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#### **OTHER RELEVANT INFORMATION (“OTRA INFORMACIÓN RELEVANTE”)**

Following the Relevant Information published on the 6th of May 2020, with the registered number 2056, Colonial publishes the documentation to support the presentation to analysts and investors corresponding to the First quarter results of 2020 that will be held today Wednesday 13th of May 2020 at 6:30 PM (CET) through webcast.

The information regarding the presentation is detailed below:

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The presentation can be followed online through the following link:

<https://event.on24.com/wcc/r/2329700-1/AC73714145D7B4E19B1993E64499AA60?partnerref=rss-events>

In addition, the presentation will be available on the website of the company.

In Madrid, May 13th, 2020



# First Quarter Results 2020

May 2020

1/20



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- 01 Highlights
- 02 Covid-19 – First impacts & Colonial’s response
- 03 Market Update
- 04 Operational performance
- 05 Financial performance
- 06 Prime Positioning enhances Resilience
- 07 Conclusion

PRESENTING MANAGEMENT TEAM

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**Pere Viñolas**  
Chief Executive Officer



**Carmina Ganyet**  
Corporate Managing Director



**Carlos Krohmer**  
Chief Corporate Development Officer



01 Highlights



*A good start into the year 2020 pre-covid*





### COVID19 – COLONIAL’S RESPONSE & IMPACTS

- > Employees and Clients safety in management focus
- > All office buildings fully operational and available
- > April cash recollection with no relevant default
- > Client negotiations ongoing: P/L impact currently below 2% of 2020 GRI
- > Potential max P/L impact of 6% on 2020 GRI
- > Project Pipeline Capex postponed, €75 pending for 2020
- > Liquidity at focus: more than 2 €bn including recent new syndicated loan
- > LTV at 36% with ratings of BBB+ and Baa2 confirmed in mid April 20

### STRONG PRE-COVID FIRST QUARTER RESULTS

- > Gross Rental Income of €86m, +6% like-for-like
- > Recurring earnings of €36m, +10% YoY
- > **Recurring EPS of €7.2cts. per share, +10%**
- > **Group Net Profit of €32m, +39%**

### SOLID FUNDAMENTALS - RESILIENT PRIME POSITIONING

- > Occupancy of 98%
- > Letting activity ongoing with good terms
- > Positive Release Spreads and Rental Growth
- > Project Pipeline with 25% pre-lets & ongoing negotiations
- > Disposal of non-core asset €8.4m with +22% premium on 12/19 GAV

### **DIVIDEND PROPOSAL TO AGM**

## 01 Highlights

### A good start into the year 2020 – A strengthened position to navigate the crisis

- > Solid top line & bottom line growth
- > GRI Like for Like at +6%
- > EPRA Vacancy at 2%, rents signed at high levels

<b>Profit &amp; Loss - €m</b>	<b>03/20</b>	<b>YoY Var</b>
Net Profit	€32m	+39%
Recurring Net Profit	€36m	+10%
<b>Recurring EPS</b>	<b>7.2 €Cts/share</b>	<b>+10%</b>

<b>Outstanding GRI like for like</b>	<b>03/20</b>	<b>YoY Var</b>
<b>Group like-for-like<sup>3</sup></b>	<b>€86m</b>	<b>+6%</b>
Madrid like-for-like <sup>3</sup>		+14%
Barcelona like-for-like <sup>3</sup>		+10%
Paris like-for-like <sup>3</sup>		+2%

<b>Solid Fundamentals</b>	<b>03/20</b>
<b>EPRA Vacancy</b>	<b>2%</b>
Volume of sq m signed	13,539
Maturity <sup>4</sup> signed in Spain	6 years
Maturity <sup>4</sup> signed in France	9 years

<b>Capturing Rental Price Increases</b>	<b>03/20</b>
<b>Double-digit release Spread<sup>1</sup></b>	<b>+21%</b>
Barcelona	+50%
Madrid	+15%
Paris	na

<b>Strong rental growth<sup>2</sup></b>	<b>+6%</b>
Barcelona	+7%
Madrid	+5%
Paris	+7%

(1) Rental prices signed vs previous rents

(2) Rental prices signed vs ERV 12/19

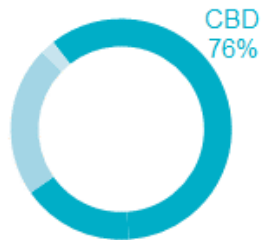
(3) EPRA like-for-like variance base on EPRA BPR methodology

(4) Maturity until expiry of the contract



**A UNIQUE PRIME PORTFOLIO**

Strong presence in CBD

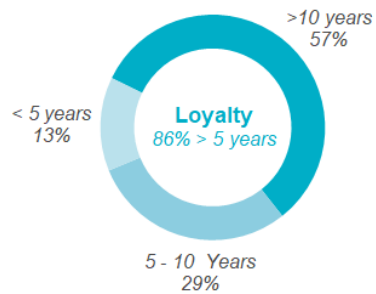


High Office occupancy 03/20

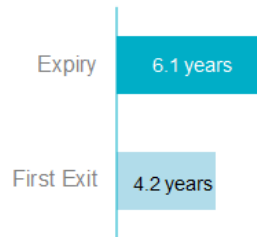
Group	98%
Madrid	98%
Barcelona	98%
Paris	98%

**DIVERSIFIED AAA CLIENT PORTFOLIO**

Tenants with high loyalty



Defensive maturity profile 12/19



**STRONG BALANCE SHEET**

Investment Grade Rating confirmed 04/20



**Rating**  
BBB+  
Stable Outlook



**Rating**  
Baa2  
Stable Outlook

Strong financial ratios

LTV	36%
Liquidity <sup>1</sup>	€2,100m
Debt Coverage 20/21	4x

**TRACK RECORD**

Flight to quality through disposals

**€1.4bn**  
**Non-core asset**  
**Divestments**  
**2017-2020**

Solid management of previous crisis

**Successful**  
**Re IPO**  
**2008-2014**

<sup>1</sup>) Liquidity (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicate loan formalized as of 4/20

## 02 Covid-19 – First impacts & Colonial's response



*Limited Covid-19 impact YTD*

- > Coronavirus epidemic significantly affecting our domestic and global markets
- > Colonial ready to deal and manage the situation
- > Proactive management in key areas of the company

### **Planned and considered measures for COVID-19**

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- > The Coronavirus epidemic is significantly affecting our domestic and global markets
- > Its impact on Colonial’s real estate activity as well as in the economy in general terms continues to be uncertain and difficult to predict
- > However, Colonial’s portfolio and its current liquidity and solvency position allows the Colonial Group to responsibly deal and manage the situation
- > The company is handling the situation proactively and has executed several actions in the following areas:
  - I. Employees
  - II. Clients and Assets
  - III. Project pipeline & Acquisitions
  - IV. Financial Structure

Responsible commitment during the COVID-19 outbreak

- > Constant coordination and communication with employees, suppliers and clients
- > Successful implementation of a preventive, containment and crisis stages in all our assets

**Our employees**

- > Flexible working hours and working remotely
- > Preserve health of employees and facilitating operations and activity

**Our clients**

- > To date very limited spread of Coronavirus among our clients
- > Communication of Colonial protocol to guarantee a safe environment
- > Constant coordination in case of a potential risk is detected

**Our buildings**

- > Limited exposure to most affected sector (retail)
- > All our assets have been operating since the beginning of the outbreak
- > Implementation of Covid19 Protocol in full portfolio
- > Preventive and corrective measures executed

**Utopicus**

- > Establishment of action and prevention measures for all coworking centers
- > Access to coworking centers only through access card
- > Enlarged offer of virtual events & additional digital services and contents



Proactive management of the crisis in key areas of the company

- > Management of Project Pipeline, postponing part of the Capex
- > Colonial’s financial profile remains strong with more than €2Bn<sup>1</sup> of liquidity and LTV at 36%

**Our project  
pipeline  
and acquisitions**

- > Impact on developments although **works have continued**
- > **Certain delays are expected**, however no relevant penalties are foreseen
- > **Delay of capex program in €60m**, in particular in Mendez-Alvaro in Madrid
- > Revisited Investment criteria and policies according to a **more prudent** context

**Financial  
Structure**

- > **Colonial’s financial profile has been strengthened**
- > After €1.4Bn of disposals **LTV** and “Covenant LTV<sup>2</sup>” **stands at very healthy levels of 36%** and 32%
- > **Liquidity has been increased** in €200m to **2.1€Bn**
- > **Long-term financing profile** with 77% of debt maturing beyond 2023
- > **Credit Agencies S&P and Moody’s have confirmed its credit ratings** at BBB+ and Baa2

**Financial  
Impacts**

- > Our activities and profile of our assets remain particularly **resilient**
- > Most of our **tenants are large multinationals** with 80% of our top tenants being investment grade
- > Negotiating **deferrals** or allowances for the payment of rents for SMEs and certain tenants

<sup>1</sup> Liquidity of €2.1Bn as of 4/20 <sup>2</sup>LTV definition according to covenants = Net Debt / (GAV Spain + Subsidiaries x Ownership % x NAV + Treasury shares x NNNNAV )

- > In April 2020 most of the rental invoices have been collected
- > Negotiations with clients ongoing
- > P/L impact currently below 2% of 2020 GRI (estimated max impact of 6% on 2020 GRI)

**IMPACTS ESTIMATE AS OF MAY 13, 2020**

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**In April 2020 most of the rental invoices have been collected**

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- > In Spain 2€m of rents have not been collected. Thereof 0.6€m correspond to discounts and the rest mainly agreed deferrals
- > France with 100% rent collection on offices, on other uses mainly agreeing deferrals with tenants
- > Defaults YTD represent only 100.000€ less than 1% of Gross Rental Income
- > Evolution in coming months subject to evolution of the crisis

**Negotiations with clients ongoing**

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- > P/L impact currently below 2% of 2020 GRI
- > Potential max P/L impact of 6% on 2020 GRI

*Estimates based on current situation and subject to changes in light of the evolution of the crisis*

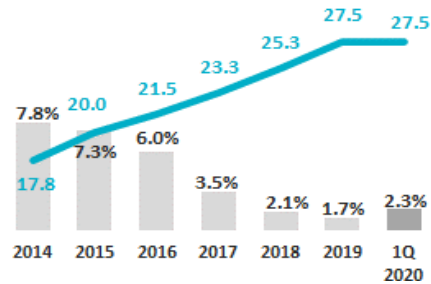


VACANCY %

PRIME ERV

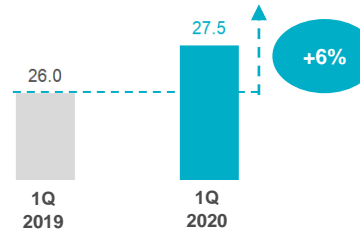
HIGHLIGHTS

BARCELONA



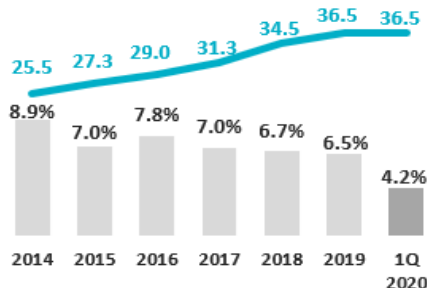
Vacancy CBD(%) Prime Rents CBD (€/sqm/month)

