

Group EBITDA increased +12% over the previous year

**Colonial beats 2023 guidance and closes
the year with recurring income of €172m, +7%**

- Recurring EPS of €32cts beating the upper range of the market guidance
- Gross Rental Income of €377m, +8% like-for-like
- More than 158,000 sqm of letting volume, with a rental increase of +7%
- Occupancy levels of 97% (full occupancy in the Paris portfolio)
- Disposal programs of €723m, executed at prices in line with appraisals
- Value adjustment in GAV of (9%) like-for-like, below market average in Europe
- 100% of the current debt at a fixed rate of 1.75% and more than €2.900m liquidity

Madrid, 29th February 2024

In a macroeconomic environment still marked in 2023 by instability and rising interest rates with a clear effect on the Real Estate investment market, Colonial's business model has proven not only its resilience, but also its ability to grow its operating fundamentals above the market average. The occupancy of its buildings is close to full occupancy at 97%, a figure that rises to 100% in Paris, resulting in a rental income growth of €377m, +8% on a like-for-like basis. These increases were also achieved by capturing the highest rents in the market, above the market average in renovations and new leases.

Supported by these growth levers, Colonial has beaten the guidance and consensus for this year with Recurring Earnings per share (EPS) growing up to 0.32 euros, which represents the highest Recurring Profit in the Company's history with €172m, +7% vs. the previous year. Additionally, the Group's EBITDA has experienced a double-digit growth, +12%, up to €316m, a record both in absolute terms and as a percentage of revenues. The extraordinary performance of Recurring Profit will in turn allow Colonial's Board to propose to the General Shareholders' Meeting an increase of the dividend of +8% up to €0.27 per share, increasing the total amount distributed to €144m, among its shareholders.

The solid operating fundamentals of Colonial's asset portfolio have become a key element for the containment of the adjustment in the value of its assets, in an environment of declines on a general trend that began in the second half of 2022 with the rise in interest rates and the consequent impact on value and investment. The higher cash flows achieved thanks to indexation and rental growth, together with the successful delivery of projects, have led to Alpha value creation, which has partially offset the value correction due to yield expansion. Thus, Colonial has made an adjustment to the value of its assets of 9% throughout 2023, a percentage that is below the average of comparable European listed companies. The

adjustment in the value of the asset portfolio brings the Group's accounting result or net result to negative €1,019m. It should be noted that the change in value does not represent a cash outflow.

Throughout 2023, the resilience of Colonial's asset value and its attractiveness for investment has been evidenced by Colonial's high capacity to recycle capital through divestments all closed at prices in line with valuation. All divestments amount to €723m, which raises the company's liquidity to €2,900m, reinforcing the extraordinary strength of its liabilities and its future investment capacity.

"Once again, we closed our financial results with strong cash flow growth based on a portfolio of assets with high occupancy levels that allow us to capture rent increases in the high end of the market," explains Juan José Brugera, Chairman of Colonial. "Our commitment to creating high-end products in the urban center has once again enabled us to obtain operating results significantly higher than those of other European real estate companies," adds Juan José Brugera.

"The year 2023 has been a year of value adjustment for the whole sector, and in this context Colonial has maintained an excellent operating performance," explains Pere Viñolas, CEO of Colonial.

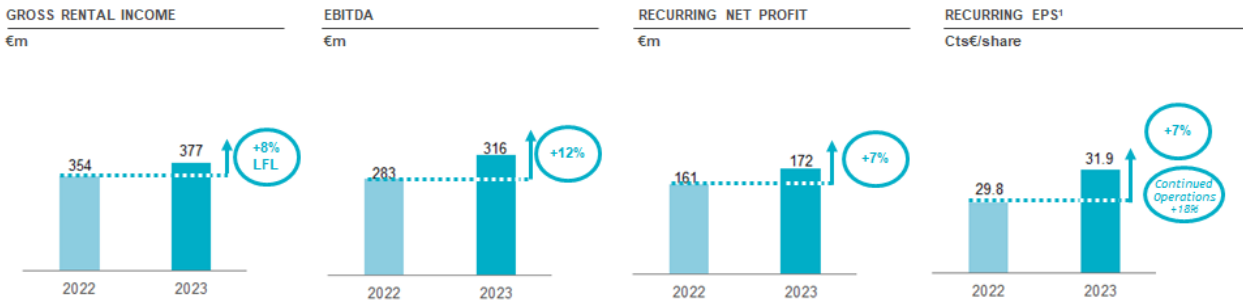
Annual results 2023

The double-digit increase in EBITDA boosts the recurring EPS

Record in Gross Rental Income and profit of €172 m

The Colonial Group closed 2023 with an increase in the Recurring Results driven by the strong growth in rental income.

- **Gross Rental Income of €377m, +8% vs the previous year**
- **Group EBITDA of €316m, +12% vs the previous year**
- **Recurring Net Profit of €172m, +7% vs. the previous year**
- **Recurring EPS of €32cts, +7% vs. the previous year**
- **Recurring EPS on continued operations², +18% vs. the previous year**



The Recurring Results have increased based on solid growth in rental income. The **growth in income** was achieved through a combination of factors: 1) the capacity to **capture the indexation impact**, 2) the **growth in rental prices and an increase in occupancy**, complemented by 3) additional income from **project deliveries**.

The efficient management of operating costs has resulted in an **EBITDA growth of +12% year-on-year**, which has led to an increase of +7% in the Recurring Net Profit, reaching €172m.

