RESULTS TELECONFERENCE
November 11, 2021

Arkadin
Welcome to PEI's Results Conference Call for Q3 2021. The conference will begin in __ minutes. Thank you for waiting.

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

You may ask questions through the web platform. They will be answered at the end of the session. Please note that this conference call is being recorded.

Jairo Corrales, President of the company; Andrés Felipe Ruiz, Financial and Administrative Vicepresident; Jimena Maya, Investor Relations Manager; and Alejandro Alzate, Commercial Manager are joining us in today's session as Pei Asset Management's spokespersons.

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

Jairo Corrales

Good morning everyone. Thank you very much for joining us.

We worked with *Semana* magazine in the video that you have just watched, for a special release namely "Colombia is Better", aimed at affording visibility and issuing good news that contribute to the country's economic reactivation.

It is worth noting, as mentioned in the video, that Pei Asset Management has tended to PEI's different audiences —a very important one, investors— through an extensive democratization of investment: today we have over 4,600 investors, ranging from large institutional investors to individuals.

A second very relevant point is our becoming into real estate allies to our tenants, promoting their growth while they focus on their businesses. Nevertheless, we have never put aside the issues related to sustainability and social responsibility. Therefore, through our nearly 150 assets in more than 30 cities and municipalities, we have managed to reach the populations by delivering well-being and economic development in those geographies —located not only in the main capital cities of the country—.

PORTFOLIO MANAGEMENT - 3Q-2021
Slide # 5 PORTFOLIO FIGURES AS OF SEP 2021

Today, we want to begin our fourth results conference of 2021, referring to the results of the third quarter of the year; i.e., the period between July and September.

We first want to highlight the most relevant figures of the portfolio. Here, it is fitting to mention that the vehicle's assets under management already exceed COP 7.5 billion, represented in more than 1,103,000 m² of leasable area. Today, PEI has a portfolio of first-rate tenants made up by over 2,000 lessees and more than 4,600 investors.

It is essential to mention that one of the vehicle's fundamentals throughout all of its almost 15 years, has been diversification. Slide # 5 shows how PEI's portfolio is divided by categories. The first one —shopping centers— represents around 34%, complemented by what we call "commercial premises" with 6%.

Corporate or office buildings represent a 35% and the logistics and industry area a 17%. We can also share with you the vehicle's good diversification success in connection with new categories, such as our so-called specialized category, which represents an 8%.

And precisely, within this category, is the acquisition made in the third quarter of 2021: *Sanitas* headquarters at *Toberín*, in the city of Bogotá, located at *Autopista Norte* and *Calle 167*. PEI acquired this asset for nearly COP 50,000 million pesos —acquiring 100%— and executed a 10-years lease.

It is important to mention that, during the last 3 years, PEI has strengthened its presence in the health category. We currently have —with this same operator— 4 medical centers: 3 in the city of Cali and, the most recently acquired, in Bogotá.

This diversification into categories, such as health, affords PEI's investors with the peace of mind of not being exposed to a single category and allows us to finely stabilize during the different economic cycles.

Slide # 6 PORTFOLIO MANAGEMENT

The third quarter continued to show positive results, reflected in the following:

Regarding its commercial management, one of the most relevant data of the portfolio for the third quarter of 2021 is the retention of over 15,000 m² in contracts, such that this metric already exceeds 60,000 m² year-to-day.

It is critical to note that this retention refers to the lease agreements expiring in this period —which were renewed for an additional term—, generating stability for the vehicle's cash flow.

In connection with absorption, which corresponds to the vacant m2 placed, the metric is equally positive. 25,000 m2 were placed in the third quarter, for a total of 100,000 m2 year-to-day.

When we consolidate the number of renegotiated spaces, plus absorption, i.e., the new meters placed, we exceed the 150,000 m² figure. Let us remember that PEI has about 1,100,000 m²; thus, we were able to place spaces for about 15% of the vehicle's total leasable area.

