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Agenda

01 Highlights
02 Market
03 Operational performance
04 Financial performance
05 Growth drivers
06 Conclusion
PRESENTING MANAGEMENT TEAM

Pere Viñolas
Chief Executive Officer

Carmina Ganyet
Corporate Managing Director

Carlos Krohmer
Chief Corporate Development Officer
01 Highlights

Accelerating the Business Plan
### Key Aspects 2018
First-Half 2018 with excellent achievements

<table>
<thead>
<tr>
<th>Financial Results</th>
<th>Operational Performance</th>
<th>Acquisitions</th>
<th>M &amp; A</th>
</tr>
</thead>
<tbody>
<tr>
<td>+15% TSR(^1)</td>
<td>97,000 sqm let</td>
<td>€517m</td>
<td>Merger &amp; Integration</td>
</tr>
<tr>
<td></td>
<td>Strong Rental Growth</td>
<td></td>
<td>Axiare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alpha III &amp; Diagonal 525</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Equity</th>
<th>Debt Optimization</th>
<th>First opening in Barcelona</th>
<th>Appointment of Chief Human Resources Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of 19m of new Colonial shares 13% of Axiare</td>
<td>€1,150m Bonds issued €375m Liability Management</td>
<td>utopic_US</td>
<td>Begoña Muñoz</td>
</tr>
</tbody>
</table>

---

(1) Total Shareholder Return per share = YoY NAV growth per share + Dividend paid
OUTSTANDING FINANCIAL RESULTS

> Total Shareholder Return: +15% YoY
> EPRA NAV of 9.11€/share: +13% YoY
> Gross Asset Value, +10% like-for-like
> Net Rental Income, +7% like-for-like
> Recurring earnings, +12%
> Net Profit of €254m

STRONG OPERATIONAL PERFORMANCE

> More than 97,000 sq m let in 1H 2018
> Very healthy vacancy levels at 5%
> Strong growth in rental prices – double-digit release spreads
  ✓ Capturing market rental growth
  ✓ GRI increase price driven
  ✓ Capital Value Growth price driven

PROFITABLE GROWTH ACCELERATING

> Axiare transaction completed
> Solid top line driving bottom-line results
> Best-positioned portfolio for future growth
> Confident outlook on real estate markets
## Highlights 1H 2018

Solid top line growth driving results

- Total Shareholder Return of +15% YoY
- Outstanding NRI & GAV like-for-like growth
- Top & Bottom-line performance driven by rental price increases

### Return - € per share

<table>
<thead>
<tr>
<th></th>
<th>1H 2018</th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL SHAREHOLDER RETURN</strong></td>
<td></td>
<td>+15%</td>
</tr>
<tr>
<td>EPRA NAV per share</td>
<td>9.11</td>
<td>+13%</td>
</tr>
<tr>
<td>FFO adjusted per share</td>
<td>0.11</td>
<td>+13%</td>
</tr>
<tr>
<td>EPS Recurring adjusted</td>
<td>0.11</td>
<td>+7%</td>
</tr>
</tbody>
</table>

### Profit & Loss - €m

<table>
<thead>
<tr>
<th></th>
<th>1H 2018</th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rental Income</td>
<td>€170m</td>
<td>+21%</td>
</tr>
<tr>
<td>Recurring Net Profit</td>
<td>€41m</td>
<td>+12%</td>
</tr>
</tbody>
</table>

### Top-line Growth – Net Rental Income

<table>
<thead>
<tr>
<th></th>
<th>1H 2018</th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group like-for-like</strong></td>
<td>€154m</td>
<td>+7%</td>
</tr>
<tr>
<td>Madrid like-for-like</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Barcelona like-for-like</td>
<td></td>
<td>+5%</td>
</tr>
<tr>
<td>Paris like-for-like</td>
<td></td>
<td>+6%</td>
</tr>
</tbody>
</table>

### Capital Value Growth (GAV)

<table>
<thead>
<tr>
<th></th>
<th>1H 2018</th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group like-for-like</strong></td>
<td>€11,190m</td>
<td>+10%</td>
</tr>
<tr>
<td>Madrid like-for-like</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Barcelona like-for-like</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Paris like-for-like</td>
<td></td>
<td>+10%</td>
</tr>
</tbody>
</table>

---

1. Adjusted recurring Net Result excluding amortisations and accrual of the incentive plan
2. Recurrent result & FFO adjusted with liability management and including Axiare’s debt cancellation executed after the closing date in July and including 87% of Axiare’s January recurring result
3. EPRA like-for-like: like-for-like variance base on EPRA BPR methodology
4. Office portfolio. CBD Barcelona includes 22@ market
5. Portfolio in operation
01 Highlights 1H 2018
Capturing rental growth in every market

> High double-digit release spreads
> Strong increase vs market rents
> Low vacancy with strong fundamentals

Operational Performance 1H 2018

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># Transactions signed</td>
<td>55</td>
</tr>
<tr>
<td>Volume of sq m signed</td>
<td>97,038</td>
</tr>
<tr>
<td>EPRA Vacancy</td>
<td>5%</td>
</tr>
</tbody>
</table>

Double-digit release Spread¹

- Barcelona: +14%
- Madrid: +28%

Strong rental growth²

- Barcelona: +14%
- Madrid: +7%
- Paris: +6%

(1) Rental prices signed vs previous rents
(2) Rental prices signed vs ERV 12/17
(3) Portfolio in operation
(4) Office portfolio
## Highlights 1H 2018
### Axiare transaction completed ahead of guidance

- Synergies confirmed
- Integration process on track
- Portfolio optimization underway

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deal execution completed</td>
</tr>
</tbody>
</table>
|      | 2017 Nov 13  > Launch of transaction/ take-over bid  
|      | 2018 Feb 18  > Take-over outcome reaching 87% stake  
|      | 2018 May 24 & 25 > Merger approval at AGMs of Colonial & Axiare  
|      | 2018 July 4 & 9 > Merger registered & new shares issued  |
| 2    | Synergies confirmed  
|      | > Operational cost synergies of close to €5m per annum confirmed & secured  
|      | > Optimization of Axiare debt underway - €177m bilateral loans cancelled YTD  
|      | > Revenue synergies implementation started  |
| 3    | Integration process on track  
|      | > Fully integrated results (100% of Axiare profits) as of 1/7/18  
|      | > Combined teams at one HQ in Madrid since 16/7/18  
|      | > Full IT migration to be finalized in 6 months  
|      | > Integration of Axiare’s business processes into Colonial’s Real Estate Value Chain ongoing  |
| 4    | Portfolio optimization underway  
|      | > Asset by Asset Business Plans confirming underwriting  
|      | > Project Portfolio review completed  
|      | > Benefits of combined portfolio through cross lettings  
|      | > Disposals of non-core assets in the next 12 months  |
Market Outlook remains strong

