

vesta 4Q

2021 EARNINGS RESULTS

Conference Call

Friday, February 18, 2022
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Conference ID: **13726463**

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 17, 2022 – 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, 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

- Vesta delivered exceptional financial results for the full year 2021, exceeding the upper range of the Company’s revised guidance of 6-6.5% by 80 basis points to reach US\$ 160.8 million; a 7.3% increase year over year. Full year 2021 NOI and EBITDA margins also exceeded the Company’s guidance by 70 basis points to reach 94.7% and by 50 basis points to reach 84.5%, respectively.
- Vesta achieved record high 2021 leasing activity with a total of 6.4 million sf; 2.7 million sf from new leases with clients such as DB Schenker, Home Depot, Samsung, Coppel, ZF Friedrichshafen and Kuehne + Nagel, among others. Almost 1.0 million sf in growth was derived from BTS projects with clients including Mercado Libre, Eaton Corporation, ThyssenKrupp and O’Reilly. 2.7 million sf 2021 leasing activity represented lease renewals.
- Leasing activity for the fourth quarter 2021 reached 1.5 million sf with 715,394 sf in new contracts with companies such as Coppel, Daimler, Freudenberg and Home Depot among others, and 804,540 sf in lease renewals. This resulted in an increase in portfolio occupancy: Vesta’s 4Q21 total portfolio increased to 94.1% from 90.7% in 4Q20; stabilized occupancy increased to 94.3% from 91.1% in 4Q20 and same store occupancy increased to 94.0% from 92.6% in 4Q20.
- The Company increased projects under construction during 2021, building during the year 2.1 million square feet in development projects during 2021, at an average 10% yield on cost. Vesta delivered 802,225 sf in new construction during the 4Q21 with plans to begin construction on 632,208 sf in Monterrey and Tijuana. As of the 4Q21, Vesta’s development pipeline reached 1.6 million sf with an estimated investment of US\$ 88.3 million, with 9.9% cap rate.
- In line with the Company’s Level 3 Strategy, 4Q21 NAV per share increased 6.5% to US\$ 2.61, from US\$ 2.45 in 4Q20 while pretax FFO increased 3.4% to US\$ 23.11 million compared to US\$ 22.34 million in 4Q20. 4Q21 pretax FFO per share decreased 14.6% to US\$ 0.0334, from US\$ 0.0391 in 4Q20, due to Vesta’s follow on offering at the beginning of 2021.
- ESG is a key pillar of the Company’s Level 3 strategy and Vesta achieved important related milestones during 2021, including: inclusion within the S&P/BMV Total Mexico index for the second consecutive year, inclusion within the Dow Jones Sustainability Index MILA for third consecutive year, and Vesta was one of 10 Mexican companies selected for inclusion within the 2022 Bloomberg Gender-Equality Index (GEI) in the 4Q21, in recognition of Vesta’s commitment to supporting gender equality. Vesta is on track to achieve its targets related to the sustainability-linked bond the Company issued at the beginning of 2021, having closed the year with 9.2% LEED certified GLA. It’s important to note that this number reflects the addition of 300,000 square feet in LEED certification during 2021 but was diminished by the sale of two LEED certified properties which together totaled 1 million square feet.

2022 Guidance

Vesta expects revenues to increase between 5% and 6% in 2022 with a 94.0% NOI margin and an 82.5% EBITDA margin, while maintaining the Company’s solid performance across key operational metrics.

	<i>12 months</i>				
Financial Indicators (million)	4Q21	4Q20	Chg. %	2021	2020
Rental Income	41.61	38.03	9.4	160.79	149.86
NOI	38.97	35.97	8.3	152.24	140.93
NOI Margin %	93.6%	94.6%		94.7%	94.0%
EBITDA	34.33	31.97	7.4	135.81	126.19
EBITDA Margin %	82.5%	84.1%		84.5%	84.2%
<i>EBITDA Per Share</i>	<i>0.0496</i>	<i>0.0559</i>	(11.4)	<i>0.1961</i>	<i>0.2199</i>
Total Comprehensive Income	43.25	43.14	na	171.99	62.06
FFO Pretax	23.21	22.34	3.9	85.55	87.14
<i>FFO Pretax Per Share</i>	<i>0.0335</i>	<i>0.0391</i>	(14.3)	<i>0.1235</i>	<i>0.1518</i>
FFO	(1.37)	7.89	(117.3)	35.29	60.99
<i>FFO Per Share</i>	<i>(0.0020)</i>	<i>0.0138</i>	(114.3)	<i>0.0510</i>	<i>0.1063</i>
EPS	0.0624	0.0755	na	0.2483	0.1081
Shares (average)	692.58	571.58	21.2	692.58	573.97

