

## **Teleconference of TIN results 2025-2Q**

### **Andres Lozano**

Good morning everyone. My name is Andres Lozano, President of Titularizadora Colombiana. It is a pleasure to welcome you to our second teleconference of the year, corresponding to the Real Estate Securitization Program (TIN), second quarter 2025. Today I am joined by Carolina Martínez, Director of Real Estate Business at Titularizadora Colombiana, Ana María Salcedo, our Director of Investments and Market Development, and Gabriel Flores, Sales Manager, who acts as structurer and portfolio manager.

Together we will be sharing the main progress of the vehicle and addressing your questions at the close of this session.

We continue to navigate a complex and challenging economic environment, marked by persistent fiscal risks, political turbulence, and a volatile global context. Even so, Colombia remains attractive as an investment destination, especially in sectors such as infrastructure and certain real estate niches. This perception has been driven by stronger domestic consumption and overall economic growth. Although the convergence of inflation and its consequent adjustment in the monetary policy rate have taken longer than analysts expected, we continue with a downward trend in interest rates, which favors appetite for alternative assets with higher returns and, specifically, for real estate vehicles.

As an additional note, we inform you that on June 18, 2025, the Advisory Committee of the vehicle approved allocating the resources from the latest asset divestment to the Acquisition Fund, with the objective of having funds available to evaluate a repurchase operation of securities when considered appropriate. The resources allocated amount to up to 5,550,000,000 pesos, equivalent to 1.01% of assets under management.

This operation would seek to strengthen TIN's fundamentals, optimize management, and generate value for our investors. The feasibility, timing of execution, pricing conditions, and mechanisms were evaluated and defined in accordance with the Program's technical documents and current regulations, ensuring transparency and alignment with the best practices of the Colombian capital market.

Today's agenda includes the presentation of the main financial and operational results, a review of the national real estate environment, and the portfolio's strategic projections. Allow me to highlight some differentiating factors that have been

fundamental in TIN's solid performance. Outstanding profitability: TIN reported a twelve-month return of 13.92% effective annual rate as of June 2025, equivalent to CPI plus 8.68%.

This performance positions TIN as one of the most profitable real estate vehicles in the Colombian market for the fifth consecutive year. Efficient operational management: Our closeness with tenants has been key to maintaining healthy indicators—economic vacancy at 2.86%, physical vacancy at 3.57%, and a past-due portfolio at 0.45%. The latter is equivalent to 242 million pesos in receivables over twelve-month billings of nearly 53,300,000,000 pesos.

It is worth highlighting that our business models contemplate vacancy and arrears of up to 5%, which underscores the strength of the operation. On the other hand, a commission structure aligned with investors: Since January 2025, after approval by the bondholders' assembly held in December 2024, we adopted a commission on Innova and distributable cash flow, capped at 1.15% of assets under management.

This commission depends on dividend profitability and, consequently, on the operational and administrative efficiency of the vehicle. Our goal for 2025 is to maintain a dividend yield close to 5.4% calculated on the fund's net asset value. Robust corporate governance: We maintain rigorous processes of acquisition and portfolio management, supported by a solid and transparent governance framework. Expert master administration led by Titularizadora Colombiana.

We rely on the coordination of specialized and independent agents in each stage of the securitization process. Recognized disclosure standards, through the IR seal granted by the Colombian Stock Exchange since October 2022, support our commitment to transparency and a proactive relationship with the market. Positive dividend evolution: For the second quarter of 2025, the average quarterly NAV yield as of June was 5.44%, and year-to-date yield was 5.36%.

This represents growth of 157 basis points compared to year-to-date 2024 as of June. This growth reflects operational efficiency and our focus on delivering value through consistent cash flows. Once again, this indicator is calculated on NAV, which in this case represents 100% of assets under management. Finally, active debt management.

We reduced financial expense by 264 basis points compared to June 2024, thus optimizing profitability for investors at the close of 2Q 2025. The cost of debt stood at 9.82% effective annual rate, representing a 21.2% decrease compared to the second quarter of the previous period.

