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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
Highlights

Accelerating the Business Plan
OUTSTANDING FINANCIAL RESULTS

> Gross Rental Income, +19%
> Net Rental Income, +8% like for like
> Recurring earnings, +29%
> Net Profit of €22m, +40%

STRONG OPERATIONAL PERFORMANCE

> More than 73,000 sq m let in a quarter
> Very healthy vacancy levels at 5%
> Strong growth in rental prices - double digit release spreads
  ✓ Capturing market rental growth
  ✓ GRI increase price driven
  ✓ Solid base for Capital Value Growth

PROFITABLE GROWTH ACCELERATING

> Solid top line driving bottom line results
  ✓ Outstanding GRI like for like increase in every market
  ✓ Axiare acquisition enhancing growth
> Loan to Value below 40%
> Confident outlook on real estate markets
01 Highlights 1Q 2018
Solid top line growth driving results

> GRI increase: +19%
> GRI like for like: +6%, strong growth in every market
> Net Profit: +40% with EPS up +15%

### Top line Growth – Gross Rental Income

<table>
<thead>
<tr>
<th></th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Total</strong></td>
<td>+19%</td>
</tr>
<tr>
<td><strong>Group like for like</strong></td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Madrid like for like</strong></td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Barcelona like for like</strong></td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Paris like for like</strong></td>
<td>+6%</td>
</tr>
</tbody>
</table>

### Profit & Loss - €m

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>YoY Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rental Income</td>
<td>€82m</td>
<td>+19%</td>
</tr>
<tr>
<td>Group Net Profit</td>
<td>€22m</td>
<td>+40%</td>
</tr>
<tr>
<td>Recurring Net Profit</td>
<td>€20m</td>
<td>+29%</td>
</tr>
<tr>
<td>EPS</td>
<td>€Cts 5.1</td>
<td>+15%</td>
</tr>
</tbody>
</table>

### Balance Sheet - €m

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAV Group – 12/2017</td>
<td>€10,803m</td>
</tr>
<tr>
<td>Group LTV</td>
<td>39.6%</td>
</tr>
</tbody>
</table>

---

(1) GAV Colonial 31/12/17 + GAV Axiare 31/12/17. Net of investments & divestments 1Q 18
(2) EPRA like for like: Like for like variance base on EPRA BPR methodology
(3) Office portfolio
(4) Portfolio in operation
# Highlights 1Q 2018
Capturing rental growth in every market

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

## Operational Performance 1Q 2018

<table>
<thead>
<tr>
<th>Metric</th>
<th>1Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td># Transactions signed</td>
<td>33</td>
</tr>
<tr>
<td>Volume of sq m signed</td>
<td>73,855</td>
</tr>
<tr>
<td>EPRA Vacancy</td>
<td>5%</td>
</tr>
</tbody>
</table>

## Double digit release Spread\(^1\)

<table>
<thead>
<tr>
<th>Location</th>
<th>Release Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>+16%</td>
</tr>
<tr>
<td>Madrid</td>
<td>+30%</td>
</tr>
</tbody>
</table>

## Strong rental growth\(^2\)

<table>
<thead>
<tr>
<th>Location</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>+3%</td>
</tr>
<tr>
<td>Madrid</td>
<td>+7%</td>
</tr>
<tr>
<td>Paris</td>
<td>+5%</td>
</tr>
</tbody>
</table>

---

1. Rental prices signed vs previous rents
2. Rental prices signed vs ERV 12/17
3. GAV Colonial 31/12/17 + GAV Axiare 31/12/17. Net of investments & divestments 1Q 18
4. Portfolio in operation
5. Office portfolio

---

## BUSINESS MIX – GAV GROUP\(^3\)

- **90% BREEAM/ LEED\(^4\)**

![Office Mix Chart](chart1)

![CBD Mix Chart](chart2)

![90% BREEAM/ LEED\(^4\) Chart](chart3)
Scarcity in Grade A
02 Market
Macro Outlook remains strong

> Eurozone above 2% GDP Growth
> Spain growing above EU average
> France improving significantly

