1Q/2021

Quarterly results January to March 2021
17 May 2021

Colonial

First quarter 2021 – A transition year to growth

Colonial maintains solid operative ratios at the close of the first quarter of 2021

Financial Highlights	1Q 2021	1Q 2020	Var	LFL
Comparable recurring EPS - €Cts/share[1]	7.2	7.2	1%	
Recurring EPS - €Cts/share	5.6	7.2	(22%)	
Gross Rental Income - €m	78	86	(9%)	+0.6%
Net Rental Income - €m	68	75	(10%)	+4.0%
Recurring Net Profit - €m	28	36	(22%)	
Attributable Net Profit - €m	21	32	(33%)	

Unique exposure to Prime

Offices GAV 12/20[4]

Total GAV by market 12/20[4]

Operational Highlights	
EPRA Vacancy	5%
"Collection Rate" Ofices [2]	100%
Rental Growth[4]	**+3%**
Barcelona	+0%
Madrid	+3%
Paris	+11%
Release Spread[3]	**+20%**
Barcelona	+21%
Madrid	+18%
Paris	+7%

Net recurring results impacted by the non-core disposals of the Alpha V portfolio

- Recurring EPS of €5.6cts/share, lower than the previous year
- Comparable[1] recurring EPS of €7.2cts/share in line with the previous year

Gross Rental Income and Net Rental income

- Gross Rental Income of €78m, +0.6% like-for-like
- Net Rental Income of €68m, +4.0% like-for-like
- Net Rental Income Paris +6% like-for-like

Solid operating fundamentals

- Collection rates of 100%[2] in offices
- Letting volume of 29,759 sqm, +1.2x vs. the previous year
- Office occupancy levels of 95% (97% in Madrid)
- Capturing rental price increases
  +20%, release spread[3] (+21% in Barcelona)
  +3% vs ERVs at 12/20[4] (+11% in Paris)

Active management of the portfolio

- Completion of the 2020 disposal program
- Delivery of the Diagonal 525 project (100% pre-let)
- Acceleration of the renovation program

Acceleration of the decarbonization of the portfolio

- Reduction in carbon footprint of (51%)[5] "like-for-like" year-on-year (12/20 vs 12/19)
- Reduction in carbon footprint of (77%)[5] "like-for-like" since base year 2015
- Fulfilment in 2020 of the 2030 target - acceleration in Net Zero transition

A strengthened balance sheet

- LTV 03/21 of 34.9% with a liquidity of €2,406m
- S&P rating of BBB+ confirmed in 04/21 (highest real estate rating in Spain)

(1) Recurring results excluding non-strategic disposals and the impact of the renovation program acceleration
(2) Collection rates Q1 2021
(3) Signed rents on renewals vs. previous rents
(4) Signed rents vs. market rents at 31/12/2020 (ERV 12/20)
(5) Scope 1 & 2 based on a market-based calculation period 2019-2020
(6) Scope 1 & 2 based on a market-based calculation since base year 2015

Highlights

First quarter results 2021

The first quarter results reflect the impact of non-strategic disposals and the acceleration of the renovation program

The Colonial Group closed the first quarter of 2021 with a net recurring profit of €28m, €8m below the results of the first quarter of the previous year.

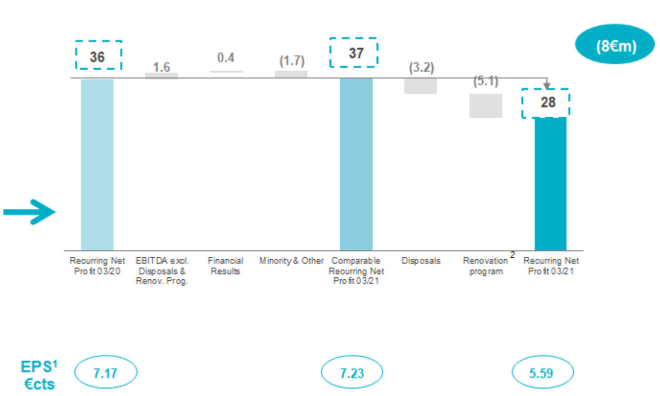
This decrease is mainly due to two effects in Colonial's portfolio:

1. The **execution of the disposal program of non-strategic assets** with premiums over appraisal value resulting in a year-on-year decline of €3.2m in net results due to lower rents, in exchange for an improvement in the quality of the cash flow of the portfolio post-disvestments.
2. The **acceleration of the renovation program** in order to reposition portfolio assets with significant potential for future value creation and cash flow, based on a real estate transformation.
   This program implies a temporary tenant rotation which has led to a negative impact on Net Rental Income (EBITDA rents) of €5m in the first quarter of 2021.

Profit & Loss Account

Results analysis - €m	1Q 2021	1Q 2020
Gross Rents	78	86
Recurring EBITDA	62	69
Recurring financial result	(21)	(22)
Income tax expense & others - recurring	(4)	(2)
Minority interests - recurring	(8)	(9)
Recurring Earnings	28	36
Change in fair value of assets & provisions	0	1
Non-recurring financial result & MTM	(0)	(0)
Income tax & others - non-recurring	(8)	(5)
Minority interests - non-recurring	1	0
Profit attributable to the Group	21	32

Recurring Earnings - Variance Analysis



(1) Recurring earnings per share
(2) Renovation program tenant rotation

Excluding these two effects of active management of the portfolio, the comparable Net Recurring Profit is €37m, in line with the results of the previous year (+1%).
The net recurring EPS of the first quarter of 2021 amounted to €5.6cts/share. The impact of the loss of rents due to non-strategic disposals was (€0.64cts) per share) and the impact due to tenant rotation in the renovation program was (€1ct) per share. As a consequence, the comparable[3] net recurring result is €7.2cts per share.

At the close of the first quarter, the net result of the Group including extraordinary items amounted to €21m, mainly due to the accrual of €6m corresponding to the property tax non-computable to the first quarter of 2021.

(3) Recurring results excluding non-strategic disposals and the impact of the renovation program acceleration

Gross Rental Income and Net rental Income (EBITDA Rents)

Colonial closed the first quarter of 2021 with **€78m of Gross Rental Income and Net Rental Income (EBITDA rents) of €68m**.

The Gross Rental Income in the first quarter of 2021 decreased by (9%), mainly due to the disposal of non-strategic assets carried out in 2020 and the beginning of 2021, as well as to the acceleration of the renovation program to reposition assets. This active management of the portfolio has a temporary short-term impact, however it ensures a higher portfolio quality and greater value creation potential, as a result of the repositioning of each asset.

In like-for-like terms, adjusting for investments, disposals and the effect of the projects and assets under repositioning**, the Gross Rental Income is in line with the previous year, increasing by 0.6%.**

The Net Rental Income (EBITDA rents) increased by **+4% in like-for-like terms**.

This increase in like-for-like net rental income was boosted by (1) an increase in the Paris portfolio of +6% due to the increase of +2% in the offices portfolio and a significant additional improvement due to the reopening of the Hotel Indigo in the Édouard VII complex and (2) a like-for-like increase of +4% in the Madrid portfolio.

March cumulative - €m	1Q 2021	1Q 2020	Var	LFL
Rental revenues Group	78	86	(9%)	0.6%
EBITDA rents Group	**68**	**75**	**(10%)**	**4.0%**
EBITDA rents Barcelona	***9***	***11***	***(19%)***	***(3%)***
EBITDA rents Madrid	***16***	***19***	***(12%)***	***4%***
EBITDA rents Paris	***42***	***43***	***(4%)***	***6%***

The Barcelona portfolio decreased in like-for-like terms due to the exit of tenants in secondary assets at the beginning of the quarter which have not been compensated yet by spaces let to new tenants recently.

Due to the COVID-19 crisis, in 2020 Colonial reached deferral agreements and/or discount systems for the tenants most impacted by the crisis resulting in a negative impact of 4.5% of the “annualized passing rents” of the contract portfolio at 31 December 2020. In the first quarter of 2021, there were no new significant deferrals or discounts, and the collection rate of the Colonial Group is 100% for the offices portfolio (98% including all uses).

At the end of 2020, a provision was registered for specific risks due to COVID-19. During the first quarter of 2021, the actual impact was lower than estimated, leading to a partial reversal of this provision.

Analysis of rental income like-for-like

The Gross Rental Income like-for-like remained in line with the same period of the year before. A slight correction of (0.6%) in offices was compensated by the effect of the reopening of the Indigo Hotel in the Édouard VII complex in Paris.

(1) Office portfolio including Prime CBD retail of Galeries Champs Elysées and Pedralbes Centre
(2) Residual logistics portfolio, secondary retail of Axiare and Hotel Indigo in Paris

The like-for-like variation in the offices portfolio of the Group is explained by the rotation of tenants in basically secondary zones. The breakdown is as follows:

1. Income from the **Barcelona offices portfolio (0.8%) like-for-like**, due to the rotation of tenants in the Sant Cugat and Park Cugat assets, among others.

2. Income from the **Madrid offices portfolio (1%) like-for-like**, mainly driven by tenant rotation in the José Abascal 45 and Egeo assets, among others.

3. Income from the **Paris offices portfolio (0.3%) like-for-like**, mainly due to reduced activity in the #Cloud Business Center because of the pandemic crisis.

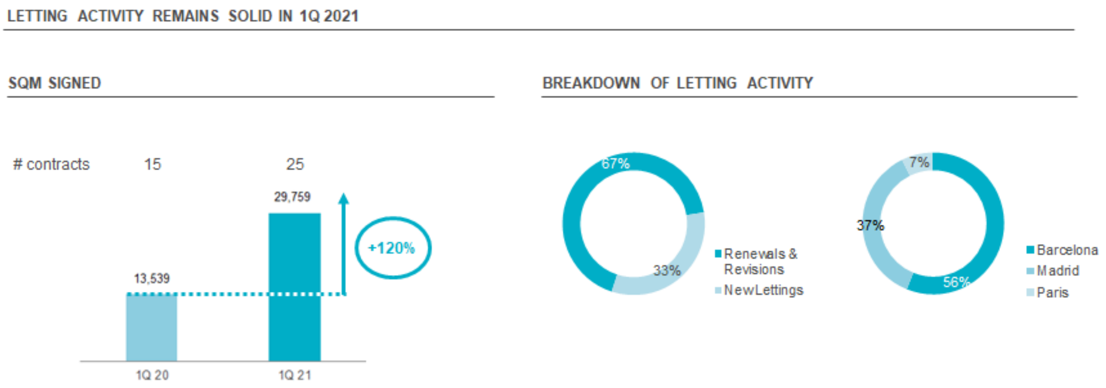
The rental income of the Colonial Group has been affected by: 1) the sale of non-strategic assets carried out in 2020, and 2) the acceleration of the renovation program of the Group, specifically the repositioning projects in the Diagonal 532 and Torre Marenostrum assets in Barcelona, the more than 10,000 sqm of renovations on the Cézanne Saint Honoré building and the renovation of 7,000 sqm on the Washington Plaza building, both in Paris.

