1H/2022

First half results January – June 2022
28 July 2022

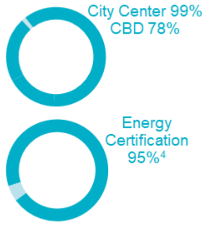
Recurring EPS growth of +27% year-on-year

Colonial closed the first half of 2022 with a Net Profit Increase of +120%

Financial Highlights	1H 2022	1H 2021	Var	LFL
Net Tangible Assets (NTA) - €/share	12.49	11.36	*+10%*	
Recurring EPS - €Cts/share	14.13	11.14	*+27%*	
Net Tangible Assets (NAV) - €m	6,742	5,774	*+17%*	
GAV Group €m	13,334	12,017	*+11%*	*+8%*
Gross Rental Income - €m	170	155	*+9%*	*+6%*
Net Rental Income - €m	153	143	*+7%*	*+6%*
Recurring Net Profit - €m	76	57	*+35%*	
Attributable Net Profit - €m	355	162	*+120%*	

Portfolio Grade A Prime

GAV 6/22 13.334€m



Operational Highlights	
EPRA Occupancy	96%
Release Spread[3]	+8%
Madrid	+9%
Paris	+8%
Barcelona	+8%
Rental Growth[4]	+5%
Paris	+6%
Madrid	+6%
Barcelona	flat

Total Shareholder Return (based on NTA)[1] of +12% year-on-year (+6% in 6 months)

- Net Tangible Assets (NTA) per share of €12.49, +10% year-on-year (+4% in 6 months)
- Net Tangible Assets (NTA) of €6,742m, +17% year-on-year (+4% in 6 months)

Gross Asset Value of the portfolio of €13,334m, +8% like-for-like year-on-year (+4% LFL in 6 months)

- Madrid portfolio with a strong increase of +9% like-for-like, year-on-year (+5% like-for-like in 6 months)
- Paris portfolio with a growth of +8% like-for-like, year-on-year (+4% like-for-like in 6 months)

Double-digit Net Profit Growth

- Net profit of €355m, +120% vs. the previous year
- Recurring Net Profit of €76m, +35% vs. the previous year
- Recurring EPS (Earnings Per Share) of €14.13cts/share, +27% vs. the previous year
- Group EBITDA of €129m, +10% vs. the previous year

Solid growth on Gross Rental Income

- Gross Rental Income of €170m, +9% vs. the previous year (+6% like-for-like)
- Net Rental Income of €153m, +7% vs. the previous year (+6% like-for-like)

Strong operating fundamentals

- More than 104,000 sqm of letting volume, +75% vs. the previous year
- Occupancy levels of 96% (~100% in Paris)
- Solid growth in signed rents and captured indexation
  - ✓ +8% of release spread[2]
  - ✓ +5% vs ERV 12/21[3]

Active management of the portfolio

- Disposal of 3 non-strategic assets for €59m with a premium of +11% over GAV
- Contract signed for €484m for the purchase of the Amundi Headquarters in Paris at very attractive terms

A strong balance sheet for future growth

- Conversion of all bonds to Green Bonds, the 1st company in the IBEX35
- LTV of 36.9% with a liquidity of €2,557m[5]
- Reduction in the Group's cost of debt, reaching 1.28%[6]
- 85% of the debt is hedged in the event of interest rate increases

(1) Total return based on NTA (Net Tangible Assets) = NTA growth + approved dividends
(2) Signed rents on renewals vs. previous rents
(3) Signed rents vs. market rents at 31/12/2021 (ERV 12/21)
(4) Portfolio in operation
(5) Cash and undrawn balances
(6) Cost of current debt including ECPs. Without considering the ECPs, the cost of debt will be of 1.39% (1.49% in December 2021)

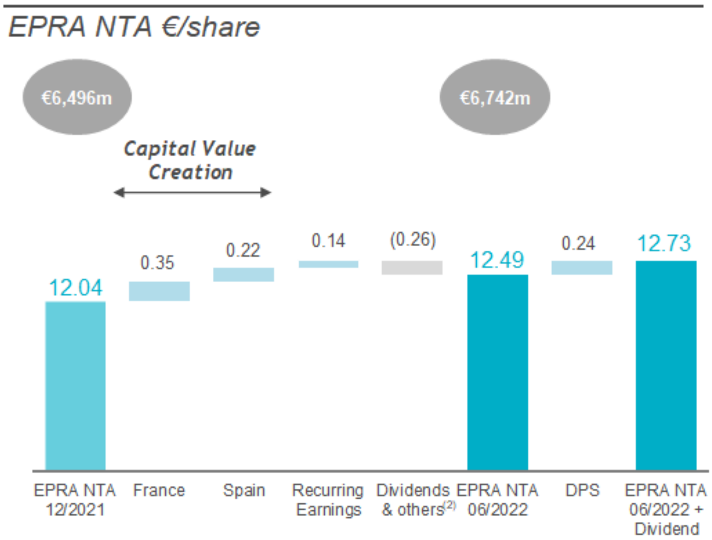
Highlights

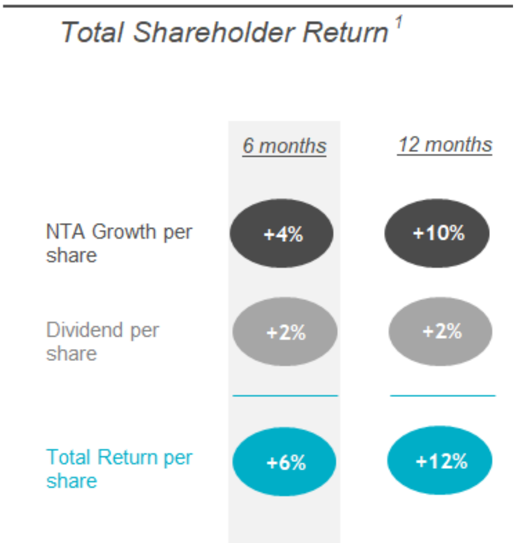
1H Results 2022

Total Shareholder Return[1] of +12% year-on-year, reaching an NTA of €12.49/share

1. Growth in Net Tangible Assets (NTA) up to €6,742m, +17% year-on-year

Colonial closed the first half of 2022 with Net Tangible Assets (NTA) of €12.49/share, corresponding to a year-on-year increase of +10% (+4% in 6 months) which, together with the dividend paid per share of €0.24/share, amounts to a Total Shareholder Return[1] of +12% (+6% in 6 months).





(1) Total shareholder return understood as NTA (NAV) growth per share + dividends
(2) Dividends paid and other impacts

In absolute terms, the net value of the assets (NTA) amounts to €6,742m, a year-on-year increase of +17%, and a value increase of more than €968m in a year (+4% in 6 months).

This significant growth in NTA has been achieved thanks to an industrial Real Estate strategy with a significant Alpha component in returns, mainly due to:

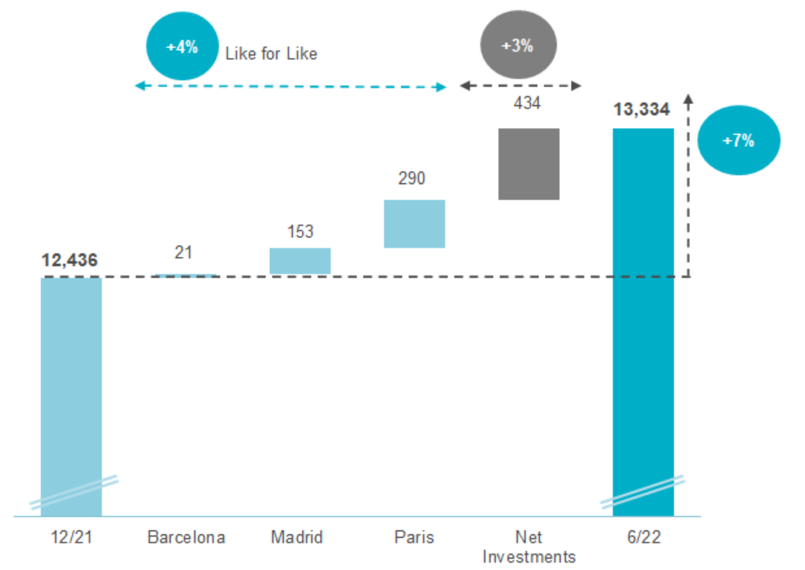
1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings.
2. Solid fundamentals of Colonial's assets with high occupancy levels and solid increases in rental prices.
3. The successful management of the project pipeline: completed and rented projects, as well as the significant amount of pre-let signings in the project pipeline and the renovation program.
4. The completion of the renovation program, substantially improving rental levels, as well as the value of the assets.

2. Increase in the value of the real estate portfolio of +8% like-for-like, year-on-year

The Gross Asset value of the Colonial Group at the close of the first half of 2022 amounted to €13,334m (€14,064m including transfer costs), showing **an increase of +11% compared to the previous year (+7% in the first half of 2022).**

In like-for-like terms, Colonial's portfolio was revalued at +8% compared to the previous year (+4% corresponding to the first half of 2022).

VARIANCE ANALYSIS VALUE 6 MONTHS - €m



GAV VARIANCE

	6 months	12 months
BARCELONA	+1%	+4%
MADRID	+5%	+9%
PARIS	+4%	+8%
TOTAL LFL	+4%	+8%
NET INVESTMENTS	+3%	+3%
TOTAL VAR	+7%	+11%

The portfolios in the three cities show solid growth, highlighting **the Madrid market**, where the assets were revalued by **+9% like-for-like vs. the previous year (+5% in 6 months). In Paris,** the assets reached **like-for-like, year-on-year growth of +8% (+4% in 6 months).**

The growth in asset value is based on (1) the solid demand of the market for prime assets in the city centre, (2) the strong fundamentals of Colonial's portfolio with an occupancy of 96% and rents signed at the high end of the market and (3) the successful generation of Alpha real estate value through the project pipeline, the renovation program and the active management of the portfolio (non-core disposals and "Alpha" acquisitions).

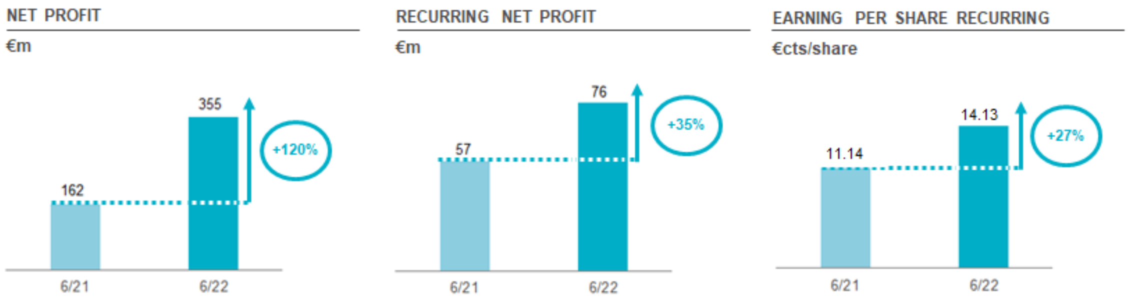
In the first half of 2022, net investments of €434m were carried out. Highlighted is the Pasteur asset in Paris. Furthermore, the sale of three non-strategic assets was carried out in Spain and France, with a sale price premium of +11% over the last valuation.

Strong growth in the net profit and the recurring profit

1. Net profit of €355m, +120% compared to the previous year

The Colonial Group closed the first half of 2022 with a strong increase in the results in all metrics:

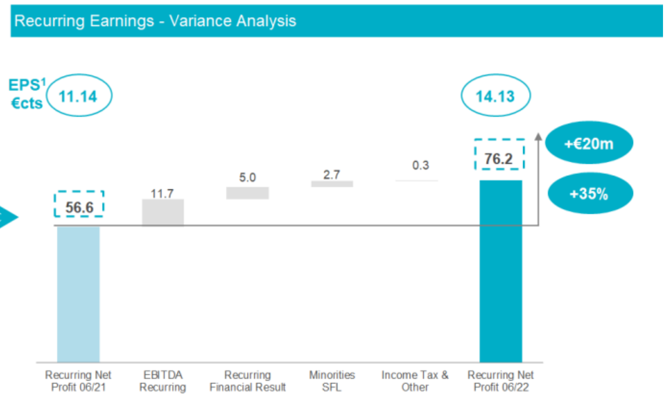
- Increase in the **net profit of €355m, +120% compared to the same period of the previous year**
- **The recurring net profit increased by +35% compared to the previous year** and stood at €76m in the first half of 2022.
- The **net recurring EPS increased +27% compared to the previous year**, reaching a level of €14.13cts per share.



