

CONFERENCE CALL TRANSCRIPTION – 4Q-2023

Good morning, everyone and welcome to our results conference for the year 2023. In this conference today we are joined by our president Jairo Corrales, and we are also joined by Andrés Mauricio Esquivel, our commercial manager who, from January of this year, leads the vehicle commercialization strategy. Today we are going to go through the most relevant milestones for the year 2023 in charge of our president as well as a summary of the strategy, its milestones, and its objectives for the year 2024. Later we will go through what were the operational and financial results of the vehicle and we will finish with what is our usual session of questions and answers. Without further ado, I give the floor to our president Jairo Corrales.

Good morning, investors.

As always, it is a pleasure to be with you and share, as Andrés mentioned, the most relevant results of the last quarter of the year 2023. Today, we are fortunate to start this session by transmitting very good news. Good news of an external or exogenous nature, but also regarding the business itself and some results from the previous two quarters.

In the first sphere, we can mention, as very positive, the significant decrease that has occurred in an indicator such as inflation. Dani reported yesterday that inflation was located at 8.35%. Let's remember that a year ago, at the beginning of 2023, this indicator was at levels 500 basis points higher, exceeding 13%. This indicator has a very significant impact on the business since it determines, to a good extent, the levels of interest rates. And so, from the perspective of monetary policy, we also see that in the last two meetings of the Bank of the Republic, there have been still shy decreases of 25 basis points, but that already allow us to see a trend. Today we are located at 12.75%, and we hope that throughout the year measures will be taken in that same direction, leading to a decrease that should also be reflected in the interest rate of commercial banks.

Regarding business news, we also closed the year with excellent results. We managed to keep the physical vacancy rate below 5%. This indicator, as we know, is very relevant and important for the industry. But we also have to mention that we achieved this without sacrificing the generation of income at all. We closed the year with revenue exceeding 700 billion pesos and with an operational profit close to half a billion pesos. This is very important. An operational margin that exceeded 71%. The EBITDA surpassed 71%, which is one of the highest we have had, largely due to the significant decrease that the manager made in the commissions it charges to the vehicle. As a result of both the exogenous variables and the excellent results of the vehicle, we have seen this week record prices that were not reached in the secondary market, exceeding the 70,000 barrier. These are good news that, although they still put us far from the general objectives we have, they do mark a clear trend that I hope will be consolidated during 2024.

Next, I want to share with you some of the most important milestones of 2023 and, very importantly, the prioritization of the strategy for 2024.

Firstly, I want to divide it into four main areas: the business model, the optimization of the real estate portfolio, the capital structure, and the diversification of the investment base.

As for the business model during 2023, we achieved significant milestones that were formalized during the extraordinary investors' assembly we held at the end of the year, in December. There, a very important adjustment was made in the structure of remuneration of the real estate administrator. We transitioned from charging a fixed sum depending on the size of the assets we manage to a remuneration that depends on the operational results and the cash we deliver to you, our investors. We also made some adjustments to the capital structure, lowering the maximum debt level from 40% to 35% and introducing a new indicator called ICR, or interest coverage. Finally, we also made adjustments to corporate governance, so that the validity of the independent members has a time limit.

Looking ahead to 2024 in this same sphere of the business model, our priority is sustainability. The decarbonization plan of the portfolio is underway, with ambitious goals. By 2030, we aim for the carbon footprint to decrease by 30% for the 160 assets that make up the portfolio today. Additionally, we have been building a tenant experience model, recognizing the importance of tenants in the business.

Now, turning to the optimization of the real estate portfolio in 2023, we successfully concluded a divestment, which, although not very significant in size, is beneficial for optimizing the capital structure of the vehicle. In December of last year, we formalized the sale of a logistics asset located in Yumbo, Valle del Cauca, for a value close to 10 billion pesos, with a value very close to the book value, about 97%. This is an important milestone, and we continue to work on other processes.

Regarding the capital structure, during 2023, we worked intensively on the preliminary steps for the closure of the operation with the IFC. We have had an intense process with an entity with very high standards. During 2023, we also worked on optimizing the financing cost, seeking an expansion of capital and financing sources through different structures.

