

Teleconference of TIN results 2024-1Q

Andres Lozano:

Good afternoon everyone, my name is Andrés Lozano, President of La Titularizadora Colombiana. It is a pleasure for me to be here today presenting the results of TIN for the first quarter of 2024. Today we are joined by Carolina Martínez, Real Estate Manager at TIN, Ana María Salcedo, Director of Investments and Market Development at La Titularizadora, and Gabriel Florez, 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 you may have regarding the development of this presentation.

Today's agenda includes the presentation of the main management results, the financial results obtained, and a vision of the real estate market in Colombia and the projection of the portfolio.

We like to start by highlighting the differentiating factors that have been key to generate the outstanding results of TIN that we will present to you next.

First, a very outstanding profitability in the last 12 months of TIN corresponding to 15.2% annual cash, equivalent to an IPC plus 7.3%, with a cut in March 2024.

A result that places TIN for the fourth consecutive year as one of the most profitable real estate vehicles. This excellent result is reflected in the P&G of our holders due to a market price valuation of 100% in the two price providers at the cut of each month.

Second, the close, permanent and hand-held management of our tenants who see TIN as a strategic ally, allows us to provide them with 2.32% economic holiday indicators and a 0.16% portfolio by March 31, 2024.

Third, a better aligned commission calculation with the interests of investors in order to ensure a positive management of the portfolio and its profitability. On this front, we remind you that in January this year we implemented an 8% discount, which has had a favorable impact of 13 basic points in the dividend yield of investors on average in the first three months of 2024. We remind you that this discount will be valid for 12 months or until a monthly dividend yield of 5.5% is achieved.

Fourth, the solid corporate government has been guaranteed a rigorous process of acquisitions and adequate vehicle administration and management.

Fifth, a master administration led by the Titularizadora Colombiana who coordinates the expert and independent agents who participate in the titularization process.

Sixth, a high information disclosure standard accompanied by the IR recognition granted by the Colombian Stock Exchange in October 2022 and renewed in November 2023, which certifies the adoption of the best practices of information disclosure and relationship with investors in the TIN participatory titles, being among the first issuers to obtain this recognition.

And finally, an active debt management that has allowed us to reduce financial spending and optimize the vehicle's dividend yield thanks to preferential debt conditions granted by the solidity and institutional support of the Titularizadora Colombiana.

Today we also want to share with you some strategies that we are implementing and that help us improve profitability and bring us closer to a higher sustainability standard. Within the TIN strategies, we highlight the implementation of a sustainability strategy with an environmental, social and corporate government focus in line with the standards of local and international markets.

A strategy of asset potentialization through the correct and adequate investment of CAPEX in order to update our assets in the portfolio, thus achieving an increase in the vehicle's profitability.

On the other hand, we continue with the strategy focused on optimizing the cost of debt and increasing the investors' dividend yield. As you know, this has been one of the most important focuses of the management Tin's attention due to the great impact the increase in debt costs has had on the available cash flow.

Since December 2023, the Titularizadora Colombiana is a PRI signatory. The signatories of these principles contribute to the development of a more sustainable global financial system and we commit to a transparent, adequate disclosure that promotes the good practices of ESG. Discount management in commissions of the TIN administration has also been one of the workforces since last year, where we have sought to be aligned in a better way with the interests of investors and thus have an important focus on delivering the greatest possible dividend yield by rewarding the available cash flow, obviously understanding that this is one of the most important factors for investors.

And finally, to continue with the highest-ranking of the TIN emission and placement program, where we received a renewal of AAA by Fitch Rating in September 2023.

We invite you to send your questions through the webcast for the final session of questions and answers, where we will be waiting to answer those concerns. Now I leave you with Carolina Martínez, who will present the summary of the management indicators and the report with a cut in March 2024. Thank you very much for your attention and for joining us this afternoon.

Carolina Martinez: Thank you very much, Andrés. Good afternoon, everyone. Next, I will present the management summary for the first quarter of 2024. Among the indicators of performance for the first quarter of 2024, we have a total of assets administered equivalent to 515,521 million pesos with a total area administered of almost 85,000 square meters and a very high economic occupancy of 97.68%. This is one of the factors that we want to highlight the most in vehicle management, since we have a minimum vacancy that is even below the tolerance within the asset acquisition structure. Our expired portfolio is also minimal, it is 0%, and we have maintained it For more than two years. In fact, throughout the vehicle's life, our portfolio has been minimal, because we have maintained a constant management with our

lenders, who, as we have always mentioned, we consider them strategic allies within the business, and we are always monitoring the behavior of their sales, their financial states, and accompanying them in all commercial management to see how we can mitigate any commercial impact that is ultimately reflected in a decrease in the cash flow or in a failure in the payment.

