

## MESSAGE BY THE PRESIDENT:

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Dear Investors,

We are pleased to share with you the update of the business figures for the third quarter of this year, as well as a review of our forecasts for the end of the year and the outlook for the 2024.

2023 has been a challenging year as our expectations for a macroeconomic correction, anticipated for the beginning of the year, have not materialized in terms of inflation.

However, the investment portfolio has maintained stable vacancy levels and shown occupancy rates exceeding 94.5% and an agreement renewal rate of 98.5%, proving once again the resilience of the real estate business. The portfolio assets' performance has thus translated into sustained growth in revenues, so far registering a 15% increase in 2023 compared to 2022 and reaching accumulated revenues during the first 9 months of the year of COP 511 thousand million.

It is worth highlighting that the results reflect the good dynamics of the real estate sector, which added to the reduction of expenses associated with the vehicle's management fee have translated into EBITDA margins close to 71%.

In financial matters, the debt service experienced a correction during this quarter driven by the inflation's slowdown. Nonetheless, the interest expense has reached COP 326 thousand million during this year and, accordingly, the total cash flow payable for the year will be COP 63,199 million, i.e., COP 1,475 per Security, corresponding to a 1.1% profitability per security.

Finally, please note that the Investors Extraordinary Assembly is currently under review by the Financial Superintendency of Colombia. After this stage is completed, we will proceed to make the call thereto, which we estimate will take place during the first days of December.

I take this opportunity to invite you now to attend the extraordinary assembly so that we are able to close the year with the prospectus's update, as agreed to in March.

Sincerely,

Jairo Alberto Corrales Castro  
President  
Pei Asset Management

## RELATIONS WITH INVESTORS:

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In the third quarter of 2023, PEI reported an operating income amounting in total to COP 174,935 million, which represents a 16.2% increase compared to the same quarter of 2022.

Physical Vacancy closed at 5.5%, decreasing 58 bps compared to the same quarter of 2022. The lease agreements' renewal stands at 98.5% year-to-end.

In connection with the business's operating margins, the NOI and EBITDA margins closed at 82.7% and 70.8%, respectively.

**Bogota, November 9, 2023** – Today, PEI (BVC: PEI) (Bloomberg: PEI CB Eqty) reported its financial results for the third quarter of 2023.

Up to September 2023, operational income stood at COP 511,311 MM, **increasing 15.0%** compared to the same period of 2022.

So far this year, **98.5% of the lease agreements have been renewed**, for a total retention of 84,394 m2 and an absorption of 31,620 m2. In the same line, **physical and economic vacancies closed at 5.5% at 7.7%, each decreasing by 58 bps and 100 bps, respectively, compared to the same period of 2022.**

The operating income (NOI) was COP 422,799 MM for the year to date in 2023, with operating margins amounting to 82.7%. The EBITDA for the nine months reported in 2023 was **COP 362,103 MM**, representing a **24.4%** variation compared to the same period of 2022. On the other hand, the **EBITDA margin stood at 70.8%**, driven by the adjustment of the real estate manager's fees, retroactive as of January 1 of 2023.

The debt service continued to decrease during the quarter, dropping from a 15.47% in June –the highest point of the year– to 14.86% by the end of September: a 61-bps reduction. This drop resulted from the inflation's decrease –which fell from 13.34% in March to 10.99% in September– and the IBR's stability that has ranged between 12.2% and 12.4% since February. Notwithstanding the above, it is worth noting that the rates decrease has been slower than projected.

Furthermore, the third quarter closed with a net portfolio of COP 3,632 MM –equivalent to a 28.2% decrease compared to the third quarter of 2022–, representing 0.54% of the last twelve months' (LTM) revenues.

The Distributable Cash Flow corresponding to the third quarter of 2023 will be paid on November 16, for an approximate amount of **COP 18,580 MM equivalent to COP 434 per security**.

## FINANCIAL RESULTS

COP MM Except for the DCF per security	PERIOD		
	2022 YTD	2023 YTD	VARIATION %
<b>INCOME</b>	\$ 444,698	\$ 511,311	15.0%
<b>NOI</b>	\$ 365,608	\$ 422,799	15.6%
<b>NOI MARGIN</b>	82.2%	82.7%	0.6%
<b>EBITDA</b>	\$ 291,112	\$ 362,103	24.4%
<b>EBITDA MARGIN</b>	65.5%	70.8%	8.2%
<b>NET RECEIVABLES</b>	\$ 5,056	\$ 3,632	-28.2%
<b>*DCF PAID per security</b>	\$ 256	\$ 434	69.5%

\*DCF. Distributable Cash Flow paid, corresponding to the third quarters of 2022 and 2023.