

Script Ingles TIN

Andrés Lozano: Good morning everyone, welcome to our TIN results presentation conference corresponding to the first semester of 2023. My name is Andrés Lozano, president of Titularizadora Colombiana. It is a pleasure to be with you today sharing the results of TIN in this first semester of the year. We are also with Carolina Martínez, our Real Estate Manager at Titularizadora, Ana María Salcedo, Head of Investments and Market Development of Titularizadora, and Gabriel Flores, Manager of Pentaco, who is our structurer and manager of the TIN portfolio. They will help us with the presentation and the answers to the concerns that you may have in the development of this.

As always, we like to start by highlighting the differentiating factors of our vehicle that have been key to generating the good operational results of TIN that we will present to you below. First of all, a very high TIN profitability of 22.15% per year during the last 12 months with a cut in June 2023, a result that places TIN for the fourth consecutive year as the most profitable real estate vehicle. Despite the fact that it has continued to be a year of challenges, TIN continued to deliver this excellent result to its investors, which is also reflected in the P&L of our holders due to a market price valuation of 100% in the two price vendors at the end of each month. Secondly, the close and permanent relationship with our tenants, who see TIN as a strategic ally, allow us to deliver one of the lowest economic vacancy indicators we have had in the history of the vehicle of 0.58% and of the portfolio of 0.02% with a cut in June 30, 2023. Thirdly, a better aligned commission with the interests of investors, in order to ensure a positive management of the portfolio and its profitability, disincentivizing the excessive acquisition of assets. On this front, we remind you that at the beginning of the year we had a period of transition and we renounced the possibility of increasing the commission charge according to the approved scheme until the dividend yield stabilizes 30 basis points above what was projected at the beginning of the year, which was given in the month of June. With this, investors were able to have greater cash yields and we reinforce the alignment of interests that we seek with the change of commissions. Fourthly, the solid corporate government has guaranteed a rigorous process of acquisitions and adequate vehicle management. This semester we also saw it with the disinvestment, which followed the rigorous defined processes, guaranteeing the best decisions for investors. Fifthly, a master servicing led by Titularizadora Colombiana, who coordinates the expert and independent agents who participate in the securitization process. Sixthly, a high standard of dissemination of information, accompanied by the IR recognition granted by the Colombian Stock Exchange in the month of October 2022, which certifies the adoption of the best practices of information disclosure and relationship with investors in TIN equity securities, being one of the first issuers to obtain this recognition. Finally, and no less important, a monthly distribution of returns with a dividend yield of 4.83% in the last 12 months, with a cut in June 2023, being higher than estimated at the beginning of the year due to operating efficiencies and better financial conditions in vehicle's debt.

The agenda for today includes the presentation of the main management results, including the disinvestment transaction and its impact on the main financial indicators, the financial results obtained, a vision on the real estate market in Colombia and the projection of the portfolio. Finally, we will comment on what we would like to bring to an extraordinary assembly that we see important to carry out during the second half of this year. Now I leave you with Carolina Martínez, who will present the summary of the main figures. We invite you to send your questions through the webcast for the final session of questions and answers, where we will be waiting to solve any concerns. Thank you very much for your attention and for joining us this morning.

Carolina Martínez: Thank you very much, Andrés. Good morning everyone. Next, I will present the vehicle management summary. Well, we finish our performance indicators with a cut in the first half of 2023. By this date, we had a total of assets under management of 499,807 million pesos, with an area managed of 84,945 square meters. The economic occupation of the portfolio is still very high and very prominent, it is 99.42%, the same as the portfolio expired in June 2023, which is positioned at 0%. This is the result of very good management that we have done since the beginning of the vehicle, which was strengthened in the year of the pandemic with our lenders, whom we consider our strategic allies and with whom we have been working all the economic circumstances that we have gone through to help them with relief, but these reliefs also come with some countermeasures on their side, where some extensions are signed in the contracts, depending on the relief, but at least one year, and where some minimum permanency clauses are also signed for the year of relief. So that is why our occupation and our expired portfolio have such a positive result.

As for profitability, we have a year to date profitability of 12.87% annual and in the last 12 months of 22.15%, composed of IPC plus 8.94%. The dividend yield is 4.83%, also very prominent, let us remember that at the beginning of the year we made a projection where we expected the dividend yield to be below 4%, we continue with good results, this is also the result of a debt management that I will comment on later. As for the secondary market, we do not have transactions in the last semester, we have an average valuation price of the last 12 months with a price of 99.97% IP and P. We have lowered the debt, it was with a cut in June at 134,183 million pesos, the average cost of the debt at 14.71%, this is also very good news because compared to the projections that we had and with the rates of the market we are with a very good average. The average cost of the debt in June 2023 of 15.82% and the financial indebtedness, taking into account that our limit is 40% of the value of the assets, is at 27.36%. This is the result of some disinvestments and some capital gains that I will comment on later.

