



Implementation of a Green Financing Program

January 2022





- > Colonial Group (“Colonial” or the “Group”) pursues a clear leadership in ESG, being at the heart of its strategy, as well as prioritizing sustainable long-term returns based on a business model of high-quality assets
- > The high-quality of Colonial’s portfolio is reflected in the high-level of asset certification: BREEAM, LEED, HQE, BBC-Effinergie; as well as on its extra-financial ratings: GRESB, Sustainalytics, etc.



- > The Group has defined a strategic plan for decarbonization which implies that its entire office portfolio will be neutral in carbon emissions by 2050, an ambition which is fully aligned with the Paris Climate agreement of December 2015
- > To underscore the Group’s commitment to the Paris Agreement, Colonial has adhered to the Science-based target initiative (“SBTi”). Its French subsidiary, Société Foncière Lyonnaise (“SFL”) has committed to a decarbonization route in line with a 1.5°C degree trajectory



- > The creation of a Green Financing Framework is a consistent and tangible step to further align the Group’s financing strategy with its corporate mission, objectives and sustainability targets. It will support Colonial’s strategy and is a valuable tool that the Group will use for the implementation of its development within an integrated sustainability approach
 - ✓ Colonial proposes to requalify its existing bond issuances into green bonds based on its Green Financing Framework
 - ✓ The existing bonds, issued over the last years, have been at the core of the Group’s sustainability strategy and have already financed or refinanced Eligible Green Assets or Projects
 - ✓ Colonial’s Green Financing Framework received a positive Second Party Opinion from Vigeo Eiris (“V.E”), which considered it as “Advanced”



- 01 ESG at the Core of Colonial's Corporate Strategy
- 02 Consent Solicitation
- 03 Green Financing Transformation
- 04 Green Financing Framework
- 05 Appendices

01 ESG at the core of Colonial's Corporate Strategy





A HOLISTIC INTEGRATED APPROACH

- 1** STRONG ESG AMBITION WITH SOLID GOVERNANCE
- 2** QUANTITATIVE APPROACH
- 3** DELIVERY OF STRONG PERFORMANCE

STRONG ESG AMBITION WITH SOLID GOVERNANCE

1 Strong ESG Ambition with Solid Governance

GROUP KEY PORTFOLIO METRICS

GAV Group H1 2021	€12bn	+3% LFL ³
# of assets H1 2021	64 Spain 20 France	
Surface above ground H1 2021	1,233,444 sqm	
EPRA Vacancy H1 2021	5%	

CAPITAL STRUCTURE METRICS

NTA H1 21 / Net Profit H1 21	€5.8bn	€162m
Market Cap ¹	€4.5bn	IBEX 35
LTV Group H1 2021	34.6%	
Rating Investment Grade	STANDARD & POORS	BBB+ Stable Outlook
	MOODY'S	Baa2 Stable Outlook

BUSINESS MIX – GAV GROUP⁴



(1) As of 7 January 2022
 (2) Office portfolio. Barcelona CBD, includes the assets in the 22@ market segment
 (3) H1 2021 year-on-year LFL
 (4) As of H1 2021

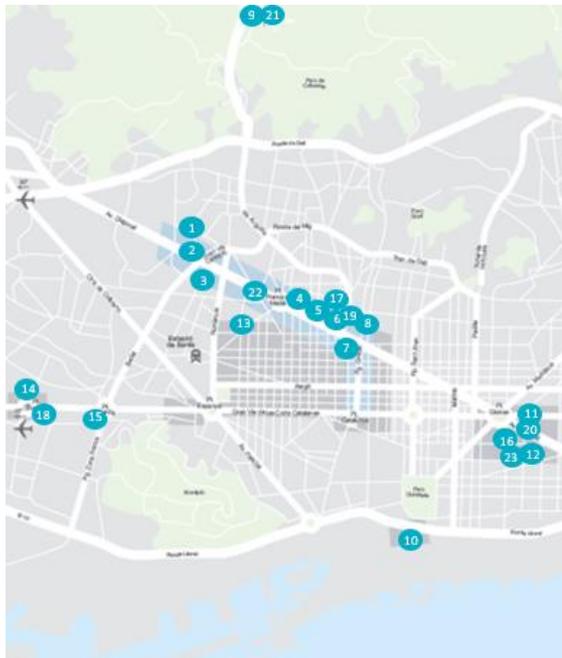
1 Strong ESG Ambition with Solid Governance

Colonial as the largest property owner in offices in the City Center of Madrid, Barcelona and Paris

- > Strong market share increases negotiation power
- > Colonial best positioned to capture the rental cycle in its markets

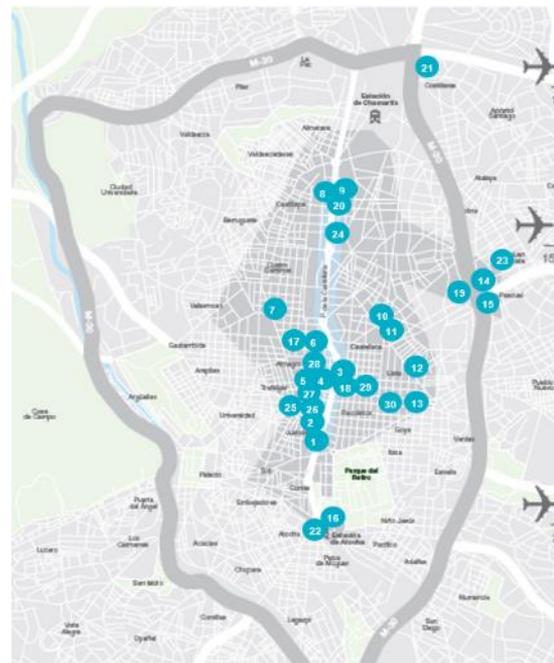
BARCELONA

Colonial Portfolio – max rent signed €28/sqm/m



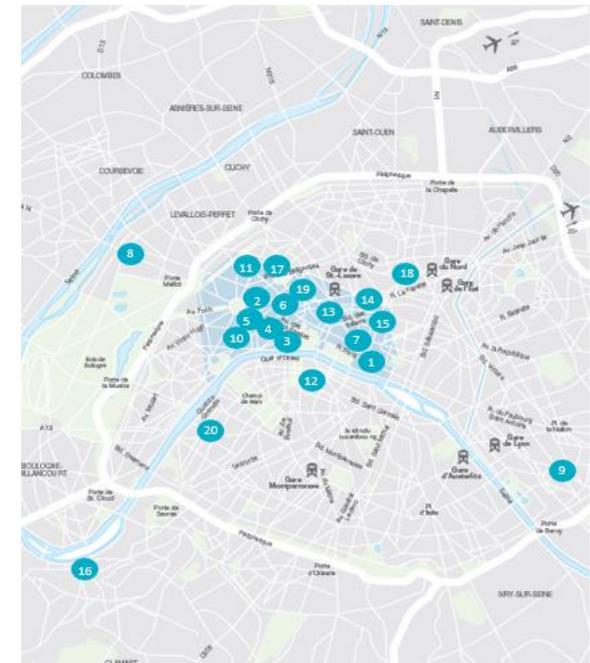
MADRID

Colonial Portfolio – max rent signed €35/sqm/m



PARIS

Colonial Portfolio – max rent signed €930/sqm/y



ALLEN & OVERY

Cartier



NETFLIX



COTY



1 Strong ESG Ambition with Solid Governance

Colonial's ESG strategy pursues an integrated holistic approach to the three dimensions E, S and G

- > This ESG strategy aims to maximize the value creation for the Shareholders of the Group
- > ESG Strategy backed by strong governance – continuous interaction and approval from the Board

STRONG STRATEGIC AMBITION...

- > Leadership at Top level (Board – CEO)
- > ESG at Core of Corporate Strategy
 - 5 Year Financing KPIs
 - 5 Year ESG KPIs
 - Integrated Business Plan and monitoring
- > Long term targets and performance monitoring

... UNDERPINNED BY SOLID GOVERNANCE

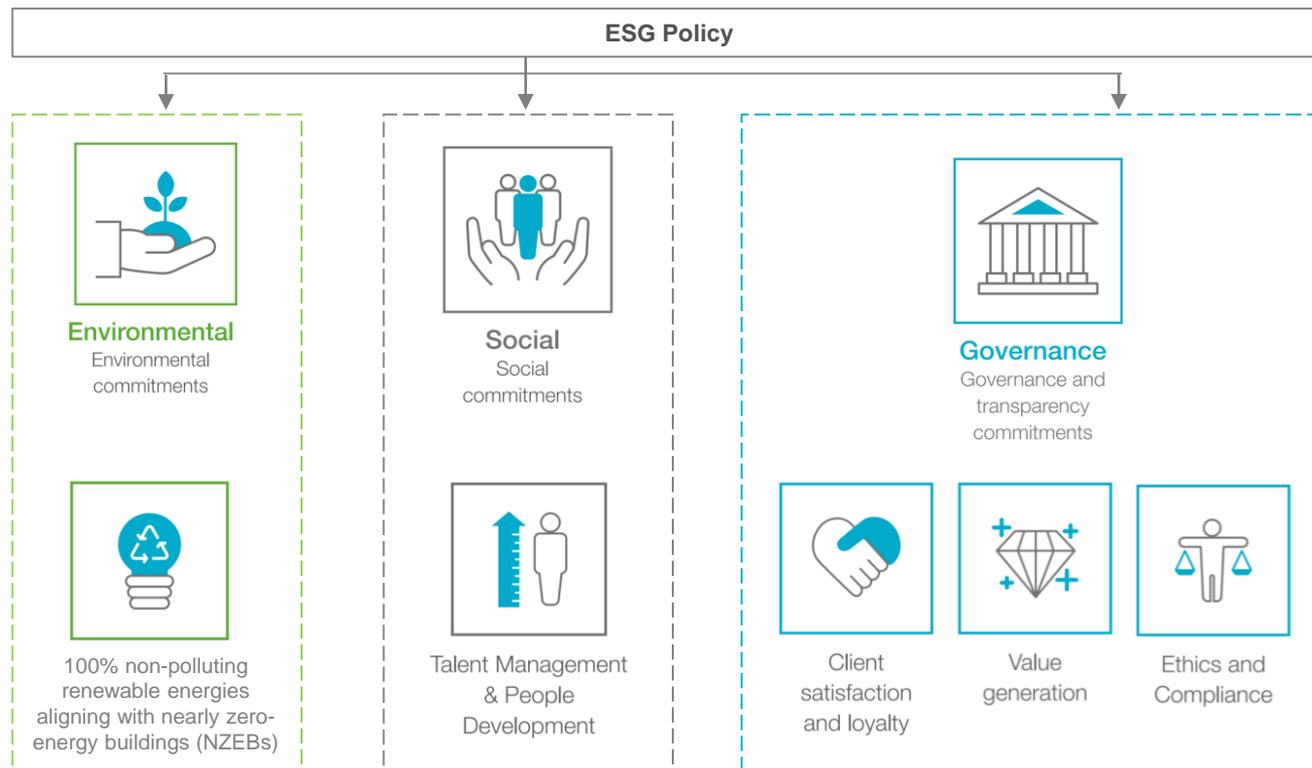


1 Strong ESG Ambition with Solid Governance

Colonial's ESG strategy pursues an integrated holistic approach to the three dimensions E, S and G

> The Group's Corporate Strategy and ESG Strategy are completely integrated to create long-term sustainable value for all stakeholders

A HOLISTIC APPROACH ACTIONS ON THE 3 ESG DIMENSIONS

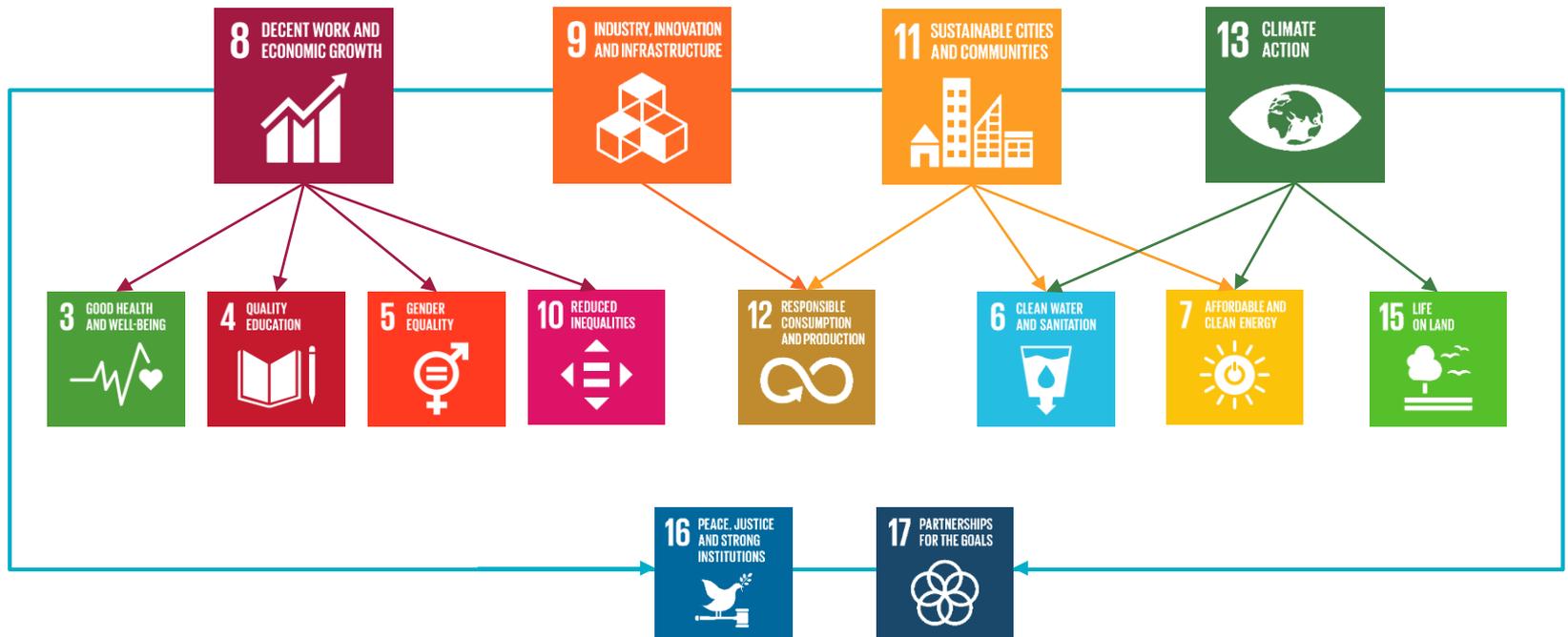


1 Strong ESG Ambition with Solid Governance

Colonial is committed to the United Nations' 2030 Agenda

- > Detailed analysis of Colonial's contribution to the achievement of the Sustainable Development Goals ("SDGs")
- > The main goals to which the organization can make the greatest positive impact, have been identified along with other interrelated SDGs to which Colonial also contributes

