

AUDITED FINANCIAL STATEMENTS

**Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.**

At December 31, 2022
with Statutory Auditor's Report

**Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.**

Audited Financial Statements

At December 31, 2022

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Statutory Auditor's Report

Sirs

Fiduciaria Corficolombiana S.A.:

Fiduciary and management agent of Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)

Opinion

I have audited the accompanying financial statements of Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241) (hereinafter "PEI") managed by Sociedad Fiduciaria Corficolombiana S.A. (hereinafter "Trustee"), which comprise the statement of financial position as at December 31, 2022 and the corresponding statements of income, changes in special equity and cash flow for the year then ended, and the summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying financial statements, taken from the accounting records, present fairly, in all material respects, the financial position of PEI as of December 31, 2022, the operating income and its cash flows for the year then ended, according to the Accounting and Financial Reporting Standards accepted in Colombia.

Basis of the Opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities in compliance with those standards are described in the *Auditor's Responsibilities in the Audit of Financial Statements* section of this report. I am independent of PEI, in accordance with the Code of Ethics Manual for Accounting Professionals, together with the ethical requirements relevant to my audit of financial statements in Colombia, and I have complied with the other applicable ethical responsibilities. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the accompanying financial statements. These matters were addressed in the context of my audit of the financial statements taken as a whole, and in forming the related opinion, but not for the purpose of providing a separate opinion on these matters. Based on the foregoing, I detail below the manner in which the key matter was addressed during my audit.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities in the Audit of Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included performing procedures designed to respond to the assessed risks of material misstatement in the financial statements. The results of my audit procedures, including the procedures performed to address the matter discussed below, form the basis of my audit opinion on the accompanying financial statements.

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Key Audit Matter (Amounts expressed in thousands of pesos COP)	Audit Response
<p>Valuation of investment properties As of December 31, 2021, the investment properties amounted to \$7,480,483,113, of which \$7,405,914,648 correspond to investment properties in operation.</p> <p>As indicated in note 2.7 to the financial statements, Patrimonio Autónomo Estrategias Inmobiliarias (PEI) measures its investment properties initially at cost until its construction is completed and subsequently, at fair value with changes recognized in the statement of comprehensive income on daily basis, taking as reference, the Consumer Price Index and annual commercial appraisal performed by experts.</p> <p>This is a key audit matter due to the significance of this item, since it represents 97% of the total assets. Additionally, the annual update of appraisals involves judgments in the determination of the assumptions used such as: capitalization rates, vacancy, Net Operating Income (NOI), terminal value and discount rates.</p>	<ul style="list-style-type: none"> - I evaluated the competence, capabilities and objectivity of the specialized appraisers. - I reconciled the appraised value included in the appraisal reports to the accounting information for all of the reports of specialized appraisers. - For a sample of the reports of the specialized appraisers, I reconciled rental income and rentable square meters against the lease contracts. Additionally, I compared the historical rates and the data available in the industry with the following assumptions: capitalization rates, vacancy, Net Operating Income (NOI), terminal value and discount rates. For this evaluation, I was supported by our investment properties valuation specialists. - I recalculated the valuation income of all investment properties in operation, taking the Consumer Price Index as reference.

Responsibilities of Management and those in charge for Governance of the Trustee as Manager of PEI in Relation to the Financial Statements

The Management of the Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF); for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; for selecting and applying appropriate accounting policies; and for making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Management of the Trustee is responsible for assessing PEI's ability to continue as a going concern, disclosing, as applicable, matters related thereto and using the going concern basis of accounting, unless Management of the Trustee either intends to liquidate PEI or to cease operations, or has no realistic alternative but to do so.

Those in charge of the governance of PEI are responsible for the oversight of financial reporting process.

Auditor's Responsibilities in the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with International Standards on Auditing accepted in Colombia will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with International Standards on Auditing accepted in Colombia, I must exercise my professional judgment and maintain my professional skepticism throughout the audit, in addition to:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overstepping internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management of the Trustee.
- Conclude on whether it is appropriate for Management of the Trustee to use the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Assets to continue as a going concern. If I conclude that a material uncertainty exists, I should draw attention in the auditor's report to the related disclosures included in the financial statements or, if such disclosures are inadequate, modify my opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of my report; however, subsequent events or conditions may cause an entity to be unable to continue as a going concern.
- Evaluate the overall presentation, structure, content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated to the responsible parties for the governance of PEI, among other matters, the planned scope and timing of the audit, significant audit findings, and any significant deficiencies in internal control identified during the course of the audit.

I also provided to the responsible parties for the management of PEI with a statement that I have complied with applicable ethical requirements regarding independence and communicated with them about all relationships and other matters that might reasonably be expected to affect my independence and, where appropriate, related safeguards.



Among the matters that have been the subject of communication with those charged with PEI'S governance, I identified those matters that have been of most significance in the audit of the current period's financial statements and which are, accordingly, key audit matters. I described those matters in my audit report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, it is determined that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of doing so.

Other Matters

The financial statements under accounting and financial reporting standards accepted in Colombia of Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241) as of December 31, 2021, which are part of the comparative information in the accompanying financial statements, were audited by me in accordance with international auditing standards accepted in Colombia, on which I expressed my unqualified opinion on February 7, 2022.

Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of situations indicative of non-compliance with the following obligations of PEI: 1) Keep the minutes, stock ledger and accounting books, according to legal regulations and accounting techniques; 2) Carry out operations in accordance with the bylaws and decisions of the Investors' Meeting and the Advisory Committee; 3) Keep the correspondence and vouchers of the accounts.

Additionally, there is concordance between the attached financial statements and the accounting information included in the management report prepared by the Trustee, which includes the Management's acknowledgement of the free circulation of the invoices with endorsement issued by the providers or suppliers. I issued the report corresponding to the requirements of Article 1.2.1.2 of Decree 2420/2015 separately on February 10, 2023.

The partner of the audit engagement that originated this report is Diego A. Parra Galindo.

Marly Sareta Gallego Morales
Statutory Auditor
Professional Card 92344-T
Designated by Ernst & Young Audit S.A.S. TR-530

Bogotá, Colombia
February 10, 2023

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Statement of Financial Position

	Notes	At December 31,	
		2022	2021
<i>(Expressed in thousands of Colombian pesos)</i>			
Assets			
Cash	7	\$ 17,888,523	\$ 34,537,839
Investments at fair value with changes to comprehensive income	8	46,498,890	27,588,012
Inventories	9	2,866,384	
Accounts receivable, net	10	33,149,559	30,308,943
Other assets	11	4,850,389	4,475,669
Total current assets		105,253,745	96,910,463
Long-term accounts receivable, net	10	1,549,404	1,284,973
Other long-term assets	11	30,101,129	26,893,414
Investment properties	12	8,414,311,929	7,480,483,113
Property and equipment	13	415,153	171,321
Total non-current assets		8,446,377,615	7,508,832,821
Total assets		\$ 8,551,631,360	\$ 7,605,743,284
Liability and equity			
Liabilities			
Ordinary bonds	14	\$ 12,524,828	\$ 8,364,393
Short-term financial obligations	15	633,463,303	292,102,514
Accounts payable	16	90,625,539	74,713,827
Short-term deferred revenues	17	16,894,000	30,167,467
Total current liabilities		753,507,670	405,348,201
Long-term ordinary bonds	14	882,708,093	882,540,534
Long-term financial obligations	15	1,585,539,785	1,560,613,625
Long-term accounts payable	16	14,968,593	13,360,012
Long-term deferred revenues	17	750,000	3,750,000
Total non-current liabilities		2,483,966,471	2,460,264,171
Total liabilities		3,237,474,141	2,865,612,372
Equity			
Share capital	18	2,842,165,351	2,866,269,338
Adjustments in the first-time adoption of NCIF	18	280,641,067	282,813,857
Premium for securities repurchase	18	29,375,474	-
Retained Earnings	18	2,161,975,327	1,591,047,717
Total Equity		5,314,157,219	4,740,130,912
Total Liabilities and Equity		\$ 8,551,631,360	\$ 7,605,743,284

See accompanying notes which are an integral part of the financial statements.



Edwin Roberto Diaz Chala
Legal Representative



Jhon Alexis Rativa Ávila
Public Accountant
Professional Card 141989-T



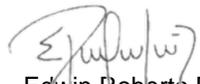
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(See my report of February 10, 2023)

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Income Statement

	Note	Years ended December 31	
		2022	2021
<i>(Expressed in thousands of Colombian pesos)</i>			
Lease and incentive income	19	\$ 528,802,965	\$ 424,464,392
Variable lease income	20	61,533,130	38,231,260
Other operating income	21	69,483,089	35,931,978
Operating Revenues		659,819,184	498,627,630
Property and valorization tax	22	39,087,395	33,122,428
Parking, appraisals and other expenses	23	35,867,396	3,404,524
Operators' fees	24	15,525,762	9,155,456
Administration fee	25	8,893,163	8,635,028
Insurance		5,146,485	4,215,869
Repairs and maintenance		6,701,854	4,694,039
Impairment (recovery) and write-offs, net	26	(6,995,023)	(5,278,249)
Operating Expenses		104,227,032	57,949,095
Reimbursable operating expenses, net	27	31,663,459	28,698,234
Total Operating Expenses		135,890,491	86,647,329
Rental Gross Profit		523,928,693	411,980,301
Administrative expenses	28	99,217,202	87,437,205
Tis – Lease Commission	29	4,755,412	4,798,372
Administrative Portfolio Expense		103,972,614	92,235,577
Valuation of investment property, net	30	614,934,060	114,805,638
Other commission expenses	31	5,677,835	26,405,041
Profit Generated by Operation		1,029,212,304	408,145,321
Other revenues	32	6,355,888	5,101,864
Other expenses	33	760,933	731,649
Financial expense, net	34	270,839,105	117,542,270
Profit for the period		763,968,154	294,973,266
Total Comprehensive Income		\$ 763,968,154	\$ 294,973,266

See accompanying notes which are an integral part of the financial statements.


 Edwin Roberto Diaz Chala
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 Jhor Alexis Rátiva Ávila
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Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Statement of Changes in Special Equity

	Capital contributions (cash)	Share capital (nominal)	Share premium	Premium for securities repurchase	Adjustment on initial adoption of NCIF	Retained earnings	Profit for the period	Total Equity
<i>(Expressed in thousands of Colombian pesos)</i>								
Balance at December 31, 2020	\$ 1,000	\$ 409,194,220	\$ 2,458,271,118	\$ -	\$ 282,813,857	\$ 1,428,304,055	\$ 92,840,227	\$ 4,671,424,477
Retained earnings	-	-	-	-	-	92,840,227	(92,840,227)	-
Profit Distributions (Note 18)	-	(201,000)	(996,000)	-	-	(225,069,831)	-	(226,266,831)
Profit for the period	-	-	-	-	-	-	294,973,266	294,973,266
Balance at December 31, 2021	1,000	408,993,220	2,457,275,118	-	282,813,857	1,296,074,451	294,973,266	4,740,130,912
Retained earnings	-	-	-	-	-	294,973,266	(294,973,266)	-
Profit Distributions (Note 18)	-	-	-	-	-	(175,619,509)	-	(175,619,509)
Repurchase of securities (Note 18 paragraphs 2 to 6)	-	(3,062,284)	(18,942,455)	29,375,474	(2,172,790)	(17,421,035)	-	(12,223,090)
Redemptions (Note 18, paragraph 2)	-	(301,357)	(1,797,891)	-	-	-	-	(2,099,248)
Profit for the period	-	-	-	-	-	-	763,968,154	763,968,154
Balance at December 31, 2022	\$ 1,000	\$ 405,629,579	\$ 2,436,534,772	\$ 29,375,474	\$ 280,641,067	\$ 1,398,007,173	\$ 763,968,154	\$ 5,314,157,219

See accompanying notes which are an integral part of the financial statements.


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 (See my report of February 10, 2023)

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Statement of Cash Flows

	Notes	Years ended December 31	
		2022	2021
<i>(Expressed in thousands of Colombian pesos)</i>			
Cash flows from operating activities:			
Profit for the period		\$ 763,968,154	\$ 294,973,266
Adjustments to reconcile the profit for the period with the net cash flows			
Gain on revaluation of investment properties, net	12 and 30	(614,934,060)	(114,805,638)
Depreciation in joint operations	13 and 33	86,132	60,695
Impairment for accounts receivable from joint operations	10 and 26	115,628	1,025,944
Impairment for account receivable	10 and 26	7,822,106	–
Recovery for account receivable from joint operations	10 and 26	(1,079,293)	(5,783,025)
Recovery for accounts receivable	10 and 26	–	(1,894,052)
Disposal of investment property	12	–	4,415,260
Net sales of investment property	12	(7,874,730)	–
Working capital adjustments:			
(Increase) Decrease in accounts receivable	10	(9,963,488)	13,275,471
(Increase) in other assets	11	(3,582,435)	(4,605,917)
(Increase) inventories	9	(964,186)	–
(Decrease) increase in revenues received in advance	17	(16,273,467)	21,739,143
Increase in accounts payable	16	17,520,293	32,835,283
Net cash flow provided in operating activities		134,840,654	241,236,430
Cash flows used in Investing activities			
Aquisition property and equipment	13 and 33	(329,964)	(37,748)
(Increase) decrease in investments	8	(18,910,878)	104,022,045
Acquisitions and improvement of investment property	12	(312,922,224)	(649,550,209)
Net cash flow used by investing activities		(332,163,066)	(545,565,912)
Cash flows from financing activities:			
Capital paid back to shareholders	18	(2,099,248)	(1,197,000)
Ordinary bonds variation	14	4,327,994	(114,647,810)
Increase in financial obligations, net	15	366,286,949	667,172,901
Securities repurchase	18	(12,223,090)	–
Distributions profit	18	(175,619,509)	(225,069,831)
Net cash provided in financing activities		180,673,096	326,258,260
Net (decrease) increase in cash		(16,649,316)	21,928,778
Cash at the beginning of the period		34,537,839	12,609,061
Cash at the end of the period		\$ 17,888,523	\$ 34,537,839

See accompanying notes which are an integral part of the financial statements.


 Escriba el texto aquí
 Edwin Roberto Díaz Chala
 Legal Representative


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 (See my report of February 10, 2023)

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241) Managed by Fiduciaria Corficolombiana S.A.

Notes to the Financial Statements

As of December 31, 2022 and 2021
(Amounts expressed in thousands of pesos)

1. Reporting Entity

Patrimonio Autónomo Estrategias Inmobiliarias PEI (hereinafter "PEI") was established by means of a private trust agreement dated February 2, 2006. According to the trust agreement, the period of duration of PEI shall be through October 7, 2107 and Tax Identification Number TIN 800256769, and is domiciled in Bogota at Carrera 13 # 26-45. The parties involved in the constitution and operation of PEI are the following:

Pei Asset Management S.A.S.	Asset Manager
Fiduciaria Corficolombiana S. A.	Trustee
The investors	Beneficiaries of PEI's assets
Centro Rural Sofía Koppel de Pardo	PEI beneficiary, in case of its liquidation, if there are remains resulting from the payments made to the Investors and Trustee of such trust fund.

The purpose of PEI is to transfer to the Trustee, by means of irrevocable commercial trust, the trust assets in order to:

- (a) Carry out a program for the issuance of securities in the secondary market for an overall quota of up to five billion Colombian pesos (\$5,000,000,000).
- (b) Allocate capital raised by the Trustee from the issuance of equity securities solely for the acquisition of real estate assets.

Once a securities equity tranche has been issued, the Trustee, acting as PEI's manager, will execute and sign the corresponding contracts for the acquisition of real estate properties, within fifteen (15) working days of the issue of a new equity tranche, and will comply with the obligations arising thereof, mainly that of the payment of the price of real estate assets.

When applicable, Corficolombiana acting as the Administrator of PEI, will execute the lease contracts with the lessees of the real estate assets or with whom the manager designates, and will hand over the holding of such real estate assets to the lessees.

The accounts are sent monthly to the Settlor; the last report was submitted as of December 2022. PEI is active as of December 31, 2022. PEI executed its year-end activities which was approved by the advisory committee on March 15, 2021.

The following are the amendments to the commercial trust agreement:

Addendum No. 1

(Signed on December 14, 2006)

- Modified Section 1 Trust Assets.
- Eliminated the phrase "and its contractual position in the promise to purchase agreements foreseen in annex 1 of the agreement", from clause 3.1., and included in its place Originator: Estrategias Corporativas S.A. who contributes \$1,000 pesos to PEI.

**Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.**

Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 1 (continued)

- Eliminated the phrase "assigned by the asset manager to PEI on the date of execution of the agreement", from letter (b) clause 5.2 and included instead "PEI shall be constituted by the following assets: (b) the rights and obligations derived from the promise to purchase agreements of real estate assets provided for in annex 1 of the agreement".
- Eliminated letter (a) of clause 5.3, clause 5.4 and letter (a) of clause 23.3 of the trust agreement.

Addendum No. 2

(Signed on March 3, 2008)

- Modified item 2 of numeral 22 "Remuneration of the Trustee".

Addendum No. 3

(Signed on June 1, 2009), modified the following articles of the trust agreement:

- Section 1 – Definition of "Investors" clause one;
- Section 1 – Definition of "Principal Market";
- Clause 3.7 – investors
- Clause 4.1 (b) (ii).
- Clause 21.2: Obligations of Investors, letter (c).
- Clause 22: Trustee's Remuneration
- Section 4.1. (a), 4.2, 5.2, 10.1 (e) and 20.5.

Addendum No. 4

(Signed on July 16, 2010), modified the following articles of the trust agreement:

- Clause 4.1 (a). – Carry out an Issuance Program of participative content securities in the Principal Market for a global quota of up to one billion pesos (\$1,000,000,000), charged to PEI.
- Clause 20.1 – Amount – The issuance program has a global quota of up to one billion pesos (\$1,000,000,000) Colombian legal tender, which may be increased prior the corresponding authorizations.

Addendum No. 5

(Signed on October 6, 2010), modified the following clauses of the trust agreement:

- Numeral 15.5 (b) of clause 15 of the Trust Agreement shall read as follows: "In order to ensure tenant diversification, and thus reduce credit risk, PEI shall have the following exposure limits for its portfolio: The average consolidated value of the assets leased to a tenant and its related companies may not exceed forty percent (40%) of the value of the real estate assets of PEI in the calendar year".

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 5 (continued)

- Numeral 15.7 of Clause 15 of the Trust Agreement shall read as follows: In order to ensure diversification by asset class and geography with the objective of reducing market risk, PEI shall have the following exposure limits for its Portfolio: The exposure to each of the different classes of real estate assets identified in clause 15.1 (a) may not exceed seventy percent (70%) of the value of the real estate assets of PEI nor of the annual income thereof. (...)

Addendum No. 6

(Signed on September 30, 2011), modified the following clauses of the trust agreement:

- Modified the definitions of clause 1: "free placement, preemptive right, first round, second round" and included the definitions of "payment in kind, specified person, first round without payment in kind, first round with payment in kind, second round without payment in kind, second round with payment in kind, third round".
- Modified numeral 13.7 of clause 13 in its entirety.
- Added in clause 15, numerals 15.10, 15.10.1 risks associated to the payment in kind, 15.10.1.1 transfer of the right of ownership, 15.10.1.2 breach of promise to purchase, 15.10.1.3 securities unblocking.
- Modified in its entirety numeral 20.10 of clause 20 of the trust agreement.
- Numeral 20.14 was included in clause 20.

Addendum No. 7

(Executed on October 10, 2012), modified the following clauses of the trust agreement:

- The following definitions contained in clause 1 of definitions of the Trust Agreement were modified and replaced by the following text: "Free Placement", "Preemptive right" and "Cash Flow". Additionally, the following definitions were added: "Colombian Stock Exchange or BVC", "Rent", "Parking space rent", "Invested capital", "Sponsorships", "Provision of parking lot service", "Access premium" and "Monthly concession values".
- Numeral 5.2 of clause 5, numeral 13.4 of clause 13, numeral 14.1 of clause 14, numeral 14.2 of clause 14, numeral 15.1 of clause 15, numeral 15.10 of clause 15, numeral 17.1 of clause 17, numeral 10 of clause 20, numeral 12 of clause 20, numeral 14 of clause 20 and clause 22 "Remuneration of the Trustee" were amended in their entirety.

Addendum No. 8

(Executed on September 16, 2013), modified the following clauses of the trust agreement:

- Modified clause 1 regarding the definition of "Financial Indebtedness", "Short-term Financial Indebtedness" and "Long-term Financial Indebtedness".
- Modified numeral 7.2 of clause 7: 7.2, letter (b) numeral 15.7 of clause 15 and numeral 19.2 of clause 19.

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 9

(Signed on December 6, 2013), modified clause 4.1 and clause 20.1. of the Trust Agreement.

Addendum No. 10

(Signed on July 29, 2014), modified the following clauses of the Trust Agreement:

- Modified the definition of "credit risk" in clause 1.
- Eliminated the minimum investment of 10 Securities in numeral 20.5 of clause 20, the reference to the minimum investment contained in numeral 20.5, of numeral 20.10 of clause 20 and the reference to the minimum investment contained in numeral 20.5, of numeral 20.14 of clause 20.
- Modified numeral 15.6 of Clause 15.

Addendum No. 11

(Signed on September 06, 2016), modified numeral 4.1 letter (a) of clause 4 and numeral 20.1 of clause 20 of the trust agreement.

