1Q/2019

Quarterly results January-March 2019
9 May 2019

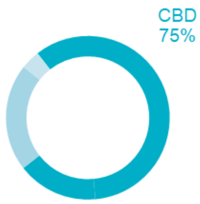
Colonial

+41% increase of recurring EPS in Q1 2019

Financial Highlights	1Q 2019	1Q 2018	Var	LFL
EPS recurring - €/share	0.065	0.046	+41%	
Gross Rental Income - €m	87	82	+5%	+4%
EBITDA recurring - €m	69 (1)	62	+11%	
Recurring Net Profit - €m	33	20	+65%	
Attributable Net Profit - €m	23	22	+3%	

Unique exposure to Prime

GAV 12/2018



Operational Highlights	
EPRA Vacancy	**4%**
Rental Growth[2]	**+11%**
Barcelona	+21%
Madrid	+5%
Paris	+10%
Release Spread[3]	**+14%**
Barcelona	+23%
Madrid	+22%
Paris	+7%

Significant increase in recurring profit

- Recurring net profit of €33m, +65%
- Recurring EPS of €0.07/share, +41%

Strong income growth

- Gross rental income of €87m, +5%
- Like-for-like increase in gross rental income of +4%

Solid operating results

- Capturing rental price increases
  +11% vs ERVs at 12/18[2]
  +14% of release spread[3]
- Solid occupancy levels of 96%

Significant letting activity

- More than 32,000 sqm signed during the 1Q
- More than 17,000 sqm signed in Av. Bruselas & Ribera del Loira, after 1Q close
- 16,000 sqm pre-let on the Louvre St. Honoré, Paris project
- More than 10,000 sqm pre-let on the Pedralbes, Gala Placidia & Diagonal 525 projects

Alpha rotation

- Disposal of the Hotel Centro Norte secondary asset at a premium of +11% on GAV 12/18
- Reinvestment in the 22@-CBD: acquisition of the remaining 45% stake of Torre Marenostrum
- Attractive value creation for the shareholder, increasing focus on the CBD

A solid balance sheet

- S&P rating of BBB+ (highest real estate rating in Spain)
- LTV of 39% with €1,973m of liquidity

(1) EBITDA recurring = adjusted EBITDA, annualizing the full year property tax impact booked in 1Q 2019
(2) Signed rents vs. market prices at 31/12/2018 (ERV 12/18)
(3) Signed rents on renewals vs. previous rents

Highlights

1Q Results 2019

Increase of +65% of the recurring net profit of the Colonial Group

Significant increase in the recurring net profit per share

The Colonial Group has started 2019 with an increase of +65% of the recurring net profit. This growth is based on a portfolio of CBD assets, enhanced through the execution of the Axiare merger, the acquisition of an additional 22% stake in SFL and the disposal of more than €440m of secondary assets in the North East of Madrid. All of these transactions were completed in the year 2018.

The recurring net profit of the first quarter of 2019 amounted to €33m, resulting in an increase of €13m, +65% vs. the previous year, boosted by (1) an increase in rental income and (2) higher attributable results due to the increase in the SFL stake, from 59% to 82%, which is reflected in the minority interests. Excluding the impact of disposals of secondary products without upside potential, the increase of the recurring net profit amounts to 72%.

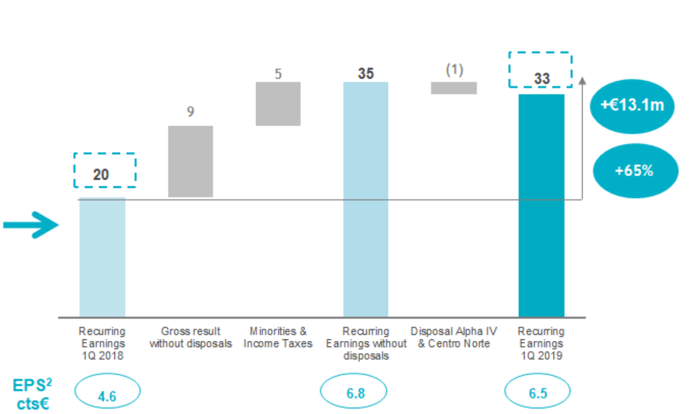
The recurring EPS amounted to €0.065/share, resulting in an increase of +41% versus the same period of the previous year.

Profit & Loss Accounts

Results analysis - €m	1Q 2019	1Q 2018
Gross Rents	87	82
Recurring EBITDA	69 [1]	62
Recurring financial result	(23)	(23)
Income tax expense & others - recurring	(4)	(3)
Minority interests - recurring	(9)	(16)
Recurring Earnings	33	20
Change in fair value of assets & provisions	3	6
Non-recurring financial result & MTM	(5)	(1)
Income tax & others - non-recurring	(9)	(3)
Minority interests - non-recurring	1	0
Profit attributable to the Group	23	22

[1] EBITDA recurring = adjusted EBITDA, annualizing the full year property tax impact booked in 1Q 2019
[2] Recurring earnings per share

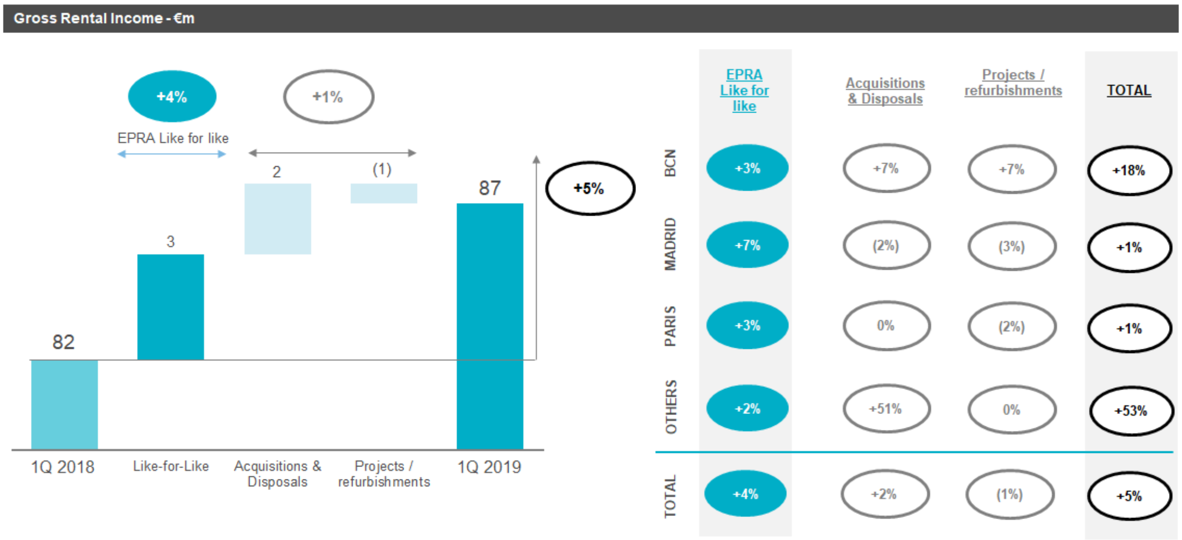
Recurring Income - €m - Variance Analysis



After deducting the expenses in relation to the cancellation of Axiare's debt, as well as other non-recurring expenses, the net profit attributable to the Group amounted to €23m, + 3% compared to the same period of the previous year.

Strong income growth

Colonial closed the first quarter of 2019 with **€87m in rental income, an increase of +5% compared to the same period of the previous year, +4% in like for like terms**



This strong growth in rental income is based on the significant like-for-like increase across the portfolio in all three markets in which the Colonial Group operates.

This level of like-for-like growth is among the highest in Europe and is mainly due to the capacity of the Colonial Group to capture rental price increases, thanks to its strong positioning in the CBD. Of note in the first quarter is the Madrid market with an increase of +7% like-for-like.

