

CONFERENCE CALL TRANSCRIPTION – 1Q-2024

Good morning, everyone. My name is Andrés Felipe Ruiz, Vice-President of Finance for PEI Asset Management. I want to welcome you to our results conference for the first quarter of 2024. Today we have the pleasure of having with us our President Jairo Corrales and Andrés Esquivel, our Sales Manager.

We are going to start this conference with the first words of our President Jairo Corrales, who will go over the progress in terms of strategy, but he will also give a balance sheet on the results of the vehicle throughout this first quarter. Later, we will go on to review all that has been the evolution of the commercial strategy headed by our Sales Manager, Andrés Esquivel. And later, we will review the financial results of the vehicle, the evolution of the capital market, and what are the perspectives that we have been sharing with all of you for 2024.

Without further ado, I give the floor to our President Jairo Corrales.

Thank you, Andrés Felipe. Good morning, investors. As always, it is a pleasure to be with you. Today we have the pleasure of being able to present the results of the first quarter of 2024, tell you some relevant aspects of the vehicle of this first quarter and obviously answer the questions and concerns that you may have at the end.

In relation to the optimization of the real estate portfolio, which, as you know, is one of the strategies that we have deployed since 2023, we want to highlight three facts. The first is that the first redevelopment of the PEI will start this year. It is positive news that fills us with great pride because it is the demonstration and the ability of the real estate administrator to efficiently manage the portfolio.

Remember that the PEI was launched 17 years ago, that some assets that were bought at the beginning of the launch of the PEI were already 20 or 25 years old, that is, that today they can be nearly 40 years old. That is why this optimization strategy is very important because it allows no asset to be obsolete.

And the first case that we want to share with you, we had already done it tangentially in the previous call, is that of state insurance. This is a corporate property located in the city of Bogotá, in the 11th lane with 90th Street, an excellent location.

We have a very good real estate agent, as it is state insurance, in a building that already had a fairly important time of construction. What do we achieve with our real estate agent? Offer him a location in transit while the PEI can develop a new building of high specifications. We can already tell you this as a reality and the project, we are going to work on everything that is design, technical specifications, and the project should be starting in 2025.

I insist that this fact is very important because it allows us to show you, investors, the capacity that the administrator has to efficiently manage that platform. Also say that there we are going to deploy one of the star products that PEI Asset Management has, which is 4 meters. What is 4 meters? That we do not limit ourselves to renting empty spaces, but understanding the needs of our tenants, we make the

adequacy, the real estate, and we deliver the offices fully ready for them to use. This will be implemented in this asset at the end of the construction.

But it is not the only asset that is subject to redevelopment. We have within our portfolio a very good location real estate, as it is Carvajal, at Puerto del Dorado, at the intersection of 26th street with the city avenue of Cali. This is a lot of almost 30,000 square meters that has today built a building that has a GLA just close to 16,000 square meters.

The norm allows us to use this asset much better and that is why we are going through a process of reurbanization to achieve a development in stages. This will take much longer, it is a more ambitious project as we move forward.

These important news from the real estate point of view must be summarized within a topic of how we have managed the capital structure of the vehicle. It is important to say that in the course of this year and particularly in the first Q, we achieved the replacement of passives for an amount higher than 750 billion.

This was done with the local bank in very good conditions of rate that we have had and a high rate environment. We achieved magnificent rates from our real estate allies and deadlines in accordance with the horizon of the vehicle. This is very important to say and it allowed Standard & Poor's in its periodic review of all the information of the GDP.

As you know, they issue a periodic rating that will improve the perspective. This will obviously have a positive effect on future credit operations that take the GDP. We must remember that we have some bonuses that we placed. We did two emissions between 2017 and 2018. They have a very positive rating and forward as the vehicle continues to evolve and we have these news very surely we will be able to continue improving these ratings.

In relation to investors, during the first quarter of the year we have continued to see a very positive movement in the expansion of investors. We had about 100 additional investors. Let's remember that today this number already exceeds 6,500.

But we have not stayed still and in a current situation where in the Congress of the Republic there is a debate on a very relevant issue such as pension reform that can limit the investment capacity of institutional investors such as FPs, we have also wanted to start surveying international investors and that is why during this first quarter we did a non-deal roadshow with about 10 foreign investors who handle very quantitative resources to which they were presented the PEIS, they were already generated an interest and with them we are going to have some second conversations in the next few months.

This also I insist on having a portfolio or a very robust and well diversified portfolio, in such a way that if we have any impact on pension reform in terms of the investment capacity of the AFPs we also have a plan B that corresponds to those international investors.

And there let's remember, as we shared in the previous call, that the very safe I don't want to give it as a safe fact or already true, but yes with a very high probability that it occurs the inclusion of the PEIS in the

indexes this is very important because it will generate greater exposure and visibility for those international investors.

So with these three aspects we wanted to give an update of the advances that we have had in the strategy that we find very relevant, we share them with you in the assemblies we had the year before and as you can see after an environment challenging as it was in the year 2023 with very high interest rates caused in good measure by the high cost of life reflected in an inflation that reached 13%.

Today we have an environment a little better, we have an inflation that yesterday precisely the DANE shared a figure of 7.16 for the last months, which was already in a line and a clear trend to decrease. And what should lead the Bank of the Republic to continue deepening the decrease?