The significant increase in the **recurring earnings is mainly due to**:

1. The **significant advances in the project pipeline** and the acceleration of the renovation program, substantially improving rental levels. It is important to highlight the additional income from the projects delivered in 2021: the Diagonal 525 asset (headquarters of Naturgy in the Barcelona CBD) as well as the 83 Marceau asset (headquarters of Goldman Sachs in the Paris CBD).
2. **Solid increases in rental prices of the core portfolio**, driven by **solid like-for-like growth** and the **indexation impact** captured in the contracts.
3. A **decrease in financial costs** thanks to the **Liability Management** carried out in 2020 and 2021, which has resulted in a saving in the average financial cost of the Group's debt.
4. The **successful execution of the acquisition of the 16.6%** stake in Société Foncière Lyonnaise in 2021, with very attractive terms for Colonial's shareholders.

Results analysis - €m	1H 22	1H 21
Gross Rents	170	155
Recurring EBITDA	134	122
Recurring financial result	(38)	(43)
Income tax expense & others - recurring	(7)	(7)
Minority interests - recurring	(13)	(16)
Recurring Earnings	76	57
Change in fair value of assets & provisions	315	147
Non-recurring financial result & MTM	(1)	(27)
Income tax & others - non-recurring	0	(4)
Minority interests - non-recurring	(35)	(11)
Profit attributable to the Group	355	162



(1) Recurring earnings per share

The additional increase in the Net Profit of the Group is underpinned by the capital gains from the disposals, as well as the growth in value of the Group's portfolio, thanks to its prime positioning.

2. Gross rental income of €170m, +9% vs the previous year

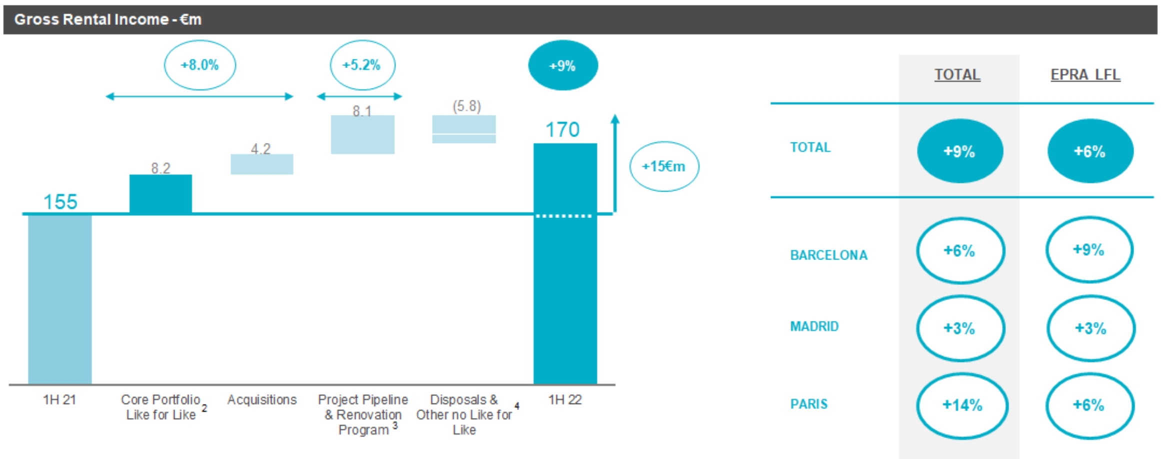
Colonial closed the first half of 2022 with **€170m of Gross Rental Income and Net Rental Income (EBITDA rents) of €153m.**

At the close of the first half of 2022, the rental income increased +9% compared to the same period of the previous year (+6% in like-for-like terms).

The growth in income is mainly due to:

1. **Income growth of +8.0%** based on **solid like-for-like rental growth** in the contract portfolio and from the **indexation effect captured in the contracts**, as well as the **acquisition of Buenos Aires 41 and Pasteur.**
2. **Income growth of +5.2%** based on the entry into operation of the **project pipeline** and the **renovation program**.

   All the contracts are indexed to CPI[1] in Spain and to ILAT in France.
3. The disposal of non-strategic assets and other non-comparable impacts have led to a year-on-year decrease of (3.7%) in the rental income.



(1) With the exception of two contracts with clients from the public administration for which, due to the regulations in Spain, do not apply CPI indexations
(2) Includes the €1.6m like-for-like asset variation from the renovation program
(3) Excludes the €1.6m like-for-like asset variation from the renovation program
(4) Impact of €2.5m due to disposals

In **like-for-like terms**, adjusting for investments, disposals and the effect of the projects and assets undergoing repositioning, the **rental income increased by +6%** compared to the same period of the previous year.

This significant like-for-like growth comes primarily from the capacity of the Colonial Group to capture rental price increases, thanks to its strong positioning in the city centre (CBD).

This increase in like-for-like rental income was obtained in all the markets in which the Colonial Group operates. The breakdown of which is as follows:

1. Increase of **+9% like-for-like in the Barcelona market,** due to higher rents on the Parc Glories asset and the new contracts signed on the Diagonal 609-615 and Diagonal 682 assets, among others.

2. **In Paris**, Gross Rental Income increased **+6% like-for-like**, mainly due to higher rents on 92 Champs Elysées and Condorcet, among others, as well as the new contracts signed on 103 Grenelle and 176 Charles de Gaulle.

3. Increase of **+3% like-for-like in Madrid**, due to the new contracts signed on the Don Ramón de la Cruz 84 and José Abascal 45 assets, as well as the rental price increases on Ribera del Loira, Egeo and José Abascal 56, compensating the tenant rotation.

3. Net Rental Income (EBITDA rents) of €153m, +6% like-for-like

Colonial closed the first half of 2022 with **a Net Rental Income (EBITDA rents) of €153m,** increasing +7% with respect to the same period of the previous year.

In like-for-like terms, the EBITDA rents increased +6%.

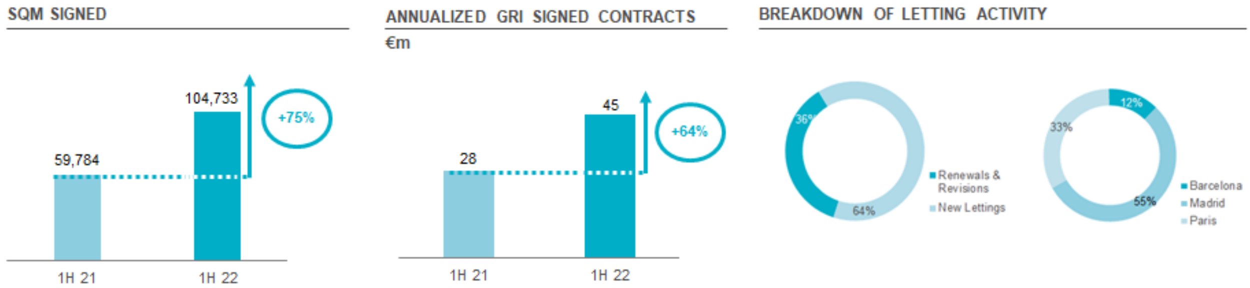
June cumulative - €m	**2022**	**2021**	*Var*	*LFL*
Rental revenues Group	170	155	*9%*	*6%*
EBITDA rents Group	**153**	**143**	***7%***	***6%***
EBITDA rents Paris	***92***	***83***	***11%***	***6%***
EBITDA rents Madrid	***39***	***39***	***1%***	***4%***
EBITDA rents Barcelona	***21***	***21***	***2%***	***8%***

Significant acceleration in the operating fundamentals

1. Increase in take-up levels compared to the previous year

At the close of the first half of 2022, the Colonial Group had signed **58 office rental contracts**, corresponding to **104,733 sqm.**

This volume of signed contracts represents an increase of +75% compared to the first half of the previous year, which was also a record year in terms of new contracts (2021 was the year with the second highest take-up volume in Colonial's history)**.**



In economic terms (sqm signed multiplied by signed rents), **contracts were signed for an annualized rent amount of €45m**, resulting in an increase of +64% compared to the take up volume in the first half of the previous year.

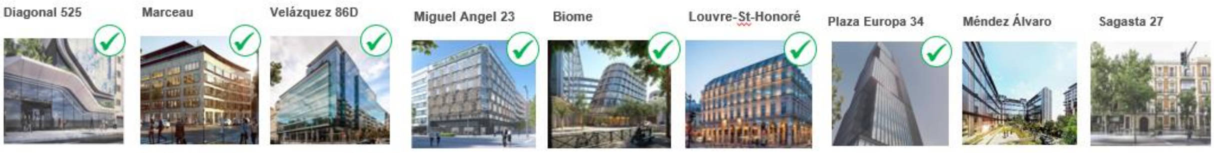
After a strong first quarter take-up of 51,661 sqm, in the second quarter of 2022, more than 53,000 sqm were also signed, half in Paris and the rest in Barcelona and Madrid.

Strong price increases	# contracts	Signed sqm			GRI €m
		1Q 2022	2Q 2022	TOTAL	
Paris	15	7,039	27,444	34,483	24€m
Barcelona	16	5,624	7,491	13,115	3€m
Madrid	27	38,998	18,137	57,135	18€m
TOTAL OFFICES	58	51,661	53,072	104,733	45€m

Of the total letting activity in cumulative terms, 64% (66,767 sqm) corresponds to new contracts signed, spread over the three markets in which the group operates. Regarding contract renewals and revisions, a total of 37,965 sqm were signed, highlighting 28,744 sqm renewed in Madrid. 67% of the take-up in the first half of 2022 corresponds to contracts signed in Barcelona and Madrid, and the rest were signed in Paris.

2. Significant progress in the commercialization of the projects

To date, 7 of the 9 assets in the Colonial Group's project pipeline already have high pre-let levels. **These agreements correspond to more than 77,000 sqm and €52m in annualized rents.**



In Paris, in the second quarter of 2022, **100% of the Biome asset was pre-let.**

Agreements were signed with **Banque Postale and SFIL Paris**, both for a period of 10 years. The level of signed rents is very high, creating the prime rent benchmark in the submarket of the 15th district in Paris with this unique building. The transaction covers the entire office space, as well as the adjacent spaces, amounting to more than 24,000 sqm.

Biome
Paris City Centre

The Colonial Group is finalizing the renovation works on the building, the delivery of which is expected to be at the end of 2022.

In Madrid, at the close of the **first half of 2022, agreements were reached on** the **Miguel Ángel 23** and **Velázquez 86D** assets **for more than 22,000 sqm.** These agreements are equivalent to **90% of the total surface of both projects.** Thus, the project pipeline for 2022 in Madrid is almost fully let.

Miguel Ángel 23
CBD Madrid

An agreement was reached on Miguel Ángel 23 to rent the entire building of more than 8,000 sqm to McKinsey. The length of the contract is 10 years, with rents at maximum market levels.

In Velázquez 86D, 16,318 sqm, 86% of the building has already been pre-let, with only one floor pending to be rented. **The building has been pre-let to top tier clients, such as Bain & Company, AON, White & Case and Sagardoy Abogados**. All the contracts were signed at **maximum rental prices**, setting the prime reference in the Madrid market.

Velázquez 86D
CBD Madrid

3. Successful commercialization and deliveries in the renovation program

In the first half of 2022, **15,565 sqm were let through the renovation program**.

In Madrid, 9,699 sqm were signed on two assets from the renovation program**.** The **Ortega y Gasset** asset was repositioned in the Madrid CBD and **4,400 sqm were let, highlighting the almost 3,000 sqm signed with a top-tier technology company**. In the first half of 2022, **5,285 sqm were signed** on the Cedro building, reaching levels close to full occupancy, added to the 6,054 sqm signed in 2021.

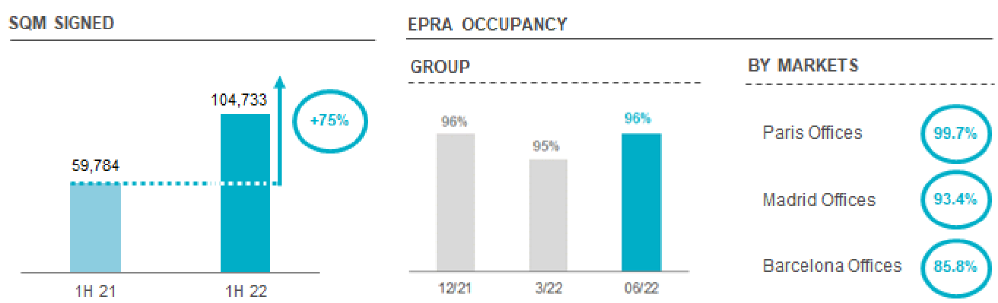
In Paris, 4,567 sqm were signed on the Grenelle and Charles de Gaulle assets. As a result, the renovation program in Paris reached pre-let levels of 31,633 sqm, representing 96% of the entire scope of action corresponding to 4 assets.

Consequently, to date, 78,126 sqm out of a total of 108,294 sqm have been rented from the rentable renovations program.

During the first half of 2022, in **Barcelona**, the Torre Marenostrum renovation project was completed. The renovation program on the Diagonal 530 building will be delivered partially pre-let in the third quarter of 2022.