We invite you to send your questions through the webcast for the final Q&A session, where we will be attentive to addressing your concerns. Next, I leave you with

Carolina Martínez, who will present the summary of management indicators and the June 2025 Concordia Report. Thank you very much for your attention and for joining us in this session.

## **Carolina Martínez**

Good morning everyone. I will now present the management summary for the second quarter of 2025.

Here we can see the performance indicators: total assets under management and managed area. We have 566 billion pesos and nearly 84,000 square meters in real estate assets. Our return since inception stands at 13.03% effective annual rate, and the twelve-month return is 13.92%, composed of CPI plus 8.68.

Regarding economic and physical occupancy: economic occupancy is 97.14%, physical occupancy is 96.43%, and our past-due portfolio is 0.45%. A very solid portfolio, along with strong occupancy indicators. Regarding the secondary market, there have been no transactions. The average valuation price over the last twelve months is 99.9%. Our dividend yield for the last twelve months is 5.13%, and in June we closed at 5.51%.

As for the debt structure, we have 138,458,000,000 pesos in debt, corresponding to the assets acquired in 2021. We have been actively managing this debt in recent months to improve rates and access the best credit conditions in the market, protecting dividends for our investors. The weighted average cost of debt currently stands at 9.82% effective annual, with leverage usage at 25% of asset value.

We have a limit that you approved in December of last year of 35%, so we are still well below that point. Next. Regarding the distribution of the real estate portfolio, since there have been no acquisitions, we had a divestment that affected the type-of-asset indicator. This was in retail premises: we had a commercial property leased to Davivienda on Calle 122 above Avenida 19.

This property was divested and Davivienda was the buyer. Therefore, we now have a maximum concentration of 54.4% in commercial assets, which is within the prospectus limit of 60% per asset type. Let us recall that you also approved the reduction of this limit from 70% to 60% at the Assembly we held in December.

Regarding tenant distribution, our highest concentration is Davivienda as the main tenant with 38.8%, followed by Marval, Itaú, and others. In terms of sector distribution, financial intermediation is the most representative, and this is within the

prospectus limit of 50%. Geographically, Bogotá continues to hold the majority, and let us remember that this city does not have a concentration limit.

For the results observed in the second quarter of 2025, our security value has continued to grow. Let us recall that a year ago the value of our security was not calculated with the split, which today places it at 21,838 pesos, whereas previously it was valued at 7,469,000 pesos. With the migration we carried out to the equity board, we implemented the split.

This was on May 9, 2025. What we did here was, in this chart, show a comparable value from July 2024 to July 2025. This is the growth in the security value to put both periods on the same basis. We have an increase of 8.18% over the last twelve months, going from a unit value of 20,187 to 21,838.

In terms of appraisals, we had an increase of 4.52% in the last year. At the end of this same quarter last year, appraisals stood at 313,818 million pesos; today they are at 328,014 million pesos. We scheduled 114 appraisals for the year, and so far we have completed 53, covering 43 properties, which represents 46% of the annual plan. The appraisals continue to be conducted by the four independent firms we rotate annually for greater transparency: Cushman and Logan Values.

Regarding indebtedness, as of June 2025 we had a difference compared to June 30, 2024 of 2,251 million pesos, corresponding to CAPEX works carried out on one of our most representative assets in Barranquilla, specifically in Galapa. This was a roof replacement project, financed through a short-term loan. Such financing is permitted under the prospectus to carry out renovation investments in our assets.

Last year, the average debt cost was 12.46% effective annual; today it is much lower at 9.82%, a reduction of 264 basis points—a very significant achievement. As for leverage, a year ago it stood at 25.94%; today it is 25.08%, a reduction of 86 basis points, equivalent to 3.33% of total debt.

Finally, I would like to address the acquisition mechanism by issuer decision. This mechanism was approved on December 12, 2022 in an extraordinary bondholders' meeting, and later reviewed by the Advisory Committee. Approval was granted to allocate resources from the divestment I mentioned earlier, specifically the sale of the Davivienda property on Calle 122.

On June 18, 2025, the appropriation of these resources was approved to create an acquisition fund. These resources will generate returns for investors while remaining available for the acquisition of securities at an appropriate time. A survey of the secondary market was conducted, and by issuer decision, we will continue monitoring the market monthly to determine when to activate the acquisition.