In terms of the analysis of the contribution of each of the three markets of the Group's portfolio, the main factors to highlight are the following:

1. **Barcelona +3% like-for-like** due to rental price increases, mainly on Diagonal, 609, as well as an increase in occupancy in assets such as Park Cugat and Torre BCN.
2. **Madrid +7% like-for-like.** This increase was boosted by an increase of rental prices on assets such as Castellana 43, Sagasta 31, Martínez Villergas and Egeo. The new leases signed on CBD properties, such as José Abascal 45, also resulted in a significant positive impact.
3. **Paris +3% like-for-like.** Rental increases rose to €1.4m, due to new leases signed in 2018, mainly on Washington Plaza and Cézanne Saint Honoré, as well as due to increases in the CPI.

In addition, the Colonial Group continues with an active portfolio management divesting secondary non-strategic assets to strengthen its prime positioning. In this context, the Colonial Group disposed more than €440m of non-strategic assets during the second quarter of 2018 and the Hotel Centro Norte in the first quarter of 2019.

Solid operational fundamentals in all segments

Capturing rental price increases

The Colonial Group's business has performed very well with a robust pace in new leases reaching levels close to full occupancy.

In the first quarter of 2019, the Colonial Group signed 25 rental contracts, corresponding to more than 32,000 sqm and an annual rental income of €13m.

This high volume of signed contracts allowed the company to capture double-digit increases in rental prices in all of the portfolio segments, once again demonstrating the significant competitive advantage of the prime positioning of the Colonial Group.

Compared with the market rent (ERV) at December 2018, **signed rents in 2019 increased by +11% and release spreads were of +14%.**

Strong price increases	# contracts	Surface sqm	GRI €m	% Var. vs ERV 12/18[1]	Release Spread[2]	% Var. Vs ERV 12/18 without contracts with cap
Barcelona	7	9,867	€3m	+21%	+23%[3]	+25%[3]
Madrid	9	12,716	€3m	+5%	+22%[3]	+6%[3]
Paris	9	9,792	€7m	+10%	+7%	
TOTAL OFFICES	25	32,375	€13m	+11%	+14%	

(1) Signed rents vs market rents at 31/12/2018 (ERV 12/18)
(2) Signed rents in renewals vs previous rents
(3) There were two leases with a cap, one in Madrid and the other in Barcelona

In **Barcelona**, rents were signed **+21% above ERV**, enhanced by the pre-letting registered for the Pedralbes project. Excluding the pre-letting contracts in Pedrables, the rental growth of the Barcelona portfolio was at +7%. In the **Paris portfolio the increase vs market rents was +10%** and in the **Madrid portfolio it was +5%**.

Likewise, the **release spreads** in the first quarter were very high: **Barcelona +23%, Madrid +22% and Paris +7%**.

Colonial's total letting activity is spread across the three markets in which the Company operates.

In Spain, in the first quarter of 2019, 22,583 sqm were signed across 16 contracts. **In the Madrid portfolio**, more than 12,700 sqm were signed across 9 transactions. Noteworthy is the renewal of more than 5,600 sqm on the Tucumán asset, as well as the signing of more than 3,000 sqm on Virto and more than 1,000 sqm on Arturo Soria.

In the office portfolio in Barcelona, almost 10,000 sqm were signed across 7 transactions. Worth noting is the renewal of 2,100 sqm on Illacuna, as well as the signing of the entire surface area on the Gala Placidia project with Utopic_us.

In the **Paris** portfolio, more than 9,700 sqm were signed across 9 transactions. In terms of renewals, worth highlighting is the 2,700 sqm of office space in the Louvre Saint Honoré building, and in terms of new leases, worth noting is the signing of 2,000 sqm on 103 Grenelle, as well as the signing of more than 2,500 sqm on the Edouard VII building, among others.

Likewise, it is important to highlight two **important pre-letting agreements in the project portfolio**.

On one hand, an agreement subject to conditions was made with the Cartier foundation for the rental of the Louvre Sant Honoré project in Paris. The agreement establishes a rental contract with minimum obligatory term of 20 years.

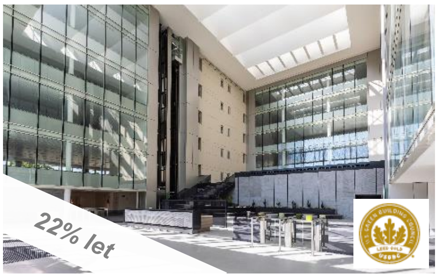
On the other hand, a 17-year long rental contract was signed on Pedralbes project in the prime CBD in Barcelona with Uniqlo to create a flagship store, establishing one of the main reference stores in Europe of the Japanese fashion brand.

In both projects, contractual terms were obtained at the high end of the market, setting a new benchmark for premium product in Paris and Barcelona.

After the close of the first quarter of 2019, the Colonial Group signed more than 17,000 sqm on the Avenida Bruselas and Ribera del Loira assets in the Northeast of Madrid.

Both buildings correspond to projects that were delivered in 2018.

Ribera de Loira 28



Avenida de Bruselas 38

Noteworthy is the letting of 100% of the Avenida de Bruselas 38 building in Madrid. The fact that this is a unique top quality office building, with the best micro-location in the sub-market of Arroyo de la Vega, has enabled the signing of a 7-year obligatory term contract for the headquarters of a top tier technology company.

Additionally, 2,866 sqm were signed on the Ribera del Loira building with a digital photo company, obtaining a 22% occupancy to date.

Solid occupancy levels

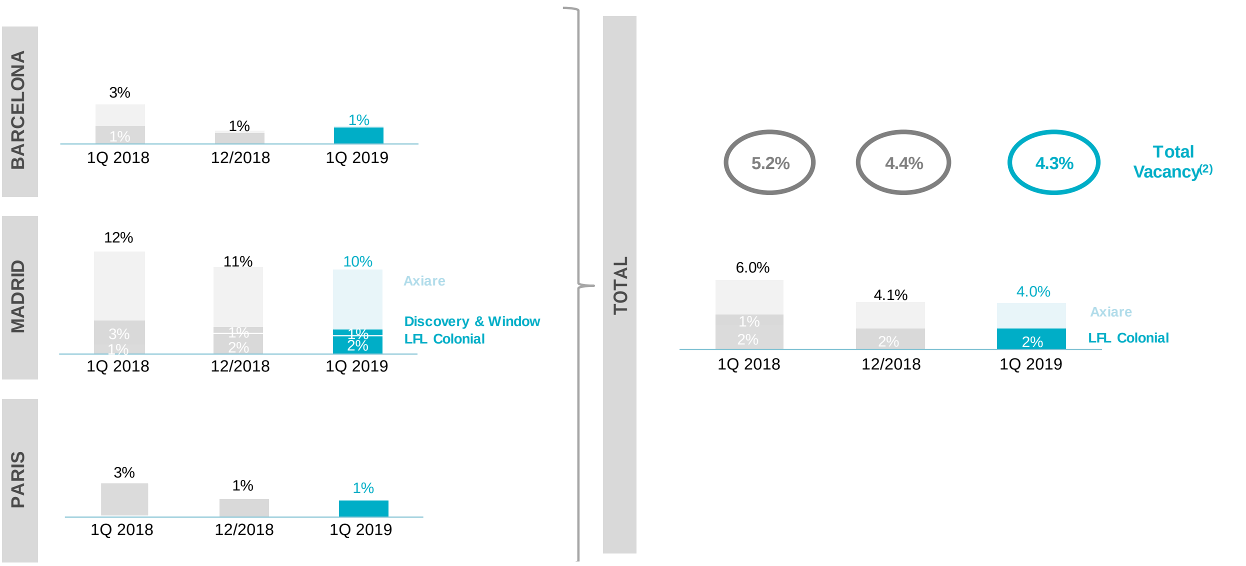
The **total vacancy of the Colonial Group's portfolio** (including all uses: offices, retail and logistics) **stood at levels of 4%** at the close of the first quarter of 2019.