COLONIAL'S CONTRIBUTION TO THE ACHIEVEMENT OF THE SDGs



1 Strong ESG Ambition with Solid Governance

EXAMPLES OF CONCRETE ACTIONS ON OUR ASSETS

Energy and carbon	Water	Biodiversity	Well-being
<ul style="list-style-type: none"> > The Group is committed to align to itself with nearly zero-energy buildings (NZEBs) > Decrease in energy demand and increased energy efficiency > Implementation of 100% non-polluting renewable energies and green supply management > New bioclimatic constructions > Standardization of automation systems, building control and monitoring of consumption in real time > In H1 2021, 93% of the Colonial Group's office portfolio was LEED or BREEAM certified > BBC-effinergie label to identify for the Biome and 83 Marceau assets 	<ul style="list-style-type: none"> > Colonial has objectives for saving water consumption in its buildings and reusing it > Implementation of mechanisms for saving water consumption and systems to automatically detect water leaks > Recycling grey water from washbasin taps for flushing toilets and urinals > Collection of rainwater to water green areas and clean terraces > Control of spills 	<ul style="list-style-type: none"> > Actions and standards regarding biodiversity are introduced and promoted in undertaking the Group's activity, its facilities and in relation to its stakeholders > Biodiversity management plans and environmental studies > Implementation of living ecosystems > Environmental maintenance of the implemented ecosystems 	<ul style="list-style-type: none"> > Well-Being Policy aims to maximize the well-being and health of users > For example, the Francisca Delgado asset is certified as an International WELL Building > Global Safe Site certification awarded by Bureau Veritas recognizes compliance with the new hygiene and safety measures deriving from the COVID-19 pandemic > SFL obtained the RESTART certification from Bureau Veritas which recognizes sanitary conditions and continuity of service

QUANTITATIVE APPROACH

2 Quantitative Approach

- > ESG strategy is set with strong and ambitious objectives
- > The performance of every KPI or activity is measured and assessed recurrently

	2030 Strategic Objective	LFL chg. 15/20	Business Plan Advances
1. Reduction of GHG emission intensity Scope 1&2 Reduction kgCO ₂ e/m ²	> (75%)	(77%)	✓
2. Reduction of energy intensity Reduction kWh/m ²	> (10%)	(26%)	✓

Business Sustainability Plan 2015-2030:

- ✓ Significant progress and effort have been made up to date

	2030 Strategic Objective	Start 2015	2019	2020	Business Plan Advances
3. Energy Certificates Office portfolio in operation					
▶ Energy Efficiency Certificates	100%	100%	100%	100%	✓
▶ BREEAM/LEED/HQE certifications	100%	90%	92%	93%	✓
4. Maximum Energy Certification in Office Projects	100%	0%	100%	100%	✓
▶ The projects to be delivered in Barcelona and Madrid will obtain the highest energy certification available: ▶ Diagonal 525: LEED Gold ▶ Miguel Ángel 23: BREEAM Excellent and Well ▶ In addition, the next 2 projects to be delivered in Paris will have triple certification:					
Biome - BREEAM Refurbishment: Excellent - LEED Core and Shell: Gold - HQE Rénovation: Exceptionnel - BBC-Effergie: Rénovation - BBCA: Rénovation - Biodiversity: Excellent - Wired score: Gold		83 Marceau - BREEAM Refurbishment: Excellent - LEED Core and Shell: Gold - HQE Rénovation: Exceptionnel - BBC-Effergie: Rénovation - Ready 2: Services			
5. Life Cycle Analysis for projects					Analysis performed for assets
▶ Identification of all phases of the cycle to introduce improvements ▶ It is already being applied to all of Colonial's assets with a sustainable approach ▶ Involvement of all suppliers in sustainability objectives: from design to demolition to construction and maintenance					
6. Green procurement / renewable energy procurement	> 70%	0%	58%	63%	✓
▶ Acquisition of 74% of renewable energy in 2020 in the Madrid & Barcelona portfolios ▶ Acquisition of 50% renewable energy in the Paris portfolio					
7. Coverage of KPIs analysis for the entire portfolio of offices in operation					
▶ Energy	100%	74%	82%	92%	✓
▶ GH Scope 1&2	100%	75%	84%	92%	✓
▶ Water	100%	74%	82%	92%	✓
8. Waste management/Circular Economy	85%	nd	83%	99%	✓
▶ 99% of the non-hazardous and hazardous waste generated in Barcelona and Madrid has been recycled or recovered ▶ 91% of non-hazardous and hazardous waste generated in Paris will be recycled or recovered					
9. ESG clauses with all significant suppliers	100%	0%	100%	100%	✓
▶ The 41 most significant suppliers in Barcelona and Madrid include ESG clauses ▶ The 188 most significant suppliers in Paris include ESG clauses					
10. Green Clauses for all new clients	100%	-	44%	41%	✓
▶ Green contracts incorporated into all new contracts in Paris new clients ▶ Green contracts successively incorporated in 2019/2020 in Barcelona and Madrid					

2 Quantitative Approach

Carbon footprint reduction (77%) vs 2015 baseline year

- > 2030 Group Target achieved ahead of timing
- > Acceleration of path towards net zero emissions

COLONIAL FULLY ALIGNED WITH PARIS CLIMATE AGREEMENT

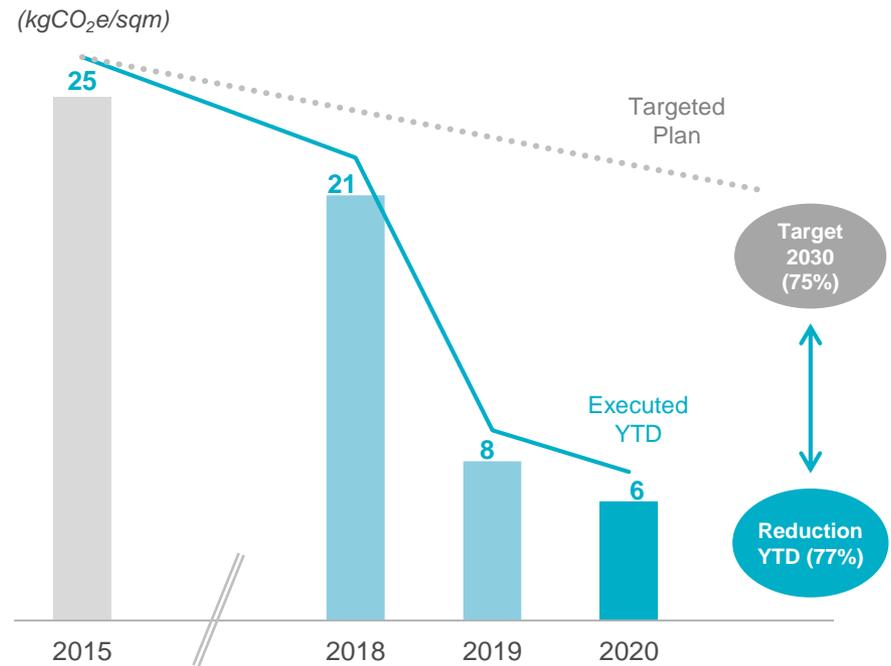
- > Adherence to the Science Based Target Initiative & TCFD



- > Implementation of carbon price €100/tonne
- > Implementation of Value Model Green IRRs vs Standard IRRs
- > Acceleration of path towards net zero emissions
- > Objective of Carbon Neutrality in 2050

ACCELERATION ON DECARBONIZATION

(Carbon Intensity Scope 1&2 -2015-20 like for like office portfolio in operation)



Reduction Scope 1 & 2 like for like from base year 2015
Office portfolio in operation – market based calculation

2 Quantitative Approach

Active strategy for improving carbon impact and energy efficiency

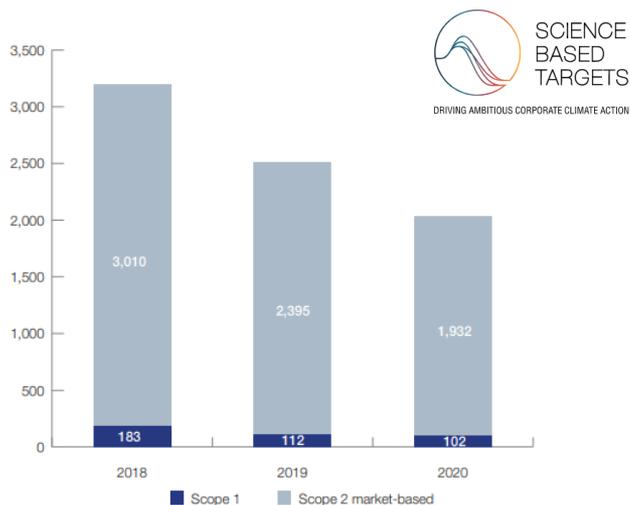
- > In 2011 SFL already set ambitious targets to reduce its greenhouse gas emissions which were amply exceeded by 2020
- > New targets for 2030 are certified by the SBTi as in line with 1.5°C trajectory

- > Early on, SFL set a highly ambitious target to reduce its greenhouse gas emissions, aiming for a 20% reduction in kgCO₂e/sqm between 2011 and 2020. This objective was amply exceeded, with a 46% reduction by end-2020
- > SFL commits to reduce absolute scope 1 and scope 2 GHG emissions by 50% by 2030 from a 2018 base year, and to measure and reduce its scope 3 emissions
- > This target has been considered by SBTi to be in line with a 1.5°C trajectory

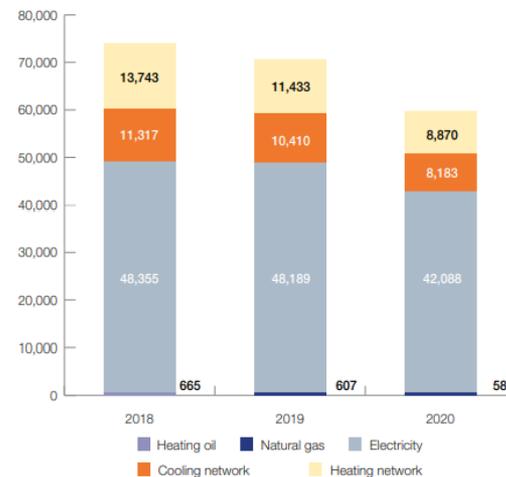
- > Residential and commercial buildings are by far the largest energy users in France, accounting for 44% of the total energy consumed
- > Energy efficiency importance was further confirmed by the July 2019 decree mandating actions to improve the energy performance of commercial buildings, which stipulates that energy use must be reduced by 40% by 2030 and by 60% by 2050



REDUCTION IN GHG EMISSIONS – SCOPE 1 & 2 ABSOLUTE IN tCO₂E



CHANGE IN ENERGY USE BY TYPE, IN MWH



DELIVERY OF STRONG PERFORMANCE

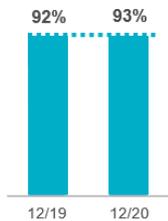
3 Delivery of Strong Performance

The Colonial Group commitment is to obtain the highest sustainable certification its asset portfolio

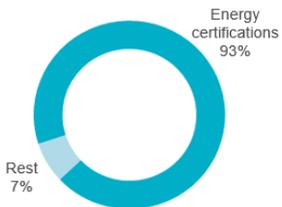
- > The Group has worked to certify all its buildings in its portfolio and has steadily increased the ratings of them
- > In H1 2021, 93% of the Colonial Group's office portfolio was LEED or BREEAM certified

CONTINUOUS IMPROVEMENT OF HIGH END SUSTAINABILITY STANDARDS

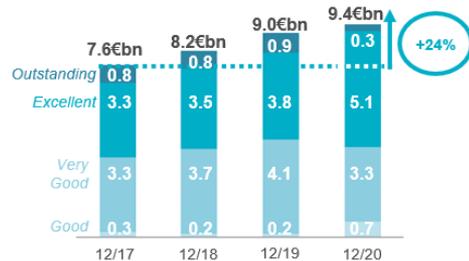
Portfolio with Leed / Breeam¹ - Value



Portfolio with Leed / Breeam¹ - Value



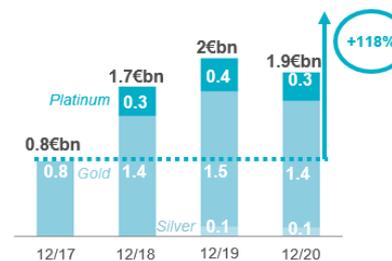
Breeam Certificates - Value



Breeam - Value breakdown



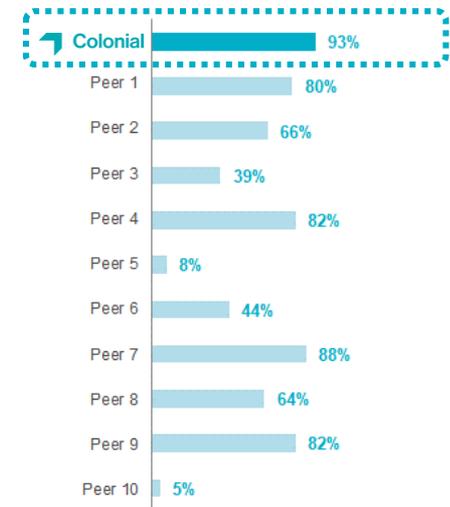
Leed Certificates - Value



Leed - Value breakdown



IN-USE CERTIFICATIONS



(1) Office Portfolio in operation

3 Delivery of Strong Performance

STRONG COMMITMENT ON ESG & DECARBONIZATION

- > ESG Committee at C-Level ensures momentum on operational ESG Strategy implementation
- > Colonial fully aligned with Paris Climate Agreement
 - Objective of carbon neutral portfolio in 2050
 - Objective of a 75% carbon reduction until 2030¹
- > Granular Decarbonization Business Plan asset by asset with specific actions on Scope 1, 2 & 3
- > PropNet technology developed exclusively by JohnsonControl for Colonial to optimize energy consumption of the portfolio

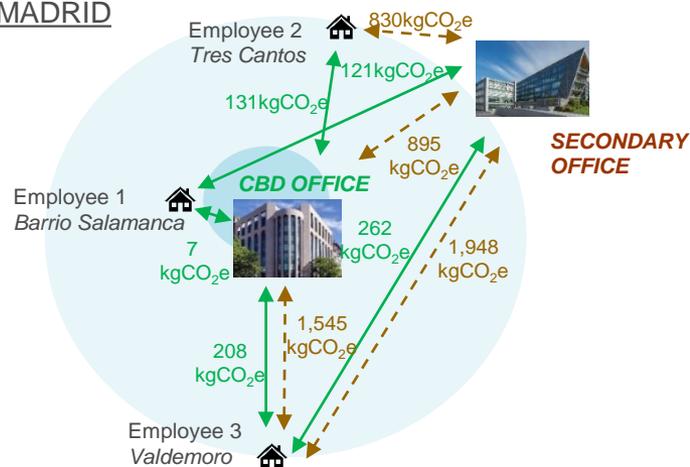
CBD POSITIONING ENHANCES LOWER SCOPE-3 CARBON FOOTPRINT

- > Implementation of a mobility analysis regarding the carbon footprint of our tenants
- > Public transportation consumes 7 times less than private transportation
- > Mobility to secondary assets mainly by private transport
- > CBD assets with its easy access to public transportation enhances sustainable mobility

kg CO₂ per year

Case	Lives in	Public Transport		Private Transport	
		CBD	Secondary	CBD	Secondary
Employee 1	City Center	7	121	51	895
Employee 2	North of Town	131	112	974	830
Employee 3	South of Town	208	262	1,545	1,948
Average - KgCo2e per year		115	165 43%	857	1.225 43%

