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### **OTRA INFORMACIÓN RELEVANTE**

Como continuación a la comunicación de información relevante publicada con fecha 26 de julio de 2021 con número de registro 10808, Colonial remite documentación de soporte a la presentación a analistas e inversores relativa a los resultados correspondientes al primer semestre de 2021, que se celebrará hoy jueves día 29 de julio de 2021 a las 18:30 horas (CET) a través de un webcast.

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Adicionalmente, la presentación de resultados estará disponible en la página web de la Sociedad.

En Madrid, a 29 de julio de 2021.

July 29<sup>th</sup>, 2021



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- 01 Highlights
- 02 Market Update
- 03 Operational performance
- 04 Financial performance
- 05 ESG Performance - Decarbonization
- 06 Reloading Growth & Value Creation
- 07 Conclusion & Outlook

PRESENTING MANAGEMENT TEAM

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**Pere Viñolas**  
Chief Executive Officer



**Carmina Ganyet**  
Corporate Managing Director



**Carlos Krohmer**  
Chief Corporate Development Officer



*Return to solid growth through Prime Positioning*

## Return to solid growth through Prime Positioning



### STRONG FIRST HALF 2021 RESULTS

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- > Net Tangible Assets (EPRA NTA) up to 11.36 €/share (€5,774m)
- > Net Reinstatement Value of 12.33 €/share
- > NTA growth with +3% Total Return in 6 months
- > Group Net Profit of €162m, +€188m vs. previous year
- > Gross Asset Value of €12.0bn, +3% like-for-like (Paris+5%)
- > Net Rental Income of €143m, +2% like-for-like (Paris +5% like for like)
- > Recurring EPS of €11.14cts, *below the previous year due to Disposals & Renovation Program acceleration*
- > Recurring EPS like for like of €16.37cts in line with the previous year

### SOLID OPERATIONAL PERFORMANCE

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- > Significant increase in letting volume, +42% vs the previous year
- > Office occupancy at healthy 95%
- > Strong rental Growth
  - +14% release spread (+25% in Barcelona)
  - + 6% vs ERV 12/20 (+8% in Paris)

### CAPITAL RECYCLING WITH FLIGHT TO QUALITY

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- > Completion of the disposal program with double digit premium on GAV
- > Increased exposure of €1bn in Prime Paris through Alpha VI
- > Improved debt profile through successful liability management
- > €625m of new debt issuance at historical low coupon
- > Strong Balance Sheet with LTV of 34.6% and €2,438m of liquidity

## 01 Highlights

### Solid results – back to growth through prime positioning

- > Recurring EPS of €11.14cts/share, lower than the previous year
- > Solid Capital Value Growth (GAV), thereof +5% like-for-like in Paris

Total Annual Return - € per share	06/21	6M	YoY
<b>TOTAL SHAREHOLDER RETURN</b>		<b>+2.8%</b>	<b>+3.4%</b>
Net Tangible Assets (NAV) - €/share growth	11.36	+0.8%	+1.5%

Strong Capital Value Growth (GAV)	06/21	6M	YoY
<b>Group like-for-like</b>	€12,017m	<b>+2%</b>	<b>+3%</b>
Paris like-for-like		+2%	+5%
Barcelona like-for-like		+4%	+2%
Madrid like-for-like		+3%	+2%

Profit & Loss - €m	06/21	YoY
Gross Rental Income	€155m	+2% LFL
Net Rental Income	€143m	+2% LFL
<b>Group Net Profit</b>	<b>€162m</b>	<b>+€188m</b>

<b>Recurring EPS</b>	<b>€11.14Cts/share</b>	<b>(31%)</b>
<b>Comparable Recurring EPS</b>	<b>€16.37Cts/share</b>	<b>+0.8%</b>

Balance sheet - €m	06/21	YoY
GAV Group	€12,017m	+3% LFL
EPRA NTA (NAV)	€5,774m	+1.5%

A solid capital structure	06/21
LTV	34.6%
Liquidity	€2,438m
Rating S&P	BBB+ Stable
Moody's	Baa2 Stable Outlook

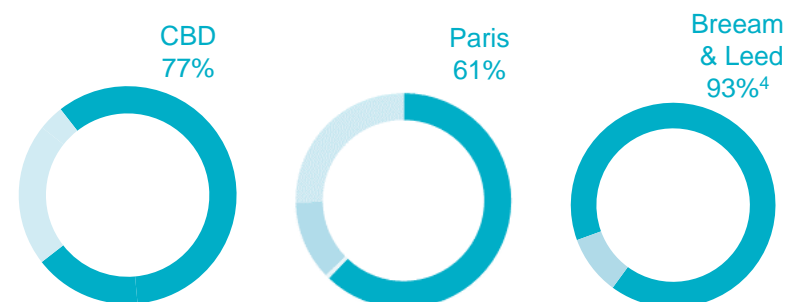


## Solid fundamentals driving top line

- > Solid NRI Like for Like growth of +2%
- > Double digit Release Spread & Superior Rental Growth
- > Strong CBD positioning with solid Paris exposure

Solid Fundamentals		06/21
Volume of sq m signed		59,784
YoY Variance		+42%
<b>EPRA Vacancy</b>		<b>5.0%</b>
Office Collection Rate H1 21		100%
Total Collection Rate H1 21		98%
<b>Outstanding GRI like for like</b>	<b>06/21</b>	<b>YoY</b>
<b>Group like-for-like<sup>3</sup></b>	<b>€155m</b>	<b>+2%</b>
Paris like-for-like <sup>3</sup>		+3%
Madrid like-for-like <sup>3</sup>		+0.4%
Barcelona like-for-like <sup>3</sup>		(0.6%)
<b>Outstanding NRI like for like</b>	<b>06/21</b>	<b>YoY Var</b>
<b>Group like-for-like<sup>3</sup></b>	<b>€143m</b>	<b>+2%</b>
Paris like-for-like <sup>3</sup>		+5%
Madrid like-for-like <sup>3</sup>		+0.3%
Barcelona like-for-like <sup>3</sup>		(4.8%)

## Unparalleled Prime Positioning



## Capturing Rental Price Increases

Double-digit release Spread <sup>1</sup>		+14%
Barcelona		+25%
Madrid		+9%
Paris		+1%
Strong rental growth <sup>2</sup>		+6%
Barcelona		+2%
Madrid		+6%
Paris		+8%

(1) Rental prices signed vs previous rents

(2) Rental prices signed vs ERV 12/20

(3) EPRA like-for-like variance based on EPRA BPR methodology

(4) Office portfolio in operation with Leed & Bream certificates



## Rental Markets - Scarcity of High Quality Product in CBD

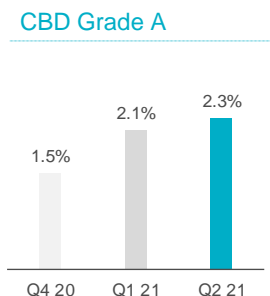
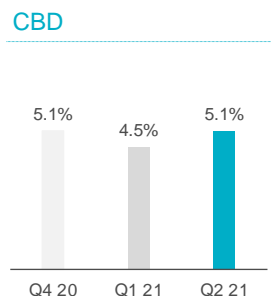
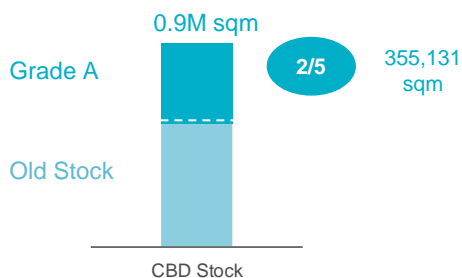
- > Scarcity in Grade A maintains Prime rents stable
- > Take-up with recovery on grade A assets
- > Secondary markets with correction on rents and incentives

Stock CBD as of Q1 2021

Vacancy CBD as of Q4 2020 and Q1&Q2 2021

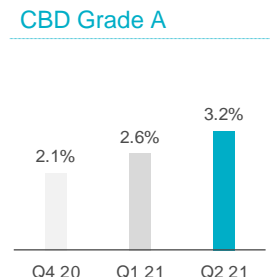
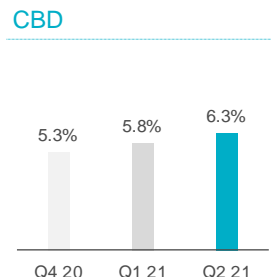
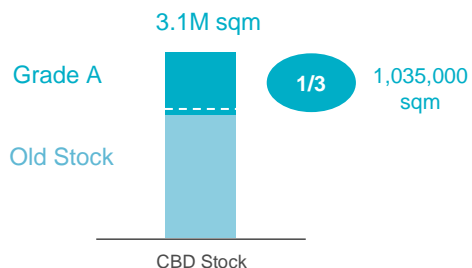
Highlights

BARCELONA



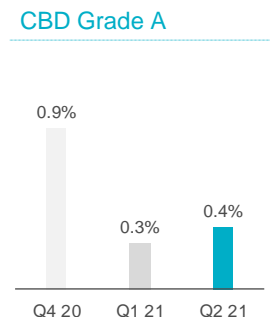
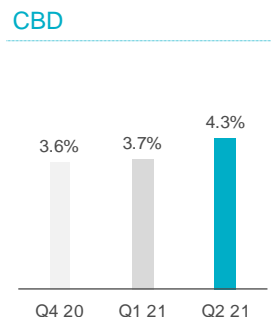
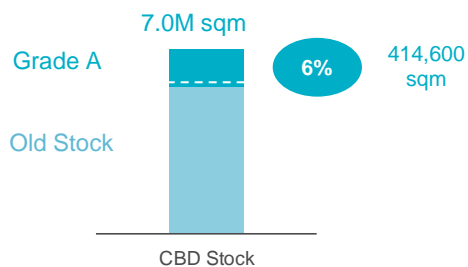
- > **112,000 sqm take-up for 1H21, +42% y-o-y**
- > 72% of take-up concentrated in CBD/22@
- > Scarcity of prime Grade-A maintains **Prime Rents at €27/sq m/month**

MADRID



- > 160,000 sqm take-up for 1H21, +7% year on year
- > Technology & Consumer Good companies with more than 50% of total take-up
- > Rents in areas outside M30 under pressure
- > **Stable prime rents at levels of €36/sq m/month**

PARIS

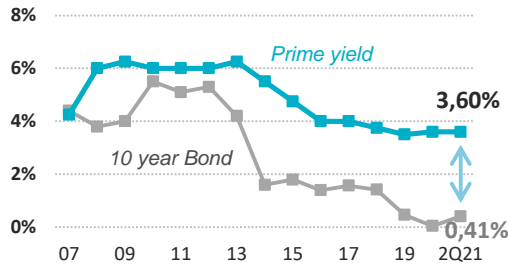


- > **765,000 sqm take-up for 1H21, +14% y-o-y**
- > **CBD Take-up increasing + 30% year on year**
- > Scarcity of Grade A availability in CBD (below 1%)
- > **Prime rent at levels of €920/sq m/year**

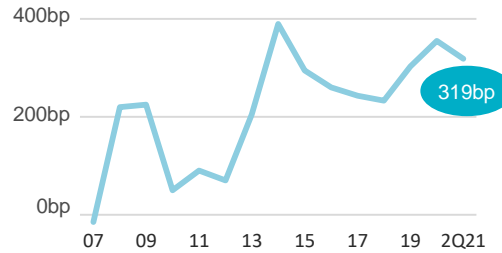
# Investment market - Prime Product in the CBD with solid valuationn levels

BARCELONA

PRIME YIELDS (1)



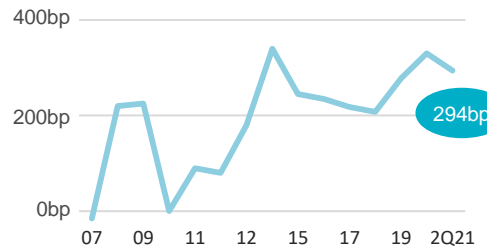
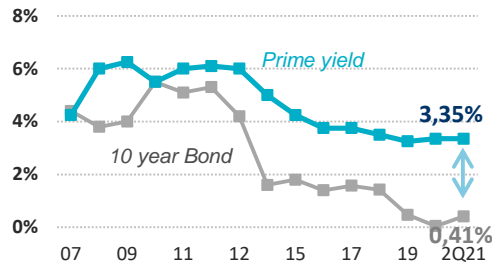
SPREAD VS 10Y BOND



HIGHLIGHTS

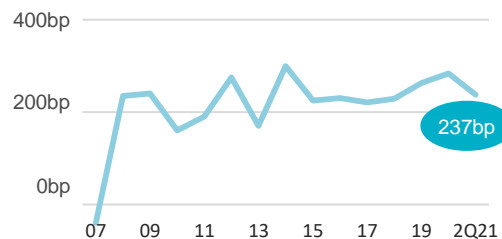
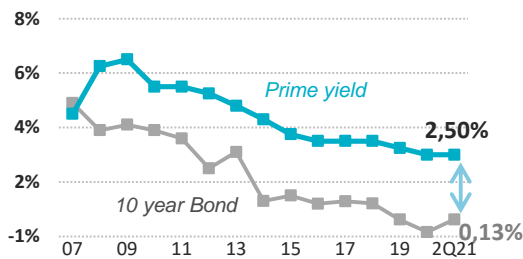
- > Record Investment volume 1H YTD with €700m Including deals under negotiation, close to €1bn
- > Ongoing momentum of international investors
- > 80% of Spanish Office Investments
- > Prime yield at 3.60%, with very healthy spread of 319bp vs reference rate

