



Third Quarter Results 2020

November 2020



09/20



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- 01 Highlights
- 02 Covid-19 Impacts
- 03 Market Update
- 04 Operational performance
- 05 Financial performance
- 06 Non Financial Highlights - ESG
- 07 Strong Resilience through Core CBD
- 08 Conclusion

PRESENTING MANAGEMENT TEAM



Pere Viñolas
Chief Executive Officer



Carmina Ganyet
Corporate Managing Director



Carlos Krohmer
Chief Corporate Development Officer

01 Highlights



Solid results with resilient Q3



STRONG FINANCIAL RESULTS

- > Gross Rental Income of €260m, +0.4% like-for-like
- > Net Rental Income +3% like-for-like
- > Net Rental Income Offices. +4% like for like
- > Recurring earnings of €112m, +8% YoY
- > **Recurring EPS of €22.10cts. per share, +8% YoY**

SOLID FUNDAMENTALS - RESILIENT PRIME POSITIONING

- > Office Collection Rates of 98% (100% in Paris)
- > Occupancy of 96% (97% in Madrid)
- > Letting activity ongoing with good terms
- > Positive Release Spreads and Rental Growth
- > Project Pipeline with 34% pre-lets

CAPITAL ALLOCATION - FLIGHT TO QUALITY

- > €2bn of new debt issuances (€1bn bonds) & Liability Management
- > Disposal of > €240m Non-Core assets in Q2 & Q3
- > Disposal prices confirming June 2020 appraisals
- > Estimate of further disposals of around €300m

Solid fundamentals driving profitability

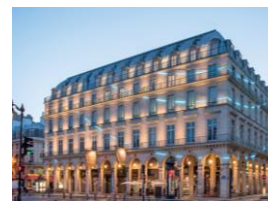
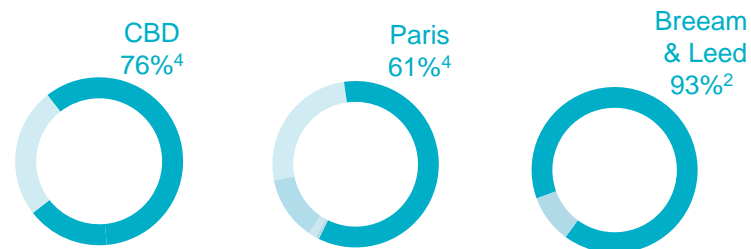
- > Recurring EPS growth of +8%
- > NRI like for Like growth of +3%
- > Offices NRI like for like of +4%

Profit & Loss - €m	09/20	YoY Var
Recurring Net Profit	€112m	+8%
Recurring EPS	22.10 €Cts/share	+8%

Outstanding GRI like for like	09/20	YoY Var
Group like-for-like ¹	€260m	+0.4%
Offices Like-for-Like^{1 & 3}	€254m	+2%
Madrid like-for-like ¹		+5%
Barcelona like-for-like ¹		+7%
Paris like-for-like ¹		(0.3%)

Outstanding NRI like for like	09/20	YoY Var
Group like-for-like ¹	€245m	+3%
Offices Like-for-Like^{1 & 3}	€241m	+4%
Madrid like-for-like ¹		+12%
Barcelona like-for-like ¹		+10%
Paris like-for-like ¹		(0.6%)

Unparalleled Prime Positioning



Louvre-Saint-Honoré



Marceau



Biome



Campus Méndez Álvaro



Velázquez Padilla



Miguel Ángel, 23

(1) EPRA like-for-like variance based on EPRA BPR methodology
 (2) Office portfolio in operation with Leed & Breeam certificates
 (3) Office portfolio + Prime retail of Galeries Champs Elysées and DAU Pedralbes
 (4) Figures adjusted by logistic and Q3 sales

Solid fundamentals driving operational performance

- > Healthy Vacancy levels with high collection rate
- > Double digit Release Spread & Ongoing Rental Growth
- > Strong CBD positioning with high Paris exposure

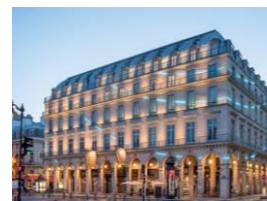
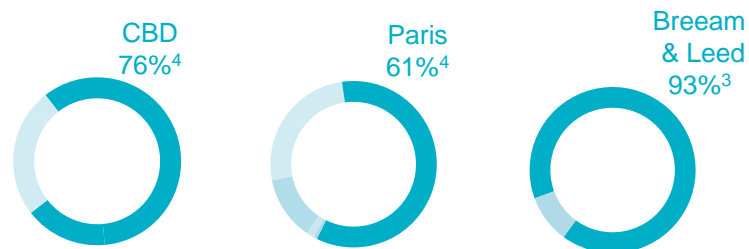
Solid Fundamentals 09/20

EPRA Vacancy	4%
Office Collection Rate Q3 20	98%
Total Collection Rate Q3 20	96%
<hr/>	
Volume of sq m signed	68,847
# transactions signed	49

Capturing Rental Price Increases

Double-digit release Spread¹	+25%
Barcelona	+51%
Madrid	+20%
Paris	+14%
<hr/>	
Sustained rental growth²	+5%
Barcelona	+7%
Madrid	(1.6%)
Paris	+10%

Unparalleled Prime Positioning



Louvre-Saint-Honoré



Marceau



Biome



Campus Méndez Álvaro



Velázquez Padilla



Miguel Ángel, 23

(1) Rental prices signed vs previous rents
 (2) Rental prices signed vs ERV 12/19
 (3) Office portfolio in operation with Leed & Breeam certificates
 (4) Figures adjusted by logistic and Q3 sales

02 Covid-19 Impacts



Limited Covid-19 impact YTD

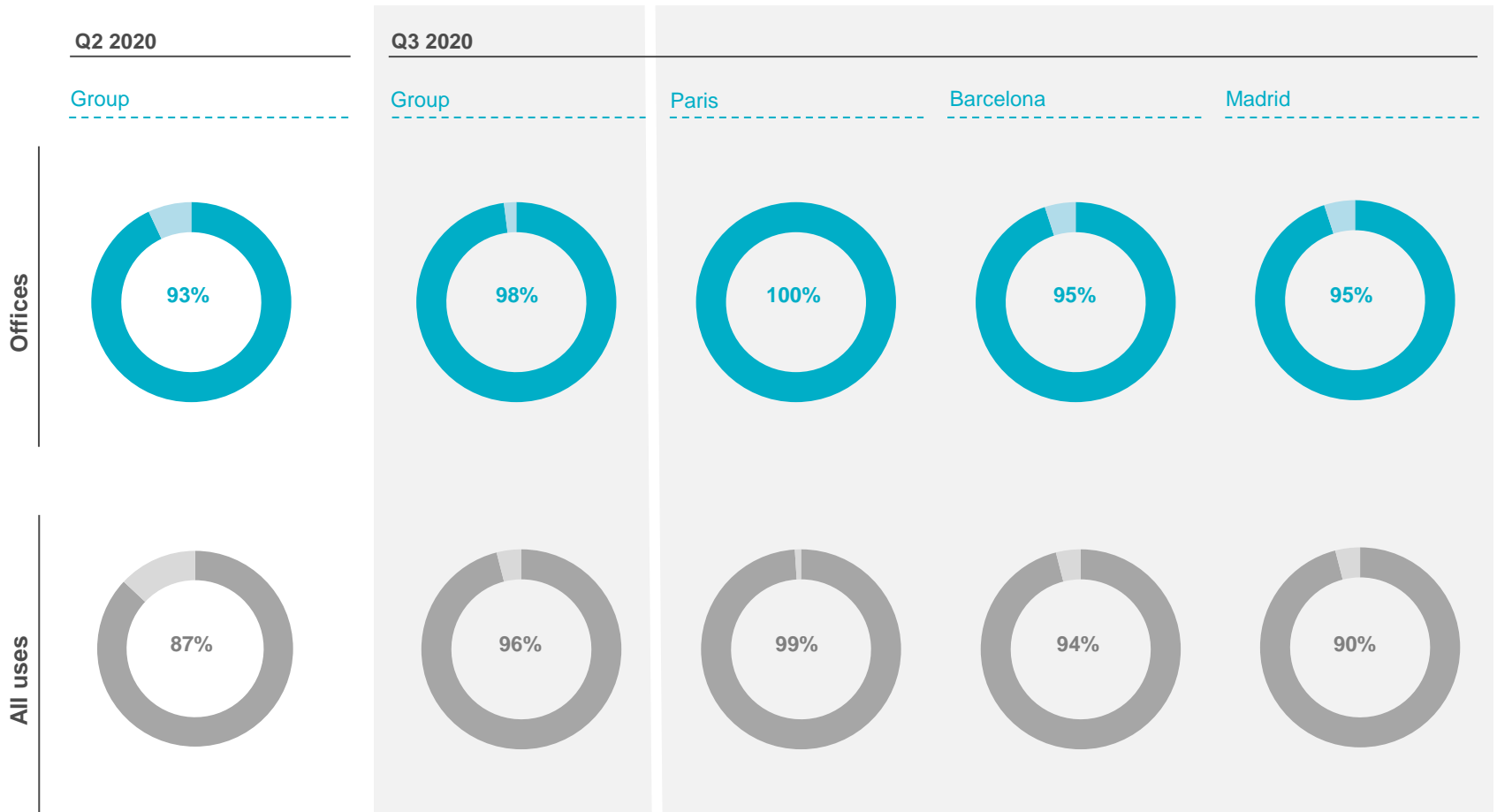
Proactive management in key areas of the company

MARCH	APRIL	MAY	JUNE	JULY	SEPTEMBER	OCT / NOV
Implementation of covid-19 protocol within our buildings	Increased liquidity through the signature of 200€m sustainable loan	Rating agencies S&P and Moody's confirm credit rating, BBB+ and Baa2	Pre-letting of Marceau Goldman Sachs	Solid Q2 20 Results	Sale of 2 noncore assets in Barcelona	€500m Bond Issuance Colonial Launch of €300m Liability Management at Colonial
Disposal of 2 non-core assets with >20% premium	More than 3,000 sqm signed, +10% vs ERV +50% release spread	500€m of bond issuance, increasing liquidity above €2,500m	Agreements fully reached with clients in Spain	500€m of bond issuance SFL	€161m Liability Management at SFL level	Signing of a new "Credit facility" financing line of €1000m
Postponement of capex program €60M (Mendez Alvaro)		Release of Q1 results, with vacancy rate at 2%	Stable dividend of 20 €Cts /share approved by AGM	Logistics Disposal Settlement of Call Option signed in 2019		

COVID 19 – Collection rates Q3

- > 100% Paris Offices
- > 98% Group Offices
- > 96% Group All Products

COLLECTION RATES DURING COVID-19

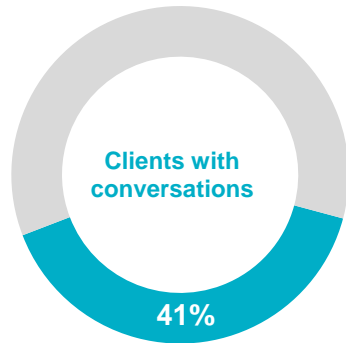


COVID 19 – Agreements & discounts

- > Agreements almost finalized – Only 1 file in France left
- > Discounts in very limited cases: 3% impact YTD on annual GRI
- > Early for visibility of impacts of second wave

STATUS OF CLIENT CONVERSATION

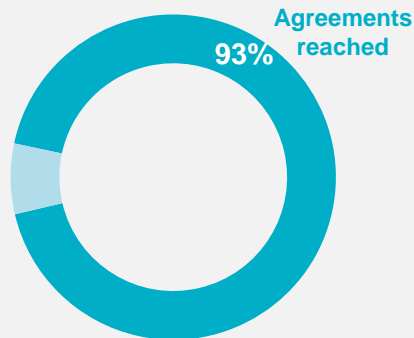
Clients negotiations Status



There of agreed



Agreements reached



NEGOTIATION RESULTS YTD

Q2 & Q3 with high levels of rent collection

- > Default of payments below 0.5%
- > Colonial's client base mainly big companies with very limited exposure to small tenants

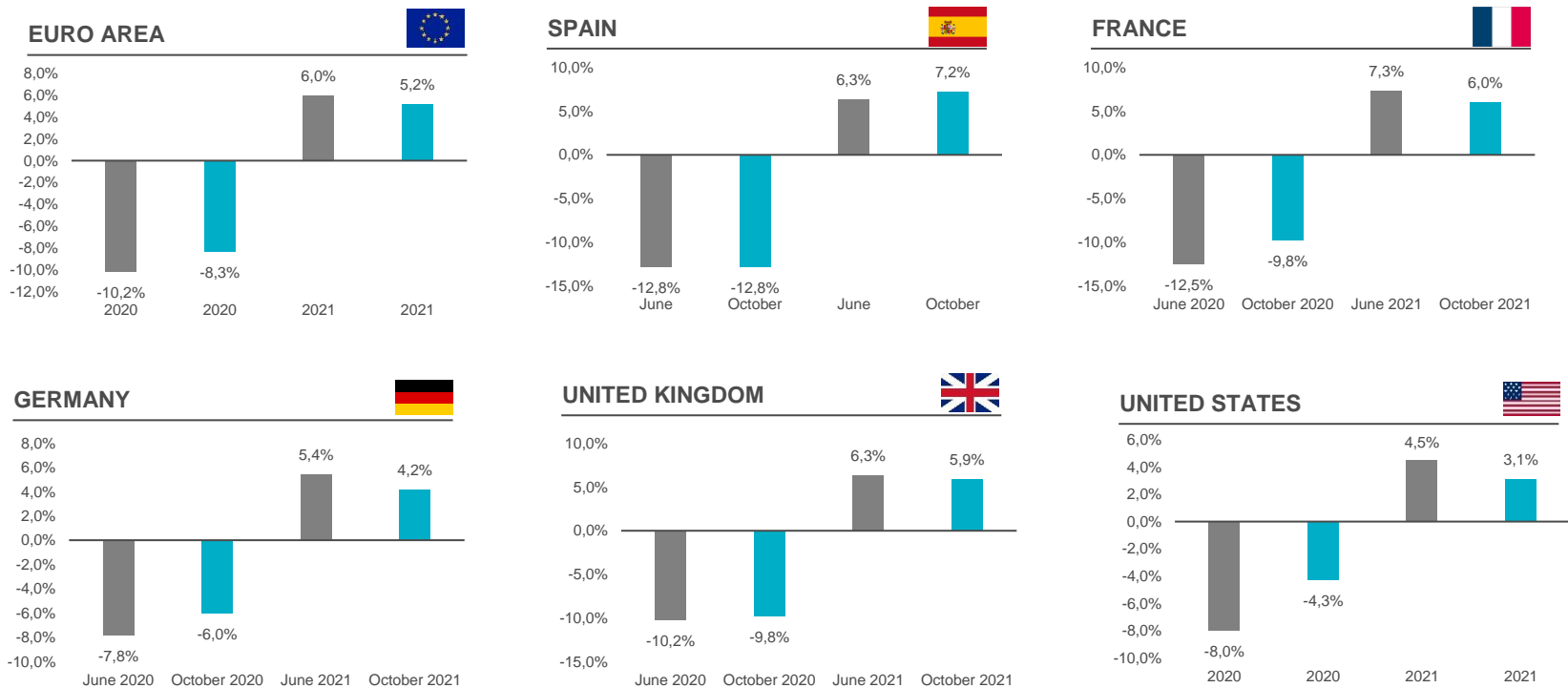
Limited impact on P/L

- > 100% of negotiations in Spain finalised
- > 1 client agreement remaining in France
- > Agreements reached YTD with €10m of discount
- > 3% impact YTD on annual Group GRI
- > Potential additional impacts from second wave