As to the assets traffic, the pandemic entailed a strongly restricted traffic in some of the properties, particularly in the commercial category upon its inception and, later, in the corporate assets, to such extent that some companies still have not made their final decision on how to come back to their offices. This category shows a clear recovery. In commercial areas, traffic amounts to nearly 90% and at the logistics distribution centers and some of the industrial companies with PEI, traffic is close to 86%.

The specialized category's assets are mainly concentrated on the health and education sectors, where traffic exceeds 70%. Currently, although the corporate category shows the lowest traffic —around 23% due to the pandemic—, this figure has increased after reaching levels below 15%. We believe that the progress made in terms of vaccination and the elimination of the uncertainty and capacity restrictions, will make companies decide to return to their corporate headquarters and this ratio may be above 30% by the end of the year.

It is important to mention that, although the corporate assets' traffic has been around 23%, the category has virtually no receivables and our tenants have honored their contracts, in spite of not using 100% of the assets. Thus, PEI's income has not been impacted despite the low use of these properties.

In connection with the operating margins, which are very important, the NOI for the first quarter stands at 82%. You can see that the EBITDA margins are at 63% levels, compared to the pre-pandemic figures, when they stood at 65%.

These two metrics, essential for the real estate investment vehicle's management, are reaching stable levels compared to 2019.

In terms of the Distributable Cash Flow —which is clearly one of the fundamentals of any real estate investment vehicle— and reflects the vehicle's ability to deliver returns to investors, just as mentioned in connection with the margins, we have good news: next week we will distribute an amount close to COP 65,000 million, for a total of COP 226,000 million distributed so far during the year.

It is worth mentioning that the value per security to be distributed, will exceeds COP 150,000 for the quarter and COP 524,000 for the year. These figures are very relevant and should lead to generating trust in the vehicle and its fundamentals for the future.

The Dividend Yield —which results from dividing the distributable income by the equity value— stands at 4.8%. At market value, this metric would rise to a 6%, higher than the one historically registered.

On total profitability, in a year marked during the first months by the pandemic, profitability is not in the 10% level, but we estimate it should reach that level in the medium term. So far, the metric stands at 6.3% annual effective during this year.

When we calculate the profitability for the last 10 years, this metric reaches 10.9% annual effective. It is worth noting that since the COVID crisis arose, we have been very cautious in the matter of acquisitions and very carefully considered any differences that may arise. We believe that this situation —or juncture— has led to purchase opportunities.

Slide # 7 Assets Under Development
Likewise, assuming PEI's commitments from a few years ago, we are about to receive two important assets. These businesses were structured more than 3 years ago.

The first one is *TIGO-UNE*'s corporate headquarters in Medellín, a building located near to Bancolombia's corporate headquarters at *Avenida de los Industriales* and very close to *Autopista Sur*, whose leasable area is around 21,300 m². PEI will own 82% of this property and executed a mandatory 15-year agreement. The value of PEI's investment in this asset exceeds COP 140,000 million.

In the specialized category, the first hotel of the portfolio will be incorporated in December. It is located in the city of Cartagena, in the *Barú* area, within a macro-project in lands owned by *Grupo Argos*. This important real estate project, the *Calablanc*a hotel complex, is what PEI is acquiring.

The hotel contemplates the development of 187 keys with an investment close to COP 200,000 million, where PEI acquired a 60% stake. The other 40% belongs to *Grupo Argos* (20%) and *Arquitectura y Concreto* (20%).

Opening is scheduled for December, with Accor's operation under its Sofitel brand. We agreed with our co-investors on a hedging for PEI consisting of a preferential flow during the first 5 years of operation.

STOCK MARKET DYNAMICS
Slide # 9 Capital Market Dynamics and TEIS

On the security's dynamics in the secondary market, PEI has the great virtue of uniting the best of both worlds: the real estate —with 150 assets with the best technical specifications and tenants— and the capital market, where these real estate assets are represented in securities traded in the stock market.