Particularly noteworthy are the office portfolios of Barcelona and Paris, registering a **vacancy rate** of **1%.**

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

EPRA VACANCY[1]

Office & Total Vacancy – Evolution of Colonial's Portfolio



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

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

The Madrid office portfolio has a vacancy of 10%, improving 38 bps compared to the close of 2018.

- 7% corresponds to assets in secondary area of the Axiare portfolio. Especially noteworthy are the recent deliveries of the Ribera del Loira and Avenida de Bruselas projects and the Francisca Delgado building. After the close of the quarter, agreements were reached for more than 17,000 sqm for Avenida Bruselas and Ribera del Loira, which will improve the occupancy ratio in Madrid.

- 1% of the vacancy corresponds to the recently delivered projects of the Discovery Building and The Window, with an occupancy close to 90% at the close of the first quarter of 2019.

- The rest of the Madrid portfolio has maintained solid vacancy rates of 2%. The current available GLA represents a supply of maximum quality in attractive market segments, where there is clearly a scarcity of Grade A products. Consequently, this offers significant potential for additional rental income to be captured in the coming quarters.

The vacant office space at the close of the first quarter of 2019 is as follows:

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation (1)	BD area and others	CBD area	2019	EPRA Vacancy Offices
Barcelona	1,253	508	590	2,351	1%
Madrid	27,396	14,129	6,567	48,093	10%
París	0	6,026	234	6,260	1%
TOTAL	28,649	20,663	7,392	56,704	4%

(1) Projects and refurbishments that have entered into operation


Avenida Bruselas


Alfonso XII


López de Hoyos 35


José Abascal 56


Ribera de Loira 28


Virto

At the end of the first quarter of 2019, the logistics portfolio of the Colonial Group had a vacancy of 16%, mainly due to the entry into operation of the first phase of the project located in San Fernando de Henares.

Progress on ESG

The high quality of Colonial's portfolio is reflected in the high level of certification of its assets. In March 2019, BREEAM/GRESB recognized the Colonial Group as the leader, number one in Europe, in responsible investment through the prize "Award for Responsible Real Estate Investment" in the large portfolio category.

GRESB

BREEAM AWARDS 2019 WINNER

Similarly, during 1Q 2019, Colonial signed the first ESG compliant sustainable loan in the Spanish market.

Alpha rotation 2019

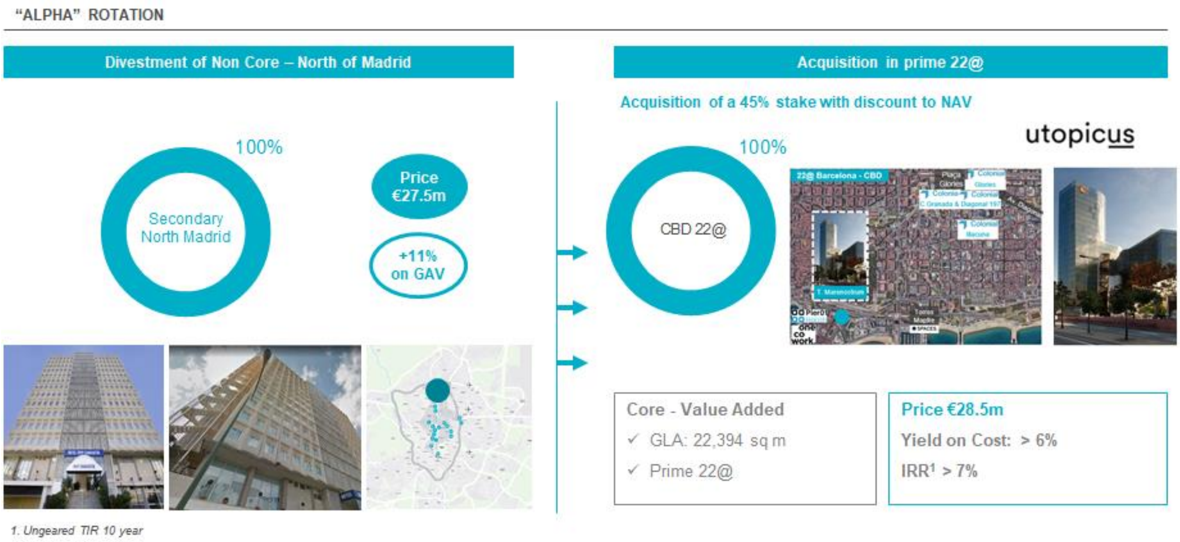
The Colonial Group continues with its strategy to dispose of non-core secondary products in order to strengthen its CBD positioning and reinvest the funds obtained in new opportunities for value creation.

In this context, the Alpha rotation 2019 consisted in the following transactions:

1. Disposal of the Hotel Centro Norte, a non-strategic asset at a secondary location in the Northeast of Madrid with a premium of +11% on the appraisal value.

2. Acquisition of the remaining 45% of Torre Marenostrum building from Naturgy subsequent to the close of the first quarter, achieving 100% ownership of this unique building located in front of the sea in the 22@ market

The two transactions together offer attractive returns for Colonial's shareholders and at the same time reinforce the focus on its prime offices portfolio.



The full ownership of TorreMarenostrum will enable the implementation of a renovation program on a unique asset with the opportunity to maximize rents and the asset value. Specifically, a hybrid complex will be created integrating traditional office space with more than 3,000 sqm of coworking space by UtopicUs. This type of product is currently the most sought after in the market, as successful examples such as Parc Glories in Barcelona and The Window in Madrid have shown.

A solid capital structure

Active management of the balance sheet

In the first quarter of 2019, Colonial finalized the restructuring of the pending debt coming from Axiare, cancelling €131m and refinancing the rest of the remaining debt of €151m, improving margins and cancelling mortgage securities. The refinanced loans have the status of sustainable.

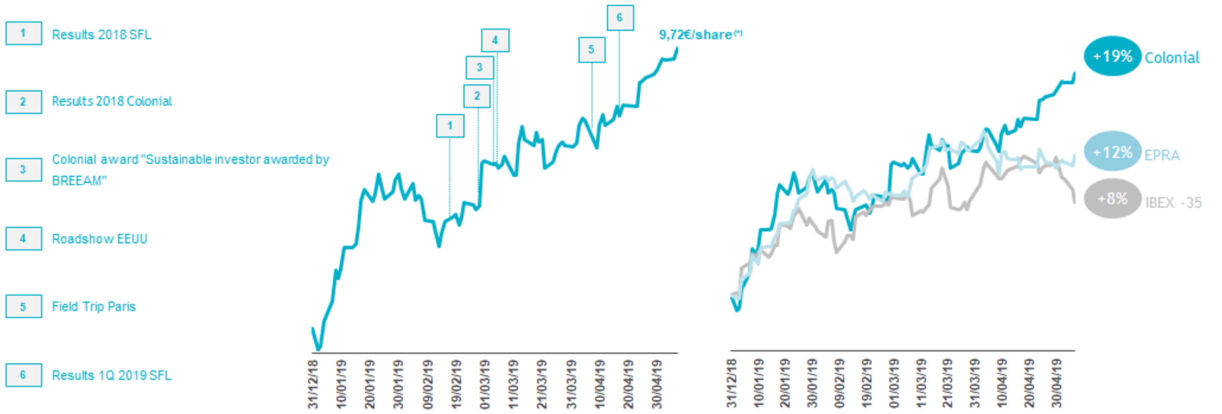
Taking advantage of the optimal situation of negative short-term interest rates, short-term notes issues were initiated under the Euro Commercial Paper (ECP) program registered in December 2018, with issues of €300m in effect at 31 March. SFL has also carried out its short-term Euro Commercial Paper programs. At the close of the first quarter of 2019, €244m had been issued.

