# 2020

Annual results 2020
**25 February 2021**

## Colonial maintains stable financial and operative ratios during the COVID-19 crisis

### The COVID-19 situation at Colonial

The COVID-19 pandemic continues to significantly affect the economy in general, in our domestic as well as global markets.

Economic activity has been interrupted from the second quarter of 2020 onward due to various waves of contagion. Consequently, Colonial's priority, at all times, has been to ensure the health and safety of our teams, clients and suppliers.
In this context, Colonial has continued to provide all of its services while maintaining the maximum quality and safety standards.

Our activity has remained stable and the results at the close of the year reflect the strength of Colonial's portfolio and the resilience of its business model.

Since the beginning of the crisis, the management team of Colonial has carried out a series of measures to strengthen the position of the Group in front of a complex scenario. The following milestones are highlighted:

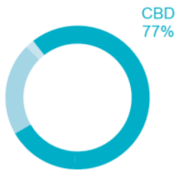
| MARCH | APRIL | MAY | JUNE | JULY | SEPTEMBER | OCT / NOV | DEC / JAN |
|---|---|---|---|---|---|---|---|
| Implementation of covid-19 protocol within our buildings | Increased liquidity through the signature of 200€m sustainable loan | Rating agencies S&P and Moody's confirm credit rating, BBB+ and Baa2 | Pre-letting of Marceau Goldman Sachs | Solid Q2 20 Results | Sale of 2 secondary assets in Barcelona | €500m Bond Issuance Colonial<br>€300m Liability Management | Sales of assets €413m with premium on GAV |
| 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 $1^{st}$ wave 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 | Solid 2020 Annual Results |
| 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<br>Settlement of Call Option signed in 2019 | | Solid Q3 20 Results | |

# Colonial closed 2020 with a stable recurring result and resilience of the NTA

Solid Asset Value sustained by a diversified office strategy with focus on prime

| Financial Highlights | 2020 | 2019 | Var | LFL |
|---|---|---|---|---|
| Net Tangible Assets (NAV) - €/share | 11.27 | 11.46 | (1.7%) | |
| EPS recurring - €Cts/share | 27.06 | 27.40 | (1.2%) | |
| Gross Rental Income - €m | 340 | 352 | (3%) | (1.1%) |
| Net Rental Income - €m | 318 | 322 | (1%) | +2% |
| Recurring Net Profit - €m | 138 | 139 | (1%) | |
| Attributable Net Profit - €m | 2 | 827 | na | |
| GAV Group €m | 12,020 | 12,196 | (1.4%) | +1.2% |
| Net Tangible Assets (NAV) - €m | 5,728 | 5,825 | (1.7%) | |

**Unique exposure to Prime**




| Operational Highlights | |
|---|---|
| EPRA Vacancy | 4.8% |
| **"Collection Rate" Offices[4]** | **99%** |
| Release Spread[2] | +17% |
| Barcelona | +45% |
| Madrid | +15% |
| Paris | +6% |
| Rental Growth[1] | +6% |
| Barcelona | +6% |
| Madrid | 2% |
| Paris | +9% |

### Resilient Net Tangible Assets / Net Asset Value of €11.27/share

- Net Tangible Assets including dividend of €11.47/share, stable compared to the previous year
- Net Reinstatement Value of €12.20/share

### Gross Asset Value of €12bn, +1.2% like-for-like

- Paris +4% like-for-like year-on-year and +3% like-for-like in 2H 2020
- Madrid & Barcelona (3%) like-for-like year-on-year and (1%) like-for-like in 2H 2020

### Stable net recurring results compared to the previous year

- Net recurring EPS of €27.06cts/share
- Net recurring results of €138m

### Solid Gross Rental Income and Net Rental income

- Gross Rental Income of €340m, (1%) like-for-like
- Net Rental Income of €318m, +2% like-for-like
- Net Rental Income office portfolio +3% like-for-like

### Stable operating fundamentals

- Collection rates of 99%[4] in offices in 4Q 2020 (100% in Paris)
- Solid occupancy levels of 95% (97% in Madrid)
- Capturing rental price increase
  +6% vs ERVs at 12/19[1]
  +17%, release spread[2]

### Active management of the portfolio with a premium over NTA

- Disposals of more than €600m[3] with double-digit premium over GAV
- Acceleration of the disposals in 4Q 2020 (Alpha V[3])
- Pre-letting of 3 out of the 9 projects in the project portfolio (Marceau 100% pre-let in 2020)

### A strengthened balance sheet

- LTV 12/20 of 36% with a liquidity of €2,309m
- LTV pro-forma of 34.8% including the Alpha V[3] disposals
- S&P rating of BBB+ confirmed (highest real estate rating in Spain)

### Excellence in ESG

- GRESB 2020 Rating of 90 points, +17% vs previous year
- CDP 2020 Rating of A- confirming leadership in decarbonization
- Sustainalytics, Vigeo & MSCI 2020 Ratings at the high end

*1- Signed rents vs. market rents at 31/12/2019 (ERV 12/19)    2- Signed rents on renewals vs. previous rents*
*3- A part of the assets of the Alpha V program was notarized at the beginning of the first quarter of 2021.    4-Collection levels Q4 2020*

# Highlights

## Annual Results

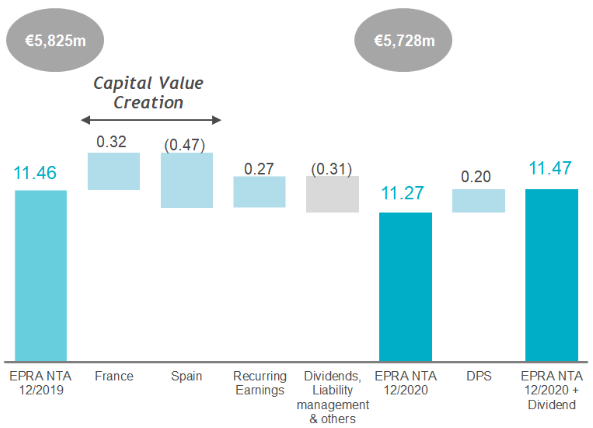
### Stable Recurring EPS and Net Tangible Asset (NAV) compared to the previous year

**Net Tangible Asset/Net Asset value (NAV) of €11.27/share, €11.47 including the paid dividend, in line with the previous year**

Colonial closed 2020 with a **Net Tangible Assets (NTA) of €11.27/share**. Including the dividend paid of €0.20/share, it amounted to €11.47/share, stable compared to the NTA (NAV) of €11.46/share from the previous year (+0.1%).

The stable evolution of the NTA (NAV) is underpinned by the defensive performance of the value of the assets. It is worth highlighting the increase in value of the Paris portfolio that has compensated for the slight correction of the Madrid and Barcelona portfolios.

*EPRA NTA €/share*




*Total Shareholder Return* [1]

| | 1H 2020 | 2H 2020 | 2020 FY |
|---|---|---|---|
| NTA Growth per share | (2.2%) | +0.5% | (1.7%) |
| Dividend per share | +1.7% | na | +1.7% |
| Total Return per share | (0.5%) | +0.5% | +0.1% |

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

Among the main aspects that explain the evolution of the NTA (NAV), it is important to highlight:

1. Growth of +4% like-for-like in 2020 of the asset portfolio in Paris
2. Successful management of the project portfolio with high levels of pre-letting
3. Resilient execution of the contract portfolio, exceeding ERV's of the previous year
4. Generation of stable cash flow maintaining recurring results of €27cts/share
5. A favorable situation in the investment markets for prime assets, especially in the second half of 2020, enabling disposals with a double-digit premium over GAV

The high interest by the investment market for core CBD assets, with an increase in transaction volumes and prices in the second half of the year, enabled a favourable evolution of value in the second half of 2020. This compensated for the slight correction of the NTA in the first half, closing the year with stable Net Tangible Assets, including the dividend paid.

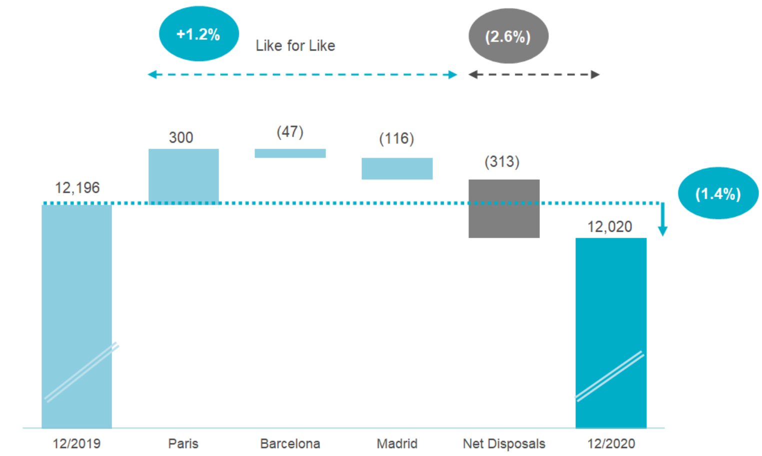
**Gross Asset Value of €12,020m +1.2% like-for-like (Paris +4% like-for-like)**

The gross asset value of the Colonial Group at the close of 2020 amounted to €12,020m (€12,631m including transfer costs), showing an increase of +1.2% like-for-like compared to the previous year. Including the disposals registered in 2020 for €313m, the value of the assets has decreased by 1%.
The variation in the second half of 2020 amounted to +1.3% like-for-like, compensating the correction in the first half of 2020.

The Barcelona and Madrid asset portfolios saw a slight correction of (3%) like-for-like. This correction was mainly concentrated in the first half of the year, with a variation of (2%) like-for-like, given that in the second half of the year the correction was negligible at (1%) like-for-like.

In Paris, the portfolio value increased +4% like-for-like, thanks to the robust nature of the prime portfolio in Paris and the progress in the project portfolio. After an increase of +1% in the first half of the year, noteworthy is the acceleration of the increase in value of the Paris portfolio of +3% like-for-like in the second half of the year, showing investors' interest in Prime assets in Paris.

**VARIANCE ANALYSIS VALUE 12 MONTHS - €m**




**GAV VARIANCE**

| | 1H 2020 | 2H 2020 | 2020 |
|---|---|---|---|
| BARCELONA | (2%) | (1%) | (3%) |
| MADRID | (2%) | (1%) | (3%) |
| PARIS | +1% | +3% | +4% |
| TOTAL LFL | (0.2%) | +1.3% | +1.2% |
| DISPOSALS | (0.1%) | (3%) | (3%) |
| TOTAL VAR | (0.3%) | (1%) | (1%) |

The defensive performance of Colonial's asset portfolio is underpinned by:

1) The high concentration in prime CBD locations with strong fundamentals, enabling a higher protection in recessive cycles and a better growth profile in upward cycles.
2) The high quality of the buildings that enables attracting clients with maximum solvency and high loyalty indices.

3) A successful diversification strategy that optimizes the risk profile of the portfolio, as shown in the 2020 results, where the Paris assets have compensated for the slight value correction in Barcelona and Madrid.
4) An industrial approach on value creation through the repositioning of assets, creating Alpha real estate value that creates a differential in the market and offers a more defensive positioning.

**Recurring Net Profit of €27cts/share**

The **Colonial Group** closed **2020** with **a net recurring profit of €138m, in line with the previous year**.

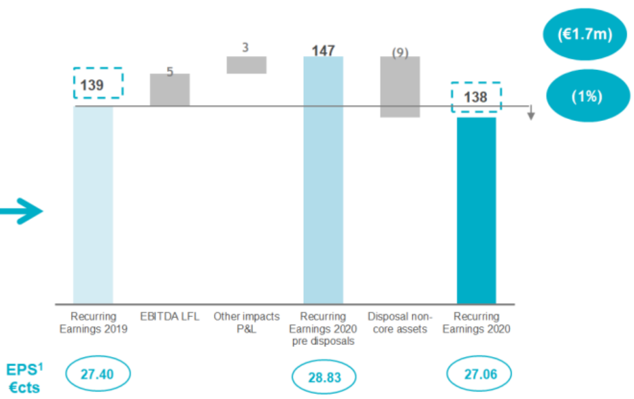
**Net recurring EPS amounted to €27.06cts/share.**

Profit & Loss Account

| Results analysis - €m | 2020 | 2019 |
|---|---|---|
| Gross Rents | 340 | 352 |
| Recurring EBITDA | 272 | 283 |
| Recurring financial result | (87) | (89) |
| Income tax expense & others - recurring | (14) | (15) |
| Minority interests - recurring | (34) | (39) |
| Recurring Earnings | 138 | 139 |
| Change in fair value of assets & provisions | (75) | 819 |
| Non-recurring financial result & MTM | (33) | (6) |
| Income tax & others - non-recurring | (0) | 1 |
| Minority interests - non-recurring | (26) | (126) |
| Profit attributable to the Group | 2 | 827 |

(1) Recurring earnings per share

Recurring Earnings - Variance Analysis




The slight decrease in recurring net results of (€1.7m), (1%) vs. the previous year, is mainly due to the disposal of non-strategic assets, mainly carried out in the second half of 2019 and 2020. These disposals have resulted in an impact of lower rents on the recurring profit of €9m.

Consequently, the recurring profit per share, excluding the above-mentioned non-strategic asset sales, would have been €28.83cts/share, which represents an increase of +5% year-on-year in comparable terms.

The net result of the Group amounts to €2m, including the value variation of the assets registered at 31 December 2020 as well as the impact of asset sales and other non-recurring impacts.

**Solid like-for-like increase of Net Rental Income**

Colonial closed 2020 with **€340m of Gross Rental Income, and Net Rental Income (EBITDA rents) of €318m.**

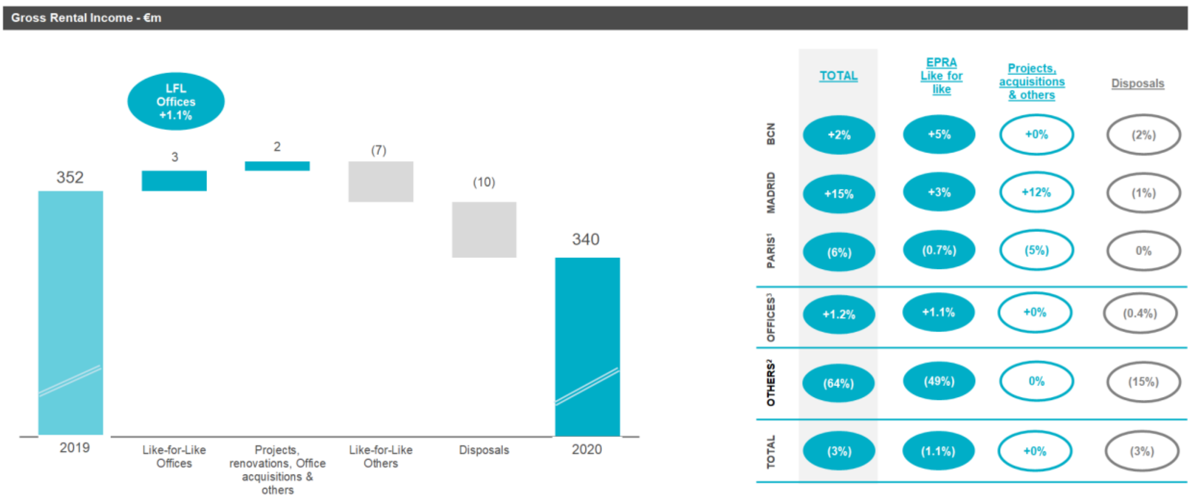
The **Gross Rental Income in 2020** decreased 3%, mainly due to the disposal of non-strategic assets**.**
In like-for-like terms, adjusting for investments, disposals and variations in the project and renovation pipeline and other extraordinary items, the Group's gross rental income corrected only by 1%, mainly in previous years levels of revenues.

**The net rental income (EBITDA rents)** increased +2% in like-for-like terms (+3% like-for like in the offices portfolio).

| **December cumulative - €m** | **2020** | 2019 | *Var* | *LFL* |
|---|---|---|---|---|
| Rental revenues Group | 340 | 352 | *(3%)* | *(1%)* |
| **EBITDA rents Group** | **318** | **322** | ***(1%)*** | ***2%*** |
| **EBITDA rents - Offices** | **312** | **305** | ***2%*** | ***3%*** |
| ***EBITDA rents Barcelona*** | ***47*** | ***44*** | ***6%*** | ***9%*** |
| ***EBITDA rents Madrid*** | ***94*** | ***76*** | ***23%*** | ***9%*** |
| ***EBITDA rents Paris*** | ***172*** | ***185*** | ***(7%)*** | ***(1%)*** |

***Gross Rental Income from the office portfolio increased by +1% year-on-year***

The increase in rents in the office portfolio is based on an increase of +2% in Barcelona and +15% in Madrid. Both cities have shown solid like-for-like rental growth of +5% and +3%, respectively.
The Gross Rental Income of the offices portfolio in Paris decreased by 6%, mainly due to the rotation of the project portfolio and lower activity in the business centres of Cloud and Eduard VII due to the pandemic. In like-for-like terms, the offices Gross Rental Income remained stable at (0.7%) like-for-like.




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

Highlighted is the growth in the office portfolios of both Madrid and Barcelona.

The Gross Rental Income from the offices portfolio in **Madrid increased +15%,** based on (1) a **like-for-like increase of +3.4%** together with (2) an increase in rental income of +11.4% due to an indemnity for the early exit of a client, as well as (3) a successful delivery of the assets of Castellana 163 and Jose Abascal 56.


Paseo Castellana, 163


José Abascal, 56


Ribera de Loira, 28

The Gross Rental Income from the **Barcelona portfolio increased +2%,** mainly due to a **strong like-for-like rise of +5%**. Likewise, the rest of the income was affected by client rotation and disposals that were partially compensated by the acquisition of Parc Glories II the previous year.


Av. Diagonal, 530-532


Av. Diagonal, 525


Parc Glories II

The Gross Rental Income of the offices portfolio in **Paris decreased 6%,** mainly due to the rotation of the project portfolio and lower activity in the Cloud and Eduard VII business centres. Excluding this effect, **the Gross Rental Income like-for-like slightly decreased by (0.7%) like-for-like.**


Édouard VII


Washington Plaza


103, Grenelle

The rest of the portfolio mainly corresponds to the Hotel Indigo in Paris, as well as the three secondary retail assets coming from the Axiare acquisition. All these assets, less defensive in the current crisis, have suffered a decrease in rental income amounting to €7m like-for-like.

## Solid operational fundamentals

### 1. Solid take-up levels, capturing rental price increases

The Colonial Group's business performed with resilience in 2020, maintaining a solid take-up and high occupancy levels.

At the close of 2020, the Colonial Group had signed 77 rental contracts on the office portfolio corresponding to 97,363 sqm and annual rents of €36m. Of the total letting activity, 68% (66,440 sqm) corresponds to renewals, spread over the three markets in which the group operates, and the rest (30,924 sqm) corresponds to new lettings.

| | | | | 2020 | |
|---|---|---|---|---|---|
| Strong price increases | *# contracts* | Surface sqm | GRI | Release Spread[1] | % Var. vs ERV 12/19[2 3] |
| Barcelona | 26 | 28.911 | 6€m | +45% | +6% |
| Madrid | 27 | 44.592 | 14€m | +15% | +2% |
| Paris | 24 | 23.861 | 16€m | +6% | +9% |
| | 77 | 97.363 | 36€m | +17% | +6% |

*(1) Signed rents on renewals vs previous rents*
*(2) Signed rents vs market rents at 31/12/2019 (ERV 12/19)*
*(3) There are 2 contracts with cap (1 in Barcelona and 1 in Madrid)*

***Double-digit Release Spreads***

**The release spread (signed rents vs previous rents) was in high double digits in 2020, reaching +17%.** These ratios highlight the defensive nature of Colonial's contract portfolio with significant improvement margins on current rents. Worth mentioning is the high increase in the Barcelona portfolio +45%, as well as the solid increase in Madrid +15% and Paris +6%.

***Strong rental growth***

Compared with the market rent (ERV) at December 2019, signed rents **increased by +6% in 2020.** In **Barcelona**, rents were signed at **+6% above market rent 12/19**, in **the Paris portfolio, the increase in ERVs was +9%**, and the **Madrid portfolio was up +2%.**

With regard to the cumulative letting activity**,** worth highlighting is the **high volume signed in the Madrid market,** amounting to **44,592 sqm,** of which 37,556 sqm are renewals and 7,036 sqm correspond to new lettings. In **Barcelona, more than 28,911 sqm were signed**, of which 18,308 sqm are renewals and 10,603 sqm correspond to new contracts on available surfaces.

In **Paris, 23,861 sqm were signed,** of which 10,576 sqm were renewals and 13,284 sqm correspond to new contracts. Of these new contracts, it is worth mentioning that 9,586 sqm correspond to **the Marceau project,** an asset 100% pre-let during the COVID-19 pandemic. In terms of renewals, of special mention is the almost 6,000 sqm on the Edouard VII asset, as well as the more than 2,600 sqm on the Cézanne Saint Honoré asset.

***Letting performance during the pandemic***

The volume of signed contracts in the COVID-19 period (2nd, 3rd, and 4th quarters of 2020) is above the volume signed in the first quarter of 2020 (pre-COVID period), with high rental prices in the signed contracts.

| Strong price increases | Surface sqm | | | | Release Spread [1] | | Rental Growth vs ERV 12/19 [2 3] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Pre Covid 1Q 2020 | Post Covid 2Q 2020 | Post Covid 3Q 2020 | Post Covid 4Q 2020 | Pre Covid 1Q 2020 | Post Covid 2Q-3Q-4Q 2020 | Pre Covid 1Q 2020 | Post Covid 2Q-3Q-4Q 2020 | Post Covid 2Q-3Q-4Q 2020 Adjusted[4] |
| Barcelona | 7.024 | 13.720 | 4.124 | 4.043 | +50% | +44% | +7% | +5% | |
| Madrid | 5.374 | 466 | 20.450 | 18.303 | +15% | +15% | +5% | +2% | +7% |
| Paris | 1.141 | 14.523 | 2.026 | 6.170 | na | +6% | +7% | +10% | |
| TOTAL OFICES | 13.539 | 28.709 | 26.600 | 28.516 | +21% | +17% | +6% | +5% | +8% |

(1) *Signed rents on renewals vs previous rents*
(2) *Signed rents vs market rents at 31/12/2019 (ERV 12/19)*
(3) *There are 2 contracts with cap (1 in Barcelona and 1 in Madrid)*
(4) *Excluding a contract with a single tenant with a release spread of +21%*

In the first quarter of 2020 (pre-COVID), close to 14,000 sqm were signed. This figure was exceeded in each of the following quarters, with a letting volume of close to 30,000 sqm per quarter, specifically 28,709 sqm in the second quarter, 26,600 sqm in the third quarter and 28,516 sqm in the fourth quarter.