Addendum No. 12

(Signed on September 09, 2016), modified the following clauses of the trust agreement:

- Modified the definitions in clause 1 of: "commercial appraisal, Colombian Stock Exchange, EBITDA, operating cash flow, operating expenses and PEI profit". Additionally, the definitions of: "issuance, distributable cash flow, net flow of new tranche issuances, distributed PEI profit and retained PEI profit" were incorporated, and the definition of "distributable yields" was eliminated.
- Incorporated the terms issuance, expenses and distributable cash flow in the following clauses of the trust agreement:

Issuance: (i) Clause 1 Definitions: Securitized Assets, Tranches and PEI Value for subsequent issuances; (ii) Clause 15 numeral 15.10 paragraphs 1 and 2; (iii) Clause 17 numeral 17.3 paragraph 1 letters e and f; (iv) Clause 20 numeral 20.12 letter f; (v) Clause 20 numeral 20.14 numerals 2 and 3; (vi) Clause 20 numeral 20.3 paragraphs 11, 12 and 13; (vii) Clause 21 paragraph 2; (viii) Clause 26 numeral 26.7.

Expenses: (i) Definitions: PEI Profit; (ii) letter (c) of numeral 2 of Clause 5; (iii) letter (y) of numeral 1 of Clause 10; (iv) numeral (vi) of letter (a) of numeral 1 of Clause 12; (v) numeral 1 of Clause 16.1, and (vi) letter (b) of Clause 18.

Distributable Cash Flows: (i) General Information of the Offer; (ii) Numeral (iii) of letter (b) of numeral 1 of Clause 4; (iv) letter (n) of numeral 1 of Clause 10; (v) Numerals 2 and 4 of Clause 15; (vi) Numeral 3 of Clause 16; (vii) letter (f) of Clause 18 and (viii) Numerals 12 and 13 of Clause 20.

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 12 (continuación)

- Modified numeral 4.2 of Clause 4.
- Modified as applicable, in numeral 20.10 of Clause 20: First Round without Payment in Kind. Preemptive Right, The assignment of the Preemptive Rights shall be made as indicated in the public offering notice, which may be: 1. Through the Trustee, with the requirements established in the public offering notice; or 2. Through the Direct Depositor of the Securities (i) through the transactional systems of the BVC, for a whole number of Preemptive Rights or fractions of the Preemptive Rights, in accordance with the operating procedure established in the regulatory bulletin issued by the BVC for such purpose, and (ii) through the OTC market, only for the fractions of the preemptive rights.
- Modified numeral 20.12 of clause 20.
- Supplemented letter b of numeral 1 of Clause 15 as follows: PEI may only invest in the following assets (the "Eligible Investments"): (b) Other Assets: 1. Trust Rights: trust rights whose underlying assets are Real Estate Assets. As a prior step to the acquisition of trust rights by PEI, the Manager shall carry out a due diligence process on the underlying Real Estate Asset and on the commercial trust agreement under which the trust rights originated, as well as define the accounting policies applicable to it in order to specify the presentation and treatment within the financial statements of PEI, of the percentage of participation it acquires in the respective PEI.
- Complemented numeral 3 of Clause 11. "Powers of the Advisory Committee".
- Modified letter (d) of numeral 17.1 and letters (l) and (u) of numeral 17.2 of clause 17.
- Modified clause 16, numerals 19.3, 19.4 and 19.6, letter (t) of numeral 10.1 of clause 10 and letter (d) of numeral 23.3 of clause 23.

Addendum No. 13

(Signed on October 01, 2018), modified the following clauses of the trust agreement:

- Modified the definition in numeral 1. (*Definitions*), EBITDA: PEI profit before interest and taxes minus expense items that do not represent cash flow.
- Modified numeral 16.3 of the trust agreement, which shall henceforth read as follows: distributable cash flow, in this account the distributable cash flow of the investors shall be provisioned on a quarterly basis according to the Advisory Committee.
- Modified letter f) of numeral 18 of the agreement.
- Completely modified numeral 19.4 of the trust agreement.
- Completely modified subsection 4 of numeral 20.12 (*Return on Securities*).
- Completely modified number 20.13 (*Periodicity and Payment of the Distributable Cash Flow*).

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
Managed by Fiduciaria Corficolombiana S.A.

Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 14

(Signed on June 10, 2019) modified the following clauses of the trust agreement:

- Modified the definitions provided in numeral 1. (*Definitions*) "Financial Indebtedness" Long-term financial indebtedness and Short-term financial indebtedness of PEI acquired by virtue of any instrument or operation of credit content including, but not limited to, bank loans, real estate leasing, issuance of securities of credit content and accounts payable associated with term payments of the price of real estate assets and/or trust rights whose underlying assets are real estate assets that have been acquired by PEI.
- Incorporated the following definitions to numeral 1 (*Definitions*) of the trust agreement: Assets under development, binding documents, annual limit of assets under development, limit of advance payments of the price, limit of advance payment of the price on a particular asset.
- Modified numeral 7.2 of the trust agreement.
- Partially modified numeral 11 of the trust agreement.
- Modified numeral 15.6 of the trust agreement.

Addendum No. 15

(Signed on November 5, 2019), amended the following clauses of the trust agreement:

- Modifies the definition of the expression "Investors' Legal Representative" in the definitions section of the trust agreement.

"Investors' Legal Representative" is the financial services company Fiduciaria Colombiana de Comercio Exterior S.A – Fiducoldex, or the trustee selected by the General Assembly of Investors to replace it".

- Modified numeral 3.5 of clause 3 of the trust agreement.
- Modified numeral 14.1 of clause 14 of the trust agreement.
- Modified and replaced in its entirety annex No. 2 to the trust agreement "'Investors' Legal Representation Agreement" for the document that forms an integral part of Addendum No. 15 as Annex A.

Assignment of Contractual Position Agreement under the Irrevocable Commercial Trust Agreement

(Signed on November 05, 2019), wherein the parties enter into this agreement with the intention to be legally bound to assign their contractual position in the trust agreement, acknowledge and accept that as a consequence of the assignment of the contractual position the Assignor shall assign to the Assignee the trust rights in accordance with sections 2.4 and 3.1.

- Purpose: To assign its contractual position in the trust agreement, such assignment shall be made free of charge.

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Notes to the Financial Statements

1. Reporting Entity (continued)

Addendum No. 16

(Signed on August 1, 2022), amended the following clauses of the trust agreement:

- Eliminates in its entirety section 20.05 of clause 20 and replaces it in its entirety with the following text: "the securities shall be denominated in Colombian legal currency and its nominal value shall be that established in the issuance and placement prospectus of the respective tranche, as the same may be modified in the distributions of distributable cash flow in which partial restitutions of the initial investment of the investors are made, disclosed by the management agent in compliance with the applicable regulations of relevant information. The minimum investment in the primary market and the minimum trade in the secondary market shall be one (1) security. Notwithstanding the foregoing, as of the date of this amendment to the trust agreement and as a result of the division of the securities (Split), the number of outstanding securities is 43,142,200.
- Eliminates the definitions of "Main Market" and "Securities" in the definitions section and replaces it with the following text: "Main Market: means the market in which the trading of securities takes place, whose registration in the National Registry of Securities and Issuers is made in accordance with Part 5 of Decree 2555, in which the securities are offered to the general public through the equity system. Securities: means the participative securities called "PEI Securities" issued by PEI".
- Adds the following definitions, adjustment factor, maximum of securities of the repurchase at the option of PEI, price of the repurchase at the option of PEI, valuation price, maximum price of the repurchase at the option of PEI, repurchase at the option of PEI, equity value per security.
- Modified the title of paragraph (a) of section 20.11 of the trust agreement and included letter (b), letter (a) repurchase of securities at the investor's option and letter (b) repurchase at the option of PEI.
- Eliminates in its entirety the second paragraph of letter (c) (iii) of section 20.12 and is replaced in its entirety by the following text: "The resources derived from the sale of Real Estate Assets owned by the Investors' PEI, except in the following events: (i) if after twelve (12) months following the date of sale these resources have not been reinvested in new real estate assets that comply with the guidelines of the investment policy or have not been used for the payment of the repurchase price at the option of PEI, (ii) the liquidation of PEI, or (iii) when the advisory committee deems it appropriate taking into account profitability criteria, market conditions and coexistence."
- Paragraph (iv) is added to section 7.1. Financial Indebtedness.
- Section 13.6 is eliminated in its entirety and replaced in its entirety by the following text: "calls for special meetings: the special meetings of the Investors General Assembly shall be called five (5) calendar days in advance by any means".
- Letter (k) is added to section 11.3 attributions of the advisory committee.

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Notes to the Financial Statements

1.1. Conformation of PEI

1.1.1. Securitized Assets

PEI may issue securitizations representing its real estate which are comprised of the following assets:

- (a) The amount of one million Colombian pesos (\$1,000) contributed by the settor on PEI's trust agreement execution date.
- (b) The rights and obligations derived from the promise to purchase–sale contracts of real estate, assigned by the asset manager.
- (c) The sums of money obtained from the placement of the securities in the principal market. These sums by the trustor.
- (d) Eligible investments acquired by PEI.
- (e) The rents agreed in the lease agreements and/or the monthly concession values agreed in the concession agreements of the real estate assets of PEI, the collection of parking space rents, provision of parking lot service, access premiums, sponsorships.
- (f) Profit or loss on disposal of assets.
- (g) Yield, interest or any other type of income generated by the assets comprising PEI.
- (h) The valuation or devaluation of the assets comprising PEI.
- (i) The indemnifications received by PEI for insurance; and
- (j) Other monetary resources that, according to the purpose of the trust agreement, may enter PEI.

1.1.2. Investment Policy of PEI

PEI seeks to form a diversified portfolio of real estate assets (the "Portfolio") that offers flows with low volatility. The composition of this portfolio will be dynamic, depending on the opportunities identified in the market, with the objective of maximizing the Investors' returns while maintaining a moderate risk profile.

PEI will seek a moderate risk profile by investing in assets with a reasonably high capacity for preservation of the invested capital, such as eligible investments.

The guidelines of the Investment Policy constitute guidelines for the management of PEI. In the event that at any given time the portfolio does not comply with these guidelines, the Advisory Committee shall take the necessary measures to adjust the portfolio to the investment policy, provided that the circumstances existing at that time indicate that it is convenient to carry out the adjustment and it is possible to do so.

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Notes to the Financial Statements

1.1.3. Redemption of Securities

Distributable Cash Flow is distributed to the Investors as distributed profit of PEI and, if possible, as partial redemption of the initial investment, up to the amount considered appropriate according to regulatory considerations. For accounting purposes all redemptions affect the "Nominal Value Capital" account of PEI.

1.1.4. Eligible Investments

PEI may invest in the following assets:

(a) Real Estate Assets.

PEI may invest in real estate assets for commercial use as authorized by the Advisory Committee that have an attractive potential for income generation and/or valuation for their location, access roads, security, aesthetics, functionality and tenants.

(b) Other Assets

Trust Rights: Trust rights whose underlying assets are real estate assets. Prior to the acquisition of Fiduciary trust rights by PEI, PEI asset management must carry out a due diligence process on the underlying real estate asset and on the commercial trust contract under which the trust rights originated.

- Excess liquidity and resources of the operating fund and re-acquisition fund may be invested in financial assets and hedging instruments.

PEI has placed the following tranches in the market:

Tranche	Number of securities	Nominal Value	Placement Value	Premium
First	21,521	\$ 5,000	\$ 107,605,000	\$ -
Second	23,405	4,960	116,088,800	5,450
Third	33,311	4,586	152,764,246	6,150
Fourth	21,666	3,971	86,027,020	7,160
Fifth	22,023	3,707	81,637,499	7,840
Fifth	808	3,707	2,995,191	7,840
Sixth	26,040	3,276	85,306,545	7,970
Seventh	29,084	2,915	84,787,044	8,660
Eighth	48,735	2,566	125,047,480	8,960
Ninth	64,188	2,308	148,135,955	9,400
Tenth	62,868	2,133	134,077,955	9,965
Eleventh	77,773	1,573	122,318,652	10,500
Total	431,422		\$1,246,791,387	\$3,716,683,660
				\$2,469,892,273

The nominal value and the premium of PEI's securities listed above corresponds only to the issue value in each of the sections; the initial recognition is at the fair value less transaction costs associated in each issue.

As approved by the PEI's Investors' Assembly in a special session on June 15, 2022 and in accordance with Resolution No. 1048 / 2022 issued by the Finance Superintendence of Colombia, Addendum No. 25 to the Issuance and Placement Prospectus of the TEIS Issuance and Placement Program and Addendum No. 16 to the Irrevocable Commercial Trust Agreement of the PEI, the securities split mechanism was activated with a 1:100 ratio, which means that each investor received 100 new securities, going from 431,422 outstanding securities to 43,142,200 securities.

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Notes to the Financial Statements

1.1.4. Eligible Investments (continued)

(b) Other Assets (continued)

As of December 31, 2022, due to the repurchase of securities, there are 42,810,749 securities outstanding.

The nominal value is reduced by the redemptions, which are determined at the time of the distribution of the cash flow paid quarterly.

Transaction costs of participating securities are recognized as a reduction in equity in accordance with paragraph 35 of IAS 32.

2. Significant Accounting Policies

2.1. Bases of Preparation

PEI prepares its financial statements in accordance with the accounting and financial reporting standards accepted in Colombia (NCIF), issued by Decree 2420/2015 and amendments thereto. These accounting and financial reporting standards, correspond to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

The application of such international standards in Colombia is subject to some exceptions established by regulator and contained in Decree 2420/2015 and amendments.

These exceptions are shown below:

- Exceptions applicable to banking establishments, financial corporations, financing companies, financial cooperatives, higher grade cooperative organizations and insurance entities: the exceptions contained in Title 4, Chapter 1 of Decree 2420/2015 must be taken into account in the preparation of separate/individual financial statements of these types of companies that have securities registered in the National Securities and Issuers Registry – RNVE; and in the preparation of consolidated and separate/individual financial statements of these companies that do not have securities registered in the RNVE.

Title 4, Chapter 2 of Decree 2420/2015, contains exceptions for financial sector entities proposed by the Finance Superintendence of Colombia (SFC). Said exceptions refer to the classification and valuation of investments, for which the provisions of the Basic Accounting and Financial Circular of the SFC will continue to apply, instead of the application of IFRS 9.

- Exceptions applicable to third party portfolios managed by stock brokerage firms, trust businesses and any other special purpose vehicle.

Third-party portfolios managed by brokerage firms, trust businesses and any other special purpose vehicle, managed by entities supervised by the Finance Superintendence of Colombia, that do not contractually establish to apply the technical regulatory framework established in the annex to Decree 2420/2015, or the rules that modify or add to it, nor are of public interest, shall prepare financial information for supervisory purposes, under the terms established for such purpose by the Finance Superintendence of Colombia.

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Notes to the Financial Statements

2.1. Bases of Preparation (continued)

Taking into account the regulatory technical frameworks of financial information issued by the National Government in development of Law 1314/2009.

- Instructions included in the Single Catalog of Financial Information for supervisory purposes, applicable to companies supervised by the Finance Superintendence of Colombia that belong to Group 1 or that are recipients of Resolution 743/2013, issued by the Accountant General Office.

The single catalog issued by the Finance Superintendence of Colombia (SFC) includes instructions related to reclassifications that in some cases are not consistent with those required by the Accounting and Financial Reporting Standards. This catalog must be applied by the companies supervised by the SFC, as well as to the companies preparing financial information subject to the competence of the Accountant General Office (CGN), in accordance with the powers granted to the SFC, according to Article 5 of Resolution 743/2013.

The financial statements have been prepared on the historical cost basis, except for investment properties and financial instruments that were measured at fair value.

2.1.1. Functional Currency and Presentation Currency

The financial statements are presented in Colombian pesos, which is the functional currency of PEI and the presentation currency. All the information is presented in thousands of Colombian pesos and has been rounded to the nearest thousand unit (COP \$000) except as otherwise indicated.

2.2. Investments in Joint Operations

Joint agreements are those on which joint control exists, established by contracts requiring the unanimous consent for the decisions related with activities that significantly affect the return on investment. In the case of PEI, joint agreements have been classified as joint operations.

Joint Operation

This corresponds to the joint agreement, where PEI has right to the assets and obligations in respect of the contract, recording each asset, liability and transaction, including those maintained or incurred jointly, in respect to the operation.

As of December 31, 2022, PEI owns the following % shares in the joint operations detailed below:

Joint Operation	PEI %	Other Trustors %	Principal Domicile where Activities are Developed	Operations Initiation Date
Patrimonio Autónomo Centro Comercial Jardín Plaza 2101	49%	51%	Centro comercial Jardín Plaza (Carrera 98 #16–200 Cali, Valle del Cauca)	November twenty-third (23), two thousand seven (2007).
Fideicomiso de Operación City U (a)	60%	40%	Ciudadela Universitaria City U (Calle 19 # 2 A 10, Bogotá D.C.)	February twenty-eighth (28), two thousand seventeen (2017).
Patrimonio Autónomo de Operación Nuestro Montería	74.007%	25.993%	Centro Comercial Nuestro (Tv. 29 #29–69, Montería, Córdoba)	October ten (10), two thousand seventeen (2017).

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Notes to the Financial Statements

2.2. Investments in Joint Operations (continued)

Joint Operation (continued)

Joint Operation	PEI %	Other Trustors %	Principal Domicile where Activities are Developed	Operations Initiation Date
Patrimonio Autónomo de Operación Ideo Cali	60%	40%	Centro Comercial Ideo Cali (Cra. 1 #62:80, Cali, Valle del Cauca)	August thirty-first (31), two thousand seventeen (2017).
Patrimonio Autónomo de Operación Centros Comerciales Outlet (b)	85%	15%	Centro Comercial Outlet (Calle. 52 #3:29, Cali, Valle del Cauca)	December thirteenth (13th), two thousand eighteen (2018)
Patrimonio Autónomo Centros Comerciales Outlet, Outlet Costa, Outlet Llano y Outlet Prococasa (b)	85%	15%	Centro Comercial Outlet (Calle. 52 #3:29, Cali, Valle del Cauca)	December sixteenth (16th), two thousand eighteen (2018) [sic]
Patrimonio Autónomo de Operación Nuestro Cartago	70%	30%	Centro Comercial Nuestro Cartago (Calle 34 #2:45, Cartago, Valle del Cauca)	October tenth (10), two thousand nineteen (2019)
Patrimonio Autónomo de Operación Jardín Plaza Cúcuta	50%	50%	Centro Comercial Jardín Plaza Anillo vial oriental No. 13-70 Cúcuta, Norte de Santander	April seven (7), two thousand twenty (2020)
Patrimonio Autónomo de Operación Atrio Torre Norte	50%	50%	Calle 26, Avenida Caracas, Bogotá D.C.	July seven (7), two thousand twenty (2020)
Patrimonio Autónomo de Operación Ideo Itagüí	60%	40%	Centro Comercial Ideo Itagüí (Cra. 42 # 75-83, Itagüí, Medellín)	January twenty-fifth (25), two thousand twenty-one (2021)
Patrimonio Autónomo de Operación Nuestro Bogotá	70.461%	29.539%	Centro Comercial Nuestro Bogotá (Avenida Carrera 86 # 55A - 75, Bogotá D.C.)	April twentieth (20th), two thousand twenty-one (2021)
Patrimonio Autónomo de Operación Tesoro Etapa 4	26.4239%	73.5761%	Carrera 25 A # 1 - 31. Parque Empresarial El Tesoro (Medellín)	March thirtieth (30th), two thousand twenty-one (2021)
Patrimonio Autónomo P.A.-C26	68.03%	31.97%	Cl. 27a ## 50a 99 (Medellín)	February two thousand twenty-one (2021)
Fideicomiso de Operación Hotel Calablanca Barú (e)	60%	40%	Sector Porto Nao km 7 Isla de Barú Isla de Barú, Bolívar	December first (1), two thousand twenty-one (2021)
Fideicomiso de Operación Rivana Business Park (f)	82%	18%	Carrera 48 # 20 - 45 in the city of Medellín	December thirteenth (13th), two thousand twenty-one (2021)
Fideicomiso Student Living Cañasgordas (Boho) (c)	75%	25%	Lote 10A Calle 18 # 121-159 Corregimiento de la Buitrera - Pance in the city of Cali	December twenty-eighth (28), two thousand twenty-two (2022)

- (a) On May 27, 2022, between Patrimonio Autónomo Estrategias Inmobiliarias and Alianza Fiduciaria S.A. in its capacity as spokesperson of the QBO Trust and QBO Constructores S.A.S. signed a trust rights purchase and sale agreement to acquire an additional 10% of the City U operating trust, leaving PEI with a 60% interest.
- (b) On April 26, 2022, Patrimonio Autónomo Estrategias Inmobiliarias and Operadora de Comercio S.A.S. signed a trust rights purchase and sale agreement to acquire an additional 5% of Patrimonio Autónomo de Operación Centros Comerciales Outlets, Patrimonio Autónomo Centros Comerciales Outlet, Outlet Costa, Outlet Llano and Outlet Prococasa, leaving PEI with an 85% interest.
- (c) On August 26, 2022, between the companies Patrimonio Autónomo Estrategias Inmobiliarias (whose spokesperson and manager is Fiduciaria Corficolombiana S.A.) and Fideicomiso Student Living Cañasgordas (whose spokesperson and manager is Alianza Fiduciaria S.A.) and Fondo de Capital Privado Nexus Inmobiliario Cañasgordas (whose spokesperson is Alianza Fiduciaria de Occidente S.A.) signed a purchase and sale agreement and subscription of trust rights to acquire the Student Living Cañasgordas (Boho) Trust in order to manage the operation of the property, with PEI being the asset manager with a 75% interest.

