pei ASSET MANAGEMENT

pei


# 2021

## THIRD QUARTER

# RESULTS TELECONFERENCE

pei

# DISCLAIMER

"The data and figures in this presentation **are based on the current facts' knowledge, expectations, and projections and may be rounded for an easy reference**.

Thus, data and figures may be subject to variations or modifications over time. Neither **PEI** nor its real estate manager, **PEI ASSET MANAGEMENT S.A.S.**, are required to update such data should any previously unknown new information or events arise, affecting the accuracy and detail thereof."

# AGENDA

01 PORTFOLIO'S MANAGEMENT 3Q 2021

02 STOCK MARKET'S DYNAMICS

03 PORTFOLIO'S COMMERCIAL MANAGEMENT 3Q21

04 PORTFOLIO'S FINANCIAL MANAGEMENT 3Q21

05 SUSTAINABILITY

06 Q&A SESSION


Capital Towers - Bogotá

# 01

# PORTFOLIO'S MANAGEMENT 3Q21

# PORTFOLIO FIGURES AS OF SEP 2021

THIRD QUARTER 2021

| ASSETS UNDER MANAGEMENT | AREA ARRENDABLE | TENANTS | INVESTORS |
|---|---|---|---|
| COP **7.50** BN | **1,103,282** $m^2$ | **2,080** | **4,653** |

## DIVERSIFICATION PER CATEGORY ACCORDING TO INVESTMENT PROPERTIES

Shopping Centers **34%** ▼

Commercial Premises **6%** ■


Corporate **35%** ▼

Logistics **17%** ▼

Specialized **8%** ▲

## SÁNITAS TOBERÍN ACQUISITION

- Asset's Value: COP **50 thousand MM**
- PEI's percentage: **100%**
- Agreement: **10 years**

**4 Health-related Assets**

- Sanitas Tequendama
- Sanitas Ciudad Jardín
- Sanitas Versalles
- Sanitas Toberín

*The properties acquired were previously approved by the Advisory Committee.
*The assets fulfilled the conditions in Section 2.3.1 "Permitted Investments" of the Prospectus.

# PORTFOLIO'S MANAGEMENT 3Q21

## Commercial Management

**Retention**

- ✓ 3Q2021 **15 thousand m²**
- ✓ YTD 2021 **62 thousand m²**

**PEI's Absorption**

- ✓ 3Q2021 **25 thousand m²**
- ✓ YTD 2021 **93 thousand m²**

## Assets' Traffic

| | 3Q21 / 3Q19 (%) |
|---|---|
| Commercial | 90% |
| Logistics | 86% |
| Specialized | 72% |
| Corporate | 23% |

## Operating Margins

| | 3Q2019 YTD | 3Q2021 YTD |
|---|---|---|
| NOI Margin | 81% | 82% |
| EBITDA Margin | 65% | 63% |

## Distributable Cash Flow

**Stabilization of cash generation from the vehicle's operation in 2021.**

| | |
|---|---|
| COP **65,056 MM**<br>NOVEMBER 16, 2021 | COP **226,262 MM**<br>TOTAL AMOUNT PAID 2021 |
| COP **150,795**<br>PER SECURITY | COP **524,457**<br>PER SECURITY |

