

# Colonial

## 2024 Third Quarter Results

November 14<sup>th</sup>, 2024

 SUSTAINALYTICS

#1 IBEX<sub>se</sub>

 CDP A

Top 1.5%  
Global

 GRESB  
REAL ESTATE

 SCIENCE  
BASED  
TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

 EPRA  
SBPR  
GOLD  
EPRA  
BPR  
GOLD



# DISCLAIMER

---

By attending this presentation and receiving this document, you are agreeing to be bound by the following limitations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws and/or may result in civil, administrative or criminal liabilities.

This document is strictly confidential and is being furnished to you solely for your information. It may not be reproduced, or redistributed to any other person, and it may not be published, in whole or in part, for any purpose.

The information contained in this presentation (“Presentation”) has been prepared by **Inmobiliaria Colonial, SOCIMI S.A. (the “Company”)** and has not been independently verified and will not be updated. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein and nothing in this Presentation is, or shall be relied upon as, a promise or representation. None of the Company nor any of its employees, officers, directors, advisers, representatives, agents or affiliates shall have any liability whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation is for information purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by the Company and the Company’s publicly available information. The information and opinions in this presentation are provided as at the date hereof and subject to change without notice. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial or trading position or prospects.

This Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Company. You are solely responsible for seeking independent professional advice in relation to the Company. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of such information.

This Presentation contains financial information regarding the businesses and assets of the Company. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this Presentation or any related presentation should not be regarded as a representation or warranty by the Company, its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information’s portrayal of the financial condition or results of operations by the Company and should not be relied upon when making an investment decision. Certain financial and statistical information in this document has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Certain statements in this Presentation are forward-looking. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing economic, business or other market conditions, changing political conditions and the prospects for growth anticipated by the Company’s management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this Presentation and based upon past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The market and industry data and forecasts included in this Presentation were obtained from internal surveys, estimates, experts and studies, where appropriate as well as external market research, publicly available information and industry publications. The Company, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this Presentation.

NEITHER THIS DOCUMENT NOR ANY OF THE INFORMATION CONTAINED HEREIN CONSTITUTES AN OFFER OF PURCHASE, SALE OR EXCHANGE, NOR A REQUEST FOR AN OFFER OF PURCHASE, SALE OR EXCHANGE OF SECURITIES, OR ANY ADVICE OR RECOMMENDATION WITH RESPECT TO SUCH SECURITIES.





# Agenda

**01** 3Q 2024 Highlights

**02** Financial Performance

**03** Portfolio Management

**04** Future Growth

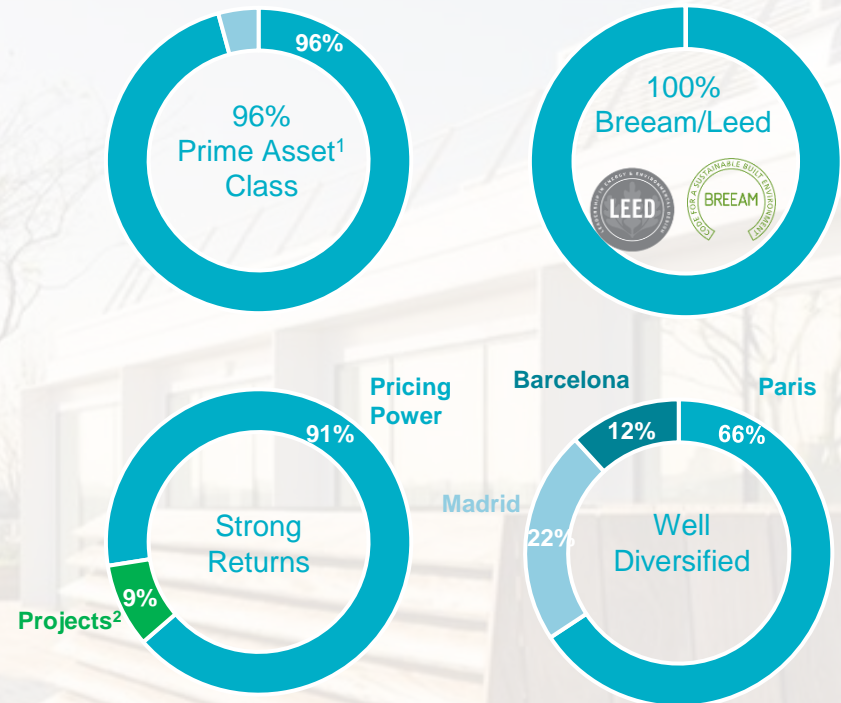
# High demand and tight supply drives outperformance of prime asset class

## Prime Asset Class delivers the strongest performance

*Prime property with unique demand & supply characteristics*

- Positive supply & demand dynamics resulting in full occupancy and strong rental growth
- Our premium assets attract the best clients, and we capture above average rental growth with our skills and capabilities
- There is consistent evidence about this market trend since covid started in our well-located markets
- A simplified view of the office market ignores the positive differentiation of the best assets
- Uniqueness of supply = optionality to create additional value through **Urban Transformation projects** in two ways:
  1. High quality office assets in supply constrained locations
  2. Driving new mixed-use approaches

*We are positioned in the Prime Asset Class and delivering returns & rental growth*



1) Includes CBD and City Centre assets  
 2) Includes Project X Pipeline, Madnum & Renovation Programs

## Outstanding operating results enhanced by Paris' performance

### EPRA Earnings

EPRA Earnings  
**€147m**

**+15%**

EPRA EPS  
**€26Cts**

**+9%**

### Revenues

GRI - Group  
**€293m**

**+6.5%**  
*Like for Like*

GRI – Paris  
**€192m**

**+7.4%**  
*Like for Like*

### Release Spread<sup>1</sup>

Group Total  
Portfolio

**+8%**

Paris  
Portfolio

**+19%**

### Rental Growth<sup>2</sup>

Group Total  
Portfolio

**+5%**

Paris Total  
Portfolio

**+7%**

1) Signed rents vs. previous contracts & re-let spaces

2) ERV Growth for Colonial commercial effort. Signed rents vs 12/23 ERV (new lettings & renewals).

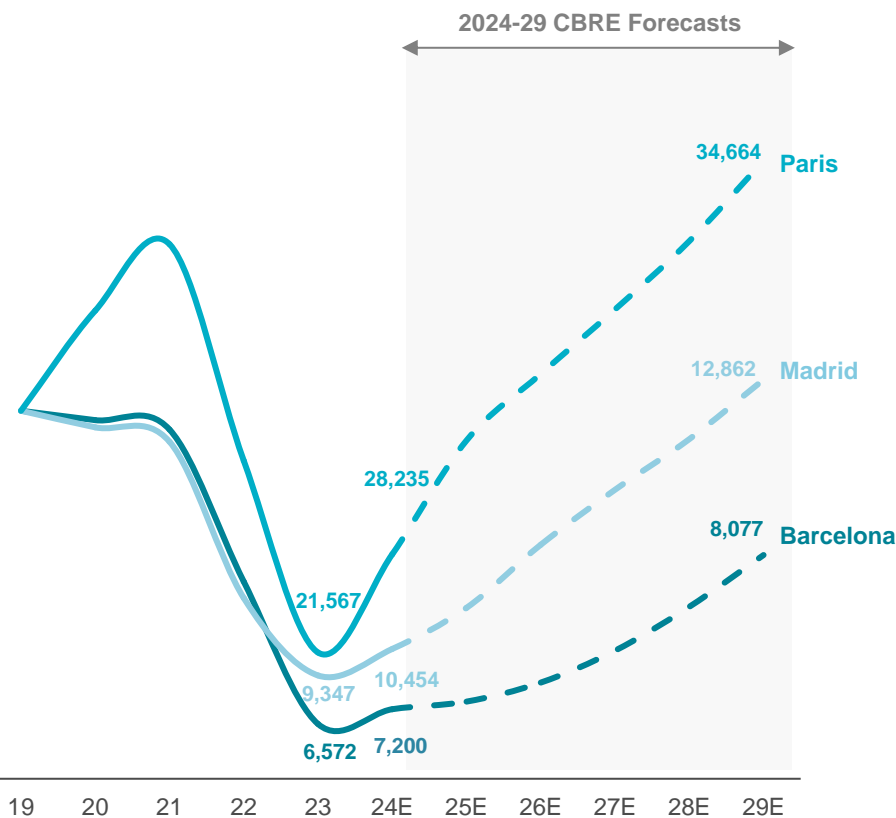




# Bifurcation – Prime CBD investment market with improved outlook

Prime Capital Values are bottoming-out

CBD Prime offices capital value (€/sqm base 100)



Source of market information: CBRE

Recent market Transactions<sup>1</sup> - 3Q2024

Location	Transaction Price (€/sqm)
Paris CBD - 14 Halévy	23,000
Paris CBD - 11 Berenger	21,239
Paris CBD - EuroAthènes	21,472
Paris CBD - 10 Bassano	25,143

Prime Capital Values

	Paris	Madrid	Barcelona
CBRE Research 09/24	28,235 €/sqm	10,454 €/sqm	7,200 €/sqm
Colonial GAV Appraisal 06/24 <sup>2</sup>	17,490 €/sqm	6,567 €/sqm	5,012 €/sqm

1) Source: CBRE, Kepler, BNP Paribas Real Estate market updates  
 2) Colonial office portfolio in Operation as of 1H24