MADRID



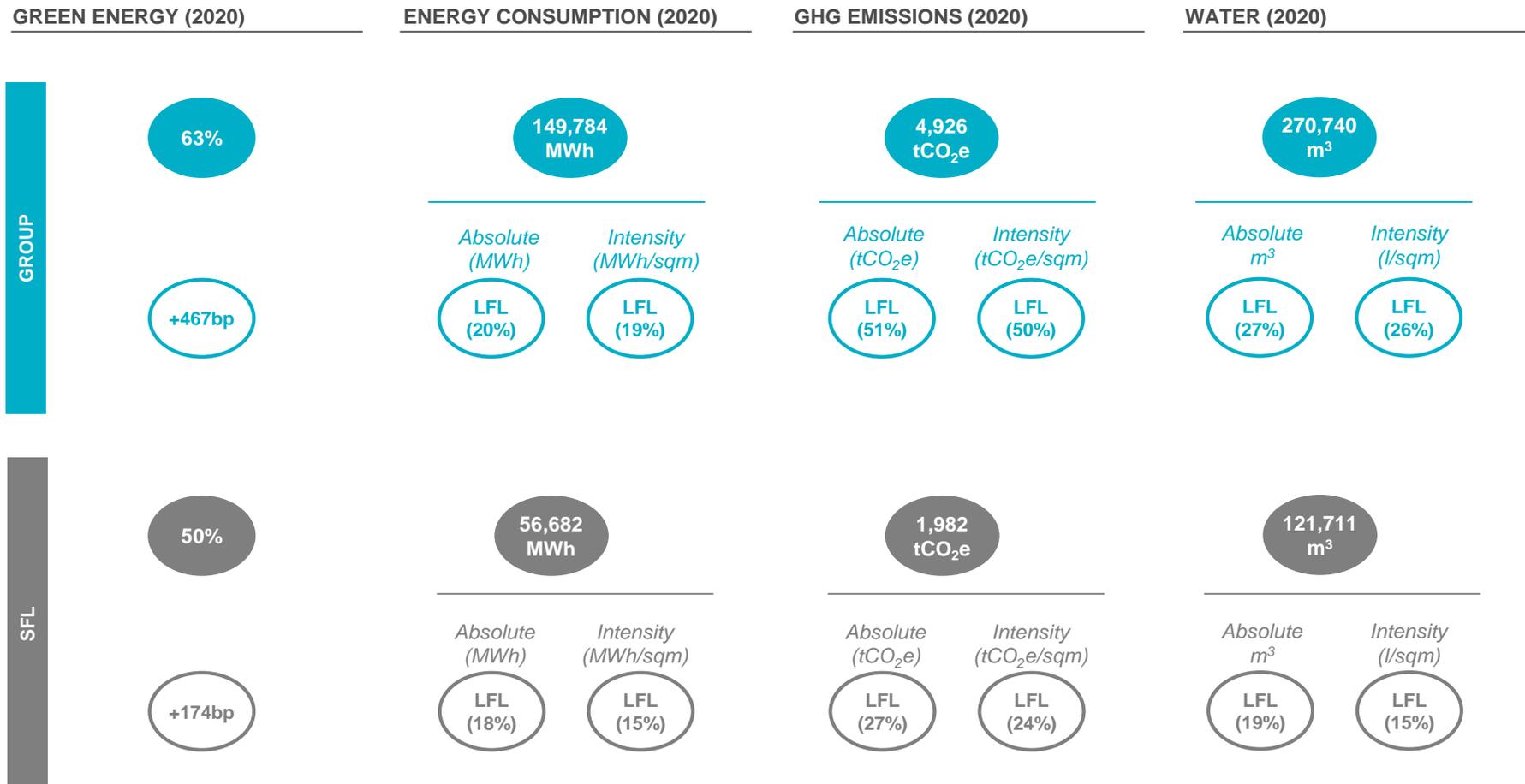
(1) Reduction Scope 1 & 2 like for like from base year 2015

Source: Colonial and European Commission

3 Delivery of Strong Performance

Strong performance LFL in decarbonization of the portfolio¹

- > Strong c.(20%) LFL reduction in Energy KPIs in both countries
- > High reduction of Green house Gas (GHG) emission thanks to Colonial decarbonization plan



(1) Compared to the previous year (2019)

3 Delivery of Strong Performance

OUTSTANDING RATING RESULTS¹

BENCHMARK / INDEX	ACHIEVEMENT / RATING						
 <p>Your CDP score</p> 	<p>CDP Score at A confirming decarbonization leadership</p> <ul style="list-style-type: none"> > Scoring of A: well above Europe regional average and financial services sector > 200 companies out of more than 13,000 globally made it to the "A" List of the climate questionnaire in 2021 > 12 companies of the real estate sector worldwide reached that level, including only 5 in Europe > 10 companies in Spain, and Colonial is the only one in the real estate sector 						
  	<p>Leader in GRESB in offices in Continental Europe</p> <ul style="list-style-type: none"> > GRESB rating of 94/100 for 2021, positioning itself as the leader, number 1 among the listed offices in Western Europe > Strong momentum: +54% in 4 years, increasing more than 30 points > GRESB Development Benchmark Report: 97/100 for 2021 						
 <table border="1" data-bbox="260 806 560 871"> <tr> <td>Rank in Sector</td> <td>4/94</td> </tr> <tr> <td>Rank in Region</td> <td>97/1613</td> </tr> <tr> <td>Rank in Universe</td> <td>103/4889</td> </tr> </table>	Rank in Sector	4/94	Rank in Region	97/1613	Rank in Universe	103/4889	<p>V.E – Rating at the high-end of the sector</p> <ul style="list-style-type: none"> > Rating placed in the top 3% of more than 4,800 companies rated (4th of 94 within financial services) > This rating exceeds the average of the sector in all KPIs of performance and risk management, with a major year-on-year boost
Rank in Sector	4/94						
Rank in Region	97/1613						
Rank in Universe	103/4889						
	<p>Sustainalytics – rating of 10.1 in ESG risk</p> <ul style="list-style-type: none"> > Rating placed in the top 21 of the 431 listed real estate companies analyzed > The agency highlights the good management of ESG policies in accordance with all the international standards 						
 	<p>MSCI, the reference rating for listed companies</p> <ul style="list-style-type: none"> > A Rating on its ESG rating, one of the highest ratings internationally > Strong scoring on Governance 						
	<p>EPRA Gold sBPR rating</p> <ul style="list-style-type: none"> > Colonial has obtained the EPRA Gold sBPR rating for the 6th consecutive year, which certifies the highest reporting standards in ESG 						

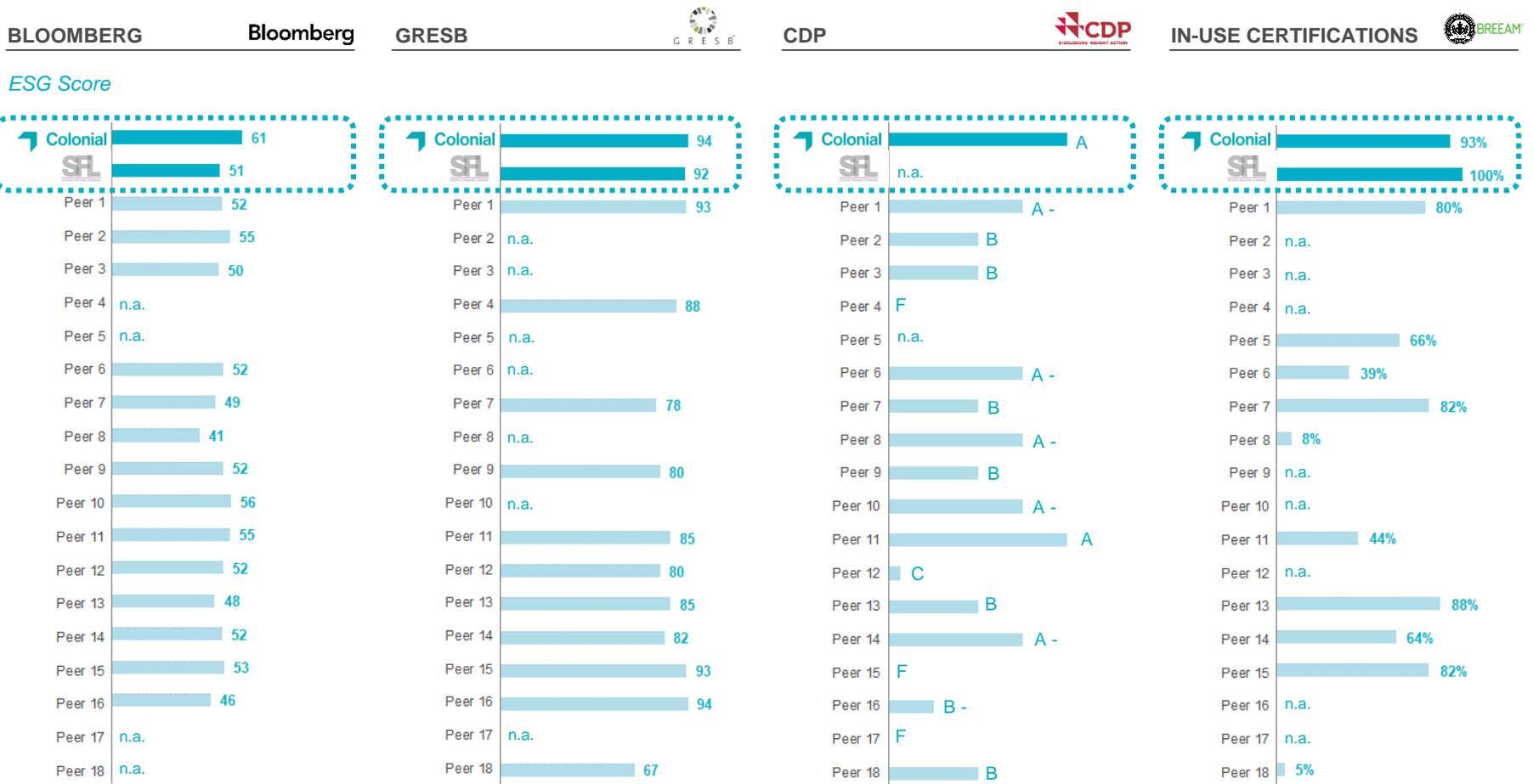
(1) As of last reported scores / rating results

3 Delivery of Strong Performance

Colonial Group setting the benchmark in European Real Estate sector

- > Colonial among top scorers in main benchmark
- > Colonial Group portfolio with the highest in-use certifications in Europe

BENCHMARKING¹



(1) As of last reported scores

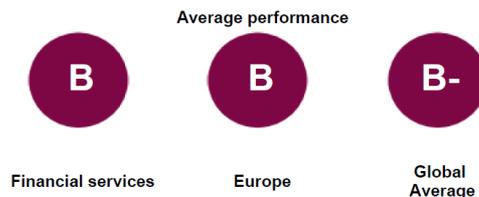
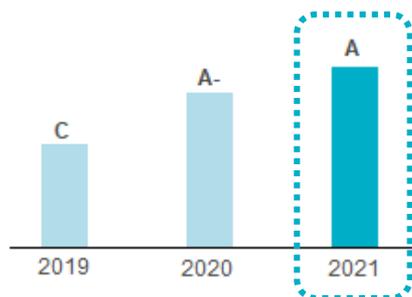
3 Delivery of Strong Performance

CDP Score at A confirming decarbonization leadership

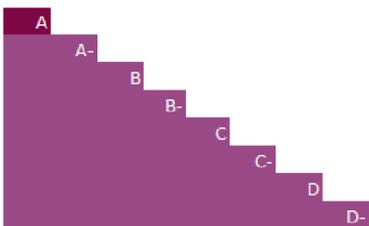
- > Scoring of A: well above Europe regional average and financial services sector
- > Strong YoY momentum: increase up to A coming from A-

CDP SCORE REPORT - CLIMATE CHANGE 2021

GLOBAL CDP SCORE



UNDERSTANDING YOUR SCORE REPORT



Inmobiliaria Colonial received a A which is in the Leadership band. This is higher than the Europe regional average of B, and higher than the Financial services sector average of B.

- Leadership (A/A-): Implementing current best practices*
- Management (B/B-): Taking coordinated action on climate issues*
- Awareness (C/C-): Knowledge of impacts on, and of, climate issues*
- Disclosure (D/D-): Transparent about climate issues*

REACHING THE "A" LIST

- > Worldwide: 200 companies (vs. 277 in 2020) out of more than 13,000 globally made it to the "A" List of the climate questionnaire in 2021
- > Real Estate: 12 companies of the real estate sector worldwide reached that level, including only 5 in Europe
- > Spain: 10 companies in Spain, and Colonial is the only one in the real estate sector



200 companies have made this year's climate change A List

3 Delivery of Strong Performance



CONTINUOUS IMPROVEMENT ON GRESB PERFORMANCE



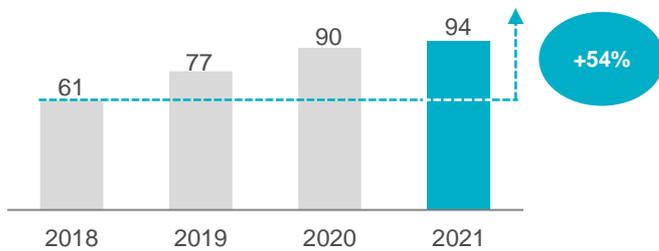
3 Delivery of Strong Performance



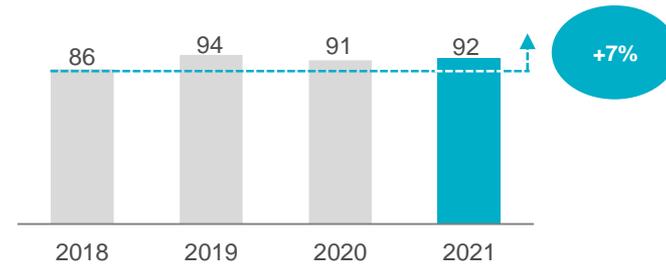
CONTINUOUS IMPROVEMENT ON GRESB PERFORMANCE (CONT.)



