

RESULTS TELECONFERENCE
August 12 - 2021

Arkadin

Welcome to PEI's Investors Tele-conference Call. Please give us your name and company name. The conference will start in __ minutes. Thank you for waiting.

My name is [_____] and I will be your operator for today's call. Right now, all attendants are in silent mode.

You can make questions through the web platform or live through your phones. They will be answered at the end of the session. Please note that this tele-conference call is being recorded.

PEI Asset Management spokespersons, Jairo Corrales —President of the company—, Jimena Maya —Investors Relations Manager—, and Alejandro Alzate —Business Manager—, are joining us in today's session.

I now give the floor to Mr. Jairo Alberto Corrales, PEI Asset Management's President.

Jairo Corrales

Good morning everyone. Welcome to PEI's Investors Third Tele-conference of 2021. I hope that all of you are fine.

We greet you from our offices, where we continue to move forward with our workers' return plan, leveraging on the employees' vaccination plan that PEIAM joined in through the Colombian Industries National Association — ANDI's initiative, under the entrepreneurial support to the National Vaccination Plan.

Slide # 5 - Management 2Q-2021

The second quarter of 2021 was a period of uncertainty and expectation, not only due to the COVID-19 situation but the national protests. Notwithstanding, PEI closed the quarter with positive figures, so we want to frame the management within 6 chief milestones:

- First, the tenants' business management in the second quarter —despite the country's situation— facilitated the lease of 57 thousand m2 in warehouses, type A office spaces, and commercial premises of the portfolio's main categories for a total of 68 thousand m2 leased so far throughout this year. Among the most relevant tenants are multinational or locally recognized companies such as Emo Materials, Amazon Web Services, and pharmaceutical company Abbot. Additionally, agreements for a leasable area amounting to approximately 47 thousand m2 were renewed. All of this generated 72 new agreements and 39 new tenants.
- Continuing with the portfolio, we inform you that at the end of the quarter the portfolio's net receivables closed at COP 8 billion representing 1,83% of the last twelve months' revenues. With this, receivables decreased by 25%, compared to the end of March.

- The total collection of the deferrals granted in 2020 has already reached 94%. Although not contemplated within our budget scenario for 2021, during the first semester reliefs amounting to COP 12,154 MM were granted, representing 5,2% of the revenues for the year so far.
- Another good news is that, today, the commercial appraisals of 71% of the investment properties have been carried out and, in the second quarter of the year, in light of the CPI's correction and the shopping centers recovery, the appraisals had a positive impact on the portfolio increasing by 0,66% compared to their book value for March.
- As usual in every quarter, we have good news in connection with the Distributable Cash Flow - DCF —payable tomorrow, August 13, and accrued during the second quarter of the year for a total COP 53,493 MM or COP 123,992 per Security—. As you have witnessed, this is the third consecutive quarter in which the DCF generated from the operation and delivered to investors has a stable value above 50 billion and, as of to date, amounts to a total COP 161,207 billion delivered in 2021.
- Thus, we are adjusting the dividend yield's range upwards for this year 2021, which we estimate will be between 4,6% and 4,8% calculated at the security's equity value, and between 5,3% and 5,5% calculated at the security's market value.

Slide # 6 - Principal Metrics

We now present the vehicle's main figures. At the end of the second quarter, we had COP 7,37 Bn in assets under management and one million 94 thousand m2 in leasable area, following the incorporation of two assets supporting the vehicles' investment strategy and portfolio diversification: *Sanitas Versalles* Medical Center, located in the city of Cali, which strengthens the health assets portfolio and is subject to a 10-year contract, and *Nuestro Bogotá* Shopping Center —52% of which is owned by PEI—, whose occupancy upon opening was 78% and which is subject to a preferential flow commercial-hedging scheme.

Additionally, at the end of the quarter, the vehicle had more than 4,600 investors, underlining that, in the last semester, nearly 85 investors with a long-term vision —considering the current market conditions— invested. Once again, we want to thank you for your trust in both the vehicle and its manager.