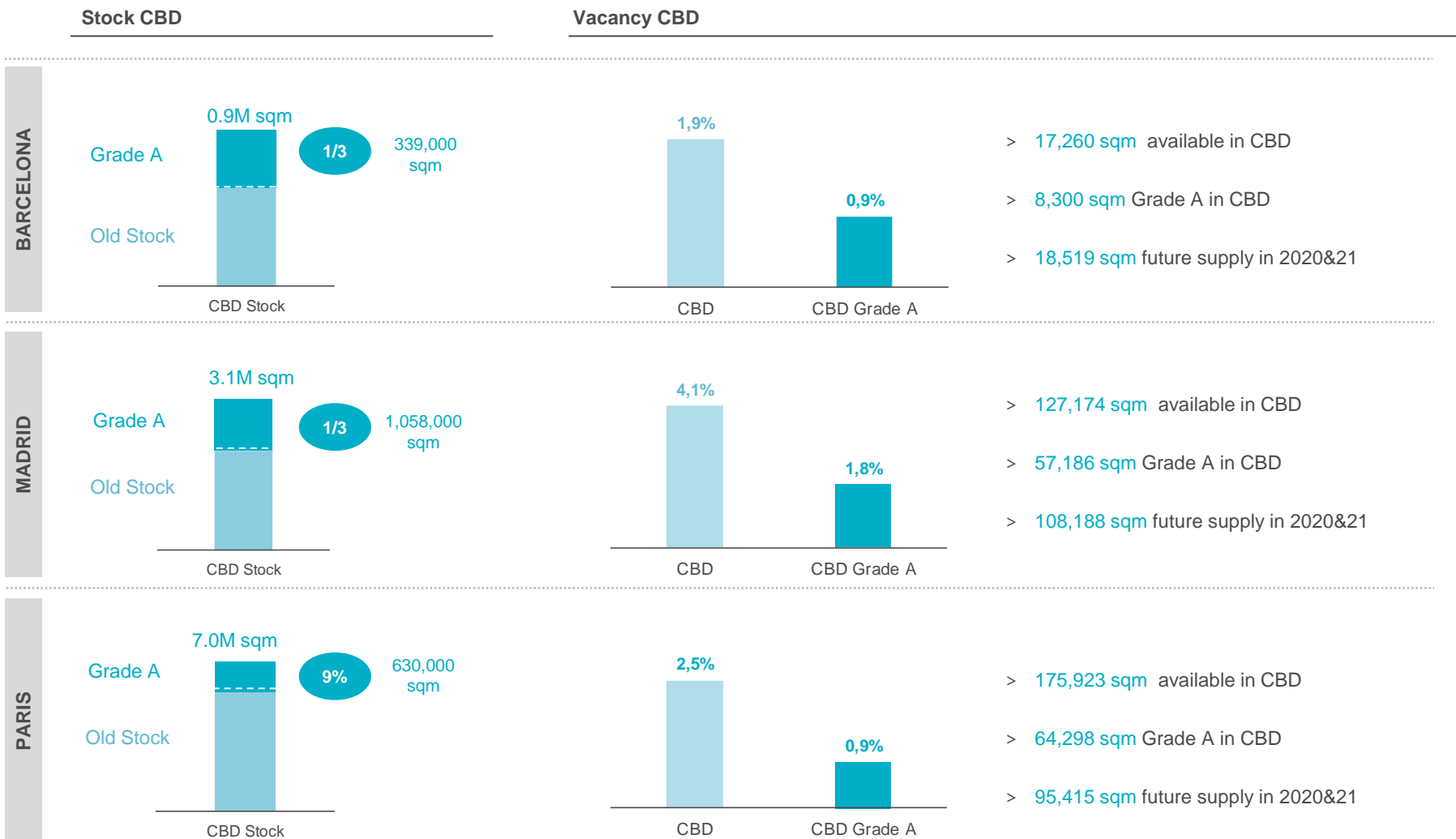
- > The International Monetary Fund (“IMF”) updated its GDP projections per country on October 16, 2020
- > Forecasts for most countries (including France) have improved for 2020, but with slightly weaker recovery in 2021
- > Spain remains with sharp contraction in 2020, but with improved recovery next year

GLOBAL GDP IMF ESTIMATES (June vs October estimates)



Rental Markets - Scarcity of High Quality Product

- > Grade A stock in CBD very low in every city
- > Grade A availability in Barcelona and Paris below 1%
- > Grade A availability in Barcelona at 8,000 sqm and in Paris and Madrid at 60,00 sqm each



03 Market Rental Markets

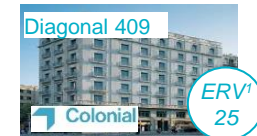
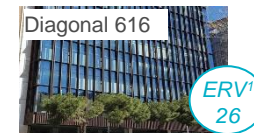
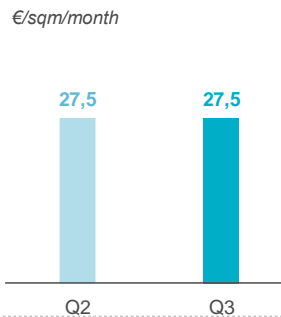
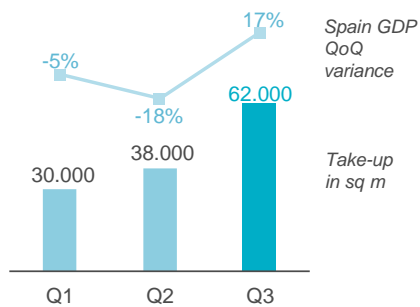
- > Release of lockdowns in Q3 with immediate impact on economic activity
- > Q3 CBD take-up with more than 60% increase Quarter on Quarter in Spain
- > Paris CBD with close to 300.000 sqm of quarterly take-up

Letting activity recovering in Q3

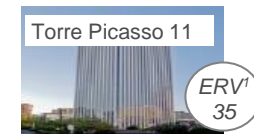
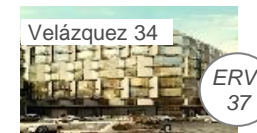
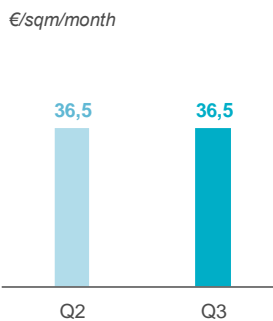
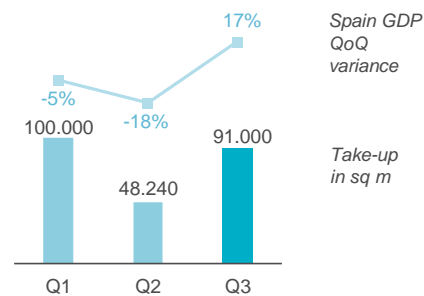
Stable Prime Rents

RENTAL TRANSACTIONS

BARCELONA

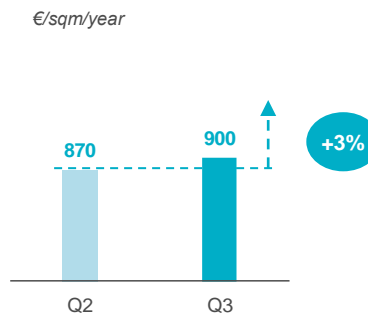
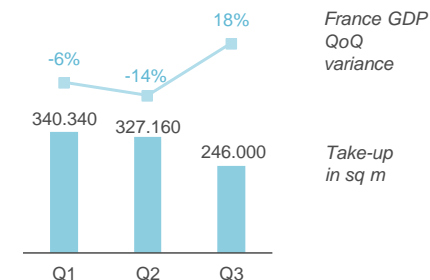


MADRID



¹€/sqm/month

PARIS

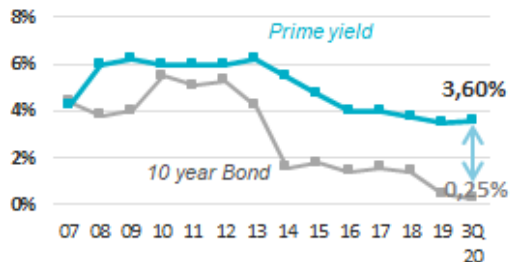


¹€/sqm/month

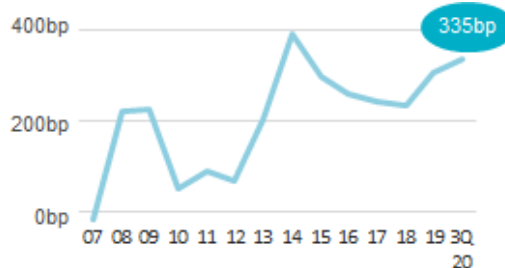
²€/sqm/year

Investment Markets – prime remains resilient

PRIME YIELDS ⁽¹⁾



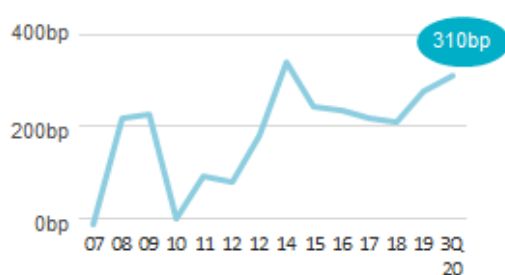
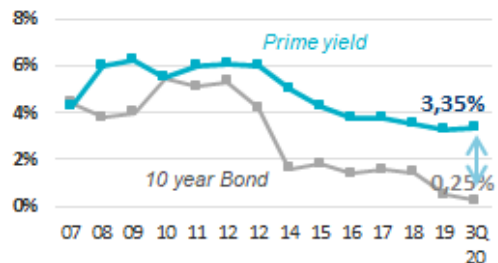
SPREAD VS 10Y BOND



HIGHLIGHTS

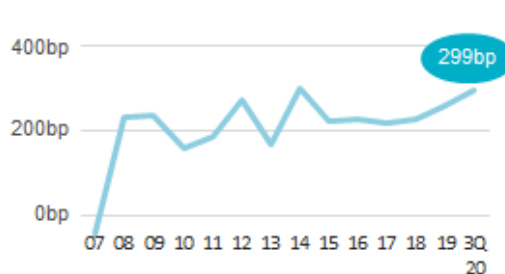
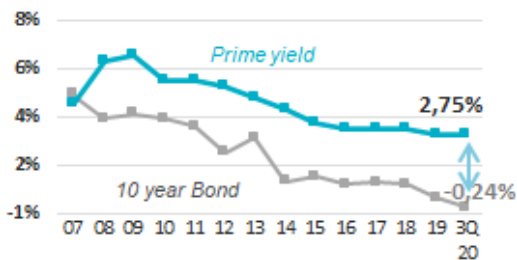
- > Prime yield at 3.60%, with very healthy spread of 335bp vs reference rate
- > International interest focused on grade A assets
- > No supply of Core CBD assets for buyers

BARCELONA



- > Healthy spread of 310 bp above 10-year average of 200 bp
- > Investors with strong interest for yielding prime yielding assets
- > No supply of Core CBD assets for buyers

MADRID



- > Spread at historical highs, 299 bp vs reference rate
- > Investment volume YTD of €11.6bn
- > Prime Yield resilient at 2.75%

PARIS

(1) Market consultants in Spain report gross yields and in France they report net yields 10 year Bond as of 31 December 2019



Unparalleled exposure to CBD

Letting activity remains solid in 2020YTD

		LETTING VOLUME SQM			KPS 9/20 YTD			
		Pre Covid	Post Covid		TOTAL YTD	RELEASE SPREAD ⁴	MATURITY (years) ²	EPRA VACANCY ³
		Q1 20	Q2 20	Q3 20				
BARCELONA		7,024	13,720	4,124	24,868	+51%	5 years	4.4%
MADRID		5,374	466	20,450	26,289	+20%	8 years	2.9%
PARIS		1,141	14,523	2,026	17,690	+14%	11 years	4.8%
TOTAL		13,539	28,709	26,600	68,847	+25%	9 years	4.2%

(1) Annualized figures of signed contracts
 (2) Maturity until expiry of the contract
 (3) Financial vacancy calculated according to EPRA methodology – Office Portfolio
 (4) Rental prices signed vs previous rents

Letting activity remains solid in Covid Period (Q2 20 & Q3 20)

- > More than 26,000 sqm signed in Q3 2020
- > Covid19 (Q2 & Q3) quarters with higher letting activity higher than Q1 2020 (PreCovid)
- > Solid rental levels with healthy maturities

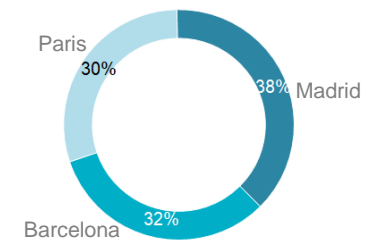
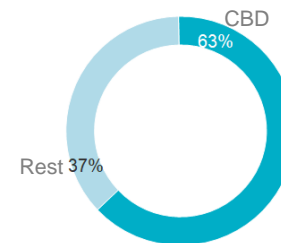
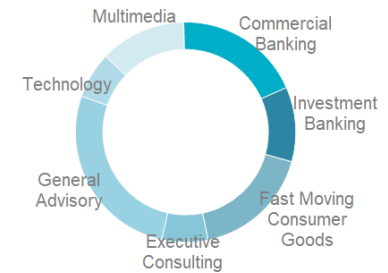
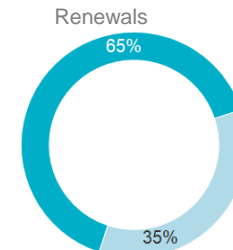
SQM SIGNED 2020 YTD

	<u>Madrid & Barcelona</u>	<u>Paris</u>	<u>Group</u>
Q1 2020 – Pre Covid	12,398	1,141	13,539
Q2 2020 – Post Covid	14,186	14,523	28,709
Q3 2020 – Post Covid	24,574	2,026	26,600

