

ANNUAL REPORT 2022



Colombians' leading real estate investment vehicle

1. President's Letter

Dear PEI Investors,

2022 was characterized by being a year of enormous challenges and obstacles for Pei. As a real estate investment vehicle that emulates REITs at the international level, Pei holds a portfolio of income-generating real estate assets represented by participatory securities traded in the capital market. In this sense, the operational results of the business for the year were positive. However, the dynamics of the security's value in the secondary market do not correspond to either the net asset value of the real estate assets or the operational results of the vehicle.

On the other hand, economic growth in 2022, combined with commercial management in the prospecting and acquisition of tenants, as well as the high technical specifications of the properties, allowed us to achieve occupancy levels close to 95%. Similarly, we successfully renewed over 96% of lease contracts, often with real rent increases, contributing to a revenue growth of over 24%. As a result, the vehicle's operational results in 2022 were positive, demonstrating NOI and EBITDA margins of over 82% and 65%, respectively.

The year was framed within a global environment with high levels of inflation, leading central banks in most countries around the world to implement a contractionary strategy, consisting of a very rapid and pronounced increase in interest rates. Colombia was no exception, and during the second half of the year, there was a significant increase in interest rates, which led to a financial cost of the vehicle of \$116,882 million increasing to \$270,492 million, even without significantly increasing the debt amount.

Thus, during 2022, 177 billion pesos were distributed, representing a 3.5% dividend yield, a reduction of 130 basis points compared to what was delivered in 2021. In this context, we anticipate that the inflationary environment and high interest rates that led to a decrease in distribution returns in 2022 will continue into 2023. However, in the medium term, the positive operational results of the real estate assets, permanent rent adjustments for inflation, and the normalization of financing costs will allow us to return to historical distribution levels by 2024.

Throughout the year, the dynamics of the financial sector were challenging and volatile, with the capital market significantly punishing the prices of financial assets, including real estate fund securities worldwide. However, the excellent results of the real estate portfolio contrast with the negative performance of Pei's participatory securities in the secondary market.

This financial situation has occurred at various times in history, such as in 2008 when the global mortgage crisis led to significant devaluations in the markets, including real estate funds, which over time proved to be resilient investments with outstanding performance, supported by their physical assets and long-term lease contracts.

As investors are aware, during 2022, Pei AM implemented strategies in the capital market aimed at improving the liquidity of the securities in the long term. These strategies included stock splits, migration to the stock market, and a securities buy-back mechanism. Simultaneously, a plan was initiated to enhance communication with our investors, making it more frequent and close.

As part of the strategic plan, Pei Asset Management continued the implementation of the Corporate Sustainability Model. In 2022, Pei became part of the "Amigos del Alma" (Best Buddies) inclusion program for assets such as City U and Atlantis in the customer service area. Likewise, progress was made in the diagnosis of eco-efficiencies, reaching 62% of the leasable area of the portfolio, allowing the identification of 15 eligible assets to initiate the LEED certification process for operation and maintenance.

Additionally, as part of the value proposition for tenants, we advanced the m4 initiative in 2022, which led to the development of projects, mainly in the corporate category, covering approximately 36,000 square meters of intervened area.

Furthermore, we continued with the optimization strategy of the real estate portfolio, considering the conversion, redevelopment, and divestment of real estate assets as inherent initiatives to the rental real estate fund business model, aimed at maintaining, enhancing, or monetizing the assets' profitability since their acquisition.

At the end of 2022, the assets under management, according to appraisals conducted by independent third parties, exceeded 8.5 trillion pesos, represented by 1.14 million square meters of leasable area. Lease contracts have been signed, building and strengthening commercial relationships with more than 2,200 tenants with an excellent credit risk profile. Nowadays, the portfolio of real estate assets positions Pei as the investment vehicle with the largest number of square meters under management in the country. It is worth noting that for over 15 years, Pei AM has consolidated a portfolio of more than 150 real estate assets, with top-level tenants and long-term contracts, allowing us to navigate high uncertainty environments. Thus, we reaffirm our firm commitment to continue working for the evolution of the real estate sector and the development of capital markets in Colombia.

Jairo Alberto Corrales

President

Pei Asset Management

2. Investment Thesis

Over the course of more than 15 years, Pei Asset Management, the real estate manager of Pei, has built a portfolio of over 150 high-specification real estate assets, allowing it to stay at the forefront and lead the industry of rental real estate vehicles in Colombia.

With a diversified portfolio in the categories of commercial, corporate, logistics, and specialized use, Pei offers its investors an investment alternative backed by tangible assets located in over 30 cities and municipalities across the country. These assets have a long-term vocation and provide variable profitability.

In its commitment to long-term vision, Pei AM has designed and is implementing a Corporate Sustainability Model aimed at achieving the highest standards of environmental, social, and corporate governance relationships with its stakeholders.

Leveraging the extensive trajectory and experience of its real estate manager, Pei has managed to establish close commercial relationships with its 2,200+ tenants, supported by high-value-added services and the quality of the investment vehicle's assets.

To date, over 5,400 investors have placed their trust in Pei, receiving recurring cash flow distributions from the operation's results throughout these more than 15 years.

Timeline:



3. Management 2022:

a. Macroeconomic Analysis

Macroeconomic Environment

2022 was marked by a highly dynamic macroeconomic context, where high growth rates of gross domestic products (GDP) were observed globally, accompanied by reductions in unemployment rates. This was a result of the post-pandemic economic reopening, which led to accumulated capital being directed towards investment and consumption of goods and services. The World Bank estimated a global economic growth of 2.9% in 2022.

Regarding Latin America's performance, a growth rate of 3.4% is projected for 2022, driven by the dynamics of commodity prices and their significance in generating wealth in those countries.

In terms of the Colombian economy, it experienced a growth of 7.5% by the end of 2022, with the main contributors being trade (2.1%), artistic, cultural, and entertainment activities (1.2%), and manufacturing industry (1.2%). The growth in the first part of the year was driven by household consumption, which was supported by increased consumer credit. Private spending in the country was 20% higher than pre-pandemic levels.

Under this context, the year showed positive figures in terms of the labor market, with the number of employed workers reaching pre-pandemic levels, leading to a single-digit unemployment rate that slightly declined throughout the year, closing at 10.3%.

The strong economic performance observed throughout 2022, coupled with prolonged supply chain disruptions and geopolitical conflicts that resulted in significant increases in commodity prices, contributed to a global economy operating in an environment of high inflation, and Colombia was no exception. As a result, the inflation rate in the country reached 13.12% in 2022, a level not seen since the late 1990s, driven by food and non-alcoholic beverages, energy, transportation, restaurants, and hotels.

This led central banks around the world, including the Central Bank of Colombia, to embark on a path of rapid interest rate hikes, bringing the intervention rate to 12% by the end of 2022, up from 3% observed in 2021. Consequently, other reference rates aligned with this situation, with the interbank rate (IBR) at 11.6% and the Treasury Fixed Rate (DTF) at 13.7% at the end of the year.

Real Estate Context

As a result of the post-pandemic economic recovery and government-provided consumption stimuli, significant inflationary pressures were observed, leading to a considerable increase in construction costs since March 2021. Consequently, the Index of Construction Costs for Buildings (ICOCED) increased by 10% compared to the end of 2021. Commercial properties (+10.2%), office spaces (+11%), and hotels (+11.4%) were the categories that recorded the highest increases. This trend has negatively affected developers' profit margins and slowed down the pace of new real estate projects.

According to the latest figures revealed by the National Administrative Department of Statistics (DANE) regarding economic activity, the inputs that contributed the most to the growth of the index were network installation services with 1.36 percentage points, cement with 0.93 percentage points, and labor teams with 0.71 percentage points.

Regarding construction permits, the non-residential segment (+17.6%) stood out, with the industry (+167.8%) and hospitals (+157.4%) showing significant growth, while the number of approved permits for office spaces decreased by 77.4% in terms of square meters to be constructed.

The high construction costs and licensing fees led to a reduction in the growth of available square meters in the market. On the other hand, the demand for square meters remained stable throughout.

High costs in construction and licensing have led to a reduction in the growth of square meters available in the market. On the other hand, the demand for square meters remained stable throughout the year, although companies implemented hybrid or flexible schemes, which did not have a material effect on demand. In this regard, vacant square meters experienced a higher level of occupancy in the corporate category.

In line with the above, the real estate sector as a component of the GDP continues to be relevant both for contributing to the country's growth and for generating employment. In 2022, the real estate sector accounted for 5.3% of the country's GDP, projecting itself as one of the sectors that can offset the impact of other industries with projected declines in 2023.

Resilience in 2022

Real estate sector by categories

Corporate: Amidst uncertainty about the full return of the workforce to offices and the extent to which this may continue, what the market has witnessed in parallel is a significant reduction in the creation and construction of new spaces. While 240,000 square meters of new office space were produced in 2019, the average between 2020 and 2022 has not exceeded 60,000 square meters. This, as mentioned earlier, is explained by the effect of increased material costs for construction, along with increases in financing costs.

Among the main components that contributed to the 9.31% increase in construction costs by the end of October are cement (+1.13%), aggregates (+1.08%), concrete (+0.76%), and steel (+0.60%). With fewer new offices and more expensive ones, landlords have managed to offset the effect of slower demand growth and occupancy due to new semi-presential and remote work modalities through reduced competitive supply. With the completion of the office production cycle in 2019, we have entered a context where the absorption rate is once again higher than the number of newly constructed offices, a relationship that had been reversed since 2014.

In 2022, the absorption rate has been equivalent to 40,000 square meters, while the constructed offices total less than 30,000 square meters. Thus, despite the adoption of hybrid work in some industries, the vacancy rate for the total inventory of offices in Colombia has returned to levels close to 12.76%, equivalent to pre-pandemic figures and noteworthy compared to countries like Brazil and Chile.

Amidst a challenging environment, trends have emerged in 2022 that are defining the selection criteria for tenants when seeking and leasing offices:

Migration to higher quality: Offices with high standards have increased their MLA (Minimum Leasable Area), considering that they allow for easier reintegration post-pandemic for employees, technical conditions such as energy and utility savings, better ventilation, flexible and adjustable spaces based on the type of work, high-security standards, among others. On the other hand, outdated and lower-quality offices have maintained the same rents or, in some cases, have decreased.

Interest from large institutional and corporate tenants: Significant multinational companies that have operations in dollars or other currencies see an opportunity to locate their regional corporate headquarters in Colombia and pay rents in the local currency at comparatively lower prices compared to the rest of the region.

Logistics: For this category, the most relevant city in the country remains Bogotá and its surroundings, as it is the business and industrial center of the country. Therefore, the development of warehouses and increased demand for assets is concentrated in this area, serving as a representation of the market dynamics at a national level. The main areas where these types of assets are located are the Calle 80 corridor, the Funza-Cota route, Calle 13, Fontibón, and the Northern Zone.

Despite the development of these assets, the average vacancy in these areas of the city remains between 2% and 5%, which demonstrates the potential for the development of new spaces, especially considering that it is still a relatively small market compared to other major cities in the region or economies with similar contexts like Mexico. Until 2021, monthly rental prices had remained between 17,000 and 18,000 pesos. However, by the end of 2022, prices closer to 23,500 pesos per square meter have been observed due to increased demand from companies that, after the pandemic, have found the need to improve their inventory and logistical infrastructure operations. Additionally, there is limited supply due to construction and financing costs.