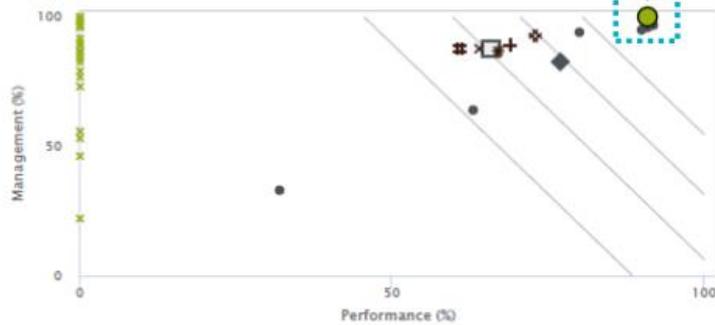
EVOLUTION OF GRESB SCORE



EVOLUTION OF GRESB SCORE

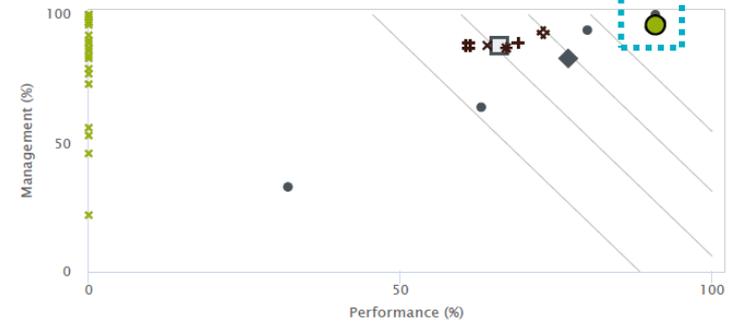


GRESB Model



- This Entity ◆ Peer Group Avg. ● Peer Group □ GRESB Average
- GRESB Universe + Asia × Europe * Americas × Oceania
- # Globally diversified × Entities with only one component submitted

GRESB Model



- This Entity ◆ Peer Group Avg. ● Peer Group □ GRESB Average
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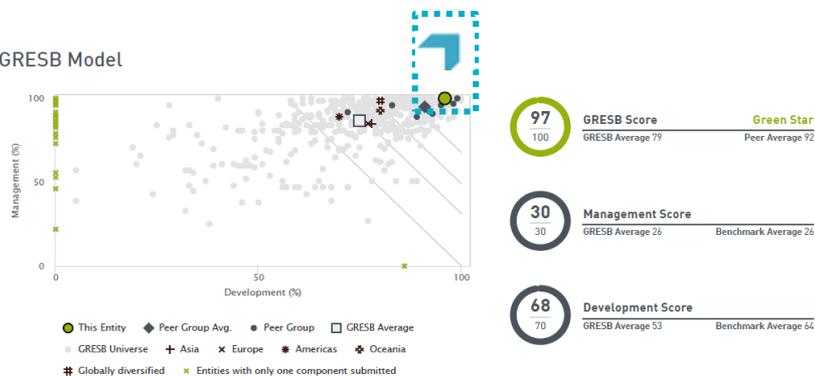
3 Delivery of Strong Performance



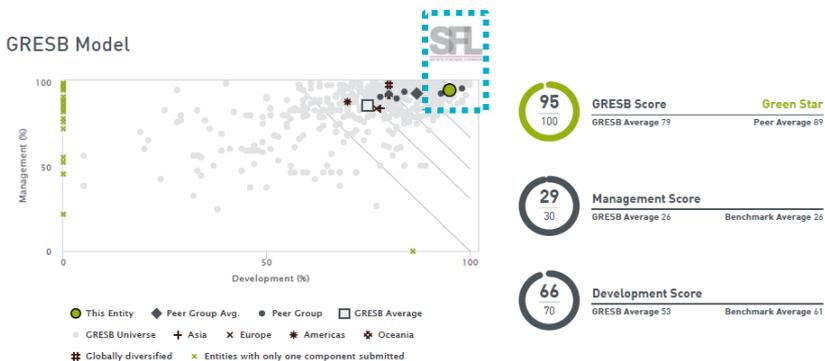
HIGH-END RATING ON DEVELOPMENT BENCHMARK



GRESB Model



GRESB Model



3 Delivery of Strong Performance

EXAMPLE OF CONCRETE ACTIONS – CASE STUDY SPAIN: MIGUEL ANGEL 23

I. Building acquisitions



- > Positioning of the building in the market
- > Analysis of future economic and sustainability value creation
- > Technical and environmental due diligence

II. Overall refurbishment



- > Low carbon building materials
- > Photovoltaic and rooftop solar thermal installation
- > Wind turbine system for wind energy production
- > Optimization of ventilation and installation of high-performance filters
- > Acoustic finishes in work areas with optimal hearing comfort
- > Discernible lighting with ideal energy efficiency and control conditions

III. Management of real estate in operation



- > Multi-purpose spaces designed for the new work methodologies and needs of each company
- > "Inspiring" areas of work bringing the best of each person
- > Open spaces that encourage meetings and networking
- > Monitoring and control of energy, water consumption and carbon footprint

3 Delivery of Strong Performance

EXAMPLE OF CONCRETE ACTIONS – CASE STUDY FRANCE: BIOME

I. Building acquisitions



- > Positioning of the building in the market
- > Analysis of future economic and sustainability value creation
- > Technical and environmental due diligence
- > Historical studies to identify transformation potential respectful of conservation strategy in the City

II. Overall refurbishment



- > Refurbishment and creation of office space, auditorium, coworking, lounge, fitness, bike park, shared meeting rooms and prime accommodation
- > Doubled planted green areas
- > Connection to district cooling and heating
- > Low carbon refurbishment programme (BBCA Réno)
- > Innovative architecture and design

III. Management of real estate in operation



- > Hospitality and community management
- > Specific and differentiating catering facilities
- > Building management system
- > Compliant with French tertiary decree objective in 2030
- > Auditorium and coworking partly open to Paris residents and local institutions

3 Delivery of Strong Performance

BUILDING THE 1ST WOOD OFFICE BUILDING IN SPAIN

Opportunity to build the 1st Wood Office Building in Spain

- > Small premise of 2,500sqm above ground
- > Good location in the 22@ area of Barcelona
- > JV partnering with Family Office of Barcelona, current owner of the land & project

ESG Investment – “Decarbonization Laboratory”

- > A building of wood has significant advantages in reducing the carbon footprint
 - Circa 50% in carbon emissions during construction
 - Waste reduction – modular property with many prefabricated parts
 - Significant carbon storage (through wood structure)
 - Reduced mass to be heated / cooled
- > Trade-off Decarbonization vs. Economics
 - A wood building seems to have higher construction costs
 - However, construction should be faster
 - Clear economic trade-off



ESG Investment to accelerate Colonial's Decarbonization Strategy

3 Delivery of Strong Performance



02 Consent Solicitation



- > The Group has announced a Consent Solicitation to approve the requalification of all of their outstanding bonds into green bonds

OVERVIEW

- > Colonial and SFL announced a Consent Solicitation on all of their EUR senior bonds to approve the requalification of the Use of Proceeds of their bonds, from “General Corporate Purposes” to “the financing or the refinancing of a portfolio of eligible green assets”
- > The Group is transforming all of its outstanding senior bonds to green bonds (Colonial: €2.8bn; SFL: €1.8bn)
- > The Group intends to allocate an amount equivalent to the outstanding principal of the target bonds to the financing or the refinancing of a portfolio of green assets meeting the environmental criteria described in more detail in the Group’s Green Financing Framework
- > No modification of any other terms or conditions of the target bonds which will remain unchanged (coupon, maturity, etc.)
- > Bondholders will not receive any consent fee for casting their votes or upon the transformation to green bonds (if and when applicable)



BACKGROUND

- > The Group pursues ESG strategy, which lies at the heart of its business model. In order to support this ESG strategy, the Group has prepared a Green Financing Framework to align the Group's financing strategy with its corporate strategy, objectives and sustainability targets
- > It is for this reason that the two issuers of the Group, Colonial and SFL, are convening bondholder meetings to seek the consent of the relevant holders of their outstanding bonds to requalify these bonds as "green bonds"

EXPECTED TIMING

- > Calling of General Meetings: 12 January 2022
- > Date of General Meetings: 3 February 2022¹
- > Announcement and publication of the results of each General Meeting: As soon as reasonably possible after the holding of each General Meeting
- > Date of adjourned General Meetings (if applicable): 24 February 2022¹
- > Announcement and publication of the results of each adjourned General Meeting (if applicable): As soon as reasonably possible after the holding of each adjourned General Meeting

(1) Deadlines for the receipt by the Tabulation and Information Agent / the Centralizing Agent of voting documents are described in the relevant Notices



Target Bonds Overview and Main Terms

	Issuers	ISIN	Listing Place	CCY	Issued Amount (M)	O/S Amount (M)	Coupon	First Call Date	Maturity
Target Notes	Colonial	XS1509942923	Ireland	EUR	600	187.2	1.450%	Jul-24	Oct-24
		XS1725677543		EUR	500	500	1.625%	Aug-25	Nov-25
		XS1808395930		EUR	650	650	2.000%	Jan-26	Apr-26
		XS1516312581		EUR	50	50	1.875%	Aug-26	Nov-26
		XS1725678194		EUR	300	300	2.500%	Aug-29	Nov-29
		ES0239140017	Spain	EUR	500	500	1.350%	Jul-28	Oct-28
	ES0239140025	EUR		625	625	0.750%	Mar-29	Jun-29	
	SFL	SFL	FR0013053030	France	EUR	500	289.6	2.250%	Aug-22
FR0013335767			EUR		500	500	1.500%	Feb-25	May-25
FR0013515871			EUR		500	500	1.500%	Mar-27	Jun-27
FR00140060E7			EUR		500	500	0.500%	Jan-28	Apr-28
Required Consent Threshold	<p>Colonial</p> <ul style="list-style-type: none"> > <u>Quorum</u>: ≥ 50% of the principal amount of the outstanding Bonds for the first meeting, while no minimum quorum is required for the adjourned meeting > <u>Majority</u>: ≥ 75% of the votes cast <p>SFL</p> <ul style="list-style-type: none"> > <u>Quorum</u>: ≥ 20% of the principal amount of the outstanding Bonds for the first meeting, while no minimum quorum is required for the adjourned meeting > <u>Majority</u>: ≥ 2/3 of the votes cast 								
	Consent Fee	<ul style="list-style-type: none"> > No consent fee shall be payable by the Issuers to the Bondholders in relation to the Consent Solicitation 							

January 2022						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 2022						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

January 2022

12 Notice of General Meetings

February 2022

3 General Meetings

4 Results of General Meetings /
Notice of adjourned General Meetings¹

24 Adjourned General Meetings¹

25 Results of adjourned General Meetings¹

Date and time	Event	
	Colonial Bonds	SFL Bonds
12 January 2022	Calling of each General Meeting	
31 January 2022		11.59pm Paris time: Deadlines for receipt by the Centralizing Agent of the Participation Forms
1 February 2022	Deadline for delivery of Consent Instructions or requesting a Voting Certificate / Attendance Certificate as applicable (11:30am CET for Irish-listed bonds and 12:30pm CET for Spanish-listed bonds)	As of 00:00am Paris time: Date and time required for book entry statement evidencing the right to participate
2 February 2022	Revocation Deadline (11:30am CET for Irish-listed bonds and 12:30pm CET for Spanish-listed bonds)	
3 February 2022	Date of General Meetings (time of each General Meeting is described in the relevant Notices)	
As soon as reasonably possible after the holding of each General Meeting	Announcement of results of each General Meeting	
4 February 2022 ¹	Calling of any adjourned General Meeting, if applicable	
21 February 2022 ¹		11.59pm Paris time: Deadlines for receipt by the Centralizing Agent of the Participation Form, if applicable
22 February 2022 ¹	Deadline for delivery of Consent Instructions or requesting a Voting Certificate / Attendance Certificate as applicable (11:30am CET for Irish-listed bonds and 12:30pm CET for Spanish-listed bonds, if applicable)	As of 00:00am Paris time: Date and time required for book entry statement evidencing the right to participate, if applicable
23 February 2022 ¹	Revocation Deadline (11:30am CET for Irish-listed bonds and 12:30pm CET for Spanish-listed bonds, if applicable)	
24 February 2022 ¹	Date of adjourned General Meetings , if applicable	
As soon as reasonably possible after the adjourned General Meeting	Announcement and publication of the results of each adjourned General Meeting, if applicable	

(1) Indicative dates

Documents Available to Investors and Where to Find the Information

Colonial	<ul style="list-style-type: none">> Notice and any notice relating to an adjourned General Meeting, if applicable> Green Financing Framework> Second Party Opinion> Independent Auditors Report> Relevant Agency Agreement> Press Release> Investor Presentation> The above documents will also be published on Colonial's website: www.inmocolonial.com
SFL	<ul style="list-style-type: none">> Notice of meeting (including the Information Request Form, Participation Form and the Form of Book Entry Statement)> Green Financing Framework> Second Party Opinion> Independent Auditors Report> Press Release> Investor Presentation> The above documents will also be published on SFL's website: www.fonciere-lyonnaise.com



<p>Irish-listed bonds (XS ISINs)</p>	<ul style="list-style-type: none"> > Each General Meeting will be held via video conference, without the physical presence of Bondholders. Bondholders that wish to attend and vote at the General Meeting via video conference should (i) request a Voting Certificate from the Fiscal Agent (Deutsche Bank AG, London Branch) and (ii) contact the Tabulation and Information Agent (Lucid) at inmocolonial@lucid-is.com to request the relevant access information for such General Meeting > Bondholders should otherwise instruct the Fiscal Agent via the relevant Clearing System to appoint Lucid as its proxy to attend the relevant General Meeting on its behalf and deliver the Consent Instructions to Lucid via the relevant Clearing System > The Expiration Time will be 11:30am CET on 1 February 2022 > The Revocation deadline will be 11:30am CET on 2 February 2022 > If the relevant General Meeting is inquorate, the Bonds remain blocked and the Consent Instructions and Voting Certificates remain valid for the relevant adjourned General Meeting unless revoked > If the applicable quorum is not met for any, some or all of the General Meetings, Colonial may decide to convene adjourned General Meeting(s) which should take place, in such instance, on 24 February 2022
<p>Spanish-listed bonds (ES ISINs)</p>	<ul style="list-style-type: none"> > Each General Meeting will be held via video conference, without the physical presence of Bondholders. Bondholders that wish to attend and vote at the General Meeting via video conference should submit an Attendance Certificate (Annex 2 in the relevant Notice) to Lucid > Bondholders should otherwise instruct the Accountholder to send its completed Consent Instruction (Annex 1 in the Notice) to Lucid either online via https://deals.lucid-is.com/inmocolonial or email at inmocolonial@lucid-is.com > The Expiration Time will be 12:30pm CET on 1 February 2022 > The Revocation deadline will be 12:30pm CET on 2 February 2022 > If the relevant General Meeting is inquorate, the Bonds remain blocked and the Consent Instructions and Attendance Certificates remain valid for the relevant adjourned General Meeting unless revoked > If the applicable quorum is not met for any, some or all of the General Meetings, Colonial may decide to convene adjourned General Meeting(s) which should take place, in such instance, on 24 February 2022



**French-listed
bonds
(FR ISINs)**

- > Each holder of Notes may participate in the relevant General Meeting either by attending such meeting physically, or by voting by proxy or by correspondence
- > Noteholders are informed that they can also attend the relevant General Meeting by videoconference by requesting the relevant access details to the Centralizing Agent (Société Générale Securities Services, “SGSS”) but please note that a holder of Notes attending the videoconference will not be able to vote during the videoconference and will have to express its vote, if it intends to vote, by correspondence or to vote by proxy ahead of the relevant General Meeting
- > For more detailed instructions on how to participate in the relevant General Meeting, please carefully read the relevant Notices and the voting instructions at the back of the Participation Forms attached to the Notices
- > Deadline for receipt by the Centralizing Agent of the Participation Forms in relation to relevant General Meetings: 11:59pm (Paris time) on 31 January 2022
- > Date and time required for book entry statement evidencing the right of each Noteholder to participate in the General Meeting: as of 00:00am (Paris time) on 1 February 2022
- > Valid Participation Forms will be valid for the adjourned General Meeting convened with the same agenda subject to the voting requirements detailed in the Notices
- > If the applicable quorum is not met for any, some or all of the General Meetings, SFL may decide to convene adjourned General Meeting(s) which should take place, in such instance, on 24 February 2022

