



# Colonial

# First Half 2023

July 27<sup>th</sup>, 2023



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- 01 Highlights - Pere Viñolas, CEO
- 02 Financial performance - Carmina Ganyet, CCO
- 03 Portfolio and Pipeline – Carlos Krohmer, CCDO
- 04 Future Growth & Conclusion - Pere Viñolas, CEO



**Pere Viñolas**  
Chief Executive Officer



**Carmina Ganyet**  
Chief Corporate Officer



**Carlos Krohmer**  
Chief Corporate  
Development Officer

1 Double Digit Growth in  
EBITDA & EPS

- +18% EBITDA growth reaching €152m (vs €129m in 06/2022)
- +14% growth of recurring EPS reaching €cts16 per share

2 Strong Letting Volume &  
Outstanding Occupancy

- Close to 100,000 sq m signed YTD equivalent to €43m annualized rents
- Group occupancy at outstanding 97%, Paris fully let at 100%
- International consultancy firms and luxury brands leading tenant demand

3 Rental Growth &  
Pricing Power

- Contracts signed in Q2 with +7% ERV Growth<sup>1</sup> (Paris +11%)
- Acceleration of rental growth and solid capture of indexation
- Colonial's low carbon assets attracting high quality tenants at maximum rents

4 Resilient  
Valuation

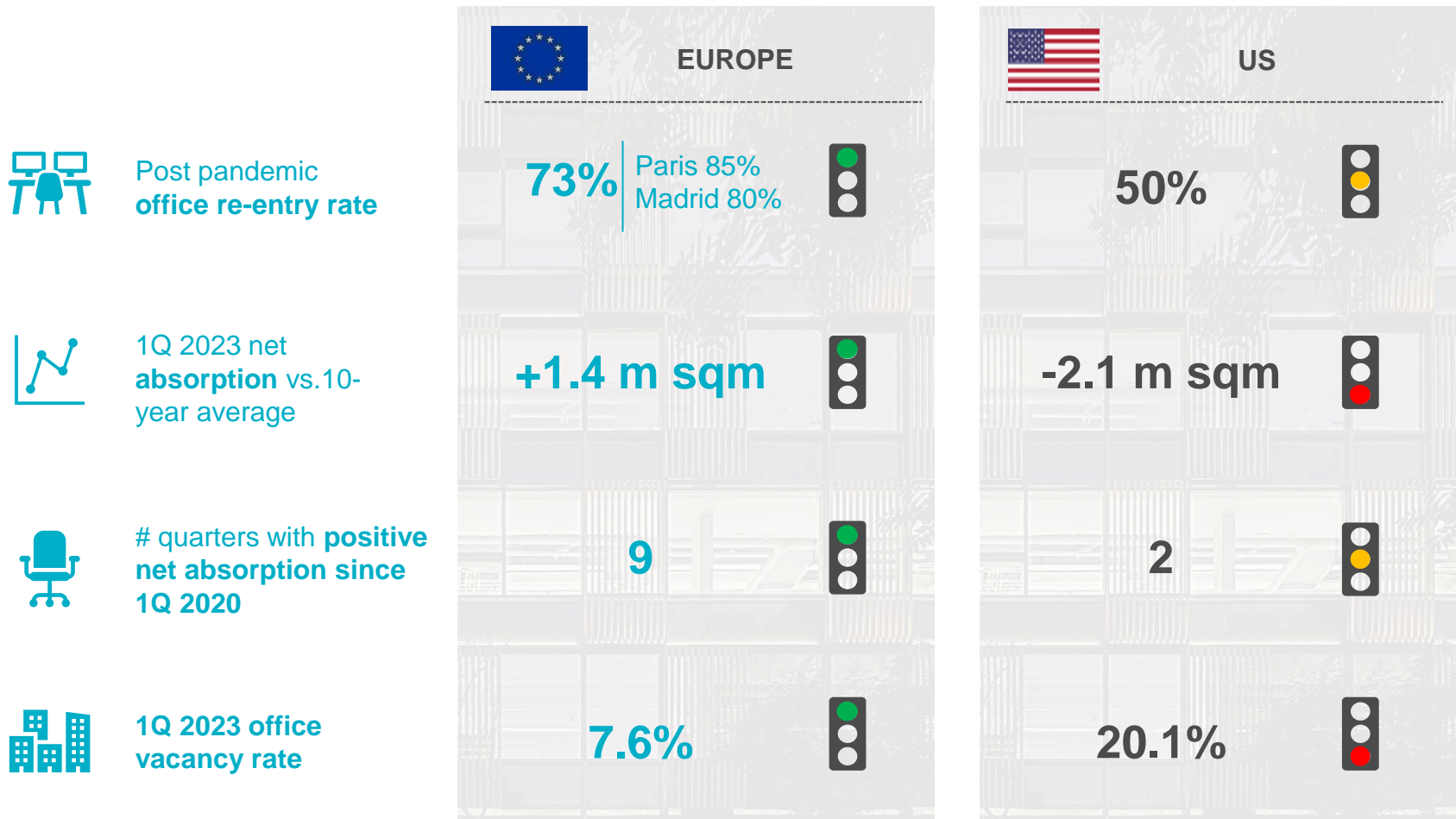
- Gross Asset Value -3% like-for-like in the last six months
- Value creation through projects & ERV growth partially offsetting rates impact
- 57 bps cumulative yield expansion since June-22 (67 bps in Paris)

5 Disciplined Capital  
Structure

- Flight to quality through disposals: €550m divested YTD at appraisal value
- Operating Portfolio Net Debt/ EBITDA with significant improvement YTD
- Hedging strategy ensuring interest rates below 2.5% in the long term

(1) Offices rents signed in 2Q 2023 vs 12/22 ERV

EUROPE AND US: FUNDAMENTAL DIFFERENCES IN THE PERFORMANCE OF EACH REGION



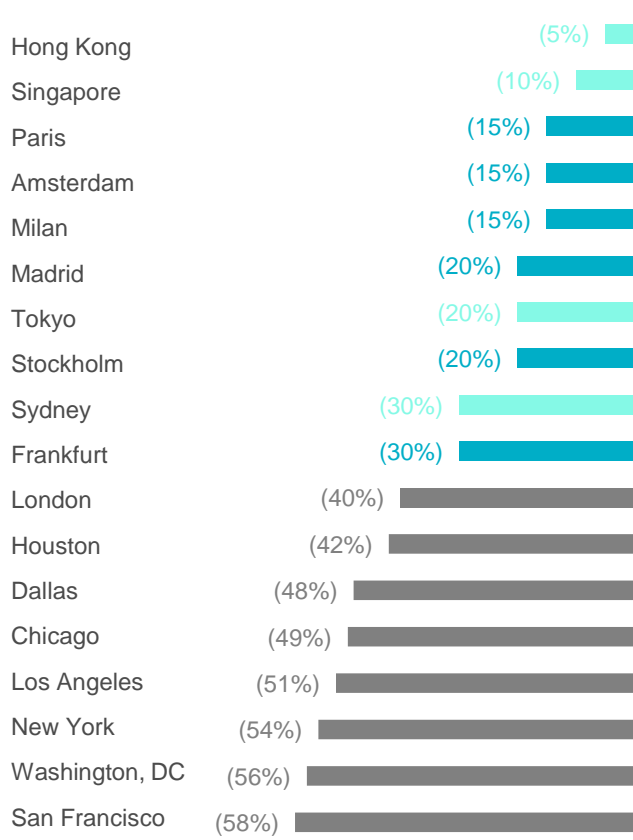


# Resiliency of European Office compared to USA

## European offices remain attractive for employees with increasing momentum

### Office re-entry solid in Europe & APAC, but lags in the US

Change in office entry compared to pre-pandemic baseline (%)



### More employers drive return to the office

**J.P.Morgan**

Three day per week attendance policy, 100% in-office requirement for senior employees since Spring 2023

**BlackRock**

Staff is going back to the office four days a week from September 2023

**Deloitte**

Increasing attendance policy from two days per week to three days per week

**amazon**

Three day per week attendance policy. Rejected employee petition to prolong remote work. Leased 70,000 square feet at a WeWork location in London to accommodate the return to offices.

**Google**

Shifting to 3 days a week working from the office.

**pwc**

Shifting to 100% in-office policy beginning Spring 2023.

## Solid tenant trends in prime European offices

## Colonial's strategy is focused on prime CBD assets outperforming the market

## Tenant trends are strong in European city centers

- ▶ **High activity in Paris, Madrid & Barcelona office sector**  
Paris CBD and Madrid at 85%-80% of the pre-pandemic office physical usage
- ▶ **Europe office prime ERV setting record levels**  
Historical high signing of prime ERVs  
CBD scarcity vs secondary oversupply
- ▶ **Users increasing demand for grade A assets in central locations**  
Net Zero Carbon offices outperforming  
Cultural, environmental benefits of central prime offices on wellbeing here to stay
- ▶ **International employers across sectors driving return to office**  
Across sectors international employers swinging back to return to the office

## Tennant demand concentrated in prime assets

## 1H2023 Letting performance

<b>97,000 sqm Signed</b>	<b>€43m Ann. Rents</b>	<b>+7% ERV<sup>1</sup> Growth</b>
------------------------------	----------------------------	---------------------------------------

- ▶ **#Cloud.Paris:**  
12-year lease signed with a luxury goods company (>9,000 sq m)
- ▶ **Galerie des Champs-Élysées**  
7-year non-cancellable turnkey lease signed with Adidas (>3,400 sq m)


  
WENDEL


  
PUIG


  
Fondation Cartier  
pour l'art contemporain


  
McKinsey  
& Company

## Sources:

<<EMEA Office Capital Markets Client Webinar: What do occupiers really want, and are investors following the trend? >> - JLL, Thursday 6th July 2023

<< McKinsey's Real Estate Practice: Empty spaces and hybrid places >> - McKinsey Global Institute, July 2023

(1) Colonial's Office ERV growth 2Q2023

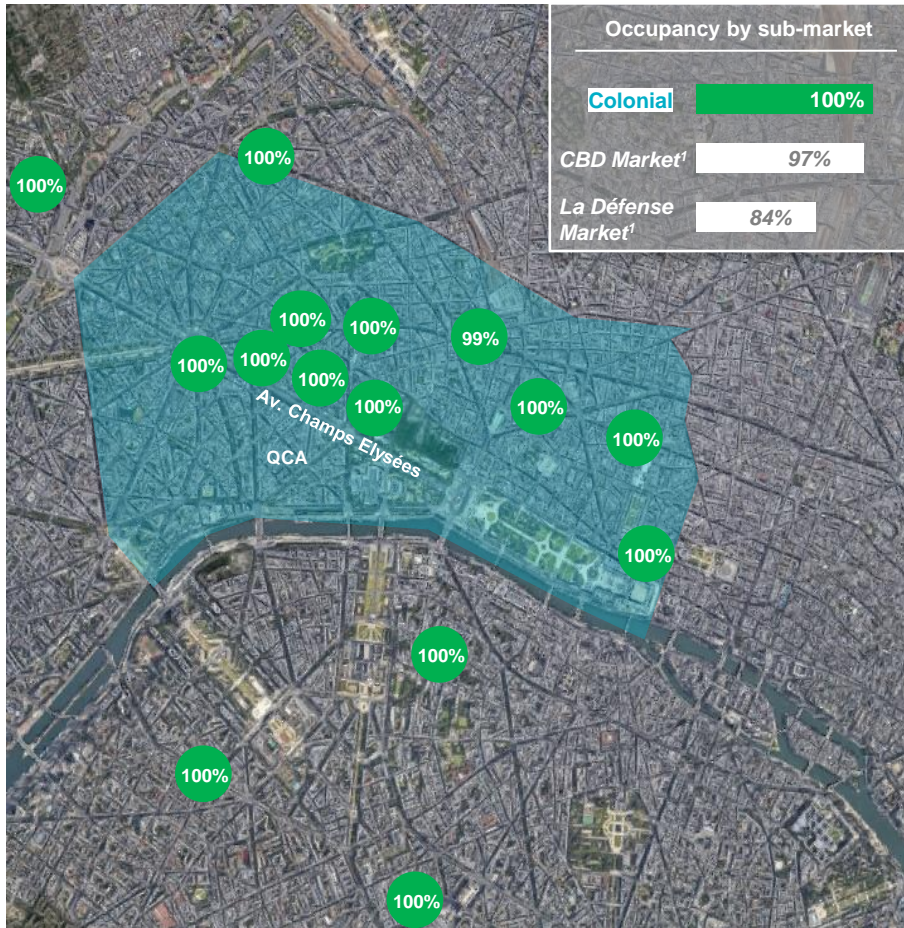


## 01 Highlights

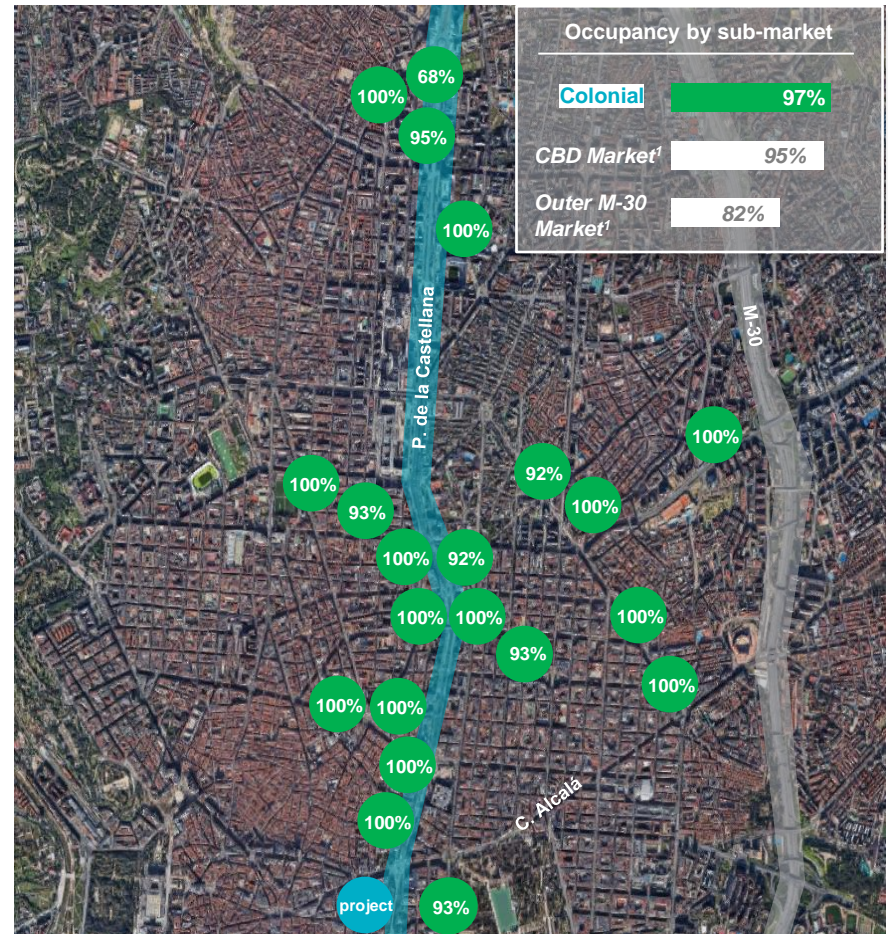
The Best Office Product delivers outperformance on occupancy levels

1. Colonial has one of the highest occupancy ratios in the sector thanks to its prime positioning
2. Colonial's prime assets are fully benefitting from the polarization trend and scarcity of grade A in the market

### PARIS



### MADRID (Inside M-30)



(1) Source of Market data: CBRE

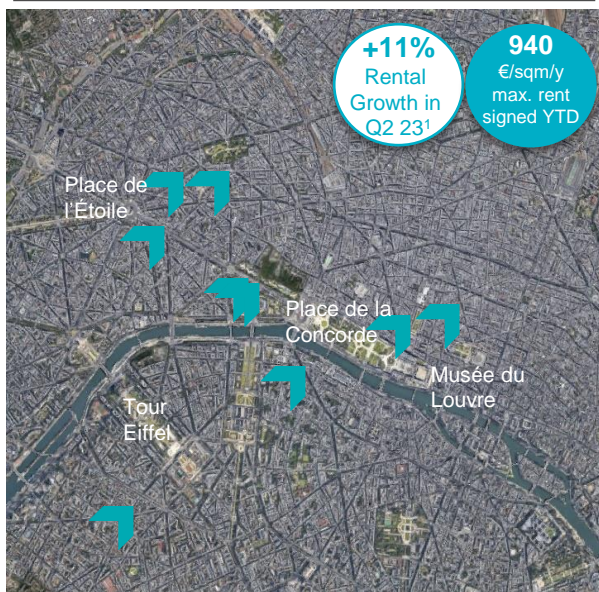


# 01 Highlights

The Best Office Product delivers outperformance on rental growth

1. Colonial's portfolio is achieving outstanding rental growth, setting the benchmark for prime rents
2. High quality clients signing the maximum rents to secure low carbon destinations in the City Centre