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Notes to the Financial Statements

2.2. Interests in Joint Agreements (continued)

Joint Operation (continued)

As of December 31, 2022 and December 31, 2021, the effect of the ownership of the following joint operations is detailed below:

	At December 31	
	2022	2021
Jardín Plaza Joint Operation		
Assets	\$ 407,964,212	\$ 336,146,345
Liabilities	37,592,524	43,012,994
Income	92,623,633	41,941,650
Expenses	48,873,812	21,041,209
Plaza Central Joint Operation		
Assets	\$ -	\$ 36,878,465
Liabilities	-	3,508,824
Income	-	58,323,841
Expenses	-	28,280,573
City U Joint Operation		
Assets	\$ 2,458,653	\$ 1,600,989
Liabilities	646,345	453,615
Income	12,504,746	6,009,574
Expenses	8,600,830	5,260,712
Nuestro Montería Joint Operation		
Assets	\$ 1,424,193	\$ 1,245,273
Liabilities	296,338	271,767
Income	6,351,962	4,674,842
Expenses	1,316,952	1,272,887
Ideo Cali Joint Operation		
Assets	\$ 1,067,227	\$ 878,796
Liabilities	209,580	133,835
Income	4,076,204	3,511,056
Expenses	2,318,988	2,537,506
Centros Comerciales Outlets Joint Operation		
Assets	\$ 32,161,444	\$ 21,399,997
Liabilities	18,116,173	10,770,297
Income	101,298,722	77,906,869
Expenses	35,343,505	29,969,446

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Notes to the Financial Statements

2.2. Interests in Joint Agreements (continued)

Joint Operation (continued)

	At December 31	
	2022	2021
Nuestro Cartago Joint Operation		
Assets	\$ 612,388	\$ 747,651
Liabilities	262,055	263,516
Income	3,922,802	3,349,276
Expenses	1,193,609	1,017,182
Jardín Plaza Cúcuta Joint Operation		
Assets	\$ 101,422,354	\$ 88,680,387
Liabilities	27,934,279	26,494,093
Income	18,791,625	8,395,614
Expenses	7,489,842	5,094,115
Atrio Torre Norte Joint Operation		
Assets	\$ 354,134	\$ 99,026
Liabilities	123,058	14,942
Income	209,890	55,650
Expenses	4,116,107	3,385,072
Ideo Itagüí Joint Operation		
Assets	\$ 1,751,726	\$ 1,099,409
Liabilities	344,979	322,903
Income	7,787,713	6,617,132
Expenses	2,487,750	2,636,664
Nuestro Bogotá Joint Operation		
Assets	\$ 5,178,994	\$ 4,714,278
Liabilities	1,110,452	919,194
Income	16,786,962	7,470,339
Expenses	7,055,289	3,142,428
Tesoro Etapa 4 Joint Operation		
Assets	\$ 14,518,976	\$ 22,599,278
Liabilities	13,409,770	25,105,102
Income	18,288,574	3,510,747
Expenses	12,134,209	1,316,072
P.A–C26 Joint Operation		
Assets	\$ 90,265,029	\$ 92,865,910
Liabilities	37,884,492	37,616,312
Income	10	3
Expenses	4,094,443	1,715,228

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Notes to the Financial Statements

2.2. Interests in Joint Agreements (continued)

Joint Operation (continued)

	At December 31	
	2022	2021
Hotel Calablanca Barú Joint Operation		
Assets	\$ 155,518,590	\$ –
Liabilities	8,938,335	–
Income	75,668,034	1,284,000
Expenses	44,723,771	1,350,000
Rivana Business Park Joint Operation		
Assets	\$ 2,036,902	\$ 533,576
Liabilities	426,395	280,632
Income	12,981,166	447,044
Expenses	3,688,795	194,100
Student Living Cañasgordas (Boho)		
Assets	\$ 27,334,561	\$ –
Liabilities	152,014	–
Income	1,811,855	–
Expenses	1,858,985	–

As of December 31, 2022 and 2021, PEI has recorded in its financial statements all its commitments concerning joint operations. To the extent of our knowledge, there are no ongoing legal processes that could result in contingent liabilities or provisions in the joint operations.

2.3. Financial Instruments

2.3.1. Financial Assets

Recognition, Initial Measurement and Classification

Initial recognition of financial assets is at fair value; in the case of a financial asset that is not carried at fair value through P&L, transaction costs that are directly attributable to the acquisition of the financial asset are added.

In accordance with External Circular 034 of 2014, issued by the Financial Superintendence of Colombia included in their accounting framework 100 of 1995 in chapter I, the Administration of the Sociedad Fiduciaria in accordance with the contract of PEI has classified its investments at fair value through P&L, – equity instruments:

The fundamental purpose of the valuation of investments is to comply with accounting standards and the necessary disclosure at fair value of relevant financial instruments.

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2.3.1. Financial Assets (continued)

In any event, the fair value determination must meet at least the following criteria:

- **Objectivity:** The determination and allocation of the fair value of a title or value must be made based on technical and professional criteria, which recognize the effects arising from changes in the behavior of all variables that may affect that price.
- **Transparency and representativeness:** The fair value of a title or value must be determined and assigned in order to disclose a certain, neutral, verifiable and representative economic outcome of the rights incorporated in the respective title or value.
- **Permanent assessment and analysis:** The fair value attributed to a title or value should be based on the assessment and ongoing analysis of market conditions, issuers and the respective issue. Variations in these conditions should be reflected in changes in the previously allocated price, with the periodicity established for the valuation of investments determined in the standard.
- **Professionalism:** The determination of the fair value should be based on the conclusions resulting from the analysis and study to be carried out by a prudent and diligent expert, aimed at finding, obtaining, knowledge and evaluating all relevant information available, so that the price determined reflects the resources that would reasonably be received by its sale.

The following is how the different types of investment held by PEI are classified, valued and accounted for

Classification	Term	Characteristics	Valuation of Investments	Accounting
Tradable in equity securities – Investments at fair value with changes in profit and loss Equity instruments	Short term	Investment in mutual funds in order to obtain a return.	Participations in mutual funds are valued taking into account the value of the unit calculated by the management Company the day falling immediately before the valuation date.	The difference between the current market value and that immediately before is recorded as a gain or loss on the value of the investment and its entry will impact the P&L of the period. This procedure is performed daily

2.4. Cash

Cash is composed of cash and bank account balances used by PEI in the management of its short-term commitments.

Cash shall reflect the bank balances, where the conciliatory items, shall be recorded in accordance with the economic event that generates them, and in the event that the conciliatory item involves a loss (non-recoverable item), it must be recognized in the financial statements as an expense. Also, the company Fiduciaria Corficolombiana will assume the conciliatory items of PEI, where errors have arisen in the company's management, notwithstanding the administrative tasks in its recovery.

The restricted cash will be disclosed at the time it is presented and will not be part of the statement of cash flows.

PEI presents the statement of cash flows using the indirect method.

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2.5. Accounts Receivable

Accounts receivable are originated by leases, advances from agreements and suppliers, joint operations mandate contracts and others. PEI recognizes accounts receivable initially at fair value on the date they are originated, after their initial recognition they continue at cost, which corresponds to the value of the transaction agreed with the counterparty and in the event that they are long-term and there is a financing component, they are valued at amortized cost using the effective interest rate method.

The effective interest rate is a method that permits calculating the amortized cost of the financial assets over the financing period. This method consists of discounting the future value of the financial asset at the reference market rate for accounts receivable of similar characteristics (amount, term), at the initiation date.

2.5.1. Impairment

The entity should assess at the end of each reporting period, the credit losses expected in its financial assets or a group of financial assets measured at amortized cost or at fair value with changes in P&L and in Other Comprehensive Income.

For that purpose, the Entity should measure the value of the loss as the difference between the carrying value of the asset and the present value of future estimated cash flows, discounted at the original effective interest rate of the financial asset, i.e., the effective interest rate computed at the time of the initial recognition, impacted by the expected losses on a reasonable basis. To recognize the impairment loss, the carrying value of the associated asset should be reduced and the loss will be recognized in the P&L.

The simplified approach proposed by IFRS 9, is used to evaluate the recovery of accounts receivable based on historical behavior, that originated in the business normal cycle, given that they are considered short term financial assets and which contractual terms do not exceed twelve (12) months. An estimate of the expected loss of the accounts receivable, is based on this analysis.

This approach is based on the determination of a credit loss rate, which permits separating changes in the risk of a non-compliance with updates in other factors affecting expected credit loss and considers the following when conducting the assessment:

- (a) the change in the risk of a default occurring since initial recognition;
- (b) the expected life of the financial instrument; and
- (c) the reasonable and supportable information that is available without disproportionate effort or cost that may affect credit risk.

The expected loss estimation method is based on Roll-rate analysis using Markov chains, which uses historical data to calculate migration percentages between consecutive age bands and with them calculates the probability of impairment and the loss rate (loss given impairment).

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2.5.1. Impairment (continued)

The probability of impairment corresponds to a value of 100% for the portfolio range (and all the oldest portfolio age ranges) that has a migration to the next portfolio age range greater than 50%. That is, the one that is more likely to deteriorate further than to recovering. For pre-impairment portfolio age ranges, the likelihood of impairment will be estimated as the product of migration rates up to the first impairment range, as shown in the following formula:

$$PD = \prod_{i=1}^n a_i$$

Since a loss rate of 100% is assigned for the age range of more than 360 days, the rate of loss for a specific age band showing evidence of impairment will be calculated as the product of migration rates from the analyzed to the 360-day band, as shown by the following formula:

$$TP = \prod_{i=1}^n a_i$$

For age ranges prior to the first impairment age, a loss rate (loss given impairment) equal to that of the first impairment age is assigned.

The lease portfolio of Patrimonio Estrategias inmobiliarias is the most representative of the portfolios and the estimate of the expected loss is shown below:

Impairment PEI Commercial Portfolio

Age	Impairment probability	Loss given Impairment	Expected loss (percentage)
0 to 30	51%	12.98%	6.60%
31 to 60	100%	12.98%	12.98%
61 to 90	100%	19.25%	19.25%
91 to 120	100%	27.05%	27.05%
121 to 150	100%	34.34%	34.34%
151 to 180	100%	42.05%	42.05%
181 to 210	100%	52.94%	52.94%
211 to 240	100%	60.45%	60.45%
241 to 270	100%	68.55%	68.55%
271 to 300	100%	86.22%	86.22%
301 to 330	100%	96.67%	96.67%
331 to 360	100%	100%	100%
More than 360	100%	100%	100%
Non-recoverable balance	100%	100%	100%

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2.5.1. Impairment (continued)

Corporate Portfolio PEI Impairment

Age	Impairment probability	Loss given Impairment	Expected loss (percentage)
0 to 30	55%	53.35%	29.47%
31 to 60	100%	52.74%	52.74%
61 to 90	100%	72.07%	72.07%
91 to 120	100%	72.77%	72.77%
121 to 150	100%	82.66%	82.66%
151 to 180	100%	88.24%	88.24%
181 to 210	100%	98.84%	98.84%
211 to 240	100%	98.84%	98.84%
241 to 270	100%	98.98%	98.98%
271 to 300	100%	100%	100%
301 to 330	100%	100%	100%
331 to 360	100%	100%	100%
More than 360	100%	100%	100%
Non-recoverable balance	100%	100%	100%

Logistics Portfolio PEI Impairment

Age	Impairment probability	Loss given Impairment	Expected loss (percentage)
0 to 30	62.78%	29.35%	18.43%
31 to 60	100%	29.35%	29.35%
61 to 90	100%	38.17%	38.17%
91 to 120	100%	51.75%	51.75%
121 to 150	100%	58.37%	58.37%
151 to 180	100%	59.63%	59.63%
181 to 210	100%	62.36%	62.36%
211 to 240	100%	71.64%	71.64%
241 to 270	100%	74.94%	74.94%
271 to 300	100%	87.29%	87.29%
301 to 330	100%	100%	100%
331 to 360	100%	100%	100%
More than 360	100%	100%	100%
Non-recoverable balance	100%	100%	100%

2.5.2. Assets Written Off

A financial asset (or, if applicable, part of a financial asset or part of a group of similar financial assets) is written off when:

- The contractual rights to the cash flows of the asset expire;
- The contractual rights to the cash flows of the asset are transferred or an obligation is assumed to pay to a third party the total cash flows without significant delay, through a transfer agreement.

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2.5.2. Derecognition of Assets (continued)

In the event that at the close of an accounting and fiscal period there are balances received from Investors who are no longer linked to the PEI in such capacity, these balances will be assessed by PEI asset manager in order to determine whether they should be penalized;

The authorization required to write off this portfolio will be sent to the Management Agent by instruction signed by the authorized persons of the real estate manager, to make the corresponding accounting entry in the accounts of PEI.

PEI's Advisory Committee is responsible for approving the proposals made by the real estate manager on the portfolio evaluated which meets the characteristics to be written off.

2.6. Property and Equipment

Recognition and Measurement

Equipment items are measured at cost less accumulated depreciation and impairment losses.

The cost of replacing part of an item of equipment is capitalized if it is likely that future economic benefits will be received and its cost can be measured reliably. The carrying value of the replaced part is derecognized. The costs of daily maintenance of equipment are recognized in income when incurred.

Depreciation

Depreciation is recognized in income based on the straight-line depreciation method over the acquisition cost less the residual value and the estimated useful lives of each item of equipment and those estimated by the guarantor for the properties. Leased assets (machinery and equipment) are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the property will be obtained at the end of the lease term.

Depreciation is charged to P&L and is calculated based on the following useful lives:

Type of Asset	Useful Life
Machinery and equipment	3.58 years
Furniture and fixtures in joint operations	<u>5 to 10 years</u>

Depreciation methods, useful lives and residual values are reviewed each year and adjusted if necessary. As of December 31, 2021, it was not necessary to adjust the useful lives and residual values.

2.7. Investment Properties

Investment properties are properties held for the purpose of obtaining rental income or for capital appreciation on the investment or both, rather than for use for their own purposes, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes. They also include real estate being constructed or improved for future use as investment property and prepayments to third parties for the acquisition of property. Investment properties are initially measured at cost until their construction is completed and subsequently at fair value, with changes to P&L.

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Notes to the Financial Statements

2.7. Investment Properties (continued)

The cost includes expenses that are directly attributable to the acquisition of investment properties; cost of assets built by PEI includes the cost of materials and direct labor, any other costs directly attributable to the process of making the asset suitable for the intended use and financing costs.

The model adopted for investment properties is the fair value which is made on the basis of a commercial appraisal using the methodology of future cash flows, which is carried out annually by a specialized expert and on that basis is valued daily on the basis of the consumer price index (CPI) accumulated over 12 months.

It is calculated with this indicator given that the income and expenses associated with the properties mostly increase based on the CPI, which impacts the cash flows of the properties and therefore enables for the valuation to be updated.

2.8. Other Assets

PEI will recognize as other assets, expenses paid for insurance, the advance payments of commission for structuring and the incentives granted for grace periods and contributions of work, which are amortized linearly according to the validity of each policy and in the terms of each lease.

Advances to the Real Estate Manager (Pei Asset Management S.A.S).

PEI disburses advances to Pei Asset Management as a structuring commission for the acquisition of the properties; these advances show no indication of impairment and are recognized in PEI as issuance costs, considering that they are legalized once ownership has transferred over on the acquired properties.

These advances may have a term of up to 3 years and are not considered impaired, because they will be legalized/matched with services.

Lease incentives granted, such as grace periods and work contributions, which are recognized as an integral part of total lease income as part of the commercial strategies established by each real estate manager and shopping center operator, during the lease term. They are amortized over the terms of each lease agreement and are recorded as a reduction of income.

The incentives for the contribution of work correspond to the works made or reimbursed by each trust at the beginning or renewal of the leases and are amortized during the initial period of the contract.

2.9. Financial Obligations

Financial obligations correspond to the sources of financing obtained by the PEI through bank loans and bond issues, which are obtained to finance the acquisition and improvement of investment properties. The difference between the amount received and its nominal value is recognized in income for the period during the amortization period of the financial obligation, measured at amortized cost using the effective interest rate method.

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2.10. Accounts Payable

PEI will recognize an account payable when it becomes an obligor (acquires an obligation), according to the contractual terms of the transaction, which occurs at the time the service is received. The PEI will recognize accounts payable at amortized cost, which when there is evidence of financing and are long term, will be valued using the effective interest rate method.

2.11. Deferred Revenues

It records as prepaid revenues the resources derived from the anticipated collections for the leasing of real estate that is contractually established with some tenants.

2.12. Equity

Capital contributions received from investors of PEI are converted to equity units based on the value of the unit determined by the Trust Company Management on the transaction day and these units are redeemed by the investors in accordance with the equity indenture.

Capital contributions made by investors to PEI have been considered as equity units, because these equity instruments meet the following conditions set out in IAS 32, to be considered equity instruments:

- The Investor is only entitled to an equity interest in the net assets of the PEI in the event of liquidation thereof.
- The equity units delivered to the investors of the PEI are subordinated in accordance with Colombian legal regulations to the payment of the other liabilities of the PEI and, therefore, do not have priority over other rights to the assets of the PEI at the time of its liquidation.
- In addition to the contractual obligation for the PEI to redeem the equity instrument for cash, the securities delivered to investors of the PEI do not include any other contractual obligation to deliver cash to another entity or to exchange financial assets or liabilities on terms that are potentially unfavorable to the PEI.
- The total cash flows expected and attributable to the instrument over its life are substantially based on the results, on the change in the net assets recognized or on the change in the fair value of the net assets recognized over the life of the instrument.

The value of the unit corresponds to the value of the equity divided by the number of outstanding securities; this calculation is carried out daily.

The return on securities shall be given by: (i) the valuation of the real estate assets constituting PEI; (ii) the valuation of the other eligible investments of PEI; (iii) income from the payment of lease fees for real estate assets, for payments of monthly concessions agreed in the contracts for real estate assets of the PEI, the collection of parking lease fees, the provision of parking services, signing fee, sponsorships; (iv) compensation received for insurance; (v) amounts that tenants may have to pay for the early termination of leases for real estate assets; (vi) amounts paid by tenants under penalties in accordance with the provisions of the lease contracts; (vii) interest income generated by these resources, and (viii) any amount received by the PEI, after the discounts in accordance with the Trust Agreement.

Issuance costs or transaction costs of equity securities are recognized as a lower equity value in accordance with IAS 32, paragraph 35.

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2.13. Revenue from Ordinary Activities

IFRS 15 Revenue from Agreements Signed with Customers

The standard establishes a five-step model for accounting revenue generated from agreements signed with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the provision of services or the transfer of goods to a client.

Revenues are recognized at the amount that reflects the consideration to which the Equity expects to be entitled in exchange for the transfer of goods to customers, the PEI provides leasing services of commercial premises. These services are sold through agreements with customers. The PEI recognizes service revenue when the amount of the services can be measured reliably, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the activities of the PEI have been met, as described below:

Leases

Rental income is recognized in the P&L and originates from the invoicing of leases from commercial, corporate and logistical properties.

Financial Revenues

They correspond to finance income from investments in Mutual Funds and cash held in savings accounts.

Valuation of Investment Property

See policy 2.7, "investment properties".

2.14. Expenses of Ordinary Activities

PEI recognizes its costs and expenses when the event occurs in such a way that they are systematically recorded in the corresponding accounting period (accruals accounting), independent of the flow of monetary or financial resources (cash accounting).

An expense is recognized immediately, when a disbursement does not generate future economic benefits or when it does not meet the requirements necessary for its recognition as an asset.

PEI shall recognize in the statement of comprehensive income, the expenses arising from the interest on financial obligations, commissions, taxes and negative revaluation of investment property.

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2.15. Taxes

PEI is not a taxpayer of income tax as established in Article 102 of the tax code. PEI is liable for value added tax – VAT, is obliged to invoice for the provision of taxable services, regarding its main activity rental fees, it is a taxable entity and pays industry and trade tax – ICA for revenues received in the following municipalities: Itagüí, Medellín, Dosquebradas, Ibagué, Valledupar, and Aguachica; it is withholding agent for income, withholding agent for value added tax – VAT and withholding agent for industry and trade – ICA in the municipalities of Bogotá, Palmira, Pereira, Itagüí, Ibagué, Medellín, Dosquebradas, Barranquilla, Cali, Pasto, Neiva, Bucaramanga, Manizales, Cúcuta and Cartago; it pays property tax in the cities where it owns real estate, with the exception of some commercial agreements.

The tax reform called for equality and social justice, sanctioned by law 2277/2022, issued on December 13, 2022, did not have any effect on PEI.

2.16. Related Parties

A related party is a person or entity that is related to PEI that could exercise joint control or control; exercise significant influence or be considered a key member of staff or management and therefore exercise control over PEI.

Considered related parties are:

- The Trustors
- The Members of PEI's Advisory Committee
- Pei Asset Management (Real Estate Manager)
- Joint-investments where there is joint ownership through trustee rights.

3. New Standards, Interpretations and Amendments Adopted by PEI

Accounting policies adopted for the preparation of the financial statements are coherent with those used in the preparation of the annual financial statements of PEI as of December 31, 2022.

Standards and interpretations that have been published but are not applicable at the date of these financial statements are disclosed below. The Group will adopt these standards on the date on which they become effective, in accordance with the decrees issued by the local authorities.

PEI has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Improvements 2018 – 2020

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rates Benchmark Reform

The amendments provide a number of exemptions that apply to all hedging relationships that are directly affected by the benchmark interest rate reform. A hedging relationship is affected if the reform results in uncertainty about the timing and or amount of the benchmark-based cash flows of the hedged item or hedging instrument.

The amendments were incorporated through the Decree 938 from 2021, which will be effective from January 1, 2023. PEI is evaluating the potential effect of this standard on its financial statements.

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3. New Standards, Interpretations and Amendments adopted by PEI (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

On January 2020, the IASB issued the amendments of paragraph 69 to 76 of IAS 1 to specify the requirements to classify liabilities as current or non-current. The amendments clarify the points below:

- The meaning of the right to defer the settlement of a liability
- The right to defer settlement of the liability should be granted at the end of the reporting period.
- The classification is not affected by the likelihood that the entity will exercise its right to defer the settlement of the liability
- Only if any embedded derivative in a convertible liability is itself an equity instrument, the terms of the liability would not affect its classification.

