

The first and only Ibex company with 100% “green bonds”

Colonial Group successfully completes the requalification of all its outstanding bonds into “green bonds”

- All of the Group’s bondholders’ meetings have approved the requalification of its outstanding bonds into “green bonds”, which will not entail any changes to their terms and conditions, interest rates or maturities.
- The Group has reached this milestone thanks to its portfolio of environmentally sustainable investments, which has a value of more than the €4.6 billion of its outstanding bonds.
- Colonial is Europe’s leader in the GRESB (Global Real Estate Sustainability Benchmark) index, the main benchmark for ESG in the real estate sector.

Madrid, 17 February 2022. Today, Colonial and its French subsidiary Société Foncière Lyonnaise (SFL) completed the requalification of all of the Group’s outstanding bonds with an aggregated outstanding principal amount of €4.6 billion into “green bonds”, following the approval of their bondholders.

The Group has reached this milestone thanks to its portfolio of environmentally sustainable investments with a value equal to or greater than the outstanding nominal of its outstanding bonds. As a result of this transaction, Colonial becomes the first Ibex-35 company to have all its bonds qualified as “green”. Green bonds constitute an alternative to corporate financing in an environment in which the awareness of companies on sustainability issues has become more relevant than ever. This type of debt is intended to finance “green assets” that would have a positive impact on the environment. The Group’s intention is that any bonds it proposes to issue in the future will be issued under the Group’s Green Financing Framework as “green bonds” (subject to the availability of green assets at the time of any such issue).

The bondholders have approved the modification of the “Use of Proceeds” of such bonds from “General Corporate Purposes” to “the financing or refinancing of a portfolio of eligible green assets”. Crédit Agricole Corporate and Investment Bank and Freshfields Bruckhaus Deringer have advised the Colonial Group in this process. The requalification of the outstanding bonds into “green bonds” will not entail any changes to their characteristics, terms and conditions, interest rates or maturities.

“We are very satisfied with the willingness shown by the market to join us in our commitment to sustainability”, explains Carmina Ganyet, Colonial’s Corporate General Manager. According to Ganyet, the requalification of the outstanding bonds into “green” and the issuance of new bonds under this category represent “a competitive advantage and an attractive investment for the capital markets, whose interest in this type of investment is increasing”.

The Group actively manages its indebtedness and during the first nine months of 2021, Colonial refinanced more than €1 billion, optimising its average cost of financing, improving its diversified debt profile and the maturities of its borrowings. This “liability management” has enabled the Group to bring the cost of its debt

below 1.5%. At the end of September 2021, the Group had a net debt of €4,645 million, of which €2,812 million corresponded to bonds issued by Colonial and €1,290 million to bonds issued by SFL, in addition to the €500 million bonds issued by SFL in October 2021. The Group's Loan to Value at 30 September 2021 stood at around 37%.

A Leading ESG real estate company in Europe

Colonial's ESG strategy has been recognised over the last few years by the main entities in this field in Europe. Moody's recently highlighted the Group's excellent ESG policy in its latest report on Colonial, noting the high governance standards and strong environmental credentials of its high quality office buildings and upgraded the company's credit outlook from Baa2 "stable" to "positive". Currently, 93% of Colonial's office portfolio benefits from sustainability certifications, a percentage well above the sector average in Europe, and has set itself the challenge of being emissions neutral by 2050.

Moody's recognition of Colonial's ESG policy is added to Colonial's recent performance in the main ESG indices. The international organisation CDP (Carbon Disclosure Project) has awarded Colonial its highest rating ("A") for its decarbonisation policy. It should be noted that worldwide only 12 companies in the real estate sector have this rating, 5 of them in Europe. GRESB (Global Real Estate Sustainability Benchmark), the main ESG index for the real estate sector, has ranked Colonial as the leading office company in Europe, awarding it 94 out of a possible 100 points. Likewise, V.E. has placed Colonial in the top 3% of more than 4,800 companies analysed each year. In addition, Colonial has been recognised with the EPRA Sustainability Best Practices in 2021 for the sixth consecutive year.

About Colonial

The Colonial Group is a leader in the European prime office market, present in the main business areas of Barcelona, Madrid and Paris with a prime office portfolio of approximately 1.6m square meters and an asset value under management of more than €12,000 million. Colonial is a SOCIMI and forms part of the Ibex 35 share index.

About SFL

Leader in the prime segment of the Parisian commercial real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €7,300 million and is focused on the Central Business District of Paris (#cloud.paris, Edouard VII, Washington Plaza, etc.), and for the quality of its client portfolio, which is composed of prestigious companies in the consulting, media, digital, luxury, finance and insurance sectors. As France's oldest real estate company, SFL demonstrates year after year an unwavering commitment to its strategy focused on creating added value for clients and, ultimately, substantial valuation levels for its properties. SFL is listed in Euronext Paris (Compartment A) and is rated BBB+ with a "stable" outlook by S&P.



"The information included in this document should be read together with all available public information, in particular the information available on Colonial's website www.inmocolonial.com."

For further information:

Roman

93 414 23 40

Xavier Ribó – x.ribo@romanrm.com +34 669 486 003

Víctor Palacio – v.palacio@romanrm.com +34 677 782 370

Marina Huete – m.huete@romanrm.com