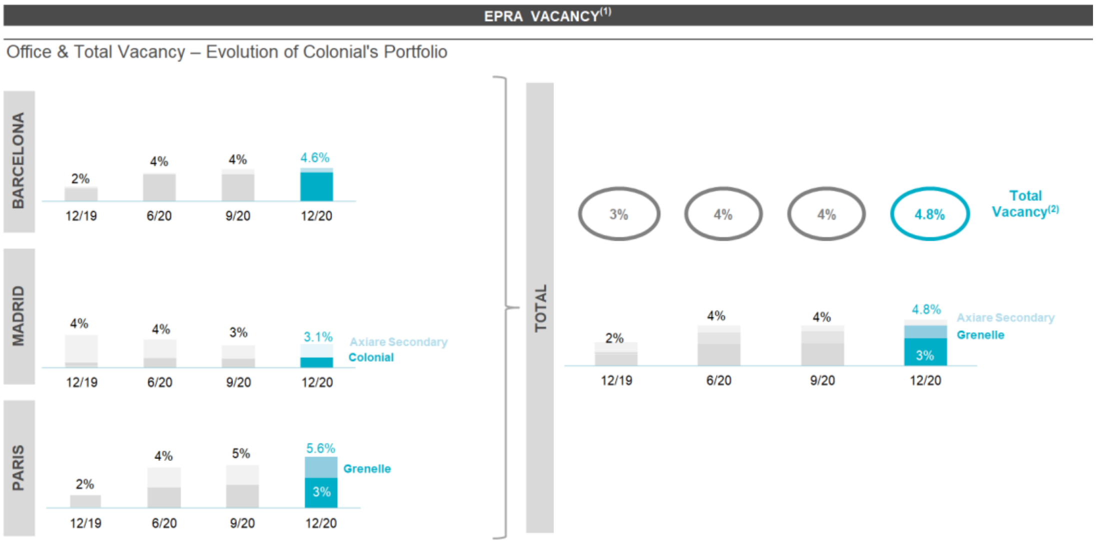
The release spread in the COVID-19 period was at +17%, a high double-digit level compared to the pre-COVID situation. Highlighted are Barcelona with an increase of +44% and Madrid with +15%.

Rental growth during the COVID-19 period was at +5%, boosted by Paris with +10% and Barcelona with +5%. Madrid was at +2%, due to a contract renewal that was carried out with a slight correction. Excluding this contract, the rest of the portfolio increased +7% compared to the market rents at December 2019.

## 2. Solid occupancy levels

At the close of 2020, the **total vacancy of the Colonial Group stood at 4.8%,** a vacancy rate in line with recent quarters, although above the ratio one year ago. Of special mention is the improvement in the Madrid office portfolio, reaching 3%.

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




*(1) EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (1-[Vacant floorspace multiplied by the market rent/operational floor space at market rent])*
*(2) Total portfolio including all uses: offices, retail and logistics*

In the **office portfolio in Madrid** the vacancy rate decreased down to **3.1%, improving by +120 bps compared to the previous year,** mainly due to the 100% occupancy in the Josefa Valcárcel 40 bis asset, among others.

The **Barcelona office portfolio** has a **vacancy rate of 4.6%**, a rate in line with the last quarters, but shows **an increase of +262 bps compared to the rate from one year ago,** mainly due to the client rotation in various assets and new entries into operation.

The **office portfolio in Paris** has a **vacancy rate of 5.6%,** which has increased with respect to the close of 2019, mainly due to the entry into operation of the completed refurbishments on the 103 Grenelle and Edouard VII assets. This new entry into operation, offers a future source of potential cash flow from additional rents, given that they represent a top-quality offer in the centre of Paris, currently scarce in the market. **Excluding the Grenelle asset, the vacancy rate in Paris is 3%.**

### 3. Client portfolio and COVID-19 negotiations

The Colonial Group has a portfolio of clients diversified between sectors with high levels of loyalty, permanency and solvency.

This great resilience of the client portfolio has been the base for which **the collection rate[1] levels in Q4 2020 have remained high at 97% for the office portfolio (100% in Paris)**

Due to the COVID-19 crisis, the commercial team of the Colonial Group has analysed and negotiated deferral systems or, in exceptional cases, allowances for the payment of rents with a special focus on all the companies that are having financial difficulties as a result, and in the framework, of the limitation of the development of their activities in the commercial and leisure sectors.

41% of the Colonial Group's clients had discussions with the commercial team. To date, all the negotiations related to the first and second wave have finalized.

The impact of these agreements reached 4.5% of the annualized passing rents[2] as of 31 December 2020. It is worth mentioning that in exchange of those agreement, extension of the contract maturities have been signed, improving the average maturity of the contract portfolio.
The impact of the agreements in the 2020 Profit and Loss account amounted to €6m.

*(1) Collection rates for Q2 – Q4, Covid-19 quarters*
*(2) Annualized topped-up passing GRI as of 31/12/2020*

## Project delivery with important advances

### Evolution and progress in the project portfolio

Colonial continues with solid progress on project pipeline of 9 assets with more than 189,000 sqm located in the city centres of Barcelona, Madrid and Paris. Of the 9 current projects, 3 of them are fully pre-let to date.

| | | Project | City | % Group | Delivery | GLA[1] (sqm) | Total Cost €m | Yield on Cost |
|---|---|---|---|---|---|---|---|---|
| <12 months | 1 | Diagonal 525 | Barcelona CBD | 100% | 1H 21 | 5.706 | 41 | ≈ 5% |
| | 2 | Miguel Angel 23 | Madrid CBD | 100% | 2H 21 | 8.204 | 66 | 5- 6% |
| | 3 | 83 Marceau | Paris CBD | 82% | 2H 21 | 9.600 | 154 | 5.5- 6.0% |
| | 4 | Velazquez 88 | Madrid CBD | 100% | 2H 21 | 16.164 | 116 | 6- 7% |
| >12 months | 5 | Biome | Paris City Center | 82% | 2H 22 | 24.500 | 283 | ≈ 5% |
| | 6 | Plaza Europa 34 | Barcelona | 50% | 2H 22 | 14.306 | 42 | ≈ 7% |
| | 7 | Sagasta 27 | Madrid CBD | 100% | 2H 22 | 4.896 | 23 | 6- 7% |
| | 8 | Mendez Alvaro Campus | Madrid CBD South | 100% | 2023 | 89.872 | 323 | 7- 8% |
| | 9 | Louvré SaintHonoré (Prime Commercial) | Paris CBD | 82% | 2024 | 16.000 | 215 | 7- 8% |
| | | TOTAL PIPELINE | | | | 189.248 | 1.264 | 6- 7% |

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

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


Marceau


Biome


Louvre SaintHonoré


Méndez Álvaro

**In addition in Madrid, worth highlighting are the projects of Velázquez 80 and Miguel Ángel 23,** benchmark projects in the prime CBD in Madrid that will be delivered at the end of 2021. The pre-commercialization phase of the projects has begun and has received a very good response from the market. The main interest comes from clients in the financial services sector with demand exceeding 2,000 sqm.

The project in **Diagonal 525 in Barcelona** is in its final phase and its delivery is expected during the first quarter of 2021. This asset is **100% pre-let to Naturgy** at record rental prices in the prime CBD market of Barcelona.

**Successful progress of projects - Marceau in the prime CBD of Paris**

**Marceau** deserves special attention, **located a few metres from the** “**Place de l’Étoile” in the epicentre of the prime CBD in Paris.** The works are progressing at a good pace and the delivery date has not changed due to the pandemic. The high commercial interest in this project has led to a **pre-letting of 100% during the COVID-19 pandemic.**

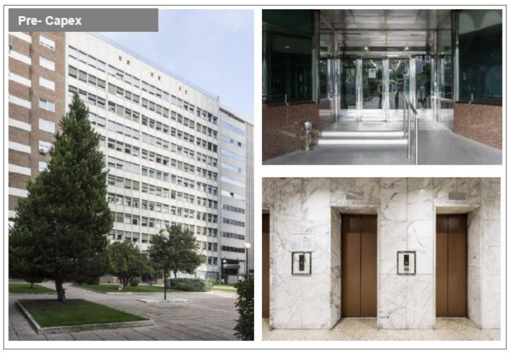
During the most difficult period of the pandemic, Colonial and Goldman Sachs signed a pre-letting contract of 6,000 sqm, for 12 years, with a non-cancellable term of nine years. With this transaction, Goldman Sachs, one of the largest investment banking and securities groups in the world, intends to increase its presence in the Gaul country, enabling it to double the workforce of the company in Paris.

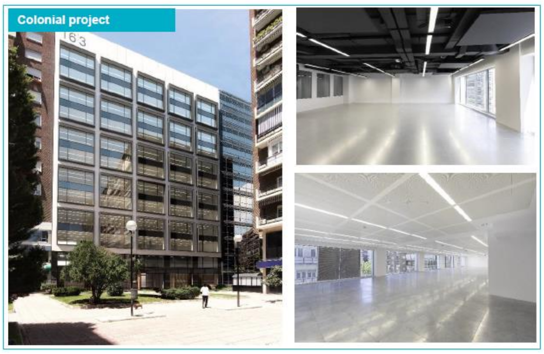
83 MARCEAU – ACTIVO DE GRADO A EN PRIME CBD DE PARIS



Additionally, in the third and fourth quarters, pre-let contracts were signed to occupy the two remaining floors, reaching 100% occupancy. Both contracts were signed under very good terms with regards to the rental price.

## Successful delivery of projects – Castellana 163






In 2020, the Colonial Group successfully delivered the Castellana 163 project in the CBD in Madrid, making it a benchmark in the area.

The Castellana 163 building was acquired in the first quarter of 2017 through an off-market transaction at a very favorable price. Its total repositioning was carried out in phases as the client contracts expired.

The project, designed by Colonial, has maximized the rentable surface area of the building, increasing it by more than 1,000 sq m. Among the many technical characteristics of the project, noteworthy is the new façade that increases the natural light by 45% and the design of the two entrances, attracting prime clients.

From the beginning of the project, Castellana 163 was the object of great commercial interest by AAA clients and currently has an occupancy of 91%. The average rent of the rented spaces is more than €28/sqm/month, achieving a release spread of almost 100% (the average rent of the asset prior to the project was €14/sqm/month).

After completing the project and commercializing the spaces at rental prices above the ERV, the Company obtained a valuation of 1.8x times the cost of the project (acquisition cost + invested capex)

This real estate value creation is an example of the Alpha Value creation which enables extra returns for Colonial shareholders.

## Successful execution of the disposal program

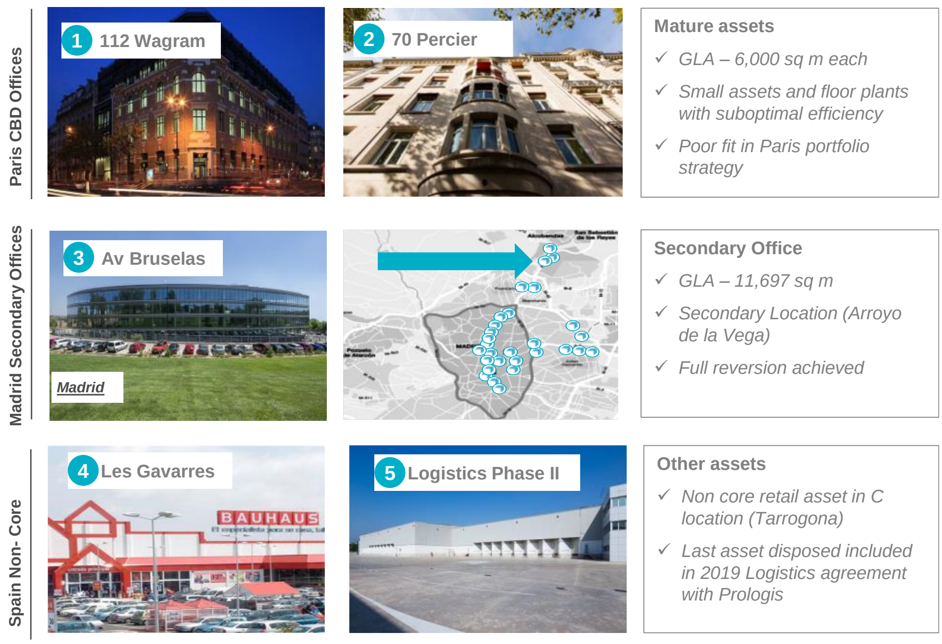
***Disposals of more than €600m with double digit premium on GAV[1]***

In 2020, the **Colonial Group divested a total of €617m[1] of mature** and non-strategic **assets**, of which **€413m[1] correspond to the Alpha V program carried out at the end of 2020.**

***Alpha V disposals - more than €400m in Q4 2020[1]***

At the end of 2020 and the beginning of 2021, Colonial executed **the Alpha V project for €413m and a double-digit premium on last appraisal**.
This project includes the disposal of two mature office assets, an office asset in a secondary location, a relocated commercial asset and the collection of the last asset included in the sale of the logistics portfolio.

With these disposals, the Colonial Group exceeded the Capital market Day guidance on disposal volume for the rest of the year that stood at €300m.




At the end of 2020, the sale of Av. Bruselas 38 was signed in Madrid, an asset located in Arroyo de la Vega, a secondary area in Madrid. After finishing the project and renting it at market price with a long-term expiry, Colonial sold the asset crystalizing a significant premium on the total cost of the project (acquisition cost + invested capex).

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

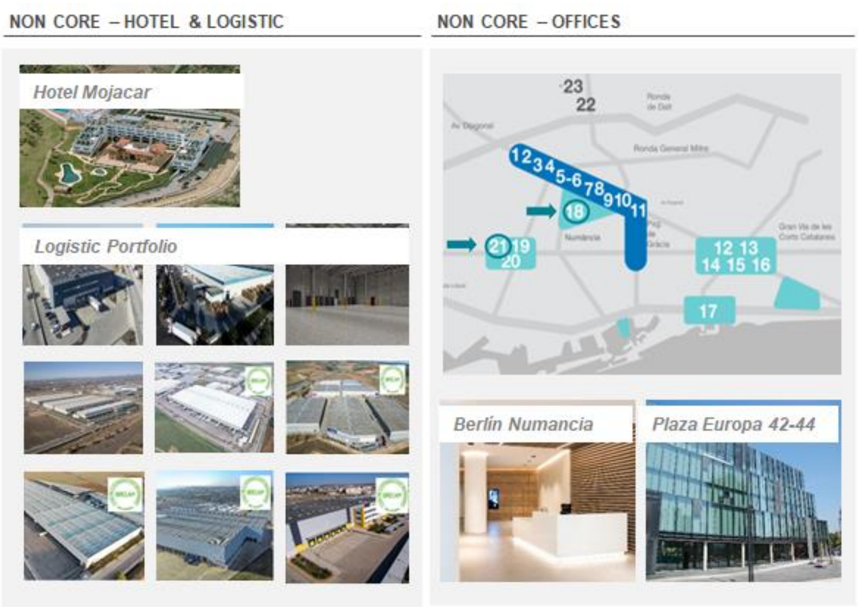
In Paris, two disposals were carried out on mature core assets, 112 Wagram and 70 Percier, with a premium of +16% over valuation and a capital value of €20.000/sqm. These transactions show the investors' appetite for the Paris market, with special acceleration in the second half.

Additionally, Colonial sold the nom core retail asset Les Gavarres, coming from the purchase of Axiare, and executed the final settlement of the sale of the last asset in the logistics package within the agreement announced in August 2019.

***2Q 2020 and 3Q 2020 disposals***

In this context, in the second and third quarters of 2020 (in the middle of the COVID-19 period), the Colonial Group divested more than €204m in non-strategic assets corresponding to 11 buildings with a total surface area of 223,543 sqm above ground.

Specifically, part of the call option on the logistics portfolio, two secondary office buildings in Barcelona were sold, the Berlín-Numancia and the Plaza Europa, 40-42 assets, and the Hotel Mojácar was disposed of.




These transactions are being delivered under the framework of a capital allocation strategy of the portfolio, disposing of mature and/or non-strategic products in order to:

1) Optimize the quality and returns of the portfolio, further increasing the exposure to prime offices with interesting risk-adjusted returns
2) Release capital to strengthen the capital structure and maximize Colonial's Total Shareholder Return

# ESG Strategy

## 1. Corporate Strategy & Decarbonization Strategy

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

At the end of 2018, the Colonial Group created the **ESG Committee,** a body created to accelerate the operational implementation of the ESG strategic plan. This Committee is comprised of 7 members of Colonial's Executive Board.

In addition, and to accelerate the strategic leadership in ESG, Colonial constituted the **Sustainability Commission** at the end of 2020. This Commission is comprised of five members of Colonial's Board of Directors, namely Ms. Silvia M. Alonso-Castrillo Allain, Mr. Adnane Moussanif, Mr. Luis Maluquer Trepat, Ms. Ana Bolado Valle and Ms. Ana Peralta Moreno.

Furthermore, the Company is working on the implementation of the strategic plan for decarbonization. This plan implies the commitment of the Colonial Group so that by 2050, its entire office portfolio will be neutral in carbon emissions, and totally aligned with the Paris climate agreement of December 2015.

For the Colonial Group, this implies: (i) neutrality in carbon emissions by 2050 (ii) a 75% reduction in Scopes 1 & 2 by 2030 starting from 2015.

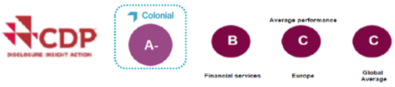
## 2. Important advances in the indexes

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

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

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

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




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


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

SUSTAINALYTICS

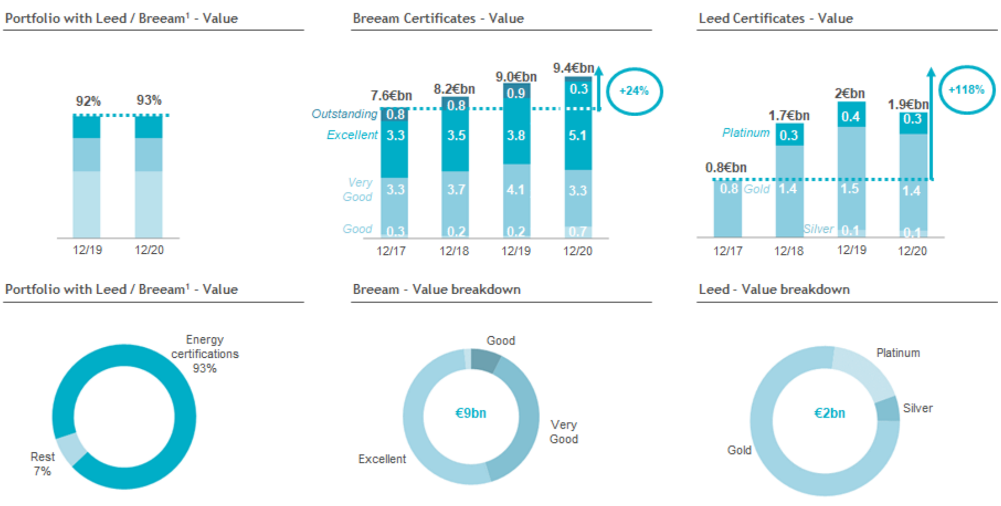
6. MSCI, the reference rating for listed companies, has given Colonial an A on its ESG rating, one of the highest ratings internationally, in particular due to its very high standards in Corporate Governance.

MSCI


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

93% of the office portfolio has LEED and BREEAM energy certificates. This high level of certification places Colonial in a leading position in energy efficiency in Europe. Notably, €1,900 in assets have LEED certificates and €9,400m in assets have BREEAM certificates.

Additionally, SFL was placed in the rating of the BBCA 2020, positioning it among the top 10 project owners in 2020.




(1) Office Portfolio in operation

## 4. Sustainable financing of more than €1,076m

In 2020, Colonial signed the refinancing of the two Revolving Credit Facility lines that were available in their entirety for the amount of €875m increasing its amount to €1,000m. The new credit line will be structured in two tranches with maturities at 5 and 5+1+1 years and is considered as sustainable as its margin is linked to the rating obtained by the GRESB agency.

BNP PARIBAS NATIXIS CaixaBank BBVA

To date Colonial has incurred in €1,076m of sustainable financing, reinforcing the message of the Group's commitment to ESG.

## 5. ESG Investment – Decarbonization Laboratory

**Colonial will build the first office building in Spain made entirely of wood**

The WittyWood building will have 4,100 sqm destined to office use. The project, which is a unique concept of office building in Spain, will have spaces equipped with the latest technologies. WittyWood is located on 42 Llacuna, in the heart of the 22@ district.

The WittyWood building will be built using wood as the primary material, an unprecedented case in the offices market in Spain. Timber engineering acts as storage for Co2, consequently considerably reducing the emissions that impact global warming. In the construction phase alone, carbon emissions are reduced by 50%. Due to these characteristics, among others, the building will count on the maximum environmental certificates: LEED Platinum and WELL Platinum.

## A solid capital structure

### I. A strong balance sheet

At 31 December 2020, the Colonial Group had a solid balance sheet with an LTV of 36%, 100 bps lower than the previous year.

Including the Alpha V disposals registered at the beginning of 2021, the proforma LTV was below 35%.

The available liquidity of the Group amounted to €2,309m, an increase of more than €200m compared to December 2019. This liquidity enables the Group to assure their financing needs in the coming years and be able to cover all its debt maturities until 2024.

Throughout 2020, the two ratings agencies that qualify Colonial’s debt, Standard & Poor’s and Moody’s, have confirmed Colonial’s current rating in their reviews in April and in November of 2020.

Colonial has maintained a stable credit rating during the pandemic, in the face of various downward credit rating corrections in the European real estate sector.

### II. Access to the debt market based on a solid rating

The Colonial Group has accessed the bonds and debt market, obtaining new financing for €2,000m in very favorable terms thanks to the high rating by Standard & Poor’s and Moody’s that underlines the defensive character of Colonial’s business model.

Debt investors reacted very favorably as of April 2020, with the debt spreads trading at similar levels to pre-COVID times, following again the fundamentals and trusting the robustness of Colonial’s balance sheet.

1) In June 2020, the Colonial Group successfully closed a **bond issuance for €500m** through its French subsidiary, SFL. The bonds have a **7-year maturity, with an annual coupon of 1.5%. Demand exceeded up to four times the issue volume** and was placed to quality European investors.
2) In October 2020, Colonial formalized a **bond issuance amounting to €500m**, listed on the Spanish stock market. The issue is structured over **8 years with a coupon of 1.35%** and maturing in October 2028. The **demand exceeded the issue volume by three** and was backed by more than 80 international investors with an institutional profile.
3) On 10th November 2020, Colonial formalized a new line of credit (Revolving Credit Facility, RCF) for €1,000m in substitution of the two RCF lines that it had available in its entirely for €875m. The signing of this credit line has led to a new milestone in the sector, with unique conditions in terms of maturities with flexibility until 2027.