The potential in this category, and where greater investment was evident during the year, was in the segment of Class AAA warehouses - assets developed with high standards and technical adaptations for large tenants, primarily located in the Calle 80 and Calle 13 areas. In this context, the demand for this type of asset, amidst the e-commerce boom, experienced a growth in inventory close to 17% for the year. This trend has been observed in the AAA warehouse categories in Bogotá, where by the end of 2021, there was an inventory of 667,000 square meters, and by the end of 2022, the inventory reached 813,000 square meters, an increase of 22%, equivalent to a new supply of 146,000 square meters.

Shopping Centers: The number of shopping centers in the country reached 259 in 2022, of which 184 have a multi-owner management structure, equivalent to 4.1 million square meters of Gross Leasable Area (GLA). The other 75 shopping centers have a single ownership scheme, totaling 2 million square meters of leasable area.

The migration towards a single ownership structure versus a fragmented structure has become highly relevant, as a shopping center with a single owner has greater control and adaptability over space configuration and commercial offerings through its tenants. This facilitates providing a comprehensive experience for visitors, from successful combinations of commerce and gastronomy to service payment points and entertainment venues.

Likewise, the emergence of mixed-use spaces in these centers has been witnessed, including coworking spaces, travel agencies, hotels, educational institutions, and healthcare facilities. As a direct consequence of the pandemic and its impact on household economies, new formats with a focus on low prices have emerged, which have, in many cases, become anchor stores in shopping centers. Examples of these brands are Miniso, Dollar City, Casa Ideas, among others.

b. Financial Indicators

Firstly, and by way of context, the main items that differentiate the figures reported in the audited Financial Statements of the year from the managerial figures published in this report are detailed.

It is important to mention that Pei's Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS), which require that information be presented in separate accounts for income and expenses. However, in the managerial reporting financial figures: (i) the information is presented as net balances in the corresponding income or expense account, (ii) non-cash income or expense items, such as revaluation figures, are not included, (iii) adjustments from previous periods, provisions, and accounting movements that do not involve cash inflows or outflows are not included.

ESTRUCTURA DE COSTOS	
+ INGRESOS	- Arrendamiento y concesión de inmuebles - Parquadero - Marketing y publicidad - Ingresos financieros - Otros
- GASTOS DE OPERACIÓN	- Impuesto predial - Seguros - Avalúos - Honorarios de operadores especializados - Gastos de reparaciones y mantenimiento - Gastos reembolsables Netos de los activos - Otros
= NOI¹ = UTILIDAD OPERACIONAL	Ingresos facturables, menos gastos operacionales
- GASTOS ADMINISTRATIVOS	Gastos del vehículo; comisión de administración inmobiliaria, comisión de agente de manejo, costos de mantenimiento del programa de emisión BVC, Deceval, honorarios del Comité Asesor.
= EBITDA²	NOI, menos gastos administrativo
- GASTOS FINANCIEROS NETOS	- Rendimientos de excedentes de tesorería - Intereses de obligaciones financieras - Gastos bancarios
+/- INVERSIÓN EN CAPITAL DE TRABAJO	Variación de activos corrientes y pasivos corrientes
= FLUJO DE CAJA DISTRIBUIBLE	Monto final disponible para entregar a los inversionistas, producto del resultado de la operación del portafolio.

1. Net operating income | 2. Earnings before interest, tax, depreciation and amortization

Revenues

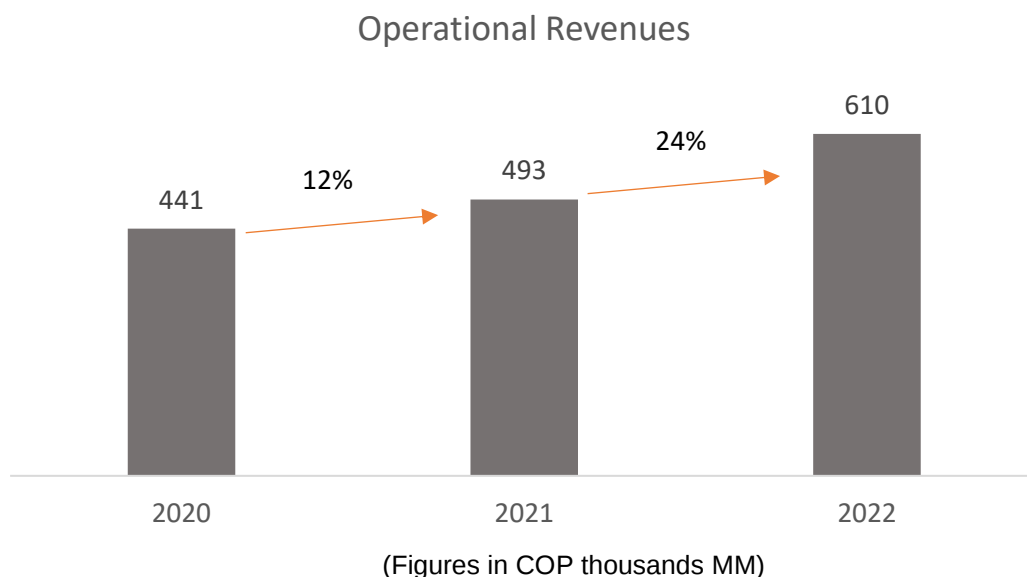
Below is the breakdown of the reconciliation for revenues:

Operational Revenues PEI	609,979
Hospitality Category Operating Costs	26,696
M4 Expense	5,729
Loan Loss Provisions	1,713
Financial Relief	1,050
Fines Incomes	11,532
Reclassification of Refundable Revenues	3,120
Operational Revenues (Audited Financial Statements 2022)	659,819

Operational revenues for the year 2022 reached 609,979 million, an additional 116 billion, equivalent to a 24% increase compared to the previous year. This is mainly explained by a 73 billion increase, or 17.2%, in fixed lease revenues due to rent indexation to the Consumer Price Index (CPI) and a sustained decrease in vacancy throughout the year. Out of this increase, 11 billion comes from the logistics asset category, 10 billion from the corporate category, 43 billion from stores and shopping centers, and 8 billion from specialized assets.

On the other hand, variable revenues, influenced in large part by the positive dynamics in commerce, increased by 24 billion, a 64% growth compared to 2021. This growth is mostly attributed to the commercial category, contributing 17 billion, associated with the sector's recovery following the pandemic and a decrease in vacancy through negotiations where adjustments to contracts with variable rents are more frequent. The remaining value is divided into 4 billion in the corporate asset category and 3 billion in commercial stores.

Lastly, it is worth noting that the inclusion of Hotel Calablanca in December 2021 and its commencement of operations in 2022 contributed 12 billion in net revenues. This accounts for approximately 10% of the observed revenue increase in the year 2022.



Receivables

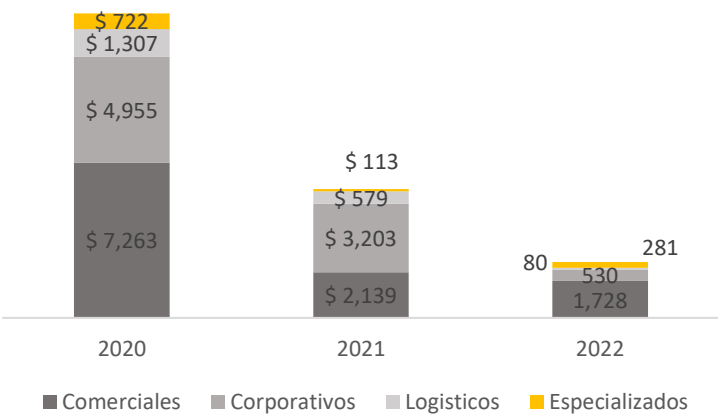
Below is the breakdown of the reconciliation for the portfolio:

Accounts Receivable EEFF 2022 (COP MM)	33,150
Accounts Receivable from Trustors	- 14,643
Advances to Suppliers	- 2,351
Taxes & Others	- 5,909
Adjusted Accounts Receivable EEFF	10,246

The collection management carried out during 2022 allowed for a recovery of the portfolio, which has been consistently decreasing since the pandemic, reaching a gross portfolio figure of 10,246 million at the end of 2022, a 59% decrease compared to the end of 2021. Likewise, the net portfolio (gross portfolio minus accounting provisions) saw a reduction of 4,339 million compared to 2021, reaching a closing value of 2,620 million in 2022.

The current portfolio decreased by 73%, mainly due to deferred payments in the corporate category, while the past-due portfolio had a reduction of 57%, primarily due to the fulfillment of negotiations with third parties with overdue debt in the logistics and commercial categories.

At the end of 2022, the net portfolio turnover reached its lowest level in the last three years, with a value of 2 days. Additionally, it is important to mention that the net portfolio at the end of 2022 represents 0.43% of the year's operational income.



Net Receivables by Category
(COP MM)

Expenses

During the year, total operating expenses recorded an 18% increase compared to 2021, rising from 90 billion to 107 billion, a variation of 17 billion. The items that accounted for over 60% of this variation were property expenses with an increase of 6 billion, specialized operator fees with a variation of 4 billion, and repairs and maintenance expenses, which saw an increase of 1.1 billion.

The positive variation in property tax expenses is mainly due to the higher cadastral valuation compared to 2021. Out of this amount, 2 billion is related to the corporate asset segment, and 4 billion is attributed to shopping centers.

Regarding the specialized operator fees, it is evident that the shopping center segment contributes to nearly 98% of the total variation in this category. The increase is mainly explained by the acquisition of assets in this category in 2021 and the increase in EBITDA during the year 2022.

The increase in the repairs and maintenance expenses is mainly driven by the logistics asset category, contributing 600 million, and the corporate assets with an increase of 500 million. This is a result of repairs associated with the winter season, including waterproofing projects and maintenance of roofs and terraces.

It is worth noting the lower administration fees, which amounted to 9.008 billion due to reductions in vacancy rates in each category of the portfolio. As a consequence, reimbursable expenses grew to a lesser extent due to the reduction in vacancy associated with the payment of administration fees assumed by tenants who occupied previously vacant spaces.

NOI (Net Operating Income)

The NOI reached 503 billion, an increase of 100 billion or a 25% variation compared to the 2021 figure of 403 billion. Out of this increase, 38 billion corresponds to shopping centers, 16 billion to corporate assets, 15 billion to specialized assets, and 11 billion to logistics assets. The shopping center category drove the increase in NOI due to the performance of sales and commerce, which resulted in increased variable income. This, combined with the reduction in vacancy rates in each category of the portfolio, the addition of new assets such as Megaport and Boho, increased participation of previously incorporated assets (CityU and the Unique Shopping Centers portfolio), and the full-year income from Hotel Calablanca.