**01** Highlights

**02** Financial Performance

**03** Portfolio Management

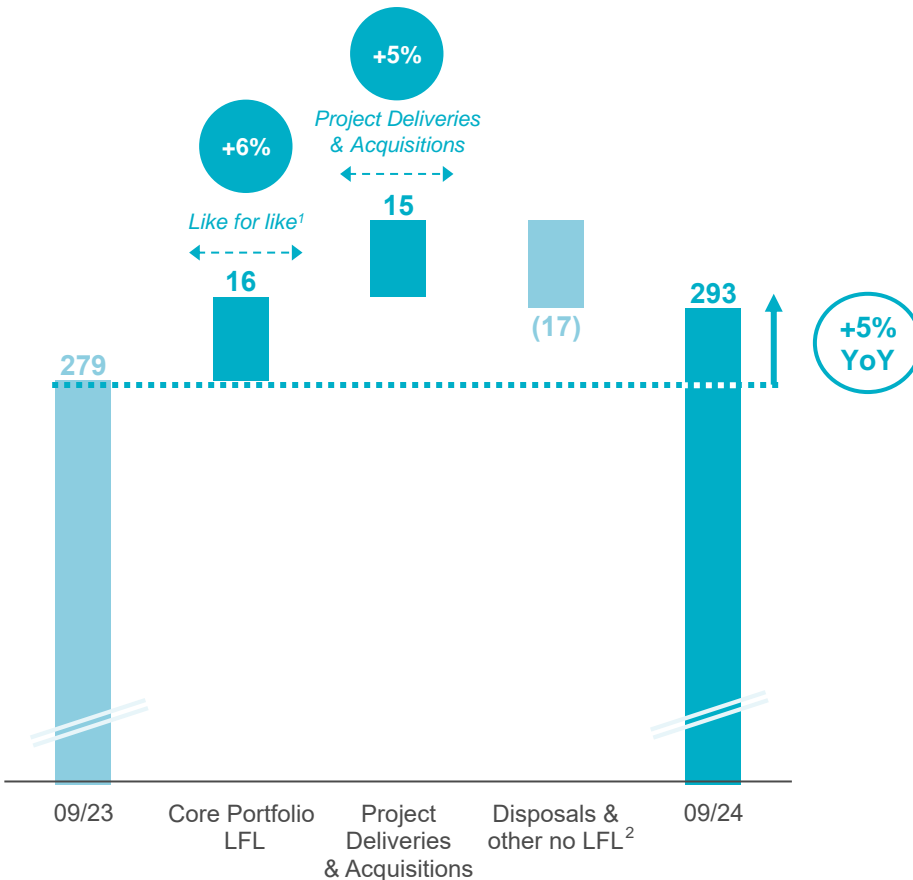
**04** Future Growth



# Gross Rental Income growth on the back of core portfolio & project deliveries

## Gross Rental Income Variance

€m



## Gross Rental Income Growth (%)

Core Portfolio  
Like for like



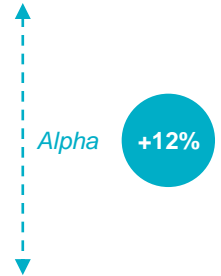
Project Deliveries & Acquisitions



Disposals & Other "Non Like for Like"



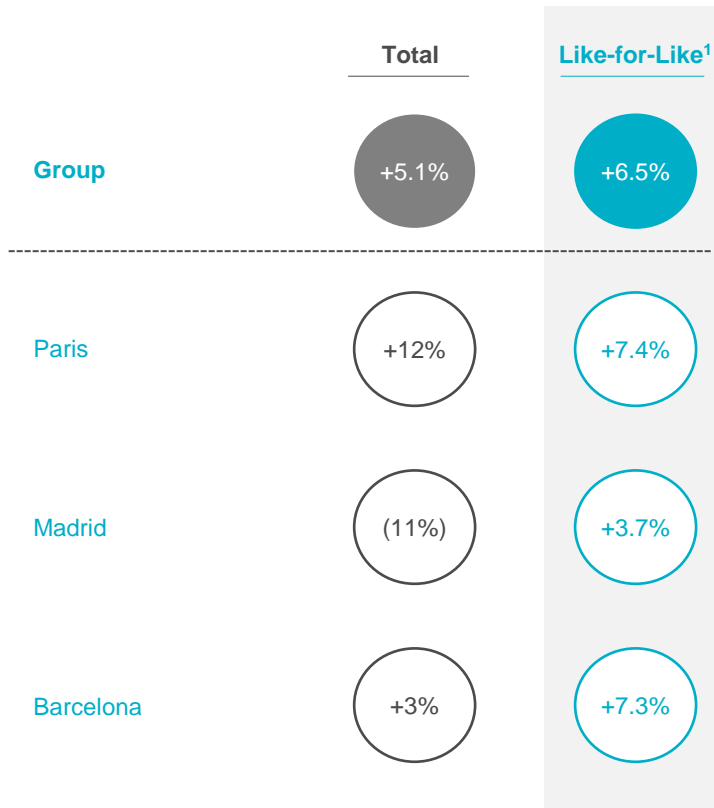
GRI Total Increase



1) Like-for-like calculated following EPRA BPR recommendations  
 2) Includes mainly the refurbishment of Santa Hortensia as well as other projects in Paris, Barcelona & Divestments

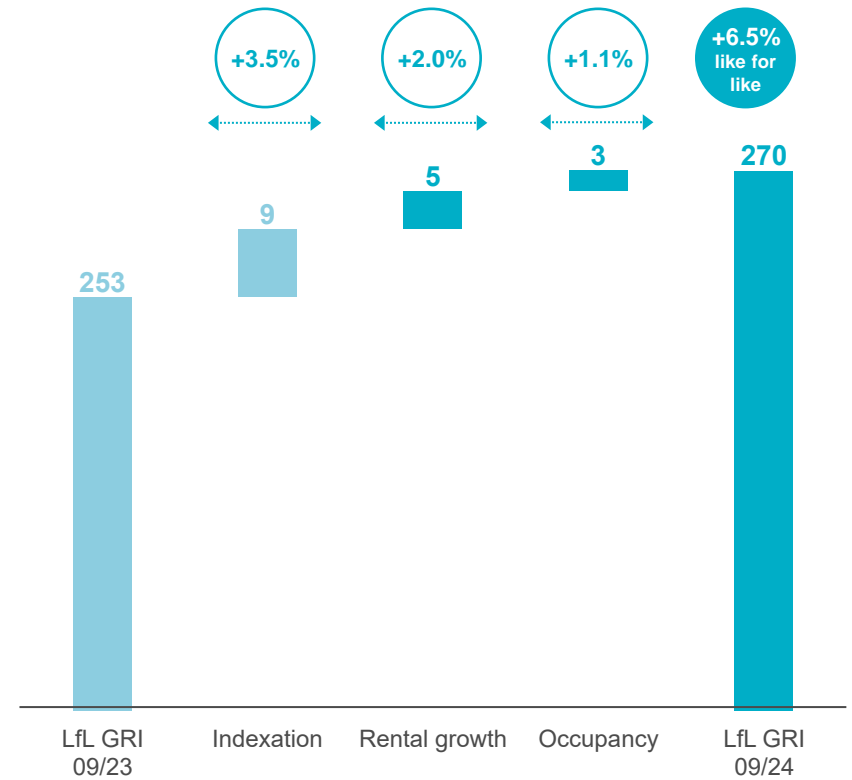
# Solid Gross Rental Income like-for-like growth through superior pricing power

Gross Rental Income Variance (%)



Gross Rental Income Like for Like<sup>1</sup> Variance

€m

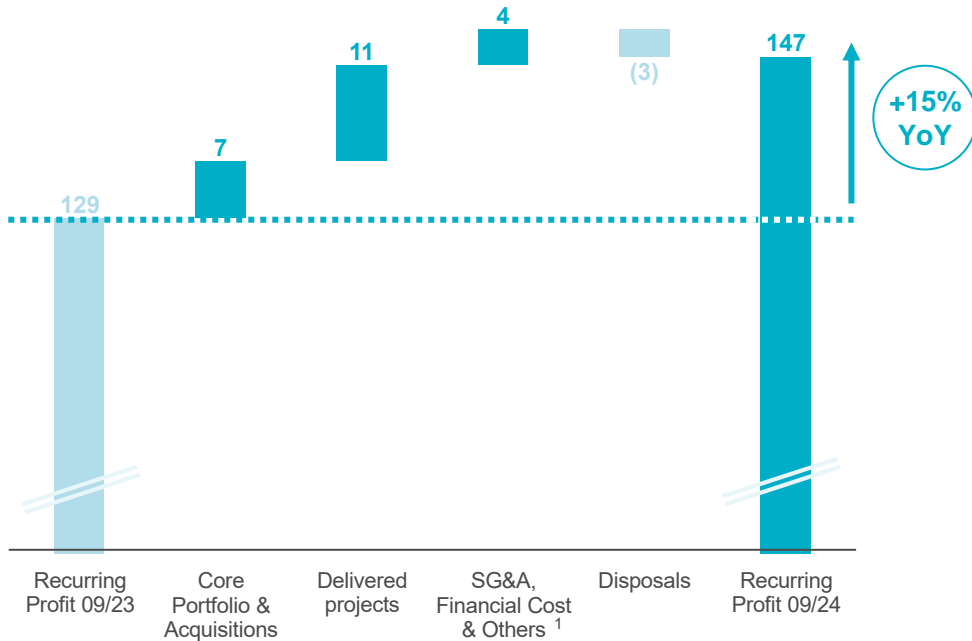


1) Like-for-like calculated following EPRA BPR recommendations

# Strong growth in EPRA EPS - Acceleration towards upper range of guidance

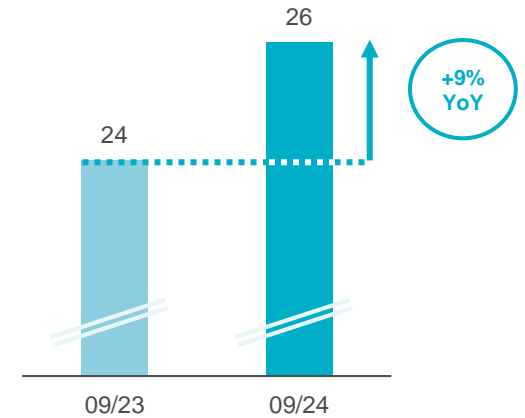
## EPRA Earnings

€m



## EPRA EPS

€cts/share



Full Year EPRA EPS above 32 €cts/share

Beating the upper end of guidance

Previous guidance: 30-32€cts/sh

1) Includes the taxes, minorities of SFL & others



# Colonial was upgraded in Moody's debt rating up to Baa1

## TOP RATING AGENCIES ENDORSE COLONIAL'S PRIME ASSET LEADERSHIP

### 09/2024: Moody's upgrade

Rating review increased to Baa1 with stable outlook

- ▶ **Scale:** \$12.5 – 13.5B gross assets, over "A" rating threshold
- ▶ **Business profile:** Leading position in prime Paris, Madrid & Barcelona office markets
- ▶ **Liquidity & access to capital:** >99% unencumbered assets
- ▶ **Leverage & coverage:** Debt & Preferred stock to gross assets at 45%. Fixed charge coverage 3.0x

"The **upgrade reflects** expected improvements to credit metrics with a **sustainably lower leverage** driven by a conservative financial policy with the benefits of recent capital increase".