Today we are at 11.75, we started the year with more than 13.25 and that allows us to foresee that at the end of the year we have a debt cost that allows us to deliver a better performance to our investors. All this we want to relate with the real estate market because obviously our subjacents are real estate and although that real estate portfolio is represented in some titles, values that go through the stock market, we should never lose sight of what is the behavior of the subjacent, that is, of the real estate.

The real estate context has been quite stable during the first quarter of this year, very similar to the previous year, with some significant decreases in the holiday in almost all categories, with an increase in costs that occurred especially in the second semester of 2022 and throughout 2023, but that has already flattened, that is, we no longer see the same increases in costs in construction and this is positive news.

What is important and in the slide number 7 that you have, you can see what has been the behavior of the construction licenses. You see that in 2019, the year before the pandemic, in Colombia approximately 5.8 million square meters were approved, while in 2023 this same figure rose to only 6.1.

If you do the annual growth, you can see that it is very modest, that is, there has been a stagnation in the built licenses as a result of the complex conditions that the country experienced during this period and this translates into practically all categories except wineries, we have had a decrease in the finished works, we see how in commerce we go from almost 1 million square meters to having about 880,000 and where the most dramatic has been the decreases in offices that we went from about 700,000 square meters to about 270,000 square meters and this has a very important impact on inventories.

The winery inventories were the only ones that grew, going from 6.5 million to about 7 million. In commerce we have had practically a stability between 3.5, 3.6 and 3.8 million square meters and in the issue of offices, that behavior of practically no launch of new square meters is accentuated and this means that, as I mentioned at the beginning, the vacancies in the

main categories managed by the PEI have decreased and today they are almost all below 10%. This is a good indicator and prepares us so that in years like 2025 we will very surely have real increases in prices in real estate rents.

I want, later Andrés Felipe and Andrés Esquivel will make the detailed explanation, but I do not want to stop sharing some very general results and give you a vision of what we believe will happen in the rest of the year.

The first thing is that at the end of the first quarter of 2024 we have assets under management for about 9.5 billion pesos, we have a rentable area close to 1,150,000 square meters. The number of tenants, here we made a depuration, on some occasions we have tenants with different social reasons but a single brand and that is why here we have after having made that depuration, reached a total number close to 1,400 tenants.

In Inversionistas we already gave positive news in the sense of continuing to expand the Inversionistas base, today more than 6,500 Inversionistas accompany us. Our portfolio, since in the last, I would say practically a year and a half we have not made new incorporations, remains the same in terms of distributions by categories, being the predominant category that of trade with 41%, 3% of commercial premises or standalone, but corporate offices represent about 35%.

In logistics, which also includes the industry category, we have 16% and in specialized where, as you know, we have health, education, but also hotel and university residence issues reach 5%. As you can see, it is a adequate diversification that not only we try to do by category but also by cities and tenants.

Not having a high concentration in any category, in any region of the country or depending on few tenants, it has always been one of the premises in the management of P&S in Management. And some relevant results during this first Q of 2024.

The first is that we managed to reduce the physical holiday with respect to the first quarter of 2023, being about 5.42%, that is a reduction of 25 basic points. The economic holiday is located at 7.15%, which against the same date of the previous year represents a reduction of 85%. Let us remember that for us it is important to measure the two holidays because the economic one refers in some cases to contracts or spaces that already have a contract of agreement signed but that have some grace period and therefore an economic holiday is generated that can be higher than the physical holiday. It is also a reflection of the difference in prices of the different categories. You know that an office rent can be in the order of 75,000, 80,000 pesos per square meter, while a rent of a winery can be 30,000. This means that when we have an unoccupied corporate space it has more impact than if we have it in the category of logistics.

For the first quarter of the year we have a very important and positive result and I highlight it and it is the growth of income with respect to 2023 by about 13%. This is very important because it shows that it is the result combined of two issues, of the excellent occupation that we have but the application of the increases of the lease contracts and that allowed us to close the first quarter with incomes higher than 190,000 million. The NOI, which is the margin net operational, reached the figure of 161,000 million pesos with a growth higher than 14% and the EBITDA that is the utility, already after discounting administrative and operational expenses, reaches 139,000 million with a growth also higher than 13%. As for the margins, because it is important that this growth is not only in absolute figures but that it is accompanied by a strengthening in the issue of margins. The NOI margin reached a figure practically record with respect to recent years, close or higher than 84%. To be more precise, 84.48% and the EBITDA margin was located at

72.8%. In this EBITDA margin, in this growth of the EBITDA margin, it influenced a lot the charge of the commissions of PEI Asset Management under the new scheme that was approved in December of last year. Let us remember that we in the administrator received a remuneration aligned with the result of the vehicle. As the interest rates have been high and have generated a high interest payment, decreasing the flow that we can distribute to investors, the commission that PEI's PEI Asset Management has had a decrease and that is reflected in the fact that the operational margin, the EBITDA margin, which usually should be at 67-68%, here it is almost 5 percentage points above. As for the distribution box flow, let us remember that last year we distributed 63,000 million throughout the year. And here I make a parenthesis to say that we have introduced a new indicator that seems very relevant to us as we have new investors. We want to measure the yield dividend also according to the market price, not only according to the asset value of the title, but according to the market price. When we do this exercise for the year 2023, the yield dividend that we deliver is close to 2.29%. When we do it for 2023, taking into account what we have already delivered and what we are going to deliver, we estimate that the yield dividend will be close or in a range between 4.5 and 5%, and that in absolute value we are going to distribute to our investors an amount that doubles the value we delivered last year, which was 63,000 and we will be between 127,000 and 140,000 million pesos. On May 16, we will deliver 27,000 million pesos, which represents 631 pesos per title that our investors will receive.