As for the secondary market, there have not yet been transactions, there have not been any operations in the last quarter, and we have an average valuation of 99.97% of the patrimonial value. In terms of profitability, our profitability is also very outstanding within the market. We have a profitability from the beginning of 12.85% annual cash, remember that the vehicle has already turned 5 years old, and a profitability in the last 12 months of 15.20% annual cash, made up of IPC plus a real profitability of 7.30%.

The average dividend in the last 12 months compared to the first quarter of 2024 is 3.92%. This is also a dividend yield that we can highlight in the market and that has an ascending projection. We have achieved this thanks to the good debt management that we have carried out throughout this year and a half that has had such a hard impact with the indebtedness rates. The physical occupation is 96.99%, and the financial indebtedness is 136.882 million pesos. This has also been a low indebtedness. We have an indebtedness limit of 40% of the assets' value, and today we are occupying 26.54%, which is well below the limit. The average cost of this debt with a cut in March 2024 is located at 14.02%. This is also a very good rate compared to the rates that the market is offering, and it is a competitive advantage that TIN has and that the Titularizadora Colombiana has precisely because of the preferential rates that we can achieve with our shareholders and with the allied banks. In the summary of the portfolio, the distribution of the TIN real estate portfolio has four limits defined in the prospectus.

One is by type of property and the established limit is 70% of concentration by type of asset. Today we are within the limits. We have a division in warehouses of 27.4%, in offices of 17.6%, in commercial centers of 26.7%, in the street of 16.1% and in horizontal property, that is, those that we find on the first floor of a building of housing or offices of 12.2%. The total of commercial premises is 55% and the limit in the prospectus is 70%. We are doing very well there. In the rental distribution, remember that the vehicle was born with the housing portfolio. At the beginning, the concentration was 100% in housing. We have managed to lower it with the new acquisitions to 40.3%. The limit defined in the prospectus is 30% of the income, in such a way that with the following emissions, this rental would already be diluted within the established limits. The rest is in Jamar, Itaú, Cocorico, Jamoc de Panel, Alusud, Decoraps and other assets.

As for the distribution by economic sector, the limit in the prospectus is 50% of the balance of assets, according to the CIU code. We had the highest concentration in housing in the financial intermediation, with 48.9%, followed by industrial with 28.2%. The geographic distribution is also stabilized. We have established limits in the prospectus based on the number of inhabitants of each region or city. And for Bogotá we have no limits. So here we are very well defined in the prospectus. As for the value of the title, this value has continued to be valued day by day. Today we have a title value with a cut on April 1, 2024 of 7,296,630. Compared to a year ago, on April 1, 2023, our title was at 6,592,185, which shows us an increase in the value of this title of 10.69% in the last 12 months. As for the state of debt for the first quarter of 2024, we

want to show you how our debt management has been compared to December 31, 2023. So, with a cut on March 31, 2024, the total of our debt was 136,882 million, made up of 25.6% fixed rate and 74.4% variable rate.

Three months ago it was invested. We had the majority in fixed rate and the minority in variable rate. And this means that at that time in the economy it was much more convenient to be in fixed rate to protect the dividend of our investors. But as the IBR began to change, which is the indicator with which we take the debt in variable rate, we began to see not only this indicator with better percentages, but also the spreads. So we moved to variable rate to favor our investors. This difference has been of more or less 2.7 billion pesos in the debt of the last quarter due to a debt that we take for the payment of interest rates. We take this debt every year from the beginning of the vehicle to be able to make the payment of the interest rates during the year. It is a short-term debt that lasts 12 months and we make capital loan and monthly interest payment. As for the average cost of the debt, we see that there was also a decrease favorable for the investor.

On December 31, 2023, we had a debt cost of almost 15% and today we are with an average cost of the debt with a cut on March 31, 2024 of 14%. We had a fairly high decrease, almost 100 basic points, which again favored the dividend of our investors and therefore profitability. And as for the limit of debt, we had a small increase of 4 basic points, precisely because of this short-term debt for the payment of the dividends of the vehicle's assets. Well, in this slide, I want to show you how the management of the debt has been for about four years. When we were in a pandemic, there were no acquisitions. In August 2021, we started the acquisitions of the portfolio for section 3, a section that we have not issued.

Here you see in the gray bars how the debt increases and we see in the graph not only the use of the debt, but also the cost of the debt. As you can see, when the rates start to rise, we start our debt management, but also with this debt management we begin to access better rate opportunities because we move to very short-term credits of approximately three months to be able to make debt replacement and offer it to the investor. The annualized yield dividend was affected approximately until December 2022. It started to go down, sorry, it was affected in 2022 and the dividend began to go down and we started to see towards February 2024 and March 2024 a tendency to recover precisely because of the debt management that we have been doing.