## *Dividend Yield*

*Dividend yield* 2021 equity value (*E**) **4.8%**

*Dividend yield* 2021 *market prices* (*E**) **6.0%**

## Total Profitability

**6.3%** YTD 2021

**10.9%** STABILIZED 10 years

*E: Estimated

# ASSETS UNDER DEVELOPMENT

## Corporate

**Medellín**

Estimated date of incorporation to the portfolio: **December 2021**

Asset's leasable area: **21,316 $m^2$**

PEI's share: **82%**

PEI's investment: COP **141 thousand MM**

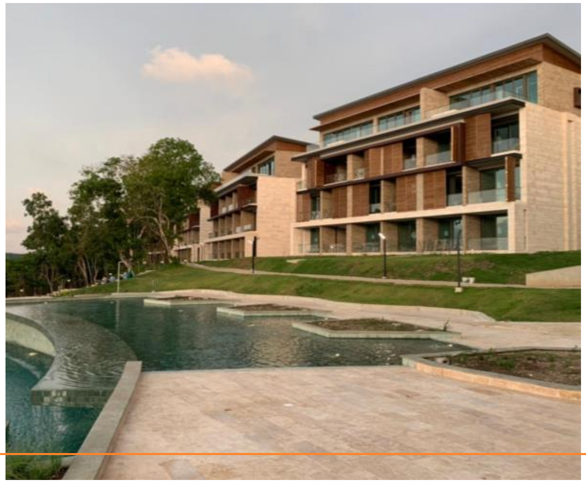
BTS Agreement: **15 years**

## Specialized

**Barú**

**Hotel**

CALABLANCA



Estimated date of incorporation to the portfolio: : **December 2021**

Asset's leasable area: **187 keys**

PEI's share: **60%**

PEI's investment : COP **120 thousand MM**

Hedging: **Preferential flow (5 years)**

Partners: ARGOS, ARQUITECTURA & CONCRETO

# 02

## STOCK MARKET'S DYNAMICS

C-26 Bogotá

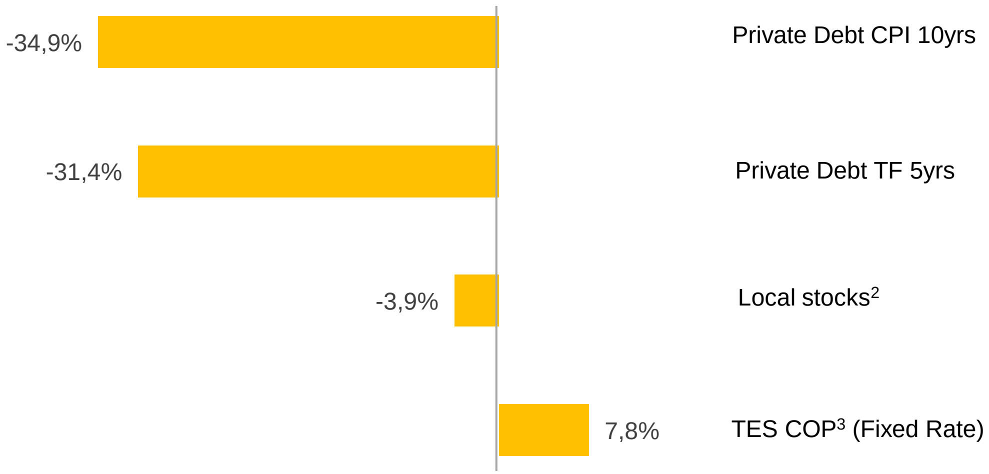
# STOCK MARKET’S DYNAMICS AND TEIS

## Market’s traded **volumes** (YTD) COP MM

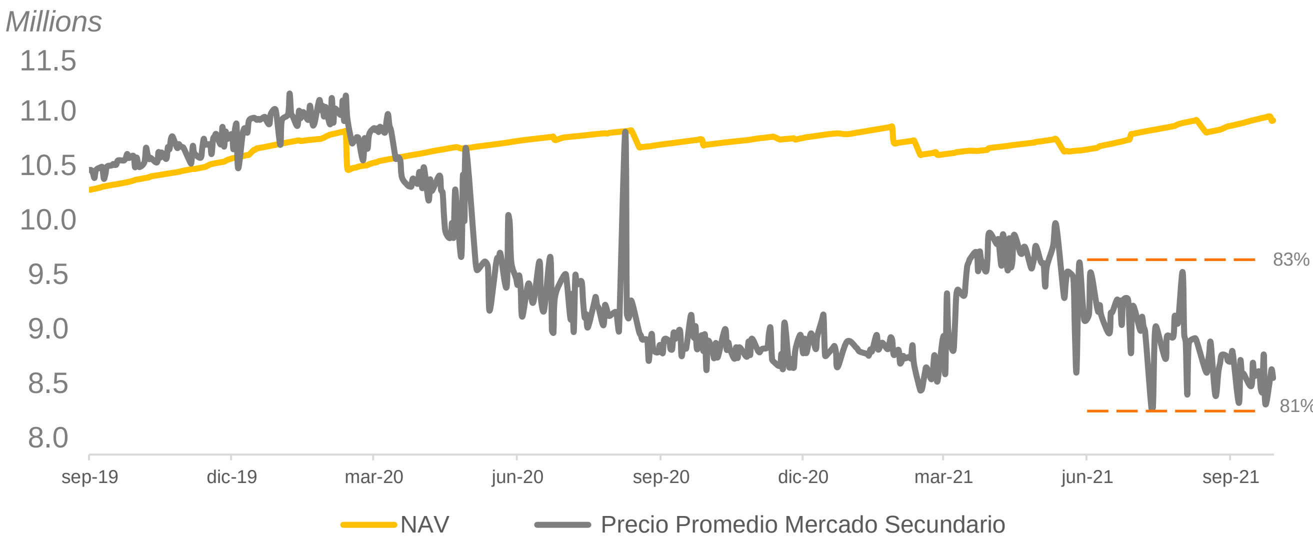
| Traded volume | sep-20 | sep-21 | Var 21/20 |
|---|---|---|---|
| Fixed income | 429,779,109 | 315,903,478 | -26% |
| Variable income | 23,614,402 | 19,140,600 | -19% |
| Pei | 440,344 | 160,036 | -64% |
| Real estate market | 740,214 | 241,331 | -67% |

*Includes the volumes traded by PEI, Inmoval, Tin, Fici Visum, Fici Davivienda, and CPA Skandia.

## Local capital market’s **yields** (YTD)[1]




## TEIS’ **average Price** in the secondary market




## Valuation methodologies at market prices

| Average Price (% NAV) | PiP | precia |
|---|---|---|
| jul-21 | 83% | 85% |
| ago-21 | 81% | 84% |
| sep-21 | 79% | 81% |
| 3Q 2021 | 81% | 83% |

1. Source: Bancolombia / BVC
2. Based on the MSCI COLCAP index
3. Based on the COLTES index

*YTD: Year to date
*TEIS: Estrategias Inmobiliarias Securities

# SECURITIES' **VALUATION**

## EQUITY VALUE

This value is calculated daily by **the issuer,** i.e., PEI

$$\text{NAV} = \frac{\text{CALCULATION OF PEI'S EQUITY VALUE}}{\text{NUMBER OF SECURITIES OUTSTANDING IN THE MARKET}}$$

From:

- **Assets' operation reflected in the cash flow**
- Result of **commercial appraisals made by independent third parties**, which reflect the assets' appreciation

The equity value is published every day on PEI's website https://PEI.com.co/portal-INVESTORS/titulo/ and Fiduciaria Corficolombiana's website https://www.fiduciariacorficolombiana.com/patrimonio-autonomo-estrategias-inmobiliarias

## MARKET PRICES

Pricing Service Providers are **entities independent** from PEI

PiP

precia
Proveedor de Precios para Valoración

in charge of issuing the daily report on the equity securities' valuation price, based on the stock market's trades performance, i.e., at the BVC and particularly:

- **Number of transactions**
- **Volume of transactions**
- **Price of the transactions**

The security's value, which final investors see reflected in their investment portfolio, will depend on the pricing service provider hired by each **stockbroker.**

# MANAGEMENT DURING THE COVID JUNCTURE

**Reinforce all stakeholders' understanding** of the particular characteristics of the current market situation, so that analysis tools for the investors' decision-making process are provided.

## Actions IMPLEMENTED

- **Communication** with and assistance to investors in connection with issues related to the secondary market
- **Follow-up** of valuation methodologies
- Manage the Securities' **Migration** to the variable income market

## Actions TO IMPLEMENT

- **Implement** Liquidity Building schemes with stockbrokerage companies
- **Channel** 100% of the transactions through the equities market
- **Facilitate** the most transparent price building