In this way, I want to give the floor to Andrés Esquivel, who will share the results of the portfolio's commercial management within the environment that I have already mentioned, in which we have had favorable results, knowing that we still want those real estate results to be in an even greater recovery of the value of the title in the secondary market. Andrés, please. Thank you very much, Jairo. Good morning and a cordial greeting to all the investors who join us on this opportunity. We are going to tell you about our commercial management.

In the graph on the left you will be able to find the trend of the physical holiday of the portfolio. This is the portfolio in general. As you can see, we were able to have a reduction of 25 basic points compared to the same quarter of the year immediately before and an increase of 100 basic points compared to the last quarter that we had reviewed. The particular detail about these variations, we are going to tell you below in the explanation of the categories one by one. In the graph on the right you will find the economic holiday, which had a reduction of 80 basic points compared to the same period of the year 2023 and an increase of 112 basic points compared to the last quarter that we had seen, that is, in the fourth quarter of the year immediately before.

Here it is important to note that during the first quarter of this year we managed to have a retention of more than 60,000 square meters, which correspond to 99.2% of the contracts that had a win in this period and additionally we achieved the placement of more than 3,000 square meters during the same period of the year. Entering the explanation one by one of the categories, we start with the commercial category where you see very positive trends with a reduction of 95 basic points compared to the year immediately before in the physical holiday and a reduction of 174 basic points in the economic holiday of the same period of the year immediately before. If you see the comparison in the fourth quarter of 2023, you see some marginal adjustments that are natural whenever the end of the year is analyzed compared to the first quarter and basically corresponds to the sales that are generated in the month of December and additionally many of the contracts end or align to the end of the year.

In the right-hand traffic, this time we want to show the evolution that our commercial centers have had regarding sales and traffic. This is important to take into account within the context of the industry during the first quarter of the year. As Jairo commented, the difficulties around the macroeconomic indicators of inflation, interest rates, de-stimulate consumption and directly affect sales. For you to have a frame of reference, there is a company that does a very good management with most of the retail brands in Colombia where the traffic is monitored store by store and sales are also monitored. This company, which has a very large national sample, has an indicator of a drop in sales during the first quarter of the year close to 3% and a drop in 7% traffic. Already with this frame and when you can see in the graph on the left, you see that the growth in sales of our commercial centers in the first quarter of the year presented a growth of 5.53%, reaching 680 thousand pesos per square meter. Which, I repeat, within the context of the industry is positive, since here there is a drop of 3% in the entire industry. And regarding traffic, we had a growth close to 700 thousand people in the first quarter of the year versus the same period of the past year, which represents a growth close to 5%.

That is to say, for our assets, which have particularities, characteristics, benefits, which allow to have an anticyclical behavior in these circumstances.

Moving on to the corporate category, in the graph on the left, you will be able to find the trend of economic, physical, and market. Here it is important to highlight that we had a significant increase in physical holidays, corresponding exactly to 10,800 square meters, which correspond punctually to the termination of Eloy's contract for more than 4 thousand square meters. We have a change in the methodology of the calculation of the physical holiday in the Megaport asset, where it is important to highlight that the asset, from the structure of the acquisition, has a mechanism that has a coverage on the economic holiday and that coverage goes until the month of October 2024. However, to be much more assertive, we are reporting it as a physical holiday, but I repeat, it has no effect on the economic holiday thanks to the coverage that we managed to negotiate in the acquisition.

And finally, last month there was the return of 3,500 additional square meters in Carvajal, which adds up to the total of 10,800 square meters that show that growth in the composition of the physical holiday. Here it is important to give you a piece of tranquility and tell you that we have had for the 44 thousand square meters that we have vacant today, we have a prospect of more than 19 clients for a total area of 74 thousand square meters, where particularly for these three assets we have businesses that are renovating, they are walking, thanks to the kindness of "metros a la 4", it is also a great facilitator and we hope that in the next quarter we can tell you about the closure of these negotiations to return to the levels that we are used to seeing the physical holiday.

Moving on to the logistics category, as we had the opportunity to tell you in our last teleconference, at this time we have a total occupation of the category and what we want more is to highlight the dynamics that the prices of the market have been presenting with increases in income rates, especially in the city of Medellín, given the low supply of spaces that the city has, followed by Barranquilla and Cali with increases of more than 15%, while in Bogotá, which has a much lower supply, prices have been growing by 6%.

Moving on to our hospitality and specialized category, you can see in the upper graph on the left the occupancy trends of our hospitality assets, the university residencies of City U and Boho, where for the last semester we are aligned with the university periods that are measured per semester, that is why this one does not have the trimester cut, and for the first semester of the year 2024, in the City U asset we had an occupation close to 90%, while in Boho there was an occupation of 54%. Here it is important to highlight that Boho is an asset that has a year and a half of operation in a city where this market or this dynamic also requires a process of, so to speak, of culturalization. It is a city that was not used to this dynamic, even so the occupation indicators are positive compared to that first year and a half when we started the operation in Bogotá with City U. Within the strategies to improve that occupation in Boho, we have changed the temporality schemes, going from 12-month to 10-month contracts, which has activated both the income and the occupation, and we hope to be able to close the second semester of the year with an occupation higher than 75%.