## III. Liability Management

During 2020, the Colonial Group carried out two Liability Management operations:

1) In September, SFL bought back €100m of bonds maturing in 2021 and €60m of bonds maturing in 2022 that accrue an annual coupon of 1.875% and 2.25%, respectively.
2) In October, Colonial bought back €194m of bonds maturing in 2023 and €107m of bonds maturing in 2024 that accrue an annual coupon of 2.728% and 1.45%, respectively.

In addition, in the month of December, Colonial cancelled two bilateral loans early, in the amount of €125m, which enabled the average maturity of the gross debt of the Group to be extended, reducing the financial expenses, and optimizing its treasury.

These transactions allowed for the extension of the average maturity of the Group's debt from 3.8 years to 5.2 years. They have also enabled the distribution of the debt maturities over the next 10 years and a reduction in the average cost of debt to 1.71%.

## IV. Analyst consensus

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

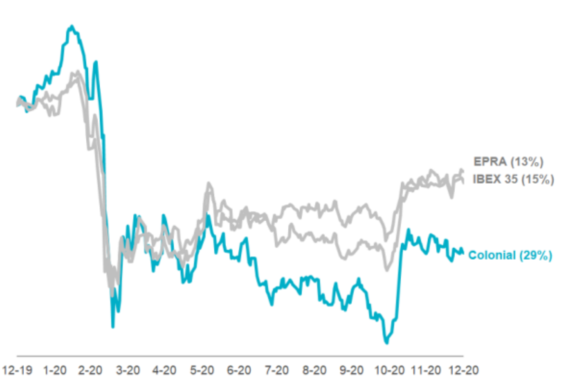
In the case of the Colonial Group, the analysts' consensus maintains "buy" recommendations and highlights the Company's strength in their analysis, thanks to its strategy of positioning in prime offices in Barcelona, Madrid and Paris.

The table below shows the main analysts that have reviewed their recommendations as at the date of this publication:

| Institution | Analyst | Date | Recomendation | Target Price actual (€/share) |
|---|---|---|---|---|
| *BUY* | | | | |
| J.P. Morgan | Neil Green | 15/01/2021 | Overweight | 10,3 |
| Renta 4 | Javier Diaz | 01/12/2020 | Overweight | 10,2 |
| JB Capital Markets | Daniel Gandoy Lopez | 10/02/2021 | Buy | 10,0 |
| Grupo Santander | Jose Francisco Cravo | 05/02/2021 | Buy | 10,0 |
| Goldman Sachs | Jonathan Kownator | 10/12/2020 | Buy | 9,8 |
| Oddo BHF | Florent Laroche-Joubert | 08/02/2021 | Overweight | 9,5 |
| Banco Sabadell | Ignacio Romero | 10/12/2020 | Buy | 9,0 |
| *HOLD* | | | | |
| Green Street Advisors | Peter Papadakos | 12/02/2021 | Hold | n.a. |
| Intermoney Valores | Guillermo Barrio | 12/02/2021 | Hold | 9,5 |
| CaixaBank BPI | Pedro Alves | 06/11/2020 | Neutral | 9,2 |
| Kepler Cheuvreux | Mariano Miguel | 09/02/2021 | Hold | 8,7 |
| Kempen & Co | Jaap Kuin | 19/01/2021 | Neutral | 8,6 |
| Alantra Equities | Fernando Abril-Martorell | 12/02/2021 | Neutral | 8,5 |
| BofA | Alvaro Soriano | 10/12/2020 | Neutral | 8,4 |
| Morgan Stanley | Bart Gysens | 05/01/2021 | Neutral | 8,3 |
| *SELL* | | | | |
| Barclays | Celine Huynh | 10/12/2020 | Underwieght | 6,9 |
| Societe Generale | Ben Richford | 11/01/2021 | Sell | 6,6 |
| Mirabaud Securities | Ignacio Mendez | 13/11/2020 | Sell | 6,5 |
| AlphaValue/Baader | Christian Auzanneau | 28/01/2021 | Sell | 4,4 |

*Source: Bloomberg & analyst reports*

COLONIAL SHARE PRICE PERFORMANCE 2020



## Strategic Prime positioning with great resilience

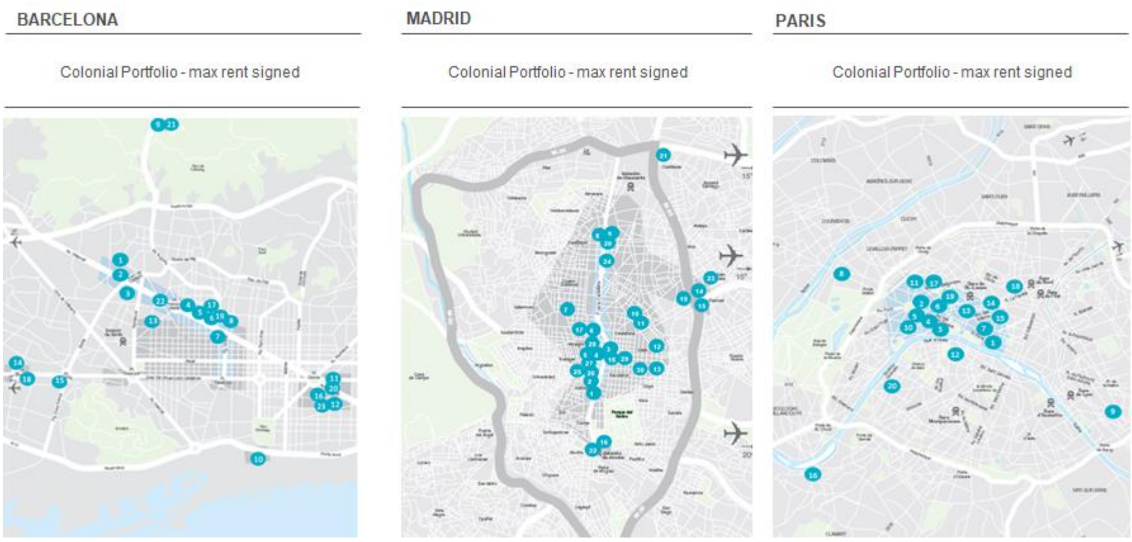
Colonial's strength to deal with the current situation is based on its strategic prime positioning with offices in the CBD and clients with solid solvency, as well as a solid balance sheet.

The main strengths of the Colonial Group are the following:

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

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

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




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

The contract portfolio of the Colonial Group had a positive "reversionary buffer" in 2020, given that the current rents of the portfolio are still below the current market rents. Likewise, to date, the Group has captured high reversion rates with a release spread[1] of +17% at the close of 2020.

(1) *Renewal rents vs previous rents*

## C. Excellence in ESG

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


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

| | | Project | City | % Group | Delivery | GLA (sqm)[1] | Total Cost €m | Yield on Cost |
|---|---|---|---|---|---|---|---|---|
| <12 months | 1 | Diagonal 525 | Barcelona CBD | 100% | 1H 21 | 5.706 | 41 | ≈ 5% |
| | 2 | Miguel Angel 23 | Madrid CBD | 100% | 2H 21 | 8.204 | 66 | 5- 6% |
| | 3 | 83 Marceau | Paris CBD | 82% | 2H 21 | 9.600 | 154 | 5.5- 6.0% |
| | 4 | Velazquez 88 | Madrid CBD | 100% | 2H 21 | 16.164 | 116 | 6- 7% |
| >12 months | 5 | Biome | Paris City Center | 82% | 2H 22 | 24.500 | 283 | ≈ 5% |
| | 6 | Plaza Europa 34 | Barcelona | 50% | 2H 22 | 14.306 | 42 | ≈ 7% |
| | 7 | Sagasta 27 | Madrid CBD | 100% | 2H 22 | 4.896 | 23 | 6- 7% |
| | 8 | Mendez Alvaro Campus | Madrid CBD South | 100% | 2023 | 89.872 | 323 | 7- 8% |
| | 9 | Louvré SaintHonoré (Prime Commercial) | Paris CBD | 82% | 2024 | 16.000 | 215 | 7- 8% |
| | | TOTAL PIPELINE | | | | 189.248 | 1.264 | 6- 7% |

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

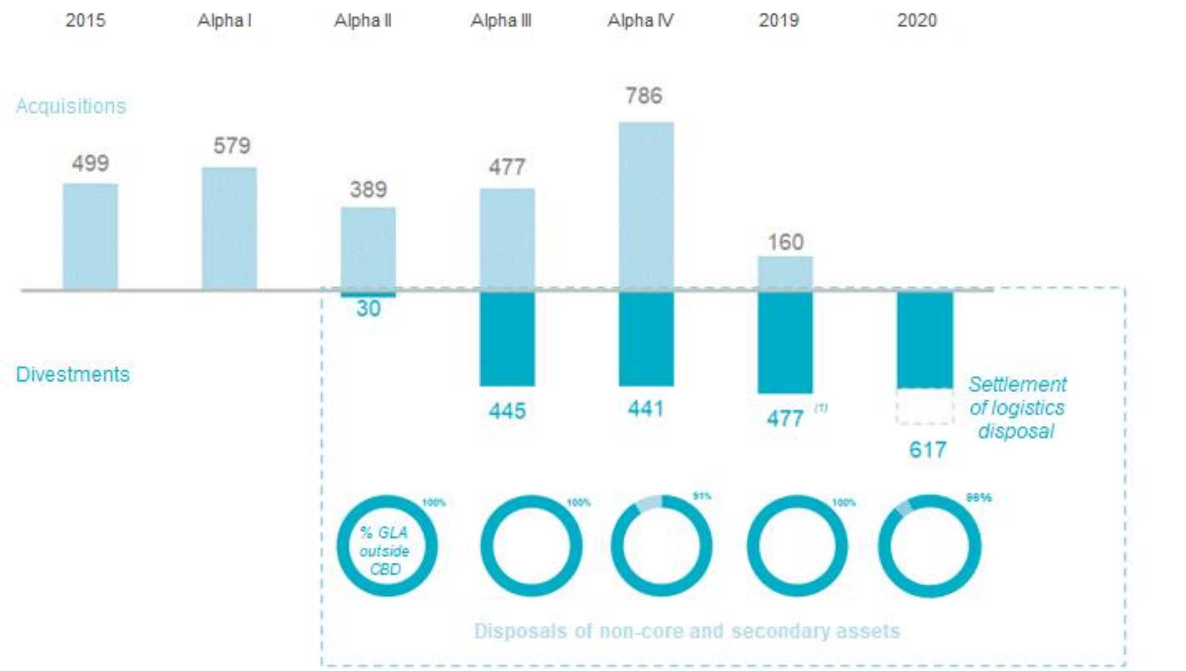
Colonial's project portfolio is 100% located in the city centres of Barcelona, Madrid and Paris. More than 50% of the value corresponds to 3 big projects in Paris and Campus Méndez Álvaro, which is a mix of office and residential use in the south of the Madrid CBD.

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

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

In 2020, and more specifically, in the quarters of COVID (2Q-4Q), Colonial divested more than €600m[1] in non-strategic or mature assets with double-digit premiums over pre-COVID appraisals. These transactions confirm the resilience of the value of Colonial's portfolio and its commitment to its strategy of an active rotation of the portfolio.

NET INVESTMENTS SINCE 2015 - €m




**F. A solid balance sheet with the best rating in the Spanish real estate sector,** confirmed by S&P and Moody's in the middle of the COVID-19 crisis.

The group has one of the highest levels of liquidity in the sector, as well as an LTV of 34.8% post Alpha V disposals with a collateral of Core assets with maximum quality.

(1) *Part of the transacted volume of Alpha V programme, €282m, where settled at the beginning of Q1 2021.*

# Appendices

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. Project portfolio
5. ESG strategy
6. Digital strategy & Coworking
7. Portfolio valuation
8. Financial structure
9. Net Tangible Assets
10. EPRA ratios & consolidated balance sheet
11. Asset portfolio – location and details
12. Historical series
13. Group structure
14. Glossary and alternative performance measures
15. Contact details and disclaimer

# 1. Analysis of the Profit and Loss Account

## Analysis of the Profit and Loss Account

The **Colonial Group** closed **2020** with a **net recurring profit of €138m**, **which implies a net recurring EPS of €27.06cts/share, a figure slightly lower than the same period of the previous year.**

| December cumulative - €m | 2020 | 2019 | Var. | Var. % [1] |
|---|---|---|---|---|
| Rental revenues | 340 | 352 | (11) | (3%) |
| Net operating expenses [2] | (23) | (30) | 7 | 23% |
| Net Rental Income | 318 | 322 | (4) | (1%) |
| Other income [5] | (0) | 7 | (8) | (105%) |
| Overheads | (46) | (47) | 1 | 2% |
| EBITDA | 271 | 283 | (11) | (4%) |
| Exceptional items | (5) | (3) | (2) | (44%) |
| Change in fair value of assets & capital gains | (77) | 894 | (971) | (109%) |
| Amortizations & provisions [3] | (4) | (62) | 58 | 93% |
| Financial results | (120) | (96) | (24) | (25%) |
| Profit before taxes & minorities | 65 | 1015 | (950) | na |
| Income tax | (2) | (22) | 20 | 91% |
| Minority Interests | (60) | (166) | 105 | 64% |
| Net profit attributable to the Group | 2 | 827 | (824) | na |

| Results analysis - €m | 2020 | 2019 | Var. | Var. % |
|---|---|---|---|---|
| Recurring EBITDA | 272 | 283 | (11) | (4%) |
| Recurring financial result | (87) | (89) | 2 | 3% |
| Income tax expense & others - recurring result | (14) | (15) | 1 | 8% |
| Minority interest - recurring result | (34) | (39) | 5 | 13% |
| Recurring net profit - post company-specific adjustments [4] | 138 | 139 | (1.7) | (1%) |
| *NOSH (million)* | *508.1* | *508.1* | *0* | *0%* |
| EPS recurring (€cts) | 27.06 | 27.40 | (0.3) | (1%) |

(1) Sign according to the profit impact

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

(3) Includes impairment of goodwill

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

(5) Reinvoiced capex & EBITDA Utopic'us Centers

## Analysis of the Profit and Loss Account

- Colonial closed 2020 with a Gross Rental Income of €340m, (3%) lower compared to the previous year, mainly due to the non-strategic disposals carried out in 2019 as well as in the current year, and the rotation of surfaces under refurbishment. In like-for-like terms, the rental income has decreased slightly.

- Net Rental Income amounted to €318m, 1% lower than the previous year. However, the increase in comparable terms is +2% like-for-like. This increase was underpinned by the favorable evolution of the Net rental income of the office portfolio of +3% like-for-like.

- The Group’s EBITDA stands at €271m, 4% lower compared to the same period of the previous year.

- The impact on the Profit and Loss account from the revaluation at 31 December 2020 and the margin from the disposals of property investments amounted to (€79m). The revaluation, which was registered in France as well as in Spain, does not imply a cash outflow.

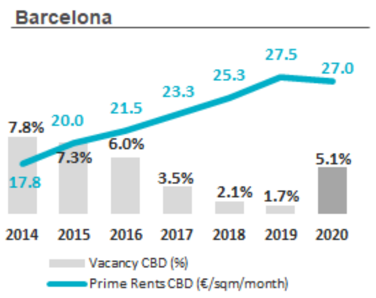
- The net financial result amounted to (€120m), lower than that registered in the same period of the previous year.
  The recurring financial result of the Group amounted to (€87m), an improvement of 3% compared to the same period of the previous year.

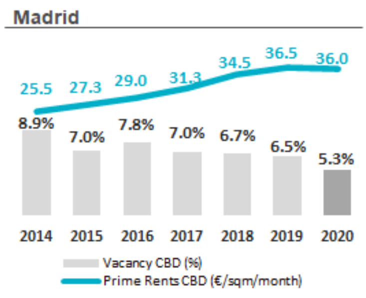
- Profit before taxes and minority interests at the close of 2020 amounted to €65m.

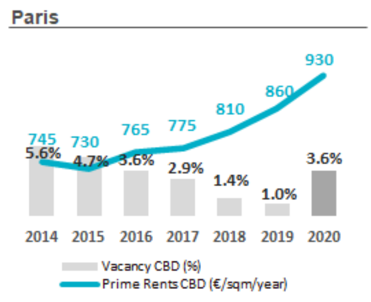
- Finally, and after deducting the minority interest of (€60m), as well as the income tax of (€2m), the Net Profit attributable to the Group amounted to €2m.

# 2. Office markets

**Rental markets**



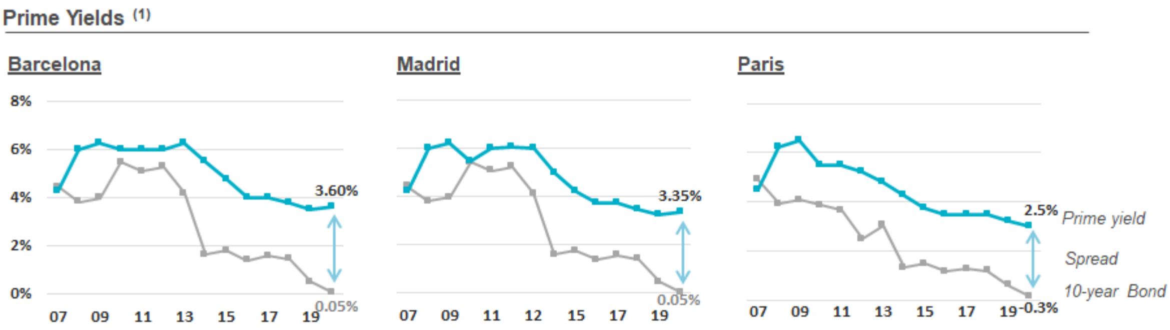

The situation of uncertainty caused by the COVID-19 health crisis has significantly slowed down the offices market throughout the whole of 2020. Many companies have opted to wait to have a better view of the new economic situation and delay making long-term decisions.

In the **office market in Barcelona**, an annual take-up volume of 138,000 sqm was reached, in an atypical year, with a figure significantly lower than that of 2019 and around 50% lower than the average over the last 5 years. The fourth quarter registered the highest take-up volume within this year with 41,700 sqm signed, even exceeding the figure from 1Q 2020. The vacancy rate in general has increased mainly due to the return to the market of second-hand spaces. Scarcity of quality product, however, keeps the **CBD vacancy rate at levels below 2%**. **For Grade A office supply** this situation is further enhanced, reaching a vacancy rate of **0.5% in the CBD**. Prime rents slightly decreased to stand at €27/sqm/month.

Take-up in the **office market in Madrid** for the last quarter of the year stood at more than 86,600 sqm. Consequently, 2020 closed with a signed surface area of 334,000 sqm, the lowest figure since 2014 and 35% below the average over the last 5 years. Despite it having been a year of great uncertainty, a total of 11 large strategic moves were taken, four of which were signed during 4Q 2020. The vacancy rate in general has increased to stand at 9.2% in 4Q, being the main reason for second-hand surface area returning to the market and the completion of various projects. In the **CBD, the vacancy rate** remains at **moderate levels of 5.3%** and **available Grade A product is 2.0%,** at around 50,000 sqm, in line with previous quarters. At the close of 2020, prime rents experienced a slight drop to stand at €36/sqm/month.

**In the office market in Paris**, take-up in 2020 was 1,321,000 sqm, an historically low figure due to the COVID-19 crisis and the subsequent slowdown of activity, however, there has been an increase in the take-up reached in 4Q (409,000 sqm). The CBD is the market which has proven to be most resilient with a vacancy rate of 3.6%. Grade A product remains scarce with a vacancy rate below 1% in the CBD. The effects of the COVID-19 pandemic have not yet had an impact on prime rents in the CBD and they have even increased to €930/sqm/year.

## Investment market




(1) *Market analysts in Spain report gross yields and in France net yields (see definition in the glossary in appendix)*

COVID-19 has significantly impacted the global investment volume in offices, in particular in the main European cities. However, in a macro-economic context where the interest rates are negative and the spreads between prime yields and sovereign bonds stood at maximum highs, investors have continued to invest in the sector. Prime assets with a good location in the city centre and long-term leases with good tenant continue to be the most sought after, as there is very little product available. This combination of factors has enabled the property yields to remain stable in the majority of markets, even with some basis points compression in certain super prime assets.

Activity in the **investment market in Barcelona** in 2020 was scarce, as many of the operations underway were delayed and will materialize in the first few months of 2021. The global yearly figure amounted to approximately €473m, far from the historic high of €1,500m of the previous year, and 47% lower than the €880m average of the last 5 years. The effects of the pandemic have had a heavy impact in a year that registered a record beginning. Prime yields stood at levels of 3.60% in line with pre-COVID levels.

Following an excellent start to the year, the **investment market in Madrid** reached **€1,174m**, a figure which represents 60% of the total investment in the real estate sector of offices in Spain. The uncertainty and restrictions on movement slowed down many processes, although with the de-escalation phase, the market was reactivated by the end of the year. It should be noted that the majority of transactions were concentrated within the M-30, with international investors being the most active. Prime yields remained stable at around 3.35% in the CBD.

The **investment volume in Paris** reached €19,066m at the close of the year, a figure 33% lower than the investment volume of the previous year, but higher than the average over the last 10 years. Of special mention is the dynamism of the latter months of the year, in which investors were actively looking for new opportunities with a strong appetite for prime assets in the CBD. Just as in previous crises, the CBD market has proved more resilient, confirming prime yields at 2.5%, the same level as prior to the start of the pandemic.

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

# 3. Business performance

## Gross rental income and EBITDA of the portfolio

- At the close of 2020, **Gross Rental Income** of the Colonial Group amounted to **€340m**, (3%) lower compared to the year before, mainly due to the disposals of non-strategic assets as well as the rotation of surfaces under refurbishment. In like-for-like terms, the rental income only had a correction of (1%).