Next, well in terms of our real estate portfolio, this is our distribution of the portfolio, it remains the same, we have not had acquisitions in the last six months, we continue with great presence in Bogotá where we have an area of 33,600 square meters, around 300,000 million pesos, we continue with Costa Atlántica, Medellín, Cali and other cities. Well, in the summary of the portfolio, here we show you the distribution of the portfolio with cut to the first semester of 2023. Here it should be noted that due to the disinvestments, we have been able to stabilize another of the limits of the prospectus that we had a little

concentrated, we already have it below the limit, it is in the distribution of the economic sector that we lowered it to 49%, there we are in financial intermediation with 49%, the type of property is stabilized, having the majority in warehouses, but it is within the limits. Distribution by tenant, we have a greater concentration in a tenant that is the home, we hope with the new acquisitions and hopefully with the next emission to be able to acquire more, finish stabilizing the vehicle with these limits. And the geographic distribution is also within the limits established within the prospectus with greater concentration in Bogotá, which is our main focus.

Appraisals follow-up, so here I am going to present to you how we are going with the update of the Appraisals with June cut in 2023, we saw in the same semester of last year that we had a value of Appraisals made of 199.983 million with June cut of 2023 we have it in 220.081 million pesos, this represents an increase of 10.05%, we had a programming of 88 Appraisals, we have an advance of 48% of these Appraisals with our four approved independent appraisers companies with which we do a biannual rotation of the real estate to have more transparency in the exercise. In the financial results report we want to show you the behavior of our title that has also been very healthy, very positive, we already have an increase in the last 12 months of 16.38% today our title is already above 7 million pesos with June cut it was at 6.869 million remember that the value of the title on July 1, 2022 was at 5.9 millions. Well here I want to tell you about some relevant transactions that we had in this first semester of 2023 and that allowed us to improve the indicators of performance such as the dividend yield and we had a disinvestment of an asset to which we called it third avenue it was located in Cartagena on the third with fourth lane it had an area of approximately 700 meters in land it was 757 first floor it was 432 and second floor 376 plus a parking lot of 324 meters this asset we were able to sell it, we found an interested person who wanted to expand his hotel business and we were able to make the disinvestment that, at this time, was very convenient so that we could have a capital contribution, the sale was given for 6,300 million pesos and in our previous tenant who was Davivienda had paid us a fine of 682 million pesos for the concept of early delivery they had a 10-year contract and we had very rigorous exit clauses where if they deliver more than 4% of the portfolio in real estate per year they have to pay us a fine of 12 canons per year this fine is 682 million that also served us to complement the value of the sale in terms of savings that we were able to have with this capital contribution because it was 528 million that this is very good for the yield dividend the profitability of this operation represented a 12.78% and the profitability with the fine of 14.42%. We have been able to have a portfolio rotation with the April disinvestments of 0.63% the disinvestments that we had in July of 1.27% for a total of an average rotation of 1% and in terms of these transactions it is worth commenting on why we made the decision to make a capital contribution and not activate the reacquisition mechanism by reviewing the current debt cost of the vehicle, which was 15.85% percent and all the risks that the activation of that reacquisition mechanism entailed in charge of the issuer, it was concluded after a very deep analysis with the board that the best option was to use these resources from the disinvestment to be able to make a capital amortization of the credit that we had with a higher interest rate, the benefits were that by not activating this reacquisition mechanism in charge of the issuer we avoided a discounted price marking in the secondary market by the issuer thus harming the investors, so we

wanted to protect precisely the value of the title in the secondary market by making the capital contribution because it allowed us in a period of five months to have a savings of interest of 528 million that is also reflected in the dividend of our investors and out of that we increased the cash flow distributed to the investors with a lower load of financial expenses based on a dividend of the annual average of 3.95% to a dividend of 4.16% that were 21 basic points above this reacquisition mechanism here graphically we can see that it had a disadvantage against the dividend yield, if you can see in the line of the dotted blue line we have the capital payment the scenario with capital payment here the dividend yield shoots much more if we did the reacquisition mechanism which is the dotted red line because we could have a better dividend yield but it stands out much more with the capital subsidy and the other is the baseline of the scenario that we had today, well then I leave you with Ana María Salcedo, our investment director, who will tell you the financial results of the vehicle.

Ana María Salcedo: Carolina, thank you very much and thank you all for your assistance and we remind you that you can ask your questions through the webcast platform to have them answered at the end of the presentation. Now we are going to see the chapter of financial results and we are going to see how the vehicle has behaved in this area and in the part of the financial accounts here in this first slide we have above on the left the income distribution, there basically we can see a change in the composition increasing the valuation participation that for 2023 was 52% against 34% of the year 2022 this basically reflects the natural protection against inflation of this type of vehicles for investors and that it is very relevant especially in these moments and in this high inflation situation. In the following graph we have the operating income, here we see that it grows by 5% this is because, basically, some portfolios are renewed in the first half of the year but most do it in the second half and in any case because we see that it is renewed with the IPC of the previous year even if it is in the second half so what we expect is that there is an important increase in income in the second half of the year 2023 here it is also important to mention that the vacancy insofar as it is quite low because it helps to maintain good operating incomes for investors and for the vehicle in general, well we have the distribution performance graph here decreases by 28% basically due to the greater impact of the financial costs due to the high interest rates and this is what we are going to see in greater detail in a couple of slides later but basically that is why we see this decrease in distribution performance from one year to the other and we also see it up there to the right the dividend is impacted by some expenses that are indexed to an IPC that is greater than those of the year 2022 and additionally a financial cost that is also greater than those of the first half of 2022 in any case it is important to mention that this 3.81% of the dividend yield average for the first quarter of 2023 is above the projection of dividend yield that was presented to the market of 3.2% in the first quarter of the year, right now also in some slides later we will go deeper into why it is giving a greater result than we had initially shared. With regard to the OI margin, the EBITDA margin and the margin of dividend yield I am going to mention it in the next slide, here basically we have a comparison of the first semester of 2022 the first semester of 2023 and here it should be noted that the operational indicators that we see at the extremes of economic occupation and portfolio index are better in the year 2023