Moving to the graph on the right, at the top, we see the occupation of our Cala Blanca asset, where in the first quarter of 2024 we closed with an occupation rate of 63% and an average income higher than 5 billion pesos. Here it is important to highlight that according to the monthly survey of housing in Dane, the hotel occupancy during the first quarter of the year was close to 50%, that is, here there is a positive gap in the occupation of our asset, also understanding the particular characteristics of being a five-star resort in Colombia.

Moving on to our specialized category and our health assets, we highlight first the 100% of health occupancy and here we want to briefly tell you and since it is context for everyone, the news that was given last month regarding the intervention, particularly of the EPS, we want to give you a part of tranquility in that sense, understanding that previously and in a proactive way, with the Keralty group, the session of some contracts had been given for them to go from EPS to medical centers and that was going to partially mitigate the situation that is being experienced. Today, only 1.25% of the portfolio income corresponds to EPS, however, we hope that, as it has been announced, the intervention is only for one year and is more around the operation of the asset, but today in terms of occupation and portfolio, we have total stability.

And finally, our educational assets, where we have Accede with a 100% occupation in its 15,000 square meters.

Thank you very much, Andrés. Let's then move on to the financial results and share with you in greater detail what has been the evolution of this first quarter. Moving on to slide number 18, what we would like to highlight first was what our President Jairo Corrales mentioned, the evolution of income, where we reached or exceeded about 191 billion pesos with an increase of 13%, fundamentally associated with all that commercial strategy that Andrés Esquivel described to us, and that, to a large extent, picks up that so evident effect in terms of contract renewal, which, let's remember, is greater than 99%, and that, to a large extent, with that price evolution that we have seen in some categories such as logistics, to that extent we have an increase of 13%, which has been transferred to operational utility, because there has been a combination of a good performance of income, but also of a, let's say, of a very moderate growth in the cost structure, and that, to a large extent, has allowed us to reach an operational utility close to 160 billion pesos, which is greater than 14% with respect to that same utility that we generated in the first quarter of

the previous year, allowing us to reach that margin of 84.5%. There I would highlight several points in terms of, let's say, operational profitability, and that is that there are some elements that, in effect, structurally are contributing to having these better operational margins. In some cases, or, let's say, at the general level of the portfolio, we have that the predials, which is the most representative cost at the operational level, grew by 4% throughout the quarter. That, to a large extent, gives us a sign of stability in terms of predials, and, on the other hand, we have seen a lower performance or a lower level of costs in terms of repairs and maintenance, which is a margin that is in the upper range of what we have been sharing with you since last year and in the expectations we shared in February of this year, which, to a large extent, is due to those two variables that, in the case of repairs and maintenance, which is what we should be doing throughout the year, we should have an increase in that line of business, of repairs, in the best technical standards. That, when we transfer it in the lower left graph in terms of EBITDA, we see that EBITDA, which is the business box generation, has reached levels of 139 billion pesos, which is also more than 13.5% compared to the year immediately before, and, as Jairo described, this new structure of commissions allows us to reach those margins that are above 72% and that are very in line with what, or a little above, 50 basic above what we registered the year before. So this, let's say, the summary is a very positive panorama in terms of operational indicators and in terms of financial indicators of the vehicle. When we talk about the portfolio, which has been one of the elements that we monitor very closely, we see that the evolution of the portfolio, in general terms, is already an evolution of stability. There are some nuances, I would say, for the first quarter, when we see that increase of 12.6 billion to 14.7 billion, which has to do with a very specific issue, and that is that the Holy Week this year was in March, which delayed some of the payments that were usually received at the end of the quarter, and that we managed to collect in April. Anyway, when we look at it in terms of rotation, the rotation remains very stable in terms of days, three days, and the proportion of income is still a very healthy figure in terms of payment behavior of all our lenders. So, a good balance from that perspective. Let's talk now a little about debt and perspectives, and I invite you to go to slide number 19. I would like to emphasize first that in terms of rotation, the vehicle has maintained stability.

Some capital investments were made throughout the first quarter, consistent with our ongoing asset management evolution, increasing from 3.16 billion to 3.18 billion. In terms of leverage, which measures the debt proportion relative to administered assets, we continue to see positive progress, decreasing from 34.08% to 33.79%. This improvement reflects the valuation growth of investment properties, driven by robust income increases in double digits. These gains incorporate inflation and rental price adjustments, facilitating a gradual dilution of debt over time, as discussed in previous conferences. Looking ahead, our average and long-term expectations for loan-to-value ratios remain stable. We project closing 2024 at approximately 32.3%, with a gradual convergence towards optimal levels between 30% and 29%, maximizing profitability and returns for our portfolio.

In terms of indexing, we experienced significant developments as outlined earlier by Jairo. We successfully refinanced over 750 billion pesos under favorable conditions, effectively reducing our financing costs. Specifically, our closing debt cost decreased from 14.08% last year to 12.85% this quarter. This reduction is attributed to inflation trends and our ongoing refinancing strategies, which will be further detailed in our upcoming conference. These actions contribute to optimizing our capital structure, supporting our ongoing performance trend per title relative to financing costs. Looking forward, we anticipate a continued decline in financing costs throughout this year, aiming to stabilize around 8% between 2026 and 2027,

aligned with anticipated inflation and interest rate trends from the Bank of the Republic. This trajectory is expected to gradually enable us to generate distributions or per-title performance, reflecting in market dividend yields between 10% and 11% for 2025, potentially reaching 14.8% by 2027 under optimistic scenarios, calculated from a closing price of 64,400 pesos at the end of April.