The execution of the disposal program has meant that the increase in the net results was lower. Excluding this impact of the active management of the portfolio, **the Recurring EPS of the continued operations² has grown +18% compared to the previous year.**

Solid operating fundamentals in all segments above market levels

1. Strong letting performance

The prime asset portfolio once again captured a **historic high volume** of signed contracts, amounting to **105 rental contracts, corresponding to 158,225 sqm**, which is +7% above the average letting figure reached in the last three years.

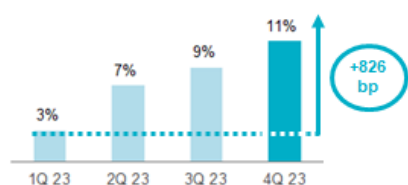
2. Rental Increase – Polarization & Pricing Power

Pricing Power” – Acceleration of growth in market rents¹

The **Colonial Group** closed 2023 with a **+7% growth in signed office rents compared to market rents (ERV) as of 31 December 2022**.

RENTAL GROWTH VS ERV

OFFICES



In 2023, the growth in rental prices of the office portfolio accelerated, starting the year with a +3% increase and ending the fourth quarter of the year at +11%. The growth in rents achieved is clear evidence of the polarization trend in the office markets, characterized by a demand that prioritizes top-quality Grade A products in the CBD.

3. Solid occupancy levels

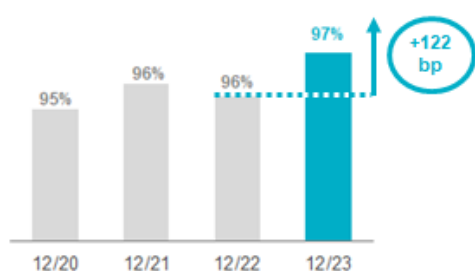
The **occupancy of the Colonial Group stands at 97%**, reaching **one of the highest ratios in the sector**. Of special mention is the **Paris portfolio with full occupancy at 100%**, followed by the **Madrid portfolio at 96%**.

In 2023, **portfolio occupancy has increased by 122 bp**, boosted by an improvement in occupancy in all segments.

The most significant progress took place in Barcelona with an improvement in occupancy of more than +390 bp in the last 12 months.

EPRA OFFICES OCCUPANCY

GROUP



BY MARKETS

| Market | Occupancy | Var vs 12/22 |
|-------------------|-----------|--------------|
| Paris Offices | 100% | +17 bp |
| Madrid Offices | 96% | +71 bp |
| Barcelona Offices | 84% | +390 bp |

(1) Signed rents vs ERVs at 31/12/2022 (ERV 12/22)

Asset Valuation and Capital Structure

1. Asset values - Polarization & Prime Positioning

The Gross Asset Value of the Colonial Group at the close of 2023 is **€11,336m (€11,944m including transfer costs)**, 13% less than its value as of December 2022, specifically due to the sale of non-strategic assets carried out in 2023 and the value adjustments of 9%.

In **like-for-like terms, Colonial's portfolio was adjusted by 9% compared to the previous year (correction of 6% in the second half of the year)**. The Net Asset Value (NTA) stands at €5,372m corresponding to €9.95/share.

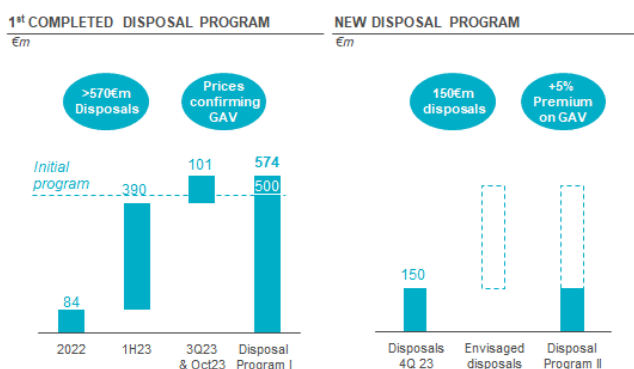
The valuation of the asset portfolio has recorded a like-for-like value adjustment, so that the accounting result or net result of the Group is negative (€1,019m). It should be noted that the change in value does not represent a cash outflow.

2. Disposal Program – Active management of the portfolio

In the last quarter of 2023, and the beginning of 2024, the Colonial Group closed disposals for €150m with a premium of +5% over the last appraisal.

The disposals were carried out in Madrid and correspond to the residential part of the Méndez Álvaro Campus (Madnum Residential) with almost 30,000 sqm (binding agreement subject to final settlement) and the sale of 3 floors in a building on the Paseo de Recoletos, asset acquired by Colonial in 2019 (disposal already completed).

These transactions are included in the Colonial Group's new disposal program that will continue in 2024 with additional asset sales, in order to recycle capital and maximize value creation for its shareholders.



3. Capital Structure

At the current date, the Colonial Group has a solid balance sheet, with an LTV Proforma of 39.5%¹ and a liquidity of €2,903m.

In 2023, the Group executed a large part of its disposal program, as well as other financial protection measures that have allowed it to reduce its net debt by €491m and expand its average maturity, increasing its liquidity by c.€500m, totally eliminating the mortgage-secured debt, reaching a fixed/hedged debt ratio of 100% and maintaining the same financial costs in an environment of interest rate hikes by the Central European Bank.

The liquidity of the Colonial Group amounts to €2,903m between cash and undrawn credit lines, enabling the Colonial Group to cover all its debt maturities until 2027.

(1) LTV including the sales agreements already signed and the sale agreement for the Méndez Álvaro residential complex (Excluding the sales commitments for 2024, the LTV stands at 39.9%)



About Colonial

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid, and Paris with a prime office portfolio of more than 1 million sqm of GLA and assets under management with a value of more than €11bn.



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

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