MOODY'S

Long term  
credit rating

Baa1  
Stable ↑

### 05/2024: S&P Global update

Credit Rating Confirmation

- ▶ **Business risk:** Strong competitive position in low-risk market
- ▶ **Financial risk:** EBITDA interest coverage of 2.9x, above 2.4x threshold
- ▶ **Capital structure:** Debt to debt plus equity ratio to remain below 45% in the coming years
- ▶ **Liquidity:** Strong liquidity and a prudent hedging policy that limits the effects of rising interest rates
- ▶ **ESG:** 100% of portfolio by GAV is Breeam or Leed certified, and +90% of debt classified as green.

"The **stable outlook** reflects our view that Colonial will continue to generate **stable and predictable income** despite economic uncertainty, on the back of the **high quality of its portfolio**, and its **robust tenant base**".

S&P Global  
Ratings

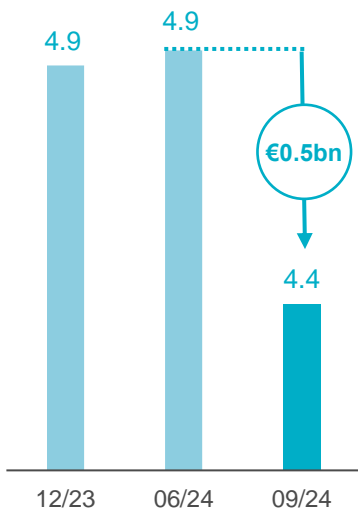
Long term  
credit rating

BBB+  
Stable

# Solid financial structure with hedged financial costs

## Significant net debt reduction in 3 months

€bn

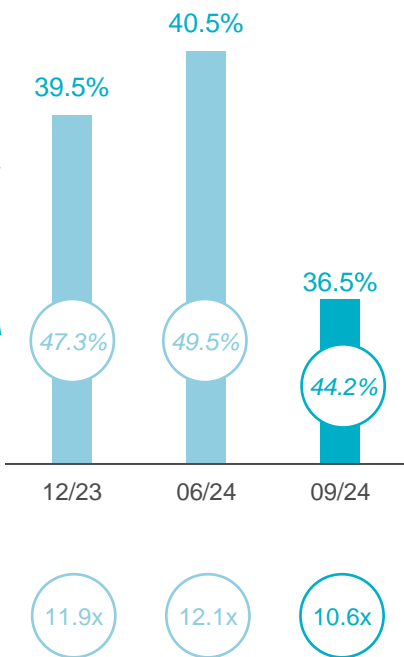


## Loan To Value

LTV  
incl. transf.  
costs

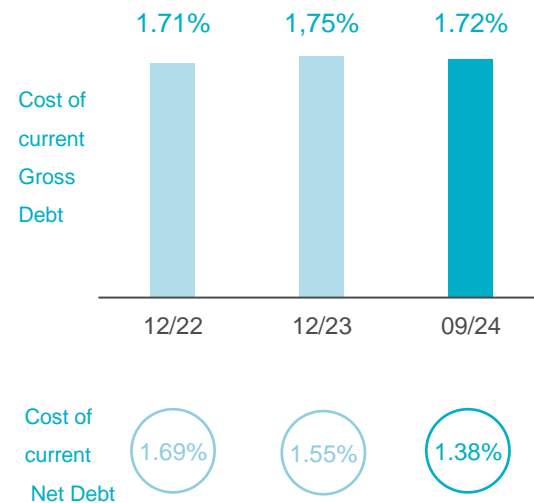
EPRA  
LTV

Net debt /  
EBITDA<sup>1</sup>  
Operating



## Enhanced liquidity & Low cost of debt

€3,443m of Liquidity<sup>2</sup>  
Of which €873m in Cash



<sup>1</sup> Colonial's Net Debt excluding debt attributable to projects divided by Topped up Operating EBITDA  
<sup>2</sup> As of 09/2024



01 Highlights

02 Financial Performance

03 Portfolio Management

04 Future Growth



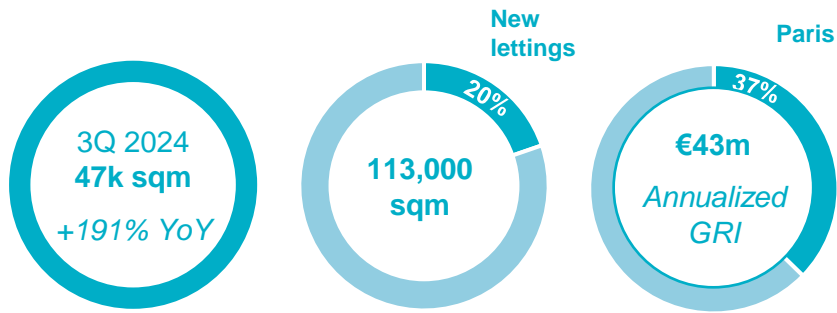
# Our premium assets deliver strong letting performance

Strong Letting Performance...

... with prime properties capturing the highest rents in the market

3Q 2024

YTD 2024

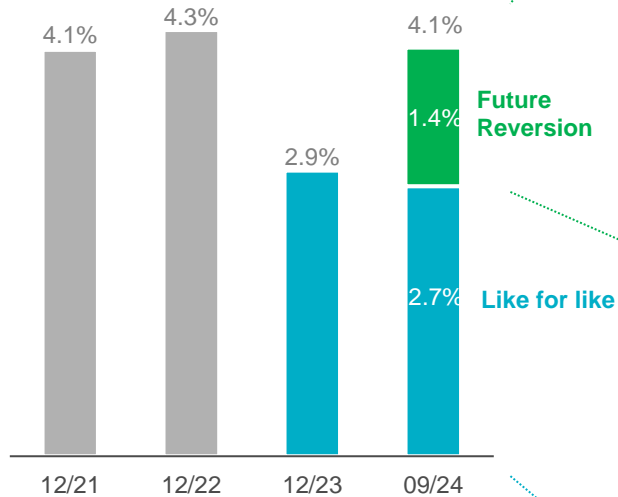


... on the back of top tier clients

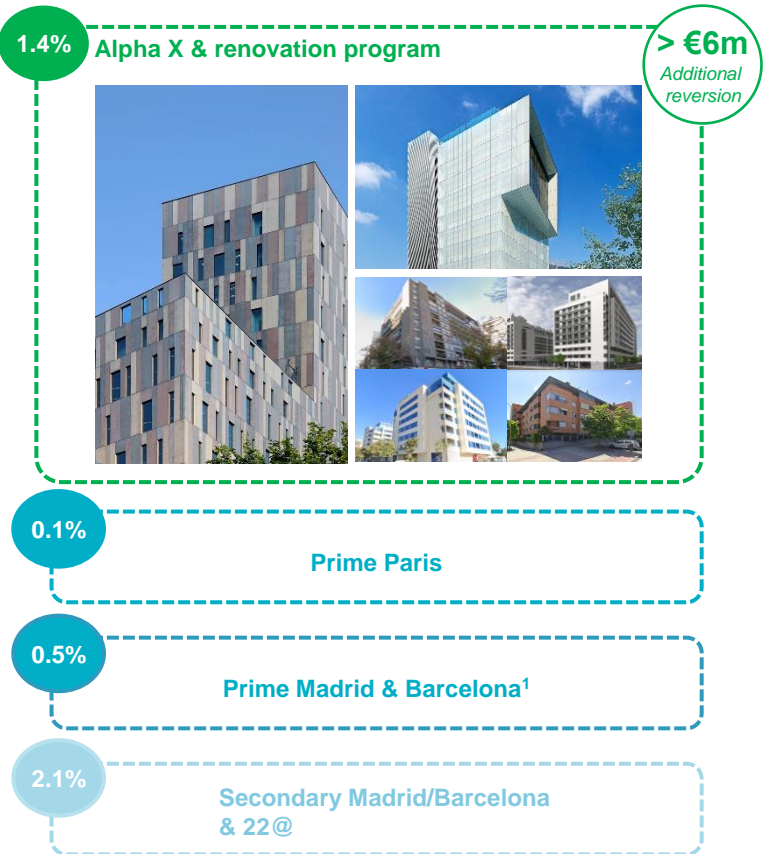


# High occupancy profile with attractive reversionary potential

## Group Epra Vacancy

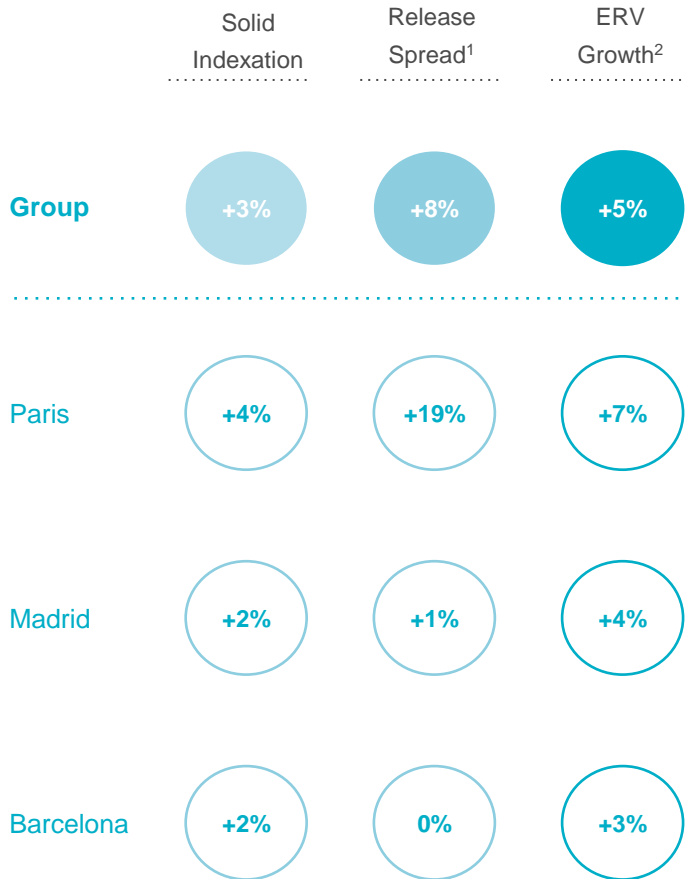


## Attractive Reversion



<sup>1</sup> Includes CBD & City Centre

# Strong pricing power - letting performance continues at record rental levels



Paris

Madrid

Maximum rent signed  
1,100 €/sqm/year

Maximum rent signed  
40 €/sqm/month



1) Signed rents vs previous contracts and re-let spaces  
2) Signed rents vs 12/23 ERV (new lettings & renewals)