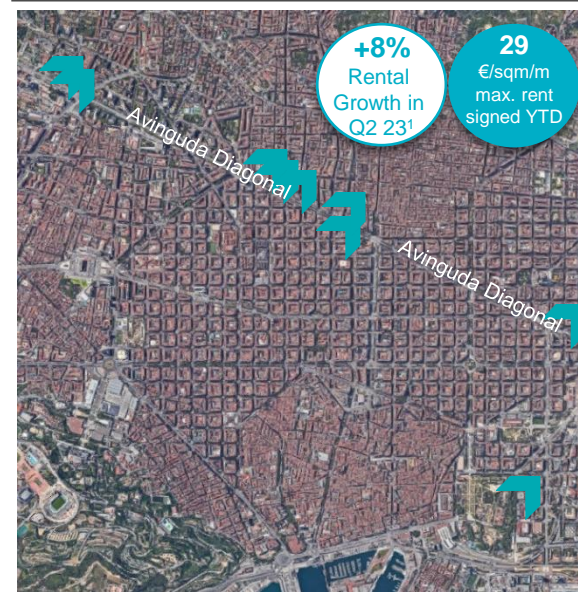
## PARIS



## MADRID



## BARCELONA



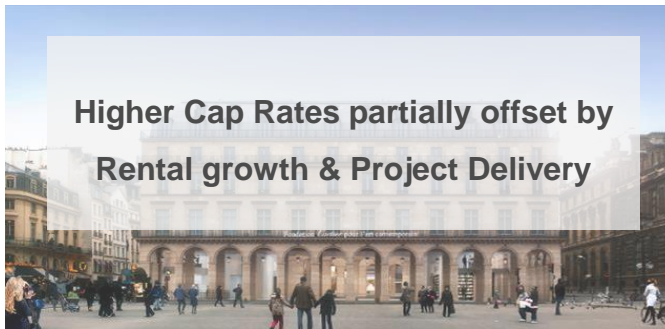
(1) Offices rents signed in Q2 2023 vs 12/22 ERV



## 01 Highlights

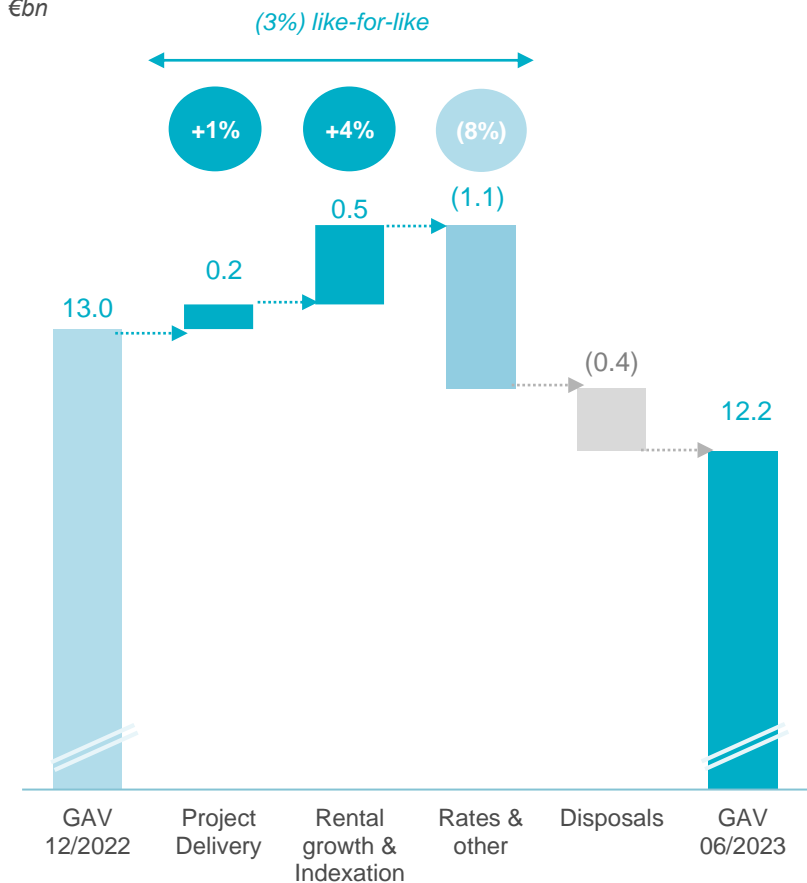
Colonial's Prime Strategy delivers strong cash flow growth and outperformance on valuations

1. Colonial's Gross Asset Value is resilient – Rental Growth partially offsets yield expansion impact
2. Rental Growth and Project Delivery generating +5% growth in GAV in 6 months



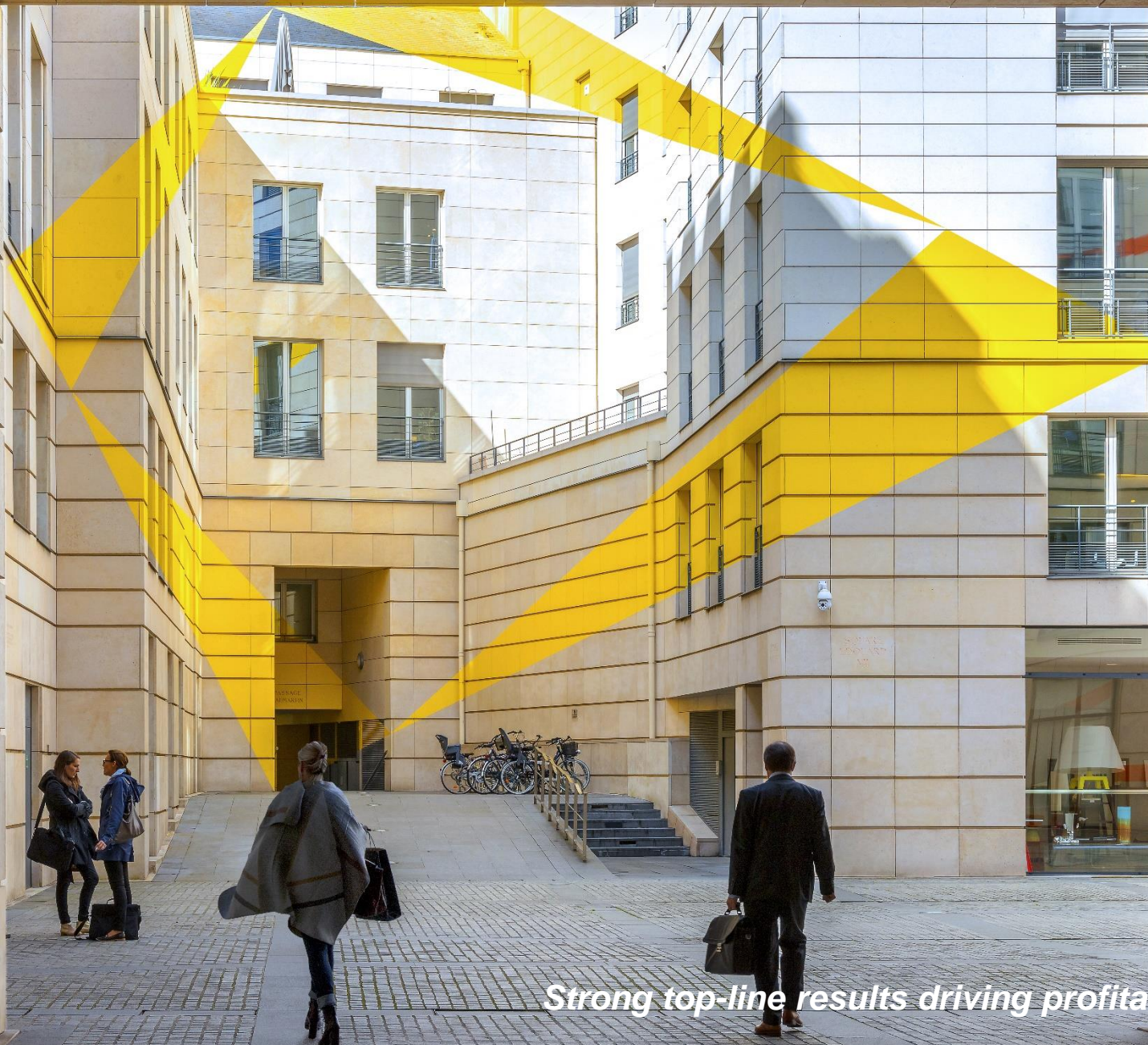
### GROSS ASSET VALUE VARIANCE

€bn





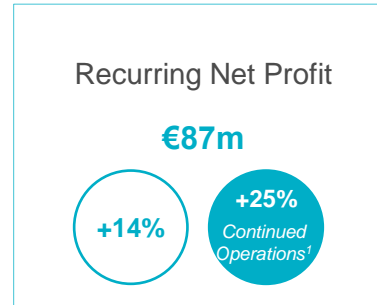
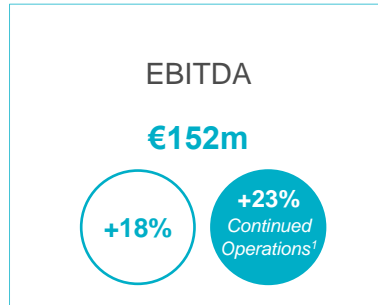
## 02 Financial performance – Strong Cash Flow & Resilient Values



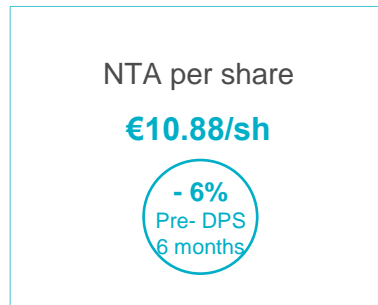
*Strong top-line results driving profitable growth*

**02 Financial Performance – Strong Cash Flow & Resilient Values**  
 The Best Office Product delivering outperformance

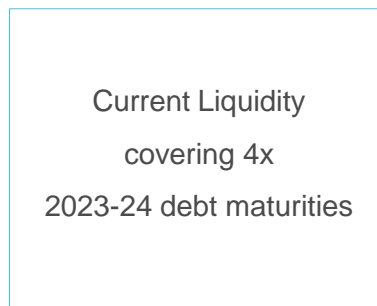
Strong Cash Flow



Resilient Values



Solid Balance Sheet



1) Adjusted by the impact of asset disposals  
 2) Includes Cedro & P. Somport 10-18 disposal as of July 2023  
 3) Appraisal as of 06/23  
 4) Current and future Spot Interest Rate estimate not including additional debt needs

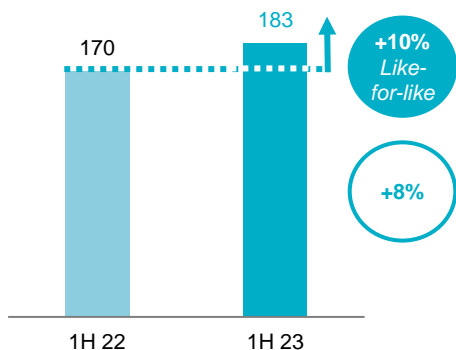


Colonial's Prime Strategy delivers double-digit profit growth with resilient valuations

STRONG CASH FLOW GROWTH ...

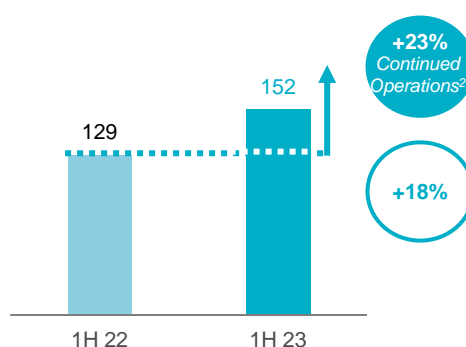
GROSS RENTAL INCOME

€m



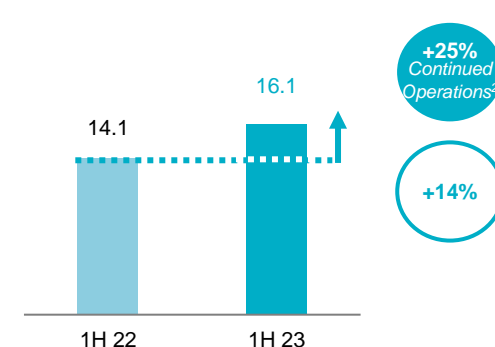
GROUP EBITDA

€m



EARNINGS PER SHARE (EPS<sup>1</sup>)

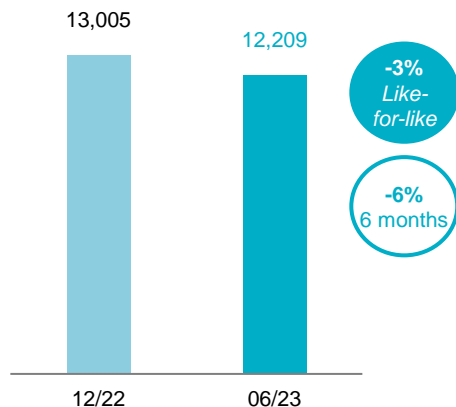
€cts/share



...WITH RESILIENT VALUES

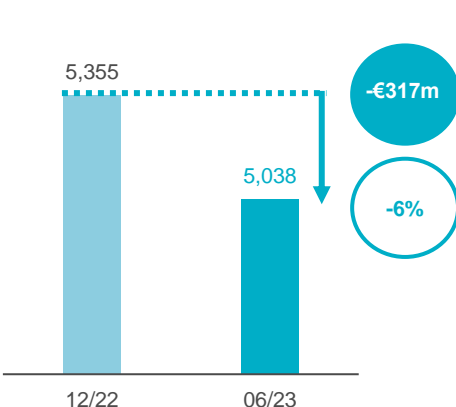
GROSS ASSET VALUES

€m



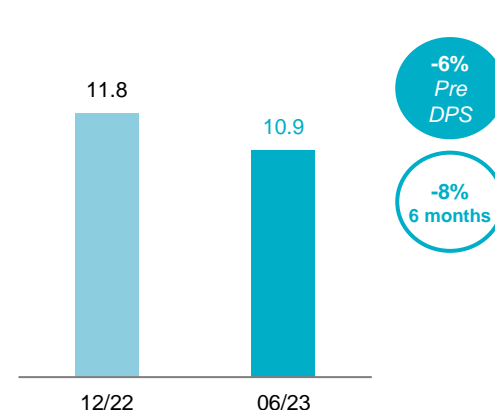
NET DEBT

€m



NET TANGIBLE ASSETS

€/share



<sup>1</sup> Recurring EPS

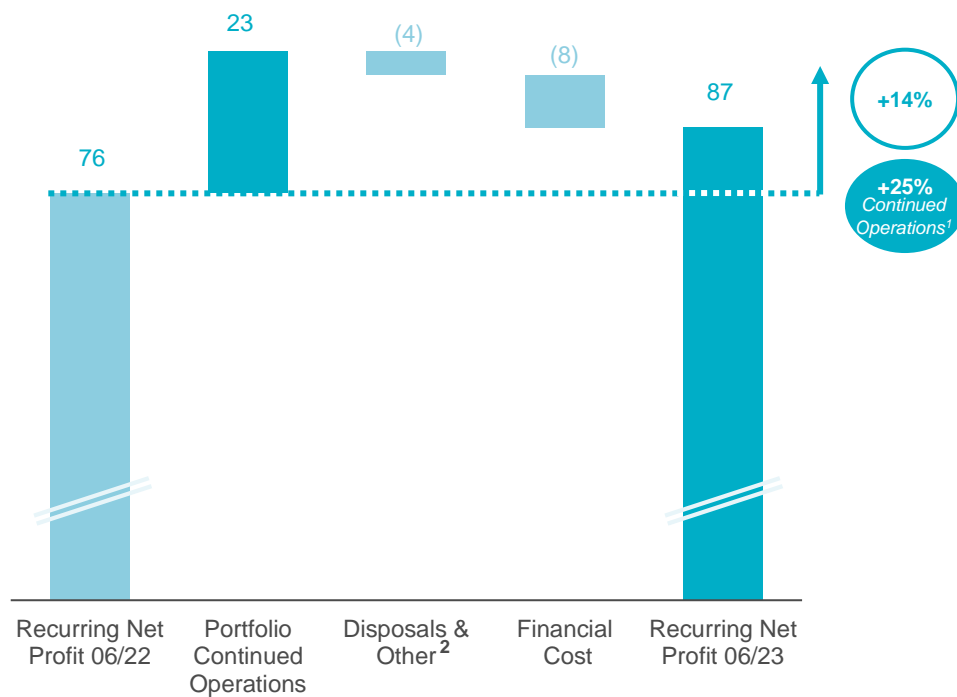
<sup>2</sup> Adjusted by the impact of asset disposals

## 02 Financial Performance – Strong Cash Flow & Resilient Values

### Recurring EPS with high double-digit growth

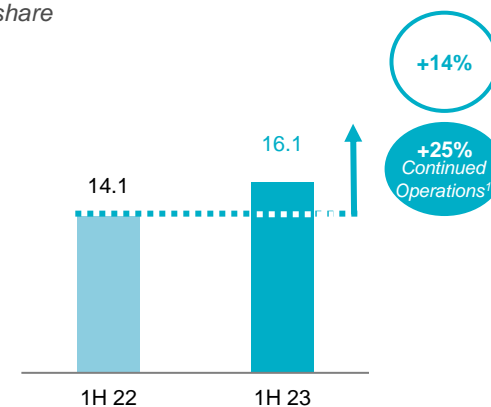
1. Recurring EPS +14% vs previous year
2. Recurring EPS of continued operations increased by +25%<sup>1</sup>