In terms of diversification of the investment base, it was an excellent year. In 2023, we managed to grow our investment base by more than 15%, with approximately 6,500 investors. We also took steps to attract international investors, and there was important news at the end of the year when MSCI determined that real estate investment vehicles in Colombia, known internationally as RIT, are qualified to meet the indexes.

Looking ahead to 2024, we have interesting plans for redevelopment, reconversion, and divestment in terms of optimizing the real estate portfolio. In terms of capital structure, it will be another important year, as we await the closure and formalization of the operation with the IFC. We continue to explore alternatives for capital sources, such as bonds and commercial papers.

Finally, in terms of commercialization plans and alternative local and regional investments, we are focused on expanding and diversifying our investor base. We have planned visits to countries such as Peru and Chile to capture mid-sized investors and a non-deal roadshow aimed at global investors, particularly in New York and Boston.

In conclusion, it is a coherent strategy that always has a long-term perspective. We hope for an important recovery of the capital market in 2024, setting the stage for a transition year leading to a return to pre-pandemic levels in 2025.

Finally, and I want to move on to the next slide, where it seems very important to us to put your knowledge, our vision of the market, already in what has to do with real estate. And it is important to say that in recent years there have been very significant increases in construction costs and this has obviously affected the construction industry, but it also has a positive reading and that is that real estate rents should grow in the coming years to the extent that the macroeconomic environment allows it. In other words, despite the fact that costs have increased in a very important way and that the costs of repositioning assets are high, that has not yet been translated into a real increase in rents due to the macroeconomic external condition. But we see that for the years 2025 onwards there must be a real recovery in the levels of rents.

We share in this slide that we are presenting, which is number 7, as well as the construction licenses have been practically stable in 2023 with levels of 5 million square meters of approved licenses. But it is very interesting to see how in the culminating works, in terms of warehouses, there is an increase, we have always been able to share that this category of logistics has had a continuous growth behavior, it was not affected by COVID. The large international chains and logistics operators have continued to demand spaces, which is different from what has happened in commerce and offices, where we see an important contraction in the square meters of finished works.

As for inventories, something similar, where we see how in warehouses today in Colombia there is an order in the main cities of 7 million square meters, in commerce a stability, there has been no launch of new projects and we see that there we are in the order of 4 million square meters and in the issue of offices 4.4. And very important, and to finish this, how the inventory or vacancy has decreased in each of the categories. We see how in warehouses we have in 2019 spaces available close to 850,000 square meters and in 2023 this same indicator fell below 300,000 square meters. Something similar in commerce, obviously not so pronounced, there we are at levels of 200,000 square meters of available area and in offices where the recovery has been slower, the levels of availability of square meters rise to 400,000. So, as big conclusions, we see a smaller offer of new square meters, an absorption, which is very interesting, of the available square meters and this must lead to what I mentioned a few minutes ago and it is an eventual increase in the rents of these three categories, which are very important within the composition of the portfolio of the country.

Now I want to give the floor to Andrés Esquivel. Andrés Esquivel is our new commercial manager. Andrés has an important career of more than 12 years in the company, he has a very important knowledge of segments and categories such as commerce and he has the challenge of leading the team with indicators as positive as the ones we share, of having a physical vacancy below 5% and an economic vacancy that is located between 6% and 7%. Andrés, welcome.

Thank you very much, good morning, dear investors. Next, we are going to tell you the summary of the management of the real estate portfolio for the fourth quarter of 2023. Let's first address the general figures of the portfolio before Andrés shares with us the details of the evolution of the categories. What a shame, sorry Felipe, so please.

Well then, in general terms, the figures of the portfolio, we close with assets under the administration of the order of 9.3 billion pesos in terms of rentable area, which is what is represented in those assets of 1.15 million square meters, represented in a little more than 1,600 rentals. It is important to note that for the year 2023 we close with a little more than 6,400 investors, which represented a growth of about 17% as a result of those strategies that Jairo described at the beginning in his message of expanding the investment base and many of the initiatives that we have been sharing with you. In terms of classification or diversification, which is one of our most relevant pillars in real estate, when we express diversification in terms of property and investment, the portfolio closed with 41% in commercial centers, 3% with commercial premises, which are premises on the street, corporate assets with 35% and logistics assets with 16%, closing with the smallest category that we have in the portfolio, which are specialized assets that represent about 5%.