€/sqm/month



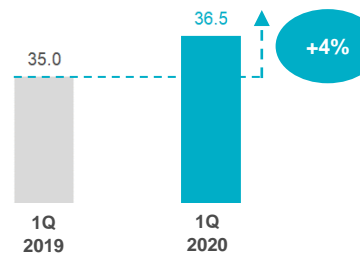
- > CBD vacancy at 2.3% -> historically low levels
- > Prime rents at €27.5/sq m /month, +6% YoY
- > Take-up of 30,000 sqm, figure that reflects the Covid-19 crisis

MADRID



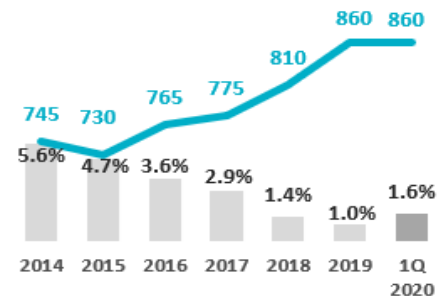
Vacancy CBD(%) Prime Rents CBD (€/sqm/month)

€/sqm/month



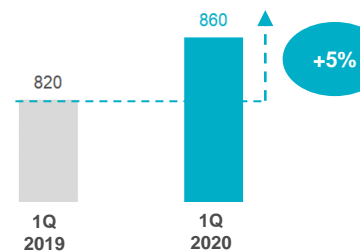
- > CBD vacancy decreased to 4.2%
- > Prime rents at €36.5/sq m /month, +4% YoY
- > Take-up of 100,000 sqm

PARIS



Vacancy CBD(%) Prime Rents CBD (€/sqm/year)

€/sqm/year



- > CBD vacancy at historical lows: 1.6%
- > Prime rents at €860/sq m /year, +5% YoY
- > Take-up of 340,000 sqm

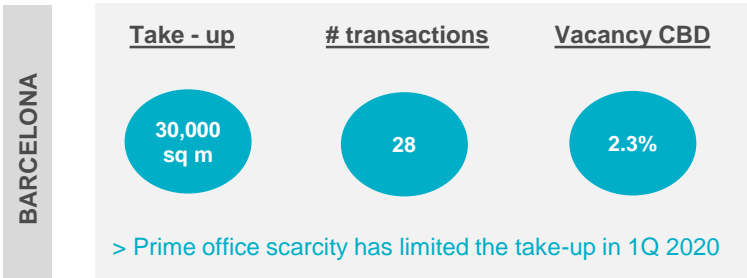


### 03 Market CBD Rental Market

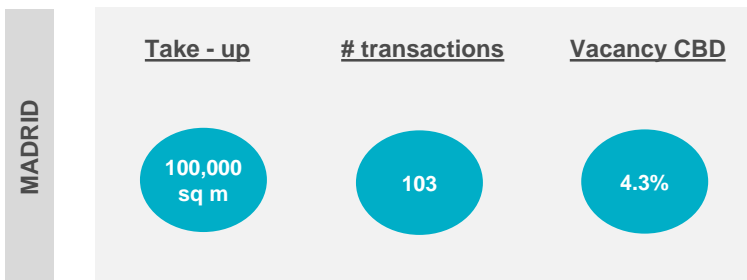
- > In the three markets, 1Q 2020 rental prices continued in line with prior quarter
- > CBD rental transactions decreased due to the scarcity of grade A product and the beginning of COVID-19 crisis

#### Q1 2020 OFFICE MARKETS – MAIN KPIS

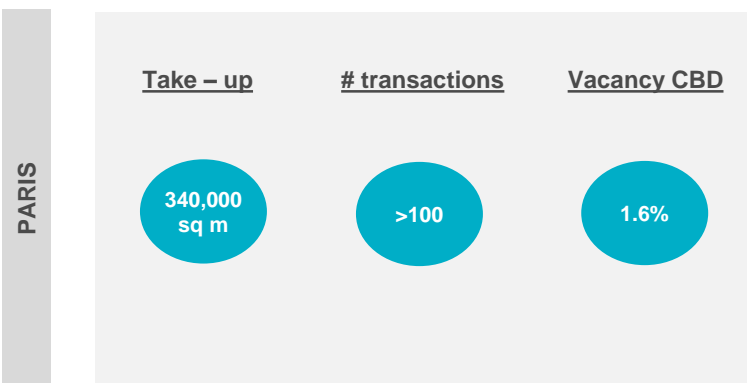
#### LATEST CBD RENTAL TRANSACTIONS



	Diagonal 640	Prime CBD	31 €/sqm/month	468 sqm
	Diagonal 609	Prime CBD	28 €/sqm/month	1,245 sqm
	Torre Marenostrum	CBD - 22@	24 €/sqm/month	960 sqm



	Recoletos 37-41	Prime CBD	35 €/sqm/month	1,910 sqm
	Torre Picasso	Prime CBD	35 €/sqm/month	330 sqm
	Velázquez 34	Prime CBD	34.5 €/sqm/month	734 sqm





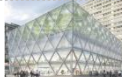







	Washington Plaza	CBD	>850 €/sqm/year	1,270 sqm
	16 Maitignon	CBD	880 €/sqm/year	6,000 sqm
	Quai 8	CBD	870 €/sqm/year	7,500 sqm
	38 Kléber	CBD	840 €/sqm/year	16,100 sqm

- > Office transactions in Spain amounted a volume of €875m, increasing a +6% YoY
- > Paris transaction volume amounted €4.5bn, increasing a + 114% YoY

Q1 2020 INVESTMENTS TRANSACTIONS

LATEST INVESTMENT TRANSACTIONS

City	Inv. Volume	Prime Yield	Project Name	Location	Value	Area	Price/Sqm	Notes
BARCELONA	€172m +56% YoY	3.50% 3.50%	 Sancho de Avila 1	CBD - 22@	€100m	17,400 sqm		Turnkey project
			 Sancho de Avila 65	CBD - 22@	€56m	8,300 sqm	€6,746/sqm	
			 Almogàvers 185	CBD - 22@	€49m	8,500 sqm	€5,764/sqm	
MADRID	€618m -11% YoY	3.25% 3.25%	 Fernando El Santo 20	CBD	€42m	3,798 sqm	€11,058/sqm	
			 Edificio Axis (inc. retail areas)	Prime CBD	€100m	4,000 sqm	€25,000/sqm	
			 Edificio Helios (inc. retail areas)	Periphery	€190m	60,250 sqm	€3,153/sqm	
			 Castellana Norte (inc. retail areas)	Periphery	€127m	44,000 sqm	€2,900/sqm	
PARIS	€4.5bn +114% YoY	2.75% 2.75%	 Aquarel	Issy les Moulineaux – Periphery	€422m	33,000 sqm	3.6% Yield	
			 9 Bergère	Paris 9eme	€604m	35,800 sqm	2.7% Yield	
			 50 Anjou	Paris 8eme	€226m	10,000 sqm	2.6% Yield	

<sup>1</sup> Transaction announced in 2019, agreement signed in March 2020

Source: JLL, Savills, Cushman & Wakefield

## 04 Operational performance



*Prime CBD offices with solid operations*

## 04 Operational performance

Solid delivery on lettings signed in very good terms

		<u># CONTRACTS</u>	<u>SQM SIGNED</u>	<u>GRI SECURED<sup>1</sup></u>	<u>RENTAL GROWTH<sup>2</sup></u>	<u>MATURITY (years)<sup>3</sup></u>	<u>EPRA VACANCY<sup>4</sup></u>
<b>BARCELONA</b>		8	7,024	€2m	+7%	8 years	2.2%
<b>MADRID</b>		5	5,374	€1m	+5%	4 years	2.49%
<b>PARIS</b>		2	1,141	€1m	+7%	9 years	1.8%
<b>TOTAL</b>		15	13,539	€4m	+6%	6 years	2.1%

(1) Annualized figures of signed contracts

(2) Rental prices signed vs ERV 12/19

(3) Maturity until expiry of the contract

(4) Financial vacancy calculated according to EPRA methodology

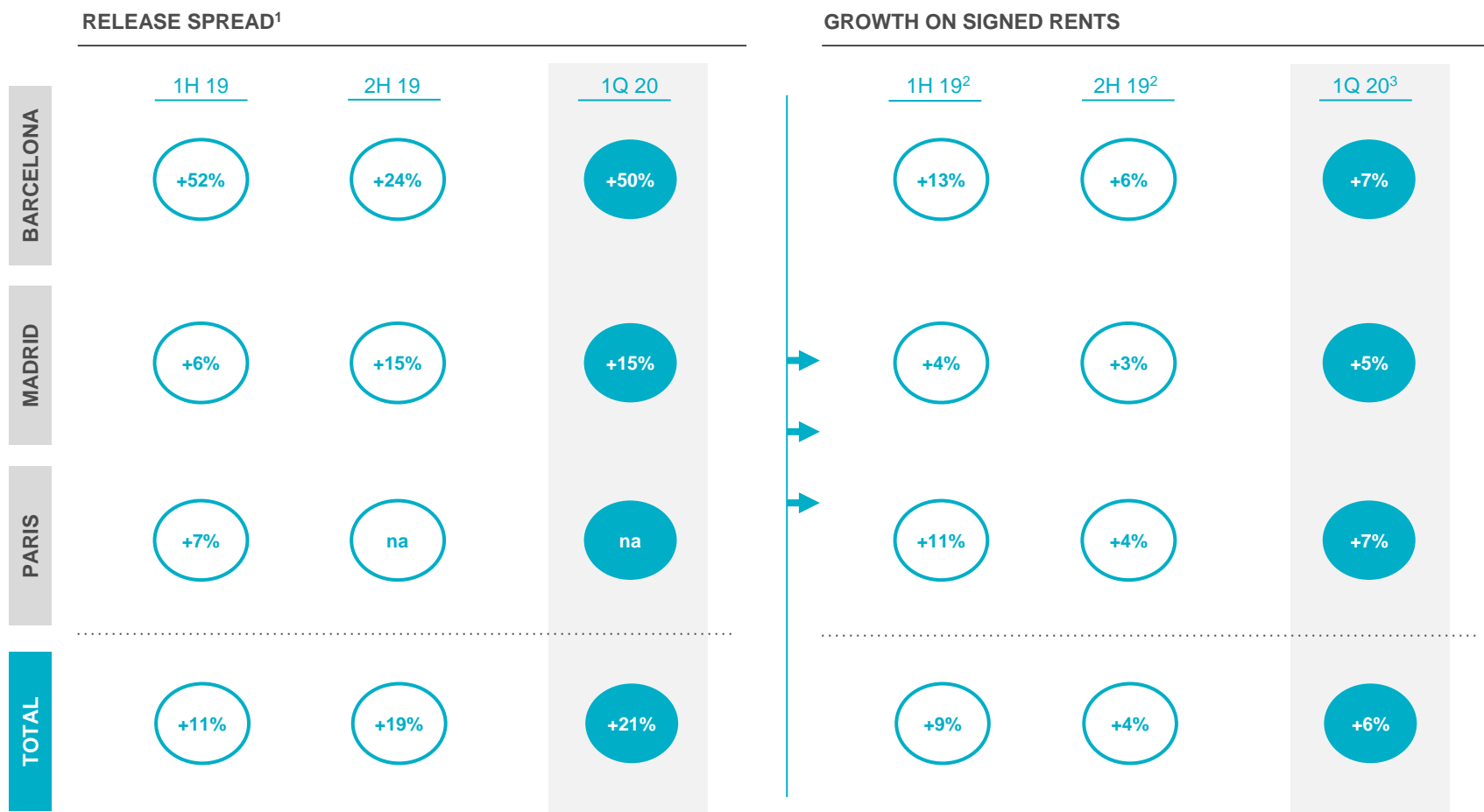


## 04 Operational performance

### Solid delivery on lettings in Q1 2020

- > 1Q 2020 with strong price increases in every segment
- > Solid rental growth vs 12/19 ERV
- > High release spreads