#### RECURRING PROFIT - €m



#### RECURRING EARNINGS PER SHARE (EPS)

€cts/share



**COLONIAL ON TRACK TO DELIVER  
AT THE HIGH END OF 2023 GUIDANCE**

*2023 Recurring EPS guidance*

*28-30 €Cts/ sh.*

(1) Adjusted for the impact of asset disposals

(2) Includes the minorities of SFL

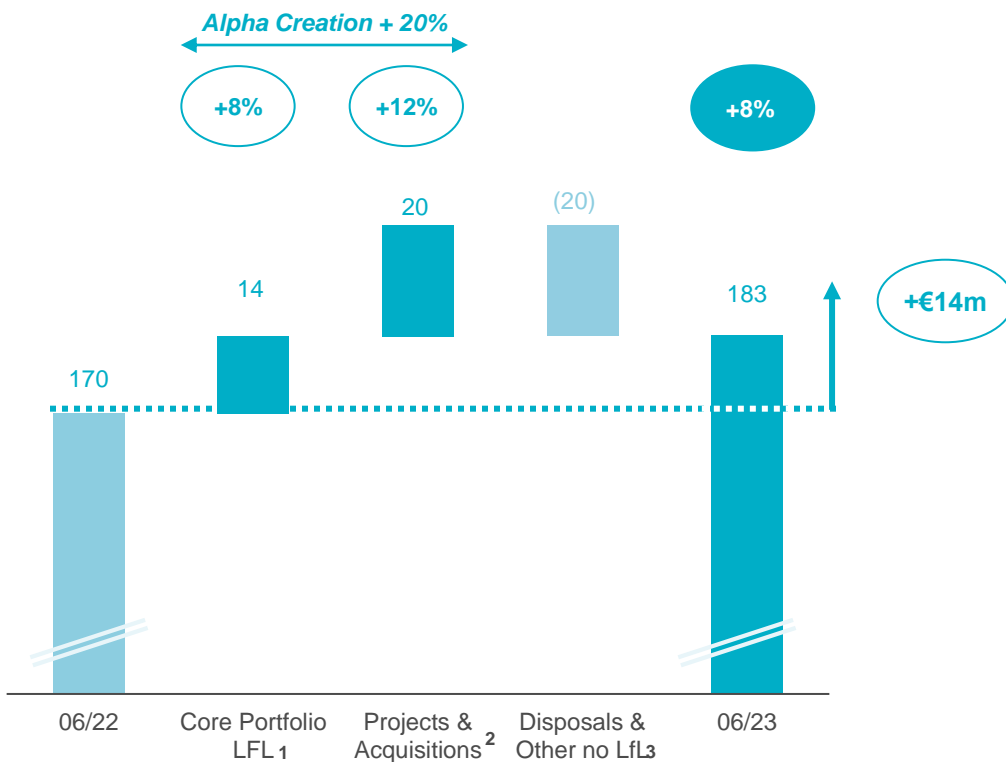


## 02 Financial Performance – Strong Cash Flow & Resilient Values

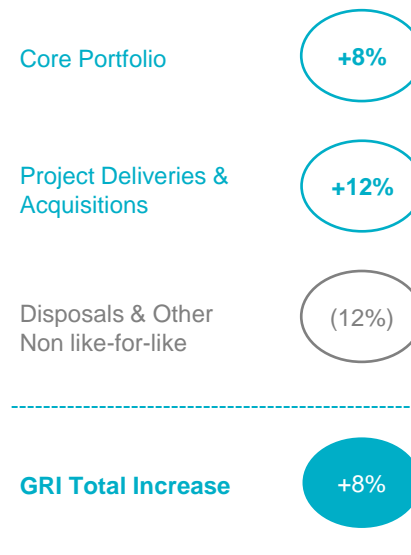
### Strong Revenue with a multi-layer cash flow growth

1. Core Portfolio contributes +8% to revenue growth on the back of a strong like for like
2. Projects & Acquisitions contributed with +12% to Gross Rental Income Growth

#### GROSS RENTAL INCOME - €m



#### GROSS RENTAL INCOME VARIANCE



(1) Core Portfolio like-for-like  
 (2) Includes Project Pipeline and Washington Plaza & Cézanne Saint-Honoré from Renovation Program  
 (3) Impact from asset disposals, entries into refurbishment & other non like-for-like impacts

## 02 Financial Performance – Strong Cash Flow & Resilient Values

### Strong Gross Rental Income increases throughout the portfolio

1. Gross Rental Income increases by +8% driven by Paris portfolio with a +14% growth
2. Outstanding like-for-like increase of +10%, one of the highest growth rates in the sector
3. Like-for-like growth driven by combination of indexation, rental price growth and high occupancy levels

#### GROSS RENTAL INCOME - €m

##### Gross Rental Income Variance - %

	Total	Like-for-Like <sup>1</sup>
<b>GRI Total Increase</b>	+8%	+10%
Paris	+14%	+10%
Madrid	+4%	+13%
Barcelona	(6%)	+2%

##### Gross Rental Income Like-for-Like Analysis - %

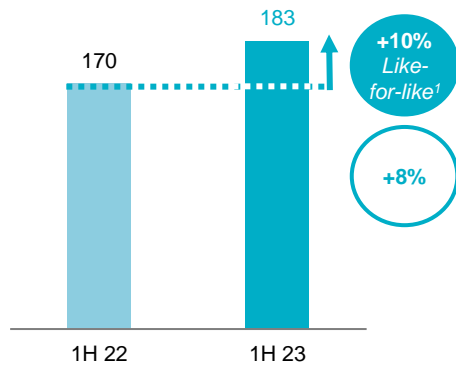
	Total Like-for-like <sup>1</sup>	Price Impact		Occupancy
		Total	of which Indexation	
<b>Group LFL</b>	+10%	+7%	+5%	+2%
Paris	+10%	+9%	+5%	+1%
Madrid	+13%	+5%	+4%	+7%
Barcelona	+2%	+3%	+4%	(1%)

1) Like-for-like calculated following EPRA BPR recommendations

ACCELERATION IN LIKE-FOR-LIKE RENTAL GROWTH

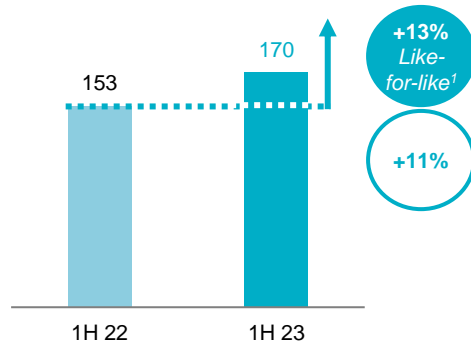
GROSS RENTAL INCOME Variance YoY

€m

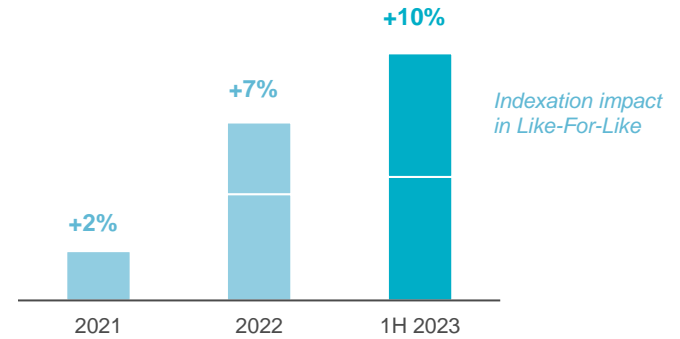


NET RENTAL INCOME Variance YoY

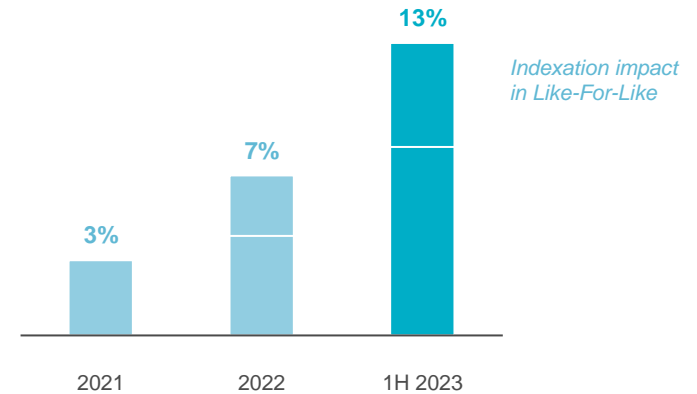
€m



Gross Rental Income Like-for-Like¹ growth



Net Rental Income Like-for-Like¹ growth



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

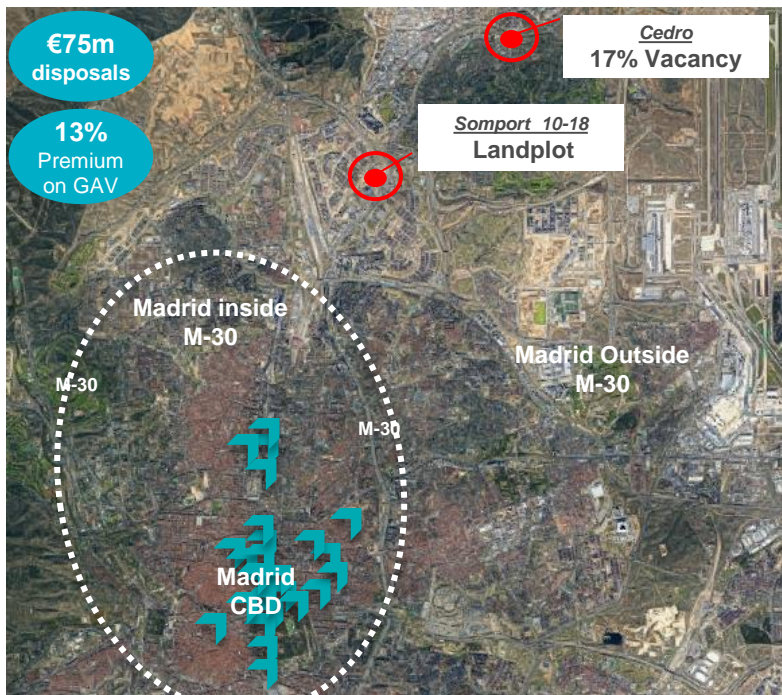


## 02 Financial Performance – Strong Cash Flow & Resilient Values

Colonial is being successful in divesting close to €550m in line with appraisal values

1. In a narrow investment market Colonial is successfully divesting a large volume of non-core assets (€548m)
2. Divestments achieved at attractive pricing levels, in line with appraisals, confirming the fundamental value of the portfolio

### Disposal of CEDRO & final settlement of Puerto Somport 10-18<sup>1</sup>



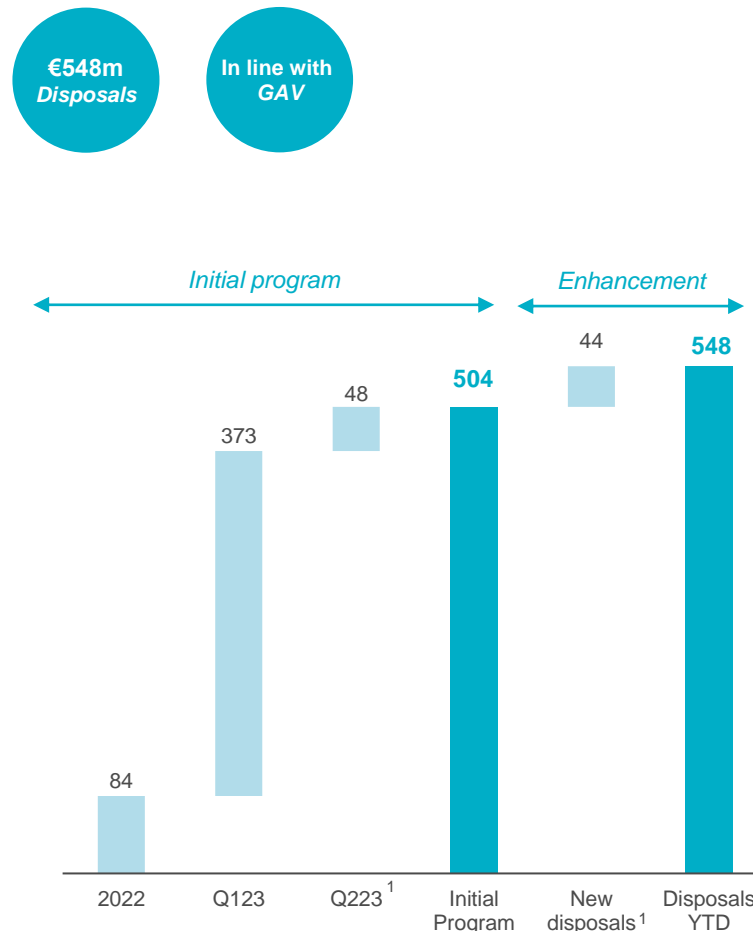
#### Asset Sales

- ▶ Land plot in Madrid's Periphery
- ▶ 17% vacant asset in Madrid secondary

#### Buyers

- ▶ Institutional investors
- ▶ Multinational for own use

### ENHANCEMENT OF DISPOSAL PROGRAM



<sup>1</sup> Disposals of Puerto Somport 10-18 & Cedro in July 2023

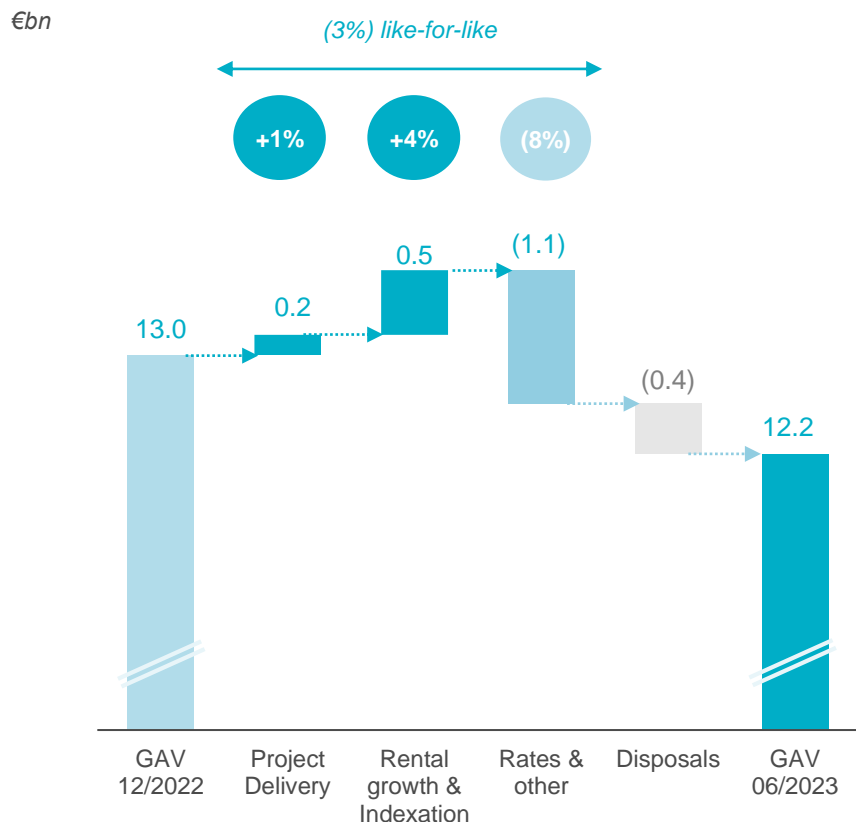
## 02 Financial Performance – Strong Cash Flow & Resilient Values

Colonial's Prime Strategy delivers resilient asset values in volatile market environments

1. Higher Cap Rates partially offset by Rental growth & Project Delivery
2. The prime positioning of our assets delivers a resilient valuation outperforming the market

### RESILIENT GROSS ASSET VALUES

Pricing Power & Project Deliveries offsetting Rates



### FULL BENEFIT OF PRIME POSITIONING

GAV VARIANCE

	Equivalent/ Valuation Yield	Yield Expansion	
		6 months '23	12 months
PORTFOLIO IN OPERATION <sup>1</sup>	3.9%	+30 bps	+57 bps
PARIS <sup>2</sup>	3.7%	+37 bps	+67 bps
MADRID	4.4%	+14 bps	+36 bps
BARCELONA	4.6%	+18 bps	+39 bps

<sup>1</sup>Portfolio in operation blended Valuation yield, including gross yield in Spain and Net yield in France

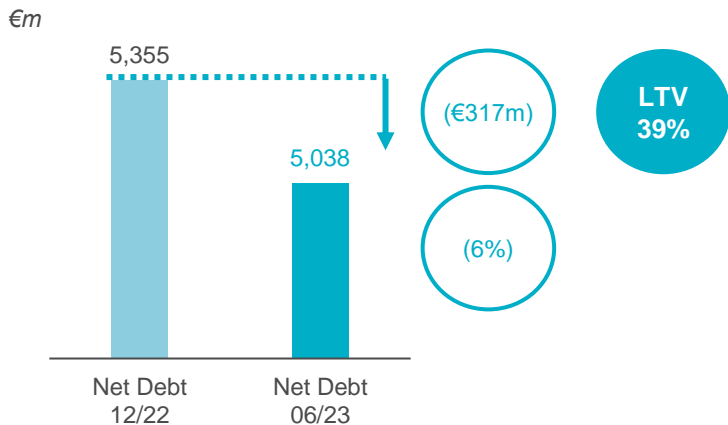
<sup>2</sup>In France, consultants publish net yields

## 02 Financial Performance – Strong Cash Flow & Resilient Values

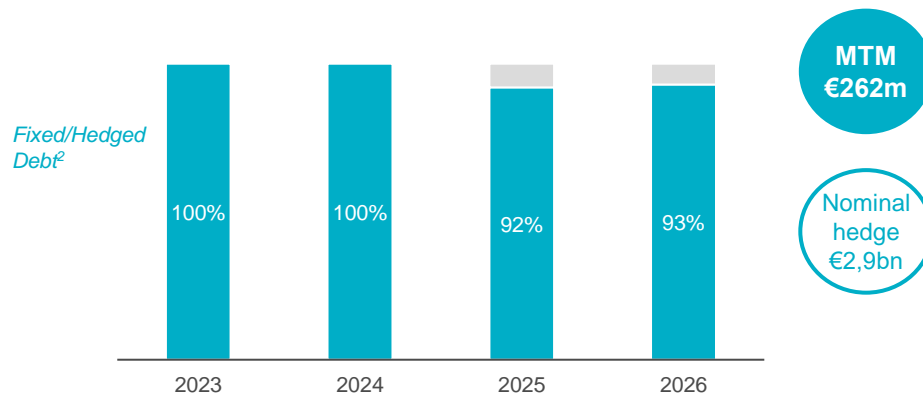
### Financial Cost under control with 100% at fixed rate