- Revenues increased by 9.4% in the fourth quarter 2021, to US\$ 41.6 million from US\$ 38.0 million in 4Q20. This increase is primarily due to new revenue-generating contracts and the inflation effect during 4Q21.
- Net operating Income (“NOI”) increased 8.3% to US\$ 39.0 million in 4Q21, compared to US\$ 36.0 million in 4Q20. Fourth quarter 2021 NOI margin was 93.6%; a 94-basis-point decrease due to higher property costs.
- EBITDA increased 7.4% to US\$ 34.3 million in the fourth quarter 2021, as compared to US\$ 32.0 million in the fourth quarter of 2020. 4Q21 EBITDA margin was 82.5%; a 156-basis-point decrease due to higher administrative expenses as compared to the same quarter last year.
- 4Q21 pre-tax funds from operations (“pre-tax FFO”) increased 3.9% to US\$ 23.2 million, from US\$ 22.3 million for the same period in 2020. Pretax FFO per share was US\$ 0.0335 for the fourth quarter 2021, compared with US\$ 0.0391 for the same period in 2020; a 14.3% decrease. 4Q21 after tax FFO was negative US\$ 1.37 million, compared to US\$ 7.89 million during 4Q20. This decrease was due to higher taxes, while the decrease on a per share basis was due to the Company’s successful capital market transaction at the beginning of 2021.
- 4Q21 total comprehensive gain was US\$ 43.3 million, versus US\$ 43.1 million for the same quarter in 2020. This increase was primarily due to an increase in valuation of investment properties and a gain in properties sold.
- As of December 31, 2021, the total value of Vesta’s investment property portfolio was US\$ 2.26 billion; a 7.6% increase compared to US\$ 2.10 billion at the end of December 31, 2020.

Letter from the CEO

2021: A YEAR OF HISTORIC RECORDS IN A STRONG MARKET SUPPORTED BY A WELL-DEFINED STRATEGY

As we reflect on the past year, 2021 was exceptional. Vesta ended the year achieving several historic records for our Company, both operational and financial. One of our most important milestones was the strengthening of our balance sheet which, with the financial community's unwavering trust in our company and strategy, enabled us to issue a US\$ 230 million follow on offering and a US\$ 350 million Sustainability-Linked bond. We also raised US\$ 108 million through our portfolio sale as part of our capital recycling program, as Vesta's best in class properties continue to attract important buyers.

Our foresight in this regard proved invaluable, Vesta was well capitalized and uniquely positioned to execute on our Level 3 strategy. Our demonstrated strategy enabled our team to anticipate market trends, and we swiftly pivoted to capitalize on the pandemic's changing tides to expand within the e-commerce sector at its inflection point, allocating capital and resources to a market opportunity which has since grown significantly and will continue to do so. We also took advantage of the current environment to strengthen overall lease quality through longer-term US-dollar denominated leases with high quality multinational tenants. Finally, we further solidified our positioning through strategic land acquisitions, anticipating today's explosive growth opportunities.

This was reflected in truly outstanding 2021 leasing activity, which achieved a record high of 6.4 million total square feet. We signed new leases with outstanding multinational clients including Home Depot, Samsung, Coppel, Daimler, Kuehne + Nagel, and DB Schenker, which totaled 2.7 million square feet, while growth from BTS projects reached almost 1.0 million square feet with companies such as Mercado Libre, Eaton Corporation, ThyssenKrupp, and O'Reilly. Finally, we saw 2.7 million in renewals during 2021, with an increase in rent spreads and average lease terms.

It's important to note that more than 50% of all new leases were related to logistics and e-commerce, as we expand our footprint into last mile and metropolitan markets and strengthen our relationships with industry-leading companies. New leases during the year were also evenly split across all regions.

The result of these dynamic markets drove a historic high in total portfolio occupancy; to more than 94% during 2021 from 91% in 4Q20. Development-driven growth also increased during the year, capitalizing on our strong balance sheet and position within high demand industrial markets.

Vesta began 2.1 million square feet in development projects during 2021, at an average 10% yield on cost, which is particularly attractive compared to record low stabilized cap rates in the market. This also strengthens our ability for shareholder value creation through spread investment.

We're therefore optimistic about today's market environment, with the favorable signs we're seeing from clients. This intelligence enables us to identify and anticipate future trends and changing dynamics, which look even stronger from our perspective driven by deepening e-commerce demand. Today's markets are also tighter than ever, with considerable scarcity of desirable land and infrastructure. Vesta will continue to leverage our clearly identified strategy, leadership position and outstanding product offering to further benefit from these and other opportunities, reflected in our increased rents and low vacancies.

Vesta also delivered exceptional financial results for the year, exceeding the upper range of our revised guidance in revenues, NOI and EBITDA margins.



In line with the Company's Level 3 Strategy, 4Q21 NAV per share increased 6.5% to US\$ 2.61, while pretax FFO per share decreased 14.6% mainly due to the share increase dilution effect; non the less this resulted in a favorable impact on our properties' valuation. Appraised values increased 9.0% year-over-year, driving per square foot values to US \$66.0 from US \$61.0. This increase was comprised by a mix of 6.6% increase in-place rents, and a 70-basis point cap rate compression.