- **Rental income from the office portfolio increased by +1% year-on-year.**

The increase in rents in the office portfolio is based on (1) a like-for-like increase of +1.1% in gross rents in the portfolio, complemented by (2) additional growth based on successful project delivery and the acquisition of the Parc Glories II asset the previous year, as well as an indemnity for the early rotation of one client in Madrid.

| Variance in rents (2020 vs. 2019) €m | Barcelona | Madrid | París | Offices[1] | Others[2] | TOTAL |
|---|---|---|---|---|---|---|
| Rental revenues 2019R | 48 | 90 | 191 | 328 | 24 | 352 |
| EPRA Like-for-Like | 2 | 3 | (1) | 3 | (7) | (3) |
| Projects & refurbishments | (3) | 1 | (6) | (7) | 0 | (7) |
| Acquisitions & Disposals | 2 | 0 | 0 | 3 | 0 | 3 |
| Axiare | (1) | (1) | 0 | (1) | (8) | (10) |
| Indemnities & others | 0 | 9 | (3) | 6 | 0 | 6 |
| Rental revenues 2020R | 49 | 103 | 180 | 332 | 8 | 340 |
| *Total variance (%)* | *2%* | *15%* | *(6%)* | *1%* | *(64%)* | *(3%)* |
| Like-for-like variance (%) | 5% | 3% | (0.7%) | 1.1% | (49%) | (1%) |

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

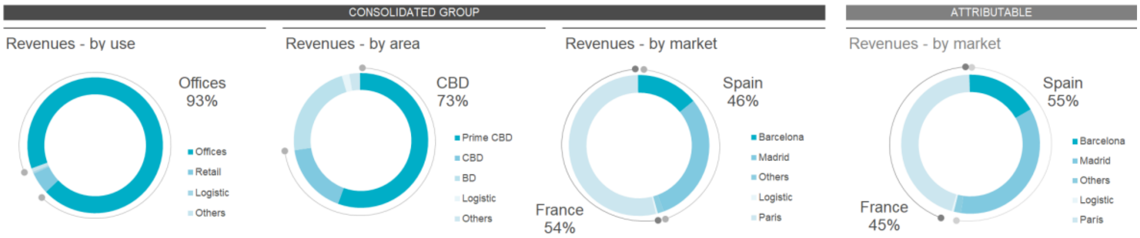
In **Madrid**, this increase was driven by the increase in market rental reviews on properties such as José Abascal 56, Almagro 9 and Recoletos 37. Regarding increases in occupancy levels, worth highlighting are the assets of Ribera de Loira, Francisca Delgado 11, José Abascal 56, Window, Alfonso XII, Ramírez Arellano 15, and Francisca Silvela 42.

In **Barcelona**, the positive impact mainly came from rental price increases in Diagonal 197 and Parc Glories, as well as the improvement in occupancy in Sant Cugat Nord.

In **Paris, rental income decreased by (0.7%) like-for-like**, mainly due to the rotation of clients in Haussmann 104 and Galeries Champs Elysées. and low activity in the business centers of Cloud and Edouard VII due to COVID situation.

- **Rental income breakdown:** Most of the Group's rental income, 93%, comes from the office portfolio. Likewise, the Group maintains its high exposure to CBD markets, with 73% of the income.

  In consolidated terms, 54% of the rental income (€182m), came from the subsidiary in Paris and 46% was generated by properties in Spain. In attributable terms, 55% of the rents were generated in Spain and the rest in France.




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

- **At the close of 2020, EBITDA rents reached €318m, an increase of +2% in like-for-like terms, (+3% like-for-like for the offices portfolio).** Worth highlighting is the Barcelona and Madrid portfolio with an increase of +9% like-for-like.

**Property portfolio**

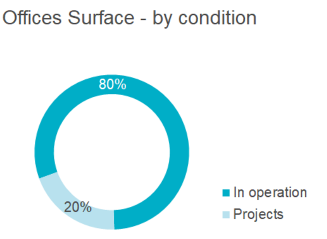
| December cumulative - €m | 2020 | 2019 | Var. % | EPRA Like-for-like [1] €m | EPRA Like-for-like [1] % |
|---|---|---|---|---|---|
| Rental revenues - Barcelona | 49 | 48 | 2% | 1.8 | 5% |
| Rental revenues - Madrid | 103 | 90 | 15% | 2.8 | 3% |
| Rental revenues - Paris | 180 | 191 | (6%) | (1.2) | (0.7%) |
| **Rental revenues - Offices[2]** | **332** | **328** | **1%** | **3.4** | **1%** |
| Rental revenues - Others[3] | 8 | 24 | (64%) | (6.8) | (49%) |
| **Rental revenues Group** | **340** | **352** | **(3%)** | **(3.5)** | **(1%)** |
| EBITDA rents Barcelona | 47 | 44 | 6% | 3.1 | 9% |
| EBITDA rents Madrid | 94 | 76 | 23% | 6.9 | 9% |
| EBITDA rents Paris | 172 | 185 | (7%) | (1.2) | (0.7%) |
| **EBITDA rents - Offices[2]** | **312** | **305** | **2%** | **8.9** | **3%** |
| EBITDA rents Others[3] | 6 | 17 | (66%) | (4.1) | (46%) |
| **EBITDA rents Group** | **318** | **322** | **(1%)** | **4.8** | **2%** |
| *EBITDA rents/Rental revenues - Barcelona* | *95%* | *92%* | *3.5 pp* | | |
| *EBITDA rents/Rental revenues - Madrid* | *91%* | *85%* | *6.1 pp* | | |
| *EBITDA rents/Rental revenues - Paris* | *95%* | *97%* | *(1.6 pp)* | | |
| *EBITDA rents/Rental revenues - Logistic & others* | *69%* | *74%* | *(4.5 pp)* | | |

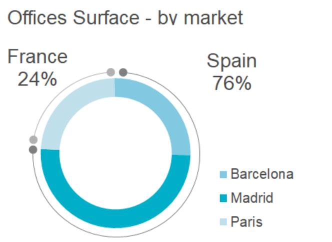
Pp: percentage points

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

# Portfolio letting performance

- **Breakdown of the current portfolio by floor area**: At the close of 2020, the Colonial Group's portfolio totaled 1,790,654 sqm, primarily related to office buildings, which comprised 1,571,983 sqm.
  At the close of 2020, 80% of the office portfolio was in operation and the rest corresponded to an attractive portfolio of projects and renovations.

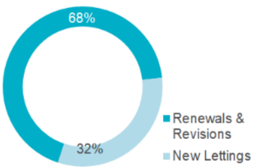


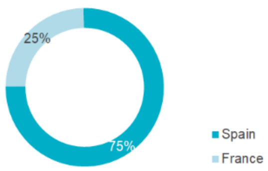




- **Signed leases - Offices:** At the close of 2020, the Colonial Group formalized leases for **a total of 97,363 sqm of offices.** 75% (73,503 sqm) correspond to contracts signed in Barcelona and Madrid and the rest (23,861 sqm) were signed in Paris.

  **Renewals**: Out of the total office letting activity, 68% (66,440 sqm) are lease renewals, spread over the three markets in which the group operates**.**

  **New lettings**: New leases relating to 30,924 sqm were completed, of which 13,284 sqm were in Paris and 10,603 sqm were in Barcelona**.**




***Letting Performance - Offices***

| December cumulative - sq m | 2020 | Average maturity | % New rents vs. previous |
|---|---|---|---|
| Renewals & revisions - Barcelona | 18,308 | 2 | *45%* |
| Renewals & revisions - Madrid | 37,556 | 2 | *15%* |
| Renewals & revisions - Paris | 10,576 | 7 | *6%* |
| **Total renewals & revisions** | **66,440** | **3** | ***17%*** |
| New lettings Barcelona | 10,603 | 3 | |
| New lettings Madrid | 7,036 | 3 | |
| New lettings Paris | 13,284 | 7 | |
| **New lettings** | **30,924** | **6** | **na** |
| **Total commercial effort** | **97,363** | **4** | **na** |

**The new rents stood at +17%** above previous rental prices: **Barcelona +45%, Madrid +15% and Paris +6%.**

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

In Spain, 73,503 sqm were signed during 2020, corresponding to 53 contracts.

**In the Madrid office portfolio**, rental contracts with a surface area of 44,592 sqm were signed across 27 transactions. Of special mention is the renewal of 15,094 sqm on the Almagro 9 asset with a prestigious law firm, the renewal of almost 6,037 sqm on the Sagasta 31-33 property with a global strategy consulting firm and the renewal of 5,632 sqm on the Santa Engracia property with various tenants, among which of special mention is the contract signed with a transportation public body for more than 4,600 sqm. Regarding new contracts signed, of special mention is the signing of 3,606 sqm on the Francisca Delgado 11 building with various tenants.

In the **Barcelona office portfolio,** rental contracts with a surface area of 28,911 sqm across 26 transactions were signed. Among the highlights are the signing of 4,000 sqm on the Torre BCN asset and the signing of 1,369 sqm on the Diagonal 609-615 asset, both mainly with banking entities, as well as the signing of 2,529 sqm on the Park Cugat property with a renowned multinational American technology and consultancy firm. Likewise, worth mentioning is the renewal of 12,280 sqm on the building in Sant Cugat, mainly with a banking entity and almost 2,180 sqm with various tenants in the Travessera 11 building.

**In the Paris portfolio,** rental contracts with a surface area of 23,861 sqm were signed across 16 transactions. Of special mention is the renewal of 5,974 sqm on the Edouard VII building, and 2,613 sqm on Cezanne Saint-Honoré. Regarding new contracts signed, of special mention is the signing of 8,663 sqm on the 83 Marceau building, of which more than 6,000 sqm correspond to a contract signed with Goldman Sachs.

The pre-let contract signed with Goldman Sachs is for 12 years, with a mandatory term of nine years. With this transaction, Goldman Sachs, one of the largest investment banking and securities groups in the world, intends to increase its presence in the Gaul country, enabling it to double the workforce of the company in Paris.

83 MARCEAU – GRADE A ASSET IN PARIS PRIME CBD


With these leases signed on the Marceau project, the pre-let levels have reached 100%.

# A portfolio with solid occupancy levels

- The **total EPRA vacancy** [2] **of the Colonial Group's portfolio at the close of 2020 stood at 4.8%**[(2)]**.**

- The financial vacancy of the Colonial Group's portfolio is shown 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 (Vacant floorspace multiplied by the market rent/operational floor space at market rent)*
*(2)* *Total portfolio including all uses: offices, retail and logistics*

In the **office portfolio in Madrid** the vacancy rate decreased down to **3.1%, improving by +120 bps compared to the previous year,** mainly due to the 100% occupancy in the Josefa Valcárcel 40 bis asset, among others.

The **Barcelona office portfolio** has a **vacancy rate of 4.6%**, a rate in line with the last quarters, but shows **an increase of +262 bps compared to the rate from one year ago,** mainly due to the client rotation in various assets and new entries into operation.

The **office portfolio in Paris** has a **vacancy rate of 5.6%,** a rate which has increased with respect to the close of 2019, due to the entry into operation of the 103 Grenelle building as well as the client rotation in the Edouard VII and Washington Plaza assets. **Excluding the Grenelle asset, the vacancy rate in Paris is 3%.**

The vacant office space at the close of 2020 is as follows:

**Vacancy surface of offices**

| Surface above ground (sq m) | Entries into operation (1) | BD area and others | CBD area | 2020 | EPRA Vacancy Offices |
|---|---|---|---|---|---|
| Barcelona | 0 | 6,435 | 5,007 | 11,442 | 4.6% |
| Madrid | 4,068 | 6,517 | 3,450 | 14,035 | 3.1% |
| Paris | 5,665 | 6,677 | 4,292 | 16,634 | 5.6% |
| TOTAL | 9,733 | 19,630 | 12,749 | 42,111 | 4.8% |

*(1) Projects and refurbishments that have entered into operation*


Diagonal 682


Travessera 47 - 49


Ribera de Loira 28


Edouard VII

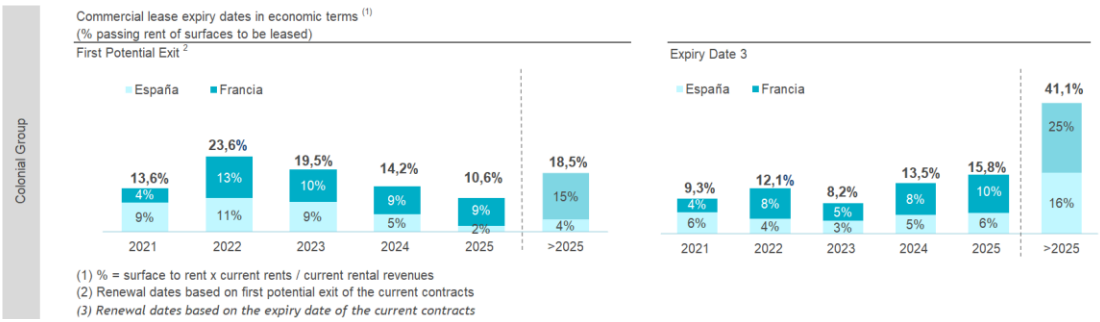

Grenelle 103


Le Vaisseau

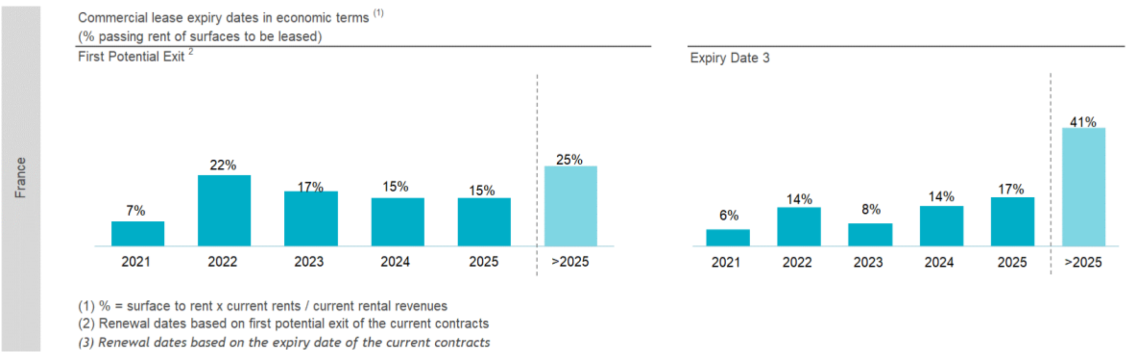
## Commercial lease expiry and reversionary potential

- **Commercial lease expiry:** The following graphs show the contractual rent roll for the coming years in the office portfolios in Spain and France.

  The **first graph** shows the commercial lease expiry dates of Colonial Group. If the tenants choose to end the contract at the first possible date in the year 2021 (break option or end of contract), it would correspond to 13.6% of the contract portfolio. If the tenants remain until the contract expires in 2021, the figure is reduced to 9%.

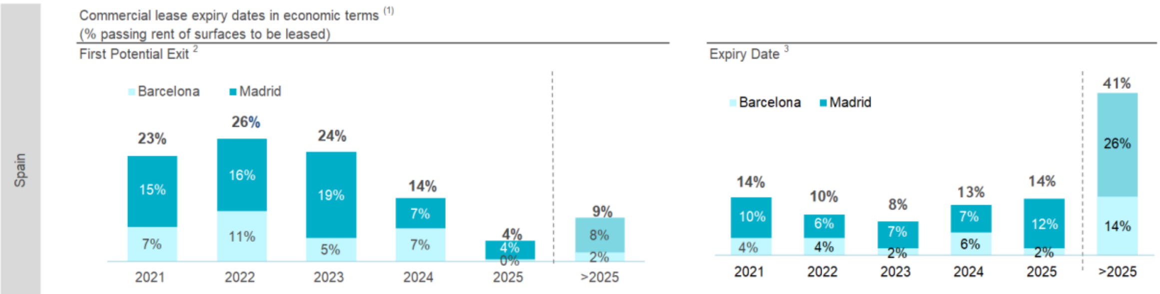



  In this **second graph**, it shows the commercial lease expiry dates in France if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires. In France, the contract structure is in a longer term.



The **third graph** shows the commercial lease expiry dates in Spain if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires.

In this context, the contract structure in Spain is shorter term than the contract structure in France.

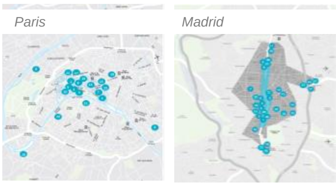



(1) % = surface to rent x current rents / current rental revenues
(2) Renewal dates based on first potential exit of the current contracts
*(3) Renewal dates based on the expiry date of the current contracts*

It should be noted that the contract portfolio is made up of clients of the highest quality and high levels of loyalty to the Colonial Group, seeking the best product with the best services.

Attracting AAA clients with strong solvency

**BEST LOCATION**




- Low commuting
- Low carbon footprint
- Urban life and Talent attraction
- Corporate branding

**BEST PRODUCT**

- Low rise buildings
- Efficient floors
- Flexible product
- Maximum quality and energy efficiency standards

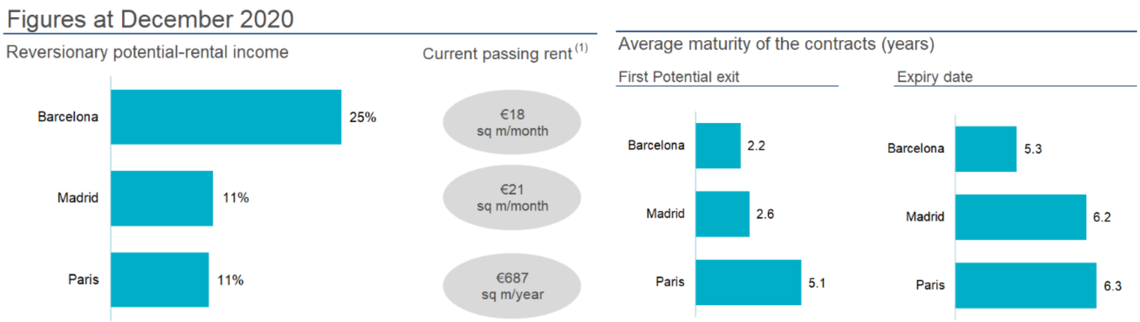
**CLIENTS WITH HIGH LOYALTY**

- **Reversionary Potential of the rental portfolio**

The Colonial Group's contract portfolio has a significant reversionary potential. This reversionary potential is the result of comparing the rental prices of the current contracts (contracts with current occupancy and current rents) with the rental price that would result from letting the total surface at the market prices estimated by independent appraisers as at the close of 2020 (not including the potential rents from the projects and significant refurbishments underway).

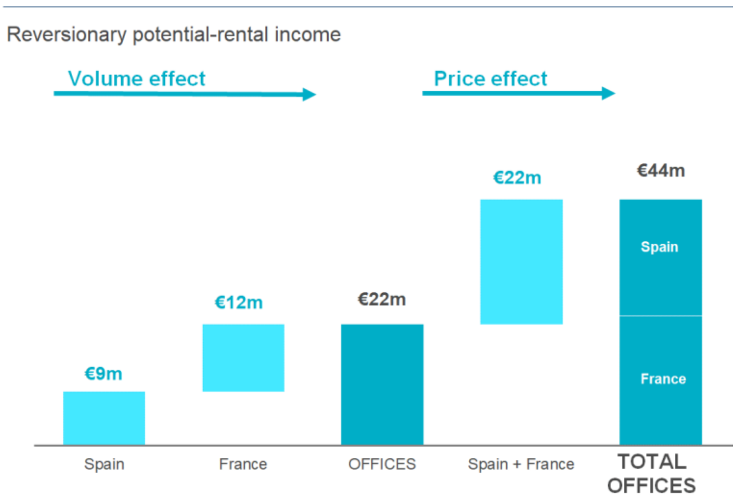
The static reversionary potential of the rental revenues of the office portfolio stood at:

> +25% in Barcelona
> +11% in Madrid
> +11% in Paris




*(1) Current office rent of occupied offices surfaces*

Specifically, the static reversionary potential in the current portfolio **would result in approximately €44m of additional annual rental income.**



# 4. Project portfolio

## Project portfolio and renovation programs

- Colonial has a **project pipeline** of over 189,000 sqm with the aim of creating top quality products to obtain higher returns, and consequently maximize future value creation with solid fundamentals. In the current project portfolio, the Diagonal 525 property in Barcelona, and the 83 Marceau and Louvre Saint Honoré properties in Paris already have pre-let agreements signed. The other projects in the portfolio continue to progress in prime locations and where there is little new supply.

| | | Project | City | % Group | Delivery | GLA[1] (sqm) | Total Cost €m | Yield on Cost |
|---|---|---|---|---|---|---|---|---|
| <12 months | 1 | Diagonal 525 | Barcelona CBD | 100% | 1H 21 | 5.706 | 41 | ≈ 5% |
| | 2 | Miguel Angel 23 | Madrid CBD | 100% | 2H 21 | 8.204 | 66 | 5- 6% |
| | 3 | 83 Marceau | Paris CBD | 82% | 2H 21 | 9.600 | 154 | 5.5- 6.0% |
| | 4 | Velazquez 88 | Madrid CBD | 100% | 2H 21 | 16.164 | 116 | 6- 7% |
| >12 months | 5 | Biome | Paris City Center | 82% | 2H 22 | 24.500 | 283 | ≈ 5% |
| | 6 | Plaza Europa 34 | Barcelona | 50% | 2H 22 | 14.306 | 42 | ≈ 7% |
| | 7 | Sagasta 27 | Madrid CBD | 100% | 2H 22 | 4.896 | 23 | 6- 7% |
| | 8 | Mendez Alvaro Campus | Madrid CBD South | 100% | 2023 | 89.872 | 323 | 7- 8% |
| | 9 | Louvré SaintHonoré (Prime Commercial) | Paris CBD | 82% | 2024 | 16.000 | 215 | 7- 8% |
| | | TOTAL PIPELINE | | | | 189.248 | 1.264 | 6- 7% |

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

Colonial's project portfolio is 100% located in the city centres of Barcelona, Madrid and Paris.

- The 3 projects in Paris: Marceau, Biome and Louvre Saint-Honoré, together with Méndez Álvaro in Madrid, represent more than 50% of the value of the projects and future creation of real estate value.


Marceau


Biome


Louvre SaintHonoré


Méndez Álvaro

Marceau deserves special attention, located a few metres from the "Place de l'Étoile" in the epicentre of the prime CBD in Paris. This project was 100% pre-let at historic highs during the COVID-19 pandemic to different tenants.

- In **Barcelona**, the Diagonal 525 and Plaza Europa 34 projects continue to progress. The Diagonal 525 building has been pre-let by Naturgy, in which it will house its new corporate headquarters. Currently Colonial is completing the work on this property and it is expected to be finished during the first quarter of 2021. The Plaza Europa 34 project continues to progress with the construction of the structure.


- In **Madrid**, the projects at **Miguel Ángel 23** and **Velázquez** are progressing as planned and are expected to be finished in the fourth quarter of 2021. Both buildings have a very efficient floor design and an exceptional location in the prime CBD of Madrid.


  In addition, the design for the **Méndez Álvaro Campus** project continues to progress to become the new building of reference in the south of the Castellana.

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


  The project at 83 Marceau will offer one of the best located buildings in Paris – a one-minute walk from the “Place de L’Étoile”- with one of the most contemporarily floor plan design providing light to all floors, thanks to the new design of the central atrium. The building will have three certificates: BREEAM, LEED and HQE. In 2020, the pre-letting of the entire surface area of the asset was signed, obtaining 100% occupancy.

Of special mention is the signing of 6,500 sqm with the investment bank Goldman Sachs, where it will set up its Continental Europe corporate headquarters. The contract includes a non-cancellable term of nine years and was signed at very good terms.

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

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

## Renovation Program

- In addition to the project portfolio, the Colonial Group is currently carrying out a **renovation program** on 5 assets in its portfolio, with the aim of increasing rents and value of these assets. This renovation program is mainly focused on the adaptation of communal areas and updating the facilities, requiring a limited investment.