The securities representing the real estate assets enable PEI investors to access a very important issue: liquidity. Nonetheless, liquidity —an issue not particular to PEI— was affected during the last year and a half, which is why today, we present to you some comparisons showing how other fixed and variable income securities and other real estate investment vehicles have been affected.

The general conclusion is that, during this year and a half, both liquidity and prices have been impacted. The prices of these securities have dropped, in our opinion, largely as a result of the uncertainty generated by the COVID and, unfortunately, the coincidence with events such as the change in valuation from July 1st at market prices.

On the top graph at the right, the yellow curve represents the book value or NAV and the gray line the secondary market's values. The last 18 months show an important difference between the yellow and gray lines. The message we want to convey is that the vehicle's fundamentals after these 18 months remain intact.

As already stated, the vehicle's cash generation capacity —translated into the distributed yield and calculated through the Dividend Yield— is very close to the 5% level, a value existing before COVID. It is important to highlight that occupation —which Jimena will explain in more detail—, showed a significant rebound and, today, is close to 7%.

So, a portfolio with an occupancy level close to 93%, an intact cash flow generation capacity with a Dividend Yield close to 5%, and the knowledge that the categories where we operate serve premium clients and have thus prevented our tenants from vacating the properties, lead us to believe that the security should show a recovery in the short and medium terms.

An opportunity to obtain a very interesting return would exist for anyone entering today with a discount; and, I insist again, the vehicle's fundamentals are there, which is precisely what we want to share with you today: how vacancy has performed in each of the categories, how prices have reacted, how business sales are behaving in the commercial assets, how even our requests for m^2 in categories such as logistics have increased.

To me, this seems to be crucial. Now, I will give the floor to Jimena so that she can explain in detail this capital market issue, the differences between the book value or NAV and the market value, and why it is important for investors never to lose sight of the fact that this is a long-term investment vehicle and that, although the market may be punishing the security's value, the equity value or Net Asset Value under the appraisals conducted by completely independent firms is reflected in the Financial Statements and remains absolutely valid.

Thank you very much, I will give the floor to Jimena.

Slide # 10 Valuation Methodologies
It is important to briefly review the difference between the securities valuations that have been visible to the market since June 2021, with the entry into force of the SFC's provision in such connection:

The equity value is calculated by the Management Agent, *Fiduciaria Corficolombiana*, based on the portfolio's operating results and the commercial appraisals conducted by third-party entities independent from PEI, which validate the real estate assets' value based on the commercial conditions of the relevant lease agreements and the real estate market's conditions over a 10-years projection horizon.

The second type of valuation, the market value, is calculated by pricing service providers —also independent from PEI—, that issue their prices considering the stock market's conditions, i.e., the market prices at which the securities are traded in the stock market, the volume traded, and the amount per transaction, without considering the underlying asset's fundamentals.

Valuation at market prices is a factor exogenous to the administration of Pei Asset Management, intended to afford visibility of the securities' performance in the stock market to all investors. However, it is very important to bear in mind that the current decline of the average market price shall not mean an actual loss or gain on the investment, but only until the position is settled.

Slide # 11 Management During the COVID Juncture
In the next slide, we want to convey that in our role as PEI's Real Estate Managers, we are closely watching over the market situation and proactively engaging in actions on several fronts.

We have focused on promoting all our stakeholders' understanding of the particular characteristics of the current market situation, in balance with PEI's long-term investment thesis.

- On the one hand, we have maintained an open and permanent communication channel with investors, promoting the current market situation's understanding and providing analysis tools for the investors' decision-making process.

- We monitor the above-mentioned valuation methodologies daily, as this allows us to better understand the Securities' price fluctuations. Pricing service providers have incorporated certain adjustments in their methodologies to reduce the valuation's volatility in less liquid scenarios, such as that of the pandemic.

- We continue to manage the TEIS Securities migration process to the Colombian Stock Exchange's equity trading session, as the variable income market would allow putting in place a number of schemes that we consider to be more adjusted than the Securities' current trading situation in the market. We refer, among others, to the possibility of activating a liquidity building mechanism for the security, to channel all transactions through the market, considering that currently over 90% thereof are OTC. This would generate more direct and transparent conditions for the price's formation. Although the TEIS migration to the equity market does not ensure an automatic correction of the price performance, it will provide us with elements to manage the market juncture.