compared to the year 2022 in both indicators an economic occupation of 99.42% an expired portfolio index of 0.02% that helps us to have a good operational result of the vehicle, we already mentioned a little in the evolution and the result of the operational income, let's talk a little bit about the margin and here basically the margin is very similar despite the increase in maintenance costs and insurance that are increased with a higher IPC and this is basically because operational efficiencies have been achieved in the management of these maintenance and that is why we see an increase in the margin of 1.3% on the side of the market, because we see that it decreased by 5 percent and this is related to expenses that were had this semester that were not had in the previous year, basically expenses for sustainability certifications EDGE and LEED of the real estate, higher appraisers fees for higher IPC, Brokerage commissions also for the relocation of properties and to maintain a low vacancy and then the change in the administration fee, after seeing these margins we see the financial cost and here again it is important to see that there is a financial cost that is increased the financial cost of 2023 is twice that of the year 2022 basically we go from an average debt cost of 9.01% to a 15.82% and this is what also has an important impact on the distribution of returns and the dividend, here it is also important to mention that the change that was achieved when all the credits were transferred to a fixed rate early instead of maintaining the level and then having efficiencies because this cost would have reached levels close to 18% for the month of June in case we had kept indexed and not fixed rates and it was also important the use of synthetic credits that were made throughout the semester taking advantage of better funding conditions in the international market although always with an FX coverage so not to have exposure to the exchange after this, we see then the distribution of returns that had a decrease and a dividend margin that decreased by 16% although again mention that this 3.81% average of the period is greater than 3.20% and this has basically been achieved by a very good behavior of the operating indicators and this was achieved basically due to the disinvestments that were made in the semester that allowed the payment of capital of the credits and also for better renewal rates of the credits in relation to those that had been estimated at the beginning of the year

well we continue to the next slide and here basically because we see the photo and balance on June 30 we have assets for 499,807 million pesos these assets were higher than 500 thousand in the month of May with the disinvestment they decreased and in the month of June we have them again close to 504,000 million pesos on the right side the Liabilities totals 138,000 million where the financial obligations is the most relevant, the more weight has and here, in any case, to mention that they decreased by 7,000 million pesos in comparison to what was had in June 2022 and finally an Equity that adds 361,000 million pesos where the part of the titles is the largest component of these equity accounts.

Well in the next what we see is the profitability of the vehicle and here we have the three profitabilities that we always show to the left we have the accumulated profitability from the beginning from October 25, 2018, which is 12.87% annual composed of 48% per flow and 52% per valuation, we have in the middle the profitability with a cut in June of the last year 22.15% annual mostly composed of valuation in 83 percent and flow 17 percent this composition basically reflects the protection that these types of vehicles give to investors against inflation in this type of conjunctures and obviously it is associated with a high IPC

that also values the value of the real estate and that it gives this protection but because it changes in this case the composition of the profitability and to the right we see that comparison of the profitability of one year to the other and a profitability in real terms we go from a profitability of IPC plus 6.33% last year to IPC plus 8.94% in June of this year increasing by 5.54 percent. Well in the following what we see is a bit of the evolution of the dividend and well, we have basically already mentioned it, maybe here simply mention that this decrease is impacted by the interest rates and by the financial cost, although nevertheless, we have already said that it has behaved better than expected and to talk a little about what is expected in the next few months, we also hope that this dividend continues to have a better behavior than it had been estimated at the beginning of the year and we hope that it is an average for the entire year 2023 of the order of 4% in this more or less between 80 and 100 basic points above what was estimated at the beginning of the year and has to do with the financial development strategy that has been perhaps more effective with operational efficiencies and especially with the impact of the disinvestments that it has allowed us to make capital payments of the financial obligations, in summary in general the average dividend of the last 12 months was 4.83% as you also mentioned.

