Increase in net profit of +39% and limited impact of the COVID-19 crisis

- The portfolio of AAA clients is well diversified and has good fundamentals
- The total vacancy of the Colonial Group's stood at levels of 2%
- The Gross Rental Income amounted to €86m, +6% like for like
- The liquidity amounts to €2.1bn liquidity, with €535m in cash
- Current liquidity covers all debt maturities until 2023
- The level of indebtedness LTV is 36%
- S&P and Moody's confirm Colonial's credit rating
- COVID-19: April invoices have been issued without any significant incidences of default

Madrid, 13th of May 2020

First Quarter Results 2020

According to Juan José Brugera, Chairman of Colonial: "These are excellent first quarter results prior to the COVID-19".
Likewise, Pere Viñolas, Chief Executive Officer of Colonial says: "We face this crisis with strong solvency that is based on 1) 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, and 2) a solid and healthy financial structure, with a low level of leverage with LTV standing at 36% and liquidity of €2.1bn".

Situation of COVID-19 in Colonial at 13 May 2020

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.

Our activity remains stable and the results of the first quarter reflect the strength of Colonial's portfolio and the resistance of its business model. However, these results do not yet reflect the potential impact of the crisis caused by COVID-19, which started in mid-March.

At the date of this publication, the Colonial Group has issued all the invoices of April 2020 without, for the moment, any significant incidences of default, which do not reach 1% of the rents of April. However, this is provisional data which may vary in the coming weeks depending on the evolution of the crisis.

With special sensitiveness with its clients' situation, and specially with those who are the most affected by the prohibition of their activities, Colonial is having individual discussions with them to meet their needs. Accordingly, the commercial team of the Group is analysing and negotiating deferrals or, in exceptional cases, allowances for the payment of rents with a special focus on all of the companies that are having financial difficulties, as a consequence and in the framework of the prohibition of the development of their activities in the retail and leisure sectors. To date, the impact of these negotiations in the Profit and Loss account is below 2%, even though it could reach approximately a maximum of 6% of the 2020 rents of the Colonial Group. This estimate could be revised depending on the duration of the state of emergency and the evolution of the pandemic. This estimate is the result of the composition of Colonial's assets and clients, where the retail sector represents a minority proportion, and large companies being the main clients of the Group.

The Colonial Group's financial situation is solid, with the Investment Grade rating confirmed at the end of April, taking into consideration the current circumstances of the Group as well as the general context as a whole.

A significant increase in Net Recurring Profit and Net Earnings Per Share

The Colonial Group closed the first quarter of 2020 with a net profit of €32m, +39% compared to the same period of the previous year and with a net recurring profit of €36m, an increase of +10%.

Net recurring EPS amounted to €7.17cts, resulting in an increase of +10% compared to the same period of the previous year.

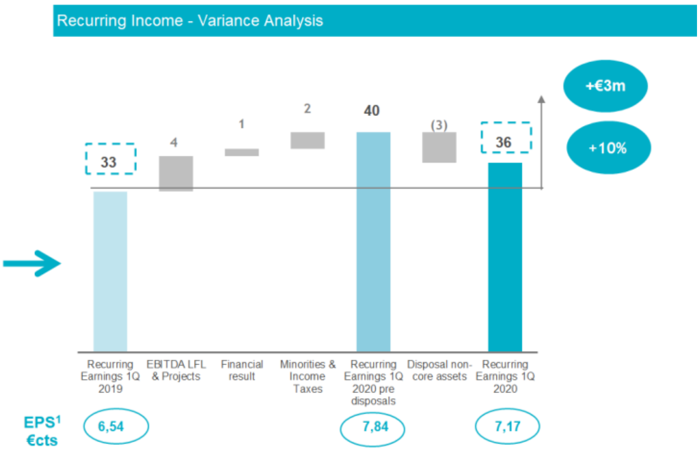
The increase in the recurring net profit of +€3m (+10% vs. the previous year) was driven by:

1. An increase in EBITDA like-for-like and projects of +€4m (+€1m, after the adjustment of the impact of the disposals of non-strategic assets carried out in 2019)
2. A reduction in financial costs of €1m