The profitability of the last 12 months has a similar behavior. It was affected in December 2023 not because of a debt management, but because of an avalanche update that we did a quarter ago, we told you about it. And this avalanche management collects precisely all the economic impact that the assets receive as a consequence of the rise in rates, of the behavior of the holidays, of the market, of the placement of the market, of offices, of commerce. And from January we started to see a recovery of this profitability. Well, this is also the historical debt cost of us versus the macroeconomic indicators. We see our debt cost in the continuous blue line.

We see the cost of the IBR, the repo rate and the IPC. And here we can see that it is very even. These macroeconomic indicators are very even. We see the cost of the theoretical debt of the quotations. We had permanent quotations. We are almost weekly quoting debt with all the banks to see if we find better opportunities. And we also see the dividend yield annualized

according to the budget. And the real dividend yield of us, which was higher than projected. Well, then, closing this chapter, I leave you with Ana María Salcedo to present the financial results of the first quarter of 2024.

Ana Maria: Well, Carolina, thank you very much and good morning everyone. We are going to start with this second chapter of financial results of the first quarter of 2024. Here we are going to see a comparison of the margins and the main areas of the balance. And since this is the first one with quarterly periodicity, we are going to be comparing it with the first quarter of 2023. In some cases it is not entirely comparable, but we will point it out and mention the causes of these differences. Operating income. We see that throughout the period there was an increase of 10.5%. This was an increase even above inflation. And it was basically because some contracts index with inflation. December inflation was 9.26%, but we see a slightly larger variation because there are other contracts that index with the IPC of the renewal date, which in some cases was higher than this December 2023. Additionally, here we can also take into account moratorium income for the portfolio, which also increases operating income. In the second line, what we see is the margin in OI. This is an important element of the margin. However, it is worth mentioning that in the first quarter of 2023 there was a premium payment for Bogotá which above all weighs a lot in the portfolio.

While in 2024 that payment was in April. So these two periods are not entirely comparable. However, if we take into account a broad period, let's say 12 months or stabilized, we basically see that these stabilized incomes, the NOI will be close to 89%, already including, let's say, the April premium payment, with which we would continue to have a NOI margin above the previous year, which was 85%. This greater margin is given basically by maintenance efficiencies and savings in the premiums, which can basically be greater due to the annual increase that was higher. In the next section, the EBITDA margin, something similar happens to us for the same NOI, it is not entirely comparable. However, in that stabilized EBITDA, taking into account 12 months, it is estimated that the margin is 72%, which for the same reasons of operational efficiencies ends up being higher than the margin of 2023.

In general, you also see some indicators of economic and portfolio occupation that have already been mentioned previously, as quite healthy and stable. In the second part of the slide we see all the financial components. Here we see a financial cost that in this period already had a decrease, and the decrease, let's say, has to do with the general movement of market rates, which has been decreasing, and additionally this motivated by a decrease in inflation. So we have a slightly lower financial cost in this period compared to the period of the first quarter of 2023, and also if you look at the values, the value is lower because the amount of debt also decreased between a period and another, a little in this effort to reduce debt and generate a larger box for investors, and that basically has represented a lower financial cost.

On the other hand, the distribution of returns increased by 4.55%, this higher value, let's say, is also seen by these operational efficiencies, by the efficiencies in the financial cost, and it also translates into a greater dividend yield for investors. And finally, in the last margin, the dividend yield margin, here we see that it is a little lower than the previous period, the previous year, basically because when compared to operating income, like the operating income of this first

quarter of 2024, which they did even above inflation, this margin, let's say, did not grow in the same proportion, so we see that this dividend yield margin is 32% of the operating income, being that dividend yield average of the first quarter 3.61% and being, in any case, above what was initially projected. Well, this with respect to the margins and the main areas, and now let's look at the next slide, the composition of inflation, of profitability.

So here in the composition of profitability, I think what is worth noting is that mix of profitability between valuation and flow, which in March 2024 has a composition in that graph in the middle, 67% valuation, 33% flow, being above what we had seen three months ago, where that composition was 85-15, 85 towards valuation, 15% towards flow, with which it looks much more like the composition of profitability that we want to have in this stabilized asset vehicle. Also, let's say here on the right, it is worth mentioning that although the nominal profitability is a little lower and it dropped in the period 5.94%, a little consistent with the decrease in rates that has been seen in the economy in general from one year to the next, notice that the real profitability has had a better behavior than the previous year and in the end, let's say, it can be more relevant for investors and the one that generates the most value to investors, in front of a relevant investor, such as inflation, which had quite high behavior for a few years.

