

Colonial



Colonial – Investor Day

ACCELERATING URBAN TRANSFORMATION

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01 Méndez Álvaro Urban Transformation

02 Méndez Álvaro Campus

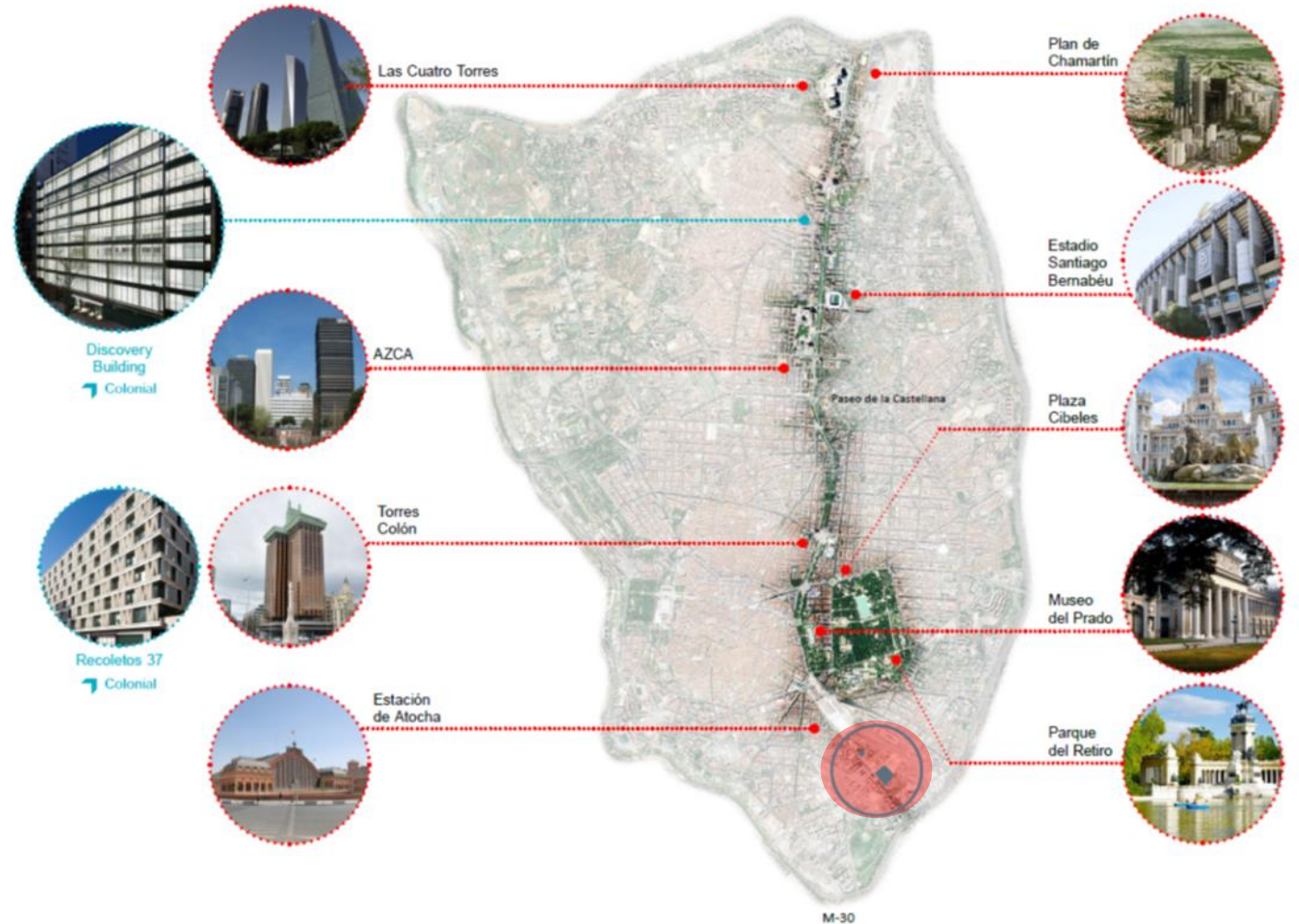
03 Méndez Álvaro Office Scheme

Colonial acquired, in 2018 Q1, 110,000 Sq m on the high growth Madrid's office market