Profit & Loss Account

Results analysis - €m	1Q 2020	1Q 2019
Gross Rents	86	87
Recurring EBITDA	69	69
Recurring financial result	(22)	(23)
Income tax expense & others - recurring	(2)	(4)
Minority interests - recurring	(9)	(9)
Recurring Earnings	36	33
Change in fair value of assets & provisions	1	3
Non-recurring financial result & MTM	(0)	(5)
Income tax & others - non-recurring	(5)	(9)
Minority interests - non-recurring	0	1
Profit attributable to the Group	32	23

[1] Recurring earnings per share

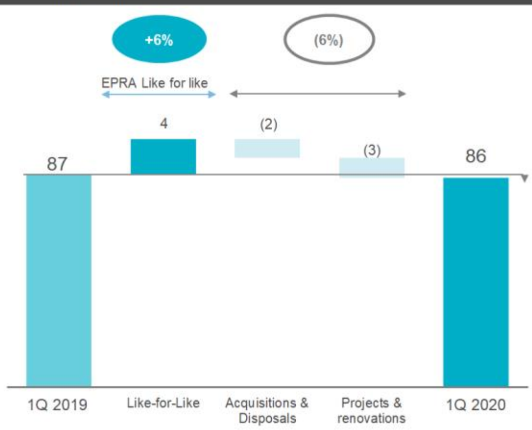


The disposals of non-strategic assets, mainly carried out in the second half of 2019, have resulted in an impact of lower rents on the recurring profit of €3m. Consequently, the recurring profit per share, excluding the above-mentioned non-strategic asset sales, would have been €7.8cts/share, which represents an increase of +20% in comparable terms.

Solid growth in Gross Rental Income

Colonial closed the first quarter of 2020 with **€86m of Gross Rental Income. An increase of +6% in like-for-like terms compared to the previous year**.

Gross Rental Income - €m



	EPRA Like for like	Acquisitions & Disposals	Projects & renovations	TOTAL
BCN	+10%	+4%	(1%)	+14%
MADRID	+14%	(2%)	+2%	+14%
PARIS	+2%	0%	(6%)	(4%)
OTHERS	(7%)	(51%)	0%	(58%)
TOTAL	+6%	(3%)	(3%)	+0%

The significant like-for-like increase across the portfolio in all three markets in which the Colonial Group operates is among the highest in Europe, mainly based on the solid positioning of its assets in the city centres (CBD) which enable it to capture the highest rents in the market. **Of note in the first quarter increase is the Madrid market with an increase of +14% like-for-like and the Barcelona market with a +10% increase.**

In terms of the breakdown of the contribution of each of the three markets in the Group's portfolio, the main aspects to highlight are the following:

1. **Barcelona +10% like-for-like.** This is due to the rental price increases in Diagonal 197 and Plaza Europa 42-44, as well as increased occupancy in Parc Glories.
2. **Madrid +14% like-for-like.** This increase is driven by an increase in the market rental review of prices on the Santa Hortensia, Martínez Villergas and José Abascal 56 assets. Regarding improvements in occupancy, of special mention are the assets Príncipe de Vergara, Ribera de Loira, Francisca Delgado 11, Alfonso XII and José Abascal 56.
3. **Paris +2% like-for-like.** This is due to an increase in prices on the assets Cézanne Saint Honoré, Louvre St. Honoré offices, Washington Plaza and #Cloud, among others.

The Colonial Group's rental income was impacted by: 1) the sale of non-strategic assets carried out in 2019 (Hotel Centro Norte and part of the logistics portfolio), and 2) the rotation of the project portfolio, as well as the start of the Group's renovation program, specifically due to the start of the project on the 83 Marceau asset and the renovation of the Grenelle asset in Paris, which have led to a temporary reduction in income.

Solid operational fundamentals in all segments

1. A first quarter with increases in rents

At the close of the first quarter of 2020, the Colonial Group had signed 15 rental contracts on the office portfolio corresponding to 13,539 sqm and annual rents of €4m.