On the other hand, the NOI margin increased from 81.7% in 2021 to 82.5% at the end of 2022, explained by the greater variation in total income, which increased by 23.5% compared to total operating expenses, which had a lower growth rate of 18.4%.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)

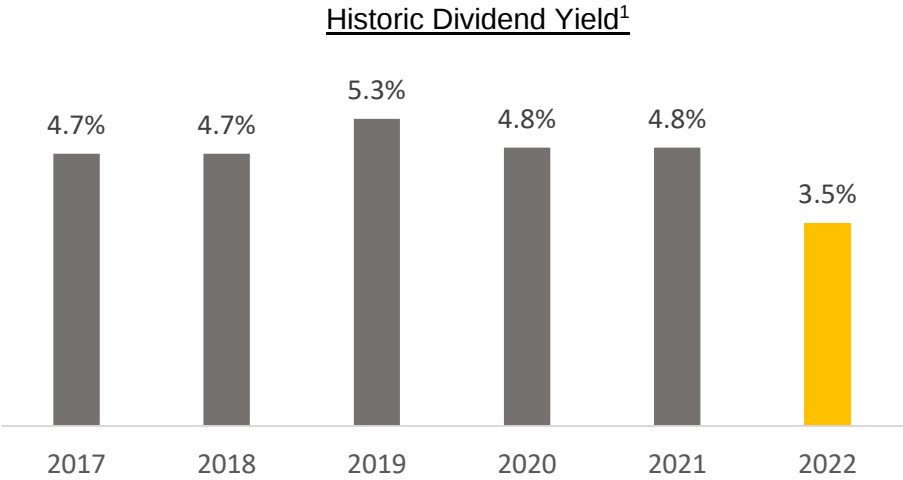
The EBITDA, which represents the operational profit before deducting financial expenses, depreciation, and amortization, reached 399 billion in 2022, an increase of 28% compared to 2021, with an absolute variation of 88 billion. This increase is a result of a positive variation in net operating income (NOI) of 25%, which surpassed the combined variation in administrative expenses, TIS (Tenant Improvement Allowances), and leasing commissions, which reached 13%, rising from 92 billion to 104 billion in the period. This effect is reflected in an EBITDA margin of 65.5% compared to a margin of 63% at the end of 2021.

In this regard, the variation in portfolio expenses of 11 billion in 2022 is associated with higher expenses primarily related to the valuation of investment properties and the addition of new assets to the portfolio. On the other hand, TIS expenses for new tenants decreased by 300 million compared to 2021, mainly due to fewer requests for improvements in assets belonging to the commercial property category.

Distributable Cash Flow

During 2022, a total of 177 billion pesos were distributed, representing a 3.5% dividend yield on equity, a reduction of 130 basis points compared to the distribution in 2021. In this context, it is anticipated that the inflationary environment and high interest rates that led to a decrease in yield distributions in 2022 will continue into 2023. However, in the medium term, the positive operational results in real estate, permanent adjustments for inflation in lease contracts, and the normalization of financing costs towards 2024 will allow a return to historical distribution levels.

The cash flow paid in 2022 was divided into four payments: 63.752 billion in February, 60.378 billion in May, 42.544 billion in August, and 10.669 billion in November. This is equivalent to a total distribution of 4,119.36 pesos per share throughout the year, based on the number of shares after the split (a 100-fold increase in the number of shares in the market).

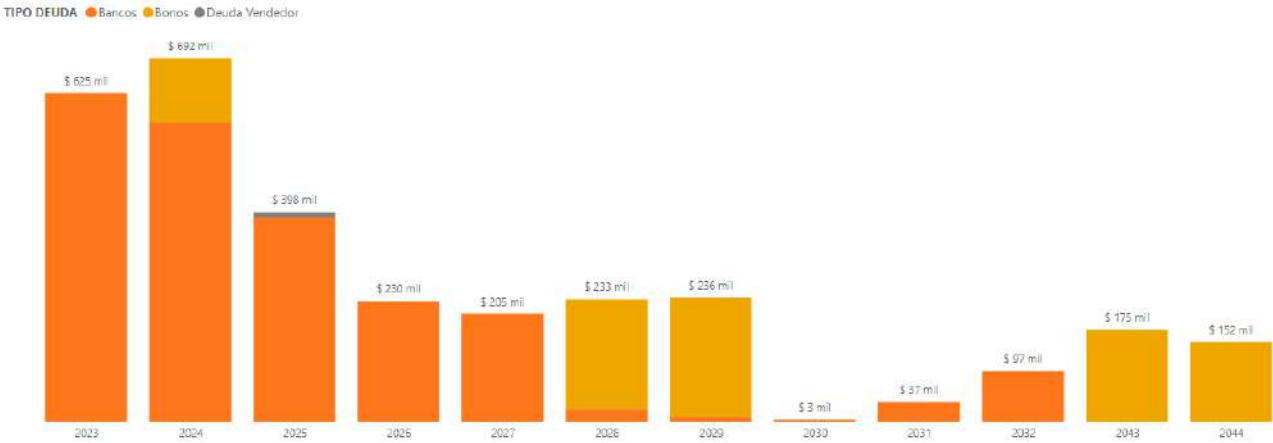


Capital Structure and Debt

Pei has diversified sources of financing, including the possibility of issuing participatory shares and bonds in the capital markets, as well as bank financing. On one hand, access to the capital market through the PEIS Participatory Shares Issuance Program has an approved quota of 5 trillion pesos. In this regard, no PEIS issuances were made during 2022, so at the end of the year, Pei had an available quota for new issuances of participatory shares of 1.38 trillion.

Additionally, the company has the possibility of accessing the capital market through the Credit-Based Securities Issuance Program (bonds). It is worth noting that no new bond issuances were made in 2022, nor were there any redemptions or substitutions of this type

of debt. The size of the five existing series corresponds to 884 billion, and the additional available quota is equivalent to 500 billion for future credit-based securities issuances.



On the other hand, the total credit quota with financial institutions at the end of 2022 was 2.8 trillion, of which 2.1 trillion had been utilized, meaning there is a capacity to take on additional bank debt of up to 700 billion.

Debt Maturity Profile

In 2022, the total debt amounted to 3.1 trillion, of which 80% is long-term debt and 20% corresponds to short-term debt. Thus, the loan-to-value indicator, which measures net debt over total assets, closed 2022 at a level of 36%.

Regarding the cost of debt, the average interest rate of the portfolio stood at 9.9%, an increase of approximately 5.7 percentage points compared to the average debt cost in 2021, which was around 5.2% effective annual rate. This increase was explained by the rise in quotation spreads and reference interest rates in the market, within the framework of inflation control by the Central Bank. By the end of the year, on average, 41.4% of the debt was indexed to the IBR (Interbank Reference Rate), 45.5% to the IPC (Consumer Price Index), and 13.1% to a fixed interest rate.

c. Real Estate Indicators

The positive performance in the real estate market led to improvements in key business indicators such as vacancy rate, contract renewal and retention, income from variable sales, and square meter placement and absorption. As a result, the Real Estate Manager placed an additional 29,000 m2 that were available at the beginning of the year, in addition to the approximately 150 m2 that were retained due to commercial management, building long-term relationships with tenants, and the favorable market dynamics. On the other

hand, the year saw increases in construction and financing costs due to systematic inflation, resulting in fewer square meters entering the market and reduced availability of square meters, which led to decreased vacancy levels in each category of the portfolio.

Commercial Management

The year 2022 was characterized by the results derived from the commercial strategy implemented since the pandemic period, where Pei sought to build loyalty with its tenants by making efforts that materialized in relief measures and deferments amounting to over 40 trillion MM during a challenging time in the market. Based on this foundation, a growth strategy was designed in collaboration with tenants, negotiating contracts that included variable income based on their sales and offering flexibility for tenants that joined the portfolio. This strategy, called m4, aims to provide added value in the adaptation of these spaces.

Furthermore, as part of the Real Estate Manager's commitment and seeking alignment of interests, towards the end of the year, the tenant Pei AM entered the portfolio by relocating its operations to the corporate building Atrio, one of the portfolio's assets with excellent specifications located in the city of Bogotá.

In line with the m4 strategy, here are some of the tenants who absorbed square meters under this modality. Seratta Gourmand Market entered Atlantis shopping center, the startup "unicorn" Habi joined Fijar93, the multinational call center and back-office service provider Qualfon integrated into the WBP asset, Neoestella entered OnePlaza, Command Alkon joined Torre Alianza, and as part of its expansion project, Hada International, one of the main exporters of hygiene products to the US, used the m4 strategy. Thus, the implementation of the strategy, along with value-added services, allowed the retention of 96% of the contracts expiring during the year.

In addition to the above, there was successful management in terms of square meter absorption throughout the year, with 29,531 m² placed in the commercial, corporate, and logistics categories. In particular, Dinissan entered the logistics category, Habi, Rushbet, Amarey, and Pei Asset Management entered the corporate category, and Seratta Gourmand Market, H&M, Hugo Boss, Reebok, Adidas, and Dollarcity entered the shopping center category, among other brands.

Finally, considering the aforementioned management, there was a consistent reduction in physical and economic vacancy throughout the year. Physical vacancy decreased by 127 basis points compared to the previous year, closing at 5.7%, while economic vacancy decreased by 205 basis points, reaching a value of 7.6% for the consolidated portfolio.

Vacancy by Category

Corporate:

The physical vacancy in the corporate category decreased by 179 basis points compared to the 2021 year-end, due to the placement of approximately 10,000 m2, reflected in the incorporation of multinational companies and large corporations as tenants. On the other hand, economic vacancy decreased by 77 basis points due to the end of grace periods for some of the aforementioned tenants who joined during the year.

Additionally, in 2022, traffic in our corporate assets reached levels close to 70% compared to 2019 levels, indicating stabilization in the use of this category, taking into account the return to in-person work and the implementation of hybrid and mixed work schemes by some of our tenants.

Commercial:

Physical vacancy decreased by 166 basis points during the year, resulting from the commercialization of 13,613 m2 with over 200 tenants entering our shopping center portfolio. Throughout the year, approximately 14,000 m2 were leased in shopping centers such as Plaza Central, Ideo design and construction shopping centers, Único shopping centers, Nuestro shopping centers in Bogotá and Cartago, Jardín Plaza (Cali and Cúcuta), and the commercial premises of CityU.

Placements were concentrated in sectors such as restaurants, retail, and healthcare services. Consistent with the conversion strategy for some of the shopping centers like Atlantis, the Real Estate Manager was able to offer complementary services to tenants such as Jumbo, who developed a new format for this type of shopping center, which will be implemented in other assets of the portfolio.

Logistics:

Physical vacancy closed the year at a level of 3.5%, a decrease of approximately 50 basis points at the beginning of the year due to the placement of around 5,000 m2 in the Cittium Industrial and Logistics Complex to Dinissan, an important client in the automotive sector. On the other hand, in the second semester of the year, the company Coordinadora ended its contract in the Yumbo warehouse, releasing approximately 9,000 m2. This brought vacancy levels to 3.5% at the end of 2022, 50 basis points higher than the reported value in 2021. Economic vacancy during the period remained at levels of 1.60%, demonstrating the consolidation of the demand for square meters in this category. It is also important to note that economic vacancy decreased from 5% in 2021 to 1.6% at the end of 2022, as the grace period for DHL in the Quadratto industrial park ended.

It should be noted that in this particular category, physical vacancy levels are higher than economic vacancy levels because the vacant square meters in the portfolio have a lower potential income compared to the rest of the category.

Additionally, due to high occupancy levels, square meter prices in the logistics category have increased in the main cities of the country. Cali, in particular, stands out with an increase of approximately 50%, reaching a value of 17,400 pesos per square meter, followed by a 12% increase in Medellín and a 2% increase in the city of Bogotá. These trends are expected to continue throughout the year.

Specialized:

The healthcare and education assets that make up the specialized category continue to contribute stability to the overall portfolio, thanks to the long-term relationships that have been built with our tenants and their long-term lease agreements. This dynamic is reflected in 100% occupancy in the Sanitas Portfolio and CESDE Medellín.

In the Hospitality category, CityU's university residences had an occupancy rate of 85% at year-end, excluding vacation months. This is complemented by an average income compliance of 95% for 2022, reflecting the positive dynamics and results of this asset with the reactivation of in-person activities at universities.