Well, in the next one, we see the composition of the balance sheet, here there have been no substantial changes, the assets by 100% are at 523 billion pesos and basically here to mention that the value of the assets has continued to increase from one year to the next, due to the valuation and the evaluations that have been better from one year to the next and on the left in the passive and the asset, here to highlight that the passives were 27% of these assets having a behavior better than a year ago, where they were 29%, so here you can see how the effort to reduce the debt and continue to improve this relationship of passives versus assets.

In the next we see the profitability and here we see basically nominal profitability, both from the beginning of the vehicle as a running year and as the last 12 months. In general terms we see how profitability has decreased a little according to the decrease we have seen in the market, in inflation and also with what has happened with the other interest rates. However, the vehicle continues to have attractive double-digit returns and especially when we compare it with the risk profile and return, they are still one of the highest in the asset class. In the next where we see the real profitability, here is where we can see that despite the decrease in nominal profitability that has been seen over the months due to the market trend, we have seen that this profitability has decreased at a slower rate than inflation has decreased and in that order of ideas, what we see is that we have a real profitability that has increased in recent months, which in March 2024 is a profitability of IPC plus 7.30. That IPC plus 7.30 has been maintained above 7, that profitability throughout the last year and a half and additionally we see how this profitability in March 2024 was higher than that of March 2023, which had been IPC plus 6.88 and is also above the promised value of the vehicle, which is to grant investors a profitability of IPC plus 6. In the next we see an indicator that is very important, which is the dividend yield and it is the box that we effectively distribute to investors.

Here it is worth mentioning that there has been, throughout the quarter that we are analyzing, January to March 2024, that indicator has had a growing behavior, which is positive when we see it in front of the estimate that was at the beginning of the year. Here it is worth mentioning

that the dividend yield projection for 2024 is 4.17 for the entire 2024 on average, above what was the year 2023, which was projected at 3.20 and ended up being 3.98. We are meeting the estimate that was projected, which implies that in the coming months this dividend yield should increase to end the year with an average dividend yield of 4.17.

In this indicator, the vehicle has been having results and has been increasing mitigating these high financing costs that had been the main causes of the dividend yield decreasing. In the next we see a comparison of similar vehicles. Here we remember that we do not make calculations on the other vehicles, we simply take the information that is published on the web pages and on the technical files. Here we see that for the fourth consecutive year, TIN has had the highest profitability compared to its comparables, both in nominal and in real profitability.

Above all, this is a comparison that is worth doing against the risk-return having a lower risk profile taking into account the investment policies designated in the issuance documents. Finally, two slides related to the secondary market. In the first quarter, there were no TIN negotiations in the secondary market. This leads us to the valuation of the investors, which is reflected in the extracts, the valuation price of the price providers, whose price is 100% of the patrimonial value. In this sense, the value has been preserved although there have been no negotiations in the secondary market. Finally, due to this absence of negotiations, we maintain 489 TIN investors, mainly integrated by institutional investors in about 70%, mainly insurance companies, pension funds and, let's say, also by those who we consider to be the retail, who are natural people and other non-legal people who total 30%.

So far, this chapter of financial results. Before giving the floor to Gabriel, I remind you that you can ask your questions through the webcast to answer them in the next part after the presentation. And now I give the floor to Gabriel to talk to us about the real estate market and the different aspects of how this market has evolved. Thank you very much.

Gabriel Florez: Thank you, Ana. Good afternoon everyone. We are now going to make a summary of the real estate sector and the changes that have happened in recent months since the last time we met. The first thing to note is that compared to the last quarter, licenses fell by about 46% and in the last three years they fell by 30%.

Now we are going to see independently how they behaved. That fall in the last three years is mainly due to Bogotá and Antioquia. However, if we see in this graph only the first quarters of the last ten years, we can see that although there is still an acceleration from the first quarter of 2015, it is an acceleration that has been decreasing, that is, the trend and the curve should begin to reverse. And if we do not take into account those external factors, it should happen relatively soon. However, wars, government, and other factors of this type can affect what we consider could happen. This trend in general of change should really be driven by the industrial sector.

A sector that although it has shown a trend in acceleration rate, definitely in the last three years, as we can see in this graph, in the blue line, has been showing important signs of recovery. The other two sectors, office and commerce, we believe that they are still a little further behind within the economic cycle and therefore, sorry, within the cycle, and in that sense, they have

not yet entered a recovery process. Really, if one sees the other factors, all the other indicators of each one of these sectors, as we will see later, we can see that none of the sectors is going through a bad time.

However, the industrial is the one that stands out, the one that stands out within everything, within the whole industry. If we enter the office sector, we can see a frank recovery of the holiday in recent years. We find ourselves at levels very close to pre-pandemic, which coordinate extremely healthy holiday levels. We can see that the absorption in the last three years has been positive. The national holiday today is 19% and this mainly pushed by Barranquilla. Barranquilla today is one of the lowest holidays in the entire country, mainly because in the last 18 months the offices have been mainly occupied by BPOs. BPOs that used to be in their vast majority in Costa Rica, in San José, you can see how the numbers and the holiday of offices in San José has deteriorated in that same period and how it has fallen significantly. Bilingualism, which at the time was a very important driving force in Central America for those BPOs to go there.