4. Solid occupancy levels

The **occupancy of the Colonial Group stands at 96%.** Of special mention is the Paris market with **almost full occupancy at 99.7%.**

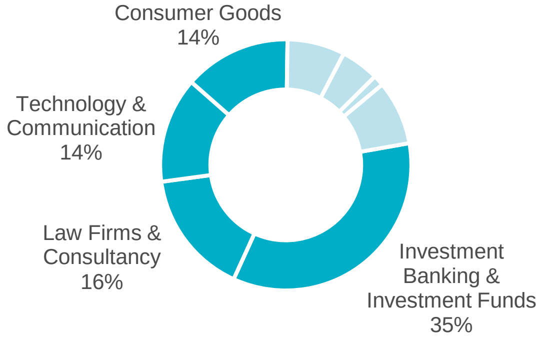


A large percentage of office vacancy corresponds to available surfaces due to the entry into operation of the renovated assets.

Worth highlighting is that in the Paris market almost full occupancy was reached thanks to the latest new contracts signed on the 103 Grenelle asset. Additionally, during the first half of 2022 the renovated surface of the Cézanne Saint Honoré asset entered into operation, with 1,325 sqm pending to be rented.

5. Attracting the best clients

The Colonial Group has signed contracts with top-tier clients during the first 6 months of 2022. This is reflected in the client mix of the take-up, in particular, from the Investment Banking and Investment Management sector, Law and Consultancy firms, the Technology and Communications sector as well as the Consumer and Luxury Goods sector.



Thanks to its prime client portfolio, Colonial's contract portfolio is well-positioned to capture the full impact of the current high indexation levels.

Almost all of the contracts have indexation clauses. In Madrid and Barcelona, all the contracts are indexed according to the consumer price index with the exception of two contracts with clients in the public administration.

In Paris, 100% of the contracts are indexed, with the ILAT index being the main benchmark, in addition to the ICC and ILC indexes, all of which are also currently at positive levels.

The Colonial Group has already applied the indexation to all the contracts to be updated in the first half of 2022. As a result, more than 50% of the contract portfolio has been updated with a substantial impact on income growth for the year in progress, as well as for the coming years, given the high CPI and ILAT levels.

6. Capturing rental prices at the high end of the market: polarization effect of the Grade A portfolio

In the first half of 2022, the Colonial Group signed contracts with rental prices at the high end of the market.

The maximum rents signed in the portfolio of the Group reached **€940/sqm/year in Paris**, as well as **€40/sqm/month in Madrid** and **€28/sqm/month in Barcelona**. With these price levels, Colonial's portfolio clearly sets the benchmark for prime assets in each of the markets in which it operates.

PARIS		MADRID		BARCELONA	
Letting volume - sqm		*Letting volume - sqm*		*Letting volume - sqm*	
Total	34,483	Total	57,135	Total	13,115
Thereof CBD & 7ieme	10,703	Thereof CBD	39,274	Thereof CBD & 22@	12,676

Rental growth: Capturing rental prices above market rents on 31 December 2021

The **Colonial Group** closed the first half of 2022 with **a growth of +5% in rental prices** compared to the market rent (ERV) as of December 2021.

In the Paris and Madrid portfolios, the prices **were signed at +6%** above the market rent as of December 2021.

Strong price increases	Maximum rent signed	Release Spread [1]			Rental growth vs ERV [2]		
		1Q 2022	2Q 2022	TOTAL	1Q 2021	2Q 2021	TOTAL
Paris	940 €/sqm/ year	+6%	+9%	+8%	+4%	+6%	+6%
Barcelona	28 €/sqm/ month	+21%	+6%	+8%	+3%	(2,5%)/ +3.3%[3]	+0.1%
Madrid	40 €/sqm/ month	+9%	+3%	+9%	+4%	+7%	+6%
TOTAL OFFICES		+9%	+6%	+8%	+4%	+6%	+5%

Release spreads[1] of +8% on renovations

The **release spreads (signed rental prices vs. previous rents) at the close of the first half** were up **+8%.**

In Madrid, the **release spread was +9%, and in Barcelona and Paris it was +8%.**

These ratios highlight the reversionary potential of the contract portfolio of Colonial with significant improvement margins on current passing rents.

(1) *Signed rents on renewals vs. previous rents*
(2) *Signed rents vs. market rents at 31/12/2021 (ERV 12/21)*
(3) *Excluding the renewal of a tenant in a building in 22@, with a market rent review, extending the maturity of the contract*

Active management of the portfolio

1. Disposals of €59m with a double-digit premium over GAV

In the first half of 2022, the Colonial Group disposed of 3 non-strategic assets (2 assets in Madrid and 1 asset in Paris) for €59m with a double-digit premium over the last valuation. In Madrid, the disposals included the Josefa Valcárcel 24 and Alcalá 506 assets and in Paris the non-core asset Le Vaisseau.

Josefa Valcárcel, 24
MADRID – 5,652sqm

Alcalá, 506
MADRID – 6,259sqm

Le Vaisseau
PARIS – 6,332sqm

Total sqm	18,243 sqm
Disposal Price	€59 m
Premium to GAV	+11%

2. Final settlement of the purchase of the Amundi headquarters in the centre of Paris - 15eme Arrond

By the end of April 2022, and earlier than expected, the Colonial Group formalized the purchase of the 91 Pasteur building of almost 40,000 sqm located in the centre of Paris (15th district), announced in February this year.

The purchase of the asset was closed at a **price of €484m, equivalent to €12,250/sqm, 26% lower than the capital value for offices in this market segment.**

The building is the global headquarters of Amundi, the leading asset manager in Europe, with a 12-year contract signed in February this year.
Considering this contract and the attractive purchase price, this transaction has an initial yield of 3.9%.

With this transaction, the Colonial Group ensures a strategic position near one of the main transportation hubs in Paris, the Montparnasse railway and metro station. This station, at the heart of the 15th district, is undergoing full renovation and offers many services for the large offices located in this area.

This asset is the 7th largest office building in the Paris market and has a floor layout of more than 2,000 sqm, with high luminosity and a very efficient distribution. The building was totally renovated in 2012 and a limited investment in capex is expected. It currently has HQE and BREEAM energy certifications.

A solid capital structure

At the close of the first half of 2022, the Colonial Group had a solid balance sheet with an LTV of 36.9%. and a liquidity of €2,557m.

84% of the Group's gross debt is made up of issues in the bond market, 100% green, with a fixed interest rate, protecting the financial position of the Company from potential interest rate hikes.

The average debt maturity is 4.6 years with a maturity of 78% of the debt as of 2025. At 30 June 2022 the spot financial cost of debt was 1.28%, lower than the financial cost at the close of 2021 – 1.39% without considering the ECPs issued –.

In addition, the liquidity of the Group at June 2022 amounted to €2,557m, considering cash and undrawn credit lines. This liquidity enables the Group to assure its financing needs in the coming years with an adjusted financial cost.

The Group's solid financial profile has enabled it to maintain its credit rating by Standard & Poor's of BBB+, the highest in the Spanish real estate sector.

Continuing with its strategy to minimize future financing costs, the Colonial Group has contracted pre-hedging instruments on the interest rate upon maturity of its bonds for the amount of €1,533m with a strike of 0.6%. The market value of these pre-hedging instruments at 30 June 2022 amounts to €216m.

In the first half of 2022, in addition to the bond conversion, the Group has carried out the following operations:

- Through its subsidiary, SFL, Colonial issued €200m in bonds, maturing in 5.5 years at an average price of 1.29%, thanks to the pre-hedging instruments contracted.
- Colonial has reached an agreement with the participating financial institutions for a credit line of €1,000m, extending the maturity to November 2026.
- SFL has contracted a new credit line of €100m maturing in March 2027.
- Colonial has contracted a new financing line for €100m and maturing in April 2027.

A solid base for the future

The Colonial Group's strategy is based on the prime positioning of its asset portfolio and the Alpha value creation for its shareholders.

This prime positioning has enabled the capturing of strong like-for-like gross rental income growth of +6%. This growth is based on (i) a letting activity of 104,000 sqm, +75% vs. the previous year, attracting the best clients, particularly in the banking and investment fund sectors, as well as the professional services sector (ii) Colonial has passed through indexation to all contracts which are subject to this, with a substantial impact on income growth.

Commercial success continues in the project pipeline and renovation programs, with the signing of a large number of contracts. Especially worth highlighting is the project pipeline where €52m out of the potential €81m has already been pre-let and will mainly enter into operation in 2022 and 2023. All of the contracts signed are long term, indexed and at maximum rental prices, improving the estimated rents by the appraiser.

In addition, the Group has continued with its policy of "flight to quality", divesting secondary assets and/or those not generating rents, to invest in assets with strong value creation potential, such as the Amundi asset in Paris.

These good results in the operative fundamentals are the base for the additional Alpha creation for Colonial's shareholders. Proof of this is the growth of +8% like-for-like, year-on-year of the value of the asset portfolio and the Total Shareholder Return (based on NTA) of +12% year-on-year.

Appendices

1. Analysis of the Profit and Loss Account

Consolidated Analytic Profit and Loss Account

The **Colonial Group** closed **the first half of 2022 with a net profit of €355m, +120% compared to the same period of the previous year**.

June cumulative - €m	2022	2021	Var.	Var. % [(1)]
Rental revenues	170	155	15	9%
Net operating expenses [(2)]	(17)	(12)	(5)	(38%)
Net Rental Income	153	143	10	7%
Other income [(4)]	0	(3)	3	109%
Overheads	(24)	(22)	(2)	(7%)
EBITDA	129	118	11	10%
Exceptional items	(5)	(3)	(2)	(56%)
Change in fair value of assets & capital gains	320	147	173	118%
Amortizations & provisions	(3)	(4)	0	7%
Financial results	(39)	(69)	31	44%
Profit before taxes & minorities	402	189	213	113%
Income tax	2	(1)	2	416%
Minority Interests	(48)	(26)	(22)	(84%)
Net profit attributable to the Group	355	162	194	120%

Results analysis - €m	2022	2021	Var.	Var. %
Recurring EBITDA	134	122	12	10%
Recurring financial result	(38)	(43)	5	12%
Income tax expense & others - recurring result	(7)	(7)	0	4%
Minority interest - recurring result	(13)	(16)	3	17%
Recurring net profit - post company-specific adjustments [(3)]	76	57	20	35%
NOSH (million) [(5)]	*539.6*	*508.1*	*32*	*6%*
EPS recurring (€cts/share)	14.13	11.14	2.98	27%

(1) Sign according to the profit impact
(2) Invoiceable costs net of invoiced costs + non invoiceable operating costs
(3) Recurring net profit = EPRA Earnings post company-specific adjustments.
(4) Reinvoiced capex & EBITDA Utopic'us Centers
(5) Average number of shares outstanding without considering treasury stock adjustments

Analysis of the Profit and Loss Account

- Colonial closed the first half of 2022 with a Gross Rental Income of **€170m, a figure +9% higher compared to the same period of the previous year**. In like-for-like terms, the rental income increased by +6%.

- Net Rental Income amounted to **€153m, a figure +7% higher than the same period of the previous year**. In comparable terms, Net Rental Income increased +6% like-for-like. This increase was driven by the increase of +8% in the Barcelona portfolio and +6% in the Paris portfolio.

- **The EBITDA of the Group amounts to €129m**, a figure **+10% higher than the same period of the previous year.**

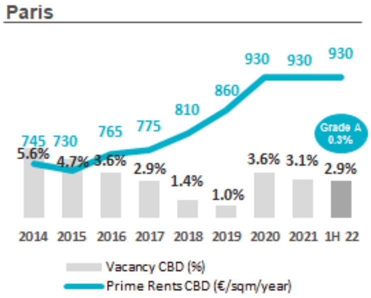
- The impact on the Profit and Loss account from the revaluation at 30 June 2022 and the capital gains from the disposals of property investments amounted to €320m. The revaluation was registered in France and in Spain, as a consequence of the increase in the appraisal value of the assets.

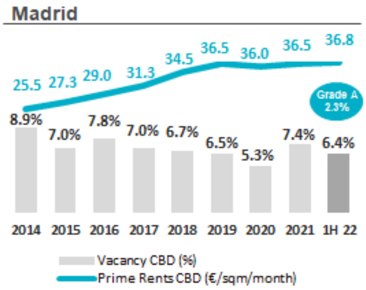
- The financial result of the Group amounted to (€39m), a +44% improvement compared to the same period of the previous year. This improvement is due to a reduction in the recurring financial results of the Group because of the active Liability Management carried out in previous quarters.

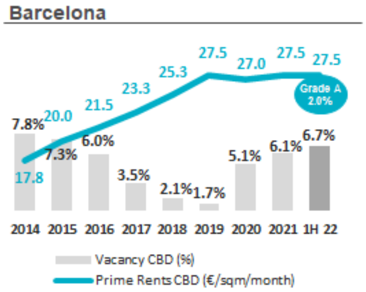
- **Profit before taxes and minority interests** at the close of the first half of 2022 **amounted to €402m, a figure +113%** higher than the results of the same period of the previous year.

- Finally, after deducting the minority Interest of (€48m), as well as corporate income tax of €2m, the **net profit attributable to the Group amounted to €355m, an increase of +120%** compared to the same period of the previous year.