As Jairo highlighted, I won't revisit the holiday figures, as they've already been discussed. Now, Andrés will delve deeper into them on slide number 10, emphasizing the relevant figures in terms of income and operational utility. We exceeded 703 billion pesos in operational income and reached an operational utility close to 581 billion pesos. This led to two-digit increases and allowed us to achieve an EBITDA close to 500 billion pesos. Consequently, there were increases in both operational margins and EBITDA, surpassing those reflected in 2022. Notably, the EBITDA margin reached close to 71%, primarily due to the good operational performance throughout 2023 and the discount granted by the real estate administrator of 37.5% of its commissions, which was maintained until December 14.

In terms of performance, we achieved a profit of around 63 billion pesos with a patrimonial performance of 1.12%. Our next distribution, set for February, will be approximately 26,028 million pesos, about 8 billion pesos more than the previous one. This indicates a recovery in distributions due to improved operational results and lower inflation and financing costs.

Now, let's move on to Andrés Mauricio, who will provide a summary of the main indicators of the real estate portfolio during the fourth quarter of 2023. We closed the fourth quarter with a physical holiday of 4.33% and an economic holiday of 6.03%. Throughout 2023, we retained 124,400 square meters, reaching a total renovation of 98.4% of expired contracts.

In the corporate portfolio, both economic and physical holidays decreased, showcasing the entry of significant clients such as General Motors. In the commercial assets portfolio, there was a consistent decrease in holiday indicators, accompanied by notable brand entries and an increase in sales per square meter.

In the logistics category, we achieved 100% occupation due to placements of significant clients like Diebold and Siemens. Market prices also saw adjustments, with cities like Medellín experiencing a more than 23% increase in rents per square meter.

Moving on to specialized hospitals, health assets achieved full occupancy, while educational assets saw an average occupancy of 90%, significantly better than the previous year.

In summary, our real estate portfolio has shown positive trends across various categories, indicating growth and stability. Finally, I'd like to highlight the successful case of Metros a la Cuatro, which demonstrates our commitment to providing high-quality services to our clients. Thank you, Andrés.

Thank you for the detailed overview. Let's delve further into the financial results of the vehicle.

Firstly, in terms of income, we successfully surpassed the 700 billion pesos mark, representing a notable increase of approximately 15.3% compared to the previous year. This substantial growth enabled us to achieve an operational utility of almost 581 billion pesos, with an impressive margin close to 82.6%, which exceeded our performance in 2022.

Regarding seasonality, we observe that the fourth quarter typically experiences a concentration of expenses in repairs and maintenance as we finalize projects on our assets to uphold infrastructure standards. Despite this, we witnessed an increase in profitability year-on-year, highlighting the resilience and efficiency of our operations.

Furthermore, the EBITDA for the year amounted to close to 500 billion pesos, with a margin close to 71%. This robust operational performance was partially attributable to the discount granted by the real estate administrator last year, which positively impacted our margins. However, it's important to note that sustaining such high EBITDA margins in 2023 might be challenging due to adjustments in administrative commissions made in December.

Moving on to the portfolio, we are pleased to report a continued healthy trend in its evolution. The portfolio closed the year at approximately 5,844 million pesos, representing a rotation of two days of our income. This indicates strong financial health and reflects the positive commercial relationships we maintain with our tenants.

Regarding the capital structure, we observed a reduction in the level of debt from close to 36% in 2022 to about 34% in 2023, indicating a decrease of approximately 200 basic points. This reduction was influenced by inflation's impact on lease contracts, which increased income while reducing the estimation of commercial value by third parties.

Looking ahead, our objectives remain aligned with our previous plans. We aim to achieve a loan-to-value ratio of 30% by 2024, with a projected debt level close to 32%, representing a reduction of about 170 basic points compared to the previous year.

Moreover, we anticipate a substantial reduction in the cost of financing for 2024, with an estimated rate of 12.9%. This, coupled with an inflation expectation of 5.4%, should enable us to nearly double the distribution box flow delivered in 2023, facilitating an increase in distributions and a return to patrimonial yields of around 5% by 2025 and 2026.