Nowadays, that bilingualism on the coast and in Barranquilla has reached enough levels that that ceases to be a problem, and the costs being much lower in Colombia has allowed an important influx of new companies, which has allowed the holiday to go down in a very important way. The other thing that may be worth highlighting is that within the sectors of office assets the holiday is relatively low. For example, there are perhaps a couple of projects in Bogotá that one has not been completed and the other perhaps has had difficulties to be occupied by the location where it is.

The rest of the Class A+, they are very well occupied, which has allowed that the prices and the rental canons, especially in their upper range, to go up considerably. If you see, in the last year the upper range went from \$103,000 per square meter to \$132,000 per square meter. If one sees it from the point of view of dollars, really those \$132,000, with all the changes they have made, have not made an extremely big difference, although if we see it in pesos definitely yes, which would allow us that these occupants who pay \$132,000 per square meter are surely foreign companies that have contracts in pesos, but they have a house that sees the numbers in dollars. On the other hand, definitely the Class A sector is in need of projects, which also indicates to us that in the next 12 months they will surely be launched and we know what will happen, it will be launched to the market surely more than one Class A project, not necessarily of gigantic sizes.

If we already enter the winery sector, we believe that this sector, as we have said, is the sector that has promoted the industry the most. It is a sector that today has a minimum vacation and it is a vacation that does not go down less because it is rented less and it does not go down less because what is left really does not have conditions for the demand that there is at this time, that is, this has allowed in this descent, a second life is given to the wineries of Class A, Class B and Class C because really everything is filling up, but at this time definitely there should be an important impulse to build new wineries with certain problems that exist today, for example within the Havana of Bogotá a couple of years ago data centers began to arrive, growth that today is limited by the electric limitations of the electric supply that exist today, which must affect new industries or large industrial parks that want to be built.

This has led in some way, has led to prices have increased above inflation and above the increase in costs, although in the last year it went from about 28,000 to almost 35,000 pesos per square meter. 35,000 pesos per square meter is the same value that can be in some states in the United States the square meter of the winery, that is, if we are looking to compete against productive issues, we are definitely a little above I know it is not exactly comparable, but we believe that those prices, we do not know how sustainable they are, we believe that people are taking advantage of the good moment that the industry is going through, so much so that of the assets that come to us constantly, we have begun to find extremely high canons with increases above inflation, that is, inflation plus a spread.

Contracts that we do not believe are sustainable in time, since we know that this is an industry with a value of square meter that is not so elastic, which is why it should not rise in such an important way. Another of the issues and perhaps of the conclusions about this sector is that the boom that should come should also be pushed by what we call today nearshoring, nearshoring that given that it should since the production of this nearshoring should be given in such a way that the product arrives agilely to the United States or similar markets, we believe that Bogotá will not be positively affected by this trend, it should be given more on the coasts, which is why all the Atlantic coast should have been benefited, mainly because it is an area where we believe that there are opportunities for growth in the important industrial sector in Cartagena, surely also although all the parks that exist today are already relatively topped and there are no large-scale new projects that allow to absorb this nearshoring and to bring this new development or the new development in the mountains in the country and also the economic development in the country and this nearshoring in more developed countries within the region, such as Chile, it could be Mexico and we already see Bogotá in detail, which is the graph on the right, we can see that there are many of the sectors that in front of that order of magnitude that I gave them are cut off and where perhaps the few sectors where there is still a space to continue growing are south-central and Guaymarac, where really the south is where there is still an important growth capacity, what happens is that definitely the pods have been looking to limit the growth of commercial centers in the south the commercial centers that have been made have had some difficulty to consolidate if they have been consolidated in much longer terms than what was consolidated before, which is why we believe that in Bogotá, at least of large-scale commercial centers that, as we say, could be made in the south, we do not see that in the short term they will be able to do if we see comparatively that it is the graph below to the right the large commercial centers medium and small as they have grown in the last five years we really see that the small and medium have grown in a relatively moderate way very little and in a way that is perhaps similar to both while the large commercial centers have grown in a greater way which which is which shows that really if one wanted to grow this industry it is through large commercial centers commercial centers that at this moment are not going to be given which I think that puts us in a situation not necessarily negative since since what we are looking for is that those commercial centers that have been made in recent years can be stabilized and in that sense we can see first of all maybe in the graph below see how the holiday from December 2021 has been going down we are close to 11.15 which is a holiday very similar to what we had in December 17 a little higher but then in relatively close levels which puts us at a time in the industry that at the level of vacation is very good where as long as they continue to be made commercial centers, these will definitely end up consolidating, which leaves us

