

Pei's Results - Third Quarter 2020

Joint work with tenants, agreements' retention, and indebtedness management: the keys to the vehicle's stability

- *Commercial management enabled a 92% agreements' retention, with over 61,000 m2 retained and more than 6 thousand meters leased in available areas.*
- *Year-to-Date Physical Vacancy and Economic Vacancy stood at 8.9% and 10.3%, respectively, on average.*
- *The Debt-to-Assets Ratio stood at 30%, distributed as follows: 11% in short-term debt and the remaining 89% in long-term liabilities.*
- *The Year-to-Date average daily volume of TEIS transactions is COP 2,196 million.*
- *The first payment of the quarterly returns will be made on November 17, for COP 12,594 million.*
- *The vehicle is preparing for its third issuance of ordinary bonds, expected to take place before the end of 2020.*

Bogotá D.C., November 2020. The Covid-19 health emergency's juncture has motivated an intense and constructive joint work with the tenants, aimed at privileging long-term relationships based on flexibility and innovation.

Support to the tenants has given rise to arrangements that consider the magnitude of the emergency's impact on each category of assets. Shopping Centers have concentrated 87% of the reliefs granted.

The quarter ending on September showed a reopening and traffic trend in the different categories: Logistics and Industrial assets stood at 94% for user traffic; Commercial assets registered, by the end of September, a 53% visitor traffic and sales levels close to 75% of those registered for the same month of 2019.

In the last quarter, both physical and economic vacancies showed 0,8 and 1,1 basic points increases, respectively, mainly associated to the termination of commercial assets agreements. These cases referred to tenants that were particularly affected by the Covid-19 situation, in segments such as children's entertainment, gyms, and certain restaurants, as well as local brands experiencing payment difficulties.

Progress has also been made in connection with the placement of available areas in connection with Logistics and Industrial category assets, which will positively impact the vacancy metrics for the category in the following months.

The vehicle's accumulated operating income closed the third quarter of the year at COP 325,190 MM, registering a 4,4% decrease compared to the COP 340,069 MM reached in

the same period of 2019. This result reflects the reliefs granted in connection with the COVID-19 situation, which has impacted the revenues by COP 51,551 MM at the end of September.

The first payment of the quarterly yields will be made on November 17, for COP 12,594 million (COP 29,193 per Security). The Dividend Yield paid in 2020, including the flows paid in February, August, and those of this month, reaches a 4.79% level.

Net receivables registered a COP 33,341 MM, which represents 7,38% of the last 12 months' income. The net receivables turnover days decreased from 32 days in the second quarter to 23 days in the third quarter. It is worth noting, in connection with this metric, that COP 18,481 million correspond to current receivables associated with the reliefs granted by the vehicle. Collection during the third quarter of 2020 was healthy.

The assets' appraisal update process has continued to progress throughout the year. At the end of the third quarter of the year, commercial appraisals corresponding to 81% of the assets under management, that is, assets for COP 5,1 Bn were made, with a total impact of -1.04% on the assets' book value. This impact is already incorporated into the daily unit value.

THIRD AND FOURTH QUARTERS OF 2020

The following are the highlights of the third and fourth quarters of 2020:

Third Issuance of Ordinary Bonds: The vehicle is preparing to carry out the third issuance of ordinary bonds to replace the debt with financial entities, continue to diversify its long-term financing sources, and take advantage of any opportunities to reduce the debt service in light of the current market conditions.

Pei Securities Investors' New Legal Representative: During the third quarter, Pei's Investors Ordinary Assembly was held in first and second-call meetings, with a 70,52% quorum of the TEIS outstanding. *Fiduciaria Colombiana de Comercio Exterior* (Fiducoldex) was chosen as the new Legal Representative for Pei's Securities Investors, replacing *Colmena Fiduciaria*.

Capital Market Activity: The vehicle continues to prepare for the migration to the equity trading session that the Colombian stock Exchange –BVC– postponed to April 21, 2021.

ABOUT PEI

Pei is Colombia's leading real estate investment vehicle. Pei is a pioneer in the professionalization of investment alternatives for this sector, allowing investors to be part of a diversified portfolio of income-generating real estate assets.

Currently, Pei's assets portfolio has a leasable area exceeding one million square meters in 146 properties in more than 30 cities of Colombia, which represent COP 6,77 billion in assets under management.

Taking as reference the international Real Estate Investment Trusts (REITs), Pei offers equity securities (TEIS) to the market, which are traded at the Colombian Stock Exchange.

Since 2011, BRC Standard & Poor's has awarded its highest equity securities' rating, i-AAA, to the TEIS.

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ABOUT PEI ASSET MANAGEMENT

Pei Asset Management is a company specialized in structuring and managing real estate investment portfolios in Colombia. Its expert team, with extensive knowledge of the real estate and capital markets, has made of Pei a pioneer in the provision of innovative investment alternatives.

Pei Asset Management is Pei's real estate manager. Pei is the leading real estate investment vehicle in Colombia. Within its management, Pei Asset Management seeks to optimize the value of the assets making up the vehicle's portfolio, so that attractive yields may be transferred to the investors.

Since 2009, Pei Asset Management has been awarded BRC Standard & Poor's highest Portfolio Management Effectiveness Rating: G-aaa.

Committed with sustainability, Pei Asset Management subscribed to the Principles for Responsible Investment (PRI) and embraces the Sustainable Development Goals (SDG).

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