

vesta 4Q

2022 EARNINGS RESULTS

Conference Call

Thursday, February 16, 2023
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Mexico City, February 15, 2023 – 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 fourth quarter ended December 31, 2022. All figures included herein were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in US dollars unless otherwise noted.

Full Year and Q4 2022 Highlights

- Vesta delivered exceptional financial results for the full year 2022, exceeding the upper range of revised 7.5-8.0% revenue guidance by 270 basis points, to reach US\$ 178.0 million: a 10.7% increase year over year. Full year 2022 NOI margin reached 95.0%, exceeding the 94.0% guidance by 100 basis points, while EBITDA margin reached 84.4% exceeding the 83.5% guidance by 93 basis points.
- Vesta achieved record high leasing activity in 2022, reaching a total of 10.6 million sf: 3.8 million sf from new leases with clients such as DSV, Amazon, Eaton, Home Depot, Foxconn, Safran and Cummins, among others. Lease renewals for the year reached 6.7 million sf, a historical high for Vesta, with a seven-year average weighted lease life and a 7% positive spread.
- Leasing activity for the fourth quarter 2022 reached 1.3 million sf with 933 thousand sf in new contracts with companies such as Cummins, Freudenberg, Foxconn, Safran among others, and 387 thousand sf in lease renewals. As a result, Vesta’s 4Q22 total portfolio occupancy increased year on year to 95.1% from 94.1% in 4Q21; stabilized occupancy increased to 97.3% from 94.3% in 4Q21 and same store occupancy increased to 97.2% from 94.0% in 4Q21.
- Subsequent to quarter’s end, in January 2023, Vesta pre-leased two buildings with Polaris, the global industry leader in powersports recreational vehicles. The buildings are currently under construction at the new Vesta Park Apodaca in Monterrey under a 10-year lease which comprises a total of 577 thousand sf and considers potential additional space.
- The Company began construction during 2022 on 4.6 million square feet at a weighted average of 10% yield on cost. Vesta delivered 1.2 million sf in new construction during the 4Q22 with plans to begin construction on 1.9 million sf across the various Mexico regions where Vesta is present. As of 4Q22, Vesta’s development pipeline reached 3.9 million sf with an estimated investment of US\$ 241.7 million and a 10.0% yield on cost.
- During the quarter Vesta acquired 52 acres of land in the San Martin Obispo submarket of Mexico City, located adjacent to one of Mexico City’s main roads, which ensures optimal connectivity to the Mexico City market. This best-in-class location is ideal to develop 1.0 million sf for last mile distribution center and logistics. The acquisition is another addition to Vesta’s increasing footprint within metropolitan areas, in line with the Company’s Level 3 Strategy and related growth plan.
- 2022 NAV per share increased by 10.1% to US\$ 2.86, from US\$ 2.59 in 2021, while pretax FFO increased 21.5% to US\$ 103.9 million in 2022, compared to US\$ 85.6 million in 2021. 2022 pretax FFO per share increased 22.0% to US\$ 0.15, from US\$ 0.12 in 2021.

- During the quarter, Vesta completed an acquisition for 187 thousand sf portfolio located in Toluca, comprised by two properties which have been leased to international companies that are suppliers of the Stellantis automotive manufacturing plant. The portfolio was acquired for US\$ 15.4 million, with an average rent of US\$ 6.78 sf per year at an 8.2% cap rate, including closing costs.
- ESG is a key pillar of the Company's Level 3 strategy and Vesta achieved important related milestones during 2022, including: inclusion within the S&P/BMV Total Mexico index for the third consecutive year and inclusion within the S&P Yearbook for the first time. Vesta was also selected for inclusion within the 2023 Bloomberg Gender-Equality Index (GEI) in the 4Q22, in recognition of the Company's commitment to supporting gender equality. Further, Vesta is also on track to achieve its targets related to the sustainability-linked bond which the Company issued at the beginning of 2022, having closed the year with five new LEED certified buildings.

2023 Guidance

Vesta expects revenues to increase between 13-14% in 2023 with a 93.0% NOI margin and an 82.0% EBITDA margin, while maintaining the Company's solid performance across key operational metrics.

Financial Indicators (million)	12 months					
	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Rental Income	47.4	41.6	14.0	178.03	160.79	10.7
NOI	44.6	39.0	14.5	169.08	152.24	11.1
NOI Margin %	94.1%	93.6%		95.0%	94.7%	
EBITDA	39.8	34.3	15.9	150.30	135.81	10.7
EBITDA Margin %	83.9%	82.5%		84.4%	84.5%	
EBITDA Per Share	0.0578	0.0496	16.6	0.2180	0.1961	11.2
Total Comprehensive Income	84.1	43.2	na	252.07	171.99	na
FFO Pretax	27.5	23.2	18.6	103.91	85.55	21.5
FFO Pretax Per Share	0.0400	0.0335	19.3	0.1507	0.1235	22.0
FFO	13.6	(1.4)	(1086.7)	61.92	35.29	75.5
FFO Per Share	0.0197	(0.0020)	(1093.1)	0.0898	0.0510	76.3
EPS	0.1222	0.0624	na	0.3656	0.2483	na
Shares (average)	688.2	692.6	(0.6)	689.47	692.58	(0.4)