with a variable if sales will continue to improve or not because as we can see in the upper graph sales in recent years in the blue line that are monthly sales per square meter have been improving and as they have been improving we should find more or less in about four years a cross of those two variables that is the proportion of square meters versus the proportion of monthly sales per square meter, however, with the deceleration that has been occurring at the level of consumption, although in the last trimester it has recovered in something we do not necessarily see that this projection is going to happen and we meet again let's say with a with a future in the face of trade at least that it is relatively because it is not clear and in that sense we believe that although it is a sector that continues to be super interesting it continues to be very interesting in the commercial centers that are already consolidated more than in any commercial center because despite the fact that the indicators are good, I insist, we believe that the future is still to be defined, thank you very much.

Ana Maria Salcedo: Well, thank you very much, we are going to now move on to the second part where we have the space of questions and answers that have been coming to us, the first question says what expectations do you have of dividend yield for the year 2024 taking into account the high interest rates and the change in inflation trend and here I give the floor to Andrés Lozano.

Andres Lozano: Thank you Ana. In the budget for this year 2024 that was approved by the advisory committee, a debt cost was assumed that is decreasing according to the trend that we are all waiting for interest rates throughout the year, we start with a debt cost of 15.06 and we hope to end the year with a debt cost of less than 9.5% which is a very important fall, this obviously very focused on the whole issue of active management of the vehicle, taking into account this debt cost, operating income, operating expenses and administrative expenses of TIN, we hope that we will have a dividend yield on average of the year 2024 of 4.17%, it is very important to highlight that management of the vehicle debt, let us remember that when we began to see that risk of increasing interest rates, we migrated 100% of the debt to a fixed rate and then when we began to see that drop in interest rates projected for this year, we began to look again at that indebtedness to variable rate indexes and we also obviously take advantage of the access to competitive rates that we have through the presence of the Titularizadora, then according to all this again we should have a dividend yield projected for this year of 4.17% showing improvements versus what started the year.

Ana Maria Salcedo: We have a second question that says, taking into account the change of trend in inflation levels and the level of debt of TIN, what strategy has the vehicle followed to take advantage of the impact that a lower inflation may have on interest rates?, what proportion of the debt is indexed to variable rate, here I take it. Here we basically expect that there will be a decrease in rates much more pronounced in the coming months, as that decrease in the repo rate increases and the cycle is much more forceful, that reduction and additionally as this is transferred.

Much more to the rates of the economy, then here the strategy, as has already been mentioned, has been to migrate to indebted rates indexed to the IBR, since this indicator allows us to collect much more quickly that decrease in rates in the economy. When we see the statistics with a cut to March 31, 2024, 74% is at variable rate, 25% at fixed rate, very different from what we had in December. Another part of the strategies is not only the indicator but it also has to do with the term of that indebtedness, and that is why the term is extremely short. They are short-term credits, if you look at the expiration date of these credits, it is two months, with which we can very quickly depreciate the rate and the cost of the vehicle's indebtedness. Additionally, we are making periodic quotes with our counterparts and seeing the best conditions to eventually apply for pre-payments of that debt. We also do a permanent evaluation of other alternatives of indebtedness, and in these, we consider, for example, synthetic credits, if the indebtedness in dollars with a coverage of pesos ends up being a much more favorable rate for the vehicle. So in general terms, the strategy is very active and at this time it basically implies being indexed in IBR to take advantage of that decrease that the rates will continue to have in the coming months.

Well, a third question says, taking into account the situation of the market for this type of real estate investments, how do you plan to continue growing the size of TIN? For when have you thought of the next mission corresponding to section 3? And here I give the floor to Carolina.

Carolina Martinez: Thank you, Ana María, good afternoon everyone, thank you very much for joining us in this space. Well, we really have this mission prepared, we already have it acquired, prepared, qualified, and AAA with Fitch Ratings. It would be our section 3, more or less about 175 billion, and well, we are very optimistic about how the market has been reacting. The asset class has had much better behavior in the secondary market, so we have faith that we can be doing a third mission approximately at the end of the next semester. I would say that November, if you can join us, it would be wonderful.

Ana María Salcedo: A little related to the issue of a new emission and a new section, it says, I would like to know if you have plans for new acquisitions? And here Carolina, I also give you the floor.

Carolina Martinez: Well, Ana, really, we, with the situation that has been presenting since 2021 and once we acquired section 3, wanted to be very conservative. The board gave us an instruction of prudence, both for the rise in rates that we had, that was presented, and that could affect the level of indebtedness of the vehicle and the dividend of the investors, we slowed acquisitions. However, we have created other alternatives such as a payment against emission to be able to continue acquiring, and for these three years, we have been surveying the market. We have a permanent pipeline that we take to our advisory committee every month, where we are monitoring the prices of the market, looking for opportunities, and making alliances, so that once we can do the emission of section 3 and we have an indebtedness capacity with fresh resources, we can continue with the acquisitions. But for the moment, the message is a message of prudence for our investors.