Finally, regarding our investor base, we saw an increase to 6,414 investors in 2023, with a significant proportion being natural persons. Notably, other institutions and insurance companies almost doubled their participation in the vehicle, while pension funds remained a significant contributor despite a slight decrease in their percentage participation, going from 4.5% to 9.1%, we saw insurance companies that went from 9.6% to 10.6% and as I mentioned, natural people represent a lot in the number of investors but in participation they increased from 13.5% to 14.4% who allowed these investors to access the vehicle were fundamentally the pension funds that went from a participation that closed the year 2022 with a percentage of 61.6% to about 56.1% and that, to a good extent, was the dynamic of the composition of our investment base that connects.

With what we are going to share in the next slide and that is, what was the evolution of the title in the secondary market. Let's remember that we closed the year 2022 with a title value close to 34,000 pesos throughout the year. After our meeting that we did in March, we started to see a positive evolution in price that allowed us to close with a price at the end of the year of 2023 of 64,300 pesos. That, of course, came from the hand of what we measure and that is the volume that, to a good extent, speaks of how good the liquidity of the title is in the secondary market.

In the lower left graph, you see that the volume that the title transited daily happened in December 2022 of 72 million pesos a day to about 665 million pesos a day, which was an increase of about 9.2 times with months like June, September, and November where we even exceeded the 1,000 million barrier and in some cases we were even very close to 1,700 million pesos. That, to a good extent, is what translates into when we measure the profitability of the title expressed only in valuation excluding the distribution box flow that was delivered for the year 2023.

PEI was the species with the highest valuation in the variable income market with a valuation close to 80%. On this front, I would tell you that we continue to work with some of the news that our president already shared in terms of inclusion in the indices and all that strategy that we are deploying in terms of continuing to diversify and expand the investment base not only at the international level but also at the local level because we see that there are audiences in the Colombian market that may still have an interest in real estate vehicles such as PEI but also in financing alternatives or raising capital that we are exploring this year.

Ayro mentioned that we are obviously monitoring the moment to eventually consider a titling but we are also advancing in projects that consider the raising of debt substitution from bonds that we have done since 2018 and 2019 as long as the market presents good conditions we can do it again as well as commercial papers that if you remember we have a robust program of commercial papers that we have not yet used and that can eventually be another of those mechanisms that we can explore throughout the year for the purpose of continuing to minimize the capital structure of the vehicle and that eventually the titling is the main mechanism through which the vehicle raises capital and reduces leverage is what we have used since the Genesis of the vehicle but for obvious reasons since the beginning of the pandemic in 2020 the capital markets have had and of course Colombia has not been the exception.

But we know that as inflation levels fall and interest rates drop that gradually begin to become an enabler for the capital markets where many investors begin to increase their appetite for variable income assets and eventually of course, real estate vehicles such as the PEI.

Without further ado, Jairo, I give you the floor to share what our perspectives are for this year.

We have a second question from Mr. Francisco Puerta. I understood that the bodega in Yumbo was sold below its value in books. Can you clarify the reason why it was sold at a loss? Francisco, thank you very much. The first thing I want to clarify is what we consider value in books. The value in books is the value of the last balance that a third party practices and that is adjusted by inflation from the moment of that last balance until the date when a transaction is perfected. To give you some concrete data about this bodega, it was bought in 2016 for a value close to 7,200 million pesos. As I mentioned, it was sold at 8,800 million pesos. That is, a value substantially higher than the purchase

value. The value in books that this asset had on December 31, 2023 was high because last year inflation adjustments exceeded 10%.

But there is also another consideration. The term of the previous lease contract had expired, the bodega was unoccupied and to re-commercialize it, it was necessary to make an investment or a capex greater than 500 million pesos. That is, in the exercise we did, we clearly determined that it was a good opportunity to disinvest that asset because the value of the sale or the conditions of the sale allowed us to deliver it as it was without having to incur additional investment. The value adjusted by inflation reached 2,000 million pesos. The property was sold at 8,800 million pesos and the bodega had to make an investment in capex that was greater than 500 million pesos. Clearly, it is an operation that generated profitability for the investors during the time it was there and the metric that is required to compare it against the value in books is what causes that compared to the purchase value or the value in books, we have a very small difference close to 2%.

Thank you, Jairo.

