

In two months, more than 22,000 sqm have been signed with significant rent increases

Colonial starts 2021 with solid letting volume, exceeding Pre-COVID Q1 activity levels

- The contracts signed in the first two months of 2021 represent a +60% increase in letting volume compared with the entire first quarter of the previous year (Pre-COVID period)
- Solid rental growth with double-digit release spreads thanks to prime positioning
- The supply of Grade A products in the CBD remains scarce.

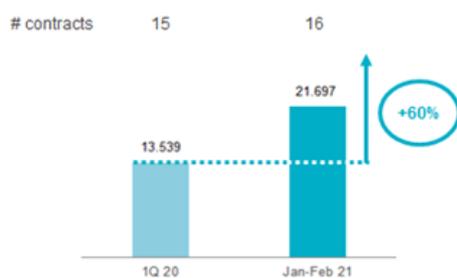
Madrid, 29 March 2021

1. Solid take up levels, capturing rental price increases

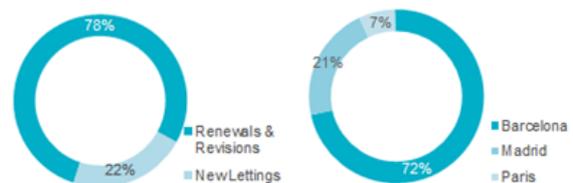
During the first two months of 2021, the Colonial Group has formalized 16 office rental contracts corresponding to 21,697 sqm. This figure is +60% higher than the total letting volume signed during the entire first quarter of 2020, the period previous to the start of the COVID-19 pandemic.

LETTING ACTIVITY REMAINS SOLID IN 2021

SQM SIGNED



LETTING PERFORMANCE



Out of the total letting activity, 78% (16,913 sqm) corresponds to contract renewals and reviews, spread over the three markets in which the Group operates. In terms of new contracts, a total of 4,784sqm were signed, highlighting 3,181 sqm in Madrid. 93% of the letting volume corresponds to contracts signed in Barcelona and Madrid, and the rest were signed in Paris.

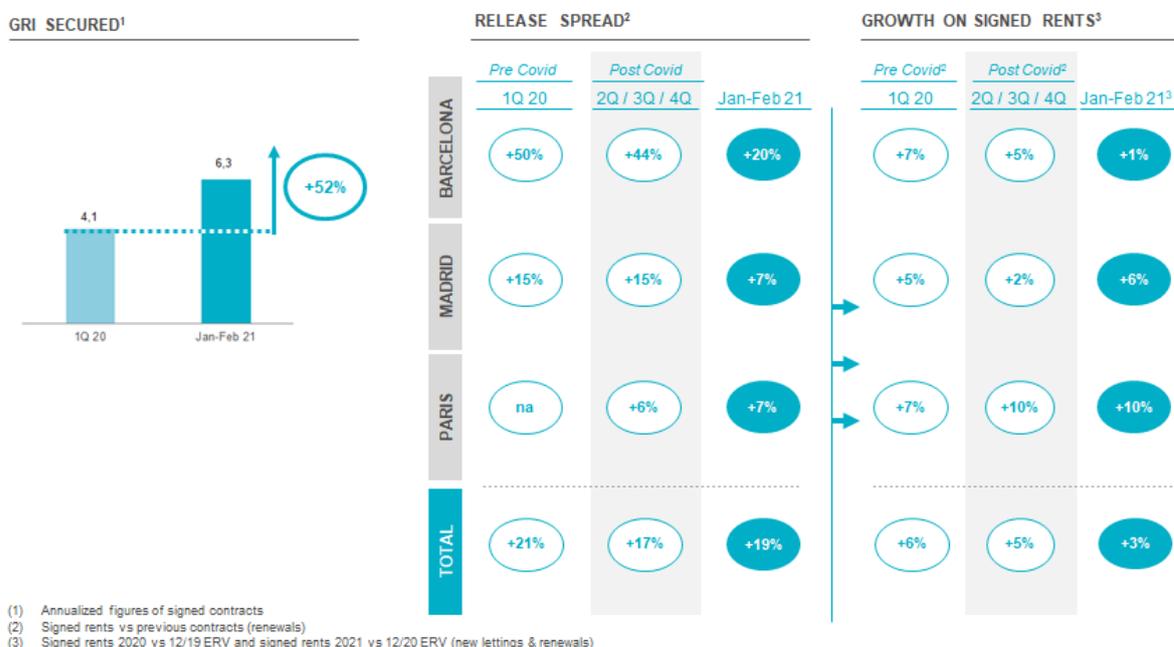
2. Rental contracts signed under good terms