## Strong momentum on project delivery – MADNUM

### MADNUM - Mixed use approach leads to outperformance

- ▶ **8,400 sqm signed** with **Gestamp**, who will relocate its headquarters
- ▶ **2,300 sqm of retail, F&B & amenities spaces signed or in advanced conversations**
- ▶ **6,500 sqm signed** with leading companies within the telecom and railway operator, among others

Strong  
Pre-letting

**>17,000 sqm**  
Signed or strongly  
committed in  
3Q24

Strong pricing  
power

**ERV +7%**  
Above  
underwriting



**€19m**  
New  
Rents

**>8%**  
Yield On  
Cost



# Clear Leadership on ESG & Decarbonization

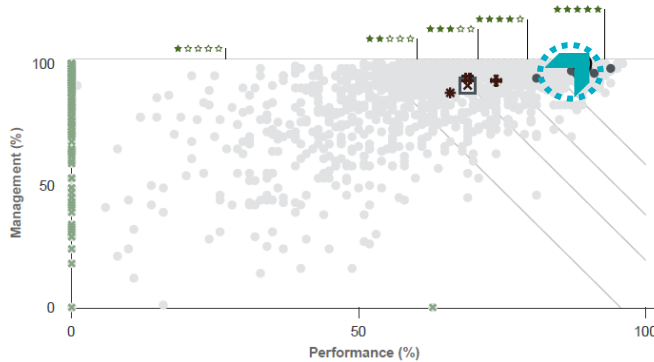
## 2024 GRESB STANDING INVESTMENTS BENCHMARK

**GRESB Score**

92 /100

★★★★★

**RATING**



★★★★★

**RATING**

99/100 score in Development Benchmark



**100%**  
Of portfolio

Unparalleled in Europe

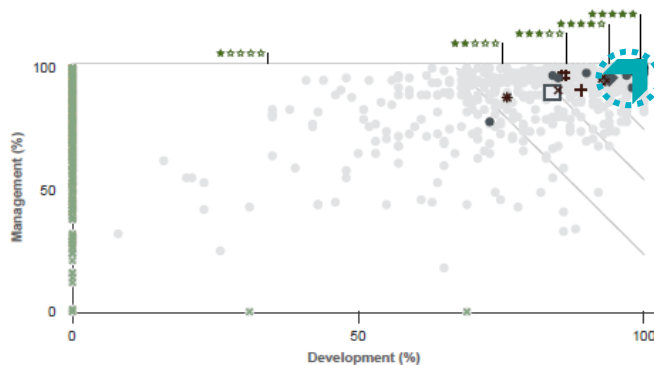
## 2024 GRESB DEVELOPMENT BENCHMARK REPORT

**GRESB Score**

99 /100

★★★★★

**RATING**



**A**  
**CLIMATE SCORE**

Top 1.5% Global  
Top on Ibx



**5.3**  
Top 0.1% (negligible risk)

1<sup>st</sup> on Ibx-35



**01** Highlights

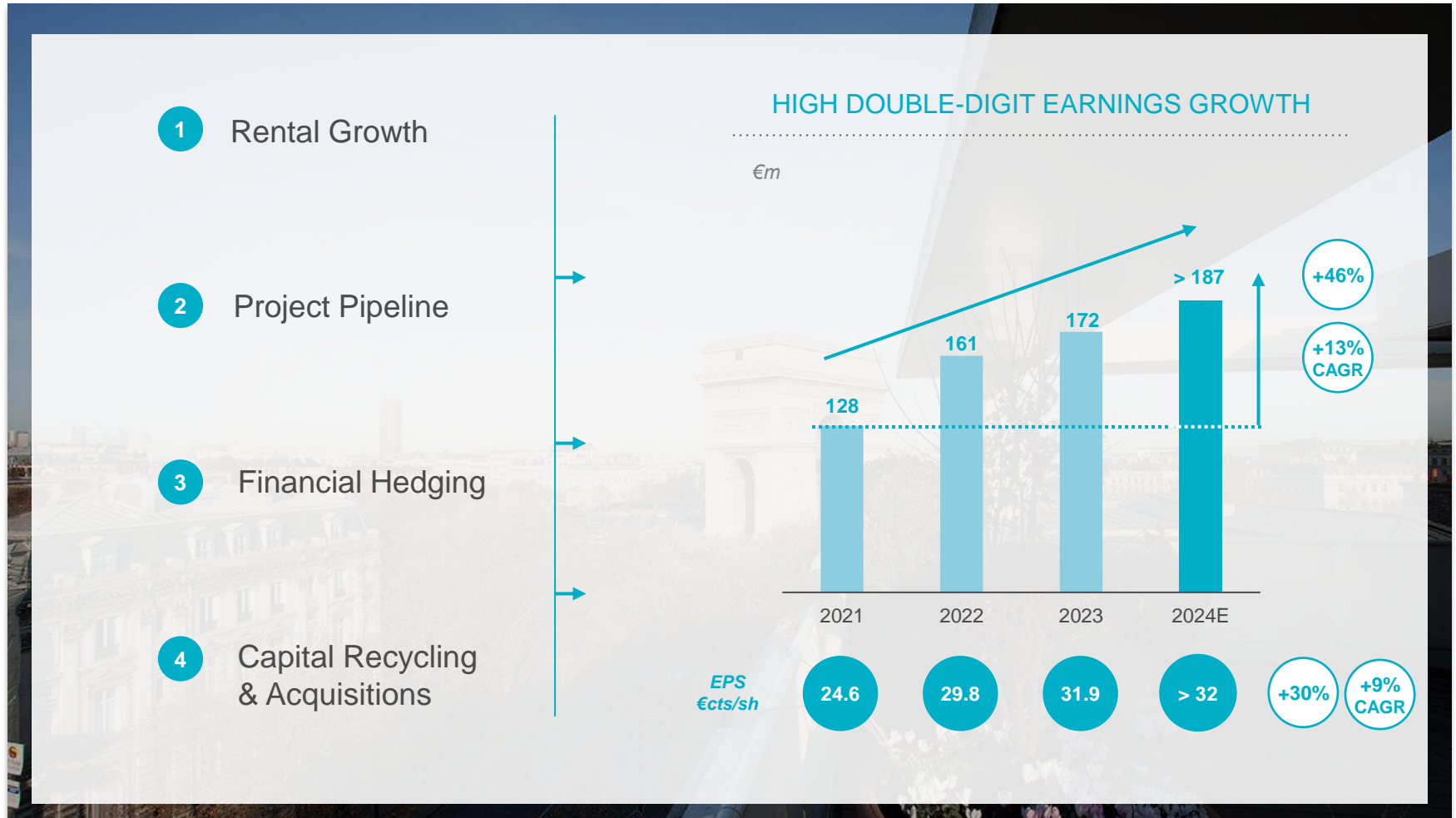
**02** Financial Performance

**03** Portfolio Management

**04** Future Growth

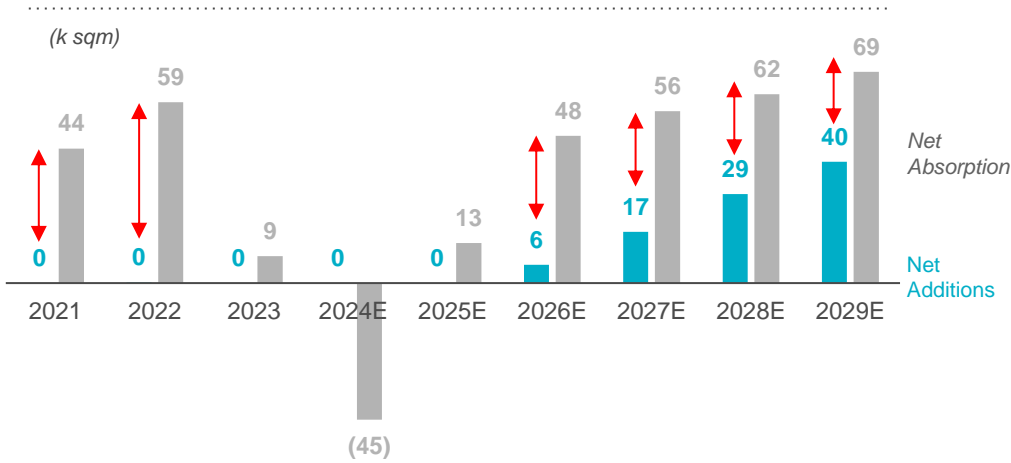


## We deliver strong earnings growth on the back of a multi-layer growth platform

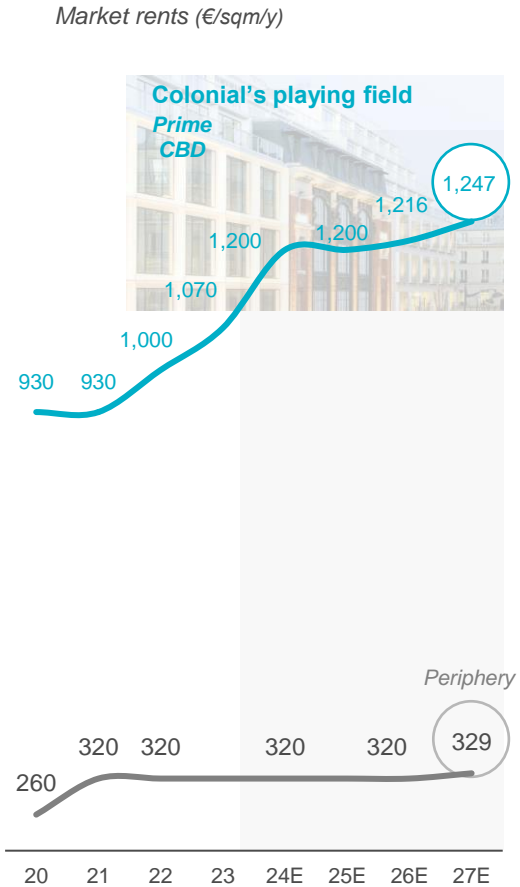


# Demand for prime consistently outstrips supply driving rental growth

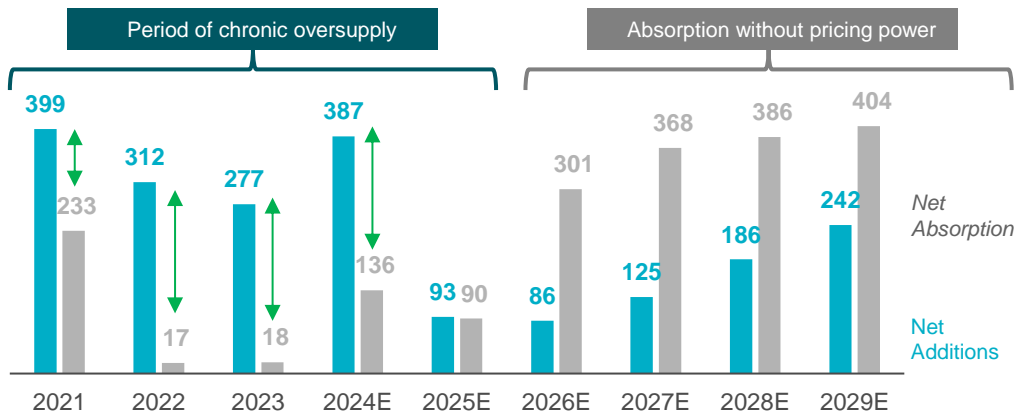
PARIS Center West - Office rental market