The amendments were incorporated by the decree 938 from 2021, which will be in effect as of January 1, 2023.

Amendments to IFRS 3: Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business combinations - Reference to the conceptual framework. The amendments are intended to replace the reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with the reference to the Conceptual Framework for Financial Reporting, issued in March 2018, without significantly changing its requirements. The Board also added an exception for IFRS 3 the recognition principle to avoid issues of potential "day 2" gains or losses arising from liabilities and contingent liabilities, which would fall within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify the existing IFRS 3 guidelines with respect to contingent assets that would not be affected by the replacement of the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments were incorporated by the decree 938 from 2021, which will be in effect as of January 1, 2023.

Improvements 2021

Amendments to IAS 8: Definition of Accounting Estimates

The amendment was published by the IASB in February 2021 and clearly defines an accounting estimate: "Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty".

Clarify the use of an accounting estimate, and differentiate it from an accounting policy. In particular, it is mentioned "the accounting policy may require that elements of the financial statements be measured in a manner that involves measurement uncertainty—meaning, the accounting policy may require these elements to be measured at monetary amounts that cannot be directly observed and must be estimated. In this case, an entity develops an accounting estimate to achieve the stated objective of the accounting policy."

The amendments were incorporated by Decree 1611/2022, which will be in effect as of January 1, 2024. PEI is evaluating the potential effect of this standard on its financial statements.

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Notes to the Financial Statements

3. New Standards, Interpretations and Amendments adopted by PEI (continued)

Amendments to IAS 1: Disclosure of Accounting Policies

The amendments clarify the following points:

- The word "significant" is amended to "material or materiality".
- The accounting policies that should be disclosed in the notes of the financial statements are clarified: "An entity shall disclose information about its significant accounting policies that are material or materiality .
- Clarifies when an accounting policy is considered material.
- Incorporates the following paragraph: "The information about accounting policies that focuses on how an entity has applied the requirements of IFRS to its own circumstances provides entity-specific information that is more useful to users of financial statements than standardized information or information that only duplicates or summarizes the requirements of IFRS".

The amendments were incorporated by Decree 1611/2022, which will be in effect as of January 1, 2024. PEI is evaluating the potential effect of this standard on its financial statements.

Amendments to IFRS 16: Covid-19 Related Rent Reductions beyond June 30, 2021

In March 2021, the IASB issued amendments to IFRS 16 to extend from June 30, 2021 to June 30, 2022, the practical expedient for lessees caused by rent reductions occurring as a direct consequence of the Covid-19 pandemic.

The cumulative effect of applying the amendment will be recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied by the lessee.

The amendments were incorporated by Decree 1611/2022.

4. Fair Value Estimation

The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt and equity securities and derivatives actively traded on stock exchanges or interbank markets) are based on market prices quoted at the close of trading and at the closing date of the year supplied by companies specializing in providing prices.

An active market is a market in which transactions for assets or liabilities are carried out with sufficient frequency and volume in order to provide price information on an ongoing basis.

The average and estimated prices are calculated as follows:

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4. Fair Value Estimation (continued)

Average Price

Average price: Dirty price with three decimal places you get from weighted average of dirty trading prices for the same asset class. The dirty average price is only calculated with trades made that have passed the filters set on the day of calculations, taking into account that it is the same asset class, similar characteristics and the same maturity date.

This average price for valuation purposes is refreshed daily. Consequently, if the following day there is insufficient information to recalculate the average price, the new price will not be published and the estimated margin or price will be calculated and published using a margin and reference rate.

When it is not possible to calculate average price, in accordance with the above and an index has been obtained as a reference rate, the estimated price is the dirty price with three decimal places that is obtained as a result of finding the present value of the flows of an asset, discounting them with the reference rate and the corresponding margin.

The fair value of financial assets and liabilities that are not traded on an active market is determined by valuation techniques, using the inputs provided by Precia.

Valuation techniques used for non-standardized financial instruments such as options, foreign exchange swaps and over-the-counter market derivatives include the use of recent similar transactions on a like for like basis, references to other instruments substantially equal, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants who make the most of market data and rely as little as possible on specific data from entities.

The fair valuation technique follows the hierarchy levels below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the measurement date
- Level 2 entries are different entries from the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are non-observable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is fully classified is determined on the basis of the entry levels used by the price provider (according to the methodology above) and those used by the Trustee (for financial instruments).

At December 31, 2022, the hierarchy of prices will be disclosed as follows:

Hierarchy	Conclusion
Level 1 These are quoted prices (non-adjusted) in active markets for identical assets or liabilities the entity may access on the measurement date.	The assets and liabilities that have an active market will be disclosed, which provides a more reliable measurement of the fair value and will be used without adjustments to their value.

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4. Fair Value Estimation (continued)

Average Price (continued)

Hierarchy	Conclusion
<p>Level 2 These are different from the prices quoted included in Level 1 which are observable for assets or liabilities, directly or indirectly.</p>	<p>The following will be disclosed:</p> <ul style="list-style-type: none"> • Assets and liabilities that have an active market and that have been valued with the average price or the price of the market reported by Precia. • Assets are valued based on the approach of revenues; this is considered as the more accurate measure for the measure of the value of assets that produce revenues.
<p>Level 3 These are non-observable inputs for the asset.</p>	<p>No title will be disclosed in this category. Non-observable variables will be used to determine the fair value of the assets or liabilities that do not have an active market. This measurement does not include risk adjustments and will be determined based on those that market participants will include to set the price of an asset or liability.</p>

On the other hand, in Colombia there is no market where prices of mutual funds are traded. The value of contributions in a mutual fund is measured through units representing shares of the equity value of the respective fund.

The value of the unit, which represents the yields that have been obtained, is determined by the total amount of resources contributed more or less the return on the investments that make up the portfolio. These yields are given by the valuation of the assets invested by the fund and therefore the hierarchy level is determined by the levels of those assets.

The level of Hierarchy of the PEI for investment properties is Level 2, the hierarchy of the calculation of the fair value of assets and liabilities from higher to lower objectivity, which are obtained through the verification of an active or similar market, such verification is performed by updating the investment properties with appraisals that will be performed annually in the months in which each one expires, in order to maintain the fair value of the properties at the close of each fiscal year, the value of the properties will be updated daily with the increase of the CPI.

Quoted prices in markets, available in the market, but viable for the entity; with prices quoted in active markets and variables other than quoted prices such as interest rates, yield curves and assumed volatilities.

The trust company has investments in collective investment funds (for the holdings that have the joint ventures) which investment portfolios are comprised mostly of fixed income securities that are valued by the prices published by Precia. Since these assets are level 1 or level 2, the Trust has classified investments in collective investment funds as level 2.

The following table analyzes, within the fair value hierarchy, the assets measured at fair value as of December 31, 2022 and December 31, 2021:

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
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Notes to the Financial Statements

4. Fair Value Estimation (continued)

Average Price (continued)

Assets at fair value with any revaluation adjustments through P&L Level 2:

	At December 31,	
	2022	2021
Assets		
Equity instruments		
Collective investment funds	\$ 46,498,890	\$ 27,588,012
Non-financial assets		
Investment properties	<u>8,252,089,483</u>	<u>7,405,914,648</u>
	<u>\$ 8,298,588,373</u>	<u>\$ 7,433,502,660</u>

During the reporting period, no transfers were made between the hierarchy levels of the fair value used to measure the fair value of the financial instruments.

5. Administration and Risk Management

The PEI is exposed to the following risks related to the use of financial instruments and its investment properties:

- Market risk
- Liquidity risk
- Interest rate risk
- Operational risk
- Money laundering and terrorism financing risk
- Strategic risks

This note reflects information regarding the Trust exposure to each of the stated risks, the objectives and procedures adopted to measure and manage the risk.

• Market Risk

The market risk of PEI is managed by the Trust and measured through the various analyses that are carried out based on recognized techniques for the management of financial risk, with the aim of controlling the levels of loss the trust can be exposed to in its investments of financial assets by volatility in the markets in which it participates in.

Senior Management of Trustee actively participates in the management and control of risks, through the analysis of an established reporting protocol and the conduction of Committees, which integrally follow up both technical and fundamental analysis on the different factors that influence the markets internally and externally, in order to support strategic decisions.

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Market Risk (continued)**

The risks assumed in the management of the PEI are consistent with the trust agreement and are controlled through a structure of limits for positions in different instruments according to their legal feasibility, nature and purpose of the trust, specific strategy, the depth of the markets in which they operate and their impact on profitability and volatility. These limits are monitored daily and any breach is reported to the Risk and Investment Committee.

Thus, the analysis and follow-up of the different risks incurred by PEI in its operations is essential for decision making. On the other hand, a permanent analysis of macroeconomic conditions is fundamental in achieving an optimal combination of risk, profitability, volatility and liquidity.

The Trustee as administrator of the PEI, uses the standard model for the measurement, control and management of the market risk of interest rates, exchange rates and stock prices, in accordance with the requirements of the Finance Superintendence contained in Chapter XXI of the Basic Accounting and Financial Circular. These exercises are performed on a monthly basis for each of the risk exposures of each fund or portfolio managed by the Trust Company. This Value at Risk is calculated with a time horizon of 10 days.

The Trustee as administrator of the PEI, has established trading quotas per operator for each of the trading platforms of the markets in which it operates. These quotas are controlled daily by the Middle Office. The negotiation limits by operator are assigned to the various hierarchical levels of the front office area in accordance with the experience of the official in the market, in the negotiation of these type of products and in the management of portfolios.

Lastly, within the monitoring activities of the operations, different aspects of the negotiations are controlled, such as conditions agreed, unusual operations or anything conducted outside the market, operations with related parties, etc.

a. Fair value risk for interest rate and FIC unit value

Interest rate risks result from the effects of fluctuations in the current levels of market interest rates on the fair value of financial assets. The PEI may invest in fixed or floating rate securities that expose it to interest rate risk in fair value. The Trustee manages this risk by applying the standard risk factor methodology that reflects the inter-dependencies between the different risk variables PEI is subject to, due to the nature of its investments.

The sensitivity analysis is shown below by means of the value in the Standard Risk Model at December 31, 2022 (figures in thousands of pesos):

Value at Risk by Factors	Value
Collective investment Funds	\$ 21,443

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

b. Credit Risk

PEI is exposed to credit risk, which is the risk that one of the parties to a financial instrument will cause a financial loss for the other party due to non-compliance with an obligation.

The largest concentration to which the PEI is exposed results from investments in debt securities. The PEI is also exposed to counterparty credit risk on derivative products and money market transactions.

Credit risk management in the treasury operations of the PEI's portfolio includes the evaluation and rating of the different issuers of securities, in order to assess the credit quality of such issuers. This evaluation is carried out by means of a rating model developed internally, through which the financial indicators of the issuing entities are permanently monitored.

Concentration risk management includes the diversification of the portfolio through the allocation of quotas in multiple investment alternatives, guaranteeing the diversification of credit risk.

On the other hand, counterparty risk management is based on the permanent evaluation of the performance of the entities with which treasury operations are entered into, as well as the definition of DVP compliance in approved settlement and clearing systems – for any operation pending compliance.

• **Liquidity Risk**

PEI is required to meet certain obligations and this exposes PEI to the risk of not having available resources to meet them, i.e., liquidity risk. However, since its resources are invested in sight deposits and Mutual Funds, its liquidity risk is mitigated by the fact that the aforementioned instruments are at sight and have immediate availability of resources.

On the other hand, in the case of the Mutual Funds, Fiduciaria Corficolombiana S.A., as administrator of PEI, has a liquidity risk management system (SARL) which allows measuring, identifying, controlling and monitoring the liquidity risks associated with its operation and thus being able to efficiently manage such risk and generate sufficient cash sources to meet its obligations with investors, among them the managed Trusts.

Asset Type	Less than three months	Between three months and one year	Value
Collective Investment Funds	\$ 45,100,008	\$ –	\$ 45,100,008
	\$ 45,100,008	\$ –	\$ 45,100,008

• **Risk of Interest Rate**

PEI has significant liabilities, represented mainly by bank loans, and ordinary bonds subject to variations in the interest rates and mainly to inflation.

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Risk of Interest Rate (continued)**

PEI manages this risk by constantly evaluating the evolution of national and international market interest rates, as well as inflation indexes in order to quantify and mitigate the risks associated with the financial cost of liabilities. Likewise, and taking into account the natural hedging through increases in lease payments, which are contractually indexed to inflation; as of December 2022, approximately 12.68% of its debt portfolio is indexed to fixed rates, as interest rate risk mitigation measures.

Interest Rate Sensitivity

The interest rate risk is the risk of fluctuation in the fair value of the future cash flow of a financial instrument, due to changes in market interest rates. Considering that at the end of December 31, 2022, approximately 12.68% of the debt portfolio is indexed to fixed rates, the exposure of equity to the risk of changes in market interest rates would be mainly related to short and long-term debt obligations indexed to inflation and the Bank Reference Indicator (IBR). The following is information about financial instruments with interest rates indexed to the CPI and the IBR.

	<u>Balance as of December 31, 2022</u>	<u>CPI 12 months as of December 31, 2022</u>	<u>CPI Variation in Basic Points</u>	<u>Effect Interest on Profits before Taxes per Quarter</u>
Financial obligations indexed to CPI	\$ 1,317,254,621	13.12%	+/- 25pbs	\$ 3,376,307
Financial obligations indexed to IBR	1,365,115,556	11.66%	+/- 25pbs	3,789,701

• **Operating Risk**

Fiduciaria Corficolombiana and specifically the special business unit is not immune to the operational shortcomings presented in the daily management of its processes, nor is it possible to completely eliminate them. Additionally, the uncertainty due to operational issues is constantly changing due to the evolution of processes, technology, organization and its environment.

Based on the above, it is established that the factors/sources that originate operational risk are classified as follows:

- Human resources
- Processes
- Technology
- Infrastructure
- External events

And the operational risk typologies are established in the following categories:

- Internal Fraud
- External Fraud
- Labor relations and occupational safety

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Operating Risk (continued)**

- Customers, products and business practices
- Damage to physical assets
- Technology failures
- Process management execution

According to the above and in order to ensure an efficient relationship between profitability and risk, ensuring that the assumed risk level is in line with the defined objectives and thresholds, Fiduciaria Corficolombiana has an Operational Risk Management System (SARO) implemented and managed in accordance with the guidelines established in Chapter XXIII of the Basic Accounting and Financial Circular (External Circular 100/1995), issued by the Finance Superintendence of Colombia and the definitions established from the Governance, Risk and Compliance initiatives.

At the end of 2022, for the Macro-process of Special Business Management, 86% of the operational risks correspond to the typology of process management execution, 10% to internal fraud and 4% to the typology of Customers, products and business practices. Regarding the behavior of the risk profile, it is conservative*, given that 100% of the net risks (risk level after implementing controls) are at a moderate level and there are no risks at an extreme level.

**The level of the net risk profile is determined based on the inherent risk rating by the process owners and the rating of the effectiveness of the controls based on their characteristics. These ratings are updated based on the analysis of the behavior of the risks materialized by operational risk events and the result of the walkthrough tests performed on key controls of the entity's processes.*

In order to maintain this risk profile, the entity has a total of 82 unique controls that mitigate the identified operational risks.

For an adequate management and monitoring of the operational risk profile, the following methodological structure is available.

SARO

- Risk Matrix Management
- Event Management
- Walk-through Test Management
- Third Party Risk Management
- Indicator Management
- Training Program

With this structure it is possible to have a timely and effective monitoring of the risk profile in order to take specific actions and decisions to mitigate its materializations.

Finally, with respect to the recording of events during 2022, there are 2 type B events (do not generate losses and therefore do not affect the entity's income statement) associated with the business. These events have the respective action plans aimed at correcting and mitigating future materializations of the incidents.

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Money Laundering and Terrorism Financing Risk**

The money laundering and terrorism financing risks are understood as the possibility of economic loss or damage to the good name that the Entity could suffer if it were used directly or through its operations as an instrument for money laundering, or for the channeling of resources to carry out terrorist activities and/or financing of weapons of mass destruction, or when it is intended to hide assets from such activities through the Entity.

In view of the above, and aware of its commitment to fighting the activities of illegal actors, the Trust Company, in compliance with the provisions of the Finance Superintendence of Colombia, adopted the necessary mechanisms to prevent the occurrence of events that may negatively affect its results and business.

For this reason, Fiduciaria Corficolombiana S.A. has a Risk Management System for Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, hereinafter SARLAFT/FPWMD, which is integrated by stages, elements, policies, procedures and methodologies for the identification, evaluation, control and monitoring of these risks, as well as the knowledge of the clients, their operations with the Trust Company and the market segments served; the system, which is contained in the SARLAFT/FPWMD Manual approved by the Board of Directors, also considers the monitoring of transactions, staff training and collaboration with the authorities, and is managed by the Corporate Chief Compliance Officer, who is responsible for evaluating the prevention and control mechanisms, in order to establish their effectiveness and compliance by all officers of the Trust Company.

Within the framework of the regulations of the Finance Superintendence of Colombia and especially following the instructions given in Part I Title IV Chapter IV of the Basic Legal Circular, Fiduciaria Corficolombiana S.A. presents satisfactory results in the management carried out in relation to SARLAFT/FPWMD, which are in accordance with the regulations in force, the policies and methodologies adopted by the Board of Directors and the recommendations of the international standards related to the subject.

During 2022, the SARLAFT/FPWMD activities were developed taking into account the methodologies adopted by the Trust Company, which allowed continuing with the mitigation of risks through the application of the controls designed for each of the risk factors defined in the regulations in force. According to the valuations made based on the methodologies described above, the entity remains at a "low" risk exposure level. During the period there were no situations that were contrary to the good reputation that the Trust Company has maintained in terms of ML/FT/FPWMD.

The Trust Company has technological tools that have allowed it to implement the customer knowledge policy and the monitoring of warning signs in order to identify unusual transactions and report suspicious transactions to the Financial Information and Analysis Unit (UIAF), according to the terms established by law. The system also contains segmentation models of risk factors, i.e., customers, products, distribution channels and jurisdictions, which allow the entity to identify risks and detect unusual operations based on the profile of the segments.

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Money Laundering and Financing of Terrorism Risk (continued)**

On the other hand, in order to promote and consolidate the culture of prevention, the Trust Company has an institutional training program aimed at its collaborators, in which knowledge and relevant information is transmitted and guidelines are given regarding the regulatory framework and the control mechanisms in place for the prevention of the risk of money laundering and the financing of terrorism.

Regarding the duty to cooperate with the authorities, and in compliance with the provisions of the law, the Trust Company timely submitted the institutional reports and information to the Information and Financial Analysis and Information Unit (UIAF), and complied with the information requests submitted by the authorities.

The monitoring of the controls to prevent these risks is carried out by the Chief Compliance Officer and its alternate; likewise, the Internal Audit and the Statutory Auditor's Office exercise supervision, as well as the administration and the Board of Directors through the reports submitted periodically by the Chief Compliance Officer and the Statutory Auditor. According to the results of the different stages of SARLAFT/FPWMD, the reports of the control entities and the pronouncements of the Board of Directors in relation to the reports submitted by the Chief Compliance Officer on a quarterly basis, the entity maintains an adequate management of the ML/FT/FPWMD risk. During the year, the reports submitted by the Internal Audit and the Statutory Auditor's Office were considered, in order to implement the recommendations and action plans derived from such evaluations.

On the other hand, the Trust Company implemented External Circular 018 of July 8, 2022 issued by the Finance Superintendence of Colombia, which creates the new information gathering structure for the provision of data on the identification and management of alerted, unusual and suspicious operations.

Likewise, activities were carried out for the implementation of External Circular 011 of May 20, 2022 issued by the Finance Superintendence of Colombia on the final beneficiaries of legal entities and unincorporated structures, inclusion of the concept of senior management in the processes of knowledge of customers categorized as politically exposed persons and suspicious operation reports.

• **Strategic Risks**

In 2021, an assessment and update of the risks to which PEI is exposed was carried out, which identified that the risk sources are related to: (i) Management risks of change or business model that may affect the profitable growth in a competitive environment, (ii) risk that the offer of products and services causes an added value below than expected, and (iii) risks of technological changes affecting the vehicle, its target market and the strategy development.

In order to mitigate the change or business model risk management, the real estate manager reviewed the long-term strategy and together with an external consultant for the years 2020 and 2021, structured a work and plan of key activities to respond quickly to changes in the needs of the real estate market, which includes facing greater competition, therefore affecting the availability of capital resources and increasing the offer prices in the real estate market and the digital transformation plan was designed to address the enabling needs of the business and strategy support.

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Notes to the Financial Statements

5. Administration and Risk Management (continued)

• **Strategic Risks**

In 2022, the real estate manager followed up on the materiality of the strategic risks identified in the assessment performed in 2021. The follow-up had the following objectives: (i) review the strategic risks identified, (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) follow up on the roadmap designed in 2021 to improve the risk management process.

In this sense, the 2022 roadmap had as its focus, the treatment and action plan for risks that impede the execution of the strategy. In this way, the real estate manager, together with the Advisory Committee, followed up on the materiality of the risks and the understanding of their impact under economic and ESG criteria. This resulted in a prioritization of attention to risks, taking into account the mitigation of the impact and reduction of the probability of occurrence through the joint implementation of new controls and the strengthening of existing controls.

6. Use of Estimations and Judgments

The preparation of the financial statements in accordance with accounting and financial reporting standards accepted in Colombia requires the PEI to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities and contingent liabilities on the balance sheet date, as well as the income and expenses for the year. Actual results may differ from these estimates. The relevant estimates and assumptions are reviewed regularly.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information on critical judgments in the application of accounting policies that have the most significant effect on the financial statements is described in the following notes:

- Note 10 – Accounts receivable, as it relates to impairment.
- Note 12 – Investment properties.