Office markets







Rental markets

In the Paris office market, **take-up in the second quarter** of 2022 reached **496,800 sqm**, an **increase of +9% compared to the figure of the same period of the previous year**. Of special mention is the **CBD where demand has increased +38% compared to the previous year**. **The vacancy rate in the CBD** decreased to 2.9% and **Grade A** supply remains low, with a **vacancy rate of 0.3%. Prime rents** remained **at €930/sqm/year.**

In the office market in Madrid, 236,000 sqm were signed in the first half of 2022, up +98% compared to the same period of the previous year, continuing with the strong recovery of the office market in the last four quarters. The **total vacancy rate** of the market was **12.2%.** The **vacancy rate in the CBD stood at 6.4%** and for **Grade A** product it was **2.3%**. Of special mention is the high volume and number of letting transactions in the Madrid CBD, placing the prime **ERV** at **€36.8/sqm/month.**

Take-up in the **Barcelona office market** stood at **149,000 sqm in the first half of 2022**, up **+32% compared to the same period of the previous year**, consolidating the recovery of the market which began in the second half of 2021. The entry onto the market of new product has moved the **vacancy rate in the CBD to 6.7%.** Demand continues to be led by the technology sector. However, the consumer and educational services sectors have captured the demand for large spaces. **Prime rents** remained at a high of **€27.5/sqm/month.**

Investment market

The **investment volume** in the office market of **Paris reached €4,200m** at the close of the second quarter of 2022, +90% more compared to the same period of the previous years. 42% of the transactions were carried out in the city centre and Paris CBD by national investors, comprising 75% of the total invested**. Prime yields stood at 2.75%.**

In **Spain**, **transactions totalling €1,075m were carried out in the first half** of 2022, +26% more than the first half of 2021. **Madrid** comprised 50% of the investment, reaching **€541m**. **In Barcelona**, the investment volume reached **€414m.** The 22@ district remains the main area of interest for investors with 96% of the transactions. **Prime yields in Madrid** remained stable at **3.25% and in Barcelona prime yields stood at 3.40%.**

(1) Source: CBRE y JLLS

3. Business performance

Gross rental income and EBITDA of the portfolio

- Colonial closed the first half of 2022 with **Gross Rental Income of €170m**, **a figure +9% higher than the previous year**, mainly due to the entries into operation of the Group's pipeline projects, as well as the acceleration of the renovation program within the portfolio.

  In like-for-like terms, adjusting for disposals and variations in the project pipeline and renovation program, and other extraordinary items, **the rental income increased by +6% compared to the same period of the previous year.**

  In **France**, the rental income increased **+6% like-for-like,** mainly due to higher rents on the 92 Champs Elysées, Condorcet and #Cloud assets, as well as the new contracts signed on the 103 Grenelle, 176 Charles de Gaulle, Edouard VII and Washington Plaza assets, among others**.**

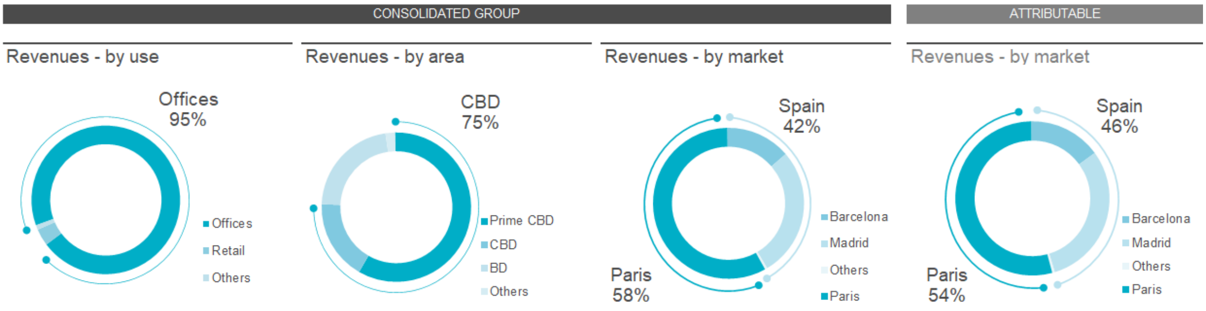
  In Spain, the rental income increased by +5% like-for-like.
  In **Barcelona**, they increased by **+9% like-for-like**, due to higher rents on Parc Glories, and the new contracts signed on Diagonal 609-615, Diagonal 682, Dau Retail and Torre BCN, among others.
  The increase in income of **+3% like-for-like in Madrid** was mainly due to the new contracts signed on Don Ramón de la Cruz 84 and José Abascal 45, as well as the new contracts and rental price increases on Ribera del Loira, Egeo and José Abascal 56, among others, compensating for the tenant rotation.

  The like-for-like variance in rental income by market is shown below:

	Barcelona	Madrid	Paris	TOTAL
Rental revenues 2021R	22	46	86	155
EPRA Like-for-Like [1]	2	1	5	8
Projects & refurbishments	(1)	1	4	5
Acquisitions & Disposals	0	(1)	3	2
Indemnities & others	(0)	(0)	0	(0)
Rental revenues 2022R	24	48	98	170
Total variance (%)	*6%*	*3%*	*14%*	*9%*
Like-for-like variance (%)	9%	3%	6%	6%

*(1) **EPRA like-for-like:** Like-for-like calculated following EPRA recommendations.*

- **Rental income breakdown:** Most of the Group's rental income, 95%, comes from the office portfolio. Likewise, the Group maintains its high exposure to CBD markets, with 75% of the income.
  In consolidated terms, **58% of the rental income (€98m), came from the subsidiary in Paris** and 42% was generated by properties in Spain. In **attributable terms, 54% of the rents were generated in Paris** and the rest in Spain.



- **At the close of the first half of 2022, EBITDA rents reached €153m, an increase of +6% in like-for-like terms,** underpinned by an increase in the Barcelona portfolio of +8% and +6% in the Paris portfolio.

Property portfolio

June cumulative - €m	2022	2021	Var. %	EPRA Like-for-like [1]	
				€m	%
Rental revenues - Barcelona	24	22	6%	1.8	9%
Rental revenues - Madrid	48	46	3%	1.4	3%
Rental revenues - Paris	98	86	14%	5.0	6%
Rental revenues Group	**170**	**155**	**9%**	**8.2**	**6%**
EBITDA rents Barcelona	21	21	2%	1.4	8%
EBITDA rents Madrid	39	39	1%	1.6	4%
EBITDA rents Paris	92	83	11%	4.4	6%
EBITDA rents Group	**153**	**143**	**7%**	**7.4**	**6%**
EBITDA rents/Rental revenues - Barcelona	*89%*	*93%*	*(3.9 pp)*		
EBITDA rents/Rental revenues - Madrid	*82%*	*84%*	*(1.8 pp)*		
EBITDA rents/Rental revenues - Paris	*94%*	*97%*	*(2.2 pp)*		

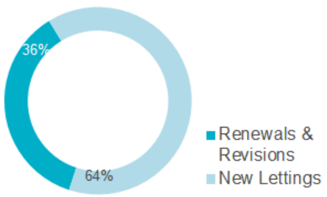
Pp: Percentage points
(1) ***EPRA like-for-like:*** *Like-for-like calculated according to EPRA recommendations*
(*) *The EBITDA/Rental revenues ratio has been adjusted, deferring the non-computable taxes to the first half of 2022*

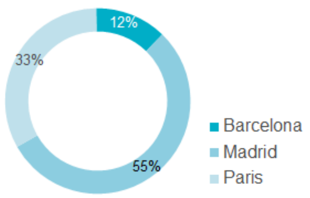
Portfolio letting performance

- **Signed leases - Offices:** At the close of the first half of 2022, the Colonial Group formalized leases for a **total of 104,733 sqm of offices**. 67% (70,250 sqm) corresponded to contracts signed in Barcelona and Madrid and the rest (34,483 sqm) were signed in Paris.

  Renewals: Out of the total office letting activity, 36% (37,965 sqm) are lease renewals, highlighting the 28,744 sqm renewed in Madrid**.**

  New lettings: New leases relating to 66,767 sqm were signed, spread across the three markets in which the Company operates.





Letting Performance - Offices

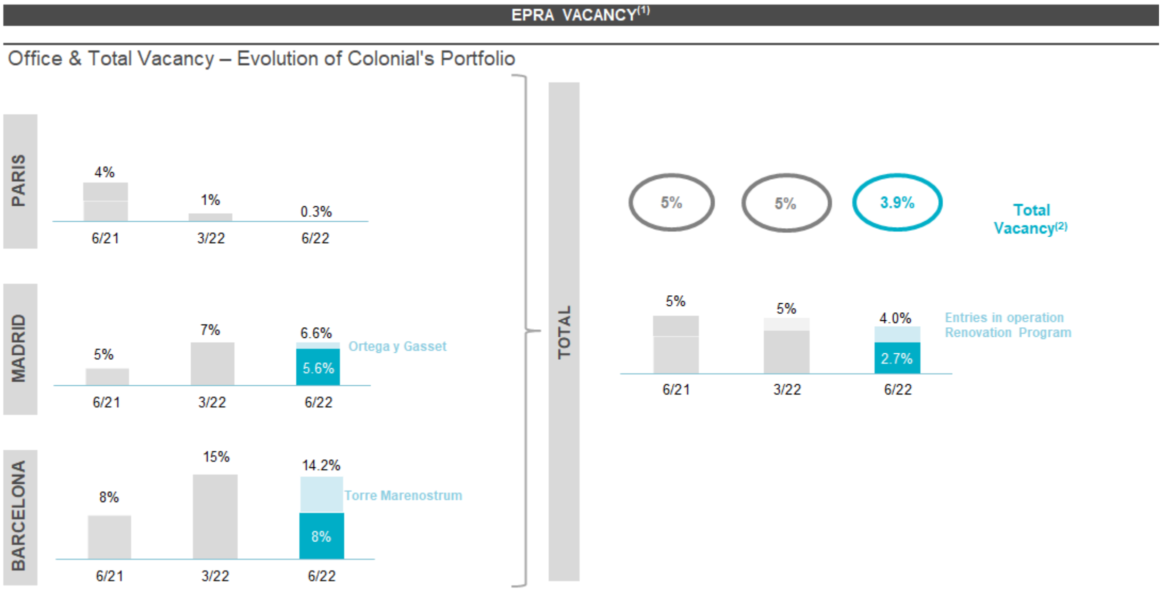
June cumulative - sq m	2022	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	6,067	3	*8%*
Renewals & revisions - Madrid	28,744	3	*9%*
Renewals & revisions - Paris	3,155	6	*8%*
Total renewals & revisions	**37,965**	**4**	***8%***
New lettings Barcelona	7,048	4	
New lettings Madrid	28,391	6	
New lettings Paris	31,328	9	
New lettings	**66,767**	**7**	**na**
Total commercial effort	**104,733**	**6**	**na**

The new rents stood at +8% above previous rental prices: **Madrid +9% and Barcelona and Paris +8%.**

Colonial's total letting activity is spread across the three markets in which the Company operates. In Spain, 70,250 sqm were signed during the first half of 2022, corresponding to 43 contracts, and in Paris 34,483 sqm were signed, corresponding to 15 contracts.

Stability in the portfolio occupancy

- **The total vacancy of the Colonial Group,** at the close of the first half of 2022**, stood at 4%, a vacancy rate below the first half of the previous year and the last quarter reported.** This is mainly due to the improvement in the Paris office portfolio, which has compensated for the entry into operation of the renovated assets in Spain.
  Excluding the entry into operation of the renovated assets, the total vacancy rate of the Colonial Group would be 2.7%.



(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*

The office portfolio in Paris is almost at full occupancy, a rate registering a strong recovery thanks to the new contracts signed on the renovated surface of the 103 Grenelle asset. In addition, in the first half of 2022, the renovated surface of the Cézanne Saint Honoré asset entered into operation, leaving 1,325 sqm pending to be rented.

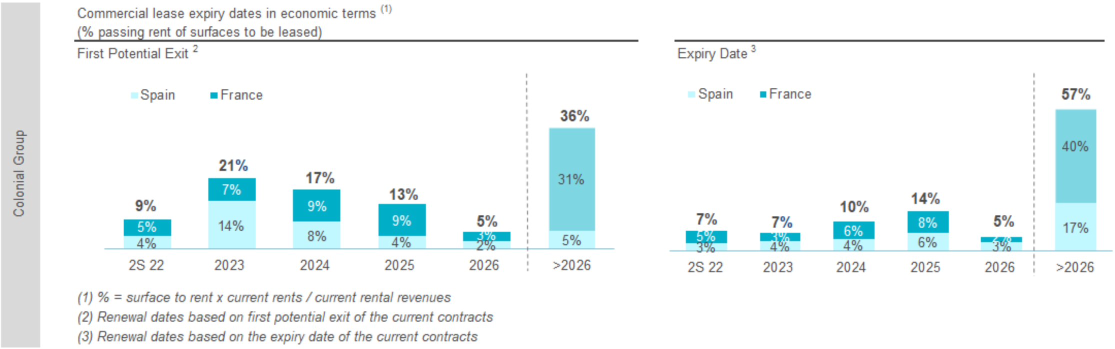
The office portfolio in Madrid has a vacancy rate of 6.6%, in line with the rate reported in the last quarter, and which has increased compared to the first half of the previous year, due to the entries into operation from the renovation program.