MARKET TRENDS

WORLD & EU
✓ World GDP improving +3.7% 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
✓ Mid term growth profile remains strong

FRANCE
✓ Strong upward revision – GDP at +2% levels
✓ GDP growth accelerating in 2018
✓ Reform agenda as catalyst for further growth

Source: April Monthly report “la Caixa”
## 02 Market
Fundamentals remain solid in every market

<table>
<thead>
<tr>
<th>Location</th>
<th>VACANCY %</th>
<th>TAKE UP 1Q 2018</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BARCELONA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>6.0%</td>
<td>7.1%</td>
<td>Total Market</td>
</tr>
<tr>
<td>Grade A</td>
<td>9.0%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1Q 17</td>
<td>1Q 18</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>MADRID</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>8.8%</td>
<td>10.8%</td>
<td>Total Market</td>
</tr>
<tr>
<td>Grade A</td>
<td>11.9%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1Q 17</td>
<td>1Q 18</td>
<td>Max since 2008</td>
</tr>
<tr>
<td><strong>PARIS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>3.6%</td>
<td>5.8%</td>
<td>Total Market</td>
</tr>
<tr>
<td>Grade A</td>
<td>6.7%</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1Q 17</td>
<td>1Q 18</td>
<td>Max in 12 years</td>
</tr>
</tbody>
</table>

- **CBD vacancy at historical lows:** < 5%
- **Take-up +21% vs previous quarter**
- **Increased number of pre-let transaction**
- **Prime Rents at 24 €/sqm/month, +8% YoY**
- **Q1 2018 take-up of 120,000 sqm, + 24%**
- **Highest take-up figure in the last 10 years**
- **Grade A CBD vacancy circa 1%**
- **Prime rents at 32 €/sqm/month, up 10% YoY**
- **CBD vacancy at historical lows:** at 2.5%
- **Highest take-up figure in the last 12 years**
- **Q1 2018 take-up 741,779 sqm, +13%**
- **Several deals signed at rental levels > 800 €/sqm/year**
02 Market

Colonial as leading market indicator for rental growth

> Ongoing 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>3 months 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colonial Portfolio</td>
<td>+16%</td>
<td>+3%</td>
</tr>
<tr>
<td>CBD Market</td>
<td>+8%</td>
<td>+3%</td>
</tr>
<tr>
<td>MADRID</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colonial Portfolio</td>
<td>+12%</td>
<td>+7%</td>
</tr>
<tr>
<td>CBD Market</td>
<td>+8%</td>
<td>+2%</td>
</tr>
<tr>
<td>PARIS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colonial Portfolio</td>
<td>+21%</td>
<td>+5%</td>
</tr>
<tr>
<td>CBD Market</td>
<td>+1%</td>
<td>(2%)</td>
</tr>
</tbody>
</table>

---

**PRIME ERVs**

€/sqm/month

- **Colonial Max Rent signed**
  - **Barcelona**:
    - 4Q 17: 23.3
    - 4Q 18: 24.0
  - **Madrid**:
    - 4Q 17: 31.3
    - 4Q 18: 32.0
  - **Paris**:
    - 4Q 17: 775
    - 4Q 18: 787

€/sqm/year

- **Market Prime Reference**
  - **Barcelona**:
    - 4Q 17: 850
    - 4Q 18: 787

---

(1) ERV Growth 12 months: 4Q17 vs ERV12/16 & ERV Growth 3 months: 1Q18 vs ERV 12/17
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

**HIGHLIGHTS**

**SPREAD VS 10Y BOND**

- +3% Capital Value Growth QoQ
- Q1 Prime Capital Values at 7,200 €/sqm
- Healthy spread of 284 bp
- Investment volume of €121m

- Prime yields at 3.75%, some singular deals even lower
- Rental growth main driver for capital value growth
- Investment volume of €290bn

- Investment volume of €2.7bn
  - +10% YoY
  - +36% vs. long term average
  - 10 transactions above €100m
  - Spread at 228 bp

---

(1) Market consultants in Spain report gross yields and in France they report net yields
Source: JLL, CBRE & Bloomberg
Offering the better site
# Operational performance
Grade A product ensures strong letting performance