1. Colonial has 100% of the debt at fixed cost maintaining financial costs under control at 1.69%<sup>1</sup> & future cost at <2.5%
2. Standard & Poor's BBB+ stable outlook credit rating with stable Outlook confirmed in April-23

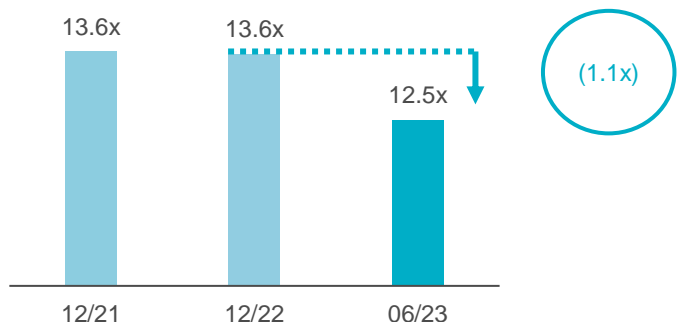
#### Significant Net Debt Reduction



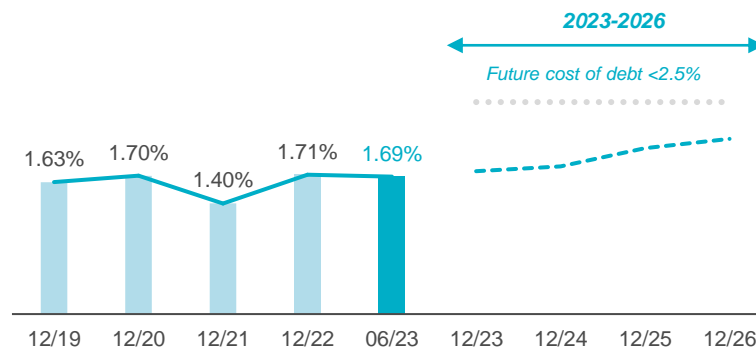
#### Debt at fixed cost also in the long term



#### Net Debt/EBITDA<sup>3</sup> – Operating Portfolio



#### Stable financial cost



<sup>1</sup> Spot Cost of Debt as of 30/06/23 excluding formalization costs & including hedges from IRS

<sup>2</sup> Fixed /Hedged Cost debt = Debt at fixed or hedged cost / Net debt as of 30/06/23

<sup>3</sup> Net debt assigned to Operating portfolio / Topped Up Net rental income + SG&A

Note: Current and future Spot Interest Rate estimate not including additional debt needs



## 02 Financial Performance – Strong Cash Flow & Resilient Values

### Financial Cost under control with 100% at fixed rate

1. The Colonial Group has signed a new €835m Sustainable Revolving Credit Facility
2. Group's liquidity increased up to €2.9bn after disposals and new undrawn debt

### New Revolving Credit Facility of €835m

- > Signing of a new sustainable €835m revolving credit facility for 5 years
- > High-quality banking pool comprising 10 leading international banks
- > Sustainable loan with ambitious ESG KPIs, confirming Colonial's commitment on decarbonization

Reduction of CO<sub>2</sub> emissions

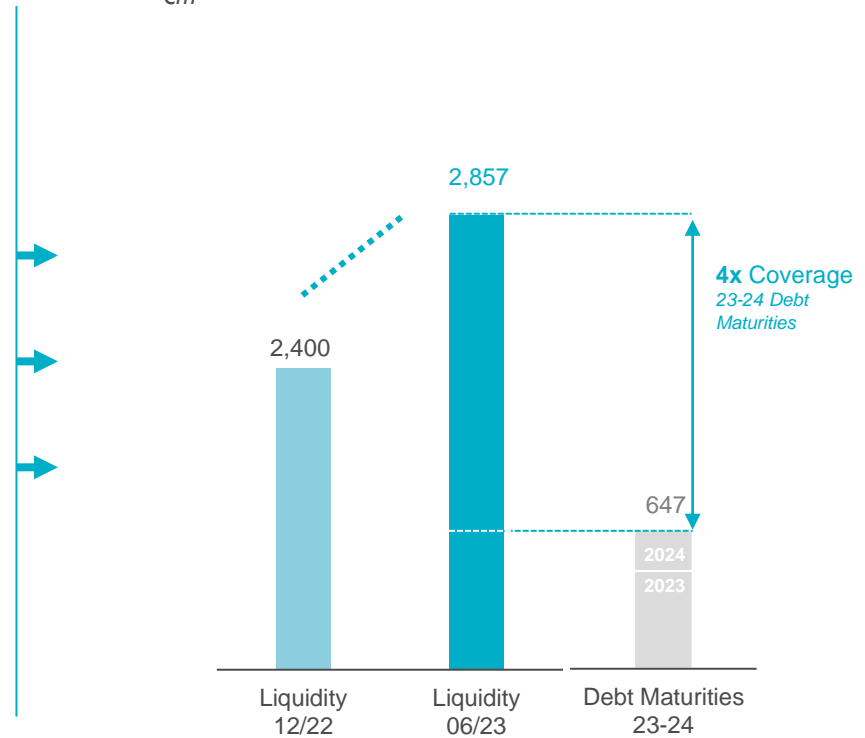
Asset certification

GRESB Rating

- > Additional liquidity secured of +€260m improving Colonial's capital structure

### Increased liquidity following new RCF and disposals

€m



## 02 Financial Performance – Strong Cash Flow & Resilient Values

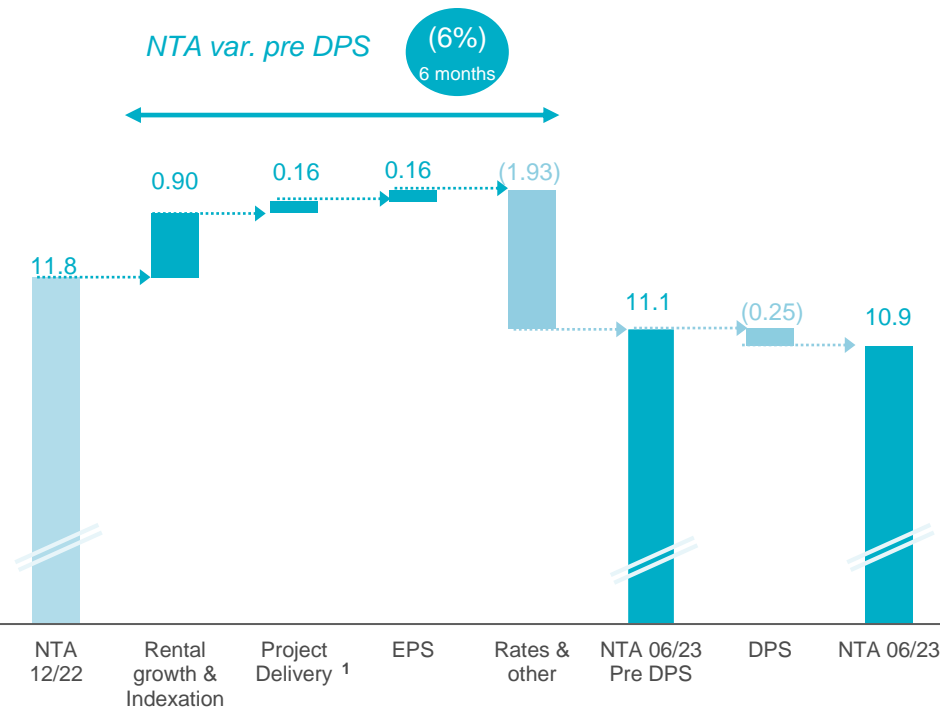
Colonial's Prime Strategy delivers a resilient NTA

1. Higher Cap Rates partially offset by Rental growth & Project Delivery
2. Additional equity value of €347m due to pro-active hedging crystalized in 11.5 €/share Net Disposal Value

### Resilient Net Total Assets: 10.9 €/share (11.1 €/sh. pre DPS)

Rates impact mitigated through Rental Growth & Project Value Creation

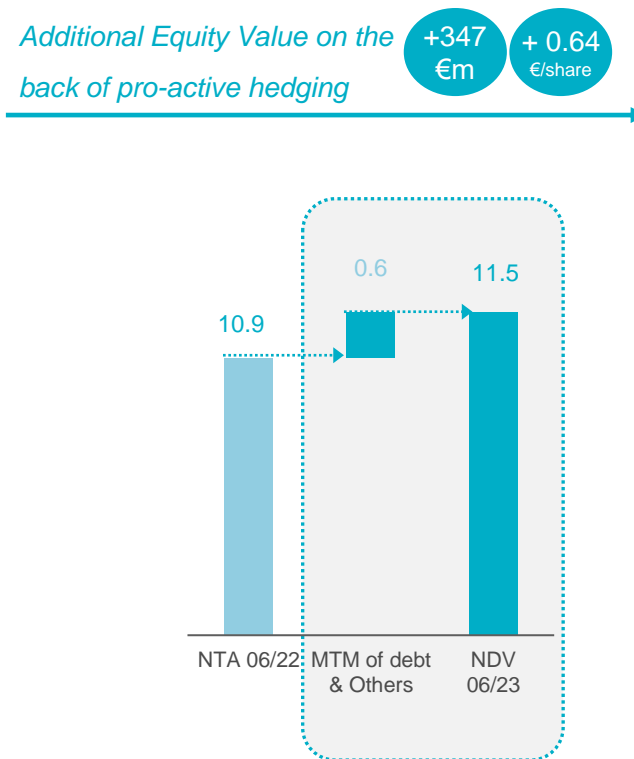
€/share



### Net Disposal Value of 11.5 €/share (11.8 €/sh. pre DPS)

Additional Equity value through Active Hedging Policy

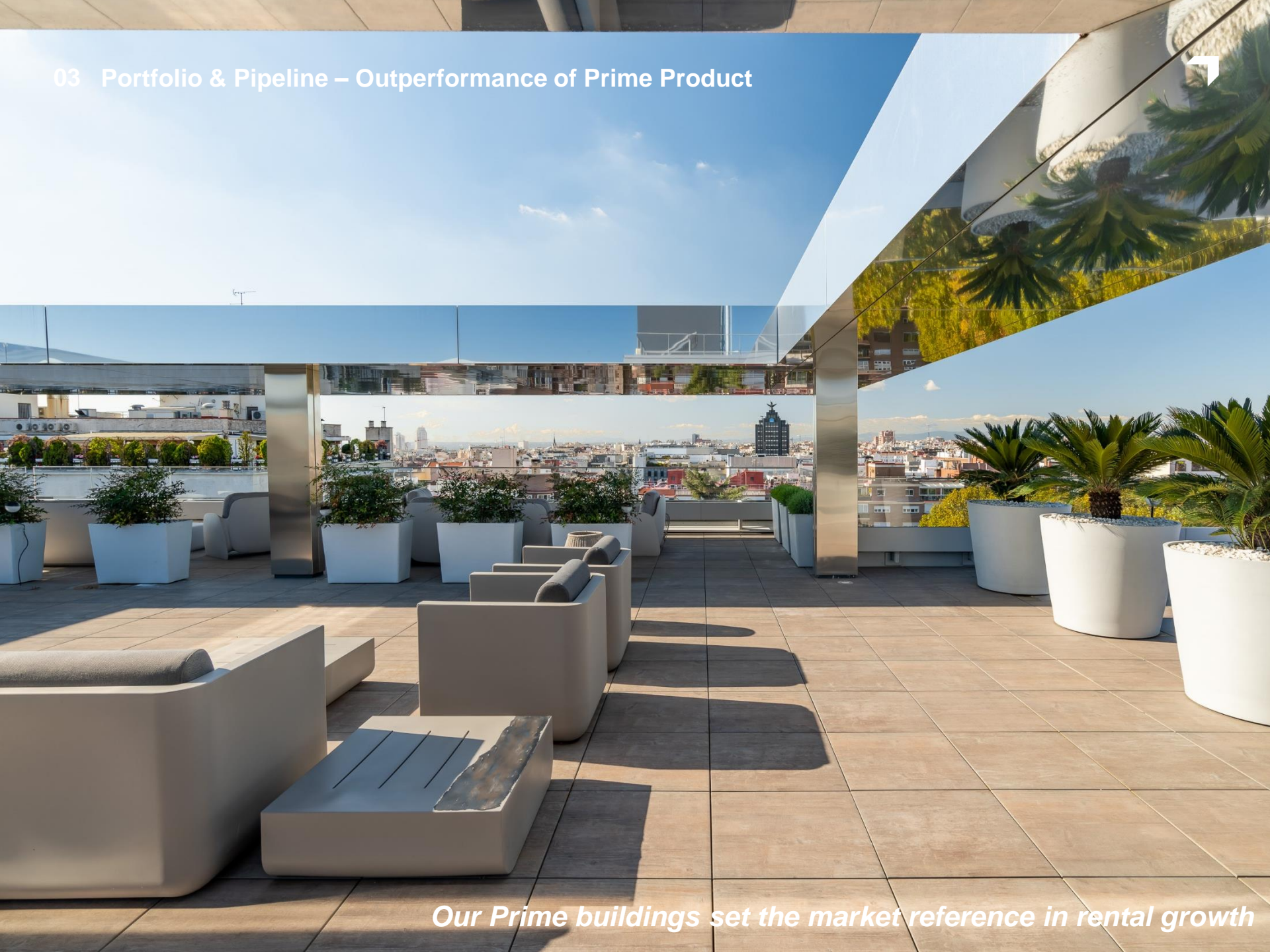
€/share



(1) Project Value Creation = GAV variance - Capex

(2) Net Disposal Value

### 03 Portfolio & Pipeline – Outperformance of Prime Product



*Our Prime buildings set the market reference in rental growth*

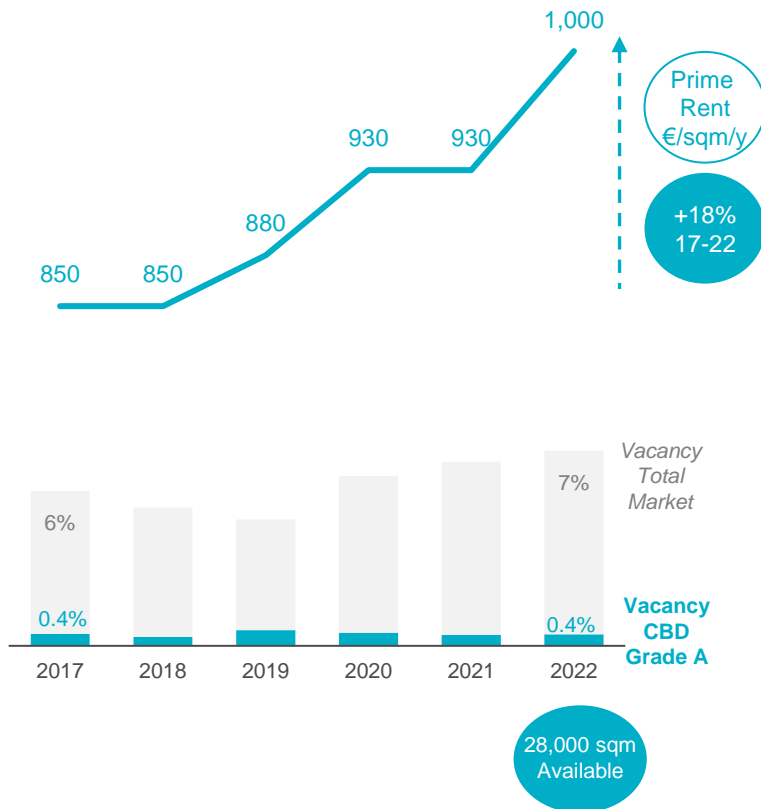


### 03 Portfolio and Pipeline – Outperformance of Prime Product

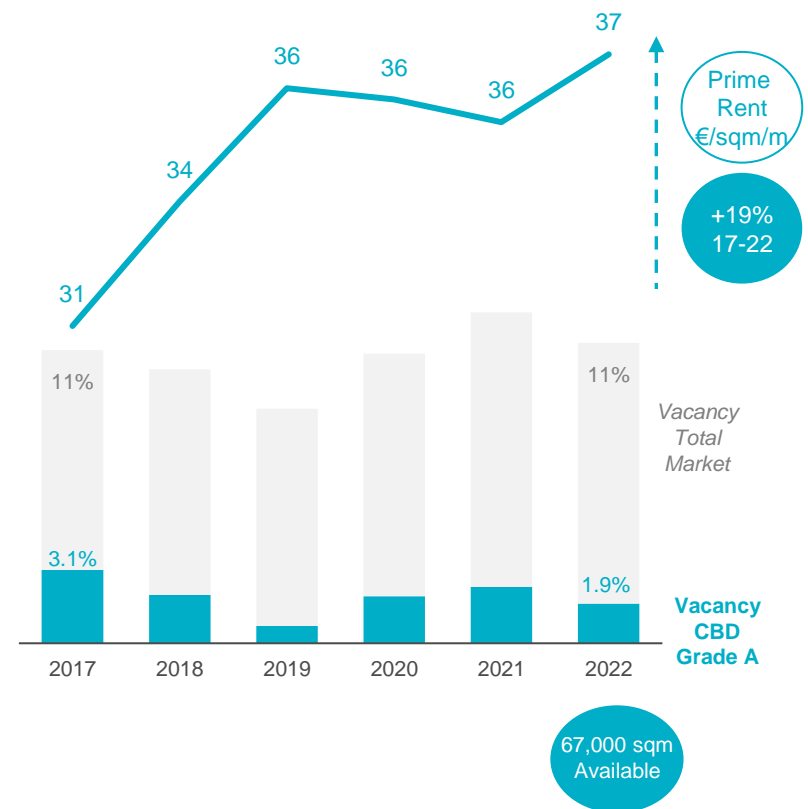
## Office Markets polarization: Scarcity of Grade A assets in CBD driving ERV growth