- > Unique opportunity to transform an urban area developing a real estate complex within Madrid City Centre
- > Key investment to complete consolidation of the Castellana Axis from Atocha Station to the M-30 ring Road

Colonial's projects trigger Méndez Álvaro area renovation

- > Development of Mendez Alvaro Campus and Office complex will boost the urban renovation of the surrounding area between Atocha Station and M-30 ring road
- > These projects will revitalize everyday life in the district
- > First step for renovation achieved: Insurance company Catalana Occidente has decided to house their future Madrid HQ's in this area



Large scale projects with potential to become a global benchmark

- > Mendez Álvaro area is a big scale area with a similar size to other historical areas in Madrid
- > Colonial has the best located commercial land plots in the new developed area

Large-sized projects

- > With the development of Mendez Alvaro projects the area office stock would exceed 375,000 sq m
- > The area to be developed has more than 550m length

Potential interest since day one

- > Today several large companies are attracted by the potential of the area
- > A reference office peer within the European office market

Méndez Álvaro area



Azca Area



Mendez Álvaro area shows great potential transforming the urban pattern

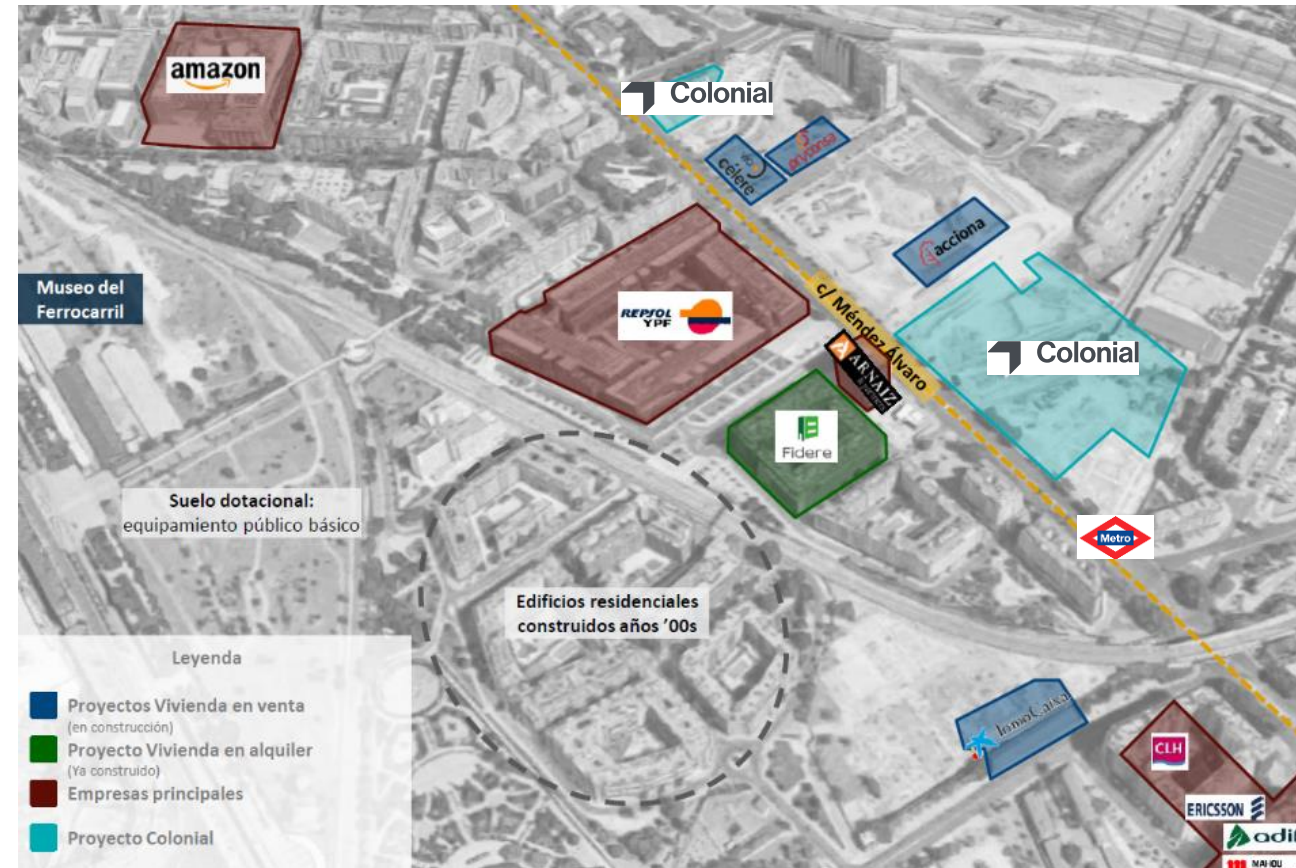
- > Growing area inside M-30 which offers a great opportunity to companies to come back to the center
- > Colonial identified the opportunity to place development in the South of Castellana