We have another question from Mr. Jorge Jaramillo and he asks us how much profitability and flow we will really have that is worth it. The market value is still 40% and the opportunity cost is in the order of 17%. It is a very good question, and indeed there are investment opportunities in the market today that are very attractive and have two-digit profitability. I would say that this is part of the exercise that each investor, in the framework of their more general strategy, which includes as an opportunity for PEI to evaluate those profitability over time. Today those opportunities are there, but we are aware that the long-term profitability, taking into account that the horizon of this vehicle is very long-term, can compete in a much more sustained way over time with those short-term profitability that are eventually seen in fixed income instruments. In fact, we shared it in last year's ordinary assembly that in inflationary moments, as you mentioned, the market values of REITs or participatory titles such as PEI in the world, not only in Colombia, have very deep devaluations and alternative opportunities are generated that are very attractive.

But when the cycle of rates and inflation is evidenced from the data that Dani shared with us yesterday, sustained valuations are evidenced that can even exceed that percentage that you mention of 40% and that occur over several years while again the central banks return to those expansive policies so that the economies return and grow and in a good measure that is the point where we will gradually go to where we anticipate to go and very surely that recovery that we saw last year, in fact, I would like to highlight because there was another question in relation to the fact that in January there was a devaluation, that in the course of February the title has already exceeded the \$70,000 barrier, which in a good measure is a similar trend to what we saw last year and that in a good measure begins to close that gap regarding that patrimonial value or that entry value that some analysts say could be a trend not only for PEI but for all variable income assets today when we look at profitability estimates that some analysts make of the capital market we see that variable income assets are actually giving them a potential devaluation for this year and that not only analyze PEI but other issuers see with good eyes the behavior that the variable income may have this year.

We move on to the next question from Mr. Alejandro Sandoval and Andres Mauricio, I am going to give you the floor if you confirm us what was the commercial segment what is the proportion of variable income for local sales and establishments? Thank you very much Alejandro for your question in general terms the contribution they have today in rents per square meter corresponds

to approximately 30% the variable component. It is important to mention that not in all assets at all times of the year this contribution is the same for example in an asset like Los Únicos this component becomes much more powerful and in times like the end of the year it also increases in a relevant way but the average is 30% the contribution of the variable component on rents.

Thank you Andres I would like to complement Andres' answer to share with the investors that a great strength that we have in PEI is that even though there is that portion of variable income that percentage also has a floor that is, for us it is the possibility of growing but knowing that the contracts that have variable in the vast majority also consider a minimum value and therefore, as Andres mentioned in the months of January to November very surely it operates the minimum that we have guaranteed, that allows us to stabilize the cash flows and in the months like December of important sales we managed to capture that added value.

Thank you Jairo We have two questions from Mr. Barragán and Mr. Hernando sorry, we go at five, right? So, Mr. Mauricio Suárez asks Do we have a new projection of investors' income 2024-2025 based on the results presented and the IPC? Yes, Mauricio, we have and it was precisely the projection that Jairo shared in the prospects for the year 2024 where we are basically giving the sensibility that in the year 2024 the distributions that we are going to deliver to the investors, we anticipate that they are of the order of twice what we deliver in the year 2023 as a result of the consolidation of the operation that has been presented in the year 2022 and 2023 added to the reduction of interest rates that we are already evidencing in the market.

In terms of projections after 2024, we have maintained still the projections that we share in our assembly of investors and very surely in that same space we are going to make an update of the prospects in the medium term to give them a sensibility but they should not be very different from what we shared in the year 2025 and in the year 2026 without a doubt to have important increases and we should be talking about 6,000 pesos for the year 2025 between 6,000 and 7,000 pesos and in the year 2026 between 7,000 and 9,000 pesos of course everything above everything associated with the levels of inflation which are mainly those that today reward us more.

