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### *Ordinary General Meeting of Shareholders 2024*

## **Colonial increases its dividend to 27 cents €/share**

- The dividend distribution approved by the AGM amounts to a maximum of €1436 million, representing an 8% increase from the 2022 distribution of 0.25 €/share
- The Group anticipates that the dividend per share will continue to grow between 8% and 10% going forward
- A ratification and two re-elections of proprietary directors were approved
- Positive evolution of fundamentals in 2023, outperforming the market: record-high leasing volume, almost full occupancy, and an 8% increase in rents
- The company increased its recurring profit by 25% in the first quarter of 2024
- Colonial strengthens its capital structure with the entry of CriteriaCaixa and launches new projects that boost its growth and profitability profile
- Colonial confirms its ESG leadership and reduces its carbon footprint (Scopes 1, 2, and 3) by over 46,000 tons (-40%) in 3 years

#### ***Madrid, June 13, 2024***

Colonial shareholders today approved at the Ordinary General Meeting the Board of Directors' proposal to distribute a **dividend of 0.27 euros per share**, which, given the number of shares currently in circulation, represents a total dividend of €1436 million.

Colonial continues its path of increasing its dividend, which has been steadily rising since 2016. The Board of Directors' proposed dividend of 0.27 euros per share for the 2023 fiscal year, approved today by Colonial's shareholders, reflects an 8% increase in the dividend per share compared to the 0.25 euros per share dividend of the previous year. The Group forecasts that **the dividend per share will continue to grow at a rate of between 8% and 10% in the future.**

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As communicated to the shareholders in today's meeting, this policy of increasing dividends responds to the strength of Colonial's 2023 results, approved by the shareholders, based on the **positive and above-market evolution of the company's fundamentals**, both in terms of leasing volume, occupancy, and rent increases, thanks to a portfolio of top-quality assets in prime locations.

Additionally, the consolidation of Colonial's value proposition as an urban transformation platform supported by its strategic positioning in prime areas, which benefit most from sector polarization, along with the value enhancement through new projects and its ability to recycle capital through sales, positions the company very favorably to benefit from the real estate cycle recovery.

**"The solidity of Colonial's fundamentals and the successful execution of its strategic plan allowed us to offer a higher dividend to our shareholders again in 2023, and we are prepared to take advantage of the real estate cycle recovery in 2024", said Pere Viñolas, CEO of Colonial.**

**Juan José Brugera, Chairman of Colonial, emphasized that "the results and good business performance of Colonial are the result of financial strength and discipline combined with high-quality asset management and the reinforcement of capital structure improvement, all of which is reflected in a 2023 earnings per share that exceeds the year's forecasts".**

#### **Prime strategy of Colonial generates strong profit growth**

Colonial grew in 2023 through the positive evolution of all its fundamentals, outperforming the market average: **leasing volumes at historic highs** with more than 158,000 m<sup>2</sup>, 7% above the average leasing figure of the last three years; **almost full occupancy** at 97%, with Paris at 100%; and **rent increases** capturing the impact of indexation on leases, resulting in an annualized passing rent increase of +5% (+4% in Spain and +6% in Paris).

This progress translates into **solid annual revenue growth for the Group, both in total terms with a +6% increase and on a like-for-like basis with an +8% increase**, one of the highest in the sector, demonstrating Colonial's strong positioning.

Colonial's prime portfolio also benefits from the **market polarization effect**, prioritizing Grade A products of the highest quality in the best locations, capturing maximum rents in Paris of over €1,000/m<sup>2</sup>/year, as well as €40/m<sup>2</sup>/month in Madrid and €28/m<sup>2</sup>/month in Barcelona. With these price levels, Colonial's portfolio sets the prime reference in each of the markets where it operates.

Colonial Group closed 2023 with its best recurring profit figures driven by **rental income** of €377 million. **EBITDA** growth was +12%, reaching €316 million. **Recurring net profit** grew by 7% to €172 million for the year 2023, and **recurring net profit per share** was 32 cents, +7% compared to the previous year and above the upper range of the 2023 forecasts.

#### **Debt reduction by nearly €500 million**

Colonial Group presents a solid balance sheet both in terms of Loan-to-Value (LTV) and liquidity, with a **net debt reduction** of €491 million in 2023 to €4.864 billion and more than €2.9 billion in **liquidity**.

The company has covered debt maturities until 2027 and optimized the **level of coverage** against interest rate increases. By the end of 2023, it had eliminated mortgage-backed debt entirely, and 100% of the debt is at a fixed interest rate or hedged.