<table>
<thead>
<tr>
<th></th>
<th># CONTRACTS</th>
<th>SQM SIGNED</th>
<th>GRI SECURED</th>
<th>INCENTIVES</th>
<th>EPRA VACANCY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BARCELONA</strong></td>
<td>10</td>
<td>4,695</td>
<td>€1m</td>
<td>4%</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>MADRID</strong></td>
<td>13</td>
<td>18,262</td>
<td>€5m</td>
<td>2%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>PARIS</strong></td>
<td>7</td>
<td>5,506</td>
<td>€4m</td>
<td>14%</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>LOGISTIC</strong></td>
<td>3</td>
<td>45,392</td>
<td>€2m</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>33</td>
<td>73,855</td>
<td>€12m</td>
<td>8%</td>
<td>5%</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

<table>
<thead>
<tr>
<th></th>
<th># CONTRACTS</th>
<th>MAX. RENT SIGNED COLONIAL</th>
<th>PRIME RENTS MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td>10</td>
<td>24 €/sqm/month</td>
<td>24 €/sqm/month</td>
</tr>
<tr>
<td>MADRID</td>
<td>13</td>
<td>30 €/sqm/month</td>
<td>32 €/sqm/month</td>
</tr>
<tr>
<td>PARIS</td>
<td>7</td>
<td>787 €/sqm/year</td>
<td>760 €/sqm/year</td>
</tr>
</tbody>
</table>

CAPTURING & RETAINING TOP TIER CLIENTS

- NEINVER
- McKinsey & Company
- LCM
- meteo.cat
- Servei Meteorològic de Catalunya
- Comunidad de Madrid
- KUEHNE + NAGEL
- SwissLife
- VILYNX
**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></th>
<th>4Q 2017</th>
<th>1Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td>+16%</td>
<td>+3%</td>
</tr>
<tr>
<td>MADRID</td>
<td>+12%</td>
<td>+7%</td>
</tr>
<tr>
<td>PARIS</td>
<td>+21%</td>
<td>+5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>+16%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>4Q 2017</th>
<th>1Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELEASE SPREAD²</td>
<td>+15%</td>
<td>+16%</td>
</tr>
<tr>
<td>PARIS</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>TOTAL</td>
<td>+22%</td>
<td>+28%</td>
</tr>
</tbody>
</table>

(1) Signed rents vs 12/17 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)
Operational performance
Barcelona Letting Performance

BARCELONA – LETTING PERFORMANCE

Solid Performance

4,695 sq m let

- Max. rent signed 24.0 €/sqm/month
- ERV growth +3%(1)
- Release spread2 +16%

Strong rental growth - Highlights

Diagonal 609-615
 Via Augusta 21-23
 Berlin / Numancia

Renewals 2,541 sq m
 New Lettings 2,154 sq m

(1) Signed rents vs 12/17 ERV (new lettings & renewals)
(2) Signed rents vs previous contracts (renewals)
## Operational Performance

### Madrid Letting Performance

### MADRID – LETTING PERFORMANCE

<table>
<thead>
<tr>
<th>Solid Performance</th>
<th>Strong Rental Growth – Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>18,262 sq m let</strong></td>
<td><strong>Sagasta 31-33</strong></td>
</tr>
<tr>
<td>&gt; Max. rent signed</td>
<td>29.9 €/sqm/month</td>
</tr>
<tr>
<td>&gt; ERV growth</td>
<td>+7% (1)</td>
</tr>
<tr>
<td>&gt; Release spread²</td>
<td>+30%</td>
</tr>
</tbody>
</table>

#### New Lettings
- **3,414 sq m**

#### Renewals
- **14,848 sq m**

<table>
<thead>
<tr>
<th>Sagasta 31-33</th>
<th>Martínez Villergas 49</th>
<th>Francisca Delgado 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>McKinsey&amp;Company</td>
<td>ALSTOM</td>
<td>NEINVER</td>
</tr>
<tr>
<td>+40% release spread</td>
<td>+25% release spread</td>
<td>+11% release spread</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Castellana 52</th>
<th>P. Joan Maragall 53</th>
<th>José Abascal 56</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comunidad de Madrid</td>
<td>Comunidad de Madrid</td>
<td>Dow</td>
</tr>
<tr>
<td>+49% release spread</td>
<td>+8% release spread</td>
<td>+8% vs ERV¹</td>
</tr>
</tbody>
</table>