The Barcelona office portfolio has a vacancy rate of 14.2%, in line with the rate reported in the last quarter, and higher than the rate reported in the first half of the previous year, mainly due to the entry into operation of the Torre Marenostrum asset and the tenant rotation in the Sant Cugat and Illacuna assets.

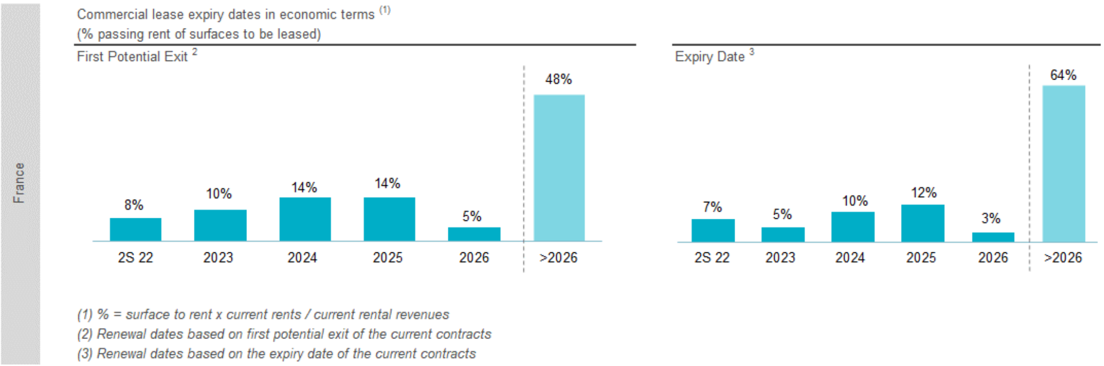
Commercial lease expiry and reversionary potential

- **<u>Commercial lease expiry</u>:** The following graphs show the contractual rent roll for the coming years.

The **first graph** shows the commercial lease expiry dates for the Colonial Group's entire portfolio. If the tenants choose to end the contract at the first possible date in the year 2022 (break option or end of contract), it will correspond to 9% of the contract portfolio. If the tenants remain until the contract expires in 2022, the figure is reduced to 7%.

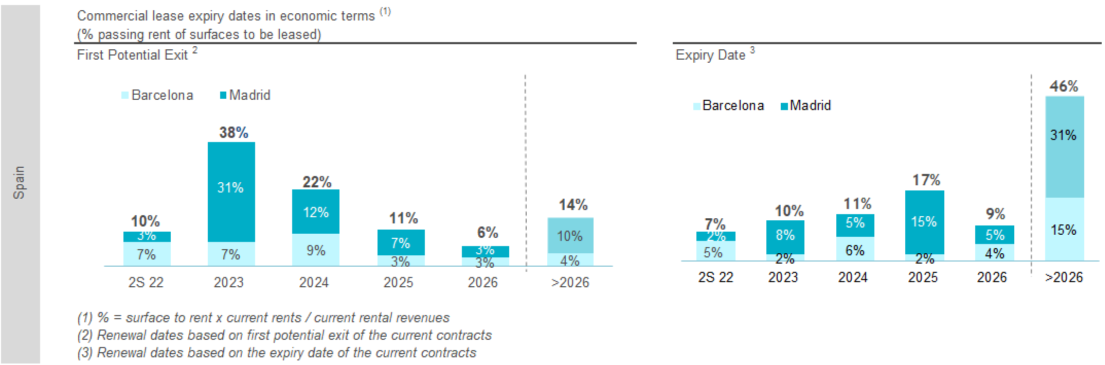


The **second graph** shows the commercial lease expiry dates of the assets **in France** if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires. In France, the contract structure is over the long term.



The **third graph** shows the commercial lease expiry dates of the assets **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.

It is worth mentioning that the contract structure in Spain is over a shorter term than the contract structure in France.

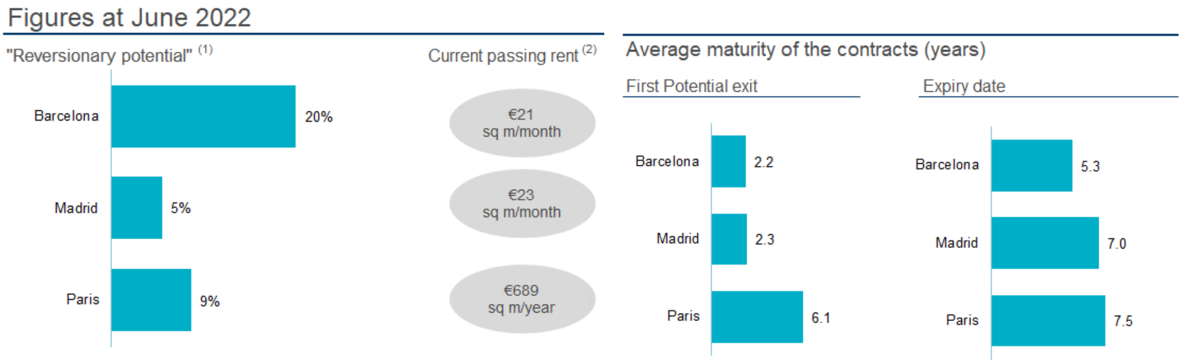


- **Reversionary Potential of the rental portfolio**

The Colonial Group's contract portfolio has significant reversionary potential. This reversionary potential is the result of comparing the rental income of the current contracts (contracts with current occupancy and current rents) with the rental income that would result from letting the total surface at the market prices estimated by independent appraisers as at the close of the first half of 2022 (not including the potential rents from the projects and significant renovations underway).

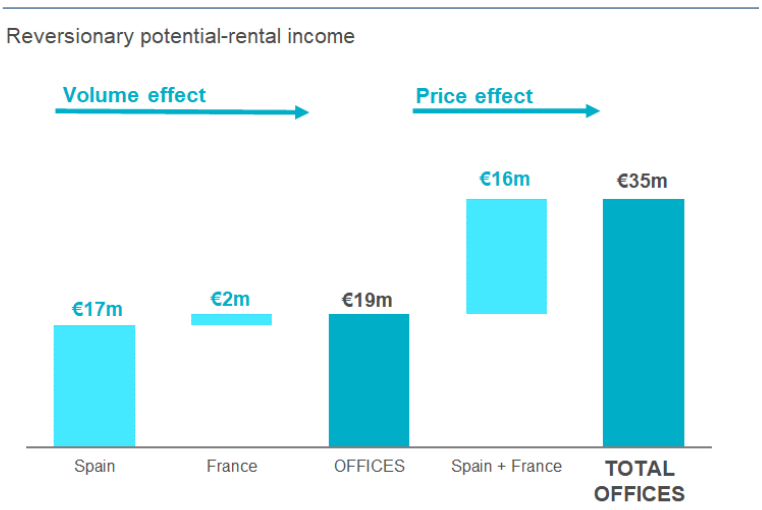
The static reversionary potential of the rental revenues of the office portfolio stood at:

> +20% in Barcelona
> +5% in Madrid
> +9% in Paris



(1) Reversionary potential excluding the impacts of the renovation program
(2) Current office rent of occupied surfaces

Specifically, the static reversionary potential of the current portfolio **would result in approximately €35m of additional annual rental income**.



4. Project pipeline

Project pipeline and renovation program

Project pipeline

The Colonial Group has a **project pipeline of 189,401 sqm spread across nine assets**. The **commercialization is almost complete** for the projects that will be delivered in the **short term, and significant progress and agreements have been made for those which will be delivered from 2023**.

In Paris, the **Biome building** of 24,500 sqm has been fully pre-let to the Banque Postale and SFIL Paris. The transaction covers the entire space of offices, as well as the adjacent areas (restaurant, facilities, conference centre, etc.). Two contracts for a term of 10 years have been signed at rental prices above market rents.
The Colonial Group is finalizing the renovation works on the building, the delivery of which is expected to be at the end of 2022.

In **Miguel Ángel 23,** one of the first Net Zero buildings in the CDB in Madrid, an agreement was reached **to rent the entire building of 8,204 sqm to McKinsey**. The contract term is for 10 years, with a rent higher than the market rent.

In **Velázquez 86D**, **14,020 sqm of the total 16,318 sqm have already been pre-let.** This prime building **has been selected by top-tier clients to house their headquarters, including Bain & Company, AON, White & Case and Sagardoy Abogados.** The contracts have been signed at the high end of the market, positioning the building as one of the office assets with the highest rent in Madrid.

	Project	City	% Group	Delivery	GLA (sqm)	Total [1] Cost €m	Yield on Cost
1	Diagonal 525	Barcelona CBD	100%	Delivered	5.706	41	≈ 5%
2	83 Marceau	Paris CBD	98%	Delivered	9.600	154	≈ 6%
3	Velazquez 86D	Madrid CBD	100%	3Q 22	16.318	116	> 6%
4	Miguel Angel 23	Madrid CBD	100%	3Q 22	8.204	66	> 5%
5	Biome	Paris City Center	98%	2H 22	24.500	283	≈ 5%
6	Sagasta 27	Madrid CBD	100%	2H 22	4.896	23	6%
7	Plaza Europa 34	Barcelona	50%	1H 23	14.306	42	≈ 7%
8	Mendez Alvaro Campus	Madrid CBD South	100%	1H 24	89.871	323	7- 8%
9	Louvre SaintHonoré (Prime Commercial)	Paris CBD	98%	2024	16.000	215	7- 8%
	CURRENT PIPELINE				189.401	1.264	6- 7%

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

Plaza Europa 34 is generating high interest in the market, **and talks are already underway to rent 50% of the asset.**

In addition, the Diagonal 525 project in the Barcelona CBD (new Headquarters of Naturgy) and the **83 Marceau project in the Paris CBD** (headquarters of Goldman Sachs) were delivered in 2021. Both assets are **100% let at maximum market rents.**

Finally, **Louvre Saint Honoré** of **16,000 sqm in the Paris Prime CBD** is totally pre-let to the Cartier Foundation. The works are progressing as planned for delivery in 2024.

Renovation program

The **renovation program has 108,294 sqm distributed over 9 assets**, of which 8 projects, with a total surface area of 90,434 sqm entered or will enter into operation in the coming months.

In the first half of 2022, 15,565 sqm were signed, already reaching a total of more than 78,000 sqm let.

In **Paris, 4,567 sqm were signed on the Grenelle and Charles de Gaulle assets**. As a result, the renovation program in Paris has reached 31,633 sqm pre-let, representing 96% of the entire scope of action.

	Asset	City	Delivery	Pre-let	GLA (sqm)
1	103 Grenelle	Paris 7ème	✓	100%	5,631
2	Charles de Gaulle	Paris Neuilly	✓	100%	6,742
3	Washington Plaza	Paris CBD	✓	100%	10,611
4	Cezanne SH	Paris CBD	✓	90%	9,951
5	Cedro	Madrid North	✓	79%	14,437
6	Ortega & Gasset 100	Madrid CBD	✓	57%	7,792
7	Torre Marenostrum	Barcelona 22@	✓	34% (1st phase)	22,394
8	Diagonal 530	Barcelona CBD	Q3 2022	40%	12,876
9	Parc Glories II	Barcelona 22@	2024	Project analysis	17,860
TOTAL RENOVATION PROGRAM					108,294

In this respect, the **Grenelle**, **Washington Plaza** and **Charles de Gaulle assets are 100% let** at maximum market rents.

The **Cézanne Saint Honoré building entered into operation in the second quarter of 2022** and is 90% pre-let to Wendel Investissement, Lacourte Raquin Tatar and Lincoln International, with mandatory contracts of between 9 and 12 years. **The signed rents are at the high end of the Paris prime market.**

In Madrid, 9,699 sqm were signed on two assets from the renovation program. On the **Ortega y Gasset asset,** contracts were closed for **more than 4,400 sqm** with top-tier companies such as an important technology company. In addition, **5,285 sqm were signed on the Cedro** building with Digi and Arval (subsidiary of BNP Paribas), bringing the asset close to full occupancy.