Office market with outstanding KPI's

- > Emerging market segment for international technology companies and flexible office space initiatives
- > Vacancy rate below Madrid's CBD – c.a. 2.5%
- > Expected rental growth of +20% in the next 2-3 years
- > A solid and competitive offer to CBD alternatives to corporate demands

Residential Market fuelled by robust and growing demand

- > Solid increase of residential rents, +38% since 2014, and prices at 4,200€/sq m for medium-quality product
- > Renowned Spanish housing developers building new supply next to the land plot with pre sales in excess of 90%

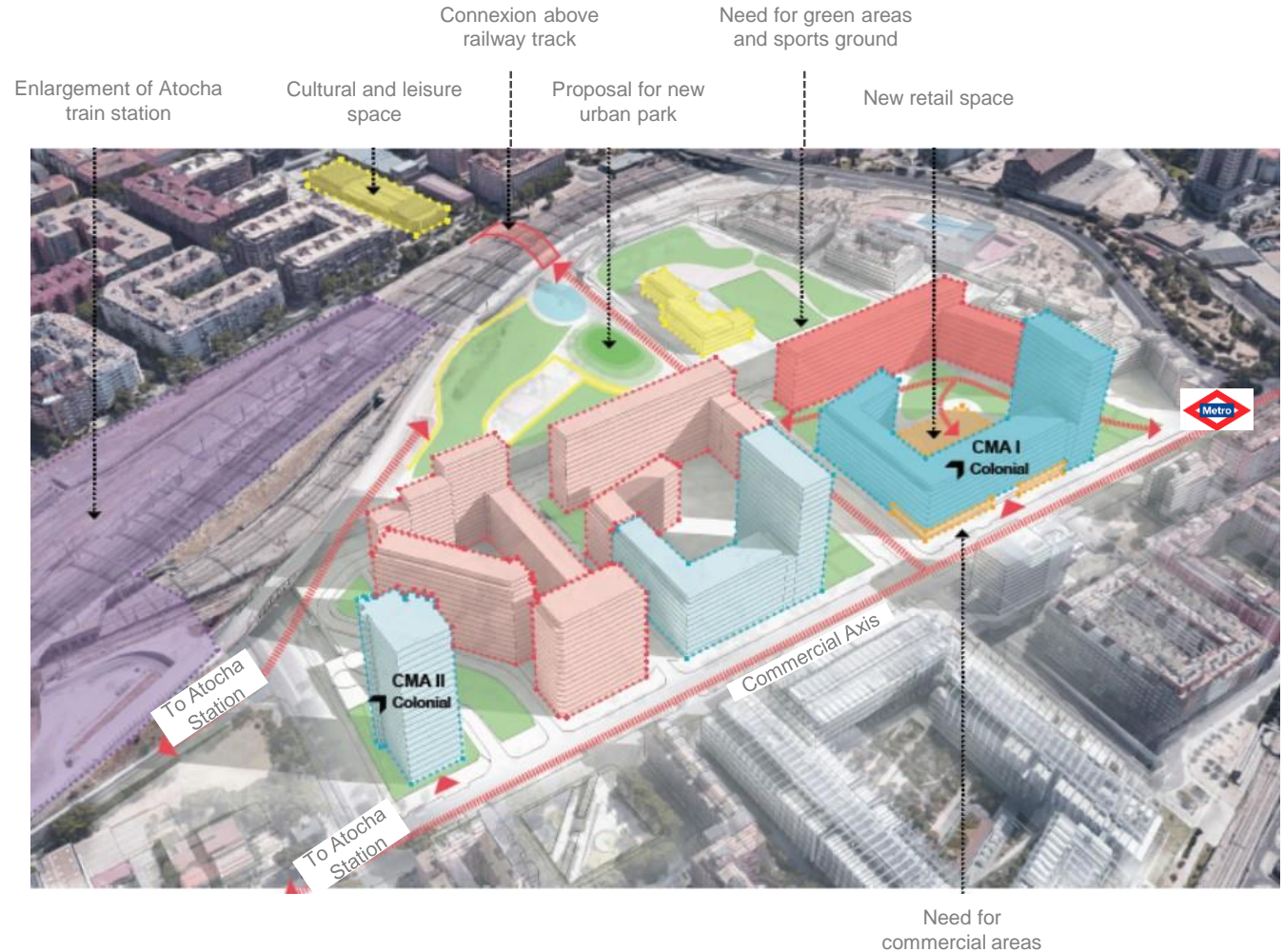


Méndez Álvaro area shows great potential transforming the urban pattern

- > Unparalleled public transport connections
- > Residential and commercial areas highly sought after in the area

Excellent location for growth

- > Public transport investment already completed
- > Metro station 1 min walking distance
- > Walking distance from Atocha station (high speed train, bus station, subway) and Mendez Alvaro Bus Station
- > Close to Retiro Park and 7 minutes drive to plaza Colón (Prime CBD)



01 Méndez Álvaro Urban Transformation

Colonial's projects will consolidate the urban transformation

Colonial investment strategy focused on the South of Castellana

- > Unique opportunity considering location, size and product design
- > Projects will transform the office submarket

Last significant land plot inside M-30

- > No opportunities like this one and not expected to be within M-30 ring road
- > +110,000 sq m investment in Mendez Álvaro area
- > Largest available commercial land plot inside M-30 ready to develop

Project Scale

- > Méndez Álvaro will be Top 10 largest asset in Madrid's CBD
- > Peer asset to most innovative commercial assets globally
- > The project will be key to the area development
- > Campus size allows to house HQs of biggest companies in Spain

Confirmed rental & value growth

- > Area has steadily recorded very attractive rental growth
- > Increased appetite from institutional investors





- 01 Méndez Álvaro Urban Transformation
- 02 **Méndez Álvaro Campus**
- 03 Méndez Álvaro Office Scheme