Shifting focus to the evolution of the capital market, it's crucial to address interest rate cycles and their impact on market dynamics, which are highlighted in slide 21. Notably, the Federal Reserve's interest rate increase to levels unseen in years, alongside similar actions by the Bank of the Republic, has influenced asset values over the past two years. Market analysts project potential interest rate reductions, anticipated to stimulate positive reactions in global capital markets, including in Latin America and Colombia. This inflection point signals early signs of economic deceleration across various regions, prompting central banks to consider interest rate adjustments, which we anticipate discussing further after the Bank of the Republic's June meeting.

Transitioning to specifics about PEI and the Colombian market, we observe a notable evolution in PEI prices, reflecting a 7.2% increase in the first quarter, nearing levels of 69,000 pesos. This improvement compared favorably to last April's prices of around 34,000 pesos, with temporary lows approaching 25,000 pesos in March. This performance underscores not only price evolution but also enhanced liquidity in the capital market. Daily transaction volumes for PEI titles rose by approximately 57%, from 510 million pesos in 2022 to 805 million pesos over the past 12 months. This increase in liquidity is a critical indicator, monitored closely by index managers such as MSCI and Standard & Poor's, ensuring robust market reception and meeting essential issuer criteria.

Looking ahead, our outlook for 2024 remains unchanged, maintaining guidance with expected revenues ranging between 770,000 and 820,000 million pesos. Operational profitability is anticipated to remain robust, projected between 81.5% and 84.5%, despite first-quarter results trending above the upper range. We aim to sustain physical vacancy rates between 4.5% and 5.5%, aligning with our strategic occupancy goals.

In terms of per-title performance or dividend yield at market prices, we expect returns between 4.6% and 5.1%, translating to profitability levels of 4.9% to 5.5% at the asset level. This projection represents a significant increase from last year, reflecting improved portfolio optimization and strategic management efforts led by President Jairo. We remain optimistic about achieving our annual target for patrimonial profitability, anticipated to range between 11% and 15%, reinforcing our initial expectations for the year.

With this, we finish the presentation, and we want to give way to the questions section, thank you all for your attention and, if you allow me, I'm going to... Thank you. From this moment on, we will start the questions and answers session. You can write your comments through the question box available on the platform. Well, with this, we are going to give you the way to our questions and answers section.

I'm going to go to the platform, you, as you know, can ask us the questions, we are going here, in order to arrive, and to give cadence to this space. So, the first question is from Mr. Mauricio Suárez, and he asks us, and Jairo, I would ask you to help us with the answers, and it is in the logistic emphasis, how is the development of Barranquilla going?

Thank you, Andrés. Good morning, Mauricio. Thank you for asking the question. It's going very well. We, the PI in Barranquilla, is the owner of some assets in the Franca area of the Callena. Let's remember that this is a Franca area with a privileged location, which is on the second circunvalar, which is called La Prosperidad, and connects the whole area of the south of Barranquilla, where there is a logistic cluster with the port.

This Franca area, the PEI has not only a fully stabilized asset, which has been leased by a company that produces ceramics, which is from Medellín, but it also has the plant and the distribution center of the firm ADA, which produces soaps and steel products in general. We have been attending them in their growth. It is a company that in recent years has had a very positive result and that has demanded new spaces. We are now going to phase 5 of expanding the logistic and industrial issue of this plant. Let's remember that a transaction that we made in previous years, the PI is the owner of a land that has been developing to the extent required with BTS contracts, thus mitigating the commercial risk and also having contracts with a fixed global price where we have defined the lease rates. We are very interested in consolidating our logistic presence, not only in Barranquilla, but especially in Barranquilla. Let's remember how we presented it at the beginning, about 16% of the total income of the PI comes from the category of industry and logistics and we want to grow it. These initiatives that we are developing in the Franca de la Callena area help us with that purpose of increasing the participation of this category.

Thank you very much. Thank you very much, Jairo. I'm going to do something here. We have two questions that I think are connected and I would like you to help us with both because they have points in common. One is from Mr. José V. Piñeros and the other is from Mr. Carlos Acevedo. I'm going to read them in that order. What new information is known about the materialization of PI disinvestment and results of the purchase-sale? And Mr. Carlos Acevedo says what percentage are we leveraging in these new projects?

If you help me with both. I think so, Andrés. The disinvestment that we had the opportunity to share with the investors in the previous call has to do with a distribution center that we have in the city of Yumbo and that was promised for sale to one of the companies of the Corceramica group. That is a transaction for about 9 billion pesos that was signed the promise of purchase-sale since December last year, but it will materialize with the writing that is scheduled for the month of June.

Those resources or the destination of those resources will be debated in the advisory committee, which is the entity that has the attributions for this type of decision. Remember that there we can, according to the prospect, have different uses. The first would be to make a payment, a prepayment of financial obligations. We could, in the same way, make an extraordinary distribution of returns to investors. We can also reinvest in the purchase or acquisition of a real estate asset and, finally, it could also be used for the mechanism of purchase of titles. Since the transaction and the bulk of the resources enter in June, in the next advisory committee we are going to take the point into consideration so that it is the advisory committee that decides what is the use of these assets.