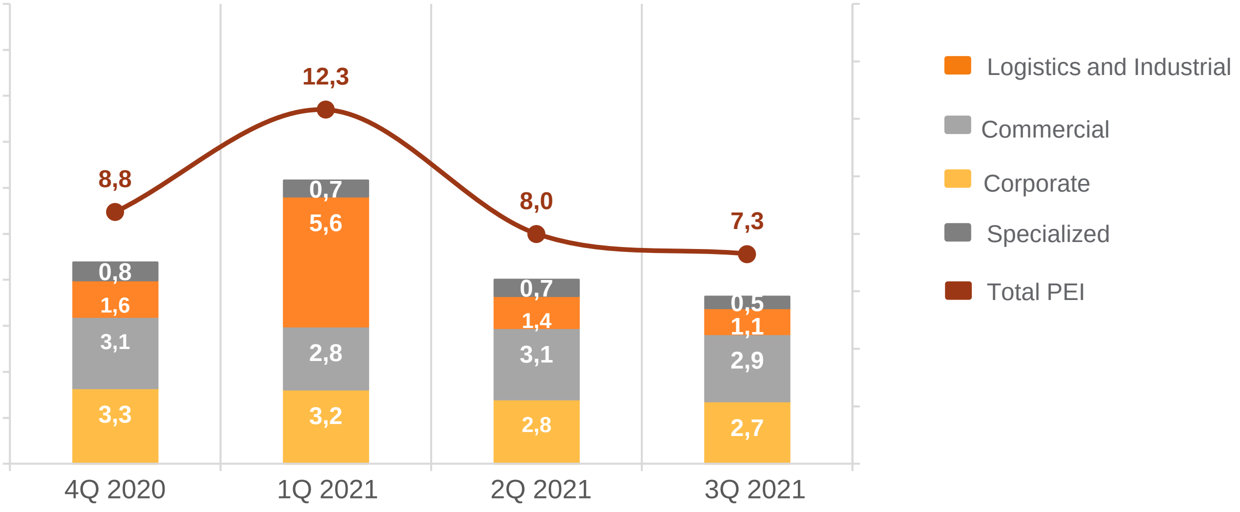

CC Unico – Cali

# 03

## PORTFOLIO'S **COMMERCIAL MANAGEMENT**

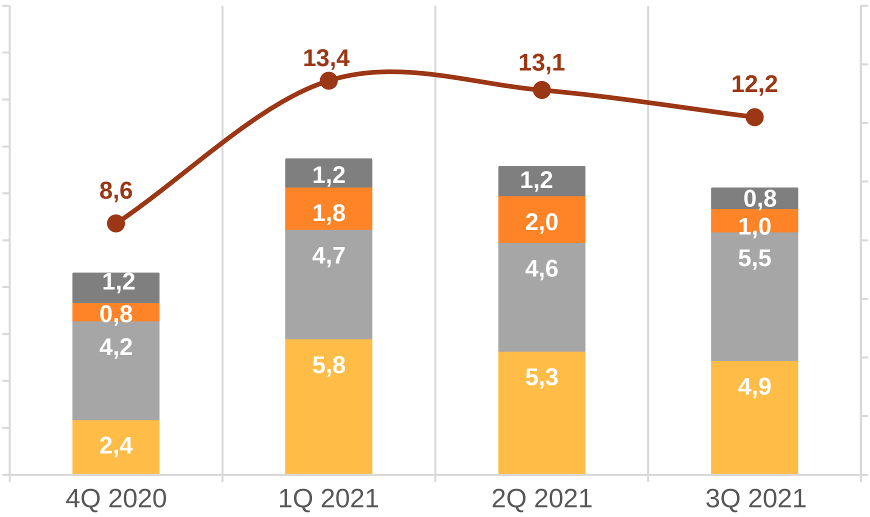
# PORTFOLIO'S **OCCUPANCY**

## Physical Vacancy (%)




**9.0%** **Average 2021 YTD**

## Economic Vacancy ($)




**13.1%** **Average 2021 YTD**

**6.7% - 7.0%** **Physical**

**10.7% - 11.0%** **Economic**

Vacancy estimates for the end of 2021

**5.9**
Agreements' average duration

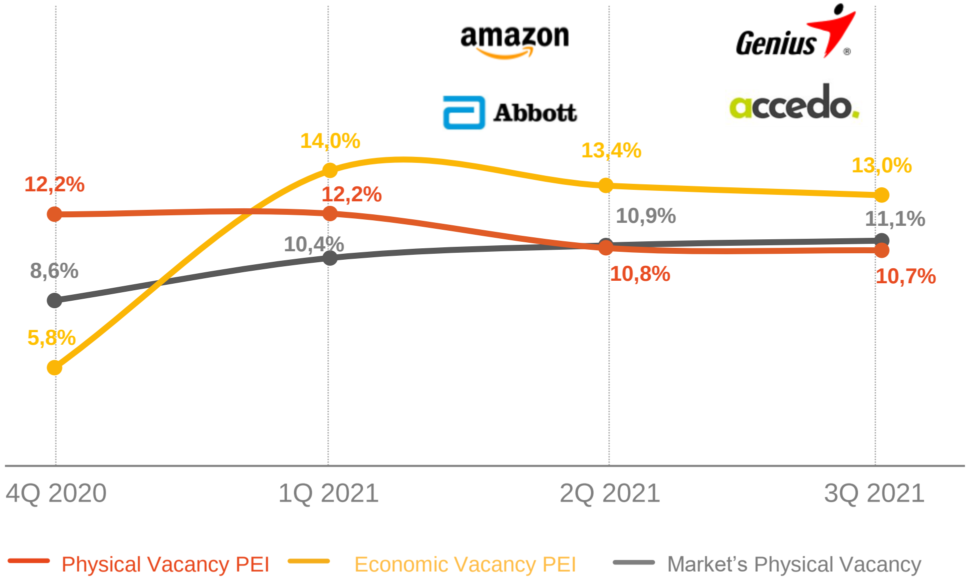
**184**
Commercial Prospects

**68,276** m²
Area under negotiation

**18**
Properties

# PEI'S VACANCY v. MARKET'S VACANCY

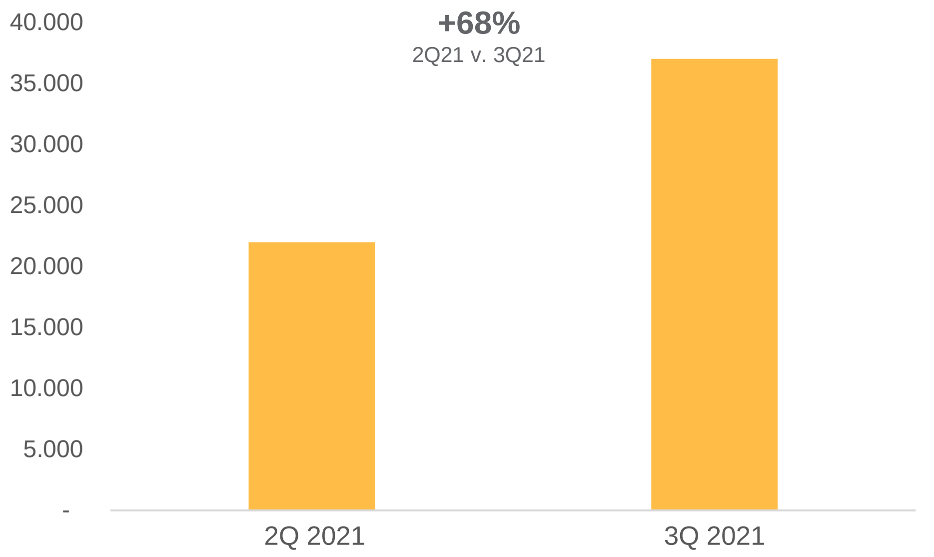
## Corporate





## Traffic in PEI's corporate assets

Figures in number of occupants



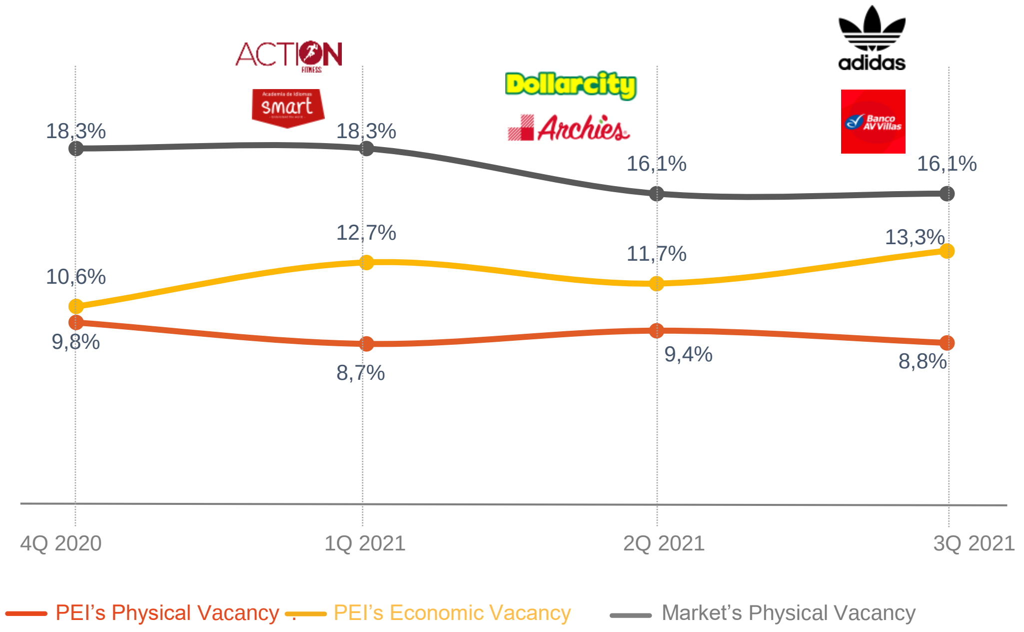

An important growth trend was evident in the last quarter, signaling economic reactivation and a return to working in the offices.