---

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

Solid Performance

5,506 sq m let

- Max. rent signed 787 €/sqm/year
- ERV growth +5% (1)
- EPRA Vacancy 3%

Strong Rental Growth - Highlights

Louvre Saint-Honoré

+11% vs ERV (1)

Cézanne Saint-Honoré

+9% vs ERV (1)

Washington Plaza

+9% vs ERV (1)

New Lettings 5,506 sq m

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

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

EPRA VACANCY

LOGISTICS

Logistics Portfolio: 0% EPRA Vacancy

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

> Colonial with solid vacancy levels in every city
> Colonial strong positioned vs market average
> A solid base to capture rental growth
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

**ENERGY EFFICIENCY STANDARDS**

- EPRA BPR Gold: 3rd year in a row
- EPRA SBPR Gold: 2nd year in a row
- Green Star rating by GRESB

Projects to be delivered with maximum standards

2017 BREEAM Awards for SFL

90% of operating portfolio with max. energy certificates
Solid top line driving profitability
Financial performance
Double digit top line growth

> GRI growth of +19% enhanced through Axiare
> GRI like for like increase strong at +6%
> 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

- Half of like for like growth driven by rental price increases
- Barcelona and Madrid with strong price effect
- Paris with +6% like for like increase, well above peers

### GROSS RENTAL INCOME - €M

<table>
<thead>
<tr>
<th>City</th>
<th>EPRA Like for like</th>
<th>Price</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>+6%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>BCN</td>
<td>+5%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>MADRID</td>
<td>+8%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>PARIS</td>
<td>+6%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

1. Like for Like calculated following EPRA BPR recommendations
2. Includes indemnities of tenant rotation
**Financial performance**

Like for like growth accelerating

- Like for like growth in Q18 accelerating by 200 bp
- Net Rental Income like for like increase at +8%
- Madrid with outstanding +15% like for like in Net Rental Income

---

**LIKE FOR LIKE VARIANCE**

<table>
<thead>
<tr>
<th>GRI</th>
<th>NRI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
</tr>
<tr>
<td>+6%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BCN</th>
<th>MADRID</th>
<th>PARIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5%</td>
<td>+8%</td>
<td>+6%</td>
</tr>
<tr>
<td>+6%</td>
<td>+15%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

**LFL GROWTH ACCELERATING**

<table>
<thead>
<tr>
<th>Year</th>
<th>LFL GRI</th>
<th>LFL NRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>1Q 18</td>
<td>6% (+192 bp)</td>
<td>6% (+192 bp)</td>
</tr>
</tbody>
</table>

---

1 Like for like variance calculation based on EPRA best practice methodology

GRI= Gross Rental Income  NRI= Net Rental Income
04  Financial performance
Acceleration of profitable growth

> +29% increase in Recurring Earnings
> Earnings driven by solid top line growth
> Axiare acquisition enhancing results

**PROFIT & LOSS ACCOUNT**

**RESULTS TOP LINE DRIVEN**

> Solid 8% Like for Like net rental income growth
> Results enhancement through Axiare
  > Recurring EBITDA increases up to +18%
  > High double digit increase of recurring earnings
  > Q1 results include consolidation of 87% stake from 1 February onwards

---

1 Recurring net result excluding amortizations and accrual of the incentive plan
Financial performance
Acceleration of profitable growth

> +40% Increase in Net Profit
> +15% EPS increase
> +19% Gross Rental Income growth

**STRONG TOP & BOTTOM LINE PERFORMANCE**

**PROFIT ATTRIBUTABLE TO GROUP**

€m

<table>
<thead>
<tr>
<th></th>
<th>1Q 17</th>
<th>1Q 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rents</td>
<td>16</td>
<td>22</td>
</tr>
</tbody>
</table>