With respect to the maturity schedule, it is important to point out that 64% of the Group's debt matures as of 2023[1].

Solid share price performance

As at the date of publication of this report, Colonial's shares closed with a revaluation of +19%, beating the EPRA & IBEX35 benchmark indices.

COLONIAL SHARE PRICE PERFORMANCE 2019



(*) Share price YTD as of 7/05/2019

The share price performance reflects the support of the capital markets for the successful execution of the Colonial Group's growth strategy. Colonial's share price is compared to its peers one of the securities that is trading the closest to its fundamental value.

(1) Maturity excluding the short term note issues

Growth drivers

The Colonial Group has an attractive growth profile, based on its strategy of industrial value creation with a high Alpha component in returns, and relying on the following value creation drivers:

A. An attractive project pipeline: Colonial has a project pipeline of 12 projects with more than €1,290m (total cost of completed products) corresponding to more than 211,000 sqm to create prime products that offer strong returns and therefore, future value creation with solid fundamentals.

	Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m[1]	Total Cost €/ sqm[1]	Yield on Cost
1	Pedralbes Center (Prime Commercial)	Barcelona CBD	100%	1H 19	6,917	38	5,502	6.3%
2	Gala Placidia / Utopic_us	Barcelona CBD	100%	1H 19	4,312	17	3,922	7.0%
3	Miguel Angel 23	Madrid CBD	100%	2H 20	8,036	64	7,999	5.8%
4	Castellana, 163	Madrid CBD	100%	2020 / 21	10,910	52	4,803	6.5%
5	Diagonal 525	Barcelona CBD	100%	1H 21	5,710	37	6,460	6.0%
6	Biome	Paris City Center	82%	2H 21	24,500	280	11,428	5.0%
7	83 Marceau	Paris CBD	82%	1H 21	9,300	147	15,801	5.0%
8	Velazquez Padilla 17	Madrid CBD	100%	1H 21	17,239	113	6,532	6.5%
9	Plaza Europa 34	Barcelona	50%	2H 21	14,306	32	2,257	7.0%
10	Mendez Alvaro Campus	Madrid CBD South	100%	2H 22	89,871	287 [2]	3,188	7.5%
11	Sagasta 27	Madrid CBD	100%	2H 22	4,481	23	5,044	6.5%
12	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2023	16,000	205	12,831	7.3%
TOTAL OFFICE PIPELINE					**211,582**	**1,295**	**6,119**	**6.3%**

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

[2] Upper part of the range: €3,032/sq m - €3,188/sq m and €273m - €287m

As at the date of this report, 4 of the 12 projects (specifically, the Pedralbes Center, Gala Placidia, Diagonal 525 and Louvré Saint Honoré) already have pre-let agreements in favourable terms, significantly increasing the visibility of future cash flows and value creation. The rest of the project portfolio is progressing as planned and all projects are expected to be delivered gradually over the coming five years.

B. A strong prime positioning with a contract portfolio to capitalize on the cycle

The first quarter has once again shown the capacity of the Colonial Group's contract portfolio to capture maximum market rents and obtain significant rental price increases with double digit release spreads.

In addition, new renovation programmes have been identified, accelerating tenant rotation in the corresponding spaces. In this respect, of note are two buildings in the prime CBD, in particular 106 Haussmann in Paris and Ortega y Gasset in Madrid.

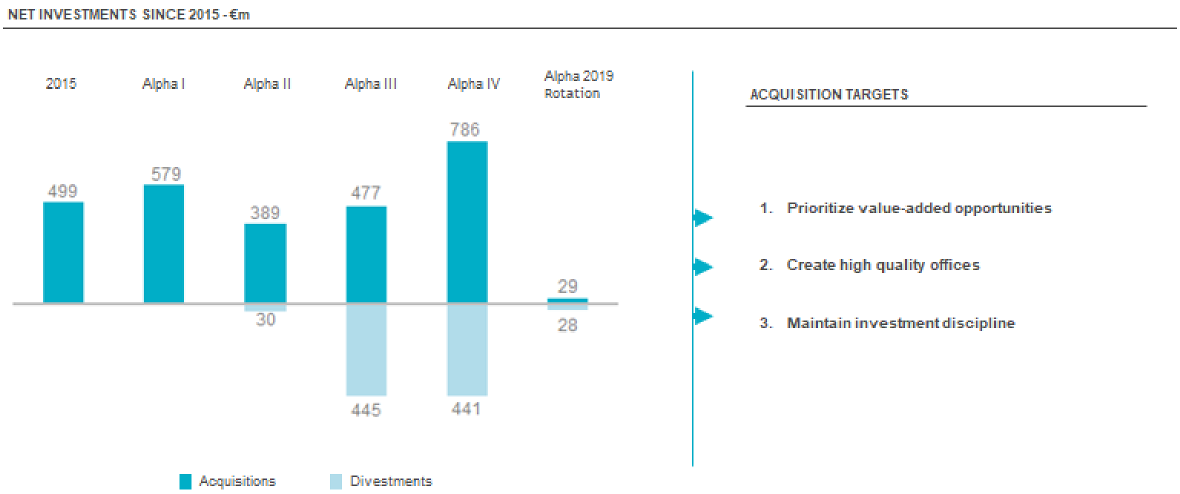
The Haussmann 106 building offers almost 15,000 sqm in the centre of Paris which will be updated in the year 2020, offering a top quality product. This renovation program is already generating high interest in the rental market of the French capital.

In Madrid, the rotation of a public client in Ortega y Gasset is underway to start a renovation program as soon as possible and to be able to offer approximately 6,000 sqm of high quality office product in the centre of Madrid.

C. **Discipline in the acquisition and disposal program:** Over recent years, Colonial has successfully delivered the organic investment targets announced to the capital markets: asset acquisitions, prioritising off-market deals and identifying properties with value-added potential in market segments with solid fundamentals.

The **2019 Alpha rotation** is part of this strategy of active portfolio management that benefits from the positive momentum in real estate investment markets to dispose secondary products and reinvest the funds in prime acquisitions with value creation potential.

Since 2015, the Colonial Group has carried out the following organic investments and disposals.



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
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1. Analysis of the Profit and Loss Account

Analysis of the Profit and Loss Account

March cumulative - €m	2019	2018	Var.	Var. % [(1)]
Rental revenues	87	82	4	5%
Net operating expenses [(2)]	(11)	(9)	(2)	(17%)
Net Rental Income	76	73	3	4%
Other income	0	(0)	0	(143%)
Overheads	(12)	(11)	(1)	(9%)
EBITDA	64	62	2	3%
Exceptional items	(2)	(2)	(0)	(7%)
Change in fair value of assets & capital gains	(1)	(1)	(0)	(65%)
Amortizations & provisions	1	5	(4)	(75%)
Financial results	(28)	(24)	(4)	(15%)
Profit before taxes & minorities	34	40	(6)	(14%)
Income tax	(2)	(2)	(0)	(3%)
Minority Interests	(9)	(15)	6	42%
Profit attributable to the Group	23	22	1	3%

Results analysis - €m	2019	2018	Var.	Var. % [(1)]
Recurring EBITDA	69 [(4)]	62	7	11%
Recurring financial result	(23)	(23)	1	2%
Income tax expense & others - recurring result	(4)	(3)	(1)	(25%)
Minority interest - recurring result	(9)	(16)	6	40%
Recurring net profit - post company-specific adjustments [(3)]	33	20	13	65%
NOSH (million)	*508.1*	*435.3*	*73*	*17%*
EPS recurring (€)	0.065	0.046	0.02	41%

[(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)] adjustment of temporary impact of property taxes

Analysis of the Profit and Loss Account

- The Colonial Group's gross rental income at the close of the first quarter of 2019 amounted to €87m, +5% compared to the same period of the previous year. In like-for-like terms, the increase stood at +4%.