I give the floor to JIMENA MAYA who, as usual, will present the details of PEI's results for the quarter ended in June 2021.

Slide # 8 - Capital Market Overview and TEIS

Thank you, Jairo, and good morning to all investors. In response to certain concerns received from our investors in the last two months, we want to deepen in the change that the equity securities' valuation methodology was subject to, which became effective as of June 1 of this year following the Financial Superintendency of Colombia's regulations.

To understand the reason for this change, it is important to understand the national capital market's background. The graph on the left shows the traded volume's performance for the different securities listed with the Colombian Stock Exchange since January 2019. In 2019, the average monthly trades volume was COP 60 Tn, while in 2020 this metric decreased 23% to COP 46 Tn; and, in the first half of 2021, the average monthly volume was COP 41 Tn, that is, 32% less than in 2019. This decline began between the months of March and April 2020, when the COVID-19 situation started. Additionally, liquidity in the second quarter of 2021 was also affected by the socio-economic and political situation that the country experienced during this period.

The above confirms the generalized impact that investors in the local capital market have received. This impact is not limited to PEI's Securities or the real estate segment.

Diving into the details, on the right side of the slide you can see the TEIS' price performance in the secondary market, whose dynamics have been consistent with those of the domestic capital market. Before the pandemic, the TEIS' average price was above their equity value, which in 2019 averaged a price of 101,4% while the discount in the market price began in April 2020. It is worth noting that, in March 2021, the Security's price recovered in the secondary market, with an average price of 88% in March and 91% in April 2021.

Slide # 9 - TEIS Performance

Continuing with slide number 9, in the upper graph you can see the market price performance since Jan-19. As mentioned earlier, before the pandemic's inception in March 2020, TEIS were trading at an average price above their equity value, shown as the yellow line; however, due to the situation, the security began to trade at a discounted price.

In order to sensitize all investors as to the dynamics of the equity securities market in light of the COVID-19 situation, as of June 2021 the Financial Superintendency of Colombia regulated the securities valuation at market prices, making pricing service providers to report the securities value based on the stock market's operating conditions.

In June, the average market price was 86,2% and the suppliers' methodologies reported prices between 82% and 100% of the equity value, while in July the average price was 83% and pricing service providers reported prices between 77,5% and 87%. Furthermore, the lower graph shows the evolution of the equity value in the last 2 years, with an appreciation trend: in 2020 it was +0,86% and, specifically, in June and July 2021, the security's appreciation was +1,30% and +0,87%, respectively.

Slide # 10 - The valuation's change became effective as of June 1

Slides number 10 and 11 show, again, the main aspects to consider with respect to the Financial Superintendency of Colombia's change, introduced through Circular 006 of 2021. This regulation modifies the valuation made by investors —supervised by the Financial Superintendency of Colombia— of their securities, as they are no longer appraised based on the equity value reported by the issuer, but rather on their market value. However, this does not imply that a loss

or gain on the investment materializes, but until the investor actually engages in purchase or sale transactions of its Securities.

Non-supervised investors perceive the change through the statements issued by stock brokerage firms, which in turn are supervised by the aforementioned entity.

It is important to note that the Financial Superintendency of Colombia not only regulated PEI's Securities valuation but also that of equity securities-investment portfolios issued by closed collective investment funds, private equity funds, trusts, or securitization processes registered with the Securities and Issuers National Registry.

Slide # 11 - The change in valuation became effective as of June 1

There are two security valuations: One at its equity value and, the other one, at market prices. The first type of valuation is made by the Management Agent, *Fiduciaria Corficolombiana*, and refers to the equity value. The equity value is based on the vehicle's results and the commercial valuations made by outside entities independent from PEI, which validate the assets' value based on the commercial conditions of each of their associated lease agreements, operating budget, and the real estate market conditions, among others.

The second type of valuation is the market value, calculated by Pricing Service Providers, which are entities —also independent from PEI— that set the prices considering the stock market's conditions, that is, the market prices at which the securities are daily traded, the volume traded, and the amount per transaction.