7. Cash

Below is the detail of cash:

	At December 31,	
	2022	2021
Banco de Occidente	\$ 1,344,081	\$ 15,576,293
Banco Davivienda	173,704	56,817
Banco Itaú	125,830	1,294,222
Banco Avvillas	64,824	–
Bancolombia	16,451	577,443

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Notes to the Financial Statements

7. Cash (continued)

	At December 31,	
	2022	2021
Banco Colpatría	15,330	10,126,564
Banco de Bogotá	52	–
	1,740,272	27,631,339
Banks in joint operation	15,983,089	6,842,190
Petty cash in joint operation	165,162	64,310
	16,148,251	6,906,500
	\$ 17,888,523	\$ 34,537,839

Bank balances are available and there are no restrictions on their use.

As of December 31, 2022 and 2021 bank balances earn an annual effective interest, in accordance with the rates determined by the corresponding banks.

8. Investments at Fair Value with Changes to Comprehensive Income

Detail of investments at fair value with changes to Comprehensive Income:

	At December 31,	
	2022	2021
Investments in Collective Investment Funds		
FIC Skandia Efectivo	\$ 19,877,621	\$ 142,885
FIC Abierta Valor Plus	11,908,985	12,690,956
FIC Fiducuenta	7,904	7,408
FIC Sumar	7,795	85,055
FIC Corredores Davivienda	2,029	29,348
FIC Occirenta	1,565	129,741
	\$ 31,805,899	\$ 13,085,393
Investments in Collective Investment Funds Joint Operation (a)	\$ 13,687,651	\$ 14,502,619
Joint operation Time Deposit (CDT)	1,005,340	–
	14,692,991	14,502,619
	\$ 46,498,890	\$ 27,588,012

(a) Corresponds to investments in Joint Operation Collective Investment Funds, as detailed:

	At December 31,	
	2022	2021
FIC Valor Plus – Jardín Plaza Cali	\$ 2,590,638	\$ 1,246,421
FIC Confianza Plus – Nuestro Bogotá	2,366,171	1,547,635
FIC Valor Plus – Unico	1,461,067	1,367,610
FIC Valor Plus – Rivana	1,267,887	–
FIC Alianza – Jardín Plaza Cúcuta	1,124,695	544,518

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Notes to the Financial Statements

8. Investments at Fair Value with Changes to Income (continued)

	At December 31,	
	2022	2021
FIC Confianza Plus – Nuestro Montería	1,169,194	1,024,334
FIC Valor Plus – City U	1,036,006	970,697
FIC Valor Plus – Ideo Itagüí	708,079	477,004
FIC Alianza – El Tesoro Etapa 4	532,475	1,013,482
FIC Confianza Plus – Ideo Cali	410,458	456,669
FIC Confianza Plus – Nuestro Cartago	382,301	488,769
FIC Valor Plus – Atrio Torre Norte	282,687	94,751
FIC Alianza – Student Living Cañasgordas (Boho)	182,239	–
FIC Valor Plus – Hotel Calablanca Barú	172,539	–
Credicorp Capital Fiduciaria S.A.	1,089	1,030
FIC Valor Plus – C–26	116	110
Fideicomiso Aktivos II	10	–
FIC Valor Plus – Plaza central	–	5,269,589
	\$ 13,687,651	\$ 14,502,619

As at December 31, 2022 and 2021 there were no restrictions on investments.

Detailed below, is the credit rating of the entities where investments are deposited.

Entity	Credit Rating Agency	Credit Rating
FIC Skandia Efectivo	Fitch Ratings Colombia – S1	S3/AAAF (col)
FIC Abierta Valor Plus	Fitch Ratings Colombia	S2/AAAF (Col)
FIC Fiducuenta	Fitch Ratings Colombia S.A. SCV	S1/AAAF (col)
FIC Sumar	BRC Standard & Poor’s	F AAA /2/BRC1+
FIC Corredores Davivienda	BRC Investor Service	F AAA
FIC Occirenta	BRC Investor Services S.A	AAA/ 2+

These resources are invested in FIC’s in order to constitute investments with liquidity surpluses of PEI to manage the operation.

9. Inventories

Below is the detail of inventories:

	At December 31,	
	2022	2021
Assets held for sale (a)	\$ 1,902,198	\$ –
Joint operation (b)		
Food	\$ 372,386	\$ –
Beverages	326,700	–

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Notes to the Financial Statements

9. Inventories (continued)

	At December 31,	
	2022	2021
Supplies	265,100	–
	964,186	–
	\$ 2,866,384	\$ –

(a) Corresponds to Addendum 2 of the promise to purchase number 3431 of the property Éxito Cedi executed between the Instituto de Desarrollo Urbano and Fiduciaria Corficolombiana S.A. in June 2022.

(b) Corresponds to the inventories that are available for sale in the Hotel Calablanca Barú.

10. Accounts Receivable, Net

	At December 31,	
	2022	2021
Detail of accounts receivable:		
Leases (a)	\$ 5,990,222	\$ 15,650,937
Taxes	1,291,814	837,274
Advances from contracts and suppliers	664,359	1,278,669
Miscellaneous (b)	8,140,387	11,553,544
Impairment of accounts receivable (c)	(5,646,600)	(14,776,894)
	\$ 10,440,182	\$ 14,543,530
Joint operation		
Estimate of variable income	\$ 9,077,934	\$ 8,300,548
Miscellaneous (d)	4,617,571	340,320
Other services (e)	4,283,338	472,655
Monthly concession	2,727,921	6,719,815
Advances of contracts and suppliers	1,687,099	542,691
Remittance of surpluses	1,050,106	1,152,044
Other accounts receivable	673,397	476,027
Administration and fund of common expenses	271,510	1,268,965
Estimate of other concepts	180,159	175,610
Trade	119,982	161,483
Impairment of accounts receivable (f)	(1,979,640)	(3,844,745)
	22,709,377	15,765,413
	\$ 33,149,559	\$ 30,308,943

Long-Term Accounts Receivable

Detail of long-term accounts receivable, which corresponds to the financial reliefs granted to lessees, according to specific conditions:

	At December 31,	
	2021	2020
Leases (a)	\$ 899,307	\$ 160,834
Grupo Seratta S.A.S.	650,097	–
	1,549,404	160,834

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Notes to the Financial Statements

10. Accounts Receivable, Net (continued)

Long-Term Accounts Receivable (continued)

	At December 31,	
	2021	2020
Joint operation leases		
Plaza Central (g)(*)	–	1,124,139
	–	1,124,139
	1,549,404	1,284,973
Short-term accounts receivable	33,149,559	30,308,943
Long-term accounts receivable	1,549,404	1,284,973
	\$ 34,698,963	\$ 31,593,916

(a) Recorded is the amount generated for the lease payments as detailed below:

	At December 31,	
	2022	2021
Logistica de Distribucion Sanchez Polo S.A (1)	\$ 3,058,255	\$ 3,197,089
Multiplika Plaza Central	864,213	–
Inversiones Toronto S.A.S.	790,650	–
Red Especializada en Transporte Redetrans Ltda	699,273	699,273
Other third parties	545,839	553,941
Golfmaster S.A.S.	264,055	–
Estudio de Moda S.A.S.	187,356	–
Andirent S.A.S. (2)	152,565	1,046,350
Grupo Ikigai S.A.S	139,397	–
Multiplika S.A.S. – Atlantis	116,254	441,971
Metlife Colombia Seguros de Vida S.A.	71,672	165,115
Johnson y Johnson de Colombia S.A.	–	893,208
Industria Gráfica Latinoamérica S.A.	–	415,364
Inversiones en Recreación Deporte y Salud S.A.	–	96,635
Uros Salud Integral S.A.S	–	291,551
Alfacer del Caribe S.A. (3)	–	8,011,274
	\$ 6,889,529	\$ 15,811,771

(*) As of January 1, 2022, the Plaza Central Operating Trust, where PEI held 100% of the trust rights, was liquidated and the entire operation, assets and liabilities were recorded directly in Equity.

- (1) This corresponds to the billing from January to September 2022, less credit entries in such period. Additionally, the client is in a restructuring process since August 2017 and its portfolio is 100% impaired under IFRS 9.
- (2) This corresponds to the billing from January to September 2022, less credit entries in such period. Additionally, the client is in a restructuring process since August 2017 and its portfolio is 100% impaired under IFRS 9.
- (3) The decrease in the portfolio corresponds to the dation in payment of the property made by the lessee Alfacer del Caribe, whose portfolio was 100% impaired under IFRS 9.

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Notes to the Financial Statements

10. Accounts Receivable, Net (continued)

Long-Term Accounts Receivable (continued)

(b) Detailed below are the diverse accounts receivable:

	At December 31,	
	2022	2021
Other services (i)	\$ 2,763,235	\$ 717,876
Other (ii)	1,518,697	438,972
Risk coverage of non-occupation (iii)	1,452,960	7,519,903
Moratory interests	544,073	1,334,521
Administration and common fund quota of expenses	540,133	418,567
Other accounts receivable from Settlers	523,806	978,764
Account receivable from mandate contracts	392,716	-
Utilities	267,003	71,314
Accounts receivable mandate agreements	137,764	73,627
	\$ 8,140,387	\$ 11,553,544

(i) Corresponds mainly to the short term recoverable capex granted to Grupo Seratta S.A.S. for \$1,864,847, Cleaning services M4 to Colombia Móvil S.A. ESP for \$213,074 and others for \$685,314.

(ii) Corresponds mainly to operation interest Jardín Plaza Expansión Zona Norte from June 30 to September 30, 2022 for \$408,155, claim process before the Medellín tax office for property tax for \$342,546, collection of utilities from the agent of MTS Administración Total S.A. for \$184,349, loan collection from 2 ATMs for \$180,000, surplus from Tesoro Etapa 4 for \$374,330 and other items for \$29,317.

(iii) Corresponds to non-occupation income agreed in the following real estate:

	At December 31,	
	2022	2021
Alianza Fiduciaria S.A. – Nuestro Bogotá	\$ 1,452,960	\$ 483,672
Alianza Fiduciaria S.A. – Jardín Plaza Cúcuta	-	6,375,540
Alianza Fiduciaria S.A. – Nuestro Cartago	-	619,735
Alianza Fiduciaria S.A. – Nuestro Montería	-	40,956
	\$ 1,452,960	\$ 7,519,903

(c) The impairment of accounts receivable is detailed below.

	At December 31,	
	2022	2021
Initial balance	\$ 14,776,894	\$ 21,093,186
Balances Plaza Central (*)	961,870	-
Accounts receivable written off	-	(533,267)
Dation Alfacer Lots A, B and D	(17,914,270)	-
Impairment	7,822,106	-
Recovery of portfolio	-	(5,783,025)
Final balance	\$ 5,646,600	\$ 14,776,894

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
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Notes to the Financial Statements

10. Accounts Receivable, Net (continued)

Long-Term Accounts Receivable (continued)

(d) The diverse receivables in the joint operations are detailed below:

	At December 31,	
	2022	2021
Sales tax receivable (i)	\$ 3,195,743	\$ –
Mandate accounts receivable (ii)	1,033,771	25,738
Accounts to be distributed	326,815	212,816
Moratory interests	30,043	53,018
Utilities	31,199	48,748
	\$ 4,617,571	\$ 340,320

(i) Corresponds to the deductible VAT of Calablanca Baru joint operation.

(ii) Corresponds to mandate accounts receivable in the joint operation businesses for advances given for the operation of shopping centers.

(e) Corresponds mainly to the inclusion of the joint operation of Hotel Calablanca Barú for hotel reservations of \$1,023,398, Jardín Plaza Cali for advances made for the payment to suppliers of Zona Norte Etapa 2 for \$2,607,387 and the other co-investments increased by \$652,553.

(f) The impairment of accounts receivable in joint operations is detailed below:

	At December 31,	
	2022	2021
Initial balance	\$ 3,844,745	\$ 4,385,625
Impairment	115,628	1,025,944
Integration(*)	60,430	327,228
Recovery of portfolio	(1,079,293)	(1,894,052)
Balances Plaza Central (*)	(961,870)	–
Ending balance	\$ 1,979,640	\$ 3,844,745

(*) As of January 1, 2022, the Plaza Central Operating Trust, where PEI held 100% of the trust rights, was liquidated and the entire operation, assets and liabilities were recorded directly in Equity.

(g) Below is the detail of the long-term portfolio of Plaza Central:

	At December 31,	
	2022	2021
Inversiones Toronto SAS	\$ –	\$ 613,025
Estudio de Moda SAS	–	159,562
Golfmaster SAS	–	111,634
Renatus TQ SAS	–	162,748
Club Central de Bolos SAS	–	52,851
Financial Relief	–	24,319
	\$ –	\$ 1,124,139

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Notes to the Financial Statements

11. Other Assets

Below is the breakdown of the other assets:

	At December 31,	
	2021	2020
Incentives for contribution of work	\$ 1,346,276	\$ 273,513
Multirisk policy (a)	680,889	513,709
Incentives for grace periods	546,687	96,344
Other (b)	500,870	442,037
Financial relief (c) (*)	436,015	–
Civil liability policy (a)	52,288	34,512
Payments in kind	14,420	–
	\$ 3,577,445	\$ 1,360,115
Joint operation		
Insurance	\$ 437,164	\$ 434,656
Incentives for grace periods	335,566	786,489
Incentives for contribution of work	271,364	757,103
Other assets	228,850	87,412
Financial relief (c)	–	1,049,894
	1,272,944	3,115,554
	\$ 4,850,389	\$ 4,475,669

Below is the detail of the other long-term assets:

	At December 31,	
	2022	2021
Trust accounts in guarantee (d)	\$ 13,294,111	\$ 11,502,930
Incentives for contributions of work (*)	9,820,236	547,566
Incentives for grace periods	1,575,538	85,862
Financial relief (c) (*)	1,440,099	–
Prepaid expenses (e)	1,270,000	1,345,407
Other prepaid expenses	–	18,536
	\$ 27,399,984	\$ 13,500,301

(*) As of January 1, 2022, the Plaza Central Operating Trust, where PEI held 100% of the trust rights, was liquidated and the entire operation, assets and liabilities were recorded directly in Equity.

	At December 31,	
	2022	2021
Joint operation		
Incentives for contributions of work	\$ 1,813,886	\$ 9,257,296
Incentives for grace periods	887,259	1,619,956
Trust accounts in guarantee (e)	–	639,747
Financial relief (c)	–	1,876,114
	2,701,145	13,393,113
	\$ 30,101,129	\$ 26,893,414

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
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Notes to the Financial Statements

11. Other Assets (continued)

	At December 31,	
	2021	2020
Other short-term assets	\$ 4,850,389	\$ 4,475,669
Other long-term assets	30,101,129	26,893,414
	\$ 34,951,518	\$ 31,369,083

(a) At December 31, 2022, PEI has four policies that are recorded as an expense paid in advance for insurance, as follows:

Entity	Coverage	Policy No.	Term	Insured Value
Zúrich Colombia Seguros S.A.	Liability for injury, death and/or property damage.	LRCG-31477743-1	03/16/2022 / 03/15/2023	\$ 40,000,000
Zúrich Colombia Seguros S.A.	Civil Liability	LRCG-40197842-1	05/04/2022 / 03/15/2023	40,000,000
Zúrich Colombia Seguros S.A.	Directors and/or managers of the insurance company	DOFF-66268853- 62082631-62295333-1	10/19/2022 / 10/18/2023	USD 30,000
Chubb Seguros Colombia	Multi-risk	54800 -54822	03/15/2022 / 03/15/2023	5,067,317,048

(b) Corresponds to the policies acquired for the properties Alfacer, Plaza Central, Redetrans, Rivana and Megaport for \$496,057 and to the value paid in advance to the superintendence of notaries and registry for the downloading of certificates of conveyance and clearance for \$4,813.

(c) Corresponds to the application of IFRS 16 financial relief granted to tenants due to the health emergency caused by COVID 19 for Plaza Central.

(d) PEI constitutes these trust accounts, which correspond to the value retained as guarantee in lease contracts, are classified as other long-term assets because they are restricted. These trust accounts are held in mutual funds.

(e) Corresponds to the expenses paid in advance to Pei Asset Management S.A.S. by the structuring commission for the acquisition of the properties which are legalized as the properties receive the titles; these advances are non-current.

Disbursement Date	Advanced Expenses Structuring Commission	At December 31,	
		2022	2021
12/29/2016	Davienda Portfolio	\$ -	\$ 75,407
06/30/2017	Casa Atlantis	100,000	100,000
12/29/2017	Nutresa Cartagena	1,170,000	1,170,000
		\$ 1,270,000	\$ 1,345,407

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
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Notes to the Financial Statements

12. Investment Properties

Below is a detail of investment properties:

	At December 31,	
	2021	2020
Land and buildings (1)	\$ 7,741,913,565	\$ 7,021,436,102
Constructions in progress (2)	26,612,706	12,546,077
Advances (3)	106,503,275	33,663,888
	\$ 7,875,029,546	\$ 7,067,646,067
Joint Operations		
Land and Buildings – Jardín Plaza (1)	\$ 310,079,151	\$ 283,488,729
Land and Buildings – Jardín Plaza Cúcuta (1)	97,706,403	86,088,812
Land and Buildings – Student Living Cañasgordas (Boho) (1)	26,965,401	–
Buildings – P.A C.C. Outlets Consolidadora (1)	50,637,412	2,272,572
Buildings – Plaza Central (1)	–	12,318,901
Buildings – City U (1)	24,253,527	309,532
Edificios – Ideo Cali (1)	299,175	–
Edificios – Ideo Itagüi (1)	234,849	–
Constructions in progress – Jardín Plaza Cali (2)	8,369,782	694,988
Constructions in progress – Jardín Plaza Cúcuta (2)	162,828	901,240
Constructions in progress – Plaza Central (2)	–	2,412,737
Constructions in progress – El Tesoro Etapa 4 (2)	11,718,315	20,231,659
Constructions in progress – Ideo Cali (2)	99,427	240,181
Constructions in progress – Ideo Itagüi (2)	533,084	309,845
Constructions in progress – City U (2)	638,898	–
Constructions in progress – P.A. C.C Outlets Consolidadora (2)	6,854,388	712,826
Constructions in progress – Calablanca (2)	62,160	–
Advances – Plaza Central (3)	–	901,307
Advances – Jardín Plaza (3)	337,330	–
Advances – City U (3)	37,758	26,041
Advances – P.A. C.C Outlets Consolidadora (3)	292,495	1,927,706
	539,282,383	412,837,046
	\$ 8,414,311,929	\$ 7,480,483,113

(1) Corresponds to investment properties measured at fair value:

	At December 31,	
	2022	2021
Initial balance	\$ 7,021,436,102	\$ 6,073,108,952
Plaza Central Transfer	12,318,901	–
Improvements / acquisitions of the year (a)	135,457,787	845,266,889
Sales of the year (b)	(765,974)	(3,730,388)
Assets written off of the year (b)	(5,370,701)	(283,770)
Transfer to inventory (c)	(1,902,198)	–
Valuation, net (c)	580,739,648	107,074,419
Final balance	7,741,913,565	7,021,436,102

Patrimonio Autónomo Estrategias Inmobiliarias (3-2-4241)
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Notes to the Financial Statements

12. Investment Properties (continued)

	At December 31,	
	2022	2021
Joint operations		
Initial balance	384,478,546	288,417,502
Plaza Central Transfer	(12,318,901)	–
Acquisitions of the year – Plaza Central (a)	–	917,009
Acquisitions – Únicos (a)	47,992,891	–
Acquisitions – City U (a)	23,943,995	68,194
Acquisition Student Living Cañasgordas (Boho) (a)	27,012,460	–
Improvements Jardín Plaza Cucuta (a)	3,026,805	–
Improvements Jardín Plaza (a)	1,311,686	87,745,724
Improvements Ideo Itagui (a)	234,849	–
Improvements Ideo Cali (a)	299,175	–
Assets written off of the year – Jardín Plaza	–	(401,102)
Valuation – Plaza Central (d)	–	410,162
Valuation – Jardín Plaza Cali (d)	25,278,735	3,740,174
Valuation – Jardín Plaza Cúcuta (d)	8,590,787	3,455,526
Valuation – Student Living Cañasgordas (Boho) (d)	(47,059)	–
Valuation – P.A. C.C Outlets Consolidadora (d)	371,949	125,357
Final balance	<u>510,175,918</u>	<u>384,478,546</u>
Total Land and Buildings	\$ 8,252,089,483	\$ 7,405,914,648

(a) During 2022, PEI made the following acquisitions:

Real Estate	Activation Date	Purchase Price	Notarial Expenses	Capitalizations	Total
Activation ongoing constructions (i)	03/31/2022	\$ –	\$ –	\$ 30,699,049	\$ 30,699,049
Outlets shopping centers (ii)	05/02/2022	46,000,000	–	–	46,000,000
Outlets shopping centers 5% additional (ii)	05/02/2022	137,091	–	–	137,091
City U (iii)	05/31/2022	23,411,158	505,620	–	23,916,778
Datión Alfacer lote A and B (iv)	07/25/2022	15,663,319	–	1,044	15,664,363
Datión Alfacer lote D (v)	08/09/2022	2,249,907	–	–	2,249,907
Megaport (vi)	09/23/2022	93,600,000	–	–	93,600,000
Student Living Cañasgordas (Boho) (vii)	12/28/2022	26,032,783	–	979,677	27,012,460
		<u>\$ 207,094,258</u>	<u>\$ 505,620</u>	<u>\$ 31,679,770</u>	<u>\$ 239,279,648</u>

- i). Corresponds to the activation of the completed construction in progress transferred to the investment property.
- ii) On May 2, 2022, the property was activated through a contract of assignment of trust rights and benefit signed on April 29, 2022 between the companies PEI (whose spokesperson and manager is Fiduciaria Corficolombiana SA) and Operadora de Comercio, which transfers to PEI 5% of the right and ownership of the property called Centros Comerciales Outlets.
- (iii) On May 31, 2022, an additional 10% of the City U property is purchased with effect in PEI's trust rights as of June 1, 2022.
- (iv) On July 25, 2022, by means of public deed No. 2191 of June 16, 2022, property registrations 040–602400 to 040–602407 corresponding to the lot received in payment of Alfacer La Cayena Zone A and Alfacer La Cayena Zone B are registered. In the act Alfagres S.A. and PEI (whose spokesperson and manager is Fiduciaria Corficolombiana SA) intervened. Lots located on kilometer 8 of the road from Barranquilla to Tubará, Special District of Barranquilla, Department of Atlántico.