Resilient operating fundamentals

1. An increase in take-up levels compared to the previous year

The Colonial Group's business had a resilient performance in the first quarter of 2021, maintaining a solid take-up and high occupancy levels.

At the **close of the first quarter of 2021**, the Colonial Group had signed 25 rental contracts in the office portfolio corresponding to **29,759 sqm** and annual rents of €9m. **This figure is +120% higher than the letting volume signed in the first quarter of 2020**, the period prior to the start of the COVID-19 pandemic.



Of the total letting activity, 67% (20,073 sqm) corresponds to contract renewals and revisions, spread over the three markets in which the group operates. Regarding new contracts, a total of 9,686 sqm were signed, highlighting 7,213 sqm in Madrid. 93% of the take-up corresponds to contracts signed in Barcelona and Madrid, and the rest were signed in Paris.

2. Solid increases in rental prices

The take up reached in the first quarter of the 2021 corresponds to annualized rents of €9m, a figure +116% higher than that reached in the negotiations of the first quarter of the previous year.

Strong price increases	# contracts	Surface sq m	GRI €m	Release Spread [1]			Rental Growth vs ERV [2]		
				Pre Covid 1Q 2020	Post Covid 2Q-3Q-4Q 2020	1Q 2021	Pre Covid 1Q 2020	Post Covid 2Q-3Q-4Q 2020	1Q 2021
Barcelona	9	16.789	4	+50%	+44%	+21%	+7%	+5%	+0.5%
Madrid	11	10.890	3	+15%	+15%	+18%	+5%	+2%	+3%
Paris	5	2.080	1	na	+6%	+7%	+7%	+10%	+11%
TOTAL OFICES	25	29.759	9	+21%	+17%	+20%	+6%	+5%	+3%

(1) Signed rents on renewals vs previous rents
(2) Signed rents vs market rents at 31/12/2019 (ERV 12/19) for contracts signed in 2020 and signed rents vs market rents at 31/12/2020 (ERV 12/20) for contracts signed in 2021

Double-digit increases in release spreads

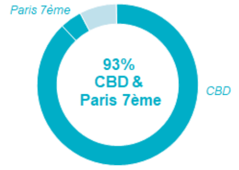
The **release spreads (signed rental prices vs. previous rents) signed in the first quarter of the year** have reached a **high double-digit level of 20%.** These ratios highlight the defensive nature of Colonial's contract portfolio with significant improvement margins on current rents. Worth mentioning is the high increase in the Barcelona portfolio +21%, as well as the solid increase in Madrid +18% and Paris +7%.

Capturing rental prices above market rents as of 12/20

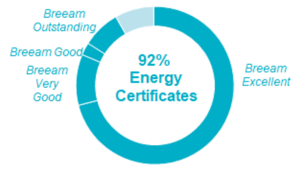
Compared with the market rent (ERV) at December 2020, signed rents **increased by +3% in the first quarter of the year.** Highlighted is the **Paris portfolio, where the rents increased by +11%** compared to the market rents.

In Spain, worth highlighting is the **rental growth in the Madrid portfolio, with an increase compared to the market rents of +3%, and in Barcelona,** the prices were signed at **+0.5% higher than the market rent**.

3. A mix of high-quality clients focused on Grade A assets in the CBD



Of the cumulative letting activity of the Group in the first quarter of 2021, 93% of the buildings were signed in the CBD of Madrid and Barcelona, as well as in the CBD and the central 7ème district in Paris.



Likewise, this letting activity was carried out on buildings with maximum eco-efficient energy, demonstrated by their BREEAM and LEED certifications.

Among the renewals signed, those highlighted are the three prime CBD assets in Avenida Diagonal in Barcelona (Diagonal, 609-615, Diagonal 220-240 and Diagonal 409), as well as various renewals on prime CBD assets in Madrid, such as José Abascal 56, José Abascal 45 and Génova 17, among others.

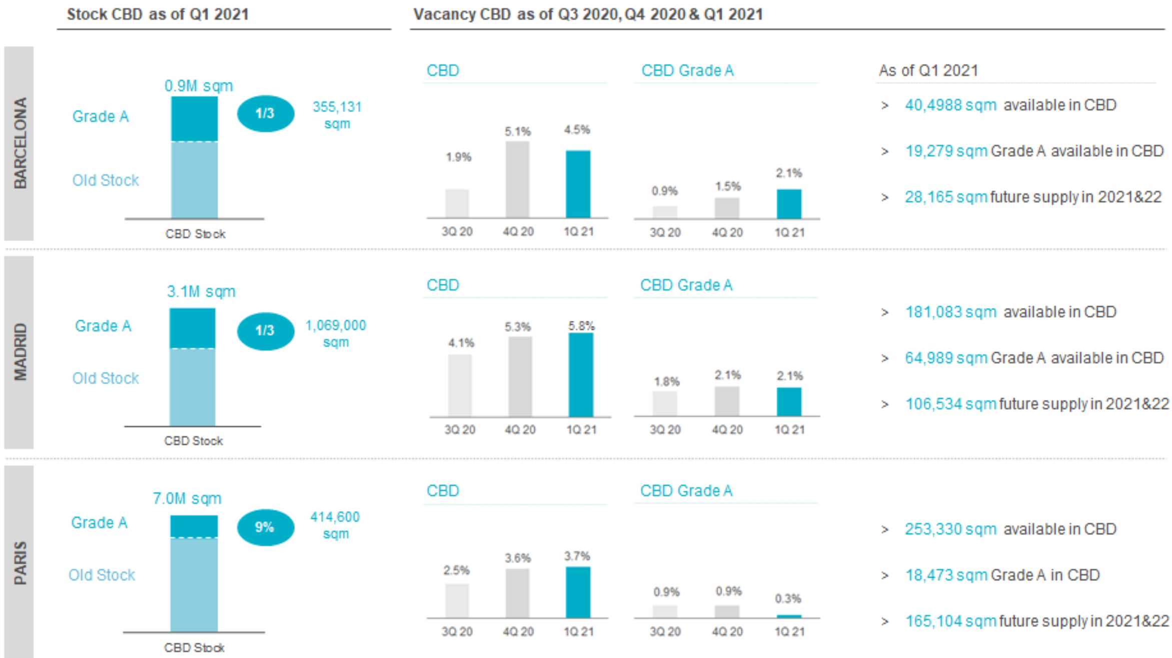
The new contracts signed were mainly in the prime CBDs in Madrid and Paris, specifically the assets of Recoletos 27, Alfonso XII, José Abascal 56, Washington Plaza and 103 Grenelle, among others.

Among the clients that renewed their contracts with Colonial, it is worth highlighting the large number of professional services companies that confirm their loyalty with Grade A assets in the CBD locations in Colonial's portfolio.

The clients that have signed these new agreements with the Colonial Group are companies in the technology and consumer goods sectors with high added value.

4. The market: Grade A supply in the CBD area remains scarce

The rental market has a shortage of high-quality product in the CBD, a fact that is keeping the vacancy levels low.

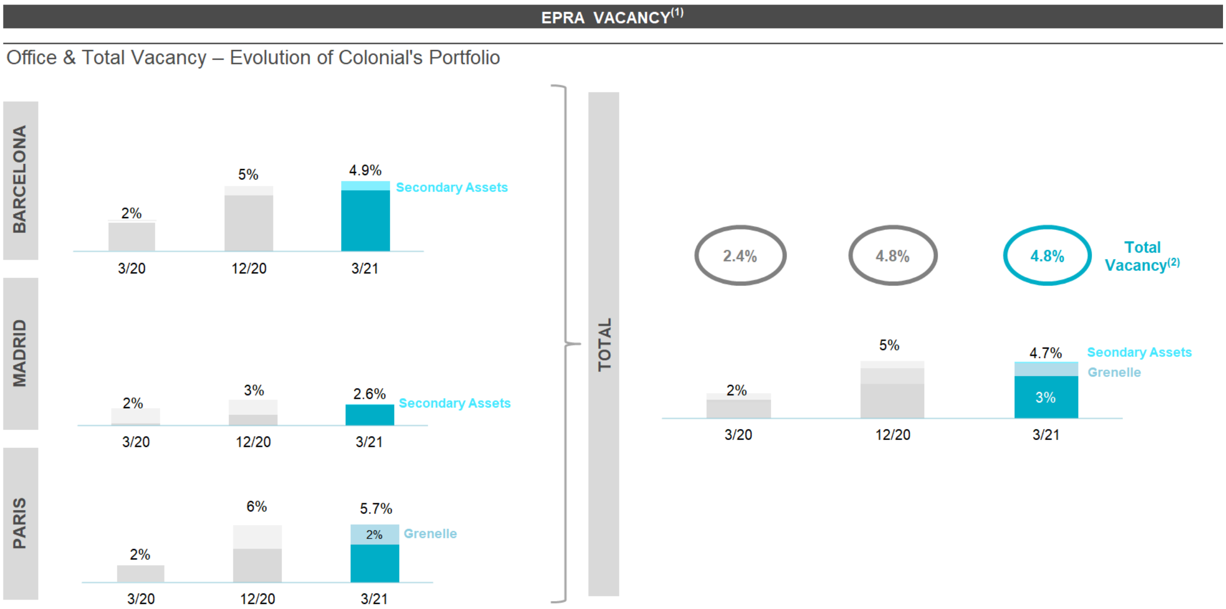


Source: Cushman & Wakefield

5. Occupancy stability in the portfolio

The **total vacancy of the Colonial Group** at the close of the first quarter of 2021 **stood at 4.8%,** a vacancy rate in line with the last reported quarter and slightly higher than that of the first quarter of 2020, mainly due to the entry into operation of refurbished surfaces in the Paris market and to the tenant rotation in Barcelona.

The financial vacancy of the Colonial Group's portfolio is shown as follows:



(1) EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (1-[Vacant floorspace multiplied by the market rent/operational floor space at market rent])

(2) Total portfolio including all uses: offices, retail and logistics

The **Barcelona office portfolio** has a vacancy rate of 4.9%, a rate in line with the last quarter reported but which shows an increase of +271 bps compared to the same period of the previous year. This increase is mainly due to the entry into operation of empty spaces because of client rotation in various assets.

In the **office portfolio in Madrid** the vacancy rate is 2.6%, a rate that has reduced by 53 bps compared to the last quarter reported and in line with the same period of the year before.