Ana María Salcedo: Now talking a little more about the real estate market, they ask what they expect from the commercial sector, warehouses, and offices in this year 2024 with economic slowdown, what type of assets do they have in the pipeline to maintain the profitability of the fund? Gabriel, I give you the floor.

Gabriel Florez: Thank you very much, Ana. We consider that today we find in the market some opportunities that are normally not seen in periods of boom and I think that these are opportunities that we have to see, that we have to analyze. We believe, for example, that the office sector is a reorganization center, but again we are seeing that the opportunities are very interesting. The commercial sector with the slowdown that it has had represents some challenges; it has quite a few challenges. However, the most stabilized commercial centers continue to perform very well, and the industrial sector, as we have already mentioned in the presentation, is also where everyone wants to be. As we have already said, we are finding prices that in some cases can be high, with costs that can be above markets, but we believe that this is the sector, one of the sectors where today we should be looking for more, and it is also the commercial sector where we are concentrating the most to move forward with the pipeline.

Ana María Salcedo: According to the prospectus, there is a possibility of acquiring under the build-to-suit model, how are you seeing this possibility while the rates for debt continue to go down? Here, Gabriel also with the answer.

Gabriel Florez: Thank you very much. We believe that the build-to-suit scheme is one of the most interesting schemes that there is at the moment to make new assets. However, we have found assets that the seller, when offering them to us, expects a good part of our profitability to come from the valuation of the assets, and understanding that this is a core fund where its main advantage is always receiving cash, we believe that this is an important component that we have to respect. In that sense, we will continue to look for opportunities that meet all those expectations.

Ana María Salcedo: What percentage of the contracts are indexed to the IPC? Have you had any type of renegotiation of this increase with the lenders? Carolina, go ahead with the answer.

Carolina Martinez: Well, our contracts, 100% is indexed to the IPC, which gives coverage and a natural protection to the assets that are growing with inflation. Today, more or less 24% of our contracts are with an increase of IPC with the inflation of the last 12 months, and the other 76% takes the inflation of the year immediately before for renegotiation. What we have done is a very conservative strategy: if the lenders ask us for some adjustment to the contract because the IPC was very high and we make some kind of discount, we simply make a renewal of the contract, another year, where we lengthen the term so that the profitability is not affected and is compensated over time. We put some very rigorous exit clauses where in the first year they could not make any type of return or other type of discount request to have the profitability of our investors intact.

Ana María Salcedo: Thank you, Carolina. Well, the next question is related to the market of securities and it says, have you continued exploring the migration to the variable interest rate? How can this migration contribute to Tin participating in some index that increases the liquidity of the securities in the secondary market?

The answer is yes, we have continued exploring and always reviewing the advantages of that migration as part of our fiduciary duty that we have with the vehicle. As we mentioned in the shareholders' assembly that we had in April, that role and that function we have to have at all times. It is very important to take into account the advantages of that migration that are latent and perhaps that have increased even in recent months. The main advantage being a greater visibility with international investors and having a greater potential of liquidity, which is something very desirable at this time. It is clearly evident that these advantages are achieved as long as we can be part of indexes and according to the change that the MCI methodology had in 2023, that is already possible today. However, the inclusion in an index is not automatic. Here, clearly, some requirements must be met. The first of them is to be in variable interest rate and to have this possibility of trading in that market. So, we definitely consider that this is an issue that we have to have permanently on the table and we have to be evaluating it. In the coming months, we will continue to evaluate the conditions of the fixed interest rate market, the conditions of the variable interest rate market, and specifically of the asset class to, at the best time and when it is more opportune, put it into the consideration of the investors, as we mentioned in an extraordinary assembly that we hope can be held soon to be able to put it into the consideration of the investors if this is convenient for the titles.

A next question tells us, could you give an update of the discount to the 8% equivalent administration commission? Here, Andrés, I give you the floor.

Andrés Lozano: Yes, the discount of that 8% was applied in January 2024, as we had discussed in the assembly and with some investors. According to this, we have already had a three-month discount with the cut of these results of the first quarter of the year. The total discount in the course of the year with this cut is a little more than 125 million pesos, which is worth 42 million pesos per month. The impact on the dividend yield of this discount is 11 basis points, and if we look at it in terms of EBITDA, starting from the base of the budgeted EBITDA in 2024, the annual EBITDA margin after that discount is approximately 100 basis points higher than the non-discount scenario. The EBITDA margin is approximately from 72% to 73%, so here we are obviously looking for every possible way to increase that distribution cash flow for investors in the midst of these high interest rates.

