

***Colonial's Recurring Net Profit increases by +5%***  
**+11% Year-on-Year Growth in Revenues**

- Recurring Net Profit of €38m, +5% vs. the previous year
- Recurring Net profit from continued operations +14% vs the previous year
- Revenues of €90m, +11% vs the previous year
- Net Rental Income like for like growth of +11%, among the highest of the sector
- Group EBITDA of €65m, +13% vs the previous year
- Letting volume of 45,860 sqm, 27,000 sqm of which are new contracts
- Occupancy levels of 97%, which means an improvement of 115 bps in one quarter
- BBB+ rating confirmed by Standard & Poor's
- Liquidity of €2.5bn, with 100% of det debt at fixed cost with a 1.67% spot interest rate

### **1st Quarter Results 2023**

***Madrid, 15<sup>th</sup> May, 2023***

The Colonial Group closed the first quarter of 2023 with a Recurring Net Profit of €38m, +5% vs. the previous year and a +14% adjusted by the impact of asset disposals. The significant increase in the Recurring Net Profit is mainly due to the growth in rental income of the Colonial's Group asset portfolio. Thanks to its prime positioning, the Group is able to capture the indexation impacts, as well as a growth in rental prices on signed contracts. In addition, the successful project deliveries, as well as the acquisitions conducted, have enabled the Group to obtain significant additional revenues.

Juan José Bruguera, Chairman of Colonial, highlights that “the Company closed an excellent 2023 first quarter, with double digit growth rate in Revenues, +11% vs. last Year, and continues delivering profitability with an EBITDA growth of +13%”. According to Bruguera, “both parameters are above the average of Colonial's European peer group and European listed companies”.

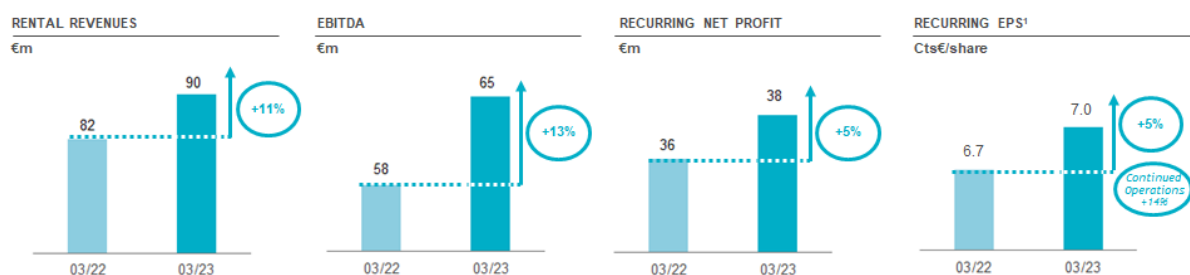
Pere Viñolas, CEO of the Company, has pointed out that “the results come from a strong letting activity, with which Colonial continues to: (i) set record levels of commercial activity; (ii) capture rents above the market average; and (iii) take Occupancy to a historical record of 97%”. Viñolas explains that “these figures show that prime, quality central assets with a high sustainability component, stand as those with the greatest capacity to generate value in the market.”

## Strong growth in the Recurring Net Profit

### 1. Recurring Earnings Per Share with +14% growth on continued operations<sup>2</sup>

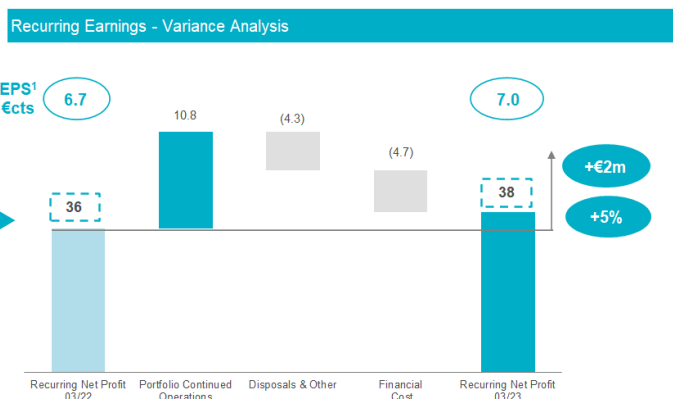
The Colonial Group closed the first quarter of 2023 with an increase in the recurring results driven by the double-digit growth in rental income.