The **office portfolio in Paris** has a **vacancy rate of 5.7%,** which has remained stable with respect to the close of 2020 and higher than the same period of the previous year, mainly due to the entry into operation of the completed refurbishments on the 103 Grenelle. The new entries into operation offer potential cash flow from additional rents, given that they represent a top-quality offer in the centre of Paris, currently scarce in the market. **Excluding the Grenelle asset, the vacancy rate in Paris is 3.8%.**

The vacant office space at the close of the first quarter of 2021 is as follows:

Vacancy surface of offices

Surface above ground (sq m)	BD area and others	CBD area & 7ème Paris	1Q 2021	EPRA Vacancy Offices
Barcelona	6,435	5,776	12,211	4.9%
Madrid	6,391	3,541	9,932	2.6%
París	7,319	8,603	15,922	5.7%
TOTAL	20,146	17,920	38,065	4.7%

Diagonal 682

Paseo Castellana 163

Ribera de Loira 28

Edouard VII

Grenelle 103

Le Vaisseau

Active management of the portfolio – "reloading" future growth

1. Completion of the 2020 disposal program

In 2020, the Colonial Group completed the disposal program for a total of €617m of mature and non-strategic assets with a double-digit premium on appraisal value. These disposals include the disposal of 5 mature and/or secondary office assets in Paris, Madrid and Barcelona, as well as non-strategic assets for logistics and commercial use.

A part of this disposal program was registered at the beginning of the first quarter of 2021. In particular, two disposals were carried out in Paris on mature core assets, 112 Wagram and 9 Percier, with a premium of +16% over valuation and a capital value of €20,000/sqm. These transactions show the investors' appetite for the Paris market.
In addition, Colonial signed the sale of the retail asset Les Gavarres in Tarragona, coming from the Axiare acquisition.

2. Delivery of Diagonal 525 and rental of 103 Grenelle

In the first quarter of 2021, Colonial completed the total refurbishment of the building located in **Diagonal 525 (5,706 sqm),** in the centre of the CBD in Barcelona.
This asset is 100% pre-let to Naturgy for its new corporate headquarters, who signed a 10-year contract at record rental prices in the prime CBD market of Barcelona, also signing maximum prime rents at that time.

At the end of 2020, the renovation works were completed on more than 5,000 sqm on the **103 Grenelle (16,854 sqm)** asset in Paris. In the first quarter of 2021, new contracts were signed on 23% of the repositioned surface area, with a premium of +15% over the rents prior to the renovation program. It is located in the *7ème Arrondissement*, in the city centre of Paris, which is a sub-market where there is a lack of high-quality spaces, enabling the capture of high rents in this location.

3. Acceleration of the renovation program for future growth

The Colonial Group continues with its renovation program on different assets in its portfolio, including those with the projection to capture maximum rents in each sub-market, which are highlighted as follows:

A new phase of renovation of 10,000 sqm has begun on the **Cézanne Saint-Honoré (26,287 sqm)** asset with a BREEAM in use Very Good. The renovation project designed by the SKAsociés Architectes architect studio includes an office design with finishes similar to those of luxury hotels, focusing on its users' well-being. With this renovation, which will be completed in the second quarter of 2022, also including the renovation of the entrance and common areas, the company ensures the future value growth of the building.

In September 2021, the renovation works will be completed on **Diagonal 532 (12,877 sqm)** that have enabled a +9% increase of the lettable surface area of the asset. It will be one of the best assets in the prime CBD in Barcelona, with a large floor size and a central location in Avenida Diagonal. Once finished at the end of 2021, these new spaces will aim to capture prime rents in the prime CBD market in Barcelona.

During 2021, the renovation work will be finished on the **Torre Marenostrum (22,394 sqm)** building, in which a single-user building will be transformed into a multi-tenant building. The asset will count on a hybrid product, one part with a flexible/coworking offer and the other a traditional model.

Acceleration of the decarbonization of the portfolio

1. Corporate Strategy & Strategic Plan on Decarbonization

The Colonial Group pursues a clear leadership in ESG, being a fundamental element of its strategy, prioritizing sustainable long-term returns, and based on a business model of high-quality products. Accordingly, the Colonial Group's Corporate Strategy has a central focus on maximum excellence in the fields of governance, social aspects and sustainable investment.

The Company is working on the implementation of the strategic plan for decarbonization. This plan implies the commitment of the Colonial Group so that by 2050, its entire office portfolio will be neutral in carbon emissions, and totally aligned with the Paris climate agreement of December 2015. For the Colonial Group, this implies: (i) neutrality in carbon emissions by 2050 and (ii) a 75% reduction in Scopes 1 & 2 by 2030, starting from 2015.

2. Reduction in the total carbon footprint- Scopes 1, 2 & 3

The Colonial Group has continued to work on decarbonization. In 2020, the absolute consumption of the carbon footprint (Scopes 1, 2 & 3), calculated under "market-based" approach, remained stable, mainly due to the increase in the number of assets where a monitoring of consumption was carried out. However, in like-for-like terms, the Colonial Group has reduced its carbon emissions in Scopes 1, 2 & 3 by 7,582 tCO2e, a reduction of (49%) like-for-like.

SIGNIFICANT REDUCTION OF THE CARBON FOOTPRINT – SCOPE 1, 2 & 3

	TOTAL VARIATION - *(tCO2e)*				LFL VARIATION - *(tCO2e)*	
	2020	2019	Var.	Var %.	Var.	Var %.
BARCELONA	5,913	5,767	146	+3%	(2,575)	(53%)
MADRID	10,174	9,198	976	+11%	(4,086)	(58%)
PARIS	2,597	3,509	(912)	(26%)	(921)	(26%)
TOTAL	18,684	18,474	210	+1%	(7,582)	(49%)

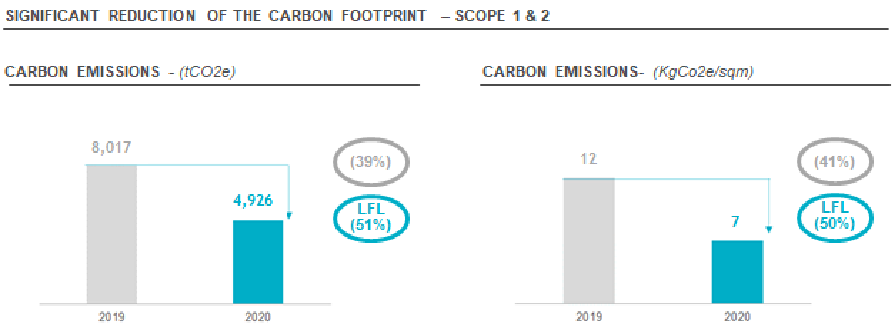
Office portfolio In operation

3. Reduction of (51%) in the carbon footprint "market-based" of Scopes 1 & 2 like-for-like year-on-year

The Company is focusing its objectives on consumption in the areas of direct action (those in which it can work directly on reducing carbon footprint), in other words, Scopes 1 & 2.

The Group has achieved a significant reduction in the carbon footprint as well as the intensity ratio under Scopes 1 & 2. These scopes are within the realm of direct action by the company.

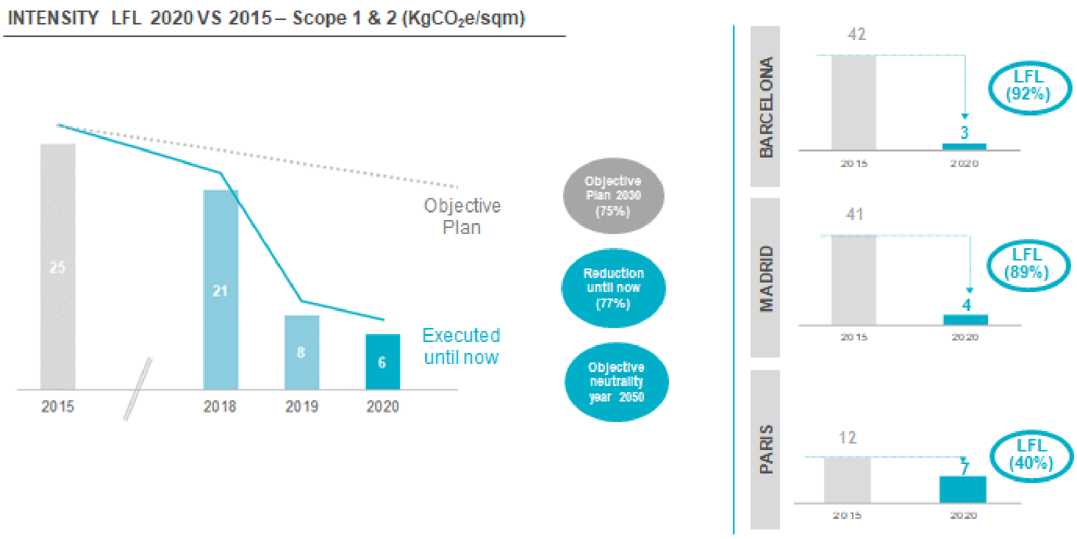
Specifically, the company has reduced the total carbon footprint of the portfolio of 8,017 tCO_2e by (39%) reaching 4,926 tCO_2e. In terms of ratio per sqm (carbon intensity) the reduction was (41%), at around 7 $KgCO_2e/m^2$ in the entire portfolio, one of the lowest intensity ratios in the European real estate sector.



There is an even greater impact if we analyze the portfolio of assets like-for-like, in other words, excluding the single-user buildings and projects, refurbishments and plots. In this case, the reduction is (51%) in absolute terms and (50%) in terms of intensity ratio, with a ratio of 5 $KgCO_2e/m^2$ for the entire portfolio like-for-like.

4. Reduction of 77% in emission intensity "market-based" like-for-like in 2020 since the base year

The strategic plan of the Colonial Group establishes an objective to reduce the carbon intensity by (75%) in Scopes 1 & 2 of its portfolio starting from the base year 2015.



As of 31 December 2020, the reduction from the base year had exceeded the objective, reaching a (77%) reduction in carbon emissions under Scopes 1 & 2. This milestone has enabled the early fulfilment within 10 years of the objective set for 2030 and leads to an acceleration of the path towards the carbon neutrality of the portfolio, fixed for 2050.

5. Adhesion to the Science Based Target Initiative (SBTi)

At the beginning of 2021, Colonial committed to the Science Based Target Initiative (SBTi) which involves defining new objectives to reduce emissions aligned with science and with a limitation of an increase in the average temperature of the Earth below 2ºC.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The strategic plan of decarbonization enables progress in this direction and its alignment with science will be certified by the SBTi method.

A solid capital structure

I. A strong balance sheet

At the close of the first quarter of 2021, the Colonial Group had a solid balance sheet with an LTV of 34.9%, 112 bps lower than the previous year.

The available liquidity of the Group amounted to €2,406m, between cash and undrawn credit lines. This liquidity enables the Group to assure its financing needs in the coming years and be able to cover all its debt maturities until 2024.