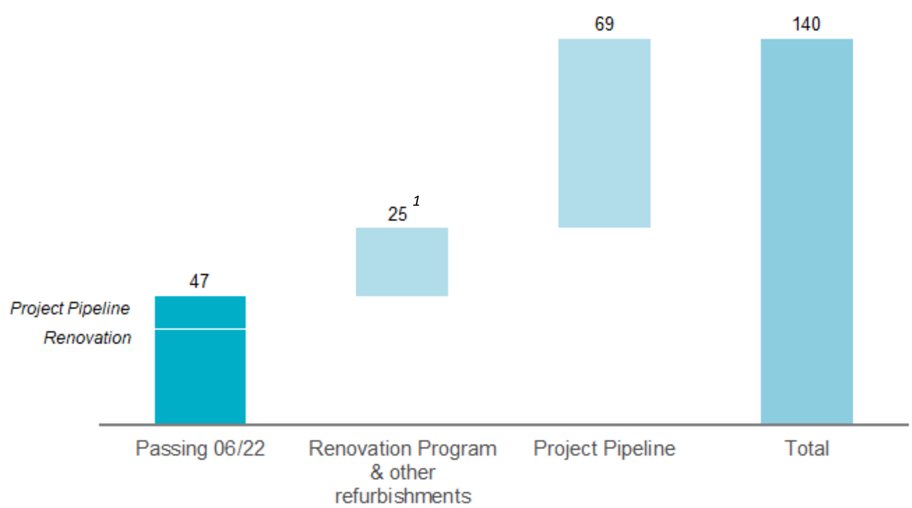
In **Barcelona**, the **Diagonal 530 and Torre Marenostrum** projects are in full commercialization phases with high market interest for both. Diagonal 530 is expected to be delivered in the coming months.

Potential of the project pipeline and the renovation program

The project pipeline, as well as the renovation program and other refurbishments, provide potential additional annual rents of €140m.

The entry of the renovation program and other refurbishments onto the market has the potential for €25m in additional rents in the short-term.

Additional rental income from projects and significant refurbishments - €m



1) *Does not include €8m of additional GRI reversion due to rental Price and volume (occupancy) of the GLA entered into operating corresponding to the renovation program.*

5. ESG Strategy

The Colonial Group continues to consolidate its leadership in sustainability, a fundamental element of its corporate strategy, achieving the best ratings in ESG.

In recent years, continuous improvement has been made in GRESB, achieving the best rating of the listed office companies in Western Europe, with a rating of 94/100.

Likewise, in CDP, an A rating has been achieved. This evidences the Group's clear commitment to the decarbonisation of the real estate sector.

As proof of this strong commitment, the year 2030 has been established as the objective to reach carbon neutrality of the portfolio, through a decarbonisation plan approved by Science Based Targets (SBTi) and aligned with the target to limit the rise in the Earth's temperature to below 1.5ºC.

This constant leadership and the strategy to generate a sustainable return have led to the Colonial Group's inclusion in "The List of Europe's Climate Leaders" created by the Financial Times, in 2022, and for the first time. This list comprises 400 leading companies, of which only 24 are Spanish, with Colonial being the only Spanish-listed real estate company. Colonial is also one of the 24 European Real Estate companies and the only offices real estate company.

Company	Country	Reduction of core emissions intensity (Scope 1 and 2) YoY 2015-20 [1]	Core emissions intensity (GHGs in tonnes per €mn revenue) [2]	Core emissions in tonnes (CO2 equivalent) [2]	Total reduction of core emissions 2015-20 [3]	Scope 3 emissions reported? [4]	CDP rating [5]	
Property								
SEGRO	UK	39.5%	7.2	3,489	86.0%	yes	B	Targets set, 1.5°C
Klépierre	France	30.5%	16.0	20,883	83.6%	yes	A	Targets set, 1.5°C
Altarea Cogedim	France	29.6%	0.6	1,742	56.5%	yes	-	-
Landsec	UK	27.4%	24.3	11,273	77.0%	yes	A	Targets set, 1.5°C
Castellum	Sweden	27.0%	7.2	4,275	62.4%	yes	A-	Targets set, 1.5°C
Wihlborgs Fastigheter	Sweden	25.4%	10.1	3,079	63.6%	yes	B	Targets set, 1.5°C
Unibail-Rodamco-Westfield	France	24.2%	24.0	45,603	71.9%	yes	A	Targets set, 1.5°C
Citycon	Finland	22.7%	67.4	19,905	72.4%	yes	B	Targets set, 1.5°C
Inmobiliaria Colonial	Spain	22.0%	14.5	4,926	57.4%	yes	A	Committed
Hibernia REIT	Ireland	21.8%	38.3	2,599	-6.2%	yes	A-	-

6. Digital Strategy & Coworking

Coworking and Flexible Spaces

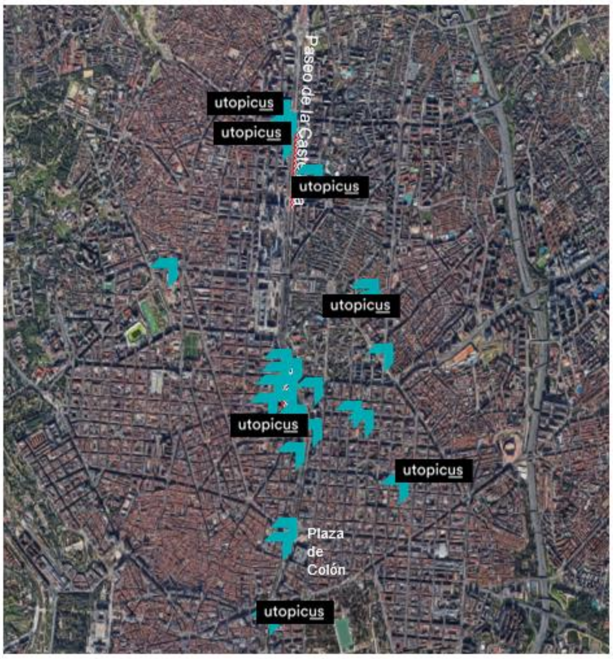
The Colonial Group, through Utopicus, offers its clients flexible spaces and value-added services to improve the experience of its users in the office spaces of the Group.

A value-added service for Colonial's clients is the ability to offer the flex spaces provided by Utopicus as part of Colonial's portfolio, enabling them to combine traditional office spaces with new services and more flexible solutions.

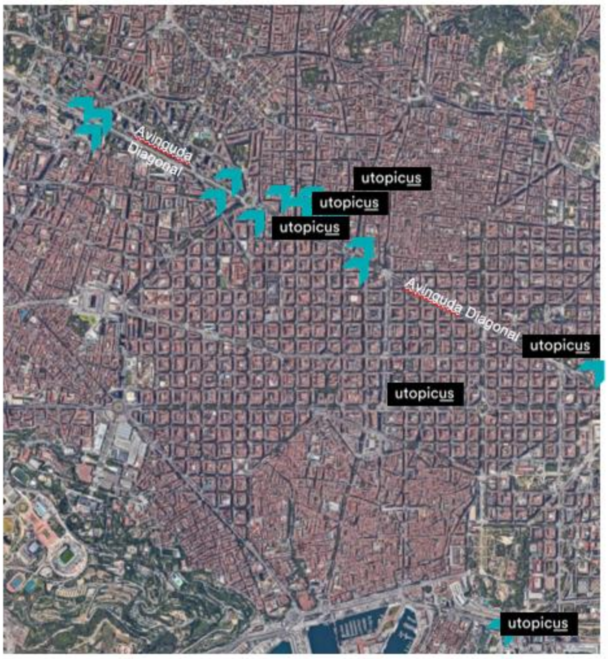
In this respect, **strong demand is being seen from corporate clients for flex spaces under their own corporate identity**. In addition, there is a lot of interest in hybrid assets which provide both possibilities, Flex and traditional, such as Diagonal 530 and Torre Marenostrum.

At the close of the first half of 2022, Utopicus had 13 centres in operation, corresponding to 38,111 sqm of surface area, following the recent opening in March 2022 of a new centre in the city centre of Barcelona, located in Diagonal 530 (1,299 sqm). The asset also houses the headquarters of the Colonial Group in Barcelona.

MADRID



BARCELONA



As of 30 June 2022, occupancy in the coworking centres in **Barcelona was consolidated at high levels, at around 80%, and Madrid improved by 800 bps** compared to the close of the previous year, with **occupancy in mature centres close to 70%.**

Given the success of the hybrid flex-traditional concept and the high demand by clients for this value proposition, **the Colonial Group has decided to accelerate the expansion of the Flex business in its portfolio, as a complement to the rental of traditional offices.** In particular, following the recent openings of Paseo de Habana in Madrid in 2021 (5,791 sqm), and Diagonal 530 in Barcelona in 2022 (1,299 sqm), the Group will open two additional new centres, one located at D. Ramón de la Cruz 84 (2,105 sqm), in Madrid, and the other in Llacuna 56 (2,300 sqm) in Barcelona. In addition, the centre at Diagonal 530 will be expanded (by an additional 1,299 sqm). These new centres are expected to enter into operation in the fourth quarter of 2022 and the first quarter of 2023.

Therefore, the openings of Utopicus in 2022 and the first quarter of 2023 will total 7,003 sqm.

7. Portfolio valuation

- The Gross Asset Value of the Colonial Group at the close of the first half of 2022 amounted to €13,334m (€14,064m including transfer costs), showing an increase of +11%, year-on-year (+7% in the first half of 2022). In like-for-like terms, Colonial's portfolio was revalued by +8% compared to the previous year (+4% corresponding to the first half of 2022).

- The assets in Spain and France have been appraised by CB Richard Ellis and Cushman & Wakefield. 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 – the 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)	30-Jun-22	31-Dec-21	30-Jun-21	Jun 22 vs Dec 21		Jun 22 vs Jun 21	
				Total	LfL (1)	Total	LfL (1)
Barcelona	1,427	1,423	1,373	0%	0%	4%	2%
Madrid (2)	2,557	2,538	2,549	1%	2%	0%	3%
París	7,281	6,633	6,378	10%	3%	14%	6%
Portfolio in operation (3)	**11,266**	**10,594**	**10,300**	**6%**	**2%**	**9%**	**5%**
Projects	**2,069**	**1,843**	**1,717**	**12%**	**12%**	**20%**	**24%**
Colonial group	**13,334**	**12,436**	**12,017**	**7%**	**4%**	**11%**	**8%**
Spain	4,978	4,830	4,694	3%	4%	6%	7%
France	8,357	7,606	7,323	10%	4%	14%	8%

Gross Asset Values - Including transfer costs

Colonial group	**14,064**	**13,091**	**12,655**	**7%**	**4%**	**11%**	**8%**
Spain	5,122	4,953	4,816	3%	4%	6%	7%
France	8,942	8,138	7,838	10%	4%	14%	8%

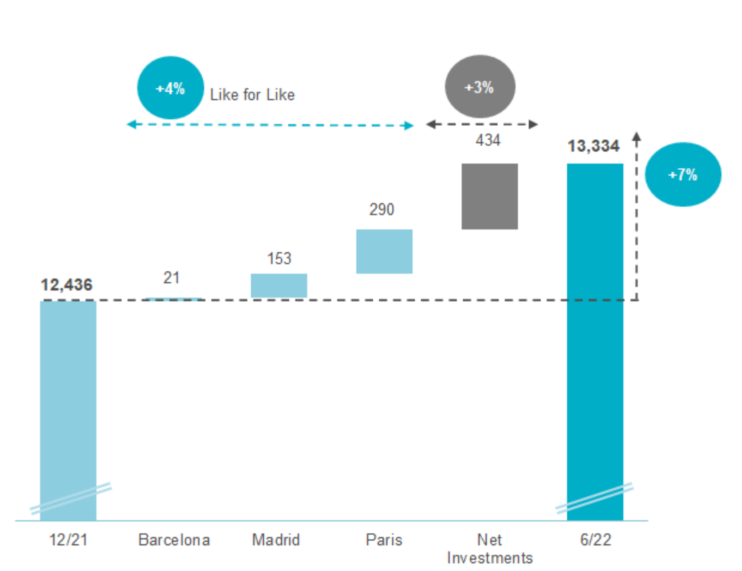
(1) Portfolio in comparable terms
(2) Includes other assets corresponding to retail non core in Spain
(3) Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects

Value variance analysis

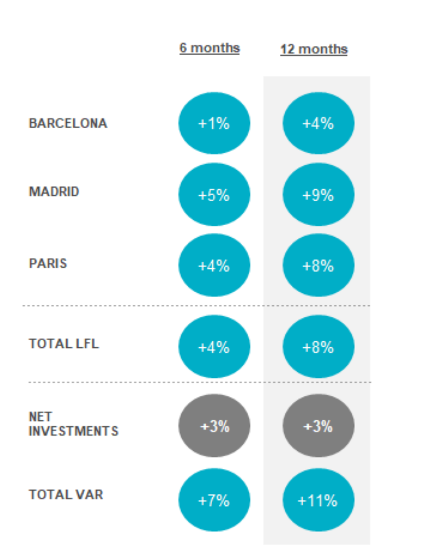
- At the close of the first half of 2022, the Colonial Group's asset value amounted to €13,344m (€14,064m including transfer costs) showing an increase of +11% compared to the previous year (+7% in the first half of 2022).

- In like-for-like terms, **Colonial's portfolio was revalued by +8% compared to the previous year (+4% corresponding to the first half of 2022)**. This increase in value is as a result of the robustness and strong positioning of the asset portfolio in the city centre and CBD, together with the successful management of the project pipeline.