Another concern we receive on the subject is how Pricing Service Provider are chosen to make the valuation at market prices. This is a decision that each monitored investor and the selected pricing service provider use to value the equity securities in their investment portfolios. Thus, each stockbroker also values the relevant equity securities —other than shares— through its selected pricing service provider and, as of June 1, 2021, reflects the relevant values thereof in their clients' statements. It is also crucial to understand that this change does not require non-supervised investors to adjust any of their portfolios' valuations, made for other purposes.

Slide # 12 - Migration to the Equity-Trading Session

Continuing with slide number 12, we want to share with you an update on PEI's Equity Securities migration to the equity securities market:

The project to migrate the equity securities to the equity-trading session was suspended on March 1, 2021. On June 1, 2021, the obligation to value the portfolios at market prices became effective, a change that would have been immersed in the migration to the equity-securities trading session. Although at this time the equity securities' simultaneous migration by all of the real estate industry's species does not seem easy, we believe that this is a desirable situation for PEI. Therefore, we will continue to make all efforts with the Colombian Stock Exchange to achieve the TEIS' transfer to the equity securities market.

The benefits that we would obtain by switching to the equity trading session are, among others, a greater visibility in the capital market, a reduction in arbitrage possibilities, and visible price dynamics for a greater number of investors, including international investors.

Slide # 14 - Portfolio Occupancy

Turning now to the portfolio's metrics, the left graph in slide number 14, shows a 4,3 percentage points decrease in the vehicle's vacancy compared to the end of the previous quarter. Vacancy closed at 8% on June, mainly because 100% of the area in *La Cayena* Free Trade Zone was occupied and nearly 7 thousand m2 in the corporate category were leased. This drove the average vacancy, so far in this year, to stand at 9,5%.

The right side of the slide shows the portfolio's economic vacancy, which stood at 13,1% in June. The difference between the physical and economic vacancies stems from the grace periods and space-adaptation periods usually agreed with the tenants.

As of to date, we have 170 commercial prospects corresponding to 68,000 m2 under commercialization in 22 properties in the logistics, health, restaurants, retail, and supermarkets sectors.

It is estimated that, at the end of the year, the average physical vacancy will stand between 7,5% and 8%, while the average economic vacancy will be between 9% and 11%.

Slide # 15 - PEI's Vacancy v. Market Vacancy

Slide number 15 compares PEI's portfolio vacancy with the real estate market's vacancy. The corporate assets category's physical vacancy shows a positive performance as it decreased 1,4 percentage points in the second quarter of the year and, like the market vacancy, stood at levels below 11%. As mentioned earlier, more than 7 thousand m2 of type A offices in this category were leased to multinational tenants.

Similar to the physical vacancy, the category's economic vacancy performed well with the 0,6-percentage points correction.

PEI registers a vacant area of 30 thousand m2 in this category and currently has 29 active commercial prospects.

The right side of the slide shows the corporate assets' traffic evolution in PEI's portfolio during the second quarter of the year, evidencing the offices' traffic recovery in spite of a lag in May resulting from the country's socio-political situation.

Slide # 16 - PEI's Vacancy v. Market Vacancy

The left section of slide number 16 shows the detail of the commercial category. As you can see, the vacancy is below that of the market.

The category's physical vacancy increased mainly because new acquisitions totaling around 5 thousand m² —already under commercialization process— became part of the portfolio; during the quarter, however, about 3,000 m² were leased in shopping centers such as *Atlantis* and *Plaza Central* in Bogotá, and certain stores in *Santa Fe Shopping Center* in Medellín.

On the other hand, economic vacancy during the quarter decreased 1 percentage point as a result of a higher variable billing in the shopping centers, compared to the end of the previous quarter. This reflects the recovery dynamics that the commercial category continues to show.

In the upper right graph, you can see the recovery that the commerce sector shows in metrics as important as final sales. In June sales rebounded and PEI's shopping centers showed a 92% increase in sales per m² during the quarter, with certain shopping centers in several cities of the country increasing their sales with respect to June of 2019. According to *Bancolombia's* economic reports, this increase coincides with the economic recovery at the end of the quarter, where the same or a greater number of transactions than in June 2019 —before the pandemic— took place.