KPIs COVID19 – 2Q & 3Q YTD

	<u>Madrid & Barcelona</u>	<u>Paris</u>	<u>Group</u>
First Exit	3 years	8 years	8 years
Maturity ¹	7 years	11 years	11 years
Release Spread	+28%	+14%	+26%
ERV Growth	flat	+11%	+5%

LETTING COVID19 – 2Q & 3Q YTD



(1) Maturity until contract expiry date

04 Operational performance

Rental Price levels remain solid in 2Q & 3Q 20

GROWTH ON SIGNED RENTS¹

Diagonal 609



Marceau



Sant Cugat



Torre BCN



RELEASE SPREAD²

Via Augusta



Diagonal 609-615



Washington Plaza



Lopez de Hoyos



Castellana 163



Washington Plaza



Almagro 9



Travesera 11



Lopez de Hoyos



Torre BCN



Martínez Villergas



Castellana 52

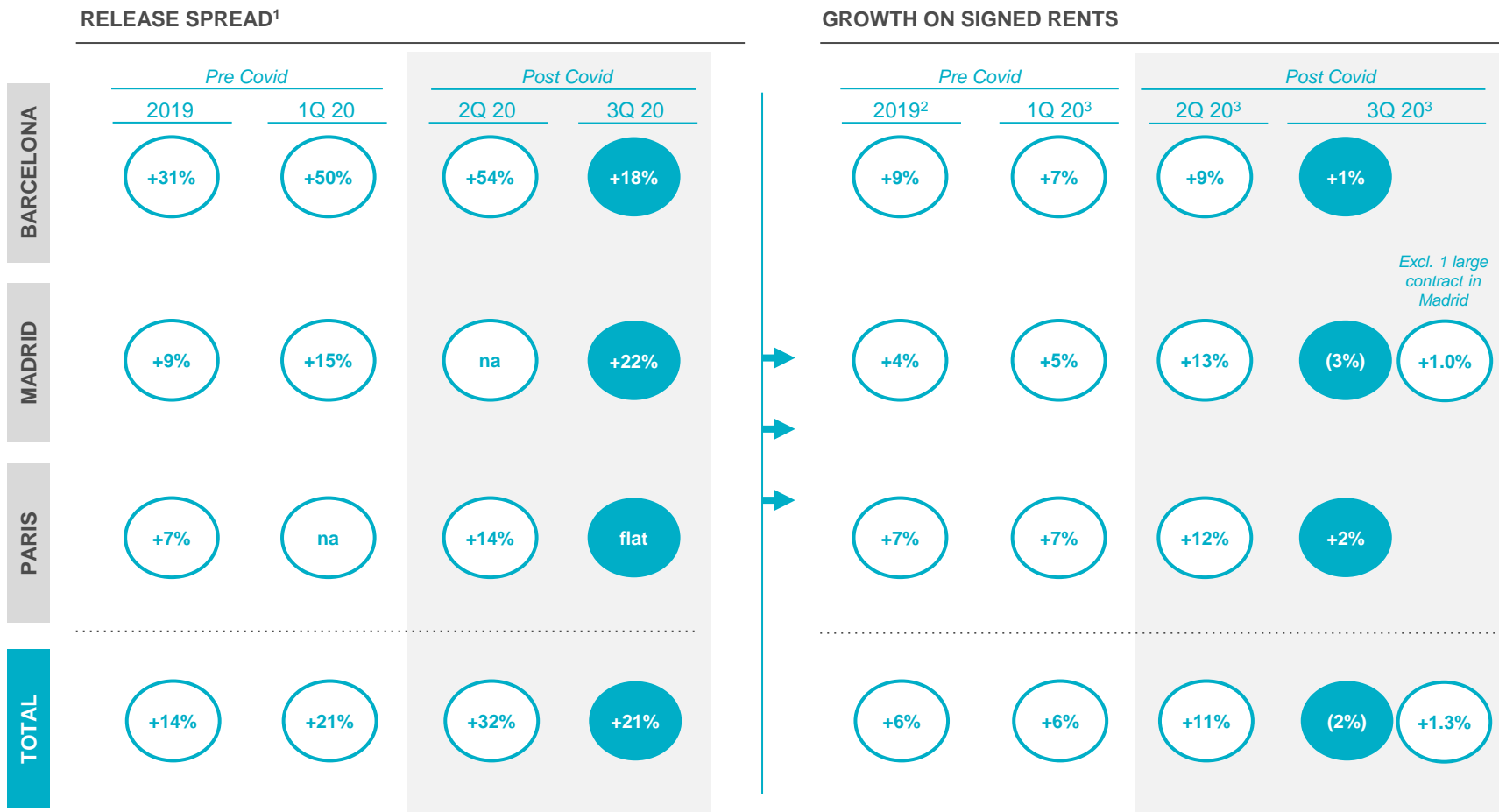


(1) Signed rents vs 12/19 ERV (new lettings & renewals)
 (2) Signed rents vs previous contracts (renewals)

Rental Price levels remain solid

- > Price levels remain solid in every segment
- > Releases Spreads double digit
- > Signed Prices vs ERVs remain with positive momentum

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)

Vacancy at very healthy levels in every segment

- > Group & Office portfolio vacancy at a healthy 4%
- > Significant quarter on quarter improvement in Madrid with a vacancy below 3%
- > Paris at 2.5% excluding 103 Grenelle entry into operation

EPRA VACANCY

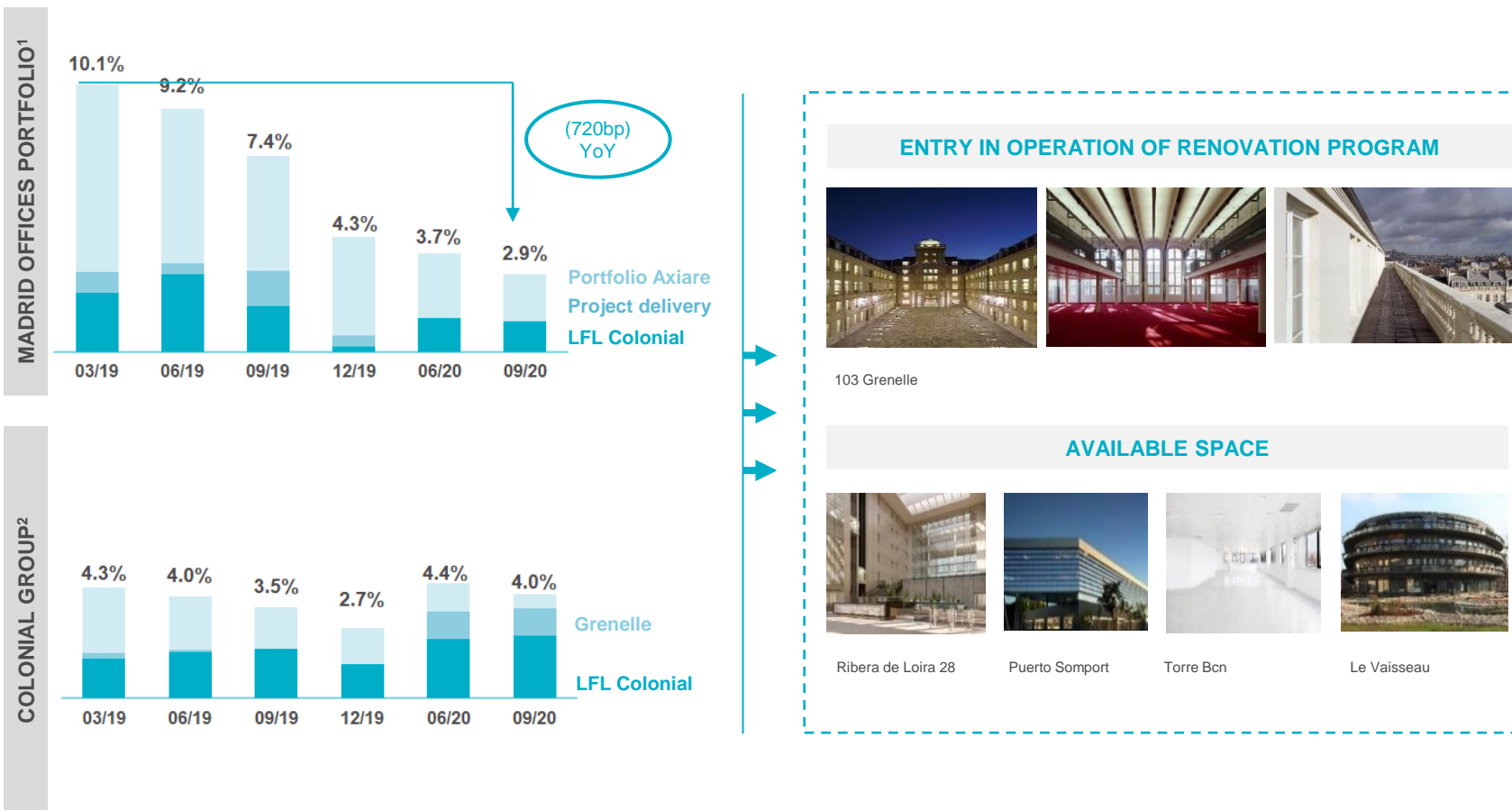


(1) EPRA Vacancy office portfolio
 (2) EPRA Vacancy including all uses

Vacancy at very healthy levels in every segment

- > Strong decrease of Madrid vacancy, standing below 3%
- > Current available space located in secondary areas
- > Group Vacancy stable between 3-4%

EPRA VACANCY



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



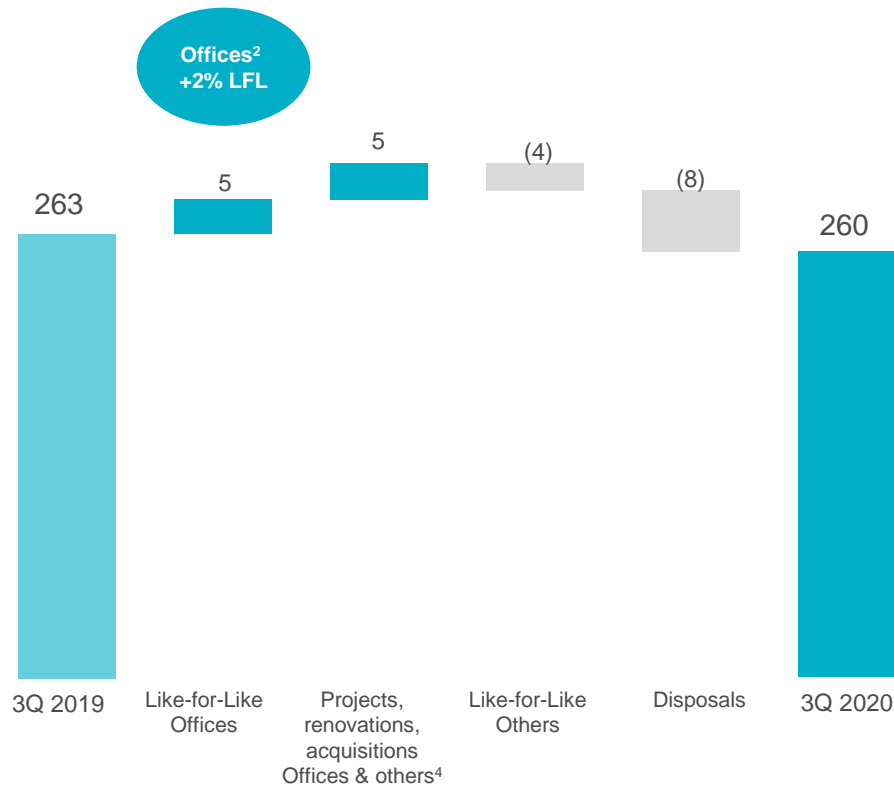
Solid financials underpinned by high quality assets

05 Financial performance

Strong top line growth

- > Gross Rental Income (0.9%) and +0.4% like for like
- > Office portfolio GRI +4% and +2% like for like
- > Madrid and Barcelona with outstanding GRI growth

GROSS RENTAL INCOME - €M



	TOTAL	EPRA like-for-like ¹	Projects, Acquisitions & others ⁴	Disposals
BCN	+8%	+7%	+2%	(1%)
MADRID	+22%	+5%	+18%	(1%)
PARIS	(6%)	(0.3%)	(5%)	0%
OFFICES ²	+4%	+2%	+2%	(0.2%)
OTHERS ³	(64%)	(42%)	0%	(22%)
GROUP	(0.9%)	+0.4%	+2%	(3%)

- 1) Like-for-like calculated following EPRA BPR recommendations
- 2) Office Portfolio including Retail Prime CBD of Galeries des Champs Elysées and Pedralbes Centre
- 3) Logistic Portfolio, Axiare Retail Secondary and Hotel Indigo in Paris
- 4) Acquisitions, projects & refurbishments & indemnities due to client rotation

Like-for-like rental growth price driven

- > Like-for-like growth largely driven by rental price increases
- > Barcelona fully price driven
- > Madrid growth driven by a combination of price and volume

GROSS RENTAL INCOME - €M

STRONG EPRA LIKE-FOR-LIKE GROWTH

GRI LIKE-FOR-LIKE OF +0.4%

- > Madrid with +5% like-for-like
Important rental price increases combined with solid letting up of vacant spaces
- > Barcelona with +7% like-for-like
Fully rental price driven
- > Paris with (0.3%) like-for-like
Rental price compensates volume decrease

	EPRA like-for-like ¹	Price	Volume
TOTAL	+0.4%	+1.3%	(0.9%)
OFFICES ²	+2%	+1.5%	+0.5%
BCN	+7%	+7.2%	(0.1%)
MADRID	+5%	+1.4%	+3.6%
PARIS	(0.3%)	+0.4%	(0.8%)