- Eurozone above 2% GDP growth
- Spain with growth above EU average
- France with robust GDP growth at 2%

MARKET TRENDS

WORLD & EU
- World GDP improving +3.8% in 2017 & +3.9% in 2018
- Euro area with GDP growth well above +2%
- Solid base post-French & German elections

SPAIN
- Economy growing above EU average – close to +3% in 2018
- Improvement of private consumption and exports
- 469,900 new jobs created in 2Q, historical record

FRANCE
- Robust GDP growth at +2% levels
- Reform agenda on track
- PMI Business activity index with strong momentum (>50bps)

GDP GROWTH

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>3.8%</td>
<td>3.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Euro Zone</td>
<td>2.6%</td>
<td>2.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Spain</td>
<td>3.1%</td>
<td>2.8%</td>
<td>2.4%</td>
</tr>
<tr>
<td>France</td>
<td>2.3%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Source: CaixaBank Research & Arcano
**Market**

Office Markets remain strong

- Barcelona consolidating as a digital hub
- Madrid with accelerating rental growth
- Paris, a World Champion in football too

**MARKET TRENDS**

**BARCELONA**

- 4th best city to work (BCG study)
- Second European Digital Hub after Paris
- More than 20 companies establishing digital centers recently

**MADRID**

- Strong take up from multinational companies
- Scarcity of Grade A buildings,
- City with the highest rental growth profile in Europe

**PARIS**

- “The Macron effect” maintains business activity indicators and confidence at high levels
- Several London-based companies moving headquarters to Paris
- Mid-term catalysts for further growth: Ongoing reforms, Grand Paris, Olympic Games, Brexit
Barcelona with accelerating rental activity

- Strong momentum in demand driven by technological hubs in 22@
- More than 20 companies establishing digital centers in Barcelona in the last 6 months
- Ranked 4th most attractive city to work in a BCG study

06/2018 BCG study on “what 366,000 respondents in 197 countries said about job preferences and mobility”

**BARCELONA 4th BEST CITY TO WORK**

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>London</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>New York</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>Berlin</td>
<td>15%</td>
</tr>
<tr>
<td>4</td>
<td>Barcelona</td>
<td>15%</td>
</tr>
<tr>
<td>5</td>
<td>Amsterdam</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Dubai</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Paris</td>
<td>11%</td>
</tr>
<tr>
<td>8</td>
<td>Los Angeles</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Sydney</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Tokyo</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Madrid</td>
<td>7%</td>
</tr>
</tbody>
</table>

**BARCELONA CONSOLIDATES AS A GLOBAL TECH HUB**

Creating an estimate of 3,600 jobs

<table>
<thead>
<tr>
<th>Tech companies</th>
<th>Multinationals’ Digital Hubs</th>
<th>Start-ups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft</td>
<td>Asics</td>
<td>Chartboost</td>
</tr>
<tr>
<td>facebook</td>
<td>Allianz</td>
<td>N26</td>
</tr>
<tr>
<td>Oracle</td>
<td>Siemens</td>
<td></td>
</tr>
<tr>
<td>Amazon</td>
<td>IGG</td>
<td></td>
</tr>
<tr>
<td>adesso</td>
<td>Media-Markt</td>
<td></td>
</tr>
<tr>
<td>ZURICH</td>
<td>Moodle</td>
<td></td>
</tr>
</tbody>
</table>

Ranked by percentage of respondents willing to move to each city for work

Source: BCG/The Network
Market
Fundamentals remain solid in every market

VACANCY %

PRIME ERV

HIGHLIGHTS

> +42% Take-up QoQ, max since 2014
> City Center & 22@ with highest take-up
> CBD vacancy at historical lows: < 4%
> Diagonal/PGracia area with 2.4% vacancy

> Take-up remains health, especially for Grade A
> Vacancy decrease ongoing
> +10% YoY increase in Prime rents
> European City with best growth profile

> +15% Take-up YoY, above 10 year average
> +28% Take-up YoY of big transactions (> 5,000 qm)
> CBD vacancy at historical lows: 2.1%
> (1.4% vacancy in the Opera CBD segment)
> 157,000 sqm of future supply in CBD (projects)

Source: JLL, CBRE; BNPParibas
02 Market
Colonial as leading market indicator for rental growth

> On-going strong rental growth in Colonial portfolio
> Colonial outperforming the market
> Colonial setting the benchmark for prime

---

**ERV GROWTH – COLONIAL VS MARKET**

<table>
<thead>
<tr>
<th>Location</th>
<th>12 months 2017</th>
<th>6 months 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Barcelona</strong></td>
<td>Colonial Portfolio 1: +16%</td>
<td>Colonial Portfolio 1: +14%</td>
</tr>
<tr>
<td></td>
<td>CBD Market: +8%</td>
<td>CBD Market: +4%</td>
</tr>
<tr>
<td><strong>Madrid</strong></td>
<td>Colonial Portfolio 1: +12%</td>
<td>Colonial Portfolio 1: +7%</td>
</tr>
<tr>
<td></td>
<td>CBD Market: +8%</td>
<td>CBD Market: +5%</td>
</tr>
<tr>
<td><strong>Paris</strong></td>
<td>Colonial Portfolio 1: +21%</td>
<td>Colonial Portfolio 1: +6%</td>
</tr>
<tr>
<td></td>
<td>CBD Market: +1%</td>
<td>CBD Market: +1%</td>
</tr>
</tbody>
</table>

---

**PRIME ERVs**

<table>
<thead>
<tr>
<th>Location</th>
<th>Colonial Max Rent signed</th>
<th>Market Prime Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€/sqm/month 1H 2018: 24</td>
<td>€/sqm/month 1H 2018: 33.0</td>
</tr>
<tr>
<td><strong>Madrid</strong></td>
<td>€/sqm/month 2017: 775</td>
<td>€/sqm/month 2017: 850</td>
</tr>
<tr>
<td></td>
<td>€/sqm/month 1H 2018: 787</td>
<td>€/sqm/month 1H 2018: 780</td>
</tr>
</tbody>
</table>

---

(1) ERV Growth 12 months: 4Q17 vs ERV12/16 & ERV Growth 6 months: 1H18 vs ERV 12/17
02 Market
Investment Markets remain strong

- Scarcity of Grade A product
- Rental growth main driver for future capital value growth
- Spreads vs reference rates remain attractive