MADRID



- > Limited activity due to lack of good product on the market
- > Investor interest with increasing momentum for prime assets in CBD
- > Prime yield at 3.35%  
Attractive spread of 294 bp vs reference rate  
Spread of 200 bp above 10-year average

PARIS



- > Total investment volume Pairs of €5.3bn YTD, 63% of transaction in office segment
- > Segment with assets above €50-100m with €1.2bn of investment volume, +37% YoY
- > Investor interest remains high for CBD assets, but lack of available product
- > Prime yield at 2,5%, 240 bp of spread

(1) Market consultants in Spain report gross yields and in France they report net yields 10 year Bond as of 31 December 2020



*High quality CBD portfolio with superior performance*

### 03 Operational performance

## Outstanding leasing activity in H1 2021

	LETTING VOLUME SQM			KPIs H1 2021				
	H1 2020	H1 2021	YoY	MAX. RENT	RELEASE SPREAD <sup>1</sup>	ERV GROWTH <sup>2</sup>	MATURITY (years) <sup>3</sup>	EPRA VACANCY <sup>4</sup>
<b>BARCELONA</b> 	20,744	24,646	+19%	28 €/sqm/m	+25%	+2%	6 years	7.6%
<b>MADRID</b> 	5,839	17,825	+205%	35 €/sqm/m	+9%	+6%	6 years	5.2%
<b>PARIS</b> 	15,664	17,313	+11%	930 €/sqm/y	+1%	+8%	11 years	3.9%
<b>TOTAL</b> 	42,247	59,784	+42%		+14%	+6%	9 years	4.9%

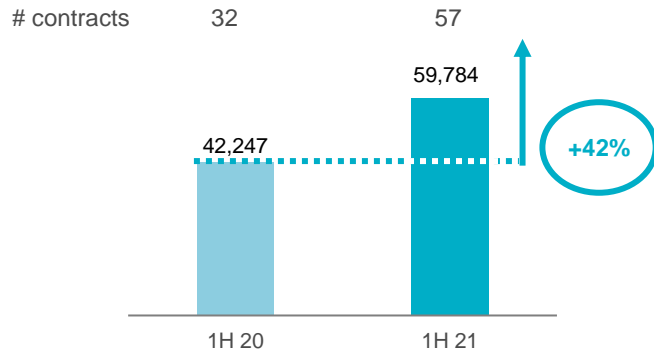
(1) Rental prices signed vs previous rents  
 (2) Signed rents vs 12/20 ERV (new lettings & renewals)  
 (3) Maturity until expiry of the contract  
 (4) Financial vacancy calculated according to EPRA methodology – Office Portfolio

## Letting activity remains strong in 1H 2021

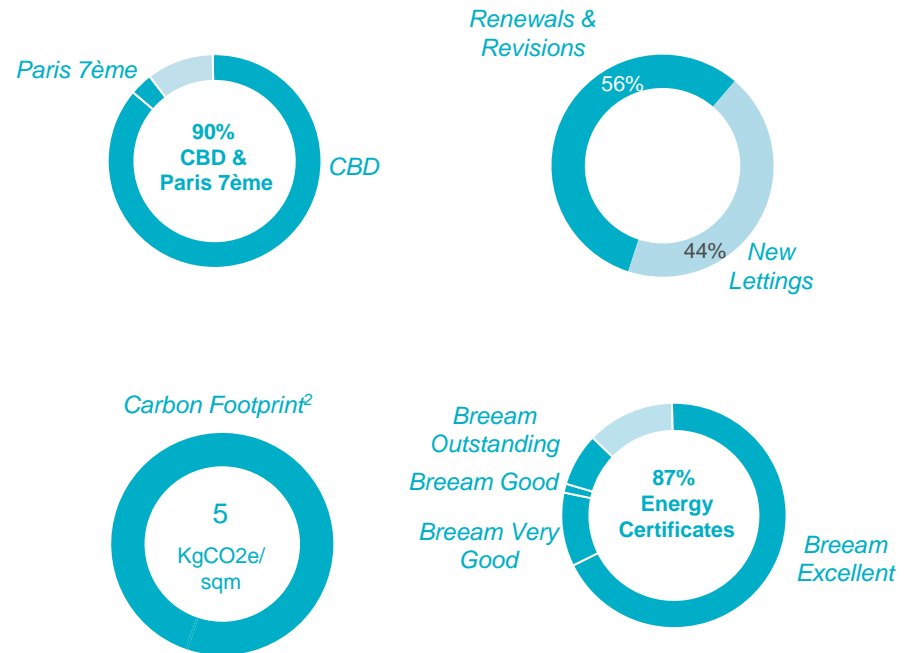
- > Colonial with strong letting activity, +42% on previous year (+71% in economic terms)
- > Letting activity focused on CBD assets with high Energy Certificates
- > Solid mix between renewals and new lets

### LETTING ACTIVITY REMAINS SOLID IN 1H 2021

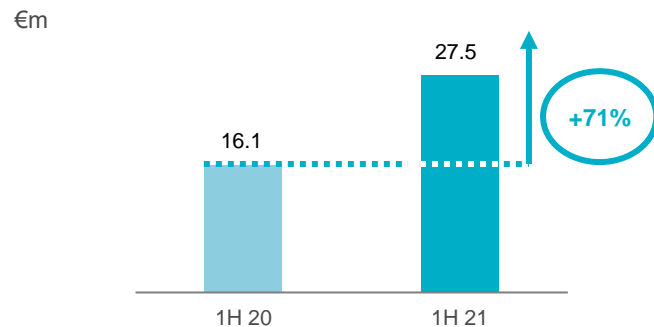
#### SQM SIGNED



#### LETTING PERFORMANCE



#### GRI SECURED<sup>1</sup>



(1) Annualized figures of signed contracts

(2) GHG Intensity of Scope 1 + 2

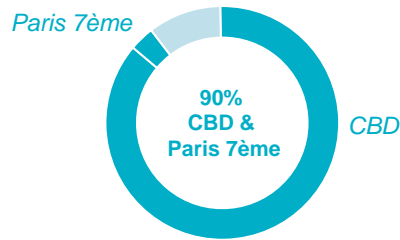
### 03 Operational performance

## Rental growth remains solid

- > Releases Spreads remain at double digit levels
- > Barcelona with +25% and Madrid with +9% release spread
- > Signed Prices +6% above ERVs, Paris with outstanding +8% vs ERV

#### COLONIAL PRODUCT SIGNED

Breakdown per segment



Carbon Footprint<sup>3</sup>



#### RELEASE SPREAD<sup>1</sup>

	1Q 21	2Q 21	1H 21
BARCELONA	+21%	+33%	+25%
MADRID	+18%	+2%	+9%
PARIS	+7%	+1%	+1%
TOTAL	+20%	+8%	+14%

#### GROWTH ON SIGNED RENTS<sup>2</sup>

	1Q 21	2Q 21	1H 21 <sup>3</sup>
BARCELONA	+0.5%	+4%	+2%
MADRID	+3%	+10%	+6%
PARIS	+11%	+7%	+8%
TOTAL	+3%	+7%	+6%

(1) Signed rents vs previous contracts (renewals)  
 (2) Signed rents vs 12/20 ERV (new lettings & renewals)  
 (3) GHG Intensity of Scope 1 + 2



**03 Operational performance**  
 Rental Price levels remain solid during

**RELEASE SPREAD<sup>1</sup>**

Washington Plaza



+3%

Diagonal 682



+40%

Diagonal, 609



+47%

Illacuna



+25%

Cézanne Saint-Honoré



+7%

Castellana, 52



+14%

**GROWTH ON SIGNED RENTS<sup>2</sup>**

Washington Plaza



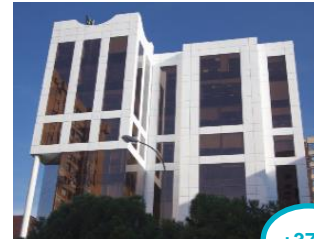
+70%

Génova, 17



+11%

Arturo Soria, 336



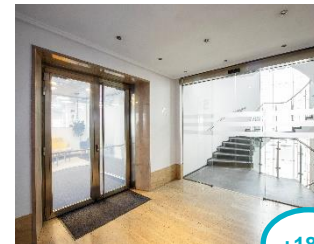
+37%

Puerto de Somport, 8



+32%

Cézanne Saint-Honoré



+18%

Washington Plaza



+31%

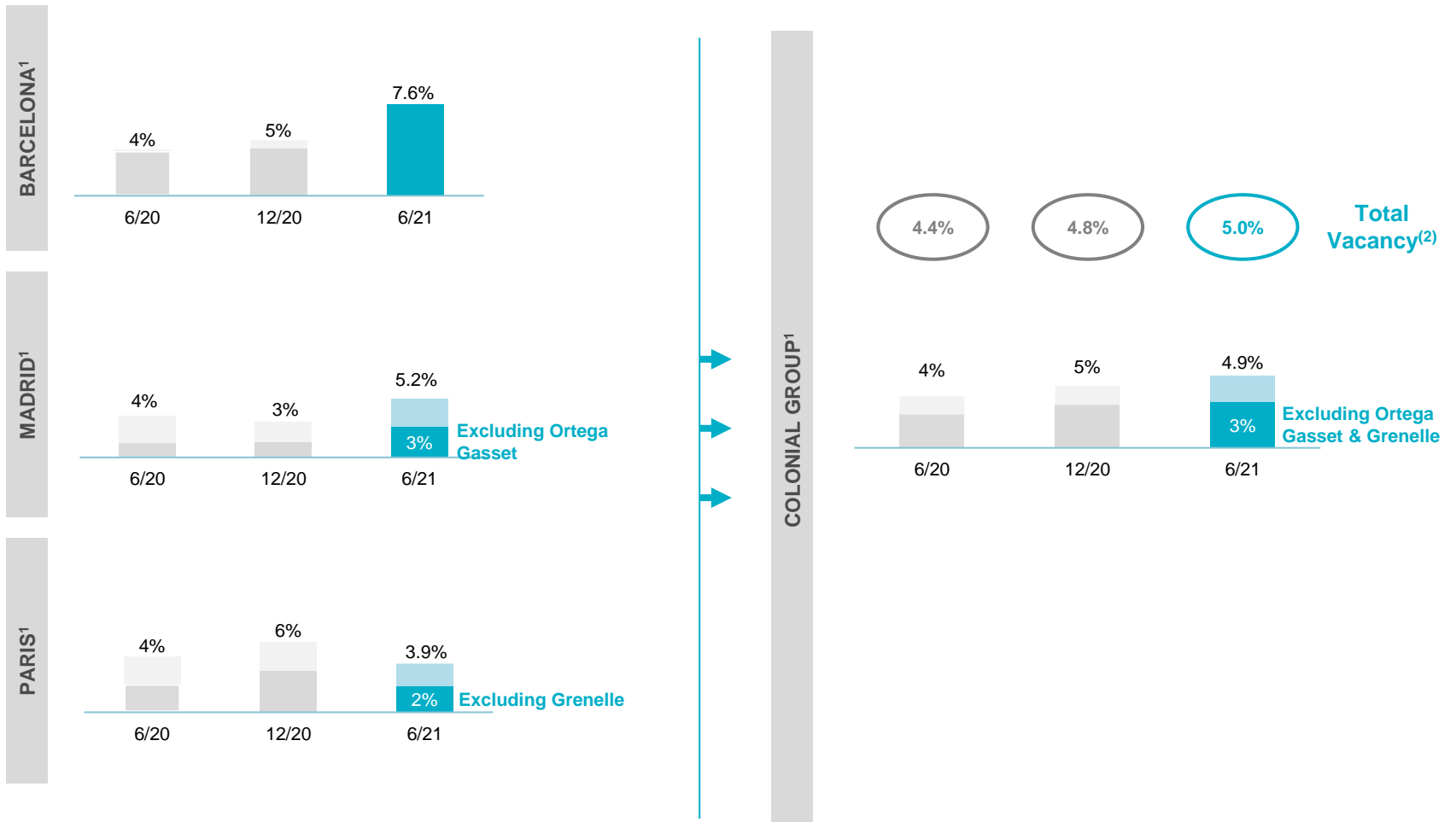
(1) Signed rents vs previous contracts (renewals)  
 (2) Signed rents vs 12/20 ERV (new lettings & renewals)

### 03 Operational performance

## Vacancy at very healthy levels in every segment

- > Office portfolio vacancy at a healthy 4.9% level (3% excluding Grenelle & Ortega y Gasset)
- > Temporary increase in Barcelona vacancy offset by Paris improvement
- > Paris at 1.9% excluding 103 Grenelle entry into operation