The annual acquisition cap is 3% of circulating securities, which means a maximum of 19,019 million pesos, equivalent to 15,583,915 securities. The current appropriation corresponds to 5,550 million pesos, equal to 1.33% of net assets and 1.01% of real estate value. According to section 7.42 of the TIN prospectus, pricing for acquisitions is not defined by the Advisory Committee but regulated directly in the prospectus.

The maximum acquisition price is determined as the higher value among: existing sell orders from the previous trading day, the closing price reported by the stock exchange, and the valuation price reported by pricing providers. Therefore, the maximum acquisition price is the net asset value minus the cost of financial debt. The Advisory Committee may apply a 10% adjustment factor to this acquisition price if deemed appropriate, as established by the prospectus.

I will now turn it over to Ana María Salcedo, Director of Investments and Market Development, who will present the financial results for the second quarter of 2025.

### **Ana María Salcedo**

Thank you very much, Carolina. Now let us move on to the second section: financial results. Before we begin, let me remind you that questions can be submitted through the webcast and will be addressed at the end during the Q&A session.

We start with vehicle margins. Comparing 2Q 2024 against 2Q 2025, it is important to highlight operational indicators. Economic occupancy showed a slight variation, standing at 97.14%, while the delinquency index also showed a slight improvement, at 0.45%, which is practically zero.

Annual income increased by 8.3% in the period. This growth is explained mainly by the indexation of lease contracts to CPI. Although the CPI during the period was 4.82%, the increase was greater because some contracts were indexed at different times when CPI was higher, and some contracts even include a spread above CPI.

Additionally, there was a gain from the Santa Bárbara divestment equivalent to 475 million pesos. This generated a positive deviation of 9.6% versus book value and 12.9% versus the last appraisal in effect at the time of the transaction, benefiting investors.

Next, we see the gross margin. It went from 90% to 87%, which is closer to the vehicle's historical margin of around 88%. The year-over-year variation of 4.7%

reflects higher maintenance expenses during 2Q 2025 compared to 2Q 2024. This slightly reduced the margin, but it remains consistent with historical levels.

Regarding EBITDA margin, it decreased from 74% to 70%. The decline was due not only to higher maintenance execution but also to the temporary effect in 2024 of an 8% discount on the management fee, which had boosted margins that year. This effect was reversed in 2025. Nevertheless, the EBITDA margin remains in line with the historical average of 72%.

On the financial side, the cost of debt dropped from 12.46% in 2024 to 9.82% in 2025, a reduction of 264 basis points. This reflects both lower market rates and active debt management. Interest payments were reduced by 17.5% despite a slightly higher debt balance.

And basically here, the financial cost for the year-to-date over operating income, which is a relevant indicator, went from representing 36% in 2024 to 27% in 2025. This was not only due to the increase in operating income but also to the double effect of a reduction in financial expenses.

At the bottom, we have the distribution of returns and dividends. The dividend over operating income increased from 34% to 48%. This is a very significant increase. The amount distributed to investors rose by 54% for this period. Notice how the amounts being distributed to investors today are far higher than what was distributed last year.

This has to do, of course, with the reduction in interest rates but also with active debt management and the ability to transfer favorable financing conditions to the vehicle. Finally, when we look at the dividend yield, which is the last indicator shown on this slide, the year-to-date average rose from 3.78% to 5.36%, an increase of 158 basis points.

Here it is worth noting that the projected average dividend yield for 2025 is 5.43%. Therefore, as of June we are already very close to this budgeted yield for the year. In summary, what we see are very good operating results, accompanied by a reduction in financial costs, leading to higher distributions to investors and an improvement in the dividend indicator.

Moving on to the next slide, we see the balance sheet as of June 30. Most of the assets correspond to investment properties, totaling 552 billion pesos. On the liabilities side, we have mainly financial obligations, and in equity, we find the issued securities along with a significant portion of retained earnings accumulated throughout the years.