**EARNINGS PER SHARE**

€/share

<table>
<thead>
<tr>
<th></th>
<th>1Q 17</th>
<th>1Q 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating expenses</td>
<td>0.045</td>
<td>0.051</td>
</tr>
</tbody>
</table>

**GROSS RENTAL INCOME**

€m

<table>
<thead>
<tr>
<th></th>
<th>1Q 17</th>
<th>1Q 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rents</td>
<td>70</td>
<td>82</td>
</tr>
</tbody>
</table>

**PROFIT & LOSS ACCOUNT**

<table>
<thead>
<tr>
<th>Results analysis - €m</th>
<th>1Q 18</th>
<th>1Q 17</th>
<th>Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rents</td>
<td>82</td>
<td>70</td>
<td>19%</td>
</tr>
<tr>
<td>Net operating expenses</td>
<td>(10)</td>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>Overheads</td>
<td>(11)</td>
<td>(9)</td>
<td></td>
</tr>
<tr>
<td>Recurring EBITDA</td>
<td>62</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Recurring financial result</td>
<td>(23)</td>
<td>(20)</td>
<td></td>
</tr>
<tr>
<td>Income tax expense &amp; others - recurring</td>
<td>(3)</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Minority interests - recurring</td>
<td>(16)</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td>Recurring Earnings</td>
<td>20</td>
<td>16</td>
<td>29%</td>
</tr>
<tr>
<td>Asset revaluation</td>
<td>6</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Non-recurring financial result &amp; MTM</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Income tax &amp; others - non-recurring</td>
<td>(3)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Minority interests - non-recurring</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to the Group</td>
<td>22</td>
<td>16</td>
<td>40%</td>
</tr>
</tbody>
</table>

(1) Includes other income
Financial performance
Active balance sheet management

- Successful issuance of €650m 8Y senior unsecured bond
- Extension of the Group’s debt maturity at attractive cost of 2%
- More than 3x oversubscribed with high quality accounts

**BOND ISSUANCE KPI’S**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>€650m</td>
</tr>
<tr>
<td><strong>Coupon</strong></td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Spread to benchmark</strong></td>
<td>ms + 133 bps</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>17th April 2026</td>
</tr>
</tbody>
</table>

**EXECUTION HIGHLIGHTS**

**Bond Issuance**

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

- Well diversified order book:
  - 46% UK & Ireland, 22% France, 11% Germany & Austria and 5% Iberia

- High degree of real money accounts:
  - Fund Managers 83%, Insurances 8%

**DISTRIBUTION OF BOND ISSUANCE**

**By investor type**

- UK & Ireland: 46%
- France: 22%
- Germany & Austria: 11%
- Iberia: 5%
- Others: 5%

**By geography**

- Asset Managers: 83%
- Insurance: 5%
- Banks: 4%
- Others: 8%

**Terms and execution parameters that confirm strong credit profile**
Financial performance
Strong credit profile

> An unparalleled high quality collateral diversified in three cities
> A solid capital structure with competitive costs
> An enhanced maturity profile

A FIRST CLASS COLATERAL WITH...

€11bn well diversified high quality assets

71% CBD¹
90% BREEAM / LEED

Available cash & undrawn balances¹

<table>
<thead>
<tr>
<th></th>
<th>Colonial</th>
<th>SFL</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure of office portfolio</td>
<td>€1,523m¹</td>
<td>€808m</td>
<td>€2,331m¹</td>
</tr>
</tbody>
</table>

Debt Maturity¹

<table>
<thead>
<tr>
<th></th>
<th>Colonial</th>
<th>SFL</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV</td>
<td>39.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of debt</td>
<td>1.82%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

 Debt maturity - years

2016 2017 1Q 18 Post Issuances

Group

LTV
Cost of debt

Colonial

Moody’s

BBB Stable Outlook

SFL

Standard & Poor’s

Baa2 Negative Outlook

BBB+ Stable Outlook

(1) Exposure of office portfolio
Financial performance

Share price driven by solid delivery of fundamentals

- +22% Share Price increase 2018 YTD
- Capital markets recognize execution of Business Plan
- High quality shareholder base