In line with the recovery in sales at the end of the quarter, the lower right graph shows an increase in traffic in PEI's shopping centers. In June, visits to the portfolio's shopping centers increased 70% compared to April.

Slide # 17 - PEI's Vacancy v. Market Vacancy

Continuing, slide 17 shows the information for the logistics and industrial category, where physical vacancy stood at 3,7% which, compared to the real estate market corresponds to a difference of 7,6 percentage points below. This positive variation in the vacancy results from the relocation of 100% of the area in *La Cayena* Free Trade Zone —equivalent to 45 thousand m²— and the execution of a long-term agreement for 10 thousand m² in the *Quadratto* property and for nearly 3,000 m² in other properties in the category.

Nonetheless, the category's economic vacancy increased as a result of the grace periods and adaptations in warehouses. The area available to market, as of June, was 15 thousand m² with 16 prospects.

Slide # 18 - Real estate portfolio's diversification

Slide number 18 shows how PEI continues to strengthen this pillar at both the tenant and asset levels. In the right graph we can see the diversification per type of asset, highlighting the specialized category's growth through recent asset acquisitions in the health sector, reaching 7% of the portfolio's investment properties.

Slide # 20 - Financial Figures

Continuing with the portfolio's financial management, slide number 20 shows the results of the accumulated financial figures for the first semester of the year. In spite of the national situation —which we referred to earlier— the operating income reached COP 233 billion in the first semester of the year, corresponding to a 4% increase or about 8 billion compared to the same

period of 2020 and a 7,4% increase compared to the same period of 2019, whereas the same revenues per meter remain at the same levels as in June 2019.

2021's recovery resulted from a better performance of the fixed revenues from the leased assets —the income's main component— and a 56% growth of the variable revenues therefrom.

This, given the commercial and logistics categories' income growth, driven by the acquisitions made in the last twelve months, the shopping centers' recovery, and the decrease of the reliefs granted to tenants in response to the pandemic.

Moving on to the second graph, the NOI or net operating margin also performed positively, growing nearly 2 billion compared to the same period of 2020, as it went from 190 billion to COP 192 billion in 2021. Furthermore, the NOI margin stood at 82% showing a 2pp decrease compared to the same period of 2020.

The variation for nearly COP 6 billion in the vehicle's operating expenses was mainly driven by the specialized operators' fees increase, which in the commercial category is associated to the shopping centers' sales and the management fees expenses of the assets under commercialization.

Consequently, the EBITDA as of June 2021 showed a positive variation of 2 billion compared to the same period in 2020, keeping the metric's margins at stable levels of 65%.

Slide # 21 - Receivables

Slide number 21 highlights the portfolio's consistently good performance throughout the year. During the last 5 quarters, significant reductions in net receivables were achieved, closing the last quarter at 8 billion that, compared to 2020, amounted to 6 billion.

On the other hand, gross receivables amounted to COP 34,822 million as of June 2021, 13% below the closing levels for 2020.

Current and past due receivables decreased -44% and -40%, respectively, mainly associated with deferred payments and the recovery of overdue receivables in shopping centers. As mentioned in the introduction, the collection of the deferrals granted in 2020 reached 94% of the deferred amount.

Additionally, it is important to mention that net receivables represent 1,83% of the last 12 months' operating income and corresponds to the lowest level in the last 5 reported quarters.

Slide # 22 - Appraisals

Slide number 22 shows that, in the second quarter of the year appraisals corresponding to 32% of the portfolio were updated, generating a positive +0,66% impact compared to March 2021's book value. This was mainly driven by the positive correction of the CPI. The categories with the

greatest recovery in the quarter were logistics and shopping centers, given their better revenues and lower reliefs. The accumulated value for the semester up to June 2021 was -1,17%, compared to December 2020's book value, corresponding to 71% of the assets where *Avianca*, *Isagen*, *Atrio*, and *Atlantis* and *Plaza Central* shopping centers are located, as well as the *Éxito* portfolio assets, the *Nutresa* portfolio, and one asset in the health sector.