				1Q 2020	
Strong price increases	**# contracts**	**Surface sqm**	**GRI €m**	**Release Spread[1]**	**% Var. vs ERV 12/19[2]**
Barcelona	8	7,024	€2m	+50%	+7%
Madrid	5	5,374	€1m	+15%	+5%
Paris	2	1,141	€1m	na	+7%
TOTAL OFFICES	**15**	**13,539**	**€4m**	**+21%**	**+6%**

(1) Signed rents on renewals vs previous rents
(2) Signed rents vs market rents at 31/12/2019 (ERV 12/19)

For the contracts renewed in the first quarter of 2020, **the release spread** (signed rents vs previous rents) **was +21%.** Of special mention is the high increase in the Barcelona portfolio of +50%, as well as an increase in Madrid of +15%. In Paris, there were no contract renewals as there have not been any expiries to date.

Compared with the market rent at December 2019, the rental prices of new contracts and the renewals **increased by +6% in the first quarter of 2020.** In the same respect, in **Barcelona**, the rents deriving from new contracts and renewals were **+7% above market rents 12/19.** In the **Paris portfolio, the increase compared to market rents was also up +7%**, and in **Madrid, the increase was +5%.**

Colonial's total letting activity is spread across the three markets in which the Company operates.

In Spain, contracts were signed or renewed rental contracts with a surface area of 12,398 sqm during the first quarter of 2020, corresponding to 13 and €3m of annualized rents.

In the Madrid portfolio, rental contracts with a surface area of 5,374 sqm were signed or renewed on 5 transactions. Of special mention is the renewal of almost 2,000 sqm on the Recoletos 37 asset with a large publisher, the renewal of 1,073 sqm on the Egeo asset with a food company, as well as the renewal of almost 1,000 sqm on the Francisca Delgado 11 asset with an international consultancy firm.

In the **Barcelona office portfolio,** rental contracts with a surface area of 7,024 sqm across 8 transactions were signed or renewed. Among the highlights is the signing of 2,400 sqm on the Torre BCN asset and the signing of 1,245 sqm on the Diagonal 609-615 asset, both with banking entities, as well as the signing of almost 1,000 sqm on the Torre Marenostrum building with a communications consultancy firm.

In the **Paris portfolio**, rental contracts of 1,141 sqm were signed or renewed across 2 transactions: one contract signed on the 112 Wagram asset and the other on the Edouard VII building.

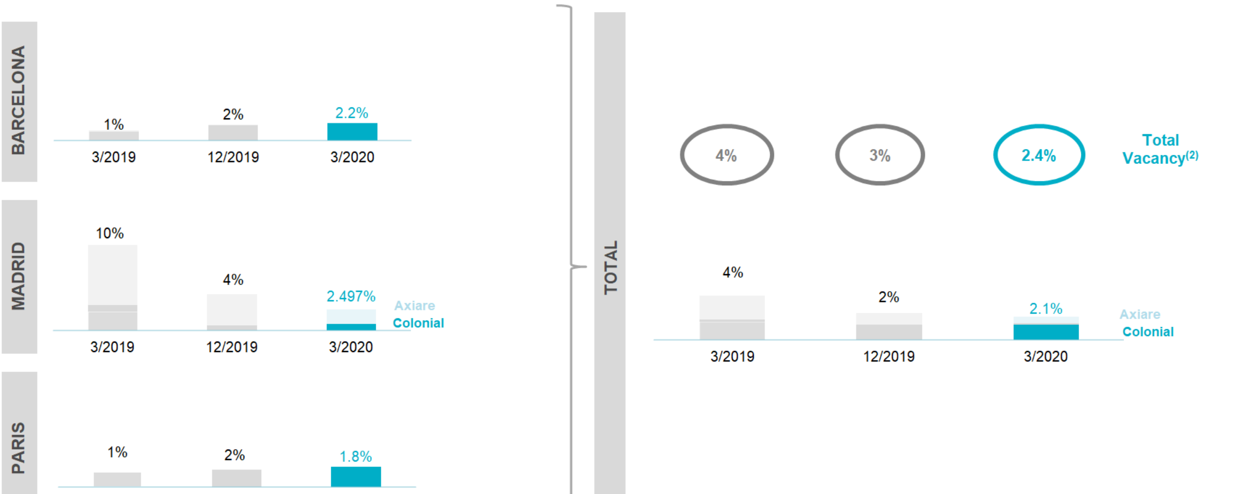
2. Solid occupancy levels

The **total vacancy of the Colonial Group's portfolio** (including all uses: offices, retail and logistics) **stood at levels of 2%** at the close of the first quarter of 2020**.**