- Net Operating Income (NOI) increased 14.5% to US\$ 44.6 million in 4Q22, compared to US\$ 39.0 million in 4Q21. The 4Q22 NOI margin was 94.1%, a 40-basis-point increase due to higher revenues as result of higher occupancy in the portfolio.
- EBITDA increased 15.9% to US\$ 39.8 million in 4Q22, as compared to US\$ 34.3 million in 4Q21. 4Q22 EBITDA margin was 83.9%; a 138-basis-point increase due to a higher gross profit year on year.
- 4Q22 pre-tax funds from operations (pre-tax FFO) increased 18.6% to US\$ 27.5 million, from US\$ 23.2 million for the same period in 2021. Pretax FFO per share was US\$ 0.0400 for the fourth quarter 2022, compared with US\$ 0.0335 for the same period in 2021; a 19.3%

increase. 4Q22 after tax FFO was US\$ 13.6 million, compared to a loss of US\$ 1.4 million in 4Q21. This increase was due to increased EBITDA and a lower current tax in 4Q22.

- 4Q22 total comprehensive gain was US\$ 84.1 million, versus US\$ 43.2 million in 2021. This increase was primarily due to an increase in EBITDA and lower income tax expenses in 4Q22.
- The total value of Vesta's investment property portfolio was US\$ 2.74 billion as of December 31, 2022; a 21.3% increase compared to US\$ 2.26 billion at the end of December 31, 2021.

Letter from the CEO

2022: A YEAR OF HIGH-SPEED, NEARSHORING-DRIVEN MOMENTUM

2022 was characterized by economies challenged with continued geopolitical tensions, inflation and volatile energy prices which were already surging as the world emerged from the 2020 pandemic lockdowns and spiked higher after the outbreak of war. However, the rapid reopening of China's economy, plunging European gas prices and cooling U.S. inflation suggest that a global recession may not be as deep and protracted as feared just weeks ago. In either scenario, Mexico's privileged position to capture today's explosive nearshoring opportunities remains; a trend we expect will continue for the foreseeable future as companies from around the world aggressively move production to Mexico seeking a manufacturing hub closer to the U.S. We believe this is only the beginning, as part of a broader shift in global trade which will forever disrupt industrial real estate fundamentals.

Mexico's solid policy framework protects the country's macroeconomic stability, encouraging industries to expand their presence within Mexico beyond border cities, as Guadalajara and Monterrey are registering historical-high absorption with vacancies below 1% and strong rent increases. We therefore note increasing industrial real estate demand within the Bajio region, underpinned by its considerable potential to accommodate continued growth as manufacturing within Mexico deepens and other established industrial real estate hubs reach saturation.

While nearshoring's effect on leasing has clearly taken hold, "ally-shoring" is also enabling the US and Mexico to protect and enhance joint economic and national security; strengthening supply chains, encouraging foreign direct investment (FDI) and implementing best practices to leverage the North American region's competencies.

Vesta's outstanding 2022 results demonstrate today's dramatic shift, and our success delivering world-class industrial real estate to top tier clients in today's in-demand markets, leveraging Vesta's 25 years of experience. 2022 operating metrics of note include extraordinary leasing activity of 10.6 million square feet for the year- a record high for our company- 3.8 million square feet through new leases with multinational clients such as DSV, Amazon, Eaton, Home Depot, Foxconn, Safran and Cummins, among others and renewals reaching a historical high of 6.8 million square feet. Today's exciting market environment also drove portfolio occupancy, reflected in our total portfolio increasing year on year to 95.1% year on year, from 94.1% in 4Q21. Stabilized occupancy increased to 97.3% from 94.3% and same store occupancy reached 97.2% from 94.0%, year on year.

The Mexican government notes that more than 400 companies currently have shown interest in moving production to Mexico from Asia. So as Vesta looks at today's market in light of the opportunity, our foot is firmly on the gas pedal with 4.6 million square feet in new developments which began construction during 2022, at an average yield on cost of 10%. We delivered 2.4 million square feet throughout 2022, in regions such as Tijuana, Juarez, Monterrey, Guadalajara, and Bajio. Vesta's development pipeline reached 3.9 million sf as of the fourth quarter 2022 with an estimated investment of US\$ 241.7 million, with 10.0% cap rate.

We also made important land acquisitions during 2022, enabling us to deliver on our growth plan. In the fourth quarter we acquired a new land reserve in the San Martin Obispo area of Mexico City, located adjacent to one of Mexico City's main roads which ensures optimal connectivity. This best-in-class location is ideal for last mile distribution and logistics- yet another addition to Vesta's increasing footprint within metropolitan areas, in line with our Level 3 Strategy and related growth plan.

Finally, Vesta again delivered exceptional 2022 financial results, with revenues growing 10.7% to US\$ 178.0 million, and reaching NOI and EBITDA margin of 95.0% and 84.4%, respectively. During the year we invested more than US\$ 269 million in projects.

As we commemorate an outstanding year, and 25 years as Mexico's leader in premier industrial real estate, we're confident this is only the beginning. Vesta has the uniquely deep experience to deliver and we're optimally positioned in Mexico's most high-demand markets to benefit from dynamic growth trends.

Thank you for your continued support and partnership.

