.54 |
| Financial assets held for trading | 0.66 | 0.68 |
| Recoverable Taxes | 18.50 | 14.86 |
| Operating lease receivable, net | 6.67 | 6.36 |
| Due from related parties | 0.00 | 0.00 |
| Prepaid expenses | 2.50 | 0.42 |
| Guarantee deposits made | 0.00 | 0.00 |
| **Total current assets** | **127.46** | **142.87** |
| **NON-CURRENT** | | |
| Investment properties | 2,121.22 | 2,103.21 |
| Leasing Terms | 0.55 | 0.66 |
| Office equipment - net | 2.60 | 2.85 |
| Derivative financial instruments | 0.00 | 0.00 |
| Guarantee Deposits made | 4.51 | 4.51 |
| **Total non-current assets** | **2,128.88** | **2,111.23** |
| **TOTAL ASSETS** | **2,256.34** | **2,254.10** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **CURRENT LIABILITIES** | | |
| Current portion of long-term debt | 47.30 | 1.92 |
| Financial leases payble-short term | 0.50 | 0.51 |
| Accrued interest | 3.44 | 2.83 |
| Accounts payable | 2.82 | 1.83 |
| Income tax payable | 2.56 | 3.52 |
| Dividends payable | 55.78 | 13.53 |
| Accrued expenses | 2.87 | 4.31 |
| **Total current liabilities** | **115.28** | **28.45** |
| **NON-CURRENT** | | |
| Long-term debt | 792.50 | 837.84 |
| Financial leases payble-long term | 0.12 | 0.22 |
| Derivative financial instruments | 3.11 | 4.13 |
| Guarantee deposits received | 14.64 | 13.92 |
| Dividends payable | | |
| Deferred income taxes | 262.91 | 260.87 |
| **Total non-current liabilities** | **1073.28** | **1116.99** |
| **TOTAL LIABILITIES** | **1188.56** | **1145.44** |
| **STOCKHOLDERS' EQUITY** | | |
| Capital stock | 424.09 | 422.44 |
| Additional paid-in capital | 301.81 | 297.06 |
| Retained earnings | 387.58 | 429.05 |
| Share-base payments reserve | 3.02 | 7.99 |
| Foreign currency translation | (46.53) | (44.98) |
| Valuation of derivative financial instruments | (2.18) | (2.89) |
| **Total shareholders' equity** | **1,067.78** | **1,108.66** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **2,256.34** | **2,254.10** |

| Consolidated Statements of Cash Flows (million) | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Profit before income taxes | 21.77 | 25.62 |
| Adjustments: | | |
| Depreciation | 0.26 | 0.38 |
| Depreciation of right of use assets | 0.10 | 0.11 |
| Gain on revaluation of investment properties | 3.72 | (13.90) |
| Effect of foreign exchange rates | (0.50) | 9.10 |
| Interest income | (0.02) | (0.01) |
| Interest expense | 10.79 | 8.61 |
| Amortization debt emission expenses | 0.25 | 0.68 |
| Share base compensation | 1.42 | 1.05 |
| Gain in sale of investment property | (4.30) | 0.00 |
| **Working capital adjustments** | | |
| (Increase) decrease in: | | |
| Operating leases receivables- net | (0.31) | 0.76 |
| Recoverable taxes | (3.64) | 0.77 |
| Prepaid expenses | (2.08) | (1.55) |
| Guarantee Deposits made | 0.00 | 0.00 |
| (Increase) decrease in: | | |
| Accounts payable | 0.99 | 0.74 |
| Guarantee Deposits received | 0.00 | 0.00 |
| Accrued expenses | (1.44) | (2.12) |
| Income Tax Paid | (5.17) | (16.56) |
| Income Tax Deferred | 0.00 | 0.00 |
| **Net cash generated by operating activities** | 21.86 | 13.69 |
| | | |
| **Cash flow from investing activities** | | |
| Purchases of investment property | (25.61) | (12.02) |
| Sale of investment property | 7.49 | 0.00 |
| Acquisition of office furniture | 0.02 | 0.24 |
| Financial assets held for trading | 0.02 | 0.01 |
| Interest received | (18.08) | (11.77) |
| **Net cash used in investing activities** | (36.16) | (23.54) |
| | | |
| **Cash flow from financing activities** | | |
| Guarantee deposits made | (0.01) | 0.04 |
| Guarantee deposits collected | 0.72 | (0.00) |
| Interest paid | (10.42) | (8.46) |
| Loans obtained | 0.00 | 85.00 |
| Costs paid for debt issuance | 0.00 | 0.00 |
| Repayments of borrowings | 0.00 | |
| Dividends paid | (13.53) | (13.37) |
| Repurchase of treasury shares | 0.00 | (14.24) |
| Proceeds from borrowings | 0.00 | 0.00 |
| Repayments of finance leases | (0.13) | (0.14) |
| **Net cash (used in) generated by financing activities** | (23.37) | 48.83 |
| | | |
| **Effects of exchange rates changes on cash** | (1.83) | (3.54) |
| **Net Increase in cash and cash equivalents** | (21.42) | 47.21 |
| **Cash, restricted cash and cash equivalents at the beginning of period** | 121.28 | 75.80 |
| **Cash, restricted cash and cash equivalents at the end of period** | 99.85 | 123.01 |