#### SOLID INCREASE IN RENTAL PRICES



- (1) Signed rents vs previous contracts (renewals)
- (2) Signed rents vs 12/18 ERV (new lettings & renewals)
- (3) Signed rents vs 12/19 ERV (new lettings & renewals)

GROWTH ON SIGNED RENTS<sup>1</sup>

Diagonal 609



Sant Cugat



Francisco Silvela 42



Diagonal 409



Torre Marenostrum



112 Wagram



RELEASE SPREAD<sup>2</sup>

Diagonal 682



Sant Cugat



Francisco Silvela 42



Francisca Delgado 11



Diagonal 609



Recoletos 37



(1) Signed rents vs 12/19 ERV (new lettings & renewals)  
(2) Signed rents vs previous contracts (renewals)

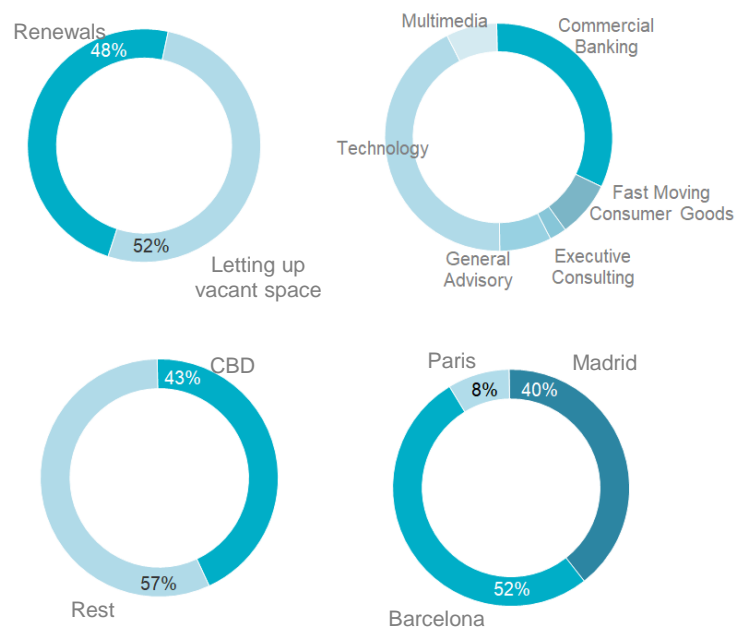
Solid delivery on lettings in Q1 2020

- > Clients signing solid maturities with long term commitment
- > Strong diversification across sectors – good quality mix
- > Balanced mix of renewals & new letting ups

LETTING ACTIVITY 1Q 2020

	Madrid & Barcelona	Paris	Group
GRI Secured <sup>1</sup>	€3.3m	€0.9m	€4.1m
Maturity <sup>2</sup>	6 years	9 years	6 years
First Exit	3 years	5 years	3 years

SOLID MIX IN LETTING ACTIVITY



(1) Annualized figures of signed contracts

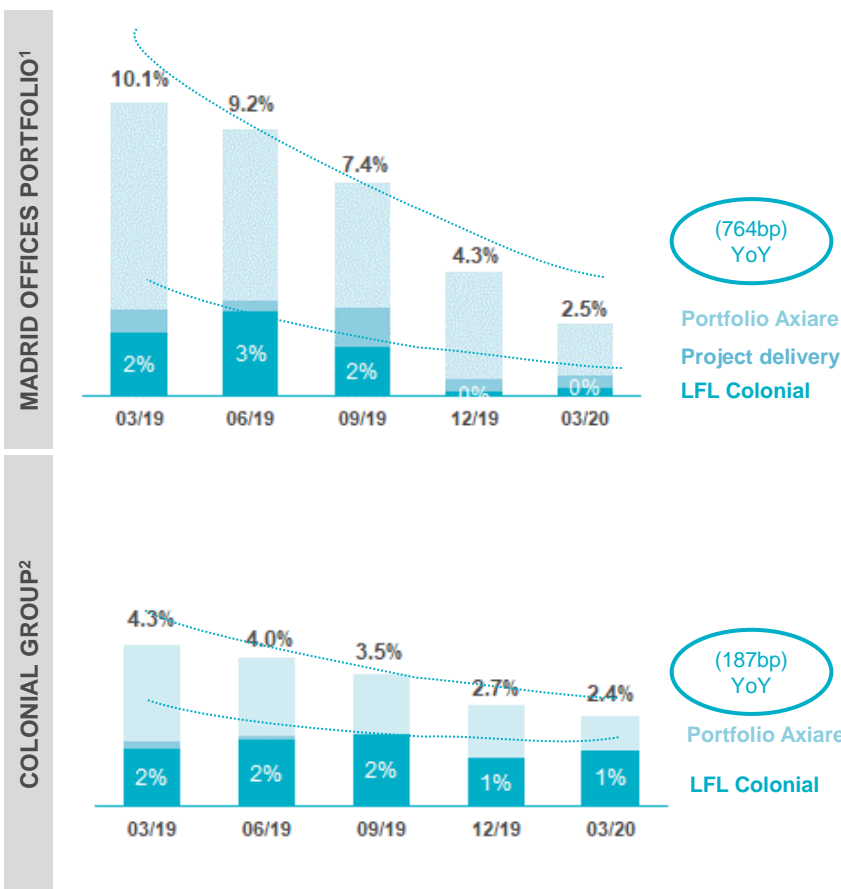
(2) Expiry date

## 04 Operational performance

Strong YoY letting-up in Madrid reaching levels around 2% in every city

- > More than 700 bp Madrid vacancy reduction YoY
- > Group vacancy from 4.3% down to 2.4%
- > High quality available space

### EPRA VACANCY



#### LETTING UP PRODUCT & OFFLOADING NON CORE

- Cristalia, 5-6 (SOLD)
- Luca de Tena, 6 (SOLD)
- Luca de Tena, 14 (SOLD)
- De La Vega B. Park (SOLD)
- Cristalia, 2-3 (SOLD)
- Av. De Bruselas, 38 (SOLD)
- José Abascal, 56 (SOLD)
- Alfonso XII (SOLD)
- Ramírez Arellano 15 (SOLD)

#### PROVIDING NEW PRIME PRODUCT TO THE MARKET

- Castellana, 163
- Ribera de Loira, 28

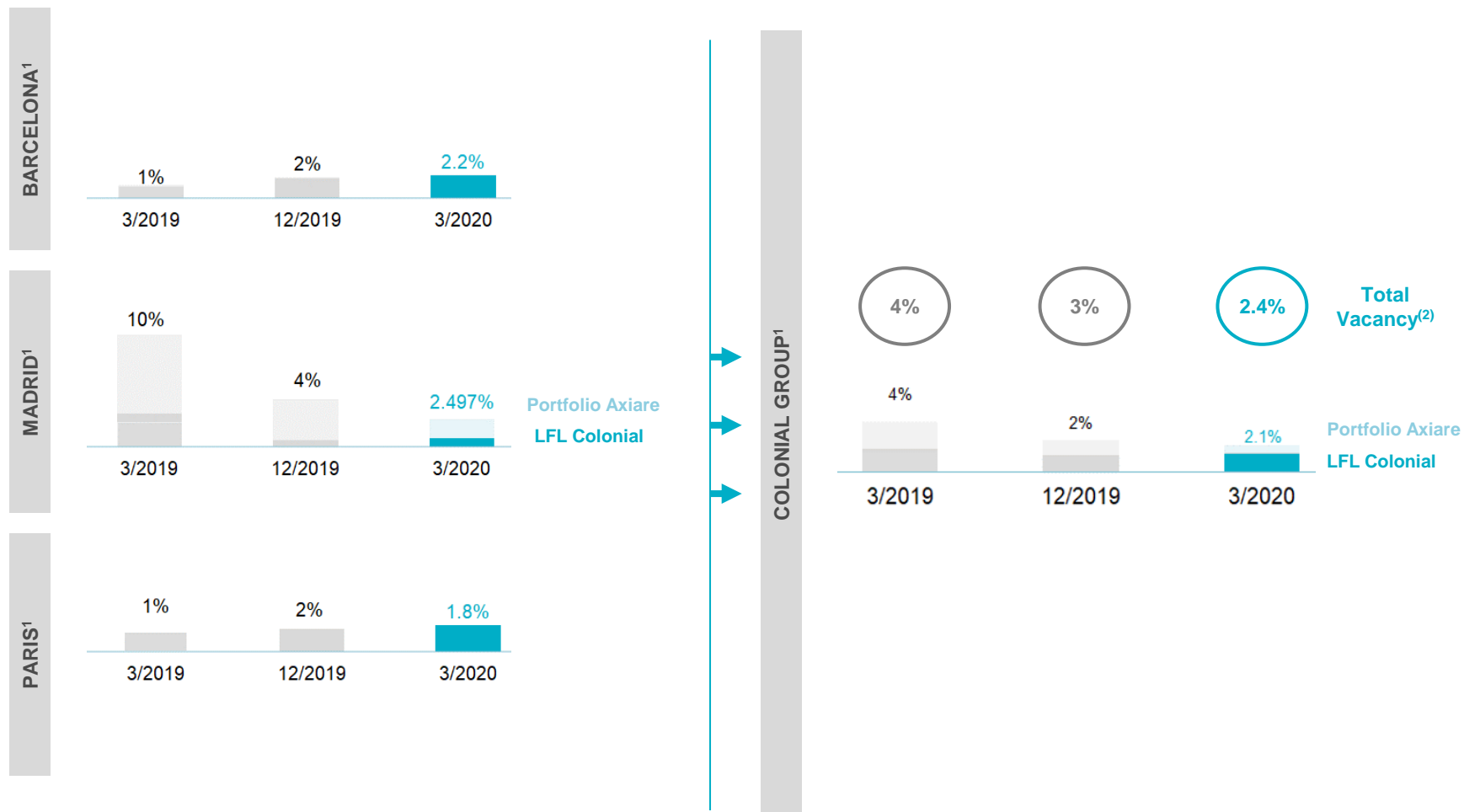
(1) EPRA Vacancy office portfolio  
 (2) EPRA Vacancy including all uses



## Vacancy at very healthy levels in every segment

- > Group vacancy at a healthy 2.4%, with Office Portfolio at 2.1%
- > Barcelona vacancy at 2.2% and Paris vacancy at 1.8%
- > Madrid vacancy at 2.5%