Lorenzo D. Berho
CEO

Fourth 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 2022 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

<i>12 months</i>						
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Revenues						
Rental income	47.43	41.61	14.0	178.03	160.79	10.7
Operating Costs	(3.76)	(3.84)	(2.3)	(11.42)	(10.73)	6.5
Related to properties that generate rental income	(2.82)	(2.64)	6.7	(8.94)	(8.54)	4.6
Related to properties that did not generate rental income	(0.94)	(1.20)	(22.1)	(2.48)	(2.18)	13.7
Gross profit	43.68	37.77	15.6	166.60	150.06	11.0
Net Operating Income	44.61	38.97	14.5	169.08	152.24	11.1

Vesta's 4Q22 rental revenues increased 14.0% to US\$ 47.43 million, from US\$ 41.61 million in 4Q21. The US\$ 5.8 million rental revenue increase was primarily due to: [i] a US\$ 5.6 million, or 13.3%, increase from renting space in 4Q22 which had previously been vacant in 4Q21; [ii] a US\$ 2.48 million, or 6.0%, increase related to inflationary adjustments on rented property in 4Q22; [iii] a US\$ 0.96 million, or 2.3%, increase in reimbursements for expenses paid by Vesta on behalf of clients but not considered to be rental revenue; and [iv] a US\$ 0.33 million, or 0.8%, increase in rental income due to the conversion of peso-denominated rental income into US dollars.

These results were partially offset by: [i] a US\$ 1.44 million, or 3.5%, decrease related to the properties sold at the end of 2021; [ii] a US\$ 1.90 million, or 4.6%, decrease related to lease agreements which expired and were not renewed during 4Q22; and [iii] a US\$ 0.17 million, or 0.4%, decrease related to lease agreements which were renewed during 4Q22 at a lower rental rate in order to retain certain client relationships.

82.2% of Vesta's fourth quarter 2022 revenues were denominated in US dollars and are indexed to the US Consumer Price Index (CPI), a decrease from 83.6% in fourth quarter 2021 due to higher other income which is cashed in pesos. 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 4Q22 total operating costs reached US\$ 3.76 million, compared to US\$ 3.84 million in 4Q21; a US\$ 0.09 million, or 2.3%, decrease from lower costs related to properties that did not generate rental income.

During the fourth quarter 2022, costs related to investment properties generating rental revenues amounted to US\$ 2.82 million, compared to US\$ 2.64 million for the same period in 2021. This was primarily attributable to an increase in real estate taxes, insurance, and maintenance.

Costs from investment properties which did not generate rental revenues during the fourth quarter 2022 decrease to US\$ 0.94 million, from US\$ 1.20 million for the same period of 2021. This was primarily due to a decrease in real estate taxes and maintenance.

Net Operating Income (NOI)

Fourth quarter Net Operating Income increased 14.5% to US\$ 44.6 million year on year, while the NOI margin increased 40-basis-points to 94.1%, due to higher income related to higher occupancy in the portfolio.

Administrative Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Administrative Expenses	(5.57)	(4.79)	16.2	(22.95)	(19.80)	15.9
Long-term incentive (non-cash)	1.68	1.35	23.9	6.65	5.55	19.7
Depreciation	(0.38)	(0.43)	(11.1)	(1.46)	(1.60)	(8.6)
EBITDA	39.79	34.33	15.9	150.30	135.81	10.7

4Q22 administrative expenses totaled US\$ 5.57 million, compared to US\$ 4.79 million in the fourth quarter of 2021; a 16.2% increase. The increase is primarily due to an increase in employee benefits during 4Q22, as well as an increase in Vesta's employee long-term incentive plan.

The share-based payment of Vesta's compensation plan expense amounted to US\$ 1.68 million for 4Q22. For more detailed information on Vesta's expenses, please see Note 16 within the Company's Financial Statements.

Depreciation

Depreciation during the fourth quarter of 2022 was US\$ 0.38 million, compared to US\$ 0.43 million in the fourth quarter of 2021. This was related to depreciation of Vesta's office space and office equipment and the amortization of operating systems used by the Company.

EBITDA

4Q22 EBITDA increased 15.9% to US\$ 39.8 million, from US\$ 34.3 million in the 4Q21, while the EBITDA margin increased 138-basis-points to 83.9%, as compared to 82.5% for the same period of last year. This increase was due to higher gross profit compared to 2021.

Other Income and Expense

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Other Income and Expenses						
Interest income	1.10	0.02	na	2.64	0.08	na
Other (expenses) income	0.32	(0.17)	na	0.96	0.03	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(12.28)	(11.13)	10.4	(46.40)	(50.26)	(7.7)
Exchange gain (loss)	2.26	(0.88)	(356.9)	1.94	(1.11)	na
Gain from properties sold	0.00	5.43	na	5.03	13.99	na
Gain on revaluation of investment properties	45.71	50.76	(9.9)	185.49	164.65	12.7
Total other income (expenses)	37.10	44.04	na	149.66	127.37	17.5

Total 4Q22 other income reached US\$ 37.1 million, compared to US\$ 44.0 million in other income at the end of the 4Q21. This decrease was primarily due to a higher interest expense and the effect from the properties sold during 4Q21.

4Q22 interest income increased to US\$ 1.1 million year on year, from US\$ 0.02 million in 4Q21, due to higher interest rates.