- The Group's EBITDA stood at €64m, a +3% increase compared to the same period of the previous year.

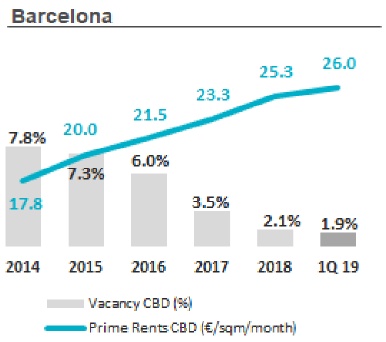
- The net financial results amounted to €(28)m, which is 15% higher than the same period of the previous year.
  The recurring financial results of the Group amounted to €(23)m, a decrease of 2% compared to the same period of the previous year, mainly due to the Group's debt refinancing transactions carried out in 2018 and 2019.

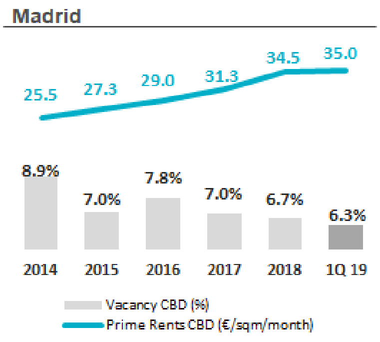
- Profit before taxes and minority interests at the end of the first quarter of 2019 amounted to €34m.

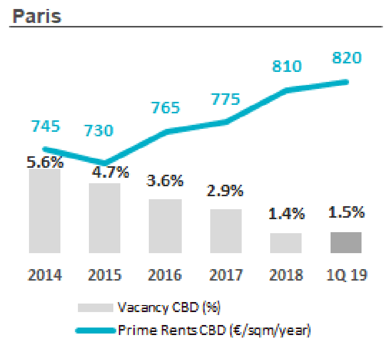
- The corporate tax expense amounted to €(2)m and corresponds to the recording in France of taxes associated to non-SIIC companies, in particular, the Parholding Group.

- Finally, after deducting the minority interest of €(9)m, the net profit attributable to the Group amounted to €23m.

2. Office markets







Rental markets

Take up in the **office market in Barcelona** set a new record during the first quarter of 2019 with 135,000 sqm signed, representing an increase of +67% compared to the same quarter of the previous year. The vacancy rate stood at below 2% in the CBD. A lack of future supply together with solid demand continue to drive up rents, with prime rents reaching €26/sqm/month, which represents a year-on-year increase of +8%.

During the first quarter of 2019, more than 150,000 sqm were signed in the **office market in Madrid**, the highest level in the last decade. This figure represents an increase of +25% compared to the same quarter of the previous year and +69% above the average over the last ten years. As a consequence, the vacancy rate was below 10% in Madrid, with a vacancy rate in the CBD of around 6%. At the close of the first quarter, prime rents in Madrid stood at €35/sqm/month, which represents a year-on-year increase of +9%.

In the offices market in Paris, the take-up in the first quarter of 2019 reached a total of 540,000 sqm, in line with the average over the last ten years. In the CBD, the vacancy rate stood at 1.5%, an historically low level, putting pressure on prime rents which stood at €820/sqm/year (+5% year-on-year increase). The total increase in rents is even higher if we consider the reduction in incentives in the CBDs to 10% compared to 15% one year ago.

Investment market

In **Spain**, investment in the offices sector reached €800m during the first quarter of 2019, resulting in the best first quarter in recent years. By city, almost 90% of the investment volume was focused in Madrid and 10% in Barcelona. Prime yields in Madrid and Barcelona remained stable at 3.5% and 3.75%, respectively.

The **Paris** market closed the first quarter with an investment volume of €2,400m, an increase of +17% compared to the long-term average, albeit below the first quarter of 2018 due to a lack of large transactions. Foreign investor appetite remained active, representing more than 40% of the investment total. Prime yields remained stable at 3%.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE & Savills

3. Business performance

Gross rental income and EBITDA

- Gross rental income reached **€87m, a +5% year-on-year increase**.

  In **like-for-like terms**, adjusting for investments, disposals and variations in the project and refurbishment pipeline and other extraordinary items, **Group gross rental income increased by +4% like for like.**

  In Spain, like-for-like rental income increased by +5%: +3% in the Barcelona portfolio and +7% in the Madrid portfolio. In Madrid, this increase was mainly due to the rental prices increases on properties such as Martínez Villergas, Egeo, Castellana 43 and Sagasta 31. In addition, there was a positive increase in occupancy levels in the José Abascal, 45 and Virto assets. In Barcelona, the positive impact mainly came from an increase in rents in assets such as Diagonal, 609 and an increase in occupancy in Park Cugat and Torre BCN.

  In Paris, like-for-like rental income rose by +3%, mainly driven by signed leases on the Washington Plaza and Cézanne Saint Honoré.

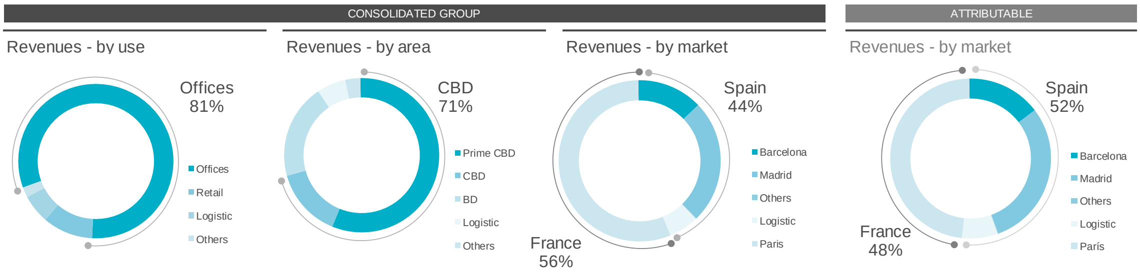
Variance in rents (2019 vs. 2018) €m	Barcelona	Madrid	París	Logistic & others	Total
Rental revenues 2018R	9.7	21.4	48.0	3.4	82.5
EPRA Like-for-Like (1)	0.3	1.1	1.4	0.1	2.9
Projects & refurbishments	0.7	(0.4)	(1.2)	0.0	(1.0)
Acquisitions & Disposals	0.7	(0.5)	0.0	1.8	1.9
Indemnities & others	(0.0)	0.1	0.3	0.0	0.4
Rental revenues 2019R	11.4	21.6	48.5	5.2	86.7
Total variance (%)	*18%*	*1%*	*1%*	*53%*	*5%*
Like-for-like variance (%)	3%	7%	3%	2%	4%

In Madrid, of note is the reduction in rental income due to the sales carried out at the end of 2018 and the sale of the hotel Centro Norte in 2019 in Madrid. The rotation in the project portfolio, specifically the start of the repositioning of the 83 Marceau, Neuilly and Edouard VII buildings in Paris as well as the Velázquez/Padilla, Miguel Angel and Cedro buildings in Madrid have resulted in a temporary reduction in gross rental income.

(1) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.

- **Rental income breakdown:** The majority of the Group's rental income, 81%, derives from the office portfolio. The Group also continues to focus heavily on CBD markets.

  In consolidated terms, 56% of the rental income (€48.5m) 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.