Mendez Álvaro campus designed as a global benchmark for commercial real estate

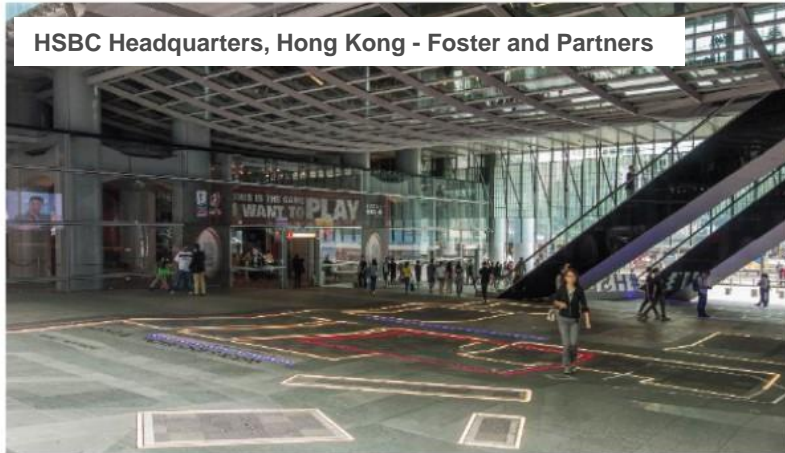
- > Colonial's product design is based on most innovative products worldwide
- > Product design based on user experience and a reference for the area



02 Méndez Álvaro Campus Designing a global benchmark