After a year marked by the exceptional conditions derived from COVID-19, Colonial continues to have a solid financial profile that has enabled the Group to maintain a credit rating by Standard & Poor's of BBB+, the highest in the Spanish real estate sector.

In the first quarter of 2021, Standard & Poor's has reviewed Colonial's credit rating, maintaining the same level as prior to the COVID-19 crisis.

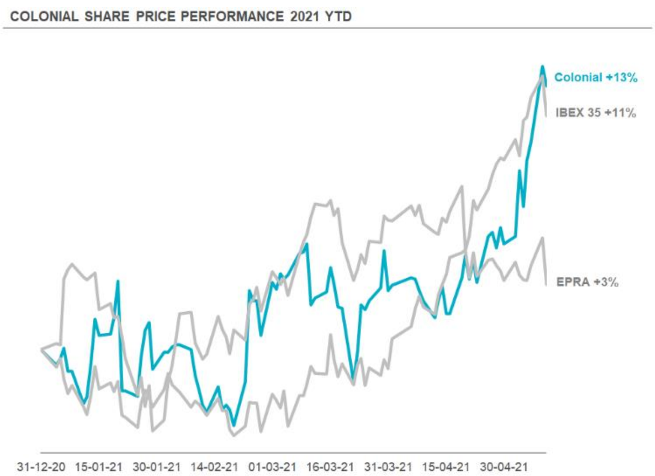
II. Analyst consensus

The Colonial shares closed as of May 11, 2021 with a revaluation of +13%, a figure above the EPRA index and the IBEX 35.

In the framework of the COVID-19 crisis, the analysts are progressively revising their assumptions and perspectives on the European listed market.

Institution	Analyst	Date	Recomendation	Target Price (€/share)
BUY				
J.P. Morgan	Neil Green	08/03/2021	Overweight	10.0
Renta 4	Javier Diaz	23/03/2021	Overweight	10.0
JB Capital Markets	Daniel Gandoy Lopez	26/02/2021	Buy	10.0
Grupo Santander	Jose Francisco Cravo	14/07/2020	Buy	10.0
Goldman Sachs	Jonathan Kownator	05/03/2021	Buy	9.7
Oddo BHF	Florent Laroche-Joubert	25/02/2021	Overweight	9.5
Bestinver Securities	Ignacio Martinez Esnaola	30/03/2021	Buy	9.2
Banco Sabadell	Ignacio Romero	30/03/2021	Buy	9.0
HOLD				
Green Street Advisors	Peter Papadakos	30/03/2021	Hold	n.a.
Intermoney Valores	Guillermo Barrio	12/02/2021	Hold	9.5
CaixaBank BPI	Pedro Alves	30/03/2021	Neutral	9.2
Kepler Cheuvreux	Mariano Miguel	25/02/2021	Hold	8.7
Kempen & Co	Jaap Kuin	25/02/2021	Neutral	8.6
Alantra Equities	Fernando Abril-Martorell	25/02/2021	Neutral	8.9
BofA	Markus Kulessa	25/02/2021	Neutral	8.3
Morgan Stanley	Bart Gysens	25/02/2021	Neutral	8.3
SELL				
Barclays	Celine Huynh	10/03/2021	Underweight	7.0
Societe Generale	Ben Richford	11/01/2021	Sell	6.6
Mirabaud Securities	Ignacio Mendez	26/02/2021	Sell	6.5
AlphaValue/Baader	Christian Auzanneau	25/03/2021	Sell	4.8

Fuente: Bloomberg e informes de analistas



(*) Date: 11/05/21

Strategic prime positioning to maximize value creation

Colonial's strength is based on its strategic prime positioning with offices in the CBD with clients of recognized solvency, and a solid balance sheet of the Group.

The main strengths of the Colonial Group are the following:

A. Pan-European leadership in Grade A offices in the city centre (CBD)

Main owner of top-quality assets in **central locations with 77% of its portfolio in CBD areas** in each of the markets Colonial operates in.

An adequate international diversification with a **62% exposure in Paris**, one of the most defensive office markets globally.

BARCELONA

Colonial Portfolio - max rent signed

MADRID

Colonial Portfolio - max rent signed

PARIS

Colonial Portfolio - max rent signed

B. A strong prime positioning with a top-quality client portfolio which provides an attractive combination of 1) rents at the high end of the market with 2) high loyalty levels and solid maturity profiles.

The contract portfolio of the Colonial Group had a positive "reversionary buffer" in this year, given that the current rents of the portfolio are still below the current market rents. Likewise, to date, the Group has captured high reversion rates with a release spread[1] of +20% at the close of the first quarter of 2021.

(1) Signed rents on renewals vs previous rents

C. Excellence in ESG

The Colonial Group pursues a clear leadership in ESG, being a fundamental element of its strategy, prioritizing sustainable long-term returns, based on a business model of high-quality products. Accordingly, the Colonial Group's Corporate Strategy has a central focus on maximum excellence in the fields of governance, social aspects and sustainable investment.

BREEAM® GRESB 2020 CDP A- A1

D. An attractive project pipeline located in the best areas of Paris, Madrid and Barcelona, with significant pre-letting.

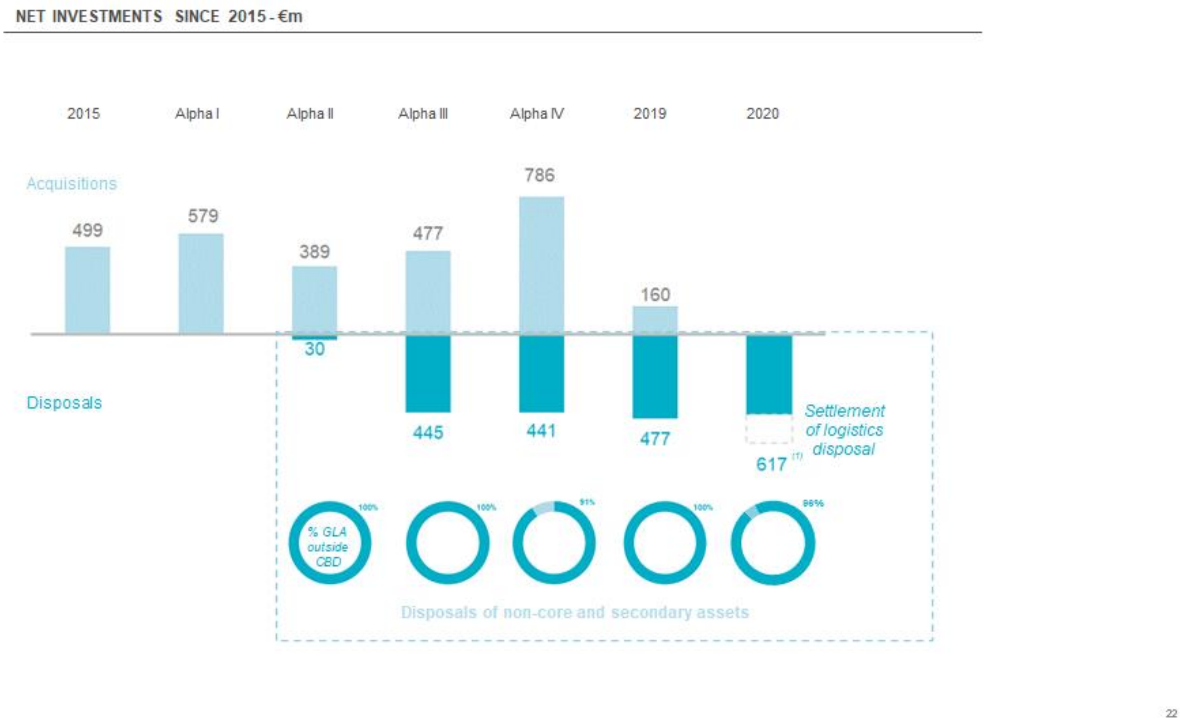
		Project	City	% Group	Delivery	GLA[1] (sqm)	Total Cost €m	Yield on Cost
<12 months	1	Diagonal 525	Barcelona CBD	100%	Delivered	5,706	41	≈ 5%
	2	Miguel Angel 23	Madrid CBD	100%	2H 21	8,204	66	5- 6%
	3	83 Marceau	Paris CBD	82%	2H 21	9,600	154	5.5- 6.0%
	4	Velazquez 88	Madrid CBD	100%	2H 21	16,164	116	6- 7%
>12 months	5	Biome	Paris City Center	82%	2H 22	24,500	283	≈ 5%
	6	Plaza Europa 34	Barcelona	50%	2H 22	14,306	42	≈ 7%
	7	Sagasta 27	Madrid CBD	100%	2H 22	4,896	23	6- 7%
	8	Mendez Alvaro Campus	Madrid CBD South	100%	2023	89,872	323	7- 8%
	9	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2024	16,000	215	7- 8%
		TOTAL PIPELINE				189,248	1,264	6- 7%

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

Colonial's project portfolio is totally located in the city centres of Barcelona, Madrid and Paris. More than 50% of the value corresponds to 3 big projects in Paris and Campus Méndez Álvaro, which is a mix of office and residential use in the south of the Madrid CBD.

E. Active management of the portfolio, through the disposals of non-core assets, improving the prime positioning and releasing capital for opportunities of value creation for our shareholders**.**

Over the last 3 years, the Colonial Group has carried out significant disposals of non-core assets for c. €2,000m, with double-digit premiums over current valuations.



[1] *A part of the volume of disposals of the Alpha V program, €282m, registered at the beginning of the first quarter of 2021*

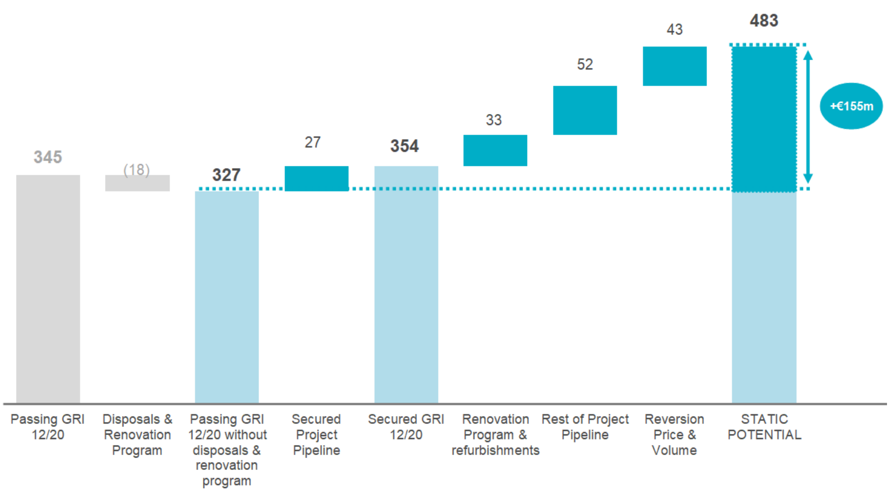
F. A solid balance sheet with the best rating in the Spanish real estate sector, confirmed by S&P and Moody's in the middle of the COVID-19 crisis. The Group has one of the highest levels of liquidity in the sector, as well as a LTV of 34.9%, with a collateral of maximum quality core assets.