PORTFOLIO'S COMMERCIAL MANAGEMENT
Slide # 13 Portfolio's Occupancy

In relation to the portfolio's occupancy, note that the physical vacancy as of September 2021 stood at 7.3%, the lowest of the year and a 500 basis points decrease in the last 6 months. This was driven by important placements in the assets' main categories: the occupation of 19,360 m² in logistics assets; 6,235 m² in the restaurants, supermarkets, entertainment, health, and shopping centers categories; and nearly 5,000 m² in corporate assets.

Likewise, economic vacancy closed September at 12.2%. Compared to the end of the previous quarter, vacancy decreased by 120 basis points and has been the lowest since February 2021. This was driven by the corporate and logistics categories, the grace periods' expiry, adjustments to the new agreements, and a higher turnover in the commercial category associated with variable royalties, which generated an increase of the potential income base compared to the previous quarter.

To date there are 184 active commercial prospects, which translate into 68,276 m² under commercialization in 18 properties. Among the upcoming closings of critical prospects are clients from sectors such as restaurants, retail, and financial that will occupy areas in several of the portfolio's shopping centers.

Slide # 14 PEI's Vacancy v. Market Vacancy
Slide 14 compares PEI's corporate portfolio vacancy to the market vacancy. Management for the quarter corresponds to the re-placement with multinational clients from the technology sector of over 3,000 m² in the premium offices segment. Additionally, 847 m² were placed in the WBP building and 557 m² in the Amadeus building, with the latter reaching a 99% occupancy. With the above, the category's physical vacancy dropped 10 basis points during the third quarter of 2021. On the other hand, economic vacancy decreased 40 basis points driven by the initial payments of the last placements and fines received due to early terminations.

Along with the reactivation that we referred to earlier, the corporate assets' average traffic rose from 10% in 2020 to 23%, so far in 2021.

Slide # 15 PEI's Vacancy v. Market Vacancy
Continuing, slide 15 shows the commercial category's performance and that physical vacancy decreased from 9.4% to 8.8% due to the placement of 6,000 m² of vacant area in shopping centers such as *Atlantis*, *Plaza Central*, and several *Único* malls. On the other hand, the economic vacancy of the quarter increased, mainly driven by new acquisitions that are still under stabilization and certain brands under adjustment and grace periods. This was partially offset by a higher variable billing, compared to the previous quarter, in shopping centers such as *Único, Nuestro Cartago*, and *Plaza Central*. It is noteworthy that during the last 4 quarters, PEI's commercial category vacancy has been below the market vacancy.

Another relevant factor in the commercial category refers to the improvements of the shopping centers' traffic and the visits' effectiveness metrics. The graphs to the right show that the number of visitors and sales per m² increased by 44% and 50%, respectively, during the third quarter. A downward adjustment of the economic vacancy is projected in the coming months, considering the positive economic reactivation of businesses and the end of year season. This is also consistent with the macroeconomic reports' results, which show a 5% increase in the consumption of goods and services compared to 2019.

Slide # 16 PEI's Vacancy v. Market Vacancy

Slide 16 compares the vacancies for the logistics and industrial category, where physical vacancy stood at 3.0% at the end of September, driven by placements of around 4,300 m² leased in the *Yumbo* Warehouse and *Cittium* industrial park to companies of the logistics and fabric sectors. Additionally, a business agreement was reached with DHL, a new tenant of 15,000 m² in *Quadratto,* a warehouse located in Tenjo. Similarly, the category's economic vacancy dropped significantly by 5.6pp, as the revenues from the *Hada* —in *La Cayena* Free Trade Zone— and *Coordinadora* —in the *Yumbo* Wharehouse— agreements started to be received. A significant decrease of the economic vacancy is projected for the end of the year, as the grace period granted to a tenant of 42,000 m² in *La Cayena* Free Trade Zone will expire.