¹ Like-for-like variance calculation based on EPRA best practice methodology

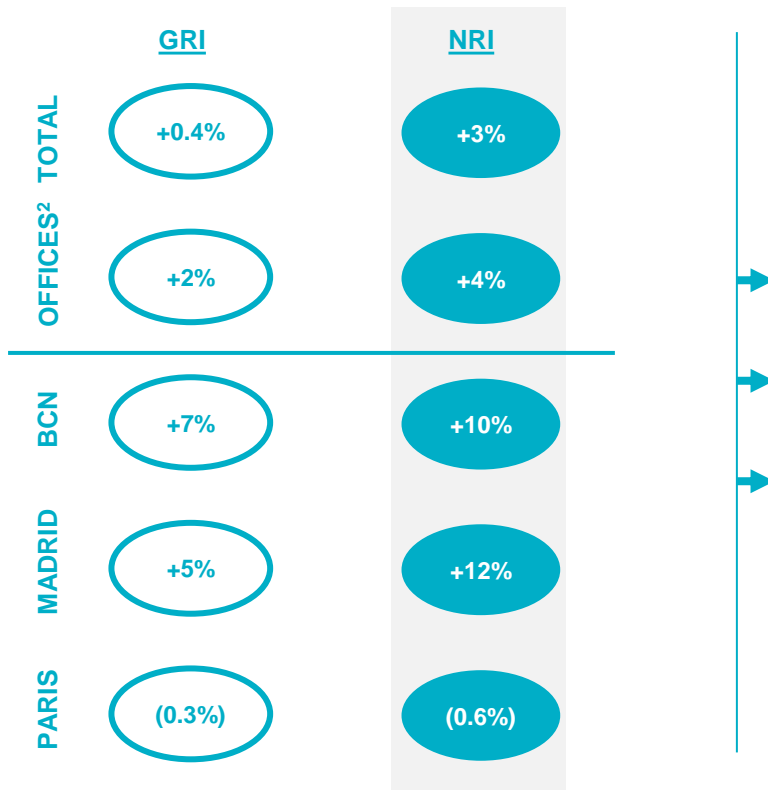
² Office portfolio + Prime retail of Galeries Champs Elysées and Pedralbes Centre

NRI offices at +4% like for like

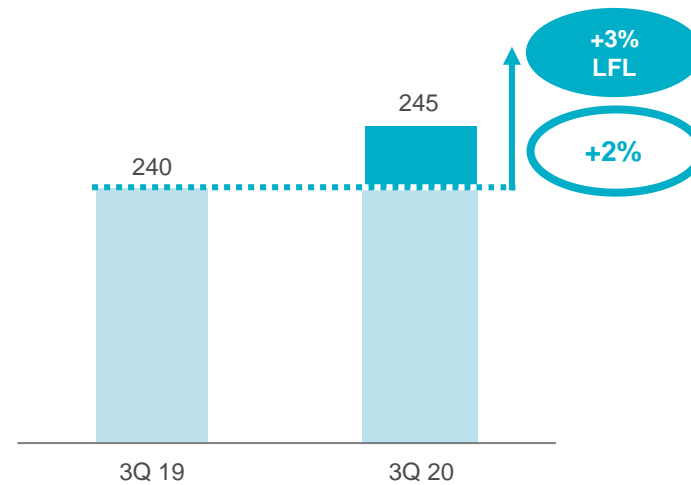
- > Net Rental Income, +3% like for like
- > Net Rental Income Offices +4% like for like
- > Barcelona and Madrid with double digit NRI like for like growth

LIKE-FOR-LIKE VARIANCE¹ – NRI

LFL IN NET RENTAL INCOME FURTHER STRENGTHENED



NRI GROWTH



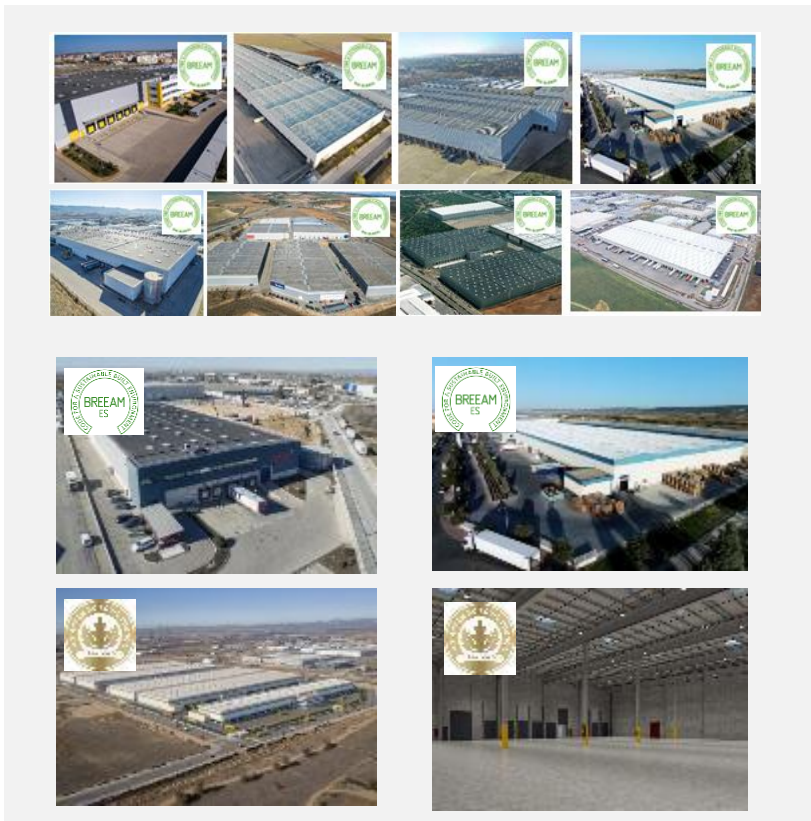
¹ Like-for-like variance calculation based on EPRA best practice methodology

² Office portfolio + Prime retail of Galeries Champs Elysées and Dau Pedralbes

Logistics disposal – Execution of Call Option confirmed

- > Settlement of Call Option signed in 2019
- > €100m cash proceeds in July
- > €64m cash proceeds in Q4 2020

LOGISTICS PORTFOLIO DISPOSAL



LOGISTICS PORTFOLIO DISPOSAL – SECOND PHASE

In August 2019 Colonial signed the disposal of its logistics portfolio which included a call option for part of them

In July 2020, the call option has been executed:

- > It includes 7 assets with 159,000 sqm in the first and second ring of Madrid
- > The assets include more than 150 decks, cross docking warehouses and more than 1,000 parking units
- > The 7 assets have Bream or Lead energy efficiency certificates

Settlement of Call Option signed in 2019

- > €100m cash proceeds in July 2020
- > €64m cash proceeds in Q4 2020

Disposal of secondary assets in Barcelona

- > Disposal of 2 secondary assets in Barcelona
- > 2 assets amounting a total of 18,150 sqm with environmental certifications
- > Real Estate value creation 1.7x on acquisition price

Colonial continuing with its industrial strategy

- > Colonial's industrial asset management strategy:

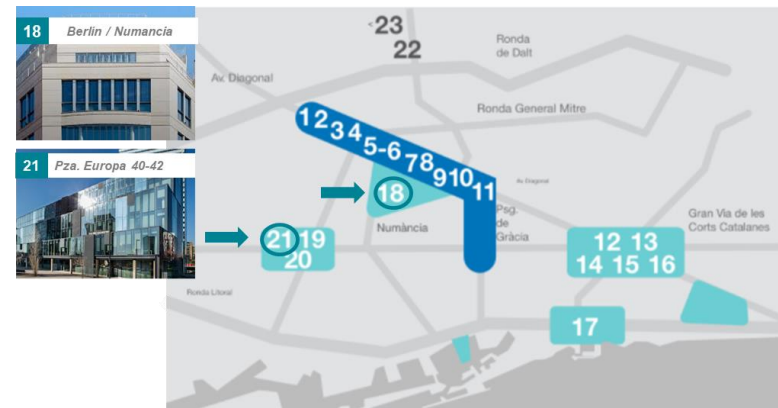
Plaza Europa 40 42:

- > Opportunistic investment in December 2014
- > Mono tenant asset with high reversion potential
- > Contract renewed during 2019 with high double digit reversion

Berlin/ Numancia:

- > Located in a residential area not attracting CBD clients
- > Asset repositioning with selective capex
- > Rental contracts updated during the last 3 years capturing the reversion of the rents for the sub-market

Flight to quality with selective disposals



05 Financial performance

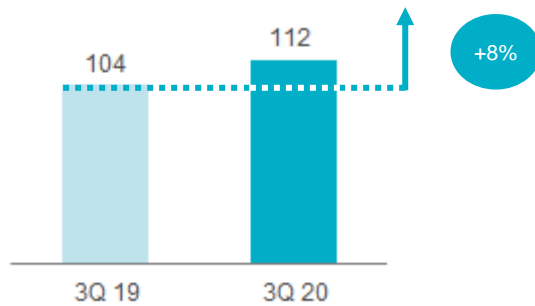
Profitable growth with enhanced quality

- > High recurring EPS growth, +8% YoY
- > NRI growth the main profit driver
- > Non-Core Disposals enhancing the quality of returns

STRONG EPS GROWTH

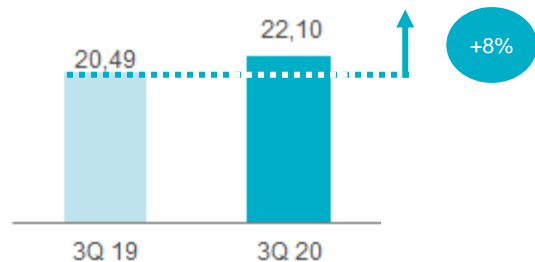
RECURRING RESULT

€m



RECURRING EPS

Cts€/share



RECURRING EARNINGS – VARIANCE ANALYSIS



(1) Recurring EPS

05 Financial performance

Profitable growth with enhanced quality

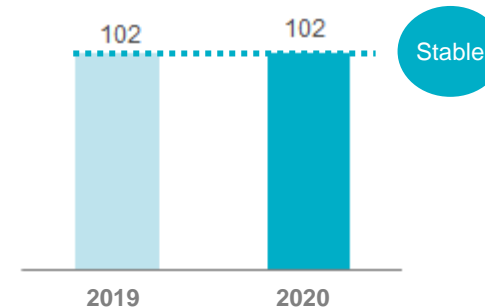
- > Recurring Earnings of +8% YoY
- > Recurring EBITDA, +2%
- > Stable dividend based on solid cash flow generation

PROFIT & LOSS ACCOUNT

Results analysis - €m	3Q 2020	3Q 2019	Var.
Gross Rents	260	263	+0.4% LFL
Recurring EBITDA	213	210	+2%
Recurring financial result	(64)	(67)	
Income tax expense & others - recurring	(11)	(9)	
Minority interests - recurring	(26)	(29)	
Recurring Earnings	112	104	+8%
Asset revaluation & Capital Gains	(104)	362	
Non-recurring financial result & MTM	(9)	(7)	
Income tax & others - non-recurring	3	(7)	
Minority interests - non-recurring	3	(59)	
Profit attributable to the Group	5	393	(99%)
<hr/>			
Recurring Earnings - €m	112	104	+8%
Nosh (mm)	508	508	-
EPS recurring - Cts€/share	22.10	20.49	+8%

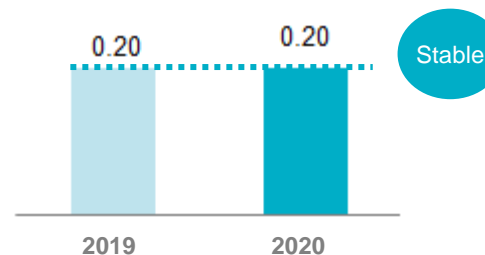
STRONG DPS GROWTH

DIVIDEND
€m



DIVIDEND PER SHARE

Cts€/share



Ongoing access to debt markets and liquidity

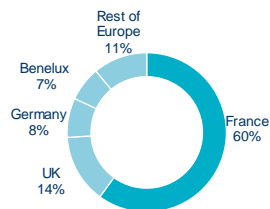
- > Confirmed BBB+ Rating by S&P facilitating good access to debt markees
- > €1.000m successful bond issuances in France and Spain
- > €1,000m new revolving credit facility

Bond issuance in France

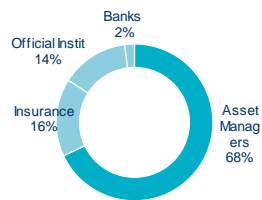
Successful issuance in bond market

- ✓ €500m
- ✓ 1.5% fixed coupon
- ✓ 7 years maturity
- ✓ 4x oversubscription
- ✓ 60% allocation in France

By country



By investor type

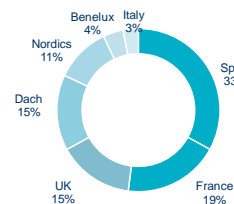


Bond issuance in Spain

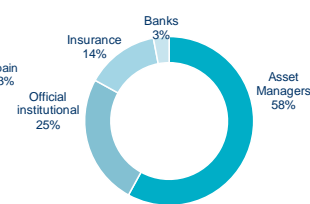
Successful issuance in bond market

- ✓ €500m
- ✓ 1.35% fixed coupon
- ✓ 8 years maturity
- ✓ Strong support, 3x oversubscription

By country



By investor type



New Credit Facility

Improvement of the financial flexibility

- ✓ New Sustainable €1,000m credit facility
- ✓ Structured in 2 tranches:
 - ✓ €500m due in 2025
 - ✓ €500m with flexible maturity until 2027
- ✓ Club Deal format including national and international institutions
- ✓ Replacement of previous €875m credit facility maturing in 2022 & 2023
- ✓ Interest linked to ESG benchmark

05 Financial performance

A solid capital structure

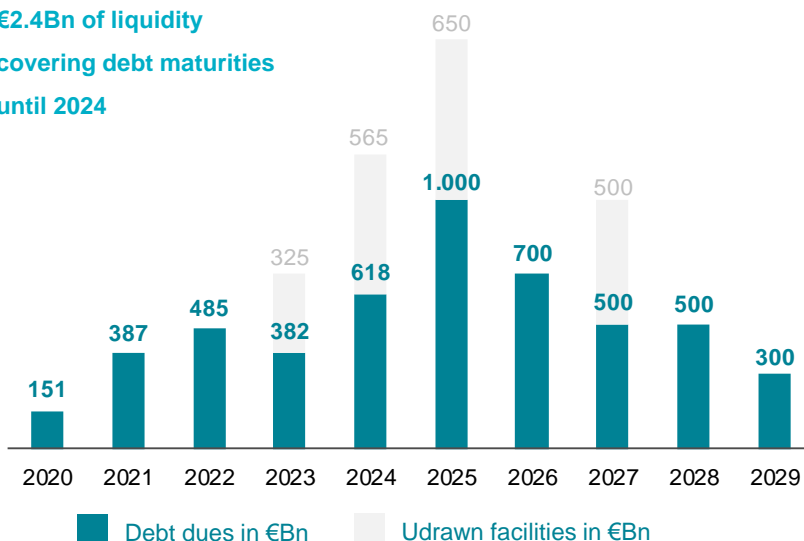
- > Long-term financing profile with extended debt maturities
- > €2.4Bn of liquidity covering debt maturities until 2024
- > A solid financial structure with competitive financing costs

Extension of Debt Maturities

- I. Bond issuance SFL: 2021/22 ---> 2027
- II. Bond issuance Spain: 2023/24 ---> 2028
- III. New Credit Facility: 2022/23 ---> 2025/27