PRIME YIELDS (1)

**Barcelona**
- Prime yield: 4.00%
- Spread vs 10Y bond: 268 bp

**Madrid**
- Prime yield: 3.75%
- Spread vs 10Y bond: 243 bp

**Paris**
- Prime yield: 3.00%
- Spread vs 10Y bond: 234 bp

HIGHLIGHTS

- Investors willing to increase exposure
- Relevant transactions above 7,500 €/sqm confirming Prime yields at 4%
- Healthy spread of 268 bp

- Rental growth main driver for capital value growth
- Investment market to gain momentum in 2H
- Prime yields at 3.75%, some singular deals even lower

- Investment volume of €9.1bn
  - +69% YoY increase
  - 2x long-term average
- 28 transactions above €100m
- Healthy spread at 234 bp

(1) Market consultants in Spain report gross yields and in France they report net yields
Source: JLL, CBRE & Bloomberg
02 Market
Investment Market

> Investor interest for prime product remains strong
> Significant capital value increases in recent quarters
> Colonial’s assets with prudent appraisal values

Madrid City Center (inside M30)

Barcelona City Center

Paris CBD

Latest investment transactions inside M30

Latest investment transactions in city center

Latest investment transactions in Paris CBD

<table>
<thead>
<tr>
<th>Location</th>
<th>Price (€m)</th>
<th>Cap. Value (€/sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enric Granados, 84</td>
<td>7</td>
<td>5,838</td>
</tr>
<tr>
<td>Carrer de Fontanella, 9</td>
<td>20</td>
<td>6,030</td>
</tr>
<tr>
<td>Carrer de Fontanella, 6-8</td>
<td>65</td>
<td>8,414</td>
</tr>
<tr>
<td>Carrer Tanger, 66</td>
<td>90</td>
<td>5,294</td>
</tr>
<tr>
<td>Plaza de Gala Placidia, 1</td>
<td>17</td>
<td>3,942</td>
</tr>
<tr>
<td>Diagonal 662 (1)</td>
<td>210</td>
<td>7,500</td>
</tr>
<tr>
<td>CBD Transactions - Average</td>
<td>409</td>
<td>6,170</td>
</tr>
<tr>
<td>Colonial Average (06/18 appraisal)</td>
<td>4,487</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Price (€m)</th>
<th>Cap. Value (€/sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rue Lamennais, 2</td>
<td>69</td>
<td>19,771</td>
</tr>
<tr>
<td>Place De Rio De Janeiro, 2</td>
<td>125</td>
<td>17,857</td>
</tr>
<tr>
<td>Rue La Boetie, 83</td>
<td>63</td>
<td>19,319</td>
</tr>
<tr>
<td>Rue Mederic, 12-14</td>
<td>112</td>
<td>18,463</td>
</tr>
<tr>
<td>Rue Francois 1Er, 26 Bis</td>
<td>252</td>
<td>22,909</td>
</tr>
<tr>
<td>Marché Saint-Honoré (1)</td>
<td>290</td>
<td>17,000</td>
</tr>
<tr>
<td>Avenue Kleber, 30</td>
<td>75</td>
<td>21,500</td>
</tr>
<tr>
<td>Rue Jean Goujon, 19-21</td>
<td>134</td>
<td>15,765</td>
</tr>
<tr>
<td>Avenue De Messine, 5</td>
<td>100</td>
<td>43,478</td>
</tr>
<tr>
<td>Rue La Boetie, 49-51</td>
<td>222</td>
<td>20,182</td>
</tr>
<tr>
<td>CBD Transactions - Average</td>
<td>1,442</td>
<td>21,624</td>
</tr>
<tr>
<td>Colonial Average (06/18 appraisal)</td>
<td>16,918</td>
<td></td>
</tr>
</tbody>
</table>

(1) Assets with significant Capex to be implemented  
(2) €m  
(3) €/sqm  
Source: Savills-Aguirre Newman and public information
Offering the better site
<table>
<thead>
<tr>
<th>City</th>
<th># CONTRACTS</th>
<th>SQM Signed</th>
<th>GRI SECURED</th>
<th>INCENTIVES</th>
<th>EPRA VACANCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>18</td>
<td>12,643</td>
<td>€2m</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Madrid</td>
<td>23</td>
<td>30,492</td>
<td>€8m</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>Paris</td>
<td>11</td>
<td>8,511</td>
<td>€6m</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td>Logistic</td>
<td>3</td>
<td>45,392</td>
<td>€2m</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
<td><strong>97,038</strong></td>
<td><strong>€19m</strong></td>
<td><strong>8%</strong></td>
<td><strong>5%</strong></td>
</tr>
</tbody>
</table>

(1) Annualized figures of signed contracts
(2) Incentive ratio = economic rents/facial rents -1
(3) Financial vacancy calculated according to EPRA vacancy methodology
### Operational Performance

Prime positioning captures top-tier clients paying maximum rents

- High-quality premises attract top-tier tenants
- Colonial captures rental prices at the top of the market
- Colonial the reference for Grade A product

<table>
<thead>
<tr>
<th>City</th>
<th>Contracts</th>
<th>Max. Rent Signed Colonial</th>
<th>Prime Rents Market</th>
<th>Capturing &amp; Retaining Top Tier Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>18</td>
<td>24 €/sqm/month</td>
<td>24,25 €/sqm/month</td>
<td>NEINVER, LCM, McKinsey &amp; Company</td>
</tr>
<tr>
<td>Madrid</td>
<td>23</td>
<td>30 €/sqm/month</td>
<td>33 €/sqm/month</td>
<td>meteo.cat, Servei Meteorològic de Catalunya, Community of Madrid, Kuehne + Nagel, Swiss Life, VILYNX, Cargill, Habitat</td>
</tr>
<tr>
<td>Paris</td>
<td>11</td>
<td>787 €/sqm/year</td>
<td>780 €/sqm/year</td>
<td></td>
</tr>
</tbody>
</table>
### Operational performance
Strong delivery on rental price increases

- Outstanding rental growth in every city
- Double-digit release spreads
- No renewals in Paris

#### SOLID INCREASE IN RENTAL PRICES

<table>
<thead>
<tr>
<th>City</th>
<th>GROWTH ON SIGNED RENTS&lt;sup&gt;1&lt;/sup&gt;</th>
<th>RELEASE SPREAD&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q 2018</td>
<td>2Q 2018</td>
</tr>
<tr>
<td>BARCELONA</td>
<td>+3%</td>
<td>+24%</td>
</tr>
<tr>
<td>MADRID</td>
<td>+7%</td>
<td>+5%</td>
</tr>
<tr>
<td>PARIS</td>
<td>+5%</td>
<td>+8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>+6%</td>
<td>+12%</td>
</tr>
</tbody>
</table>