Mendez Álvaro campus designed as a global benchmark for commercial real estate

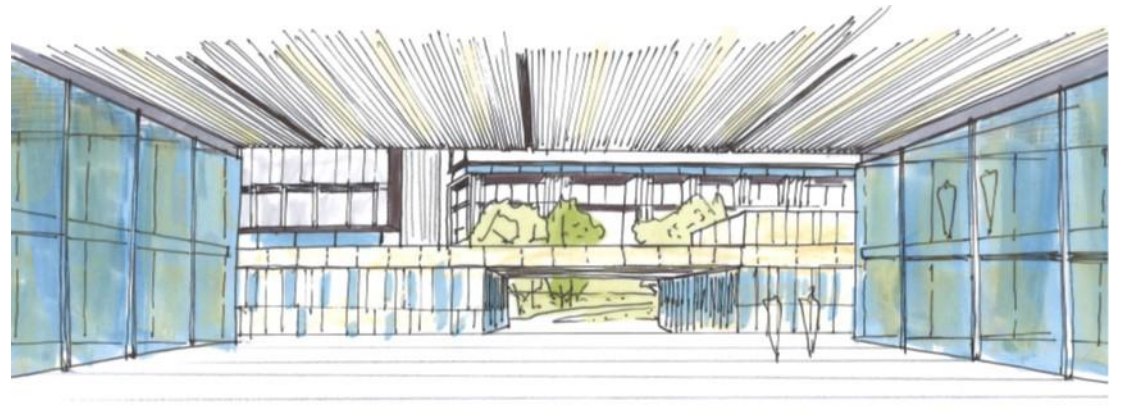
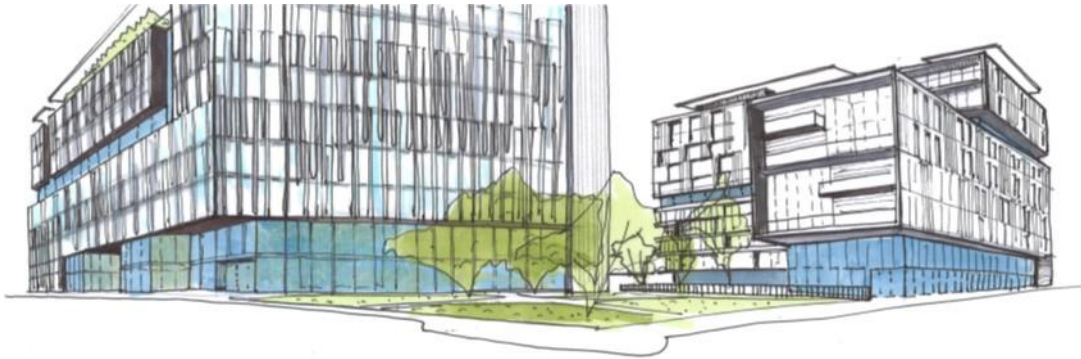
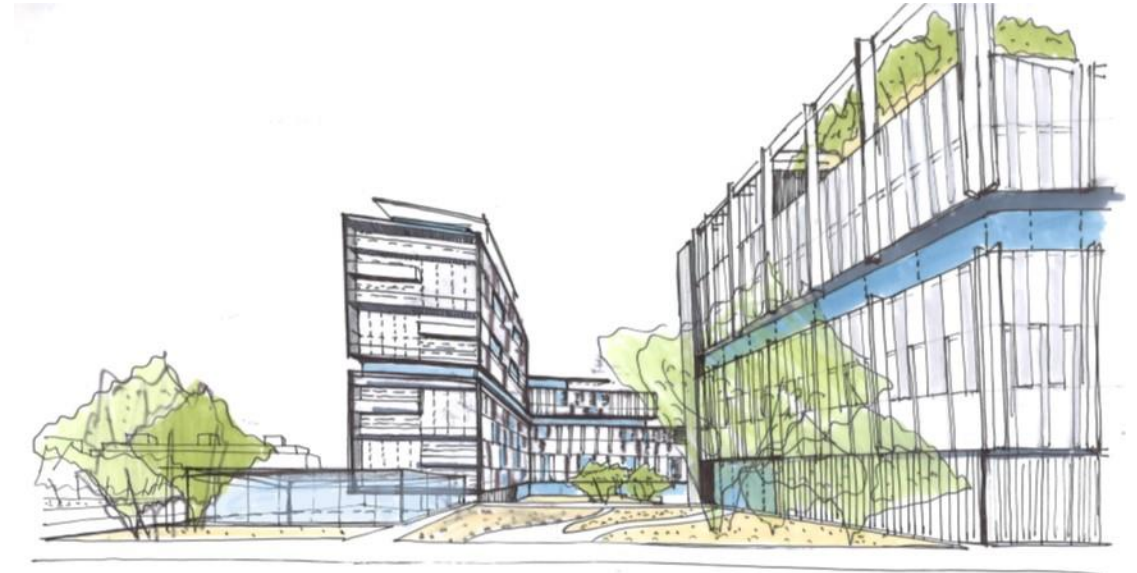
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02 Méndez Álvaro Campus
Outstanding design for new user demands