In Spain, of special mention are the renovation programs on the **Cedro** and **Ortega & Gasset** assets in **Madrid** which represent excellent opportunities to optimize cash flow and value. In Barcelona, of special mention is the renovation of the **Diagonal 530** property, as well as the repositioning work on the **Torre Marenostrum asset in the prime 22@**, making it a multi-user asset and combining traditional office spaces with coworking spaces managed by Utopicus, a company of the Group.

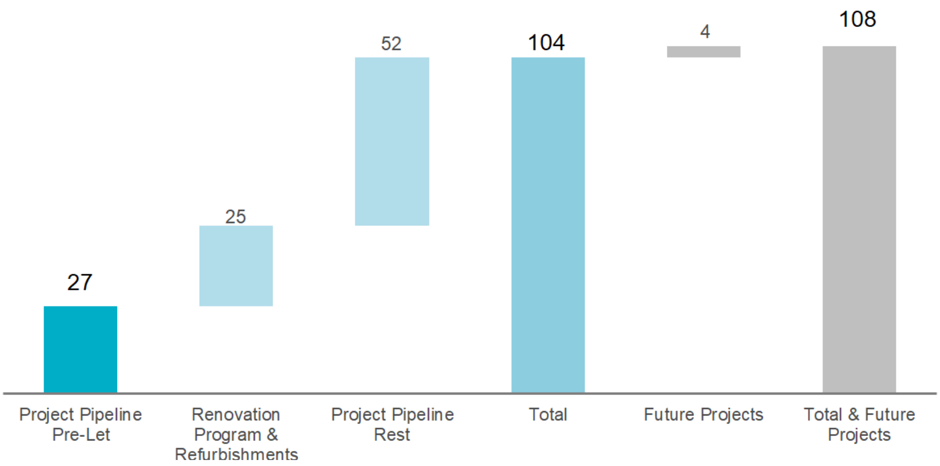
In France, highlighted is the **176 Charles de Gaulle** property, an office building located in the flowering district of **Neuilly**, in which the common areas are being repositioned, adding services for the users with the aim of capturing an increase in rents in the area compared to the previous contracts. During the first half of 2020 the renovation program of **Grenelle** was delivered, offering close to an additional 5,000 sqm of top-quality surface area.

# Project portfolio and renovation program potential

- The project portfolio as well as the renovation program provide potential additional annual rents of more than €108m, of which €83m correspond to the project portfolio.

  It should be mentioned that thanks to high level pre-lettings of the projects, €27m of future rents are already assured. The entry of the renovation program and other refurbishments into the market has the potential of €25m in additional rents in the short-term.

Additional rental income from projects and significant refurbishments - €m



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

## 1. Corporate Strategy & Strategic Plan on Decarbonization

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

At the end of 2018, the Colonial Group created the **ESG Committee,** a body created to accelerate the operational implementation of the ESG strategic plan. This Committee is comprised of 7 members of Colonial's Executive Board.

In addition, and to accelerate the strategic leadership in ESG, Colonial constituted the **Sustainability Commission** at the end of 2020. This Commission is comprised of five members of Colonial's Board of Directors, namely Ms. Silvia M. Alonso-Castrillo Allain, Mr. Adnane Moussanif, Mr. Luis Maluquer Trepat, Ms. Ana Bolado Valle and Ms. Ana Peralta Moreno.

Furthermore, the Company is working on the implementation of the strategic plan for decarbonization. This plan implies the commitment of the Colonial Group so that by 2050, its entire office portfolio will be neutral in carbon emissions, and totally aligned with the Paris climate agreement of December 2015.

For the Colonial Group, this implies: (i) neutrality in carbon emissions by 2050 (ii) a 75% reduction in Scopes 1 & 2 by 2030 starting from 2015.

## 2. Important advances in the indexes

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

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

   EPRA sBPR GOLD

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

   GRESB ★★★★★ 2020

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


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

| | |
|---|---|
| Rank in Sector | 9/86 |
| Rank in Region | 154/1601 |
| Rank in Universe | 169/4835 |

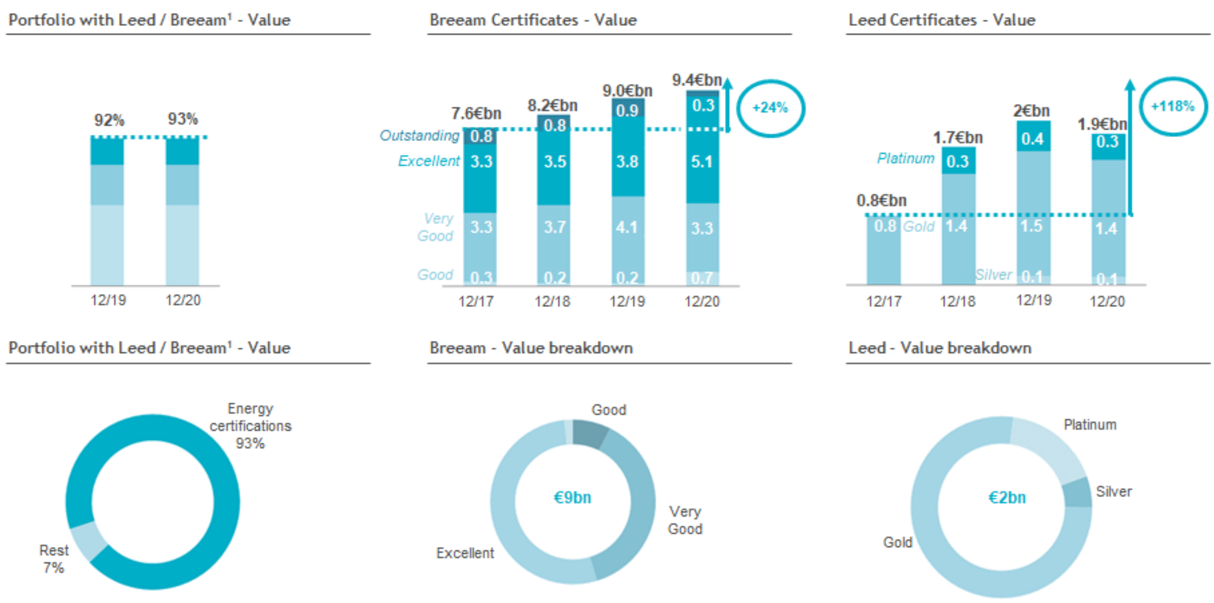
5. Sustainalytics has given Colonial a rating of 10.5 in ESG risk, placing it in the top 20 of the 420 listed real estate companies analysed. The agency highlights the good management of ESG policies in accordance with all of the international standards.

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

## 3. Energy Efficiency-Certifications of the Colonial Group's asset portfolio

93% of the office portfolio has LEED and BREEAM energy certificates. This high level of certification places Colonial in a leading position in energy efficiency in Europe. Notably, €1,900 in assets have LEED certificates and €9,400m in assets have BREEAM certificates.

Additionally, SFL was placed in the rating of the BBCA 2020, positioning it among the top 10 project owners in 2020.




(1) Office Portfolio in operation

## 4. Sustainable financing of more than €1,076m

In 2020, Colonial signed the refinancing of the two Revolving Credit Facility lines that were available in their entirety for the amount of €875m increasing its amount to €1,000m. The new credit line will be structured in two tranches with maturities at 5 and 5+1+1 years and is considered as sustainable as its margin is linked to the rating obtained by the GRESB agency.

BNP PARIBAS NATIXIS CaixaBank BBVA

To date Colonial has incurred in €1,076m of sustainable financing, reinforcing the message of the Group's commitment to ESG.

## 5. ESG Investment – Decarbonization Laboratory

**Colonial will build the first office building in Spain made entirely of wood**

The Witty Wood building will have 4,100 sqm destined to office use. The project, which is a unique concept of office buildings in Spain, will count on spaces equipped with the latest technologies. Witty Wood is located on 42 Llacuna, in the heart of the 22@ district.

The Witty Wood building will be built using wood as the primary material, an unprecedented case in the offices market in Spain. Timber engineering acts as storage for Co2, consequently considerably reducing the emissions that impact global warming. In the construction phase alone, carbon emissions are reduced by 50%. Due to these characteristics, among others, the building will count on the maximum environmental certificates: LEED Platinum and WELL Platinum.

# 6. Digital Strategy & Coworking

**Co-Working and Flexible Spaces**

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


At the close of 2020, Utopicus, had 12 centres in operation, corresponding to 31,551 sqm of surface area. During the year, three new centres were opened in buildings with hybrid model of the Colonial Group, of which two are in Madrid, in the Francisco Silvela 42 and Castellana 163 buildings, and one in Barcelona, in the Torre Marenostrum building, located on the sea front in the Barceloneta neighborhood.

The opening of the new centres together with the restrictions on movement caused by the COVID pandemic have negatively impacted overall occupancy in the centres. Likewise, the business performance of most clients of small and medium-sized businesses in traditional offices has also been negatively impacted. In this respect, on 31 December 2020, occupancy in the centres in Madrid was 44% and in Barcelona it was 58%.

# 7. Portfolio valuation

- The Gross Asset Value of the Colonial Group at the close of 2020 amounted to €12,020m (€12,631m including transfer costs), resulting a slight value correction of (1%) compared to the previous year, +1.2% in like-for-like terms. The variation in the second half amounts to +1.3% like-for-like.

- The assets in Spain and France have been appraised by Jones Lang LaSalle, Cushman & Wakefield, and CB Richard Ellis. The appraisal values are updated half-yearly, following the best market practices, in compliance with the Regulation Standards of the Royal Institution of Chartered Surveyors (RICS) comprised in the Red Book - valuation manual.

- The market valuations defined by the RICS are internationally recognized by advisors and accountants of investors and corporations that own real estate assets, as well as The European Group of Valuers (TEGoVA) and the International Valuation Standards Committee (IVSC). The appraisers' fees are determined by the volume for the specific workout of each assignment.

**Gross Asset Values - Excluding transfer costs**

| Asset valuation (€m) | 31-Dec-20 | 30-Jun-20 | 31-Dec-19 | Dec 20 vs Jun 20 | | Dec 20 vs Dec 19 | |
|---|---|---|---|---|---|---|---|
| | | | | Total | LfL [1] | Total | LfL [1] |
| Barcelona | 1,333 | 1,500 | 1,534 | (11%) | (1%) | (13%) | (3%) |
| Madrid | 2,441 | 2,568 | 2,543 | (5%) | (1%) | (4%) | (3%) |
| Paris | 6,616 | 6,455 | 6,502 | 2% | 2% | 2% | 2% |
| **Portfolio in operation [2]** | **10,390** | **10,523** | **10,578** | **(1%)** | **1%** | **(2%)** | **(0%)** |
| **Projects** | **1,556** | **1,379** | **1,338** | **13%** | **4%** | **16%** | **12%** |
| Logistics & others | 75 | 262 | 280 | (72%) | (6%) | (73%) | (13%) |
| **Colonial group** | **12,020** | **12,164** | **12,196** | **(1%)** | **1.3%** | **(1%)** | **1.2%** |
| Spain | 4,563 | 4,925 | 5,039 | (7%) | (1%) | (9%) | (3%) |
| France | 7,458 | 7,239 | 7,158 | 3% | 3% | 4% | 4% |

**Gross Asset Values - Including transfer costs**

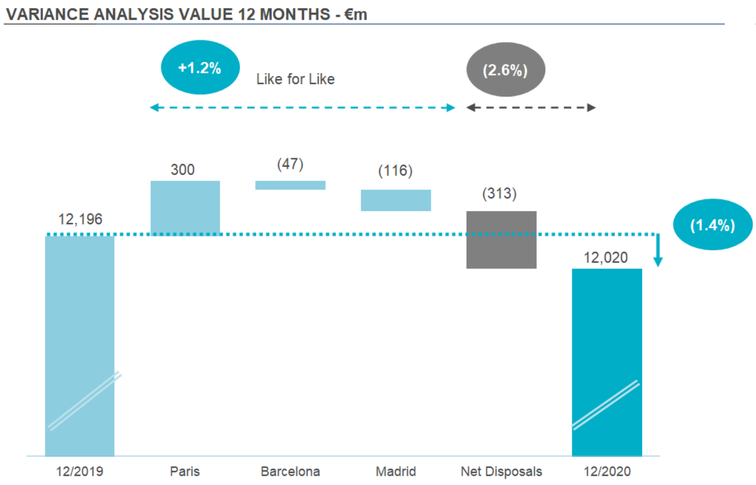
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Colonial group** | **12,631** | **12,773** | **12,807** | **(1%)** | **1.4%** | **(1%)** | **1.2%** |
| Spain | 4,685 | 5,058 | 5,175 | (7%) | (1%) | (9%) | (3%) |
| France | 7,946 | 7,715 | 7,632 | 3% | 3% | 4% | 4% |

*(1) Portfolio in comparable terms*

*(2) Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects*

- The asset portfolios in Barcelona and Madrid have seen a correction in value of (3%) compared to the previous year, given the environment of the COVID-19 crisis. In Paris, the value of the portfolio has increased by +4%, thanks to the robustness of the prime portfolio in Paris as well as the progress on the project portfolio.

- The analysis of the value variance is as follows:




**GAV VARIANCE**

| | 1H 2020 | 2H 2020 | 2020 |
|---|---|---|---|
| BARCELONA | (2%) | (1%) | (3%) |
| MADRID | (2%) | (1%) | (3%) |
| PARIS | +1% | +3% | +4% |
| TOTAL LFL | (0.2%) | +1.3% | +1.2% |
| DISPOSALS | (0.1%) | (3%) | (3%) |
| TOTAL VAR | (0.3%) | (1%) | (1%) |

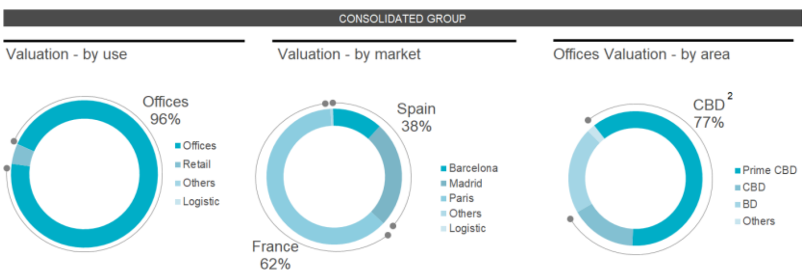
By sub-segments, the evolution of the value of the assets is as follows:

- The Paris portfolio value increased by +4% like-for-like year-on-year and +3% like-for-like in 6 months.

- The Barcelona and Madrid portfolio values decreased by (3%) like-for-like year-on-year and (1%) like-for-like in 6 months.

It is worth mentioning that the increase in the Paris portfolio compensates for the value correction in Spain, resulting in a variation of the Colonial Group's total portfolio of 1.2% like-for-like. This fact highlights the successful diversification strategy that optimizes the risk profile of the portfolio.

The breakdown of the valuation of the Group's rental portfolio by use, market and type of product is shown below:




(1) *CBD Barcelona, includes the 22@ segment market assets*

- Regarding the valuation of the portfolio in operation, the main value parameters are as follows:

**Main parameters of Asset appraisal**

| Portfolio in operation | €m | sq m above ground (*) | €/sq m (*) | Valuation Yield | |
|---|---|---|---|---|---|
| Barcelona | 1,333 | 241,058 | 5,530 | 4.37% | Gross Yields |
| Madrid | 2,441 | 369,822 | 6,599 | 4.24% | Gross Yields |
| Paris | 5,778 | 312,918 | 18,466 | 2.93% | Net Yields |

When **comparing the valuation parameters of Colonial's appraisal values with market data**, the following must be taken into consideration:

**1. In Spain, consultants publish *gross yields* in their market reports.**
**(Gross yield = gross rent/value excluding transfer costs).**

**2. In France, consultants publish *net yields* in their market reports.**
*(Net yield = net rent/value including transfer costs).*

*(*) In Barcelona the sqm for the calculation of the capital value correspond to the surface above ground of all the assets in Barcelona, excluding the Plaza Europa project, Wittywood and the entire Diagonal 530 asset, as well as the surface area of non-core assets.*
*In Madrid, the sqm correspond to the surface above ground of all assets in Madrid, excluding the Méndez Álvaro complexes, the Puerto Somport 10-18, Sagasta 27, Miguel Ángel 23, Velázquez 80, Cedro and Luca de Tena 7 projects, as well as the surface area of non-core assets.*
*In France, the sqm correspond to the office surface above ground in operation, excluding the main commercial assets and including certain rentable surfaces below ground in the portfolio not corresponding to parking units*

- The appraisal certificate is as follows:

**CONSEJO DE ADMINISTRACIÓN**
INMOBILIARIA COLONIAL, SOCIMI S.A.
Av. Diagonal 532, 08006 Barcelona

Madrid, 10th February 2021

Dear Sirs,

In accordance with your instruction, JLL Valoraciones, S.A. and CBRE, as valuers of the Colonial portfolio in Spain, and CBRE and Cushman & Wakefield, as SFL valuers in France; have carried out the valuation reports of the freehold interest of the portfolio of properties of Inmobiliaria Colonial (Spain and France) as at 31st of December 2020 for internal use of the company.

According to the aforementioned reports, the Net Market Value of the company's portfolio is:

**12,020,024,000 EUROS**

**(Twelve Thousand and Twenty Million Twenty-Four Thousand Euros)**

The breakdown is as follows:

| Unit | Market Value (excl. Transfer costs) | Gross Value (incl. Transfer costs) |
|---|---|---|
| Madrid | 3,085,760,000 € | 3,162,993,185 € |
| Barcelona | 1,440,253,000 € | 1,484,040,763 € |
| Rest of Spain | 36,496,000 € | 37,799,185 € |
| **Total Colonial (Spain)** | **4,562,509,000 €** | **4,684,833,133 €** |
| **Total SFL (París)** | **7,457,514,674 €** | **7,946,026,211 €** |
| **Total Colonial + SFL** | **12,020,023,674 €** | **12,630,859,343 €** |

For the avoidance of doubt, each valuer only accepts responsibility for the assets that they have valued within the portfolio. The portfolio value assumes 100% ownership for all the properties.

The valuation has been carried out in accordance with the Practice Statement and the relevant Guidance Notes in the RICS Appraisals and Valuations Manual prepared by the Royal Institution of Chartered Surveyors and with the General Principles adopted in the Preparation of Valuations and Reports.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. While restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary – and the emergence of significant further outbreaks, or a "second wave", is possible.

**CONSEJO DE ADMINISTRACIÓN**
INMOBILIARIA COLONIAL, SOCIMI S.A.
Av. Diagonal 532, 08006 Barcelona

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, except as identified below.

In respect of hospitality, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt; this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

Currently we already have under paragraph 7.1 of Part B of the EMEA Valuation Standard Terms of Business (VSTOB) the following:

*"Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or undisclosed breaches of covenant."*

*"The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property."*

JLL Valoraciones, S.A.
CIF: A-28806222

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EDIFICIO CASTELLANA 200

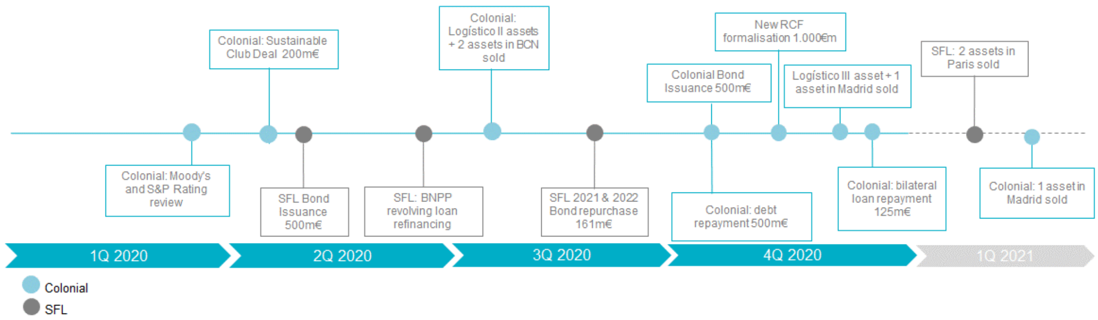
Signature électronique certifiée
Anne DIGARD -FRICS-VR-REV
Président -CEO
CBRE Valuation & Advisory

# 8. Financial structure

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

Both Standard & Poor's and Moody's reviewed Colonial's credit rating in April and November 2020, in the midst of a worldwide pandemic, maintaining the same level as prior to the COVID-19 crisis.

The main operations carried out by the Group during 2020 and to date are as follows:




The objective during this period has been to ensure the liquidity of the Group, extending its debt maturity and improving the leveraging. In this respect, the Group has carried out the following operations:

- In April 2020, Colonial formalized a new loan, in Club Deal format, amounting to €200m and maturing in 2022. This loan was subsequently cancelled with the funds obtained from the bond issuance. The loan included the following benchmark institutions, both national and international: BNP Paribas, Natixis, BBVA and Caixabank. The latter acted as the Agent Bank and the Sustainability Agent. This loan was also a sustainable loan as its margin was linked to the rating obtained by the GRESB agency.

- In May 2020, SFL refinanced a revolving credit line with BNP Parisbas, increasing the nominal value to €150m and extending the maturity until May 2025.

- In June 2020, SFL launched a bond issuance in the amount of €500m. The bond issue is structured over 7 years, maturing in June 2027 with a coupon of 1.5%. Demand exceeded four times the issue volume. The issue was placed with a broad base of quality European investors, mainly in France, the United Kingdom and Germany with very stable profiles, such as insurance companies and investment funds.

- In September 2020, SFL bought back €100.3m of bonds maturing in 2021 and €60.4m of bonds maturing in 2022 that accrue an annual coupon of 1.875% and 2.25%, respectively.

- In October 2020, Colonial formalized a bond issuance for €500m on the Spanish stock market. The issue has been structured over 8 years with a coupon of 1.35%, maturing in October 2028. Demand exceeded three times the issue volume and was backed by international investors with an institutional profile. At the same time, Colonial bought back €194m of bonds maturing in 2023 and €107m of bonds maturing in 2024, accruing an annual coupon of 2.728% and 1.45%, respectively.

- On 10 November 2020, Colonial signed a new line of credit (Revolving Credit Facility – RCF) for €1,000m, replacing the two lines of RCF available in their entirety for the amount of €875m. The new credit line has two maturities of €500m at 5 and 5+1+1 years each. This new line of credit is sustainable as its margin is linked to the rating obtained by the GRESB agency, in addition to those previously signed by the Company, reinforcing the message of the Group's commitment to ESG. This new credit line has been backed by 14 financial entities, with Caixabank acting as the Agent Bank and with BBVA, Caixabank and Natixis acting as the Agents Coordinators of Sustainability, and that is added to the previous signed by the Company.

- In the month of December, Colonial cancelled two bilateral loans early, in the amount of €125m, which enabled the average maturity of the gross debt of the Group to be extended, reducing the financial expenses, and optimizing its treasury.