Finally, 2021 was also a year of important ESG milestones, among them the inclusion within the 2022 Bloomberg Gender-Equality Index (GEI) in the 4Q21, recognizing Vesta's commitment to supporting gender equality through policy development, representation, and transparency. We are also in line to reach our target within the

Vesta had an outstanding year. And while we continue to deliver on our fully realized Level 3 vision, our path ahead is clearly defined, and the direction is clear. We're pleased with the momentum and the progress that we've made so far and I'm confident in our strong execution with capital deployment focused on Mexico's most dynamic markets.

As always, thank you for your continued support.

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 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)	12 months					
	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Revenues						
Rental income	41.61	38.03	9.4	160.79	149.86	7.3
Operating Costs	(3.84)	(2.47)	55.6	(10.73)	(10.15)	5.6
Related to properties that generate rental income	(2.64)	(2.06)	28.5	(8.54)	(8.93)	(4.3)
Related to properties that did not generate rental income	(1.20)	(0.41)	190.1	(2.18)	(1.23)	77.6
Gross profit	37.77	35.56	6.2	150.06	139.70	7.4
Net Operating Income	38.97	35.97	8.3	152.24	140.93	8.0

Vesta's 4Q21 rental revenues increased 9.4% to US\$ 41.61 million, from US\$ 38.03 million in 4Q20. The US\$ 3.58 million rental revenue increase was primarily due to: [i] a US\$ 4.46 million, or 11.7%, increase from renting space in 4Q21 which had been previously vacant in 4Q20; [ii] a US\$ 1.49 million, or 3.9%, increase related to inflation adjustments in 4Q21 on rented property; and [iii] a US\$ 0.49 million, or 39.1%, increase in reimbursements for expenses paid by Vesta on behalf of clients but not considered to be rental revenue.

These results were partially offset by: [i] a US\$ 2.48 million, or 6.5%, decrease related to lease agreements which expired and were not renewed during 4Q21; [ii] a US\$ 0.13 million, or 0.3%, decrease related to lease agreements which were renewed during 4Q21 at a lower rental rate in order to retain certain client relationships; [iii] a US\$ 0.01 million decrease due to management expenses related to the portfolio sold in early 2021; and [iv] a US\$ 0.08 million, or 0.2%, decrease in rental income due to the conversion of peso-denominated rental income into US dollars.

83.6% of Vesta's fourth quarter 2021 revenues were denominated in US dollars and are indexed to the US Consumer Price Index ("CPI"), a decrease from 85.2% in fourth 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 4Q21 total operating costs reached US\$ 3.84 million, compared to US\$ 2.47 million in 4Q20; a US\$ 1.37 million, or 55.6%, increase in costs from both occupied and vacant properties.

During the fourth quarter 2021, costs related to investment properties generating rental revenues amounted to US\$ 2.64 million, compared to US\$ 2.06 million for the same period in 2020. This was primarily attributable to an increase in real estate taxes, insurance, and other property related expenses.

In addition, costs from investment properties which did not generate rental revenues during the quarter increased to US\$ 1.20 million, from US\$ 0.41 million in the same period of 2020. This was primarily due to an increase in maintenance costs as Vesta increased the number of industrial parks within the portfolio.

Net Operating Income (NOI)

Fourth quarter Net Operating Income increased 8.3% to US\$ 38.97 million, while NOI margin decreased 94 basis points to 93.6%, due to increased costs related to properties that generate rental income.

Administrative Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Administration Expenses	(4.79)	(4.55)	5.3	(19.80)	(17.18)	15.2
Long-term incentive (non-cash)	1.35	0.96	41.4	5.55	3.68	51.0
Depreciation	(0.41)	(0.36)	12.7	(1.60)	(1.48)	8.4
EBITDA	34.33	31.97	7.4	135.81	126.19	7.6

4Q21 administrative expenses totaled US\$ 4.79 million, compared to US\$ 4.55 million in the fourth quarter of 2020; a 5.3% increase. The increase is mainly due to an increase in the Company's employee long-term incentive plan.

In 4Q21, the share-based payment of Vesta's compensation plan expense amounted to US\$ 1.35 million. 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 2021 was US\$ 0.41 million, compared to US\$ 0.36 million in the fourth quarter of 2020, due to depreciation of Vesta's offices and office equipment and the amortization of operating systems used by the Company.

EBITDA

4Q21 EBITDA increased 7.4% to US\$ 34.33 million, from US\$ 31.97 million in the 4Q20, while the EBITDA margin decreased 156-basis-points to 82.5%, as compared to 84.1% for the same period of last year. This decrease was due to higher costs and administrative expenses compared to last year.