- Rental revenues of €90m, +11% compared to the previous year
- Group EBITDA of €65m, +13% vs the previous year
- Recurring Net Profit of €38m, +5% vs. the previous year
- Recurring Net Profit per share of €7cts, +5% vs. the previous year
- Recurring Net Profit per share of continued operations<sup>2</sup>, +14% vs. the previous year



The efficient management of operating costs has resulted in an **EBITDA growth of +13% year-on-year**, which has led to an increase of +5% in the Net Recurring Result, reaching €38m at the close of the first quarter of 2023.

Results analysis - €m	1Q 2023	1Q 2022
Gross Rents	90	82
Recurring EBITDA	71	64
Recurring financial result	(23)	(18)
Income tax expense & others - recurring	(3)	(4)
Minority interests - recurring	(8)	(6)
<b>Recurring Earnings</b>	<b>38</b>	<b>36</b>
Change in fair value of assets & provisions	(0)	(0)
Non-recurring financial result & MTM	(1)	(0)
Income tax & others - non-recurring	(9)	(7)
Minority interests - non-recurring	0	0
<b>Profit attributable to the Group</b>	<b>28</b>	<b>28</b>



The execution of the disposal program for non-strategic assets have meant that the increase in the net results were lower. Excluding this impact of the active management of the portfolio, **the recurring net result of the continued operations<sup>2</sup> has grown +14% compared to the previous year.**

(1) Recurring Earnings Per Share

(2) Adjusted for the impact of asset disposals

## 2. Gross Rental Revenues and EBITDA rents with double-digit growth

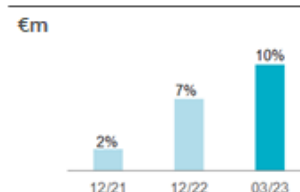
Colonial closed the first quarter of 2023 with **€90m of Gross Rental Income, and Net Rental Income of €77m.**

The Group's income growth is solid, in absolute terms at **+11%**, as well as in comparable terms, with an increase of **+10% like-for-like**, proving the strength of Colonial's prime positioning.

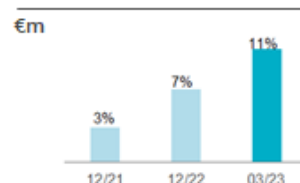
**EBITDA rents increased +12%, and net rents increased +11% in like-for-like terms.**

March cumulative - €m	2023	2022	Var	LFL
<b>Gross Rental Income Group</b>	<b>90</b>	<b>82</b>	<b>11%</b>	<b>10%</b>
<i>Gross Rental Income Paris</i>	<i>54</i>	<i>46</i>	<i>17%</i>	<i>10%</i>
<i>Gross Rental Income Madrid</i>	<i>25</i>	<i>24</i>	<i>8%</i>	<i>16%</i>
<i>Gross Rental Income Barcelona</i>	<i>11</i>	<i>12</i>	<i>(10%)</i>	<i>(0%)</i>
<b>Net Rental Income Group</b>	<b>77</b>	<b>68</b>	<b>12%</b>	<b>11%</b>
<i>Net Rental Income Paris</i>	<i>50</i>	<i>43</i>	<i>17%</i>	<i>9%</i>
<i>Net Rental Income Madrid</i>	<i>19</i>	<i>16</i>	<i>16%</i>	<i>26%</i>
<i>Net Rental Income Barcelona</i>	<i>8</i>	<i>9</i>	<i>(17%)</i>	<i>(6%)</i>