### EPRA VACANCY



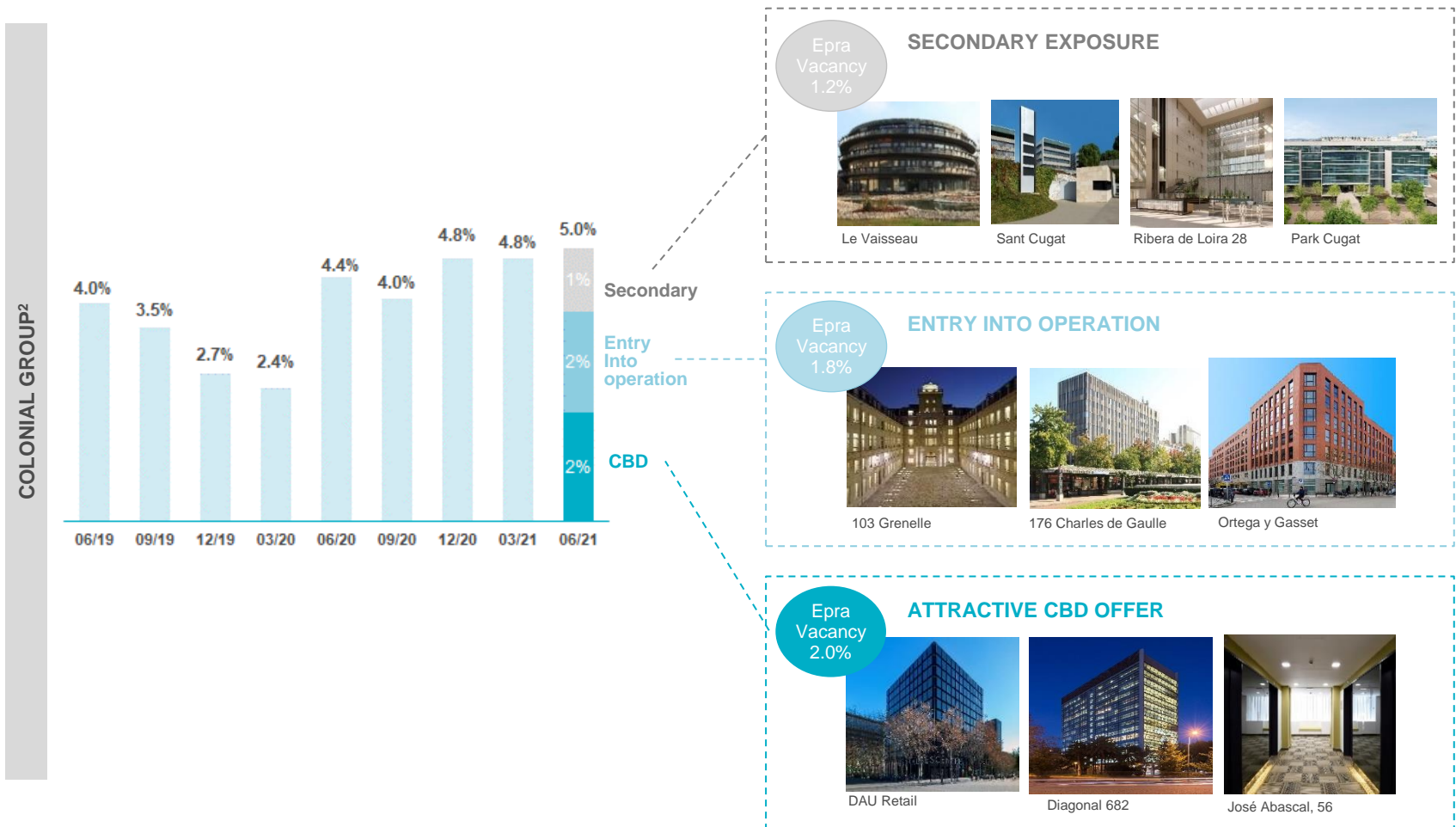
(1) EPRA Vacancy office portfolio  
(2) EPRA Vacancy including all uses

### 03 Operational performance

## Occupancy stability in the portfolio

- > Total vacancy remains at levels of 5.0%
- > 3.0% vacancy due to entries into operation and residual secondary exposure
- > Attractive offer in CBD Barcelona & Madrid

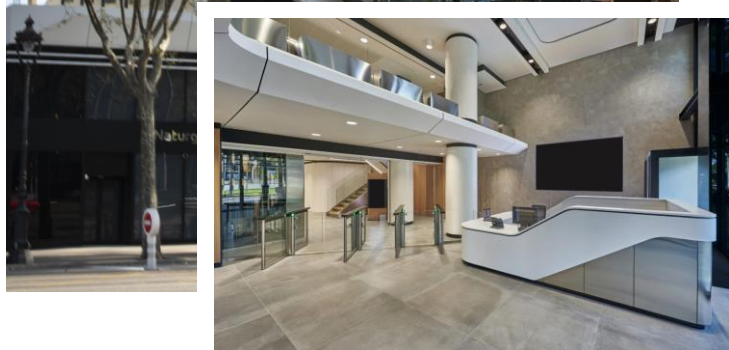
### EPRA VACANCY



(1) EPRA Vacancy including all uses

## Additional reversion through projects & renovation program

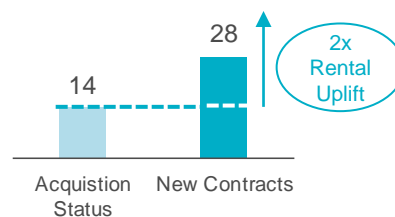
- > Full refurbishment increasing efficiency and reducing carbon footprint
- > New AAA tenant signing passing rent doubling the rent before project
- > +30% of Capital Value Gain on Total Cost<sup>1</sup>



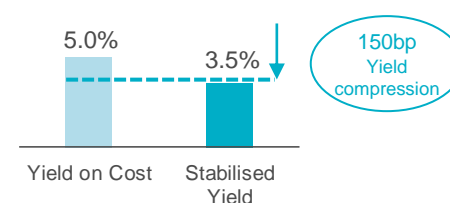
### Project Delivery

- > Off-market acquisition at good pricing
- > Full refurbishment increasing floors lay-out efficiency
- > Increased cost efficiency ratio with triple net contracts
- > Leed Gold certified, reducing carbon footprint
- > Fully let with 10-year mandatory contract with AAA BlueChip Utility

### Strong Rental Uplift



### Created Yield Compression



**+30% of Capital Value Gain on Total Cost<sup>1</sup>**

<sup>1</sup> Total Cost = Acquisition Cost + total Capex invested



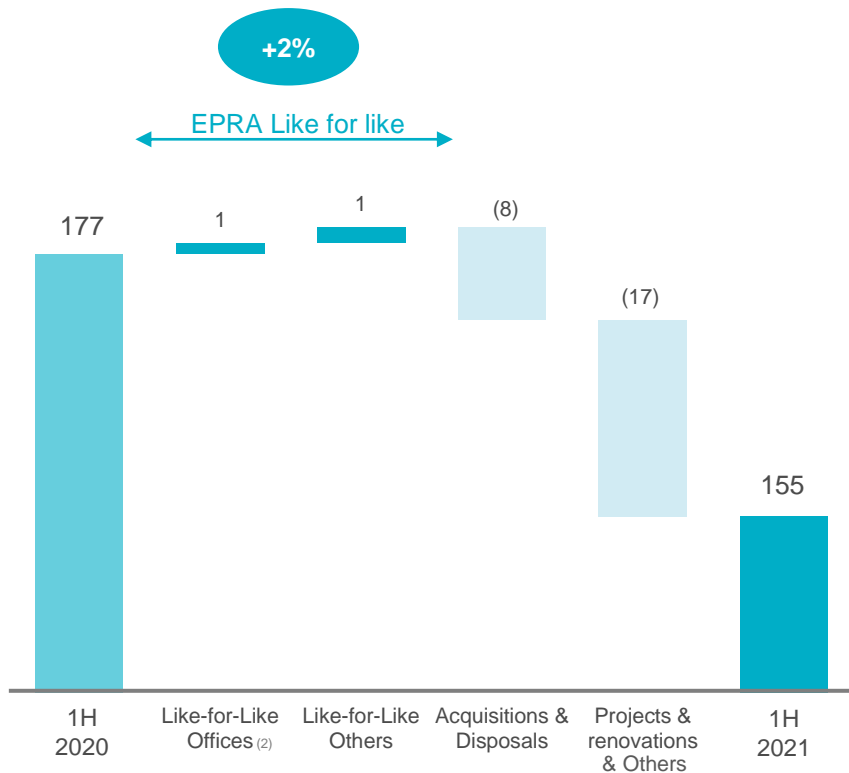
*Solid financials underpinned by high quality assets*

## 04 Financial performance

### Top line stable in like for like terms

- > Gross Rental Income +2% like for like
- > Strong performance in Paris offsetting temporary correction in Barcelona
- > Barcelona with temporary volume impact

#### GROSS RENTAL INCOME - €m



	TOTAL	EPRA like-for-like <sup>1</sup>	Acquisitions & Disposals	Projects & renovations
PARIS	(7%)	+1%	(3%)	(5%)
MADRID	(21%)	+0.4%	(3%)	(19%)
BCN	(12%)	(0.6%)	(6%)	(5%)
OFFICES <sup>2</sup>	(13%)	+1%	(3%)	(10%)
OTHERS <sup>3</sup>	(16%)	+41%	(57%)	0%
GROUP	(13%)	+2%	(5%)	(9%)

1) Like-for-like calculated following EPRA BPR recommendations

2) Office Portfolio including Retail Prime CBD of Galeries des Champs Elysées and Pedralbes Centre

3) Logistic Portfolio, Axiare Retail Secondary and Hotel Indigo in Paris

Like-for-like rental growth price driven

- > Like-for-like growth driven by rental price increases
- > Group rental price like for like variance at +1.6%
- > Barcelona and Madrid Offices rental price like for like variance at +1.9%

GROSS RENTAL INCOME - €m

SOLID EPRA LIKE-FOR-LIKE VARIANCE

OFFICES GROSS RENTAL INCOME

LIKE-FOR-LIKE OF +2%

- > Paris with +1.2% like-for-like  
*Rental Price like for like at +1.3%*  
*Volume impact due to Business Centers*
- > Madrid with +0.4% like-for-like  
*Rental Price like for like effect at +1.9%*
- > Barcelona with (0.6%) like-for-like  
*Rental Price like for like effect at +1.9%*

	EPRA like-for-like <sup>1</sup>	Price	Volume
OFFICES <sup>2</sup> TOTAL	+1.6	+1.6%	(0.0%)
	+0.7%	+1.6%	(0.9%)
PARIS	+1.2%	+1.3%	(0.2%)
MADRID	+0.4%	+1.9%	(1.5%)
BCN	(0.6%)	+1.9%	(2.5%)

<sup>1</sup> Like-for-like variance calculation based on EPRA best practice methodology

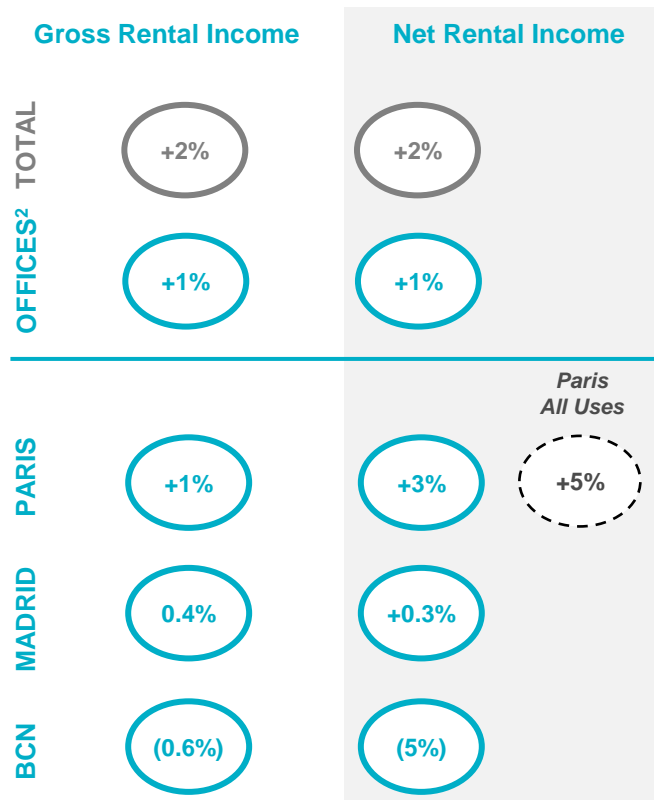
<sup>2</sup> Office portfolio + Prime retail in Champs Elysées and Pedralbes Centre

Net Rental Income at +2% like for like

- > Net Rental Income +2% like for like
- > Paris with +5% Net Rental Income
- > Strong Paris performance offsetting temporary correction in Barcelona

LIKE-FOR-LIKE VARIANCE<sup>1</sup> – NRI

LFL IN NET RENTAL INCOME FURTHER STRENGTHENED



NET RENTAL INCOME – LIKE-FOR-LIKE OF +2%

- > Paris total portfolio with a significant increase of +5% like-for-like in Net Rental Income
  - Offices at +3% like for like
  - Additional positive like for like driven by reopening of Hotel Indigo

<sup>1</sup> Like-for-like variance calculation based on EPRA best practice methodology

<sup>2</sup> Office portfolio + Prime retail of Galeries Champs Elysées and Dau Pedralbes