### EPRA VACANCY



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

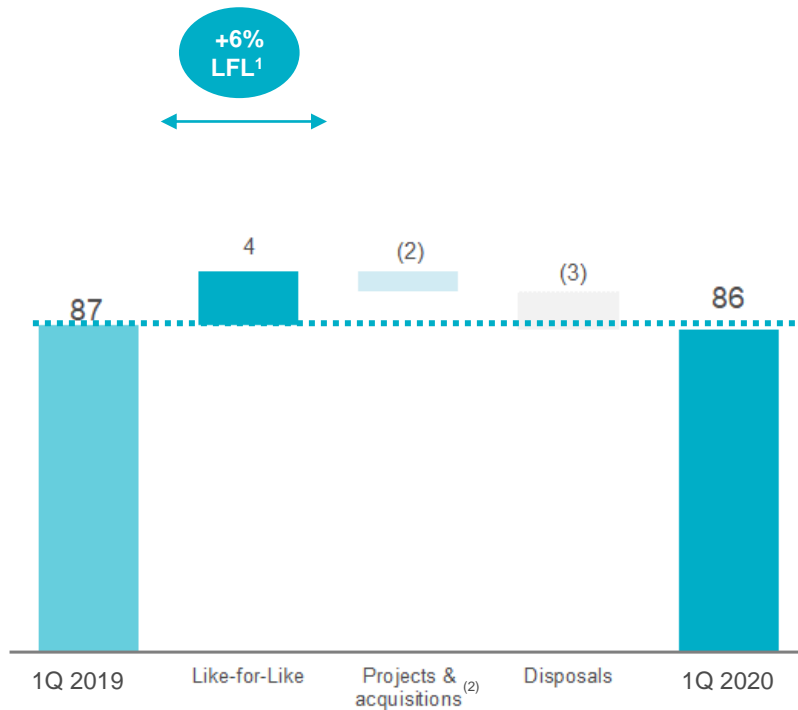


*A good start into the year 2020 with solid financials*

**05 Financial performance**  
**Top line growth in Q1 2020**

- > Group GRI with +6% like for like growth
- > Madrid & Barcelona with double digit LFL
- > Paris LFL of +2%

**GROSS RENTAL INCOME - €M**



	<u>EPRA like-for-like<sup>1</sup></u>	<u>Projects &amp; acquisitions<sup>(2)</sup></u>	<u>Disposals</u>	<u>TOTAL</u>
GROUP	+6%	(3%)	(4%)	(0.4%)
MADRID	+14%	+1%	(1%)	+14%
BCN	+10%	+3%	0%	+14%
PARIS	+2%	(6%)	0%	(4%)
OTHERS	(7%)	+5%	(56%)	(58%)

(1) Like-for-like calculated following EPRA BPR recommendations  
 (2) Includes refurbishments

Like-for-like rental growth at +6%

- > Like-for-like growth double digit in Spain
- > Madrid growth driven by a combination of price and volume
- > Barcelona with strongest price effect

GROSS RENTAL INCOME - €M

STRONG EPRA LIKE-FOR-LIKE GROWTH

GRI LIKE-FOR-LIKE OF +6%

- > Madrid with +14% like-for-like  
*Important rental price increases combined with solid letting up of vacant spaces*
- > Barcelona with +10% like-for-like  
Rental price increases combined with letting up of vacant spaces
- > Paris with +2% like-for-like  
*Rental price increases the main driver*

	EPRA like-for-like <sup>1</sup>	Price	Volume
GROUP	+6%	+3.3%	+2.6%
MADRID	+14%	+6.4%	+7.6%
BCN	+10%	+8.4%	+1.9%
PARIS	+2%	+1.3%	+0.6%

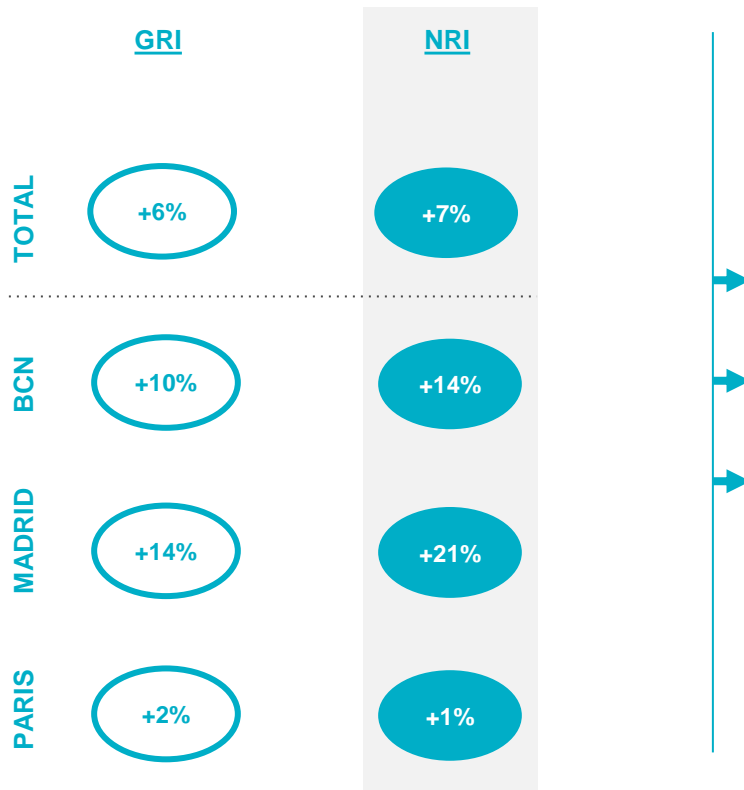
(1) like-for-like calculated following EPRA BPR recommendation

NRI like for like growth at +7%

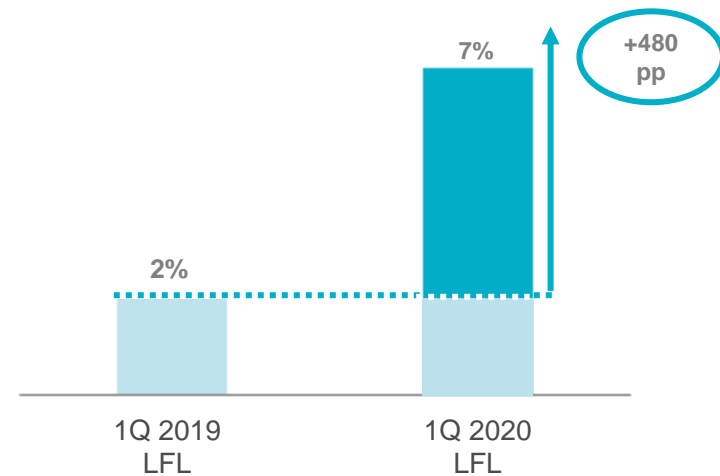
- > Net Rental Income like-for-like increase at +7%
- > Madrid with outstanding +21% like-for-like in Net Rental Income
- > Like-for-like growth in 1Q20 accelerating by 480 pp YoY

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

LFL IN NET RENTAL INCOME FURTHER STRENGTHENED



NRI LFL GROWTH ACCELERATING



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

GRI= Gross Rental Income NRI= Net Rental Income



## 05 Financial performance

### Disposal of secondary assets

Disposal of secondary assets post COVID-19 outbreak:

- > Disposal of Hotel Mojácar with +22% premium on GAV
- > Disposal of a residential unit in Madrid with +23% premium on GAV

#### HOTEL MOJACAR (SOUTH SPAIN)



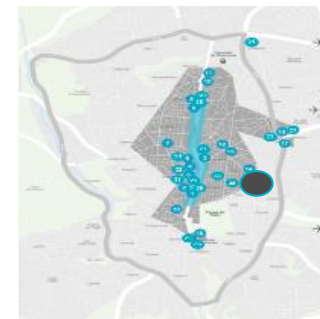
- > Disposal of the last Hotel in Colonial Portfolio
- > Secondary asset located in South Spain
- > Closing date: 21/03 post COVID-19 outbreak



Price of 8.4€m  
+22% Premium on GAV

#### APPARTMENT O'DONELL (MADRID)

- > Disposal of a residential unit in Madrid
- > Asset of 311 sqm of surface
- > Closing date: 4/20 post COVID-19 outbreak



+23% premium

Non-core disposal

Sold in April

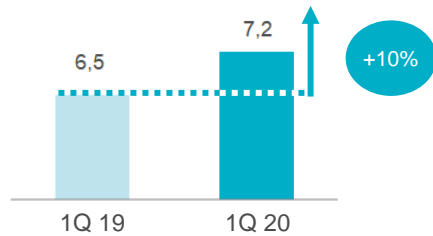
A good start into the year 2020 with solid financial results

- > Net profit of €32m, +39%
- > Double digit recurring EPS growth
- > Non-Core Disposals enhancing the quality of returns

**STRONG EPS GROWTH**

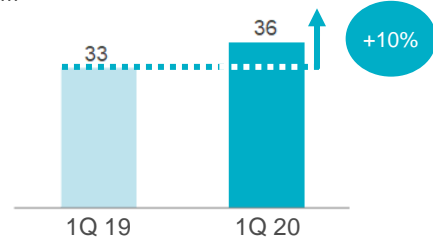
**RECURRING EPS**

Cts€/share



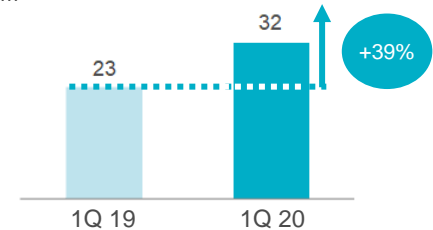
**RECURRING RESULT**

€m

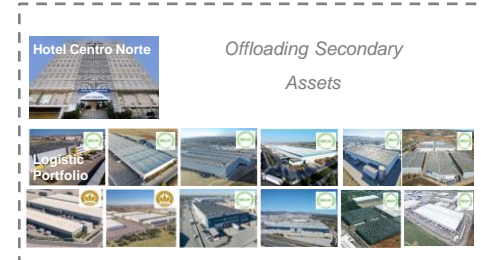
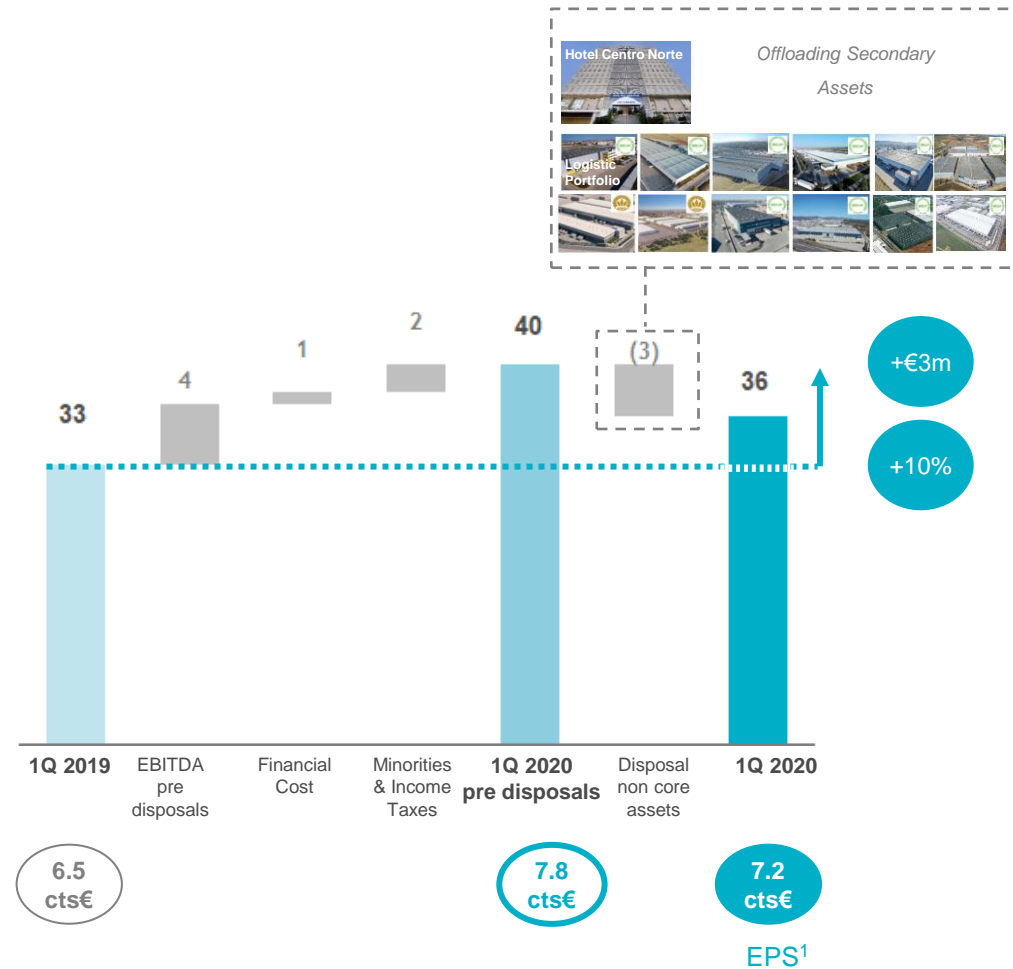