LFL – GROSS RENTAL INCOME



LFL – NET RENTAL INCOME



## Solid operating fundamentals in all segments

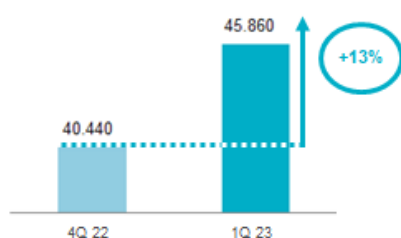
### 1. High take-up volume

The Colonial Group's operations have performed excellently with strong take-up volumes, maintaining levels close to full occupancy.

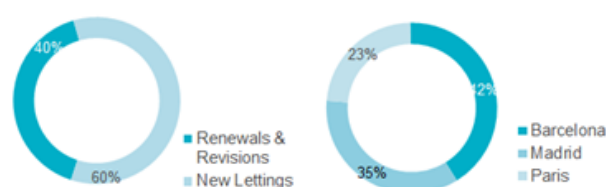
In the first quarter of 2023, the Colonial Group signed **25 office rental contracts, corresponding to 45,860 sqm**, a figure higher than that signed in the last quarter of the previous year.

The solid results are clear evidence of the polarization trend in the office markets, characterized by a demand that prioritizes top-quality Grade A products in the CBD.

SQM SIGNED



BREAKDOWN OF LETTING ACTIVITY

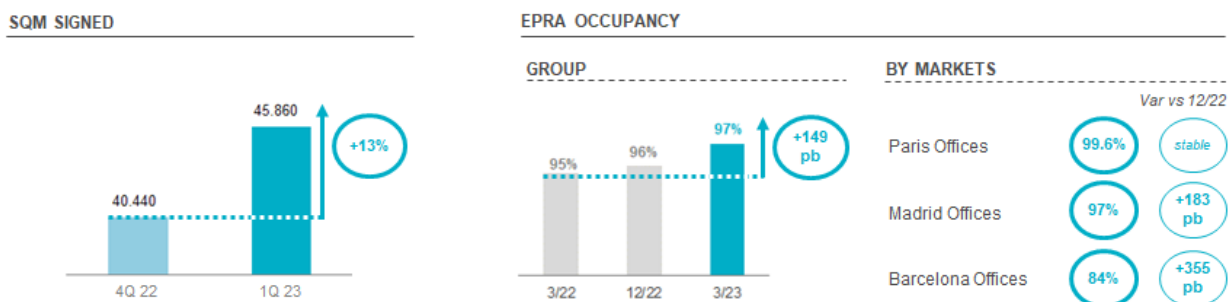


In economic terms (signed sqm multiplied by signed rents), **contracts were signed for an annualized rent amount of €17m.**

**60% of the total letting activity (27,294 sqm) corresponds to new contracts signed**, spread across the three markets in which the Group operates. Regarding contract renewals, a total of 18,566 sqm were signed, highlighting 9,829 sqm renewed in Madrid.

## 2. Solid occupancy levels

The **occupancy of the Colonial Group stands at 97%**. Of special mention is the Paris market with **almost full occupancy at 99.6%**.



A large part of the current office vacancy corresponds to the recently delivered renovation programs and the corresponding entries into operation, highlighting in Barcelona the Torre Marenostrum and Diagonal 530 assets.

## 3. Rental Increase – Polarization & Pricing Power

*Pricing Power – Capturing of the indexation in all contracts with an average growth of +6%*

The **Colonial Group's asset portfolio captures the impact of the indexation on rents**: The Colonial Group has applied in all the contracts the corresponding indexation of the rental price.

As a result of the indexation on the contract portfolio in the first quarter of 2023, the annualized passing rents of the corresponding contracts have increased by +6% (+6% in Spain and +6% in Paris).

*Pricing Power - Increase in rental renewals. Release spreads<sup>2</sup> of +6%*

**Rental increases in renewals: Colonial has increased the rents with current clients by +6% compared to the previous rents** (release spreads).