In relation to the second question, Andrés, for issues such as state insurance, the prospect allows and enables the vehicle to take debt. Let's remember that we already have the lot, that is, the investment obviously decreases significantly, but for the development of the project, what has to do with the

construction costs, as is planned in the contract, we would go to a credit line. If one does it in percentage of the value of the asset, we consider that this property can be of the order of 85,000 million, the total investment value, and the credit we would take is approximately 50%, since we are already owners of the lot that has, in this case, due to its privileged location, a very important incidence within the cost structure.

Let's remember, because it seems relevant to me, that the restriction we have to take debt has to do with the cost structure. We, until we comply with a condition that the cost-benefit coverage exceeds 1.7, we do not take new debt for new acquisitions, but issues such as expansions or redevelopment, which is obviously in the benefit of the investors, the prospect enables the vehicle to take debt and develop these projects.

Thank you, Mr. Josué Piñeros, and I would like to ask Andrés Esquivel to help us with this question, which is how to explain the positive trend in the economic holiday and how much recovery is expected?

Thank you very much for the question, Mr. Josué. The economic holiday of the portfolio in general is today at 7.15%. It is important to mention that this economic holiday had a decrease of 85 basic points compared to the same quarter of the previous year. More than its recovery, because today when we did the comparative exercises regarding our physical holidays compared to the market holidays, we found that for the most part, particularly the commercial and logistical portfolio, they are below the market holidays and, in a conjunctural way, the holidays of the corporate portfolio presented an adjustment. We expect that the trend is to continue reducing the economic holidays so that the prospects for the three or four assets that are particularly important to us can be closed in the coming months.

Now, it is important to take into account that some of these assets, as we explained, from the phase of the business structuring, have certain coverages, which is what allows us to have better prospects for the market around those holidays.

Andrés, I would like to complement. I understand that the question of Mr. Josué is also specifically focused on the corporate category, where we have had the increase. As Andrés said, it basically follows the termination of contracts in three assets, one of them Deloitte, which generates a close unemployment of 14% in the consolidated corporate assets. As we have shown in the past, we will deploy in the next few months some actions related to the placement of spaces. We believe that the PEI assets have some specifications that are adequate. We set some prices that we consider marketable and we make a prospect of clients. That allowed us in previous situations where we had in the old building of Pacific Rubiales, now a border, we managed to place in terms close to 3-4 months, important areas that were not returned. That is part of the business and it is something that we have totally incorporated and it is that at the termination of a contract we must have the ability to retain them and in those cases that do not occur, look for new tenants. So it is something that for us is very important in what we work with anticipation to the date of termination of the contracts and that is why today we already have several prospects that would allow us to have again the holiday of corporate assets below 10%.

Thank you very much, Jairo. We have a question from Mr. Hernando Rivas who talks about a topic and thanks Hernando for the question that I did not mention. What has happened with the credit, with the multilaterals, with IFC that we have been telling you about?

We with IFC, we have finished, let's say on our part, all the delivery of information and evaluation, we are already in a relatively stage small in terms of what has to be defined and fundamentally it is the cost of financing. Hernando, from the evolution that we had and the refinancing opportunities that have been given in Colombia and that have allowed us to capture that fall in spreads and interest rates, we have requested that the conditions they are offering us be different and be different a bit in the framework of the evolution of rates that we have seen in the market.

So we do want financial conditions to be of the best interest for the vehicle regardless of being able to link to a multilateral entity and the reality is that today the capacity we have in the vehicle to continue administering the replacement of passives with the local sector is quite broad, which allows us to have that flexibility without prejudice that we continue to work with IFC. But without a doubt the financial conditions of the transaction are relevant and they are of interest both for us as administrators and for you as investors. So that would be the point as we advance in that particular front with IFC we will continue to tell you and very surely it will be relevant information for the market.

We have a question from Mrs. María Lucía Ortega Jairo, and if you help us, this question is addressed to you and it is, the dividend yield is made on the real basis for the valuation of real estate. I understand this as the patrimonial value for the title. What is the value per title base for this analysis today?

Thank you, Andrés, and María Lucía, good morning and thank you very much for connecting and for formulating the question. Let's see, we historically have been reporting to our investors the dividend yield based on the patrimonial value which is the one that, as you well note, is the result of the valuation of all the assets by a methodology of cash flow that leads us to the value of the asset, we subtract the debt, we divide by the number of titles without circulation and that gives us that patrimonial value. Today, for reference, that value is close to \$144,000 per title. What happens? We without leaving the measurement and the report of the dividend yield per patrimonial title, we think it is important to start doing it on the market value. Why? As I mentioned in the introduction of my intervention, today we have 6,500 investors. Many of them have recently entered the market value, that is, there may be someone who has entered at \$50,000. So that calculation of the dividend yield on the patrimonial value for them is not a good measure of profitability because the investment they made was based on the price of the title in the secondary market. That is why we have adopted or made the decision to measure both, both the dividend yield in patrimonial value and the dividend yield on market value. For 2024, our forecast of the dividend yield on patrimonial value is in a range between 2 and 2.5%. And when we measure that same indicator but on market value, we go up to a value close to 4.5% and 5%. The reason is that today the market value is at about \$65,000, while the patrimonial value is, as I mentioned, at \$144,000. So we want to maintain the measurement on patrimonial value, but we introduced, and we think it is a good practice, and that's how RITs do it at an international level, the measurement of the dividend yield on market value. Thank you very much.