(1) Signed rents vs 12/17 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)
03  Operational performance
A highly-resilient tenant portfolio

> Strong diversification across sectors
> Long-term relationships with top tier clients
> Strong tenant loyalty

High-quality tenants

A  Law firms & Consultancy
B  Finance & Insurance
C  Digital & Information Technology
D  Consumer Goods & Industry
E  Government Bodies
F  Leisure & Others

Diversification

Clients Loyalty

5 - 10 years
5% 9% 25%
11% 29% 25%

< 5 years

18% 82%
BARCELONA – LETTING PERFORMANCE

Solid Performance

- 12,643 sq m let
- Max. rent signed: €24.0/m²/month
- ERV growth: +14%
- Release spread: +14%
- Renewals: 3,507 sq m
- New Lettings: 9,136 sq m

Strong rental growth - Highlights

- Park Cugat: +28% vs ERV
- Sant Cugat: +19% vs ERV
- Amigó: +26% vs ERV
- Diagonal 682: +21% vs ERV

Notes:
(1) Signed rents vs 12/17 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)
**MADRID – LETTING PERFORMANCE**

**Solid Performance**

- **30,492 sq m let**
  - > Max. rent signed: 29.9 €/sqm/month
  - > ERV growth: +7% (1)
  - > Release spread: +28%

**Strong Rental Growth - Highlights**

- **De La Vega Business Park**
  - +21% release spread
- **Miguel Ángel 11**
  - +15% release spread
- **Génova 17**
  - +10% vs ERV
- **J. I. Luca de Tena 14**
  - +7% vs ERV
- **Príncipe de Vergara 112-114**
  - +9% vs ERV
- **Discovery Building**
  - +6% vs ERV

---

(1) Signed rents vs 12/17 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)
PARIS – LETTING PERFORMANCE

**Solid Performance**

- 8,511 sq m let

  - Max. rent signed: €787 (€/sqm/year)
  - ERV growth: +6% (1)
  - EPRA Vacancy: 3%

**Strong Rental Growth - Highlights**

- Louvre Saint-Honoré: +11% vs ERV 1
- Cézanne Saint-Honoré: +10% vs ERV 1
- Washington Plaza: +9% vs ERV 1
- Louvre Saint-Honoré: +8% vs ERV 1

(1) Signed rents 1H 18 vs 12/17 ERV (new lettings & renewals)
03 Operational performance
Vacancy remains at healthy levels

- Colonial vacancy at a healthy 5%
- Barcelona and Paris below 3%
- Madrid like-for-like at 1% - Discovery & Axiare providing reversionary potential

EPRA VACANCY

(1) EPRA Vacancy office portfolio
(2) EPRA Vacancy including all uses
03 Operational performance
Colonial portfolio outperforming the market on occupancy

> Colonial with solid vacancy levels in every city
> Colonial strongly-positioned vs market average
> A solid base to capture rental growth
03 Operational performance
Madrid portfolio with additional Grade A Product

> Discovery & Axiare providing reversionary potential
> Grade A space to attract new clients
> Best product in every market segment

### EPRA VACANCY

<table>
<thead>
<tr>
<th>Location</th>
<th>6/2017</th>
<th>12/2017</th>
<th>6/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Madrid</td>
<td>3%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Paris</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### AVAILABILITY OF GRADE A SPACE IN SOLID MARKETS

- **Luca de Tena 6**
- **Ribera del Loira**
- **Francisca Delgado**
- **Cristalia 5&6**
- **Estebanez Calderón**
- **Illacuna**
Operating Performance
Corporate Social Responsibility (CSR) at the core of strategy

- Colonial with strong commitment on CSR
- Providing added value to clients through efficient buildings
- CSR guarantees long-term sustainable returns

**STRONG CORPORATE RATINGS ON ESG**

**MSCI**

- Improved Sustainability Rating from MSCI
  - From “BBB” rating up to “A”
  - One of the highest MSCI Sustainability Ratings in European real estate

**Green Star rating by GRESB**

**EPRA sBPR Gold**

*3rd year in a row*

**HIGH-ENERGY EFFICIENCY STANDARDS**

- 89% of operating portfolio with max. energy certificates
- Projects to be delivered with maximum standards
Solid top line driving profitability
04 Financial performance
Double-digit top line growth

- GRI growth of +21% enhanced through Axiare acquisition
- GRI like-for-like increase strong at +5%
- Madrid like-for-like outstanding with +8%

GROSS RENTAL INCOME - €M

(1) like-for-like calculated following EPRA BPR recommendations
(2) Includes indemnities of tenant rotation
**Financial performance**

Like-for-like rental growth mainly price driven

- Like-for-like growth driven by rental price increases
- Barcelona and Madrid with strong price effect
- Paris with +5% like-for-like increase, well above peers

**GROSS RENTAL INCOME - €M**

<table>
<thead>
<tr>
<th></th>
<th>EPRA like-for-like</th>
<th>Price</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>+5%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>BCN</td>
<td>+3%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>MADRID</td>
<td>+8%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>PARIS</td>
<td>+5%</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

---

(1) like-for-like calculated following EPRA BPR recommendations
(2) Includes indemnities of tenant rotation
**Financial performance**

**Strong NRI like-for-like growth**

- Net Rental Income like-for-like increase at +7%
- Madrid with outstanding +10% like-for-like in Net Rental Income
- Like-for-like growth in 1H18 accelerating by 238 bp

---

**LIKE-FOR-LIKE VARIANCE\(^1\) – NRI**

**LFL IN NET RENTAL INCOME FURTHER STRENGTHENED**

<table>
<thead>
<tr>
<th></th>
<th>GRI</th>
<th>NRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>+5%</td>
<td>+7%</td>
</tr>
<tr>
<td>BCN</td>
<td>+3%</td>
<td>+5%</td>
</tr>
<tr>
<td>MADRID</td>
<td>+8%</td>
<td>+10%</td>
</tr>
<tr>
<td>PARIS</td>
<td>+5%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

---

**NRI LFL GROWTH ACCELERATING**

- 2017 LFL: 4%
- 1H 18 LFL: 7% (increased by +238 bp)

---

\(^1\) Like-for-like variance calculation based on EPRA best practice methodology

