



Questions and Answers Presentation 2022-1H

**Títulos
Inmobiliarios**

¿Which are the advantages of migrating to the equity market?

This migration of TIN to the equity market brings very clear opportunities. The first point is a better price formation. In the fixed rent round we already have the evidence of several years in price formation. On passing to the equity market, we will have the visibility and depth over points of the sort, as it is clear that our price formation will be much more transparent. This is going to benefit, in general, the TIN performance on the market and, also we think it will bring more investors with the same transparency.

In second place, operating in the equity market our costs are previously known and defined, basically, through a commission contract by a stock market commission company. So, then, each time we want to operate, there will be total transparency in terms of entry and exit prices, and transaction fees.

Third, before us is opening a very interesting space nowadays not open, which is being enabled to have and count on international investors. Again, the point of transparency in price formation has been one of the most relevant aspects for them not to actively participate in the fixed rent round, and upon our migration to the equity market we can count on a liquidity indicator managed by the Colombian Stock Exchange. This liquidity indicator will give investors the possibility to know that there is a purchaser and a vendor working under much tighter spreads.

Finally, this also opens the possibility of participating in the construction of indexes in the equity market, which is another opportunity that with the migration to equity market is again opening. And the last interesting alternative is, basically, being able to attract new investors to our market through the operation of transacting platforms, such as the market apps. So, in general, you see that migrating to this equity market brings forward a great number of opportunities and new advantages.



¿When are we expected to be in the equity market?

First of all, as Carolina said, we need to furnish the extraordinary meeting process mentioned by Carolina. Once we have the four points we are planning to submit to the extraordinary meeting approved, that would take more or less, a month. We expect to have our bondholders' extraordinary meeting towards the end of September, beginning of October, so we would expect to be in the equity market in the first week of November. This month we would be taking is, basically, to refine the whole operating process that migrating TIN to the equity market, implies.



¿How to calculate the vehicle overdue portfolio and how is going the TIN physical and economical vacancy?

To calculate the overdue portfolio index, we take the outstanding balance against June 2022 cut-off, and we divide it by the potential income of the last twelve months. And the overdue portfolio index for this cut-off is 0.35%.



¿Have you seen discount requests from tenants facing contractual increases due to the so-high Consumer's Price Index observed?

Yes, indeed, we have been contacted by some customers in the portfolio requesting some sort of increase, and we are studying case by case. Insofar as helping these tenants improving the long-term contractual conditions, allows consolidating our relationship with them, we believe that such revision might turn into a positive thing.



Have you seen many returns in the banking sector assets, and, given the high concentration in this sector, do you see a risk for TIN?

I think that the first thing for us to mention should be that the contract with Davivienda is a contract with very significant penalties, given the case they decide to return big-sized assets. Those are important penalties; therefore, they give us protection, but not a total protection. And I believe the important thing is not incurring those penalties, but that they give us the space to re-allocate those assets, given that those penalties, normally, can amount up to a year in rent installments.

It is also important mentioning that, in our portfolio, a high percentage of the bank premises are in malls, so we consider their re-allocation is much easier than that of any other type of commercial premise.

We know that Davivienda, as we have already mentioned, has returned us assets, surely, in the medium-term, this bank and some other bank might be returning assets to us, but again we think that to the extent that those are very good commercial premises, very well located and many, as I said, in malls, we believe they will have a much easier re-allocation. For now, all those that have been returned to us, we have had the chance to re-allocate them.



“Good morning. ¿Would you please confirm us the actual increase in price of the asset same meters so far this year?”

Answer: It is very important to remember that material assets may be affected through a couple of methods: the first one is a daily indexation with the last 12 months Consumer’s Price Index, which is monthly updated; the second is through the activation of the appraisal update made annually as of a schedule defined at the beginning of the year by the master servicer of the vehicle.

For year 2022, to date, a total profitability of 19,69% AE was attained distributed in 49,2% for appreciation and 50.8% in cash flow, therefore the IRR for appreciation corresponds to 9,69% for year 2022 to date.



¿How is the cost of the debt and which strategies have been implemented?

Currently, the vehicle has a financial indebtedness of 32%, let's remember that our limit is 40% and this is calculated over the portfolio assets, the material assets of the portfolio. The cost of the debt, with cut-off at June 31[sic] is 9% effective annual. Nowadays, with the rise of rates, what we are implementing is a migration to fixed rates, extending credits a shortterm so we gain access to better opportunities and to more competitive rates that allow us to lower the risk.



¿How does the tax reform impact the vehicle and the investors?

In preliminary analysis practiced on the tax reform or project of reform there is no impact for the vehicle. However, for the investor, it is important to highlight that the vehicle pays a yield, but no dividend. So, they should keep on applying the same regulatory regime they are currently applying.