VARIANCE ANALYSIS VALUE 6 MONTHS - €m



GAV VARIANCE



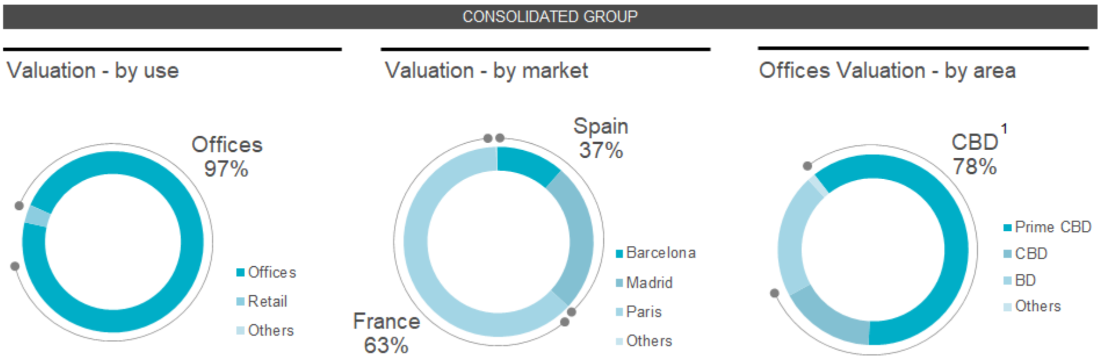
- By sub-segments, **the office portfolio in Spain increased +7% like-for-like, year-on-year (+4% in 6 months)**. Of special mention is the increase in value of the Madrid portfolio, where the assets were revalued by +9% like-for-like versus the previous year (+5% in 6 months). In Barcelona, the assets increased by +4% like-for-like versus the previous year (+1% in 6 months).

- In Paris, the assets reached a like-for-like, year-on-year growth of +8% (+4% in 6 months).

- In general terms, the increase in value of Colonial's asset portfolio is due to the following factors:

  1) The high concentration in Prime CBD locations with strong fundamentals, enabling higher protection in downward cycles and a better growth profile in upward cycles.
  2) The high quality of the buildings, attracting clients with maximum solvency and high loyalty indices.
  3) A successful diversification strategy that optimizes the risk profile of the portfolio.
  4) An industrial approach on value creation through the repositioning of assets, creating Alpha real estate value that enables the creation of a competitive advantage in the market and consequently a higher-than-average return.

- 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@ market segment 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	1,427	238,381	5,986	4.23%	Gross Yields
Madrid	2,537	358,259	7,080	4.06%	
Paris	6,538	324,092	20,172	3.01%	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-strategic premises.
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 86D, Cedro and Luca de Tena 7 projects, as well as the surface area of non-strategic premises.
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

8. Financial structure

Colonial continues to maintain 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, and a Baa2 rating with a positive outlook by Moody's.

In the first half of 2022, the Group carried out the following operations:

- In February 2022, Colonial and SFL converted all of the Group's bonds into Green Bonds, for a total amount of €4,602m. The reclassification of the current bonds to Green Bonds is a competitive advantage and an attractive investment for the capital markets, which has a growing interest in this type of investment. Both Colonial and SFL are committed to ensuring that all future issuances are made under the Green Bond Framework, subject to the availability of Eligible Assets. With this transaction, Colonial has become the first Spanish issuer with 100% of its bonds classified as green.

- In February 2022, Colonial reached an agreement with the participating financial institutions for a credit line of €1,000m, extending the maturity to November 2026, with the option to further extend it up to November 2027.

- Also in February 2022, the investee company Inmocol Torre Europa signed an unsecured loan for €20m, maturing in February 2027. This loan is sustainable as it is linked to compliance with the KPIs defined in the Green Bond Framework of the Colonial Group.

- In March 2022, SFL contracted a new credit line of €100m, maturing in March 2027. At 30 June 2022 it was fully available.

- Colonial signed a new corporate loan in the amount of €100m, maturing in April 2027. In addition, this loan is sustainable as its margin is linked to the rating Colonial obtains from the agency GRESB.

- In April and June 2022, SFL formalized two Taps[1] on its bonds, maturing in 2028 and 2027, respectively, amounting to €99m each.

At the close of the first half of 2022, the Colonial Group maintained a liquidity of €2,557m, between available cash and undrawn credit lines.

(1) Reopening existing bond issues to increase the value

The table below shows the main debt figures of the Group at 30 June 2022:

Colonial Group (€m)	Jun-22	Dec-21	Var.
Gross financial debt	**5,696**	4,935	*15,4%*
Net financial debt	**5,228**	4,716	*10,9%*
Total liquidity [(1)]	**2,557**	2,359	*8,4%*
% debt fixed or hedged	**85%**	95%	*(11%)*
Average maturity of the debt (years)[(2)]	**4.6**	5.2	*(0.6)*
Cost of currente Debt [(3)]	**1.28%**	1.40%	*(12 pb)*
GAV Group	**14,163**	13,189	*7,4%*
LtV Group (including transfer costs)	**36.9%**	35.8%	*116 pb*
Mortage Debt	**1.3%**	1.5%	*(0,2%)*

(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 1,39% (1.49% December 2021)

Moody's | S&P Global Ratings

Baa2 Positive | BBB+ Stable
BBB+ Stable

Colonial *SFL*

The net financial debt of the Group at the close of the first half of 2022 stood at €5,228m, the breakdown of which is as follows:

	June 2022			December 2021			Var	
€m	Colonial	SFL	TOTAL	Colonial	SFL	TOTAL	TOTAL	Average Maturity [(3)]
Non-mortatge debt	120	150	270	0	0	0	270	3.3
Mortatge debt	76	0	76	76	0	76	-	1.5
Bonds Colonial	2,812	1,988	4,800	2,812	1,790	4,602	198	5.0
Issuances notes	50	500	550	140	117	257	293	0.1
Gross debt	**3,058**	**2,638**	**5,696**	**3,028**	**1,907**	**4,935**	**761**	4.6
Cash	(307)	(160)	(467)	(104)	(115)	(219)	(248)	
Net Debt	**2,751**	**2,477**	**5,228**	**2,924**	**1,792**	**4,716**	**513**	
Total liquidity [(1)]	1,307	1,250	**2,557**	1,104	1,255	**2,359**	**198**	
Cost of debt - Spot (%)	1.55%	0.97%	**1.28%** [(2)]	1.50%	1.23%	**1.40%**	**(12 p.b.)**	

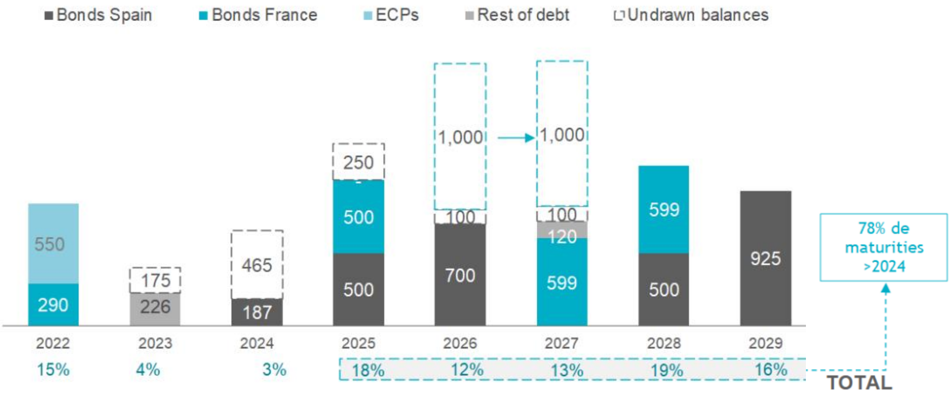
(1) Cash & Undrawn balances

(2) Average maturity calculated based on available balances

(3) Average Maturity calculated based on the available debt

At 30 June 2022, 84% of the Group’s debt was comprised of bond issues on the securities market and the rest was formalized with financial entities and ECPs (only 1.3% have a mortgage guarantee). 78% of the debt matures as of 2025.

Debt maturity in years (€m)



	2022	2023	2024	2025	2026	2027	2028	2029	TOTAL
Colonial	50	76	187	500	700	120	500	925	3,058
SFL	790	150	-	500	-	599	599	-	2,638
TOTAL	840	226	187	1,000	700	719	1,099	925	5,696

Financial results

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

September cumulative - €m	COL	SFL	H1 2022	H1 2021	Var. %
Recurring financial expenses - Spain	*(27)*	*-*	*(27)*	*(31)*	*13%*
Recurring financial expenses - France	*-*	*(16)*	*(16)*	*(18)*	*13%*
Recurring Financial Expenses	**(27)**	**(16)**	**(43)**	**(50)**	**13%**
Capitalized interest expenses	3	2	5	7	(24%)
Recurring Financial Result	**(24)**	**(14)**	**(38)**	**(43)**	**11%**
Non-recurring financial expenses	(1)	(0)	(1)	(27)	(95%)
Financial Result	**(25)**	**(14)**	**(39)**	**(70)**	**44%**

- The recurring financial expenses of the Group decreased by 11% compared to the same period of the previous year, due to a lower financing cost, which benefitted from the Liability Management operations carried out in 2021 by Colonial and SFL, and a greater volume of ECPs issued.

- The spot financial cost of debt was 1.28%, 12 bps below the financial cost at the close of 2021. Including formalization costs, accrued over the life of the debt, the financial cost amounted to 1.43%. Without considering the ECP program, the spot financial cost amounts to 1.39% (1.54% including the financing costs).

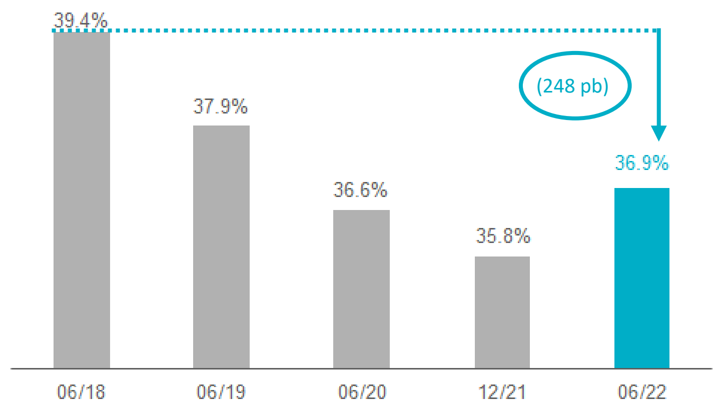
Main debt ratios and liquidity

The undrawn balances of the Group at 30 June 2022 amounted to €2,557m. This liquidity enables the Group to guarantee its financing needs in the coming years.

The breakdown of balances is shown in the following graph:

Cash & undrawn balances (€M)	Colonial	SFL	Group
Current accounts	307	160	467
Credit lines available	1,000	1,090	2,090
Total	**1,307**	**1,250**	**2,557**

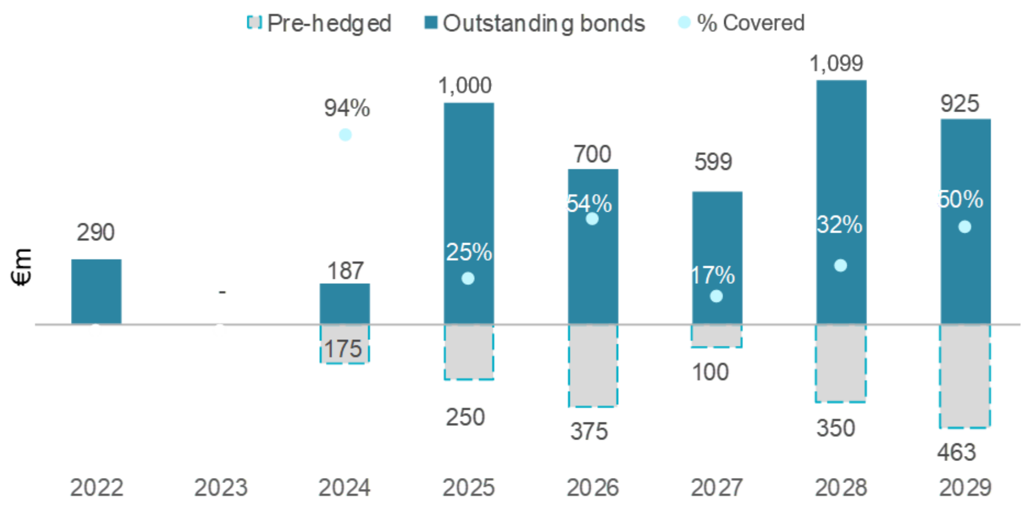
The Loan to Value (LTV) of the Group, calculated as the ratio of total net debt among the total GAV of the Group, amounted to 36.9%. The evolution of the LTV is shown in the following graph:



Derivative financial instruments

The Group has contracted pre-hedging instruments adjusted to the debt maturities, covering the interest rates of future debt issuances. These instruments were contracted before the close of 2021, benefiting from the situation of low-interest rates, prior to the increase seen over the last few weeks. The cumulative value of the Group for these types of instruments amounts to €1,533m. All of these comply with that provided in the hedging accounting standards.