GRI= Gross Rental Income   NRI= Net Rental Income
Financial performance

Strong underlying growth in Asset Values

- Gross Asset Value of €11,190m (€11,730m including transfer costs)
- +10% like-for-like YoY growth in every segment (+4% in 6 months)
- Capital Value Growth driven by price increases and successful project execution

GAV GROWTH – 1H 2018

GAV VARIANCE

1 Net of 29% of Axiare stake included in 12/2017 GAV
Financial performance
Strong underlying growth in Asset Values

> Gross Asset Value of €11,190m (€11,730m including transfer costs)
> +10% like-for-like YoY growth in every segment (+4% in 6 months)
> Capital Value Growth driven by price increases and successful project execution

GAV GROWTH – 1H 2018

Like-for-like variance 6 months

1 Net of 29% of Axiare stake included in 12/2017 GAV
### Financial performance

Solid valuation levels in healthy market

- Colonial appraisal with very solid valuation yields
- Colonial capital values below recent transactions evidence
- Rental growth and “scarcity factor” main future growth driver

### VALUATION YIELDS *(1)*

<table>
<thead>
<tr>
<th>Location</th>
<th>Colonial</th>
<th>Prime CBD Market</th>
<th>Bond ESP</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td>4.91%</td>
<td>4.00%</td>
<td>1.32%</td>
</tr>
<tr>
<td>MADRID</td>
<td>4.51%</td>
<td>3.07%</td>
<td>1.52%</td>
</tr>
<tr>
<td>PARIS</td>
<td>3.24%</td>
<td>3.00%</td>
<td>0.56%</td>
</tr>
</tbody>
</table>

### CAPITAL VALUE 06/2018 - €/sq m

<table>
<thead>
<tr>
<th>Location</th>
<th>Colonial</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td>4,487</td>
<td>7,275</td>
</tr>
<tr>
<td>MADRID</td>
<td>5,514</td>
<td>10,500</td>
</tr>
<tr>
<td>PARIS</td>
<td>15,018</td>
<td>26,000</td>
</tr>
</tbody>
</table>

*(1) Market consultants in Spain report gross yields and in France they report net yields*
Financial performance
Acceleration of profitable growth

> +21% Gross Rental Income growth
> +12% Increase in recurring profit
> +13% Adjusted FFO per share

STRONG TOP & BOTTOM-LINE PERFORMANCE

RECURRING RESULT

€m

<table>
<thead>
<tr>
<th></th>
<th>1H 17</th>
<th>1H 18</th>
<th>+12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rents</td>
<td>37</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

EPS RECURRING ADJUSTED

€/share

<table>
<thead>
<tr>
<th></th>
<th>1H 17</th>
<th>1H 18</th>
<th>+7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring EBITDA</td>
<td>0.10</td>
<td>0.11</td>
<td></td>
</tr>
</tbody>
</table>

FFO RECURRING ADJUSTED

€/share

<table>
<thead>
<tr>
<th></th>
<th>1H 17</th>
<th>1H 18</th>
<th>+13%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring Earnings</td>
<td>0.10</td>
<td>0.11</td>
<td></td>
</tr>
</tbody>
</table>

PROFIT & LOSS ACCOUNT

Results analysis - €m

<table>
<thead>
<tr>
<th></th>
<th>1H 18</th>
<th>1H 17</th>
<th>Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rents</td>
<td>170</td>
<td>141</td>
<td>+21%</td>
</tr>
<tr>
<td>Net operating expenses</td>
<td>(17)</td>
<td>(13)</td>
<td></td>
</tr>
<tr>
<td>Overheads</td>
<td>(23)</td>
<td>(19)</td>
<td></td>
</tr>
<tr>
<td>Recurring EBITDA</td>
<td>131</td>
<td>109</td>
<td></td>
</tr>
<tr>
<td>Recurring financial result</td>
<td>(51)</td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>Income tax expense &amp; others - recurring</td>
<td>(7)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Minority interests - recurring</td>
<td>(31)</td>
<td>(29)</td>
<td></td>
</tr>
<tr>
<td>Recurring Earnings</td>
<td>41</td>
<td>37</td>
<td>+12%</td>
</tr>
<tr>
<td>Asset revaluation</td>
<td>304</td>
<td>523</td>
<td></td>
</tr>
<tr>
<td>Non-recurring financial result &amp; MTM</td>
<td>(6)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Income tax &amp; others - non-recurring</td>
<td>(14)</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Minority interests - non-recurring</td>
<td>(71)</td>
<td>(170)</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to the Group</td>
<td>254</td>
<td>437</td>
<td></td>
</tr>
</tbody>
</table>

(1) Recurrent result & FFO adjusted with liability management and including Axiare’s debt cancellation executed after the closing date in July and including 87% of Axiare’s January recurring result
**Financial performance**

Successful tapping of bond market

- Successful Issuance of €1,150m bonds completed by the Colonial Group
- Colonial tapped the market with a €650m 8Y senior unsecured bond with a coupon of 2.0%
- SFL tapped the market with a €500m 7Y senior unsecured bond with a coupon of 1.5%

### BOND ISSUANCES KPIs

<table>
<thead>
<tr>
<th></th>
<th>Colonial</th>
<th>SFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>€650m</td>
<td>€500m</td>
</tr>
<tr>
<td>Coupon</td>
<td>2.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Spread to benchmark</td>
<td>ms + 133 bps</td>
<td>ms + 88 bps</td>
</tr>
<tr>
<td>Maturity</td>
<td>17th April 2026</td>
<td>29th May 2025</td>
</tr>
</tbody>
</table>

### DISTRIBUTION OF BOND ISSUANCES

<table>
<thead>
<tr>
<th>By geography (Colonial)</th>
<th>By investor type (Colonial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK &amp; Ireland</td>
<td>Asset Managers</td>
</tr>
<tr>
<td>France</td>
<td>Central Banks/Ois</td>
</tr>
<tr>
<td>Germany &amp; Austria</td>
<td>Insurers &amp; PF</td>
</tr>
<tr>
<td>Iberia</td>
<td>Banks</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
</tr>
<tr>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>22%</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>By geography (SFL)</td>
<td>By investor type (SFL)</td>
</tr>
<tr>
<td>France</td>
<td>Fund Managers</td>
</tr>
<tr>
<td>Germany &amp; Austria</td>
<td>Central Banks/Ois</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>Insurers &amp; PF</td>
</tr>
<tr>
<td>Nordics</td>
<td>Banks</td>
</tr>
<tr>
<td>UK</td>
<td>Others</td>
</tr>
<tr>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>21%</td>
<td>13%</td>
</tr>
<tr>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**EXECUTION HIGHLIGHTS**

**Bond Issuance (Colonial)**

- €2.0bn of orders – oversubscription of more than 3x –
- More than 150 high quality investors subscribing the issuance

**Bond Issuance (SFL)**

- Strong volume of book with 56 high-quality orders
- Well-diversified investor profile with geographic focus in Europe

Terms and execution parameters that confirm strong credit profiles
Repurchase of €375m of Bonds maturing in 2019 repurchased in July

- Significant improvement of debt maturity
  - Group: 5.7 → 6.2 years
  - Colonial: 6.2 → 7.3 years

- Optimization of net debt position

- ICR post Liability Management approaching 3x

- Consolidation of the cost of debt at low levels (1.9%)

One year improvement of recurring profit of c. €7m
04 Financial performance
Strong credit profile

> Unparalleled high-quality collateral diversified in three cities
> A strong maturity profile with healthy liquidity
> A solid capital structure with competitive costs

FIRST CLASS COLATERAL WITH...