These increases highlight the reversionary potential of Colonial's contract portfolio with significant improvements margins in the current rents. The increases compared to the previous rents (release spreads) were significant in the three markets in which the Group operates. **Worth mentioning is the Paris portfolio with a release spread of +10%.**

*Pricing Power – Rental income growth<sup>1</sup>*

The **Colonial Group** closed the first quarter of 2023 with a **growth of +3% in signed office rents compared to the market rents** (ERV) as of December 2022. The greatest increases in rental prices were signed on the **Madrid portfolio with a +8% increase compared to the market rents of 31 December 2022.**

(1) Signed rents vs ERVs at 31/12/2022 (ERV 12/22)

(2) Signed rents on renewals vs previous rents

## Project Pipeline & active portfolio management

### 1. Project pipeline almost fully delivered and pre-let

The Colonial Group has a **project pipeline of 183,884 sqm across 8 assets**.

At the end of the first quarter of 2023, **the Plaza Europa 34 project was successfully delivered and fully let to the Puig Group**, with a 10-year contract of mandatory compliance. The asset will have the **LEED Gold** environmental certification, and it is considered a **Nearly Zero Emissions Building (NZEB)**.

#### 1. High degree of progress in delivery/entry into operation: 6 out of 8 projects delivered

- ✓ The Yield on Cost of the current portfolio is confirmed between 6% and 7%
- ✓ Only 2 projects are pending completion, Méndez Álvaro in Madrid and Louvre Saint Honoré in Paris, which are progressing according to the planned timetable, and with the delivery expected between the end of 2023 and the beginning of 2024.

#### 2. High degree of pre-letting in the portfolio: 7 out of 8 projects

- ✓ Out of the 8 projects in the project pipeline, 7 are already pre-let, with the exception of one floor in the Velázquez asset (2,298 sqm), currently in negotiations, and the Campus in Méndez Álvaro, the commercialization of which began at the end of 2022.
- ✓ The current pre-let volume is at €55m, corresponding to 67% of the total income from the project portfolio, amounting to €82m.

## Capital structure

**At the close of the first quarter of 2023, the Colonial Group has a solid balance sheet, with an LTV of 36.8%<sup>1</sup> and a liquidity of €2,473m<sup>2</sup>.**

Thanks to the disposal program carried out in the first quarter of 2023, the debt profile of the Colonial Group considerably improved compared to the close at December 2022:

- **The gross debt decreased by €336m and the liquidity increased up to €2,473m<sup>2</sup>.**
- **The LTV improvement by (189bps) to 36.8%<sup>1</sup>.**

The current high liquidity levels, between cash and undrawn credit lines, enable the Colonial Group to cover all its debt maturities until 2026.

At 31 March 2023, 100% of the Colonial Group's net debt was at a fixed or covered interest rate with a spot interest rate of 1.67%, 4 bps below the spot financial cost at the close of 2022.

The Colonial Group's exposure to the impact of interest rate hikes is considerably limited as a result of the financial instruments:

- 53% of the future issues of the Group's debt have interest rate pre-hedging instruments at a 0.64% strike rate.
- At 31 March 2023, the market value (Mark-to-Market) of the interest rate coverage contracted by the Colonial Group amounts to €251m.

The strong financial profile of the Group is reflected in its BBB+ credit rating by Standard & Poor's, the highest rating in the Spanish real estate sector.

1) LTV including the impact of the Hanovre disposal in April and formalized sale commitments.  
2) Cash and undrawn balances

---

## 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 1 million sqm of GLA and assets under management with a value of more than €13bn.



“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](http://www.inmocolonial.com)”

For more information:

Román

93 414 23 40

Xavier Ribó – [x.ribo@romanrm.com](mailto:x.ribo@romanrm.com) / Víctor Palacio – [v.palacio@romanrm.com](mailto:v.palacio@romanrm.com)