Well now we talk a little about the state of debt we have a limit a limit of debt of 40 percent in the vehicle and we have a use of 27.36 percent which corresponds to a financial debt of 134,000 million pesos here you also see the average cost of this debt for the average of the first semester of 2023 was 14.71% with a cut in June it is 15.82% because basically renovations have been made throughout the semester it is a very short debt that has a remaining average term of 3.26 months and that will allow us to renew these credits in the next few months as they expire and here basically mention that in the debt strategy basically a change is being contemplated to consider indexed rates to liberate as we are already seeing a scenario of inflation and inflation expectations that are decreasing and that surely will give way to the Central Bank to probably start its rate decline cycle in the second semester that should be accompanied by a decrease in rates in general then we consider that it is time to be indexed again as long as those conditions are better indexed than in the fixed rates and this will give us the different quotations that are made at the time but it may be time to have an indexation at level and that being able to also collect all that rate decline cycle that is to come in the next few months and the next year in 2024. Well in the next one what we basically see is the comparison of TIN with the vehicles that we consider the most similar and here we see how the profitability has behaved in this group of comparable that TIN has had a profitability of 22.15% annual equivalent to an IPC plus 8,94% that exceeds inflation and that it is a real positive profitability we see that in the case of the other vehicles because they have had lower profitability and therefore even negative real profitability and this is basically taken from the information that each of public vehicles release, here we do not make calculations, but then mention that for the fourth consecutive year because we would have the highest level of profitability in comparable vehicles, well, the next one is a graph that we show a lot at the beginning of the vehicle and it is basically to also take into account the risk profile of the TIN vehicle in comparison with the other market vehicles, here we wanted to resume this risk profile analysis versus return because we see that there have been modifications on this map in the market and although TIN has remained at a core plus risk, which is the one that is indicated according to these four variables that you see,

which is geographical risk, leverage, economic risk and income risk, let's say in TIN there have been modifications and changes in the investment policy with which the vehicle has been maintained within this risk core plus because if we see that other similar vehicles have migrated to a higher risk with a higher risk spectrum both value as towards a market a little more opportunistic according to basically their investments in sectors of higher risk or higher levels of leverage and then it seems to us that it is very important to say that when we talk about comparable vehicles because we are not really 100% comparable because we have different risk profiles and well here talking properly about TIN without mentioning that that risk profile has been maintained in the core plus category while we have seen that the others have migrated and that they suddenly have a slightly higher risk profile than what we saw two years ago, well here in this other part we talk a little more about the secondary market of the titles and here, unfortunately, the news is not very positive, we have not had negotiation of the titles in the year 2023, we have been close to the investors because there are some who have had the need to sell or liquidate, we have shown them the evolution of the vehicle, the operating indicators and because of this, let's say that many have not concretized their sales intentions because they have seen the positive results but unfortunately we have not had transactions in this secondary market as a consequence of this because the average price valuation in the price providers both precia and pip because it is 100% and 99.9% basically it is the same patrimonial value because in the absence of a secondary market because the methodologies converge to the patrimonial value this is positive for investors because they are reflecting all the profitability of TIN in the valuations although obviously because we understand that this conjuncture of liquidity in the secondary market because it is not the ideal or the most desired on the other hand mention that the average price of negotiation of the other vehicles in the market in this first semester was 39.14% this obtained by the information that we get from the stock exchange of the transactions of the secondary market is a low price that reflects large discounts compared to the patrimonial values and it is part of what has impacted the class as a category but finally in this last one we see the evolution of the investors or the photo of the investors and here because as long as there has not been transactions in the secondary market, there has not been a change in the composition of investors we maintain 490 TIN investors and being the most representative as you see it in the picture on the right the insurers with a 32 percent the pension funds a 25 percent the other legal people an 18 percent and the natural people with a 12 percent well with this I finish this financial chapter and I give the floor to Gabriel to continue with the real estate market thank you very much

Gabriel Flores: Ana good morning to all of us we are going to talk to you we are going to give you a small summary of the panorama of the real estate market in Colombia, the first thing I would like to talk about is about the evolution of the approved area by region of interest obviously and the first thing we would like to mention is the growth that there was between the year 2022 and the year 2023 compared to the total of the approved area that was close to 1% if we go a couple of years back compared to 2021 a growth of 40% compared to 2020 of the 21% this puts us in three years let's say of the first consecutive semester in which it has been growing reason why we believe that we are going on a recovery path and we believe that at the end of 2023 the total values of approval of licenses

should be close to those of the year 2019 additionally if we see Bogotá and Cundinamarca specifically that had a slight growth in the last 12 months and we disaggregate it Bogotá had a very important growth close to 112 percent passing 146 thousand meters approved about 310 thousand square meters approved a very important growth that contrasts with the decrease that Cundinamarca had and we already see the evolution of the approved area by sector it is important to see for example in the office sector that an important growth of 85% mainly pushed by the growth of these of the approved area at the Bogotá level and we already move on to the industrial sector, the industrial sector had a drop of 20%. we see that in the last five years this sector has had a growth composed of 2.1% however if we see the growths of the year 2017 there were important growths and there it obviously there is a decrease but between the last five years there has been a growth which again puts us on a growth path that in this sector we believe that it will be sustained as we have already mentioned in other occasions. at the level of trade there was a reduction of 5.5% this is a sector that has definitely not grown in the last five years in an important way we are 35 percent below the historical average of the last ten years and 12 percent below the historical average in the last five years, it is a sector that has definitely come in deceleration, which is not negative for the sector as we will see later.