€11bn well-diversified high-quality assets

73% CBD¹
89% BREEAM /LEED

Cost of debt 1.90%

... A SOLID CAPITAL STRUCTURE

LTV & Cost of Debt

Debt maturity - years

Group

LTV 39%

Cost of debt

Colonial

Barcelona    Madrid    Paris

Group

39%    32%    15%

2016  2017  1Q 18  2Q 18  Post LM

Colonial

6.0  5.5  5.3  5.7  6.2

Colonial

6.2

SFL

6.0  6.4  6.0  6.2

SFL

5.0

Total

6.2 years

Debt Maturity (post LM)

Colonial

7.3 years

SFL

4.7 years

Total

6.2 years

SFL

LTV & Cost of Debt

Liquidity¹ (post LM)

Colonial

€1,205m

SFL

€874m

Total

€2,079m

(1) Available cash & undrawn balances (post LM)
Financial performance

Solid Total Shareholder Return

- +15% YoY Total Shareholder Return (+8% in 6 months)
- EPRA NAV of 9.11 €/share, +13% YoY (+6% in 6 months)
- NAV growth driven by price increases and successful project deliveries

STRONG MOMENTUM IN NAV GROWTH

TOTAL SHAREHOLDER RETURN

NAV Growth per share

Dividend paid per share

Total Return per share

EPRA NAV 6/2018

Adjusted EPRA NAV 6/2018 (deducting Goodwill)

Total Shareholder Return = NAV growth per share + dividends
**Financial performance**

“Alpha” as significant driver in value creation

- Total Shareholder Return relies on “Alpha”
- More than half of the NAV growth per share through “Alpha” strategies
- NAV growth driven by price increases and successful project deliveries

**TOTAL SHAREHOLDER RETURN**

<table>
<thead>
<tr>
<th>€/share</th>
<th>EPRA NAV 12/2017</th>
<th>Real Estate Transformation</th>
<th>Rental Price Increase</th>
<th>Market Yield Compression</th>
<th>EPS</th>
<th>Dividend paid &amp; others</th>
<th>EPRA NAV 06/2018</th>
<th>EPS</th>
<th>EPRA NAV 09/2018 - Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.60</td>
<td>Alpha</td>
<td>0.3</td>
<td>(0.2)</td>
<td>9.11</td>
<td>0.2</td>
<td>Goodwill</td>
<td>9.29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL SHAREHOLDER PER SHARE**

<table>
<thead>
<tr>
<th></th>
<th>6 MONTHS</th>
<th>12 MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Transformation</td>
<td>+3%</td>
<td>+4%</td>
</tr>
<tr>
<td>Rental Price Increase</td>
<td>+3%</td>
<td>+7%</td>
</tr>
<tr>
<td>Market Yield(^1) Compression</td>
<td>+0.6%</td>
<td>+3%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>+2%</td>
<td>+2%</td>
</tr>
<tr>
<td>Total Return per share</td>
<td>+8%</td>
<td>+15%</td>
</tr>
</tbody>
</table>

---

1) Net of other impacts
2) Includes SFL dividend payment to minority shareholders in France
Financial performance
Share price driven by solid delivery of fundamentals

> +17% Share Price increase 2018 YTD
> Capital markets recognize execution of Business Plan
> Analyst updates with upwards revisions

SHARE PRICE PERFORMANCE 2018 YTD¹

COVERAGE EVOLUTION DURING 1H 2018

> 4 new analysts cover Colonial
> 19 analysts raised their target price
> 7 analysts upgraded their recommendations to buy

LATEST UPDATES

1. JPMorgan
   - NEW COVERAGE
     - 9.7 €/sha
     - 26/07/2018
     - 11.2

2. BPI
   - UPGRADE
     - 8.75
     - 11.2

3. Bankinter
   - 8.1
   - 10.1

4. CapitalMarkets
   - 9.2
   - 10.0

¹ Share price YTD as of 13/07/2018
04 Financial performance
Share price driven by solid delivery of fundamentals

> Unparalleled share price performance YTD
> Strong outperformance of peers in Spain & Europe
> Well above reference indices – IBEX & EPRA

SHARE PRICE PERFORMANCE 2018 YTD\(^1\) VS PEERS

(1) Share price YTD as of 13/07/2018
A solid base for future growth
05 Growth drivers
A solid base for growth

1. A strong footprint in offices enhancing the competitive positioning
2. A well-positioned portfolio to capture market rental growth
3. An unparalleled pipeline of high quality projects

GROWTH DRIVER | KPIs | PASSING GRI | ATTRACTIVE TIMING
--- | --- | --- | ---
1. Strong Footprint | Enhanced exposure to Madrid Complementary Office Portfolio Unlocking Revenue Synergies | €302m | €302m | Additional Upside
2. Attractive Reversion | Spain – 70% of contracts due in 36 months France – 43% of contracts due in 36 months | €34m | €34m | From Market
3. Project Pipeline | 13 Projects in Spain 3 Flagship Projects in France GLA of more than 340,000 sqm(3) | €82m | €82m | Rental Growth

Significant GRI potential of combined platform

(1) Potential topped up GRI
(2) Including offices, logistics and other assets
(3) Projects & partial refurbishments on operating assets
05 Growth drivers
1 A Strong Footprint in Offices

> Consolidation of strong footprint in offices
> Reinforcing Madrid exposure – 1st landlord in city center
> Outstanding CBD positioning

GAV €bn

<table>
<thead>
<tr>
<th></th>
<th>12/17</th>
<th>6/18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>9</td>
<td>11</td>
<td>+21%</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