Office markets have a scarce supply of Grade A product in CBD that is favouring Prime rental growth

PARIS - Office rental market



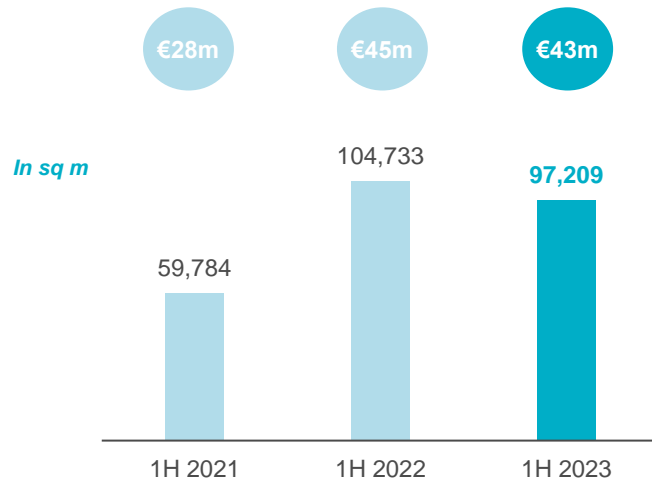
MADRID - Office rental market



### 03 Portfolio and Pipeline – Outperformance of Prime Product

#### Colonial delivers strong letting performance

#### STRONG LETTING ACTIVITY & HIGH TENANT LOYALTY



**10 Years**  
WALT signed<sup>1</sup>



52% of contracts with

- ▶ Luxury Industry
- ▶ Tech & Media
- ▶ Advisory Services



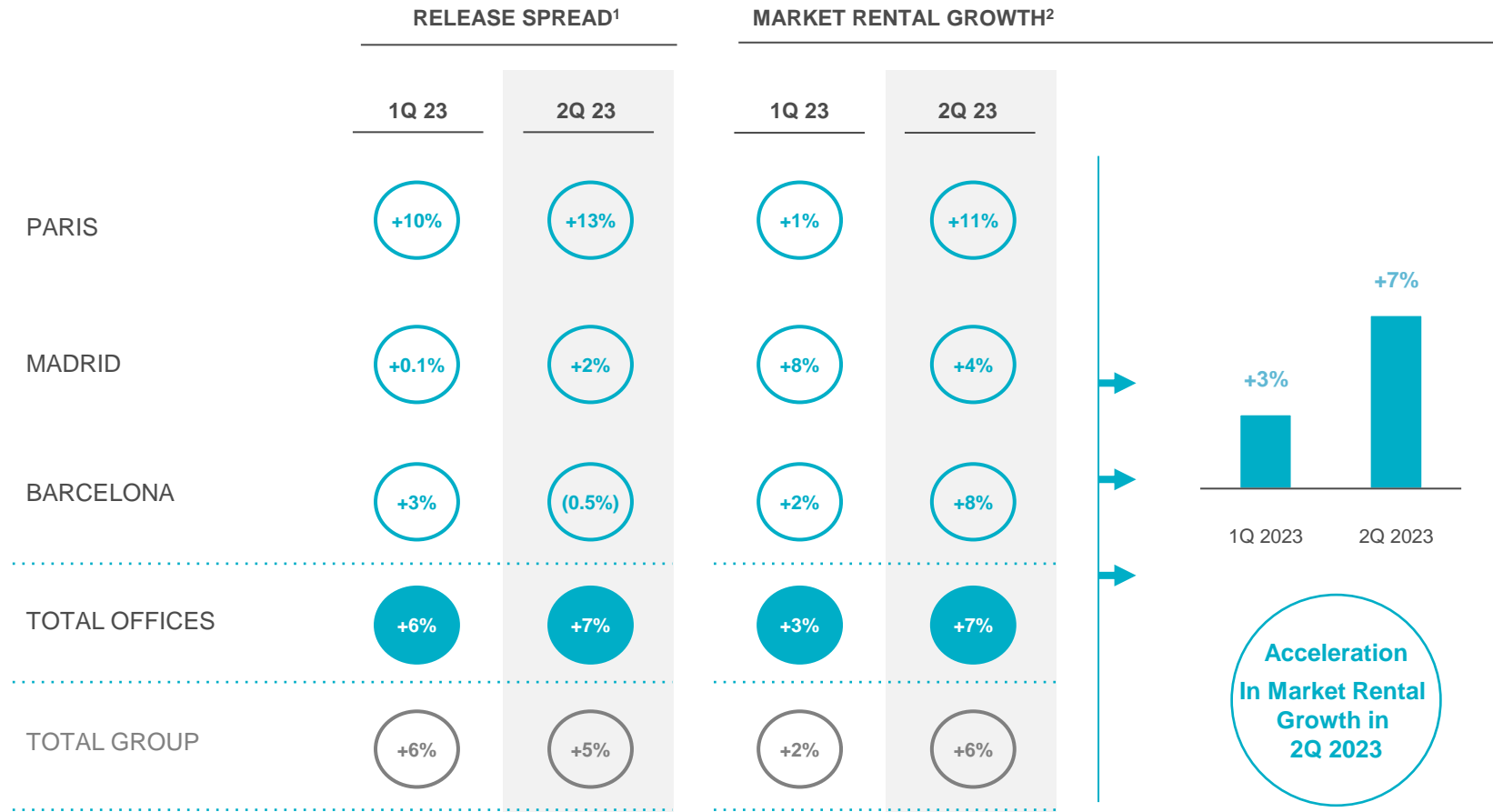
Galerie Champs Élysées

(1) Until final expiry of the contract

### 03 Portfolio and Pipeline – Outperformance of Prime Product

## Colonial delivers strong letting performance capturing rental growth

1. Our buildings have delivered strong rental growth in Q2 2023 with doubled digit increases in Paris
2. Rental growth remains solid throughout the year with acceleration during the second quarter



(1) Signed rents vs previous contracts (renewals)  
 (2) Signed rents vs 12/22 ERV (new lettings & renewals)



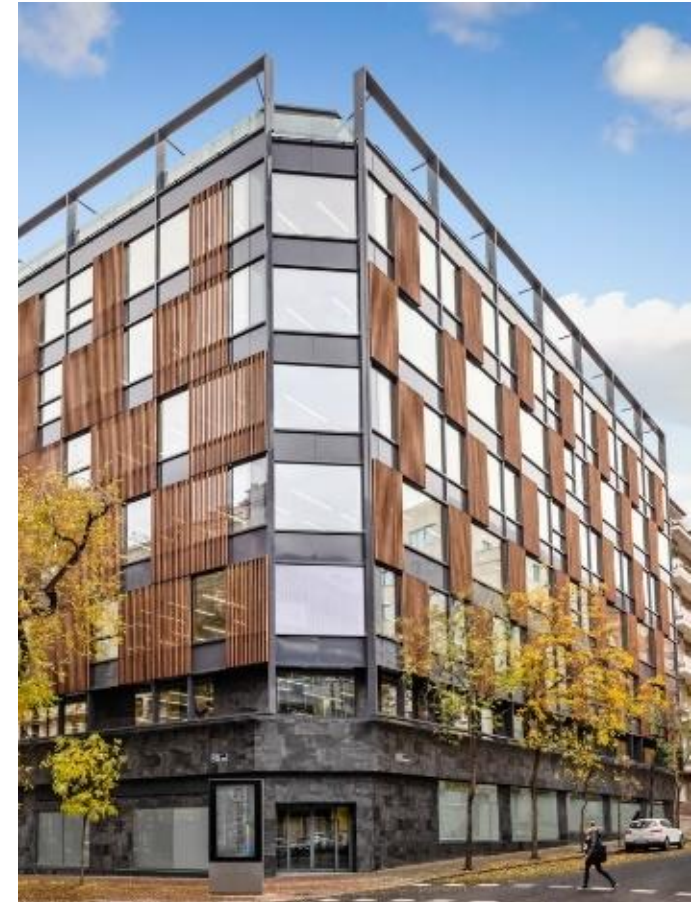
### 03 Portfolio and Pipeline – Outperformance of Prime Product

Colonial's Prime Positioning allows to fully capture additional cash flows from indexation

Colonial Group has captured +5.7% of revenue growth through indexation (+6% France and 4% Spain)

#### 2023 YTD INDEXATION FULLY PASSED THROUGH

	Indexation captured YTD 06/23 <i>- Annualized GRI impact -</i>	Cumulative Impact in 06/23 YTD P/L LFL	Secured Indexation to crystalize further in 2023 P/L
GROUP	+5.7%	+3.0%	+2.7%
MADRID & BARCELONA	+4.3%	+1.6%	+2.7%
PARIS	+6.3%	+4.0%	+2.3%



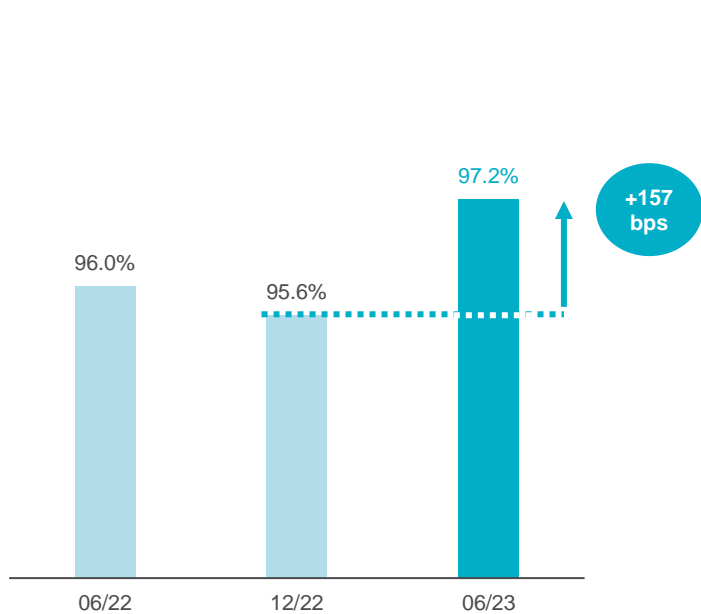
(1) Signed rents vs 12/22 ERV (new lettings & renewals) - Offices  
 (2) Signed rents vs previous contracts (renewals) - Offices

### 03 Portfolio and Pipeline – Outperformance of Prime Product

Colonial has one of the highest occupancy ratios in the sector thanks to its prime positioning

1. Colonial has increased the occupancy of its buildings up to 97%
2. Our Paris portfolio has reached full occupancy, reflecting the scarcity of prime properties

GROUP EPRA OFFICE OCCUPANCY as of 06/23



GROUP OFFICE OCCUPANCY BY MARKETS

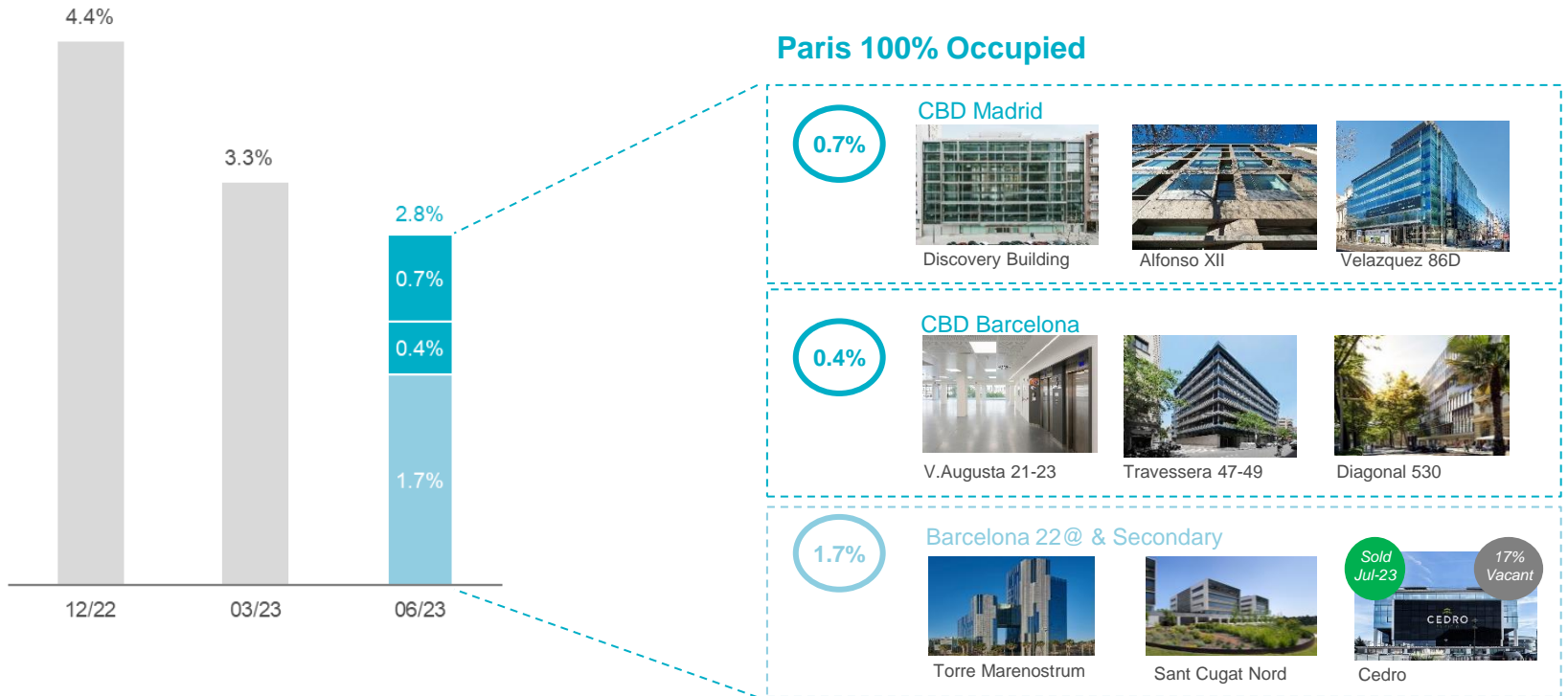
	12/22	06/23	Var YTD
PARIS	99.8%	100%	+19 bps
MADRID	95.5%	96.9%	+137 bps
BARCELONA	80.0%	85.1%	+512 bps

### 03 Portfolio and Pipeline – Outperformance of Prime Product

Colonial has a healthy level of 2.8% availability of top-quality product

- > Scarce availability of high-quality space in the CBD of Madrid and Barcelona
- > The remaining availability results mainly from entry into operation of the Barcelona renovation program

#### GROUP EPRA VACANCY - Offices





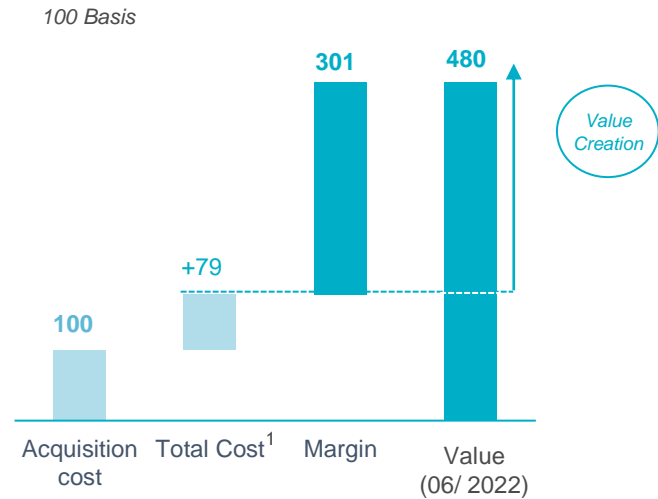
Colonial's Prime Factory Approach delivers additional Cash Flow & Value Creation