On the next slide, let us talk about profitability. Since inception, the effective annual return has been 13.03%, with a composition of 46% from cash flows and 54% from

appreciation. Focusing on the middle chart for the last twelve months, we see an annual effective nominal return of 13.92%. Compared to the historical composition, there is now a higher proportion from cash flow, 47.3% versus 52.7% from appreciation, which improves the mix and makes it more consistent with the original value proposition of the vehicle.

On the right side, we see the real return, which amounts to CPI plus 8.68%. Real return has continued to increase. In 2024, the real return was 5.50%; now it has risen to 8.68%, a 318 basis point increase. This is the result of good operating performance, lower financial costs, and also the decrease in inflation during the period.

The next slide shows the evolution of profitability indicators: since inception, last twelve months, and year-to-date. It is important to highlight that returns have shown a favorable evolution, remaining at double-digit levels and above comparable vehicles, as we will see in a moment.

Here we see the last twelve months' return of 13.92% and the real return of 8.68%. The gray area shows the trend of CPI, which has been gradually declining and converging toward the target range, although still slightly above it. This demonstrates the strong performance of the vehicle over the months.

This real return clearly shows that this vehicle protects investors very well, indexing their investments to maintain positive real returns. On the next slide, we see the dividend yield, which has remained above 5% for nearly two years. At the end of last year, it surpassed 5%, and as of June 2025 it stands at 5.51%. As mentioned earlier, the projection for the full year is 5.43%.

Next, we have a comparison with other similar vehicles. These figures are taken directly from their websites and technical fact sheets. For the fifth consecutive year, TIN stands out with the highest return among comparable vehicles, despite having a different and somewhat lower risk profile, given its stabilized assets.

The current return of CPI plus 8.68%, equivalent to a 13.92% annual effective rate, provides investors with significant inflation protection and remains higher than that of comparable vehicles.

Now let us discuss an important event in this second quarter of 2025: the migration to the equity trading board. As part of our value-generation strategy for investors, all the efforts made by the real estate team, supported by the entire company, aim to achieve profitable operations, seize opportunities for buying and selling in the real estate market, and at the same time maintain strong corporate governance for sound decision-making.

On the liabilities side, this also involves active debt management, as we usually explain in detail during these presentations, to secure the best financing conditions for the vehicle and positively impact investor returns.

At the same time, we have also been working on the development of the securities market itself, with two objectives: to increase liquidity and depth of trading, and to ensure that market price reflects the vehicle's net asset value, so that investors can see the good management and results reflected in market pricing.

In this regard, we have designed medium- and long-term strategies that began in the second quarter with the migration to the equity trading board, which took place on May 12, 2025, and the stock split that was executed a few days earlier, on May 9, in order to enter the board with a comparable unit value to other securities.

This was just the first stage of a broader strategy seeking to diversify the investor base, build a market track record, and eventually achieve inclusion in relevant indices, as well as take advantage of regional stock exchange integration to grow the market.

Additionally, we are considering appointing a liquidity provider. We are currently analyzing proposals for this role, as we invited participants to present offers. Once we evaluate them, we will decide whether or not to appoint a liquidity provider for the security.

Zooming in on the migration and the split, recall that the extraordinary bondholders' meeting in December 2024 approved the migration, with more than 92% of attendees voting in favor. The process was formalized with all the requirements demanded by the Exchange, and on May 12, 2025, the securities officially migrated to the equity trading board, changing ticker symbol and trading platform.

The split was 370-to-1, increasing the number of units in circulation but without affecting returns or investor ownership percentages. Investors retained their same proportional participation in the vehicle, only with a greater number of securities.

Finally, looking at the secondary market, trading volume in 2025 has been limited. In the second quarter, there were only small transactions totaling around 2 million pesos, which did not exceed valuation thresholds and therefore did not affect the prices published by pricing providers. The average traded price was around 92.3%.

Well, the valuation price is very close to 100% because it corresponds more to the book value than to a market value, given that we have not had transactions. This is



why we are moving to a second phase to evaluate this liquidity provider, seeking to increase the liquidity and depth of the securities in the secondary market.