I'm going to move on to the next question to Mr. Barragán and Hernando Rivas they ask us about the corporate holiday that is superior to the market it seems to be stabilized at 3% what strategy do we have for the best use they talk about resources but I would say for those assets Thank you Andrés, thank you Hernando for the question the category of corporate assets is very important for PEI because it represents about 35% of the income as Andrés shared at the beginning of the presentation today we have practically full occupancy in this category excepting the Atrio building and we have in conjunction with our partner an area close to 40,000 meters to occupy and that is what causes that in the indicators the physical holiday in the corporate category of PEI is superior to that of the market however there is good news we are with a robust pipeline two advanced businesses on relevant areas of the order of 10,000 to 11,000 meters each in a traditional scheme of commercialization precisely Andrés Esquivel shared the product that we have called meters to 4 which is a clear strategy to deliver added value to our tenants in meters to 4 we do not limit ourselves to rent physical spaces or square meters but we give the final customer the spaces totally adequate so it is an integral solution that allows us to differentiate from the market and that allows us to charge better rents in this way we are generating a differential strategy as I said the rest of the portfolio excepting Atrio has a behavior this year we will have as I shared at the beginning the

challenge of redevelopment and reconversion of some assets in this category to update an asset as important as state insurance with a location more than premium but with a building that has more than 40 years of construction then in this category that is so relevant for PEI we have deployed an integral strategy consistent in what I already mentioned the design of the product of meters to 4 but also in the redevelopment or reconversion of assets that allow us to have a portfolio that never has an obsolescence because we are permanently commercializing with the highest standards and with the best technical specifications Thank you Jairo we have a question from Mr. David Bedoya from Miriam Guerrero for when is the entrance of the vehicle to the index of the stock market as Jairo mentioned last year there was a change in the methodology where the universe of species was expanded to the real estate vehicles with some conditions such as being listed in the variable income market in a good measure PEI today already fulfills that there are two moments in which you can make the incorporation of new issuers to the indexes in the particular case of the MCI one is now in February and another is in November and each one has different conditions particularly the February one is associated with corporate events that occur with other issuers that eventually have to leave and that in the particular case of what has happened in Colombia has to do with some news that we have seen in terms of what has happened with the stock market of Colombia that today is a society that has merged with the stocks of Lima and Chile very possibly what the investors anticipate is that this action comes out of the index also from the transactions that have been made between Nutresa and the Gilinski group it is anticipated that eventually those issuers can also leave the index and that enables other issuers to enter but we will only know that on February 19 when the new basket is announced and we can be sure because the owners of the indexes are very prudent in the management of the information when they are going to give it to the market

I will continue with the next question and it has to do with Mr. David Bedoya what plan do you have for the short-term debt that seems to be a relevant amount Mr. David, I think it is a very good question and in fact great movements were made in December and they were already made in January and we are doing it in February the short-term debt of the vehicle this year should not in these first two months for the whole of 2024 it should not exceed 280,000 or 290,000 million pesos because taking advantage of the reduction in rates that we have seen we have already found the possibility of increasing the duration of the debt portfolio with a lower cost than we had towards the end of last year precisely because we still did not see those relevant reductions that we needed to see in terms of inflation I would like to convey that this strategy has already been implemented and very surely when we close this first quarter they will be able to see relevant elements in this financing structure that will not only contribute to what we call a profit profile but will also contribute in terms of a lower cost of financing

We have a question from Mr. Santiago Restrepo and it has to do with the redevelopment that you mentioned if we could give a little more detail about the nature of the project and the value of what we are anticipating Of course, Andrés, and thank you very much.

Santiago, the property we are referring to is the State Insurance property, located on lane 11 with street 90. It is a property that has been in PEI since the first emissions in 2007. It had a long-term lease contract with State Insurance that expired a year ago and was extended for three more years, but that expires in 2025. In conversations we had with them, because it is obviously one of those leases that we want to keep, we concluded that the location is very privileged and that the lessee wants to stay there, but they wanted to have better technical specifications of the building. That is

why, together with them, we did an exercise where we are going to temporarily relocate them in another of the corporate assets of PEI while we do the redevelopment.

The total redevelopment has a cost close to or higher than 80 billion pesos, but of which a very representative value consists in the contribution of the current property. So really the investment of PEI in this redevelopment is of the order of 42 billion pesos. We are in the whole stage of structuring the project. Let's remember that PEI has a clear mandate to mitigate commercial and development risks. And what are we going to do there? First, we do not have commercial risk because we already have the anchor, which is the State Insurance itself, that is going to stay with the vast majority of the building. They have not confirmed the 100% of the new lease area of the building but at least a percentage close to 70%.