**GROUP NET RESULT**

€m



**RECURRING EARNINGS – VARIANCE ANALYSIS**



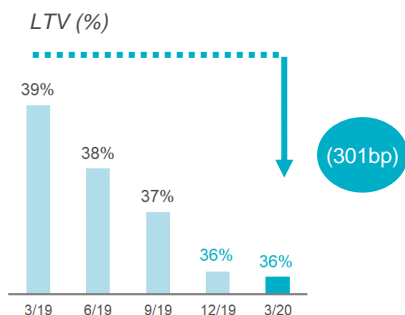
## A good start into the year 2020 with a strong credit profile

- > A stronger Balance Sheet with LTV reduction to 36%
- > Confirmation of investment grade rating by credit agencies
- > Access to liquidity adding €200m to the €1.900m of cash and credit lines available

### I. A STRONGER BALANCE SHEET

#### > A stronger Balance Sheet

- ✓ Loan to Value at 36%
- ✓ 301 pb decrease in 12 months



#### Debt highlights

Debt Maturity	4.5 years
Maturities covered until	2023
Coverage Ratio 20/21	4x

### II. WITH RATING CONFIRMED

#### > Credit Rating confirmed

- ✓ S&P maintains rating at BBB+
- ✓ Moody's maintains rating at Baa2

<b>STANDARD &amp; POOR'S</b>	BBB+ stable	✓
<b>MOODY'S</b>	Baa2 stable	✓

#### Financial Policy

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

### III. ACCESS TO LIQUIDITY

#### > Access to liquidity

- ✓ €200m of new ESG credit syndicate
- ✓ Top tier international banks



#### Liquidity <sup>2</sup>

Cash	€535m
Undrawn balances <sup>2</sup>	€1,565m
<b>Total</b>	<b>€2,100m</b>

(1) Cash and undrawn balances (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicate loan formalized as at 4/20



*A diversified Core CBD Portfolio with a strong balance sheet*



## RESILIENCE THROUGH PRIME POSITIONING

---

- 1 A super Core CBD Portfolio
- 2 AAA Clients with strong solvency
- 3 A defensive Project Pipeline
- 4 A strong balance sheet
- 5 Flight to quality through active asset management



06 Prime Positioning enhances Resilience

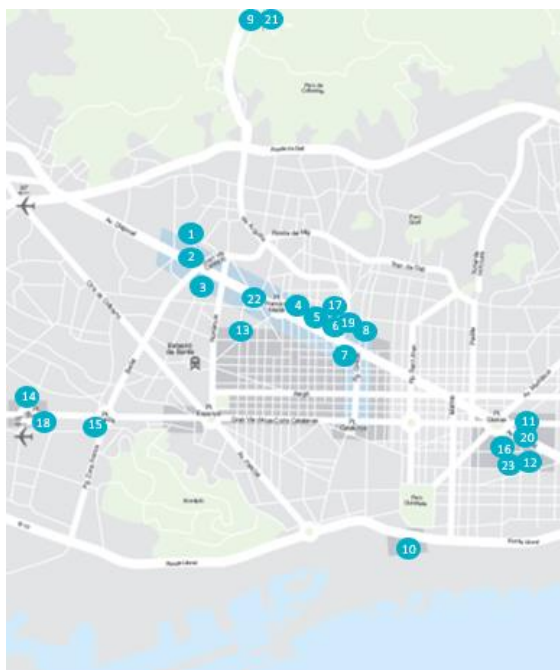
1 A Super Core CBD Portfolio

- > Colonial as largest office owner in the City Center of Madrid, Barcelona and Paris
- > Strong market share in CBD
- > Prime positioning enhances resilience

BARCELONA

Colonial Portfolio - max rent signed

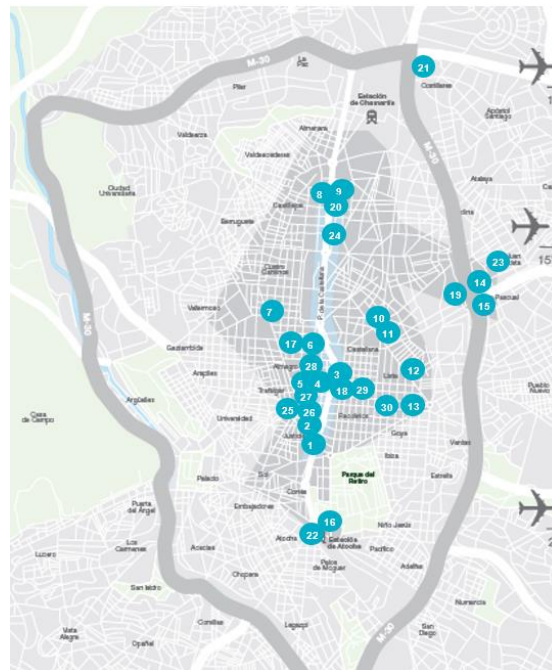
€29 /sq m/month



MADRID

Colonial Portfolio - max rent signed

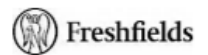
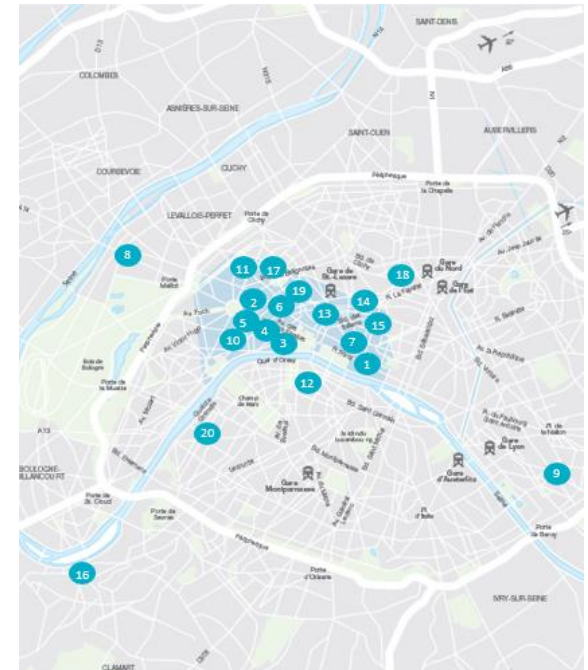
€36 /sq m/month



PARIS

Colonial Portfolio - max rent signed

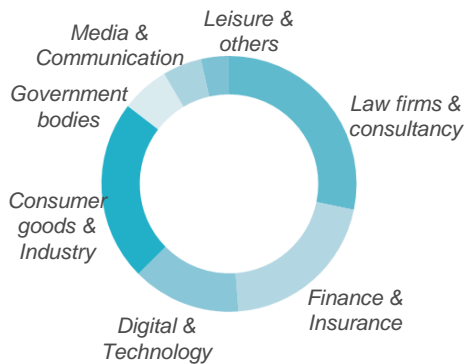
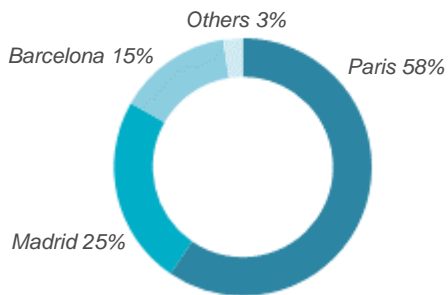
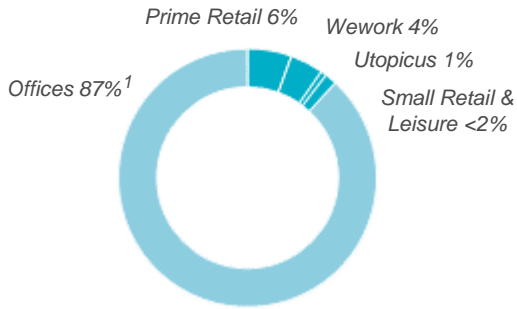
€907 /sq m/year



2 AAA Clients with strong solvency

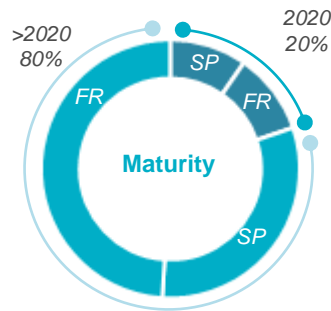
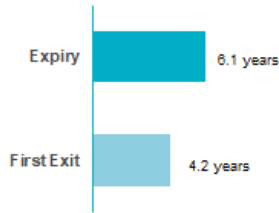
A HIGHLY DEFENSIVE CLIENT BASE WITH STRONG SOLVENCY PROFILE

TENANT PROFILE



DEFENSIVE MATURITY

As of 12/2019



AAA TENANTS



ZOOM ON PRIME RETAIL EXPOSURE

Dau Retail



92 Champs Elysees



<sup>1</sup> Office buildings including 6% of Prime Retail in the ground floor of the office buildings

## 06 Prime Positioning enhances Resilience

### 2 AAA Clients with strong solvency

- > Reversion as solid cash flow “buffer”
- > Contract Portfolio under-rented
- > Delivery of high release spreads YTD

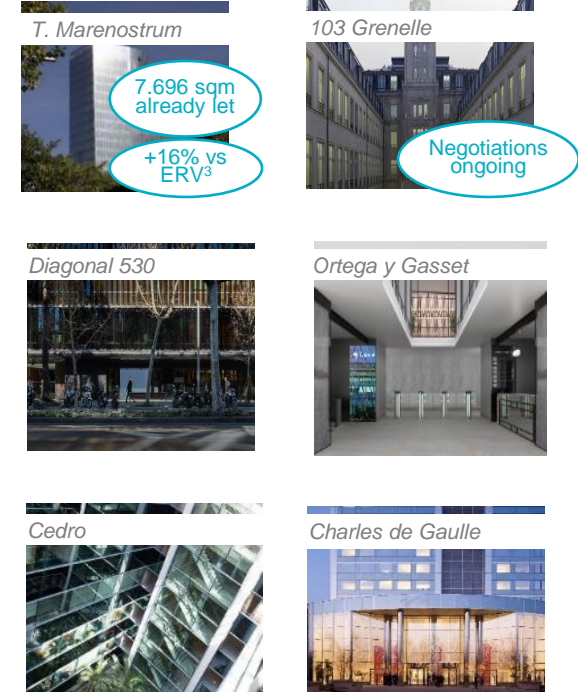
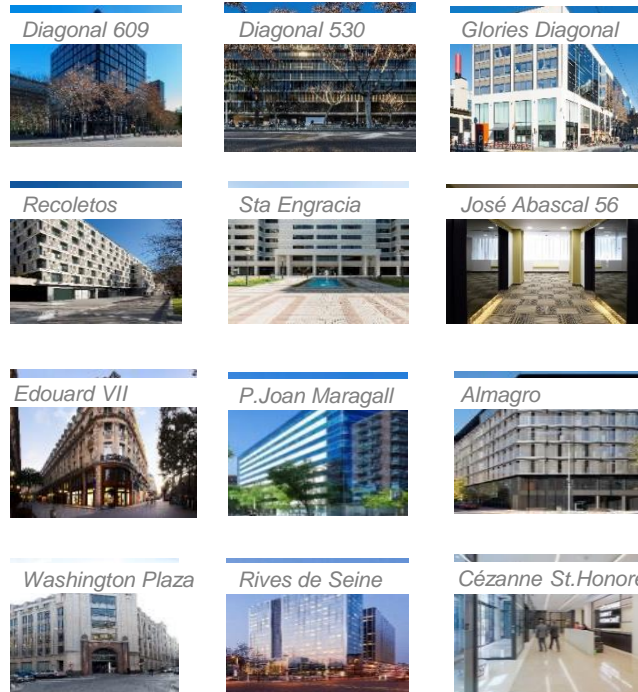
#### REVERSION AS SOLID “BUFFER”