Other income for the quarter resulted in a US\$ 0.3 million gain in 4Q22 due to the net result of the Company's other accounting expenses.

4Q22 interest expense increased to US\$ 12.3 million, compared to US\$ 11.1 million for the same quarter last year. This increase reflects the unused fee of the most recent revolver line closed in 3Q22, as well as the interest from the Company's pension fund plan.

Vesta's 4Q22 foreign exchange gain was US\$ 2.3 million, compared to a US\$ 0.9 million loss in 4Q21. The 4Q22 gain relates primarily to sequential currency movement in Vesta's dollar-denominated debt balance during 4Q22 within WTN, the Company's only subsidiary that uses the Mexican peso as its functional currency.

The valuation of investment properties in 4Q22 resulted in a US\$ 45.0 million gain, compared to a US\$ 50.8 million gain in the fourth quarter of 2021. This year-on-year decrease mainly due to the stabilized discount rates and the effect of the current exchange rate.

Profit Before Income Taxes

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Profit Before Income Taxes	74.83	76.59	(2.3)	291.85	256.03	14.0
Income Tax Expense	3.87	(30.11)	na	(48.22)	(82.09)	(41.3)
Current Tax	(13.95)	(24.58)	na	(41.98)	(50.26)	(16.5)
Deferred Tax	17.82	(5.53)	na	(6.24)	(31.83)	(80.4)
Profit for the Period	78.70	46.48	na	243.62	173.94	40.1
Valuation of derivative financial instruments	0.00	0.00	na	0.00	2.89	(100.0)
Exchange differences on translating other functional currency operations	5.90	(3.26)	na	8.92	(4.84)	na
Total Comprehensive Income for the period	84.60	43.23	na	252.55	171.99	na

Due to the above factors, 4Q22 profit before income tax amounted to US\$ 74.8 million, compared to US\$ 76.6 million in the same quarter last year.

Income Tax Expense

During the 4Q22, the Company reported an income tax gain of US\$ 3.9 million, compared to a US\$ 30.1 million expense in the prior year period. The 4Q22 current tax expense was US\$ 14.0 million, compared to US\$ 24.6 million expense in 4Q21. This decrease is due to a reduced operating current tax during 4Q22.

Deferred taxes primarily reflect: [i] the effect on the Company's balance sheet of the exchange rate used to convert taxable assets from Mexican pesos (including the monetary value of Vesta's investment properties and the amortized tax loss benefits) into U.S. dollars at the end of the fourth quarter 2022 and 2021; [ii] the impact of an inflationary benefit on the tax base of the Company's fiscal assets, in keeping with Mexican 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 which is then appreciated.

Fourth Quarter 2022 Gain

Due to the factors described above, the Company's fourth quarter 2022 profit was US\$ 78.7 million, compared to US\$ 46.5 million profit in the fourth quarter 2021.

Total Comprehensive Income (Loss) for the Period

Vesta closed the fourth quarter 2022 with US\$ 84.6 million in total comprehensive income gain, compared to US\$ 43.2 million gain at the end of the fourth quarter of 2021, due to the factors previously described. This gain was partially increased by a US\$ 5.9 million gain in functional currency operations.

12 months						
FFO Reconciliation (million)	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Total Comprehensive Income for the period	84.60	43.23	95.7	252.55	171.99	na
Adjustments						
Exchange differences	(5.90)	3.26	na	(8.92)	4.84	(284.2)
Gain on revaluation of investment properties	(45.71)	(50.76)	na	(185.49)	(164.65)	na
Gain in sell properties	0.00	(5.43)	na	(5.03)	(13.99)	na
Long-term incentive (non cash)	1.68	1.35	23.9	6.65	5.55	19.7
Exchange Gain (Loss)	(2.26)	0.88	(356.9)	(1.94)	1.11	na
Depreciation	0.38	0.43	na	1.46	1.60	(8.6)
Other income	(0.32)	0.17	na	(0.96)	(0.03)	na
Valuation of derivative financial instruments	0.00	0.00	na	0.00	(2.89)	na
Interest income	(1.10)	(0.02)	4478.8	(2.64)	(0.08)	na
Income Tax Expense	(3.87)	30.11	na	48.22	82.09	na
Pretax FFO	27.51	23.20	18.6	103.91	85.55	21.5
Pretax FFO per share	0.0400	0.0335	19.3	0.1507	0.1235	22.0
Current Tax	(13.95)	(24.58)	(43.2)	(41.98)	(50.26)	na
FFO Attributable	13.56	(1.37)	(1086.7)	61.92	35.29	75.5
FFO per share	0.0197	(0.0020)	(1093.1)	0.0898	0.0510	76.3

4Q22 Funds from Operations (FFO) attributable to common stockholders totaled to a US\$ 13.6 million, or US\$ 0.0197 per share, gain compared with a US\$ 1.4 million, or US\$ 0.0020 per share, loss for 4Q21.

4Q22 pretax operating FFO, which excludes current taxes, totaled US\$ 27.5 million; a 18.6% increase compared with US\$ 23.2 million in 4Q21.

The current tax associated with the Company's operations resulted in a US\$ 14.0 million expense. The exchange-rate related portion of the current tax represented a US\$ 11.4 million expense, and the current operating tax represented a US\$ 2.7 million expense.