G. High growth potential and value creation

The portfolio offers significant potential for cash flow growth through its prime positioning, future rents from the project portfolio and the renovation program.

The asset portfolio has the potential to reach annual income (passing rents) of €483m, resulting in an increase of +47% (+€155m) related to the annualized cash flow from the rental income at 31 December 2020.

Passing Rents & Reversionary Potential as of 12/20 - €m



(*) "Topped-Up" Passing rents at 31/12/20 excluding future growth and indexation

Appendices

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. ESG strategy
5. Digital strategy & Coworking
6. Financial structure
7. EPRA ratios
8. Glossary and alternative performance measures
9. Contact details and disclaimer

1. Analysis of the Profit and Loss Account

Consolidated analytic Profit and Loss Account

The **Colonial Group** closed **the first quarter of 2021** with a **net recurring profit of €28m, resulting in a net recurring EPS of €5.59cts/share.**

March cumulative - €m	2021	2020	Var.	Var. % [1]
Rental revenues	78	86	(8)	(9%)
Net operating expenses [2]	(10)	(11)	1	6%
Net Rental Income	68	75	(7)	(10%)
Other income [4]	(1)	0	(2)	(580%)
Overheads	(11)	(11)	(0)	(1%)
EBITDA	55	64	(9)	(14%)
Exceptional items	(2)	(1)	(1)	(143%)
Change in fair value of assets & capital gains	0	2	(1)	(76%)
Amortizations & provisions	(3)	(1)	(2)	(171%)
Financial results	(21)	(22)	1	5%
Profit before taxes & minorities	30	42	(12)	(29%)
Income tax	(1)	(1)	(0)	(2%)
Minority Interests	(7)	(9)	1	17%
Net profit attributable to the Group	21	32	(11)	(33%)

Results analysis - €m	2021	2020	Var.	Var. %
Recurring EBITDA	62	69	(8)	(11%)
Recurring financial result	(21)	(22)	1	4%
Income tax expense & others - recurring result	(4)	(2)	(2)	(83%)
Minority interest - recurring result	(8)	(9)	1	9%
Recurring net profit - post company-specific adjustments [3]	28	36	(8.0)	(22%)
NOSH (million)	*508.1*	*508.1*	*0*	*0%*
EPS recurring (€cts)	5.59	7.17	(1.6)	(22%)

(1) Sign according to the profit impact

(2) Invoiceable costs net of invoiced costs + non invoiceable operating costs

(3) Recurring net profit = EPRA Earnings post company-specific adjustments.

(4) Reinvoiced capex & EBITDA Utopic'us Centers

Analysis of the Profit and Loss Account

- Colonial closed the first quarter of 2021 with a Gross Rental Income of €78m, (9%) lower compared to the previous year, mainly due to the non-strategic disposals carried out on non-strategic assets and to the acceleration of the renovation program for asset repositionning. In like-for-like terms, the rental income increased by 0.6%.

- Net Rental Income amounted to €68m, a figure 10% lower than the previous year. However, the increase in comparable terms is +4% like-for-like. This increase was underpinned by 1) the increase of +6% in the Paris portfolio, due to the +2% increase in the offices portfolio and to the important additional improvement due to the reopening of the Hotel Indigo in the Edouard VII asset and 2) the +4% like-for-like increase in the Madrid portfolio.

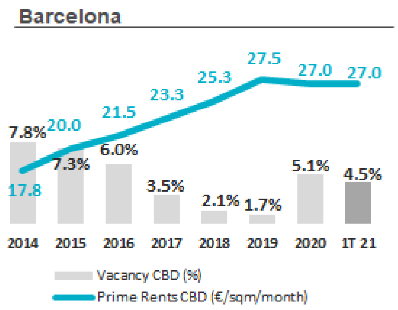
- The Group's EBITDA stands at €55m, 14% lower compared to the same period of the previous year.

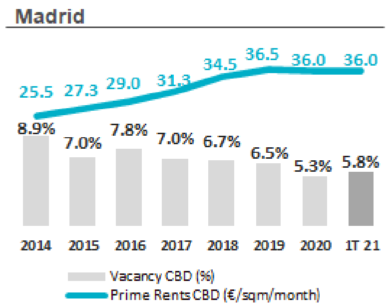
- The net financial result amounted to (€21m), a figure that represents a 5% improvement compared to the same period of the previous year.
  This improvement is due to the reduction in the recurring financial results of the Group of 4%.

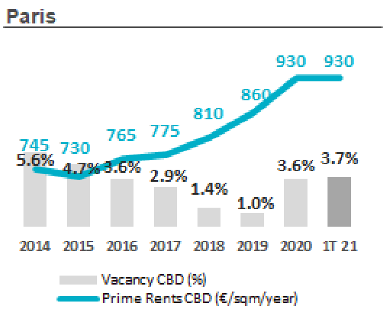
- Profit before taxes and minority interests at the close of the first quarter of 2021 amounted to €30m.

- Finally, and after deducting the Minority Interest of (€7m), as well as Income Tax of (€1m), Net Profit attributable to the Group amounted to €21m.

2. Office markets







Rental markets

Take-up in the **office market in Barcelona** was 65,000 sqm in the first quarter, a figure 131% above the figure of the same quarter of the previous year, with a transaction average of 1,300 sqm and the 22@ district capturing 22% of the take-up in the quarter. The overall vacancy rate continued to rise, whilst in the CBD it stood at 4.5%. Likewise, Grade A office supply remains at low levels. Prime rents remained stable, due to a lack of quality spaces, with prime rents standing at €27/sqm/month.

Take-up in the **office market in Madrid** in the first quarter of the year stood at 68,000 sqm, a figure 28% lower than the same quarter of the previous year. However, in terms of the number of transactions, there was an increase compared to the average of the 3 quarters of the pandemic (April-December 2020). Slowly, companies are beginning to unfreeze their movement and strategy plans. The vacancy rate has slightly increased during this quarter to stand at 5.8%. At the close of the first quarter of 2021, prime rents in Madrid stood at €36/sqm/month.

In the office market in Paris, take-up in the first quarter was 327,000 sqm, a figure 30% lower than that of the previous year. The COVID-19 crisis and the subsequent slowdown of activity, however, have had a considerable impact on these figures. Office vacancy continues to increase, albeit at a more moderate pace than in the previous quarter. In the CBD, the vacancy rate stood at 3.7%. Prime rents have been increasing, due to a scarcity of Grade A product in the CBD, to stand at levels of €930/sqm/year.

Investment market

In Madrid and Barcelona, as a consequence of the almost null activity in the investment market in the central months of 2020 due to COVID-19, investment in the offices sector in the first quarter of the year stood at €275m, of which €201m corresponded to Barcelona and €74m corresponded to Madrid. Prime yields in Madrid and Barcelona remained at levels of 3.35% and 3.60% respectively.
The investment volume in the **Paris market** reached €3,239m at the close of 1Q 2021, a figure 38% lower than 1Q of the previous year (a quarter with one of the highest investment volumes registered since 2008). Prime yields stood at 2.50%.

(*) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE, BNP Paribas & Savills

3. Business performance

Gross rental income and EBITDA of the portfolio

- Colonial closed the first quarter of 2021 with **Gross Rental Income of €78m**, (9%) lower compared to the year before, mainly due to the disposals of non-strategic assets as well as the acceleration of the renovation program to reposition assets.

  In like-for-like terms, in other words, adjusting for investments, disposals and variations in the project and renovation projects and other extraordinary items, **the rental income is in line with the previous year, increasing by 0.6%.**

  A slight correction of (0.6%) in offices was compensated by the effect of the reopening of the Indigo Hotel in the Édouard VII complex in Paris.

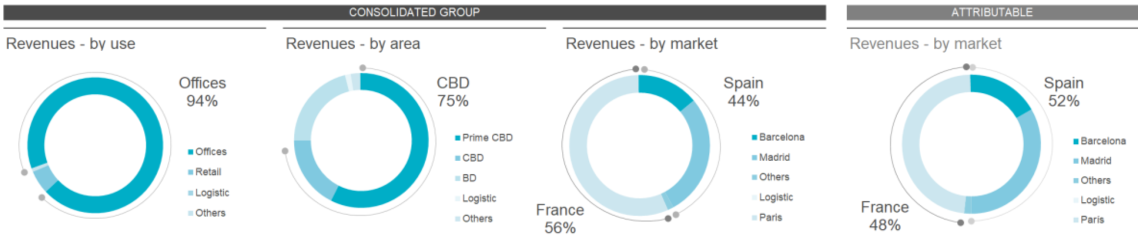
Variance in rents (2021 vs. 2020) €m	Barcelona	Madrid	Paris	Offices[1]	Others[2]	TOTAL
Rental revenues 2020R	13	25	45	83	3	86
EPRA Like-for-Like [3]	(0)	(0)	(0)	(0)	1	0
Projects & refurbishments	(1)	(1)	(2)	(4)	0	(4)
Acquisitions & Disposals	(1)	(1)	(1)	(3)	(1)	(4)
Indemnities & others	0	(0)	0	(0)	0	(0)
Rental revenues 2021R	11	22	42	75	3	78
Total variance (%)	*(13%)*	*(11%)*	*(7%)*	*(9%)*	*(6%)*	*(9%)*
Like-for-like variance (%)	(0.8%)	(1%)	(0.3%)	(0.6%)	37%	0.6%

(1) Office portfolio + Prime retail of Galeries Champs Elysées and Pedralbes Centre
(2) Residual logistics portfolio and secondary retail of Axiare and Hotel Indigo in Paris
*(3) **EPRA like-for-like:** Like-for-like calculated according to EPRA recommendations.*

- The rental income of the Colonial Group has been affected by: 1) the disposals of non-strategic assets carried out in 2020; and 2) the acceleration of the renovation program of the Group. Highlighted are the repositioning projects of the Diagonal 532 and Torre Marenostrum assets in Barcelona, the more than 10,000 sqm renovation in the Cézanne Saint Honoré building in Paris and the renovation of 7,000 sqm on the Washington Plaza building.

- **Rental income breakdown:** Most of the Group's rental income, 94%, comes from the office portfolio. Likewise, the Group maintains its high exposure to CBD markets, with 75% of the income.

  In consolidated terms, 56% of the rental income (€44m), came from the subsidiary in Paris and 44% was generated by properties in Spain. In attributable terms, 52% of the rents were generated in Spain and the rest in France.