- **At the end of the first quarter of 2019, EBITDA rents reached €76m.**

Property portfolio

March cumulative - €m	2019	2018	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	11	10	18%	0.3	3%
Rental revenues - Madrid	22	21	1%	1.1	7%
Rental revenues - Paris	49	48	1%	1.4	3%
Rental revenues - Logistic & others	5	3	53%	0.1	2%
Rental revenues	**87**	**82**	**5%**	**2.9**	**4%**
EBITDA rents Barcelona	10	9	14%	0.0	0%
EBITDA rents Madrid	16	16	(6%)	(0.0)	(0%)
EBITDA rents Paris	46	45	2%	1.5	4%
EBITDA rents Logistic & others	5	3	53%	(0.1)	(5%)
EBITDA rents	**76**	**73**	**4%**	**1.4**	**2%**
EBITDA rents/Rental revenues - Barcelona	*87%*	*90%*	*(2.9 pp)*		
EBITDA rents/Rental revenues - Madrid	*72%*	*77%*	*(5.5 pp)*		
EBITDA rents/Rental revenues - Paris	*94%*	*93%*	*0.9 pp*		
EBITDA rents/Rental revenues - Logistic & others	*87%*	*88%*	*(0.2 pp)*		

pp = percentages points

Given the accounting standard which requires to register certain property taxes from the entire tax year on 1 January, the EBITDA ratio/income from the portfolio is artificially low.

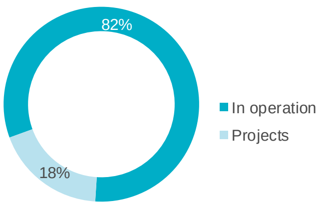
(1) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.

Portfolio letting performance

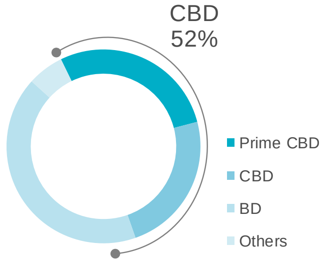
- **Breakdown of the current portfolio by floor area:** At the close of the first quarter 2019, the Colonial Group's portfolio totalled 2,274,508 sqm (1,714,348 sqm above ground), primarily related to office buildings, which comprised 1,645,299 sqm.

  At the close of the first quarter of 2019, 82% of the office portfolio was in operation and the remaining corresponded to an attractive portfolio of projects and refurbishments as well as the land plots of Parc Central in Barcelona and Puerto de Somport in Las Tablas, Madrid.

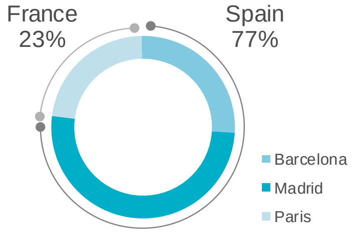
Offices Surface - by condition



Offices Surface - by area



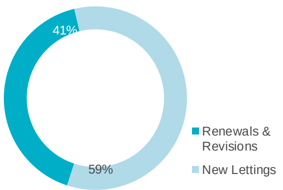
Offices Surface - by market

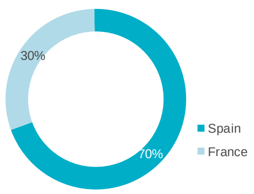


- **Signed leases - Offices:** During the first quarter of 2019, the Colonial Group signed **leases for 32,375 sqm of offices**. 70% (22,583 sqm) were signed in Barcelona and Madrid and the rest (9,792 sqm) were signed in Paris.

  New lettings: Out of the total office letting activity, 59% (19,006 sqm) related to new leases, spread over the three markets in which the group operates.

  Renewals: Lease renewals relating to 13,369 sqm were completed, of which almost 7,000 sqm were renewed in Madrid.





Letting Performance

March cumulative - sq m	2019	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	2,881	2	*23%*
Renewals & revisions - Madrid	6,865	3	*22%*
Renewals & revisions - Paris	3,623	4	*7%*
Total renewals & revisions	**13,369**	**3**	***14%***
New lettings Barcelona	6,986	5	
New lettings Madrid	5,851	4	
New lettings Paris	6,169	5	
New lettings	**19,006**	**5**	**na**
Total commercial effort	**32,375**	**4**	**na**

Release spreads stood at +14%, particularly in **Barcelona with +23% and Madrid with +22%. In Paris**, the **released spreads stood at +7%.**

All letting activity was in the offices market, and no rental contracts were signed in the logistics portfolio.

Project and refurbishment portfolio

- At the release date of this report, Colonial has an office and commercial property portfolio of over 211,000 sqm to create top quality properties, offering high returns and a future value uplift with solid fundamentals.

	Project		City	% Group	Delivery	GLA (sqm)	Total Cost €m[1]	Total Cost €/ sqm[1]	Yield on Cost
1	Pedralbes Center	Prime Commercial	Barcelona CBD	100%	1H 19	6,917	38	5,502	6.3%
2	Gala Placidia / Utopic_us		Barcelona CBD	100%	1H 19	4,312	17	3,922	7.0%
3	Miguel Angel 23		Madrid CBD	100%	2H 20	8,036	64	7,999	5.8%
4	Castellana, 163		Madrid CBD	100%	2020 / 21	10,910	52	4,803	6.5%
5	Diagonal 525		Barcelona CBD	100%	1H 21	5,710	37	6,460	6.0%
6	Biome		Paris City Center	82%	2H 21	24,500	280	11,428	5.0%
7	83 Marceau		Paris CBD	82%	1H 21	9,300	147	15,801	5.0%
8	Velazquez Padilla 17		Madrid CBD	100%	1H 21	17,239	113	6,532	6.5%
9	Plaza Europa 34		Barcelona	50%	2H 21	14,306	32	2,257	7.0%
10	Mendez Alvaro Campus		Madrid CBD South	100%	2H 22	89,871	287 [2]	3,188	7.5%
11	Sagasta 27		Madrid CBD	100%	2H 22	4,481	23	5,044	6.5%
12	Louvré SaintHonoré	Prime Commercial	Paris CBD	82%	2023	16,000	205	12,831	7.3%
TOTAL OFFICE PIPELINE						**211,582**	**1,295**	**6,119**	**6.3%**

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex
[2] Upper part of the range: €3,032/sq m - €3,188/sq m and €273m - €287m

- As at the date of this report, 4 of the 12 projects (specifically, Pedralbes Center, Gala Placidia, Diagonal 525 and Louvré SaintHonoré) already have pre-let agreements in favourable terms, significantly increasing the visibility of future cash flows and value creation. The rest of the project portfolio is progressing as planned and all projects are expected to be delivered gradually over the coming five years

- In addition to these development projects, the Colonial Group is currently carrying out refurbishments on the operational portfolio, with the aim of optimizing the positioning of these properties in the market

- Noteworthy are the renovation programmes on the Haussmann 106 building in Paris, as well as the Cedro and Ortega y Gasset buildings in Madrid. These three buildings represent excellent cash flow and value optimization opportunities, especially the properties located in the CBD, Haussmann, and Ortega y Gasset

- In addition, it is worth mentioning that the Colonial Group has a plot of land of more than 14,000 sqm in the 22@ submarket in Barcelona and a plot of land of 22,000 sqm in Puerto de Somport (Las Tablas, Madrid), on which future projects may be carried out

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

- Colonial aspires to a clear leadership in ESG, being a fundamental element in its growth strategy in which offering maximum quality in its portfolio constitutes a main characteristic. This fact is reflected in the high level of certifications in the Colonial Group's property portfolio

- 91% of the portfolio in operation has maximum BREEAM or LEED certifications. The quality of the BREEAM certificates has also improved with more than 55 certificates (+25%), and 43 of them with "very good" levels or higher. This fact gives the Colonial Group a differential competitive advantage to attract quality demand and maximize the value creation of the portfolio

- This level of certification is clearly above the sector average. The strategic sustainability plan carries out improvements in energy efficiency, betting on continuous improvement asset by asset

- In addition to the strategy on environmental sustainability, Colonial opts for the highest standards in Corporate Governance and a clear ambition in social aspects and talent attraction

- Accordingly, Colonial has achieved important advances in corporate ratings that evaluate all of the non-financial-ESG aspects

BENCHMARK / INDEX	ACHIEVEMENT / RATING
GRESB Real Estate; BREEAM Awards 2018 Winner	> **GRESB / BREEAM 2019 Award for Responsible Real Estate Investment** > #1 in the large portfolio category (>1bn€) > 91% of the portfolio with top ranked energy certification
MSCI	> **AA Rating (up from BBB)** > One of the highest ratings in Europe > Strong scoring on Governance
EPRA sBPR Gold	> **Gold 3rd year in a row** > Gold since 2016 > First mover in Spain
GRESB Real Estate; Green Star	> **Green Star 2nd year in a row** > Strong performance on building certificates > Gresb member
FTSE4Good	> **"Good practice" rating** > Index inclusion 2018 > Strong performance on Governance & Supply Chain

(1) ESG = Environmental, Social and Governance

- The high quality of Colonial's portfolio is reflected in the high level of certification of its assets. In March 2019, BREAAM/GRESB recognized the Colonial Group as the leader, number one in Europe, in responsible investment through the prize "Award for Responsible Real Estate Investment" in the large portfolio category.