Next, we see the composition of investors. There are 488 investors, mainly institutional by amount, accounting for 70%. Within this group, the largest category is insurance companies, with 32%, followed by voluntary pension funds with 25%.

It is also important to highlight the participation of retail investors. Here we include other legal entities, which account for 17%, and individuals, which account for 13%, giving a total of 30%. This composition has remained the same as we had previously in the vehicle.

With that, we conclude this third chapter, and I now hand over to Gabriel Flores, Penta's manager, to speak about the real estate market.

## **Gabriel Flores**

Thank you, Ana. Good morning, everyone. Now we will give you a brief overview of the real estate market.

First, I want to talk about the evolution of the area approved for licenses by region. In the yellow line, which represents the total, we can see how since 2024 the performance has been much lower than in previous years.

In the last four quarters, 14.1 million square meters were approved, which is 13% less than the previous four quarters. In this second quarter, approvals closed 37% below the ten-year average and 12% below the five-year average.

Looking at quarterly approvals independently, we can still see the decline. However, this year we already observed some growth compared to previous quarters. After a sustained low level of approvals since 2020, there is a slight recovery in 2025. And we believe that, with the upcoming political changes and elections, there should be a reactivation of license approvals.

If we now move to the evolution of the area by sector, it is important to mention each asset type. Offices, for example, in the last four quarters had 12% more approvals compared to the previous four quarters, but still well below historical averages: 58% lower than the ten-year average and 34% lower than the five-year average.

This is the sector most affected in recent years by the decline in approvals. We believe this is partly due to structural changes in business models—remote work,

hybrid models, and the consolidation of co-working—all of which are drivers of this decline. Added to that, as mentioned, is the political environment, which leads investors to be more cautious and to speculate less on this type of asset that was previously built for future rental.

Independently, we do see some growth in this office sector, though modest. Other asset types have also been slightly increasing in the last few quarters.

Moving to warehouses, we see that vacancy decreased again this quarter. Nationwide, vacancy stands at 1.6%, with absorption of around 490,000 square meters this year. This means we could reach a much higher absorption than in previous years, in a much shorter period, which should definitely lead to a rebound in warehouse construction.

As we mentioned before, we believe this rebound will not occur only in Bogotá but also in coastal regions such as Cartagena and Barranquilla, where growth is expected due to nearshoring effects impacting Colombia, given its proximity to the United States.

We are also seeing the creation of several free-trade zones in this area, which should have a very positive medium- and long-term effect. Barranquilla, for example, has a vacancy of 1.3%. Bogotá has a vacancy of 1.5%, which is practically nonexistent. The inventory only increased by 100,000 square meters in the last year, but vacancy decreased by around 300 basis points.

In other words, everything available has been rented. That 1.5% remaining are spaces without the necessary characteristics to be leased under any circumstances. Therefore, we insist that there should be an important rebound. This can already be seen in prices. Today, warehouses nationwide are renting at an average of nearly 22,500 pesos per square meter, 5% higher than last year, enough to capture inflation.

At the high end, prices reach above 51,000 pesos per square meter. In 2023, the maximum was 38,000 pesos. We are now seeing much higher prices for highly specialized warehouses, not in Bogotá, where the maximum is around 31,000 pesos, with an average of 22,100 pesos per square meter.

This average has also managed to reflect last year's inflation.

Turning now to offices: vacancy increased from 8.3% to 9.9% in the last year, with absorption higher than in 2024. This means new offices have been built and placed at a faster rate than in previous years, but absorption has not kept up with the new supply.

Some areas of Bogotá, especially triple-A offices in the Chicó district, have very low vacancy close to 0%, where there is strong demand for large spaces due to scarcity. However, other triple-A areas, such as the International Center or Calle 26, show higher vacancies, which push up the citywide vacancy rate.

Average prices this year are lower than last year, meaning we see a deterioration in rental prices. Even with this decrease, it has not been enough to offset the accumulated vacancy.

We expect a reactivation of the office sector, especially in specific areas with opportunities, while in others absorption will take longer.

Other cities are showing healthier behavior, such as Medellín, with a vacancy of 7.7%, and Barranquilla, which reduced its vacancy from 20% a couple of years ago to single digits.