Finally, the Calablanca Hotel located in Baru and operated by Sofitel achieved an average income compliance of 103% compared to the budget and an average occupancy rate of 41% in its first year of operation, with three peak seasons in March, September, and December. In the last month, the beach hotel reached a 57% occupancy rate due to the year-end holiday season.

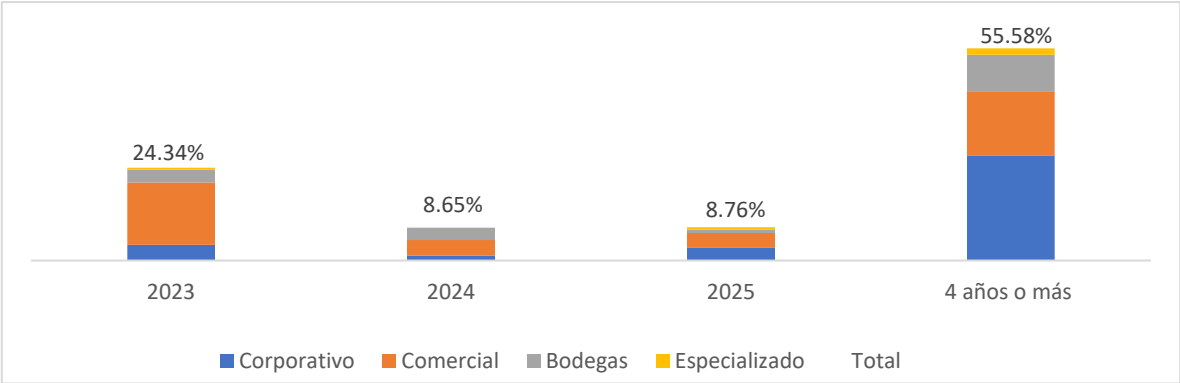
Tenant Retention

One of the recurrent tasks of the Real Estate Manager is the management of over 3,000 contracts that were in place with tenants across different categories by the end of 2022. Indeed, over 1,000 lease contracts were renewed, distributed according to their respective categories. In commercial properties, 798 contracts equivalent to an area of 74,354 m² were retained as a result of the strategies executed during the year and the positive market conditions. In the corporate or office category, 11 lease contracts representing approximately 10,000 m² were renewed. In the logistics category, 9 contracts were renewed, including notable tenants such as Suppla Bogotá (21,140 m²), Suppla Cali (15,132 m²), Servientrega Mosquera (17,148 m²), and Magnum in the Pacific Free Trade Zone (2,683 m²). In the commercial category, 347 contracts representing nearly 26,000 m² were renewed.

Contract Duration

The average contract duration for the portfolio as a whole at the end of 2022 reached 5 years, which increases to 5.8 years when excluding lease contracts in shopping centers, which have an average duration of 2 years due to their nature. Pei had a total of 3,062

active contracts, of which 40% have a duration of 4 years or longer. Furthermore, it can be observed that the majority of contracts expiring in the short term are in the commercial category, reflecting the dynamics of the category. The commercial management efforts resulted in a tenant retention rate of 96%.



“Metros a la 4”

During 2022, the strategy of m4 primarily focused on projects in the corporate category, reaching approximately 36,000 m2 of intervened area. These projects involved space adaptations, fine-tuning, and operational services according to each client's requirements. The sectors of the tenant companies where the projects were carried out were mainly technology, services, industrial, and logistics.

The developments implemented by m4 had an average execution duration of 60 to 90 days during the year 2022. The projects were carried out in corporate buildings located in the northern districts of Bogotá, the International Center, El Poblado in Medellín, and logistics assets in Barranquilla.

Among the most important projects developed during the year was for the startup Habi, which consisted of nearly 2,900 m2 distributed over 3 floors of offices. A commercial space was converted into the company's first "unicorn" offices in the country, with a capacity for over 500 people. Another notable project was the area delivered to the software technology company Command Alkon, as it was also their first headquarters in the country. Through the m4 strategy, they were able to materialize their ideal offices, also achieving full occupancy of the building.

Additionally, as part of the strategy's innovative projects, Flex Spaces was implemented. It involves the design and adaptation of flexible spaces that incorporate value-added services that can be taken by clients on demand, in the corporate property Atrio. This project is part of the offering of innovative real estate products of the m4 strategy.

Regarding interested prospects in the strategy, companies from sectors such as technology, telecommunications, logistics, e-commerce, and finance have shown interest in occupying spaces and contracting services through m4.

Management of Real Estate Assets

Within the ongoing activities of Pei's annual operation plan, there are improvements in real estate assets aimed at generating value for tenants and representing additional income for the portfolio. This was the case in 2022 with Seratta's entry into the Atlantis Shopping Center, the adaptation of the Fijar 93 Building for Habi's entry, the reinforcement and renovation of the Furukawa warehouse roof in the Pacific Free Trade Zone, and the expansion of Éxito store in the Nuestro Cartago Shopping Center.

In the year, investment projects in the assets were carried out, totaling COP 42,543 million, detailed by categories as follows:

Commercial: COP 21,272 million

Logistics and Industrial: COP 10,210 million

Corporate: COP 8,083 million

Specialized: COP 2,978 million

Additionally, in response to the rainy season that occurred in 2022, waterproofing and maintenance projects were carried out for logistics and commercial assets, representing a total amount of COP 4,361 million.

Key Projects:

Atlantis Shopping Center - Seratta Restaurant Entry

Investment: COP 5,775 million

Completion Date and Duration of the Works: August 2022 / 7 months

Description: The overall project included civil works and technical installations for the entry of the Seratta restaurant brand into the shopping center. It occupies a total area of 2,790 m2 on the 3rd floor of the mall.

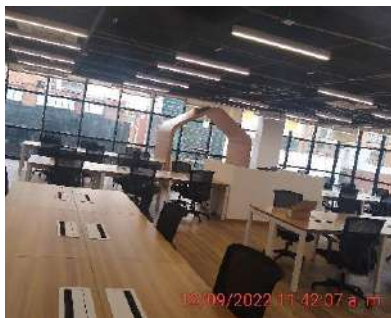


Building Fijar93 - Building adaptation for the tenant HABI

Investment: COP 3,944 million

Completion date and duration of the works: September 2022 / 4 months

Description: The overall project included electrical, civil construction, air conditioning, and furniture adaptations for the adaptation of HABI's offices on floors 2, 5, 6, and terrace, which occupy a total area of 3,028 m2 in the building, including a commercial space on the 1st floor.



Pacific Free Trade Zone Furukawa Warehouse - Reinforcement and roof renovation

Investment: COP 2,776 million

Completion date of the works: October 2022 / 10 months

Description: It consisted of reinforcing the existing structure of the warehouse through the installation of an exoskeleton that improved its structural resistance and support against increased load. This was done in conjunction with the installation of an insulating roof cover that protected the production processes inside the warehouse.

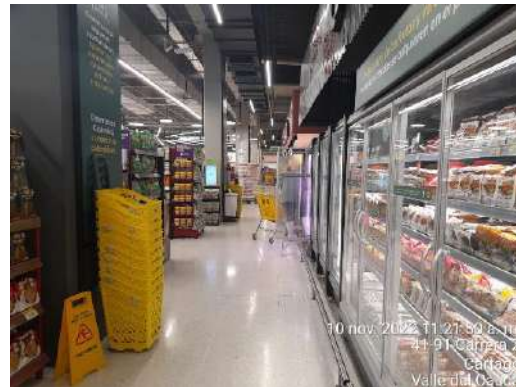


Nuestro Cartago Shopping Center - Exito Store Expansion Project

Investment: COP 3,298 million

Completion date of the works: October 2022 / 6 months

Description: The project consisted of the structural expansion and civil works of the large-area store previously operated by "La 14". It included a 720 m2 expansion with distinctive finishes for the Éxito brand, parking lot modifications, 3 commercial premises and services, distinctive facade adjustments, and a seasonal commercial opening for its launch.



e. Capital market dynamics

Within the framework of a dynamic and expansive economy due to the post-pandemic effects, high global inflation levels, and a greater perception of risk regarding future economic conditions, capital markets worldwide experienced a widespread decrease in the prices of financial assets during 2022.

This situation has not been exempt in the country and has influenced the market value at which different securities are traded in Colombia, both in fixed-income and equity systems. In such circumstances, participatory securities of real estate vehicles have followed this trend, and as a result, since 2020, there has been a decrease in prices and liquidity, including the participatory securities issued by PEI ("PEIS").

The aforementioned context has caused the trading price of PEIS in the local stock market to be substantially lower than the net asset value. It is worth noting that the value of the real estate assets in the portfolio is supported by independent commercial appraisals carried out by accredited third-party specialists for this purpose.

Consequently, since 2021, Pei AM has been structuring and implementing initiatives aimed at promoting the liquidity of PEIS, and the progress of these initiatives has been communicated to the market through various announcements, bulletins, and content available on the PEI website (www.pei.com.co).

Equity market

The overall behavior of international financial markets in 2022 presented circumstances that led to devaluations in various global stock exchanges, with a consolidated decline of 24%. The liquidity and performance of emerging and Latin American stock markets have also shown negative impacts.

The moderation of growth in the United States, China, and Europe resulted in some of the largest companies reporting contractions in their profits. In an environment of high inflation and interest rates, this not only increases the possibility of lower dividend distributions for future periods but also generates additional discounts on the fair value of company shares.

In this regard, the main stock indices worldwide have experienced significant discounts. In the United States, the S&P 500 registered a yearly variation of -20.96%, strongly influenced by the setbacks of technology companies with large market capitalization, while in Europe, the Euro Stoxx 600 accumulated a decline of -12.50%. One of the main

volatility indicators demonstrating the effect of the aforementioned global uncertainty in the markets is the VIX, which increased by 26.23% at the end of 2022.

In the case of Latin America, the high profitability offered by the fixed-income market, derived from central banks' interest rate hikes to curb inflation, has led to greater discounts in the values traded in the equity markets.

In this context, the MSCI COLCAP experienced significant declines in trading volumes, leading to a devaluation of -10.24% during the year, reaching 1,267 points. However, throughout the year, foreign investors were the main buyers of stocks, while local pension funds were the major sellers.

Fixed-income market

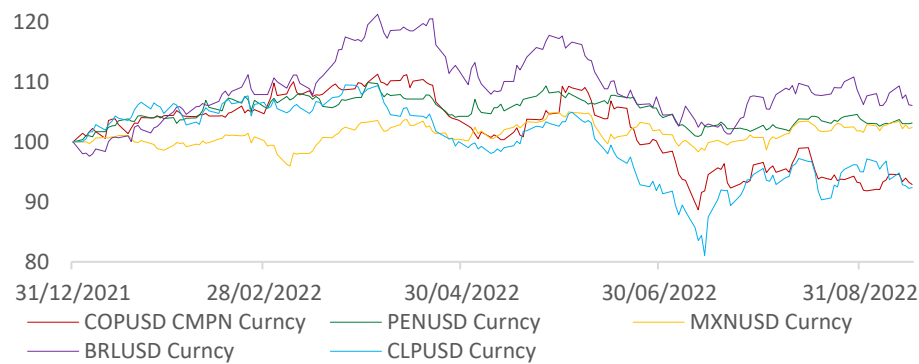
During 2022, global fixed-income instruments experienced significant devaluations as a result of contractionary monetary policies, combined with uncertainty due to geopolitical contexts arising from conflicts and the potential economic slowdown expected in 2023. As evidence of this, some indices experienced drops of 20% in the developed countries segment.