SHARE PRICE PERFORMANCE 2018 YTD

1. Alpha III
2. End of acceptance period takeover Bid Axiare
3. SFL 2017 Results
4. Colonial 2017 Results
5. BoD Approval of common Draft of the Merger
6. Bond Issue
7. SFL 1Q 2018 Results
8. Call of Colonials' AGM

9/05/18
10.1 €/sha
+22%

STRAONG SHAREHOLDER BASE

- More than €2.8bn of free float market cap
- Majority of long only investors
- High degree of Real Estate specialists

(1) Share price YTD as of 9/05/2018
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 YTD¹ VS PEERS

(1) Share price YTD as of 9/05/2018
Growth drivers

05

A solid base for future growth
05 Growth drivers
A solid base for growth

<table>
<thead>
<tr>
<th>GROWTH DRIVER</th>
<th>KPIs</th>
<th>ADDITIONAL GRI¹</th>
<th>ATTRACTION TIMING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Capturing Reversion</td>
<td>Spain: 74% of contracts due in 3 years  France 52% of contracts due in 3 years</td>
<td>€33m</td>
<td></td>
</tr>
<tr>
<td>2 Project pipeline</td>
<td>11 Projects  GLA of more than 240,000 sqm(3)</td>
<td>€71m</td>
<td>ADDITIONAL UPSIDE</td>
</tr>
<tr>
<td>3</td>
<td>42 Assets  26 Grade A Office Assets  GLA of more than 836,197(2) sqm</td>
<td>€105m</td>
<td>FROM MARKET  RENTAL GROWTH</td>
</tr>
</tbody>
</table>

(1) Potential topped up GRI net of investments & disposals Q1 18
(2) Including offices, logistics and other assets
(3) Projects & partial refurbishments on operating assets
**Growth drivers**

1. Colonial well positioned to capture reversion

- Strong delivery on reversion in Q1 2018
- Attractive rent roll profile
- Solid positioning in growing markets

### Capturing Reversion

<table>
<thead>
<tr>
<th>Location</th>
<th>Static upside as of 12/17</th>
<th>Release Spread captured Q1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcelona</td>
<td>+12%</td>
<td>+16%</td>
</tr>
<tr>
<td>Madrid</td>
<td>+8%</td>
<td>+30%</td>
</tr>
<tr>
<td>Paris</td>
<td>+4%</td>
<td>na</td>
</tr>
</tbody>
</table>

### Attractive Rent Roll

**Commercial Lease Expiry Dates**
First potential exit as of 12/17

<table>
<thead>
<tr>
<th>Year</th>
<th>Barcelona</th>
<th>Madrid</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>28%</td>
<td>16%</td>
<td>44%</td>
</tr>
<tr>
<td>2019</td>
<td>24%</td>
<td>12%</td>
<td>36%</td>
</tr>
<tr>
<td>2020</td>
<td>22%</td>
<td>13%</td>
<td>35%</td>
</tr>
<tr>
<td>2021</td>
<td>7%</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>2022</td>
<td>6%</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

- **Paris** (Rental Growth):
  - 2018: 13%
  - 2019: 20%
  - 2020: 19%
  - 2021: 5%
  - 2022: 9%

### Solid Positioning in Growing Markets

- **Spain**
  - Av. Diagonal, 609-615
  - Travessera Gràcia, 11
  - Diagonal 197

- **France**
  - Almagro, 9
  - Sagasta, 31-33
  - Castellana, 52

- **Recoletos, 37-41**
- **90, Champs-Élysées**
- **#Cloud**

---

1) New rents signed vs previous
2) Market rents vs current passing rents as of 12/17 without including future rental growth
Growth drivers

2 Value creation potential through project pipeline

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

2 Short term projects on track to crystalize value

Projects – short term delivery

GLA of 46,071 sq m
Ungeared IRR 8-9%

- Discovery
  - 10,152 sq m
  - First Leed platinum in Prime CBD Madrid
  - More than a 10,000 sqm of high quality office space in Prime CBD
  - Strong interest for 50% of the GLA
  - Yield on Cost: >7%
  - Total Product Cost: 4,693 €/sqm