If we already enter into the behavior of the offices and we focus on this sector it is important to emphasize that Cali during the last year had an important growth of the inventory a city that has always been lagging behind in terms of offices never built many offices but it has had some growth compared to the others to the other cities because they have really shown much more growth much more controlled the other cities let's say their great growths were really between the year 2014 and 2018 mainly it is important to emphasize that the absorptions have been positive if you see the absorptions since 2019 all the absorptions except perhaps 2021 but it is that it is a square meter at the Bogotá level at the national level all have been positive we really see that it is a sector that continues to build has been able to place the areas that it has built and we see that the vacancy has even tended to go down in some way, which is why we understand that this is a sector that will continue to increase its inventory especially because what they say if we have realized and one sees it within what is being placed that in offices type a and a more in premium sectors of the city are being placed at very interesting prices above the national average that as we see in Bogotá is at 67 thousand pesos per square meter but we see offices that have come to place much higher the vacancy that we have at the national level is 9.9 percent it is well below the observed at the Latin American level in Chile we are above 11% in Argentina above 17% in Peru above 22 percent in Mexico above 24% and in Brazil above 29 percent, that is, within the region and between our comparable ones, we are very well positioned and sorry maybe before entering the level at the warehouse level, it is worth mentioning that the office sector, as we have said, is in a process of transformation where the companies are looking for people to return to the offices where the co-working is so they are taking a much greater force than they had pre-pandemic and where we see that it is a sector that little by little is going to recover and where surely from here a couple of years it will return to some much more interesting vacancy levels than those we are today if now we do enter within the warehouse sector this is a sector that cannot be better is a sector whose vacancy in the last year fell close to a 2.6 2.5 percent passing the 6.5 percent to 3.9 percent vacancy is basically

a non-existent vacancy that is to say that the deceleration that we have seen in the placement of area is not necessarily because there is no demand but because there is no offer, we really do not believe that there is an adequate offer for what is needed at this moment because the new warehouses have already been placed, the old warehouses have already been placed, what remains is a waste that is very difficult to place, therefore this is a sector in which we see that there will be an important growth, let's say given the construction prices, they are not necessarily going to launch new warehouses to be built in spec, but if it is a sector where we are going to continue seeing a very important development forward and we are already entering the trade sector, I think it is worth emphasizing that this is a sector that, as we mentioned, has decelerated in recent years in terms of construction, but we believe that this has a positive effect if we see the evolution of the population in Bogotá and the area of malls also in Bogotá, which is the lower left graph, we see that between 1985 and 2015 the population grew much faster than the area of the malls, but we see that those two lines cross at that time and for several years we see that there is more area per square meter, sorry, more area because the evolution of the GLA of the malls was much faster than that of the population and only this year we see that it begins to cross, which would mean in some way that there is beginning to be space again to make malls and we see that in the appearance of a new mall that will begin to be built at the end of this year in Suba, which is from the success group, which has a logic from the point of view of the numbers that should increase the stock of malls and what will be the effect that it will have because I do not think it is sufficiently large so that it has a real effect but if I think it is worth going to this next graph and understand a little how the evolution of the square meters has been and the evolution of the monthly sales where the sales per square meter in malls and we see that in the year 2020 those sales obviously fell by pandemic since 2020 they have been recovering having a historically good 2022 and that of having continued to grow in this way it should have been found with the line of GLA within a couple of years but we know precisely that the expense of homes in Colombia and consumption has been going down in the last 12 months so it started a nominal growth in consumption in June of 7.6 percent according to radar statistics which puts us in a decrease in real terms close to 5 percent that is given we believe and according to what radar mentions it is given by the increase in fixed expenses of homes such as rents public services and fuels. On the other hand, a decrease in the average salary because really with these growths of the basic basket and inflation not necessarily all the salaries were given because they grew in that same proportion reason for which if there is a loss of purchasing power and finally the deceleration of the placement of credits through the credit card obviously due to the high rate of interest this is a sector that is very much in the expectation of what can happen not only with inflation but with rate of interest which does not prevent, however, that the vacancy has continued to go down compared to last year, we see commercial centers where the vacancy last year was at 5.10 percent and this year it is at 0 percent and finally I would like to show you the projection of the portfolio as you know, but we have been working on several possible acquisitions that obviously while the rates of interest are not a little lower and the sector has reached a moment of stabilization, for now we are not, we have not continued with these closures, however, they are closures close to 170,000 million pesos in commerce and industry, which are two of the sectors

where we see, as we have said, a very important development in that sense, we wanted to show you what happens if these acquisitions enter the portfolio, the portfolio would have more than 650 thousand square meters, we would have an area greater than 125 thousand square meters, monthly income close to 4,700 million, 126 real estate and we would be in 23 cities how would the distribution of this of this portfolio look like, we see the internal dollar that is how the portfolio is currently and the external dollar is what we have today plus the pai I think it is important to emphasize that in this case in the warehouse sector we would reach 31 percent and the commercial premises in commercial centers we would pass them to 34 percent but one of the most interesting things is that the offices would go to weigh 14 percent its sector that at this moment as we have said we believe that it is going through a moment of transformation reason why it is not our interest to be fully in it, at the level of tenants we would achieve that it gives housing goes today from 39 percent to 28 percent this would put us within the levels that we have set at the portfolio level, sorry, at the prospectus level and therefore already with this with this type of purchase we would be able to stabilize the portfolio according to what was established.