<p>What is the background and rationale of the consent solicitation?</p>	<ul style="list-style-type: none"> > The Group pursues ESG strategy, which lies at the heart of its business model. Colonial prioritises sustainable long-term returns by developing, refurbishing and operating high quality offices in prime locations, mainly the Central Business Districts (“CBD”), whilst being highly committed to ESG principles in its business decisions > In order to support this ESG strategy, the Group has prepared a Green Financing Framework to align the Group’s financing strategy with its corporate mission, objectives and sustainability targets > It is for this reason that the two issuers of the Group, Colonial and SFL, are convening bondholder meetings to seek the consent of the relevant holders of their outstanding bonds to requalify these bonds as “green bonds”
<p>What is being proposed to Bondholders and is there any consent fee paid?</p>	<ul style="list-style-type: none"> > Bondholders are asked to approve the re-qualification of outstanding bonds into green bonds based on the Green Financing Framework. There will be no modification of any other terms or conditions of the bonds > Bondholders will not receive any consent fee for casting their votes or upon the transformation to green bonds
<p>Are all outstanding bonds of Colonial and SFL included in the Consent?</p>	<ul style="list-style-type: none"> > Yes, all outstanding bonds of Colonial and SFL are included in the Consent
<p>Would Colonial and SFL only issue a green bond in the future or consider issuing a conventional bond?</p>	<ul style="list-style-type: none"> > The Group’s intention is that any bonds it proposes to issue in the future will be issued under the Green Financing Framework as “green bonds” (subject to the availability of green assets at the time of any such issue) and all of the Group’s outstanding bonds are proposed to be converted into “green bonds” > However, €9,556m of the Group’s assets comply with the criteria of Green Bond Framework and thus qualify as Eligible Assets to be financed and / or refinanced by the currently outstanding bonds of €4,602m. This means that there would still be €4,954m assets to be allocated to either Colonial or SFL level (subject to future asset valuation)
<p>Are bank loans or other liabilities included?</p>	<ul style="list-style-type: none"> > No, only bonds are included
<p>Are multiple voting instructions required if a bondholder holds multiple series?</p>	<ul style="list-style-type: none"> > Yes, bondholders will need to give separate instructions for each of the target bond they hold
<p>What happens if the Consent does not pass on one or few Series?</p>	<ul style="list-style-type: none"> > Should the Consent not pass on any of the Series for lack of quorum at the General Meeting, there would be an adjourned General Meeting at a later date with the same majority rules, however no quorum will be required for the Consent to be passed at this adjourned meeting > No interconditionality among the target bonds, hence failing to pass the Proposed Resolution on a specific bond would not impact the results on the other target bonds
<p>Any Rating impact anticipated post Green requalification?</p>	<ul style="list-style-type: none"> > No rating impact anticipated by Moody’s and S&P for Colonial or by S&P for SFL

The Tabulation and Information Agent / Centralizing Agent

Colonial Bonds

Lucid Issuer Services Limited

Tel: +44 20 7704 0880

Email: inmocolonial@lucid-is.com

SFL Bonds

Société Générale Securities Services

Tel: +33 2 51 85 65 93

Email: agobligataire.fr@socgen.com

Sole Consent Solicitation Agent

Crédit Agricole CIB

Tel: +44 207 214 5733

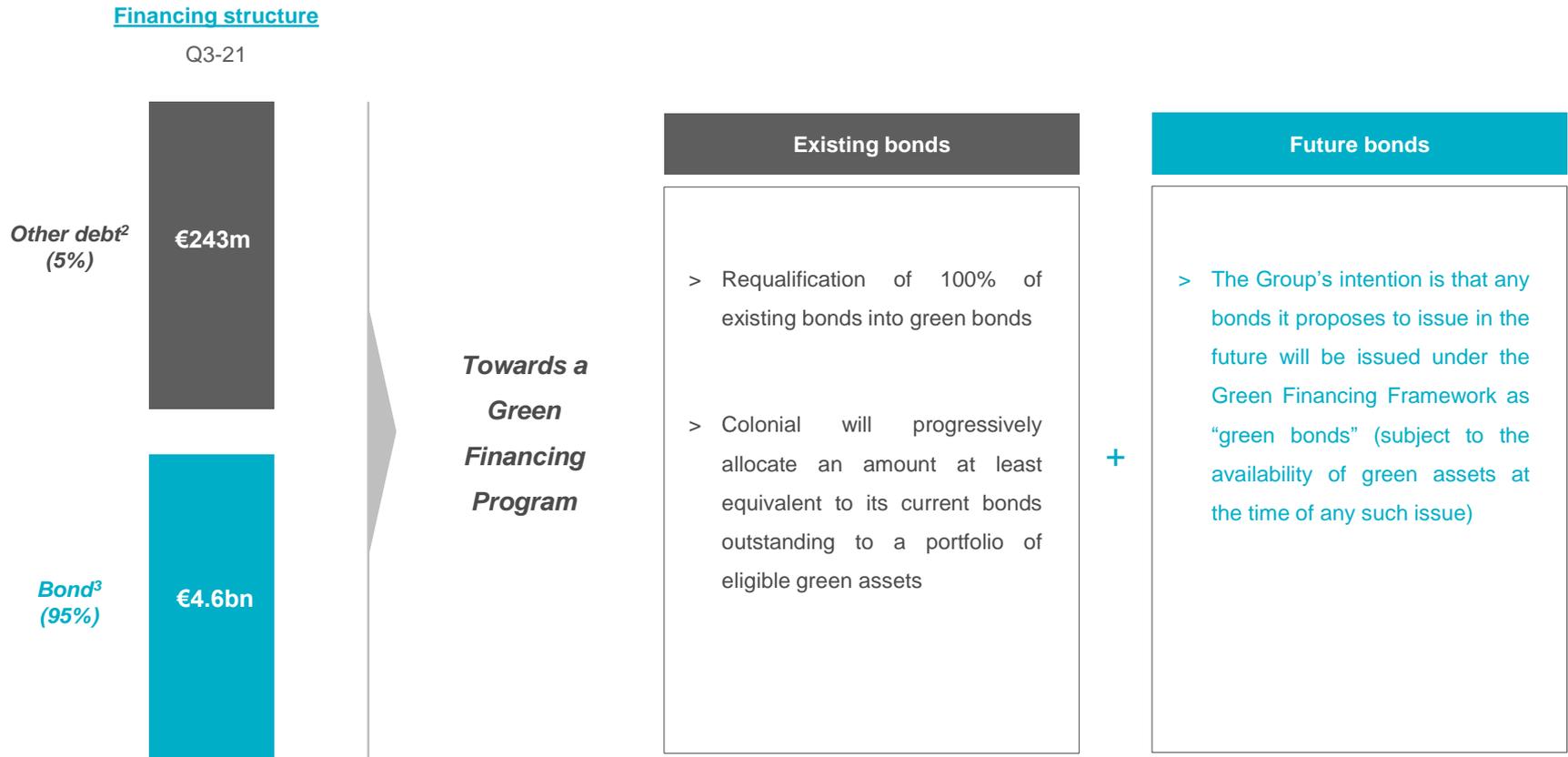
Email: liability.management@ca-cib.com

03 Green Financing Transformation



Integrate Colonial's ESG Dynamic into its Financing Structure

- > Colonial wishes to reflect its ESG commitments and policy in its financing by targeting a 100% Green financing transformation and so publishes its Green Financing Framework
- > Colonial has 100% of its bilateral debt (€76m secured debt and €1bn RCF) linked to its GRESB rating¹



(1) Excluding SFL (debt not linked to GRESB rating)

(2) In addition, the Group's financing structure includes ECPs, mortgage debt and RCF

(3) Includes SFL €500m bond issuance in October 2021, which was used to repay a €150m RCF and €318m ECPs. No impact on net debt (compared to Q3-21) from this issuance

Comprehensive approach

On bonds portfolio

- > 100% of the existing bond debt is requalified into green bonds (subject to a positive vote in bondholders General Meetings)
- > The Group's intention is that any bonds it proposes to issue in the future will be issued under the Green Financing Framework (subject to the availability of green assets at the time)
- > 100% Green transformation: a program that aims to requalify in green bonds more than €4.6bn already invested in financing and / or refinancing Green Eligible projects

On Colonial's asset portfolio

- > 100% of assets is tested every year and may become eligible
- > Asset classes of both entities (Colonial and SFL) are targeted
- > Environmental certifications and carbon emissions thresholds
- > An approach that promotes all environmental improvement actions on the overall portfolio and not relying only on the best performing assets

More and more ambitious criteria over time

- > The carbon criteria becomes more and more ambitious over the years, in line with our carbon trajectory until reaching carbon neutrality in 2050, illustrating our desire for continuous and global improvement of our portfolio
- > A dynamic approach of eligibility criteria, in line with the desire to continuously improve the Group's ESG performance

04 Green Financing Framework



- > The Colonial Group pursues a clear leadership in ESG, being a fundamental element of its strategy, prioritizing sustainable long-term returns, and based on a business model of high-quality products. Accordingly, the Group's Corporate Strategy has a central focus on maximum excellence in the fields of governance, social aspects and sustainable investment

Rationale for a Green Financing Framework

> Colonial is already familiar with sustainable financing instruments. Indeed, the company has already used Green Loans to finance LEED Gold buildings and Sustainability-Linked Loans linked to the GRESB

> The creation of a Green Financing Framework is a consistent and tangible step to further align the Group's financing strategy with its corporate mission, objectives and sustainability targets

> This Green Financing Framework will allow Colonial to requalify its existing bonds into green bonds and to issue green bonds. These bonds will finance Green assets, which have received external certifications or do not exceed defined GHG emission criteria

- > The Framework is designed as an overarching framework. As such, new issuances under the Framework will comprise future green bonds and existing bond debt to be requalified into green bond debt (subject to Bondholder approval)



Reference document for Green Bond issues by Immobiliaria Colonial, Socimi, S.A. and by Société Foncière Lyonnaise (“SFL”); together defined as the “Issuing Entities”

Each Issuing Entity will allocate the proceeds of its Green Bonds to Eligible Green Assets and Eligible Equity Share booked on its own balance sheet (the “Eligible Green Portfolio”)

One common ESG governance structure:
The ESG committee already covers the operations of both companies and will be in charge of the Project Selection & Management of proceeds within the Framework

- > Colonial’s Green Financing Framework received a **positive Second Party Opinion from Vigeo Eiris**, which considered it as “Advanced”
- > The Framework has been developed in alignment with the four pillars of the **Green Bond Principles 2021 (GBP)** of ICMA and the **Green Loan Principles 2021 (GLP)** of the LMA



1

Use of proceeds

- > The Use of Proceeds of any Green Bond under the Framework will be subject to the eligibility criteria, to be applied to new or existing assets (the “Eligible Green Assets”)
- > Eligible Green Assets: Green Buildings; *as detailed on the next slide*

3

Management of Proceeds

- > An amount equivalent to the outstanding principal amount of all of the Group’s existing Green Bond issuances will be allocated to the Eligible Green Portfolio in line with section entitled “Use of Proceeds”
- > The ESG Committee will verify the alignment of the pre-selected Eligible Green Portfolio with the total amount of funds raised via Green Bonds. The Eligible Green Portfolio will be tested every year
- > If, for any reason, the amount of Eligible Green Assets falls below the amount of outstanding Green Bonds, the unallocated funds will be temporarily placed in accordance with the Issuing Entity’s investment guidelines

2

Process for Project Evaluation and Selection

- > The ESG Committee will verify the compliance of the selected pool of Eligible Assets with the eligibility criteria defined by the Framework, and will be responsible for approving allocations of net proceeds on an annual basis
- > The ESG Committee’s role will include:
 - Monitoring the Eligible Green Portfolio of each Issuing Entity during the life of the transactions
 - Managing any identified potential ESG risks associated with Eligible Assets
 - Managing any future update of the Framework

4

Reporting

- > An Allocation and Impact Report for Green Bonds, linked to the Framework, will be prepared annually

5

External review



The Group has appointed V.E to provide a Second Party Opinion on the Framework



PwC has been appointed as an independent auditor to assess that the Eligible Green Portfolio complies with the criteria set out in the “Use of Proceeds” section



- > The Use of Proceeds of any Green Bond under the Framework will be subject to the following eligibility criteria, to be applied to new or existing assets (the “Eligible Green Assets”)
- > Eligible Green Assets refer to the following economic activities:
 - > Acquisition and ownership of buildings
 - > Construction and renovation of buildings
- > The Eligibility Criteria applies to Eligible Green Assets and to the Equity Value of any subsidiary owning Eligible Assets

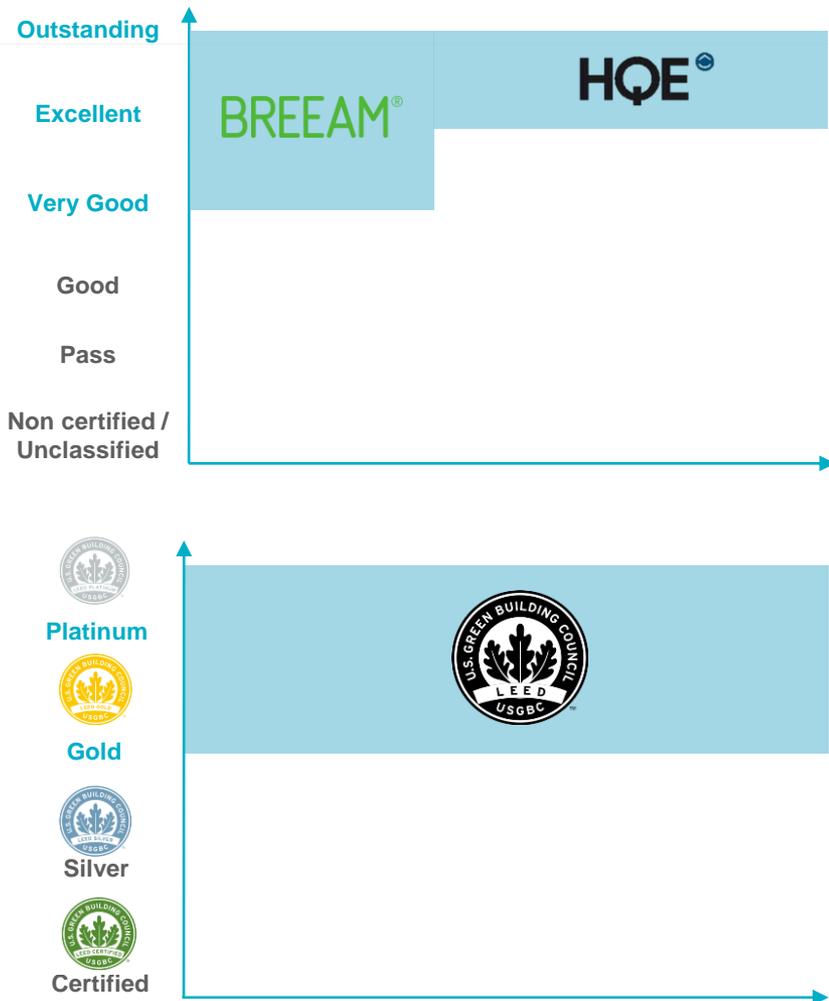
Green Buildings Eligibility Criteria

- > **Buildings which have received at least one (or more) of the following certifications:**
 - ✓ LEED “Gold” or above
 - ✓ BREEAM In Use “Very Good” or above
 - ✓ HQE “Excellent” or above
- OR: -----
- > **Buildings which do not exceed the following emissions thresholds¹**
 - ✓ 2020-2023 < or = 20kgCO₂/sqm per year
 - ✓ 2024-2025 < or = 15kgCO₂/sqm per year
 - ✓ 2025 onwards < or = 10kgCO₂/sqm per year