1.Market information from Colliers International's Market Report (2021)
2.Information at the end of each quarter.

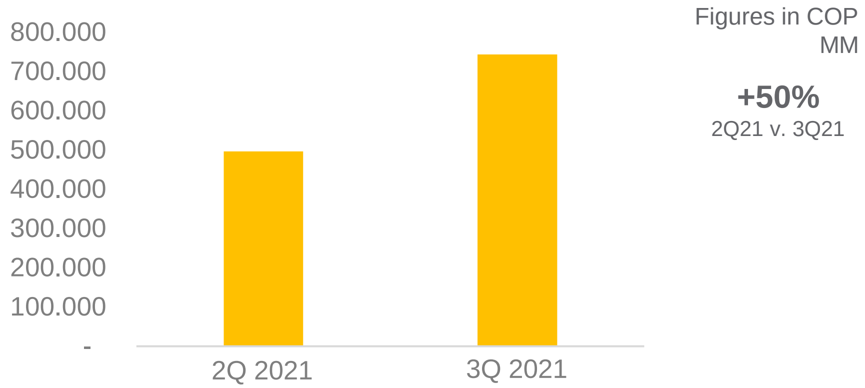
# PEI'S VACANCY v. MARKET'S VACANCY

## Commercial

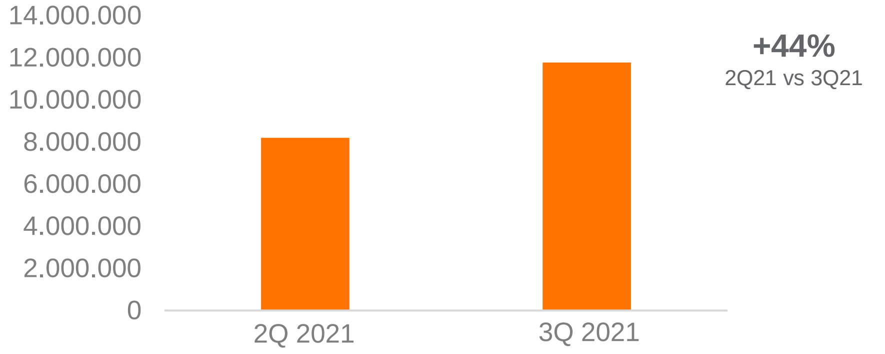
**6,235** m²
Leased area 3Q2021




### Shopping Centers' **Average Sales Per m²**

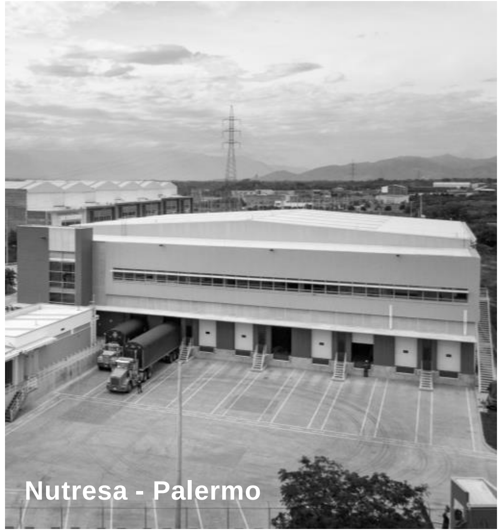


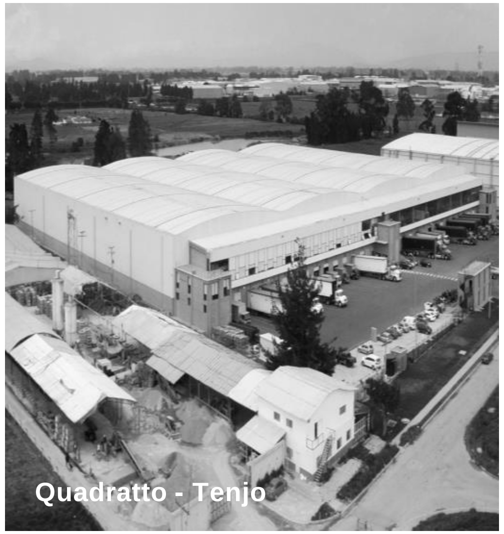

### Shopping Centers' **Pedestrian Traffic**




1.Sales per leased m² and shopping centers
2.Market information from Acecolombia's Vacancy Report (2021). This report is issued twice a year.
3.Information for the end of the quarter.