(1) Includes retail use in the lower levels of office buildings

- **At the close of the first quarter of 2021, EBITDA rents reached €68m, an increase of +4% in like-for-like terms.**

Property portfolio

March cumulative - €m	2021	2020	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	11	13	(13%)	(0.1)	(0.8%)
Rental revenues - Madrid	22	25	(11%)	(0.2)	(1%)
Rental revenues - Paris	42	45	(7%)	(0.1)	(0.3%)
Rental revenues - Offices[2]	**75**	**83**	**(9%)**	**(0.4)**	**(0.6%)**
Rental revenues - Others[3]	3	3	(6%)	0.9	37%
Rental revenues Group	**78**	**86**	**(9%)**	**0.5**	**0.6%**
EBITDA rents Barcelona	9	11	(19%)	(0.3)	(3%)
EBITDA rents Madrid	16	19	(12%)	0.7	4%
EBITDA rents Paris	40	43	(7%)	0.8	2%
EBITDA rents - Offices[2]	**65**	**73**	**(10%)**	**1.2**	**1.9%**
EBITDA rents Others[3]	3	3	8%	1.4	89%
EBITDA rents Group	**68**	**75**	**(10%)**	**2.6**	**4.0%**
EBITDA rents/Rental revenues - Barcelona	*83%*	*88%*	*(5.2 pp)*		
EBITDA rents/Rental revenues - Madrid	*74%*	*76%*	*(1.5 pp)*		
EBITDA rents/Rental revenues - Paris	*94%*	*94%*	*0.4 pp*		
EBITDA rents/Rental revenues - Logistic & others	*87%*	*76%*	*10.9 pp*		

Pp: percentage points

(1) ***EPRA like for like:*** *Like-for-like calculated according to EPRA recommendations.*
(2) *Office portfolio + Prime CBD retail of Galeries Champs Elysées and Pedralbes Centre.*
(3) *Residual logistics portfolio, secondary retail of Axiare and Hotel Indigo in Paris*

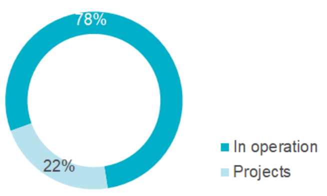
(*) *The ratio of EBITDA/gross income was corrected. An accrual of non-computable taxes was carried out for 1Q 2021.*

Portfolio letting performance

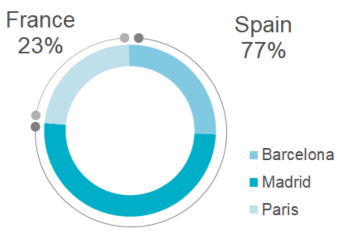
- **<u>Breakdown of the current portfolio by floor area</u>**: At the close of the first quarter of 2021, the Colonial Group's portfolio totaled 1,747,775 sqm, primarily related to office buildings, which comprised 1,556,489 sqm.

  At the close of the first quarter of 2021, 78% of the office portfolio was in operation and the rest corresponded to an attractive portfolio of projects and renovations.

Offices Surface - by condition



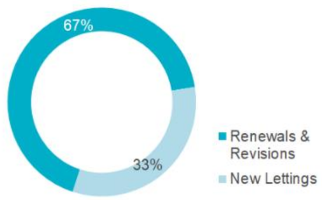
Offices Surface - by market

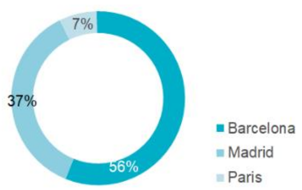


- **<u>Signed leases - Offices:</u>** At the close of the first quarter of 2021, the Colonial Group formalized leases for **a total of 29,759 sqm of offices.** 93% (27,679 sqm) correspond to contracts signed in Barcelona and Madrid and the rest (2,080 sqm) were signed in Paris.

  Renewals: Out of the total office letting activity, 67% (20,073 sqm) are lease renewals, spread over the three markets in which the group operates**.**

  New lettings: New leases relating to 9,686 sqm were completed, highlighting the 7,213 sqm signed in Madrid**.**





Letting Performance - Offices

March cumulative - sq m	2021	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	16,323	3	*21%*
Renewals & revisions - Madrid	3,678	3	*18%*
Renewals & revisions - Paris	73	3	*7%*
Total renewals & revisions	**20,073**	**3**	***20%***
New lettings Barcelona	466	2	
New lettings Madrid	7,213	5	
New lettings Paris	2,007	4	
New lettings	**9,686**	**4**	**na**
Total commercial effort	**29,759**	**4**	**na**

The new rents stood at +20% above previous rental prices: **Barcelona +21%, Madrid +18% and Paris +7%.**

Project portfolio

- Colonial has a **project pipeline** of over 189,000 sqm with the aim of creating top quality products to obtain higher returns, and consequently maximize future value creation with solid fundamentals.

  In the current project portfolio, the Diagonal 525 property in Barcelona, and the 83 Marceau and Louvre Saint Honoré properties in Paris already have pre-let agreements signed.
  The project works on Diagonal 525 have already finished and the building is fully in operation with an occupancy of 100%. The other projects in the portfolio continue to progress in prime locations and where there is little new supply.

		Project	City	% Group	Delivery	GLA [1] (sqm)	Total Cost €m	Yield on Cost
<12 months	1	Diagonal 525	Barcelona CBD	100%	Delivered	5,706	41	≈ 5%
	2	Miguel Angel 23	Madrid CBD	100%	2H 21	8,204	66	5- 6%
	3	83 Marceau	Paris CBD	82%	2H 21	9,600	154	5.5- 6.0%
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	9	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2024	16,000	215	7- 8%
		TOTAL PIPELINE				189,248	1,264	6- 7%

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

- Among the largest projects, highlighted are the 3 projects in Paris and the Méndez Álvaro Campus in the south of the Castellana in Madrid. Two of the projects in Paris, Louvre Saint-Honoré and Marceau, are already 100% pre-let.

83 Marceau

Biome

Louvre St. Honoré

Méndez Álvaro Campus

- In **Barcelona**, current projects are Diagonal 525 and Plaza Europa 34.

  In the first quarter of 2021, Colonial completed the total refurbishment of the building located in **Diagonal 525** (5,800 sqm), in the centre of the CBD in Barcelona. This asset is 100% pre-let to Naturgy for its new corporate headquarters.

  Plaza Europa 34 project continues to progress with the construction of the structure.

In Madrid, also of special mention are the projects at Velázquez 80 and Miguel Ángel 23, benchmark projects in the prime CBD of Madrid, which will be delivered at the end of 2021. The commercial team continues with the pre-commercialization phase of the projects which have been well received due to the demand. Both projects have a differential characteristic focused on the type of demand expected.

Miguel Ángel 23 will be one of the first “almost zero” carbon footprint buildings in the CBD in Madrid, offering maximum efficiency for the client and best experience for the user of its large communal spaces, especially in the superior terrace. **Velázquez 80** will offer an extensive area of common spaces with all of the services to meet the demand of flexibility of its clients.

Méndez Alvaro Campus project continues with the below ground works, and the works on the foundation and structure will begin in June 2021. Likewise, Estudio Lamela (the Spanish architectural firm) and Colonial continue working on defining the spaces of the Campus that will bring together office, residential and commercial spaces. This asset, which will have the best energy certificates and a very reduced carbon footprint, will be the property benchmark in the south of the Paseo de la Castellana, in Madrid.



- In the **Paris** portfolio, the three current Flagship projects continue progressing: Biome, 83 Marceau and Louvre St. Honoré. Two out of the three projects, 83 Marceau and Louvre Saint Honoré, are fully pre-let.

The project at **83 Marceau** will offer one of the best located buildings in Paris – a one-minute walk from the Place de L'Étoîle, in one of the most contemporarily designed buildings, providing light to all floors, thanks to the new design of the central atrium. The building will have three certificates: BREEAM, LEED and HQE. In 2020, the entire surface area of the asset was pre-let, reaching an occupancy of 100%. Of special mention is the signing of 6,500 sqm with the investment bank Goldman Sachs, where it will set up its corporate headquarters. The contract includes a non-cancellable term of nine years and was signed in very favorable terms.

In **Biome**, an iconic building is planned of more than 24,500 sqm in the Central-Western area of Paris with natural light, efficient floors of 1,400 sqm to 3,500 sqm and a green area surrounding the building.

Finally, it is worth mentioning that the project in the **Louvre Saint Honoré** building remains in progress. Likewise, it is important to remember that a pre-letting agreement has been signed for this project with a minimum fixed term duration of 20 years with the Cartier Foundation, a Group Cartier company, at top market prices.

Renovation program

- In addition to the project portfolio, the Colonial Group is currently carrying out a **renovation program** on 6 assets in its portfolio, with the aim of increasing rents and the value of these assets. This renovation program is mainly focused on the adaptation of common areas and updating the installations, requiring a limited investment.

- In Spain, of special mention are the renovation programs on the **Cedro** and **Ortega y Gasset** assets in **Madrid** which represent excellent opportunities to optimize cash flow and value. In **Barcelona**, of special mention is the renovation of the **Diagonal 530** property. In the first half of 2021, the renovation program will be delivered on the **Torre Marenostrum** asset in the prime 22@, offering a multi-tenant asset, combining traditional office spaces with coworking spaces, managed by Utopicus, a company of the Group.

- In France, highlighted is the **Cézanne Saint Honoré** property, an asset located in the heart of the 8ème *arrondissement* of Paris in which almost 10,000 sqm are being renovated, setting up common spaces and upper floors. The property will be delivered in spring 2022 and will supply carefully designed offices dedicated to the well-being of employees, with a great flexibility of spaces, natural light and a magnificent terrace.

4. ESG[1] Strategy – Environmental, Social and Corporate Governance

1. Important advances in the indexes

2020 was a very successful year in terms of ESG. Accordingly, the Colonial Group achieved some significant advances in the sustainability indexes, as we see below:

1. Colonial has obtained the EPRA Gold sBPR rating for the 5th consecutive year, which certifies the highest reporting standards in ESG.

2. The Colonial Group has a rating of 90 out of 100 in the GRESB 2020 index, placing it in the high end of the sector. This 5-star rating is above the average of its peers, and has led to an increase of scoring by +48% in 2 years and +17% year-on-year (+13bps).

3. Colonial has obtained a rating of A- from CDP 2020, confirming its leadership in decarbonization. This rating far exceeds the European regional average as well as the financial services sector average and has led to a strong year-on-year increase, from C to A-.

4. Colonial has obtained a rating at the high end of the sector from Vigeo A1, placed in the top 5% of the 4,835 companies rated (9th of 86 within financial services). This rating exceeds the average of the sector in all KPIs of management and risk performance, with a major year-on-year boost.