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Notes to the Financial Statements

12. Investment Properties (continued)

- (v) On August 9, 2022, by means of public deed No. 2703 of July 8, 2022, property registrations 040–550433 to 040–550435 corresponding to the lot received in payment of Alfacer La Cayena Zone D were registered. In the act Alfagres S.A. and Patrimonio Autónomo Estrategias Inmobiliarias (whose spokesperson and manager is Fiduciaria Corficolombiana SA) intervened. Lots located on kilometer 8 of the road from Barranquilla to Tubará, Special District of Barranquilla, Department of Atlántico.
- (vi) On September 23, 2022, by means of a contract of assignment of trust rights between the companies PEI (whose spokesperson and manager is Fiduciaria Corficolombiana S.A.) referred to as the purchaser; Aktivos Inmobiliarios S.A.S and trust Pak Matriz Activos Inmobiliarios (whose spokesperson and manager is Credicorp Capital Fiduciaria S.A) referred to as the seller, 100% of the trust rights are transferred to PEI over the property called Megaport located in the city of Bogota, Carrera 85D No. 46 A – 96.
- (vii) On December 28, 2022, by means of a trust rights assignment agreement between the companies Patrimonio Autónomo Estrategias Inmobiliarias (whose spokesperson and manager is Fiduciaria Corficolombiana S.A.) called the buyer; and Fideicomiso Student Living Cañasgordas (whose spokesperson and manager is Alianza Fiduciaria S.A.) and Fondo de Capital Privado Nexus Inmobiliario Cañasgordas (whose spokesperson is Alianza Fiduciaria de Occidente S.A.) called the seller, transfer 75% of the trust rights to PEI over the property called Residencias Universitarias Boho located in the city of Cali Calle 18 #121–159.
- (b) At the end of December 31, 2022, PEI carried out the sale and write-off of the following real estate:

Real Estate	Transaction Date	Cost	Valuation	Sale	Net sale PI without valuation
Casinos Aladino (i)	07/06/2022	\$ (765,974)	\$ (159,262)	\$ 1,267,730	\$ 501,756
Resciliación Davivienda (ii)	07/28/2022	(2,669,480)	(426,317)	2,607,000	(62,480)
Davivienda visitación (iii)	11/30/2022	(2,701,221)	(883,497)	4,000,000	1,298,779
		\$ (6,136,675)	\$ (1,469,076)	\$ 7,874,730	\$ 1,738,055

- (i) On July 6, 2022, premises L–0187, L–0189 and L–0191 were sold by means of a contractual position assignment agreement subscribed between Aladino salas de juego S.A.S. and the developer company Nuestro Cartago S.A.S., who is the trustor of the trust Nuestro Cartago plot, whose spokesperson and manager is Alianza S.A. and Patrimonio Autónomo Estrategias Inmobiliarias (PEI), corresponding to the property located at Carrera 2 and Calle 33 via Ansermanuevo.
- (ii) Corresponds to the cancellation by termination of the property Davivienda Normandía and Chico Reservado by public personal property registrations 50C–408106 and 50C–505385 are subscribed. Banco Davivienda S.A. and Patrimonio Autónomo Estrategias Inmobiliarias (whose spokesperson and manager is Fiduciaria Corficolombiana SA) are involved in the act.
- (iii) On November 30, 2022, the property Davivienda Visitación is removed by means of Public Deed 2066 between Banco Davivienda and Fiduciaria Corficolombiana S.A. acting as spokesperson and manager of Patrimonio Autónomo Estrategias Inmobiliarias (PEI), property located at Calle 1A Sur #31–131 in the city of Medellín.
- (c) Corresponds to Addendum 2 of the purchase and sale agreement number 3431 of the property Éxito Cedi subscribed between the Instituto de Desarrollo Urbano and Fiduciaria Corficolombiana S.A.
- (d) Below is the detail of net valuation of the investment property:

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Notes to the Financial Statements

12. Investment Properties (continued)

	At December 31,	
	2022	2021
Net valuation	\$ 580,739,648	\$ 107,074,419
Valuation – Plaza Central	–	410,162
Valuation – Jardín Plaza Cali	25,278,735	3,740,174
Valuation – P.A. C.C Outlets Consolidadora	371,949	125,357
Valuation – Student Living Cañasgordas (Boho)	(47,059)	–
Valuation – Jardín Plaza Cúcuta	8,590,787	3,455,526
	\$ 614,934,060	\$ 114,805,638

The valuation methodology of real estate assets for the purposes of these financial statements follows the standards described in the International Financial Reporting Standards (IFRS). These standards reflect the standards established by IVSC (International Valuation Standards Council).

The valuation approaches applied are: the Income Approach – which contains two methods: Revenue Capitalization and Discounted Cash Flow, Market Approach, and Cost Approach. Each valuation approach includes different application methods depending on the asset class. For investment assets that generate a cash flow, more importance and emphasis is given to the Income Approach in reconciling the fair value of the asset.

Capitalization of Revenues

Potential gross income, market vacancy, and operating expenses are estimated for the first year to approximate the asset's net operating income. The net operating income is then divided by a capitalization rate that reflects the risk profile of the asset to estimate the fair value.

Discounted Cash Flow

It involves estimating a discount rate that reflects the risk profile of the asset and the expected returns of the market. This discount rate that applies to projected net cash flows is carried to present value. This requires the modeling of future income, vacancy, and operating expenses of the asset taking into account the historical performance of the property analyzed and current and future market conditions.

(2) Below are the payments made for construction of real estate in development stage and future acquisitions:

	At December 31,	
	2022	2021
Initial balance constructions in progress	\$ 38,049,523	\$ 71,096,801
Additions (*)	48,681,835	35,186,983
Capitalizations (*)	(31,679,770)	(68,234,261)
Final balance	\$ 55,051,588	\$ 38,049,523

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Notes to the Financial Statements

12. Investment Properties (continued)

Discounted Cash Flow (continued)

(*) The additions and capitalizations made at cut-off of December 31, 2022 and 2021 correspond to the following real estate:

Real Estate	Balance at December 31, 2021	Additions and reclassifications	Capitalizations	Balance at December 31, 2022
Alfacer – Barranquilla	\$ 496,850	\$ 1,817,322	\$ (1,458,060)	\$ 856,112
Atlantis – Bogotá	685,342	1,507,657	(1,973,135)	219,864
Avianca	–	14,275	(14,275)	–
Barú Hotel Calablanca – Cartagena	–	12,383	–	12,383
Centro Comercial Único	–	–	–	–
Dosquebradas	287	(287)	–	–
Centro Comercial Único Pasto	696	(696)	–	–
Cesde – Medellín	10,056	277,206	(241,323)	45,939
Cittium – Tenjo	1,057,900	1,486,885	(2,343,052)	201,733
Davivienda Edificio Calle 18	–	161,435	(139,906)	21,529
Davivienda Neiva Calle 10	–	260,845	–	260,845
Davivienda edificio el café Medellín	154,366	–	–	154,366
Davivienda Torre CCI – Bogotá	637,925	–	–	637,925
Deloitte – Bogotá	87,546	261,807	(45,321)	304,032
Emergia – Manizales	670,569	264,224	(713,766)	221,027
Fijar 93B – Bogotá	41,814	3,381,142	(802,313)	2,620,643
Ideo – Itagüí	281,123	–	–	281,123
Isagen – Medellín	230,601	516,753	(364,714)	382,640
Itaú – Bogotá	292,665	60,400	(353,065)	–
Jardín Plaza – Cali	173,249	–	–	173,249
Jardín Plaza Cúcuta	–	317,876	–	317,876
Koba – Ibagué	–	36,273	(36,273)	–
LG – Yumbo El Cortijo	437,417	740,792	(1,178,209)	–
Nuestro – Bogotá	2,246,643	–	(2,184,291)	62,352
Nuevos tramos	21,859	12,674	–	34,533
Quadratto – Tenjo	715,639	25,333	(740,972)	–
Redetrans – Bucaramanga	–	25,723	(16,357)	9,366
Redetrans – Mosquera	667,748	10,524	(655,662)	22,610
Rivana Etapa 1	4,757	(1,957)	(1,953)	847
Suppla – Bogotá	587,381	4,283	(591,664)	–
Suppla – Cali	40,514	194,924	(175,182)	60,256
Sanitas Popayán	–	719,338	–	719,338
Torre Corpbanca Calle 100	–	353,666	(330,036)	23,630
Zona Franca del Pacífico	1,841,383	1,384,725	(3,099,089)	127,019
Ciplas – Bogotá	7,049	376,230	(383,279)	–
Éxito Poblado – Medellín	137,610	5,350	(142,960)	–
Redetrans La Estrella – Medellín	8,318	1,170,800	(438,456)	740,662
Éxito Itagüí	65,725	2,704,693	(65,726)	2,704,692
Jardín Plaza Cali Zona Norte Etapa 2	616,475	4,989,971	–	5,606,446
Bodegas LG Palmira	240,481	32,335	(272,816)	–
Éxito Cedi – Bogotá	17,850	–	(17,850)	–
QBE – Bogotá	547	–	(547)	–
Seguros del Estado – Bogotá	–	4,701	–	4,701
Torre Pacific – Bogotá	–	71,337	(71,337)	–
Davivienda Toberín – Bogotá	–	9,045	(9,045)	–
Bodytech – Cali	–	14,006	(14,006)	–
Carvajal – Bogotá	19,882	12,138	(32,020)	–
Plaza Central – Bogotá	–	4,456,853	(3,578,477)	878,376

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Notes to the Financial Statements

12. Investment Properties (continued)

Discounted Cash Flow (continued)

Real Estate	Balance at December 31, 2021	Additions and reclassifications	Capitalizations	Balance at December 31, 2022
One Plaza – Medellín	\$ 47,810	\$ 30,036	\$ (77,846)	\$ –
Diversity CC Santa Fe	–	309,419	–	309,419
Mapfre – Bogotá	–	119,087	(103,975)	15,112
Xerox – Bogotá	–	5,950	(5,950)	–
C.C Nuestro Cartago	–	2,161,536	–	2,161,536
Bogotá Locales 8013	–	167,997	(87,378)	80,619
C.C Milenio Plaza –Bogotá	–	5,201	–	5,201
Bodytech Dosquebradas	–	1,640	(1,640)	–
Itaú – Medellín	–	61,711	(17,265)	44,446
Elemento – Bogotá	–	109,894	–	109,894
Atrio – Bogotá	–	4,604,063	–	4,604,063
Bodega la Cayena – Hada Etapa 4 M	–	654,709	(161,096)	493,613
Torre Alianza – Bogotá	–	1,763,303	(1,004,276)	759,027
Redetrans – Medellín	–	323,662	–	323,662
	12,546,077	38,011,192	(23,944,563)	26,612,706
Operación conjunta				
City U – Bogotá	–	666,115	(27,217)	638,898
Student Living Cañasgordas (Boho)	–	979,677	(979,677)	–
El Tesoro 4 – Medellín	20,231,659	(8,513,344)	–	11,718,315
Ideo – Cali	240,181	158,421	(299,175)	99,427
Plaza Central – Bogotá	2,412,737	(2,412,737)	–	–
Ideo – Itagüí	309,845	458,088	(234,849)	533,084
Jardín Plaza Cali	694,988	8,986,480	(1,311,686)	8,369,782
Jardín Plaza Cúcuta	901,210	2,288,423	(3,026,805)	162,828
Barú Hotel Calablanca – Cartagena	–	62,160	–	62,160
P.A C.C Único Barranquilla	712,826	7,997,360	(1,855,798)	6,854,388
	25,503,446	10,670,643	(7,735,207)	28,438,882
Total construction in progress	\$ 38,049,523	\$ 48,681,835	\$ (31,679,770)	\$ 55,051,588

(3) The following is the movement of advance payments:

	At December 31,	
	2022	2021
Initial advances balance	\$ 36,518,942	\$ 287,919,271
Advances Additions	123,946,905	629,908,987
Legalizations (*)	(53,294,989)	(881,309,316)
Ending balance	\$ 107,170,858	\$ 36,518,942

(*) During 2022, the legalization of advances was made for acquisitions in investment property of Residencias Universitarias Boho and legalization of advances for construction in progress.

Below is the detail of the advances granted for the investment property, which are disbursed as provided in the promise to purchase and sell each Property in acquisition process:

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12. Investment Properties (continued)

Discounted Cash Flow (continued)

The following is the status of advances at December 31, 2022 and 2021:

Investment Property Advances	Balance at December 31, 2021	Additions and reclassifications	Legalizations	Balance at December 31, 2022
Alfacer – Barranquilla	\$ –	\$ 456,798	\$ (454,431)	\$ 2,367
Atlantis – Bogota	–	9,918,849	(9,918,849)	–
Atrio	–	585,123	(585,123)	–
Barú Hotel Calablanca – Cartagena	–	286,769	–	286,769
Cesde – Medellín	–	38,502	(37,564)	938
Cittium – Tenjo	583,037	511,441	(1,094,478)	–
Diversity Medellín	131	6,019	(6,150)	–
Éxito Belén – Medellín	10,010	–	–	10,010
Éxito Cedi – Bogotá	44,835	–	(44,835)	–
Éxito Itagüí	–	1,139,529	(1,132,894)	6,635
Fijar 93B – Bogotá	6,019	788,771	(794,790)	–
Itaú – Bogotá	5,935	20,789	(26,724)	–
Isagen – Medellín	–	129,634	(129,634)	–
Jardín Plaza Cúcuta	–	2,000,000	(2,000,000)	–
Koba – Ibagué	–	5,729	(5,729)	–
LG – Yumbo El Cortijo	122,600	56,232	(178,832)	–
LG Palmira	23,122	–	(23,122)	–
Mapfre – Bogotá	–	27,303	(27,303)	–
Redetrans La Estrella – Medellín	–	30,250	(30,250)	–
Nuestro Cartago	–	2,490,144	(2,282,472)	207,672
Sanitas Popayán	–	12,526,496	–	12,526,496
Suppla – Cali	12,565	37,303	(49,868)	–
Zona Franca del Pacifico	5,406	26,382	(31,110)	678
Davivienda Provenza	–	17	–	17
Plaza Central – Bogotá	–	1,834,275	(1,623,587)	210,688
Jardín Plaza Cali Zona Norte Etapa 2	32,850,228	50,386,489	–	83,236,717
Ciplas – Bogotá	–	87,907	(87,907)	–
Locales 8013	–	26,041	(26,041)	–
Hada etapa 4 – Barranquilla	–	10,014,288	–	10,014,288
	33,663,888	93,431,080	(20,591,693)	106,503,275
Joint operation				
P.A Centro Comercial Único				
Barranquilla	1,927,706	2,971,954	(4,607,165)	292,495
Student Living Cañasgordas (Boho)	–	26,250,000	(26,250,000)	–
Ideo – Cali	–	259,094	(259,094)	–
Jardín Plaza Cali	–	831,000	(493,670)	337,330
Plaza Central – Bogotá	901,307	(901,307)	–	–
Ideo – Itagüí	–	430,413	(430,413)	–
City U – Bogotá	26,041	674,671	(662,954)	37,758
	2,855,054	30,515,825	(32,703,296)	667,583
	\$ 36,518,942	\$ 123,946,905	\$ (53,294,989)	\$ 107,170,858

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12. Investment Properties (continued)

Discounted Cash Flow (continued)

Investment properties are leased to customers under lease agreements that qualify as operating leases. These agreements are generally signed for periods ranging from 1 to 50 years with an option to renew for the same period as initially signed at monthly rents that are adjusted by CPI annually from the date of signing the lease agreement.

Reconciliation of Movements in Investment Property to Cash Flows

Detailed below is the movement of the investment property (Land, buildings, advances and constructions):

	At December 31,	
	2022	2021
Acquisitions of construction in progress	\$ 48,681,835	\$ 35,186,983
Capitalizations of construction in progress	(31,679,770)	(68,234,261)
Additions to advances	123,946,905	629,908,987
Legalizations of advances	(53,294,989)	(881,309,316)
Acquisitions/improvements of building land	239,279,648	933,997,816
Investment property write-offs	(6,136,675)	-
Sale of investment property	(7,874,730)	-
	\$ 312,922,224	\$ 649,550,209

As of December 31, 2022, PEI has signed legally binding documents that are subject to compliance with certain conditions and may result in a future acquisition of real estate, as listed below:

Disbursements to be made per binding documents current to date:

Property	Participation/ Category	Value	Advances	Total
Hada Barranquilla Lot 4 (GLA 7,946 m ²)	100% / Logistics	\$ 19,598,317	\$ 10,014,288	\$ 9,584,029
Sanitas Popayán (GLA 3,595 m ²)	100% / Specialized	15,357,818	12,526,496	2,831,322
Outstanding payable balance		\$ 34,956,135	\$ 22,540,784	\$ 12,415,351

The following is a detail of the investment properties balance for each of the properties:

Properties	Last Appraisal Date	Balance at December 31, 2022	Balance at December 31, 2021
Plaza Central – Bogotá	12/28/22	\$ 916,166,413	\$ 894,613,841
Unicos	06/30/22	871,447,182	773,772,991
Portafolio Davivienda	12/23/22	541,912,171	500,605,236
Nuestro Bogotá	04/29/22	369,849,701	335,200,100
Atrio	12/21/22	291,327,271	291,669,770
Elemento – Bogotá	06/23/22	208,149,901	188,229,568

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Notes to the Financial Statements

12. Investment Properties (continued)

Reconciliation of Movements in Investment Property to Cash Flows (continued)

Properties	Last Appraisal Date	Balance at December 31, 2022	Balance at December 31, 2021
Avianca – Bogotá	12/27/22	200,747,538	178,711,403
Atlantis – Bogotá	12/29/22	193,339,020	177,967,993
Cittium – Tenjo	06/23/22	192,363,062	172,243,228
Torre Corpbanca Calle 100	03/30/22	180,928,021	170,136,312
Rivana Etapa 1	12/15/22	165,361,901	150,904,312
Isagen – Medellín	03/16/22	149,547,499	134,828,446
Torre Pacific – Bogotá	09/29/22	145,108,383	135,949,212
Barú Hotel Calablanca – Cartagena	12/27/22	142,426,925	122,267,881
One Plaza – Medellín	06/29/22	136,387,793	121,088,737
Amadeus – Bogotá	12/27/22	125,807,651	113,494,823
City U – Bogotá	12/27/22	122,013,976	113,335,585
Ciplas – Bogotá	04/28/22	115,481,275	103,289,118
Carvajal – Bogotá	12/23/22	109,542,062	127,232,750
Itaú – Bogotá	06/23/22	104,975,654	93,354,221
Torre Alianza Bogotá	10/31/22	103,122,423	98,277,012
Magaport	09/23/22	102,856,243	–
Edificio C–26 Bogotá	12/29/22	98,827,906	92,731,575
Éxito Poblado – Medellín	03/30/22	96,060,786	84,404,967
Alfacer – Barranquilla	09/30/22	93,288,732	86,265,478
Nuestro Montería	04/29/22	91,432,022	82,883,255
Zona Franca del Pacifico	09/30/22	90,761,102	79,418,656
Colsanitas – Bogotá	06/17/22	70,125,544	64,266,035
LG – Yumbo El Cortijo	05/24/22	69,840,493	61,870,956
Nuestro–Cartago	10/28/22	65,512,423	59,528,073
Ideo – Itagüí	10/31/22	60,863,331	54,481,492
LG Palmira	04/28/22	57,511,162	50,676,375
Nutresa – Montería	03/18/22	57,475,875	50,660,455
Sanitas Toberin	09/22/22	56,729,277	51,581,252
Quadratto – Tenjo	10/28/22	55,498,727	51,110,425
WBP – Bogotá	09/29/22	53,085,520	52,517,436
Éxito Cedi – Bogotá	03/18/22	52,991,811	49,956,495
Estra – Medellín	12/23/22	52,717,324	47,886,499
Nutresa Cartagena	03/18/22	52,532,887	48,251,969
Cesde – Medellín	08/24/22	50,187,345	44,595,661
QBE – Bogotá	03/16/22	48,994,461	44,187,088
Xerox – Bogotá	06/29/22	46,591,613	43,074,494
Nutresa – Pasto	03/18/22	44,254,598	39,272,826
Suppla – Bogotá	08/26/22	43,454,679	41,243,569
Éxito Itagüí	03/30/22	41,325,674	36,738,930
Suppla – Cali	08/26/22	41,166,850	37,159,007
El tesoro 4 – Medellín	03/30/22	39,723,508	37,461,141
Koba – Ibagué	08/26/22	39,505,641	35,074,849
Ideo – Cali	06/29/22	39,402,288	36,190,153
Hada – Barranquilla	09/30/22	38,908,394	35,118,464
Emergía – Manizales	12/27/22	38,519,801	32,935,536

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Notes to the Financial Statements

12. Investment Properties (continued)

Reconciliation of Movements in Investment Property to Cash Flows (continued)