On the other hand, the behavior of fixed-income markets in countries with emerging economies, including Colombia, has been more volatile than in developed markets and, therefore, has seen devaluations close to 29%.

In the Colombian case, public debt issued by the national government experienced declines exceeding 40% for fixed-rate peso-denominated securities and 16% for securities denominated in UVR (Unit of Real Value). This occurred within a context of reduced appetite for local debt among institutional investors and increased demand for short-term securities attracted by high funding rates offered by commercial banks.

Exchange rate

During the third quarter of 2022, the Colombian peso, along with the Chilean peso, experienced the greatest devaluation compared to the rest of the region. The exchange rate at the end of 2022 showed a variation of -19.73%, going from COP 3,981.16 per dollar at the end of 2021 to COP 4,810.20 pesos. Other currencies in the region also experienced devaluations: Brazil -6.47% and Mexico -5.92%. The British pound and the euro also depreciated against the dollar, -10.52% and -6.18% respectively, as capital flows in financial markets sought refuge in assets that provide greater security.



Liquidity of Securitization and Real Estate Funds Markets in Colombia

During 2022, the liquidity of the capital markets in Colombia experienced a contraction in its daily trading volumes of 49%. In this context, the total trading volume among the 6 most representative real estate vehicles in the Colombian market was COP 191,402 million, representing a variation of -20.30% compared to the COP 172,510 million in 2021.

On the other hand, the total traded volume of PEIS was COP 137,484 million, which is 13 times higher than the rest of the comparable real estate vehicles, which on average traded COP 10,784 million throughout the year. In this regard, the month with the highest trading volume for PEIS was March, with a total of COP 38,718 million, followed by August with COP 14,400 million, which was the month of the stock split and the migration to the equity system in the Colombian Stock Exchange (BVC).

The decrease in liquidity observed in the market, resulting from the erosion of foreign capital and reduced appetite for risk assets, led to slower trading dynamics for this type of securities. In this environment, the market price of PEIS was traded in the secondary market at an average of 52% above the net asset value (NAV). In terms of closing price at the end of the year, the market price reached an average of COP 35,852, equivalent to a valuation of approximately 28.4% above the book value per share.

Market Strategies

During 2022, Pei AM implemented strategies in the capital market aimed at preserving the long-term liquidity of the securities and enhancing close and frequent communication with investors. These strategies were designed in 2021 and approved by the Extraordinary General Assembly of Investors on June 15, 2022. The strategies aim to revitalize the transactions of PEIS in the capital market and, to date, encompass the following initiatives:

the migration of the securities to the equity system, the stock split, the implementation of a liquidity provider scheme, and the repurchase of securities by the autonomous trust.

Migration from fixed income to equity: Since 2007, and based on the regulations governing real estate vehicles at that time, the participatory securities of PEI were traded in the fixed-income market. However, with the aim of reflecting the variable nature of income real estate funds, the Financial Superintendence of Colombia modified its regulations in 2021 and allowed this type of vehicle to migrate its trading to the equity system. Under this context, the objective was to have proper and visible price formation, where investors could observe the supply and demand positions and have greater visibility among international investors through global trading platforms. The migration was carried out on August 22, 2022, simultaneously with the stock split and the activation of the liquidity provider mechanism.

Stock split: The stock split mechanism aims to increase the number of shares in circulation by a factor of 1 to 100, with the goal of making the indicative value of the instruments more accessible and allowing more investors to enter the fund. Thus, the number of shares in circulation increased from 431,422 to 43,142,200, bringing the book value of the shares from 11 million to approximately 110,000 pesos per share.

Liquidity provider: This is a mechanism widely used in developed markets and involves a service provided by a brokerage firm to generate continuous buying and selling intentions on the traded securities in order to enhance liquidity for PEIS. This figure has been steadily developed in the market since its implementation in October 2022 by the brokerage firm Alianza Valores.

Repurchase program: On October 20, 2022, the repurchase plan for PEIS through the secondary market was initiated based on demand in the equity system at market prices. The plan, which enables the autonomous trust to instruct operations in the BVC's transactional system or through independent mechanisms, was established with the purpose of contributing to the proper price formation and liquidity of the participatory securities in the market. Through four local brokerage firms (Valores Bancolombia, BTG Pactual, Credicorp Capital, and Casa de Bolsa), 44 purchase transactions were conducted for a total of 61,351 shares at an average price of 36,962 pesos per share. This resulted in a total amount acquired through the equity market during 2022 of COP 2,262,894,680. Additionally, on December 14, 2022, the independent mechanism enabled by the BVC was deployed, where 270,100 shares were acquired through an auction mechanism at a price of COP 36,876, amounting to COP 9,960,207,600. Therefore, the consolidated figures for the repurchase program in 2022 are as follows:

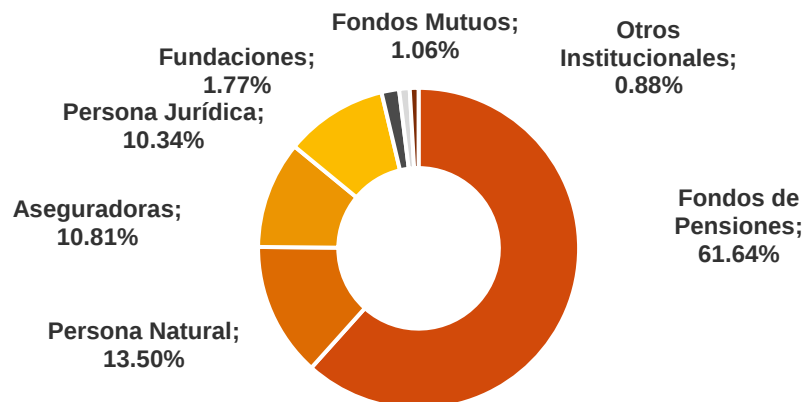
- Repurchased shares as of December 21, 2022: 331,451

- Trading amount for share repurchases: COP 12,223,102,280
- Average repurchase price: COP 36,896.93 per share

Composition of Investors

During 2022, the composition of investors showed variations compared to 2021 due to the migration to the equity system and the stock split, which resulted in an increase of 709 investors, equivalent to a 15% growth in the investor base, closing with a total of 5,407 investors in 2022. This indicates a higher proportion of individual and corporate investors in contrast to the departure of institutional investors.

Composition of the investor base by type as of December 31, 2022:



f. Real Estate Portfolio by Categories

Commercial

Properties: 83

GLA Share: 33.4%

Income Share: 45%

GLA: 381,287 m2

Contract Duration: 3.9 years

Representative Assets: Plaza Central, Portafolio Nuestro (Bogotá, Montería, Cartago), Jardín Plaza (Cali and Cúcuta)

Corporate

Properties: 36

Area Share: 27.9%

Income Share: 32%

GLA: 318,287 m2

Contract Duration: 6.2 years

Representative Assets: Atrio (Bogotá), Rivana (Medellín), Elemento (Bogotá)

Logistics

Properties: 27

Area Share: 36%

Income Share: 18%

GLA: 411,512 m2

Contract Duration: 5.5 years

Representative Assets: Hada (Barranquilla), Cittium (Tenjo), Portafolio CEDIs Nutresa (cities)

Specialized

Properties: 6

Area Share: 3%

Income Share: 5%

GLA: 46,238 m2

Contract Duration: 4.6 years

Representative Assets: CityU (Bogotá) / Portafolio Sanitas (Cali and Bogotá)

g. Agenda with Investors

As has been the constant practice, frequent and close communication with investors was a central element in the Real Estate Manager's investor relations strategy during 2022.

Aligned with a year of great dynamism in the capital market and the implementation of the liquidity strategy, the regular agenda of contact with investors was carried out through quarterly results conferences and the ordinary investors' assembly. Additionally, an extraordinary investors' assembly was held.

In that sense, an Ordinary Assembly was held in March and an extraordinary one, with two calls, in the month of June. The first one was conducted in a mixed modality and approved the 2021 management report, the financial statements as of the end of 2021, and the 2022 Strategic Plan, thus completing all the items on the agenda. For this assembly, a quorum of 72.5% of the equity was registered. The second assembly was held in a virtual modality, where liquidity strategies were considered. Finally, in the second call meeting, a quorum of 76.5% was reached, and all the agenda items were approved with voting percentages above 74.8% for each of the agenda items.

In these spaces, investors had the opportunity to address concerns about the results of each period, have regular monitoring of the evolution of the main categories, learn about the main news and relevant indicators of the vehicle, become acquainted with the assets that were incorporated throughout the year, and the implementation of the liquidity strategy.

As part of the management and in the context of a challenging capital market, Pei AM provided close support to both institutional investment managers and individual and legal investors through the brokerage firms representing direct investors in the vehicle.

Additionally, and based on the close communication with investors, the website became a fundamental communication channel for all Pei stakeholders. For this reason, a section was implemented to keep the investor informed ("We want to keep you informed" <https://pei.com.co/repositorio/>), educational capsules were created to explain the liquidity strategies approved in the extraordinary assembly, coverage reports prepared by SCBs (Securities and Commodities Brokers), a guide booklet for reading tax certificates, and a set of frequently asked questions.

In recognition of the high standards, timeliness, and quality of the periodic information published through various communication channels with the capital market and all Pei investors, in the last semester of the year BVC (Bolsa de Valores de Colombia) awarded **Pei IR Recognition**.

4. Risks associated with the operation

Pei Asset Management, as the real estate manager of Pei, seeks to protect the value generated in the fund through risk management by identifying and analyzing various sources of risk and scenarios of uncertainty. During 2022, the identification and monitoring of risks that could affect the investment alternative, strategy, financial conditions, and operational results of the vehicle continued.

The following risk factors consider the national and international environment, as well as factors specific to the operation, which were identified as the main source of risk. They include a description and the management carried out by the real estate manager. However, it is possible that additional risks may arise that are currently unknown or not considered relevant, and their materialization could impact the fund's performance.

Strategic Risks

In 2021, an assessment and update of the risks to which PEI is exposed was carried out, identifying the following risk sources: (i) risks of change management or business model that could affect the vehicle's profitable growth in a competitive environment, (ii) risks that the offer of products and services generates added value below expectations, and (iii) risks of technological change that may affect the vehicle, its competitiveness in the market, and the development of the strategy.

To mitigate the risks of change management or business model, the real estate manager reviewed the long-term strategy and, together with an external consultant for the years 2020 and 2021, structured a work plan and key activities to quickly respond to changes in the real estate market's needs. This includes addressing increased competition that could affect the availability of capital resources and increasing supply in the real estate market. Additionally, a digital transformation plan was designed to address enabling business needs and support the strategy.

In 2022, the real estate manager monitored the materiality of the strategic risks identified in the assessment conducted in 2021. The monitoring had the following objectives: (i) review the identified strategic risks, (ii) understand the risks and complement the sources and their consequences under the current environment, (iii) identify new risk scenarios and prioritize them, and (iv) track the roadmap designed in 2021 to improve the risk management process.

In this regard, the roadmap for 2022 focused on addressing and taking action on risks that could hinder strategy execution. Consequently, the real estate manager, together with the Advisory Committee, monitored the materiality of the risks and their impact, considering economic and ESG criteria. This resulted in prioritizing risk attention, taking into account the mitigation of impact and reducing the probability of occurrence through the joint implementation of new controls and strengthening existing controls.