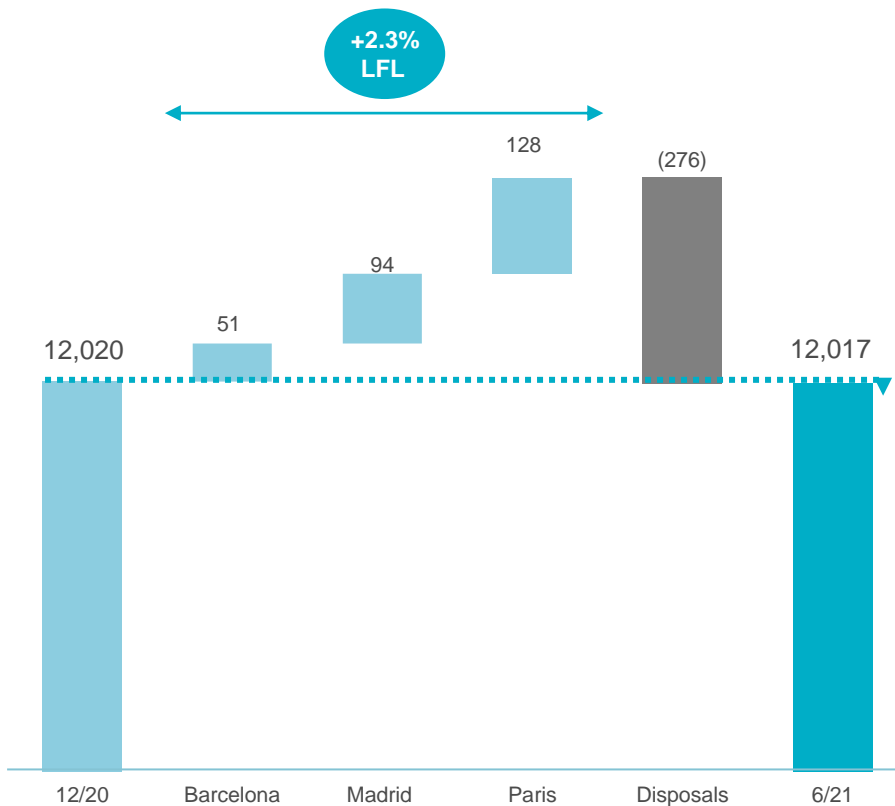


## 04 Financial performance

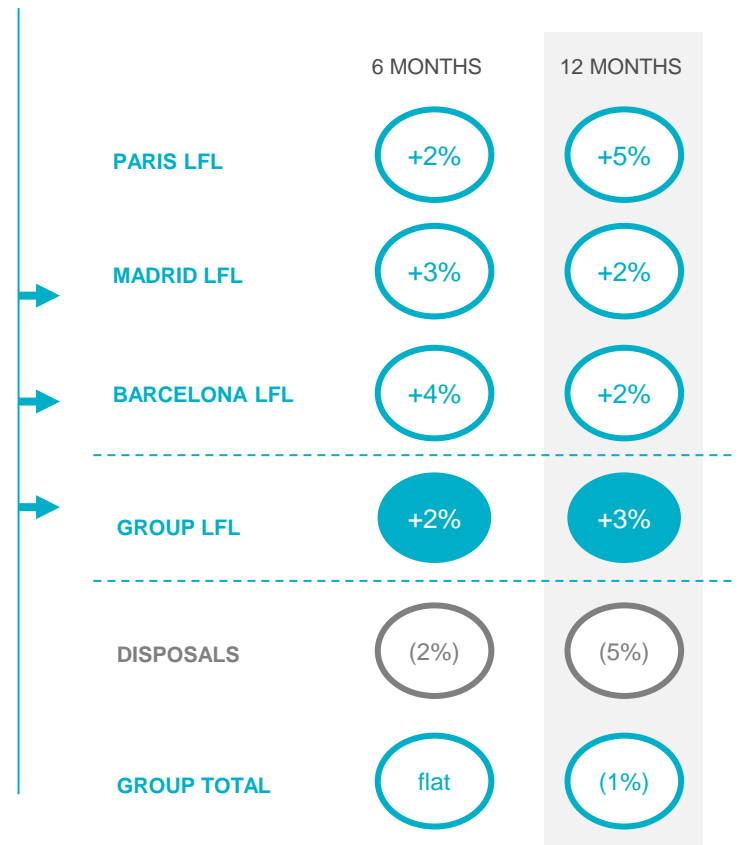
### Solid Asset Value Growth in every segment

- > Solid +3% YoY like for like growth
- > Paris with outstanding +5% like for like YoY growth
- > Strong 1H momentum of Spanish portfolio: Barcelona +4% lfl & Madrid +3% lfl

GAV 1H 2021 GROWTH – 1H 2021



GAV VARIANCE

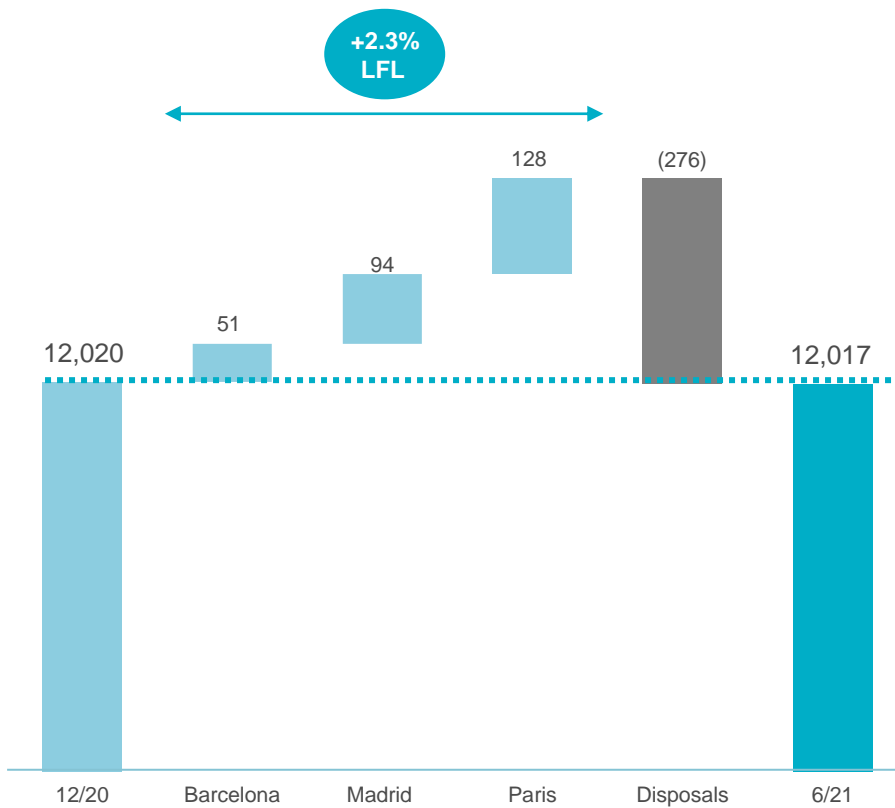


## 04 Financial performance

### Solid Capital Value Performance in every segment

- > +2.3% like for like Capital Value Growth in 6 months
- > Barcelona and Madrid with accelerating momentum
- > Strong Alpha component based on Prime Factory Delivery

GAV 1H 2021 GROWTH – 1H 2021



LIKE FOR LIKE VARIANCE 1H 2021

	1H 2021	Project delivery	Yield	ERV	Other impacts
PARIS	+1.8%	+2.3%	(0.1%)	+0.3%	(0.8%) <sup>1</sup>
MADRID	+3.1%	+2.3%	+1.0%	(0.8%)	+0.6%
BARCELONA	+3.5%	+1.9%	+0.7%	flat	+0.9%
GROUP LFL	+2.3%	+2.2%	+0.3%	flat	(0.2%)
NET DISPOSALS	(2.3%)				
GROUP TOTAL	flat				

<sup>1</sup>Mainly due to change of transfer taxes on entiries into operation of delivered projects

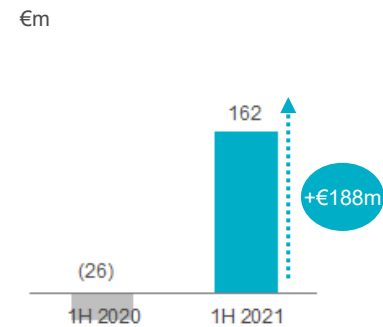
Solid profitability with enhanced quality

- > Group Net Profit of €162m, +€188m
- > Recurring Profit impacted by disposals & renovation program acceleration
- > Comparable Recurring EPS of 16,3 €cts/share in line with previous year levels

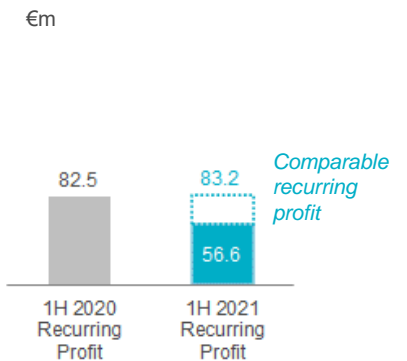
PROFIT & LOSS ACCOUNT

Results analysis - €m	1H 2021	1H 2020
Gross Rents	155	177
Recurring EBITDA	122	146
Recurring financial result	(43)	(42)
Income tax expense & others - recurring	(7)	(5)
Minority interests - recurring	(16)	(17)
<b>Recurring Earnings</b>	<b>57</b>	<b>83</b>
Asset revaluation & Capital Gains	147	(105)
Non-recurring financial result & MTM	(27)	(3)
Income tax & others - non-recurring	(4)	(3)
Minority interests - non-recurring	(11)	2
<b>Profit attributable to the Group</b>	<b>162</b>	<b>(26)</b>
<hr/>		
Recurring Earnings - €m	57	83
Nosh (mm)	508	508
<b>EPS recurring - Cts€/share</b>	<b>11.14</b>	<b>16.24</b>

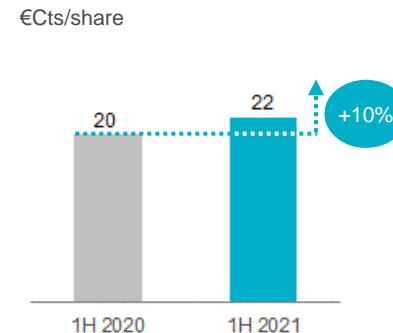
GROUP NET PROFIT



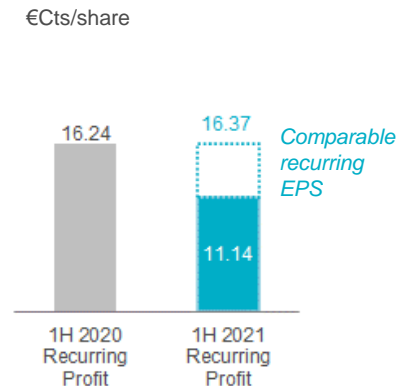
RECURRING EARNINGS



DPS PER SHARE



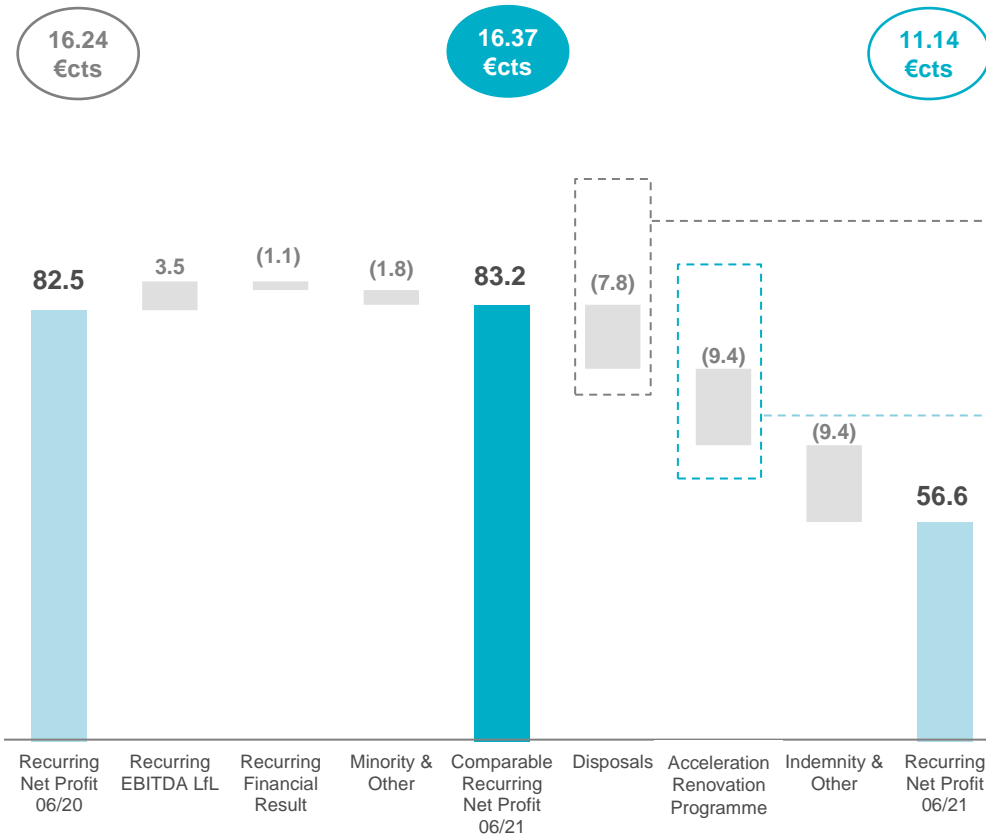
EPS RECURRING



Comparable EPS stable – flight to quality & reloading growth

- > EPS decrease mainly due to disposals, acceleration of renovation program and indemnities in previous year
- > Comparable Recurring EPS of 16,3 €cts/share in line with previous year levels
- > Disposals of non-core - reloading growth through capital recycling

