

Colonial closed the first half of 2022 with a Net Profit of €355m, +120%

- Gross Asset Value of the portfolio of €13.3bn, +8% like-for-like, year-on-year
- Net Tangible Assets (NTA) per share of €12.49, +10% year-on-year
- Recurring Net Profit of €76m, +35% vs. the previous year
- Recurring EPS (Earnings Per Share) of €14.13cts/share, +27% vs. the previous year
- Gross Rental Income of €170m, +9% vs. the previous year, +6% like-for-like
- More than 104,000 sqm of letting volume, +75% vs. the previous year
- Occupancy levels of 96% (~100% in Paris)
- Disposal of 3 non-strategic assets for €59m with a premium of +11% on GAV
- A strong balance sheet for future growth with a liquidity of €2.6bn and an LTV of 36.9%

Madrid, 28 de julio de 2022

First half Results 2022

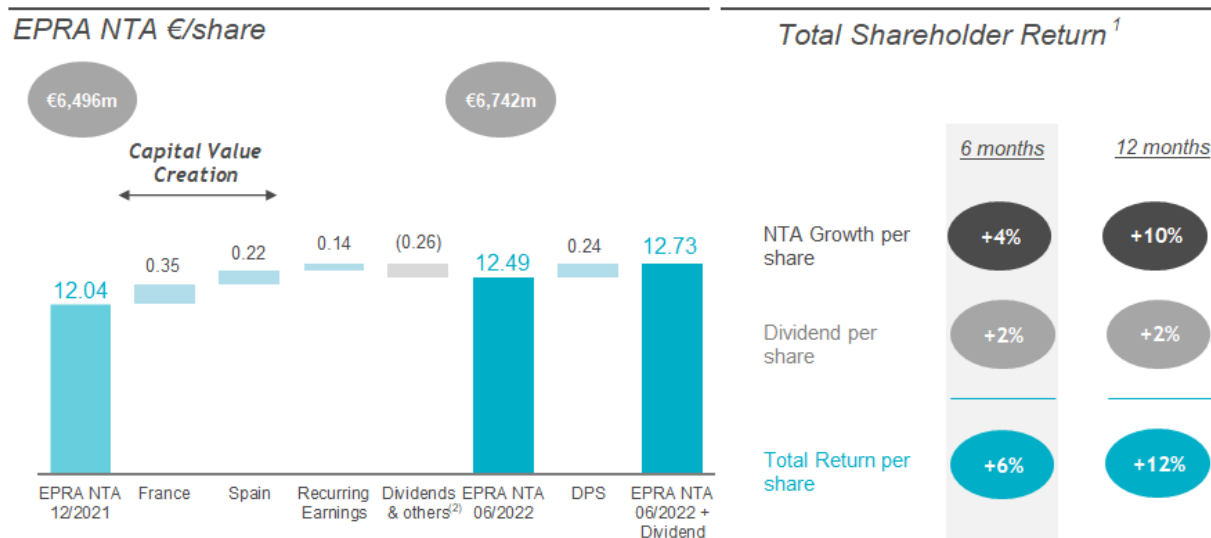
The Colonial Group has closed its first half results of 2022 with a Net Profit of €355m, +120% versus the previous year. These results reflect the positive momentum of all its KPIs: a very high commercial activity (+100.000 sqm of new contracts signed in a semester), ERV growth of +5%, solid portfolio occupancy (96%), increase of +4% like-for-like of its portfolio and better financial expenses.

Juan José Brugera, Colonial Chairman: “The Colonial Group closes the first half 2022 results with record increases that prove our successful business model based on value creation for our shareholders”. According to Pere Viñolas, Chief Executive Officer of Colonial, the results are due to: “the solid fundamentals of our prime portfolio and the successful delivery of our Alpha value creation strategy. Likewise, this adequate positioning in prime assets and locations is allowing Colonial to capture the highest rents and current double digit growth with good future perspectives”.

Total Shareholder Return¹ of +12% year-on-year, reaching an NTA of €12.49/share

1. Growth in Net Tangible Assets (NTA) up to €6,742m, +17% year-on-year

Colonial closed the first half of 2022 with Net Tangible Assets (NTA) of €12.49/share, corresponding to a year-on-year increase of +10% (+4% in 6 months) which, together with the dividend paid per share of €0.24/share, amounts to a Total Shareholder Return¹ of +12% (+6% in 6 months).



(1) Total shareholder return understood as NTA (NAV) growth per share + dividends

(2) Dividends paid and other impacts

In absolute terms, the net value of the assets (NTA) amounts to €6,742m, a year-on-year increase of +17%, and a value increase of more than €968m in a year (+4% in 6 months).