Current Tax Expense	1Q22	2Q22	3Q22	4Q22
Operating Current Tax	(8.57)	(10.97)	(10.05)	(2.70)
Exchange Rate Related Current Tax	(0.57)	(0.06)	3.52	(11.37)
Portfolio sold	NA	(1.31)	0.00	0.12
Total Current Tax Expense	(9.14)	(12.35)	(6.53)	(13.95)

Accumulated Current Tax Expense	3M22	6M22	9M22	12M22
Operating Current Tax	(8.57)	(19.54)	(29.61)	(32.29)
Exchange Rate Related Current Tax	(0.57)	(0.63)	2.89	(8.50)
Portfolio sold	NA	(1.31)	(1.31)	(1.19)
Total Current Tax Expense	(9.14)	(21.48)	(26.72)	(41.98)

Capex

Investing activities during the fourth quarter of 2022 were primarily related to payments for works in progress in the construction of new buildings in the Northern and Bajio regions and the acquisition of land, with a US\$ 86.6 million total expense in the 4Q22.

Debt

As of December 31, 2022, the Company's overall balance of debt was US\$ 930.5 million, of which US\$ 4.6 million is related to short-term liabilities and US\$ 925.9 million is related to long-term liabilities. The secured portion of the debt is approximately 37% 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 4Q22, 100% of Vesta's debt was denominated in US dollars and 100% of its interest rate was fixed.

Stabilized Portfolio

Vesta currently reports stabilized 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	4Q21		Growth SF	4Q22	
	Stabilized Portfolio			Stabilized Portfolio	
	SF	%		SF	%
Central Mexico	7,007,291	22.6%	171,313	7,178,604	21.9%
Bajio	14,771,316	47.6%	1,071,908	15,843,223	48.2%
North	9,253,507	29.8%	575,350	9,828,857	29.9%
Total	31,032,114	100%	1,818,570	32,850,684	100%

	4Q21		4Q22	
	Occupancy SF	% Total	Occupancy SF	% Total
Central Mexico	6,661,673	95.1%	7,110,781	99.1%
Bajio	13,398,896	90.7%	15,028,352	94.9%
North	9,196,835	99.4%	9,828,857	100.0%
Total	29,257,403	94.3%	31,967,990	97.3%

Same Store Portfolio



Based on the updated calculation, this metric will only include properties within the Company's portfolio which 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 publicly traded industrial real estate peers. Vesta has provided below a reconciliation of the updated definition versus the prior definition.

Region	4Q21		4Q22		
	Same Store Portfolio		Growth SF	Same Store Portfolio	
	SF	%	SF	SF	%
Central Mexico	6,828,296	22.9%	163,191	6,991,487	22.5%
Bajio	14,545,350	48.9%	271,062	14,816,411	47.7%
North	8,386,153	28.2%	869,643	9,255,796	29.8%
Total	29,759,799	100%	1,303,895	31,063,694	100%

	4Q21		4Q22	
	Occupancy SF	% Total	Occupancy SF	% Total
Central Mexico	6,482,678	94.9%	6,923,664	99.0%
Bajio	13,172,930	90.6%	14,001,540	94.5%
North	8,329,481	99.3%	9,255,796	100.0%
Total	27,985,088	94.0%	30,181,000	97.2%

Total Portfolio

As of December 31, 2022, the Company's portfolio was comprised of 202 high-quality industrial assets, with a total GLA of 33.7 million ft² (3.13 million m²) and with 82.2% 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	3Q22		4Q22		
	Existing Portfolio		Growth SF	Total Portfolio	
	SF	%	SF	SF	%
Central Mexico	7,008,211	21.7%	170,393	7,178,604	21.3%
Bajio	15,630,160	48.4%	553,031	16,183,191	48.0%
North	9,628,555	29.8%	724,020	10,352,575	30.7%
Total	32,266,926	100%	1,447,444 *	33,714,370	100%

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

Total Vacancy



Vesta's property portfolio had a 4.9% vacancy rate as of December 31, 2022.

	3Q22		4Q22	
	Vacant SF	% Total	Vacant SF	% Total
Central Mexico	67,823	1.0%	67,823	0.9%
Bajío	1,194,816	7.6%	1,154,839	7.1%
North	0	0.0%	437,682	4.2%
Total	1,262,639	3.9%	1,660,344	4.9%

Projects Under Construction

Vesta is currently developing 3,865,491 ft² (359,116 m²) in inventory buildings.

Projects under Construction							
Project	GLA (SF)	GLA (m ²)	Investment ⁽¹⁾ (thousand USD)	Type	Expected Termination Date	City	Region
Mega Región 05	359,660	33,414	25,272	Inventory	Jul-23	Tijuana	North Region
Mega Región 06	114,725	10,658	9,382	Inventory	Jul-23	Tijuana	North Region
Apodaca 01	297,418	27,631	14,697	Inventory	Apr-23	Monterrey	North Region
Apodaca 02	279,001	25,920	14,504	Inventory	May-23	Monterrey	North Region
Apodaca 03	222,942	20,712	14,279	Inventory	Jul-23	Monterrey	North Region
Apodaca 04	222,942	20,712	14,361	Inventory	Aug-23	Monterrey	North Region
Juárez Oriente 1	279,117	25,931	18,241	Inventory	Jul-23	Ciudad Juárez	North Region
Juárez Oriente 2	250,272	23,251	16,335	Inventory	Jul-23	Ciudad Juárez	North Region
GDL 06	341,969	31,770	21,790	Inventory	Jun-23	GDL	Bajío Region
GDL 07	393,938	36,598	24,843	Inventory	Jul-23	GDL	Bajío Region
GDL 08	680,333	63,205	43,297	Inventory	Oct-23	GDL	Bajío Region
Puerto Interior 3	231,252	21,484	12,770	Inventory	Aug-23	BJX	Bajío Region
Safran Exp	81,158	7,540	4,446	BTS	May-23	QRO	Bajío Region
Oxxo Exp	110,764	10,290	7,465	BTS	Apr-23	QRO	Bajío Region
Total	3,865,491	359,116	241,684				