PARIS - Office rental market



PARIS Periphery - Office rental market

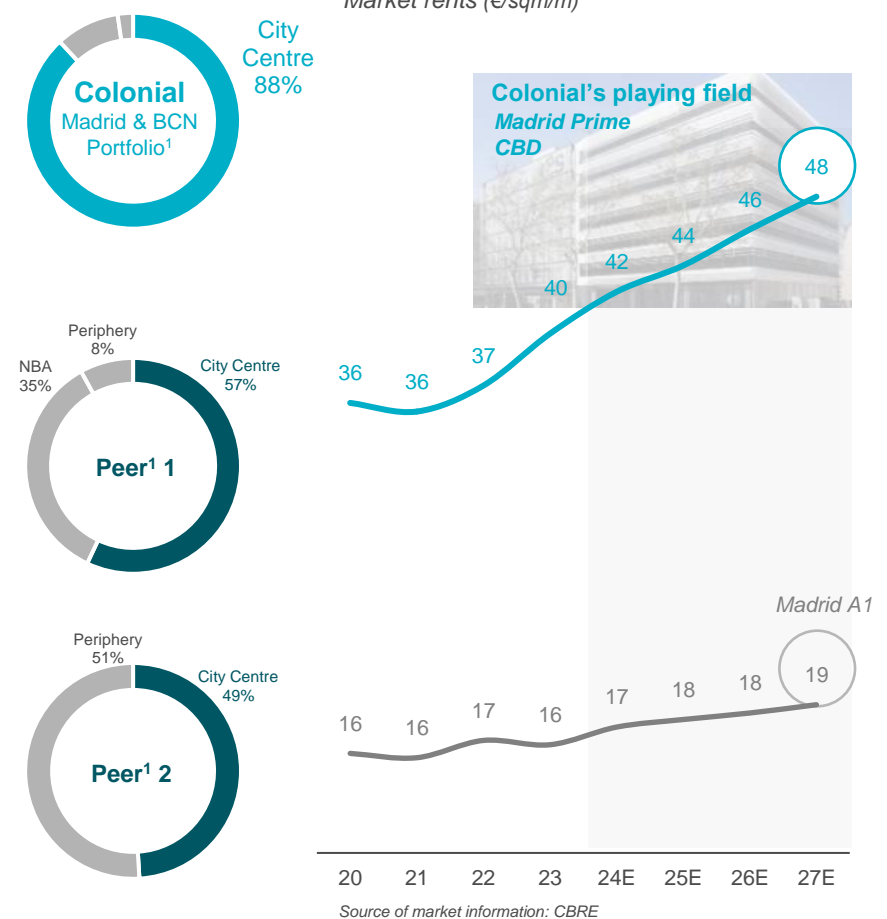
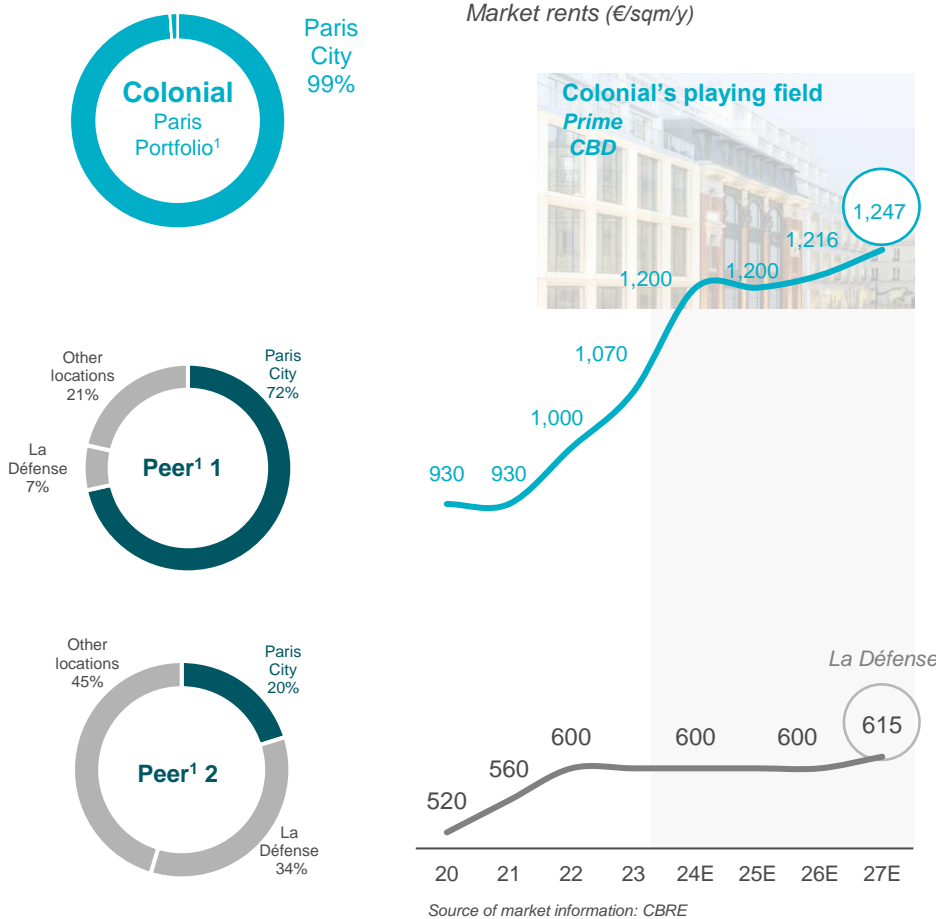


Source of market information: CBRE

# The Prime Asset Class delivers the highest rental growth

## PARIS - Office rental market

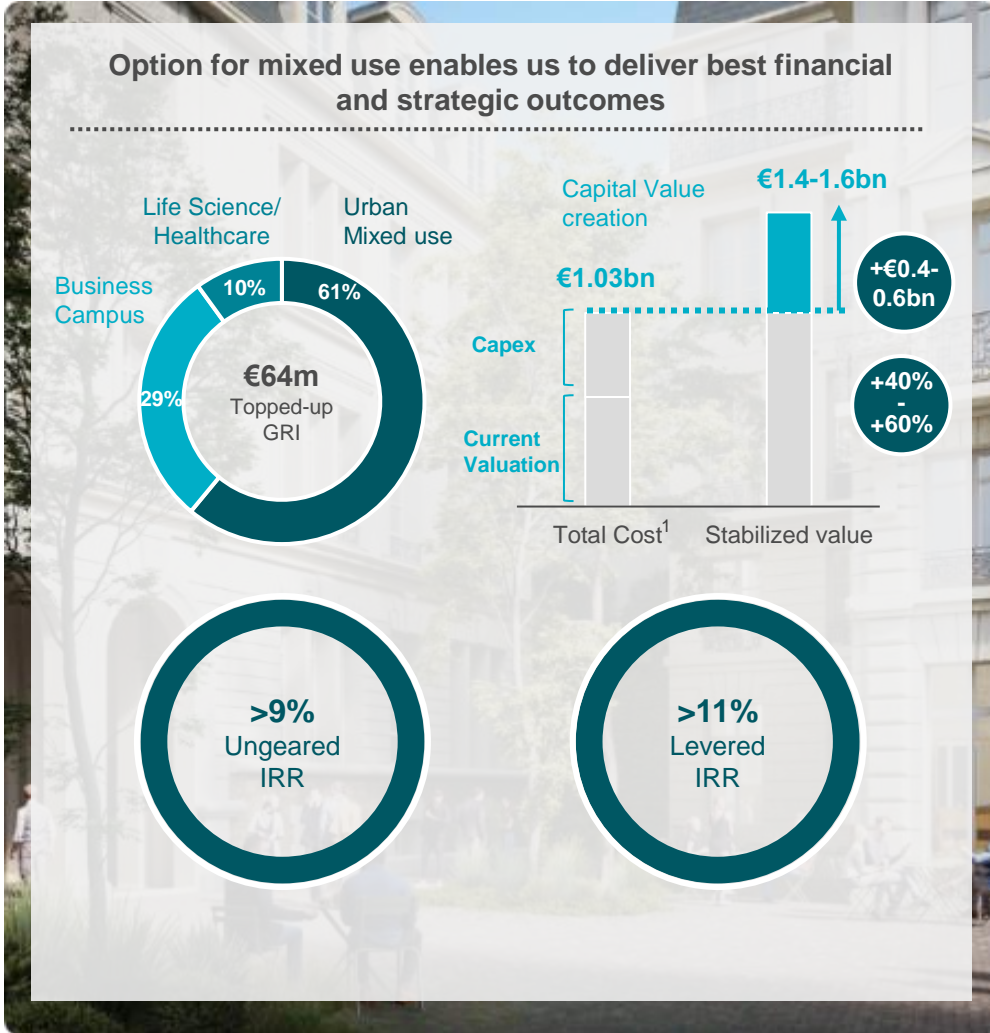
## IBERIA - Office rental market



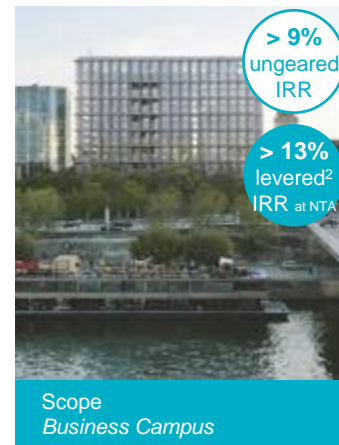
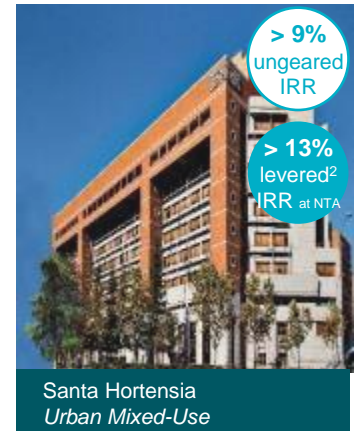
1) Based on company data: Office exposure: GAV as of 1H24