Colonial delivers strong value creation through urban transformation projects

PARIS CBD | Place du Palais -Royal



Value Creation in Louvre Saint Honoré



▶ Yield on Cost

> 7%

▶ Capital Value Creation

> 350 €m

▶ Capital Gain<sup>2</sup> on Total Cost

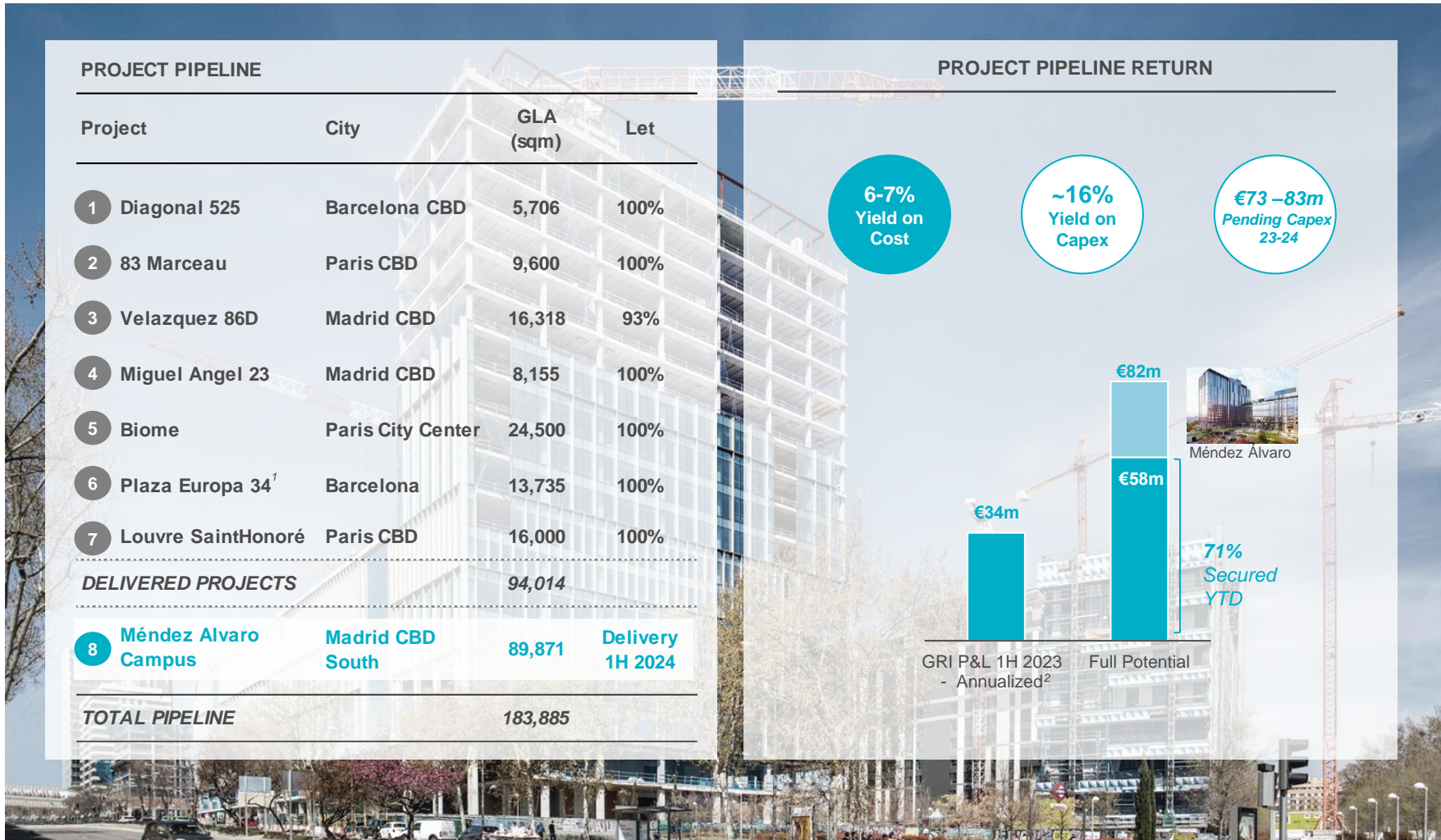
+168 %

<sup>1</sup> Total Cost: Acquisition cost + Capex

<sup>2</sup> Capital Gain: Value at latest appraisal 06/2023 – (Acquisition Price and/ or Value at start of project & Capex Invested)

Colonial’s Prime Factory Approach delivers additional Cash Flow & Value Creation

Colonial is successfully delivering the project pipeline with one of the highest yield on costs in the sector



Méndez Álvaro Campus - Madrid CBD South

<sup>1</sup> Plaza Europa is a Joint Venture where Colonial's stake is 50%.

<sup>2</sup> Annualized 06/23 GRI



Colonial's Prime Factory Approach delivers additional Cash Flow & Value Creation

Colonial invests in urban transformation projects developing the best product & maximizing user experience

LOUVRE SAINT HONORÉ

PARIS CBD

Fondation *Cartier*  
pour l'art contemporain

**DELIVERED**  
July 2023

16,000 sqm

Yield on Cost:  
>7%

- ▶ Historical & Iconic Building in Paris' Prime CBD
- ▶ 40 Year contract signed, starting 2H 2023
- ▶ More than €16m annualized GRI secured
- ▶ Rent indexed yearly by Contract

MÉNDEZ ÁLVARO CAMPUS

MADRID CBD SOUTH

Urban  
Mixed Use

1H 2024

89,871 sqm

Yield on Cost:  
~7-8%

- ▶ Urban Mixed Used - Working / Living / Amenities
- ▶ Next to Madrid's main Transportation Hub – Atocha Station
- ▶ Increasing demand from Multinational Companies
- ▶ Marketing started 4Q 2022

RIVES DE SEINE

PARIS CITY CENTER

Prime Office

**RELOADING**

22,000 sqm

Project Under  
analysis

- ▶ 2nd largest office sector in Paris
- ▶ Meeting historically large companies demand, benefiting from increasing medium-size demand
- ▶ Next to one of main Transportation Hubs in Paris - Gare de Lyon



Colonial has a strong ESG commitment creating low carbon destinations for our clients

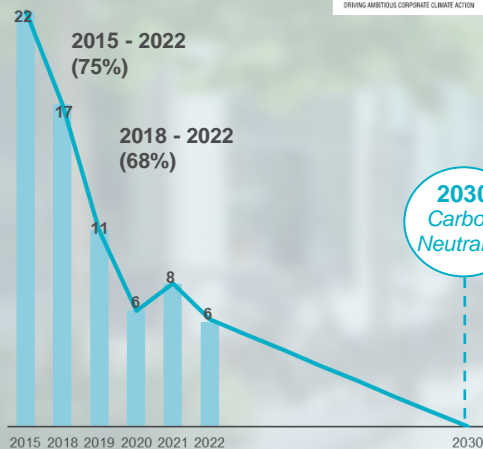


A clear ambition...

- ▶ Operational decarbonization pathway aligned with SBTi 1.5° trajectory
- ▶ (68%) Carbon reduction since base year 2018

Intensity Scopes 1 & 2

(KgCO<sub>2</sub>e/sqm)



...with solid delivery

- ▶ CDP A-Rating 2<sup>nd</sup> year in a row



- Top 1.5% among 18,600 companies worldwide
- One of only 6 Real Estate Companies in Europe

- ▶ GRESB 5-Star rating 3<sup>rd</sup> year in a row



- ▶ Solid 2022 carbon performance

Operational Emissions Scope 1 & 2

6 kgCO<sub>2</sub>e /sqm

(27%) like for like

- ▶ 95% of portfolio<sup>1</sup> with Energy Certification



... creating low carbon destinations

- ▶ Ambition for lowest embodied carbon
- ▶ Creating nearly net zero buildings

Miguel Angel 23



602 KgCO<sub>2</sub>e/m<sup>2</sup> Embodied Carbon

5 KgCO<sub>2</sub>e/m<sup>2</sup> Operational Emissions

Biome



704 KgCO<sub>2</sub>e/m<sup>2</sup> Embodied Carbon

7 KgCO<sub>2</sub>e/m<sup>2</sup> Operational Emissions

<sup>1</sup>Portfolio in operation as of 30/6/2023

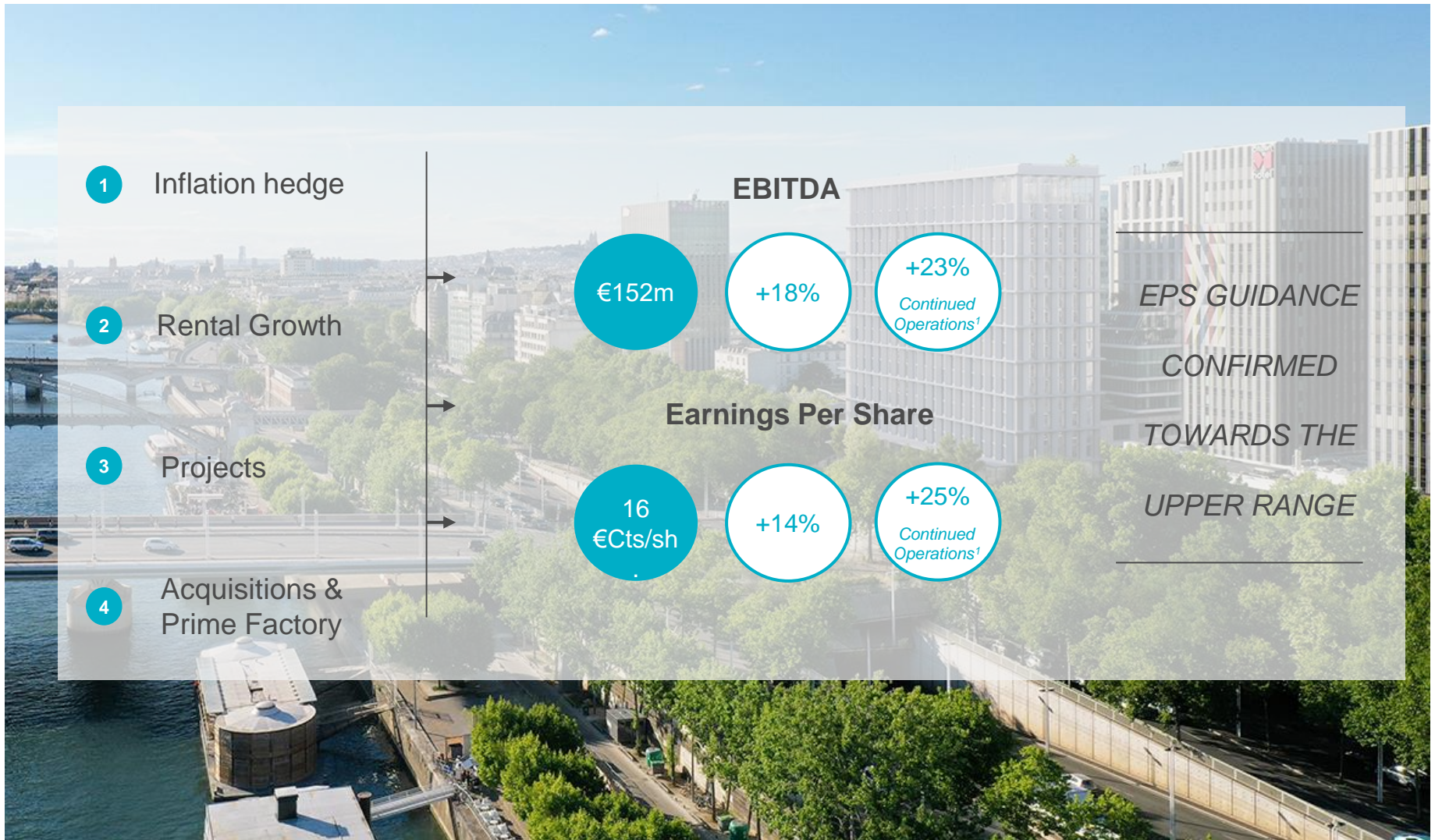




***Colonial a Prime Platform with a multi-layer Cash flow Growth***



Colonial a Prime Platform with a Multi-layer Cash flow Growth



<sup>1</sup> Adjusted by the impact of asset disposals



## Strategy – Prime Platform with a Multi-layer Cash flow Growth

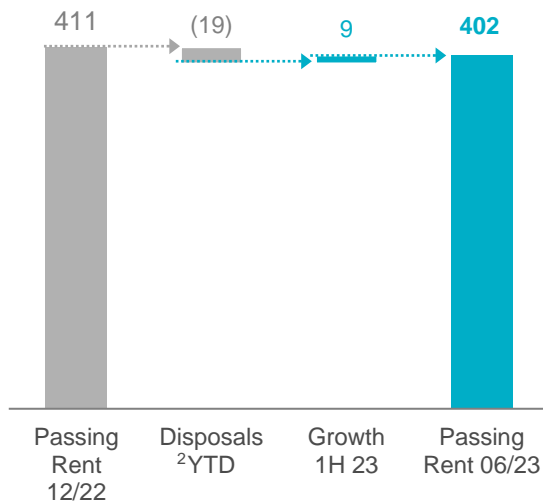
Colonial’s Portfolio offers a high visibility on further revenue growth

1. Annualized Passing Rents of €400 m not yet fully crystalized in 2023 Profit & Loss accounts
2. Additional Revenues of more than €40 m from delivery of current pipeline (€18 m secured YTD)
3. Asset portfolio with a substantial growth potential through a healthy mix of reversion and refurbishments

### FLIGHT TO QUALITY THROUGH DISPOSALS

Gross Rental Income post disposals remains above €400m

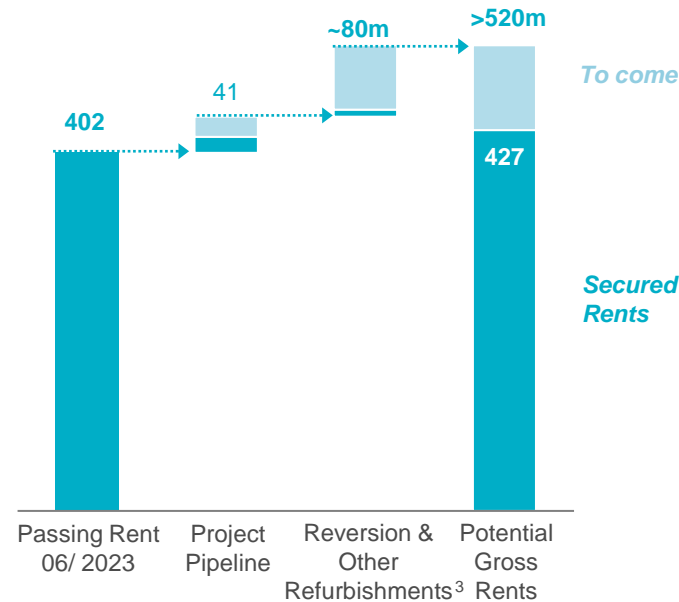
Topped-Up GRI €m<sup>1</sup>



### SIGNIFICANT ADDITIONAL ORGANIC REVENUE GROWTH

More than €100m of organic growth to be captured

Topped-Up GRI €m<sup>1</sup>



1. Annualized topped-Up passing GRI

2. Includes July 2023 disposals

3. Remaining Static Price & Volume reversion (excluding additional impacts of future indexation & ERV growth) & other refurbishments across the portfolio

Strategy - Prime assets, experience destinations, financial discipline

▶ **Tenant trends are solid in European City Centres**

- Scarcity of Grade A stock & race to quality accelerate bifurcation in Europe
- Low carbon destinations outperforming the market in occupancy and rental levels
- Central locations benefiting from short commuting time, key factor for office usage
- Experience & cultural benefits of central prime offices on wellbeing here to stay

▶ **Demand is concentrated on Prime Assets in Central Locations**

- Colonial's letting performance reaches again historical high volumes
- Rents are rising with accelerating momentum & double digit ERV growth in Paris
- Top-tier clients of luxury, tech & consulting sectors taking more space in our buildings

▶ **We are investing to grow, developing additional experience destinations**

- Colonial transforming urban centres with amenity led space: Louvre, Mendez Alvaro Campus
- Strong track record on urban transformation with outstanding capital value gains

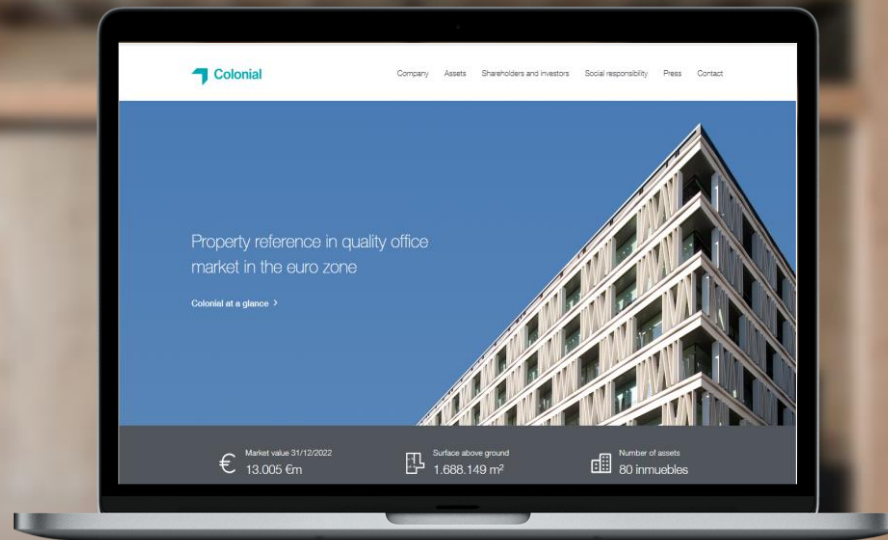
▶ **We have financial strength and discipline with low cost of debt**

- More than €540m divestments with pricing levels at appraisal value
- 100% hedged in the next 2 years and above 92% for years 3 & 4
- Spot cost of debt at 1.69% with levels below market in the long term

▶ **Whilst there are short term reductions in valuation, polarization of assets continues**

- Rental Growth & Project Value Creation partially offset yield expansion
- Our Prime buildings are outperforming the market with resilient valuations