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

* Adjusted due to final leasing terms

Land Reserves

The Company had 38.0 million ft² of land reserves as of December 31, 2022.

	<i>September 30, 2022</i>	<i>December 31, 2022</i>	
Region	Gross Land Area (SF)	Gross Land Area (SF)	% Chg.
Tijuana	1,457,477	0	-100.0%
Monterrey	5,246,100	4,392,285	-16.3%
Juárez	1,760,180	1,760,180	0.0%
San Luis Potosí	3,811,268	3,365,576	-11.7%
Querétaro	5,571,099	5,571,099	0.0%
Guanajuato	3,841,176	3,404,979	-11.4%
Aguascalientes	12,947,870	12,947,870	0.0%
SMA	3,870,234	3,870,234	0.0%
Guadalajara	1,824,306	0	-100.0%
Puebla	92,548	92,548	0.0%
Mexico City	377,218	2,628,768	Na
Total	40,799,476	38,033,541	-6.8%

Summary of 12-Month 2022 Results

	12 months					
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Revenues						
Rental income	47.43	41.61	14.0	178.03	160.79	10.7
Operating Costs	(3.76)	(3.84)	(2.3)	(11.42)	(10.73)	6.5
Related to properties that generate rental income	(2.82)	(2.64)	6.7	(8.94)	(8.54)	4.6
Related to properties that did not generate rental income	(0.94)	(1.20)	(22.1)	(2.48)	(2.18)	13.7
Gross profit	43.68	37.77	15.6	166.60	150.06	11.0
Net Operating Income	44.61	38.97	14.5	169.08	152.24	11.1
Administration Expenses	(5.57)	(4.79)	16.2	(22.95)	(19.80)	15.9
Long-term incentive (non cash)	1.68	1.35	23.9	6.65	5.55	19.7
Depreciation	(0.38)	(0.43)	(11.1)	(1.46)	(1.60)	(8.6)
EBITDA	39.79	34.33	15.9	150.30	135.81	10.7
Other Income and Expenses						
Interest income	1.10	0.02	na	2.64	0.08	na
Other (expenses) income	0.32	(0.17)	na	0.96	0.03	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(12.28)	(11.13)	10.4	(46.40)	(50.26)	(7.7)
Exchange gain (loss)	2.26	(0.88)	(356.9)	1.94	(1.11)	na
Gain from properties sold	0.00	5.43	na	5.03	13.99	na
Gain on revaluation of investment properties	45.71	50.76	(9.9)	185.49	164.65	12.7
Total other income (expenses)	37.10	44.04	na	149.66	127.37	17.5
Profit Before Income Taxes	74.83	76.59	(2.3)	291.85	256.03	14.0
Income Tax Expense	3.87	(30.11)	na	(48.22)	(82.09)	(41.3)
Current Tax	(13.95)	(24.58)	na	(41.98)	(50.26)	(16.5)
Deferred Tax	17.82	(5.53)	na	(6.24)	(31.83)	(80.4)
Profit for the Period	78.70	46.48	na	243.62	173.94	40.1
Valuation of derivative financial instruments	0.00	0.00	na	0.00	2.89	(100.0)
Exchange differences on translating other functional currency operations	5.90	(3.26)	na	8.92	(4.84)	na
Total Comprehensive Income for the period	84.60	43.23	na	252.55	171.99	na
Shares (average)	688.16	692.58	(0.6)	689.47	692.58	(0.4)
EPS	0.1229	0.0624	na	0.3663	0.2483	na

Revenues increased 10.7% to US\$ 178.0 million for the accumulated twelve months of 2022, compared to US\$ 160.8 million in 2021, while operating costs increased to US\$ 11.4 million, or

6.5% compared to US\$ 10.7 million in 2021, primarily due to the increase in both properties that generate income and did not generate rental income expenses. Net operating income for the twelve months 2022 was US\$ 169.1 million compared to US\$ 152.2 million in the same period of 2021.

Gross profit for the twelve months of 2022 increased 11.0% year-on-year to US\$ 166.6 compared to US\$ 150.1 million during the same period of 2021.

At the close of December 31, 2022, administrative expenses increased by 15.9% to US\$ 22.9 million in 2022, from US\$ 19.8 million in 2021, primarily due to an increase in expenses related to marketing, auditing, legal and consulting and to employee benefits and other administrative expenses.