Other Income and Expense

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	12 months					
	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Other Income and Expenses						
Interest income	0.02	0.02	na	0.08	0.31	na
Other (expenses) income	(0.17)	0.03	na	0.03	0.01	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(11.13)	(9.63)	15.5	(50.26)	(39.05)	28.7
Exchange gain (loss)	(0.88)	(1.40)	na	(1.11)	(0.17)	na
Gain in sell properties	5.43	0.00	na	13.99	0.00	na
Gain on revaluation of investment properties	50.76	12.97	291.3	164.65	45.37	262.9
Total other income (expenses)	44.04	1.98	na	127.37	6.47	1870.0

Total other income at the end of 4Q21 of 2021 reached US\$ 44.04 million, compared to US\$ 1.98 million in other income at the end of the 4Q20. This increase was mainly due to a higher revaluation gain as well as the gain on properties sold.

Year on year interest income remained consistent at US\$ 0.02 million in 4Q21 and 4Q20, due to lower interest rates.

Other expenses for the quarter resulted in a US\$ 0.17 million loss in 4Q21 due to the net result of the Company's other accounting expenses.

4Q21 interest expense increased to US\$ 11.13 million, compared to US\$ 9.63 million for the same quarter last year. This increase reflects a higher debt balance.

Vesta's 4Q21 foreign exchange loss was US\$ 0.88 million, compared to a US\$ 1.40 million loss in 4Q20. The 4Q21 loss relates primarily to sequential currency movement in Vesta's dollar-denominated debt balance during 4Q21 within WTN, the Company's only subsidiary that uses the Mexican peso as its functional currency. During the 4Q21 Vesta sold a portfolio which resulted in a US\$ 5.43 million gain.

The valuation of investment properties in 4Q21 resulted in a US\$ 50.76 million gain, compared to a US\$ 12.97 million gain in the fourth quarter of 2020. This increase was a result of improved lease contract term renewals, improved discount rates and capitalization, as well as Vesta's successful leasing of certain buildings and industrial building developments during the quarter.

12 months

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Profit Before Income Taxes	76.62	32.64	134.8	256.03	127.50	100.8
Income Tax Expense	(30.11)	2.11	na	(82.09)	(60.55)	35.6
Current Tax	(24.58)	(14.45)	na	(50.26)	(26.15)	92.2
Deferred Tax	(5.53)	16.56	na	(31.83)	(34.40)	(7.5)
Profit for the Period	46.51	34.75	na	173.94	66.96	159.8
Valuation of derivative financial instruments	0.00	0.20	na	2.89	(3.01)	(196.2)
Exchange differences on translating other functional currency operations	(3.26)	8.19	na	(4.84)	(1.89)	na
Total Comprehensive Income for the period	43.25	43.14	na	171.99	62.06	na

Due to the above factors, 4Q21 profit before income tax amounted to US\$ 76.62 million, compared to US\$ 32.64 million in the same quarter last year.

Income Tax Expense

During the 4Q21, the Company reported an income tax expense of US\$ 30.11 million, compared to a US\$ 2.11 million gain in the prior year period. The 4Q21 current tax expense was US\$ 24.58 million, compared to US\$ 14.45 million expense in 4Q20. This increase is due to the tax expense from those properties sold during December 2021.

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 fourth 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 which is then appreciated.

Fourth Quarter 2021 Gain

Due to the factors described above, the Company's fourth quarter 2021 profit was US\$ 46.51 million, compared to US\$ 34.75 million in the fourth quarter 2020.

Total Comprehensive Income (Loss) for the Period

Vesta closed the fourth quarter 2021 with US\$ 43.25 million in total comprehensive income gain, compared to US\$ 43.14 million gain at the end of the fourth quarter of 2020, due to the factors previously described. This gain was partially offset by a US\$ 3.26 million expense in functional currency operations.

Funds from Operations (FFO)


FFO Reconciliation (million)	12 months					
	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Total Comprehensive Income for the period	43.25	43.14	0.3	171.99	62.06	na
Adjustments						
Exchange differences	3.26	(8.19)	na	4.84	1.89	156.3
Gain on revaluation of investment properties	(50.76)	(12.97)	na	(164.65)	(45.37)	na
Gain in sell properties	(5.43)	0.00	na	(13.99)	0.00	na
Long-term incentive (non-cash)	1.35	0.96	41.4	5.55	3.68	51.0
Exchange Gain (Loss)	0.88	1.40	(37.4)	1.11	0.17	na
Depreciation	0.41	0.36	na	1.60	1.48	8.4
Other income	0.17	(0.03)	na	(0.03)	(0.01)	na
Valuation of derivative financial instruments	0.00	(0.20)	na	(2.89)	3.01	na
Interest income	(0.02)	(0.02)	56.3	(0.08)	(0.31)	na
Income Tax Expense	30.11	(2.11)	na	82.09	60.55	na
Pretax FFO	23.21	22.34	3.9	85.55	87.14	(1.8)
Pretax FFO per share	0.0335	0.0391	(14.3)	0.1235	0.1518	(18.6)
Current Tax	(24.58)	(14.45)	70.0	(50.26)	(26.15)	na
FFO Attributable	(1.37)	7.89	(117.3)	35.29	60.99	(42.1)
FFO per share	(0.0020)	0.0138	(114.3)	0.0510	0.1063	(52.1)

4Q21 Funds from Operations (FFO) attributable to common stockholders totaled US\$ 1.47 million loss, or US\$ 0.0021 per share, compared with US\$ 7.89 million gain, or US\$ 0.0138 per share, for 4Q20.