#### REVERSION IN PRIME PREMISES

#### ENHANCED THROUGH RENOVATION PROGRAM

##### Strong delivery YTD

	<i>Release Spread captured<sup>1</sup></i> <i>1Q 2020</i>	<i>Price Potential Reversion</i> <i>12/2019<sup>2</sup></i>
BARCELONA	+50%	+19%
MADRID	+15%	+8%
PARIS	na	+7%



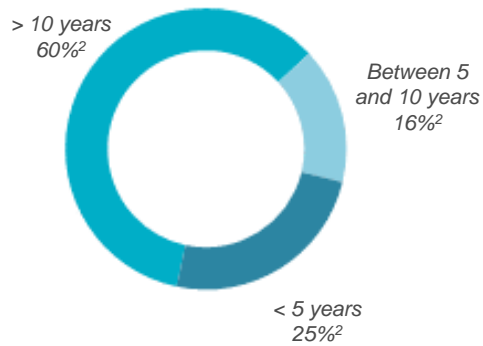
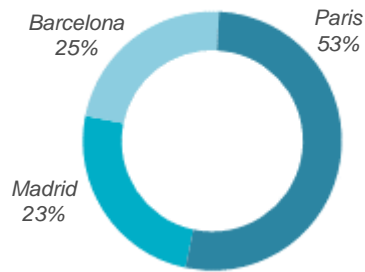
1) New rents signed vs previous  
 2) Market rents vs current passing rents as of 12/19 without including future rental growth  
 3) Contract signed in Q1 2020

2 AAA Clients with strong solvency

CONTRACT PORTFOLIO 2020 MATURITIES – DELIVERY YTD ON TRACK

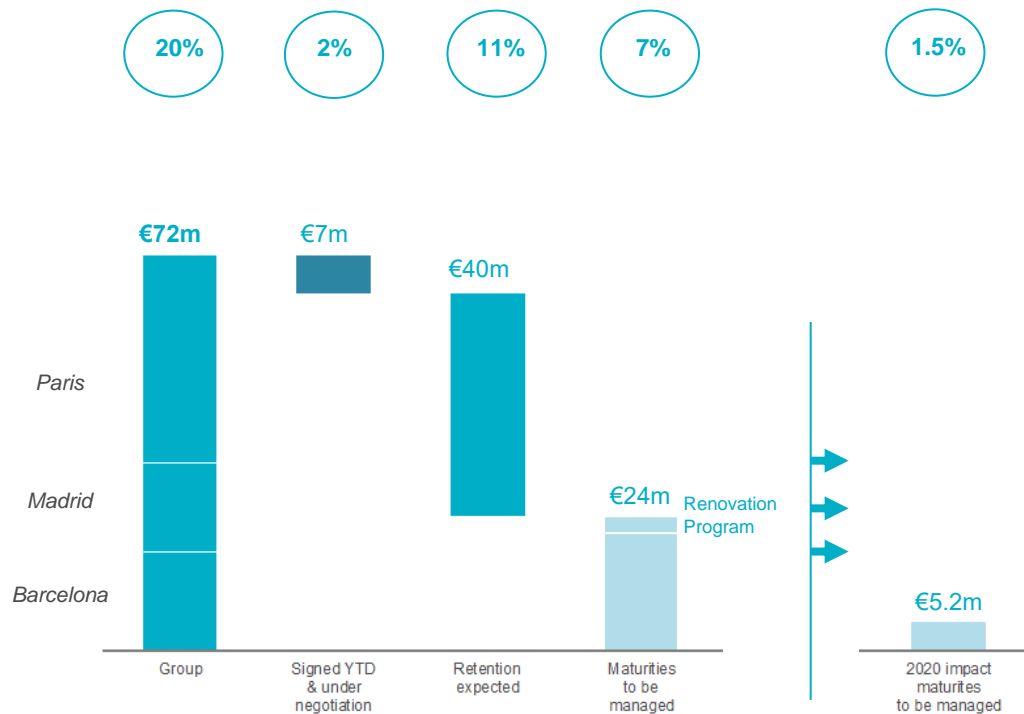
2020 MATURITIES – HIGH LOYALTY CLIENTS

2020 clients with 7 years of loyalty, half of them Paris



2020 MATURITIES MANAGEMENT ON TRACK

% on annualized 12/19 Group GRI<sup>1</sup>



(1) Topped Up GRI as of 12/19  
 (2) Loyalty of the main tenants maturity



## 06 Prime Positioning enhances Resilience

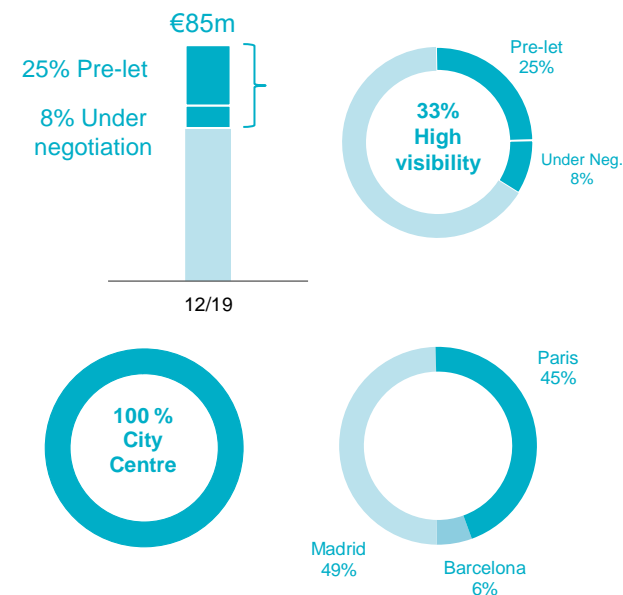
### 3 A defensive project pipeline

- > 100% City Centre Exposure
- > Significant Pre-let level with AAA tenants
- > High development margin buffer

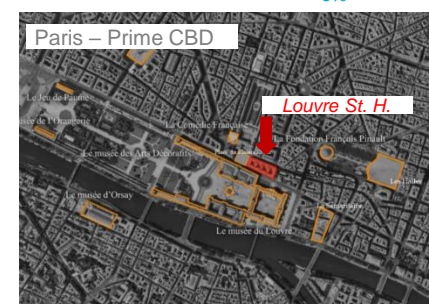
Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m <sup>1</sup>	Yield on Cost
1 Castellana, 163	Madrid CBD	100%	Delivered	87% Pre-let 10,910	52	7.5%
2 Diagonal 525	Barcelona CBD	100%	1H 21	100% Pre-let 5,710	39	5.1%
3 Miguel Angel 23	Madrid CBD	100%	2H 21	8,036	66	5.9%
4 83 Marceau	Paris CBD	82%	2H 21	9,600	151	5.2%
5 Velazquez Padilla 17	Madrid CBD	100%	2H 21	17,239	113	7.7%
6 Biome	Paris City Center	82%	2H 21	24,500	283	5.0%
7 Plaza Europa 34	Barcelona	50%	2H 22	14,306	42	7.0%
8 Mendez Alvaro Campus	Madrid CBD South	100%	2H 23	89,871	300	7.9%
9 Sagasta 27	Madrid CBD	100%	2H 23	4,481	23	7.0%
10 Louvré SaintHonoré	Paris CBD	82%	2023	100% Pre-let 16,000	208	7.7%
<b>TOTAL OFFICE PIPELINE</b>				<b>200,653</b>	<b>1,277</b>	<b>6.6%</b>

Prime Commercial

### GRI<sup>2</sup> – Project Pipeline



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





## 06 Prime Positioning enhances Resilience

### 3 A defensive project pipeline

- > No project deliveries in 2020
- > The capex program has been delayed with €75m pending for the rest of 2020
- > Additional Pre-letting conversations ongoing

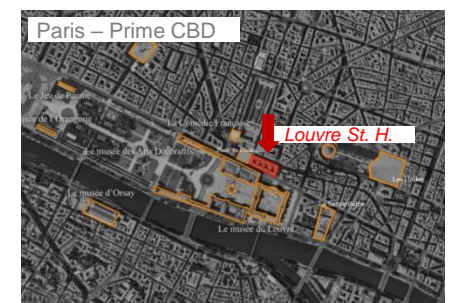
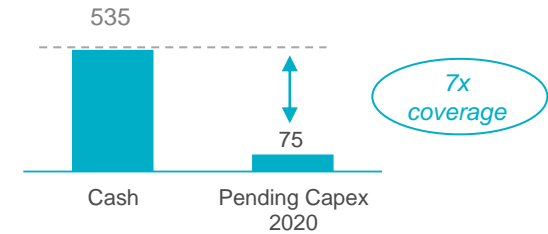
Project	City	Delivery
1 Castellana, 163	Madrid CBD	Delivered
2 Diagonal 525	Barcelona CBD	1H 21
3 Miguel Angel 23	Madrid CBD	2H 21
4 83 Marceau	Paris CBD	2H 21
5 Velazquez Padilla 17	Madrid CBD	2H 21
6 Biome	Paris City Center	2H 21
7 Plaza Europa 34	Barcelona	2H 22
8 Mendez Alvaro Campus	Madrid CBD South	2H 23
9 Sagasta 27	Madrid CBD	2H 23
10 Louvré SaintHonoré	Paris CBD	2023

#### TOTAL OFFICE PIPELINE

#### Project Pipeline – A defensive approach

- > No project deliveries in 2020
- > The capex program has been delayed
  - In particular in Mendez-Alvaro
  - €75m pending for 2020
  - No penalties or liabilities attached foreseen
- > Additional Pre-letting conversations ongoing

#### Solid Project Capex Coverage



4 A strong balance sheet

- > €2.1bn<sup>1</sup> of liquidity as of 4/2020, covering more than 4x<sup>(2)</sup> debt maturities in 20/21
- > Covenant LTV and ICR well above required levels
- > Colonial is one of the few European real estate companies that has maintain its rating post COVID-19

MAIN DEBT KPIs

Cash	€0.5bn
Undrawn Balances	€1.6bn
Liquidity	€2.1bn
Debt Coverage 20/21 <sup>1</sup>	4.2x
<hr/>	
Debt Maturity	4,5 years
Non-Mortgage debt	94%
Cost of debt	1.66%