Maturity profile of debt facilities - €Bn

€2.4Bn of liquidity
covering debt maturities
until 2024



A Solid Financial Structure

	31/12/2019	30/09/2020
Net Debt	€4,609m	€4,576m
LTV	36.1%	36.5%
Net Debt / Ebitda ¹		13.1x

Drawn Facilities	€125m
Unutilized Facilities	€1,915m
Total Facilities	€2,040m
Cash	€447m
Liquidity	€2,362m

Debt Maturity Group	5.2 years
Non-Mortgage debt	95%
Cost of Debt Group	1.71%

(1) Net Debt / Ebitda calculation as follows:

Net Debt adjusted for the projects under development multiplied by LTV (as these projects are not yet income contributing but already (partially) financed on the balance sheet)

Ebitda based on latest reported EPRA Topped-up Net annualized rent



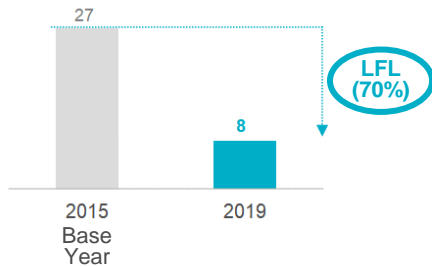
Strong Commitment on ESG & Decarbonization

COLONIAL ALIGNED WITH PARIS AGREEMENT

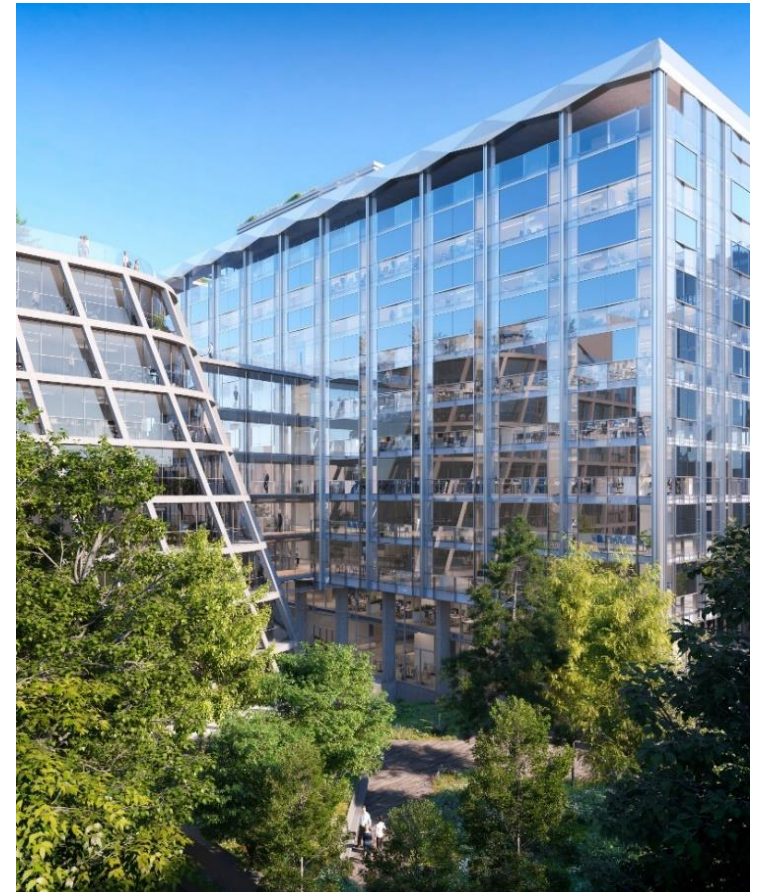
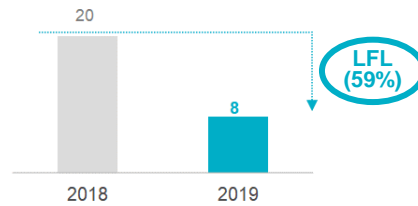
- > Objective of carbon neutral portfolio in 2050
- > Objective of a 75% carbon reduction until 2030¹

CARBON EMISSIONS – PORTFOLIO LIKE FOR LIKE

2015 – 2019
(KgCo2e/sqm)



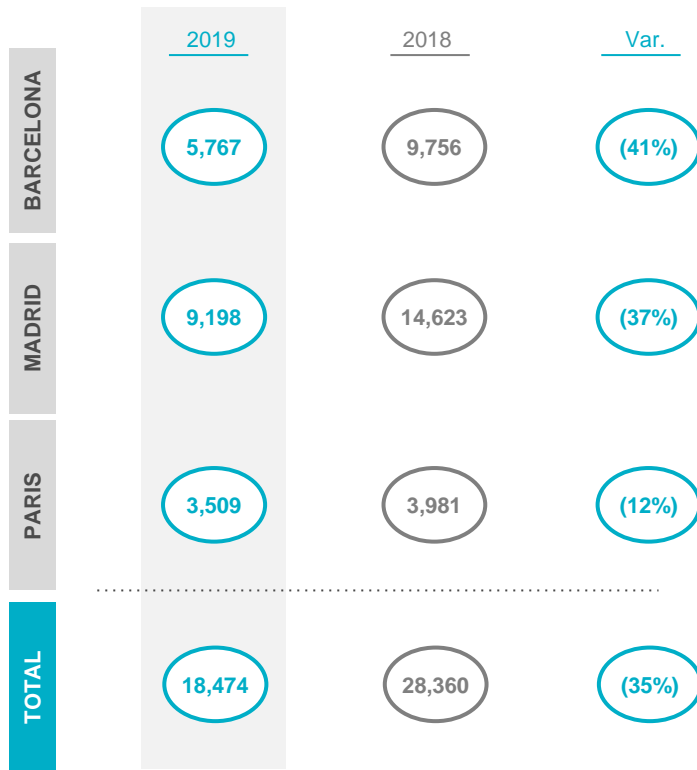
2018 – 2019
(KgCo2e/sqm)



¹ Reduction Scope 1 & 2 like for like from base year 2015

SIGNIFICANT REDUCTION OF THE CARBON FOOTPRINT

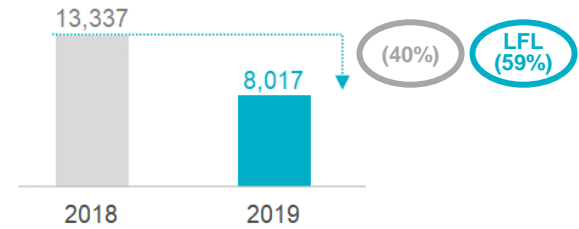
SCOPE 1, 2 & 3 – ABSOLUTE FIGURES- (tCO₂e)



Office portfolio in operation

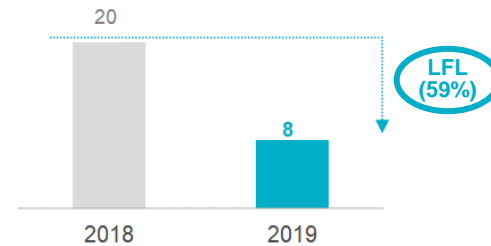
SCOPE 1 & 2 – FIGURES LIKE FOR LIKE

CARBON EMISSIONS - (tCO₂e)



CARBON EMISSIONS- (KgCo₂e/sqm)

Portfolio like for like



GREEN FINANCING

New sustainable credit line amounting €1bn

- > The sustainable nature of the loan acknowledges the positive impact of Colonial's ESG strategy
- > Substitutes previous loans and extends maturities to 2025 and 2027
- > The new line of credit is sustainable as its margin is linked to the rating obtained by the GRESB agency

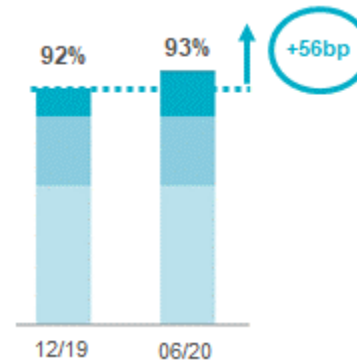
€1.2bn in sustainable credit lines

- > This loan is in addition to the sustainable loan that Colonial formalized in 2019 for €151m
- > Practically all of Colonial's banking financing is classified with a sustainable rating

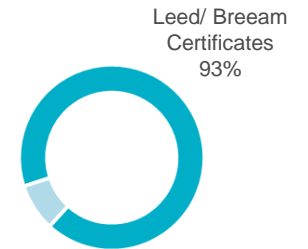


MAXIMUM ENERGY EFFICENY STANDARDS

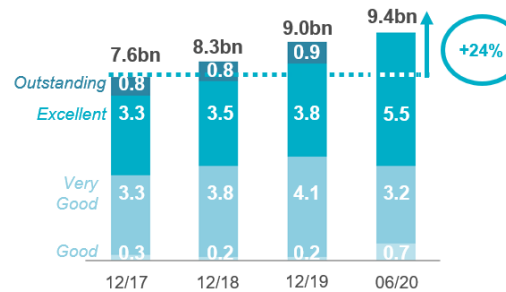
Portfolio with Leed/Breem¹ – value



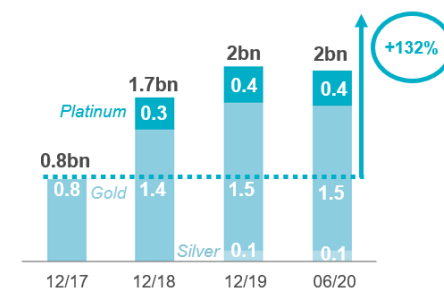
Portfolio with Leed / Breem¹ 2019



Breem Certificates – Value



Leed Certificates – Value





Long term sustainable cash flow through prime positioning



RESILIENCE THROUGH PRIME POSITIONING

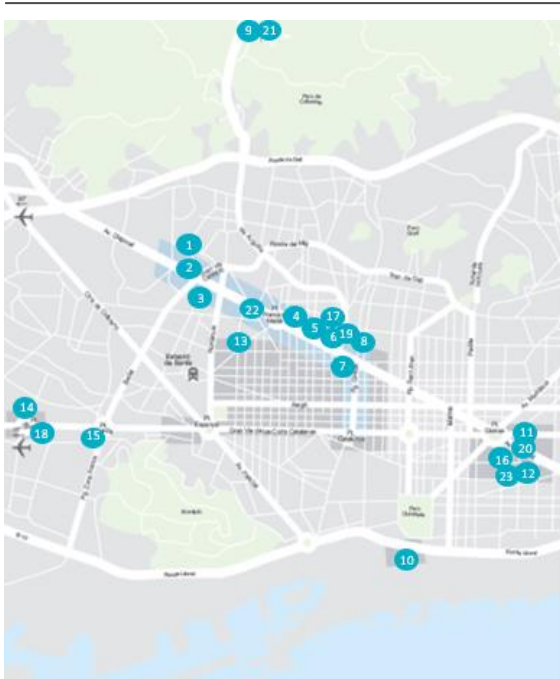
- 1 A super Core CBD Portfolio
- 2 AAA Clients with strong solvency
- 3 Flagship Projects in the CBD
- 4 Excellence on ESG & Decarbonization
- 5 Ongoing Flight to quality

07 Strong resilience through Core CBD
 1 A Super Core CBD Portfolio

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

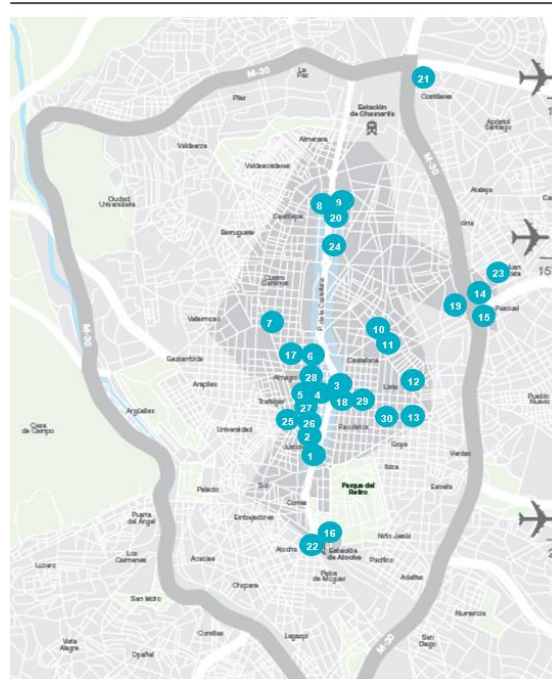
BARCELONA

Colonial Portfolio - max rent signed



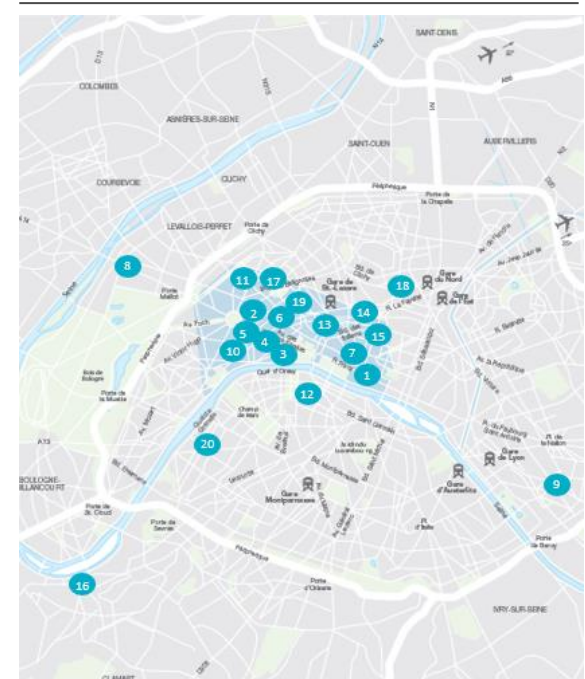
MADRID

Colonial Portfolio - max rent signed



PARIS

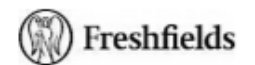
Colonial Portfolio - max rent signed



ALLEN & OVERY

LUXOTICA

NETFLIX



facebook

BCG

Cartier

COTY

McKinsey & Company



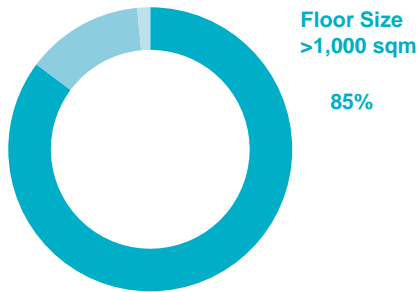
07 Strong resilience through Core CBD

1 A Super Core CBD Portfolio in Paris

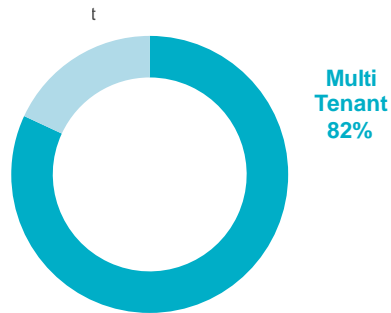
- > CBD portfolio focused on large assets with efficient floor plates
- > Diversified multitenant exposure
- > CBD exposure with maximum energy efficiency standards