| 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, 2020** | **426.30** | **426.30** | **426.30** | **426.30** | **426.30** | **426.30** | **2557.81** |
| Equity issuance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vested shares | 1.24 | 3.02 | 0.00 | (4.26) | 0.00 | 0.00 | 0.00 |
| Share-based payments | 0.00 | 0.00 | 0.00 | 1.05 | 0.00 | 0.00 | 1.05 |
| Dividends declared | 0.00 | 0.00 | (54.14) | 0.00 | 0.00 | 0.00 | (54.14) |
| Repurchase of shares | (4.90) | (9.34) | 0.00 | 0.00 | 0.00 | 0.00 | (14.24) |
| Derivative financial instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Comprehensive income (loss) | 0.00 | 0.00 | (244.19) | 0.00 | 13.95 | (29.07) | (259.31) |
| **Balances as of March 31, 2020** | **422.64** | **419.97** | **127.98** | **423.09** | **440.25** | **397.23** | **2231.16** |
| **Balances as of January 1, 2021** | **422.44** | **297.06** | **429.05** | **7.99** | **(44.98)** | **(2.89)** | **1108.66** |
| Equity issuance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vested shares | 1.65 | 4.74 | 0.00 | (6.39) | 0.00 | 0.00 | 0.00 |
| Share-based payments | 0.00 | 0.00 | 0.00 | 1.42 | 0.00 | 0.00 | 1.42 |
| Dividends payments | 0.00 | 0.00 | (55.78) | 0.00 | 0.00 | 0.00 | (55.78) |
| Repurchase of shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Comprehensive income | 0.00 | 0.00 | 14.31 | 0.00 | (1.55) | 0.72 | 13.47 |
| **Balances as of March 31, 2021** | **424.09** | **301.81** | **387.58** | **3.02** | **(46.53)** | **(2.18)** | **1067.78** |

## 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)** | | **March 31, 2021** | **March 31, 2020** |
|---|---|---|---|
| ***Underlying*** | ***Type of Instrument*** | ***Mark to Market*** | |
| 3M Libor Syndicated Loan | Swap | 0.72 | 0.47 |

# Notes and Disclaimers

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**Interim Consolidated Condensed Financial Statements:** The figures presented within this release for the three-month periods ending March 31, 2021 and 2020 have not been audited.
**Exchange Rate:** The exchange rates used for the figures expressed in US dollars (US$) were:

| Date | Exchange Rate |
|---|---|
| ***Balance Sheet*** | |
| March 31, 2020 | 23.512 |
| March 31, 2021 | 20.605 |
| ***Income Statement*** | |
| 1Q20 *(average)* | 19.879 |
| 1Q21 *(average)* | 20.320 |

**Prior period:** Unless otherwise stated, the comparison of operating and financial figures compares 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.

**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 March 31, 2020, Vesta owned 189 properties located in modern industrial parks in 15 states of Mexico totaling a GLA of 31.6 million $ft^2$ (2.93 million $m^2$). The Company has multinational clients, which are focused in industries such as e-commerce/retail, 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. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, regional and local economic and political climates; (ii) changes in global financial markets, interest rates and foreign currency exchange rates; (iii) increased or unanticipated competition for our properties; (iv) risks associated with acquisitions, dispositions and development of properties; (v) tax structuring and changes in income tax laws and rates; (vi) availability of financing and capital, the levels of debt that we maintain; (vii) environmental uncertainties, including risks of natural disasters; (viii) risks related to the outbreak and spread of COVID-19 and the measures that governments, agencies, law enforcement and/or health authorities implement to address it; and (ix) those additional factors discussed in reports filed with the Bolsa Mexicana de Valores. We caution you that these 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 except as may be required by law.