If we already move on to the distribution by economic sector it seems important to me to emphasize that at the level of industry in the same way that it grows because we would be more or less in the 38 percent and the financial intermediation that came despite the 100 percent of the portfolio in the first emission would be already close to 37 percent in several rentals as we have already seen previously at the level of geographic distribution Bogotá would be doing the same but there are some sectors such as Cali and other sectors outside the main cities with which we would be growing that we believe that they contribute in an important way to diversification with that I finish and I pass the word to Carolina

Carolina Martínez: thank you very much Gabriel, well to finish we are going to tell you what is coming we are going to present a new proposal to the extraordinary assembly team that we are going to call soon this proposal is focused on being able to continue with the acquisitions of the vehicle without going to the debt mechanism without affecting the dividend yield of the investors, strengthening the vehicle more, expanding our portfolio and above all, stabilizing the limits defined in the prospectus, this payment mechanism in kind is going to allow us, it is going to allow current investors to exercise their right of preference, initially new investors can also enter and in the end we would have the option of payment in kind of an asset or a portfolio of assets that provides us with a dividend with payment in titles then soon we will be telling you we will go through a round to tell each of the investors how this proposal is and to be able to make the programming of the extraordinary assembly to be able to count on your vote this would be all for today we thank you very much your company and do not forget that you can have questions right now on the webcast

Andrés Lozano: a special greeting to all the people who are listening to us who are connected following the results of the first semester of this real estate vehicle now we are entering the final section of today's event where we are going to have questions and answers Ana Maria Salcedo, she is going to tell us the questions and we are going to answer

as additional questions arrive, please we invite you to continue posting your questions on the platform.

Ana María Salcedo: thank you Andrés let's go then with the first question we have here is what expectations do you have of dividend yield for the year 2023 taking into account the high interest rates and the inflationary situation and here we are going to assign it to Andrés so that he does answer it

Andrés Lozano: in the budget for this year we had a rate of let's say an average cost of debt projected for the entire year of 16.5 percent in some opportunity we had some sensitivities that we share with investors with a cost of debt of 18 percent ,the good news is that the good management of debt and additional to the disinvestment that we mentioned a few minutes ago of the portfolio that was managed to do with very positive financial conditions for the vehicle managed to positively affect that dividend yield of the year then we had a projection of the year close to three and a half percent and currently under the current debt conditions that are very similar to what we had initially projected 16.5 percent and the most stressed scenarios of 18 percent, lead us to have a dividend yield that we expect to be between a 4 and a 4.1 percent for the entire year 2023 we believe that this figure although it has been affected by the increases in the costs of indebtedness again the active management of the debt and the active management of the disinvestments have contributed to this indicator being one of the most profitable but the most profitable in the local real estate funds

Ana María Salcedo: thank you we have a second question that says with respect to the sale of the asset in Cartagena this was given above or below the value in books and here we ask carolina to help us with the answer.

Carolina Martínez: thank you good morning to all good this investment was given above the accounting value, we have always tried that the disinvestments that we make in the vehicle, the three that we have had, go above the accounting value to be able to generate a good profitability of our investors a good utility in this case we had an offer of 6,300 million in accounting value we were above 6,270 million pesos and we had apart the housing fine that I mentioned in the presentation that also helped us to improve that profitability for the investors, apart from that, when we did the analysis to be able to prepay or pay capital of our debt we saw that we could have an opportunity to save in interest of six months of the six months of the highest credit that we had and that also allowed us to save a little more than 500 million pesos in interest so this disinvestment was definitely a very good option for our investors in dividend yield and profitability

Ana María Salcedo thanks carolina we have another question that says what percentage of the contracts are indexed to ipc have had some kind of renegotiation of this increase with the leasers and here I am going to ask gabriel to help us with the answer

Gabriel Flores: thank you very much Ana, regarding the question 100% of the contracts that we have are indexed to ipc there have been some renegotiations we know that there are leasers in general in the sector that are approaching renegotiating contracts we have not been an exception we have tried as carolina mentioned during the presentation to be allies of our investors of our leasers and in that sense to be able to lend them a hand and that in that same way they lend us a hand and we achieve a win-win, that is, a discount where we are doing not necessarily an increase of 100% of the ipc but close to 50% 60% 70% with some extension in the contractual terms thanks Gabriel.

Ana María Salcedo: we have another one that says taking into account the lack of liquidity in the secondary market how have you evaluated the possibility of the sale of real estate assets for the payment of the debt and here we ask carolina to answer it

Carolina Martínez: well we have had the opportunities of disinvestment that we had mentioned before in this we have by prospect the opportunity to be able to disinvest however in this situation we do not want to sell for sell or sell for urgency and punish the value of the asset then the three disinvestments that we have made have served us for payment precisely to lower all interests and what we are looking for is that the disinvestments are always in favor of our investors that they are above the patrimonial value that the price of the asset is and thus be able to always improve the conditions to our investors then we review case by case opportunities have come to us where they offer us below and we reject them and we are reviewing each one of the cases on a timely basis we take them to the board of directors and we discuss it deeply

Ana María Salcedo thanks carolina well another question regarding the administration fee they tell us what the alignment of interests of the TIN's administration fee consists of and here we are going to ask Andrés to help us with the answer