Finally, moving to the retail sector: as of 2025, shopping center inventory stands at nearly 6.5 million square meters, unchanged from 2024.

We see an average of 19.2 square meters per 100 inhabitants, which is good but still relatively low, implying there is room to develop additional shopping centers. However, if we consider that Bogotá concentrates close to 70% of the country's shopping centers, the city—shown in the chart on the right—has areas such as the north where we reach more than 52 square meters per 100 inhabitants, which is above the levels of Chile and Mexico.

This indicates there should not be much more creation of shopping centers in those saturated areas, while in the south, for example, we have only 10.6 square meters per 100 inhabitants, suggesting there could still be development there. In reality, though, Bogotá's current urban planning rules significantly limit the construction of new malls, so we do not foresee major new retail projects in the medium term.

If we look at the bottom chart, we can see how retail sales have recovered since 2021. If that (blue-line) trend continues and the leasable area does not change significantly over the next 20 years, sales per square meter and area should converge roughly in 15 years, assuming sales continue to behave positively.

That said, toward the end of 2025 and the start of 2026 we believe overall consumption may slow. We do not see strong foreign direct investment, and although average credit card rates have been falling—supporting consumption—that tailwind should fade in the medium term.

In the top chart, we track three series: the average credit card rate, shopping-center vacancy, and annual inflation. Inflation has been declining and has generally moved in tandem with vacancy.

Typically, when inflation falls, consumption gets a push, which translates into more purchases and greater demand for retail space—an effect also reinforced by lower credit card rates. However, as noted, we do not think this boost is sustainable.

We are still at levels close to those of 2017, but in the coming months we would expect some moderation in consumption and, therefore, a slight increase in shopping-center vacancies—not necessarily in consolidated malls, but in those still in the process of consolidation.

Additionally, a brief update on portfolio projections: we are currently analyzing acquisitions in both retail and industrial for a combined amount close to 125 billion pesos. This would help increase our exposure to shopping-center retail units to around 37%, and warehouses would be close to 26%.

Another point we find attractive is reducing the share of offices from 18% to 14%—it is a sector we like in the medium term, but today we see meaningful risks. A major milestone would be lowering Davivienda's concentration as our largest tenant from 39% to 29%.

As you know, this is one of the prospectus limits we still do not meet, and it is a key objective for this and next year. By economic sector, we aim to bring financial intermediation down to 40%. Today we are in compliance with all prospectus limits.

It would also be important to increase commerce from 3% to 17% in the sector distribution. Geographically, we plan to raise Medellín's share from 4% to about 10% of the portfolio, delivering on our diversification promise.

With this, I hand it over to Ana María.

**Ana María Salcedo**

Thank you very much, Gabriel. And now let's move on to the Q&A session.

The first question is for Andrés and goes as follows: We have seen a significant recovery in distributable cash flow and therefore in the dividend. What is your dividend projection for 2025?

## **Andres Lozano**

Thank you. Yes, indeed we have seen very positive performance in the recovery of distributable cash flow for our investors, which, as you know, is one of the most important pillars for us as managers.

The main source of this increase in cash flow is basically the reduction in debt cost. We went from an effective annual rate of 12.46% in the second quarter of last year, 2024, to 9.82% effective annual rate in the second quarter of 2025. This represents a reduction of 264 basis points, which obviously translates fully into this increase in the dividend for investors.

If we talk about the yield, in the second quarter of 2024 we were talking about a yield close to 3.8% annualized. For the first half of 2025, we closed at 5.36% annualized, which is an increase of almost 160 basis points compared to 2024.

Looking at the rest of this year and consolidating 2025, we expect to be with an average annual yield around 5.43%, basically supported by these factors. The most important, as I mentioned, is the downward trend in the cost of debt and, as always, optimizing operating expenses and trying to maximize the operating income of the vehicle.

## **Ana María Salcedo**

Thank you, Andrés. A second question is related to the migration. It says: What has been the initial impact of the migration of TIN to the equity trading board and what results have you observed in the secondary market?