Properties	Last Appraisal Date	Balance at December 31, 2022	Balance at December 31, 2021
Seguros del Estado – Bogotá	03/11/22	37,363,657	31,431,555
Fijar 93B – Bogotá	09/29/22	35,629,963	35,477,130
Deloitte – Bogotá	06/30/22	34,402,224	31,156,810
Nutresa – Valledupar	03/18/22	30,559,010	26,828,465
BTS Sanitas Tequendama	04/28/22	28,560,704	25,453,137
Andirent – Bogotá	09/21/22	27,839,232	25,816,945
Nutresa – Palermo	03/18/22	27,058,402	24,315,127
Divercity Medellín	05/25/22	26,559,806	28,090,383
Redetrans – Mosquera	03/11/22	25,611,530	22,395,659
Nutresa – Florencia	03/18/22	23,296,329	20,572,619
Carulla Paseo Real	03/30/22	22,796,608	20,070,722
Sanitas Versalles	06/17/22	22,456,407	20,529,121
Nutresa – Aguachica	03/18/22	21,228,377	19,019,129
Redetrans – Medellín	07/29/22	20,992,219	19,380,105
Clínica Sanitas Ciudad Jardín (Cali)	04/28/22	19,318,089	17,544,541
Mapfre – Bogotá	05/24/22	17,934,307	16,845,827
Redetrans La Estrella – Medellín	03/30/22	15,883,233	14,001,252
Cinemark – Medellín	04/28/22	14,566,018	12,876,414
Éxito Belén – Medellín	03/30/22	13,514,370	11,625,761
Qbe Oficina 601	12/27/22	11,520,895	10,529,159
Alfacer Lote zona B	07/25/22	10,513,025	–
Bodytech – Cali	08/24/22	9,982,045	7,989,949
Redetrans – Yumbo	03/11/22	9,045,819	7,841,728
Itau – Medellín	05/24/22	8,970,214	8,111,354
Bodytech – Chía	08/24/22	8,087,536	6,709,971
Alfacer Lote zona A	07/25/22	6,276,792	–
Redetrans – Bucaramanga	03/30/22	5,207,576	4,581,884
Bodytech – Armenia	08/24/22	5,050,291	4,560,747
Bodytech – Ibagué	08/24/22	4,497,119	3,459,702
Jardín Plaza Cúcuta	03/30/22	4,321,782	2,774,767
Éxito – Valledupar	03/30/22	3,866,791	3,961,719
Lote El Palmar	03/11/22	3,429,670	3,013,037
Bodytech – Dosquebradas	08/24/22	3,221,922	2,627,055
Casa vecina Atlantis – Bogotá	03/11/22	3,182,828	2,556,142
AlfacerLote zona D	08/09/22	2,244,512	–
Lote Indugral ZFP	04/28/22	772,424	709,198
		7,741,913,565	7,021,572,764
Property joint operation (*)			
Jardín Plaza Cali	12/27/22	244,766,073	283,488,729
Jardín Plaza Cúcuta	03/30/22	97,706,403	86,088,812
Jardín Plaza Cali Norte	12/27/22	65,313,078	–
Unicos	06/30/22	50,637,412	2,135,910
Student Living Cañasgordas (Boho)	12/28/22	26,965,401	–
City U – Bogotá	12/27/22	24,253,527	309,532

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Notes to the Financial Statements

12. Investment Properties (continued)

Reconciliation of Movements in Investment Property to Cash Flows (continued)

Properties	Last Appraisal Date	Balance at December 31, 2022	Balance at December 31, 2021
Ideo – Cali	06/29/22	299,175	–
Ideo – Itagüí	10/31/22	234,849	–
Plaza Central – Bogotá	12/28/22	–	12,318,901
		510,175,918	384,341,884
		\$ 8,252,089,483	\$ 7,405,914,648

(*) Corresponds to the value of the assets included in the Trust, according to the joint operation in which PEI participates with 100% capitalization of the trust rights in the trust of the value of the trust rights in trusts.

13. Property and Equipment

PEI recognizes plant, property and equipment at cost minus accumulated depreciation. Below is the movement of the property and equipment.

	At December 31,	
	2022	2021
Cost		
Previous balance	\$ 663,264	\$ 625,516
Purchases or acquisitions from joint operations	329,964	37,748
Current balance	993,228	663,264
Accumulated depreciation		
Previous balance	491,943	431,248
Depreciation charged to P&L from joint operations	86,132	60,695
Current balance	578,075	491,943
	\$ 415,153	\$ 171,321

Depreciation is determined by the straight line method.

As of December 31, 2022 and 2021, no restrictions or liens exist on properties and equipment.

14. Ordinary Bonds

Below is the detail of ordinary short-term bonds:

	At December 31,	
	2022	2021
Bonds interest	\$ 12,524,828	\$ 8,364,393

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14. Ordinary Bonds (continued)

The coupon on ordinary C-series bonds is given on the basis of a variable rate referenced to the Consumer Price Index (CPI), added in a percentage basis expressed as an effective annual rate. Coupon payments are made on a quarterly basis. The payments of returns are made quarterly.

The following is the detail of long-term ordinary bonds:

	At December 31,	
	2022	2021
Capital issuance of bonds	\$ 883,995,000	\$ 883,995,000
Issuance costs	(1,286,907)	(1,454,466)
	\$ 882,708,093	\$ 882,540,534

(a) The issuance costs correspond to payments made to the different intermediary agents in the issue, costs that were necessary to issue the regular bonds and were cancelled to the following entities:

- Alianza Valores Comisionista De Valores
- BRC Investor Services SA
- Casa Bolsa
- Editorial la República
- Finance Superintendence of Colombia
- Valores Bancolombia
- Corredores Davivienda
- Stock Exchange

The issuance of Ordinary Bonds consists of one (1) series whose characteristics are described in numeral 1.31 of the Information Prospect and are detailed below:

Series C: The Ordinary Bonds in this series shall be issued in pesos and shall accrue an interest based on a variable rate referenced to the CPI and their capital will be fully redeemed at their maturity date.

For this issuance, the following C-Series subseries are offered with the following maturity dates:

Series	Subseries	Term	Placement Date	Spread over CPI	Value
Series C	C10	10 years	28/08/2018	3.96%	\$ 209,426,000
Series C	C25	25 years	28/08/2018	4.30%	174,569,000
					\$ 383,995,000

For the second issuance, the following Serie A and Serie C Subseries were offered with the following maturity dates:

Series	Subseries	Term	Placement Date	Spread over CPI	Amount
Series A	A5	5 years	07/11/2019	6.50% E.A	\$ 122,000,000
Series A	A10	10 years	07/11/2019	7.28% E.A	226,000,000
Series C	C25	25 years	07/11/2019	IPC+3.79%	152,000,000
					\$ 500,000,000

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14. Ordinary Bonds (continued)

The resources obtained through the First and Second Issuances from the quota of the Ordinary Bond Issuance and Placement Program were allocated 100% to the debt substitution used for the acquisition of the Eligible Investments that make up the PEI Portfolio.

Ordinary bonds are measured at amortized cost at the initial value minus coupon payments, plus interest income accrued calculated using the effective interest rate method.

15. Financial Obligations

Below is the detail of short-term financial obligations:

	At December 31,	
	2022	2021
Short term financial obligations		
Banco Colpatría Scotiabank (a)	\$ 216,085,383	\$ 16,397,081
Bancolombia S.A. (b)	195,526,904	98,260,665
Banco de Bogotá S.A. (c)	118,808,308	148,296,830
Banco Davivienda S.A. (c)	71,155,252	–
Banco de Occidente S.A.	19,341,362	19,483,832
	620,917,209	282,438,408
Short-term financial obligations in joint operation		
Bancolombia S.A. – Jardín Plaza	2,480,485	9,664,106
Banco de Occidente – Jardín Plaza	10,065,609	–
	12,546,094	9,664,106
Total short-term financial obligations	\$ 633,463,303	\$ 292,102,514
Long-term financial obligations		
Bancolombia S.A.	\$ 936,374,556	\$ 872,044,413
Banco Itaú	216,436,219	216,135,943
Banco de Bogotá S.A.	152,217,170	114,525,876
Banco Colpatría Scotiabank	90,343,719	192,289,658
Banco Davivienda S.A.	67,487,121	67,074,895
Banco Occidente	28,123,655	19,302,194
	1,490,982,440	1,481,372,979
Long-term financial obligations in joint operation		
Bancolombia Leasing C-26 (a)	37,884,492	37,616,312
Banco Davivienda – Jardín Plaza Cúcuta	26,384,525	24,499,389
Bancolombia S.A. – Jardín Plaza Cali	14,762,599	–
Bancolombia S.A. – Outlets	9,298,307	3,223,200
Banco Davivienda – Jardín Plaza Cali	3,416,461	3,849,623
Banco de Occidente – Jardín Plaza Cali	2,810,961	10,052,122
	94,557,345	79,240,646
Total long-term financial obligations	\$ 1,585,539,785	\$ 1,560,613,625

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Notes to the Financial Statements

15. Financial Obligations (continued)

As of December 31, 2022, the following obligations were acquired:

- (a) Corresponds to 7 financial obligations with Banco Colpatría Scotiabank and 1 novation, destined for the expansion of Jardín Plaza Zona Norte, the payment of the property tax associated with the real estate assets, the payment of Jardín Plaza Zona Norte and replacement of cash of real estate of the Operating PEI, the expansion of Jardín Plaza Zona Norte 2, the replacement of Capex, the acquisition of Boho and the total payment of the principal of obligation 1411 destined for the payment of the property tax of the real estate of PEI.
- (b) 4 financial obligations 2 novations were acquired from the financial institution Bancolombia, intended for the acquisition of 5% of the total trust rights of Centro Comercial Único, payment of distributable cash flow for the first quarter of 2022, acquisition of 10% of City U and expansion of Hada – Barranquilla.
- (c) Two financial obligations were acquired with Banco Bogotá for the expansion of the Hada – Barranquilla property, the payment of distributable cash flow, the acquisition of Boho and the replacement of the cash of the Sanitas Popayán unit.
- (d) Corresponds to 1 novation of the financial institution Davivienda for the acquisition of Nuestro Bogotá, Sanitas Versalles and Tesoro stage 4.
- (e) The financial leasing credit was granted with an average rate of IBR NAMV + 3.5%, PEI participates in this obligation in 68.03% established in Leasing Contract No. 256257

At December 31, 2022 and 2021, the financial obligations are guaranteed with promissory notes.

The terms and conditions of outstanding obligations of PEI for the periods ended on December 31, 2022 and 2021 are the following:

At December 31, 2022						
	Maturity	Weighted Average Interest Rate	Nominal Value	Book Value – Capital	Book Value – Interest	Total Book Value
Short-term financial obligations	2023	13.70%	\$ 625,494,622	\$ 625,494,622	\$ 7,968,681	\$ 633,463,303
Long-term financial obligations	2032	15.04%	1,563,736,948	1,563,736,948	21,802,837	1,585,539,785
Total			<u>\$ 2,189,231,570</u>	<u>\$ 2,189,231,570</u>	<u>\$ 29,771,518</u>	<u>\$ 2,219,003,088</u>

At December 31, 2021						
	Maturity	Weighted Average Interest Rate	Nominal Value	Book Value – Capital	Book Value – Interest	Total Book Value
Short-term financial obligations	2022	4.62%	\$ 290,753,738	\$ 290,753,738	\$ 1,348,776	\$ 292,102,514
Long-term financial obligations	2031	5.90%	1,553,195,367	1,553,033,240	7,580,385	1,560,613,625
Total			<u>\$ 1,843,949,105</u>	<u>\$ 1,843,786,978</u>	<u>\$ 8,929,161</u>	<u>\$ 1,852,716,139</u>

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15. Financial Obligations (continued)

The following is a detail of the financial obligations for the following periods:

Financial obligations	December 31, 2022	
	2022	2021
< 1 year	\$ 633,463,303	\$ 292,102,514
1<years<5	1,414,386,324	1,378,133,108
> 5 years	171,153,461	182,480,517
	<u>\$ 2,219,003,088</u>	<u>\$ 1,852,716,139</u>

16. Accounts Payable

Below is a detail of accounts payable:

	At December 31,	
	2022	2021
Commissions and fees (a)	\$ 20,813,496	\$ 25,155,702
Taxes (b)	12,786,876	9,680,643
Acquisition of local goods and services (c)	8,349,258	6,725,000
Customization and installation of offices	7,252,255	4,894,333
Miscellaneous (d)	6,099,400	2,323,565
Suppliers (c)	4,212,614	951,735
Advances received for application to portfolio	3,548,224	6,045,501
Withholding tax	1,445,226	1,322,461
Cash surpluses received	–	99,707
	<u>64,507,349</u>	<u>57,198,647</u>
Joint Operation		
Miscellaneous (f)	7,859,311	1,520,593
Value added tax	6,549,426	6,745,049
Advances received to apply to portfolio (g)	3,798,460	1,964,468
Suppliers	3,521,518	3,505,373
Fees	2,180,744	1,800,569
Withholding tax	965,463	777,052
Invoices payable	539,059	749,028
Portfolio collection account to be distributed joint operation	326,815	212,816
Excise tax	153,087	–
Portfolio collections to be legalized	115,541	81,143
Commissions	81,897	26,990
Property tax payable	26,869	77,806
Portfolio – non-related	–	54,293
	<u>26,118,190</u>	<u>17,515,180</u>
	<u>\$ 90,625,539</u>	<u>\$ 74,713,827</u>

(a) Detail of commissions and fees:

	At of December 31,	
	2022	2021
Real estate management fee (i)	\$ 18,268,960	\$ 22,664,245
Trust commission	1,064,371	933,940

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16. Accounts Payable (continued)

	At of December 31,	
	2022	2021
Other fees	1,111,960	637,000
Other trust f commissions	340,825	890,095
Logan Valuation S.A.S.	27,380	30,422
	\$ 20,813,496	\$ 25,155,702

(i) In accordance with the Real Estate Management Agreement entered into between PEI and Pei Asset Management, PEI will pay an additional commission of one percent (1%) of the value of the short-term financial indebtedness transaction and a commission of zero point five percent (0.5%) of the value of the long-term financial indebtedness transaction used by PEI for (a) the acquisition of a financed Real Estate Asset; or (b) the performance of an improvement. The variation corresponds to the payment of the commission charged by PEI AM on long-term liabilities.

(b) It corresponds to the balance payable of property tax and sales tax payable.

	At of December 31,	
	2022	2021
Sales tax payable	\$ 11,741,037	\$ 8,859,768
Industry and commerce tax	919,029	576,015
Property tax (*)	126,810	244,860
	\$ 12,786,876	\$ 9,680,643

(*) Corresponds to the property tax payable on the QBE property

(c) Corresponds to the balance payable for the Nuestro Bogotá property for \$6,725,000, Nexus Inmobiliario Private Equity Fund for \$1,537,000 and the balance payable for the recovery of the Ayurá accounts receivable for \$87,258.

(d) Corresponds mainly to the balance of the Rivana hedge for \$3,568,332, provisions for expenses with third parties for \$1,019,844, provisions for expenses of Multiplika Atlantis and Plaza Central for \$392,724, accounts payable of mandates for \$650,013 with MTS Administración Total S.A.S. and Gestión de Activos Inmobiliarios S.A.S., and others for \$468,487.

(e) The following is the detail of suppliers for services rendered and property management, the variation corresponds mainly to the adjustments that were made during 2022 in the properties due to the economic reactivation.

	At of December 31,	
	2022	2021
Famoc Depanel S.A.	\$ 880,192	\$ -
Otros proveedores	830,792	71,752
Zúrich Colombia Seguros S.A.	538,130	452,742
Ingeniería y Arquitectura Prima S.A.S.	271,178	27,754
Mts Administración Total S.A.S.	250,821	-
Tejando Colombia S.A.S.	245,320	-
Ramirez y Serna RYS Ingeniería S.A.S	193,587	20,775
Ingeal S.A.	149,394	-

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16. Accounts Payable (continued)

	At of December 31,	
	2022	2021
Edificio Centro Comercial y de Entretenimiento Atlantis Plaza	140,689	–
Servicios Bolivar Facilities S.A.S.	97,318	–
Arquitectura Activa Dna S.A.S.	83,083	–
Suppla S.A.	72,787	–
Electricidad y Telecomunicaciones Proyectos Asesoría y Consultoría S.A.S.	64,183	–
Civil Cas Construcciones S.A.S.	63,875	–
Nueva Generación Constructora para Industria S.A.S.	63,366	–
Baying S.A.S.	57,909	–
Empresas Públicas de Medellín	57,653	–
Econstrucciones S.A.S.	56,117	–
Fortox S.A.	46,668	29,136
Civilconsa S.A.S.	18,826	14,619
Grupo Civilec S.A.S.	14,155	215,433
Go Plus S.A.S.	8,883	15,448
Bau Arquitectos S.A.S.	7,688	31,432
Vatia S.A. E.S.P.	–	57,707
Federación de Aseguradores Colombianos	–	14,937
	\$ 4,212,614	\$ 951,735

(f) Corresponds to the balance payable from joint operations for the liabilities generated by the operation.

	At of December 31,	
	2022	2021
Hotel Calablanca Barú	\$ 5,857,555	\$ –
Jardín Plaza Cúcuta	938,768	1,057,769
Tesoro Etapa 4	492,178	94,338
Único	300,635	300,593
Boho	105,967	–
City U	98,978	–
Ideo Cali	33,466	26,635
Ideo Itagüí	31,512	41,237
Jardín Plaza Cali	252	–
Nuestro Bogotá	–	21
	\$ 7,859,311	\$ 1,520,593

(g) Corresponds to balances pending legalization of advances received to apply to the portfolio of the joint operation of Hotel Calablanca Barú for \$2,482,227, Jardín Plaza Cali for \$626,532, City U for \$361,303, CC Outlets for \$118,862 and others for \$209,536.

Detail of long-term accounts payable:

	At of December 31,	
	2022	2021
Withholdings as warranty (i)	\$ 13,547,371	\$ 11,515,740
Withholdings as warranty in joint operation	421,222	844,272
Acquisition of national goods and services (ii)	1,000,000	1,000,000
	\$ 14,968,593	\$ 13,360,012

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16. Accounts Payable (continued)

(h) It corresponds to the value retained as collateral to third parties that provide service for the works carried out by PEI or discounted securities as collateral in leases or acquisitions of real estate:

	At of December 31,	
	2022	2021
Acquisition collateral		
Comercial Nutresa S.A.S	\$ 6,097,430	\$ 8,131,496
PEI Lease collateral		
Frontera Energy Colombia Corp Sucursal Colombia	1,719,766	1,624,258
Inversiones MCN S.A.S.	988,697	-
Qualfon Colombia S.A.S.	546,945	-
Hada International S.A.	386,287	364,834
Bienes y Bienes S.A.	378,805	357,768
Km2 Solutions Colombia S.A.S.	348,815	329,443
Genius Sport Services Colombia S.A.S.	306,359	289,345
Command Alkon Colombia S.A.S.	284,455	-
Neostella Colombia S.A.S.	282,613	-
Rush Street Interactive Colombia S.A.S.	258,596	-
Lynxus Solutions S.A.S.	219,239	-
Blankfactor S.A.S.	211,949	-
Sistemas Colombia	164,934	155,774
Siete Colinas Soluciones S.A.S.	105,616	-
Carrofacil de Colombia S.A.S.	72,118	68,113
Firts Data Colombia Ltda	42,139	39,799
Marroquin Jose Airton	3,397	3,209
Valencia Villamizar Irene	2,124	-
Bancolombia	-	135,569
Plaza Central Lease collateral		
Unidad Médica y de Diagnostico	123,324	-
Colmedica Medicina Prepagada S.A.	96,967	-
Axon Dispositivos Medicos S.A.S.	91,230	-
Dussan Gomez Carlos Fernando	85,653	-
Grupo los Valientes S.A.S.	70,333	-
Operadora de Franquicias de Colombia S.A.S.	50,176	-
Tec Store Colombia S.A.S.	46,962	-
Shy High Fun Park S.A.S.	45,000	-
Mussi Zapatos S.A.S.	41,430	-
Otros terceros	459,685	-
Services Collateral		
Fortox S.A.	3,517	3,322
Arquitectura y Concreto S.A.S.	12,810	12,810
	\$ 13,547,371	\$ 11,515,740

(ii) It corresponds to the balance payable of the property: Quadratto for \$1,000,000, which shall be paid once the corresponding clauses are fully complied with.

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17. Deferred Revenues

Detail of deferred revenues:

	At of December 31,	
	2022	2021
Siemens S.A.	\$ 3,000,000	\$ 3,000,000
Metlife Colombia Seguros de vida S.A.	60,229	138,751
American Airlines Sucursal Colombiana	26,599	24,812
Others	3,232	48,501
Johnson y Johnson de Colombia S.A.	-	750,595
Industria Gráfica Latinoamérica S.A.	-	349,046
ATC sitios de Colombia S.A.S.	-	63,521
Jose David Bejarano Gonzales	-	772
Gtd Colombia S.A.S.	-	18,222
	3,090,060	4,394,220
In joint operation (1)	13,803,940	25,773,247
	\$ 16,894,000	\$ 30,167,467

(1) Corresponds mainly to the income received in advance integrated by the P.A. El Tesoro Stage 4, which will be legalized once the premises are handed over to the beneficiaries of the area.

Detail of long term deferred revenues:

	At of December 31,	
	2022	2021
Siemens S.A. (1)	\$ 750,000	\$ 3,750,000

(1) Corresponds to deferred revenues of Siemens S.A. for an initial value of \$30,000,000 which is amortized in fixed monthly installments of \$250,000 during 10 years in accordance with the lease contract signed on March 31, 2014.

The following is the maturity of long-term deferred revenues:

	From 1 to 3 years	More than 3 years
Siemens S.A. (1)	\$ 750,000	\$ -

18. Equity

According to the trust contract of PEI the securities are of participative content, denominated in Colombian Pesos legal tender which will be traded on the secondary market, they are fungible so that each investor has exactly the same rights, regardless of the tranche in which they were issued.