Total other income for 2022 was US\$ 149.7 million, compared to US\$ 127.4 million in the prior year. The result reflects a decreased interest expense of US\$ 46.4 million in 2022, from US\$ 50.3 million in 2021, and increased gain from revaluation of investment properties of US\$ 185.5 million during 2022 compared to US\$ 164.7 million in 2021.

The Company's profit before tax therefore amounted to US\$ 291.9 million for the 2022 period.

Income tax at the close of December 31, 2022 was US\$ 48.2 million, compared to US\$ 82.1 million at the close of December 31, 2021. The decrease was primarily due to decreased current and deferred tax during 2022.

Profit for the 2022 period was US\$ 243.6 million, compared to US\$ 173.9 million in the same period of 2021, due to the above-mentioned factors.

Vesta closed the 2022 period with US\$ 252.6 million in total comprehensive income, compared to US\$ 172.0 million at the end of the 2021 period, due to the factors previously described. This income increased due to a US\$ 8.9 million gain in functional currency operations.

Capex amounted to US\$ 269.2 million for 2022 related to the development of investment properties.

Subsequent Events

Dividends:

Vesta shareholders approved a US\$ 57.43 million-dollar dividend at its Annual General Shareholders Meeting held on March 24, 2022, to be paid in quarterly installments at the closing exchange rate of the day prior to payment. The 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 fourth quarter 2022 equivalent to PS\$ 0.3970 per ordinary share on January 13, 2023. The dividend was paid through the S.D. Indeval S.A. de C.V. Institución para el Depósito de Valores (INDEVAL). This amount was provisioned within the Company's financial statements at the end of the first quarter 2021 as an account payable.

Dividends per share	
1Q22	0.4143
2Q22	0.4331
3Q22	0.4180
4Q22	0.3970

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q22	4Q21	Chg. %	2022	2021	Chg. %
Revenues						
Rental income	47.43	41.61	14.0	178.03	160.79	10.7
Operating Costs	(3.76)	(3.84)	(2.3)	(11.42)	(10.73)	6.5
Related to properties that generate rental income	(2.82)	(2.64)	6.7	(8.94)	(8.54)	4.6
Related to properties that did not generate rental income	(0.94)	(1.20)	(22.1)	(2.48)	(2.18)	13.7
Gross profit	43.68	37.77	15.6	166.60	150.06	11.0
Net Operating Income	44.61	38.97	14.5	169.08	152.24	11.1
Administration Expenses	(5.57)	(4.79)	16.2	(22.95)	(19.80)	15.9
Long-term incentive (non cash)	1.68	1.35	23.9	6.65	5.55	19.7
Depreciation	(0.38)	(0.43)	(11.1)	(1.46)	(1.60)	(8.6)
EBITDA	39.79	34.33	15.9	150.30	135.81	10.7
Other Income and Expenses						
Interest income	1.10	0.02	na	2.64	0.08	na
Other (expenses) income	0.32	(0.17)	na	0.96	0.03	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(12.28)	(11.13)	10.4	(46.40)	(50.26)	(7.7)
Exchange gain (loss)	2.26	(0.88)	(356.9)	1.94	(1.11)	na
Gain from properties sold	0.00	5.43	na	5.03	13.99	na
Gain on revaluation of investment properties	45.71	50.76	(9.9)	185.49	164.65	12.7
Total other income (expenses)	37.10	44.04	na	149.66	127.37	17.5
Profit Before Income Taxes	74.83	76.59	(2.3)	291.85	256.03	14.0
Income Tax Expense	3.87	(30.11)	na	(48.22)	(82.09)	(41.3)
Current Tax	(13.95)	(24.58)	na	(41.98)	(50.26)	(16.5)
Deferred Tax	17.82	(5.53)	na	(6.24)	(31.83)	(80.4)
Profit for the Period	78.70	46.48	na	243.62	173.94	40.1
Valuation of derivative financial instruments	0.00	0.00	na	0.00	2.89	(100.0)
Exchange differences on translating other functional currency operations	5.90	(3.26)	na	8.92	(4.84)	na
Total Comprehensive Income for the period	84.60	43.23	na	252.55	171.99	na
Shares (average)	688.16	692.58	(0.6)	689.47	692.58	(0.4)
EPS	0.1229	0.0624	na	0.3663	0.2483	na

Consolidated Statements of Financial Position (million)	December 31, 2022	December 31, 2021
ASSETS		
CURRENT		
Cash and cash equivalents	139.15	452.82
Financial assets held for trading	0.00	0.00
Accounts receivable- net	30.09	19.38
Operating lease receivable	7.69	9.04
Due from related parties	0.00	0.00
Prepaid expenses	25.31	0.48
Guarantee deposits made	0.00	0.00
Total current assets	202.23	481.72
NON-CURRENT		
Investment properties	2,738.47	2,263.17
Leasing Terms	1.42	1.34
Office equipment - net	1.44	2.12
Derivative financial instruments	0.00	0.00
Guarantee Deposits made	9.60	11.51
Total non-current assets	2,750.92	2,278.15
TOTAL ASSETS	2,953.16	2,759.87
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	4.63	2.88
Financial leases payable-short term	0.61	0.46
Accrued interest	3.85	3.84
Accounts payable	24.52	3.01
Income tax payable	14.82	27.84
Dividends payable	14.36	13.94
Accrued expenses	5.15	15.25
Total current liabilities	67.94	67.23
NON-CURRENT		
Long-term debt	925.87	930.65
Financial leases payable-long term	0.90	0.92
Derivative financial instruments	0.00	0.00
Guarantee deposits received	18.33	15.87
Pension Fund	0.35	0.00
Deferred income taxes	299.98	291.58
Total non-current liabilities	1,245.43	1,239.02
TOTAL LIABILITIES	1,313.37	1,306.24
STOCKHOLDERS' EQUITY		
Capital stock	480.62	482.86
Additional paid-in capital	460.68	466.23
Retained earnings	733.41	547.21
Share-base payments reserve	5.98	7.15
Foreign currency translation	(40.90)	(49.83)
Valuation of derivative financial instruments	0.00	0.00
Total shareholders' equity	1,639.79	1,453.63
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,953.16	2,759.87