I'm going to move on to a question that Mr. Emilio Echavarria asks us. It has to do with portfolio optimization and de-investment, which is a topic that we have discussed in several forums. And the question says the following. More information on asset sales, where you mentioned that there would be several asset sales. I also connect that with a question that tells us that if we can indicate if there are plans

to carry out additional de-investments to what has already been done in the Jumbo asset that you explained to us a few minutes ago, and what is the evolution of the process?

Thank you to the two investors for the question. For us, de-investment is a permanent strategy that should not be exclusively subject to a term. In the last two years, the real estate market has been characterized as a market for buyers and leasers. That is, it is not the best time to crystallize a de-investment. But what happens? We have not been left with our arms crossed. We have made a prospection and also a selection of assets that would be subject to an eventual de-investment. Today we have several open processes that are still underway, in which we have as a premise to generate value for investors in that operation. That is why we have only crystallized one, which is of a small size, as we mentioned in our previous call, but we are not closed to looking at de-investments on other assets. We have been quite proactive in looking at opportunities for commercial centers. Why? Because we consider that we have an exposure close to 41% and it would be reasonable to decrease it, thus achieving that category such as logistics and the same corporate had a greater participation. De-investment processes take a long time. Currently, I insist, market conditions are more favorable for buyers. And that has led us to several of the processes that we have advanced in recent years, we have given a negative response to the proposal presented by the potential buyer, because the price or the acquisition value is far from the value that we consider a fair value for that asset. We continue to work, we believe that in the next few months significant advances can be made, but we do not consider that we should go out to sell with appreciable discounts that would go against the interests of investors. The debt of the PEI is properly managed, it has some wins over time, according to the flow of cash of the vehicle, therefore we do not have a need to go out to sell to fund a fulfillment. It is more the mission purpose of the vehicle to rotate the portfolio and materialize the profitability or the valuation that may have had an asset in time, thus monetizing the investors that valuation through that profitability. But if the conditions of that eventual investment are not adequate, then we do consider that it should not materialize. We have taken to the advisory committee, which is our maximum body, some of the offers that we have received, we have given the debate and after looking pros and cons, we have come to the conclusion that it is not convenient to generate such appreciable discounts when also, and that is why it seemed important to us in the real estate context, what is happening. We see that the holidays are decreasing, that the prices in real terms for several months and I would say almost years have remained constant and that very surely some years will come where the rents improve and by improving the rents also the value of the assets. So, we as administrators of the vehicle, we are aware of the importance of de-investment within the gear of the business to allow investors to capture value related to the valuation of assets, but the current situation leads us to several of the processes that we have started end up in prices below a price that we consider attractive to materialize that de-investment. Thank you, Jairo.

We are going to move on to a question from Mr. Juan González and he asks us during the first quarter of 2024 we have seen a fall in the value of the title in the secondary market that has been from 69,000 to 64,000. What is that fall due to? And this we join with a question from Mr. Carlos Alberto of why the price of the title of 70,000 was lost. What is the current perspective on this?

So, I go first, thank you very much to Mr. Juan and Mr. Carlos for the questions and I would tell you the following, we without a doubt do a very close look at the evolution of the price and liquidity as we mentioned right now in one of the slides of the presentation. Although we have seen in terms of liquidity a very important recovery, we have also seen that price evolution that they ask us, the title reached to be

very close to 70,000 and today it is very close to 65,000. When we talk to market agents who are let's say thematic experts to give opinions in this sense, they share with us that in a good measure there are two great elements that are giving volatility to the capital market. One has to do with that in some markets like the American market, the expectation of a drop in rates of the Federal Reserve has been dilating. And it has been dilating because the levels or indicators that can in a good way indicate how inflation can behave, have not necessarily been aligned with the expectations of the Federal Reserve. So this what they share with us is that it affects the appetite for risk and eventually generates falls in the markets. We have also seen falls in the developed markets of the stock indices, which without a doubt has also been a phenomenon that we have evidenced in Colombia and very surely it is an issue that also affects the participative titles of real estate vehicles. Going forward, the perspective would frame it rather on that great context that I mentioned and suddenly it is a matter of not thinking only in the validity of 2024 but in that great trend of drop in interest rates where the hypothesis that we have from what history has shown us is that as interest rates drop both in the developed markets and in Colombia and that that drop is much deeper than what we have seen in the case of Colombia, the most risky assets such as participative titles of real estate vehicles or shares should eventually have valuations. And those valuations are given because the fixed income titles that an investor can very surely achieve in the next year will not have the levels of performance they have today and that is what a little motivates the appetite. So we should, the hypothesis is that this should be the relationship between interest rates and the behavior of the markets.

I'm going to move on to question number 9 and it is for Andrés Esquivel. Andrés, if you help us, it is how the holiday is reflected in the commercial sector and in the health sector and the portfolio of this, if you want, I help you with the portfolio at the end. Thank you Andrés and thank you for the question. As we told you at the beginning of the development of the chapter on commercial management, today the holiday of the market is at 4.64%. Our holiday in the commercial portfolio is at 4.58%, that is, we are currently below the market. The holiday, particularly in the health category, is zero. The assets that we have for this category are totally occupied. Here it is important to highlight that we are not only below the market, but that holiday had a reduction of 95 basic points in the physical holiday compared to the year before and 174 basic

points compared to the economic holiday. This is largely due to the goodness, the characteristics of our commercial assets and that we have categories that in these circumstances mitigate much better those market cycles, such as our unique commercial centers, which have a profile or a concept more focused on benefits for certain socioeconomic profiles, which are the ones that most affect in these circumstances. In terms of the portfolio, the portfolio portfolio rotation is in three days and particularly for commercial assets, they do not exceed two digits. We are on average in eight days of rotation, which shows that the performance of brands within commercial centers is optimal, so much so that that is reflected in the behavior of the portfolio. I don't know, Andrés, if you want to add anything else. Just to be very specific about the value, let's say that that specialized category where the health sector is located had a portfolio level of around 900 million pesos at the end of the quarter, which is a stable level compared to what we normally have. It is part of that rotation that Andrés described, so let's say that we have no kind of concerns about that evolution and rather continue in the process of the contracts that we need to change in the case of the health sector.