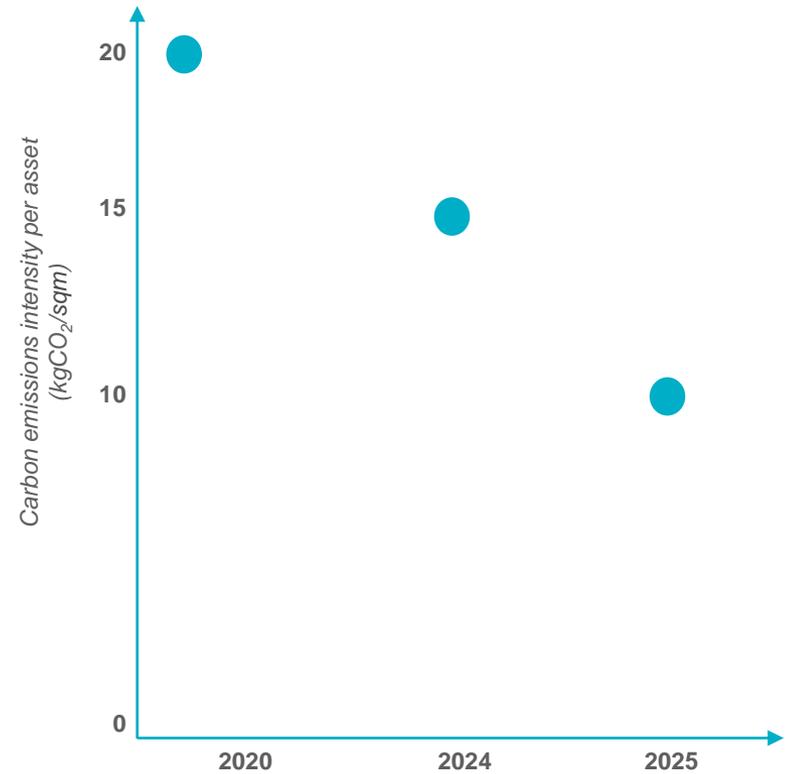
(1) The emissions thresholds presented below as Eligibility Criteria are to be read as GHG emissions intensity factors, expressed in kgCO₂ per sqm per year, covering landlord-controlled scope 1 and 2, according to the market-based methodology of the GHG Protocol

> Colonial's Green Financing Framework retains green certification levels which illustrate the Group's high ambition

> Colonial Green Financing Framework retains dynamic carbon emissions thresholds which illustrate the Group's high ambition



or



Framework Contribution to SDGs and EU Environmental Objectives

> Colonial’s sustainability strategy is aligned with regional and international objectives such as the European Union's environmental objectives and the United Nations’ Sustainable Development Goals

COLONIAL’S GREEN FINANCING FRAMEWORK CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

COLONIAL’S GREEN FINANCING FRAMEWORK CONTRIBUTION TO EUROPEAN ENVIRONMENTAL OBJECTIVES



Eligible projects under Colonial’s Green Financing Framework are related to 2 Sustainable Development Goals:

- > SDG 7 Affordable and clean energy
- > SDG 13 Climate Action



Climate change mitigation

- > The EU taxonomy regulation has defined six environmental objectives
- > Colonial will highly contribute to one of these six European environmental objectives namely, the mitigation of climate change through the acquisition, construction and renovation of low carbon buildings

- > The Group will prepare, and make available to investors, an Allocation and Impact Report for Green Bonds linked to this Framework, specifying the relevant measurement methodologies
- > The reporting document will be published each year by the Group and by each Issuing Entity in the section of its website dedicated to investors

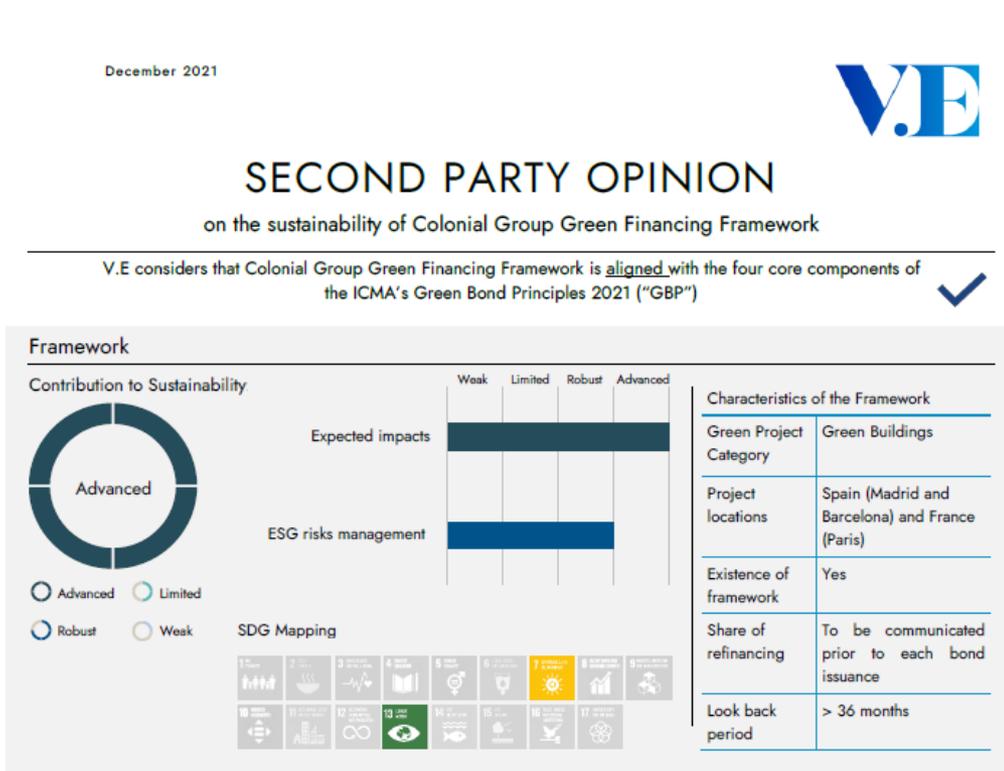
Allocation Reporting

- > The total amount of Green Bonds outstanding per Issuing Entity
- > The amount of each Eligible Green Portfolio, broken down by geography
- > The share of financing and refinancing (in %) of each Eligible Green Portfolio
- > Any remaining portion to be allocated, invested in cash or cash equivalents

Impact Reporting

- > External certification breakdown and / or
- > Breakdown per carbon metric (kgCO₂e/sqm) assessment and / or
- > Annual GHG emissions reduced / avoided in tons of CO₂ equivalent

- > V.E, a global leader in ESG assessments, data, research, benchmarks and analytics, has provided a Second-Party Opinion on Colonial's Green Financing Framework
- > V.E considers that Colonial's Framework is aligned with the four core components of the Green Bond Principles and Green Loan Principles



- > "V.E considers that the contemplated Framework is **coherent with Colonial's strategic sustainability priorities and sector issues** and that it contributes to achieving the Issuer's sustainability commitments"
- > "**Eligible Assets are clearly defined and detailed.** The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Assets"
- > "The process applied to identify and manage potentially material E&S risks associated with the assets is publicly disclosed in the herewith SPO. **The process is considered robust: it combines monitoring, identification, and corrective measures for all assets**"
- > "The traceability and verification of the selection and evaluation of the assets **is ensured throughout the process**"



GLOSSARY

Eligibility criteria	
Carbon emissions intensity	> Colonial's carbon footprint is presented in kgCO ₂ /sqm. It is a material indicator in the Real Estate sector and it can be benchmarked
BREEAM Certification	> BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. This certification offers progressive levels of excellence: Non-certified, Pass, Good, Very Good, Excellent, Outstanding
HQE Certification	> The HQE™ certification is a voluntary approach for the construction, renovation or operation of all buildings. It is a French certification that reflects a balance between respect for the environment (energy, carbon, water, waste, biodiversity, etc.), quality of life and economic performance through a global approach. This certification offers progressive levels of excellence: Unclassified, Pass, Good, Very Good, Excellent, Outstanding
LEED Certification	> LEED®, Leadership in Energy and Environmental Design, is a green certification for buildings initiated in the United States in 2000 by the US Green Building Council®. Projects pursuing LEED certification earn points for green building strategies across several categories. Based on the number of points achieved, a project earns one of four LEED rating levels: Certified, Silver, Gold or Platinum

ALLOCATION REPORT

List of Colonial and SFL's current Outstanding Bonds

Issuers	ISIN	CCY	Issued Amount (M)	O/S Amount (M)	Coupon	First Call Date	Maturity
Colonial	XS1509942923	EUR	600	187.2	1.450%	Jul-24	Oct-24
	XS1725677543	EUR	500	500	1.625%	Aug-25	Nov-25
	XS1808395930	EUR	650	650	2.000%	Jan-26	Apr-26
	XS1516312581	EUR	50	50	1.875%	Aug-26	Nov-26
	XS1725678194	EUR	300	300	2.500%	Aug-29	Nov-29
	ES0239140017	EUR	500	500	1.350%	Jul-28	Oct-28
	ES0239140025	EUR	625	625	0.750%	Mar-29	Jun-29
SFL	FR0013053030	EUR	500	289.6	2.250%	Aug-22	Nov-22
	FR0013335767	EUR	500	500	1.500%	Feb-25	May-25
	FR0013515871	EUR	500	500	1.500%	Mar-27	Jun-27
	FR00140060E7	EUR	500	500	0.500%	Jan-28	Apr-28

- > Colonial has currently €2.8bn outstanding bonds and SFL has currently €1.8bn outstanding bonds
- > In addition, the Group has 100% of its bilateral debt (€76m secured debt and a €1bn RCF) linked to its GRESB rating¹
- > Colonial's assets have been reviewed by the ESG committee that took place on December 17th 2021

Company	Colonial	SFL	Total
Total amount of outstanding bonds (% of total)	> €2,812.2m (61.1%)	> €1,789.6m (38.9%)	> €4,601.8m (100%)
Share of refinancing (% of total)	> €2,812.2m (100%)	> €1,789.6m (100%)	> €4,601.8m (100%)
Unallocated funds	> n.a.	> n.a.	> n.a.

Asset allocation / criteria	Colonial	SFL	Total
Buildings which have received at least one (or more) of the following certifications: <ul style="list-style-type: none"> ✓ LEED "Gold" or above ✓ BREEAM In Use "Very Good" or above ✓ HQE "Excellent" or above 	> €2,046m	> €1,857m	> €3,903m
Buildings which do not exceed the following emissions thresholds ² <ul style="list-style-type: none"> ✓ 2020-2023 < or = 20kgCO₂/sqm per year ✓ 2024-2025 < or = 15kgCO₂/sqm per year ✓ 2025 onwards < or = 10kgCO₂/sqm per year 	> €770m	> n.a.	> €770m
Total Asset allocation			> €4,673m

(1) Excluding SFL (debt not linked to GRESB rating)

(2) The emissions thresholds presented below as Eligibility Criteria are to be read as GHG emissions intensity factors, expressed in kgCO₂ per sqm per year, covering landlord-controlled scope 1 and 2, according to the market-based methodology of the GHG Protocol

ELIGIBLE ASSETS EXAMPLES

Avenida de Bruselas 38 – Spain

- > In late 2017 and early 2018, Colonial acquired the office building located at [Avenida de Bruselas 38](#), among other assets, through the purchase and merger with Axiare Socimi SA
- > This is an exempt office building with a GLA of over 14,000 sqm and an efficient floor design thanks to its large size and the location of its entrance areas
- > After the building was acquired, empty and in the project planning phase, the project was reframed to optimise energy efficiency and reduce its environmental impact. [The design and layout of the project led to LEED Gold certification](#)

- > After the completion of the project, 100% of the property was rented as corporate headquarters for an IBEX 35 technology company with a long-term contract and a higher rent than expected
- > The client’s reasons for choosing our project as their headquarters were due to three main factors: the building’s in-use certification, the efficiency of the floor plan and the “flagging” of Avenida de Bruselas 38. At the end of 2020, the sale of the asset was signed, crystallising a capital gain of 1.8x times the total cost of the project (Total cost = Acquisition price + capex invested)
- > The table below shows the different phases of the LCA of the asset with its main actions:

I. Building acquisitions	II. Overall refurbishment	III. Management of real estate in operation	IV. Sale of the property
			
<ul style="list-style-type: none"> ▶ Evaluation of environmental legal requirements. ▶ Contamination testing. ▶ Energy certification. 	<ul style="list-style-type: none"> ▶ High-performance enclosure (façade). ▶ Sustainable procurement of materials. ▶ Low-impact construction solutions. ▶ Efficient installations. ▶ Sustainable certifications. 	<ul style="list-style-type: none"> ▶ Management and control systems. ▶ Optimal spaces for efficient work. ▶ Optimise performance indicators. ▶ Monitoring and control of energy, water and carbon footprint consumption. 	<ul style="list-style-type: none"> ▶ Sales, technical and financial due diligence. ▶ Carbon footprint impact of disinvestment. ▶ Creating value for shareholders.

- > Colonial acquired the [Miguel Ángel, 23](#) asset at the start of 2018 following the purchase and subsequent merger with Axiare Socimi SA
- > The LCA identified levers to optimize the level of sustainability in the building, consequently maximizing value creation
- > The complete rehabilitation developed by Colonial opts [for the recovery of materials, resulting in a reduction in pollution](#)
- > With regards to sustainability, goals were set to reduce the [building's CO₂ emissions to close to zero, making this project the first Net Zero office building in Madrid](#). To achieve this, the entire development has been based on life-cycle cost-optimal cost studies, according to the methodology established in the European Directive on Energy Efficiency in Buildings. A number of alternatives have been identified for the building enclosure and air conditioning systems throughout its useful life, achieving a building with almost zero energy consumption and with [the maximum energy rating, with the aim of obtaining the BREEAM "Very Good" rating](#)
- > The façade is innovative, replacing the traditional all-glass curtain wall with [a mixed aluminium-wood solution](#), with exterior latticework with wooden slats, underscoring the company's commitment [to using materials with a lower embodied CO₂](#)
- > [Low emission triple glazing are used for the windows](#) on the façades, which means that the estimated operating and maintenance costs, and specifically the cost of electric energy consumption, are similar to those of well-insulated buildings which do not have glass façades



- > The building will also have a **large photovoltaic installation, a solar thermal energy system on the roof, in addition to a turbine system to produce wind energy** (new for a building of these characteristics), which will mean that a large portion of the energy consumed by the building comes from renewable sources. It will also be equipped with sustainable mobility solutions: electric vehicle charging points, bicycle parking spaces and showers and changing rooms to encourage the use of alternative means of transport
- > On the other hand, the project stands out for its focus on **the health and well-being of its occupants**. This is due to the optimisation of ventilation flows, high performance filters, low volatile organic compound (VOC) material specification, optimal acoustics in the work areas, lighting designed on the basis of strict health, comfort and energy efficiency criteria and outdoor green spaces on the roof for the benefit of its occupants, etc.
- > The table on the right shows the different phases of the LCA of Miguel Ángel 23

I. Building acquisitions	II. Overall refurbishment	III. Management of real estate in operation
		
<ul style="list-style-type: none"> ▶ Positioning of the building in the market. ▶ Analysis of future economic and sustainability value creation. ▶ Technical and environmental due diligence. 	<ul style="list-style-type: none"> ▶ Low carbon building materials. ▶ Photovoltaic and rooftop solar thermal installation. ▶ Wind turbine system for wind energy production. ▶ Optimisation of ventilation and installation of high-performance filters. ▶ Acoustic finishes in work areas with optimal hearing comfort. ▶ Discernible lighting with ideal energy efficiency and control conditions. 	<ul style="list-style-type: none"> ▶ Multi-purpose spaces designed for the new work methodologies and needs of each company. ▶ Areas of work that inspire to offer the best of each person. ▶ Open spaces that encourage meetings and networking. ▶ Monitoring and control of energy, water and carbon footprint consumption.