# THANK YOU



<https://www.inmocolonial.com/en/shareholders-and-investors>

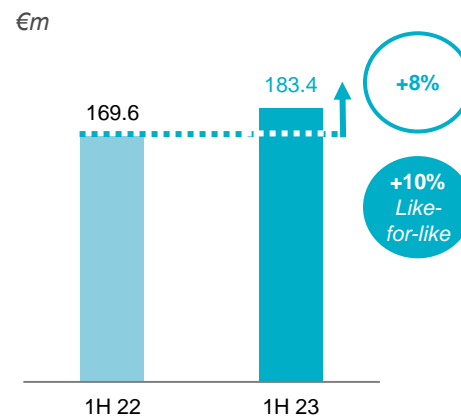




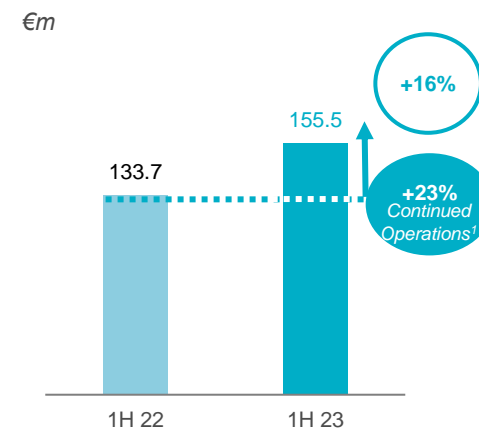
## PROFIT &amp; LOSS ACCOUNT

Profit & Loss Account		
Results analysis - €m	1H 2023	1H 2022
<b>Gross Rents</b>	<b>183</b>	<b>170</b>
<b>Recurring EBITDA</b>	<b>156</b>	<b>134</b>
Recurring financial result	(46)	(38)
Income tax expense & others - recurring	(5)	(7)
Minority interests - recurring	(18)	(13)
<b>Recurring Earnings</b>	<b>87</b>	<b>76</b>
Change in fair value of assets & provisions	(525)	315
Non-recurring financial result & MTM	(1)	(1)
Income tax & others - non-recurring	4	0
Minority interests - non-recurring	89	(35)
<b>Profit attributable to the Group</b>	<b>(347)</b>	<b>355</b>
<b>Recurring Earnings - €m</b>		
Recurring Earnings - €m	86.9	76.2
Nosh (mm)	539.6	539.6
EPS recurring - Cts€/share	16.1	14.1
<b>EPS cont. operations - Cts€/share</b>	<b>16.0</b>	<b>12.8</b>

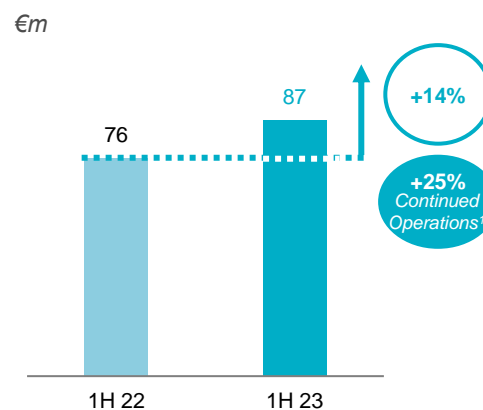
## REVENUE - GROSS RENTAL INCOME



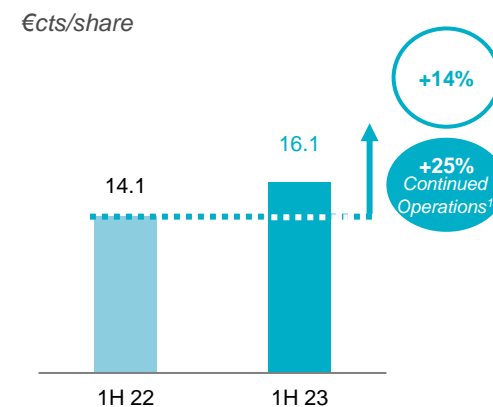
## GROUP RECURRING EBITDA



## RECURRING NET PROFIT



## RECURRING EPS



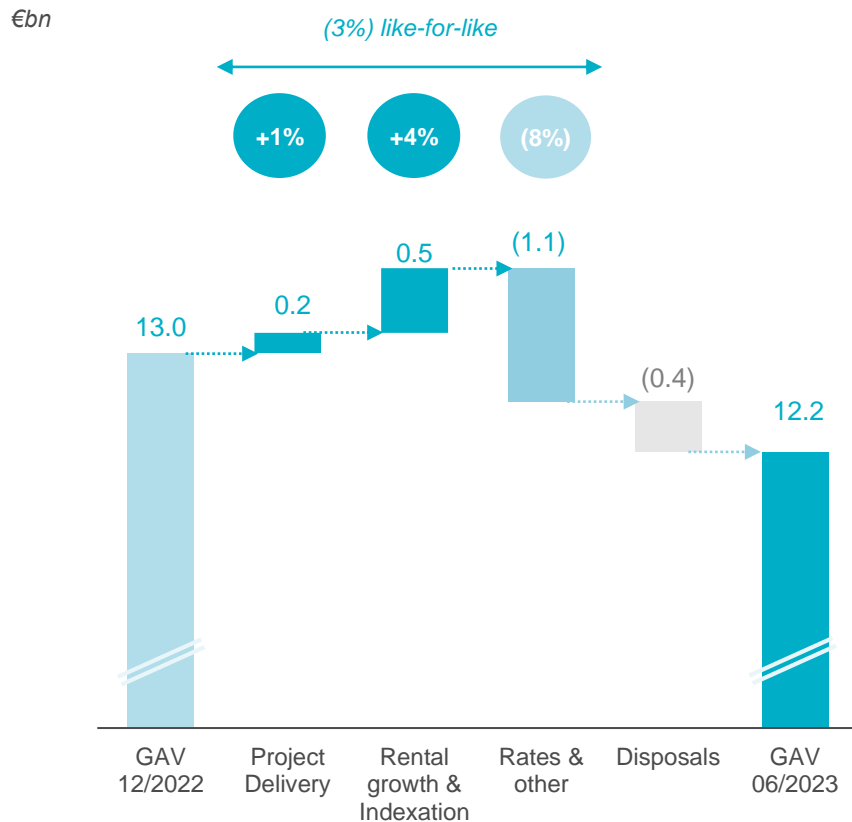
1. Adjusted by the impact of asset disposals

Colonial's Prime Strategy delivers resilient asset values in volatile market environments

1. Higher Cap Rates partially offset by Rental growth & Project Delivery
2. The prime positioning of our assets delivers a resilient valuation outperforming the market

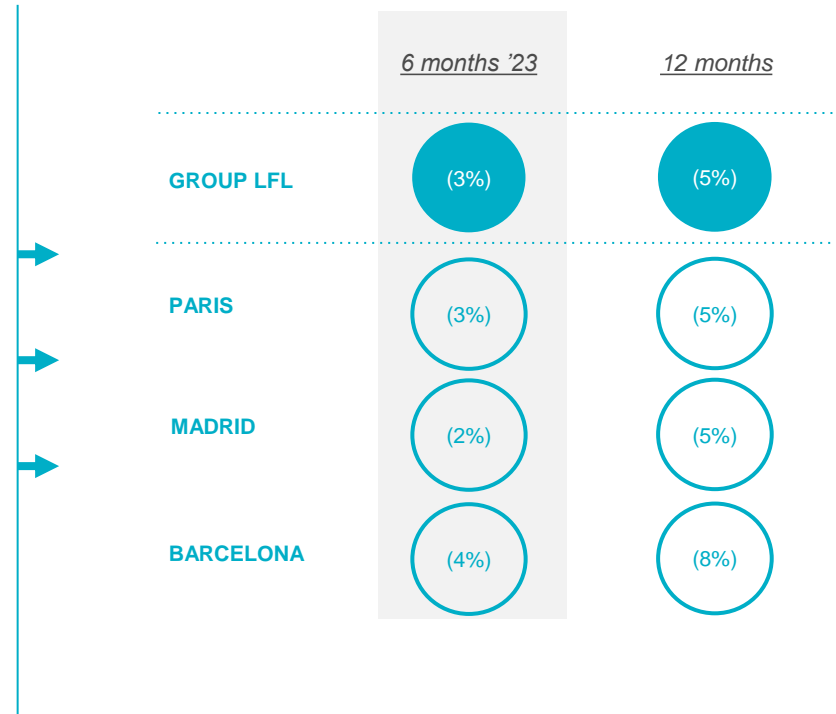
**RESILIENT GROSS ASSET VALUES**

*Pricing Power & Project Deliveries offsetting Rates*



**FULL BENEFIT OF PRIME POSITIONING**

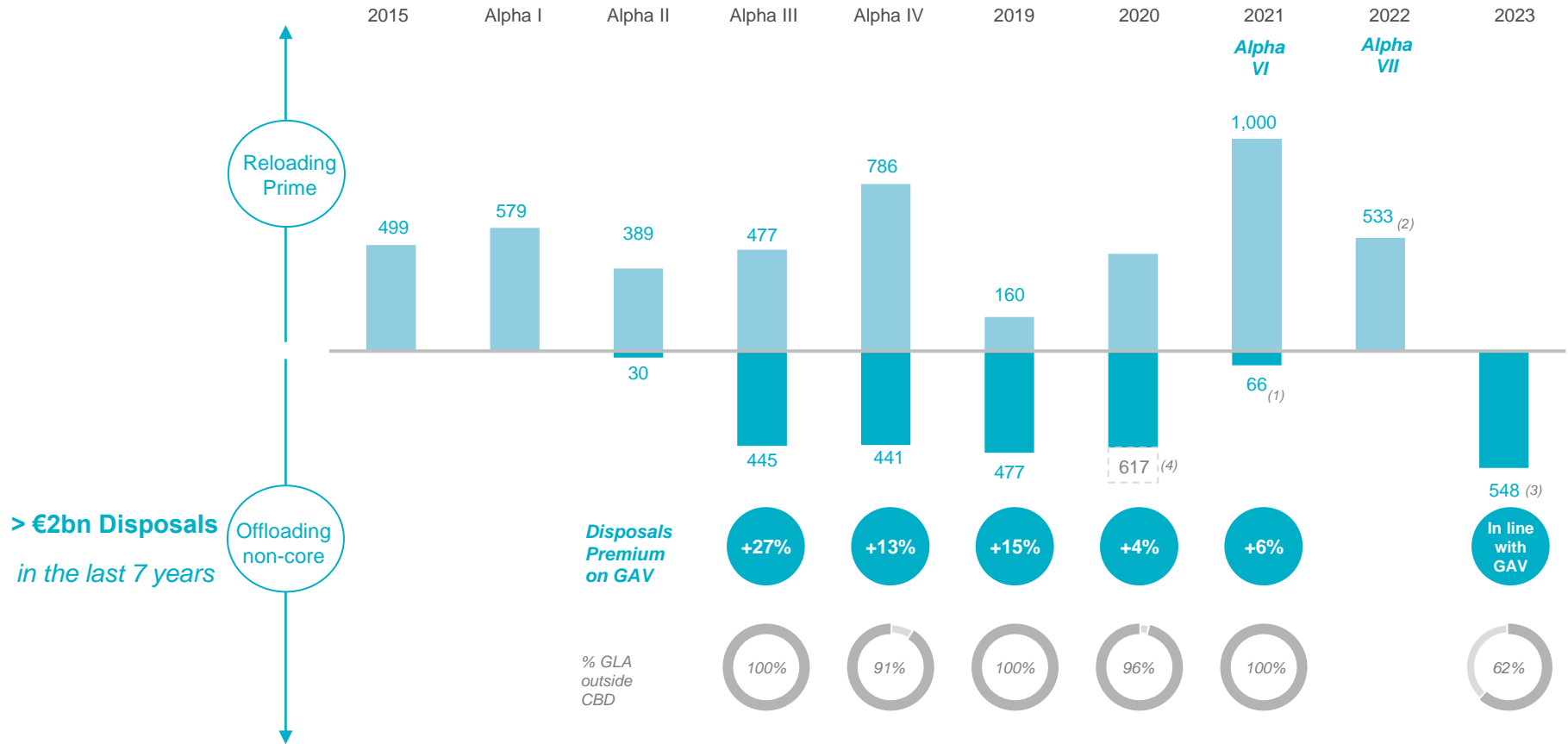
GAV VARIANCE



Colonial has a strong track record on value creation through capital recycling

Colonial continues with its successful flight to quality strategy through active portfolio asset allocation

ONGOING FLIGHT TO QUALITY THROUGH ACTIVE CAPITAL ALLOCATION



Note (1): Disposals settled in September and November 2021

Note (2): Acquisition of Danone Headquarters in Spain (Dec-21) and Pasteur in Paris (Mar -2022)

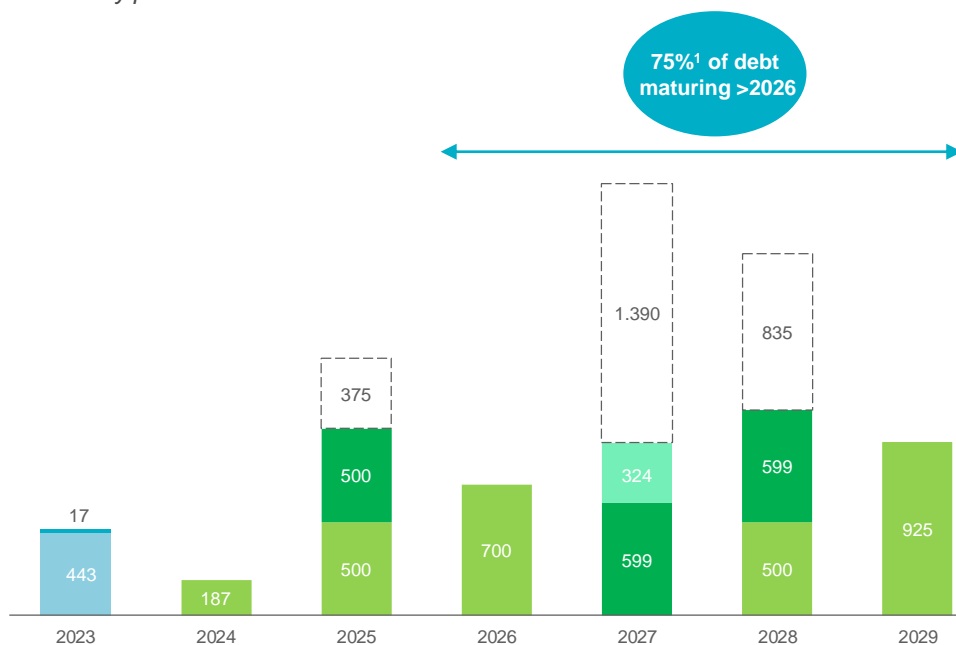
Note (3): Disposals settled in 2022, and 2023 YTD

Note (4): Includes settlement of logistics disposal



### Extension of Debt Maturities

Maturity profile of debt facilities - €m



### A Solid Financial Structure

	31/12/2022	30/06/2023
Net Debt	€5,355m	€5,038m
LTV	38.7%	39.2%
Drawn Facilities	€100m	€0m
Unutilized Facilities	€2,240m	€2,600m
Total Facilities	€2,340m	€2,600m
Cash	€160m	€257m
Liquidity	€2,400m	€2,857m
Debt Maturity Group	4.6 years	4.7 years
Non-Mortgage debt	99%	100%
Cost of Debt Group	1.71%	1.69% <sup>2</sup>

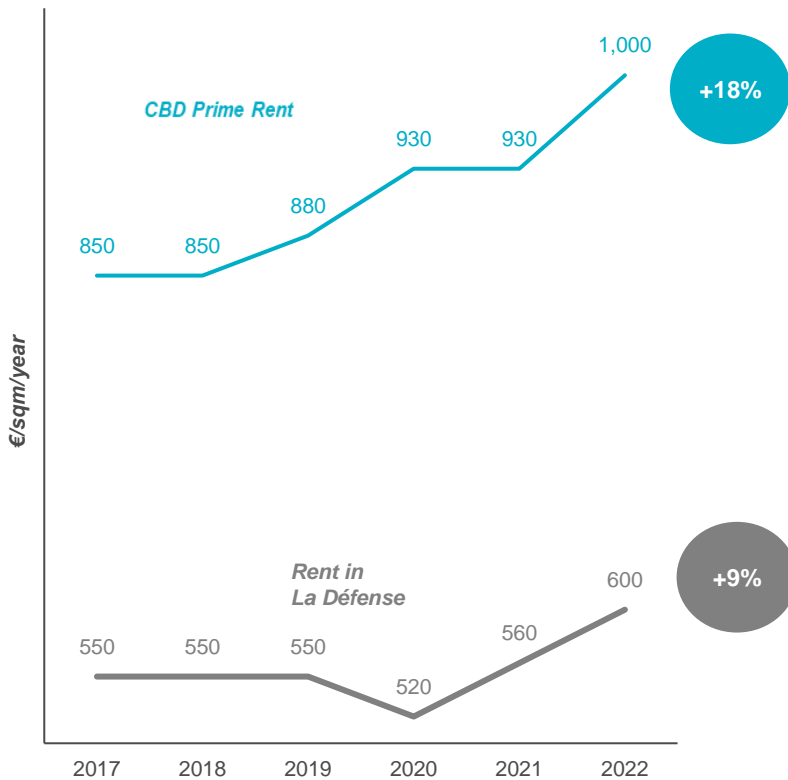
<sup>1</sup> Excluding ECPs

<sup>2</sup> Excluding formalization costs accrued over the life of debt. Including them, the financial cost amounted to 1.95%