- Colonial's European leadership in relation to sustainability in its sector has enabled Colonial to obtain the first sustainable loan to be granted to a Spanish company in the real estate sector. Granted by ING, the loan is for an amount of €76m, maturing in December 2023. The granting of the loan is linked to the sustainability strategy of the company and the interest will vary in accordance with the rating that Colonial obtains in relation to ESG (environmental, social and corporate governance) from the sustainability agency GRESB.

5. Digital Strategy and Coworking

- During the first quarter of 2019, Colonial opened three new centres in Madrid and Barcelona through its coworking subsidiary Utopicus. The spaces will provide a supply of more than 7,500 sqm of surface area for coworking with the capacity for 780 new users:
  1. Gran Vía – Cibeles is the new benchmark centre of Utopicus in Gran Vía street, the most emblematic street in Madrid. There is more than 5,000 sqm of surface area and the building has offices for up to 100 people, a club, restaurant, innovation rooms and auditorium, among other services for companies.
  2. Glories, which occupies a part of Colonial's new Parc Glories building, is located in the best area of 22@ in Barcelona. The space provides a mix of flexible uses with the use of traditional offices and has 2,000 sqm of surface area for 232 workstations.
  3. Clementina, located in the heart of the Barcelona neighbourhood Gracia, has 600 sqm and the capacity for 86 workstations in a dynamic area of the city.

- With respect to the other centres in operation, worth highlighting is the good evolution of the space located in the "The Window", the new office building developed by Colonial in the Príncipe de Vergara street in Madrid. The combination of flexible uses with traditional office space has enabled the occupancy in the building to be increased, with higher rental income than expected.
- Likewise, work continues for the opening of five new centres over the coming months. Once finalised, Utopicus will manage 14 centres with a surface in operation of 40,000 sqm and the capacity for 4,650 workstations, strengthening its leadership in the segment of flexible office and coworking spaces in Spain:

Center		City	Status	Entry in operation	Surface	Users MAX	Occupancy[1]
1	Duque de Rivas	Madrid	In operation	2010	976	130	68%
2	Colegiata	Madrid	In operation	2010	1,222	93	91%
3	Conde Casal	Madrid	In operation	2017	1,089	136	80%
4	Plaça Catalunya	Barcelona	In operation	2018	1,400	156	97%
5	Orense	Madrid	In operation	2018	1,827	207	64%
6	Principe Vergara	Madrid	In operation	2018	3,852	507	61%
7	Clementina	Barcelona	In operation	1Q 2019	600	86	70%
8	Gran Via	Madrid	In operation	1Q 2019	4,990	465	20%
9	Parc Glories	Barcelona	In operation	1Q 2019	2,002	232	46%
10	Gala Placídia	Barcelona	Project	1H 2019	4,000	507	Pre-let 37%
11	Castellana,163	Madrid	Project	2H 2019	3,660	448	n/a
12	Jose Abascal, 56	Madrid	Project	2H 2019	3,594	453	n/a
13	Habana	Madrid	Project	1H 2020	5,745	800	n/a
14	Torre Marenostrum	Barcelona	Project	1H 2020	3,856	431	n/a
Total					38,813	4,651	

[1] Occupancy at 15/4/19

6. Financial structure

In the first quarter of 2019, Colonial finalized the restructuring of the pending debt coming from Axiare, cancelling various bilateral loans in the amount of €131m and refinancing two bilateral loans in the amount of €151m, improving margins and cancelling mortgage securities. The refinanced loans are sustainable loans as their margin will vary according to the rating that Colonial obtains with respect to ESG (environmental, social and corporate governance) from the sustainability agency, GRESB.

Short-term note issues were initiated under the ECP program registered in December 2018, with issues of €300m in effect at 31 March 2019.

SFL has also carried out short-term Euro Commercial Paper programs. At the close of the first quarter of 2019, €244m had been issued.

The main debt figures of the Group are as follows:

Colonial Group - €m	12/18	3/19	Var.
Gross financial debt	4,748	**4,831**	*2%*
Net financial debt	4,680	**4,652**	*(1%)*
Total liquidity (1)	1,793	**1,973**	*10%*
% debt fixed or hedged	97%	**89%**	*(8%)*
Average maturity of the debt (years)(2)	5.9	**5.6**	*(0.3)*
Cost of current debt	1.77%	**1.66%**	*(11 p.b.)*
Rating Colonial (Moody's)	BBB+	**BBB+**	
Rating Colonial (S&P's)	Baa2 Negative	**Baa2 Stable**	
Rating SFL (S&Ps)	BBB+	**BBB+**	-
LtV Group (including transfer costs)	**39.3%**	**39.0%**	*(23 p.b.)*

(1) Cash & Undrawn balances
(2) Average maturity based on available debt

The net financial debt of the Group at 31 March 2019 stood at €4,652m, the breakdown of which is as follows:

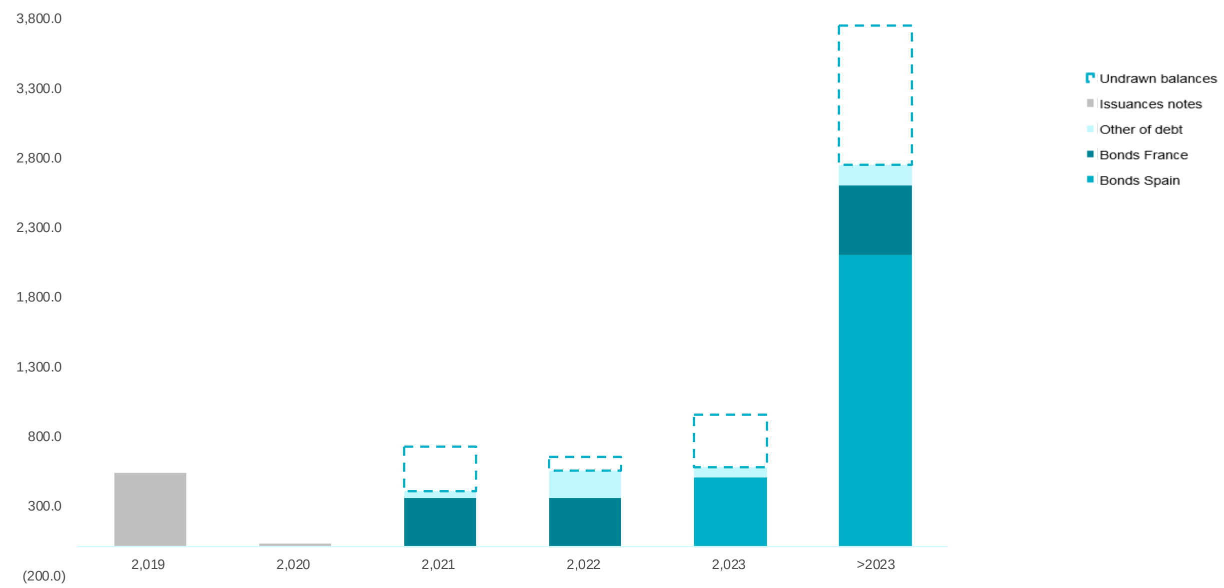
€m	December 2018 Colonial	December 2018 SFL	December 2018 TOTAL	March 2019 Colonial	March 2019 SFL	March 2019 TOTAL	Var TOTAL	Cost	Average maturity[2]
Mortatge debt	314	201	515	108	201	309	**(206)**	1.35%	4.0
Bonds Colonial	2,600	-	2,600	2,600	-	2,600	**0**	2.05%	6.5
Bonds SFL	-	1,200	1,200	-	1,200	1,200	**0**	1.83%	4.4
Issuances notes	-	263	263	0	244	544	**281**	-0.20%	0.2
Other debt	50	50	100	125	53	178	**78**	1.02%	4.3
Gross debt	**3,034**	**1,714**	**4,748**	**3,133**	**1,698**	**4,831**	**83**		5.6
Cash	(43)	(25)	(68)	(142)	(37)	(178)	(110)		
Net Debt	**2,991**	**1,688**	**4,680**	**2,992**	**1,661**	**4,652**	**(27)**		
Total liquidity [1]	848	945	1,793	1,017	957	1,973	**180**		
Cost of debt - Spot (%)	1.95%	1.46%	1.77%	1.77%	1.47%	1.66%	**(0.09)**	1.66%	5.6