9 Avenue Percier – France

- > In 2015, through its subsidiary SFL, Colonial acquired the building located at 9 Avenue Percier, in the Paris CBD. The 6,700sqm building has an **efficient floor area of close to 900sqm**. When it was acquired, it had no in-use certification. In terms of leasing, it is a multi-tenant building, which upon purchase was largely unoccupied
- > In this project, the technical team designed a **refurbishment project** for the interior of the building in different phases and the occupied floors remained operational throughout the process. The design included sustainable materials and obtained the **BREEAM Very Good certification**
- > Upon completion of the final phase of the works in 2018, the building was leased at market price to top-level clients, mostly multinationals

- > In 2020, Colonial, as part of its recurring assessment of the value created by its assets, found this building to be non-strategic, given that its investment cycle had matured
- > In January 2021, the asset was sold at a double-digit premium over its valuation, at over €20,000/sqm
- > The table below shows the full life cycle analysis of this asset on the Colonial Group's portfolio:

I. Building acquisitions	II. Overall refurbishment	III. Management of real estate in operation	IV. Sale of the property
			
<ul style="list-style-type: none"> ▶ Evaluation of environmental legal requirements. ▶ Equity impact in Paris. ▶ Visit to the property. ▶ Contamination testing. ▶ Energy certification. 	<ul style="list-style-type: none"> ▶ Renovation of common spaces to improve efficiency. ▶ Accessibility improvements. ▶ Low-impact construction solutions. ▶ Efficient installations. ▶ Sustainable certifications. 	<ul style="list-style-type: none"> ▶ Management and control systems. ▶ Optimal spaces for efficient work. ▶ Optimise performance indicators. ▶ Monitoring and control of energy, water and carbon footprint consumption. 	<ul style="list-style-type: none"> ▶ Sales, technical and financial due diligence. ▶ Impact of divestment on carbon footprint. ▶ Orderly sales process with a subscription of more than 50 potential buyers.

CREDIT UPDATE



SOLID FINANCIAL RESULTS

- > Group Net Profit of €184m, +€179m vs. previous year
- > Net Rental Income of €219m, +2.5% like-for-like (Paris +5.1% like for like)
- > Recurring EPS of €17.91cts, *below the previous year due to Disposals & Renovation Program acceleration*
- > Comparable recurring EPS of €23.99cts, +9% vs. previous year

STRONG PERFORMANCE IN OPERATIONS & ESG

- > Significant increase in letting volume, +71% vs the previous year
- > Office occupancy at resilient 93.4%
- > Strong rental Growth
 - +4% vs ERV 12/20 (+7% in Paris)
 - +7% release spread (+24% in Barcelona)
- > ESG 2021 Ratings with solid YoY momentum
 - GRESB Rating 94/100, #1 listed office Western Europe
 - Sustainalytics 2021 Rating at high end, Top 4% in Real Estate

CAPITAL RECYCLING WITH FLIGHT TO QUALITY

- > Successful Execution of tender offer - Increased exposure of €1bn in Prime Paris
- > €1bn of liability management improving the debt profile & cost of financing
- > €500m of new debt issuance at SFL with historical low coupon of 0.5%
- > Strong Balance Sheet with LTV of 36.6% and €2,020m of liquidity

Solid Results – Back to Growth through Prime Positioning

- > Net Rental Income with +2.5% like for like growth, Paris portfolio +5%
- > EPS decrease due to disposals & renovation program acceleration
- > Comparable EPS +9% vs previous year

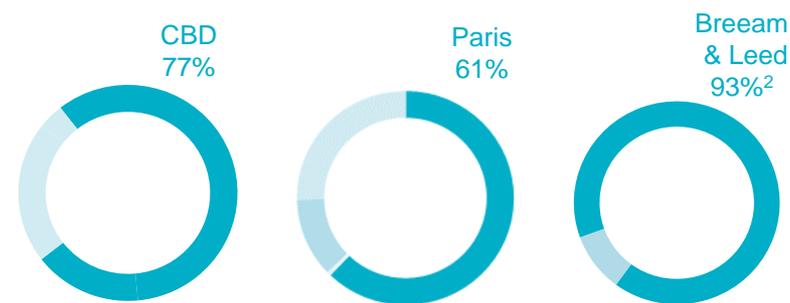
Profit & Loss - €m	09/21	YoY
Gross Rental Income	€234m	+2% LFL
Net Rental Income	€219m	+2.5% LFL
Group Net Profit	€184m	+€179m

Recurring EPS	€17.91cts/share	(19%)
Comparable Recurring EPS	€23.99cts/share	+9%

Outstanding NRI like for like	09/21	YoY Var
Group like-for-like¹	€219m	+2.5%
Paris like-for-like ¹		+5.1%
Madrid like-for-like ¹		+0.4%
Barcelona like-for-like ¹		(3.7%)

Outstanding GRI like for like	09/21	YoY
Group like-for-like¹	€234m	+2%
Paris like-for-like ¹		+2%
Madrid like-for-like ¹		+1%
Barcelona like-for-like ¹		flat

Unparalleled Prime Positioning



Louvre-Saint-Honoré



Marceau



Biome



Campus Méndez Álvaro



Velázquez Padilla



Miguel Ángel, 23

(1) EPRA like-for-like variance based on EPRA BPR methodology

(2) Office portfolio in operation with Leed & Breeam certificates

Solid Operating Performance Underpinned by Polarization Trends

- > Letting volume of 117,680 sqm, +71% Year on Year
- > Exceptional letting volume in the third quarter, ongoing polarization towards prime
- > Rental prices with solid ERV growth, Paris with +7%

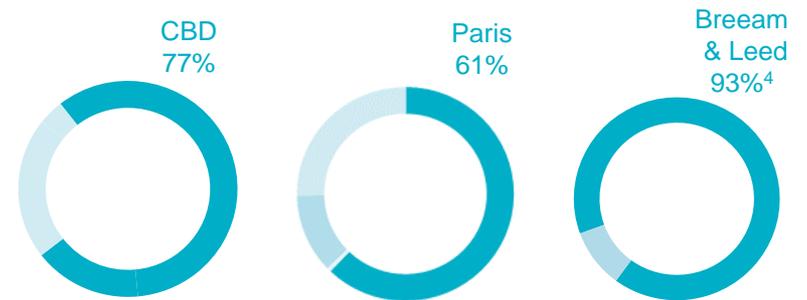
Solid Fundamentals 09/21

Volume of sq m signed	117,680
YoY Variance	+71%
EPRA Vacancy	6.6%
Office Collection Rate	100%
Total Collection Rate	98%

Capturing Rental Price Increases

Strong rental growth¹	+4%
Paris	+7%
Madrid	(1%)/+2%³
Barcelona	+2%
Double-digit release Spread²	+7%
Paris	+2%
Madrid	+2%
Barcelona	+24%

Unparalleled Prime Positioning



Louvre-Saint-Honoré



Marceau



Biome



Campus Méndez Álvaro



Velázquez Padilla



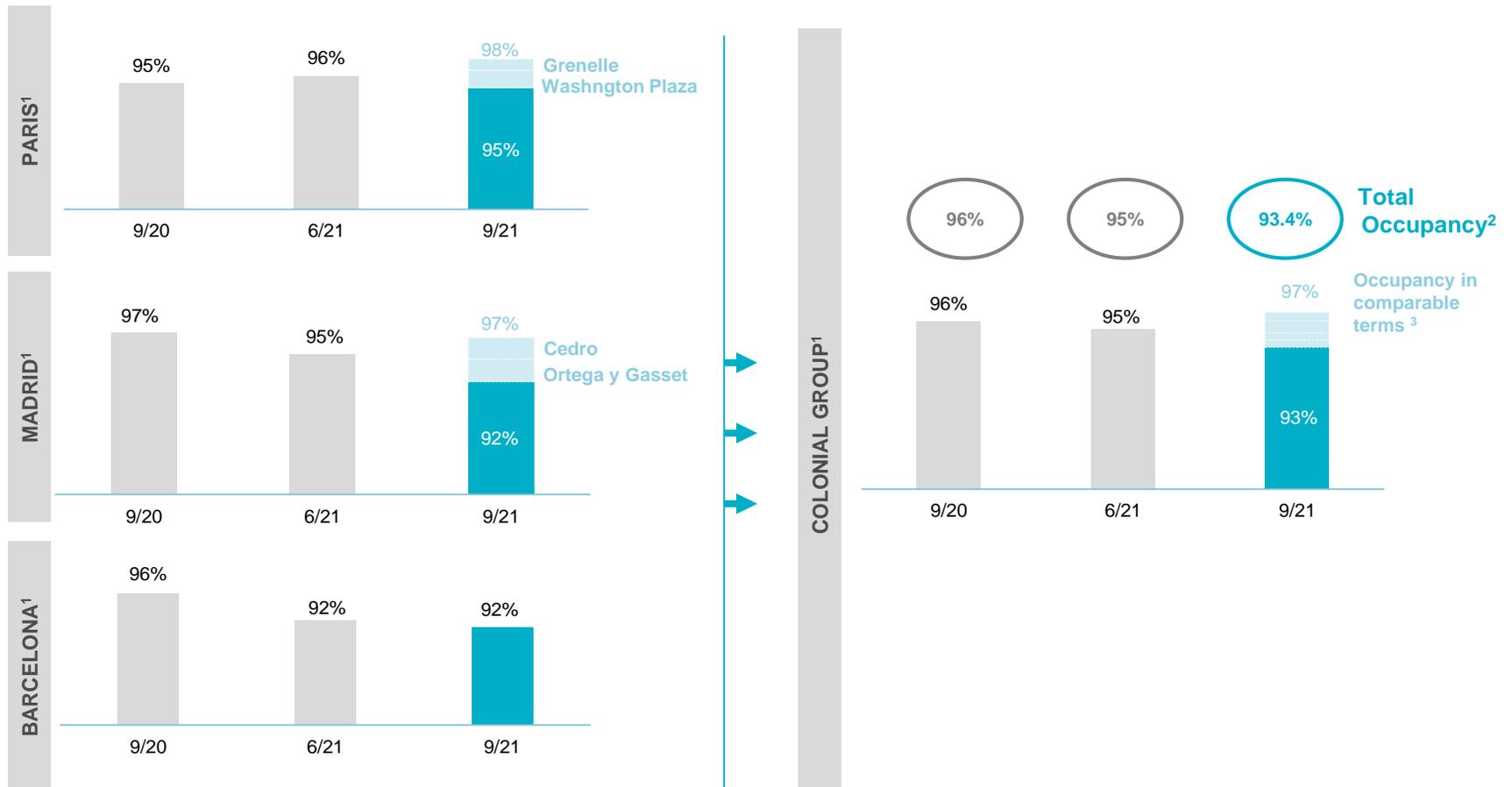
Miguel Ángel, 23

(1) Rental prices signed vs ERV 12/20
 (2) Rental prices signed vs previous rents
 (3) Excluding 1 large contract in Madrid
 (4) Office portfolio in operation with Leed & Breeam certificates

Resilient Occupancy Profile

- > Office portfolio occupancy at resilient 93.4% level
- > 97% occupancy in comparable terms (excluding entry into operation of renovation program)
- > Paris strongest market with 95% occupancy (98% in comparable terms)

EPRA OCCUPANCY



(1) EPRA Occupancy office portfolio
 (2) EPRA Occupancy including all uses
 (3) Occupancy in comparable terms = occupancy excluding impact of entry into operation of renovation program

Rental Markets – Scarcity of High Quality Product in CBD

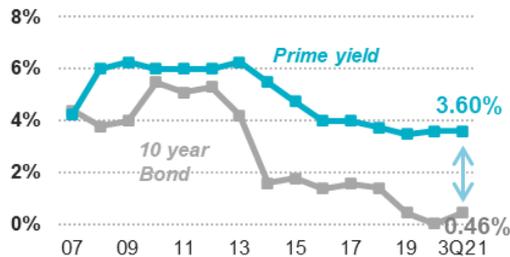
- > Grade A product in CBD with limited vacancy across markets
- > Increased polarization in take-up: preference for grade A assets in central locations
- > Paris CBD with take-up back at pre-covid levels



Investment Market - Prime Product in the CBD with Strong Valuation levels

BARCELONA

PRIME YIELDS (1)



SPREAD VS 10Y BOND



HIGHLIGHTS

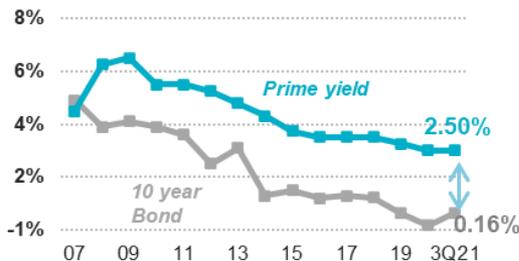
- > **Record Investment volume: €1,415m 2021 YTD**
- > 60% of transactions concentrated in 22@ area
- > Prime yield at 3.60%, with very healthy spread of 314bp vs reference rate

MADRID



- > **Lack of good product supply in the market**
- > Investor interest with increasing momentum for prime assets in CBD
- > Prime yield at 3.35%
- Attractive spread of 289 bp vs reference rate

PARIS



- > **Total investment volume of €8.3bn YTD**
- > Investor interest remains high for CBD assets, but lack of available product
- > Prime yield at 2,5%,
- Spread of 235 bp vs reference rate

(1) Market consultants in Spain report gross yields and in France they report net yields 10 year Bond as of 30 September 2021

Strong Commitment to ESG & Decarbonization

- > Significant reduction of the carbon footprint YoY - (51%) like for like
- > Barcelona and Madrid outstanding
- > Acceleration of Net Zero transition

SIGNIFICANT REDUCTION OF THE CARBON FOOTPRINT

TOTAL VARIANCE - (tCO₂e)

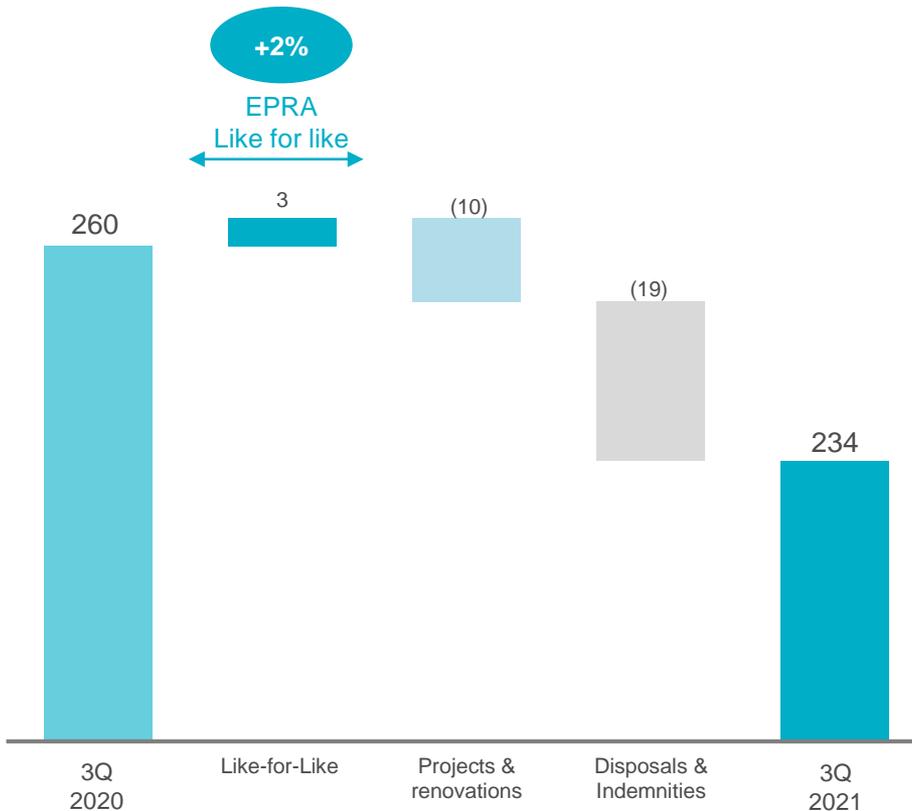
LFL VARIANCE - (tCO₂e)