Rating confirmed post COVID-19 crisis



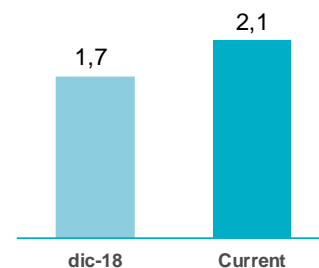
BBB+ stable



Baa2 stable

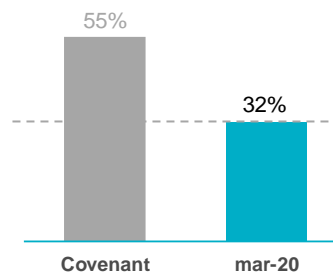
A STRONG BALANCE SHEET

Liquidity €bn

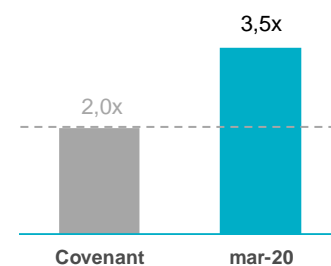


Debt Coverage ratio<sup>1</sup> in excess of 4x  
Current liquidity covering all debt maturities until 2023

Covenant LTV (%)<sup>3</sup>



Covenant ICR<sup>4</sup>



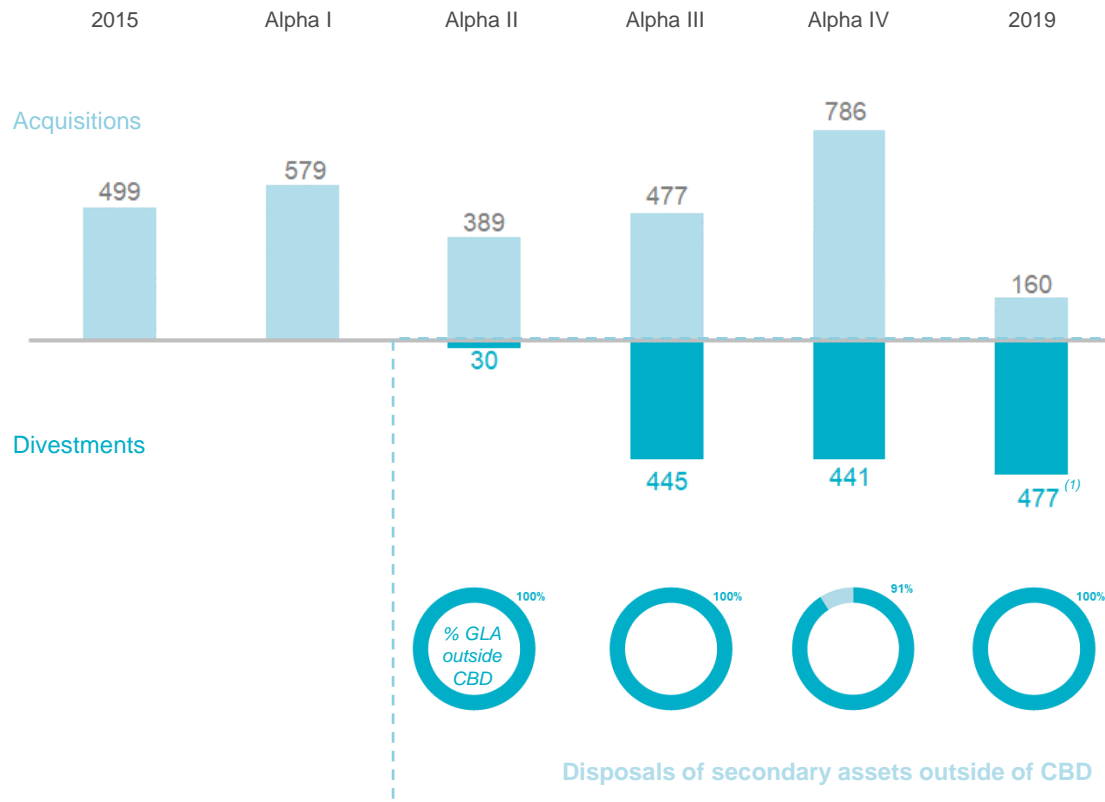
(1) Debt coverage ratio of debt maturing in 20/21 considering liquidity net of ECP program  
 (2) Liquidity (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicate loan formalized in April  
 (3) LTV according to covenant definition = Group Net Debt / (GAV Spain + Subsidiaries x Ownership % x NAV + Treasury shares x NNNAV)  
 (4) ICR according to covenant definition = (Ebitda Spain + Dividend SFL + Maintenance capex) / Interests paid

## 06 Prime Positioning enhances Resilience

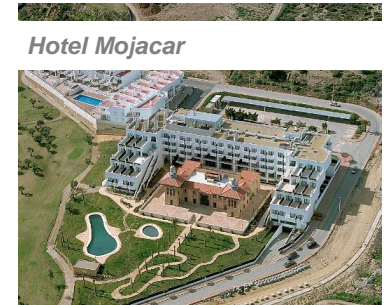
### 5 Flight to quality through active asset management

- > Ongoing flight to quality through disciplined capital allocation
- > Disposal of non-core asset for €1.4bn
- > Increasing the prime exposure and defensive profile of our portfolio

#### INVESTMENTS & DIPOSALS SINCE 2015 - €m



#### Disposal on March 23 2020



Hotel Mojacar

Hotel Mojacar disposal

Price of €8.4m

+22% vs. 12/19 GAV

(1) Disposal volume including the 2019 sale of the logistics portfolio, the Centro Norte Hotel, the Parc Central plot of land, as well as the potential exercise of the option on the rest of the logistics portfolio in 2020







### COVID19 – COLONIAL'S RESPONSE & IMPACTS

- > Employees and Clients safety in management focus
- > All office buildings fully operational and available
- > April cash recollection with no relevant default
- > Client negotiations ongoing: P/L impact currently below 2% of 2020 GRI
- > Potential max P/L impact of 6% on 2020 GRI
- > Project Pipeline Capex postponed, €75 pending for 2020
- > Liquidity at focus: more than 2 €bn including recent new syndicated loan
- > LTV at 36% with ratings of BBB+ and Baa2 confirmed in mid April 20

### STRONG PRE-COVID FIRST QUARTER RESULTS

- > Gross Rental Income of €86m, +6% like-for-like
- > Recurring earnings of €36m, +10% YoY
- > **Recurring EPS of €7.2cts. per share, +10%**
- > **Group Net Profit of €32m, +39%**

### SOLID FUNDAMENTALS - RESILIENT PRIME POSITIONING

- > Occupancy of 98%,
- > Letting activity ongoing with good terms
- > Positive Release Spreads and Rental Growth
- > Project Pipeline with 25% pre-lets & ongoing negotiations
- > Disposal of non-core asset €8.4m with +22% premium on 12/19 GAV

### **DIVIDEND PROPOSAL TO AGM**



# Q&A



## A solid capital structure

Large Headroom on All debt Covenants

> Bonds issued in Spain require Unsecured debt < Unencumbered assets

> Covenants of Credit lines require LTV to be below 55% and ICR above 2.0x

	AMOUNT	COVENTANT	REQUIRED LEVEL	12/19 LEVEL
<b>Bonds</b>	€2,600m	Unsecured debt	Unsecured debt < Unencumbered assets	Unsecured debt: €4.6m Unencumbered assets: €11.3m
<b>Credit Risk Facilites</b>	€675m (undrawn)	LTV <sup>1</sup>	< 55%	32%
		ICR	> 2x	3.5x
		Secured debt Ratio	15% - 25%	1.5%
		Consolidated Assets	>€4.5Bn	€12.5Bn

<sup>1</sup> LTV = Net Debt / (GAV Spain + Subsidiaries x Ownership % x NAV + Treasury shares x NNNAV )

Note: covenants for debt issued by Colonial Socimi, SA

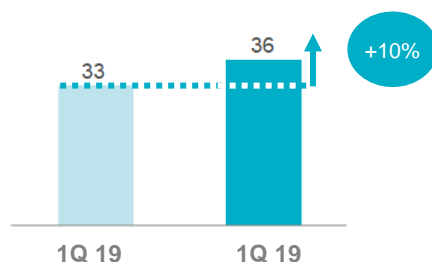
## Solid Q1 2020 results pre-covid

- > Net profit of €32m, +39%
- > Double digit recurring EPS growth
- > Non-Core Disposals enhancing the quality of returns

## STRONG EPS GROWTH

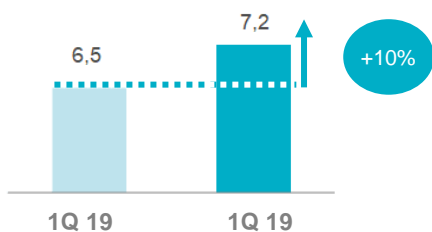
## RECURRING RESULT

€m



## RECURRING EPS

Cts€/share



## PROFIT &amp; LOSS ACCOUNT

## Results analysis - €m

	1Q 2020	1Q 2019	Var.
<b>Gross Rents</b>	<b>86</b>	<b>87</b>	<b>+6% LFL</b>
Recurring EBITDA	69	69	
Recurring financial result	(22)	(23)	
Income tax expense & others - recurring	(2)	(4)	
Minority interests - recurring	(9)	(9)	
<b>Recurring Earnings</b>	<b>36</b>	<b>33</b>	<b>+ 10%</b>
Asset revaluation & Capital Gains	1	3	
Non-recurring financial result & MTM	(0)	(5)	
Income tax & others - non-recurring	(5)	(9)	
Minority interests - non-recurring	0	1	
<b>Profit attributable to the Group</b>	<b>32</b>	<b>23</b>	<b>+ 39%</b>

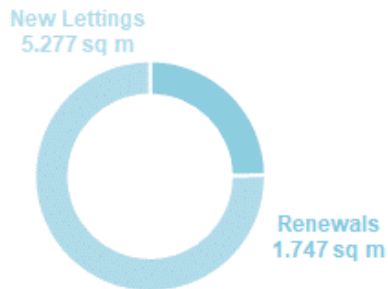
Recurring Earnings - €m	36	33	+10%
Nosh (mm)	508	508	-
<b>EPS recurring - Cts€/share</b>	<b>7.2</b>	<b>6.5</b>	<b>+10%</b>

LETTING PERFORMANCE

BARCELONA

7,024 sq m let

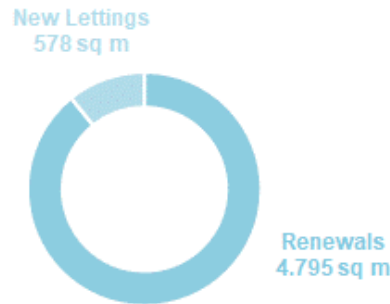
- > Max. rent signed **28**  
€/sqm/month
- > ERV growth<sup>1</sup> **+7%**
- > Release spread<sup>2</sup> **+50%**



MADRID

5,374 sq m let

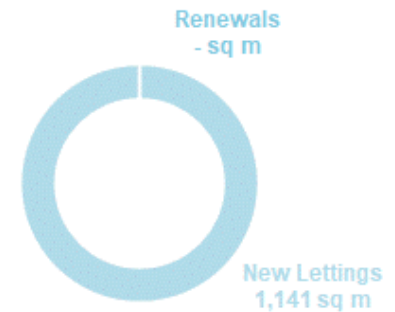
- > Max. rent signed **35**  
€/sqm/month
- > ERV growth<sup>1</sup> **+5%**
- > Release spread<sup>2</sup> **+15%**



PARIS

1,141 sq m let

- > Max. rent signed **795**  
€/sqm/year
- > ERV growth<sup>1</sup> **+7%**
- > Release spread<sup>2</sup> **na**



(1) Signed rents vs 12/19 ERV (new lettings & renewals)  
(2) Signed rents vs previous contracts (renewals)