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Standard & Poor's renewed Colonial's credit rating in April this year at BBB+ with a stable outlook. Moody's, on the other hand, gives Colonial a Baa2 rating with a Positive Outlook.

### **Capturing Real Estate cycle recovery through offensive growth strategies**

Starting in 2024, Colonial is launching a **new pipeline of Alpha X developments** after executing a divestment program in recent years as part of the "flight to quality" strategy. This strategy involves actively rotating its portfolio, divesting mature, non-strategic products or those in areas far from the CBD to recycle capital for new value creation opportunities.

The company has carried out **divestments** of more than €720 million since the end of 2022, with prices in line with or above valuation. The divestment program included non-strategic assets with a total surface area of more than 150,000 square meters.

Regarding new Alpha X developments, the company is launching with a planned **capex investment of €385 million spread over four assets in Paris, Madrid, and Barcelona, totalling more than 110,000 square meters and generating additional annual rents of €64 million**. The Alpha X identifies a new portfolio of large-scale urban regeneration and mixed-use projects that are well-diversified and have strong value creation potential estimated between €400 million and €600 million.

### **Strong growth in recurring net profit in the First Quarter of 2024**

Regarding results for the first three months, the Colonial Group reported **rental income** of €96 million, +6% compared to the same period last year. **EBITDA** grew by +10% year-on-year, allowing for a +25% increase in **recurring net profit** to €471 million at the end of the first quarter of 2024, and +28% isolating the impact of asset divestment.

The significant increase in recurring profit is based on **rental income growth** from the Group Colonial's asset portfolio. Thanks to its prime positioning, the Group can capture the impacts of indexation, setting **leasing records and capturing rents above the market average**, driving occupancy to historic highs and demonstrating that prime quality, central, and sustainable assets are those with the greatest value creation capacity in the market. In this context, the Group's net profit stands at €545 million in the first quarter, nearly double (+96%) that of the same period last year.

### **Ratification and Re-election of Directors**

At the General Meeting of Shareholders, the ratification and appointment of Giuliano Rotondo as a proprietary director were approved. The shareholders also approved the re-election of Sheikh Ali Jassim M. J. Al-Thani and Carlos Fernández González as proprietary directors.

### **Colonial confirms its ESG leadership**

Colonial Group has reaffirmed its clear leadership in ESG at the European level for another year, making maximum excellence in governance, social, and sustainable investment the central axis of its corporate strategy. In this regard, **Colonial has managed to reduce its carbon footprint (Scopes 1, 2, and 3 complete) by more than 46,000 tons (-40%) in 3 years**.

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Thanks to this ambitious ESG strategy, Colonial has received recognition from the leading entities in this field in Europe over the past few years. The leading decarbonization index **CDP** (Carbon Disclosure Project) has awarded Colonial the highest score ("A") for the third consecutive year. This makes Colonial one of the 8 real estate companies in Europe that have received this rating.

The company has also received a score of 94 out of 100 in Standing Investments and 98 out of 100 in Development Benchmark in the **GRESB** sustainability index, positioning it as the **ESG leader among listed office companies in Western Europe and maintaining the maximum 5-star rating for the fourth consecutive year**.

Other entities, such as **Sustainalytics**, give it 62 points, the highest score among IBEX 35 companies, placing Colonial in the Top 5 of the 443 listed real estate companies (European REITs) and in the Top 26 of more than 15,500 analyzed companies. **EPRA** has awarded the EPRA Gold sBPR rating for the eighth consecutive year, certifying the highest standards of ESG reporting.

Furthermore, Colonial is one of the securities included in the new **'Ibex ESG' index**, an initiative by BME (Spanish Exchanges and Markets) aimed at becoming a global reference in sustainability for the Spanish stock market and promoting investments under a sustainable approach.

Beyond these distinctions in the environmental field, Colonial stands out for having **99.7% of its office portfolio with Leed or Breeam energy certification labels**, making the company a European leader in energy efficiency. Specifically, the value of assets with Leed certifications amounts to €1.858 billion, while €9.079 billion in assets have Breeam ratings.

## About Colonial

Colonial Group is a listed SOCIMI on the Spanish stock exchange, leading the prime office market in Europe, present in the main business areas of Barcelona, Madrid, and Paris with a prime office portfolio of over one million m<sup>2</sup> and an asset value under management exceeding €11,000m.



"The information included in this document should be read together with all publicly available information, particularly the information available on Colonial's website [www.inmocolonial.com](http://www.inmocolonial.com)."

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