Issues, together with attributable costs and capital payment, are recorded within equity for the face value of the securities issued and related returns, which are calculated taking into account the profits of the period and the capital contributions on the value of the securities in circulation, that is, they are not guaranteed returns.

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18. Equity (continued)

On August 19, as provided by the PEI's Investors' Assembly in a special session held on June 15, 2022 and in accordance with Resolution No. 1048/2022 issued by the Superintendencia Financiera de Colombia Addendum No. 25 to the Issuance and Placement Prospectus of the TEIS Issuance and Placement Program and Addendum No. 16 to the Irrevocable Commercial Trust Agreement of the PEI, the trading of the Participative Securities was transferred to the equities system of the Colombian Stock Exchange and the securities split mechanism was activated with a ratio of 1:100, which means that each investor will receive 100 new securities, going from 431,422 outstanding securities to 43,142,200 securities

Likewise, the Advisory Committee by means of minutes No. 278 dated October 14, 2022, authorized the beginning and the conditions for the first annuity and within the maximum number of securities of the repurchase at the option of the PEI; in accordance with the authorization of the Finance Superintendence of Colombia and the regulations of the Colombian Stock Exchange.

At the closing of December 2022, repurchase operations were carried out for 331,451 securities during the fourth quarter.

At December 31, 2022 and 2021, the titles of PEI are:

	At of December 31,	
	2022	2021
No. of Units (a)	\$ 42,810,749	\$ 431,422
Unit value	\$ 124	\$ 10,987

(a) Through Addendum 16 of the trust agreement, the change from fixed income to variable income is made. As of December 31, 2022, the number of units contains the Split mechanism with a ratio of 1:100

Detailed below are the components of equity:

	At of December 31,	
	2021	2020
Contributions in cash (1)	\$ 1,000	\$ 1,000
Contributions at nominal value (2)	405,629,579	408,993,220
Capital contributions share premium (3)	2,436,534,772	2,457,275,118
Premium for equity repurchase (4)	29,375,474	–
Process accumulated results (IFRS) (5)	280,641,067	282,813,857
Prior years' results (6)	1,398,007,173	1,296,074,451
Profit of the year	763,968,154	294,973,266
	\$ 5,314,157,219	\$ 4,740,130,912

(1) Corresponds to the value delivered by the trustor on the subscription date of the trust agreement.

(2) Corresponds to the balance or the face value or the equity securities of the eleven (11) issues made. Their variation corresponds to the capital restitution for \$301,357 according to the approvals made in the minutes of the advisory committee No. 263 of February 11, 2022 and \$3,062,284 for the repurchase of securities made during the fourth quarter (Number of repurchased securities 331,451).

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18. Equity (continued)

- (3) Corresponds to the premium generated by the highest selling value of the securities compared to their face value for the eleven (11) issues made to date. Its variation corresponds to the profit allocation made for \$1,797,891 according to the approvals made in the minutes of the advisory committee No. 263 of February 11, 2022 and \$18,942,455 for the repurchase of securities made during the fourth quarter.
- (4) The premium corresponds to the result from the repurchase of securities made during the fourth quarter.

Date	No. securities	Repurchased securities	Repurchase cost	Actual value of the repurchase	Profit	Repurchase proration	Repurchase premium
Sep-22	43,142,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-22	43,129,325	12,875	1,578,839	505,751	1,073,088	127	1,072,961
Nov-22	43,107,698	21,627	2,677,730	804,294	1,873,436	950	1,872,487
Dec-22	42,810,749	296,949	37,378,563	10,913,046	26,465,517	35,490	26,430,026
		\$ 331,451	\$ 41,635,132	\$ 12,223,091	\$ 29,412,041	\$ 36,567	\$ 29,375,474

- (5) Corresponds to the adjustment generated by the convergence process to IFRS and its variation of \$2,172,790 corresponds to the repurchase of securities made during the fourth quarter.
- (6) Corresponds to the profits which principal component is the valuation of assets, which is not distributable to investors. Their variation corresponds to the transfer of profit of 2021, benefit of Sofia Kppel for \$5,000 and the profit allocation as follows:

Minutes No.	Date Advisory Committee	Profit Allocation Value
263	11-Feb-2022	\$ 61,652,413
269	3-May-2022	60,377,940
274	12-Aug-2022	42,544,249
280	9-Nov-2022	11,039,907
		\$ 175,614,509

19. Rental Income and Incentives

Detailed below is rental income and incentives:

	Years ended on December 31,	
	2022	2021
Rent (1)	\$ 447,611,619	\$ 380,987,152
Other rental income (2)	57,590,970	42,193,240
Hotel services (3)	23,600,376	1,284,000
	\$ 528,802,965	\$ 424,464,392

- (1) Rental income shows an increase that is mainly due to the economic reactivation of real estate in the commercial category, which decreased vacancy rates, thus generating an increase in rental income.
- (2) There is an increase in income from the leases of university residences.
- (3) Corresponds to the beginning of the operational stage of the Hotel Calablanca in Barú

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20. Variable Rental Income

Detailed below is the income from variable leases:

	Years ended on December 31,	
	2022	2021
Rent (1)	\$ 61,160,830	\$ 37,952,686
Monthly concession	372,300	278,574
	\$ 61,533,130	\$ 38,231,260

(1) The variation corresponds to the increase in come from variable rento f properties: Outlets, shopping centers, Centro Comercial Jardín Plaza, Carvajal and Plaza Central.

21. Other Operating Revenues

Detail of other operating revenues:

	Years ended on December 31,	
	2022	2021
Fines (a)	\$ 18,142,080	\$ 9,797,856
Hotel services (b)	14,706,166	–
Parking (c)	10,483,406	7,112,006
Non-occupancy risk coverage (d)	9,520,094	7,938,190
Rental of spaces	5,319,291	–
Rental of common areas	5,179,245	2,933,905
Marketing	3,398,758	2,479,858
Other revenue	2,734,049	5,670,163
	\$ 69,483,089	\$ 35,931,978

(a) For the year 2022 corresponds to the fines collected for early termination of the leases signed by the vehicle.

	Years ended on December 31,	
	2022	2021
Alfagres S.A.	\$ 10,856,703	\$ –
Frontera Energy Colombia Corp Sucursal Col	4,232,583	9,051,036
Almacenes Éxito S.A.	1,985,685	–
Other third parties	1,067,109	746,820
	\$ 18,142,080	\$ 9,797,856

(b) Corresponds to the services provided by Hotel Calablanca Barú related to bar, restaurant and accommodation.

(c) Corresponds to the visitor and monthly parking lots of the Plaza Central and Atlantis shopping center.

(d) Corresponds to the income from preferential flow and guaranteed income agreed in the community contracts and in the promises of sale, as a strategy of the vehicle manager for the stabilization of the new assets.

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22. Property and Valuation Tax

The following is a detail of property and valuation tax expenses:

	Years ended on December 31,	
	2022	2021
Property tax (*)	\$ 39,087,387	\$ 33,092,358
Valuation tax	8	30,070
	\$ 39,087,395	\$ 33,122,428

(*) It corresponds to the property tax of the properties which are amortized over 12 months.

23. Parking, Appraisals and Other Expenses

The following is a detail of parking expenses, appraisals and other expenses:

	Years ended on December 31,	
	2022	2021
Hotel services (1)	\$ 24,083,466	\$ 1,351,754
Adaptation of spaces (2)	5,725,397	-
Parking lots	2,741,267	353,147
Utilities	1,646,801	367,237
Appraisals	1,154,369	1,202,431
Other expenses	516,096	129,955
	\$ 35,867,396	\$ 3,404,524

(1) Corresponds to the expenses associated with the management of the joint operation of the Hotel Calablanca Barú.

(2) Corresponds to the expenses derived from the contract for the adaptation of spaces of the Rivana Business Park, WBP and One Plaza building. The properties are already productive and these adaptations are not given for the structural improvement of the properties.

24. Operator Fees

The following is a breakdown of operator fee expenses:

	Years ended on December 31,	
	2022	2021
Specialized fees (1)	\$ 15,525,762	\$ 9,155,456

(1) The increase is mainly due to the fees charged from the joint operation of C.C Outlets, Jardín Plaza Cali and Hotel Calablanca Barú, and the management of Multiplika on the Atlantis and Plaza Central properties.

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25. Administration Fee

The following is the detail of the expenses for management fee:

	Years ended on December 31,	
	2022	2021
Administration fee (1)	\$ 8,893,163	\$ 8,635,028

(1) The increase is mainly due to the administration fees of the joint operation invoiced in the trust of operation Atrio Torre Norte and Nuestro Bogotá, as well as the mandate operation of Edificio Capital Tower.

26. Receivables Impairment

The following is a detail of receivables impairment expenses:

	Years ended on December 31,	
	2022	2021
Receivables forgiveness and write-offs	\$ 3,523,365	\$ 105,922
Dation Alfacer lots A, B and D	(17,914,270)	-
Receivables impairment	7,822,106	-
Receivables recovery	-	(5,783,025)
Joint operation		
Receivables impairment	115,628	1,025,944
Receivables recovery	(1,079,293)	(1,894,052)
Receivables forgiveness and write-offs	537,441	1,266,962
	\$ (6,995,023)	\$ (5,278,249)

27. Reimbursable Operating Expenses, Net

The following is a breakdown of reimbursable operating expenses, net

	Years ended on December 31,	
	2022	2021
Fees	\$ 21,235,837	\$ 17,696,320
Mandate services (1)	10,615,159	10,110,208
Cleaning and surveillance	8,619,319	6,961,233
Marketing	5,627,530	4,756,497
Others	5,026,845	2,986,335
Payroll (2)	4,510,372	3,136,501
Maintenance	4,566,648	4,025,297
Utilities	3,191,264	3,579,889
Administration	(13,859,833)	(9,713,218)
Common fund for expenditures	(17,869,682)	(14,840,828)
	\$ 31,663,459	\$ 28,698,234

(1) The increase corresponds to the concept of mandate service of Multiplika Plaza Central property.

(2) The increase corresponds mainly to the charges made by AccorHotels as manager of the Calablanca Hotel in Barú.

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28. Administration Expense

The following is the detail of administration expenses:

	Years ended on December 31,	
	2022	2021
Commission (1)	\$ 89,222,787	\$ 78,886,559
Fees (2)	6,762,312	5,657,183
Taxes	1,603,840	1,153,834
Others	1,276,346	798,467
Custody of securities	318,429	941,162
Hotel services	33,488	-
	\$ 99,217,202	\$ 87,437,205

(1) It corresponds to the commissions paid to the Real Estate Administrator, under the Real Estate Administration Contract whose main functions are: Fulfill the functions of Administrator and, in accordance with article 5.6.3.1.1 of Decree 2555, is the entity in charge of the conservation, custody and administration of the assets subject to the securitization, as well as the collection and transfer to the Management Agent of the flows from the assets.

	Years ended on December 31,	
	2022	2021
Pei Asset Management S.A.S.	\$ 76,019,664	\$ 66,980,955
Trust commission	12,981,167	11,541,801
External trust commission	193,704	140,859
Investor representation commission	28,252	222,944
	\$ 89,222,787	\$ 78,886,559

(2) Corresponds to the fees of the advisory committee, reimbursable fees, statutory audit, directors and the fees charged to the Centros Comerciales Outlets for the use of the brand.

29. Tis – Lease Commission

The following is a breakdown of expenses for Tis (Tenant Improvement Services) and lease commission:

	Years ended on December 31,	
	2022	2021
Adjustments	\$ 2,921,908	\$ 3,329,864
Lease commission (a)	1,833,504	1,468,508
	\$ 4,755,412	\$ 4,798,372

(a) Corresponds to commission billing paid to third parties for the intermediation in lease contracts.

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30. Investment Property Valuation, Net

The following is the investment property valuation detail, net:

	Years ended on December 31,	
	2022	2021
Net investment property valuation	\$ 614,934,060	\$ 114,805,638

The variation corresponded mainly to the effects of Covid 19, which affected the fair value of the properties. For the fourth quarter of 2022, given the economic reactivation, there is an increase in the CPI, going from 5.26% in the 4Q of 2021 to 12.53% in the 4Q of 2022, an increase that has a positive impact on the valuation of real estate by CPI.

31. Expenses Other Commissions

The following is the breakdown of expenses other commissions:

	Years ended on December 31,	
	2022	2021
Commission for the acquisition of real estate	\$ 5,677,835	\$ 26,405,041

During 2021, a greater number of real estate acquisitions were carried than in 2022, which represents a lower expenditure of acquisition commissions for the current year.

32. Other Income

The following is the breakdown of other income:

	Years ended on December 31,	
	2022	2021
Other concepts (a)	\$ 6,312,007	\$ 1,307,357
Trust rights	308,399	620,292
Financial relief (b)	(264,518)	3,174,215
	\$ 6,355,888	\$ 5,101,864

(a) Income from debris collection is \$616,439, asset management unit \$582,647, utility recovery \$705,825, and real estate sales of \$4,407,096.

(b) For the year 2022, it corresponds to the amortization of the lease reliefs that were granted by the Plaza Central Trust to its tenants due to the economic and health emergency due to the COVID-19 virus pandemic. For the year 2021, it corresponds to the initial recognition of this relief for leases granted for COVID-19.

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33. Other Expenses

The following is the breakdown of other expenses:

	Years ended on December 31,	
	2022	2021
Others	\$ 674,801	\$ 670,954
Depreciation	86,132	60,695
	\$ 760,933	\$ 731,649

34. Financial Expense, Net

The following is the breakdown of financial expenses, net:

	Years ended on December 31,	
	2022	2021
Other interest (a)	\$ 169,059,783	\$ 47,363,284
Bond interest (a)	89,830,841	61,843,577
Bank interest	8,560,010	4,539,073
Others	3,354,137	3,796,336
Hotel services	34,334	-
	\$ 270,839,105	\$ 117,542,270

(a) The variation is mainly due to the increase in the CPI, the financial obligations of the PEI are largely indexed to inflation

35. Related Parties

The balances of related parties at December 31, 2022 and December 31, 2021 are included in the following accounts:

Settlor

The trustor of PEI is the company PEI Asset Management S.A.S, which contributed one million pesos Colombian legal tender to PEI. In accordance with the regulations governing PEI, Inversiones y Estrategias Corporativas S.A.S is not responsible for the results of the transaction originated by means of the establishment of PEI. Therefore, Inversiones y Estrategias Corporativas S.A.S. does not have any responsibility to Investors or the Trust.

The following is a detail of the trustor's contributions:

	At of December 31,	
	2022	2021
Contributions of the Trustor	\$ 1,000	\$ 1,000

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Notes to the Financial Statements

35. Related Parties (continued)

PEI Asset Management S.A.S – Real Estate Manager

PEI by means of a commercial offer of real estate management services of January 24, 2007, accepted that Pei Asset Management S.A.S act as PEI Real Estate Manager, which principal functions are:

Under the Real Estate Management Contract, it must comply with the functions of Manager and, in accordance with article 5.6.3.1.1 of Decree 2555, is the entity responsible for the conservation, custody and administration of the goods subject to the securitization, as well as the collection and transfer to the Management Agent of the flows coming from the assets.

Detailed below are the balances held with the third party PEI Asset Management

	At of December 31,	
	2022	2021
Pei Asset Management S.A.S.		
Accounts payable – commissions (<i>Note 16, letter a – (i)</i>)	\$ 18,268,960	\$ 22,664,245
Advance expenses paid (<i>Note 11, letter e</i>)	1,270,000	1,345,407
	Years ended on December 31,	
	2022	2021
Pei Asset Management S.A.S.		
Administration expenses – commissions (<i>Note 28, letter 1</i>)	\$ 76,019,664	\$ 66,980,955
Other acquisition commissions expenses (<i>Note 31</i>)	5,677,835	26,405,041

Advisory Committee

The PEI has contractually established an advisory committee which makes decisions regarding eligible investments, the program of issuance of shares and financial instruments, the purchase and sale of real estate assets and financial indebtedness of PEI within the guidelines contained in the Trust Agreement.

At the close of December 31, 2022 and 2021, the amounts paid for fees to the advisory committee members are detailed below:

	Years ended on December 31,	
	2022	2022
Fees of the Advisory Committee	\$ 537,481	\$ 428,950

Co-investments

PEI participates jointly through fiduciary rights in trusts structured to manage the operation of some properties acquired due to their size and importance, a situation that grants it rights over the assets and obligations with respect to the liabilities, related to each agreement. See Note 2 Significant Accounting Policies, numeral 2.2 Participations in Joint Arrangements.

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Notes to the Financial Statements

35. Related Parties (continued)

Co-investments (continued)

The following is a detail of the transactions with co-investments other than integration through joint operations:

	At of December 31,	
	2022	2021
Cash surplus received (Note 16)		
Fideicomiso de Operación Hotel Calablanca Barú	\$ -	\$ 66,000
Patrimonio Autónomo de Operación Tesoro Etapa 4	-	33,707
	\$ -	\$ 99,707

36. Contingencies

At December 31, 2022, PEI has no legal proceedings that are material for the purposes of the financial statements.

37. Commitments in Future Revenue

The total future minimum payments arising from operating leases signed on the cut-off dates are as follows:

Revenues	At December 31,	
	2022	2021
< 1 year	\$ 457,792,760	\$ 415,587,862
1<years<5	1,257,348,634	1,142,241,388
> 5 years	971,505,860	819,105,433
	\$ 2,686,647,254	\$ 2,376,934,683

38. Presentation of Financial Statements

Some of the figures and disclosures presented in the income statement as of December 31, 2021 present reclassifications compared to the information published at the cut-off of December 31, 2022.

With these changes in presentation, the improvement of the comparability of information between periods is achieved, supporting investors and users of information in the improvement of economic decision-making, allowing a better understanding of the information revealed by the normal flow of the vehicle, considering more appropriate the way it will be presented from the taxable year 2022, in line with best practices for real estate vehicles. The Real Estate Manager and the Trustee consider that these adjustments do not affect the reasonableness of the information previously published and the results of the vehicle remain unchanged.

The Real Estate Manager and the Trust consider that these adjustments do not affect the reasonableness of the information previously published and the results of the vehicle remain unchanged.

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Notes to the Financial Statements

38. Presentation of Financial Statements (continued)

The following are changes to the presentation of the income statement. The columns entitled "Initial presentation of income statement as of December 31, 2021" and "Balance as of December 31, 2021" indicate the classification of the items and the balance presented above. The columns "Reclassification" and "Current presentation of income statement as of December 31, 2021" relate the new classification of the item and the value presented in the current financial statement.

Initial presentation of income statement as of December 31, 2021	Year ended December 31, 2021	Reclassification	Presentation of income statement Year ended December 31, 2021
	\$ 499,851,369	Rental income and incentives	\$ 424,121,071
		Variable lease income	38,231,260
Income from the use of real estate		Reimbursable operating expenses, net	20,972,870
		Other operating income	13,351,953
		Other income	3,174,215
Other income	52,735,684	Other operating income	22,854,936
		Reimbursable operating expenses, net	16,165,532
		Other income	5,658,033
		Impairment (recovery) and receivables forgiveness, net	7,677,077
		Administration Expense	36,785
		Rental income and incentives	343,321
Investment property valuation income, net	114,805,638	Investment property valuation, net	114,805,638
Interest income	1,739,680	Financial expense, net	1,739,680
Total Income	\$ 669,132,371		\$ 669,132,371
	\$ 106,944,165	Administration Expense	\$ 78,886,559
		Expense other commissions	26,405,041
		Tis – Leasing Commission	1,468,508
Commissions		Reimbursable operating expenses, net	89,462
		Financial expense, net	50,841
		Parking, appraisals and other expenses	43,754
Interest	115,187,498	Financial expense, net	115,109,657
		Reimbursable operating expenses, net	77,841

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Notes to the Financial Statements

38. Presentation of Financial Statements (continued)

Initial presentation of income statement as of December 31, 2021	Year ended December 31, 2021	Reclassification	Presentation of income statement Year ended December 31, 2021
	81,236,394	Reimbursable operating expenses, net	48,531,411
		Administration fee	8,635,028
		Insurance	4,215,869
		Repairs and maintenance	4,694,039
		Receivables (recovery) impairment and forgiveness, net	2,398,828
		Other income	3,730,384
Other expenses		Administration Expense	2,144,765
		Tis – lease commission	3,329,864
		Other expenses	731,649
		Parking, appraisals and other expenses	2,277,060
		Other operating income	274,911
		Operator fees	249,847
		Financial expense, net	3,912
Taxes	38,375,206	Property and valuation tax	18,827
		Property and valuation tax	33,103,601
		Financial expense, net	4,117,540
		Parking, appraisals and other expenses	231
		Administration Expense	1,153,834
	32,415,842	Reimbursable operating expenses, net	17,137,922
Fees		Operator fees	8,905,609
		Administration Expense	5,288,832
		Parking, appraisals and other expenses	1,083,479
Total expense	<u>374,159,105</u>		<u>374,159,105</u>
Profit for the year	<u>\$ 294,973,266</u>		<u>\$ 294,973,266</u>

39. Approval of Financial Statements

The financial statements of the PEI corresponding to the year ended December 31, 2022 were approved by the Management Agent on February 8, 2023.

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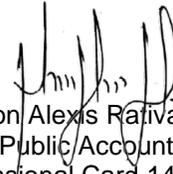
Certification of Financial Statements

The undersigned Legal Representative and Public Accountant under whose responsibility the financial statements were prepared, certify:

That to issue the statement of financial position at December 31, 2022 and 2021, the income statement income, statement of changes in special equity and statements of cash flows for the year ended on said dates, which pursuant to the regulations are made available to investors and third parties, the assertions contained therein have been previously verified and the figures have been truthfully taken from the official accounting books.



Edwin Roberto Diaz Chala
Legal Representative



Jhon Alexis Rativa Avila
Public Accountant
Professional Card 141989 – T