# PEI'S VACANCY v. MARKET'S VACANCY

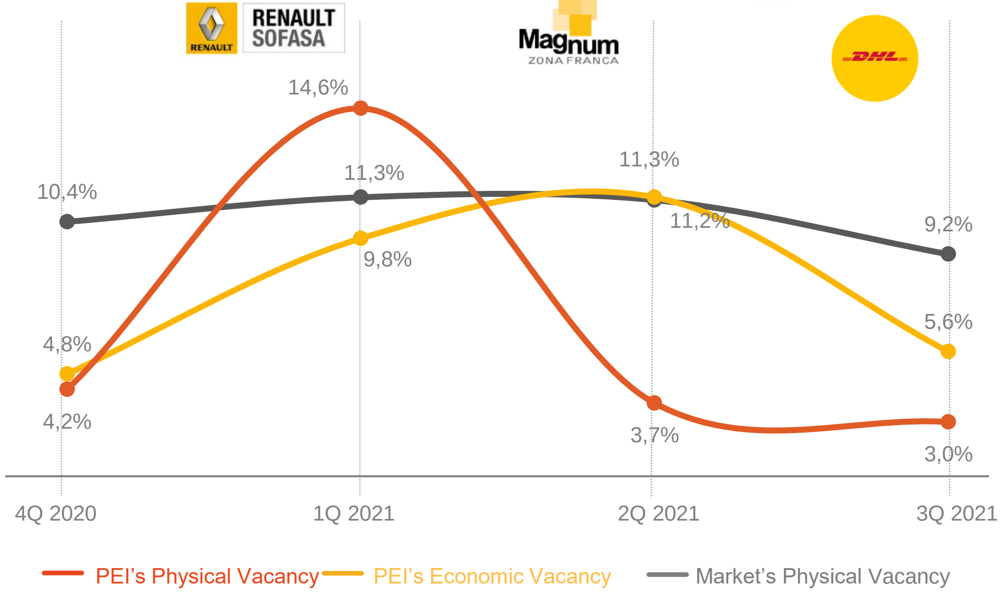

Nutresa - Palermo


Quadratto - Tenjo


El Cortijo – Yumbo

## Logistics and Industrial

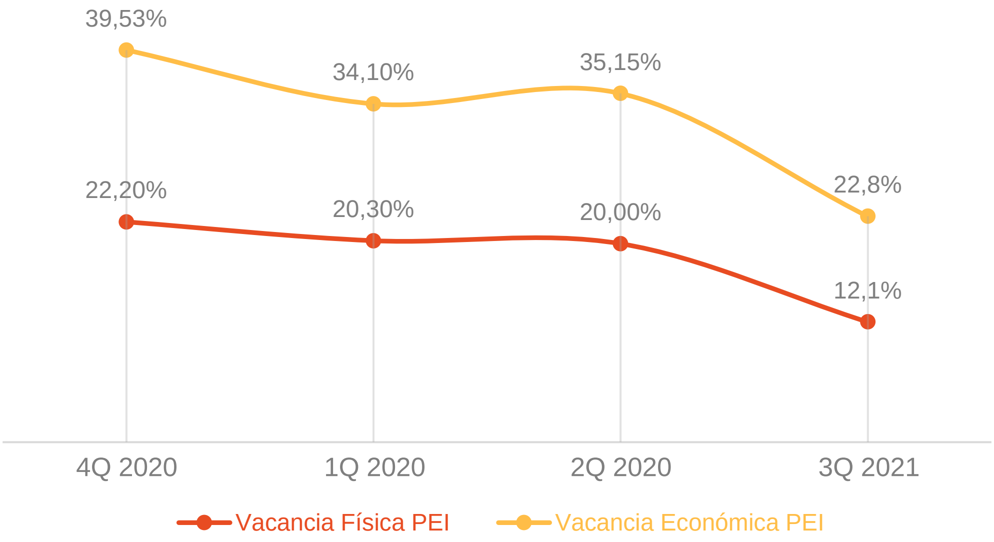
**19,360** m$^2$
Leased area 3Q2021




1.Market information from Colliers International's Market Report (2021)
2.Information at the end of each quarter.

# PEI'S VACANCY v. MARKET'S VACANCY

## Specialized




**2,196 m²**
Leased area 3Q2021

**4** Health-related assets

**1** Education-related assets

**1** University residences



1. Information at the end of each quarter.

# 04

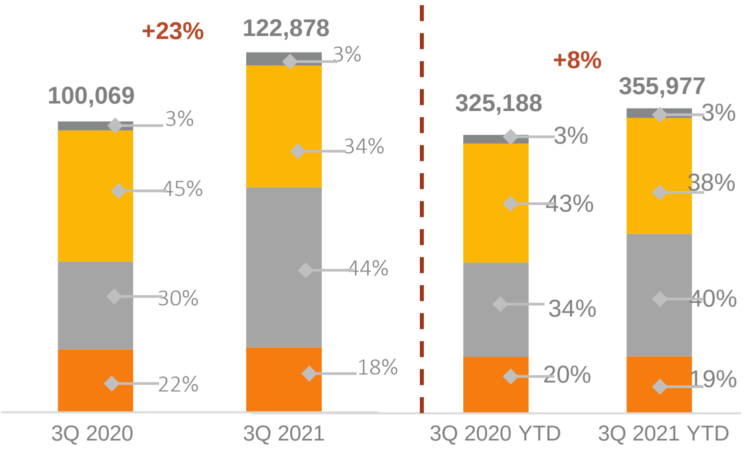
# PORTFOLIO'S **FINANCIAL MANAGEMENT**

CEDI Nutresa - Pasto

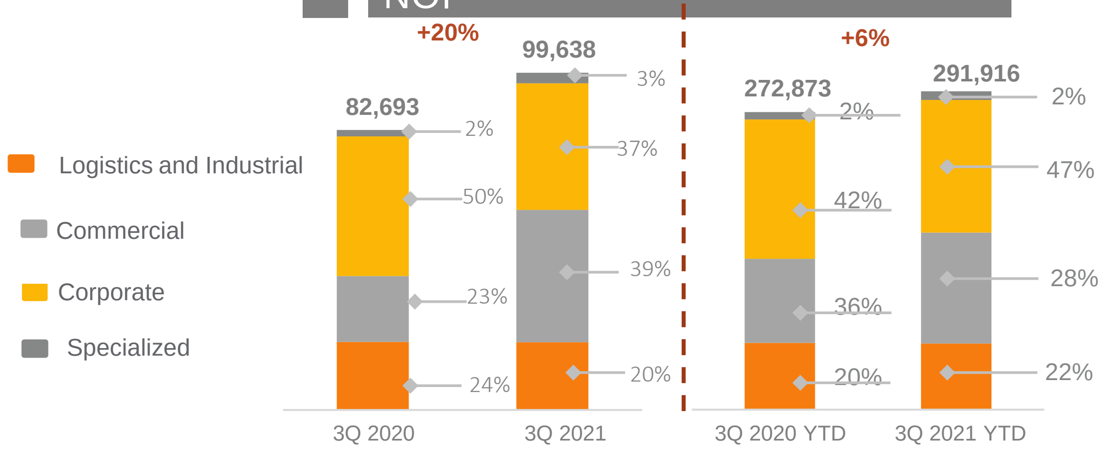
# **FINANCIAL** FIGURES

Figures in COP MM

## Income[1]

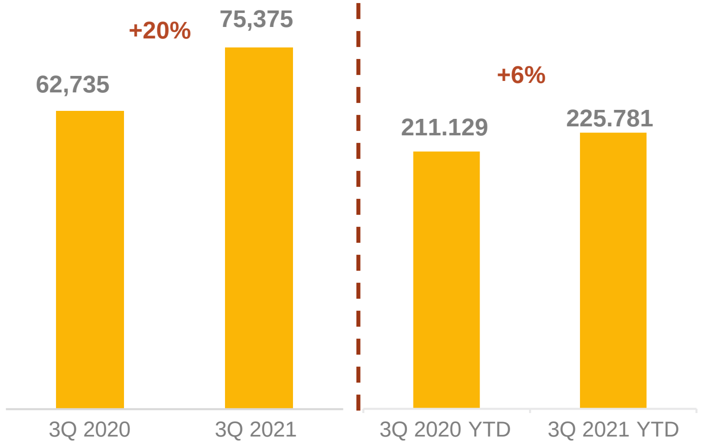



## NOI[2]



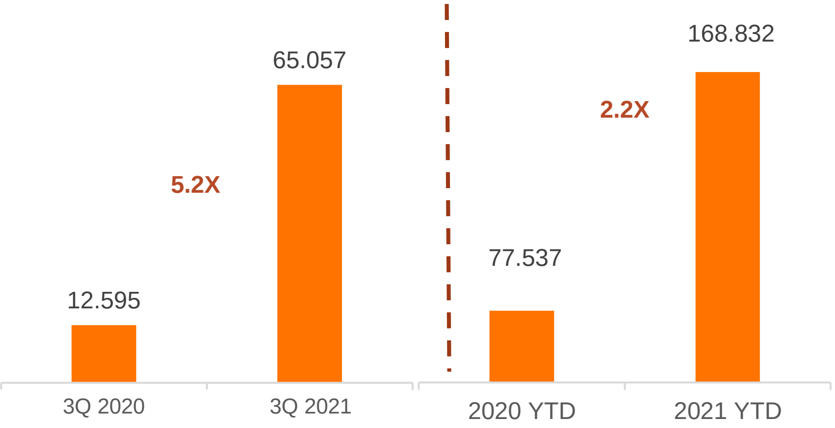

| | 3Q 2020 | 3Q 2021 | 3Q 2020 YTD | 3Q 2021 YTD |
|---|---|---|---|---|
| **NOI Margin** | **83%** | **81%** | **84%** | **82%** |
| **Total operating expense** | **17,376** | **23,240** | **52,270** | **64,061** |

## EBITDA




| | 3Q 2020 | 3Q 2021 | 3Q 2020 YTD | 3Q 2021 YTD |
|---|---|---|---|---|
| **EBITDA Margin** | **63%** | **61%** | **65%** | **63%** |