RECURRING EARNINGS – VARIANCE ANALYSIS



**Offloading Secondary Assets**

**Acceleration of Renovation Program**

## 04 Financial performance

### Improving Group's debt positioning

- > Improved debt profile through successful liability management
- > Issuance of €625m<sup>1</sup> 8 years bond, 3x oversubscribed by high quality accounts
- > Issuance at 0.75% coupon, the lowest coupon in the history of the Colonial Group

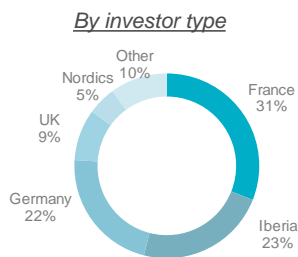
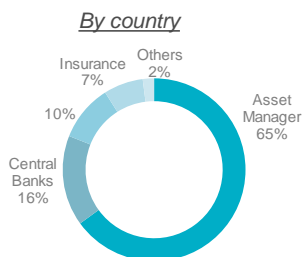
#### LIABILITY MANAGEMENT

##### 1. Repurchase of 612m in 2023-2024 maturity bonds

- > Buy-back of €306m bonds maturing in 2023 with a coupon of 2.728%
- > Buy-back of €306m bonds maturing in 2024 with a coupon of 1.45%

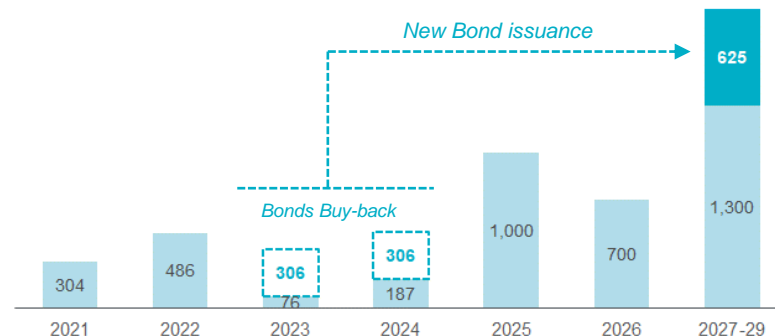
##### 2. Successful €625m<sup>1</sup> issuance in bond market

- > Colonial issued €625m<sup>1</sup> of new bond
- > 8-year bond, maturing in 2029
- > New Bond with an annual 0.75% fixed coupon
  - The lowest coupon in the history of the Group
  - The lowest coupon in Spain for a REIT
- > Strong demand with 3x oversubscription lead by Institutional investors



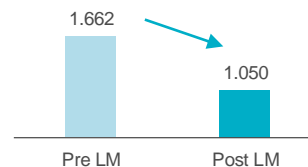
#### IMPROVED DEBT PROFILE

##### Drawn Group Debt in €m



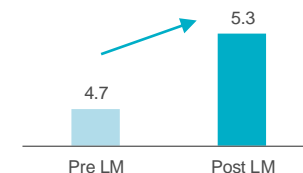
##### Debt Maturing until 2024

in €m



##### Average Maturity

in years

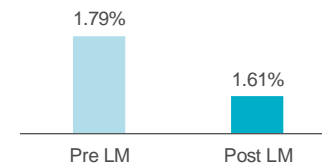


##### Record Low Coupon<sup>2</sup>



##### Group Cost of Debt

in years



<sup>1</sup> Total issuance €625m: €500m bond issuance in June 2021 and bond extended with additional €125m in July 2021

<sup>2</sup> Coupon of the last €625m bond issuance

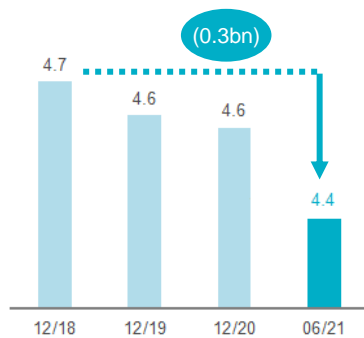
## 04 Financial performance

### Solid Capital Structure

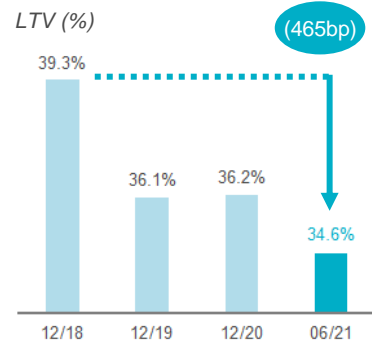
- > Strengthened balance sheet through capital recycling
- > Improved debt profile through successful liability management
- > Solid capital structure with LTV of 34.6%

#### STRENGTHENED BALANCE SHEET

##### Debt reduction



##### Solid Capital Structure



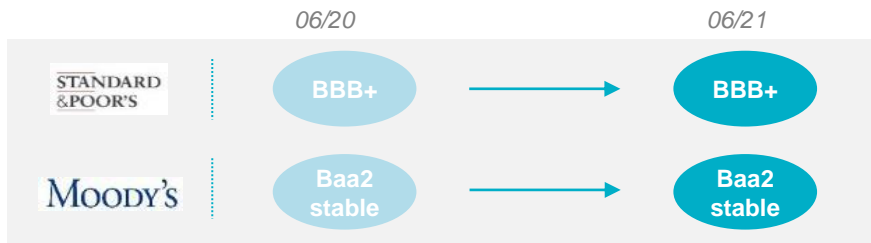
##### Liquidity

Cash	€398m
Undrawn balances	€2,040m
<b>Total</b>	<b>€2,438m</b>

##### Financial Policy

<i>Investment Grade Rating</i>	
LTV range	36-40%
ICR	> 2.5x

#### Strong Ratings confirmed



#### IMPROVED FUNDING OF THE GROUP

1. Strong debt reduction through capital recycling
2. Strong liquidity position with €2,438m as of H1 2021
3. Improved maturity of Group's debt through Liability management
4. Strengthened capital structure with 34.6% LTV below Investment Grade rating range of 36%-40%
5. This solid capital structure enables Colonial to remain in the low range of guidance even after dividend payment and Alpha VI program execution

(1) GAV 12/20 Office portfolio. Barcelona CBD, includes the assets in the 22@ market segment

(2) GAV 12/20 Office portfolio in operation

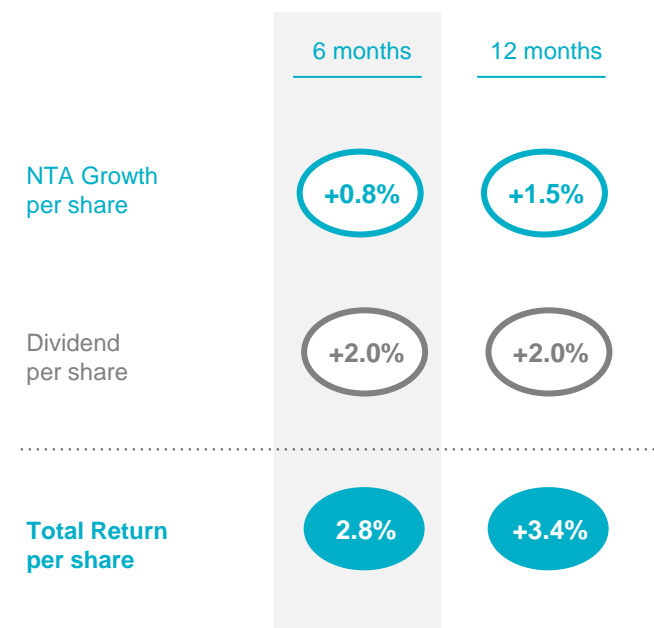
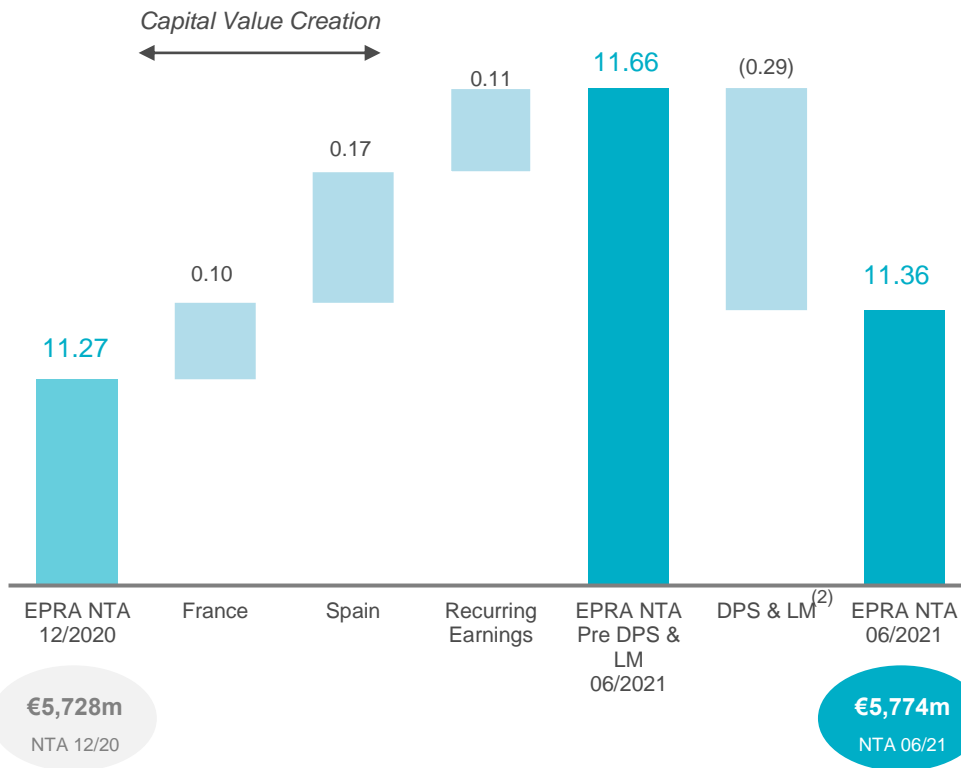
## Solid Total Shareholder Return

- > 6/2021 NTA of €5,774m, 11.36 €/share
- > EPRA NTA pre-dividend & LM impact with +3.5% growth up to 11,66 €/share
- > Total Shareholder Return<sup>1</sup> (including dividend) of +2.8% in 6 months

### EPRA NET TANGIBLE ASSETS (EPRA NTA)

### TOTAL SHAREHOLDER RETURN

€/share



(1) Total shareholder return understood as NTA (NAV) growth per share + dividends

(2) Paid dividends, Liability Management and other impacts



*Acceleration of the decarbonization strategy*



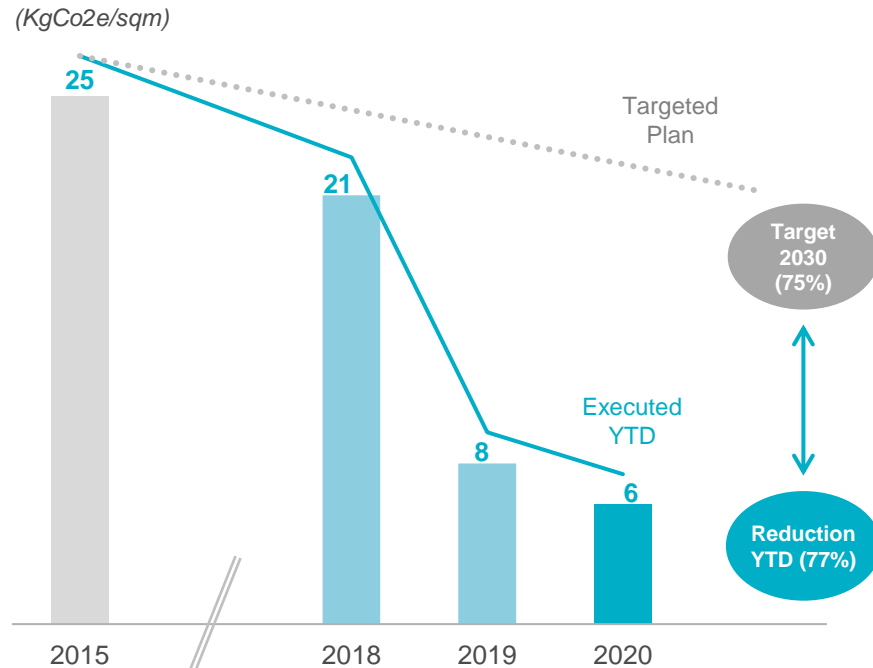
## 05 ESG Performance - Decarbonization

### Strong Commitment to ESG & Decarbonization

- > Carbon footprint reduction (77%) vs 2015 baseline year
- > 2030 Group Target achieved ahead of timing
- > Acceleration of path towards net zero emissions

#### ACCELERATION ON DECARBONIZATION

(Carbon Intensity Scope 1&2 -2015-20 like for like office portfolio in operation)



Reduction Scope 1 & 2 like for like from base year 2015  
Office portfolio in operation – market based calculation

#### COLONIAL FULLY ALIGNED WITH PARIS AGREEMENT

- > Target of 2030 Carbon Reduction achieve ahead of timing
- > Acceleration of path towards net zero emissions
- > Objective of Carbon Neutrality in 2050
- > Adherence to the Science Based Target Initiative (SBTi)
  - SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
- > CDP Score at A- confirming decarbonization leadership.
  - > Scoring well above Europe regional average and Financial services sector
  - > Strong YoY momentum (increase up to A- coming from C)