	2020	2019	Var.	Var %.	Var.	Var %.
BARCELONA	5,913	5,767	146	+3%	(2,575)	(53%)
MADRID	10,174	9,198	976	+11%	(4,086)	(58%)
PARIS	2,597	3,509	(912)	(26%)	(921)	(26%)
TOTAL SCOPE 1, 2 & 3	18,684	18,474	210	+1%	(7,582)	(49%)
TOTAL SCOPE 1 & 2	4,926	8,017	(3,091)	(39%)	(3,417)	(51%)

Gross Rental Income +2% like for like

- > Gross Rental Income +2% like for like
- > GRI increase fully rental price driven (Madrid outstanding with +3%)
- > Contract portfolio best positioned to capture momentum in indexation & ERV Growth

GROSS RENTAL INCOME - €m



SOLID EPRA LIKE-FOR-LIKE VARIANCE

	EPRA like-for-like ¹	Price	Volume
TOTAL	+2%	+2.3%	(0.7%)
PARIS	+2%	+1.9%	+0.5%
MADRID	+1%	+2.9%	(2.3%)
BCN	0%	+2.2%	(2.2%)

(1) Like-for-like calculated following EPRA BPR recommendations

Net Rental Income at +2.5% like for like

- > Net Rental Income +2.5% like for like
- > Paris with +5% Net Rental Income
- > Strong Paris performance offsetting temporary correction in Barcelona

LIKE-FOR-LIKE VARIANCE¹ – NRI

LFL IN NET RENTAL INCOME FURTHER STRENGTHENED

	Gross Rental Income	Net Rental Income
TOTAL	+2%	+2.5%
PARIS	+2%	+5%
MADRID	+1%	+0.4%
BCN	0%	(3.7%)

NET RENTAL INCOME – LIKE-FOR-LIKE OF +2.5%

- > Paris total portfolio with a significant increase of +5% like-for-like in Net Rental Income
 - Offices at +3% like for like
 - Additional positive like for like driven by reopening of Hotel Indigo

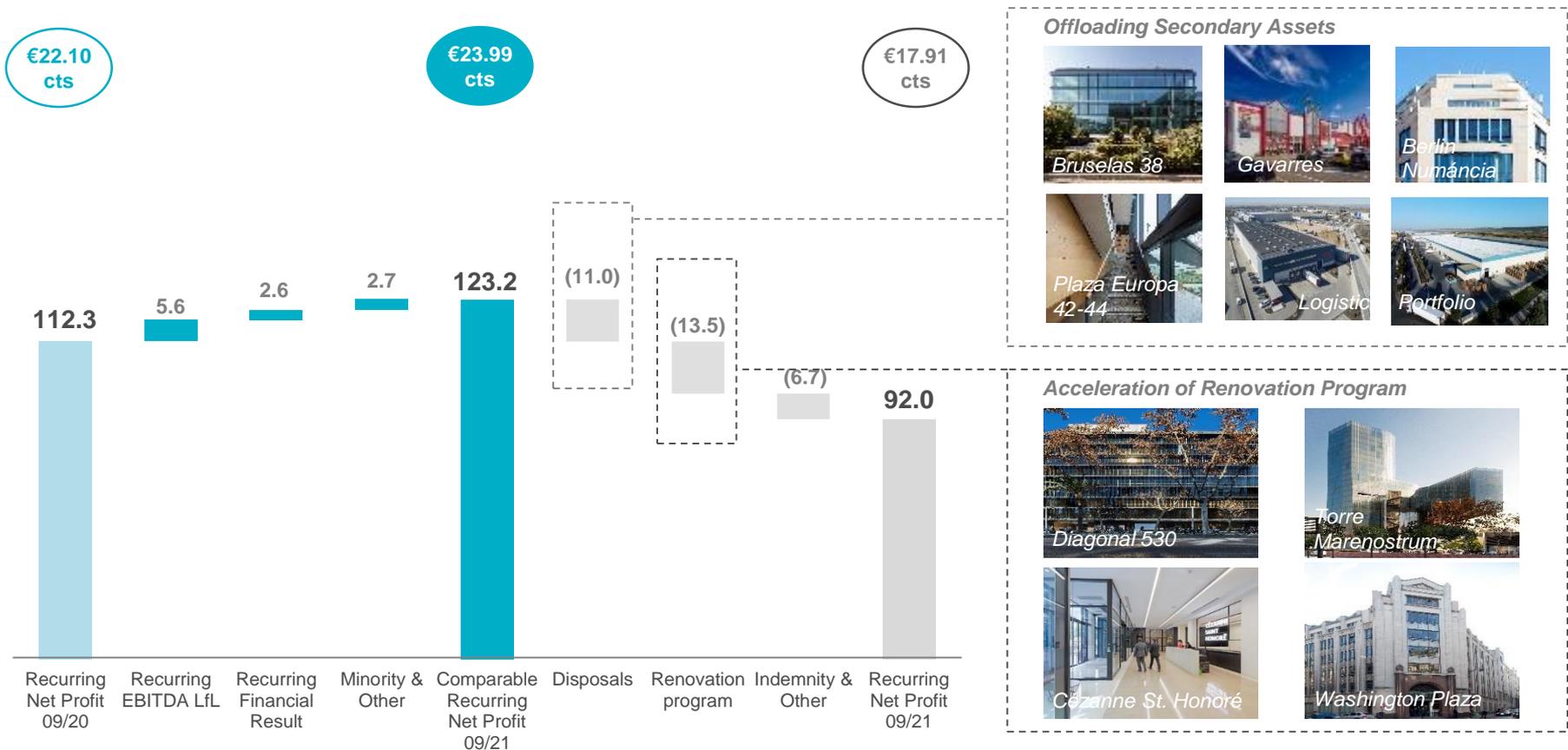
(1) Like-for-like variance calculation based on EPRA best practice methodology

GRI= Gross Rental Income NRI= Net Rental Income

Comparable EPS Stable – Flight to Quality & Reloading Growth

- > EPS decrease mainly due to disposals, acceleration of renovation program and indemnities in previous year
- > Comparable Recurring EPS of €23.99cts/share, +9% vs. previous year level
- > Disposals of non-core - reloading growth through capital recycling

RECURRING EARNINGS – VARIANCE ANALYSIS



Solid Profitability with Enhanced Quality

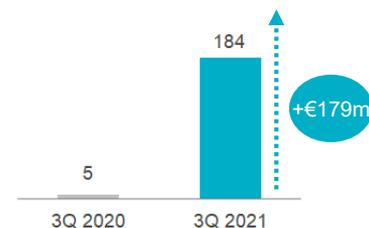
- > Group Net Profit of €184m, +€179m
- > Recurring Profit impacted by disposals & renovation program acceleration
- > Comparable Recurring EPS of €23.99cts/share, +9% vs previous year level

PROFIT & LOSS ACCOUNT

Results analysis - €m	3Q 2021	3Q 2020
Gross Rents	234	260
Recurring EBITDA	186	213
Recurring financial result	(62)	(64)
Income tax expense & others - recurring	(9)	(11)
Minority interests - recurring	(23)	(26)
Recurring Earnings	92	112
Asset revaluation & Capital Gains	146	(104)
Non-recurring financial result & MTM	(30)	(9)
Income tax & others - non-recurring	(15)	3
Minority interests - non-recurring	(9)	3
Profit attributable to the Group	184	5
<hr/>		
Recurring Earnings - €m	92	112
Nosh (mm)	513.6	508.1
EPS recurring - cts€/share	17.91	22.10

GROUP NET PROFIT

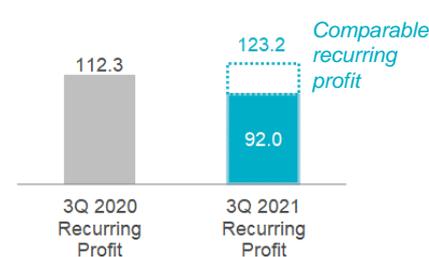
€m



Value Creation through
solid Capital Value Growth
June 2021 YTD

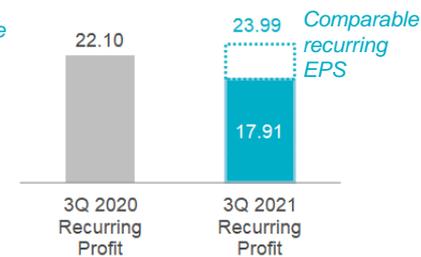
RECURRING EARNINGS

€m



EPS RECURRING

€cts/share



Improving Group's Debt Positioning

- > Improved debt profile through successful liability management
- > Issuance of more than €1,125m bonds in Spain and France with high oversubscription
- > Issuances at 0.75% and 0.50% coupon, the lowest coupons in the history of the Colonial Group

Successful Liability Management of more than €1.0bn

Buy-back of more than €1.0bn debt with an average cost of c. 2.0%

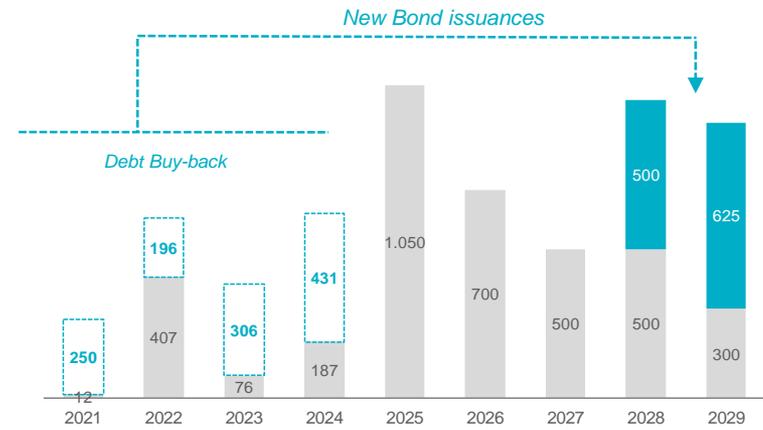
1. Colonial: Repurchase of €612m bonds maturing in 2023 & 2024
2. SFL: repurchase of €446m bonds and loans maturing in 2021 & 2022

€1.1bn new bond issuances

1. Colonial €625m issuance in bond market in June / July 2021
 - > 8-year bond maturing in 2029
 - > Fixed coupon of 0.75%
 - > Strong demand with 3x oversubscription lead by Institutional investors

2. SFL €500m issuance in bond market in October 2021
 - > 6.5-year bond maturing in 2028
 - > Fixed coupon of 0.50%
 - > Strong demand with 2x oversubscription lead by Institutional investors

Improved Debt Profile



Maturities excluding ECPs due in 2021 of €235m

Spot interest rate

1.4%
as of 30/9

Average maturity

5.4
years

Debt maturing
after 2025

85%

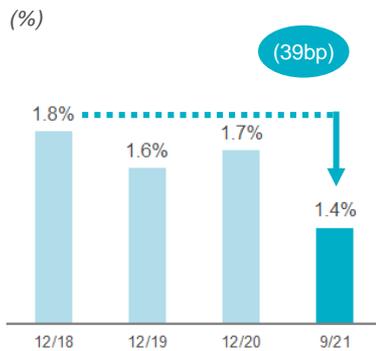
05 Appendices

Solid Capital Structure

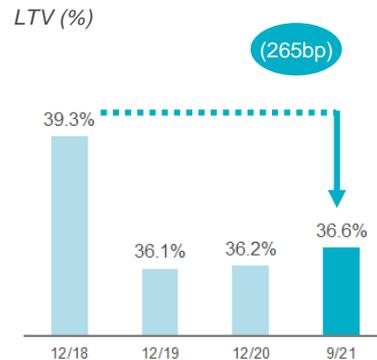
- > Improved debt profile through successful liability management
- > Significant Cost of Debt reduction reaching 1.4%
- > Solid capital structure with LTV of 36.6%

STRENGTHENED BALANCE SHEET

Cost of Debt



Solid Capital Structure



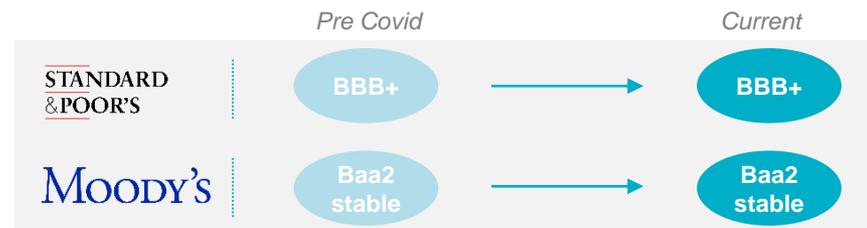
Liquidity	
Cash	€180m
Undrawn balances	€1,840m
Total	€2,020m

Financial Policy	
<i>Investment Grade Rating</i>	
LTV range	36-40%
ICR	> 2.5x

IMPROVED FUNDING OF THE GROUP

1. Debt reduction through capital recycling
2. Strong liquidity position with €2,020m as of Q3 2021
3. Improved maturity of Group's debt through Liability management
4. Strengthened capital structure with 36.6% LTV
5. Solid capital structure in the prudent LTV range of guidance even after dividend payment and tender-offer execution

Strong Ratings confirmed



(1) GAV 12/20 Office portfolio. Barcelona CBD, includes the assets in the 22@ market segment
 (2) GAV 12/20 Office portfolio in operation



STRONG RESULTS ENHANCED BY POLARIZATION TOWARDS PRIME

- > Group Net Profit of €184m, +€119m vs. previous year
- > Net Rental Income of €219m, +2.5% like-for-like
- > Significant increase in letting volume, +71% vs the previous year
- > Positive momentum on renovation program driven by Paris portfolio
- > Delivery on Rental Growth: double digit release spreads & ERV increases

SOLID GROWTH PROFILE THROUGH INTERNAL & EXTERNAL DRIVERS

- > Full impact of SFL acquisition from September 9 onwards
- > Project Pipeline with significant cash flow & value growth potential
- > Renovation Program with strong reversion in rents & value
- > Contract portfolio with strong reversionary potential: passing rents below ERVs
- > Colonial best positioned to capture indexation momentum & ERV growth
- > Further growth through Capital Recycling & Acquisitions

OUTLOOK & GUIDANCE

- > Polarization trend in demand & scarce supply of Grade A in CBD
- > Rental markets with some delay in recovery in line with macro trend
- > Investment markets with strong momentum for Prime CBD assets
- > Guidance 2021 & 2022
 - Recurring EPS 2021: around €23cts per share
 - Confirmation of annual DPS growth
 - Recurring EPS 2022: €27-29cts per share

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