

**TO THE SPANISH SECURITIES MARKET COMMISSION**

Pursuant to Section 227 of the restated Spanish Securities Market Act (Ley del Mercado de Valores), Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) hereby discloses the following

**OTHER RELEVANT INFORMATION (“OTRA INFORMACIÓN RELEVANTE”)**

*Madrid, 24 March 2020*

**Colonial and Covid-19**

The Coronavirus epidemic is significantly affecting our domestic and global markets. Likewise, its impact on Colonial’s real estate activity as well as in the economy in general terms continues to be uncertain and difficult to predict. However, Colonial’s portfolio and its current liquidity and solvency position allows the Colonial Group to responsibly deal and manage the situation.

**Our employees and management**

From the first moment, Colonial’s priority has been to ensure the health and security of our teams and the continuity of our activities and services for our clients.

To date, the spread of Coronavirus has not had any significant impact on our employees and management. All of our staff work remotely, in line with our priorities and the recommendation of the Authorities.

Our activities remain stable and the company’s management is prepared to handle increasing levels of complexity.

**Our clients and assets**

To date, we have been informed of a limited spread of Coronavirus among our clients and assets. Colonial has managed this situation proactively, and all our assets remain available for our clients.

Our activities and the profile of our assets remain particularly resilient in this complex environment.

Solid letting performance

- The vacancy rate has reduced year to date from 2.7% at the end of 2019 to 2.4%
- In particular, the Madrid portfolio has improved its vacancy from 4% at the end of 2019 down to 2.3%.
- Release spreads in the first months grow at high at levels above 20% with respect to the incomes under renovation. Offices prices signed vs. 12/19 ERV achieved levels of +6%.

Our grade A assets are located in the Central Business District (76%) and diversified across three cities, Paris, Madrid and Barcelona. Our focus has been and continues to be on the prime office sector.

Our clients have a strong profile in terms of solvency and more than 80% of our top tenants have an Investment Grade rating. Our clients in the retail sector represent less than 6% of our 2019 portfolio rents, being all of them Grade A clients in prime locations.

Our client portfolio is highly diversified among many different sectors and includes top tier tenants like McKinsey, Freshfields, Netflix, Facebook, Naturgy, Exane, and GRDF among others with a high loyalty profile: 78% of our clients remain at Colonial premises between 5 and 10 years.



As a consequence of our strong client profile, no specific risks have been raised by our tenants year-to-date. We may only expect certain impact in the segment of small clients linked to retail & leisure, which represent less than 2% of our GRI. In these cases, our policy is to defer any immediate payments for those small companies that might be facing financial difficulties.

---

## **Our pipeline and investments**

Currently, the Coronavirus crisis is impacting our development activities and certain delays are expected in some of them. We have decided to delay our capex program in €60m, in particular in Mendez-Alvaro, with only €90m remaining for the rest of the year 2020. However, no relevant penalties or liabilities attached to them are foreseen.

Colonial's project Pipeline is 100% located in the City Center of Barcelona, Madrid and Paris, with 50% of the value attached to 3 projects in Paris.

As of the end of 2019, 25% of future Gross Rental Income were already secured with pre-lettings in good terms on the Castellana163, Diagonal 525 and Louvre St. Honoré projects. Except for Castellana 163, (with the works fully completed), no additional project pipeline deliveries are due during 2020.

In the first months of 2020 additional pre-letting conversations with potential future tenants are ongoing with possible short-term positive momentum in Paris.

We have revised our investment criteria and policies according to a more prudent context. There has been no significant change in our expected divestments and no acquisitions and investments from our pipeline are expected. As of today, no commitments or liabilities have been identified in our acquisitions or divestments.

As of 23 March 2020, Colonial sold a small non-core asset, Hotel Mojacar, at a price of €8.4m, a +22% premium on the 12/19 appraisal value. In addition, €13m of deferred payments related to the 2019 Centro Norte disposal have been received.

## **Our financial structure**

Colonial's financial profile remains strong.

After the divestments carried out in the last three years amounting to €1.4bn, the LTV stands at 36% with a Standard & Poor's rating of BBB+, the highest rating in the Spanish Real Estate sector and one of the best credit ratings in the Spanish Blue chip index Ibex35.

Our funding is mainly in the bond market, with no relevant exposure to bank financing.

Colonial has a long-term financing profile with 79% of the Group's debt maturing from 2023 onwards with mainly a fixed cost of debt.

Colonial's existing available cash and credit lines exceed €2bn as of 12/19.

---

Colonial's current net liquidity position (net of the ECP – European Commercial Paper Program of €140m in Spain and €374m in France) covers 4 times the debt maturities during the next 24 months that correspond to €350m in bonds maturing in France.

Finally, our strong solvency profile relies on the prime nature of our core assets (76% in CBD) which have proven to be more resilient and less volatile than other riskier and higher yielding assets.

Colonial's strategy remains committed to long term value creation in the prime office sector, with a focus on quality and risk-adjusted returns, and with a strong credit profile and liquidity position.

---

**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 sq. m 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](http://www.inmocolonial.com).”

For more information:

[Colonial Investor Relations](#)

+34 934 047 898

[inversores@inmocolonial.com](mailto:inversores@inmocolonial.com)



Édouard VII, Paris, France