Slide # 17 PEI's Vacancy v. Market Vacancy

Continuing, slide 17 shows the specialized category's vacancies evolution (where we have 4 health-related assets and 2 education-related assets).

Physical vacancy in this category reached a 12.1%, decreasing 790 basis points as a result of a 2,000 m² increase in *CityU*; for this same reason, the category's economic vacancy decreased significantly by 12 percentage points, compared to the previous quarter. It is worth noting that health assets do not show any vacancies.

PORTFOLIO'S FINANCIAL MANAGEMENT

Slide # 19 Financial Figures

Slide 19 shows the important recovery of the portfolio's financial results, compared to the same quarter of the previous year and in its accumulated figures:

Operating income for the 3Q21 increased 23% compared to the 3Q20, mainly driven by the over 50% decrease in the reliefs granted to tenants, from COP 33,376MM in September 2020 to COP 16,297MM for the same month of 2021.

The vehicle's accumulated operating income closed the third quarter of 2021 at COP 355,977 MM, registering an 8% increase compared to the COP 325,188 MM reached in the same period of 2020.

This increase mainly resulted from the commercial and logistics categories' revenues going up to 29.7% and 11.7%, respectively, driven by the acquisitions of *El Tesoro* stage 4, *Nuestro Bogotá, Koba Ibagué,* and *Sanitas Toberín*, as well as the occupation of the *Mosquera* Warehouse.

The accumulated NOI registered a 6% increase compared to 2020, going from COP 272,873MM to COP 291,916MM in 2021. These results are mainly associated to the 32% NOI's increase in the commercial category and the 17% NOI’s increase in the specialized category, compared to 2020. Furthermore, the operating margin or NOI margin was 82%, showing a slight 2pp decrease compared to the same period of 2020, explained by the commercial and corporate categories that are still under stabilization stage.

Consistent with the two mentioned metrics, EBITDA for the quarter showed a 20% increase and, in the current year 2021, consolidated a 6% increase compared to the same period of 2020, with a slight rebound in the EBITDA margin standing at 63%.

The Distributable Cash Flow accrued in 2021 increased by 2.2 times, mainly led by the recovery experienced during the third quarter of the year —from July to September—, which increased by 5.2 times. It is worth remembering that the third quarter of 2020 was impacted by the commercial reliefs granted —the business strategy though which the previous year’s COVID juncture was addressed—.

Slide # 20 Receivables

Slide 20, shows that net receivables represent 2.02% of the operating income for the last 12 months. Net receivables improved in the last year, decreasing by COP 23 thousand million or 71% compared to the third quarter of 2020, and closing September at COP 9.536 million. This decrease was mainly driven by the logistics category, where the payment agreement reached with Alfacer rendered the delivery of the area as part of the payment of its obligations. These lots are in *La Cayena* Free Trade Zone and will be used for future BTS businesses under negotiation.

On the other hand, the commercial assets’ receivables decrease mainly resulted from the collection efforts and compliance with deferred payments.

Slide # 21 Portfolio’s Appreciation

The graph at the left shows the evolution of the portfolio's equity appreciation. So far this year, the equity value has appreciated 1.12% compared to the end of 2020, driven by the CPI’s correction since April 2021 and an operating result of COP 140 thousand million that enabled the distribution of cash for COP 161 thousand MM in 2021.

87% of the portfolio at the end of September 2021, equivalent to COP 6.1 Bn, had updated appraisals. Certain commercial assets in cities other than Bogotá and corporate assets, are within the 13% of the commercial appraisals to be registered in the last quarter of the year.

Slide # 22 Indebtedness

Slide 22 shows the debt portfolio’s performance. Indebtedness closed at COP 2.63 billion, of which 90% corresponds to long-term debt and 10% to short-term debt, considering the vehicle’s capital structure. This is equivalent to a Loan-to-Value or gross debt-to-assets ratio of 35%, i.e., 5 percentage points below the vehicle’s limit equivalent to 40%. During the third quarter of 2021, the debt portfolio increased by COP 74,320MM, mainly explained by the acquisition of the *Sanitas Toberín* health asset in Bogotá and some disbursements of the assets under development that will be incorporated in December.