*Superior growth & returns through prime positioning*



## STRONG GROWTH POTENTIAL IN RENTS & VALUE

---

- 1 Project Pipeline with solid cash flow & value growth
- 2 Renovation Program with strong reversion
- 3 Prime Contract Portfolio to capture rental growth
- 4 Capital Recycling & Prime Acquisitions with flight to quality
- 5 Investment markets with enhanced momentum for Prime

## 06 Reloading Growth & Value Creation

### 1 Project pipeline – significant GRI reversion to come

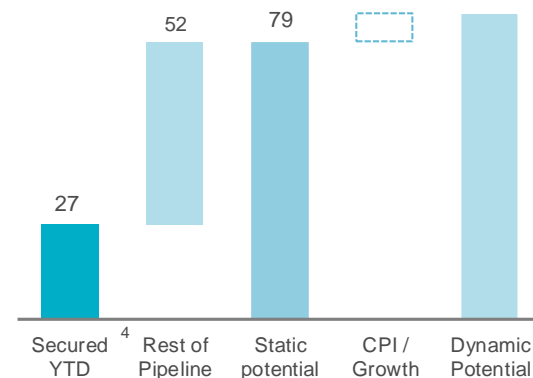
- > Around €80m of additional rents to flow into the recurring P/L
- > YTD more than €27m of secured rents through solid pre-let performance
- > Prime Project pipeline delivery on track

Project	City	% Group	Delivery	GLA <sup>1</sup> (sqm)	Total Cost €m	Yield on Cost
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%
<hr/>						
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	Paris CBD	82%	2024	16.000	215	7- 8%
<b>TOTAL PIPELINE</b>				<b>189.248</b>	<b>1.264</b>	<b>6- 7%</b>

<sup>1</sup> Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex



### GRI<sup>3</sup> Path to reversion - €m



### Pending Capex<sup>2</sup> - €m

2021 to go	109 - 114
2022	136 - 140
2023	86 - 95
<b>Total Pending Capex</b>	<b>331 - 349</b>
<i>Thereof Spain</i>	<i>195 - 205</i>
<i>Thereof France</i>	<i>136 - 144</i>

<sup>1</sup> Total Cost Finished Product = Acquisition Cost/Asset Value pre Project + total Capex to be invested

<sup>2</sup> Pending Capex as of 30/06/21

<sup>3</sup> Topped-Up passing GRI

<sup>4</sup> Out of the €27m secured YTD, €2m correspond to Diagonal 525, already delivered & in operation, and therefore are already part of the Group passing rents as 06/21

2 Renovation Program with strong reversion

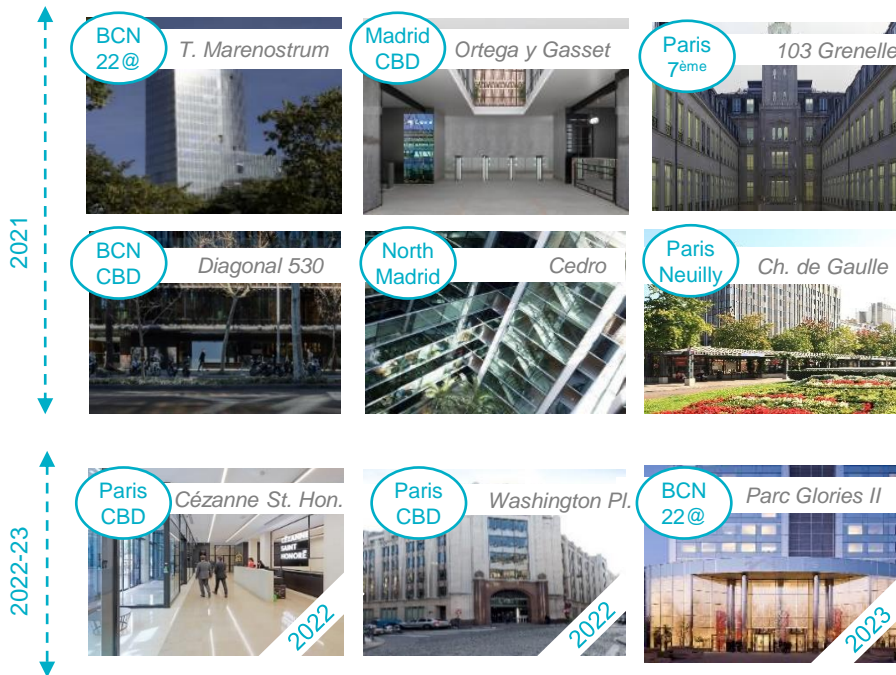
- > Renovation Program with additional rent reversion of more than €30m
- > 105,000 sqm of GLA with €945m of GAV with strong value creation upside
- > Solid delivery YTD with €5m of annualized rents secured in 6 months beating expected ERVs

RENOVATION PROGRAM

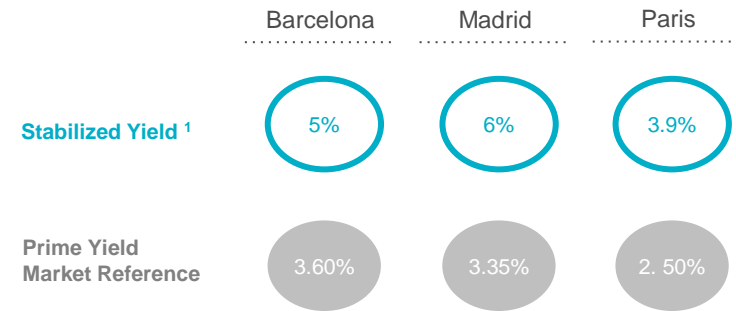
105,000 sqm of GLA & €945m GAV

Renovation Program with circa €60m capex of which €22m invested YTD

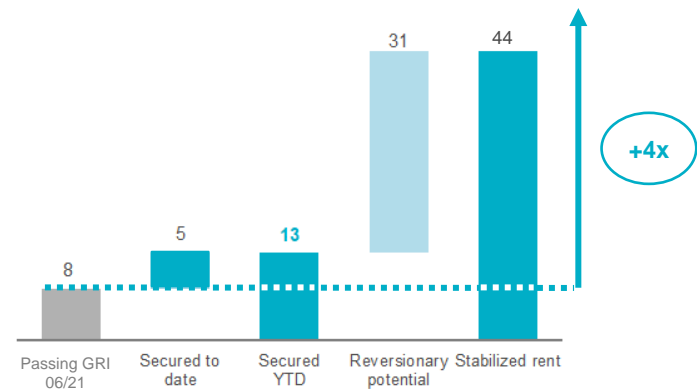
Value Creation Potential: €170-200m



SIGNIFICANT GRI REVERSION WITH VALUE CREATION POTENTIAL



Strong Reversionary Potential On GRI - €M



<sup>1</sup> Stabilized Yield = Stabilized GRI post renovation program execution / (GAV 12/20 + Pending Capex)  
All figures in Group Consolidated terms

3 Prime Contract Portfolio to capture rental growth

- > Ongoing delivery of high release spreads
- > Contract Portfolio under-rented
- > Colonial setting the benchmark for prime rents in every market

GRI GROWTH THROUGH REVERSION IN RENTAL PRICES

Strong delivery on Release Spreads 2021 YTD

	<u>Release Spread captured<sup>1</sup></u>		<u>Potential Reversion in Rent 06/2021<sup>2</sup></u>
	<u>Q1 2021</u>	<u>Q2 2021</u>	
BARCELONA	+21%	+33%	+22%
MADRID	+18%	+2%	+6%
PARIS	+7%	+1%	+8%

HIGH END RENTS THROUGH PRIME POSITIONING

Maximum ERVs signed 2021 YTD

Barcelona Portfolio	Madrid Portfolio	Paris Portfolio
€28 /sq m/m	€35 /sq m/m	€930 /sq m/y

1) New rents signed vs previous

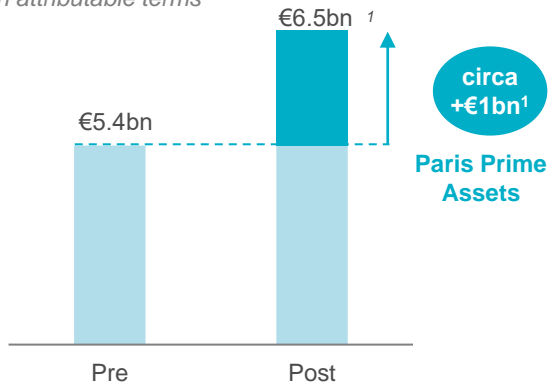
2) Market rents vs current passing rents as of 06/21

4 Capital Recycling & Prime Acquisitions with Flight to Quality

- > Acquisition of circa €1bn<sup>1</sup> additional exposure in Prime Assets in Paris at NDV
- > Increased exposure to value-accretive Paris Flagship Projects
- > Transaction execution on track

ACQUISITION OF PRIME PARIS ASSETS AT 12/12 NDV

GAV 12/20 n attributable terms



TRANSACTION EXECUTION ON TRACK

- June**
  - ✓ Transaction fully executed by Colonial, SFL, and Predica
  - ✓ Filing of the draft offer and the draft offer document
  - ✓ Colonial EGM approved (99.99% of the votes) the issuance of new Colonial shares
- July**
  - ✓ Publication of AMF's statement of compliance and approval of the Offer documents
  - ✓ Opening of the offer period (July 22<sup>nd</sup>)

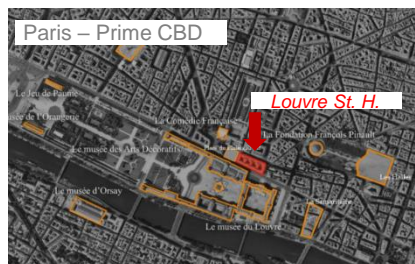
ENHANCEMENT OF PARIS PROJECT EXPOSURE

Increased exposure to value-accretive Paris Flagship Projects

€0.66bn<sup>2</sup>

Flagship projects Paris

- 83 Marceau *Pre let*
- Biome
- Louvre St. Honoré *Pre let*



Next Steps

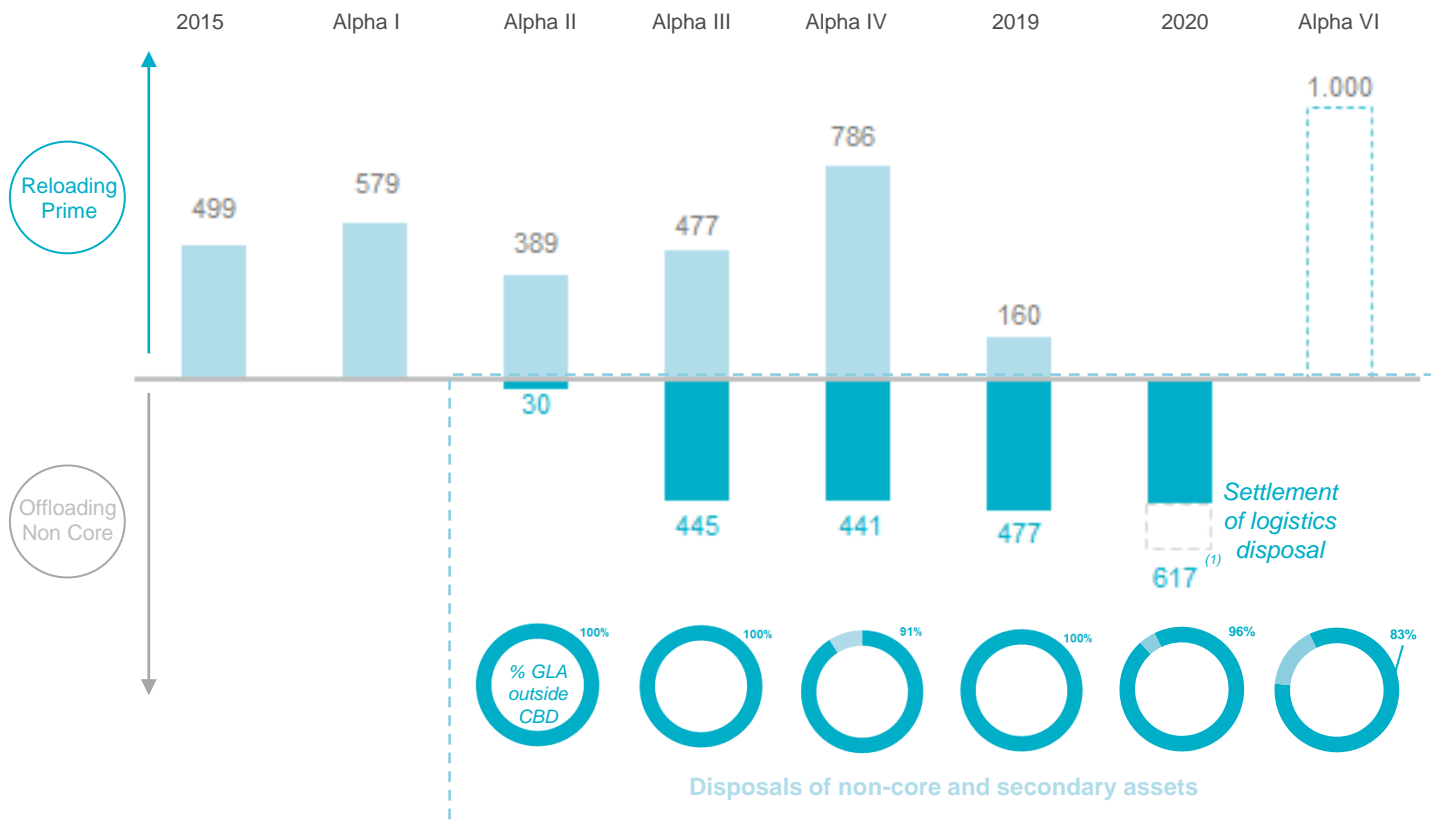
- August**
  - > Closing of the Offer period & publication of results
- September**
  - > Settlement and delivery of the Offer
  - > Admission to trading of the new Colonial shares
  - > Full transaction impact from September onwards

1. Final amounts subject to final outcome of tender-offer  
 2. Values at Total Cost = Acquisition price + capex

4 Capital Recycling & Prime Acquisitions with Flight to Quality

- > Ongoing flight to quality through active portfolio management
- > Disposals of more than €1.8bn of mature and/ or non-core product
- > Acquisitions of more than €3.9bn of assets reloading the Prime Exposure & Alpha VI (€1bn)

ONGOING FLIGHT TO QUALITY THROUGH ACTIVE CAPITAL ALLOCATION



ACQUISITIONS OF €2.9bn OF PRIME

1. Prioritize opportunities in prime
2. Enhance exposure to high quality offices direct or indirectly
3. Maintain capital allocation discipline

DISPOSALS OF €1.8bn OF NON CORE

1. Non Core Product
2. Secondary and Mature Offices
3. Prices at premium to GAV

A part of the assets of the Alpha V disposal program was notarized at the beginning of the first quarter of 2021.