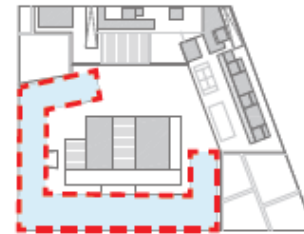
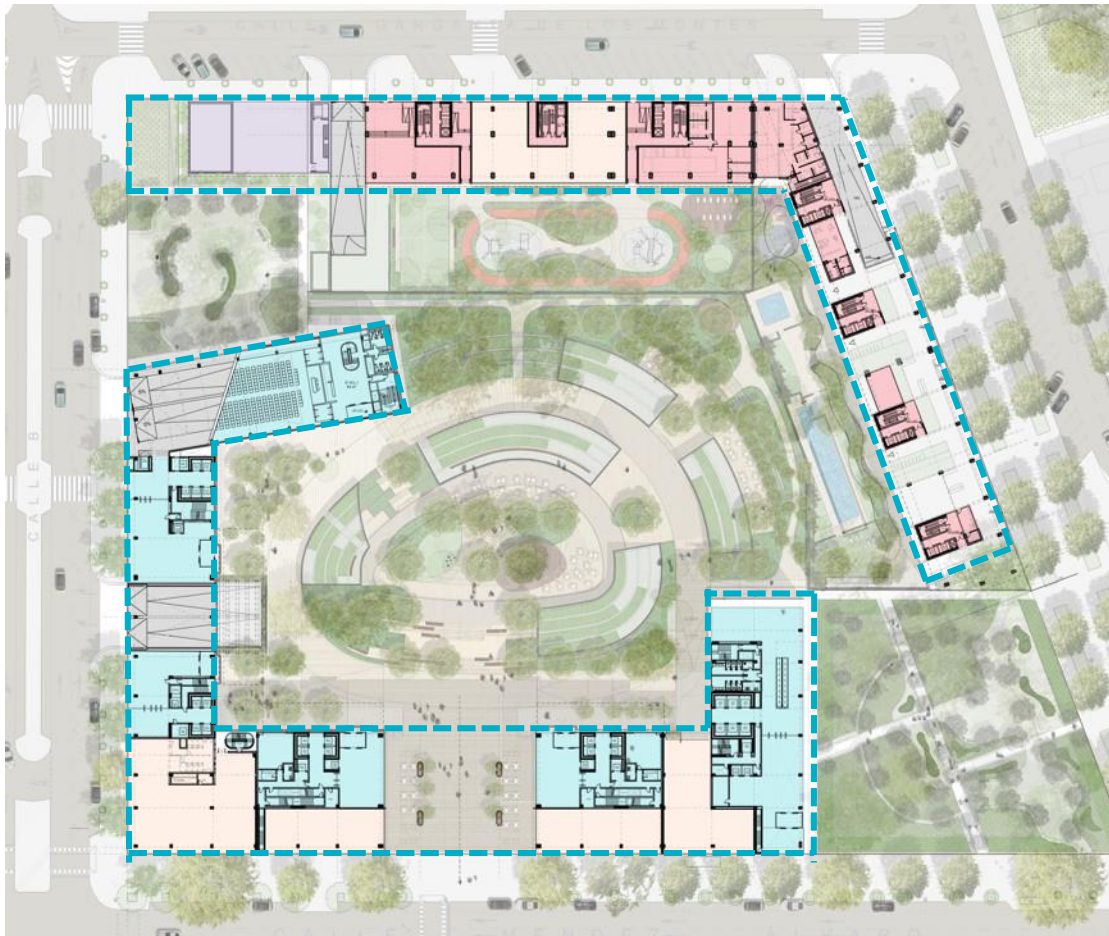
Ideal mix between office and other uses fostering user experience