## **Andres Lozano**

Regarding this, it is worth mentioning that this migration, which took place on May 12 of this year, was accompanied by the 370-to-1 split. Basically, the initial impact of this migration and this split was to increase the number of outstanding shares and reduce the nominal value. This had no impact on profitability or on the participation that each of the investors has in the vehicle.

However, this lower nominal value has the potential to generate more transactions in the future. It has also not generated any impact on the valuation price. While there have been a few transactions in the secondary market, the traded amount has not exceeded the thresholds used by valuation methodologies and therefore has not set a market price, so the valuation price has remained close to 100% of book value.

**Ana María Salcedo**

The next question is for Gabriel. It says: How have you seen the behavior of appraisals considering capitalization rates and discount rates?

**Gabriel Flores**

Thank you very much, Ana. It is important to remind you that the appraisals follow a schedule that is approved annually and that distributes the update of appraisals uniformly, so there are no large jumps or updates over asset packages. In this sense, as of today, we have already updated 46% of the appraisals, which have shown behavior very close to CPI, and additionally a very positive behavior in both discount rates and cap rates. In that sense, we see discount rates moving from around 13% to 11.5% and capitalization rates moving from 8% to 7.5%. So, very close to inflation.

**Ana María Salcedo**

Thank you, Gabriel. The next question is for Carolina. It says: How have the historical divestments of the vehicle behaved? How many have you carried out in recent years and at what percentage versus the market and current appraisal?

**Carolina Martínez**

Thank you, Ana. Well, the divestment of assets is a tool we have in our prospectus. This allows us to reduce indebtedness, if needed, or to return profits to our investors. However, in the current context and that of the last four years, we believe that this opportunity should not be used to sell at discounts, but only when we find a margin of profit in the assets. Between 2022 and 2025, we have made five divestments for a total of 17.5 billion pesos. This represents an average increase of 12.3% compared to book value and 14.5% compared to the current appraisal. Every operation we carry out is always done with a premium compared to both book value and appraisal value, which demonstrates very good portfolio management.

The last divestment we made was this year. It was for 5.5 billion pesos. It was an asset we had located on Calle 122, above Avenida 19 in Bogotá, leased to Davivienda, and it was sold to Davivienda. That last divestment gave us a positive deviation of 9.6% compared to book value and 12.9% compared to appraisal.

So, in conclusion, we have carried out five divestments, but our decision is that they must always come with a positive premium to favor the investor.

### **Ana María Salcedo**

Thank you, Carolina. The next one is also related to the secondary market and migration. It says: Since the migration to the equity trading board, we have seen few operations of the security in the secondary market. What options have you considered to improve liquidity and rotation of the securities?

### **Andres Lozano**

Well, basically since this migration that took place in May, we have seen low trading in the secondary market. We see an offer that is at high levels, above 90%. There haven't been many transactions, as we mentioned earlier.

And indeed, when you look at the strategy we presented before, the migration and the split were the first of several measures we want to develop in the medium and long term to promote and develop the securities market, which is so important for investors to recognize and see in that market value the underlying asset value.

In that sense, we have decided to move forward with the next stage of this securities development strategy, which has to do with analyzing a liquidity provider. At this time, we have already sent invitations to specialized entities, basically brokerage firms, as they are the ones that can participate in this equity board.

It is now under their consideration, this invitation to present proposals, and we expect to receive them in August. We will evaluate them carefully and analyze them at the end of August and into September, to determine the best timing and carry out a thorough analysis of the proposals. Hopefully, this will allow us to implement a liquidity provider that will help to improve and deepen this securities market, which we know is very important for investors, to recognize the value of their investment, and improve returns.

That is perhaps the next specific activity that we are going to develop regarding the securities market.

**Ana María Salcedo**

Here is one more that says we see a recomposition in profitability by cash flow and valuation. What is the reason for this change? Carolina, if you can help us with the answer.

**Carolina Martínez**

Well, the profitability of the vehicle comes from two components: valuation, which comes from the update of the appraisals and the daily indexation to the CPI, and distributable cash flow, which comes from the monthly returns that we distribute.