Consolidated Statements of Cash Flows (million)	December 31, 2022	December 31, 2021
Cash flow from operating activities:		
Profit before income taxes	291.85	256.03
Adjustments:		
Depreciation	0.90	1.14
Depreciation of right of use assets	0.56	0.46
Gain on revaluation of investment properties	(185.49)	(164.65)
Effect of foreign exchange rates	(1.94)	1.11
Interest income	(2.64)	(0.08)
Interest expense	44.85	45.48
Amortization debt emission expenses	1.54	4.78
Share base compensation	6.65	5.55
Gain in sale of investment property	(5.03)	(13.99)
Employee Benefits	0.35	0.00
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	1.35	(2.68)
Recoverable taxes	(10.71)	(4.52)
Prepaid expenses	(24.82)	(0.06)
Guarantee Deposits made	1.91	(7.00)
(Increase) decrease in:		
Accounts payable	(1.62)	(0.23)
Guarantee Deposits received	2.46	1.94
Accrued expenses	(10.09)	10.94
Interest received	2.64	0.08
Income Tax Paid	(55.00)	(27.06)
Net cash generated by operating activities	57.73	107.25
Cash flow from investing activities		
Purchases of investment property	(269.22)	(108.39)
Acquisition of office furniture	14.77	124.57
Sale of investment property	(0.22)	(0.22)
Financial assets held for trading	0.00	0.68
Net cash used in investing activities	(254.67)	16.64
Cash flow from financing activities		
Interest paid	(44.84)	(44.47)
Loans obtained	0.00	350.00
Loans Paid	0.00	(252.50)
Cost of debt issuance	(1.67)	(7.75)
Dividends paid	(57.02)	(55.37)
Repurchase of treasury shares	(15.60)	0.00
Equity issuance	0.00	229.22
Costs of equity issuance	0.00	(6.02)
Repayments of finance leases	(0.65)	(0.56)
Net cash (used in) generated by financing activities	(119.78)	212.54
Effects of exchange rates changes on cash	3.05	(4.15)
Net Increase in cash and cash equivalents	(313.67)	332.28
Cash, restricted cash and cash equivalents at the beginning of period	453.56	121.28
Cash, restricted cash and cash equivalents at the end of period	139.88	453.56

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, 2021	422.44	297.06	429.05	7.99	(44.98)	(2.89)	1108.66
Equity issuance	58.77	164.42	0.00	0.00	0.00	0.00	223.20
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	5.55	0.00	0.00	5.55
Dividends declared	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 (loss)	0.00	0.00	173.94	0.00	(4.84)	2.89	171.99
Balances as of December 31, 2021	482.86	466.23	547.21	7.15	(49.83)	0.00	1453.63
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vested shares	2.01	5.80	0.00	(7.82)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	6.65	0.00	0.00	6.65
Dividends payments	0.00	0.00	(57.43)	0.00	0.00	0.00	(57.43)
Repurchase of shares	(4.25)	(11.35)	0.00	0.00	0.00	0.00	(15.60)
Comprehensive income	0.00	0.00	243.15	0.00	8.92	0.00	252.07
Balances as of December 31, 2022	480.62	460.68	732.93	5.98	(40.90)	0.00	1639.31

Financial Derivative Instruments

This derivative contract was cancelled in 2Q21 due to the Company's pre-payment of the underlying credit.

Notes and Disclaimers

Interim Consolidated Condensed Financial Statements: The figures presented within this release for the three-month periods ending December 31, 2022 and 2021 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, 2021	20.584
December 31, 2022	19.362
Income Statement	
4Q21 (average)	20.746
4Q22 (average)	19.699
12M21 (average)	20.282
12M20 (average)	20.125

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.
- Bank of America
- Bradesco BBI Research
- BTG Pactual US Capital LLC
- Casa de Bolsa Credit Suisse S.A. de C.V.
- Casa de Bolsa Santander S.A. de C.V.
- Citigroup Global Markets Inc.
- GBM Grupo Bursátil Mexicano S.A. de C.V.
- Grupo Financiero Interacciones S.A. de C.V.
- Grupo Signum, S.A. de C.V.
- Goldman Sachs
- Itaú Corretora de Valores S.A
- J.P. Morgan Casa de Bolsa, S.A. de C.V.
- Morgan Stanley
- 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 December 31, 2022, Vesta owned 202 properties located in modern industrial parks in 15 states of Mexico totaling a GLA of 33.7 million ft² (3.13 million m²). The Company has multinational clients, which are focused on 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.