The letting volume of the first two months of 2021 corresponds to €6m in annualized rents, a figure +52% above that reached in the first quarter of the previous year.

Solid rental prices with double-digit release spreads

The release spreads signed in these first two months were at high double-digit levels, reaching **+19%**. These ratios highlight the defensive nature of Colonial's contract portfolio with significant improvement margins on current rents. Worth mentioning is the significant increase in the Barcelona portfolio +20%, as well as the solid increase in Madrid and Paris of +7% each.

LETTING ACTIVITY REMAINS SOLID IN THE FIRST MONTHS OF 2021



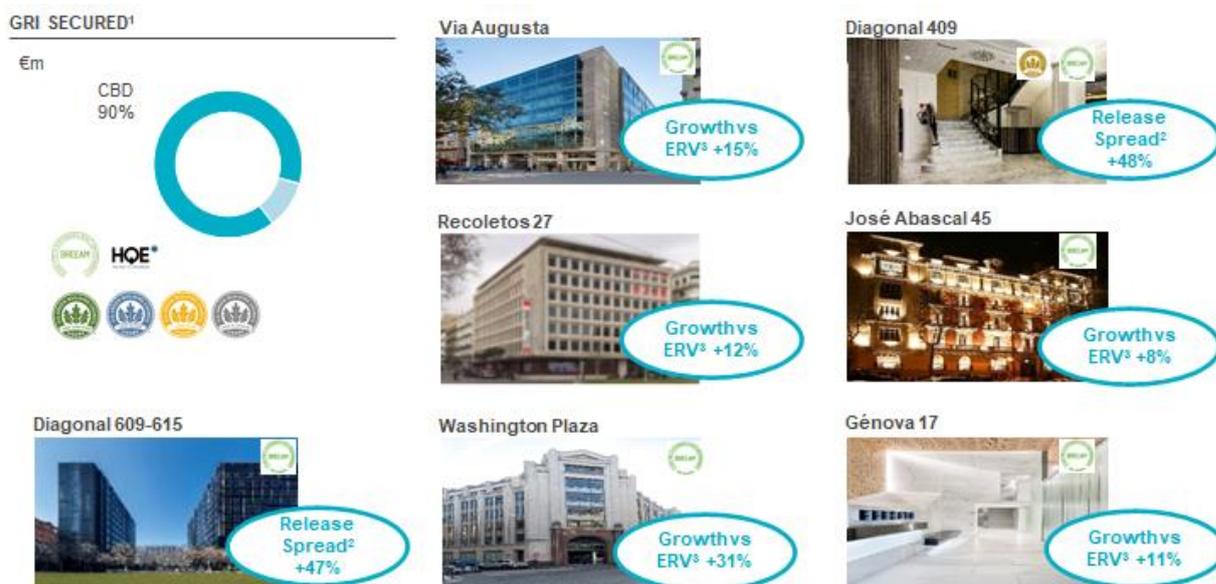
Rental prices above ERV levels

Compared to market rents (ERV) as of December 2020, signed rents **increased by +3% during the first two months of 2021**. Worth highlighting is the **Paris portfolio, where rental prices were up +10%** compared to the market rents.