PASSING GRI €m

<table>
<thead>
<tr>
<th></th>
<th>12/17</th>
<th>6/18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>302</td>
<td>367</td>
<td>+21%</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

POTENTIAL GRI €m

<table>
<thead>
<tr>
<th></th>
<th>12/17</th>
<th>6/18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>406</td>
<td>522</td>
<td>+29%</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

GAV Group

Spain 43%

CBD 73%

Top Landlord inside M30

33 Assets
445,298 sqm
**05 Growth drivers**

**1 A Strong Footprint in Offices**

- Consolidation of strong footprint in offices
- More than €1.3bn of value in 15 Spanish assets
- Unparalleled owner of trophy assets

<table>
<thead>
<tr>
<th>Almagro, 9</th>
<th>Miguel Ángel, 11</th>
<th>Miguel Ángel, 23</th>
<th>Serrano, 73</th>
<th>Castellana, 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagasta 31-33</td>
<td>Diagonal 197</td>
<td>Recoletos, 37</td>
<td>Genova, 17</td>
<td>Castellana, 52</td>
</tr>
<tr>
<td>Abascal, 56</td>
<td>Abascal, 45</td>
<td>Discovery</td>
<td>Av. Diagonal, 609-615</td>
<td>Velázquez Padilla, 17</td>
</tr>
</tbody>
</table>
Growth drivers

A Strong Footprint in Offices

> Unlocking revenue synergies
> Completion of letting-up with good terms
> Accelerating project schedule

Velázquez

Miguel Ángel

American multinational company

Discovery

66% let YTD

Acceleration of Project Start
Redefinition of Design

Acceleration of letting-up, increasing momentum on price
05 Growth drivers

Colonial well-positioned to capture reversion

- Strong delivery on reversion in 1H 2018
- Attractive rent roll profile
- Solid positioning in growing markets

CAPTURING REVERSION

<table>
<thead>
<tr>
<th>Location</th>
<th>Static upside as of 6/18</th>
<th>Release Spread captured 6/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>+15%</td>
<td>+14%</td>
</tr>
<tr>
<td>Madrid</td>
<td>+9%</td>
<td>+28%</td>
</tr>
<tr>
<td>Paris</td>
<td>+5%</td>
<td>na</td>
</tr>
</tbody>
</table>

ATTRACTIVE RENT ROLL

COMMERCIAL LEASE EXPIRY DATES
First potential exit

<table>
<thead>
<tr>
<th>Location</th>
<th>2H 2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>&gt;2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barcelona</td>
<td>21%</td>
<td>12%</td>
<td>18%</td>
<td>19%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Madrid</td>
<td>9%</td>
<td>12%</td>
<td>16%</td>
<td>16%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>20%</td>
<td>19%</td>
<td>10%</td>
<td>5%</td>
<td>38%</td>
</tr>
</tbody>
</table>

SOLID POSITIONING IN GROWING MARKETS

1) New rents signed vs previous
2) Market rents vs current passing rents as of 06/18 without including future rental growth
**Growth drivers**

3. Value creation potential through project pipeline

- Project pipeline with substantial capital gain potential
- Progressive phasing-in of initiatives
- Short-term projects with strong visibility on pre-lets
05 Growth drivers

3 Short-term projects on track to crystallize value

> Successful delivery of projects initiated in 2015/2016
> Rents signed ahead of initial underwriting
> Full value creation still to be crystallized in NAV

---

Discovery

- 66% let YTD
- Average ERV signed: €26/sqm, +24%
- Yield on Cost: 7.8%
- Total Product Cost: €4,258/sqm

Príncipe de Vergara

- 80% pre-let YTD
- Average ERV signed: €24/sqm, +22%
- Yield on Cost: 7.6%
- Total Product Cost: €3,985/sqm

Parc Glories

- 88% pre-let YTD
- Average ERV signed: €20/sqm, +30%
- Yield on Cost: 7.9%
- Total Product Cost: €3,130/sqm

---

1 Average ERV signed excluding rent of parking spaces
2 ERV signed vs ERV at acquisition date (excludes rent of parking spaces)
3 Gross Yield based on contracts signed YTD and assuming 100% occupancy at average ERV signed
4 Acquisition price + Capex invested
### 05 Growth drivers

#### 4 Flexible office space

- Creation of a leading flexible office platform in Spain through Utopicus
- Strong brand positioning within the co-working space
- 10 new centers to be operating soon in Barcelona and Madrid

### MAIN TAKEAWAYS

- #3 in Spain after Spaces and WeWork
- Platform with 30,000 sqm of GLA
- Creation of Community
- 10 new centers being opened

### # CENTERS OPENED YTD IN BCN & MADRID

<table>
<thead>
<tr>
<th></th>
<th>Barcelona</th>
<th>Madrid</th>
</tr>
</thead>
<tbody>
<tr>
<td>WeWork</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Spaces</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Utopicus</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

### CENTERS IN OPERATION

- **Conde de Casal (Madrid)**
- **Duque de Rivas (Madrid)**
- **Colegiata (Madrid)**
- **Pl. Catalunya (Barcelona)**
- **Clementina (Barcelona)**

### OPENING 2H2018

- **Parc Glòries (Barcelona)**
- **Príncipe Vergara (Madrid)**
- **Gran Via 4 (Madrid)**

### OPENING 1H2019

- **Gal-la Placidia (Barcelona)**
- **Orense (Madrid)**
Growth drivers

Flexible office space – New opening in Plaça Catalunya

OPENED IN 1H 2018

60% OCCUPIED AS OF 7/18
Mainly off-market transactions
- High value-added components
- City Center locations with strong fundamentals

**INVESTMENTS SINCE 2015 - €m**

<table>
<thead>
<tr>
<th>Acquisitions 2015</th>
<th>Alpha I 2016</th>
<th>Alpha II 2017</th>
<th>Alpha III 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>499</td>
<td>579</td>
<td>389</td>
<td>477</td>
</tr>
</tbody>
</table>

Off-market: 36%
Value Add: 52%

Off-market: 87%
Value Add: 51%

Off-market: 21%
Value Add: 89%

Off-market: 100%
Value Add: 76%

Close to €2.0bn of organic acquisitions

I. Attractive entry prices through off-market sourcing
II. Prime Factory opportunities
III. Markets with solid growth profile
Above-average risk-adjusted returns
Full delivery maintaining investment discipline
Growth drivers

Prime CBD Acquisition in Barcelona - D525

- Creation of an emblematic premise at the heart of Barcelona’s CBD
- Market segment with the strongest fundamentals
- Product with high “Scarcity Factor”