This significant growth in NTA has been achieved thanks to an industrial Real Estate strategy with a significant Alpha component in returns, mainly due to:

1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings.
2. Solid fundamentals of Colonial's assets with high occupancy levels and solid increases in rental prices.
3. The successful management of the project pipeline: completed and rented projects, as well as the significant amount of pre-let signings in the project pipeline and the renovation program.
4. The completion of the renovation program, substantially improving rental levels, as well as the value of the assets.

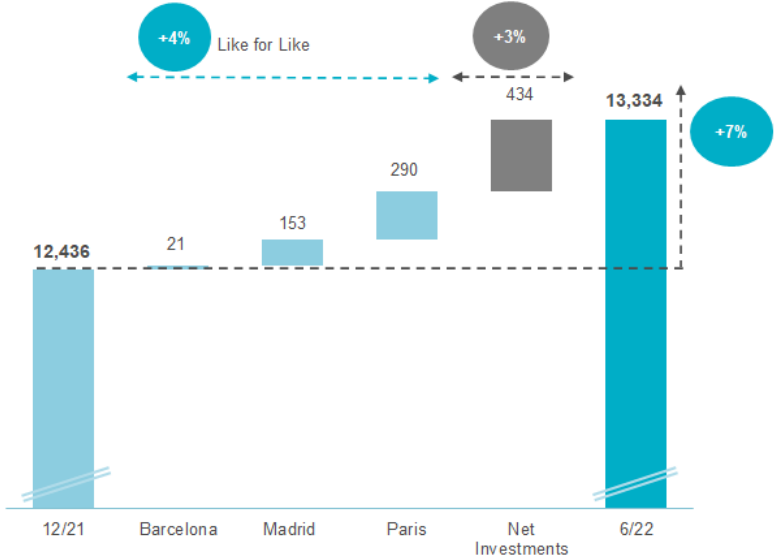
2. Increase in the value of the real estate portfolio of +8% like-for-like, year-on-year

The Gross Asset value of the Colonial Group at the close of the first half of 2022 amounted to €13,334m (€14,064m including transfer costs), showing an increase of +11% compared to the previous year (+7% in the first half of 2022).

In like-for-like terms, Colonial’s portfolio was revalued at +8% compared to the previous year (+4% corresponding to the first half of 2022).

VARIANCE ANALYSIS VALUE 6 MONTHS - €m

GAV VARIANCE



| | 6 months | 12 months |
|-----------------|----------|-----------|
| BARCELONA | +1% | +4% |
| MADRID | +5% | +9% |
| PARIS | +4% | +8% |
| TOTAL LFL | +4% | +8% |
| NET INVESTMENTS | +3% | +3% |
| TOTAL VAR | +7% | +11% |

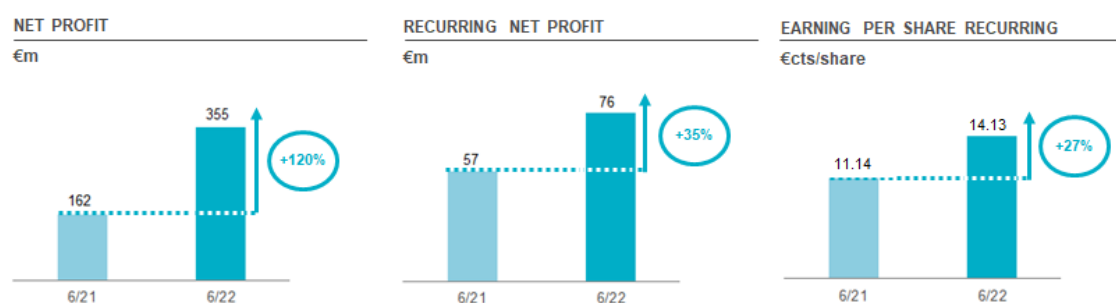
The portfolios in the three cities show solid growth, highlighting the **Madrid market**, where the assets were revalued by +9% like-for-like vs. the previous year (+5% in 6 months). In **Paris**, the assets reached like-for-like, year-on-year growth of +8% (+4% in 6 months).