4Q21 pretax operating FFO, which excludes current taxes, totaled US\$ 23.11 million; a 3.4% increase compared with US\$ 22.34 million in 4Q20.

The current tax associated with the Company's operations resulted in a US\$ 24.58 million expense. The exchange-rate related portion of the current tax represented a US\$ 0.61 million gain, the current operating tax represented a US\$ 4.86 million expense and the tax related to the portfolio sold represented US\$ 20.32 million expense.

Current Tax Expense	1Q21	2Q21	3Q21	4Q21
Operating Current Tax	(7.45)	(11.89)	(7.93)	(4.86)
Exchange Rate Related Current Tax	1.93	(1.61)	1.26	0.61
Portfolio sold	NA	NA	NA	(20.32)
Total Current Tax Expense	(5.52)	(13.49)	(6.67)	(24.58)
Adjusted FFO	14.14	5.35	10.39	(1.98)
Accumulated Current Tax Expense	3M21	6M21	9M21	12M21
Operating Current Tax	(7.45)	(19.34)	(27.27)	(32.13)
Exchange Rate Related Current Tax	1.93	0.32	1.58	2.19
Portfolio sold	NA	NA	NA	(20.32)
Total Current Tax Expense	(5.52)	(19.01)	(25.69)	(50.26)

Adjusted FFO

14.14

19.49

29.88

27.90

Capex

Investing activities during the fourth 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 with a US\$ 29.84 million total investment in the 4Q21.

Debt

As of December 31, 2021, the Company's overall balance of debt was US\$ 933.53 million, of which US\$ 2.88 million is related to short-term liabilities and US\$ 930.65 million is related to long-term liabilities. The secured portion of the debt is approximately 36% 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 4Q21, 100% of Vesta's debt was denominated in US dollars and almost 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	4Q20		Growth SF SF	4Q21	
	Stabilized Portfolio			Stabilized Portfolio	
	SF	%		SF	%
Central Mexico	6,824,130	22.0%	183,161	7,007,291	22.6%
Bajio	15,182,807	48.8%	-411,491	14,771,316	47.6%
North	9,078,485	29.2%	175,022	9,253,507	29.8%
Total	31,085,421	100%	-53,308	31,032,114	100%

Region	4Q20		4Q21	
	Occupancy SF	% Total	Occupancy SF	% Total
	Central Mexico	6,180,039	90.6%	6,661,673
Bajio	13,454,692	88.6%	13,398,896	90.7%
North	8,682,394	95.6%	9,196,835	99.4%

Total	28,317,125	91.1%	29,257,403	94.3%
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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	4Q20		Growth SF SF	4Q21	
	Same Store Portfolio			Same Store Portfolio	
	SF	%		SF	%
Central Mexico	6,485,605	22.5%	342,691	6,828,296	22.9%
Bajio	13,735,537	47.7%	809,812	14,545,350	48.9%
North	8,548,146	29.7%	-161,993	8,386,153	28.2%
Total	28,769,289	100%	990,510	29,759,799	100%

	4Q20		4Q21	
	Occupancy SF	% Total	Occupancy SF	% Total
Central Mexico	5,841,514	90.1%	6,482,678	94.9%
Bajio	12,665,367	92.2%	13,172,930	90.6%
North	8,152,055	95.4%	8,329,481	99.3%
Total	26,658,936	92.7%	27,985,088	94.0%

Total Portfolio

As of December 31, 2021, the Company’s portfolio was comprised of 189 high-quality industrial assets, with a total GLA of 31.1 million ft² (2.89 million m²) and with 83.6% 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	3Q21		Growth SF SF	4Q21	
	Existing Portfolio			Total Portfolio	
	SF	%		SF	%

Central Mexico	7,007,291	22.1%	0	7,007,291	22.5%
Bajio	15,231,131	48.1%	-459,816	14,771,316	47.5%
North	9,410,547	29.7%	-107,408	9,303,139	29.9%
Total	31,648,969	100%	-567,224 *	31,081,746	100%

* Adjusted by portfolio sold.

Total Vacancy

Vesta's property portfolio had a 5.9% vacancy rate as of December 31, 2021.