PORTFOLIO STRATEGY

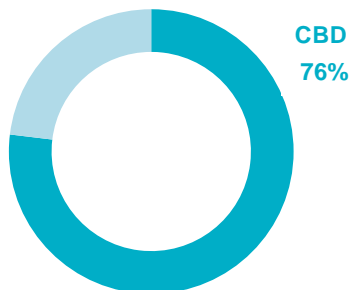
Average floor size per city



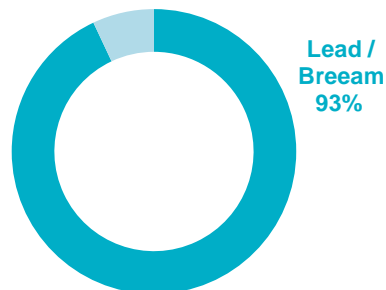
82% portfolio with multitenant strategy



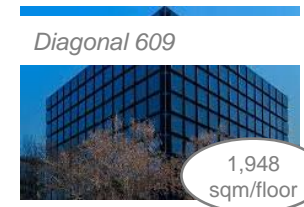
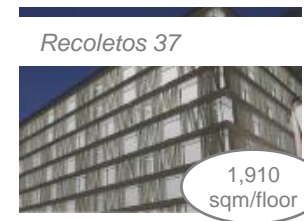
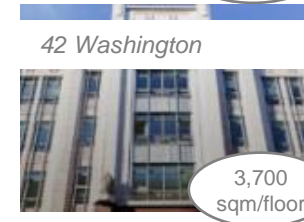
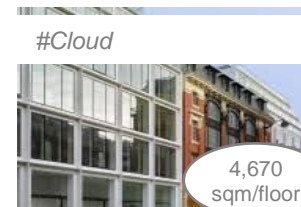
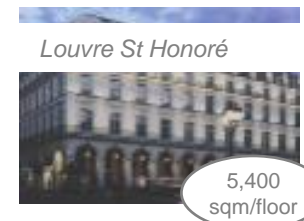
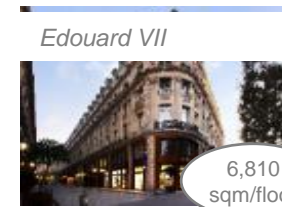
Prime Location



93%¹ with max. energy efficiency standards



EFFICIENT LARGE-SCALE PORTFOLIO



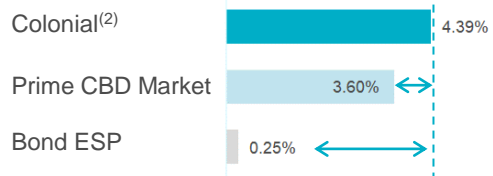
(1) Office portfolio in operation with Leed & Breeam certificates

1 A Super Core CBD Portfolio with solid valuation levels

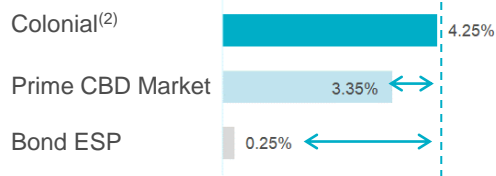
- > Prime Yields at very attractive spreads compared to reference rates
- > Colonial portfolio at prudent valuation levels
- > Prime product with defensive metrics

VALUATION YIELDS (1)

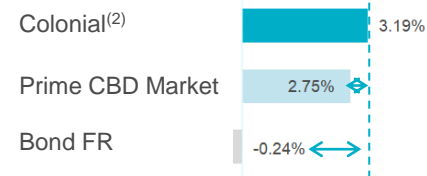
BARCELONA



MADRID

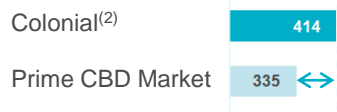


PARIS

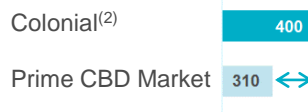


SPREAD VALUATION YIELDS (1)

BARCELONA



MADRID



PARIS



CAPITAL VALUE - €/sq m

BARCELONA



MADRID



PARIS



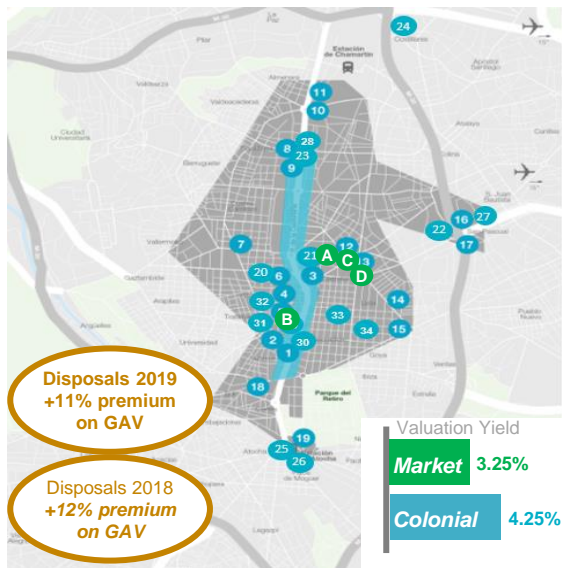
(1) Market consultants in Spain report gross yields and in France they report net yields
 (2) Portfolio in operation (3) According to JLL

07 Defensive Prime Positioning

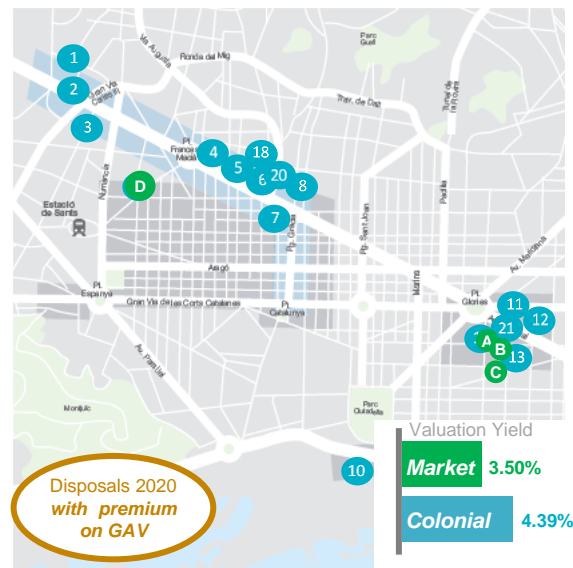
1 A Super Core CBD Portfolio with solid valuation levels

- > Investor interest for Core CBD assets remains strong
- > No supply of CBD product in the investment market
- > Colonial's assets with prudent appraisal values

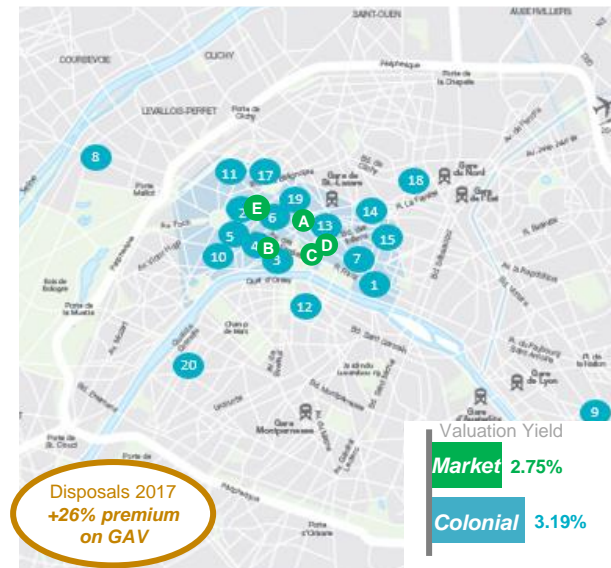
Madrid City Center (inside M30)



Barcelona City Center



Paris CBD



Latest investment transactions inside M30

	Price ⁽²⁾	Cap. Value ⁽³⁾
A Axis (incl. Retail)	100	25.000
B Fernando El Santo 20	42	11.058
C Velázquez 34 (incl. retail)	120	15.926
D Príncipe de Vergara 108	50	7.000
Transaction - Average	212	11.474
Colonial Average (6/20 appraisal)		6,671

Latest investment transactions in city center

	Price ⁽²⁾	Cap. Value ⁽³⁾
A Sancho de Ávila (Project)	100	5.747
B Sancho de Ávila 65	56	6.747
C 177 Almagvers	50	5.882
D Berlin/Numancia	Confidential	n.a.
Transaction - Average	n.a.	n.a.
Colonial Average (6/20 appraisal)		5,545

Latest investment transactions in Paris CBD

	Price ⁽²⁾	Cap. Value ⁽³⁾
A 9 Bergere	604	16.872
B 7 Rue Blanche	75	20.183
C 6/12 St Honoré (incl. retail)	290	53.704
D 7 Teheran	200	28.571
E 7 Magdebourg	73	28.077
Transaction - Average	1.242	22.782
Colonial Average (6/20 appraisal)		17,856

Source: JLL, C&W and public information

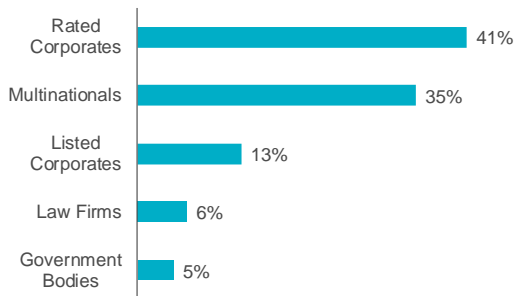
(1) Includes retail use (2) €m (3) €/sqm

07 Strong resilience through Core CBD

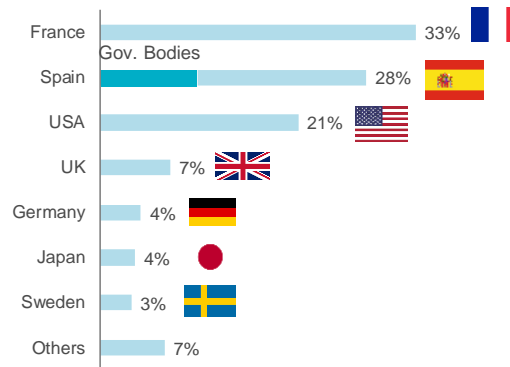
2 AAA Clients with strong solvency

- > Strong solvent tenant base with rated and listed companies along with other multinationals
- > Portfolio attracting international clients
- > Defensive client sector diversification

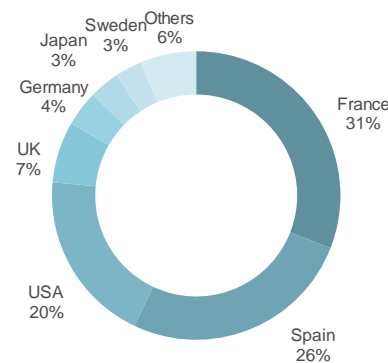
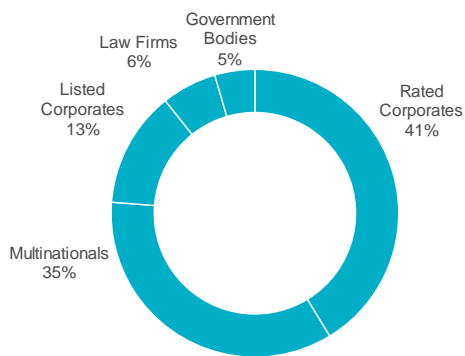
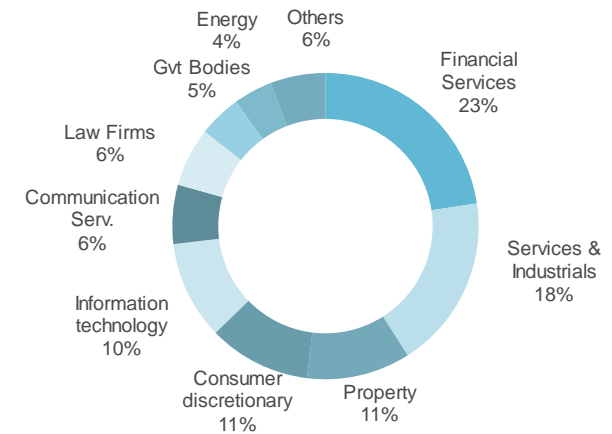
Solvent tenant base ¹



International clients ¹



Diversified through defensive sectors ¹



¹ Based on TOP 150 clients representing 85% of annualized passing rents of 6/20

07 Strong resilience through Core CBD

2 AAA Clients with strong solvency

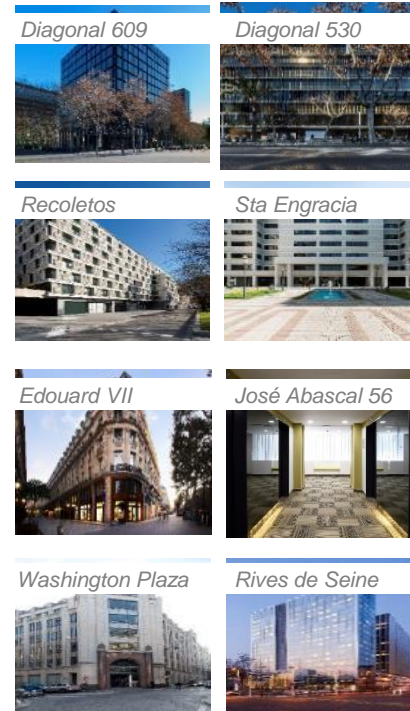
- > Reversion as solid cash flow “buffer”
- > Contract Portfolio under-rented
- > Ongoing delivery of high release spreads YTD

REVERSION AS SOLID “BUFFER”

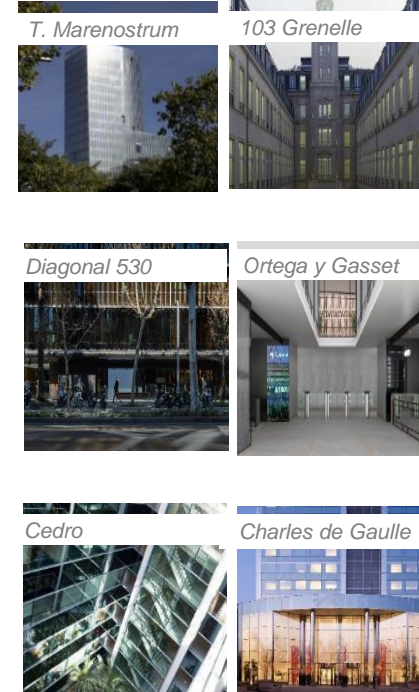
Strong delivery YTD

	<u>Release Spread captured¹</u>			<u>Price Potential Reversion 06/2020²</u>
	<u>1Q 2020 PreCovid</u>	<u>2Q 2020 Covid</u>	<u>3Q YTD Covid</u>	
BARCELONA	+50%	+54%	+18%	+16%
MADRID	+15%	na	+22%	+8%
PARIS	na	+14%	flat	+7%