- > Great upside potential through combination of uses
- > Opening common areas to the city



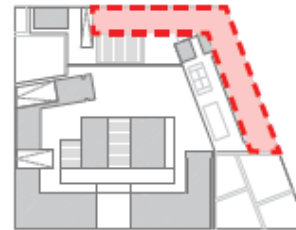
More than 89,800 sq m offering high optionality for a mix in uses

- > Top design for office space with large floor plant and maximum luminosity
- > Optionality to build a rental residential asset fostering value of the campus



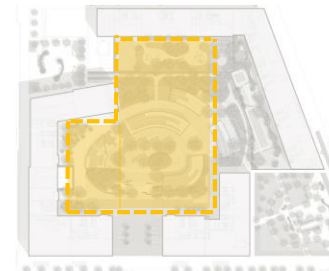
Office Building

- > Extremely efficient floor plates from 744sq m up to 4,533 sq m
- > High modularity: this office building can house different headquarters



Optional Residential Building

- > High-end residential housing to equipped with terraces and services
- > Indoors and Outdoors common areas favoring the socialization of tenants



Common Spaces

- > Green areas favoring the transition from offices to residential housing
- > Amenities in the core of the building based on leisure activities

Main office building offers outstanding lay-out for different users

- > Asset design maximizes luminosity and space optimization
- > Top materials and quality

Optimal lay-out

- > +4,000 sq m floors offering maximum efficiency for tenants
- > Design minimizing columns allowing all sort of space usage
- > Top tier façade maximizing luminosity