I'm going to move on to the next one, Andrés, thank you very much. I'm going to move on to the next question, which is from Mr. Juan Baiter, and the question is, when do we consider the entry of the indices? Juan, what we know from the methodologies that each of these companies have, the first let's remember that it is MSCI and the second is Standard & Poor's, is that it should be in the second semester of the year for them to make the decision to do it in the ordinary course of those procedures that they have, and I speak of ordinary course because they have two moments, in the case of Standard & Poor's they make the inclusion of new issuers in the month of September and in the case of MSCI in the month of November, where they validate who should leave or enter, unless there are extraordinary corporate events such as the one that there was recently that had to do with the OPA of Nutresa and that after the improvement of the OPA they withdrew Nutresa from the indices. With the exception of that, those should be the windows where eventually both MSCI and Standard & Poor's could make the inclusion in the indices as we have some news, very surely they confirm it to the market, it will not be us but directly MSCI and Standard & Poor's will do it directly.

We have one last question from Mr. David Bernal, who tells us, good morning, what does the change of indexation of the debt explain, where the IPC decreased by approximately 6% and IBR increased similarly, and we connect it with another question from Mr. Juan Pablo Afanador, why did the financial spending increase? First, thank you both for the questions and I proceed to give you the explanation. In terms of why we increased in IBR, it was because in the course of that passive refinancing strategy that we began to deploy in February, we found that some of the banks that facilitate us financing opportunities, had particularly very attractive spreads under the IBR indicator, that when we made the comparison, David, regarding that financing cost with inflation, it ended up giving us a better debt profile for 2024, even with the inflation reductions that we are seeing and that we have seen and that we commented on a while ago, the data that came out yesterday at the end of the day. This is an evaluation that we do permanently for the purpose of being able to know not only how much the debt costs us today when we are refinancing, but what will be the evolution of that financing cost in the framework of the evolution of both indicators, both inflation and the rate of intervention. So, that is what, to a large extent, has allowed us at the end of the quarter to have that reduction in financing cost. Now, I'm going to talk about why the financial spending increases. Indeed, when we look at the financial state, we have an increase of the order of about 6 billion pesos, which is fundamentally quarter to quarter. Remember, this is the first quarter of 2023 against the first quarter of 2024. That is given fundamentally because, anyway, although we have a fall in the closing of the financing cost, the average financing cost of the quarter is still a little more than 40 times higher than we had last year. We managed to pick up some peaks at the beginning of the year where inflation had not ceased, where the rate of intervention had not fallen, and let's remember that much of what is caused in the first quarter of the year even incorporates conditions that we were seeing in December, where we are going to see the most powerful evolution in terms of the fall in spending. We are not only talking about the financing cost, very surely it will be in the first, in the next nine months, from this second quarter, where we are going to see gradually and gradually that evolution of the financing cost in terms of spending, that is, effectively what we are causing and that must begin to incorporate these conditions that we mentioned in March and that we continue to do in the course of this second quarter to effectively be able to meet that distribution goal that we have for this year 2024.

With that, we end the Q&A session, thank you all for your questions, surely some that we have not been able to do in time because we are already past the hour to answer them, we will answer them through



our email in relation to investors at pei.com.co and without further preamble, Jairo, to close our conference of the first trimester. Thank you Andrés and again thank the investors for their confidence, for the time they dedicate to review with us the results of the vehicle and transmit to them, as we have already done in the past, a message of confidence in the sense that the operational results accompany us, that we obviously have to wait for such an incident variable in the business as the interest rates follow their course of decrease so that hopefully we also have not only excellent results in what has to do with the real estate portfolio, but that those titles that represent that portfolio have a growth behavior in the value of the title in the secondary. As Andrés said, and it is a final message, we see with very positive eyes what is happening with liquidity, because although the title has been in that range between 60 and 70 thousand pesos, what we have seen is that the recent transactions lead to that in a day we are trading even almost 2 million dollars. This week in particular has been very active, we have had days of 8 billion pesos of the value of the title, being in that way one of the most traded species and that in a certain way what it does is collect that the fundamentals of the business are well and I insist, we are still missing a deeper decrease in the rates of interest that we hope will be concretized in what is left of the year. A thousand thanks to you, perhaps a final message that we did not reference to a permanent follow-up that we are doing of the reforms that are taking place in Congress and mainly the issue of pension reform, understanding what the repercussions may be, clearly a message of confidence that the stock they handle today, the private pension funds for more than 400 billion pesos and that is represented in the case of the PEI in an investment close to 3 or 4 billion pesos, is maintained without any type of risk, there is not in the bill, in any of the different proposals, there is a modification in relation to the management of these resources at the head of the AFPs and what is being discussed more is the future flow in terms of the threshold from which the resources are channeled through pensions or go to private funds. So with this I thank you again and we hope to have your assistance in the next calls. Thank you very much.