REVERSION IN PRIME PREMISES



ENHANCED THROUGH RENOVATION PROGRAM



1) New rents signed vs previous

2) Market rents vs current passing rents as of 06/20

07 Strong resilience through Core CBD

3 A defensive project pipeline

- > 74% of project pipeline concentrated in 4 big projects¹
- > Adequate progress of pre-lettings
- > Super core locations in Paris and Madrid

Development Pipeline – “Big 4”

74% of project pipeline concentrated in 4 big projects¹

Marceau



Louvre-Saint-Honoré



Biome

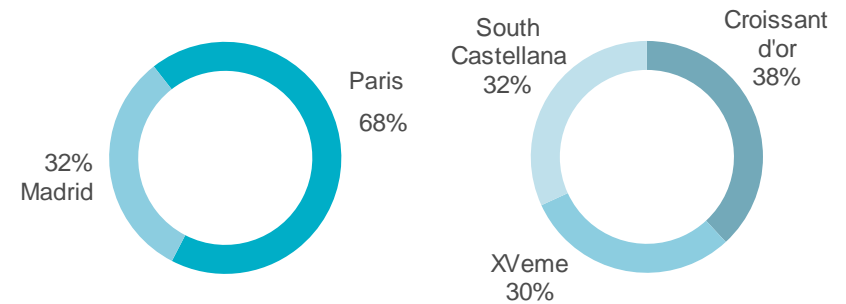


Urban Campus Méndez Álvaro



Super core locations in Paris and Madrid

3 big projects located in Paris and 1 in Madrid



- > Marceau: 86% of Pre-Letting with GS
- > Louvre: 100% of Pre-Letting with Foundation Cartier
- > Biome: Leasing plan to begin in 2Q21
- > Mendez Álvaro: Capex to begin beyond 2022

(1) Based on total cost of the Project pipeline (€1277m)

07 Strong resilience through Core CBD

3 A defensive project pipeline - Resilient project attracting Top tenants

- > Ongoing pre-letting momentum for CBD assets
- > Significant Pre-let level with AAA tenants
- > Top Product in unique locations

PRIME ASSET IN PRIME POSITION



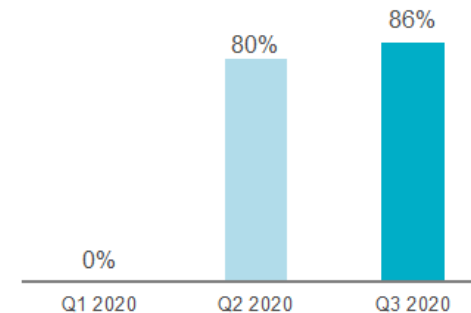
- > *Unique location, at 150 meter from Place de l'Étoile.*
- > *Six-storey property features an interior courtyard and terraces offering outstanding views of the Arc de Triomphe.*
- > *Best environmental standards with highest technical performances.*

RESILIENT PRODUCT ATTRACTING TOP TENANTS

Strong Letting Momentum with Top Tenants

- > **Q2-20: More than 6,000 pre-let with Goldman Sachs** for its Paris HQ
 - 12 years lease with 9 years with mandatory compliance
 - Remarkable transaction with very satisfactory terms
- > **Q3-20: Additional 1,200 sqm signed** on the groundfloor
- > **Just one floor left** to get 100% pre-let

Pre-let Status – %



07 Strong resilience through Core CBD

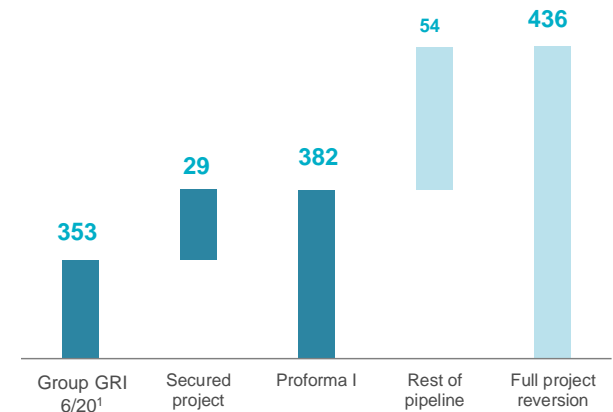
3 A defensive project pipeline

- > Significant Pre-let level with AAA tenants (34% of total pipeline)
- > Yield on cost confirmed and enhanced
- > Tactical management of calendar

Project	Committed City	% Group Delivery	GLA (sqm)	Total Cost €m	Yield on Cost	
1 Castellana, 163	✓ Madrid CBD	100%	87% Pre-let 10,910	52	7.5%	
2 Diagonal 525	✓ Barcelona CBD	100%	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%	86% Pre-let 9,600	151	5.5- 6.0%	
5 Velazquez 88	✓ Madrid CBD	100%	2H 21 17,239	113	7.7%	
<hr/>						
6 Biome	✓ Paris City Center	82%	2H 22 24,500	283	5.0%	
7 Plaza Europa 34	Barcelona	50%	2H 22 14,306	42	7.0%	
8 Sagasta 27	Madrid CBD	100%	2H 22 4,481	23	7.0%	
9 Mendez Alvaro Campus	Madrid CBD South	100%	2023 89,871	300	7.9%	
10 Louvré SaintHonoré	✓ Paris CBD	82%	2023 100% Pre-let 16,000	208	7.7%	
TOTAL OFFICE PIPELINE				200,653	1,277	6.7%

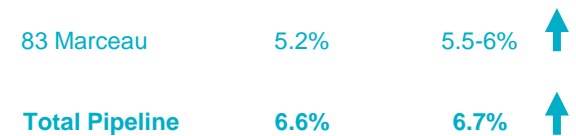
¹ Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

GRI – Path to reversion



¹ Topped-up GRI as of 6/20 excluding logistics & Castellana 163

Yield On Cost – Project Pipeline



4 Excellence on ESG & Decarbonization

- > ESG at the Core of Colonial's Strategy
- > Strong Commitment to ESG & Decarbonization
- > More than €1.2bn of green financing

A STRONG STARTING POINT

1 Aligned with Paris Agreement

- > 2050 Carbon Neutral
- > (70%) Decrease in carbon emission since 2015¹

2 Decarbonisation laboratory

- > 1st wood office building in Spain

3 Leader in Energy Efficiency standards

- > 93% of portfolio Leead/ Breeam certificates

4 €1.2bn of Green financing in 2020

5 High scorings in ESG benchmarks with positive momentum



1) In Like for Like variance of Scope 1&2 carbon intensity 2019 vs 2015 base year

2020 ONWARDS POSITIVE MOMENTUM EXPECTED

- > 4th year EPRA sBPR Gold Award in a row
- > Accelerating momentum on 2020 scorings expected

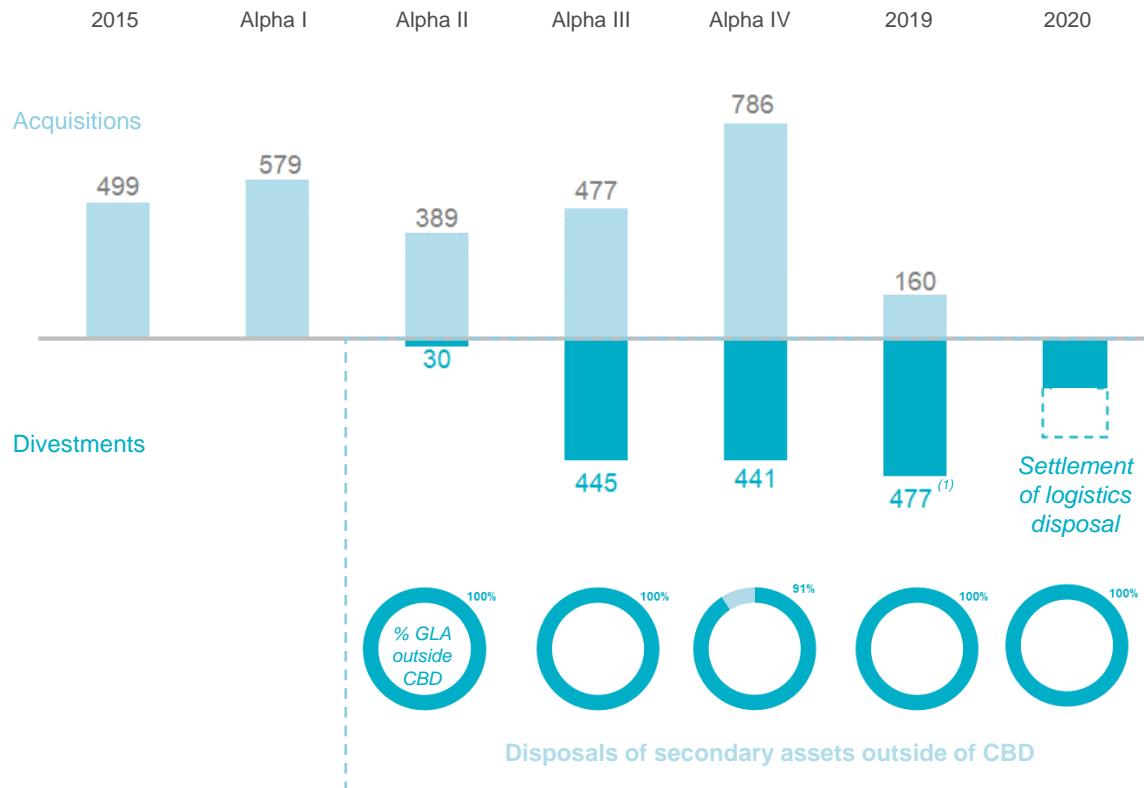


07 Strong resilience through Core CBD

5 Flight to quality through active asset management

- > Ongoing flight to quality through disciplined capital allocation
- > Disposal of more than €240m of non-core asset in Q2 & Q3
- > Further asset rotation ongoing

INVESTMENTS & DIPOSALS SINCE 2015 - €m



> €240m
divested to date

Estimate of
further disposals of
around €300m

(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 exercise of the option on the rest of the logistics settled in July 2020





STRONG FINANCIAL RESULTS

- > Gross Rental Income of €260m, +0.4% like-for-like
- > Net Rental Income +3% like-for-like
- > Net Rental Income Offices. +4% like for like
- > Recurring earnings of €112m, +8% YoY
- > **Recurring EPS of €22.10cts. per share, +8% YoY**

SOLID FUNDAMENTALS - RESILIENT PRIME POSITIONING

- > Office Collection Rates of 98% (100% in Paris)
- > Occupancy of 96% (97% in Madrid)
- > Letting activity ongoing with good terms
- > Positive Release Spreads and Rental Growth
- > Project Pipeline with 34% pre-lets

CAPITAL ALLOCATION - FLIGHT TO QUALITY

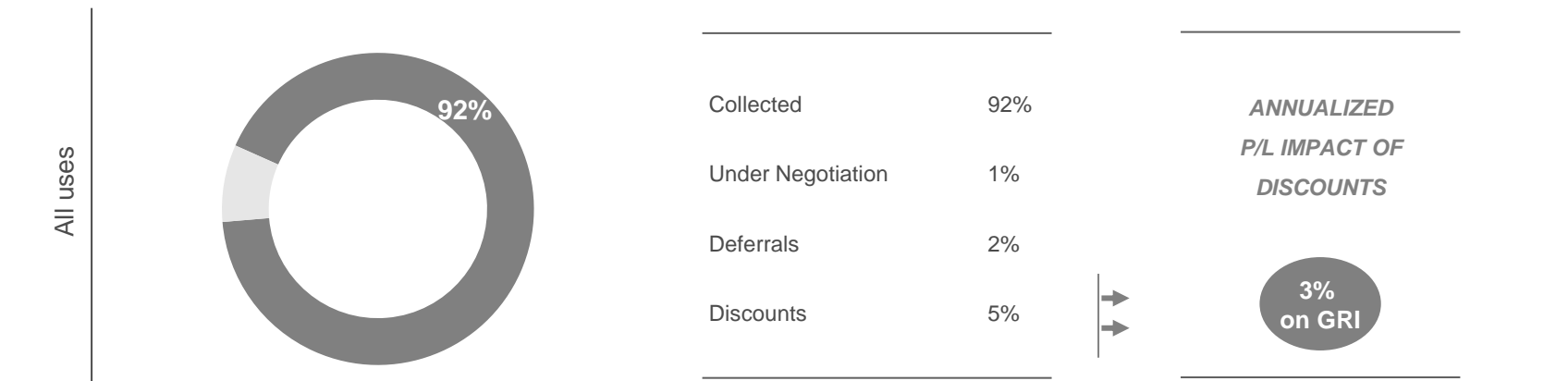
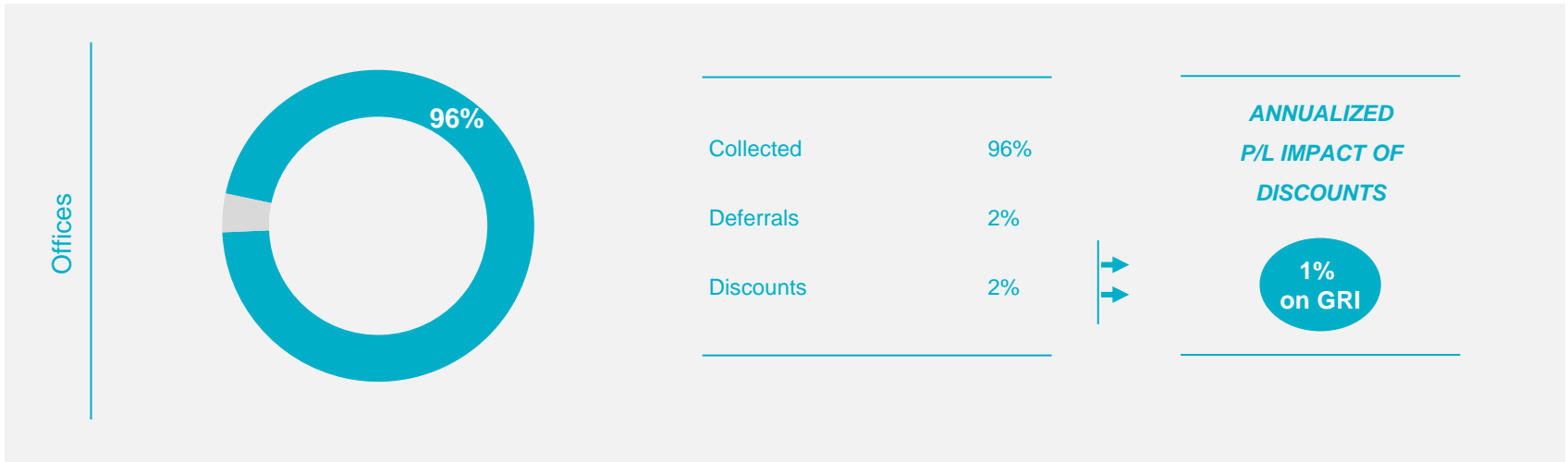
- > €2bn of new debt issuances (€1bn bonds) & Liability Management
- > Disposal of > €240m Non-Core assets in Q2 & Q3
- > Disposal prices confirming June 2020 appraisals
- > Estimate of further disposals of around €300m