Ana María Salcedo: How is the composition of the economic holiday and how is the process of commercialization of unoccupied spaces?

Andrés Lozano: Well, our economic holiday is 2.32%, as I mentioned at the beginning of the presentation. This is equivalent to 84 million pesos over a total income of 3,632 million. It is really minimal, and most of it is represented by a building in Barranquilla, which we are keeping voluntarily vacant because we are making a capex investment to renew the asset and be much

more competitive in the market. This building has a strategic location but it needs a renovation after the return by the previous lender.

Some data for geographical location of this holiday: 2.32%, 18% is in Bogotá, with very small food stalls, and 82% in Barranquilla, which is the asset that I mentioned. But it is worth noting that our economic holiday is minimal and really does not affect much the cash flow of investors.

Ana María Salcedo: And a question also for you Carolina, how are you seeing the behavior of the appraisals?

Carolina Martínez: Ok Ana, with the history of the vehicle, we have a rule to update the appraisals annually. We organize a schedule and every month we have a package of appraisals to update with three methodologies: market comparables, direct capitalization, and discounted cash flow. We do this with our four appraisers: Tinsa, Cushman, Colliers, and Logan, and we rotate them annually so that the exercise is absolutely transparent.

During the year 2023, we experienced a situation where capitalization rates and discounted rates were increased by the appraisers for a country risk concept. All the economic situation we are living through, also the global situation, and some assets affected since the pandemic, resulted in an adjustment to these capitalization rates, which rose approximately between 100 and 150 basis points, affecting the value of the assets around November and December of last year. However, we already see that it is recovering. The appraisers with whom we meet monthly are seeing some improvements in the market and are making adjustments to these rates. We have already seen that they have been able to lower them from approximately 13.5 to 12.5. We hope that next month they will be around 11.5, and this will be reflected in the value of the assets and the recovery.

Ana María Salcedo: Thank you very much. We have another question: In the ordinary assembly of 2024, they mentioned the possibility of a modification in the administration commission scheme. When is it planned to implement this adjustment, and what does it consist of? Andrés, you have the floor.

Andrés Lozano: Yes, it is worth remembering that for a year and a half, TIN was a pioneer as a real estate vehicle adjusting the commission scheme, looking to better align the interests of the investors with the managers. We have continued to talk very closely with our investors to really have a scheme that leaves us all very calm and aligned. According to this, we want to make an additional adjustment this year where the flow of cash available in the last 12 months is mainly incorporated into the commission, again, always looking to be aligned with the investors in terms of making that cash available as high as possible for them. This, in addition to the changes we have already implemented where we have some adjustments to the commission depending on the profitability, is important to maintain.

Ana María Salcedo: Well, there is another question that says, what is the percentage of income per tenant, and what is the main tenant of the vehicle? Carolina, we give you the floor.

Carolina Martinez: Well, within the presentation of the results that we showed you, you can find it. Everyone can access that presentation, but to remind you:

- The house has a weight of 40%
- Jamar furniture has 15%
- Itaú 11%
- Cocorico 7%
- Moc de Panel 4%
- Other tenants 21%

Ana María Salcedo: Now, this other question 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 or reacquisition of titles in charge of the issuer?

Andrés Lozano: Well, we have this possibility in the prospectus, the disinvestment. This disinvestment must go with an approval of the advisory committee and the board of directors, and it has two objectives: to reduce the level of debt or the purchase of titles by the issuer. We have had the opportunity to disinvest three assets, and at that time we did the analysis and it was presented to the investors, where it was reflected that it was much more interesting for the dividend of the investors that we made a payment or a capital bond of debt rather than a purchase of titles. In that order of ideas, we went for a capital bond that was reflected precisely in the improvement of the rates, in the improvement of the level of debt, and in the improvement of the dividend yield.

So, our disinvestments, although we do not believe that there are great opportunities at this time to disinvest because the market is giving a punishment to the value of the assets, the three opportunities we had allowed us to have a level of valuation, of utilization, of utility for the investors, which was returned. Only to the extent that we see that we can have a gain for the investors, we contemplate the disinvestment. For the moment, we do not have projections of disinvesting a number or a percentage of our assets, so as not to affect them.

Ana María Salcedo: Thank you, Carolina. Well, again, with this, we finish our teleconference for today. Thank you very much to all of you for participating, for your interest, and for the questions you asked us throughout this event.

We remind you that we will continue to do these events with a quarterly journalistic. The next one we will have to see the results of June in the month of August of this year, 2024, and also soon, in a couple of weeks, you will find all the documents of this teleconference on our website so that you can relive the video and even have the answers to the questions.

Thank you again for being with us and see you at the next event in August.