So the commercial risk is substantially reduced. And as for the development risk, what we are going to do in PEI is obviously the financial structuring, the consultation of the norm to capture the best value but we will hire a builder who has the knowledge and can assume the own development and construction risk. So in that way we achieve the best in the world update an asset in an excellent location maintain a lease without taking commercial risk because it is practically what we call a BTS or Build to Suit since we are building a high specification property to a lease of excellent credit risk. Thank you, Jairo.

We have a question from Mr. Humberto Gómez. He is talking about the planned emissions to be issued. Will these be titles or bonuses? The answer is yes. We are considering participatory titles and we are considering bonuses like the ones we have issued in 2019 or a structure that also exists in Colombia called private bonuses which are bonuses issued for institutional investors. In terms of participatory titles, the objective of these resources is mainly to repay debt and reduce vehicle debt and in terms of bonuses which is the project that we started since last year by the Bank of Colombia would be for replacement of passives not for incremental debt but for replacement of passives which is the recurring strategy that we normally develop for the purpose of having a good profit profile in the hands of an optimal cost in terms of financing.

We have the last question because we are running out of time and it is from Mr. Brian Álvarez. He mentions if in addition to IFC there is an agreement to acquire debt that is linked to what I have just mentioned we do not have a particular agreement with another multilateral at the moment but if you could give us more details if we have a binding agreement to acquire assets and if in 2024 we will have acquisitions. Thank you, Andrés. No, we do not have new acquisitions planned for 2024. Let's remember that in the last assembly we introduced a new indicator which is the coverage due to interests and that as long as a level of 1.7 is not reached the vehicle has a restriction to contract new debt. Let's remember that the acquisitions of the PI to incorporate a new asset into the portfolio are made through debt and having this indicator at this time below 1.7 we will not sign binding documents during 2024.

Obviously, as the rates go down and we hope that from the last quarter of this year in a much more appreciable way because we have already seen the first decreases we achieve that this indicator is again above 1.7 which would allow or enable the vehicle to make new acquisitions. We do not have binding documents for new acquisitions nor do we plan to sign it according to the last modification that we made to the Vehicle Regulation Prospect. Thank you, Ayro, and I return to make a clarification in the face of this question that Mr. Bayan Alvarez asks us. It is not to increase but to



refinance debt that we already have in the portfolio that is, it is not incremental debt because as we mentioned here we have a very clear goal that we have been working on since last year and where we are working with a lot of focus.

With this, we end I would like to clarify that the natural mechanism to reduce the passive of the vehicle are the emissions of equity. During these almost 17 years we have made 11 emissions of participatory titles starting in 2007 and being the last of them in 2018. At that moment what we do is create an attractive package and we make an emission or what we call a titillation. With these equity resources what we do is pay the debt and we start the process again to have a profitable growth. At this time, as Andrés explained and I mentioned it, in 2024 the IFC or management that we are doing with local commercial ships has as a purpose to replace current passives looking for the best terms and conditions. This is important to say because we want to be very attentive to market conditions to explore when we could resume the emissions of equity that would generate that great advantage of being able to reduce the leverage and allow us to reach levels of coverage of life expenses that would be far below those we had in other years.

This issue is very important because it is the essence of the business the possibility of resuming the traditional levels of equity because we are also aware that through the emissions of bono we can achieve deadlines and rates that are difficult to achieve in the financial market. Having the possibility and diversity of sources not depending exclusively on the financial sector but also on the capital market is one of the strengths of the vehicle. We are running out of time. We know that there are other questions that we have to answer. We will contact you from the Investment Team. You can see the contact information and all the material available on our website. Ayro, if you want to say a few words. Thank you, André Felipe, I would like to thank you for your trust I would like to reiterate the importance of this year in the sense that this possibility of the emission of new titles is not immediate, but it can be made more concrete. The issue of the decrease in interest rates We see how fixed income instruments have fallen considerably There will surely be more appetite for alternative instruments such as real estate investments and PAY This allows us to close the gap in the value of the title As we have lower interest rates and a lower discount in the secondary it will be much more feasible that PEI can resume the path of emissions of participatory titles that will allow us Thank you again for your trust We hope to see you in the next meeting and in the second call for results for May Thank you very much.