# New projects - The start of a new cycle of Urban Transformation



## Alpha X: substantial value creation from urban mixed use pipeline



1) Total Cost = Asset Value pre project + future Capex  
 2) Levered IRR at EPRA LTV post capital increase

## Our asset management expertise provides rental growth & value creation

### Alpha X - Office Portfolio

Madrid & Barcelona – 20,000 sqm

Cash Flow &  
Value extraction



Ungeared IRR > 7%

- ▶ Solid cash flow growth through reversion in rents:
  - Occupancy improvement
  - Rental growth
- ▶ Value Creation potential starting from attractive capital values
- ▶ Capex fully deployed YTD
- ▶ Consolidation of Colonial's footprint in MendezAlvaro

Occupancy  
**72%**

**€5.400/ sqm**  
Capital Value

### Alpha X – Living Portfolio

Spain – 55,000 sqm

Cash Flow &  
Value extraction



Ungeared IRR > 6%

- ▶ Significant Cash Flow & Value potential
  - Active management of assets
  - Rental growth/ reversion
  - Attractive Capital Values
- ▶ Complementary urban locations to current portfolio
- ▶ Highly liquid asset class allows for tactical capital recycling

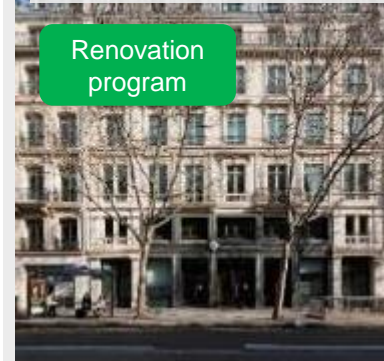
Occupancy  
**90%**

**€2.992/ sqm**  
Capital Value

### Haussmann St-Augustin

Prime CBD – 12,000 sqm

Renovation  
program



Significant Rental Growth & Value creation Potential

- ▶ Short term efficient renovation program
- ▶ Very limited capex (€14m)
- ▶ Top Prime property with 12.000 sqm of GLA to capture maximum rents
- ▶ One of the most sought-after locations in Paris
- ▶ Repositioned property to be released in mid-25

### Diagonal 197

Barcelona 22 @ – 15,000 sqm

Renovation  
program



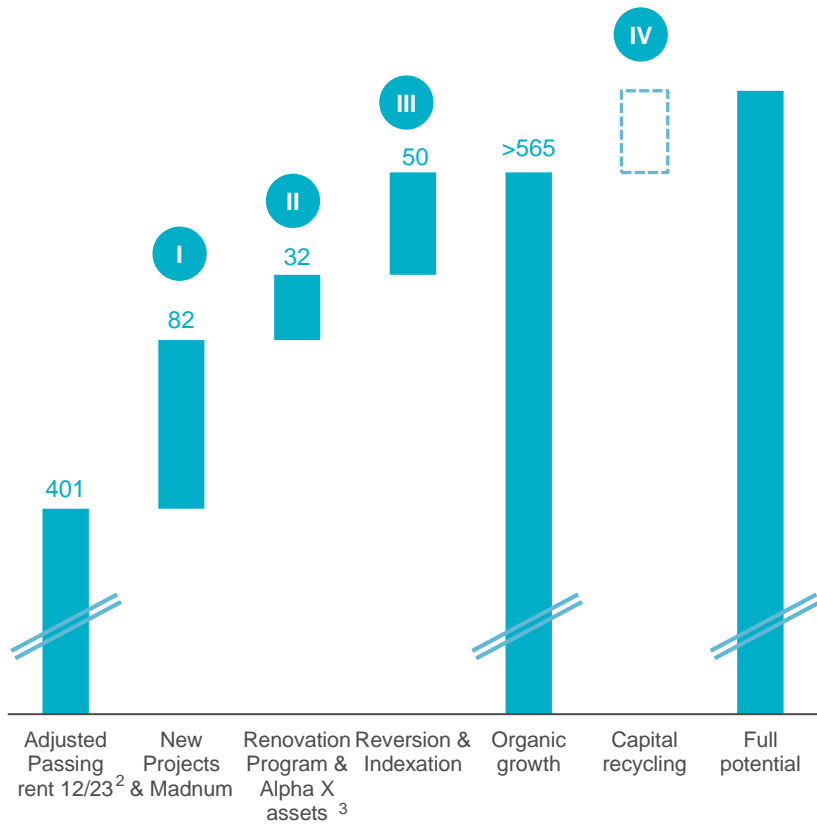
Significant Rental Growth & Value creation Potential

- ▶ Short term efficient renovation program
- ▶ Capex fully deployed YTD
- ▶ Large Business Campus of more than 15,000 sqm
- ▶ Top location in 22@ around emerging Life-Science area
- ▶ Asset to be released in 2H 2024 with more than 5€m of additional GRI

# Acceleration of Rental Growth & Value Creation

Gross Rental Income<sup>1</sup>

€m



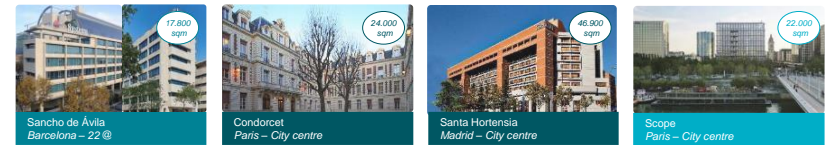
<sup>1</sup> ToppedUp Gross rental income as of 31/12/23

<sup>2</sup> Adjusted by Sta Hortensia, Condocret (rents in place until 01/25) & Haussmann (rents in place until 6/24)

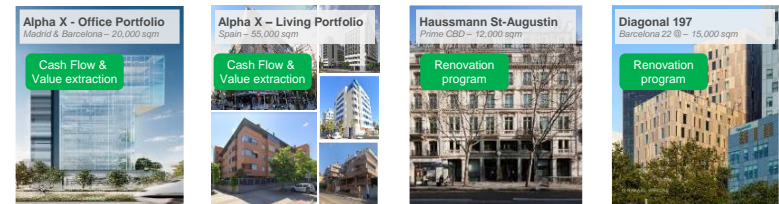
<sup>3</sup> Includes contributed Criteria assets, Diagonal 197 & Haussmann

Several sources of Cash Flow Growth & Value Creation

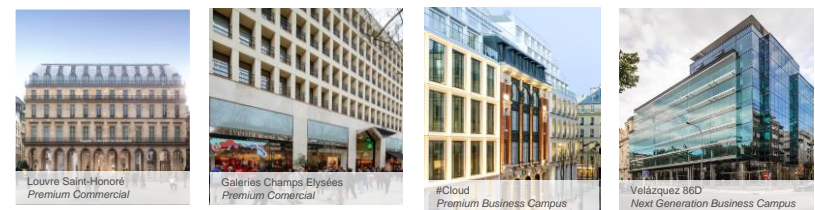
## I Projects



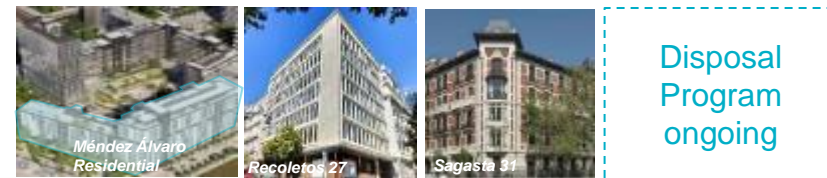
## II Active Asset Management



## III Rental Growth/ Pricing Power



## IV Playing the Cycle/ Asset Rotation





# Strategy & Outlook

Premium space in prime locations deliver profitable growth

- 1 Colonial delivers outstanding growth in EPRA Earnings**
  - › Full Year EPRA EPS to beat upper-range of guidance
  - › Rental Growth & Project deliveries offsetting divestment impacts
  - › EPS & rental growth again among the highest in the sector
  
- 2 Our Prime Asset Class portfolio outperforms the market**
  - › Strong occupancy with the highest rental growth
  - › Asset valuations recovering faster
  - › Rental growth prospects are strong for prime
  - › Paris the outstanding performer in Europe
  
- 3 Colonial relaunches the platform's growth profile**
  - › Executed capital increase with new long-term shareholder
  - › Alpha X Project Pipeline launched of more than 110,000 sqm in urban regeneration projects with attractive returns
  - › The Group initiated the in-depth analysis of merging its owned subsidiary, SFL (98.4%) into Inmobiliaria Colonial