4 Capital Recycling & Prime Acquisitions with Flight to Quality

- > Prime Project Pipeline with significant value creation potential
- > Renovation Program with important GRI reversion
- > Opportunistic acquisitions going forward

FLIGHT TO QUALITY & CAPITAL RECYCLING ...

2020/21 – Consolidating Flight to Quality

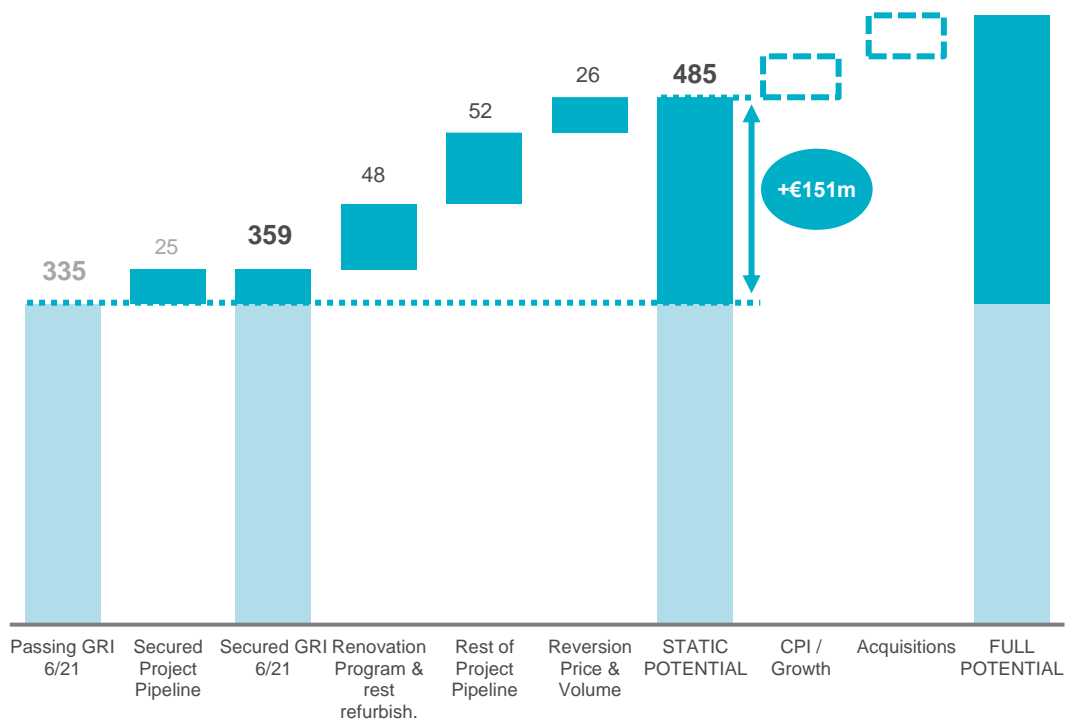
1. Managing Covid Impacts 2020/21
2. Completing the Disposal Program
3. Strengthening the balance sheet
4. Executing Alpha VI

2021/22 – Reloading Growth

1. Capturing value & rents on the Project Pipeline
2. Reloading the Renovation Program
3. Opportunistic acquisitions going forward
4. Strong EPS growth from 2022 onwards

... RELOADING GROWTH

GRI<sup>1</sup> Growth Profile €m



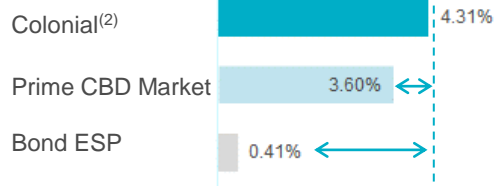
<sup>1</sup> Topped-up passing GRI as of 06/21

5 Investment markets with enhanced momentum for Prime

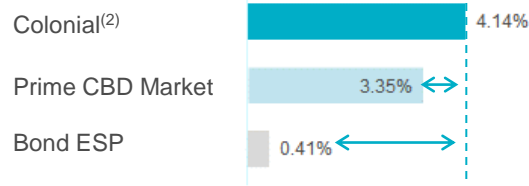
- > Colonial portfolio with additional potential for yield compression
- > Prime market yields & scarcity value as driver
- > Prime Yields at very attractive spreads compared to reference rates

VALUATION YIELDS <sup>(1)</sup>

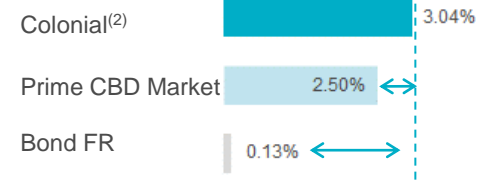
BARCELONA



MADRID



PARIS



SPREAD VALUATION YIELDS <sup>(1)</sup>

BARCELONA



MADRID



PARIS



CAPITAL VALUE - €/sq m

BARCELONA



MADRID



PARIS



(1) Market consultants in Spain report gross yields and in France they report net yields

(2) Portfolio in operation (3) According to JLL





### **STRONG FIRST HALF 2021 RESULTS**

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- > Group Net Profit of €162m, +€188m vs. previous year
- > NTA growth with +3% Total Return in 6 months
- > Gross Asset Value of €12.0bn, +3% like-for-like (Paris+5%)
- > Net Rental Income of €143m, +2% like-for-like (Paris +5% like for like)
- > Significant increase in letting volume, +42% vs the previous year
- > Rental Growth - Double digit release spreads & strong ERV growth

### **COLONIAL PLATFORM WELL POSITIONED FOR GROWTH**

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- > Project Pipeline with significant additional GRI - €79m of rents
- > Renovation Program with more than €30m of additional rents
- > Prime contract portfolio with passing rents below market levels
- > Impact of Alpha VI acquisition to come through
- > Further acquisitions through active capital recycling

### **OUTLOOK & GUIDANCE**

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- > Scarce supply of Grade A product in CBD
- > Investment markets with strong momentum for Prime CBD assets
- > Confirmed EPS Guidance 2021 & 2022
  - Recurring EPS 2021: €22-25Cts per share
  - Recurring EPS 2022: €27-30Cts per share

# Q&A



# APPENDICES

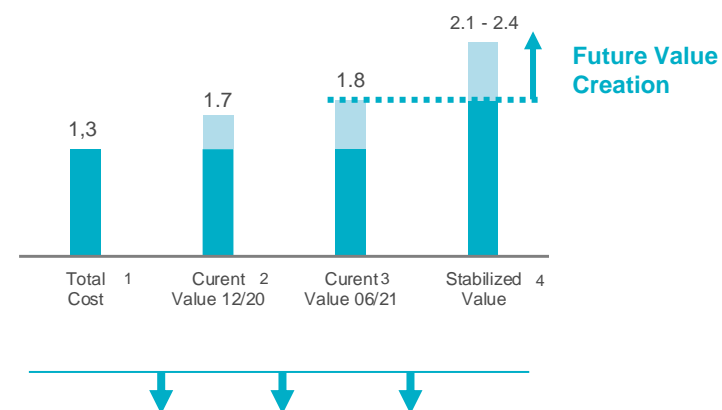
## Project pipeline – solid value creation potential

- > Prime Project pipeline delivery on track
- > 4 out of 9 projects to be delivered during 2021
- > Significant capital value creation potential to be crystalized

Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m	Yield on Cost
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%
<hr/>						
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	Paris CBD	82%	2024	16.000	215	7- 8%
<b>TOTAL PIPELINE</b>				<b>189.248</b>	<b>1.264</b>	<b>6- 7%</b>

<sup>1</sup> Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

### Value creation potential - €bn



- > Significant value creation potential
- > Delivery well balanced
  - 4 Projects during 2021
  - 3 Projects in 2022
  - 2 Projects in 2023/24



<sup>1</sup> Total Cost Finished Product= Acquisition Cost/Asset Value pre Project + total Capex to be invested

<sup>2</sup> GAV 12/20 + Pending Capex as of 31/12/20

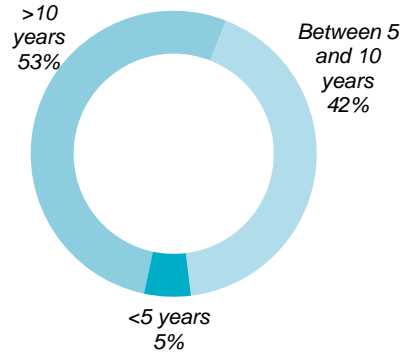
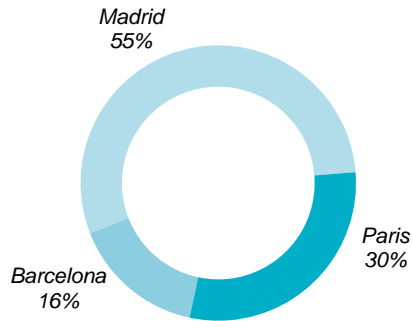
<sup>3</sup> GAV 6/21 + Pending Capex as of 30/06/21