	3Q21		4Q21	
	Vacant SF	% Total	Vacant SF	% Total
Central Mexico	665,500	9.5%	345,618	4.9%
Bajio	1,399,373	9.2%	1,372,420	9.3%
North	212,291	2.3%	106,304	1.1%
Total	2,277,164	7.2%	1,824,342	5.9%

Projects Under Construction

Vesta is currently developing 1,636,465 ft² (152,033 m²) in inventory and BTS buildings.

Projects under Construction							
Project	GLA (SF)	GLA (m ²)	Investment ⁽¹⁾ (thousand USD)	Type	Expected Termination Date	City	Region
Mega Region 01	195,591	18,171	10,897	Inventory	Jun-22	Tijuana	North Region
Mega Region 02	139,199	12,932	8,774	Inventory	Jun-22	Tijuana	North Region
VPLT-04	118,597	11,018	5,681	Inventory	Jun-22	Juárez	North Region
VPMG-02	206,819	19,214	11,186	Inventory	Feb-22	Monterrey	North Region
Apodaca 01	297,418	27,631	14,697	Inventory	Aug-22	Monterrey	North Region
GDL 01**	379,756	35,280	21,064	Inventory	Dec-21	GDL	Bajio Region
GDL 03	220,800	20,513	12,426	Inventory	May-22	GDL	Bajio Region
Thyssen Exp	78,286	7,273	3,548	BTS	Mar-22	SMA	Bajio Region
Total	1,636,465	152,033	88,272				

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

* TBD subject to final tenant negotiation

** Adjusted due to final leasing terms

Land Reserves

The Company had 39.01 million square feet of land reserves as of December 31, 2021.



	<i>September 30, 2021</i>	<i>December 31, 2021</i>	
Region	Gross Land Area (SF)	Gross Land Area (SF)	% Chg.
Tijuana	2,844,880	2,194,385	(0.23)
Monterrey	3,117,309	2,520,612	(0.19)
Juárez	223,000	0	(1.00)
San Luis Potosí	3,811,268	3,811,268	0.00
Querétaro	6,347,976	6,347,976	0.00
Guanajuato	3,358,171	3,358,171	0.00
Aguascalientes	12,947,870	12,947,870	0.00
SMA	3,870,234	3,870,234	0.00
Guadalajara	4,245,852	3,871,666	(0.09)
Puebla	92,548	92,548	0.00
Total	40,859,108	39,014,730	-4.51%

Summary of 12-Month 2021 Results

12 months



Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Revenues						
Rental income	41.61	38.03	9.4	160.79	149.86	7.3
Operating Costs	(3.84)	(2.47)	55.6	(10.73)	(10.15)	5.6
Related to properties that generate rental income	(2.64)	(2.06)	28.5	(8.54)	(8.93)	(4.3)
Related to properties that did not generate rental income	(1.20)	(0.41)	190.1	(2.18)	(1.23)	77.6
Gross profit	37.77	35.56	6.2	150.06	139.70	7.4
Net Operating Income	38.97	35.97	8.3	152.24	140.93	8.0
Administration Expenses	(4.79)	(4.55)	5.3	(19.80)	(17.18)	15.2
Long-term incentive (non-cash)	1.35	0.96	41.4	5.55	3.68	51.0
Depreciation	(0.41)	(0.36)	12.7	(1.60)	(1.48)	8.4
EBITDA	34.33	31.97	7.4	135.81	126.19	7.6
Other Income and Expenses						
Interest income	0.02	0.02	na	0.08	0.31	na
Other (expenses) income	(0.17)	0.03	na	0.03	0.01	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(11.13)	(9.63)	15.5	(50.26)	(39.05)	28.7
Exchange gain (loss)	(0.88)	(1.40)	na	(1.11)	(0.17)	na
Gain in sell properties	5.43	0.00	na	13.99	0.00	na
Gain on revaluation of investment properties	50.76	12.97	291.3	164.65	45.37	262.9
Total other income (expenses)	44.04	1.98	na	127.37	6.47	1870.0
Profit Before Income Taxes	76.62	32.64	134.8	256.03	127.50	100.8
Income Tax Expense	(30.11)	2.11	na	(82.09)	(60.55)	35.6
Current Tax	(24.58)	(14.45)	na	(50.26)	(26.15)	92.2
Deferred Tax	(5.53)	16.56	na	(31.83)	(34.40)	(7.5)
Profit for the Period	46.51	34.75	na	173.94	66.96	159.8
Valuation of derivative financial instruments	0.00	0.20	na	2.89	(3.01)	(196.2)
Exchange differences on translating other functional currency operations	(3.26)	8.19	na	(4.84)	(1.89)	na
Total Comprehensive Income for the period	43.25	43.14	na	171.99	62.06	na
Shares (average)	692.58	571.58	21.2	692.58	573.97	20.7
EPS	0.0624	0.0755	na	0.2483	0.1081	na

Revenues increased 7.3% to US\$ 160.79 million for the accumulated twelve months of 2021, compared to US\$ 149.86 million in 2020, while operating costs increased to US\$ 10.73 million, or 5.6% compared to US\$ 10.15 million in 2020, mainly due to an increase in costs related to properties that did not generate rental income, due to higher real estate taxes, insurance and maintenance. Net operating income for 2021 was US\$ 152.24 million compared to US\$ 140.93 million in the same period of 2020.