These operations have allowed for an improvement in the average maturity of the Group's debt, increasing it to 5.2 years vs 3.8 years if the above-mentioned operations had not been formalized. Regarding leveraging, after divestments carried out in the last three years amounting to €1,400m, the LTV ratio stands at 36.2%.

After the disposal transactions formalized in the beginning of 2021, previous to the publication of this report, the LTV ratios is at 34.8%.

At the close of 2020, the Colonial Group maintained a liquidity of €2,309m, between available cash and undrawn credit lines (€2,645m following the formalization of the disposals).

The main debt figures of the Group at 31 December 2020 are as follows:

| Colonial Group (€m) | Dec-20 | Dec-19 | Var. |
|---|---|---|---|
| Gross financial debt | 4,851 | 4,826 | 1% |
| Net financial debt | 4,582 | 4,609 | (0,6%) |
| Total liquidity [1] | 2,309 | 2,082 | 11% |
| % debt fixed or hedged | 96% | 88% | 9.0% |
| Average maturity of the debt (years)[2] | 5.2 | 4.9 | 0.3 |
| Cost of currente Debt [3] | 1.70% | 1.63% | 7 pb |
| Rating Colonial (Moody's) | BBB+ Stable | BBB+ Stable | - |
| Rating Colonial (S&P's) | Baa2 Stable | Baa2 Stable | - |
| Rating SFL (S&Ps) | BBB+ Stable | BBB+ Stable | - |
| LtV Group (including transfer costs) | 36.2% | 36.1% | 7 pb |
| Mortgage Debt | 6% | 6% | - |

*(1) Cash & Undrawn balances*
*(2) Average maturity based on available debt and post issuance and liability management*
*(3) Cost of current debt including ECPs. Without taking into account the ECPs, the Cost of debt will be of 1.75%.*

The net financial debt of the Group at the close of 2020 stood at €4,582m, the breakdown of which is as follows:

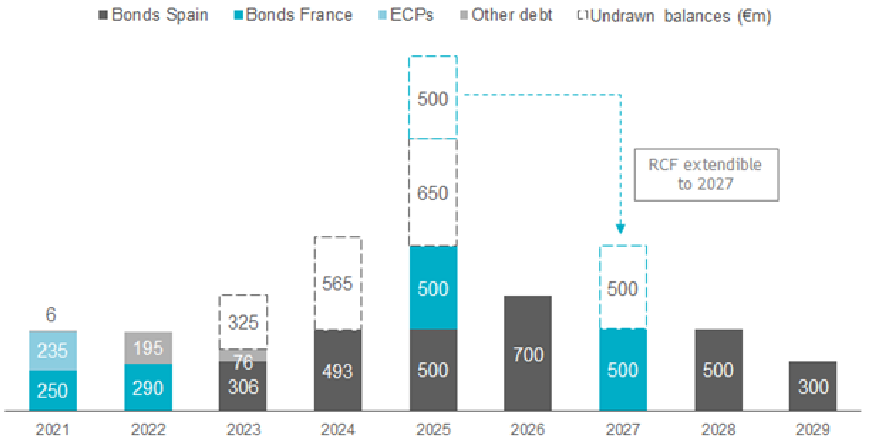
| | December 2020 | | | December 2019 | | | Var | |
|---|---|---|---|---|---|---|---|---|
| €m | Colonial | SFL | TOTAL | Colonial | SFL | TOTAL | TOTAL | Average Maturity [3] |
| Syndicate loans | 0 | 4 | 4 | 125 | - | 125 | (121) | 0,1 |
| Mortgage debt | 76 | 197 | 273 | 76 | 199 | 275 | (2) | 1,9 |
| Bonds Colonial | 2,800 | 1,539 | 4,339 | 2,600 | 1,200 | 3,800 | 539 | 5,7 |
| Issuances notes | 70 | 165 | 235 | 240 | 387 | 626 | (391) | 0,3 |
| **Gross debt** | **2,945** | **1,906** | **4,851** | **3,040** | **1,786** | **4,826** | **25** | 5,2 |
| Cash | (253) | (15) | (269) | (163) | (54) | (217) | (52) | |
| **Net Debt** | **2,692** | **1,890** | **4,582** | **2,877** | **1,732** | **4,609** | **(26)** | |
| Total liquidity [1] | 1,253 | 1,055 | **2,309** | 1,038 | 1,044 | **2,082** | **227** | |
| Cost of debt - Spot (%) | 1.82% | 1.50% | **1.70%** [2] | 1.80% | 1.34% | **1.63%** | **7 p.b.** | |

*(1) Cash & Undrawn balances*

*(2) Margin + reference rate, without inccluding commissions*

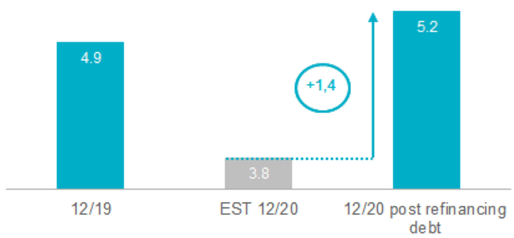
*(3) Average Maturity calculated based on the available debt*

Without considering the ECP program, it is particularly noteworthy that 90% of Colonial's debt matures as of 2023 and 65% matures as of 2025. 94% of the drawn debt of the Group is made up of issuances in the bond market, the rest of the debt is financed with credit entities and only 6% have mortgage guarantees.




| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| Colonial | 70 | - | 382 | 493 | 500 | 700 | - | 500 | 300 | 2.945 |
| SFL | 421 | 485 | - | - | 500 | - | 500 | - | - | 1.906 |
| TOTAL | 491 | 485 | 382 | 493 | 1.000 | 700 | 500 | 500 | 300 | 4.851 |

The evolution of the average maturity of the Group's debt (in years) is shown in the following graph. EST 12/20 is the average life of the debt estimated at the close of 2020 prior to the formalization of the operations described above.



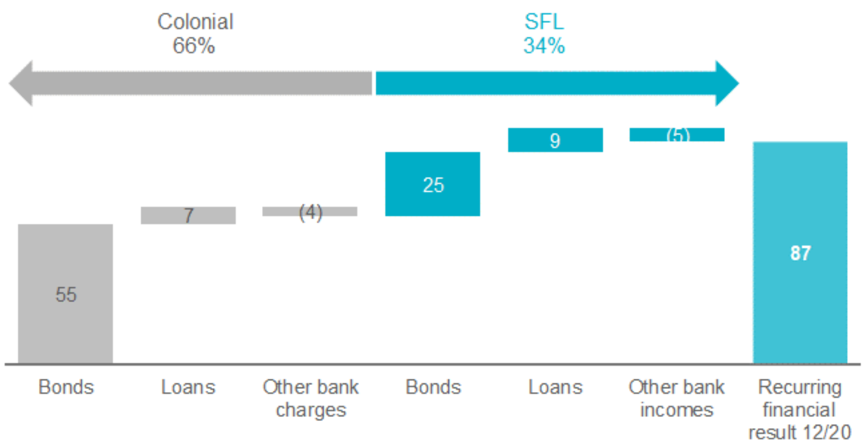
## Financial results

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

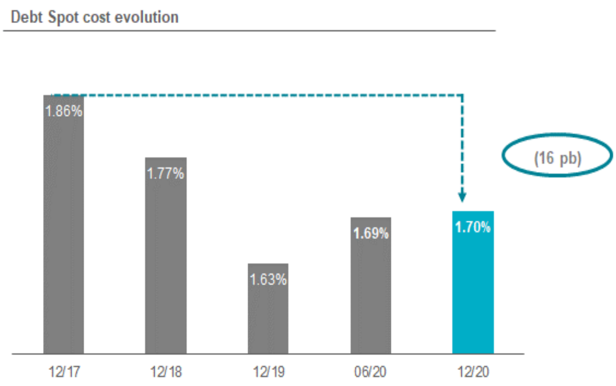
| December cumulative - €m | COL | SFL | 2020 | 2019 | Var. % |
|---|---|---|---|---|---|
| *Recurring financial expenses - Spain* | *(63)* | *0* | *(63)* | *(64)* | *1%* |
| *Recurring financial expenses - France* | *0* | *(35)* | *(35)* | *(31)* | *(11%)* |
| **Recurring Financial Expenses** | **(63)** | **(35)** | **(98)** | **(95)** | **(3%)** |
| Recurring Financial Income | 0 | 0 | 0 | 1 | (15%) |
| Capitalized interest expenses | 5 | 5 | 11 | 5 | 107% |
| **Recurring Financial Result** | **(58)** | **(29)** | **(87)** | **(90)** | **3%** |
| Non-recurring financial expenses | (27) | (5) | (32) | (4) | 802% |
| Change in fair value of financial instruments | (2) | (0) | (2) | (3) | 40% |
| **Financial Result** | **(86)** | **(34)** | **(121)** | **(96)** | **(25%)** |

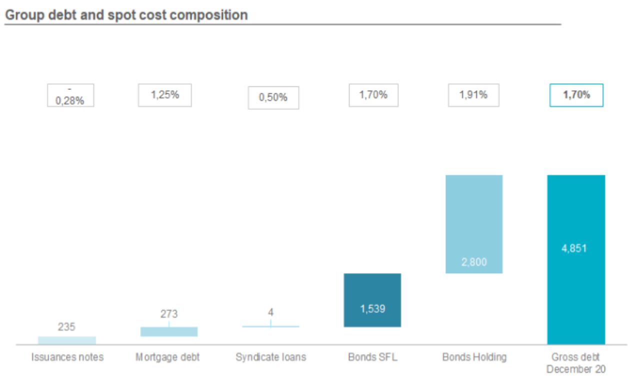
The objective of ensuring the liquidity during the year has resulted in an increase in the average gross debt in 2020 (although the net debt was lower). This objective has had an impact on the recurring financial result of 2020 which increased by 3% compared to the same period of the previous year. It has also contributed, to higher financial expenses, the exchange of short term-debt (ECP programme) vs long-term debt (new bond issuances).

The breakdown of the recurring financial result by product at the close of 2020 is shown below:



- The spot financial cost of the drawn debt was 1.70%. Including formalization costs, accrued over the life of the debt, the financial cost amounted to 1.82%. Without considering the ECP program, the spot financial cost amounts to 1.75% (1.87% including the financing commissions). The increase in the financial cost mainly derives from a reduction in short term issuances (notes) substituted by long term debt.




- In the first quarter of 2020, taking advantage of yield curves at historic lows, the Group formalized various pre-hedging instruments amounting €400m in order to cover the interest rates of future debt emissions. The cumulative value of these types of instruments amounts to €1,100m, with different execution dates, adjusted to the debt maturity profile of the Group. All of these comply with the hedging accounting standards.

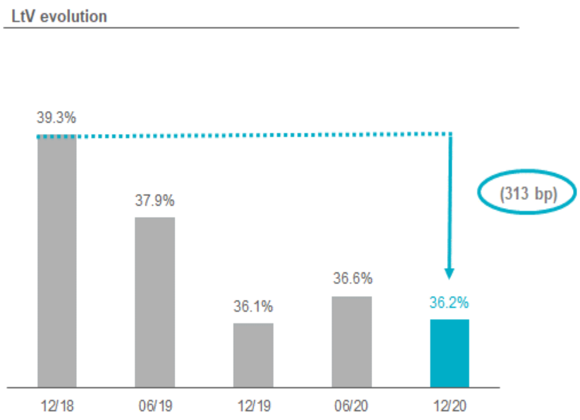
**Main debt ratios and liquidity**

The undrawn balances of the Group as of 31 December 2020 amounted to €2,309m, an increase of more than €200m compared to December 2019. This liquidity enables the Group to guarantee its financing needs in the coming years.

The Loan to Value (LTV) of the Group, calculated as the ratio of total net debt among the total GAV of the Group, amounted to 36.2%, compared to 36.1% as of 31 December 2019.

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

| Cash & undrawn balances (€M) | Colonial | SFL | Group |
|---|---|---|---|
| Current accounts | 254 | 15 | 269 |
| Credit lines available | 1.000 | 1.040 | 2.040 |
| **Total** | **1.254** | **1.055** | **2.309** |



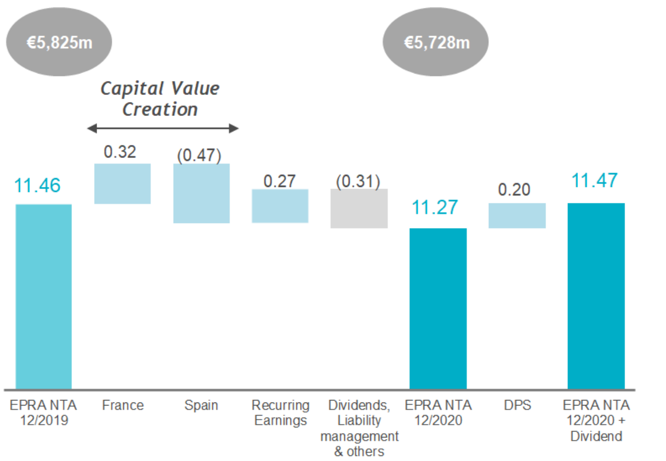
# 9. Net Tangible Assets

## EPRA Net Tangible Assets (NTA)

Colonial closed 2020 with a **net value of the assets** (**EPRA Net Tangible Assets - NTA) of €11.27/share**, that including the dividend paid of €20cts/share, amounts to €11.47/share, stable compared to the NTA (NAV) of €11.46/share from the previous year (+0.1%).

The stable evolution of the NTA (NAV) is underpinned by the defensive performance of the value of the assets. It is worth highlighting the increase in value of the Paris portfolio that has compensated for the slight correction of the Madrid and Barcelona portfolios.

*EPRA NTA €/share*




*Total Shareholder Return [1]*

| | 1H 2020 | 2H 2020 | 2020 FY |
|---|---|---|---|
| NTA Growth per share | (2.2%) | +0.5% | (1.7%) |
| Dividend per share | +1.7% | na | +1.7% |
| Total Return per share | (0.5%) | +0.5% | +0.1% |

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

Among the main aspects that explain the evolution of the NTA (NAV), it is important to highlight:

1. Growth of +4% like-for-like in 2020 of the asset portfolio in Paris
2. Successful management of the project portfolio with high levels of pre-letting
3. Resilient execution of the contract portfolio, exceeding ERV's of the previous year
4. Generation of stable cash flow maintaining recurring results of €27cts/share
5. A favorable situation in the investment markets for prime assets, especially in the second half of 2020, enabling disposals with a double-digit premium over GAV

The high interest by the investment market for core CBD assets, with an increase in transaction volumes and prices in the second half of the year, enabled a favourable evolution of value in the second half of 2020. This compensated for the slight correction of the NTA in the first half, closing the year with stable Net Tangible Assets, including the dividend paid.

**The EPRA Net Tangible Assets (EPRA NAV – NTA)** is calculated based on the Group's consolidated equity and adjustments of specific items following EPRA recommendations.

| EPRA Net Tangible Assets - €m (Net Asset Value) | 12/2020 | 12/2019 |
|---|---|---|
| **IFRS Equity attributable to shareholders** | **5,401** | **5,559** |
| **Include:** | | |
| (i) Hybrid instruments | - | - |
| **Diluted NAV** | **5,401** | **5,559** |
| **Include:** | | |
| (i.a) Revaluation of investment properties (if IAS 40 cost option is used) | | |
| (i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used) | | |
| (i.c) Revaluation of other non-current investment | 64 | 45 |
| (ii) Revaluation of tenant leases held as finance leases | - | - |
| (iv) Revaluation of trading properties | 10 | 3 |
| **Diluted NAV at Fair Value** | **5,475** | **5,607** |
| **Exclude:** | | |
| (v) Deferred tax in relation to fair value gains of IP | 233 | 239 |
| (vi) Fair value of financial instruments | 19 | (21) |
| (vii) Goodwill as a result of deferred tax | - | - |
| (viii.a) Goodwill as per the IFRS balance sheet | - | - |
| (viii.b) Intangible as per the IFRS balance sheet | - | - |
| **Include:** | | |
| (ix) Fair value on fixed interest rate debt | n.a. | n.a. |
| (x) Revaluation of intangibles to fair value | n.a. | n.a. |
| (xi) Real estate transfer tax | - | - |
| **EPRA NTA (NAV) - €m** | **5,728** | **5,824** |
| ***Nº of shares (m)*** | ***508.1*** | ***508.1*** |
| ***EPRA NTA (NAV) - Euros per share*** | ***11.27*** | ***11.46*** |

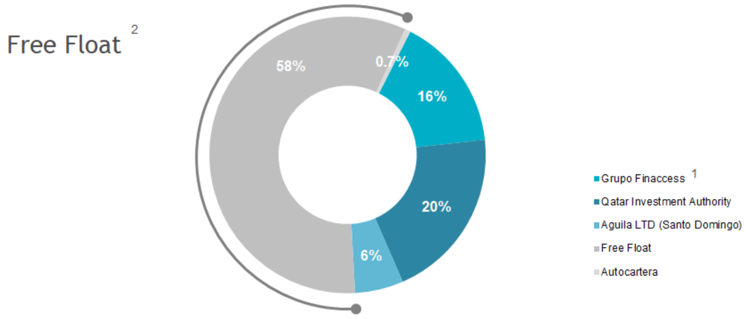
**Calculation of the EPRA NTA (NAV)**: Following the EPRA recommendations and starting from the consolidated equity of €5,401m, the following adjustments were carried out**:**

1. Revaluation of other investments: registry at fair value of several investments of the Group registered in the balance sheet at acquisition cost, mainly treasury shares and assets dedicated to own use.
2. Revaluations of assets held for sale. Registry of the unrealized gain of the properties posted under this heading.
3. Adjustment of deferred taxes: adjustment of the amount of deferred taxes associated with the revaluation of the property assets registered on the balance sheet.
4. Market value of financial instruments: adjustment of the market value (mark to market) of derivative instruments.

# Company shareholder structure

Colonial's shareholder structure is as follows:

***Shareholder structure at 31/12/2020 (*)***




*(*) According to reports in the CNMV and notifications received by the company*
*(1) Through Hofinac BV, Finaccess Capital, S.A. de C.V. and Finaccess Capital Inversores, S.L.*
*(2) Free float: shareholders with minority stakes and without representation on the Board of Directors*

***Board of Directors***

| Name of Director | | | Executive Committee | Nominations & Remunerations Committee | Audit & Control Committee | Sustainability Committee |
|---|---|---|---|---|---|---|
| Juan José Brugera Clavero | Chairman | Colonial | Chairman | | | |
| Pere Viñolas Serra | Chief Executive Officer & Vice-Chairman | Colonial | Member | | | |
| Sheikh Ali Jassim M. J. Al-Thani | Director | QIA | | | | |
| Adnane Moussanif | Director | QIA | Member | Member | | Member |
| Juan Carlos García Cañizares | Director | Aguila LTD (Santo Domingo) | Member | Member | | |
| Carlos Fernández González | Director | finaccess | Member | | | |
| Javier López Casado | Director | finaccess | | | Member | |
| Silvia M Alonso-Castrillo Allain | Independent Director | | | Member | | Chairwoman |
| Luis Maluquer Trepat | Lead Independent Director | | Member | Member | Member | Member |
| Ana Bolado Valle | Independent Director | | | Chairwoman | | Member |
| Ana Peralta Moreno | Independent Director | | | | Chairwoman | Member |
| Francisco Palá Laguna | Secretary - Non-Director | | Secretary | Secretary | Secretary | Secretary |
| Nuria Oferil Coll | Vice-secretary - Non-Director | | Vice-secretary | Vice-secretary | Vice-secretary | Vice-secretary |

# 10. EPRA Ratios & consolidated balance sheet

## EPRA Ratios

### 1) EPRA Earnings

| EPRA Earnings - €m | 2020 | 2019 |
|---|---|---|
| **Earnings per IFRS Income statement** | **2** | **827** |
| *Earnings per IFRS Income statement - €cts/share* | *0.47* | *162.72* |
| **Adjustments to calculate EPRA Earnings, exclude:** | | |
| (i) Changes in value of investment properties, development properties held for investment and other interests | 78 | (875) |
| (ii) Profits or losses on disposal of investment, development properties held for investment and other interests | (2) | (20) |
| (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 | 62 |
| (vi) Changes in fair value of financial instruments and associated close-out costs | 31 | 6 |
| (vii) Acquisition costs on share deals and non controlling joint venture interests | 0 | 3 |
| (viii) Deferred tax in respect of EPRA adjustments | (4) | 12 |
| (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 | 27 | 126 |
| **EPRA Earnings** | **133** | **142** |
| **Company specific adjustments:** | | |
| (a) Extraordinary provisions & expenses | 3 | (2) |
| (b) Non recurring financial result | 2 | 0 |
| (c) Tax credits | 0 | 0 |
| (d) Minority interests in respect of the above | (0) | 0 |
| **Company specific adjusted EPRA Earnings** | **138** | **139** |
| *Average Nº of shares (m)* | *508.1* | *508.1* |
| *Company adjusted EPRA Earnings per Share (EPS) - €cts/share* | *27.06* | *27.40* |

## 2) EPRA Net Asset Value – New Methodology

**EPRA Net Asset value - December 2020**

| EPRA Net Asset value - €m | NAV previous methodology | Net Reinstatement Value | Net Tangible Assets | Net Disposal Value |
|---|---|---|---|---|
| **IFRS Equity attributable to shareholders** | 5,401 | 5,401 | 5,401 | 5,401 |
| **Include:** | | | | |
| (i) Hybrid instruments | - | - | - | - |
| **Diluted NAV** | 5,401 | 5,401 | 5,401 | 5,401 |
| **Include:** | | | | |
| (i.a) Revaluation of investment properties (if IAS 40 cost option is used) | | | | |
| (i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used) | | | | |
| (i.c) Revaluation of other non-current investment | 64 | 64 | 64 | 64 |
| (ii) Revaluation of tenant leases held as finance leases | - | - | - | - |
| (iv) Revaluation of trading properties | 10 | 10 | 10 | 10 |
| **Diluted NAV at Fair Value** | 5,475 | 5,475 | 5,475 | 5,475 |
| **Exclude:** | | | | |
| (v) Deferred tax in relation to fair value gains of IP | 233 | 233 | 233 | n.a. |
| (vi) Fair value of financial instruments | 19 | 19 | 19 | n.a. |
| (vii) Goodwill as a result of deferred tax | - | - | - | - |
| (viii.a) Goodwill as per the IFRS balance sheet | - | n.a. | - | - |
| (viii.b) Intangible as per the IFRS balance sheet | - | n.a. | - | n.a. |
| **Include:** | | | | |
| (ix) Fair value on fixed interest rate debt | - | n.a. | n.a. | (280) |
| (x) Revaluation of intangibles to fair value | - | - | n.a. | n.a. |
| (xi) Real estate transfer tax | n.a. | 471 | - | n.a. |
| **EPRA NAV - €m** | **5,728** | **6,198** | **5,728** | **5,195** |
| ***Nº of shares (m)*** | ***508.1*** | ***508.1*** | ***508.1*** | ***508.1*** |
| ***EPRA NAV - Euros per share*** | ***11.27*** | ***12.20*** | ***11.27*** | ***10.22*** |