Andrés Lozano: the TIN's administration fee was modified in an extraordinary assembly last year in December and we are looking for a better alignment of the interests of the investors with us as managers under three main components to migrate to charge on the size of the fund on AUM or patrimonial size to charge on an indicator that had incorporated the operating scheme of the vehicle, the net operating income, the NOI, all the revenues of the rents of the real estate are concentrated, the basic operating expenses of the real estate are also concentrated and we as managers are aligned to try to maximize that NOI that obviously also benefits the investors to be able to have a higher commission. Another very relevant point in the alignment of the interests of the investors with us of that change that we incorporated was basically to have a variability in the commission depending on the real profitability with a floor and a roof then obviously as the vehicle has a better real profitability for the investors we will be able to charge a higher commission with a roof and also in the same way if the profitability of the real vehicle begins to have a detriment we are going to charge a lower commission with a complete alignment in front of our investors finally the other point that we incorporate due to the current situation was to the extent that I hope it does not happen but if it happens that we have a discount in the relevant

secondary market we will also have a scale to the low of the commission in order to continue doing what is in our hands so that we do not have a discount as we have not had for a long time of the price of our unit in the secondary market

Ana María Salcedo: thank you very much Andrés well now we have two questions that we are going to join as they are related that have to do with the debt the first is if you can give us the detail of the conditions of the loans with the local bank and the international bank and the second is given that the remaining term of the debt is 3.3 months how you handle the negotiation of the refinancing rates given that you have the urgency to meet the obligation? this I answer here let's say it is important to mention that all the credits are with the local bank it is not with the international bank, in June 2023 we have four credits with national entities three of them are credits in pesos the other credit is a synthetic credit, that is, it is a credit that is taken in dollars and an FX coverage to have a 100% exposure in pesos, it was important to do this type of operations throughout the semester, we did this in the month of February and we saw savings of 300 basic points compared to what the local market was offering us at that time in rates and this because in the end it resulted in an efficiency and in a higher profitability for the vehicle then those four credits with which we close the semester because they have allowed us to handle that debt strategy much more efficiently against the issue of the short term that has been part of the TIN strategy here we have wanted to have short credits to be able to evaluate and modify let's say those conditions of debt quickly as there are changes in the market it is true that it is a short term of the credits are 3.3 months but here it is very important to take into account the patrimonial support that TIN has on the part of shareholders and the other counterparts of the financial sector we have very broad credit lines that give us a great peace of mind to be able to have the best conditions at the time of renewing these credits and so we have had it to the extent that we have many financial counterparts and the support of our shareholders because these financing conditions we have been able to guarantee that they are the best for investors and that has also been translated into profitability so that has allowed us to be very flexible and despite having very, very short convincing credits that has allowed us to translate the vehicle, let's say the other one to give the vehicle the best conditions of indebtedness Andrés I do not know if you want to complement some of the indebtedness part.

Andrés Lozano: yes, I have an additional point that is a sample of how it plays in favor of investors on this issue the variable fee for profitability we have been telling you that our strategy from the end of 2021 was to have 100% indebtedness at a fixed rate seeing a little this trend so strong assists in interest rates currently we believe that we are already reaching let's say the final cycle of this peak in interest rates and reason why we believe that in terms of the cost of indebtedness it is worth starting to index again to IBR then we are starting to implement a strategy of again indexing this debt to IBR with expectations that IBR begins to go down at the end of the year according to the tendency of rates of the Central Bank and in general of the market that we also expect that the liquidity situation begins to improve by the end of the year that will obviously go in favor of the profitability

of the investors of the dividend of the investors and at the end of the day because it will also improve our fee for that variable component

Ana María Salcedo: thank you very much well let's go now with some questions that come to us regarding the sector to the real estate market they ask us what they expect from the office sector in this year 2023 with economic deceleration and here I am going to ask Gabriel to help us with this answer.

Gabriel Flores: Thank you very much Ana, I think that the first thing to mention is to give a general account about the portfolio they have in this sector, the office sector, sorry, the office assets that we have today have a vacancy but the rest of the portfolio is 100% occupied with very positive contractual conditions with contracts that have been valid for between 5 and 7 years and with respect to the vacancy because in a process of very active commercialization looking hopefully to relocate it as soon as possible having said that we see that as we already mentioned that the vacancy is somehow stagnant they have not improved or deteriorated as we mentioned and we believe that there will surely be a rebound in the construction of offices forward especially in more type offices we our investment in this sector as we already mentioned it will not necessarily be because we are not going to focus on this sector in particular, however, we will be very attentive to see if there are opportunities because as we know at this moment the cash is king and surely we will find good opportunities

Ana María Salcedo: Thank you Gabriel, well now we have two questions regarding a topic that we touched on and it is that of payment in kind, the first says why it is worth promoting changes in payment in kind in the vehicle and the second says they could clarify a little what they mean by payment in kind for example what type of assets would be received here I am going to ask Carolina to help us with the answer