<sup>4</sup> Stabilized Rent capitalized at estimated exit yield

CONTRACT PORTFOLIO 1H 2021 MATURITIES – DELIVERY YTD ON TRACK

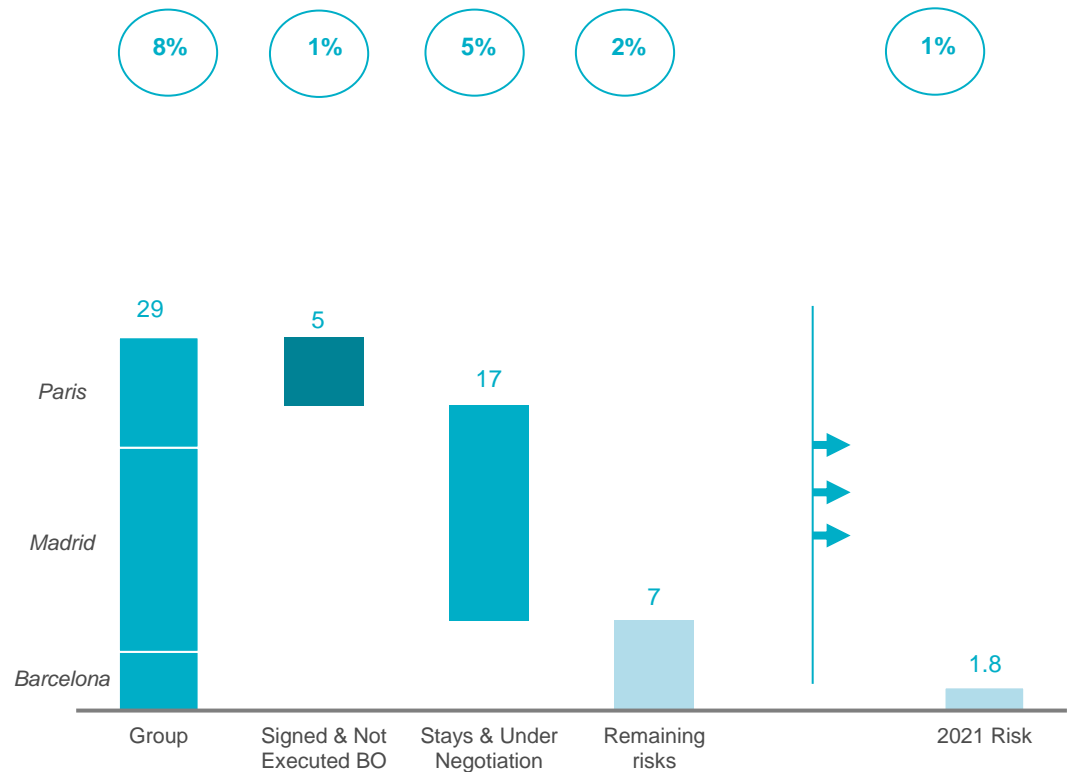
1H 21 MATURITIES – HIGH LOYALTY CLIENTS

1H 21 clients with 9 years of loyalty, half of them in Madrid



1H 21 MATURITIES MANAGEMENT ON TRACK

% on annualized 06/21 Topped-Up Group GRI<sup>1</sup>

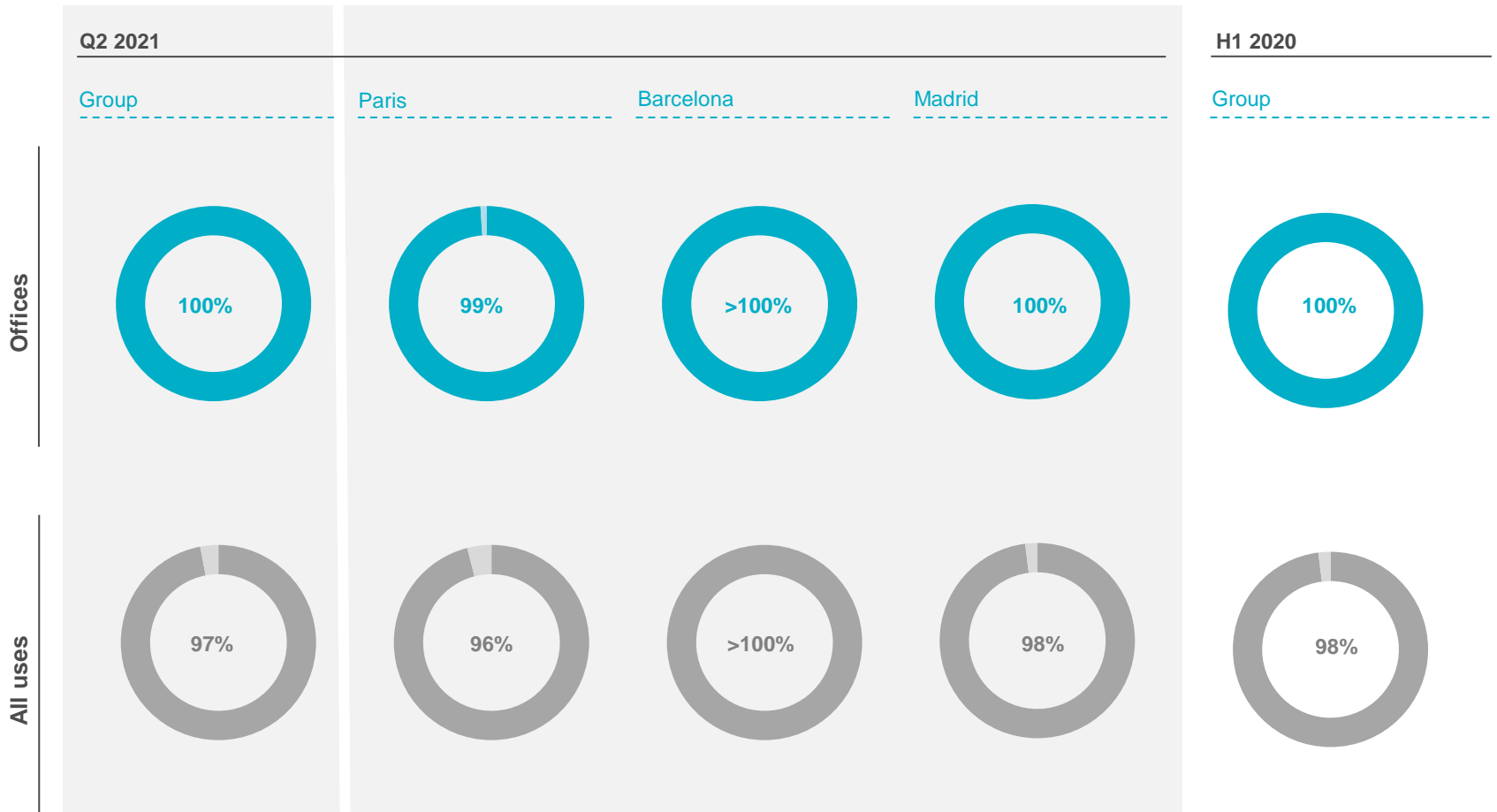


(1) Topped Up GRI as of 06/21  
 (2) Loyalty of the main tenants maturity

Strong 1H 2021 Collection rates

- > 100% Group Offices in Q2 21
- > 100% Madrid & Barcelona Offices in Q2 21
- > 100% Group Offices in H1 21

COLLECTION RATES DURING COVID-19





## Solid Group Net Rental Income

- > Net Rental Income +2% like for like
- > Paris with +5% Net Rental Income
- > Strong Paris performance offsetting temporary correction in Barcelona






June cumulative - €m	2021	2020	Var	LFL
Rental revenues Group	155	177	(13%)	2%
<b>EBITDA rents Group</b>	<b>143</b>	<b>165</b>	<b>(13%)</b>	<b>2%</b>
<i>EBITDA rents Paris</i>	<i>83</i>	<i>86</i>	<i>(4%)</i>	<i>5.3%</i>
<i>EBITDA rents Madrid</i>	<i>38</i>	<i>51</i>	<i>(25%)</i>	<i>0.3%</i>
<i>EBITDA rents Barcelona</i>	<i>20</i>	<i>24</i>	<i>(16%)</i>	<i>(4.8%)</i>

## NET RENTAL INCOME – LIKE-FOR-LIKE OF +2%

- > Paris total portfolio with a significant increase of +5% like-for-like in Net Rental Income
  - Offices at +3% like for like
  - Additional positive like for like driven by reopening of Hotel Indigo

Investment markets for prime product remain active







- > Paris CBD an attractive target for International Investors
- > Pricing above appraisals for Core product in CBD

PARIS		Théodore (2Q 2021)	CBD	€80m	3,400 sqm	2.48% Yield
		260 Boulevard Saint Germain (2Q 2021)	City center	€34m	1,600 sqm	€21,250/sqm
		17 avenue Hoche (1Q 2021)	CBD	€80m	2,300 sqm	2.75% Yield
		112 Wagram (4Q 2020/1Q 2021)	CBD	€120m	5,500. sqm	2.0x Value creation <2.80% Yield
		9 Av. Percier (1Q 2021)	CBD	€143m	6,300. sqm	1.8x Value creation <2.80% Yield

Source: public information, press and consultants

## Investment markets for prime product remain active

- > Barcelona leading the investment market in Spain – specially in the 22@ district
- > Investor appetite with increased momentum for Prime in Madrid

BARCELONA		Glories Centre (2Q 2021)	22@	€120m	21,500 sqm	€5,581/sqm
		Diagonal 123 (2Q 2021)	22@	€55m	10,170 sqm	€5,408/sqm
		193 Pallars (2Q 2021)	22@	€70m	13,000 sqm	€5,385/sqm
		Torre Esteve (2Q 2021)	Plaza Europa	€100m	19,400 sqm	€5,155/sqm
MADRID		Francisco Gervás, 10 (1Q 2021)	CBD	€70m	8,000 sqm	€8,750/sqm
		Principe de Vergara 108 (1Q 2021)	City Center	€50m	7,143 sqm	€7,000/sqm

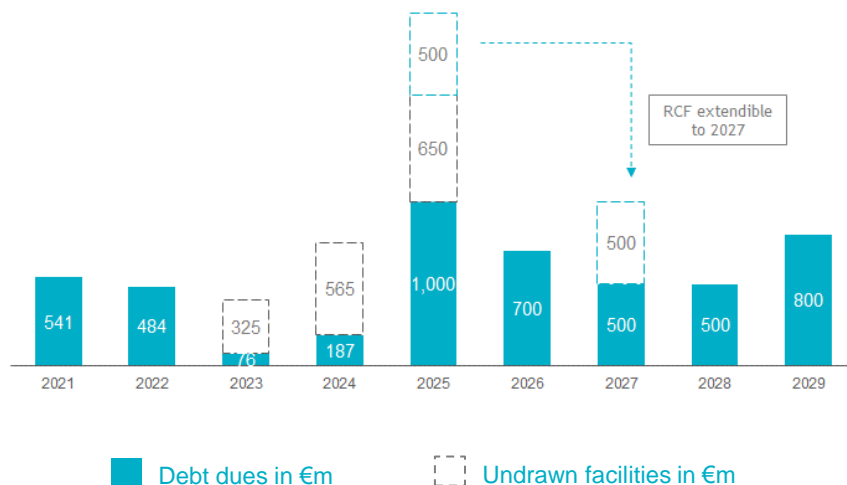
## A solid capital structure

- > Long-term financing profile with extended debt maturities
- > €2.4bn of liquidity covering debt maturities until 2025
- > A solid financial structure with competitive financing costs

### Extension of Debt Maturities

Bond issuance Spain: 2023/24 ----> 2029

### Maturity profile of debt facilities - €bn



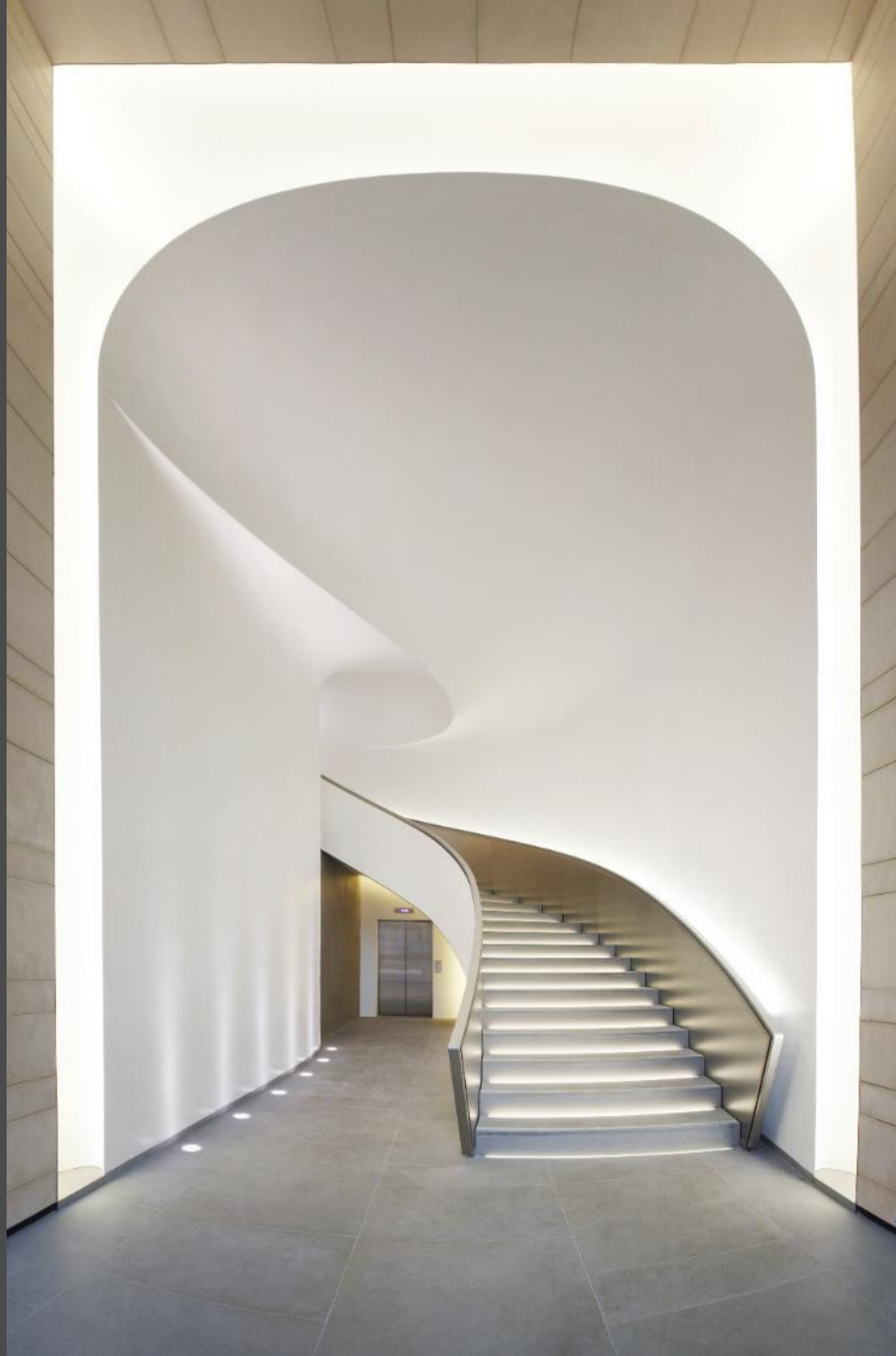
Maturities excluding ECPs due in 2021 of €30m

### A Solid Financial Structure

	31/12/2020	30/06/2021	Proforma <sup>(1)</sup>
Net Debt	€4,582m	€4,389m	€4,636m
LTV	36.2%	34.6%	36.5%
Drawn Facilities	€0m	€0m	€0m
Unutilized Facilities	€2,040m	€2,040m	€2,040m
Total Facilities	€2,040m	€2,040m	€2,040m
Cash	€269m	€398m	€39m
Liquidity	€2,309m	€2,438m	€2,079m
Debt Maturity Group	5.2 years	5.2 years	5.3 years
Non-Mortgage debt	94%	94%	94%
Cost of Debt Group	1.70%	1.69%	1.61%

<sup>(1)</sup> Proforma including Liability Management, dividend pay-out and SFL transaction

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