# THANK YOU<sup>↑</sup>



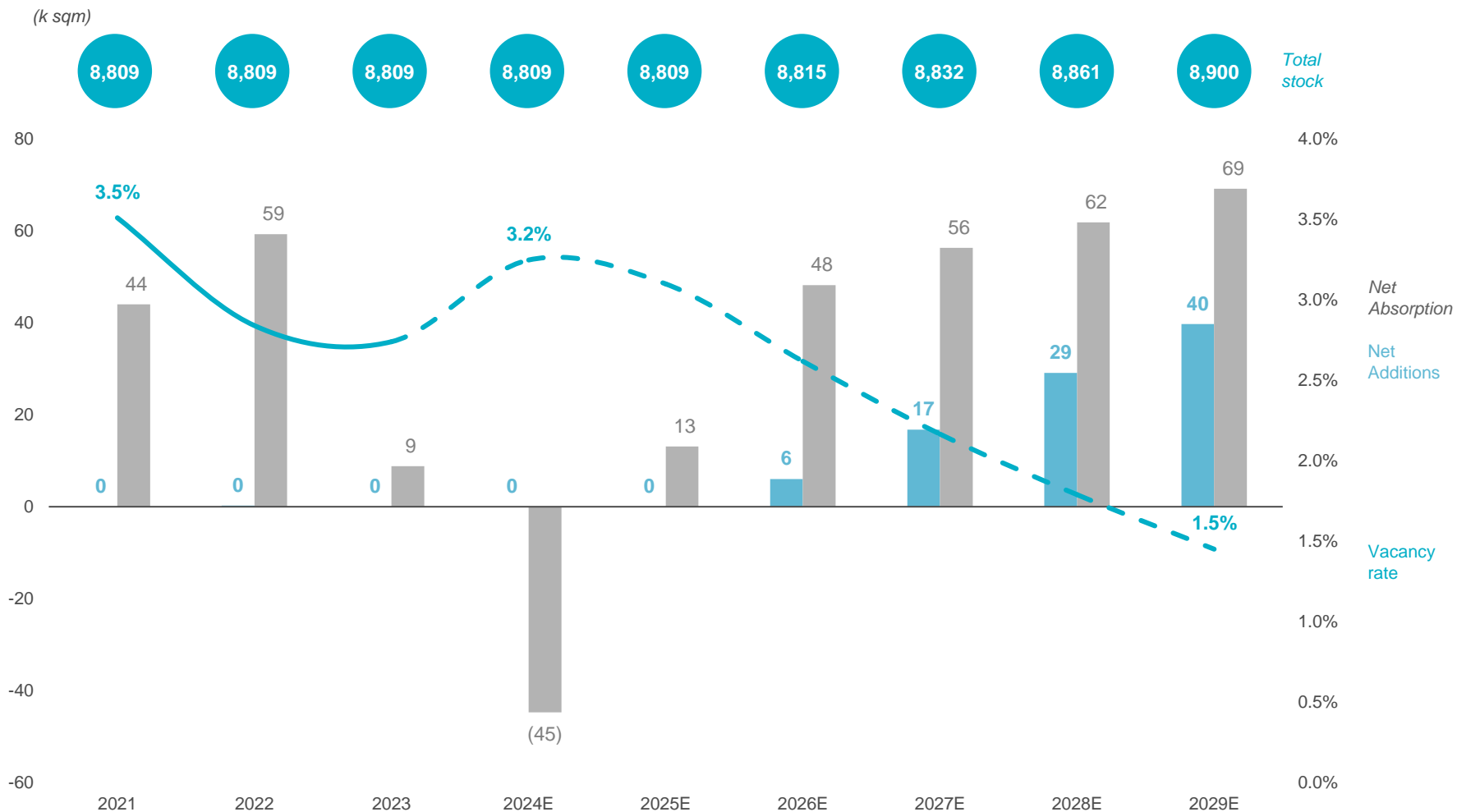
---

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











# Market disequilibrium to persist for Prime locations driving rent increases

PARIS Center West - Office rental market










Source of market information: CBRE

# Latest Market transactions

	Asset	Area	Price	GLA	Cap. Value
PARIS	 <p>EuroAthènes (Jul 2024)</p>	CBD	€110m	5,123 sqm	€21,472/sqm
	 <p>14 Halévy (Sep 2024)</p>	CBD	€230m	10,000 sqm	€23,000/sqm
	 <p>42 Montaigne (Sep 2024)</p>	CBD	€250m	4,000 sqm	€62,500/sqm
	 <p>10 Bassano (Sep 2024)</p>	CBD	€44m	1,750 sqm	€25,143/sqm
	 <p>77 Rue la Boétie (Sep 2024)</p>	CBD	€22m	2,400 sqm	€9,167/sqm
	 <p>11 Rue Berenguer (Oct 2024)</p>	CBD	€120m	5,650 sqm	€21,239/sqm
	 <p>Office Gaité Montparnasse (Oct 2024) <i>Transaction not completed</i></p>	BD	€173m	12,500 sqm	€13,800/sqm
	 <p>48 Notre Dame des Victoires (Nov 2024) <i>Transaction not completed</i></p>	CBD	€80m	6,724 sqm	€11,898/sqm

# Latest Market transactions

	Asset	Area	Price	GLA	Cap. Value
MADRID	 Alcalá 44 (Jul 2024)	City centre	c.€100m	12,000 sqm	€8,333/sqm
	 Zurbarán 28 (Aug 2024)	CBD	€25m	3,000 sqm	€33,333/sqm
	 Ramírez de Prado 5 (Oct 2024)	City centre	€340m <sup>1</sup>	12,000 sqm	n.a.
	 Avda. Tenerife 4 (Oct 2024)	Secondary	c.€47m	n.a.	n.a.
BARCELONA	 Berlin 38 (Jul 2024)	City centre	€50m	13,280 sqm	€3,765/sqm
	 Tarraco Tower (Aug 2024)	City centre	€90m	20,000 sqm	€4,500/sqm
	 Passeig de Gracia 110 & Diagonal 431 (Oct 2024) Mixed use asset	CBD	n.a.	11,500 sqm	n.a.

1) The transaction price includes four additional assets, with the Amazon headquarters recorded in balance sheet at approximately €274 million

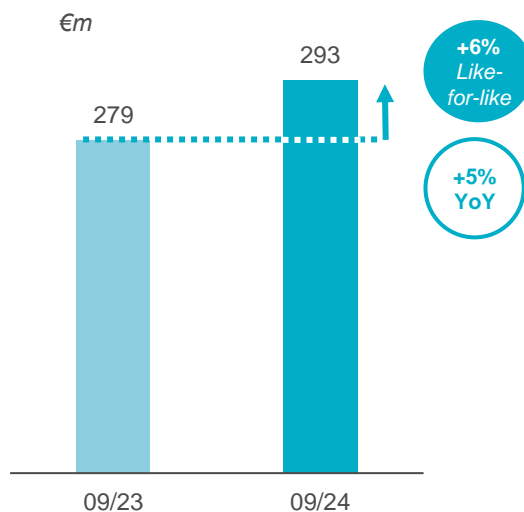
Source: public information, press and consultants



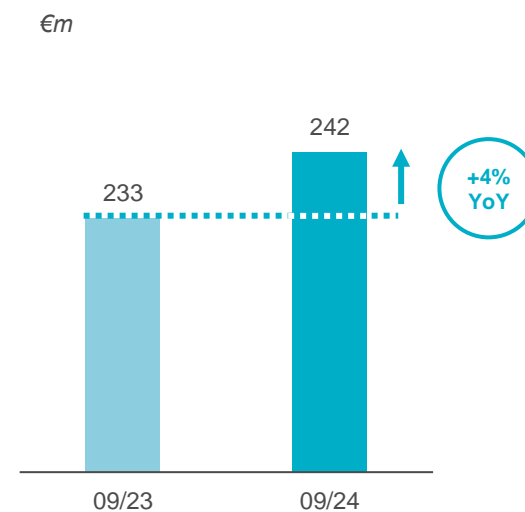
**PROFIT & LOSS ACCOUNT**

Results analysis - €m	3Q 2024	3Q 2023
<b>Gross Rents</b>	<b>293</b>	<b>279</b>
Net operating expenses & Overheads	(51)	(46)
<b>Recurring EBITDA</b>	<b>242</b>	<b>233</b>
Recurring financial result	(58)	(71)
Income tax expense & others - recurring	(7)	(8)
Minority interests - recurring	(29)	(26)
<b>Recurring Earnings</b>	<b>147</b>	<b>129</b>
Change in fair value of assets & provision	(13)	(525)
Non-recurring financial result & MTM	(2)	(1)
Income tax & others - non-recurring	63	10
Minority interests - non-recurring	(39)	89
<b>Profit attributable to the Group</b>	<b>156</b>	<b>(299)</b>
<hr/>		
Recurring earnings - €m	147	129
Nosh (mm)	568	540
<b>EPS recurring - Cts€/share</b>	<b>25.9</b>	<b>23.8</b>