Strong growth in the net profit and the recurring profit

1. Net profit of €355m, +120% compared to the previous year

The Colonial Group closed the first half of 2022 with a strong increase in the results in all metrics:

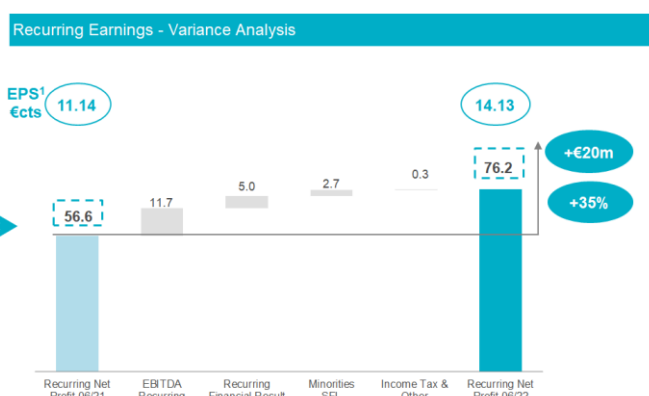
- Increase in the **net profit of €355m, +120% compared to the same period of the previous year**
- **The recurring net profit increased by +35% compared to the previous year** and stood at €76m in the first half of 2022.
- The **net recurring EPS increased +27% compared to the previous year**, reaching a level of €14.13cts per share.



The significant increase in the **recurring earnings is mainly due to:**

1. The **significant advances in the project pipeline** and the acceleration of the renovation program, substantially improving rental levels. It is important to highlight the additional income from the projects delivered in 2021: the Diagonal 525 asset (headquarters of Naturgy in the Barcelona CBD) as well as the 83 Marceau asset (headquarters of Goldman Sachs in the Paris CBD).
2. **Solid increases in rental prices of the core portfolio**, driven by **solid like-for-like growth** and the **indexation impact** captured in the contracts.
3. A **decrease in financial costs** thanks to the **Liability Management** carried out in 2020 and 2021, which has resulted in a saving in the average financial cost of the Group's debt.
4. The **successful execution of the acquisition of the 16.6% stake** in Société Foncière Lyonnaise in 2021, with very attractive terms for Colonial's shareholders.

| Results analysis - €m | 1H 22 | 1H 21 |
|---|------------|------------|
| Gross Rents | 170 | 155 |
| Recurring EBITDA | 134 | 122 |
| Recurring financial result | (38) | (43) |
| Income tax expense & others - recurring | (7) | (7) |
| Minority interests - recurring | (13) | (16) |
| Recurring Earnings | 76 | 57 |
| Change in fair value of assets & provisions | 315 | 147 |
| Non-recurring financial result & MTM | (1) | (27) |
| Income tax & others - non-recurring | 0 | (4) |
| Minority interests - non-recurring | (35) | (11) |
| Profit attributable to the Group | 355 | 162 |



(1) Recurring earnings per share

The additional increase in the Net Profit of the Group is underpinned by the capital gains from the disposals, as well as the growth in value of the Group's portfolio, thanks to its prime positioning.

2. Gross rental income of €170m, +9% vs the previous year

Colonial closed the first half of 2022 with **€170m of Gross Rental Income and Net Rental Income (EBITDA rents) of €153m.**

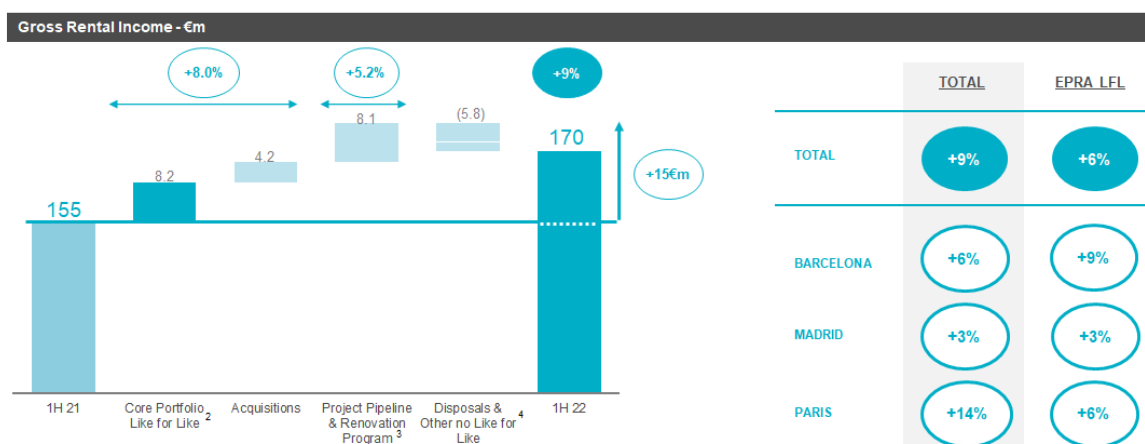
At the close of the first half of 2022, the rental income increased +9% compared to the same period of the previous year (+6% in like-for-like terms).