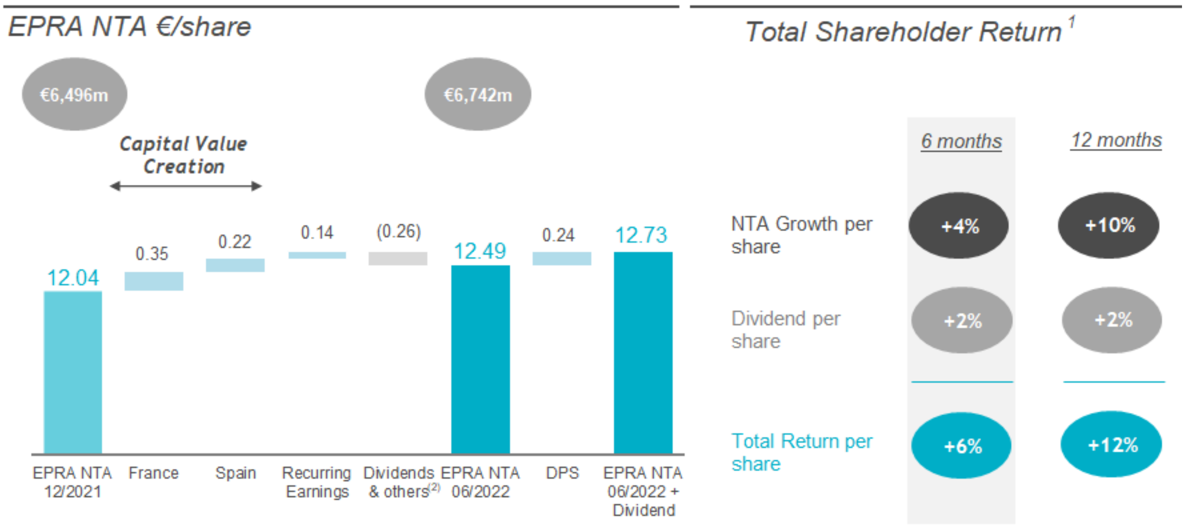
The percentage of pre-hedging instruments is 32%, with a strike of 0.64%, and an average maturity of 8.6 years from the date of execution. The reasonable value of the derivative instruments amounted to €216m at the close of the first half of 2022.



9. Net Tangible Assets & Analyst consensus

EPRA Net Tangible Assets (NTA)

Colonial closed the first half of 2022 with a Net Tangible Assets (NTA) value of €12.49/share. This represents a year-on-year increase of +10% (+4% in 6 months) which, together with the dividend paid of €0.24/share resulted in a total shareholder return of +12% (+6% in 6 months).



(1) Total shareholder return understood as NTA (NAV) growth per share + dividends
(2) Dividends paid and other impacts

In absolute terms, the net value of the assets amounts to €6,742m, an annual increase of +17%, a value increase of more than €968m in a year (+4% in 6 months).

This important growth in NTA was produced thanks to an industrial real estate strategy with an important component in Alpha returns, mainly due to:

1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings.
2. Solid fundamentals of Colonial's assets with high occupancy levels and solid increases in rental prices.
3. The successful management of the project pipeline: completed and rented projects, as well as the significant amount of pre-let signings in the project pipeline and renovation portfolio.
4. The acceleration in the renovation program, substantially improving rental levels, as well as the value of the assets.
5. The successful execution of the takeover bid on Société Foncière Lyonnaise with attractive terms for Colonial's shareholders.

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)	06/2022	12/2021
IFRS Equity attributable to shareholders	**6,444**	**5,999**
Include:		
(i) Hybrid instruments	-	-
Diluted NAV	**6,444**	**5,999**
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	158	149
(ii) Revaluation of tenant leases held as finance leases	-	-
(iv) Revaluation of trading properties	8	12
Diluted NAV at Fair Value	**6,610**	**6,160**
Exclude:		
(v) Deferred tax in relation to fair value gains of IP	347	351
(vi) Fair value of financial instruments	(216)	(15)
(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	**6,742**	**6,496**
Nº of shares (m)	***539.6***	***539.6***
EPRA NTA (NAV) - Euros per share	***12.49***	***12.04***

Calculation of the EPRA NTA (NAV). Following the EPRA recommendations and starting from the consolidated equity of €6,444m, 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.

The **EPRA Net Reinstatement Value (EPRA NRV)** amounts to €7,380m, corresponding to €13.68/share (+11% year-on-year and +4% in 6 months).
The **EPRA Net Disposal Value (EPRA NDV)** amounts to €7,030m, corresponding to €13.03/share (+25% year-on-year and +18% in 6 months) – see calculation details in EPRA appendices.

10. EPRA Ratios

1) EPRA Earnings

EPRA Earnings - €m	1H 22	1H 21
Earnings per IFRS Income statement	**355**	**162**
Earnings per IFRS Income statement - €cts/share	*65.87*	*31.86*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(315)	(146)
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(5)	(1)
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	1	26
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	(5)	(2)
(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	36	11
EPRA Earnings	**67**	**51**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	9	7
(b) Non recurring financial result	0	0
(c) Tax credits	0	0
(d) Minority interests in respect of the above	(0)	(1)
Company specific adjusted EPRA Earnings	**76**	**57**
Average Nº of shares (m)	*539.6*	*508.1*
Company adjusted EPRA Earnings per Share (EPS) - €cts/share	*14.13*	*11.14*

(*) Diluted earnings per share: average shares of the period, including variations due to capital operations, without adjusting for the impact of treasury shares.

2) EPRA Net Asset Value – New Methodology

EPRA Net Asset value - June 2022

EPRA Net Asset value - €m	NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders	**6,444**	**6,444**	**6,444**	**6,444**
Include:				
(i) Hybrid instruments	-	-	-	-
Diluted NAV	**6,444**	**6,444**	**6,444**	**6,444**
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	158	158	158	158
(ii) Revaluation of tenant leases held as finance leases	-	-	-	-
(iv) Revaluation of trading properties	8	8	8	8
Diluted NAV at Fair Value	**6,610**	**6,610**	**6,610**	**6,610**
Exclude:				
(v) Deferred tax in relation to fair value gains of IP	347	347	347	n.a.
(vi) Fair value of financial instruments	(216)	(216)	(216)	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.	420
(x) Revaluation of intangibles to fair value	-	-	n.a.	n.a.
(xi) Real estate transfer tax	n.a.	638	-	n.a.
EPRA NAV - €m	**6,742**	**7,380**	**6,742**	**7,030**
Nº of shares (m)	***539.6***	***539.6***	***539.6***	***539.6***
EPRA NAV - Euros per share	***12.49***	***13.68***	***12.49***	***13.03***

EPRA Net Asset value - December 2021

EPRA Net Asset value - €m	NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders	**5,999**	**5,999**	**5,999**	**5,999**
Include:				
(i) Hybrid instruments	-	-	-	-
Diluted NAV	**5,999**	**5,999**	**5,999**	**5,999**
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	149	149	149	149
(ii) Revaluation of tenant leases held as finance leases	-	-	-	-
(iv) Revaluation of trading properties	12	12	12	12
Diluted NAV at Fair Value	**6,160**	**6,160**	**6,160**	**6,160**
Exclude:				
(v) Deferred tax in relation to fair value gains of IP	351	351	351	n.a.
(vi) Fair value of financial instruments	(15)	(15)	(15)	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.	(203)
(x) Revaluation of intangibles to fair value	-	-	n.a.	n.a.
(xi) Real estate transfer tax	n.a.	567	-	n.a.
EPRA NAV - €m	**6,496**	**7,063**	**6,496**	**5,957**
Nº of shares (m)	***539.6***	***539.6***	***539.6***	***539.6***
EPRA NAV - Euros per share	***12.04***	***13.09***	***12.04***	***11.04***

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

D. EPRA Net Initial yield & "Topped-Up" Net Initial Yield		Barcelona	Madrid	Paris	Otros	Total 2022	Total 2021
Figures in €m							
Investment property – wholly owned		1,536	3,391	8,357	21	13,304	12,383
Investment property – share of JVs/Funds		30	na	na	na	30	33
Trading property (including share of JVs)		na	na	na	na	na	na
Less: developments		(139)	(849)	(1,221)	(4)	(2,213)	(2,197)
Completed property portfolio	E	**1,427**	**2,542**	**7,136**	**17**	**11,122**	**10,219**
Allowance for estimated purchasers' costs		45	70	516	1	632	558
Gross up completed property portfolio valuation	B	**1,472**	**2,612**	**7,652**	**17**	**11,754**	**10,776**
Annualised cash passing rental income		48	94	168	2	312	317
Property outgoings		(3)	(6)	(3)	0	(13)	(17)
Annualised net rents	A	**45**	**88**	**165**	**2**	**299**	**300**
Add: notional rent expiration of rent free periods or other lease incentives		2	5	63	0	70	28
"Topped-up" net annualised rent	C	**47**	**93**	**228**	**2**	**369**	**327**
EPRA Net Initial Yield	A/B	**3.1%**	**3.4%**	**2.2%**	**10.8%**	**2.5%**	**2.8%**
EPRA "Topped-Up" Net Initial Yield	C/B	**3.2%**	**3.5%**	**3.0%**	**10.8%**	**3.1%**	**3.0%**
Gross Rents 100% Occupancy	F	61	109	234	2	406	367
Property outgoings 100% Occupancy		(2)	(6)	(3)	0	(11)	(14)
Annualised net rents 100% Occupancy	D	**60**	**103**	**230**	**2**	**395**	**353**
Net Initial Yield 100% Occupancy	D/B	**4.0%**	**4.0%**	**3.0%**	**10.8%**	**3.4%**	**3.3%**
Gross Initial Yield 100% Occupancy	F/E	**4.3%**	**4.3%**	**3.3%**	**10.8%**	**3.6%**	**3.6%**

4) EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	1S 22	1S 21	Var. %
BARCELONA			
Vacant space ERV	8	4	
Portfolio ERV	56	52	
EPRA Vacancy Rate Barcelona	**14%**	**8%**	*7 pp*
MADRID			
Vacant space ERV	6	5	
Portfolio ERV	96	94	
EPRA Vacancy Rate Madrid	**7%**	**5%**	*1 pp*
PARIS			
Vacant space ERV	1	7	
Portfolio ERV	220	170	
EPRA Vacancy Rate Paris	**0%**	**4%**	*(4 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	15	15	
Portfolio ERV	372	315	
EPRA Vacancy Rate Total Office Portfolio	**4%**	**5%**	*(1 pp)*

EPRA Vacancy Rate - Total Portfolio

€m	1S 22	1S 21	Var. %
BARCELONA			
Vacant space ERV	8	4	
Portfolio ERV	58	54	
EPRA Vacancy Rate Barcelona	**14%**	**8%**	*6 pp*
MADRID			
Vacant space ERV	6	5	
Portfolio ERV	96	94	
EPRA Vacancy Rate Madrid	**7%**	**5%**	*1 pp*
PARIS			
Vacant space ERV	2	9	
Portfolio ERV	252	206	
EPRA Vacancy Rate Paris	**1%**	**4%**	*(4 pp)*
LOGISTIC & OTHERS			
Vacant space ERV	-	-	
Portfolio ERV	-	4	
EPRA Vacancy Rate Logistic & others	-	**0%**	-
TOTAL PORTFOLIO			
Vacant space ERV	16	18	
Portfolio ERV	405	358	
EPRA Vacancy Rate Total Portfolio	**4%**	**5%**	*(1 pp)*

Annualized figures

11. 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 capitalization	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 the 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.
Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.

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 pipeline and renovation program, 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 renovations 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
EBITDA (Analytic P&L) **(*Earnings Before Interest, Taxes, Depreciation and Amortization*)**	Calculated as the "Operating profit" adjusted by "Depreciation/Amortization" "Value variations in real estate investments", "Net changes in provisions" and "Result for variations in asset value or impairments" and the costs incurred in the "Amortization" and "Financial Result" deriving from the registration of "IFRS 16 on financial leases", associated with flexible business.	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.
Financial result	Calculated as the total of all items under "Financial income" and "Financial expenses" of the consolidated income statement and adjusted for the "Financial result" deriving from the registration of IFRS16 on financial leases.	Relevant figure for analysing the results of the Group
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 of the Group. .
Net financial debt	Calculated adjusting in the Gross financial debt, the item "Cash and equivalent means"	Relevant figure for analysing the financial situation of the Group. .
EPRA[1] NTA **(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 **(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

(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
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.
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	Amount of the ERV excluding the transaction costs or of the ERV including the transaction costs comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded.	It enables a homogeneous comparison of the evolution of the ERV 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 EPRA NAV.	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

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Datos de registro Mercado de Capitales – Mercado Continuo

Capital Market registry data – Stock market

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Código ISIN: ES0139140042
Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe and FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600..

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