## Accrued DCF[3]




1.Income does not include reimbursable revenues.
* 3Q YTD: Corresponds to the period from January to September of each year

2. NOI: Net Operating Profit
3. DCF: Distributable Cash Flow

# RECEIVABLES

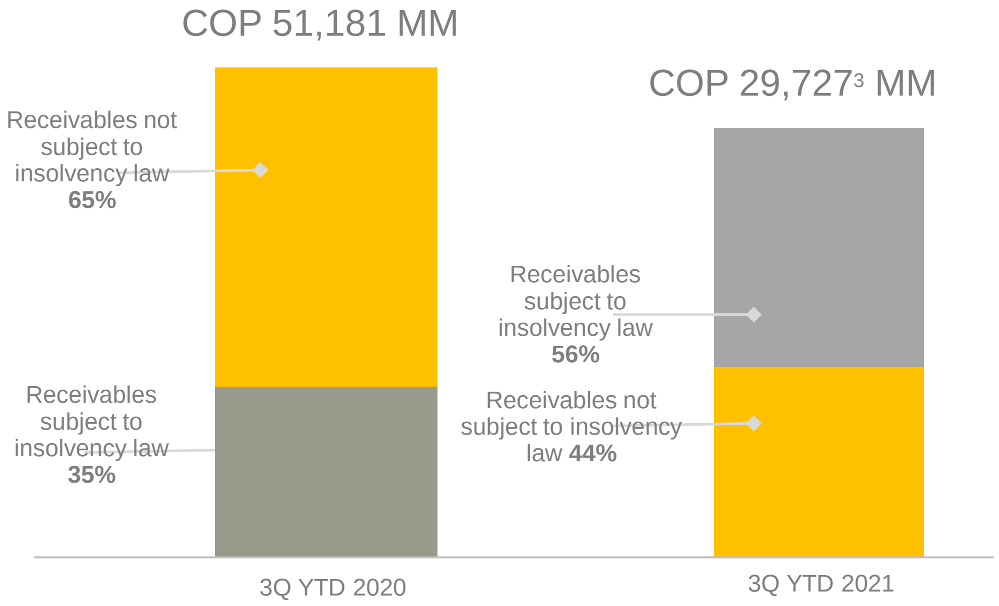
## Net Receivables' Turnover Days

| 3Q2020 | 4Q2020 | 1Q2021 | 2Q2021 | 3Q2021 |
|---|---|---|---|---|
| 23 days | 10 days | 10 days | 5 days | 6 days |

## Net Receivables/ Income Metric LTM[2]

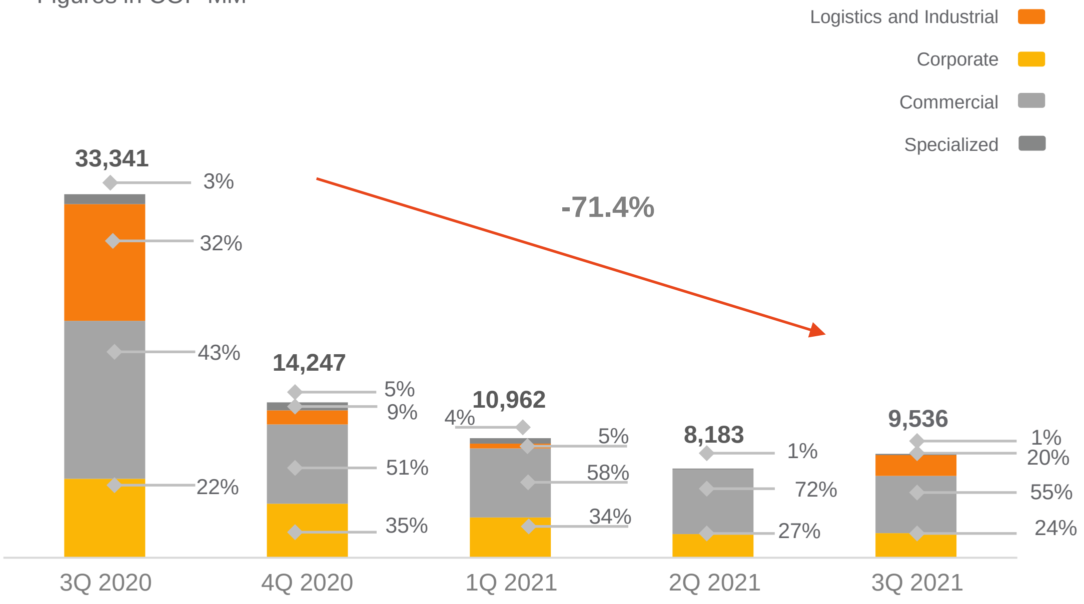
| 3Q2020 | 4Q2020 | 1Q2021 | 2Q2021 | 3Q2021 |
|---|---|---|---|---|
| 7.38% | 3.23% | 2.54% | 1.83% | 2.02% |