The growth in income is mainly due to:

- Income growth of +8.0%** based on **solid like-for-like rental growth** in the contract portfolio and from the **indexation effect captured in the contracts**, as well as the **acquisition of Buenos Aires 41 and Pasteur.**
- Income growth of +5.2%** based on the entry into operation of the **project pipeline** and the **renovation program.**

All the contracts are indexed to CPI¹ in Spain and to ILAT in France.

- The disposal of non-strategic assets and other non-comparable impacts have led to a year-on-year decrease of (3.7%) in the rental income.



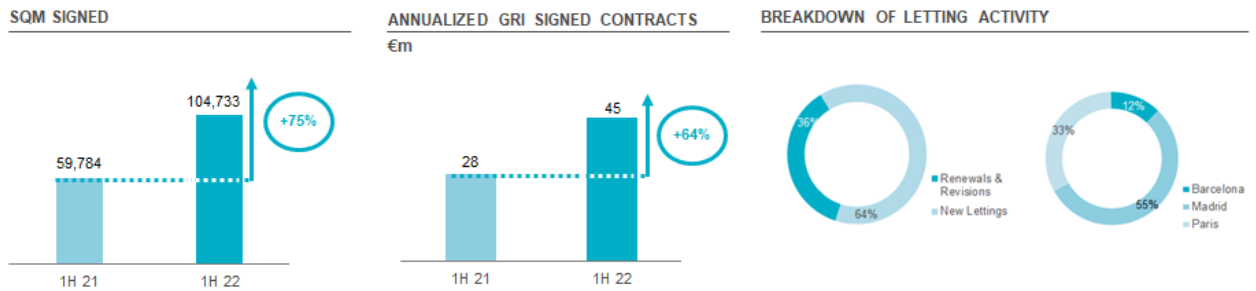
- (1) With the exception of two contracts with clients from the public administration for which, due to the regulations in Spain, do not apply CPI indexations
- (2) Includes the €1.6m like-for-like asset variation from the renovation program
- (3) Excludes the €1.6m like-for-like asset variation from the renovation program
- (4) Impact of €2.5m due to disposals

Significant acceleration in the operating fundamentals

1. Increase in take-up levels compared to the previous year

At the close of the first half of 2022, the Colonial Group had signed **58 office rental contracts**, corresponding to **104,733 sqm**.

This volume of signed contracts represents an increase of +75% compared to the first half of the previous year, which was also a record year in terms of new contracts (2021 was the year with the second highest take-up volume in Colonial's history).



In economic terms (sqm signed multiplied by signed rents), **contracts were signed for an annualized rent amount of €45m**, resulting in an increase of +64% compared to the take up volume in the first half of the previous year.

2. Significant progress in the commercialization of the projects

To date, 7 of the 9 assets in the Colonial Group's project pipeline already have high pre-let levels. **These agreements correspond to more than 77,000 sqm and €52m in annualized rents.**

In Paris, in the second quarter of 2022, **100% of the Biome asset was pre-let.** Agreements were signed with **Banque Postale and SFIL Paris**, both for a period of 10 years. The level of signed rents is very high, creating the prime rent benchmark in the submarket of the 15th district in Paris with this unique building. The transaction covers the entire office space, as well as the adjacent spaces, amounting to more than 24,000 sqm.



The Colonial Group is finalizing the renovation works on the building, the delivery of which is expected to be at the end of 2022.

3. Successful commercialization and deliveries in the renovation program

In the first half of 2022, **15,565 sqm were let through the renovation program.**

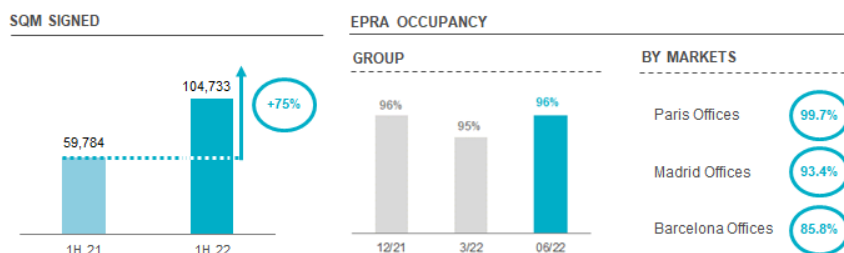
In Madrid, 9,699 sqm were signed on two assets from the renovation program. The **Ortega y Gasset** asset was repositioned in the Madrid CBD and **4,400 sqm were let, highlighting the almost 3,000 sqm signed with a top-tier technology company.** In the first half of 2022, **5,285 sqm were signed** on the Cedro building, reaching levels close to full occupancy, added to the 6,054 sqm signed in 2021.

