Titularizadora COLOMBIANA

Q&A – TIN 1Q-2025 Semiannual Results Conference Call

1. We have seen a significant recovery in distributable cash flow and, consequently, in the Dividend Yield. What is your Dividend Yield projection for 2025?

   As mentioned, during 2024 and in the first quarter of 2025, we observed a significant reduction in the cost of debt, which translated into lower interest payments and, therefore, a greater cash flow distributed to investors. In the first quarter of 2024, the cost of debt was close to 14.01% E.A., and for the same period in 2025 it decreased to 9.81% E.A., representing a reduction of 420 basis points. In terms of distributable cash flow, we achieved an average annualized Dividend Yield of 3.61% in 1Q-2024, compared to 5.27% in 1Q-2025, representing an increase of 166 basis points. By the end of 2025, we project an average annual Dividend Yield of 5.43%, supported by the downward trend in the cost of debt, the optimization of operating expenses, and the increase in operating income.

2. Regarding acquisitions and issuances, how are you approaching this investment policy in 2025 to continue driving TIN's growth?

   Interest rates, the presence of significant discount opportunities in the market, and the positive leverage generated by strategic assets. In addition, the portfolio includes Tranche 3, valued at approximately COP 190 billion since the end of 2021, which is ready and rated for an upcoming issuance that we expect to present to our investors in the coming months.

3. Will returns or payments to investors change with this migration?

   No. The migration does not affect the yield distribution policy. The monthly payments derived from the rental flows of the real estate assets will remain unchanged. The migration is solely intended to improve trading conditions and market access.
   The only change regarding this payment is the introduction of the "Ex-Dividend Period," which means that yields are paid to the holder who owns the security 4 trading days prior to the payment date. If transactions occur during this Ex-Dividend Period, the buyer of the securities will not receive the payment, as it will correspond to the previous holder.

4. How have you seen the behavior of appraisals considering capitalization rates and discount rates?

   Appraisals are updated according to a schedule approved annually by the Master Administrator, which allows them to be distributed evenly throughout the year, avoiding concentrations that could temporarily affect the net asset value of the security. As of the end of the first quarter of 2025, 30% of the scheduled appraisals have been completed. These have shown behavior consistent with the inflation trend and a favorable recovery in rates: the discount rate has decreased from 13% to 11.5%, and the capitalization rate from 8% to 7.5%. At the budget level, we expect appraisal values to grow in line with CPI, which we project to decline from 5.4% in January to 3.8% by the end of 2025

5. How have the vehicle's historical divestments performed? How many have been carried out in recent years, and what percentage have they represented compared to the market and the current appraisal?

   The divestment of assets is a tool contemplated in the prospectus for reducing indebtedness. However, in the current context, selling could mean accepting price discounts, so we evaluate each opportunity individually. We are currently marketing vacant assets both for lease and for sale, aiming to optimize the portfolio and allocate resources to debt reduction or the repurchase of securities. Between 2022 and 2025, five divestments have been carried out for a total value of COP 17.5 billion, representing an average increase of 12.3% compared to book value and 14.5% compared to the current appraisal. All transactions were executed at a premium over both book value and appraisal, reflecting a favorable market recognition.

6. Does the change to the equity trading board mean that TIN securities now become shares?

   The change in the trading board from Fixed Income to Equity does not affect or change the type of security issued by the TIN Universalidad, which corresponds to a Participatory Security; it does NOT become a share. This change simply means that the TIN Participatory Securities will no longer be traded on the fixed-income board and will instead be traded on the EQTY board of the Colombian Stock Exchange, alongside other instruments such as shares. This will allow them to gain greater visibility, improve liquidity, and align with international trading standards.

7. Do we see a rebalancing of returns between cash flow and capital appreciation? What is driving this change?

The vehicle's returns come from two components: capital appreciation (appraisal updates and daily CPI indexation) and distributable cash flow (monthly distributions). The ideal structure for the vehicle is 60% cash flow and 40% capital appreciation.

However, in contexts of high inflation and elevated interest rates, this composition shifted: in April 2024, it was 33% cash flow and 67% appreciation, and in extreme moments, it even reached 15%-85%. Currently, with the improvement in Dividend Yield and the decline in inflation and interest rates, we are returning to the ideal structure. As of March 2025, the composition stands at 60% appreciation and 40% cash flow.

8. Considering the pipeline presented, which sectors do you see as most favorable for 2025?

   In line with the investment policy approved in April, acquisitions in 2025 will focus on the industrial and commercial sectors (particularly shopping centers). These segments are showing good performance in terms of inventory and vacancy. All opportunities must meet the criteria set forth in the prospectus: high credit-profile tenants, robust contracts, market-level rents, ease of re-leasing, high-quality assets with low vacancy, and suitable investment ticket sizes.

9. How have you seen the dynamics of trading after the migration to the equity board, and what are your expectations going forward?

We have seen few trades since the migration to the equity board, which took place on May 12. On that same day, there was a trade for 10 units at a price of COP 20,080, and on May 16, there were three trades: one for 60 units at COP 20,080 and two additional trades for 41 units (on two sides) at COP 20,060. None of these trades have set a market price due to the low volumes observed.

We expect this trading activity to continue gaining traction as investors adapt to the change in the trading board. However, we are very pleased with the orderly manner in which transactions have taken place in terms of price, reflecting the quality of the vehicle's management fundamentals.