High modularity

- > Asset lay-out helps to divide space in multiple Headquarters

5 Headquarters

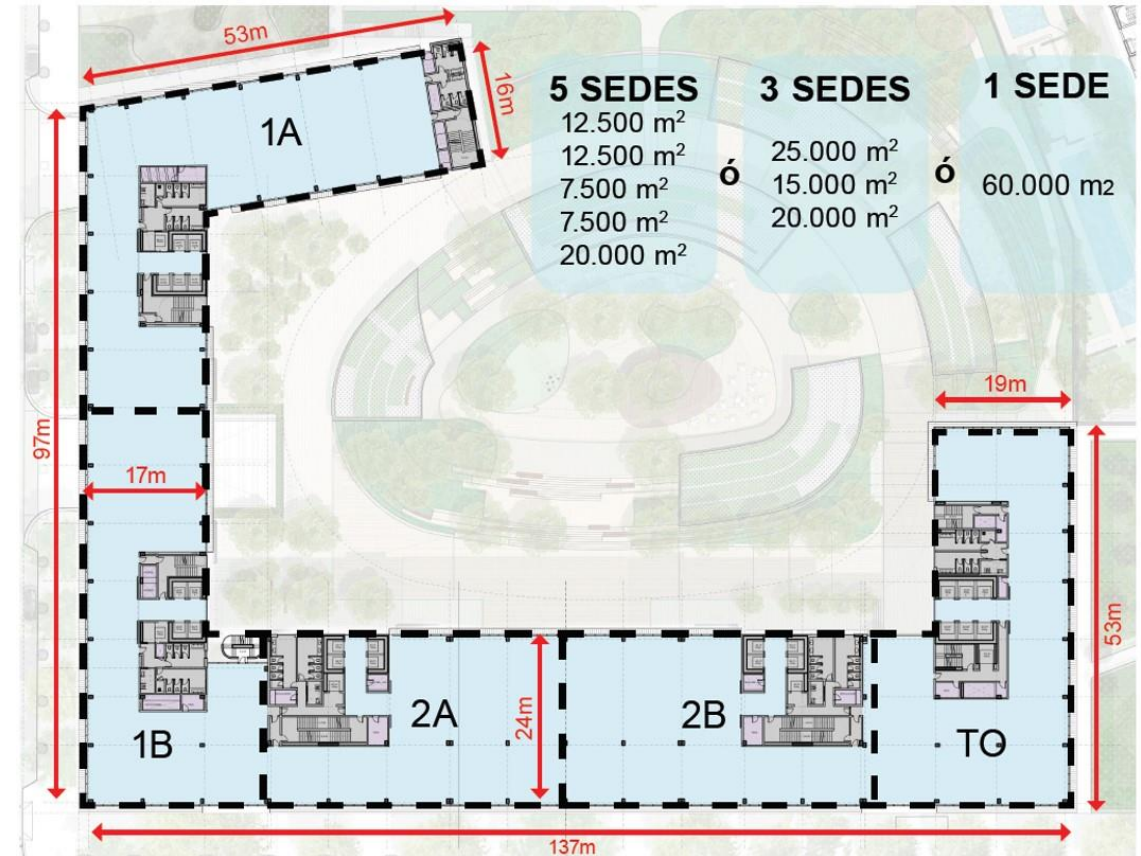
12,500 sq m
12,500 sq m
7,500 sq m
7,500 sq m
20,000 sq m

3 Headquarters

25,000 sq m
15,000 sq m
20,000 sq m

1 Headquarter

60,000 sq m





- 01 Méndez Álvaro Urban Transformation
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- 03 **Méndez Álvaro Office Scheme**

Consolidation of the market through the disposal of Mendez Álvaro office scheme

- > Once completed, Colonial has agreed to sell Méndez Álvaro Office scheme to top Spanish Insurance Company
- > This asset disposal secures future value and consolidates the area

The transaction

- > Catalana Occidente has decided to house their future Madrid HQ in Colonial's Méndez Álvaro office scheme
- > 10 months after acquisition Colonial's secures value disposing the asset, once the project is finished, with full value creation

Selective divestment securing value & consolidation of the area

- > Acceleration of urban transformation of "Castellana Sur"
- > "Forward funding" disposal, de-risking project pipeline



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