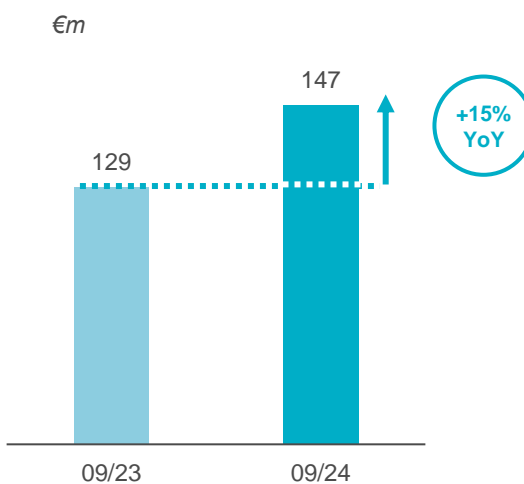
**GROSS RENTAL INCOME**



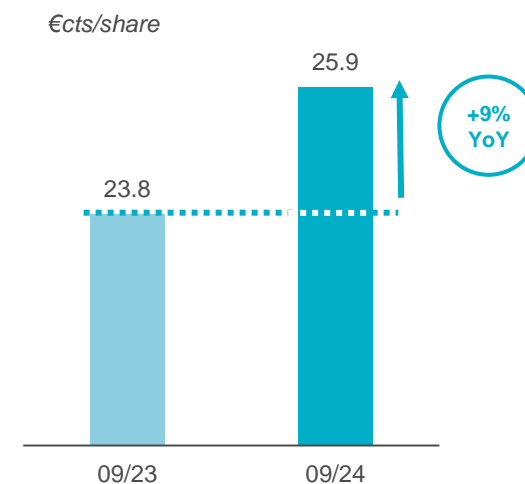
**RECURRING EBITDA**



**RECURRING EARNINGS**

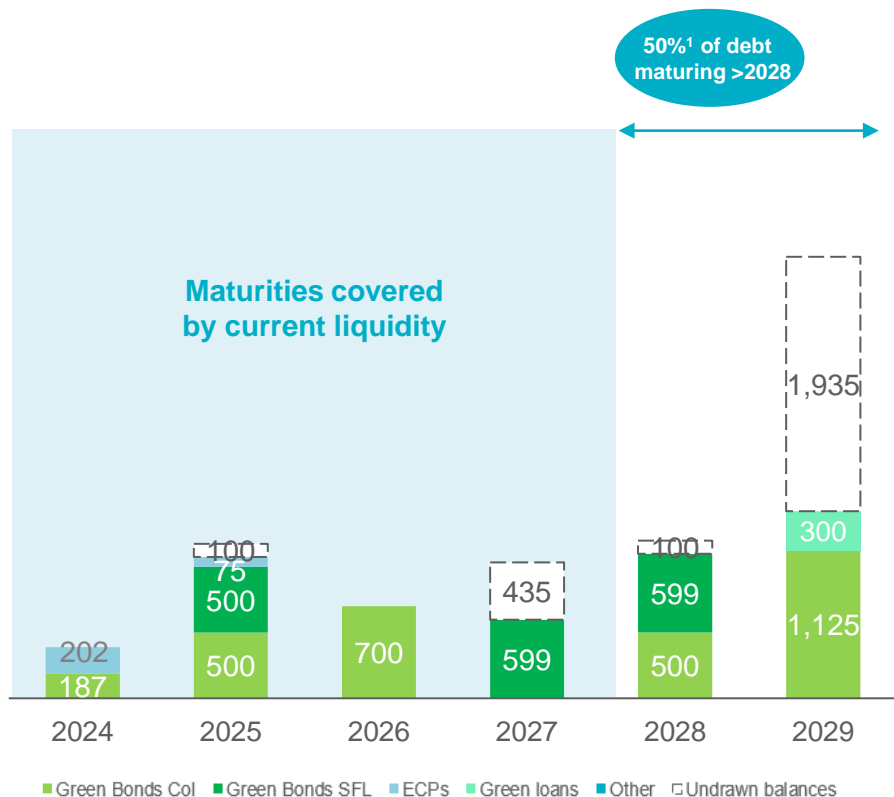


**EPS RECURRING**



### EXTENSION OF DEBT MATURITIES

Maturity profile of debt facilities - €m



### A SOLID FINANCIAL STRUCTURE

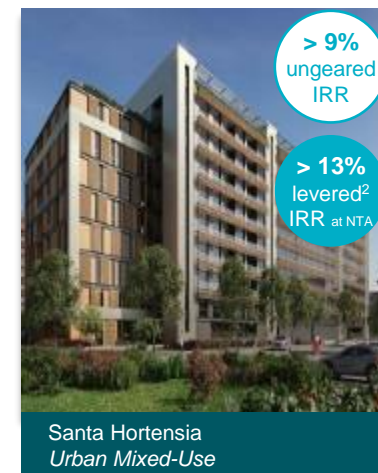
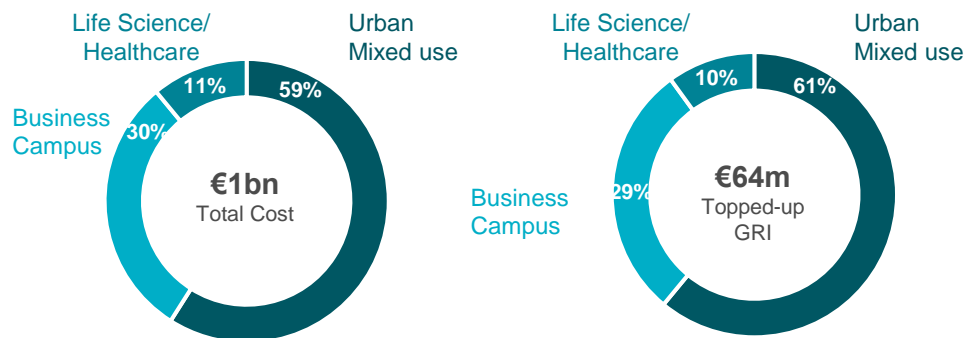
	31/12/2023	30/09/2024
Net Debt	€4,864m	€4,414m
LTV	39.5% <sup>2</sup>	36.5% <sup>2</sup>
Total Facilities	€2,465m	€2,570m
Cash	€438m	€873m
Liquidity	€2,903m	€3,443m
Debt Maturity Group	4.2 years	4.2 years
Non-Mortgage debt	100%	100%
Cost of Debt Group	1.75% <sup>3</sup>	1.72% <sup>3</sup>

1) Excluding ECPs

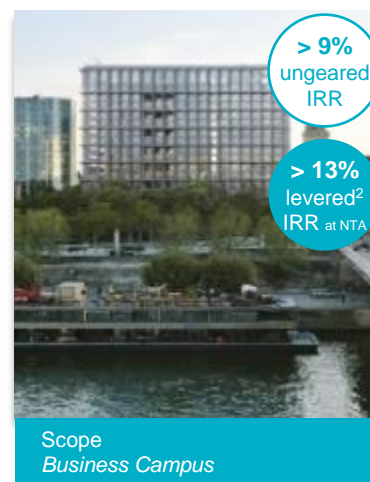
2) Including sales commitments already formalized and sale commitment of Méndez Álvaro Residential + Criteria Caixa Capital increase in July 2024

3) Excluding formalization costs accrued over the life of debt.

# New Project Pipeline with an ungeared IRR of more than +9%



Project	Use	Delivery	GLA (sqm)	Total Cost €m <sup>1</sup>	Ungeared IRR
<b>Scope</b> <i>Paris City Center</i>	Business Campus	2026	22.000	309	> 9%
<b>Sancho de Ávila</b> <i>Barcelona 22 @</i>	Life Science/Healthcare	2027	17.860	114	> 7%
<b>Condorcet</b> <i>Paris City Center</i>	Urban Mixed-Use	2027	24.000	366	>9%
<b>Santa Hortensia</b> <i>Madrid City Center</i>	Urban Mixed-Use	2028	46.928	237	>9%
			<b>110.788</b>	<b>1.026</b>	<b>&gt;9%</b>

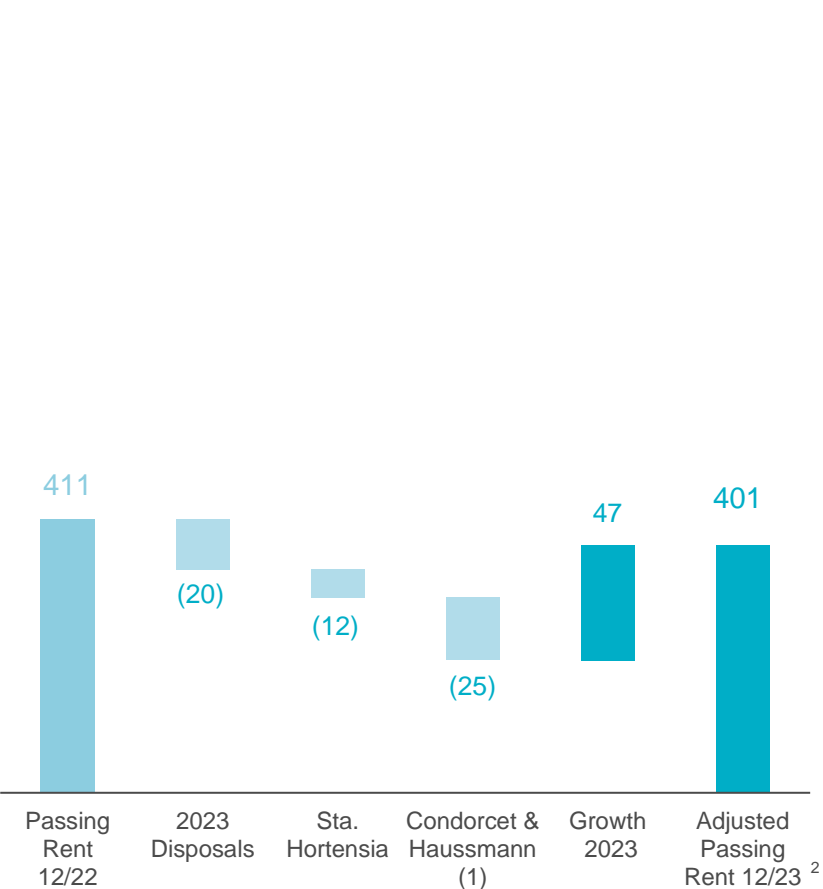


1) Total Cost = Asset Value pre project + future Capex  
2) Levered IRR at EPRA LTV capital increase

# Significant growth profile at adjusted Risk Return

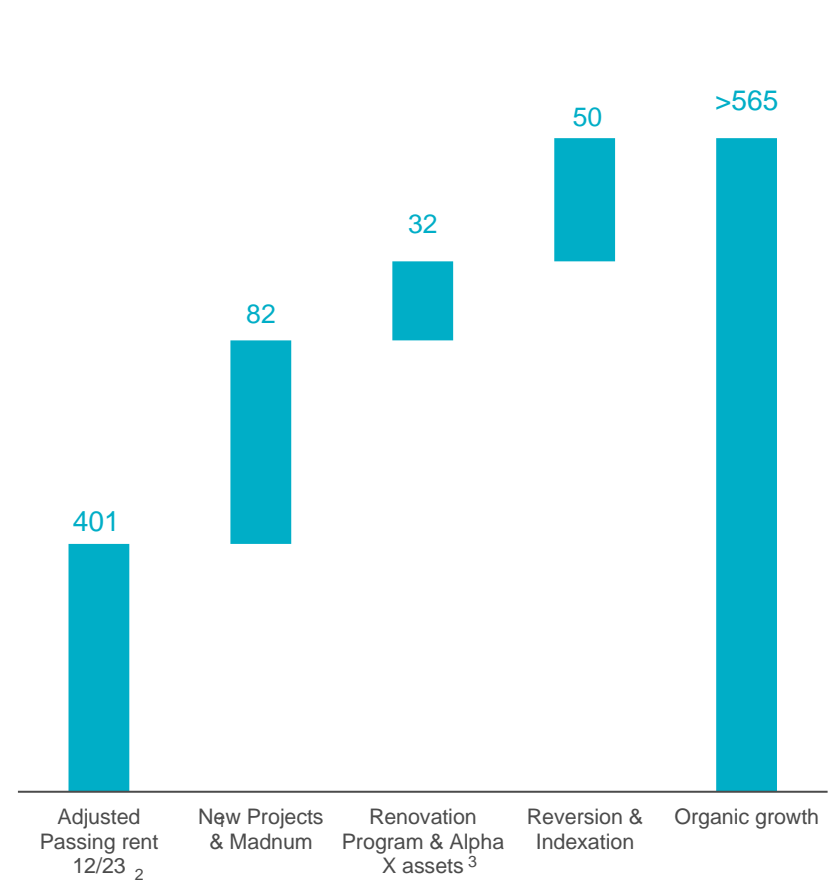
## Rental losses from disposals offset by revenue growth

Annualized Topped-up GRI (€m)



## Significant Additional Revenue Growth

More than €150m of growth to be captured



1) Condorcet tenant leaves at 31/01/25 & Haussmann at 01/07/2024

2) Adjusted by Sta Hortensia, Condorcet & Haussmann

3) Includes contributed assets & Renovation Programs on Diagonal 197 & Haussmann