5. Sustainalytics has given Colonial a rating of 10.5 in ESG risk, placing it in the top 20 of the 420 listed real estate companies analysed. The agency highlights the good management of ESG policies in accordance with all of the international standards.

6. MSCI, the main benchmark company for rating the performance of listed companies, has given Colonial an A on its ESG rating, one of the highest ratings internationally, in particular due to its very high standards in Corporate Governance.

(1) *ESG = Environmental, Sustainability and Governance*

2. Energy Efficiency-Certifications of the Colonial Group's asset portfolio:

The Colonial Group's ambition for ESG leadership is reflected in the high level of certification of the office portfolio. 93% of the office portfolio in operation has LEED and BREEAM energy certificates. Particularly, €1,900m in assets have LEED certificates and €9,400m in assets have BREEAM certificates.

This level of certification is above the sector average. Likewise, the strategic sustainability plan executes energy efficiency initiatives, focusing on continuous improvement asset by asset.

Thanks to its high standards in sustainability, in recent quarters the Colonial Group has been able to access sustainable financing. In an ever-increasing sustainable world, those companies which adopt and maintain policies in this field are more likely to gain market share. Likewise, the Colonial Group, as it correctly manages its environmental impact, is going to be more competitive and attractive in the field of ESG, having a lower cost of access to the capital markets.

5. Digital Strategy & Coworking

Coworking and Flexible Spaces

The Colonial Group, through Utopicus, offers its clients a hybrid model of flexible spaces and services with the aim of improving the experience of its users in the office spaces of the Group. Utopicus bets on offering companies an alternative of flexible working spaces, in safe, high quality working environments. Therefore, the centres comply with the top protocols in safety and hygiene recognized by Global Safe Site of Bureau Veritas and the AENOR certificate for best practices regarding COVID-19.

At the close of the first quarter of 2021, Utopicus, had 12 centres in operation, corresponding to 31,634 sqm of surface area. In April 2021, a new centre, with 5,791 sqm, was opened in Paseo de la Habana.

The recent openings carried out in 2020, Francisco Silvela 42 and Castellana 163 in Madrid, and Torre Marenostrum in Barcelona, together with the restrictions on movement caused by the COVID pandemic, have negatively impacted overall occupancy in the centres. Likewise, the business performance of most clients of small and medium-sized businesses in traditional offices has also been negatively impacted. At 31 March 2021, occupancy in the Madrid centres was 43% and in Barcelona it was 67%, with a slight improvement in Barcelona compared to the close of 2020 (44% and 58%, respectively).

6. Financial structure

Following a year marked by the exceptional conditions deriving from COVID-19, Colonial maintains a solid financial profile enabling the company to maintain a BBB+ credit rating by Standard & Poor's, the highest rating in the Spanish Real Estate sector.

In the first quarter of 2021, Standard & Poor's reviewed Colonial's credit rating, maintaining the same level as prior to the COVID-19 crisis.

Regarding leveraging, after the divestments amounting to €282m carried out in the first quarter of 2021, the LTV ratio stands at 34.9%, 112 bps lower than the same period of the previous year.

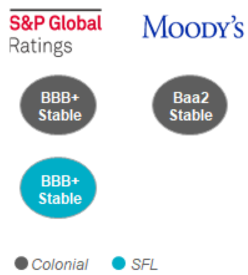
In 2020, the Colonial Group carried out various debt refinancing operations which have allowed for an improvement in the average maturity of the Group's debt, increasing it to 5 years vs the 4.5 years in March 2020, as well as increasing its liquidity and optimizing its financial cost.

At the close of the first quarter of 2021, the Colonial Group maintained a liquidity of €2,406m, between available cash and undrawn credit lines.

The main debt figures of the Group at 31 March 2021 are as follows:

Colonial Group (€m)	Mar-21	Dec-20	Var.
Gross financial debt	**4,681**	4,851	*(4,0%)*
Net financial debt	**4,315**	4,582	*(5,8%)*
Total liquidity (1)	**2,406**	2,309	*4,2%*
% debt fixed or hedged	**99%**	96%	*3.0%*
Average maturity of the debt (years)(2)	**5.0**	5.2	*(0.2)*
Cost of current Debt (3)	**1.77%**	1.70%	*7 pb*
GAV Group	**12,366**	12,669	*(2,4%)*
LtV Group (including transfer costs)	**34.9%**	36.2%	*(128 pb)*
Mortage Debt	**6%**	6%	-

(1) Cash & Undrawn balances
(2) Average maturity based on available debt
(3) Cost of current debt including ECPs. Without taking into account the ECPs, the Cost of debt will be of 1,80%.



The net financial debt of the Group at the close of the first quarter of 2021 stood at €4,315m, the breakdown of which is as follows:

	March 2021			December 2020			Var	
€m	Colonial	SFL	TOTAL	Colonial	SFL	TOTAL	TOTAL	Average Maturity (3)
Non-mortatge debt	0	0	0	0	0	4	(4)	N/A
Mortatge debt	76	197	272	76	197	273	(1)	1,6
Bonds Colonial	2,800	1,539	4,339	2,800	1,539	4,339		5,5
Issuances notes	70	0	70	70	165	235	(165)	0,1
Gross debt	**2,945**	**1,736**	**4,681**	**2,945**	**1,906**	**4,851**	**(170)**	**5,0**
Cash	(266)	(100)	(366)	(253)	(15)	(269)	(97)	
Net Debt	**2,679**	**1,636**	**4,315**	**2,692**	**1,890**	**4,582**	**(267)**	
Total liquidity [1]	1,266	1,140	**2,406**	1,253	1,055	**2,309**	**97**	
Cost of debt - Spot (%)	1.82%	1.69%	**1.77%** [2]	1.82%	1.50%	**1.70%**	**7 p.b.**	

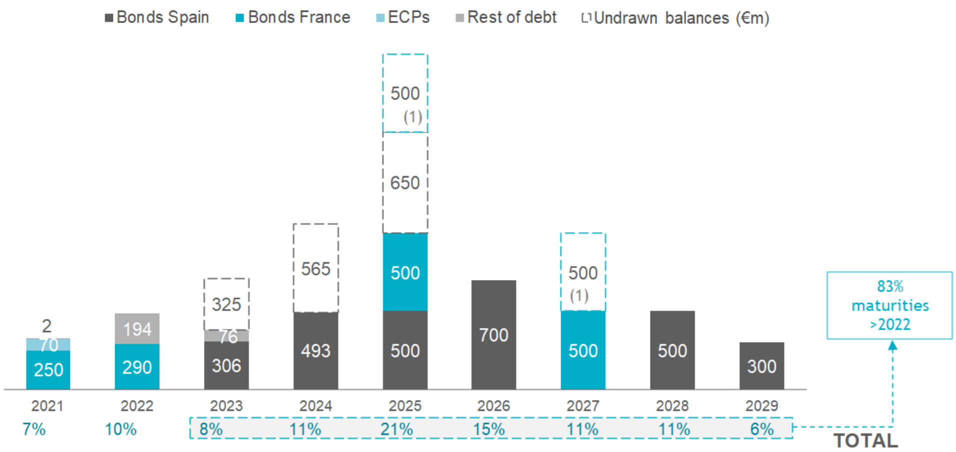
(1) Cash & Undrawn balances

(2) Margin + reference rate, without inccluding commissions

(3) Average Maturity calculated based on the available debt

93% of the drawn debt of the Group is made up of issuances in the bond market, the rest of the debt is financed with credit entities and only 6% have mortgage guarantees.

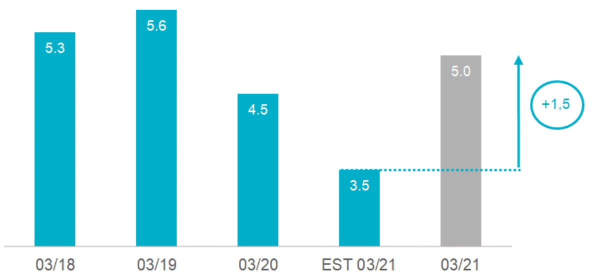
83% of Colonial's debt matures as of 2023 and 64% matures as of 2025.



	2021	2022	2023	2024	2025	2026	2027	2028	2029	TOTAL
Colonial	70	-	382	493	500	700	-	500	300	**2.945**
SFL	252	484	-	-	500	-	500	-	-	**1.736**
TOTAL	**322**	**484**	**382**	**493**	**1.000**	**700**	**500**	**500**	**300**	**4.681**

(1) RCF of Colonial for a total of €1,000m, of which €500m matures in 2025, extendible for 1+1 years.

The evolution of the average maturity of the Group's debt (in years) is shown in the following graph. EST 03/21 is the average life of the debt estimated at the close of the first quarter of 2021 prior to the formalization of the operations carried out in 2020, described above.



Financial results

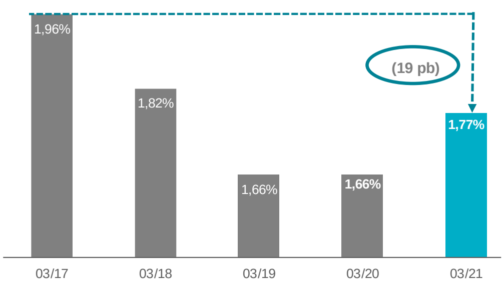
- The main figures of the financial result of the Group are shown in the following table:

March cumulative - €m	COL	SFL	Q1 2021	Q1 2020	Var. %
Recurring financial expenses - Spain	*(15)*	*0*	*(15)*	*(16)*	*3%*
Recurring financial expenses - France	*0*	*(9)*	*(9)*	*(8)*	*(16%)*
Recurring Financial Expenses	**(15)**	**(9)**	**(24)**	**(23)**	**(3%)**
Capitalized interest expenses	1	2	3	1	131%
Recurring Financial Result	**(14)**	**(7)**	**(21)**	**(22)**	**5%**
Financial Result	**(14)**	**(7)**	**(21)**	**(22)**	**5%**

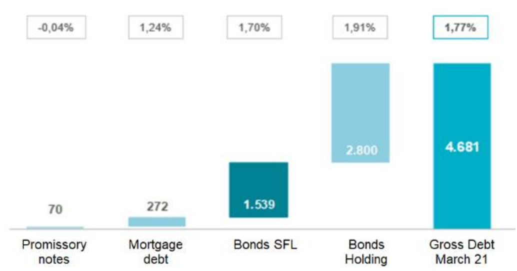
- The recurring financial expense of the Group slightly increased compared to the same period of the previous year due to a greater financing cost as a result of a change in debt from short-term debt (ECP program) to long-term debt (new bond issuances). This change sought to guarantee the long-term liquidity of the Group, as well as to take advantage of the exceptional situation of the debt markets. In this respect, the liquidity of the Group was increased by close to €500m and bonds were issued in the amount of €1,000m.