---

Diagonal 525 – Prime CBD

<table>
<thead>
<tr>
<th>Creation of a unique premise</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Diagonal 525 – Prime CBD</strong></th>
<th><strong>CORE WITH VALUE ADDED POTENTIAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of an emblematic premise at the heart of Barcelona’s CBD</td>
<td></td>
</tr>
<tr>
<td>&gt; Acquisition of a 5,710 sq m office premise in Diagonal – Prime CBD</td>
<td></td>
</tr>
<tr>
<td>&gt; Location in a CBD market segment with 2.4% vacancy and no product availability</td>
<td></td>
</tr>
<tr>
<td>&gt; Area sought after for services and amenities (shopping centers, high street retail, movie theaters) with excellent public transport connections</td>
<td></td>
</tr>
<tr>
<td>&gt; Mid-sized office building with 3 facades, high ceilings and efficient floor plates</td>
<td></td>
</tr>
<tr>
<td>&gt; Undermanaged office premise currently 100% occupied by a sole tenant</td>
<td></td>
</tr>
<tr>
<td>&gt; Major refurbishment to be carried out in 2019</td>
<td></td>
</tr>
</tbody>
</table>
SOURCES OF VALUE CREATION

> Purchase price well below recent comparable transactions sourced through an off-market transaction

> Full redevelopment – creation of an emblematic premise in Barcelona’s CBD

> Iconic refurbishment of its 3 façades enhancing natural light and comfort

> Repositioning of the office ground floor into retail space

> Opportunity to capture max rents through the best product in the market segment with the strongest fundamentals

> High ungeared IRRs and Yield on Cost

D525- MAIN KPIS

<table>
<thead>
<tr>
<th>The Transaction</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost $1</td>
<td>€37m</td>
</tr>
<tr>
<td>GLA</td>
<td>5,710 sq m</td>
</tr>
<tr>
<td>Parking</td>
<td>10 units</td>
</tr>
<tr>
<td>Total Cost $1</td>
<td>€6,460/sq m</td>
</tr>
</tbody>
</table>

The Opportunity

| Ungeread IRR | 7%-8% |
| Yield on Cost $2 | >6% |

1 Acquisition price + future capex
05 Growth drivers
A solid platform to capture future growth

> Well-positioned to capture reversion
> Significant future value creation through Project pipeline
> Combination of complementary – Grade A – office portfolios

Current Uplift Potential Passing GRI $^1$ – (€m)

Solid platform for future growth

I. Well positioned to capture reversion with strong delivery on rental growth
II. Solid project pipeline to capture future value creation
III. Acceleration of growth through combination of complementary office portfolios

Significant future growth potential in Cash Flow and Capital Value

$^1$ Topped-up passing GRI
06  Conclusion

A SOLID PLATFORM FOR FUTURE GROWTH

> Enhanced competitive positioning through Axiare
> Colonial best positioned to capture rental growth
> An attractive project pipeline of prime product
> A proven track record on acquisitions and capital recycling
> Confident outlook on real estate markets

DELIVERY OF BUSINESS PLAN ON TRACK

> Axiare transaction completed ahead of guidance
> Strong operational performance
  ✓ Very healthy vacancy levels
  ✓ Strong growth in rental prices in every city
  ✓ GRI & Capital Value growth price driven
> Solid top line driving bottom-line results
  ✓ Outstanding NRI like-for-like increase in every market
  ✓ High Capital Value Growth in every segment
  ✓ Axiare integration accelerating profitable growth
APPENDICES
Acceleration of profitable growth

> +12% increase in Recurring Earnings
> Earnings driven by solid top-line growth
> Axiare acquisition enhancing results

PROFIT & LOSS ACCOUNT

RESULTS TOP LINE DRIVEN

> Solid 7% like-for-like net rental income growth
> Results enhancement through Axiare
> Recurring EBITDA increases up to +20%
> High double-digit increase of recurring earnings
> 1H results include consolidation of Axiare from 1 February onwards

1 Recurring net result excluding amortizations and accrual of the incentive plan
APPENDICES

A solid capital structure

> An unparalleled high-quality collateral diversified in three cities
> A solid financial structure with competitive financing costs
> A strong credit profile

FIRST CLASS COLATERAL

More than €11bn of high quality assets
1. Strong CBD exposure with prime product
2. Highest sustainability standards
3. Adequate diversification

A SOLID FINANCIAL STRUCTURE

<table>
<thead>
<tr>
<th>Capital Structure</th>
<th>31/12/2017</th>
<th>30/06/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Debt Spain</td>
<td>1.98%</td>
<td>1.94%</td>
</tr>
<tr>
<td>Cost of Debt Group</td>
<td>1.86%</td>
<td>1.90%</td>
</tr>
<tr>
<td>Maturity Spain</td>
<td>6.4 years</td>
<td>6.2 years</td>
</tr>
<tr>
<td>Maturity Group</td>
<td>5.5 years</td>
<td>5.7 years</td>
</tr>
<tr>
<td>Net Debt</td>
<td>€3,066m</td>
<td>€4,633m</td>
</tr>
<tr>
<td>Cash</td>
<td>€1,105m</td>
<td>€745m</td>
</tr>
<tr>
<td>Undrawn balances</td>
<td>€1,322m</td>
<td>€1,717m</td>
</tr>
<tr>
<td>Group LTV</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>% Debt fixed or hedged</td>
<td>90%</td>
<td>97%</td>
</tr>
</tbody>
</table>

Strong credit profile with solid investment grade rating

Rating Standard & Poor’s
BBB Stable Outlook

Rating Moody’s
Baa2 Negative Outlook
## Total Shareholder Return - Colonial (since June 2014)

<table>
<thead>
<tr>
<th>Date</th>
<th>€/share</th>
<th>Return per share</th>
<th>Group LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NAV</td>
<td>Dividend</td>
<td>NAV Growth</td>
</tr>
<tr>
<td>06-14</td>
<td>4.49</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>12-14</td>
<td>4.77</td>
<td>0</td>
<td>6%</td>
</tr>
<tr>
<td>12-15</td>
<td>6.16</td>
<td>0</td>
<td>29%</td>
</tr>
<tr>
<td>12-16</td>
<td>7.25</td>
<td>0.150</td>
<td>18%</td>
</tr>
<tr>
<td>12-17</td>
<td>8.60</td>
<td>0.165</td>
<td>19%</td>
</tr>
<tr>
<td>06-18</td>
<td>9.11</td>
<td>0.180</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Total Return since 6/14 (NAV per share growth + dividends)**: 114%

- Dividend Return: 11%
- NAV growth: 103%