In **Spain** it is worth mentioning the increase in rents of the **Madrid Portfolio** with an increase of **+6% compared to market rents**, and in **Barcelona** the signed prices have increased **+1% above market rents**.

A mix of high-quality clients focused on Grade A assets in CBD

Of the Group's letting performance in January and February 2021, 90% of the contracts signed were located in the CBD of Madrid, Barcelona, and Paris. Likewise, 93% of these spaces are energy efficient, as shown by their LEED and BREEAM energy certificates.



- (1) Annualized figures of signed contracts
- (2) Signed rents vs previous contracts (renewals)
- (3) Signed rents vs 12/20 ERV (new lettings & renewals)

Regarding the signed renewals, worth mentioning are those carried out on three prime CBD assets in Avenida Diagonal in Barcelona (Diagonal, 609-615, Diagonal 220-240 and Diagonal 409), as well as various renewals on prime CBD assets in Madrid, such as José Abascal 45 and Génova 17, among others.

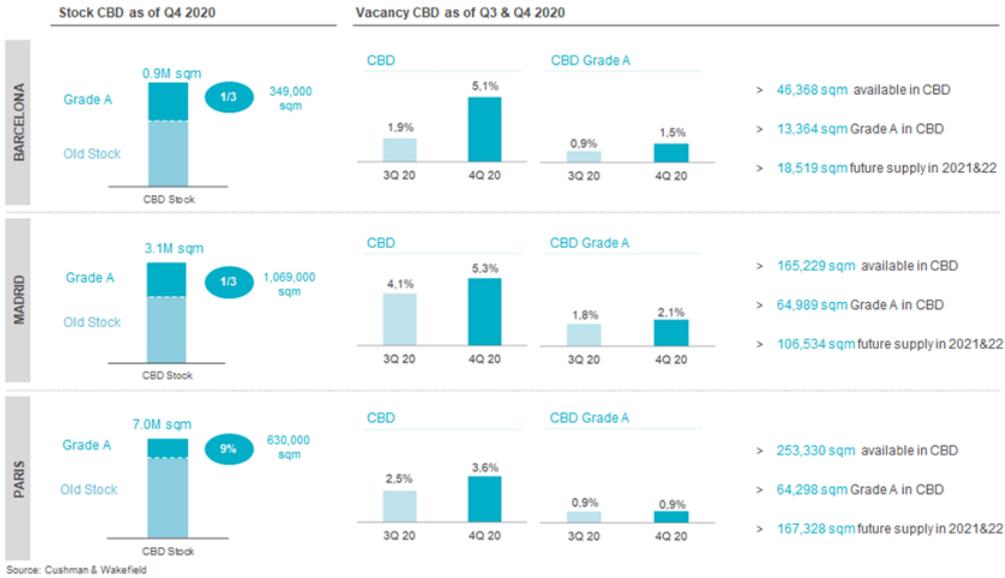
The new contracts were mainly signed in the prime CBD of Madrid and Paris, specifically in Recoletos 27, Alfonso XII and Washington Plaza assets, among others.

Among the clients who signed these contracts, noteworthy are a large number of companies in professional services sectors confirming their loyalty to Grade A assets and CBD locations in Colonial's portfolio.

The clients that have signed these new agreements with the Colonial Group are companies in the technology sector and consumer goods with high added value.

3. The Grade A supply in the CBD remains scarce

The rental market shows a scarcity of high-quality products in the CBD, a fact that keeps vacancy levels low. This scarcity is clearly reflected in the supply ratio for Grade A offices in the CBD, maintaining quarter-on-quarter very low levels of availability.



“We have started the first 2 months of this year with a great commercial success, increasing the letting volume +60% compared to the entire first quarter of the previous year”, explains Albert Alcober, Colonial’s Chief Operating Officer. **“With no doubt, the reason for this success relies in the good positioning of our offices, not only due to their location and quality, but also due to the flexibility and resilience they offer for our clients and market demand”.**

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 one million of sqm of GLA and assets under management with a value of more than €12bn.



“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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