The financial vacancy of the Colonial Group's portfolio is shown as follows:

EPRA VACANCY[(1)]

Office & Total Vacancy – Evolution of Colonial's Portfolio



(1) EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (1-[Vacant floorspace multiplied by the market rent/operational floor space at market rent])

(2) Total portfolio including all uses: offices, retail and logistics

Noteworthy is the **office** portfolio in **Paris**, with a **vacancy rate of 1.8%.**

The **Barcelona office portfolio** has a **vacancy rate of 2%**, a ratio that remains at very low levels, in line with the high quality of the portfolio. This vacancy has remained stable compared to the previous quarter.

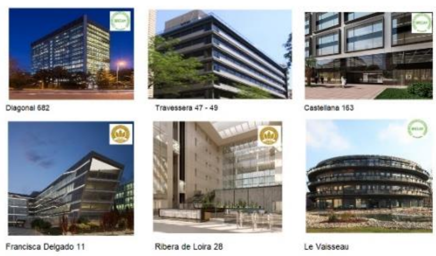
In the **office portfolio in Madrid** the vacancy rate reduced to **2%, improving by +764bps compared to the previous year and +184bps in one quarter.** The quarterly improvement is mainly due to the 100% occupancy of the Josefa Valcárcel 40bis asset, and the annual improvement is due to new contracts on the Av. Bruselas, Ribera de Loira, Fca. Delgado, José Abascal 56 and Ramírez Arellano 15 assets, among others.

The vacant office space at the close of the first quarter of 2020 is as follows:

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation (1)	BD area and others	CBD area	2020	EPRA Vacancy Offices
Barcelona	0	2,363	2,984	5,347	2.2%
Madrid	6,117	4,619	1,120	11,856	2.5%
Paris	0	6,026	803	6,828	1.8%
TOTAL	6,117	13,008	4,906	24,031	2.1%

(1) Projects and refurbishments that have entered into operation



3. A resilient client portfolio

Colonial has a portfolio of clients diversified between sectors with high levels of loyalty, permanency and solvency. Given the location of the portfolio in the city centre, the client profile corresponds mainly to large companies with limited exposure to the retail sector in which the leisure sector and small companies represent less than 2% of our rental income.

1) Colonial has grade A assets (buildings with top energy efficiency certificates), which are located in the Central Business District (76%) and diversified across three cities, Paris, Madrid and Barcelona. The focus of the Colonial Group has been and continues to be on the prime office sector.
2) Colonial has a portfolio of clients with a solid profile in terms of solvency: more than 80% of our main clients have an Investment Grade rating. The assets with exclusive use of retail represent less than 6% of the 2019 income of the portfolio, all of them Grade A clients (top tier clients) in prime locations.
3) The Colonial Group's 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 the clients remain in Colonial buildings between 5 and 10 years).

4) With special sensitiveness with its clients' situation, and specially with those who are the most affected by the prohibition of their activities, Colonial is having individual discussions with them to meet their demands. Accordingly, the commercial team of the Group is analysing and negotiating deferral systems or, in exceptional cases, allowances for the payment of rents with a special focus on all of the companies that are having financial difficulties, as a result and in the framework of the prohibition of the development of their activities in the commercial and leisure sectors. To date, the impact of these negotiations in the Profit and Loss account is below 2%, even though it could reach approximately a maximum of 6% of the 2020 rents of the Colonial Group. This estimate could be revised depending on the duration of the state of emergency and the evolution of the pandemic. This estimate is the result of the composition of Colonial's assets and clients, where the retail sector represents a minority proportion and large companies constitute the Group's main clients.