Market Risks

Availability of financing sources: This risk refers to the likelihood that the vehicle may face difficulties in accessing financing when needed, whether to finance its operation and

investment projects or to refinance existing debt. This can be due to various factors, such as fluctuations in the financial market, significant declines in debt securities, or increases in interest rates, as well as other events in credit markets or the financial and real estate results of the fund.

Continuous monitoring of market variables, as well as financing sources and their conditions, was carried out by the real estate manager and enhanced during 2022 with the creation of the Capital Market Committee. Additionally, considering both the international and national macroeconomic environment, as well as the various sources of financing available to the vehicle, the real estate manager conducted a market appetite analysis to establish financing alternatives and define the optimal capital structure.

Inflation: *High levels of inflation, as well as its volatility, could potentially generate negative effects on the economy, financial markets, and the future performance of the vehicle's results, thus affecting the actual investment performance.*

Particularly in 2022, this data was constantly monitored due to global and national inflationary pressures. These pressures directly impacted real estate assets due to their valuation component, and additionally affected financial expenses due to short and long-term obligations indexed to inflation.

Sensitivity of fund results to interest rate fluctuations: *High interest rates and their possible fluctuations could impact the fund's ability to finance its operation and growth, fulfill all acquired commitments, and make Distributable Cash Flow payments due to increased financial expenses.*

This situation was analyzed and evaluated under different scenarios throughout 2022 as market conditions and expectations changed. However, inflationary pressures that led the Central Bank to increase interest rates resulted in increased financial expenses and lower Distributable Cash Flow. It is important to note that the vehicle has ample sources and financing quotas, as well as a diversified debt portfolio in terms of maturities and indicators.

Risks related to real estate operation:

Adaptations and renovations: *The commercialization process of assets may require adjustments and renovations aligned with the portfolio's conversion strategy, which could present risks associated with construction costs and completion, as well as risks associated with obtaining construction permits in a timely manner.*

Timely monitoring by the Advisory Committee, as well as the control carried out by the real estate manager, allowed for risk management in the portfolio, analyzing the impact through at-risk income from leasable units and real estate assets requiring adjustments and/or renovations, understanding that they may require grace periods during which construction works are carried out without generating rental income.

Investments in real estate assets: *The real estate market is inherently cyclical, and a deterioration in its fundamentals, particularly in Colombia, could have an adverse effect on the fund's investment performance.*

During 2022, the national macroeconomic environment presented various challenges accompanied by increased uncertainty at the political and sectoral levels. The real estate manager sensitized different variables throughout the year and assessed their impact on the value of real estate assets and the fund's results. In this regard, the value of real estate assets could be affected by several of the risks described so far, as well as changes in environmental and territorial planning laws, changes in real estate supply and demand fundamentals, increases or changes in taxes related to real estate activity, bankruptcy or financial difficulties of tenants, and regulatory limitations on leases.

Illiquid and long-term investments: *Real estate investments made by the fund have lengthy divestment processes, and there is no guarantee that the real estate manager can execute the sale of the asset.*

The real estate assets comprising the vehicle's portfolio are, by nature, long-term income-generating assets that provide Distributable Cash Flow to investors under normal operation. Similarly, considering the stabilization, maturation, optimization, and rotation process of the real estate portfolio, the manager may carry out the sale of an asset. Generally, this is not expected to occur before the property has met the defined investment objectives, which are inherently long-term. Additionally, the illiquidity of real estate assets implies that they cannot be quickly sold, which can affect the ability to obtain short-term cash and monetize their valuation.

Highly competitive market for investment opportunities: *Identifying, purchasing, and selling attractive real estate assets that align with the fund's investment objectives are highly competitive in the market and involve a high degree of uncertainty, limiting the profitable growth of the vehicle.*

During 2022, the real estate manager sought and evaluated new investment opportunities presented, analyzed, and approved in forums with corporate governance bodies, including the Investment Committee and the Advisory Committee.

The dynamics of the real estate sector reduce the number of investment opportunities, causing Pei Asset Management to compete for opportunities with other real estate funds, private equity funds, companies, financial institutions, and other investors, in addition to new competitors constantly entering the market, and in some cases, competitors forming partnerships to increase their position in the market. The above may require the real estate manager to participate in competitive processes more frequently, however, participation does not guarantee the allocation of the investment on the terms and price.

Losses in real estate assets: *risk events related to fires, landslides, collapses, earthquakes, other types of natural disasters, war, terrorism, and acts of third parties could have an impact on the fund's investment property.*

In 2022, the fund's guarantee scheme was strengthened through the contracting and renewal of different types of insurance that mitigate the risk and provide coverage against the occurrence of events.

The mitigation of this risk is carried out by the real estate manager through an insurance scheme that consists of (i) all-risk property damage policies, (ii) extra-contractual liability policies, and (iii) terrorism liability policies, which are contracted for all assets in the portfolio.

The mentioned policies have the following objectives:

- i. All-risk property damage policy: insures the material damages and losses that the real estate assets in the portfolio may suffer as a result of materialized risks covered by this policy.
- ii. Extra-contractual liability policy: covers the fund's liability for damages, injuries, or death suffered by third parties in the real estate assets and whose origin is attributable to our responsibility.
- iii. Terrorism liability policy: covers the fund's liability for damages, injuries, or death suffered by third parties in the real estate assets and whose origin stems from a terrorist act that occurred on the premises.

Vacancy: *fluctuations and deterioration in the average vacancy rates for the commercial, corporate, and logistics categories, and the occupancy rate for the hospitality and specialized category, could negatively impact the fund's operating income.*

Throughout 2022, the real estate manager and corporate governance bodies such as the Real Estate Management Committee and the Advisory Committee conducted constant monitoring, evaluation, and direction of the strategy deployed for the marketing of vacant spaces, both at the portfolio level and specific categories and properties. In this way, the strategy implemented in 2022 allowed the vacancy rate to decrease in all categories compared to the vehicle's vacancy rate in 2021, positioning it below the market vacancy rate.

Contract expirations: *the expiration of contracts and the inability to renew them with favorable terms and square meter prices generate a potential risk on the fund's operating income.*

The real estate manager in 2022 monitored the risk, sources of materialization, and possible consequences, as it could result in the materialization of vacancy risk and other types of risks that impact the fund's operational and financial results.

Risks related to Colombia

Economic, political, and social risks: *the operational results, financial conditions, and investment prospects are influenced by the social, economic, political, and legal development in Colombia.*

The economy in Colombia differs from some of the economies of countries in Latin America in several aspects, including the framework and style of government oversight, the level of development, the growth rate, currency control, and the allocation of public resources.

The economy in Colombia has shown uninterrupted growth since 2000, based on prudent macroeconomic and fiscal management, an inflation-targeting regime, a flexible exchange rate, and a defined fiscal framework. However, any slowdown in economic development in Colombia could lead to stricter credit markets, greater volatility in the stock market, sudden drops in business and consumer confidence. In response to their perception of uncertainty in economic conditions, consumers may delay or reduce consumption, which would affect the fund's income-generating capacity.

5. Progress in the Strategic Plan

Pei Asset Management continued with the implementation of value propositions for its more than 2,200 tenants and 5,407 investors through strategic pillars such as optimizing the real estate portfolio. In addition to the ongoing management and profitable growth of the assets, the fund also evaluates reconverting, redeveloping, or divesting selected assets.

In line with the fund's long-term focus, efforts have been made to consolidate the offering of value-added products and services for tenants, framed within a strategy called "metros a la 4 (m4)". Sustainability has also been a key focus, with the implementation of strategies for consolidating a sustainable portfolio and incorporating new assets that meet international sustainability standards.

The price performance of the security in the market has been a central focus of Pei's strategy, where the Real Estate Manager has deployed a strategy that aims to be a profitable investment alternative and promote liquidity.

The enabling capabilities that will allow us to achieve these objectives are based on generating long-term relationships with partners, allies, and suppliers, positioning the brand while maintaining strategic communication with these stakeholders, and acting as an expert real estate manager that leverages its capabilities through digital innovation.



GENERACIÓN DE RELACIONES A LARGO PLAZO



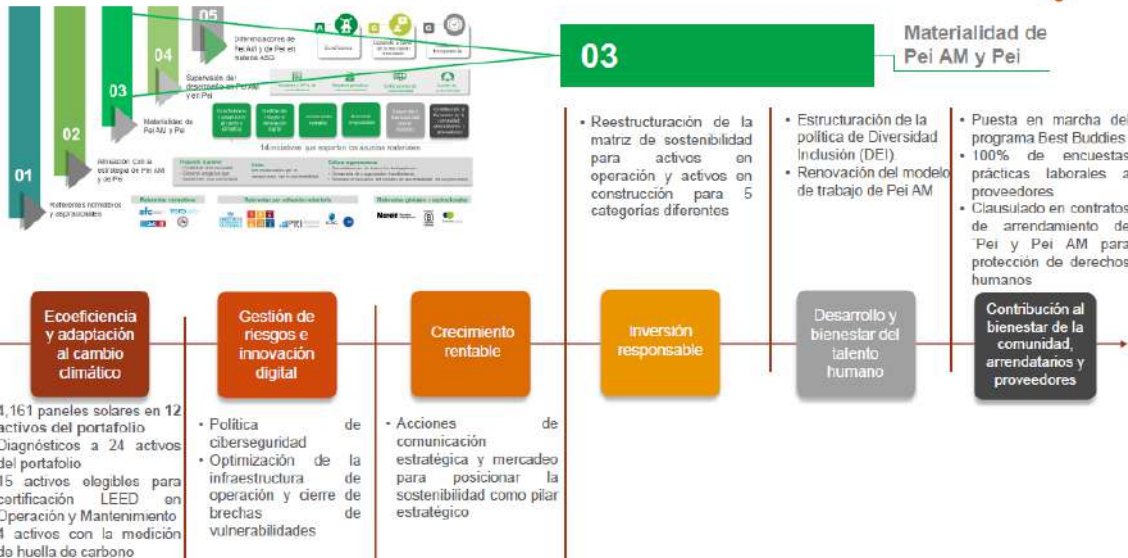
OPTIMIZACIÓN DEL PORTAFOLIO INMOBILIARIO



OFRECER UNA ALTERNATIVA DE INVERSIÓN RENTABLE Y PROMOVER LA LIQUIDEZ DE LOS TÍTULOS



CREAR VALOR A TRAVÉS DE LA SOSTENIBILIDAD



CONSOLIDAR LA OFERTA DE PRODUCTOS Y SERVICIOS DE VALOR AGREGADO A LOS ARRENDATARIOS



Rivana Business

Ubicación: Medellín, Colombia

Categoría: Corporativo

Servicios: Adecuaciones, mobiliario y Facility

Aliado: FAMOCDEPANEL

La Cayena

Ubicación: Barranquilla, Colombia

Categoría: Logístico

Servicios: Adecuaciones y estanterías

Aliado: ar racking

+ 36,000 m²

De área comercializados con "metros a la 4"

3 CATEGORÍAS

Corporativo Logístico Comercial

SECTORES

Tecnología, servicios, industrial y logístico

3 CIUDADES

Barranquilla, Bogotá y Medellín

SERVICIOS

- Adecuaciones
- Mobiliario
- Puesta a punto
- Servicios de operación

Fijar 93

Ubicación: Bogotá, Colombia

Categoría: Corporativo

Servicios: Adecuaciones y mobiliario

Aliado: FAMOCDEPANEL

Atlantis

Ubicación: Bogotá, Colombia

Categoría: Comercial

Servicios: Adecuaciones y mobiliarios

Aliado: MULTIPLINIA

COMUNICACIONES ESTRATÉGICAS Y POSICIONAMIENTO DE MARCA



POTENCIALIZAR CAPACIDADES A TRAVÉS DE LA INNOVACIÓN DIGITAL



6. Sustainability:

As managers of the main real estate securitization vehicle in Colombia, at the Administrator, in addition to our commitment to all Investors, we are aware of the responsibility we have to consolidate sustainability in the different categories of Pei's portfolio.