- The spot financial cost of the drawn debt was 1.77%. Including formalization costs, accrued over the life of the debt, the financial cost amounted to 1.90%. Without considering the ECP program, the spot financial cost amounts to 1.80% (1.93% including the financing costs).

Debt spot cost evolution



Gross debt and spot cost composition



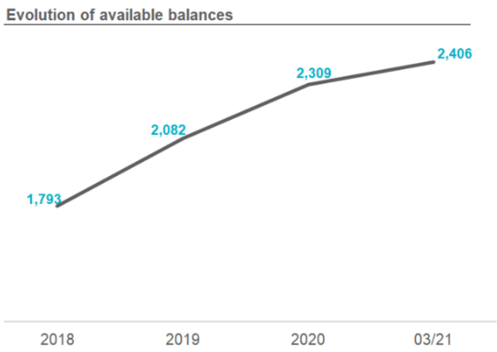
- The Group formalized various pre-hedging instruments in order to cover the interest rates of future debt emissions. The cumulative value of these types of instruments amounts to €1,100m, with different execution dates, adjusted to the debt maturity profile of the Group. All of these comply with the hedging accounting standards.

Main debt ratios and liquidity

The undrawn balances of the Group as of 31 March 2021 amounted to €2,406m, an increase of more than €500m compared to the same period of the previous year. This liquidity enables the Group to guarantee its financing needs in the coming years.

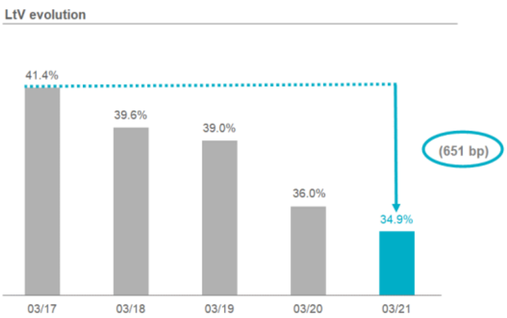
The breakdown of balances and their evolution is shown in the following graph:

Cash & undrawn balances (€M)	Colonial	SFL	Group
Current accounts	266	100	366
Credit lines available	1.000	1.040	2.040
Total	**1.266**	**1.140**	**2.406**



The Loan to Value (LTV) of the Group, calculated as the ratio of total net debt among the total GAV of the Group, amounted to 34.9%, compared to 36.0% as of 31 March 2020.

The LTV evolution is shown in the following graph:



7. EPRA Ratios

EPRA Ratios

1) EPRA Earnings

EPRA Earnings - €m	1Q 2021	1Q 2020
Earnings per IFRS Income statement	**21**	**32**
Earnings per IFRS Income statement - €cts/share	*4.23*	*6.32*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	0	0
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(0)	(2)
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	(0)
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	0	0
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	(0)
(viii) Deferred tax in respect of EPRA adjustments	(0)	0
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation	0	0
(x) Minority interests in respect of the above	0	(0)
EPRA Earnings	**21**	**31**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	8	6
(b) Non recurring financial result	0	(0)
(c) Tax credits	0	0
(d) Minority interests in respect of the above	(1)	(0)
Company specific adjusted EPRA Earnings	**28**	**36**
Average Nº of shares (m)	***508.1***	***508.1***
Company adjusted EPRA Earnings per Share (EPS) - €cts/share	***5.59***	***7.17***

2) EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	1Q 2021	1Q 2020	Var. %
BARCELONA			
Vacant space ERV	3	1	
Portfolio ERV	54	58	
EPRA Vacancy Rate Barcelona	**5%**	**2%**	*3 pp*
MADRID			
Vacant space ERV	2	3	
Portfolio ERV	92	101	
EPRA Vacancy Rate Madrid	**3%**	**2%**	*0 pp*
PARIS			
Vacant space ERV	10	3	
Portfolio ERV	167	178	
EPRA Vacancy Rate Paris	**6%**	**2%**	*4 pp*
TOTAL PORTFOLIO			
Vacant space ERV	15	7	
Portfolio ERV	313	337	
EPRA Vacancy Rate Total Office Portfolio	**5%**	**2%**	*3 pp*

EPRA Vacancy Rate - Total Portfolio

€m	1Q 2021	1Q 2020	Var. %
BARCELONA			
Vacant space ERV	3	1	
Portfolio ERV	56	60	
EPRA Vacancy Rate Barcelona	**5%**	**2%**	*3 pp*
MADRID			
Vacant space ERV	2	3	
Portfolio ERV	92	101	
EPRA Vacancy Rate Madrid	**3%**	**3%**	*0 pp*
PARIS			
Vacant space ERV	12	4	
Portfolio ERV	204	219	
EPRA Vacancy Rate Paris	**6%**	**2%**	*4 pp*
LOGISTIC & OTHERS			
Vacant space ERV	-	2	
Portfolio ERV	4	11	
EPRA Vacancy Rate Total Portfolio	**0%**	**16%**	*(16 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	17	9	
Portfolio ERV	356	391	
EPRA Vacancy Rate Total Portfolio	**5%**	**2%**	*2 pp*

Annualized figures

8. Glossary & Alternative Performance Measures

Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the basic number of shares
BD	Business District
Market capitalisation	The value of the company's capital obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation.
CBD	Central Business District (prime business area). Includes 22@ market in Barcelona.
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property/surfaces with the capacity to generate rents at the closing date of the report
EBIT	Calculated as the operating profit plus variance in fair value of property assets as well as variance in fair value of other assets and provisions.
EBITDA	Operating result before net revaluations, disposals of assets, depreciations, provisions, interests, taxes and exceptional items.
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV excl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs.
GAV incl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs.
GAV Parent Company	Gross Asset Value of directly held assets + Value JV Plaza Europa + NAV of 81.7% stake in SFL + Value of treasury shares
Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.

IFRS	International Financial Reporting Standards, which correspond to the *Normas Internacionales de Información Financiera (NIIF).*
JV	Joint Venture (association between two or more companies).
Like-for-like valuation	Data that can be compared between one period and another (excluding investments and disposals).
LTV	Loan to Value (Net financial debt/GAV of the business).
EPRA Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave. Calculation based on EPRA Best Practices guidelines.
EPRA NTA	EPRA Net Tangible Assets (EPRA NTA) is a proportionally consolidated measure, representing the IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the mark-to-market on the convertible bonds, the carrying value of intangibles as well as deferred taxation on property and derivative valuations. It includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options.
EPRA NDV	EPRA Net Disposal Value (EPRA NDV) represents NAV under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
Physical Occupancy	Percentage: occupied square meters of the portfolio at the closing date of the report/surfaces in operation of the portfolio
Financial Occupancy	Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices/surfaces in operation at market rental prices).
EPRA Vacancy	Vacant surface multiplied by the market rental prices/surfaces in operation at market rental prices. Calculation based on EPRA Best Practices guidelines.

Reversionary potential	This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and refurbishments are excluded.
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
SFL	Société Foncière Lyonnaisse
Take-up	Materialized demand in the rental market, defined as new contracts signed
Valuation Yield	Capitalization rate applied by the independent appraisers in the valuation
Yield on cost	Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure.
Yield occupancy 100%	Passing rents + vacant spaces rented at the market prices/market value
EPRA net initial yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield, eliminating the negative impact of the lower rental income
Gross Yield	Gross rents/market value excluding transfer costs
Net Yield	Net rents/market value including transfer costs
€m	In millions of euros

Alternative performance measures

Alternative performance measure	Method of calculation	Definition/Relevance
EBIT ***(Earnings before interest and taxes)***	Calculated as the “Operating profit” plus “Changes in the value of property investments” and the “Profit/(loss) due to changes in the value of assets”	Indicates the Group’s capacity to generate profits, only taking into consideration its economic activity, less the effect of debt and taxes.
EBITDA **(*Earnings Before Interest, Taxes, Depreciation and Amortization*)**	Calculated as the “Operating profit” adjusted by “Depreciation/Amortization” and “Net changes in provisions”	Indicates the Group’s capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, and the effect of debt and taxes.
Gross financial debt	Calculated as the total of all items under “Bank borrowings and other and other financial liabilities” and “Issues of debentures and similar securities”, excluding “Interest (accrued), “Origination fees” and “Other financial liabilities” from the consolidated statement of financial position.	Relevant figure for analysing the financial situation. .
EPRA[1] NTA **(EPRA Net Tangible Asset)**	Calculated based on the Company’s capital and reserves, adjusting certain items in accordance with EPRA recommendations.	Standard analysis ratio in the real estate sector and recommended by EPRA.
EPRA[1] NDV **(EPRA Net Triple Asset)**	Calculated adjusting the following items in the EPRA NTA: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax credit recognized in the balance sheet, considering a going concern assumption	Standard analysis ratio in the real estate sector recommended by EPRA
Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs	Measurement of the totality of the Group’s asset portfolio carried out by independent appraisers of the Group, less transaction or transfer costs.	Standard analysis ratio in the real estate sector.
Market value including transaction costs or GAV including Transfer costs	Measurement of the totality of the Group’s asset portfolio carried out by external appraisers of the Group, before deducting the transaction or transfer costs.	Standard analysis ratio in the real estate sector.

(1) EPRA (*European Public Real Estate Association*) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

Alternative performance measure	Method of calculation	Definition/Relevance
Like-for-like rental income	Amount of the rental income included in the item "Revenues" comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded, as well as the income deriving from assets included in the projects and refurbishments portfolio and other atypical adjustments (for example, penalties for early termination of rental contracts).	It enables a homogeneous comparison of the evolution of rental income of an asset or group of assets.
Like-for-like measurement	Market measurement (valuation) amount, excluding transaction costs, or market valuation, including transaction costs, comparable between two periods. To obtain the calculation, the rental income coming from investments or disposals carried out between both periods is excluded.	It enables a homogenous comparison of the evolution of the market valuation of the portfolio.
Loan to Value, Group or LTV Group	Calculated as the result of dividing the gross financial debt (reduced by the amount in the item "Cash and cash equivalents") by the market valuation including the transaction costs of the Group's asset portfolio plus the treasury shares of the Parent Company at Nav value.	It enables the analysis of the ratio between the net financial debt and the valuation of the Group's asset portfolio.
LTV Holding or LTV Colonial	Calculated as the result of dividing the gross financial debt (less the amount in the item "Cash and cash equivalents") of the Parent Company and 100% owned subsidiary companies by the market valuation, including transaction costs, of the parent company's asset portfolio and the EPRA NAV of all financial stakes in subsidiary companies.	It enables the analysis of the ratio between the net financial debt and the valuation of the parent company's asset portfolio.

9. Contact details & Disclaimer

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Capital Market registry data – Stock market

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ISIN code: ES0139140042
Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe and FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600.

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