   At the date of this publication, the Colonial Group has issued all the invoices corresponding to April 2020 without any significant incidences of default.

A solid capital structure

I. A strong balance sheet

At the close of the first quarter of 2020, the Colonial Group has a solid balance sheet which is reflected in the following figures:

1) A LTV of 36%, an improvement of 300 bps in one year.
2) A liquidity of more than €2,000m:
    - A liquidity of more than €1,900m at the end of the first quarter 2020, which together with the new syndicated loan signed in April 2020 reaches over €2,000m.
    - This liquidity exceeds by more than 4 times the debt maturity for 2020 and 2021 and covers all the debt maturities until 2023 (excluding the renewal of ECP program)
    - Of the current liquidity, more than €500m is cash

II. Investment Grade Rating confirmed during the COVID-19 crisis

Standard and Poor's as well as Moody's have confirmed Colonial's rating in April 2020 in view of the effects of the COVID-19 crisis under the currently known circumstances.

In particular, they have considered:

- The S&P agency maintains BBB+ rating. The stable perspective, which has been confirmed, reflects the opinion of S&P that Colonial will withstand the effects of COVID-19, backed by the high quality of its portfolio, its robust tenant base and the good liquidity of the Company.
- Moody's also maintains Baa2 rating with a stable outlook which it granted in 2019. The rating is mainly based on Colonial's leadership position in the prime offices market in France and Spain, its solid client base and the high occupancy rates of its portfolio, the deleveraging at 31 December 2019 and the strong liquidity of Colonial.

I Colonial is one of the few European real estate companies that have maintained its rating consolidating its positioning as the Real Estate company with the highest rating in the Spanish sector and among the best rated in Europe.

III. Access to the banking market

After the close of the first quarter of 2020, Colonial has signed in Spain a sustainable syndicated loan amounting €200m. Its Club Deal format includes the following leading banking institutions, both national and international: BBVA, BNP Paribas, Caixabank and Natixis. Caixabank acting as the Agent Bank and Sustainability Agent.

Strategic Prime positioning with great resilience

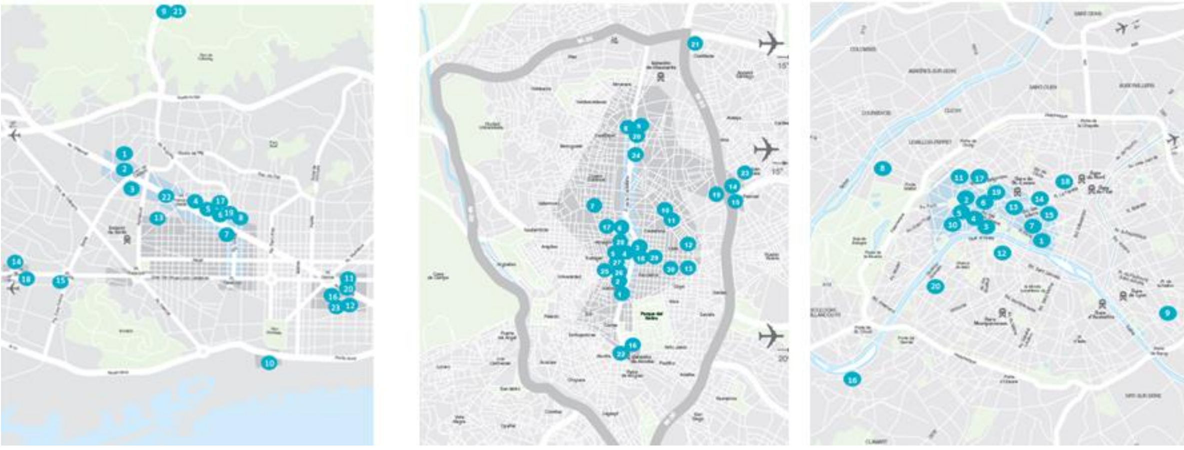
The strength of Colonial to deal with the current situation is based on its strategic prime positioning with offices in the CBD and clients with solid solvency, as well as a solid balance sheet.