## Gross Receivables




## Net Receivables per category

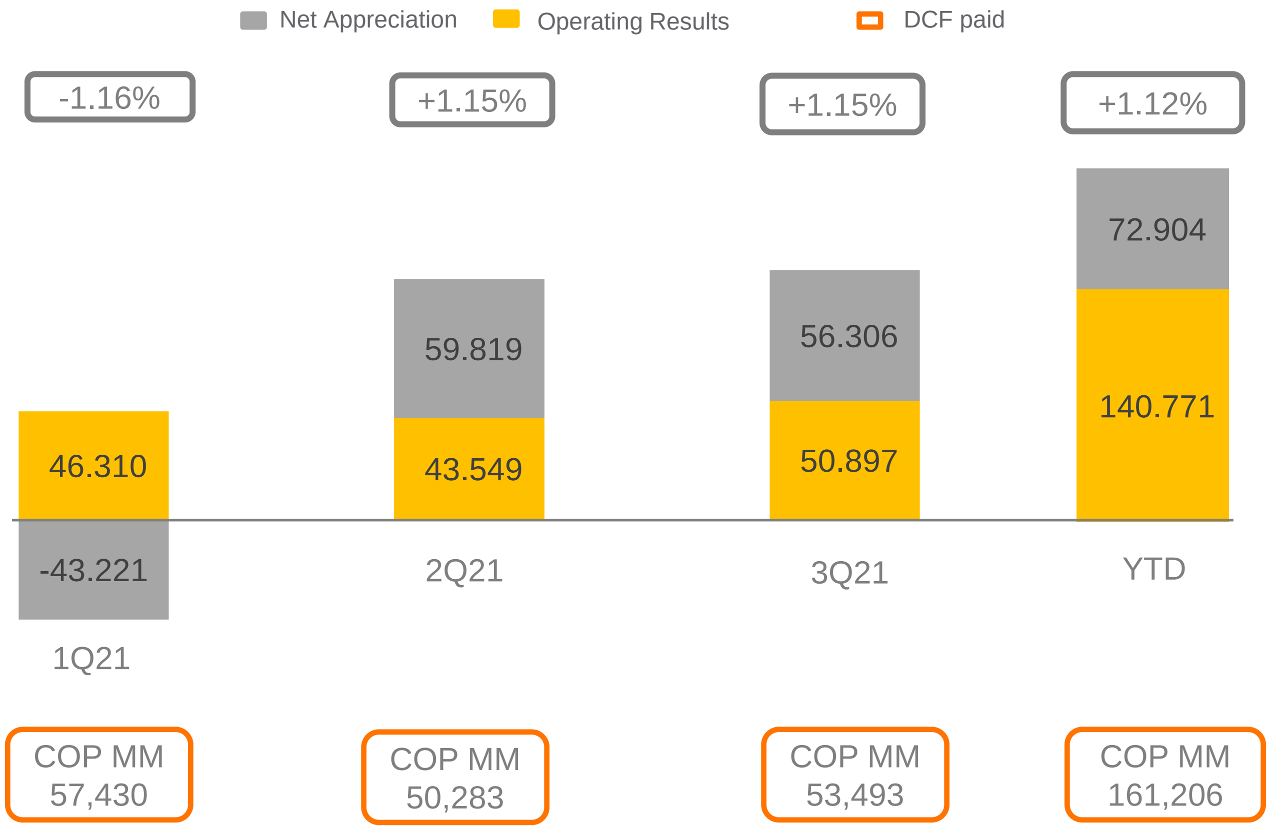
Figures in COP MM



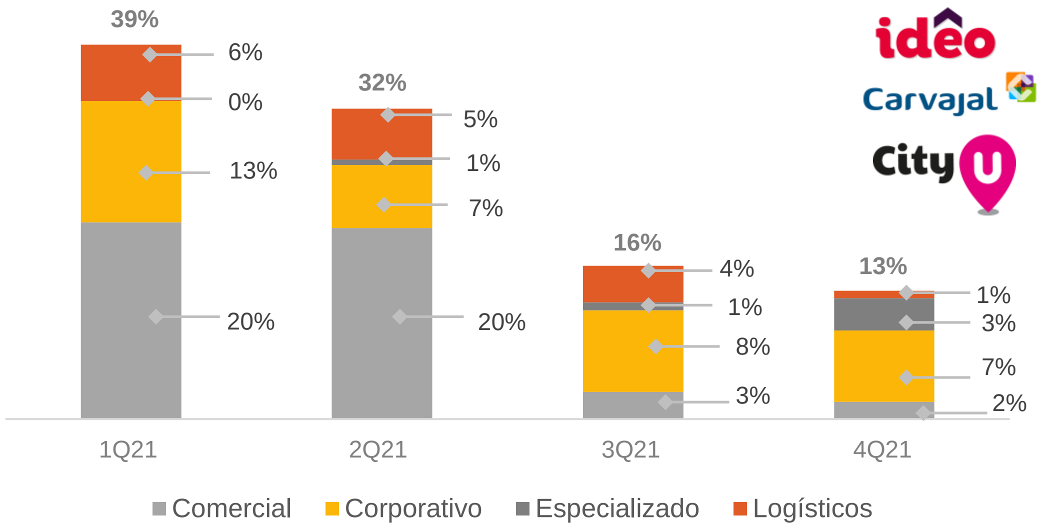

1.Net Receivables: Corresponds to the current receivables less any accounting provisions registered.
2.Net Receivables / Operating revenues accrued in the last 12 months.
3.Net Receivables, does not include administrative receivables for 1,488MM

# PORTFOLIO'S **APPRECIATION**

## Equity Appreciation (COP MM)



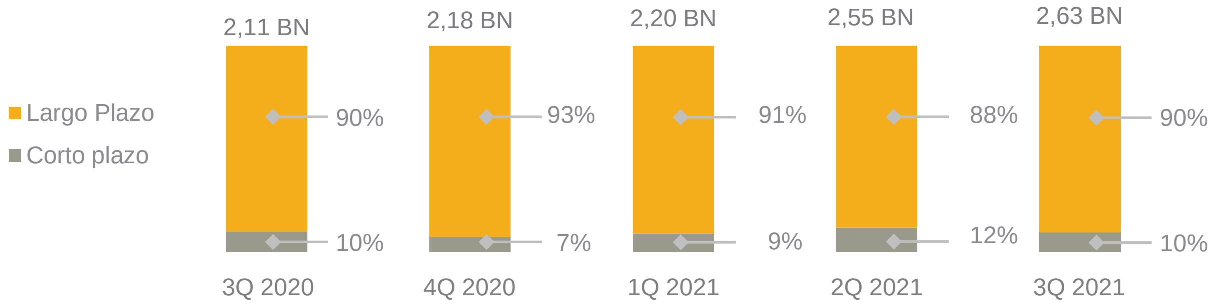

## Evolution of appraisals update in 2021



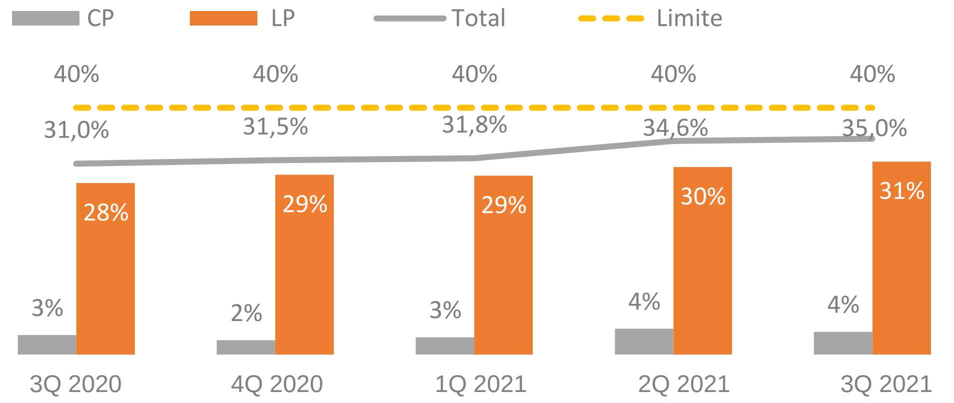

1.Considering the book value as of Dec-20
2.Includes the activations corresponding to acquisitions.
3.Measured as the addition of the individual activations' impacts on the day that each of them is accounted for.
*YTD (Year to Date)

# INDEBTEDNESS

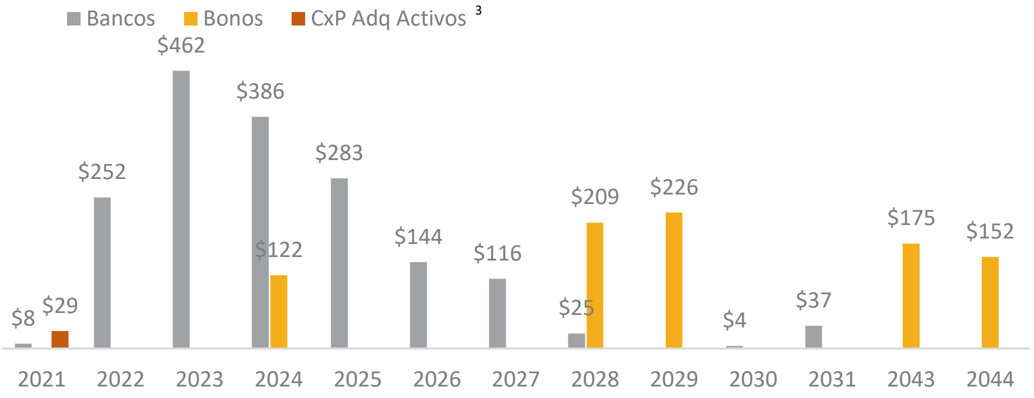
## Indebtedness Level[1]