It is not only an effort that will have a positive impact on our business but also a purpose that will bring benefits to the different environments where Pei is present, its communities, and future generations. It will contribute to the development of more friendly and higher-quality lifestyles.

We have set an ambitious goal to contribute to the well-being of society by democratizing investment opportunities and creating physical spaces that benefit communities and support the growth of tenants and users.

As a company, we have concluded that beyond the undeniable trend of investors shifting their attention to green or socially impactful alternatives, we want to opt for the implementation of the Corporate Sustainability Model because we know that the sustainability of our business depends on the proper management of relationships and expectations of the stakeholders we interact with. We believe that appropriate management of these matters will help preserve their reputation and mitigate financial, physical, and legal risks.

The Corporate Sustainability Model establishes the material issues that the company will manage, as well as short and long-term sustainability aspirations. Pei AM specifically aims to differentiate itself through its commitment to the eco-efficiency of the assets it manages, its contribution to education and inclusion, and the trust it generates through transparency. To understand the stakeholders and their expectations, priorities, interests, or concerns in their relationship with Pei AM and Pei, we collected available internal information, conducted surveys, interviews, meetings, and reviewed publicly available information to identify the material issues for them in their relationship with Pei and Pei AM.

Additionally, to understand the topics that should generally be managed in terms of sustainability for the industry, we conducted assessments to identify gaps between what the company is currently doing and the best market practices in sustainability. Based on the information gathered from stakeholders and the results of these assessments, the management team of Pei AM and the Advisory Committee of Pei participated in an exercise to determine the priority issues. As a result of this exercise, the materiality matrix was constructed, which grouped and prioritized six material issues.

The Administrator has set a series of objectives for each material issue. The objectives for 2022 were primarily focused on understanding the current environmental and social performance and impact of Pei's portfolio. These objectives align with the commitments made by the Administrator regarding the six Sustainable Development Goals promoted by the United Nations through the 2030 Agenda for Sustainable Development in 2015:

- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Sustainable cities and communities
- Responsible consumption and production
- Peace, justice, and strong institutions

The six material issues under which Pei has mapped its roadmap are:

I. Eco-efficiency and climate change adaptation:

During 2022, we continued the eco-efficiency diagnostics in the assets, evaluating 59% of the leasable area of the portfolio. The eco-efficiency diagnosis is aligned with the operation and maintenance certification - LEED and aims to measure water and energy consumption, the sources of such consumption, quantify waste generation, supervise disposal practices, and assess the climate and lighting comfort of the assets, which refers to the relationship between the satisfaction of the occupants and the thermal and lighting environment inside the building.

Additionally, a climate action plan was structured with the aim of directing the strategy, establishing tools and mechanisms to address the climate crisis and the effects of climate change from Pei's assets. To begin implementing the plan in 2023, energy and water consumption and waste generation were measured in the common areas of 100% of the assets in 2022. The main results of the measurement are described in Pei AM's 2022 sustainability report.

In 2022, a work plan was developed to create the climate change risk matrix, which will be completed in 2023. The matrix aims to identify risks associated with climate change that may affect Pei's strategy, operations, and even its business model.

II. Risk management and digital innovation:

In 2020, the Administrator structured a digital transformation plan that seeks to propel the company into an agile and collaborative environment with fully digital and automated commercial, administrative, financial, and operational processes, with data and information as the cornerstone of the business and a source of decision-making, and technology as an enabling ally. This will ensure a profitable business with the best experience for tenants and investors. As a result, in 2022, projects that directly impact Pei's strategic plan were identified, optimizing the real estate portfolio, strengthening the product and service offering, and promoting sustainability, thereby adding value to the company's business model.

2023 will be the year for mapping and formalizing all company processes into BPMs (Business Process Management) and defining and implementing data governance. Focus will be placed on modernizing the operational backbone through the change of the ERP (Enterprise Resource Planning) application. Development of analytical models and prospecting on geographic information platforms will be emphasized, as well as exploring new exponential technologies such as artificial intelligence.

The benefits that this will bring to the vehicle are:

Workflow automation that integrates the commercial management of new prospects and the signing of contracts in a digital environment.

Standardized tenant care and service with digitized processes.

Data structure of the vehicle with a defined architecture that guarantees the availability of business information.

III. Profitable growth:

Profitable growth refers to the efficient use of capital to generate economic value for shareholders and investors. This is considered a cross-cutting aspect in Pei's operation as it promotes economic growth and permeates through the assets, aligning with the expectations of investors. It also has a positive indirect impact on stakeholders and the community in general. An example of this is the implementation of a strategy managed by the Administrator to promote liquidity of Pei's participation certificates in the secondary market.

In line with this, a communications and marketing plan focused on positioning sustainability as a pillar of Pei AM and Pei was developed and implemented in 2022 through various campaigns targeted at internal and external audiences related to the brands.

IV. Responsible investment:

In 2019, the Administrator joined the Principles for Responsible Investment (PRI) organization. In line with the organization's parameters, the Administrator developed the "Responsible Investment Policy," which identifies the main sustainability factors to consider when evaluating potential investment assets.

In addition to implementing and consolidating the Responsible Investment Policy, the Administrator incorporated a sustainability matrix into the investment analysis process. This matrix establishes the environmental, social, and corporate governance criteria to be analyzed when evaluating investment opportunities for Pei. In 2022, the sustainability matrix was applied to 100% of the investment opportunities presented to the Advisory Committee, and efforts were made to strengthen the parameters of the sustainability matrix to establish specific criteria based on the type of asset.

V. Talent development and well-being:

Talent development is essential for promoting innovation, commitment, as well as attracting and retaining top professionals. In line with this, the Diversity, Equity, and Inclusion (DEI) policy was structured in 2022, which serves as a guiding instrument for enabling all individuals in the company to develop their full potential and grow based on their competencies and talents.

VI. Contribution to the well-being of the community, tenants, and suppliers:

This material issue of the Corporate Sustainability Model aims to establish partnerships and synergies with different stakeholders to generate positive impact in the areas where Pei's assets are located. In 2022, efforts were made to learn about the labor practices of the vehicle's tenants and suppliers.

Furthermore, with the aim of being inclusive, in September 2022, the Atlantis shopping center's customer service area hired a "soul friend" from the Best Buddies program to accompany them. This makes it the first asset in the portfolio to hire and support a person

with cognitive disabilities through this program. The goal is to implement this initiative in other Pei portfolio assets in the coming years.

For more information about the sustainability management of Pei's Real Estate Administrator, please refer to the 2022 Sustainability Report published on the Pei website at www.pei.com.co.

7. Corporate Governance:

The corporate governance structure of the Patrimonio Autónomo Estrategias Inmobiliarias ("Pei") for decision-making and implementation of its Investment Policy is based on a set of processes and controls aimed at complying with the Trust Agreement through which it was established, the Prospectus for the Issuance and Placement of Pei Securities ("Prospectus"), regulatory provisions, and the protection of the rights and interests of the vehicle's investors.

In addition to the governance bodies described below, Pei, due to its securitization structure, is represented as a spokesperson and management agent by Fiduciaria Corficolombiana S.A. ("Management Agent"). Pei also has a real estate administrator responsible for the management and operation of the portfolio assets, which is carried out by Pei Asset Management S.A.S. (the "Administrator"), an expert third party in real estate management. Furthermore, an independent third party chosen by the Pei investors ("Investors") represents their interests in decision-making primarily related to Pei's investments, issuances, and level of indebtedness. This role is fulfilled by Fiduciaria Colombiana de Comercio Exterior - Fiducoldex ("Legal Representative of the Investors").



They participate in the corporate governance of Pei through two main organs: (i) the Pei Investors' Assembly, and (ii) the Advisory Committee. The highest decision-making body for structural matters is the Pei Investors' Assembly, which all Investors have the right to attend with voice and vote in proportion to their participation in Pei ("Investors' Assembly"). In addition to the rights and functions granted to the Investors' Assembly in the Prospectus, the operating rules are detailed in the Internal Regulations of the Investors' Assembly available at <https://pei.com.co/portal-inversionistas-nuevo/asambleas/>.

During the year 2022, the following meetings of the PEI Investors' Assembly were held:

Ordinary Meeting of the Investors' Assembly

In accordance with the Notice of Convocation published on March 15, 2022, the ordinary meeting of the first convocation of the PEI Investors' Assembly was held on March 29, 2022. The following topics were discussed and approved, taking into account the quorum indicated in numeral 4.8.7 of the PEI Placement Prospectus:

1. Designation of the meeting's president and secretary and appointment of the approval committee for the minutes.
2. Presentation, for approval, of the annual report presented by the Administrator, PEI Asset Management S.A.S., as of December 31, 2021.
3. Presentation, for approval, of the Strategic Plan for the year 2022 presented by the Administrator, PEI Asset Management S.A.S.
4. Presentation, for approval, of the PEI management report prepared by the Managing Agent, Fiduciaria Corficolombiana S.A., as of December 31, 2021.
5. Presentation, for approval, of the year-end financial status report of PEI as of December 31, 2021 - Financial Statements, prepared by the Managing Agent, Fiduciaria Corficolombiana S.A.

After exhausting the agenda set forth in the notice of convocation, the meeting of the first convocation of the Investors' Assembly was adjourned.

Extraordinary Meeting of the Investors' Assembly (first convocation)

In accordance with the Notice of Convocation published on May 24, 2022, the extraordinary meeting of the first convocation of the PEI Investors' Assembly was held on June 1, 2022. The following topics were discussed and approved, taking into account the quorum indicated in numerals 4.8.7 and 4.8.8 of the PEI Placement Prospectus:

1. Verification of the quorum.
2. Reading and approval of the agenda.
3. Designation of the meeting's president and secretary and appointment of the approval committee for the minutes of the meeting.
4. Presentation and approval of the migration of the Titles to the stock market system and consequent modification of the definitions of "Main Market" and "Titles" established in the Trust Agreement and the Prospectus.
5. Presentation and approval of the division of the Titles (split) and consequent modification of the definition of "Nominal Value" established in the Trust Agreement.
6. Presentation and approval of the Reacquisition (of Titles) at the Option of the Autonomous Heritage and the consequent modifications of the Trust Agreement and the Prospectus.
7. Presentation of an update and approval of the mechanisms for convening ordinary and extraordinary meetings of the General Assembly of Investors and consequent modification of the Trust Agreement, the Prospectus, and the update of the Regulations of the General Assembly of Investors.

Considering that the required quorum was not obtained to deliberate and decide on items 4 to 7 of the agenda, the second call meeting of the PEI Investors' Assembly was held on June 15, 2022. This meeting was convened on June 9, 2022, and the following topics were discussed and approved:

1. Quorum verification.
2. Reading and approval of the agenda.
3. Appointment of the meeting's president and secretary, and appointment of the approval committee for the meeting minutes.
4. Presentation and approval of the migration of Titles to the equity system and consequent modification of the definitions of "Main Market" and "Titles" established in the Trust Agreement and Prospectus.
5. Presentation and approval of the division of Titles (split) and consequent modification of the definition of "Nominal Value" established in the Trust Agreement.
6. Presentation and approval of the Reacquisition (of Titles) at the Option of the Autonomous Equity and the consequent modifications of the Trust Agreement and Prospectus.
7. Presentation and approval of the update on the mechanisms for convening ordinary and extraordinary meetings of the General Assembly of Investors and consequent modification of the Trust Agreement, Prospectus, and the update of the Regulations of the General Assembly of Investors.