The main strengths of the Colonial Group are the following:

A. Leadership in Grade A offices in the city centre (CBD)

Colonial has high quality product, in city centre locations with 76% of the portfolio in the CBD.

BARCELONA	MADRID	PARIS
Colonial Portfolio - max rent signed 2019	Colonial Portfolio - max rent signed 2019	Colonial Portfolio - max rent signed 2019
€28 /sq m/month	€35 /sq m/month	€795 /sq m/year



B. A strong prime positioning with a top quality client portfolio which provides an attractive combination of 1) rents at the high end of the market with 2) high loyalty levels and solid maturity profiles.

The contract portfolio of the Colonial Group has a positive "reversionary buffer" in the first quarter given that the current rents of the portfolio are still below the market rents as of December 2019. Likewise, to date, the Group has captured high reversion rates with a release spread[1] of +21% in the first quarter of 2020.

(1) Signed rents on renewals vs. previous rents

C. A solid balance sheet with the best rating in the Spanish real estate sector, confirmed by S&P and Moody's during April 2020, in the peak of the COVID-19 crisis.

A prudent LTV profile with one of the highest levels of liquidity in the sector, covering more than 4 times the debt maturities in 2020 and 2021 (considering the non-renewal of the ECP program).

D. An attractive project pipeline located one of the best areas of Paris, Madrid and Barcelona, with significant pre-lettings.

	Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m[1]	Total Cost €/ sqm[1]	Yield on Cost
1	Castellana, 163	Madrid CBD	100%	2020	10.910	52	4.803	7,5%
2	Diagonal 525	Barcelona CBD	100%	1H 21	5.710	39	6.778	5,1%
3	Miguel Angel 23	Madrid CBD	100%	2H 21	8.036	66	8.244	5,9%
4	83 Marceau	Paris CBD	82%	2H 21	9.600	151	15.755	5,2%
5	Velazquez Padilla 17	Madrid CBD	100%	2H 21	17.239	113	6.535	7,7%
6	Biome	Paris City Center	82%	2H 21	24.500	283	11.551	5,0%
7	Plaza Europa 34	Barcelona	50%	2H 22	14.306	42	2.909	7,0%
8	Mendez Alvaro Campus	Madrid CBD South	100%	2H 23	89.871	300	3.343	7,9%
9	Sagasta 27	Madrid CBD	100%	2H 23	4.481	23	5.044	7,0%
10	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2023	16.000	208	13.029	7,7%
	TOTAL OFFICE PIPELINE				200.653	1.277	6.366	6,6%

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

Colonial's project portfolio is 100% located in the city centres of Barcelona, Madrid and Paris, with 50% of the value attached to 3 projects in Paris. As of the end of 2019, preletting contracts in favorable terms were signed for the 25% of the project portfolio, specifically on the Castellana 163, Diagonal 525 and Louvre St. Honoré projects. Except for Castellana 163, (were the works are fully completed), no additional project delivery is due during 2020.