Gross profit for 2021 increased 7.4% year-on-year to US\$ 150.06 compared to US\$ 139.70 million during the same period of 2020.

At the close of December 31, 2021, administrative expenses increased 15.2% to US\$ 19.80 million in 2021, from US\$ 17.18 million in 2020, due to higher marketing expenses and the increase in the Company's employee long term incentive plan.

Total other income for full year 2021 was US\$ 127.37 million, compared to US\$ 6.47 million in 2020. The result reflects a higher gain from revaluation of investment properties of US\$ 164.65 million during 2021 compared to US\$ 45.37 million in 2020, as well as the US\$ 13.99 million gain from properties sold during the fourth quarter 2021.

Due to these factors, the Company's profit before tax amounted to US\$ 256.03 million in the twelve months 2021 period.

Income tax at the close of December 31, 2021 was US\$ 82.09 million, compared to US\$ 60.55 million at the close of December 31, 2020. The higher income tax is primarily due to higher current taxes which amounted to US\$ 50.26 million.

Profit for the twelve-month 2021 period was US\$ 173.94 million, compared to US\$ 66.96 million for the same period of 2020, due to the above factors.

Vesta closed 2021 with US\$ 171.99 million in total comprehensive income, compared to a US\$ 62.06 million at the end of 2020, due to the factors previously described. This income increased by a US\$ 2.89 million gain on the valuation of derivative financial instruments and decreased by a US\$ 4.84 million expense in functional currency operations.

Capex amounted to US\$ 108.39 million for 2021 related to the development of investment properties.

Subsequent Events

Dividends:

During the Company's Annual General Shareholders Meeting, Vesta shareholders approved a US\$ 55.78 million-dollar dividend, 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 2021 equivalent to PS\$ 0.41004 per ordinary share on January 14, 2022. 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 fourth quarter 2020 as an account payable.

Dividends per share	
1Q21	0.48612
2Q21	0.40265
3Q21	0.41642
4Q21	0.41004

Appendix: Financial Tables

	<i>12 months</i>					
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Revenues						
Rental income	41.61	38.03	9.4	160.79	149.86	7.3
Operating Costs	(3.84)	(2.47)	55.6	(10.73)	(10.15)	5.6
Related to properties that generate rental income	(2.64)	(2.06)	28.5	(8.54)	(8.93)	(4.3)
Related to properties that did not generate rental income	(1.20)	(0.41)	190.1	(2.18)	(1.23)	77.6
Gross profit	37.77	35.56	6.2	150.06	139.70	7.4
Net Operating Income	38.97	35.97	8.3	152.24	140.93	8.0
Administration Expenses	(4.79)	(4.55)	5.3	(19.80)	(17.18)	15.2
Long-term incentive (non cash)	1.35	0.96	41.4	5.55	3.68	51.0
Depreciation	(0.41)	(0.36)	12.7	(1.60)	(1.48)	8.4
EBITDA	34.33	31.97	7.4	135.81	126.19	7.6
Other Income and Expenses						
Interest income	0.02	0.02	na	0.08	0.31	na
Other (expenses) income	(0.17)	0.03	na	0.03	0.01	na
Transaction cost on debt issuance	0.00	0.00	na	0.00	0.00	na
Interest expense	(11.13)	(9.63)	15.5	(50.26)	(39.05)	28.7
Exchange gain (loss)	(0.88)	(1.40)	na	(1.11)	(0.17)	na
Gain in sell properties	5.43	0.00	na	13.99	0.00	na
Gain on revaluation of investment properties	50.76	12.97	291.3	164.65	45.37	262.9
Total other income (expenses)	44.04	1.98	na	127.37	6.47	1870.0
Profit Before Income Taxes	76.62	32.64	134.8	256.03	127.50	100.8
Income Tax Expense	(30.11)	2.11	na	(82.09)	(60.55)	35.6
Current Tax	(24.58)	(14.45)	na	(50.26)	(26.15)	92.2
Deferred Tax	(5.53)	16.56	na	(31.83)	(34.40)	(7.5)
Profit for the Period	46.51	34.75	na	173.94	66.96	159.8
Valuation of derivative financial instruments	0.00	0.20	na	2.89	(3.01)	(196.2)
Exchange differences on translating other functional currency operations	(3.26)	8.19	na	(4.84)	(1.89)	na
Total Comprehensive Income for the period	43.25	43.14	na	171.99	62.06	na
Shares (average)	692.58	571.58	21.2	692.58	573.97	20.7
EPS	0.0624	0.0755	na	0.2483	0.1081	na

Consolidated Statements of Financial Position
(million)