(1) Cash & Undrawn balances

(2) Average maturity calculated based on available balances

In terms of the maturity schedule, it is particularly noteworthy that 64% of the Group's debt will mature as of 2023[1].

Debt maturity



	2,019	2,020	2,021	2,022	2,023	>2023	TOTAL
Colonial	284	20	2	2	578	2.247	**3.133**
SFL	248	2	403	545	-	500	**1.698**
TOTAL	**532**	**22**	**405**	**547**	**578**	**2.747**	**4.831**

(1) Without considering tactical short term issuances notes

Financial results

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

March cumulative - €m	COL	SFL	2019	2018	Var. %
Recurring financial expenses - Spain	*(16.4)*	*0.0*	*(16.4)*	*(16.6)*	*1.2%*
Recurring financial expenses - France	*0.0*	*(7.8)*	*(7.8)*	*(8.2)*	*5.2%*
Recurring Financial Expenses	(16.4)	(7.8)	(24.2)	(24.8)	2.5%
Recurring Financial Income	0.3	0.0	0.3	0.3	17.6%
Capitalized interest expenses	0.0	1.2	1.2	1.4	(11.0%)
Recurring Financial Result	**(16.1)**	**(6.6)**	**(22.6)**	**(23.2)**	**2.3%**
Non-recurring financial expenses	(3.9)	(0.1)	(4.0)	(0.5)	
Non-recurring Financial Income	0.0	0.0	0.0	(0.1)	
Change in fair value of financial instruments	(0.1)	(0.8)	(0.9)	(0.0)	
Financial Result	**(20.0)**	**(7.5)**	**(27.5)**	**(23.9)**	

(1) Incorporating the financial result of Axiare at January'18. Sign according to impact on profit

- The debt refinancing operations of the Group carried out in 2018 and in the first quarter of 2019 have resulted in a reduction in the recurring financial result of more than 2% with respect to the same period of the previous year (or of more than 7% taking into account the financial result of the month of January 2018 of Axiare, not included in the consolidated data of Colonial as the takeover bid materialized with effect from 1 February 2018).

- At the close of the first quarter of 2019, the Group's gross debt amounted to €4,831m (compared to €4,707m at 31 March 2018) with a net debt of €4,652m (compared to €4,497m at 31 March 2018).

- The spot financial cost of the drawn debt at the close of the first quarter of 2019 amounted to 1.66% compared to 1.82% from the same period of the previous year (1.77% at 31 December 2018). Including formalization costs, accrued over the life of the debt, the financial cost amounts to 1.78%.

- The non-recurring expenses reported in the year correspond to the allocation of the costs incurred from the cancelled Axiare debt to the results.

7. Ratios EPRA

EPRA Earnings

EPRA Earnings - €m	1Q 2019	1Q 2018
Earnings per IFRS Income statement	**23**	**22**
Earnings per IFRS Income statement - €/share	*0.045*	*0.051*
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	1	1
(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	5	0
(vii) Acquisition costs on share deals and non controlling joint venture interests	1	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	**30**	**23**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	4	(3)
(b) Non recurring financial result	(0)	0
(c) Tax credits	0	0
(d) Minority interests in respect of the above	(0)	0
Company specific adjusted EPRA Earnings	**33**	**20**
Average Nº of shares (m)	*508.1*	*435.3*
Company adjusted EPRA Earnings per Share (EPS) - €/share	*0.065*	*0.046*

EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	1Q 2019	1Q 2018	Var. %
BARCELONA			
Vacant space ERV	0.7	1.1	
Portfolio ERV	52	41	
EPRA Vacancy Rate Barcelona	**1%**	**3%**	*(1 pp)*
MADRID			
Vacant space ERV	10	13	
Portfolio ERV	98	105	
EPRA Vacancy Rate Madrid	**10%**	**12%**	*(2 pp)*
PARIS			
Vacant space ERV	3	5	
Portfolio ERV	180	179	
EPRA Vacancy Rate Paris	**1%**	**3%**	*(1 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	13	19	
Portfolio ERV	331	325	
EPRA Vacancy Rate Total Office Portfolio	**4%**	**6%**	*(2 pp)*

EPRA Vacancy Rate - Total Portfolio

€m	1Q 2019	1Q 2018	Var. %
BARCELONA			
Vacant space ERV	0.7	1.2	
Portfolio ERV	53	42	
EPRA Vacancy Rate Barcelona	**1%**	**3%**	*(2 pp)*
MADRID			
Vacant space ERV	10	13	
Portfolio ERV	98	107	
EPRA Vacancy Rate Madrid	**10%**	**12%**	*(2 pp)*
PARIS			
Vacant space ERV	3	6	
Portfolio ERV	220	218	
EPRA Vacancy Rate Paris	**1%**	**3%**	*(1 pp)*
LOGISTIC & OTHERS			
Vacant space ERV	3	-	
Portfolio ERV	19	-	
EPRA Vacancy Rate Total Portfolio	**16%**	**-**	**-**
TOTAL PORTFOLIO			
Vacant space ERV	17	20	
Portfolio ERV	390	389	
EPRA Vacancy Rate Total Portfolio	**4%**	**5%**	*(1 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)
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 + NAV of the 55% stake in the Torre Marenostrum SPV + Value JV Plaza Europa + NAV of 81.7% stake in SFL. + NAV stake in Axiare value of the portfolio

Holding — A company whose portfolio contains shares from a certain number of corporate subsidiaries.

IFRS — International Financial Reporting Standards.

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 NAV — EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following the EPRA recommendations.

EPRA NNNAV — The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption.

EPRA Cost Ratio — Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

Physical Occupancy — Percentage: occupied square metres 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).

[4]

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
TMN	SPV of Colonial (55%) and Naturgy (45%) related to the Torre Marenostrum building
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 (estimated purchasing costs)
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods
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] NAV **(EPRA Net Asset Value**)	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] NNNAV **(EPRA triple net asset value)**	Calculated adjusting the following items in the EPRA NAV: 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 benefits for reinvestments and 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 Measures	Method of calculation	Definition/Significance
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.	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”) by the market valuation total, 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 y FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600.

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Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid and Paris with a prime office portfolio of more than two million sqm of GLA and assets under management with a value of more than €11bn.

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