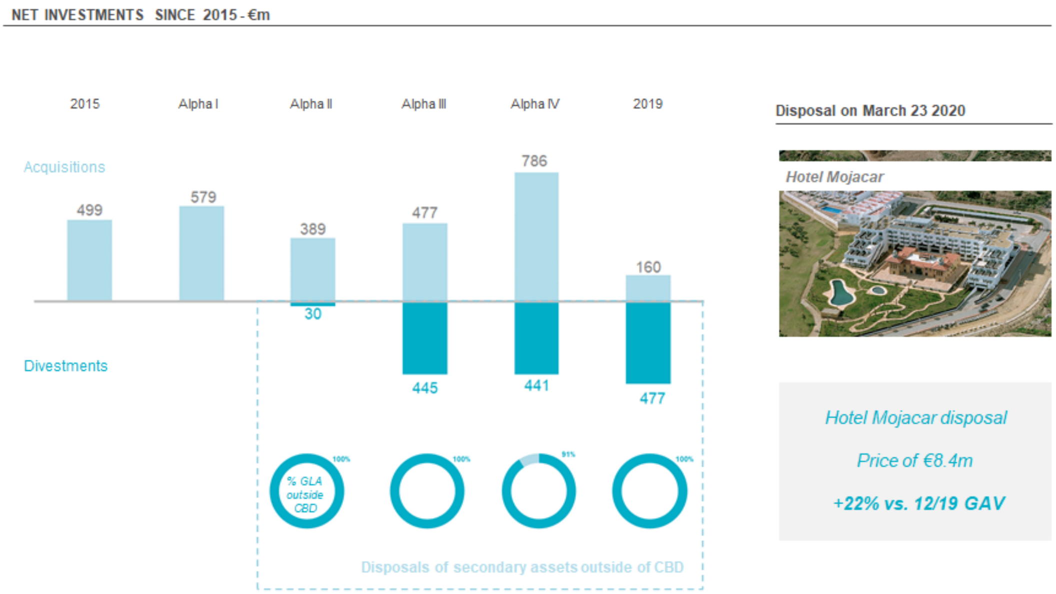
In the first quarter of 2020, additional pre-letting conversations with potential future tenants.

However, currently the COVID-19 crisis is impacting the Colonial Group's project portfolio activities and isolated delays for some of them could be ruled out. The Company has decided to delay the capex program in €60m, in particular for Mendez-Alvaro, with €90m of pending capex for the whole year 2020. However, no relevant penalties or liabilities associated with delays are expected.

E. Active management of the portfolio, through the disposals of non-core assets and the acquisition of assets located in CBD areas, improving the risk-return profile of the Group.

Over the last 3 years, the Colonial Group has carried out significant disposals of non-core assets for €1,400m, with double digit premiums over the asset valuations in process.
In addition, in the framework of improving the Prime portfolio of the Group, since 2015 Colonial has acquired more than €2,900m[1], in core CBD buildings, identifying assets with added value potential in market segments with solid fundamentals.

In the first quarter of 2020, Colonial divested the Hotel Mojácar (a non-strategic asset) for €8.4m, corresponding to a +22% premium on the appraisal value as of December 2019. In addition, €13m of deferred payments were received related to the disposal of the Hotel Centro Norte in 2019.



(1) Acquisition price + Capex

ESG & COVID-19

Due to the seriousness of the social situation caused by COVID-19 and giving continuity to the contributive spirit of social corporate responsibility policies that the Company regularly carries out, Colonial has set a program of initiatives into motion in order to collaborate in stopping the pandemic and in the mitigation of its consequences.
The program includes different lines of action, among which the following are highlighted:

1) Economic contributions: Colonial will contribute €1m through various financing programs to health institutions located in Barcelona, Madrid and Paris, and to different research programs carried out in centres in Spain and France for the containment and the treatment of the COVID-19 pandemic. At

present, there are specific resourcing projects underway at the Research Foundation of the *Hospital Universitario La Paz* in Madrid, the *Hospital Sant Joan de Deu*, the *Hospital Clínic* in Barcelona as well as the *La Fondation de France*.

2) Provision of spaces: Colonial has offered its available spaces in its locations in Madrid, Barcelona and Paris for any activity related to the treatment of the pandemic.

3) Help for the self-employed, startups and small and medium-sized companies:
   > The study of systems of deferral or subsidies for the payment of rents for all of those small companies that are suffering financial difficulties
   > Creation of a solidarity fund through Utopicus, composed of a variety of free services and economic contributions to help the self-employed, startups and SME's which find themselves in a situation of real need within our community.

4) Volunteering and other aid: Colonial has promoted different volunteering initiatives and the promotion of social initiatives that are involving collectives from their surroundings (clients, suppliers, employees, etc.).

5) Employee support: various initiatives have been stablished in order to support and encourage all the staff of Colonial in order to enable their current activities in the framework of the pandemic

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.

For more information:

Roman: 93 414 23 40
Xavier Ribó – x.ribo@romanrm.com
Víctor Palacio – v.palacio@romanrm.com
Carolina Pérez – c.perez@romanrm.com