Q&A

“SAVE THE DATE”

Don't miss our next events

> **Dec 9: Capital Markets Day**

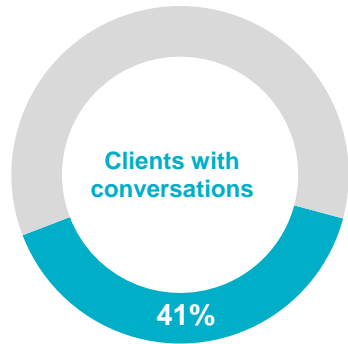


COVID 19 – Agreements & deferrals

- > Agreements almost finalized - Spain with agreements on all files
- > Deferrals in exchange of longer-term maturities
- > Secured future GRI of €40m YTD through longer maturities

STATUS OF CLIENT CONVERSATION

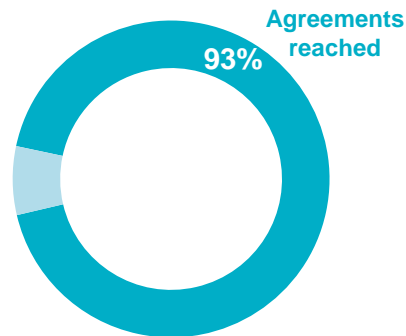
Clients negotiations Status



There of agreed



Agreements reached



NEGOTIATION RESULTS YTD

Short term deferrals in exchange of longer contract maturities

- > Average increase of maturities of 24-36 months
- > Maturity extension of 804 months -> 67 years



Secured future GRI of €40m YTD through longer maturities

MSCI European Property Investment Award

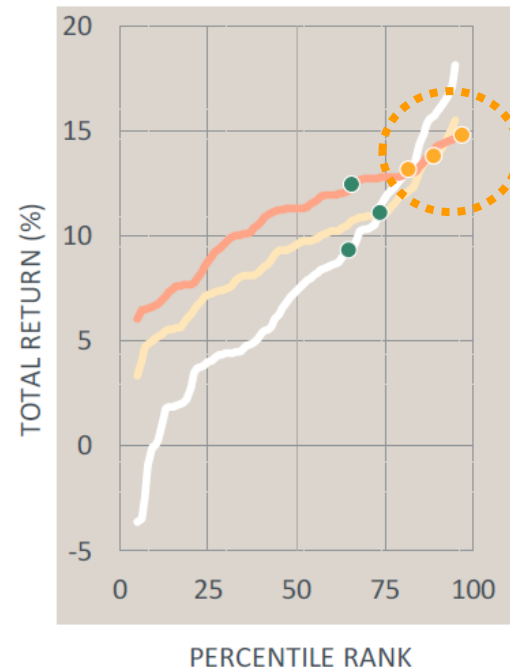
- > Colonial awarded for the 4th year in a row by MSCI as best performing portfolio in Spain
- > Colonial outperformed the Benchmark in 2019 and over last 3 and 5 years
- > Spanish index benchmark made of 51 portfolios and 490 assets worth €19Bn

MSCI European Property Investment Award – Best Performer Spanish market 2019

- > Colonial has been awarded as **Best Performing specialist portfolio in the Spanish market in 2019**
- > Colonial outperformed the Benchmark in 2019 and over last 3 and 5 years
- > Spanish index benchmark made of 51 portfolios and 490 assets worth €19Bn

Colonial has been always among top performers

DISTRIBUTION OF PORTFOLIO ANNUAL RETURNS
ALL ASSETS - THE PAST YEAR VS 3,5 AND 10 YEARS AGO



Source: MSCI



European Property Investment Awards
WINNER 2020



European Property Investment Awards
WINNER 2019










European Property Investment Awards
WINNER 2018



European Property Investment Awards
WINNER 2017








Office investment markets across Europe are starting to gain pace.

- > 3Q 2020 starting with high activity across all markets, specially in Paris
- > High volume transacted not only in CBD

PARIS		7 rue Blanche (3Q 2020)	CBD Prime	€75m	3,716 sqm	<2.50% Yield
		6/12 Faubourg Saint Honoré (3Q 2020)	CBD Prime	€290m	5,400 sqm	2.90% Yield
		Cityights Complex (3Q 2020)	Boulogne Billancourt	€500m	48,500 sqm	€10,300/sqm
		Shift building (3Q 2020)	Issy les Moulineaux	€600m	43,000 sqm	3.50% Yield
		Schroder REIT (3Q 2020)	Boulogne Billancourt	€104m	n.a. sqm	n.a
		7 Teheran (3Q 2020)	CBD Prime	€200m	7,000 sqm	2.90% Yield
		7 Magdebourg (3Q 2020)	CBD	€73m	2,600 sqm	2.75% Yield

Office investment markets across Europe are starting to gain pace.

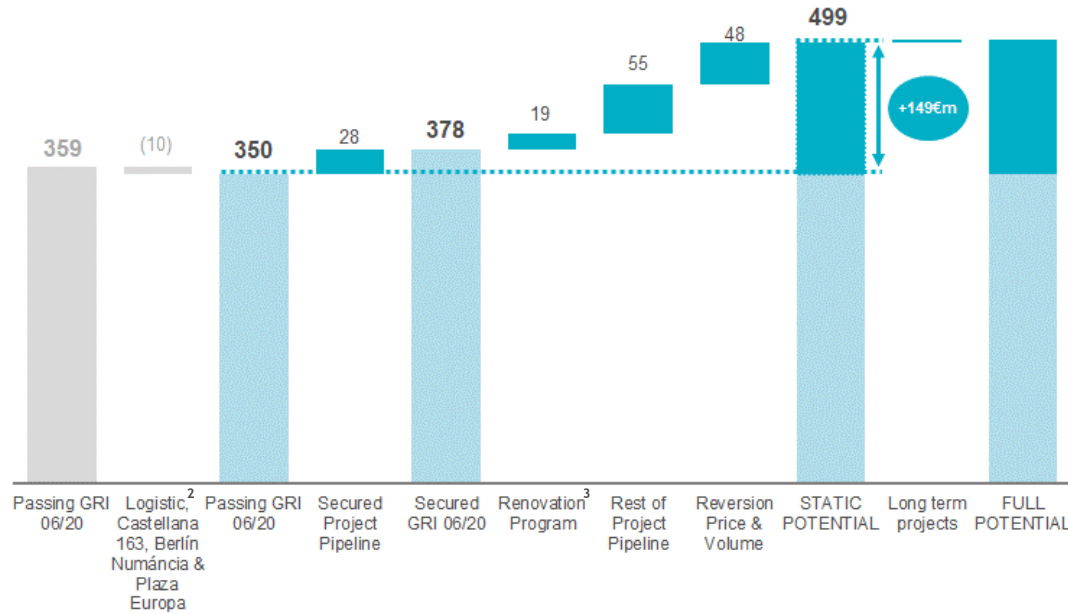
- > 3Q 2020 starting with high activity across all markets, specially in Paris
- > High volume transacted not only in CBD

MADRID		Alcala 544/546 - Project (3Q 2020)	Madrid Secondary	<i>n.a.</i>	30,000 sqm	Acquired by Amundi
		Velázquez 34 (incl. retail areas) (3Q 2020)	CBD Prime	€120m	7,535 sqm	€15,928/sqm
		Manoteras - Project (3Q 2020)	Madrid Secondary	€40m	12,000 sqm	€3,00/sqm
BARCELONA		177 Almogavers (3Q 2020)	22@	€50m	8,500 sqm	€5,880/sqm
		Berlin/Numancia (3Q 2020)	Barcelona-BD	<i>confidential</i>	12,800 sqm	1.7x Value creation
		Plaza Europa 40 (3Q 2020)	Plaza Europa	<i>confidential</i>	4,800 sqm	1.7x Value creation
		Cristobal de Moura (3Q 2020)	22@	<i>na</i>	30,770 sqm	Hines leading the Project

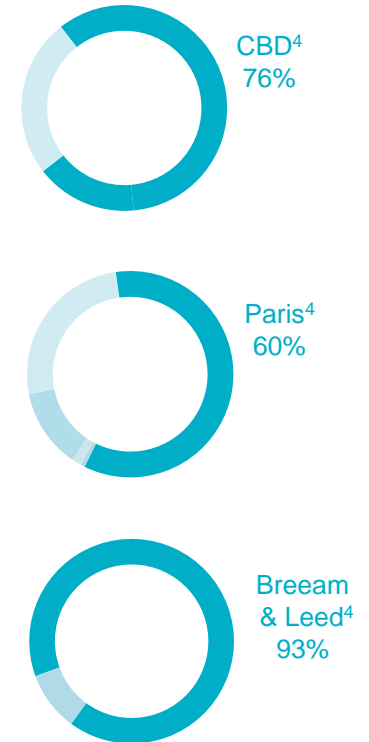
Flight to quality through active asset management

- > Solid intrinsic growth profile of CBD portfolio
- > Colonial well-positioned to capture reversion
- > Significant future value creation through CBD Project pipeline

Current Uplift Potential Passing GRI ¹ – (€m)



PRIME POSITIONING ⁴



¹ Topped-up passing GRI

² Logistics portfolio, Castellana 163, Berlin Numancia & Plaza Europa sell

³ Renovation program & GLI under repositioning

⁴ Breakdown based on GAV 6/20

APPENDICES

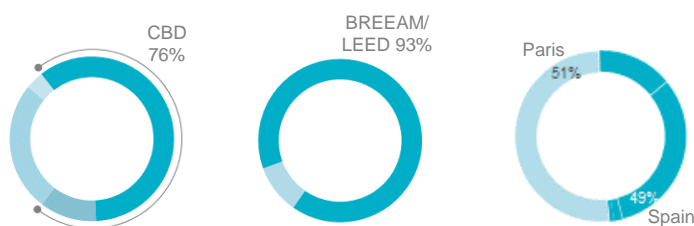
A solid capital structure

- > 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



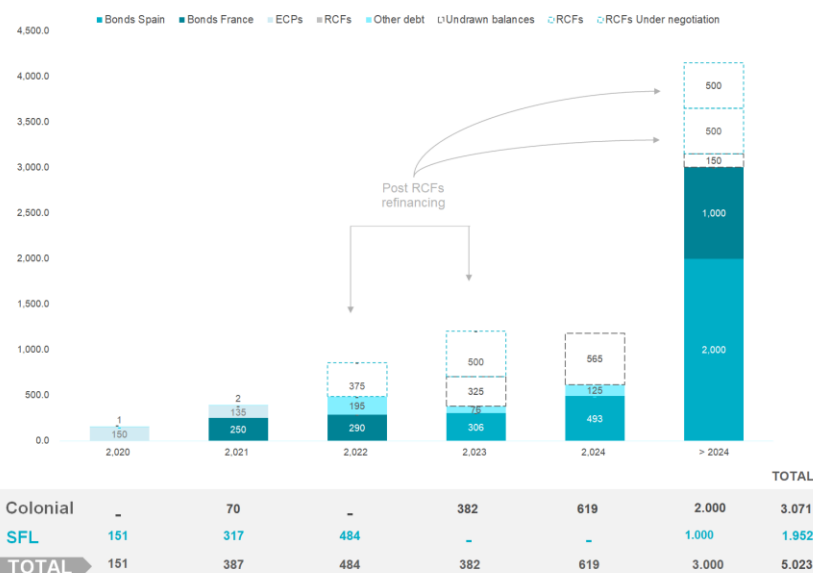
Rating Standard & Poor's
BBB+ Stable Outlook



Rating Moody's
Baa2 Stable Outlook

A SOLID FINANCIAL STRUCTURE

<u>Capital Structure</u>	<u>31/12/2019</u>	<u>30/09/2020</u>
Net Debt	€4,609m	€4,576m
Group LTV	36.1%	36.6%
Liquidity	€2,082m	€2,362m
Maturity Spain	5.6 years	4.8 years
Maturity Group	4.9 years	4.7 years
Cost of Debt Group	1.63%	1.71%



Creation of Hybrid products – Fix, Flexible & Additional Services

- > Delivery of two new hybrid office buildings within Colonial’s portfolio during 1H
- > Enhancement of user experience through the combination of flexible product and new contents
- > Prime locations and customer centric contents allows for talent attraction

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 in the financial area of Madrid



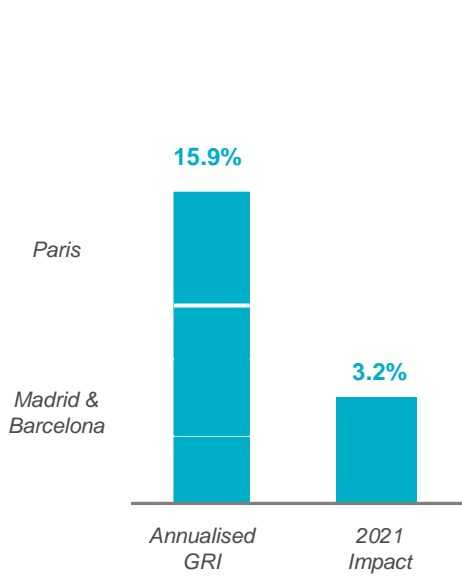
Torre Marenostrum - Barcelona

- > Prime location in the 22@ of Barcelona
- > 3,850 sqm of flexible space in front of the sea
- > New Hybrid product in the Barceloneta, a highly sought after neighbourhood for international companies and digital start-ups



2021 MATURITIES

% on annualized Group GRI



Selected Main Files

CBD

Multitenant

Louvre-Saint-Honoré

CBD

Monotenant

Poeta Joan Maragall, 53

Campo de las Naciones

Multitenant

EGEO

CBD

Monotenant

Sagasta, 31-33

CBD

Multitenant

Paseo Recoletos, 37-41

Periphery

Multitenant

Sant Cugat

CBD

Multitenant

Édouard VII

CBD

Multitenant

Santa Engracia

CBD

Multitenant

Av. Diagonal, 609-615

Colonial



www.inmocolonial.com

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