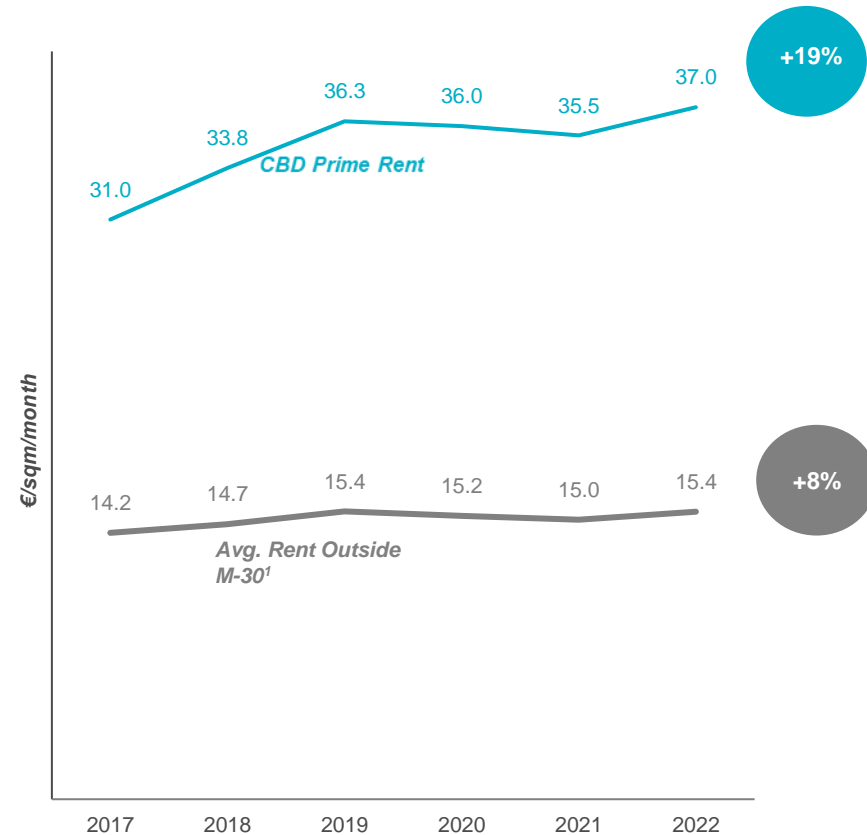
Office Markets show strong support for Prime CBD product

Scarcity of Grade A CBD stock & race to quality vs secondary locations accelerate bifurcation in Europe

PARIS - Office rental market



MADRID - Office rental market



Source: CBRE & C&W

Note (1): Avg. Rent has been calculated as the rents of A-1; A-2; A-6 and Periphery, weighted by the stock (sqm) of these submarkets

# Colonial delivers strong letting performance

Colonial has signed more than 97,000 sqm in the first half of the year, reducing vacancy and locking in long-term contract maturities

	LETTING VOLUME		EPRA VACANCY <sup>1</sup>		MATURITY (years)	
	Sqm	Value (€)	12/22	1H 2023	<sup>1st</sup> potential exit	Expiry
<b>TOTAL</b> 	97,209	€43m	4.4%	2.8% (157 bps Vs. 12/22)	6	10
<b>PARIS</b> 	28,448	€23m	0.2%	0.0%	9	11
<b>MADRID</b> 	40,311	€12m	4.5%	3.1%	3	5
<b>BARCELONA</b> 	28,450	€8m	20%	14.9%	5	11

(1) Financial vacancy calculated according to EPRA methodology – Office Portfolio



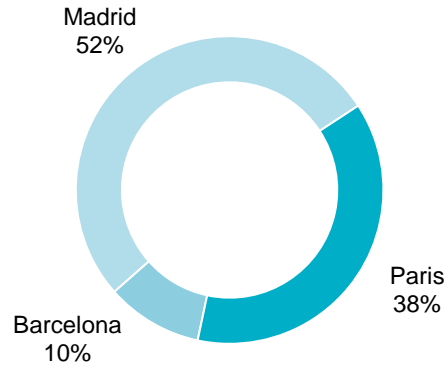
# Vacancy at very healthy levels in every segment

## EPRA<sup>1</sup> VACANCY



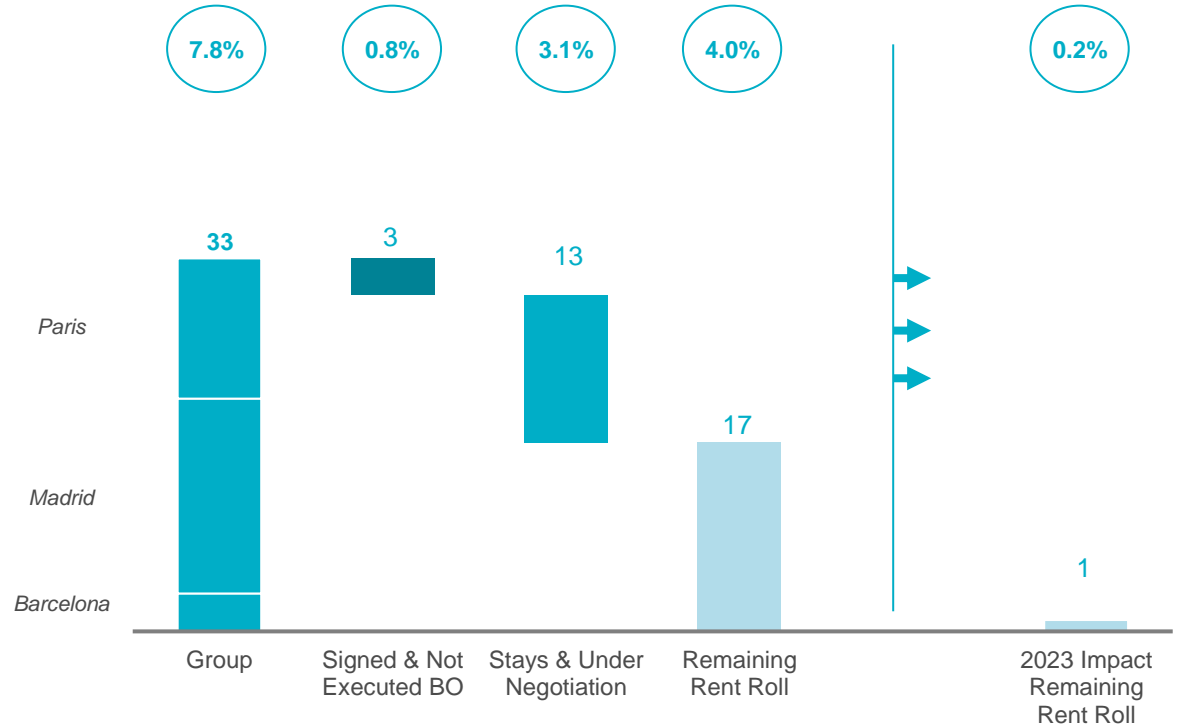
(1) EPRA Vacancy office portfolio  
 (2) EPRA Vacancy including all uses

2023 MATURITIES – MIX



2H 2023 MATURITIES BREAKDOWN

% on annualized Group GRI



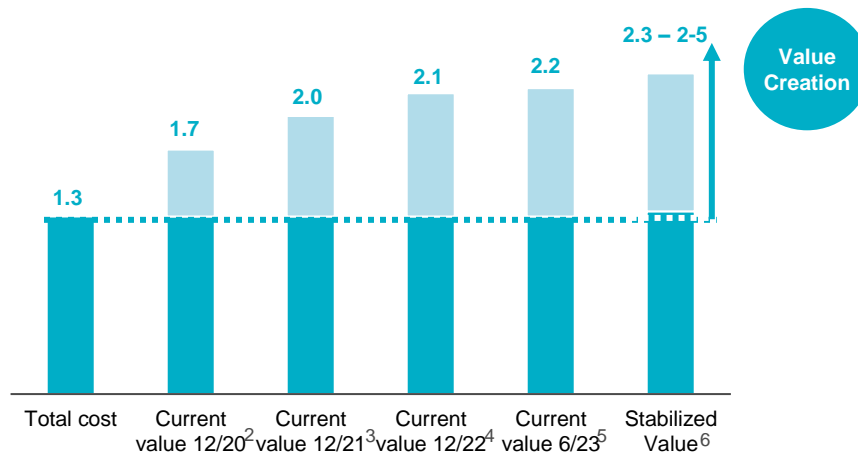
Colonial’s Prime Factory Approach delivers solid Value Creation

1. Colonial is successfully delivering the project pipeline with one of the highest yield on costs in the sector
2. High levels of secured rents as solid source for additional revenue growth in 2023

PROJECT PIPELINE - DELIVERING & RELOADING

Project	City	GLA (sqm)	Let
Diagonal 525	Barcelona CBD	5.706	100%
83 Marceau	Paris CBD	9.600	100%
Velazquez 86D	Madrid CBD	16.318	93%
Miguel Angel 23	Madrid CBD	8.155	100%
Biome	Paris City Center	24.500	100%
Plaza Europa 34 <sup>1</sup>	Barcelona	13.735	100%
Louvre SaintHonoré	Paris CBD	16.000	100%
<b>DELIVERED PROJECTS</b>		<b>94.014</b>	
<b>Méndez Alvaro Campus</b>	<b>Madrid CBD South</b>	<b>89.871</b>	<b>Delivery 1H 2024</b>
<b>TOTAL PIPELINE</b>		<b>183.885</b>	

Value creation potential - €bn



Pending Capex as of 1H 2023

	€m
2023	52 - 57
2024	21 - 26
<b>Total Pending Capex</b>	<b>73 - 83</b>

<sup>1</sup> Plaza Europa is a Joint Venture where Colonial's stake is 50%.

<sup>2</sup> GAV 12/20 + Pending Capex as of 12/20

<sup>3</sup> GAV 12/21 + Pending Capex as of 12/21







<sup>4</sup> GAV 12/22 + Pending Capex as of 12/22

<sup>5</sup> GAV 6/23 (last appraisal) + Pending Capex as of 6/23





<sup>6</sup> Stabilized rent capitalized at estimated exit yield








## Investment markets for prime product remain active

	Asset	Area	Price	GLA	Cap. Value
PARIS	 19 François 1er (1Q 2023)	CBD	€150m	2,600 sqm	€57,692/sqm
	 62 Champs Elysées (1Q 2023)	CBD	€100m	2,300 sqm	€43,478/sqm
	 35 Montaigne (1Q 2023)	CBD	€200m	5,100 sqm	€39,216/sqm
	 11 Hoche (1Q 2023)	CBD	€115m	3,300 sqm	€34,849/sqm
	 101, Champs-Élysées (2Q 2022)	CBD	€146m	4,300 sqm	€34,000/sqm
	 Galilée-Vernet (1Q 2023)	CBD	€125m	4,400 sqm	€30,000/sqm









## Investment markets for prime product remain active

	Asset	Area	Price	GLA	Cap. Value
MADRID	 Castellana 51 (3Q 2022)	CBD	€239m	18,700 sqm	€12,750/sqm
	 Almagro 9, José Abascal 56 & Miguel Ángel 11 (1Q 2023)	CBD	€315m	33,731 sqm	€9,338/sqm
	 Fray Luis de León 13 (4Q 2022)	City Center	€32m	4,300 sqm	€7,442/sqm
	 Francisco Silvela 106 (1Q 2023)	City Center	€46m	6,300 sqm	€7,337/sqm

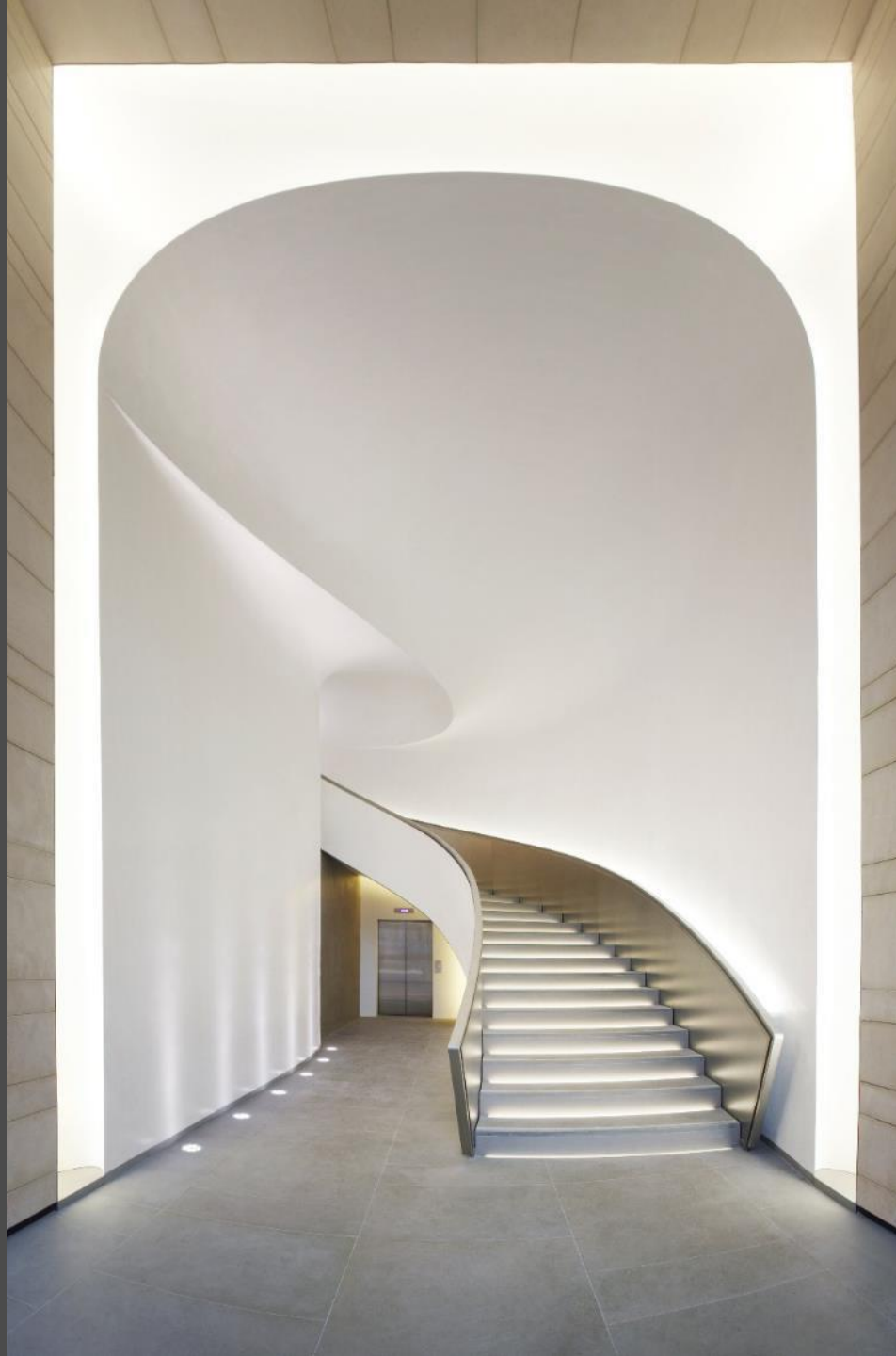
Investment markets for prime product remain active

	Asset	Area	Price	GLA	Cap. Value
BARCELONA	 <p>Portal de l'Àngel 40* (4Q 2022) <i>* Includes Office &amp; Retail Units</i></p>	City Center	€105m	4,400 sqm	€23,863/sqm
	 <p>Diagonal 662** <i>Transaction not completed</i> <i>** Sale price as of publishing date (1Q 2023)</i></p>	CBD	€240m	27,300 sqm	€8,791/sqm
	 <p>Step Up (2Q 2022)</p>	22@	€35m	4,500 sqm	€7,777/sqm
	 <p>Mile22@ (3Q 2022)</p>	22@	€250m	35,000 sqm	€7,142/sqm
	 <p>Pamplona 101 (2Q 2023)</p>	22@	€31m	4,500 sqm	€6,889/sqm



	ESG topics analyzed	Score	Colonial Overview
 <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>&gt; CO<sub>2</sub> reduction in line with 1.5C° pathway</li> </ul>	<p><b>1.5° Ambition</b> <b>Targets approved</b></p>	<ul style="list-style-type: none"> <li>&gt; Decarbonization Plan scientifically approved</li> <li>&gt; Leading the way by setting science-based targets</li> <li>&gt; Highly-ambitious plan towards achieving 1.5°C goal</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; CO<sub>2</sub> and energy performance</li> <li>&gt; Targets and action plans</li> <li>&gt; Risk management</li> </ul>	<p>Your CDP score</p> 	<ul style="list-style-type: none"> <li>&gt; Within the 1.5% best companies worldwide across all industries</li> <li>&gt; One of only six real estate companies in Europe</li> <li>&gt; The only property company in Spain</li> </ul>
 <p>G R E S B<sup>®</sup> ★★★★★ 2022</p>	<ul style="list-style-type: none"> <li>&gt; Environmental targets</li> <li>&gt; Action plans</li> <li>&gt; Performance</li> </ul>	<p>Standing Investments: <b>90/100</b> Development: <b>96/100</b> <b>Five-star</b></p>	<ul style="list-style-type: none"> <li>&gt; 3<sup>rd</sup> consecutive year with 5-star green rating</li> <li>&gt; Investment portfolio: 90/100 Leader in Western Europe</li> <li>&gt; Development portfolio: 96/100</li> <li>&gt; Strong momentum in rating +50% in 6 years</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; Environmental strategy</li> <li>&gt; Human capital</li> <li>&gt; Risk management</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Top 3% of the over 4,000 companies worldwide</li> <li>&gt; 3<sup>rd</sup> out of 97 in the financial services</li> <li>&gt; Reporting Rate of 94%, far exceeding the 67% sector average</li> <li>&gt; Increased overall score since last year's review</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; Governance</li> <li>&gt; Social responsibility</li> <li>&gt; Human resources</li> </ul>	<p><b>Negligible Risk</b></p>	<ul style="list-style-type: none"> <li>&gt; Ranked 31 out of 459 listed real estate companies</li> <li>&gt; Globally positioned in the Top 198 of the 15,617</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; CO<sub>2</sub> performance</li> <li>&gt; Environmental certificates</li> </ul>	<p><b>100% Green Bonds</b></p>	<ul style="list-style-type: none"> <li>&gt; 1<sup>st</sup> IBEX35 company with 100% Green Bonds</li> <li>&gt; 1<sup>st</sup> Spanish Real Estate with 100% Green Bonds</li> <li>&gt; Well positioned in continental Europe on green financing</li> </ul>

Colonial



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