This ideal structure in the portfolio should be 60% cash flow and 40% valuation. However, in the context of high inflation and rising rates that we had, this composition was altered and in June 2024 we had it inverted, it was 30% cash flow and 70% valuation. Today, with the improvement we have had in the dividend, with the decrease in inflation and rates, we have been able to return to the structure and as of June of this year we are going to have an approximate composition of 50% for each of these two components.

**Ana María Salcedo**

Thank you very much. The next one is for Gabriel and it says: Taking into account the pipeline presented, which sectors do you see as more favorable for this 2025?

**Gabriel Flores**

Thank you very much, Ana. I think the first sector worth highlighting is the industrial and logistics sector, where we definitely see a generalized vacancy that is extremely low. We see a behavior related to everything that is happening worldwide and especially in the United States, where we see that surely the Atlantic Coast will be able to capture some of that so-called nearshoring.



And we believe that in the medium term, in the short or medium term, there will be very interesting opportunities on the Atlantic Coast. Second, we see in the commercial sector a very interesting process that is happening, which is the consolidation of shopping centers. And in what sense consolidation? As we mentioned earlier during the presentation, there is no political will in many cities to continue building new shopping centers, and in that sense we see many existing shopping centers seeking to carry out remodeling or expansion projects.

Therefore, we believe that within this process of consolidating our position in shopping centers that we have been telling you about for years, we also see an interesting opportunity. Finally, the office sector, although it is a sector that, as we also mentioned, we believe is going through a moment of readjustment. We believe that should good opportunities arise, we will surely see them, especially.

As we also mentioned, there are sectors of the city that have an extremely low vacancy and that should maintain it in the short and medium term. Therefore, we also believe that there may be opportunities there, but that would be the scale and the order in which we would like to invest.

### **Ana María Salcedo**

Thank you, Gabriel. Well, we have one more question, or two questions that we combine into one final one that is basically related to the repurchase mechanism.

And it goes like this. The first one says: when do you have the operation projected and at what price would you go out to acquire the securities? And the second one is: please make an example of repurchase with today's prices. And here we give the floor to Andrés.

### **Andres Lozano**

Ana, thank you. Recapping then, on June 18 the Advisory Committee approved this appropriation of the funds coming from the investment that Carolina just mentioned, from that sale of the Santa Bárbara property, which was carried out under very favorable conditions for investors.

So, basically the objective of this is to have the liquidity to activate the mechanism depending on the behavior of the price in the secondary market of TIN. As Ana said a moment ago, the behavior of the price of TIN in the secondary market has fortunately been quite stable since the migration to the equity network. The challenge there is to increase that volume and that liquidity.

But in terms of price behavior, today TIN is valuing at 100% of the book value, which leaves us in a strategy of continuing to monitor monthly, as we have been doing, that behavior of the secondary market to see whether or not we can activate the mechanism in the future, again depending on how that price behaves in the secondary market.

The most important criteria to activate the mechanism, which are included in the prospectus, are basically the existing sell orders, how the market is behaving on the screen, the closing price reported by the Colombian Stock Exchange and the pricing providers, and the maximum acquisition price, considering the cost of debt and the book value of the security.

So, what does this mean? To close that last question with an example of what is happening today: as I said, valuation is at 100% of book value, so we are not activating the mechanism. But in the event that it were to be activated at that 100% of book value, the cost of debt would be deducted, which as we showed a few minutes ago is 9.86%.

That gives us, more or less in round numbers, an acquisition price of 90%. So if we were to carry out a repurchase process in today's market, with the current conditions where valuation stands, we would be repurchasing at levels of 90%. But again, since we do not have discounts in the secondary market, we continue to monitor every month that behavior to see whether we activate it or not.

The appropriation of the resources is there, which is a very powerful tool to have reaction mechanisms in the face of any unfavorable behavior of the secondary market.

**Ana María Salcedo**

Thank you very much, Andrés. With this, we have reached the end of today's session. We thank you for the interest you have always shown in TIN and for your participation in this teleconference. We remind you that in the coming days you will be able to find the material of this entire teleconference on our website, and from now on we invite you to join us in November for the presentation of the results for the third quarter.

Thank you very much.