December 31, 2021

December 31, 2020

ASSETS		
CURRENT		
Cash and cash equivalents	452.82	120.54
Financial assets held for trading	0.00	0.68
Accounts receivable- net	19.38	14.86
Operating lease receivable	9.04	6.36
Due from related parties	0.00	0.00
Prepaid expenses	0.48	0.42
Guarantee deposits made	0.00	0.00
Total current assets	481.72	142.87
NON-CURRENT		
Investment properties	2,263.17	2,103.21
Leasing Terms	1.34	0.66
Office equipment - net	2.12	2.85
Derivative financial instruments	0.00	0.00
Guarantee Deposits made	11.51	4.51
Total non-current assets	2,278.15	2,111.23
TOTAL ASSETS	2,759.87	2,254.10
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	2.88	1.92
Financial leases payable-short term	0.46	0.51
Accrued interest	3.84	2.83
Accounts payable	3.01	1.83
Income tax payable	27.84	3.52
Dividends payable	13.94	13.53
Accrued expenses	15.25	4.31
Total current liabilities	67.23	28.45
NON-CURRENT		
Long-term debt	930.65	837.84
Financial leases payable-long term	0.92	0.22
Derivative financial instruments	0.00	4.13
Guarantee deposits received	15.87	13.92
Deferred income taxes	291.58	260.87
Total non-current liabilities	1,239.02	1,116.99
TOTAL LIABILITIES	1,306.24	1,145.44
STOCKHOLDERS' EQUITY		
Capital stock	482.86	422.44
Additional paid-in capital	466.23	297.06
Retained earnings	547.21	429.05
Share-base payments reserve	7.15	7.99
Foreign currency translation	(49.83)	(44.98)
Valuation of derivative financial instruments	0.00	(2.89)
Total shareholders' equity	1,453.63	1,108.66
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,759.87	2,254.10

Consolidated Statements of Cash Flows (million)	December 31, 2021	December 31, 2020
Cash flow from operating activities:		
Profit before income taxes	256.03	127.50
Adjustments:		
Depreciation	1.14	1.03
Depreciation of right of use assets	0.46	0.45
Gain on revaluation of investment properties	(164.65)	(45.37)
Effect of foreign exchange rates	1.11	0.17
Interest income	(0.08)	(0.31)
Interest expense	45.48	37.92
Amortization debt emission expenses	4.78	1.13
Share base compensation	5.55	3.68
Gain in sale of investment property	(13.99)	0.00
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	(2.68)	1.91
Recoverable taxes	(4.52)	(4.50)
Prepaid expenses	(0.06)	0.85
Guarantee Deposits made	(7.00)	(0.04)
(Increase) decrease in:		
Accounts payable	(0.23)	(0.71)
Guarantee Deposits received	1.94	0.67
Accrued expenses	10.94	(0.14)
Income Tax Paid	(27.06)	(24.09)
Net cash generated by operating activities	107.17	100.14
Cash flow from investing activities		
Purchases of investment property	(108.39)	(72.52)
Acquisition of office furniture	(0.22)	(0.82)
Sale of investment property	124.57	0.00
Financial assets held for trading	0.68	0.12
Interest received	0.08	0.31
Net cash used in investing activities	16.71	(72.91)
Cash flow from financing activities		
Interest paid	(44.47)	(37.99)
Loans obtained	350.00	125.00
Loans Paid	(252.50)	(0.79)
Cost of debt issuance	(7.75)	0.00
Dividends paid	(55.37)	(53.98)
Repurchase of treasury shares	0.00	(14.80)
Equity issuance	229.22	0.00
Costs of equity issuance	(6.02)	0.00
Repayments of finance leases	(0.56)	(0.53)
Net cash (used in) generated by financing activities	212.54	16.91
Effects of exchange rates changes on cash	(4.15)	1.34
Net Increase in cash and cash equivalents	332.28	45.48
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	453.56	121.28

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 31, 2019	426.30	303.74	416.23	7.83	(43.09)	0.11	1111.12
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	4.41	0.00	0.00	4.41
Dividends declared	0.00	0.00	(54.14)	0.00	0.00	0.00	(54.14)
Repurchase of shares	(5.10)	(9.69)	0.00	0.00	0.00	0.00	(14.80)
Comprehensive income (loss)	0.00	0.00	66.96	0.00	(1.89)	(3.01)	62.06
Balances as of December 31, 2020	422.44	297.06	429.05	7.99	(44.98)	(2.89)	1108.66
Balances as of December 31, 2020	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 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	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

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, 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	
December 31, 2020	19.949
December 31, 2021	20.584
Income Statement	
4Q20 (average)	20.632
4Q21 (average)	20.746
12M20 (average)	21.496
12M21 (average)	20.282

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.
- 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, 2021, Vesta owned 189 properties located in modern industrial parks in 15 states of Mexico totaling a GLA of 31.1 million ft² (2.89 million m²). 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.