- Parc Glories
  - 24,551 sq m
  - First Leed platinum in 22@ Barcelona
  - 80% pre-let as of 2017, ongoing strong interest
  - Delivery in Q3 2018
  - Yield on Cost: >7%
  - Total Product Cost: 3,136 €/sqm

- Príncipe de Vergara
  - 11,368 sq m
  - Unique 11,000 sqm scheme in the CBD with several terraces
  - Ground floor for flexible offices spaces through Utopic-Us
  - Advanced negotiations for 50% pre-let
  - Yield on Cost: >7%
  - Total Product Cost: 3,998 €/sqm

---

1 Ungeared 10Y IRRs
2 Acquisition cost + capex
Growth drivers

3 Solid execution on Take-over bid on Axiare

- Rapid execution of takeover bid through efficient process management
- Transaction financing secured in advance - de-risking the final settlement
- Full integration process after merger approval

**EXECUTION HIGHLIGHTS - TAKE-OVER BID AXIARE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Nov 13</td>
<td>Acquisition of up to 29%, including 2nd largest shareholder</td>
</tr>
<tr>
<td>2017 Nov 13</td>
<td>Launch of an unsolicited Take-over bid for 100% of Axiare</td>
</tr>
<tr>
<td>2017 Nov 20</td>
<td>Issuance of €400m of Equity and €800m of Debt (bonds)</td>
</tr>
<tr>
<td>2017 Dec 28</td>
<td>CNMV authorizes the take-over prospectus</td>
</tr>
<tr>
<td>2018 Jan 29</td>
<td>Expiry of acceptance period</td>
</tr>
<tr>
<td>2018 Feb 18</td>
<td>CNMV announces take-over outcome reaching 87% stake</td>
</tr>
<tr>
<td>2018 Apr 19</td>
<td>Board approval of the Common draft terms of the merger</td>
</tr>
<tr>
<td>2018 Apr 19</td>
<td>Call of Colonial’s and Axiare’s AGMs</td>
</tr>
<tr>
<td>2018 May 24</td>
<td>AGMs of Colonial &amp; Axiare to be held on May 24 &amp; May 25</td>
</tr>
</tbody>
</table>

**INTEGRATION ON TRACK**

- Q1 includes full consolidation figures of Axiare with 87% stake from 1st of February 2018
- Integration process to start immediately after merger approval
  - Synergies estimate confirmed
  - “Best of both” approach to be implemented
  - Asset allocation analysis underway
**Growth drivers**

A complementary Grade A portfolio with high growth potential

- 13 assets fully occupied allowing for price reversion
- Additional Grade A space to capture new clients
- Attractive project pipeline in solid markets

**CORE ASSETS ABOVE 95% OCCUPANCY**

- Sagasta 33
- Manuel De Falla
- Avda de la Vega
- Almagro
- Diagonal 197
- Don Ramon de la Cruz

**ADDITIONAL SPACE IN -GRADE A- PRODUCTS**

- Luca de Tena 14
- Ribera del Loira
- Francisca Delgado
- Luca de Tena 6

**ATTRACTIVE PROJECT PIPELINE**

- Velazquez
- J. Valcarcel 40
- Miguel Angel
- Avda Bruselas 38
- Sagasta 27
- Puerto Somport (Las Tablas)

Capturing Price Reversion
Capturing Price & Volume Reversion
Return on Projects
05 Growth drivers

3 A unique logistics portfolio in Spain

- High quality portfolio 100% occupied
- Additional growth from San Fernando projects
- 5th largest logistics portfolio in Spain

UNIQUE LOGISTICS PORTFOLIO

Alcalá de Henares  Azuqueca II  Cabanillas
Guadalix  Azuqueca I  Dos Hermanas
Camarma  Rivas  Constantí
Valls  S. Fernando (phase I)  S. Fernando (Phase II)

Strong Footprint in Spanish Landscape

More than €300m in GAV

Relevant positioning in Spanish landscape

500,000 sqm

Peer 1

Peer 2

Peer 3

Peer 4

Colonial Ca. 500,000 sqm

Portfolio fully let 0% EPRA Vacancy

120,000 sqm to be delivered shortly
05 Growth drivers
Acquisitions – solid track record with €2bn in 4 years