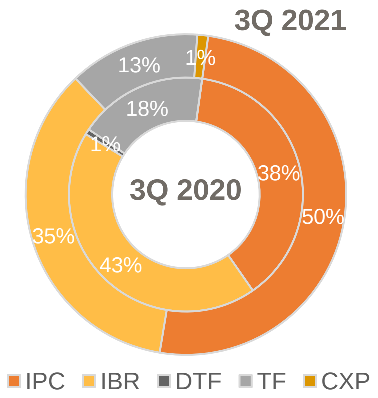

## Debt to Assets Ratio



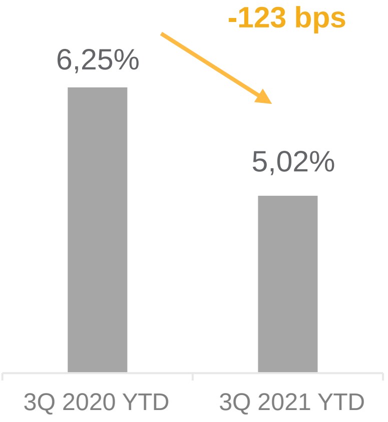

## Debt's Maturity Profile 3Q2021




## Debt's Indexation




## Debt Service 2



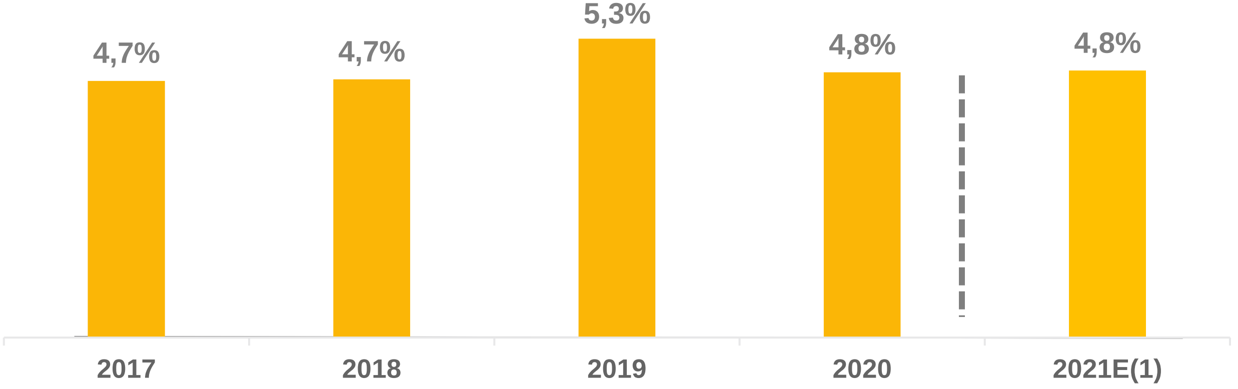

* The debts acquired were previously approved by the Advisory Committee, abiding by the provisions under the Prospectus.
1.“Credit Transactions (…) bank loans, real estate leasing, issuances of debt instruments (…)” Source: TEIS Prospectus
2. Monthly debt’s weighted average from January to September
3.The balance corresponding to the accounts payable for the acquisitions of *Nuestro Bogotá* – COP 24,246MM; *Rivana* COP 3,366MM; and *Quadratto* COP 1,000MM

# PROFITABILITY

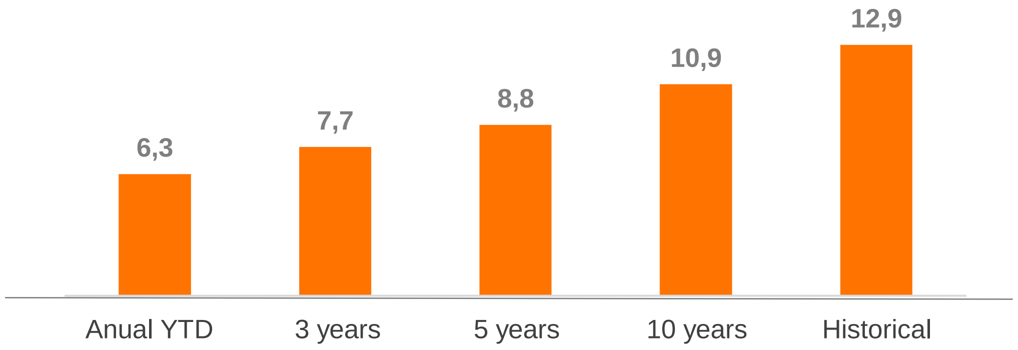
## Distributable Cash Flow **paid** per Security

| | 12-Feb-21 | 14-May-21 | 13-Aug-21 | Nov-21 | Amount paid up to date |
|---|---|---|---|---|---|
| Per Security | COP 133,119 | COP 116,551 | COP 123,992 | COP 150,795 | COP 524,457 |
| Absolute Value | COP 57,431 MM | COP 50,283 MM | COP 53,493 MM | COP 65,056 MM | COP 226,262 MM |

## *Dividend yield*




## Historic yields by investment's horizon




*E: Estimated

*YTD: Year to Date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# 05 SUSTAINABILITY

# PEI'S SUSTAINABILITY

**21**
**Assets with sustainable programs**

## ENVIRONMENTAL

**NON-POLLUTING ENERGY**
**2,466** solar panels in **7** assets through the whole portfolio

**CARBON FOOTPRINT**
**15%** of the leasable area in **4** assets

**WASTE MANAGEMENT**
Implementation of measures to properly manage the portfolio's waste

**DIAGNOSIS OF ECO-EFFICIENCIES**
**17** assessed in different regions of the country

## SOCIAL

**GENDER EQUALITY**
- **55%** of the Real Estate Manager
- **33%** of the Advisory Committee

**COMMUNITY WELLFARE**
Improvement of the public spaces around the assets, to benefit the community (Atrio, CityU)

**DECENT WORK**

## CORPORATE GOVERNANCE

**RESPONSIBLE INVESTMENT POLICY**
Implementation of the responsible investment ESG Matrix for the assessment of investments

**STRATEGIC RISK MANAGEMENT**

**SUSTAINABILITY MODEL**
Characterization of stakeholders to structure the Sustainability Model

## PROMOTION AGENCIES

Involvement with sustainability committees and work groups.
*Asofiduciarias, Comité de Emisores y Valores de la BVC, Camacol, and the Carbon Neutral National Program*

Manager's partnering with ***Instituto Colombiano de Gobierno Corporativo* [Colombian Institute for Corporate Governance]** and ProPacífico

**Candidate for the IR Recognition** to issuers with excellent standards in their relationships with investors.
*BVC and CESA*

## DEVELOPMENT OF ENABLING CAPACITIES

**57**
**PEIAM's employees**

**8**
**Sustainability courses**

**545**
**Man-hours in training**

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# 06

## **Q&A** SESSION

Torre Alianza - Bogotá

# Relación con INVESTORS

Un equipo experto para atender a los INVESTORS de PEI

## Jimena Maya

**MANAGER**

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## Julián Cortés

**SENIOR ANALYST**

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## Mateo Salcedo

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**www.PEI.com.co**