In Paris, 4,567 sqm were signed on the Grenelle and Charles de Gaulle assets. As a result, the

renovation program in Paris reached pre-let levels of 31,633 sqm, representing 96% of the entire scope of action corresponding to 4 assets.

4. Solid occupancy levels

The occupancy of the Colonial Group stands at 96%. Of special mention is the Paris market with almost full occupancy at 99.7%.



A large percentage of office vacancy corresponds to available surfaces due to the entry into operation of the renovated assets.

5. Capturing rental prices at the high end of the market: polarization effect of the Grade A portfolio

In the first half of 2022, the Colonial Group signed contracts with rental prices at the high end of the market. The maximum rents signed in the portfolio of the Group reached €940/sqm/year in Paris, as well as €40/sqm/month in Madrid and €28/sqm/month in Barcelona. With these price levels, Colonial's portfolio clearly sets the benchmark for prime assets in each of the markets in which it operates.

Rental growth: Capturing rental prices above market rents on 31 December 2021

The Colonial Group closed the first half of 2022 with a growth of +5% in rental prices compared to the market rent (ERV) as of December 2021.

In the Paris and Madrid portfolios, the prices were signed at +6% above the market rent as of December 2021.

| Strong price increases | Maximum rent signed | Release Spread ¹ | | | Rental growth vs ERV ² | | |
|------------------------|---------------------|-----------------------------|------------|------------|-----------------------------------|---------------------------|------------|
| | | 1Q 2022 | 2Q 2022 | TOTAL | 1Q 2021 | 2Q 2021 | TOTAL |
| Paris | 940 €/sqm/year | +6% | +9% | +8% | +4% | +6% | +6% |
| Barcelona | 28 €/sqm/month | +21% | +6% | +8% | +3% | (2.5%)/+3.3% ³ | +0.1% |
| Madrid | 40 €/sqm/month | +9% | +3% | +9% | +4% | +7% | +6% |
| TOTAL OFFICES | | +9% | +6% | +8% | +4% | +6% | +5% |

Release spreads¹ of +8% on renovations

The release spreads (signed rental prices vs. previous rents) at the close of the first half were up +8%.

In Madrid, the release spread was +9%, and in Barcelona and Paris it was +8%.

These ratios highlight the reversionary potential of the contract portfolio of Colonial with significant improvement margins on current passing rents.

(1) Signed rents on renewals vs. previous rents

(2) Signed rents vs. market rents at 31/12/2021 (ERV 12/21)

(3) Excluding the renewal of a tenant in a building in 22@, with a market rent review, extending the maturity of the contract

Active management of the portfolio

1. Disposals of €59m with a double-digit premium over GAV

In the first half of 2022, the Colonial Group disposed of 3 non-strategic assets (2 assets in Madrid and 1 asset in Paris) for €59m with a double-digit premium over the last valuation. In Madrid, the disposals included the Josefa Valcárcel 24 and Alcalá 506 assets and in Paris the non-core asset Le Vaisseau.

Josefa Valcárcel, 24
MADRID – 5,652sqm



Alcalá, 506
MADRID – 6,259sqm



Le Vaisseau
PARIS – 6,332sqm



| | |
|----------------|------------|
| Total sqm | 18,243 sqm |
| Disposal Price | €59 m |
| Premium to GAV | +11% |

2. Final settlement of the purchase of the Amundi HQ in the centre of Paris - 15eme Arrond

By the end of April 2022, and earlier than expected, the Colonial Group formalized the purchase of the 91 Pasteur building of almost 40,000 sqm located in the centre of Paris (15th district), announced in February this year.

The purchase of the asset was closed at a price of €484m, equivalent to €12,250/sqm, 26% lower than the capital value for offices in this market segment.



A solid capital structure

At the close of the first half of 2022, the Colonial Group had a solid balance sheet with an LTV of 36.9%. and a liquidity of €2,557m.

84% of the Group's gross debt is made up of issues in the bond market, 100% green, with a fixed interest rate, protecting the financial position of the Company from potential interest rate hikes.

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 sqm of GLA and assets under management with a value of more than €12bn.



"The information included in this document should be read together with all of the public information available, particularly the Company's website www.inmocolonial.com"

For more information:

Roman

93 414 23 40

Xavier Ribó – x.ribo@romanrm.com

Víctor Palacio – v.palacio@romanrm.com