Slide # 23 - Indebtedness

Slide number 23 shows the debt portfolio's performance. The amount of the debt by the end of the period was COP 2,55 trillion, 88% of which corresponds to long-term debt and 12% to short-term debt. This is equivalent to a 34.6% Loan-To-Value ratio or Gross-Debt-To-Assets below the vehicle's 40% limit. During the second quarter of 2021, the debt portfolio increased by COP 343 billion, mainly explained by the acquisitions of *Sanitas Versalles* Medical Center and a 52% interest in *Nuestro Bogotá* shopping center, and disbursements of assets under development.

At the end of the second quarter of 2021, 59% of the debt portfolio was indexed to the CPI and 27% to the BBI, enabling the vehicle to incorporate these two indicators' decrease in its average financing cost. Therefore, the debt portfolio's average interest rate dropped over 200 basis points, going from 6,70% in the first half of 2020 to 4,66% in the first half of 2021.

On August 28, the first series of 3-year bonds issued in 2018 —indexed to the CPI— will expire. Bondholders will receive their corresponding payment upon maturity and this transaction will be covered with the current credit quotas.

Slide # 24 - Profitability

Continuing with slide number 24, the Distributable Cash Flow's detail appears at the top. As Jairo announced at the beginning of the call, tomorrow August 13, the Distributable Cash Flow generated from the second quarter's operation will be paid, with a value per Security of COP 123,992 or a total amount of COP 53,493 MM, completing COP 161,207 MM delivered in 2021. We estimate that the dividend yield for 2021 will range between 4,6% and 4,8%, calculated at the security's equity value. As mentioned earlier, the Dividend Yield's calculation at market prices increases the range between 5,3% and 5,5%.

The right graph at the bottom shows the profitability at the end of the first semester of 2021. In stabilization periods, that is, in a range exceeding 5 years, profitability stands between 9% and 13%. On the other hand, short-term returns stand at 7,9% for 3 years and 4,36% for the last 12 months.

Slide # 26 – Advances in PEI's Sustainability

At PEI we are building a Corporate Sustainability model that enables us to organize, develop, and focus our efforts in making our business more sustainable. This model covers a number of initiatives that we have been working on, that revolve around the environment's care, the social development of those areas where we are present, and the good governance of the portfolio's management. This quarter we want to emphasize our advances in connection with the

responsible investment and operation policy, and sustainability model that we have been implementing.

Slide # 27 - Investment Policy and Responsible Operation

The responsible investment and operation policy that PEI is a signatory of through the PRI principles, highlights the purpose of incorporating environmental, social, and corporate governance (ESG) factors into the investment decision-making process and the assets operation.

As a member of this association, PEI's actions are governed by 6 principles based on its participation as an active partner, the incorporation of the ESG criteria both in the analysis and management of the assets, its relationships with third parties seeking to implement said criteria and promote integration, and the dissemination and publication of the advances in environmental, social, and government matters.

Slide # 28 - Responsible Investment and Operation Policy

The elements of the policy are divided into two phases: The investments' evaluation and the assets' operation. In connection with the first one, PEI is committed to carrying out impact assessments on the environment and the community, as well as evaluating the governance practices of any parties involved, to prioritize any investment opportunities having a positive impact in terms of sustainability. To facilitate these commitments' monitoring, an ESG investment evaluation matrix has been created and applied in connection with recent business opportunities

Regarding the second phase, PEI's commitments with the assets' current operation are based on the establishment of the ESG-factors management metrics, the development of social and environmental programs, the promotion among its tenants, suppliers, and related entities of good practices in connection with these criteria, and the preservation of the ESG factors which, at the time, led to the investment's selection.

JIMENA MAYA CLOSING

Dear investors, we have covered a review of PEI's situation for the first 6 months of 2021. We appreciate your participation in this space, aimed at timely informing investors about the vehicle's management and results, and keeping them informed of the most relevant events and metrics.

Thank you very much for your attention. We will now open our usual Q&A session to address your concerns.