# APPENDICES

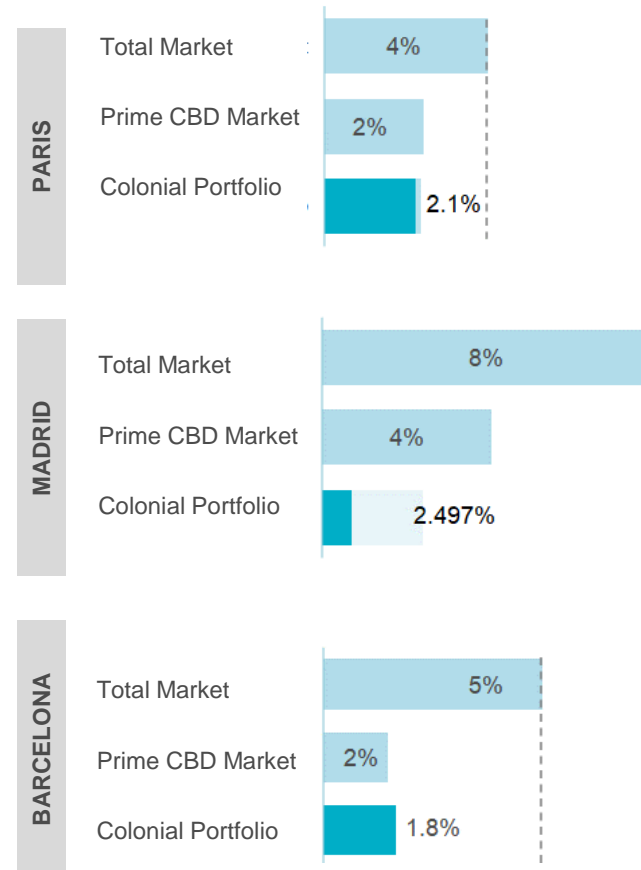
## Vacancy profile

- > Strong vacancy reduction YoY
- > Colonial with healthy vacancy levels in every city
- > Colonial well positioned vs market average

### EPRA VACANCY<sup>(1)</sup>



### VACANCY <sup>(2)</sup> COLONIAL2 VS. MARKET



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

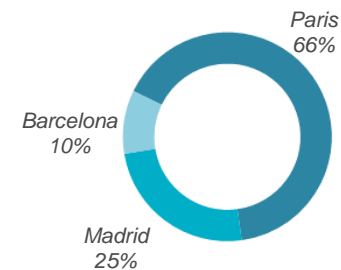
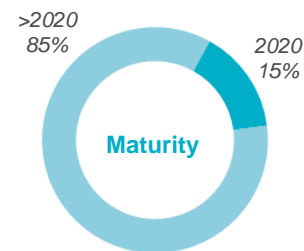
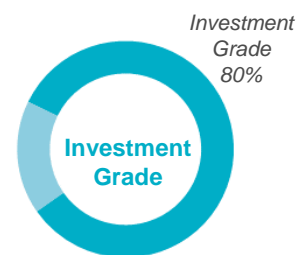


AAA TOP TENANTS WITH STRONG SOLVENCY

TOP TENANTS 12/19

Tenant	City	Sector	% total income	Maturity (years)	Loyalty (years)	Credit Rating
1 FONDATION CARTIER	Paris	Fondation	4%	20.0	-	Strong
2 GRDF	Paris	Industry	3%	5.0	155	AA
3 NATIXIS IMMO EXPLOITATION	Paris	Finance	3%	1.0	16	A+
4 LA MONDIALE	Paris	Finance	3%	0.0	12	A-
5 INTERNATIONAL BUSINES MACHINES	Madrid	Information Technology	3%	4.0	8	A+
6 EXANE	Paris	Finance	2%	5.3	4	AAA
7 H&M	Paris	Fashion	2%	2.2	10	
8 ZARA FRANCE	Paris	Fashion	2%	1.6	10	AA+
9 FRESHFIELDS BRUCKHAUS DERINGER	Paris	Law firm	2%	0.9	16	Strong
10 GRUPO CAIXA	Barcelona / Madrid	Financial	2%	1.2	8	BBB+
11 PROPARGO	Paris	Finance	2%	4.3	5	AA
12 FACEBOOK FRANCE	Paris	Digital	2%	3.9	4	AAA
13 CUATRECASAS GONÇALVES PEREIRA	Madrid	Law firm	1%	1.0	8	Strong
14 KLEPIERRE	Paris	Real estate	1%	3.7	6	AA
15 TV5 MONDE	Paris	Media	1%	7.0	5	
16 M&L L'OCCITANE	Paris	Other	1%	3.6	2	
17 GRUPO COMUNIDAD DE MADRID	Madrid	Government Bodies	1%	2.0	15	AA
18 NATURGY ENERGY GROUP	Barcelona	Consumer Goods & Industry	1%	0.9	14	BBB
19 WERKHAUS	Barcelona / Madrid	Retail	1%	8.1	15	
20 GRUPO SCHIBSTED	Barcelona	Promotion services	1%	3.9	17	
21 IBERIA, LINEAS AEREAS DE ESPAÑA	Madrid	Consumer Goods & Industry	1%	2.8	7	BBB-
22 SELBYTEL GROUP	Barcelona	Telecoms	1%	1.3	5	BBB-
23 LOTERIAS Y APUESTAS DEL ESTADO	Madrid	Government Bodies	1%	0.7	2	AA
24 INGENIERIA Y ECON.TRANSPORTE	Madrid	Engineering	1%	1.9	6	
25 T-SYSTEMS ITC IBERIA	Barcelona	Consulting	1%	3.0	16	BBB+
26 AJUNTAMENT DE BARCELONA	Barcelona	Government Bodies	1%	1.0	13	A
<b>Main Tenants</b>			<b>44%</b>	<b>4.5</b>	<b>19</b>	

TOP TENANTS BREAKDOWN 12/19



## APPENDICES

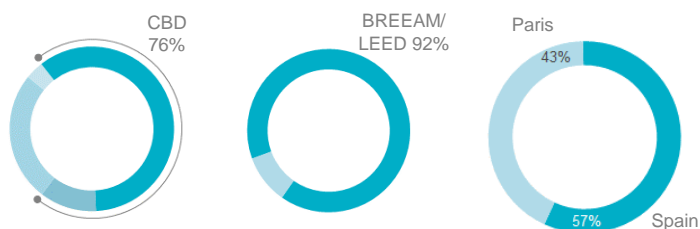
### A solid capital structure

- > An unparalleled high-quality collateral diversified in three cities
- > A solid financial structure with competitive financing costs
- > A strong credit profile

#### FIRST CLASS COLATERAL

More than €12bn of high quality assets

1. Strong CBD exposure with prime product
2. Highest sustainability standards
3. Adequate diversification



Strong credit profile with solid investment grade rating



Rating Standard & Poor's  
**BBB+ Stable Outlook**

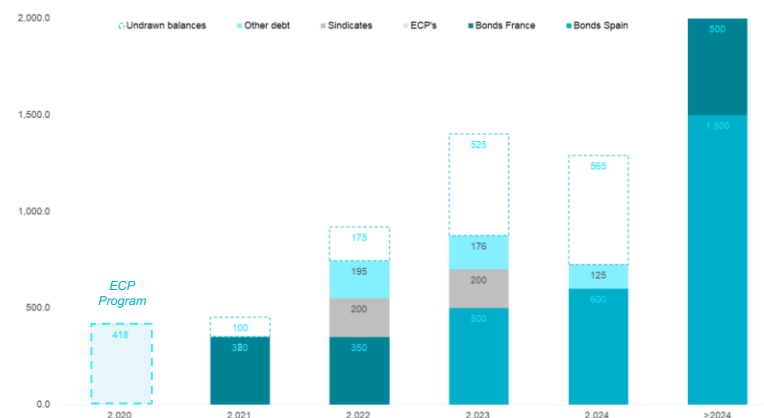


Rating Moody's  
**Baa2 Stable Outlook**

#### A SOLID FINANCIAL STRUCTURE

<u>Capital Structure</u>	<u>31/12/2019</u>	<u>31/03/2020</u>
<b>Net Debt</b>	<b>€4,609m</b>	<b>€5,117m</b>
<b>Group LTV</b>	<b>36%</b>	<b>36%</b>
<b>Liquidity</b>	<b>€2,082m</b>	<b>€1,900m</b>
<b>Liquidity Proforma <sup>(1)</sup></b>		<b>€2,100m<sup>1</sup></b>
<b>Maturity Spain</b>	<b>5.6 years</b>	<b>5.1 years</b>
<b>Maturity Group</b>	<b>4.9 years</b>	<b>4.5 years</b>
<b>Cost of Debt Group</b>	<b>1.63%</b>	<b>1.66%</b>

<sup>(1)</sup> Cash and undrawn balances (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicate loan finalized as at 4/20

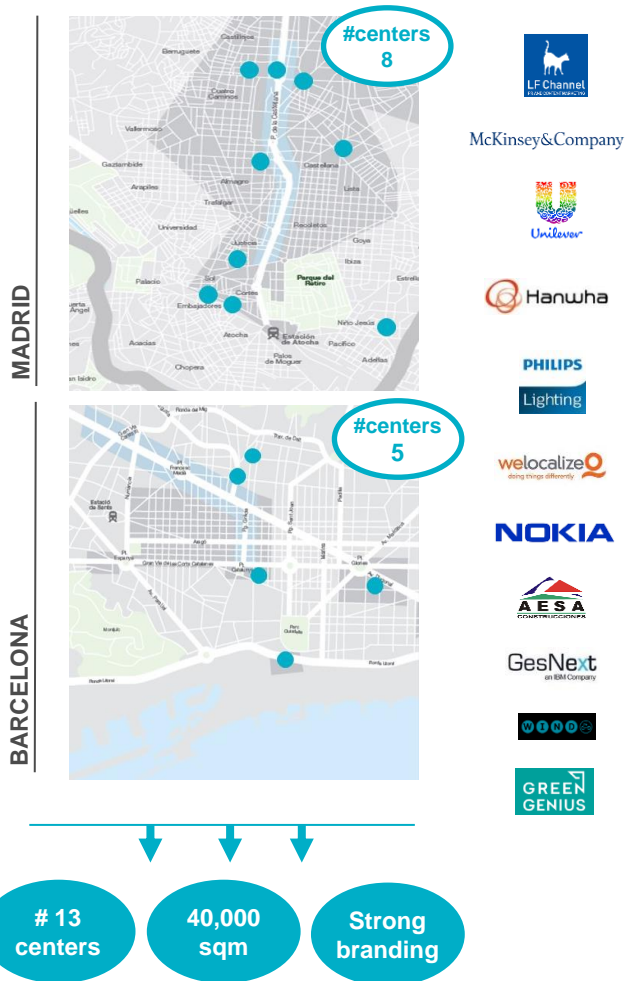


	2020	2021	2022	2023	2024	TOTAL
Colonial	60	-	200	776	725	1,500
SFL	388	352	545	100	-	500
<b>TOTAL</b>	<b>419</b>	<b>352</b>	<b>745</b>	<b>876</b>	<b>725</b>	<b>2,000</b>

- > Utopicus with consolidated leadership in Spain
- > Strong brand recognition with well positioning in key locations
- > Quick expansion with 13 centers and c.40,000 sqm under operation

CONSOLIDATION OF A COWORKING PLATFORM IN SPAIN

NEW CENTERS IN Q120



Castellana 163 - Madrid

- > Prime location in the CBD of Madrid
- > 3,600 sqm of flexible space within a Colonial building
- > New Hybrid product: combination of traditional and flexible offices



Flexibility Services Entrepreneurship  
Training Community

Colonial