On another note, the body responsible for making day-to-day decisions is the Advisory Committee, a high-level body responsible for making key decisions regarding acquisitions, financial indebtedness, issuances, and overall monitoring of the PEI's performance. The

PEI's Advisory Committee has a mixed composition, consisting of independent members and members of the Administrator, as follows:

1. Independent members:

- a. Sol Beatriz Arango: Production Engineer from Universidad EAFIT and specialist in Finance. Currently, she is the President of Servicios Nutresa S.A.S, Vice President of Sustainable Development at Grupo Nutresa, and Director General of the Nutresa Foundation. She is a member of the Boards of Directors of Protección S.A and Crystal S.A, among others.
- b. Julio Manuel Ayerbe: Economist from Universidad de Los Andes. He was the President of Organización Corona S.A and is currently a partner at Ayerbe Abogados and a member of the Boards of Directors of Organización Corona S.A., Corona Industrial SAS, Homecenter de Colombia SA, and Banco Colpatria & Mercantil Colpatria.
- c. Roberto Holguín: Economist from Georgetown University and Specialist in Finance. Member of the Board of Directors of Banco Davivienda, Constructora Bolívar, Grupo Energía de Bogotá GEB, Vice President of the Council of Universidad Jorge Tadeo Lozano, and part of the investment committee of Grupo Bolívar.
- d. María Victoria Riaño: Business Administrator, graduated from Universidad Javeriana. She holds an MBA from Universidad de los Andes. She currently serves on the Boards of Directors of Grupo Bolívar, Fundación Juanfe, and 30% Club, an initiative that promotes gender diversity in Boards of Directors. She has been a member of other boards such as Invercolsa, Asociación Colombiana de Petróleos, Colgas, and Terpel Antioquia.}

2. Legal Representative of the Investors:

- a. Andrés Raúl Guzmán: Economist from the Externado University of Colombia. President of Fiduciaria Colombiana de Comercio Exterior (Fiducoldex), a subsidiary of Banco de Comercio Exterior, Bancóldex. He has served on the boards of directors in the financial and real sectors. Throughout his professional career, he has been responsible for leading organizational restructuring processes in national and international banks, brokerage firms, leasing companies, and trust companies. It is important to highlight that he served as Commercial and Corporate Manager of Corficolombiana S.A., General Manager and Legal Representative of Banco Corficolombiana Panama. He has over 30 years of experience.

3. Members of the Administrator:

- a. Carlos Angulo Ladish: Economist from the University of Los Andes, completed an MBA at J.L. Kellogg School of Management at Northwestern University. Partner at Inversiones y Estrategias Corporativas S.A. He worked for 8 years at Goldman, Sachs & Co. in New York. He participated in the creation of the Terranum Group and is currently the chairman of the advisory committee of Pei.
- b. Ana María Bernal Rueda: Lawyer from the Pontifical Xavierian University, holds an LLM from Cornell University, an MPA from Harvard University, and a Specialist in Financial Legislation from the Xavierian University. She has been involved in

various transactions in the financial sector and private equity industry. Her experience is focused on financial and corporate law. She worked at the Financial Superintendence of Colombia, served as In-house Legal Counsel at Holcim Colombia, and worked as a lawyer in the Capital Market, Banking & Finance, and M&A areas at law firms such as Philippi Prietocarrizosa Ferrero DU & Uría and Dentons Cárdenas & Cárdenas.

c. Jairo Alberto Corrales: Civil Engineer from the University of Los Andes with a specialization in Finance from the same university. President of the Administrator since 2009. In his position, he has structured the acquisition of over 500,000 square meters of commercial, corporate, logistics, and specialized-use properties. He participated in the structuring of the Isagen Corporate Headquarters in Medellín, the Plaza Central Shopping Center, the Atrio Tower, among others.

d. Carlos Fradique-Méndez: Honors graduate lawyer from the Universidad del Rosario, holds a Master's in International Banking and Finance from Boston University, a Master's in International Business from the University of Ottawa, and a Specialist in Financial Legislation from the University of Los Andes. Partner at Brigard Urrutia, with over 25 years of experience advising numerous companies on Capital Market, Banking and Finance, Foreign Exchange, Derivatives and Structured Products, Customs and Foreign Trade, and Taxes. Additionally, a representative of the Management Agent attends the meetings with voice but without voting rights.

The members of the Advisory Committee are appointed by the Administrator and ratified by the Legal Representative of the Investors and the Management Agent. The independence of the members of the Advisory Committee is based on compliance with the criteria established in Article 44 of Law 964 of 2005. Furthermore, the members of the Advisory Committee are selected based on the affinity of their professional profile with Pei's business model and their moral integrity.

Notwithstanding the above, according to the provisions of the Prospectus, the obligations of the Advisory Committee and its members are obligations of means and not of results. Therefore, although the Advisory Committee and its members will make their best efforts in their management, they cannot guarantee a specific profitability or financial outcome to the Investors.

In addition to the functions assigned to this body in the Prospectus, the details of its operation are described in the Internal Regulations of the Advisory Committee. Likewise, the members of this Committee are subject to the provisions of Pei's Code of Good Governance. Both documents are available at <https://pei.com.co/sobre-pei/comite-asesor/>.

The Advisory Committee determines the amount to be paid to its independent members for their attendance at meetings. A base value will be determined as a fee for each of the meetings, and an annual premium will be determined based on attendance. Independent members are appointed by the Administrator and jointly ratified by the Management Agent and the Legal Representative of the Investors. Regarding the remuneration of the representatives of the Administrator for their participation in the Advisory Committee, it was agreed since February 12, 2007, that they do not receive compensation.

The Advisory Committee conducts an annual self-assessment to identify opportunities for improvement in its management, the efficiency of the convocation mechanisms, the delivery and preparation of information, as well as trends that require updating.

Conflicts of Interest

Both members of the Advisory Committee and employees of the Management Agent and the Administrator must act in accordance with Pei's interests and refrain from prioritizing their own personal interests or those of their relatives that are incompatible with those of Pei. The Code of Good Governance of Pei, available at <https://pei.com.co/sobre-pei/comite-asesor/>, establishes the obligation for the aforementioned individuals to disclose situations that may generate conflicts of interest, as well as the procedure and the responsible party in each case to manage potential conflicts of interest.

Transactions with Related Parties

Pei has guidelines for the acquisition, sale, or co-investment transactions in assets with related parties. According to these guidelines, such transactions must be approved by the independent members of the Advisory Committee based on their autonomous and independent evaluations, as well as by an external professional to the Administrator (fairness opinion). These guidelines stipulate that, in any case, Pei will proceed with the transaction as long as it is carried out under conditions of free competition and transparency in the market and aims to achieve the best result for its investors.

Regarding the hiring of suppliers, these transactions are governed by the Contracting and Purchasing Policy, which is based on principles such as multiple bidders, transparency, impartiality, and market prices, among others. The policy establishes the approval procedure by the Administrator's Purchasing Committee in the event of contracting with a related party. However, according to the Trust Agreement and the Prospectus, all contracts with an amount exceeding 500 SMLMV (Minimum Monthly Legal Wages), whether or not they are with related parties, must be approved by the Advisory Committee.

Administrative Control Architecture of the Administrator:

Guided by the values of integrity and excellence, the Administrator carries out its operations within the framework of an internal control system in which managers and administrators are responsible for (i) assessing the strategic and operational risks to which the vehicle is exposed, (ii) proposing mechanisms for monitoring and controlling these risks, and (iii) taking corrective measures in the event of the occurrence of risks or to improve the internal control system. The company periodically validates the components of the internal control system and guides its employees in risk anticipation and the identification of efficient controls. The internal audit, compliance officer, statutory auditor, and ethics committee are part of the Administrator's internal control system.

For further information on the corporate governance structure and policies governing its main governing bodies, please refer to the Investor Portal, the Corporate Governance section on the website www.pei.com.co. In the Investor Portal, in the Investment in Pei/Participating Securities section, you can also find the Trust Agreement and the Prospectus of Pei, as well as the communication channel available to address investor inquiries at inversionistas@pei.com.co.

8. Real Estate Manager

Pei Asset Management is a company specialized in the structuring and comprehensive management of investment vehicles in Colombia. It has the highest Efficiency Rating for Portfolio Management G-aaa awarded by BRC Standard & Poor's S&P Global since 2009.

For the past 15 years, Pei Asset Management has been characterized by contributing to the well-being of society by democratizing investment opportunities, creating physical spaces that benefit the community, and leveraging the growth of its partners.

As part of its sustainable investment management, in 2022, the investment policy was updated to incorporate responsible principles, and its corporate governance was strengthened in 2021 by joining the ICGC (International Corporate Governance Network).

Its expert team, which reached 122 employees by the end of 2022, works daily to build and maintain long-term relationships with investors, tenants, and other stakeholders.

The management team of the Real Estate Manager is composed as follows:

Jairo Alberto Corrales Castro:

Position: President

Years of experience: +22

Education: Civil Engineer from the Universidad de los Andes with a specialization in Finance from the same university. Diploma in Management and Marketing of Shopping Centers from the International Council of Shopping Centers in Buenos Aires, Argentina.

Years at Pei Asset Management: 12

Andrés Felipe Ruiz Vesga:

Position: Financial Vice President and Investor Relations

Years of experience: +18

Education: Finance Professional from the University of North Carolina. Value Investors Program from Columbia University. Executive MBA from Cornell University.

Years at Pei Asset Management: 5

Claudia Jimena Maya Muñoz:

Position: Manager of Strategy, Innovation, and Communications

Years of experience: +21

Education: Industrial Engineer from the Universidad de los Andes. MBA from INALDE.

Years at Pei Asset Management: 12

Alejandro Alzate:

Position: Commercial Manager

Years of experience: +14

Education: Lawyer from the Universidad Externado de Colombia with a Master's in Business Law.

Years at Pei Asset Management: 4

Ana María Bernal Rueda:

Position: Legal and Corporate Affairs Manager

Years of experience: +16

Education: Lawyer from the Pontificia Universidad Javeriana with a specialization in Capital Market Law from the same university and a specialization in Commercial Law from the Universidad de los Andes. Master's in Public Administration from Harvard University and Master's in Law from Cornell University.

Years at Pei Asset Management: 5

Maria Alejandra Cardozo:

Position: Investment and New Business Manager

Years of experience: +12

Education: Professional in Finance and International Relations from the Universidad Externado. MBA from IE Business School.

Years at Pei Asset Management: 8

Ivan Dario Parra:

Position: Asset Management Manager

Years of experience: +12

Education: Professional in International Relations from the Universidad Jorge Tadeo Lozano with a Diploma in Financial Management and Administration and Real Estate Management.

Years at Pei Asset Management: 5

Ginna Castro:

Position: Human Resources Manager

Years of experience: +14

Education: Psychologist from the Universidad del Bosque with a specialization in Human Resources Management and Organizational Development from the Universidad del Rosario and certification in Change Management.

Years at Pei Asset Management: 5