> 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: 38%
- 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
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

¹Topped-up passing GRI net of investments & divestments Q1 2018
CAPTURING RENTAL GROWTH WITH GRADE A PRODUCT

> More than 73,000 sq m let with top tier clients
> Very healthy vacancy levels at 5%
> Strong delivery on rental growth - double digit release spreads
  ✓ Capturing market rental growth
  ✓ GRI increase price driven
  ✓ Solid base for further Capital Value Growth

ACCELERATING PROFITABLE GROWTH

> Solid top line driving bottom line results
  ✓ Outstanding GRI like for like increase in every market
  ✓ Axiare acquisition enhancing growth
> Colonial portfolio best positioned for future growth
> Confident outlook on real estate markets
> Capital structure remains solid
Barcelona Projects

GLA of 43,169 sq m
Ungeared IRR 8-9%²

Parc Glories

80% PRE LET

Gala Plácida

Final Products - KPIs

Total Cost¹ €126m

Capital Value

2,900 €/sqm

Yield on Cost

7-8%

Plaza Europa

Barcelona Prime Market

Capital Value

6,975 €/sqm

Prime Yield

4%
Madrid Projects

GLA of 141,168 sq m
Ungeared IRR 8-9%

Discovery

Méndez Álvaro Campus

Príncipe de Vergara

Castellana 163

Méndez Álvaro Office Scheme

FINAL PRODUCTs - KPIs

- Total Cost: €495m
- Capital Value: 3,500 €/sqm
- Yield on Cost: >7%

PRIME MARKET

- Capital Value: 10,000 €/sqm
- Prime Yield: 3.75%

(1) Acquisition cost + Capex
(2) 10 year ungeared IRR
APPENDICES
Project pipeline

Paris Projects

GLA of 49,300 sq m
Ungeared IRR >> 7%

Emile Zola

Iéna

Louvre St. Honoré

FINAL PRODUCTS - KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>€536m</td>
</tr>
<tr>
<td>Capital Value</td>
<td>11,000 €/sqm</td>
</tr>
<tr>
<td>Yield on Cost</td>
<td>&gt;6%</td>
</tr>
</tbody>
</table>

PARIS PRIME MARKET

<table>
<thead>
<tr>
<th>KPI</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Value</td>
<td>25,800 €/sqm</td>
</tr>
<tr>
<td>Prime Yield</td>
<td>3%</td>
</tr>
</tbody>
</table>

(1) Acquisition cost or GAV at start of the project + Capex
(2) 10 year ungeared IRR
APPENDICES
A solid capital structure

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

A FIRST CLASS COLATERAL

More than €9bn 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></th>
<th>31/12/2017</th>
<th>31/03/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Debt Spain</td>
<td>1.98%</td>
<td>1.91%</td>
</tr>
<tr>
<td>Cost of Debt Group</td>
<td>1.86%</td>
<td>1.82%</td>
</tr>
<tr>
<td>Maturity Spain</td>
<td>6.4 years</td>
<td>6.0 years</td>
</tr>
<tr>
<td>Maturity Group</td>
<td>5.5 years</td>
<td>5.3 years</td>
</tr>
<tr>
<td>Cash</td>
<td>€1,105m</td>
<td>€876m</td>
</tr>
<tr>
<td>Undrawn balances</td>
<td>€1,322m</td>
<td>€1,455m</td>
</tr>
<tr>
<td>Group LTV</td>
<td>31%</td>
<td>39.6%</td>
</tr>
<tr>
<td>% Debt fixed or hedged</td>
<td>90%</td>
<td>87%</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

Cost of Debt Spain
Cost of Debt Group
Maturity Spain
Maturity Group
Cash
Undrawn balances
Group LTV
% Debt fixed or hedged
## 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>8%</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>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Total Return</th>
<th>99%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Return</td>
<td>7%</td>
</tr>
<tr>
<td>NAV growth</td>
<td>92%</td>
</tr>
</tbody>
</table>