Carolina Martínez: thank you Ana well the payment in kind is a very nice opportunity that gives us the prospect we have it from the beginning of the vehicle today it is defined to pay a percentage of the emission in titles to those who are selling us the assets to the bringers. our proposal taking into account the situation and I say that the tool we have is very beautiful because in this situation where the high rates go against the acquisition the indebtedness because it does not favor investors and where it is not easy to go out to get money we find that the acquisition via payment in kind that is to say payment in titles we could do it with the opportunities that we find in the market and it is that today there are good opportunities in the market at very good prices that we must take advantage of and as we have the brake of the rates because we find this opportunity that gives us advantages one because we do not affect the dividend yield of our investors because we do not put more interest into the cash flow we diversify the portfolio which is one of the goals I showed you in the presentation that we already lack very little to stabilize the entire portfolio we only lack the limit of the lender we continue to grow the vehicle and the proposal that we are going to have and that we are going to present in a future extraordinary assembly to which we will do a round with each of the investors there we will show you all these benefits

to be able to consolidate and to show you that you will be able to have the same privilege or the benefit that you have of the right of preference so that they do not dilute and that new investors also enter the payment in kind that would be given in the third round which is the remnant of always.

Ana María Salcedo: perfect good now let's change the subject a little to some questions that come to us about vacancy the first is that projection of the vacancy indicator you have for 2023 you have evidenced some anticipated return of assets there I am going to ask carolina to help us with the answer and at once I read the second question also so that gabriel can support us with that answer the expense of the homes as they mention has fallen do you think that the vacancy can begin to increase rapidly in commercial assets in the face of this situation

Gabriel Flores: I am going to answer both questions simultaneously in some way I thought at this moment we have not received anticipated terminations last year we had some returns within the portfolio that we know like Davivienda however this year we have not seen we are looking this year to be much closer to our tenants as we have already mentioned because we believe that this is the way not only to avoid some terminations but to know when they can come and how we can avoid them with respect to the deceleration of the consumption of the homes, sorry Ana, repeat the deceleration question sorry,

Ana María Salcedo: I repeat, the expense of the homes as they mentioned has fallen, you believe that the vacancy can begin to increase rapidly in commercial assets in the face of this situation

Gabriel Flores: as I mentioned, we believe again, associated with what I already answered that there are merchants who are going to have problems, surely we will not be exempt, we have a vacancy established of 5% structurally within our models, a vacancy that in some way has been lower so far, therefore, we are going to try to keep it lower but we know that there is obviously a possibility that it is increasing but we know that it will be controlled, we have the tools to control it and in that sense we hope to maintain a vacancy in accordance with the expectations.

Carolina Martínez: Complimenting Gabriel, in terms of the exact question of what is the vacancy indicator that we have for 2023 and if we have evidenced any anticipated termination, let's say that our contracts are very rigorous with the exit clauses and we can have a maneuvering field when the lenders want to return an asset, they give us prudent times to be able to make the replacement of this same one and they also have some fines that protect the investor's dividend, however it is very important to emphasize that this vehicle has a minimum vacancy in the market that is 0.58%, normally this type of vehicles in the projection and acquisition in the valuation of assets includes a vacancy of 5%, we are very far from that today and that is reflected in the results, we taking into account the situation, the future returns of assets by the lenders, we are contemplating that we could reach a rate of more or less than 3% in the vacancy, which in any case remains very low

compared to the market and with the projections with which a real estate portfolio is evaluated in this type of funds.

Ana María Salcedo: Perfect, well now they ask us what type of assets they have in the pipeline to maintain the profitability of the fund. Gabriel, if you can help us with the answer, please.

Gabriel Flores: Of course, let's say that regarding the pipeline, we already mentioned during the presentation a little what is the asset pipeline that we have today, but it seems important to me to mention that the assets that today have in the portfolio have an adequate profitability and that it maintains the value offer that we have with our investors, which is why any acquisition that we make must be focused on providing profitability to the vehicle superior to the one that we have today. We are concentrating our efforts, I would say at this moment, on two things, first of all in assets that can be contributed in kind, as has already been mentioned, since it is one of the strategies that we have forward and on the other hand looking for opportunities, because we know that in this moment of conjuncture there are good opportunities, bad opportunities, but always opportunities where we believe that we will be able to acquire very good assets, surely at very good prices, with a very good profitability, always to the extent that they can be reactivated, that the credits return to normal rates, that is, there are many conjunctural things, but we know that it is a moment of opportunity.

Ana María Salcedo: well, we also have another related to acquisitions, in relation to the purchase of assets, when do you plan to reactivate the acquisition process? And here I pass the word to Carolina.

Carolina Martínez: Well, this question, or this answer, complements what we have already been talking about in the last answers with Gabriel, let's say that our goal is obviously to be able to do a third issue to lower debt, but since we have the alternative of payment in kind that does not make us in debt, there we can find a way to acquire real estate assets, however, we have the conjuncture to take advantage of precisely the good prices that are being given, we continue in a constant search, we have a very good pipeline that we will show you later in another round and we are doing a sifting of the assets that will further favor the portfolio, that allow us a payment in kind, that allow us opportunities, suddenly where payment against issuance, and there we could already be closing many acquisitions.

Andrés Lozano : Well, I understand that we do not have more questions at the moment, so I want to thank you again for your assistance, with this we finish this event today, with the results of TIN, the first semester of 2023, within a few days you will be able to consult all the documentation and the presentation through our website, as well as the questions that have been asked with the respective answers, if there are more questions we will also answer them directly with the investors, so again thank you and have a good day for everyone.