At the end of the third quarter of 2021, 50% of the debt portfolio was indexed to the CPI and 35% to the IBR, enabling the vehicle to incorporate these two ratios' decrease into its average financing cost. Thus, the debt portfolio's average interest rate for the year-to-date registered a fall exceeding 120 basis points, going from a 6.25% average E.A. in the third quarter of 2020 to a 5.02% average annual effective in the third quarter of 2021.

Slide # 23 Profitability

Continuing, the upper part of slide 23 shows the detail of the Distributable Cash Flow's performance. As mentioned by Jairo in the introduction, the Distributable Cash Flow of the third quarter of 2021 will be paid in November 16, amounting to COP 150,795 per security for a total COP 65,056 MM, completing COP 226,000 MM delivered in 2021. We estimate that 2021's dividend yield will be 4.8% —the highest flow generated by the operation during the last 5 years—, considering that the DCF paid in 2019 included appreciation surpluses generated from the securitization of tranche XI.

The right graph at the bottom shows the returns at the end of the third quarter of 2021: the year-to-date return was 6.3%, with the security appreciating +1.12% as mentioned earlier. Accordingly, profitability corresponds on a 24% to appreciation and the remaining 76% to Distributable Cash Flow.

Stabilized returns on 5 and 10 years-horizons were 9% and 11%, respectively, by the end of September.

SUSTAINABILITY

Slide # 25 Sustainability

In this section we want to share the progress made in the Manager's sustainability agenda. We have developed a management model focused on ESG criteria at Pei Asset Management, allowing us to develop the different initiatives that are being implemented, based on which we manage the vehicle's portfolio through environmental, social and transparency improvement guidelines.

We want to share with you that, at the end of this quarter, PEI has 21 assets focused on sustainable programs. Among them —on the ENVIRONMENT front— are the generation of clean energy through 2,466 solar panels installed in 7 assets; the measurement of the carbon footprint to design an action plan for the compensation and progressive reduction thereof; the diagnosis of eco-efficiencies in terms of energy consumption, water, and the occupants' comfort.

On the SOCIAL front, PEI continues to ensure the well-being of the communities where it is preset, focusing on improving the public spaces where the assets are located, contributing to their urban renewal, and promoting the generation of employment through its tenants' growth. Likewise, the Manager's current work team is equitably distributed by gender and, within the framework of its Hiring Policy, watches over the vehicle's fair hiring of contractors and ensures that they comply with the best practices in this respect.

On the other hand, as part of its sustainability management, Pei Asset Management was involved in committees and work groups with entities of its local environment, such as *Asofiduciarias*, *Comité de Emisores de Valores de la BVC*, and *Camacol*. It also joined the *Propacífico* association and is a candidate for the IR Recognition to issuers with excellent standards in their relationships with investors and the disclosure of information.

As part of PEI's commitment to contribute in a sustainable manner, we believe it is important for you to be informed of the programs that 57 of our collaborators have attended to strengthen their knowledge on sustainability issues, completing 545 man-hours of training.

JIMENA MAYA CLOSE Camera
Dear investors, we have covered with this a review of the situation at the end of the third quarter of 2021. We appreciate your participation in this space, aimed at timely informing investors and the market on the vehicle’s management and results, keeping them informed of the most relevant events and metrics.

Thank you very much for your attention. Next, we will open our Q&A session to answer the attendants’ questions.

Thanks. From this moment onwards the Q&A session begins. If you have a question, please press star 1 on your phone. If you wish to withdraw from the waiting list, please write it in the Q&A.

As always, we appreciate your participation in the teleconference, where during the last hour and a half the vehicle’s results by the end of the third quarter were presented. Please remember that the Investors Relations team is at your disposal to address any concerns and requests. We will wait for you in February, to share the results of 2021.
Good day to all.