**EPRA Net Asset value - December 2019**

| EPRA Net Asset value - €m | NAV previous methodology | Net Reinstatement Value | Net Tangible Assets | Net Disposal Value |
|---|---|---|---|---|
| **IFRS Equity attributable to shareholders** | 5,559 | 5,559 | 5,559 | 5,559 |
| **Include:** | | | | |
| (i) Hybrid instruments | - | - | - | - |
| **Diluted NAV** | 5,559 | 5,559 | 5,559 | 5,559 |
| **Include:** | | | | |
| (ii.a) Revaluation of investment properties (if IAS 40 cost option is used) | | | | |
| (ii.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used) | | | | |
| (ii.c) Revaluation of other non-current investment | 45 | 45 | 45 | 45 |
| (iii) Revaluation of tenant leases held as finance leases | - | - | - | - |
| (iv) Revaluation of trading properties | 3 | 3 | 3 | 3 |
| **Diluted NAV at Fair Value** | 5,607 | 5,607 | 5,607 | 5,607 |
| **Exclude:** | | | | |
| (v) Deferred tax in relation to fair value gains of IP | 240 | 240 | 239 | n.a. |
| (vi) Fair value of financial instruments | (21) | (21) | (21) | n.a. |
| (vii) Goodwill as a result of deferred tax | - | - | - | - |
| (viii.a) Goodwill as per the IFRS balance sheet | n.a. | n.a. | - | - |
| (viii.b) Intangible as per the IFRS balance sheet | n.a. | n.a. | - | n.a. |
| **Include:** | - | - | - | - |
| (ix) Fair value on fixed interest rate debt | n.a. | n.a. | n.a. | (258) |
| (x) Revaluation of intangibles to fair value | - | - | n.a. | n.a. |
| (xi) Real estate transfer tax | n.a. | 474 | - | n.a. |
| **EPRA NAV - €m** | **5,825** | **6,299** | **5,824** | **5,348** |
| ***Nº of shares (m)*** | ***508.1*** | ***508.1*** | ***508.1*** | ***508.1*** |
| ***EPRA NAV - Euros per share*** | ***11.46*** | ***12.40*** | ***11.46*** | ***10.53*** |

## 3) EPRA Net initial Yield & Topped-up Net Initial Yield

| D. EPRA Net Initial yield & "Topped-Up" Net Initial Yield | | Barcelona | Madrid | Paris | Other | Total 2020 | Total 2019 |
|---|---|---|---|---|---|---|---|
| *Figures in €m* | | | | | | | |
| Investment property – wholly owned | | 1,416 | 3,051 | 7,458 | 71 | 11,996 | 12,179 |
| Investment property – share of JVs/Funds | | 24 | na | na | na | 24 | 17 |
| Trading property (including share of JVs) | | na | na | na | na | na | na |
| Less: developments | | (186) | (659) | (1,146) | na | (1,992) | (1,768) |
| **Completed property portfolio** | **E** | **1,254** | **2,392** | **6,312** | **71** | **10,028** | **10,428** |
| Allowance for estimated purchasers' costs | | 38 | 59 | 433 | 2 | 533 | 541 |
| **Gross up completed property portfolio valuation** | **B** | **1,292** | **2,451** | **6,745** | **73** | **10,561** | **10,969** |
| Annualised cash passing rental income | | 45 | 92 | 184 | 5 | 326 | 333 |
| Property outgoings | | (4) | (8) | (4) | (0) | (16) | (21) |
| **Annualised net rents** | **A** | **42** | **84** | **180** | **5** | **310** | **312** |
| Add: notional rent expiration of rent free periods or other lease incentives | | 2 | 2 | 13 | 1 | 19 | 34 |
| **"Topped-up" net annualised rent** | **C** | **44** | **86** | **193** | **6** | **329** | **346** |
| **EPRA Net Initial Yield** | **A/B** | **3.2%** | **3.4%** | **2.7%** | **6.7%** | **2.9%** | **2.8%** |
| **EPRA "Topped-Up" Net Initial Yield** | **C/B** | **3.4%** | **3.5%** | **2.9%** | **7.7%** | **3.1%** | **3.2%** |
| Gross Rents 100% Occupancy | F | 52 | 100 | 211 | 6 | 370 | 383 |
| Property outgoings 100% Occupancy | | (3) | (7) | (4) | (0) | (14) | (19) |
| **Annualised net rents 100% Occupancy** | **D** | **49** | **93** | **207** | **6** | **355** | **363** |
| **Net Initial Yield 100% Occupancy** | **D/B** | **3.8%** | **3.8%** | **3.1%** | **7.8%** | **3.4%** | **3.3%** |
| **Gross Initial Yield 100% Occupancy** | **F/E** | **4.2%** | **4.2%** | **3.3%** | **8.5%** | **3.7%** | **3.7%** |

## 4) EPRA Vacancy Rate

**EPRA Vacancy Rate - Offices Portfolio**

| €m | 2020 | 2019 | Cha. % |
|---|---|---|---|
| BARCELONA | | | |
| Vacant space ERV | 2 | 1 | |
| Portfolio ERV | 53 | 63 | |
| **EPRA Vacancy Rate Barcelona** | **5%** | **2%** | *3 pp* |
| MADRID | | | |
| Vacant space ERV | 3 | 4 | |
| Portfolio ERV | 94 | 100 | |
| **EPRA Vacancy Rate Madrid** | **3%** | **4%** | *(1 pp)* |
| PARIS | | | |
| Vacant space ERV | 10 | 3 | |
| Portfolio ERV | 182 | 182 | |
| **EPRA Vacancy Rate Paris** | **6%** | **2%** | *4 pp* |
| TOTAL PORTFOLIO | | | |
| Vacant space ERV | 16 | 8 | |
| Portfolio ERV | 329 | 345 | |
| **EPRA Vacancy Rate Total Office Portfolio** | **5%** | **2%** | *2 pp* |

**EPRA Vacancy Rate - Total Portfolio**

| €m | 2020 | 2019 | Cha. % |
|---|---|---|---|
| BARCELONA | | | |
| Vacant space ERV | 3 | 1 | |
| Portfolio ERV | 56 | 64 | |
| **EPRA Vacancy Rate Barcelona** | **5%** | **2%** | *3 pp* |
| MADRID | | | |
| Vacant space ERV | 3 | 4 | |
| Portfolio ERV | 94 | 101 | |
| **EPRA Vacancy Rate Madrid** | **3%** | **4%** | *(1 pp)* |
| PARIS | | | |
| Vacant space ERV | 12 | 3 | |
| Portfolio ERV | 218 | 222 | |
| **EPRA Vacancy Rate Paris** | **6%** | **1%** | *4 pp* |
| LOGISTIC & OTHERS | | | |
| Vacant space ERV | - | 2 | |
| Portfolio ERV | 6 | 11 | |
| **EPRA Vacancy Rate Total Portfolio** | **0%** | **16%** | *(16 pp)* |
| TOTAL PORTFOLIO | | | |
| Vacant space ERV | 18 | 11 | |
| Portfolio ERV | 373 | 398 | |
| **EPRA Vacancy Rate Total Portfolio** | **5%** | **3%** | *2 pp* |

*Annualized figures*

# Consolidated balance sheet

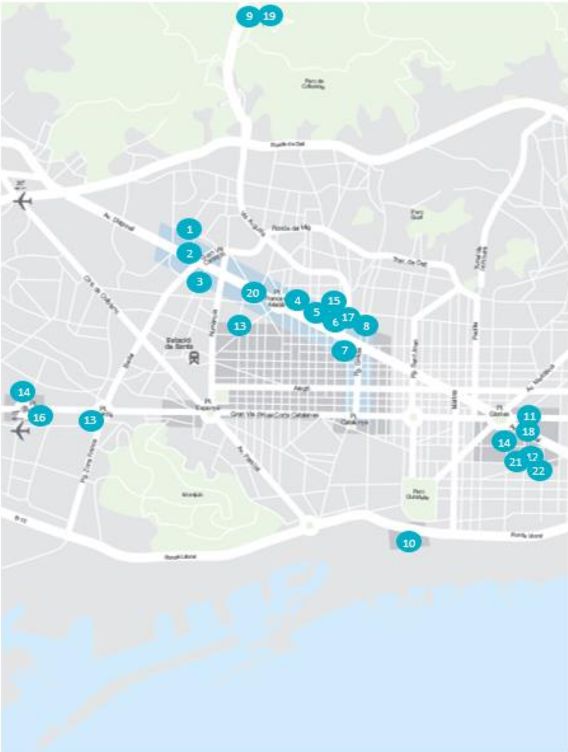
**Consolidated balance sheet**

| €m | 2020 | 2019 |
|---|---|---|
| ASSETS | | |
| Consolidated goodwill | 0 | 0 |
| Property investments | 11,516 | 11,797 |
| Other non-current assets | 188 | 203 |
| Non-current assets | 11,704 | 12,000 |
| Inventory | 52 | 48 |
| Debtors and other receivables | 30 | 117 |
| Other current assets | 286 | 160 |
| Assets available for sale | 282 | 176 |
| Current assets | 651 | 502 |
| TOTAL ASSETS | 12,355 | 12,502 |
| LIABILITIES | | |
| Equity | 5,401 | 5,559 |
| Minority interests | 1,433 | 1,402 |
| Net equity | 6,833 | 6,960 |
| Bond issues and other non-current issues | 4,069 | 3,781 |
| Non-current financial debt | 294 | 457 |
| Deferred tax | 367 | 377 |
| Other non-current liabilities | 88 | 87 |
| Non-current liabilities | 4,818 | 4,702 |
| Bond issues and other current issues | 508 | 648 |
| Current financial debt | 62 | 6 |
| Creditors and other payables | 103 | 137 |
| Other current liabilities | 32 | 48 |
| Current liabilities | 704 | 839 |
| TOTAL EQUITY & LIABILITIES | 12,355 | 12,502 |

# 11. Asset portfolio – Location and details

## Location of assets

### Barcelona



1. Paseo de los Tilos, 2-6
2. Av. Diagonal, 682
3. Av. Diagonal, 609-615
4. Travessera de Gràcia, 11
5. Amigó, 11-17
6. Av. Diagonal, 530-532
7. Av. Diagonal, 409
8. Via Augusta, 21-23
9. Complejo de oficinas Sant Cugat Nord
10. Torre Marenostrum
11. Diagonal Glories
12. Complejo de oficinas Illacuna
13. Torre BCN
14. Parc Glories
15. Travessera de Gràcia, 47-49
16. Plaza Europa, 34
17. Gal·la Placidia
18. Diagonal, 197
19. Park Cugat
20. Av. Diagonal, 523-525
21. Sancho Ávila, 110-113
22. Wittywood (Llacuna, 42)


1- Paseo de los Tilos, 2-6


2- Av. Diagonal, 682


3- Av. Diagonal, 609-615


4- Travessera de Gràcia, 11


5- Amigo, 11-17


6- Av. Diagonal, 530-532


7- Av. Diagonal, 409


8- Vía Augusta, 21-23


9- Sant Cugat Nord


10- Torre Marenostrum


11- Diagonal Glories


12- Complejo Oficinas Illacuna


13- Torre Bcn


14- Parc Glories


15- Travessera Gràcia 47-49


16- Plaza Europa 34


17- Gal·la Placidia


18- Diagonal 197


19- Sant Cugat


20- Av. Diagonal, 525


21- Sancho de Ávila, 110-113


22- Wittywood

## Madrid – Centre & CBD

1. Paseo de Recoletos, 37-41
2. Génova, 17
3. Paseo de la Castellana, 52
4. Paseo de la Castellana, 43
5. Miguel Ángel, 11
6. José Abascal, 56
7. Santa Engracia
8. Poeta Joan Maragall, 53
9. Discovery Building
10. López de Hoyos, 35
11. The Window
12. Francisco Silvela, 42
13. Ortega y Gasset, 100
14. Ramírez de Arellano, 37
15. MV 49 Business Park
16. Alfonso XII, 62
17. José Abascal, 45
18. Serrano, 73
19. Santa Hortensia, 26-28
20. Paseo de la Castellana, 163
21. Arturo Soria, 336
22. Campus Méndez Álvaro
23. Ramírez de Arellano, 15
24. Manuel Falla, 7
25. Sagasta, 27
26. Sagasta, 31-33
27. Almagro, 9
28. Miguel Ángel, 23
29. Velázquez-Padilla, 17
30. Don Ramón de la Cruz, 82
31. Paseo de Recoletos, 27

1- Paseo Recoletos, 37-41 | 2- Génova, 17 | 3- Castellana, 52 | 4- Castellana, 43 | 5- Miguel Angel, 11 | 6- José Abascal, 56 | 7- Santa Engracia

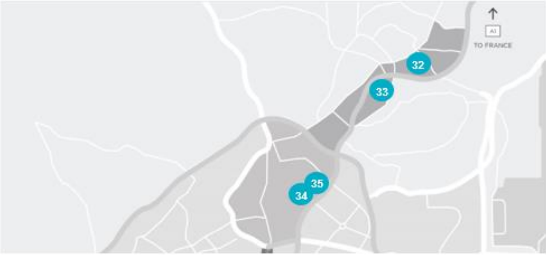
8- Poeta Joan Maragall, 53 | 9- Discovery Building | 10- López de Hoyos, 35 | 11- The Window | 12- Francisco Silvela, 42 | 13- Ortega y Gasset, 100 | 14- Ramírez Arellano, 37

15- MV 49 Business Park | 16- Alfonso XII, 62 | 17- José Abascal,45 | 18- Serrano, 73 | 19- Santa Hortensia, 26-28 | 20- Paseo Castellana, 163 | 21- Arturo Soria, 336

22- Campus Méndez Álvaro | 23- Ramírez Arellano, 15 | 24- Manuel Falla, 7 | 25- Sagasta, 27 | 26- Sagasta, 31-33 | 27- Almagro, 9 | 28- Miguel Ángel, 23

29- Velázquez-Padilla, 17 | 30- Don Ramón de la Cruz, 82 | 31- Recoletos 27

## North Madrid – Arroyo de la Vega & Las Tablas




32. Francisca Delgado, 11
33. Cedro – Anabel Segura 14
34. Puerto de Somport, 8
35. Puerto de Somport, 10-18


32- Francisca Delgado, 11

33- Cedro-Anabel Segura, 14


34- Puerto Somport, 8


35- Puerto Somport, 10-18

## East Madrid – Campo de las Naciones & A2


36. Ribera de Loira, 28
37. Tucumán
38. EGEO - Campo de las Naciones
39. Josefa Valcárcel, 40
40. Josefa Valcárcel, 24
41. Luca de Tena, 7
42. Alcalá, 506


36- Ribera de Loira, 28


37- Tucumán

38- EGEO


39- Josefa Valcárcel, 40


40- Josefa Valcárcel, 24

41- Luca de Tena, 7


42- Alcalá, 506

## Paris

1. Louvre Saint-Honoré
2. Washington Plaza
3. Galerie des Champs-Élysées
4. 90 Champs-Élysées
5. 92 Champs-Élysées Ozone
6. Cézanne Saint-Honoré
7. Édouard VII
8. 176 Charles de-Gaulle
9. Rives de Seine
10. Marceau
11. 131 Wagram
12. 103 Grenelle
13. 104-110 Haussmann Saint-Augustin
14. 6 Hanovre
15. #Cloud
16. Le Vaisseau
17. 112 Wagram *SOLD 2021*
18. 4-8 Rue Condorcet
19. 9 Avenue Percier *SOLD 2021*
20. Biome


1- Louvre-Saint-Honoré


2- Washington Plaza


3- Galerie de Champs-Élysées


4- 90, Champs-Élysées


5- 92, Champs-Élysées


6- Cézanne Saint-Honoré


7- Édouard VII


8- 176, Charles de Gaulle


9- Rives de Seine


10- Marceau


11- 131, Wagram


12- 103, Grenelle


13- 104 Haussmann St-Agustin


14- 6, Hanovre


15- #Cloud


16- Le Vaisseau

17- 112, Wagram


18- 4-8, Rue Condorcet

19- 9, Avenue Percier


20- Biome

## Others

1. Las Mercedes Open Park
- Les Gavarres SOLD 2021
3. Viapark

1- Mercedes Open Park

2- Les Gavarres


3- Viapark

# Surface area of assets - details

## Barcelona

| RENTAL PORTFOLIO BARCELONA | Acquisition year | Floor space above ground | | | | | Floor space above ground | Floor space below ground | Total surface | Parking units |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Offices | Retail | Resid. | Logistic | Hotel | | | | |
| DIAGONAL, 409 | 2001 | 3,680 | 851 | | | | 4,531 | 0 | 4,531 | |
| DIAGONAL, 530 | 1992 | 2,168 | 2,555 | | | | 4,723 | 4,590 | 9,313 | 99 |
| DIAGONAL, 609-615 - DAU/PRISMA | 1997 | 21,872 | | | | | 21,872 | 18,839 | 40,711 | 438 |
| AV. DIAGONAL, 682 | 1997 | 8,372 | 250 | | | | 8,622 | 1,795 | 10,417 | 50 |
| PEDRALBES CENTRE | 1997 | 36 | 7,705 | | | | 7,741 | 151 | 7,892 | |
| DIAGONAL 220-240, GLORIES | 2000 | 11,672 | | | | | 11,672 | 536 | 12,208 | 40 |
| ILLACUNA | 2006 | 19,639 | 812 | | | | 20,451 | 13,606 | 34,057 | 481 |
| Pº TILOS, 2-6 | 2000 | 5,143 | | | | | 5,143 | 3,081 | 8,224 | 69 |
| TRAVESSERA, 47-49 | 2016 | 8,939 | | | | | 8,939 | 1,620 | 10,559 | 36 |
| VIA AUGUSTA, 21-23 | 1999 | 4,620 | | | | | 4,620 | 0 | 4,620 | |
| TRAVESSERA, 11 | 1994 | 4,105 | 410 | | | | 4,515 | 1,994 | 6,509 | 61 |
| AMIGÓ, 11-17 | 1994 | 2,960 | 608 | | | | 3,568 | 1,778 | 5,346 | 88 |
| TORRE BCN | 2000 | 9,600 | 235 | | | | 9,835 | 3,325 | 13,160 | 88 |
| TORRE MARENOSTRUM | 2003 | 14,572 | | | | | 14,572 | 19,370 | 33,942 | 610 |
| PARC GLORIES | 2016 | 24,450 | | | | | 24,450 | 5,444 | 29,894 | 162 |
| SANT CUGAT | 1999 | 27,217 | | | | | 27,217 | 20,602 | 47,819 | 690 |
| GALA PLACIDIA | 2018 | 4,285 | | | | | 4,285 | 1,555 | 5,840 | 28 |
| DIAGONAL 197 | 2014 | 14,772 | 385 | | | | 15,157 | 9,281 | 24,438 | 251 |
| PARK CUGAT | 2017 | 11,999 | | | | | 11,999 | 21,192 | 33,191 | 442 |
| SANCHO DE ÁVILA, 110-130 | 2019 | 17,860 | | | | | 17,860 | 4,776 | 22,636 | 202 |
| OTHER SMALL RETAIL UNITS | | | 103 | | | | 103 | 0 | 103 | |
| PORTFOLIO IN OPERATION | | 217,961 | 13,914 | 0 | 0 | 0 | 231,875 | 133,537 | 365,412 | 3,835 |
| PLAZA EUROPA, 34 | 2017 | 14,306 | | | | | 14,306 | 4,500 | 18,806 | 151 |
| TORRE MARENOSTRUM | 2003 | 7,822 | | | | | 7,822 | 0 | 7,822 | |
| DIAGONAL, 530 | 1992 | 7,058 | | | | | 7,058 | 685 | 7,743 | |
| AV. DIAGONAL, 523-525 | 2018 | 5,706 | | | | | 5,706 | 1,179 | 6,885 | 10 |
| WITTYWOOD | 2020 | 2,240 | | | | | 2,240 | 1,572 | 3,812 | 63 |
| REST OF ASSETS | | 811 | 218 | | | | 1,029 | 1,100 | 2,129 | |
| PROJECTS UNDERWAY | | 37,943 | 218 | 0 | 0 | 0 | 38,161 | 9,036 | 47,196 | 224 |
| TOTAL BARCELONA | | 255,903 | 14,132 | 0 | 0 | 0 | 270,036 | 142,573 | 412,608 | 4,059 |

*Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).*
*The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.*
*The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.*

## Madrid

| RENTAL PORTFOLIO MADRID | Acquisition year | Floor space above ground | | | | | Floor space above ground | Floor space below ground | Total surface | Parking units |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Offices | Retail | Resid. | Logistic | Hotel | | | | |
| CASTELLANA, 52 | 1998 | 6,496 | 1,027 | | | | 7,523 | 2,615 | 10,138 | 49 |
| P. CASTELLANA, 163 | 2016 | 10,493 | 280 | | | | 10,773 | 1,855 | 12,628 | 52 |
| RECOLETOS, 37-41 | 2005 | 13,642 | 3,560 | | | | 17,202 | 5,340 | 22,542 | 175 |
| RECOLETOS, 27 | 2019 | 1,391 | | | | | 1,391 | 0 | 1,391 | |
| CASTELLANA, 43 | 2005 | 5,455 | 543 | | | | 5,998 | 2,441 | 8,439 | 81 |
| MIGUEL ANGEL, 11 | 2005 | 5,370 | 930 | | | | 6,300 | 2,200 | 8,500 | 81 |
| JOSE ABASCAL, 56 | 2005 | 10,061 | 1,468 | | | | 11,529 | 6,408 | 17,937 | 219 |
| GÉNOVA, 17 | 2015 | 3,638 | 1,038 | | | | 4,676 | 2,601 | 7,277 | 70 |
| JOSE ABASCAL, 45 | 2016 | 3,819 | | | | | 3,819 | 1,929 | 5,748 | 54 |
| SERRANO,73 | 2016 | 4,242 | | | | | 4,242 | 3,176 | 7,418 | 104 |
| ALFONSO XII, 62 | 2002 | 13,135 | | | | | 13,135 | 2,287 | 15,422 | 78 |
| SANTA ENGRACIA | 2015 | 13,444 | 220 | | | | 13,664 | 5,562 | 19,226 | 180 |
| FRANCISCO SILVELA, 42 | 1999 | 4,893 | 500 | | | | 5,393 | 3,926 | 9,319 | 105 |
| JOSÉ ORTEGA Y GASSET 100 | 2000 | 0 | | | | | 0 | 2,563 | 2,563 | 96 |
| POETA JOAN MARAGALL, 53 | 2001 | 13,685 | 2,330 | | | | 16,015 | 9,668 | 25,683 | 295 |
| ESTÉBANEZ CALDERÓN, 3-5 | 2015 | 9,496 | 656 | | | | 10,152 | 4,751 | 14,903 | 100 |
| LÓPEZ DE HOYOS, 35 | 2005 | 7,140 | | | | | 7,140 | 4,105 | 11,245 | 111 |
| AGUSTÍN DE FOXÁ, 29 | 2003 | 0 | 227 | | | | 227 | 0 | 227 | |
| ARTURO SORIA, 336 | 2017 | 8,363 | 300 | | | | 8,663 | 5,598 | 14,261 | 191 |
| MARTÍNEZ VILLERGAS, 49 | 2006 | 24,135 | | | | | 24,135 | 16,194 | 40,329 | 496 |
| RAMIREZ DE ARELLANO, 37 | 1999 | 5,988 | | | | | 5,988 | 4,923 | 10,911 | 160 |
| SANTA HORTENSIA, 26-28 | 2016 | 40,029 | | | | | 40,029 | 32,567 | 72,596 | 946 |
| EGEO | 2018 | 18,255 | | | | | 18,255 | 9,553 | 27,808 | 350 |
| PRÍNCIPE DE VERGARA, 112-114 | 2015 | 11,367 | | | | | 11,367 | 4,524 | 15,892 | 115 |
| MANUEL FALLA 27 | 2015 | 6,252 | | | | | 6,252 | 1,640 | 7,892 | 41 |
| SAGASTA 27 | nd | 0 | 300 | | | | 300 | 0 | 300 | |
| SAGASTA31-33 | 2016 | 7,097 | | | | | 7,097 | 3,720 | 10,817 | 93 |
| ALMAGRO 9 | 2016 | 15,094 | | | | | 15,094 | 8,075 | 23,169 | 208 |
| MIGUEL ANGEL 23 | 2017 | 0 | 835 | | | | 835 | 200 | 1,035 | 113 |
| DON RAMÓN DE LA CRUZ 82 | 2015 | 9,339 | | | | | 9,339 | 3,664 | 13,003 | 91 |
| FRA NCISCA DELGADO 11 | 2014 | 14,969 | 245 | | | | 15,215 | 18,094 | 33,308 | 395 |
| CEDRO - ANABEL SEGURA 14 | 2017 | 0 | | | | | 0 | 3,200 | 3,200 | 387 |
| PUERTO DE SOMPORT 8 | 2017 | 6,866 | | | | | 6,866 | 17,214 | 24,080 | 370 |
| RIBERA DE LOIRA 28 | 2014 | 9,924 | 629 | | | | 10,553 | 16,948 | 27,501 | 370 |
| TUCUMÁN | 2015 | 5,086 | 1,321 | | | | 6,407 | 6,960 | 13,367 | 174 |
| RAMÍREZ DE ARELLANO 15 | 2015 | 6,670 | | | | | 6,670 | 4,680 | 11,350 | 113 |
| JOSEFA VALCÁRCEL 40 | 2017 | 8,718 | | | | | 8,718 | 7,566 | 16,284 | 259 |
| JOSEFA VALCÁRCEL 24 | 2016 | 5,652 | | | | | 5,652 | 3,600 | 9,252 | 90 |
| ALCALÁ 506 | 2015 | 5,664 | 595 | | | | 6,259 | 8,200 | 14,459 | 205 |
| LAGASCA, 88 | nd | 590 | | | | | 590 | 0 | 590 | |
| OTHER SMALL RETAIL UNITS | | | 575 | | | | 575 | 0 | 575 | |
| PORTFOLIO IN OPERATION | | 336,459 | 17,581 | 0 | 0 | 0 | 354,040 | 238,548 | 592,588 | 7,017 |
| MÉNDEZ ÁLVARO I - Campus | 2017 | 60,214 | | | | | 60,214 | 0 | 60,214 | |
| MÉNDEZ ÁLVARO I - Residencial | 2017 | 0 | | 29,658 | | | 29,658 | 0 | 29,658 | |
| MÉNDEZ ÁLVARO II | 2017 | 20,276 | | | | | 20,276 | 0 | 20,276 | 203 |
| PUERTO DE SOMPORT 10-18 | 2015 | 22,000 | | | | | 22,000 | 0 | 22,000 | 520 |
| VELÁZQUEZ-PADILLA 17 | 2015 | 13,820 | 2,344 | | | | 16,164 | 758 | 16,923 | 163 |
| CEDRO - ANABEL SEGURA 14 | 2017 | 17,203 | | | | | 17,203 | 12,280 | 29,483 | |
| LUCA DE TENA 7 | 2016 | 10,145 | | | | | 10,145 | 13,400 | 23,545 | 335 |
| JOSÉ ORTEGA Y GASSET 100 | 2000 | 6,870 | 922 | | | | 7,792 | 0 | 7,792 | |
| MIGUEL ÁNGEL, 23 | 2017 | 7,369 | | | | | 7,369 | 4,320 | 11,689 | |
| SAGASTA 27 | nd | 4,481 | 115 | | | | 4,596 | 0 | 4,596 | |
| REST OF ASSETS | | 2,802 | 0 | | | | 2,802 | 1,691 | 4,493 | |
| PROJECTS UNDERWAY | | 165,179 | 3,381 | 29,658 | 0 | 0 | 198,218 | 32,449 | 230,667 | 1,221 |
| TOTAL MADRID | | 501,638 | 20,962 | 29,658 | 0 | 0 | 552,258 | 270,997 | 823,255 | 8,238 |

*Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).*
*The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.*
*The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.*

## Rest

| RENTAL PORTFOLIO REST OF SPAIN | Acquisition year | Floor space above ground | | | | | Floor space above ground | Floor space below ground | Total surface | Parking units |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Offices | Retail | Resid. | Logistic | Hotel | | | | |
| LES GAVARRES | 2014 | | 12,413 | | | | 12,413 | 14,080 | 26,493 | 352 |
| LAS MERCEDES OPEN PARK | 2015 | | 24,649 | | | | 24,649 | 21,600 | 46,249 | |
| VÍAPARK | 2016 | | 16,325 | | | | 16,325 | | 16,325 | |
| PORTFOLIO IN OPERATION | | 0 | 53,387 | 0 | 0 | 0 | 53,387 | 35,680 | 89,067 | 352 |
| SAN FERNANDO (PHASE I) | 2016 | | | | | | 0 | | 0 | |
| SAN FERNANDO (PHASE II) | 2017 | | | | | | 0 | | 0 | |
| AUTOVIA DE TOLEDO | 2017 | | | | 23,557 | | 23,557 | | 23,557 | |
| PROJECTS UNDERWAY | | 0 | 0 | 0 | 23,557 | 0 | 23,557 | 0 | 23,557 | 0 |
| TOTAL LOGSTIC & OTHERS | | 0 | 53,387 | 0 | 23,557 | 0 | 76,944 | 35,680 | 112,624 | 352 |
| TOTAL SPAIN | | 757,542 | 88,481 | 29,658 | 23,557 | 0 | 899,238 | 449,250 | 1,348,488 | 12,649 |

*Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors).*
*The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L.*
*The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.*

## France

| RENTAL PORTFOLIO FRANCE | Acquisition year | Floor space above ground | | | | | Floor space above ground | Floor space below ground | Total surface | Parking units |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Offices | Retail | Resid. | Logistic | Hotel & others | | | | |
| LOUVRE SAINT-HONORE | 1995 | 23,313 | | | | 753 | 24,065 | 4,110 | 28,176 | 236 |
| EDOUARD VII | 1999 | 28,412 | 14,848 | 4,509 | | 4,202 | 51,971 | 10,145 | 62,116 | 523 |
| 6 HANOVRE | 1958 | 3,325 | | | | | 3,325 | 1,246 | 4,571 | 0 |
| #CLOUD.PARIS | 2004 | 28,192 | | | | 1,860 | 30,051 | 3,164 | 33,216 | 99 |
| CONDORCET | 2014 | 20,376 | | 1,562 | | 1,301 | 23,239 | 2,457 | 25,696 | 50 |
| GALERIE CHAMPS-ELYSEES | 2002 | 0 | 4,097 | | | | 4,097 | 3,828 | 7,925 | 125 |
| 90 CHAMPS-ELYSEES | 2002 / 2009 | 7,912 | 932 | | | | 8,844 | 0 | 8,844 | |
| 92 CHAMPS-ELYSEES | 2000 | 4,110 | 3,089 | | | | 7,199 | 0 | 7,199 | |
| CEZANNE SAINT-HONORE | 2001 / 2007 | 23,160 | 1,663 | 0 | | | 24,824 | 3,337 | 28,161 | 128 |
| 131 WAGRAM | 1999 | 7,100 | | | | 449 | 7,549 | 3,651 | 11,200 | 124 |
| 112 WAGRAM | 2008 | 4,470 | 892 | | | | 5,362 | 546 | 5,908 | 29 |
| WASHINGTON PLAZA | 2000 | 32,900 | 406 | | | 2,557 | 35,863 | 13,575 | 49,439 | 662 |
| HAUSSMANN SAINT-AUGUSTIN | 2002 / 2004 | 11,797 | 677 | | | | 12,474 | 2,650 | 15,124 | 104 |
| 9 PERCIER | 2015 | 5,500 | | | | | 5,500 | 427 | 5,926 | 14 |
| 176 CHARLES DE GAULLE | 1997 | 4,592 | | | | | 4,592 | 2,282 | 6,874 | 145 |
| LE VAISSEAU | 2006 | 6,026 | | | | | 6,026 | 2,321 | 8,347 | 124 |
| RIVES DE SEINE | 2004 | 20,270 | | | | 1,760 | 22,030 | 6,589 | 28,619 | 366 |
| 103 GRENELLE | 2006 | 15,585 | 258 | | | 1,011 | 16,854 | 1,932 | 18,786 | 100 |
| PORTFOLIO IN OPERATION FRANCE | | 247,040 | 26,861 | 6,072 | | 13,892 | 293,865 | 62,260 | 356,125 | 2,829 |
| EMILE ZOLA | 2017 | 21,762 | | 719 | | 1,569 | 24,050 | 1,703 | 25,753 | 79 |
| LOUVRE SAINT-HONORE | 1995 | 1,912 | 16,000 | | | 0 | 17,912 | 5,422 | 23,334 | |
| 96 IENA | 2001 / 2007 | 8,662 | 697 | | | | 9,360 | 1,797 | 11,156 | 90 |
| WASHINGTON PLAZA | 2000 | 7,323 | | | | | 7,323 | 2,177 | 9,500 | |
| REST OF ASSETS | | 2,879 | 1,699 | | | | 4,578 | 11,720 | 16,298 | |
| PROJECTS UNDERWAY FRANCE | | 42,538 | 18,397 | 719 | 0 | 1,570 | 63,223 | 22,818 | 86,041 | 169 |
| TOTAL FRANCE | | 289,578 | 45,258 | 6,791 | 0 | 15,461 | 357,088 | 85,078 | 442,166 | 2,998 |
| TOTAL PROPERTY COLONIAL | | 1,047,120 | 133,739 | 36,448 | 23,557 | 15,461 | 1,256,326 | 534,328 | 1,790,654 | 15,647 |

*Colonial has 81.7% of the share capital of SFL. SFL has 100% ownership of the totality of its rental portfolio with the exception of Washington Plaza of which it owns 66%, as well as the assets of Champs Élysées 90, Galerie Champs Élysées 82-88 and Haussmann 104-110 of which it owns 50%.*

# 12. Historical series

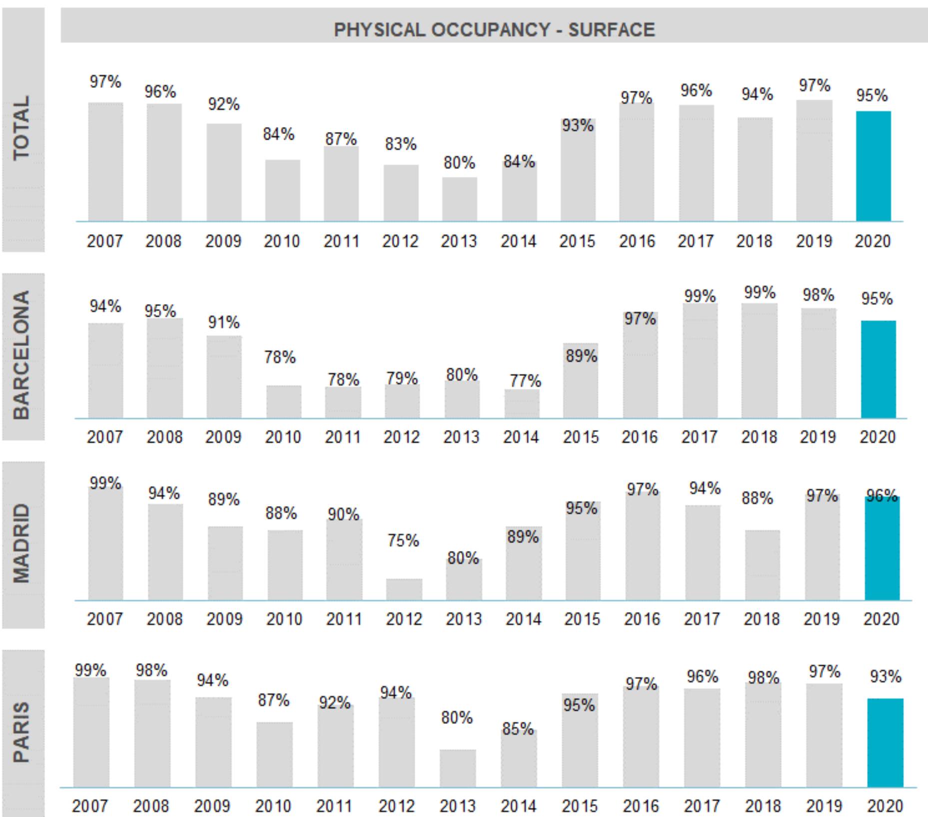
## Offices historical series breakdown[1]

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Barcelona** | | | | | | | | | | | | | | | | | |
| Physical Offices Occupancy (%) | 97% | 100% | 99% | 94% | 95% | 91% | 78% | 78% | 79% | 80% | 77% | 89% | 97% | 99% | 99% | 98% | 95% |
| Rental revenues (€m) | 55 | 53 | 56 | 60 | 51 | 49 | 39 | 32 | 31 | 28 | 28 | 27 | 30 | 35 | 41 | 13 | 49 |
| Net Rental Income (€m) | 53 | 51 | 55 | 58 | 49 | 47 | 37 | 28 | 27 | 25 | 23 | 23 | 28 | 34 | 39 | 11 | 47 |
| NRI / Rental revenues (%) | 95% | 96% | 97% | 97% | 96% | 97% | 93% | 88% | 89% | 89% | 85% | 85% | 92% | 96% | 94% | 88% | 95% |
| **Madrid** | | | | | | | | | | | | | | | | | |
| Physical Offices Occupancy (%) | 93% | 98% | 99% | 99% | 94% | 89% | 88% | 90% | 75% | 80% | 89% | 95% | 97% | 94% | 87% | 97% | 96% |
| Rental revenues (€m) | 37 | 44 | 68 | 70 | 56 | 50 | 47 | 45 | 44 | 35 | 32 | 35 | 43 | 52 | 94 | 25 | 103 |
| Net Rental Income (€m) | 34 | 42 | 66 | 66 | 52 | 46 | 42 | 41 | 40 | 30 | 28 | 31 | 38 | 46 | 83 | 19 | 93 |
| NRI / Rental revenues (%) | 93% | 94% | 96% | 95% | 92% | 92% | 90% | 90% | 90% | 86% | 85% | 88% | 88% | 88% | 88% | 76% | 91% |
| **Paris** | | | | | | | | | | | | | | | | | |
| Physical Offices Occupancy (%) | 97% | 96% | 98% | 99% | 98% | 94% | 87% | 92% | 94% | 80% | 85% | 95% | 97% | 96% | 98% | 97% | 93% |
| Rental revenues (€m) | 157 | 153 | 162 | 170 | 182 | 183 | 175 | 152 | 150 | 149 | 152 | 169 | 198 | 196 | 194 | 47 | 180 |
| Net Rental Income (€m) | 147 | 145 | 153 | 162 | 171 | 173 | 162 | 141 | 138 | 137 | 139 | 155 | 188 | 185 | 183 | 43 | 172 |
| NRI / Rental revenues (%) | 94% | 95% | 95% | 95% | 94% | 94% | 93% | 93% | 92% | 92% | 92% | 92% | 95% | 94% | 94% | 92% | 95% |

*(1) Does not include logistics and others*

## Evolution of physical office occupancy

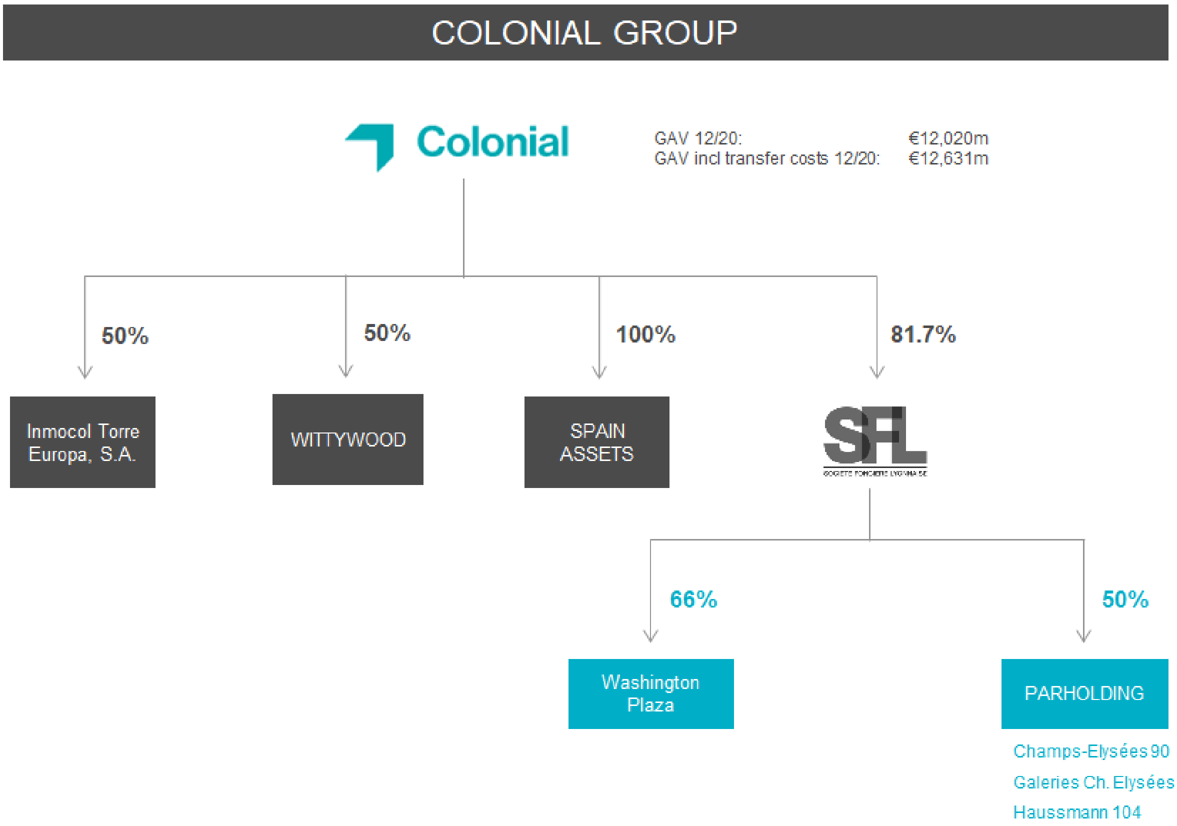
Office Occupancy[(1)] – Evolution of Colonial's Portfolio




*(1) Occupied surfaces /Surfaces in operation*

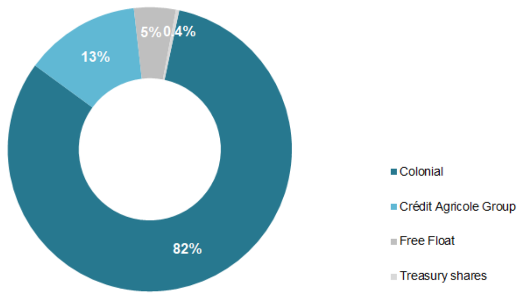
# 13. Group Structure

## The Colonial Group Structure



# Shareholder structure and Board of Directors of SFL

## SFL - Shareholder structure at 31/12/2020




### Board of Directors SFL

| Name of Director | | | Executive Committee | Nominations & Remunerations Committee | Audit & Control Committee | Independent Directors Committee |
|---|---|---|---|---|---|---|
| Juan José Brugera Clavero | Chairman | Colonial | Chairman | | | |
| Pere Viñolas Serra | Vice-Chairman - Director | Colonial | Member | Member | | |
| Carlos Fernández-Lerga Garralda | Director | Colonial | | | Chairman | |
| Carmina Ganyet Cirera | Director | Colonial | Member | | Member | |
| Angels Arderiu Ibars | Director | Colonial | | | | |
| Carlos Krohmer | Director | Colonial | | | | |
| Luis Maluquer Trepat | Director | Colonial | | | | |
| Nuria Oferill Coll | Director | Colonial | | | | |
| Ali Jassim M. J. Al-Thani | Director | | | | | |
| Jean-Jacques Duchamp | Director | Crédit Agricole Assurances | Member | | Member | |
| Najat Aasqui | Director | Crédit Agricole Assurances | | | | |
| Arielle Malard de Rothschild | Independent Director | | | Member | Member | Member |
| Anthony Wyand | Independent Director | | | Chairman | | Member |
| Alexandra Rocca | Independent Director | | | | | Member |

# 14. Glossary & Alternative Performance Measures

## Glossary

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

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

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

# Alternative performance measures

| Alternative performance measure | Method of calculation | Definition/Relevance |
|---|---|---|
| **EBIT**<br>***(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**<br><br>**(*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.<br><br>. |
| **EPRA[1] NTA**<br>**(EPRA Net Tangible Asset**) | Calculated based on the Company's capital and reserves, adjusting certain items in accordance with EPRA recommendations. | Standard analysis ratio in the real estate sector and recommended by EPRA. |
| **EPRA[1] NDV**<br>**(EPRA Net Triple Asset)** | Calculated adjusting the following items in the EPRA NTA: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax credit recognized in the balance sheet, considering a going concern assumption | Standard analysis ratio in the real estate sector recommended by EPRA |
| **Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs** | Measurement of the totality of the Group's asset portfolio carried out by independent appraisers of the Group, less transaction or transfer costs. | Standard analysis ratio in the real estate sector. |
| **Market value including transaction costs or GAV including Transfer costs** | Measurement of the totality of the Group's asset portfolio carried out by external appraisers of the Group, before deducting the transaction or transfer costs. | Standard analysis ratio in the real estate sector. |

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

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

# 12. Contact details & Disclaimer

## Contact details

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www.inmocolonial.com

Bloomberg: COL.SM
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### About Colonial

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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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