

Colonial increases its recurring net profit by 25%, reaching €47m in 1Q 2024

- Gross Rental Income of €96m, +6% driven by Paris up +18%
- Like-for-like increase in income of +6%, among the highest in the sector
- The EBITDA of the Group amounted to €72m, +10% vs. the previous year
- Solid occupancy levels of 97% (100% occupancy in Paris)
- Increase in rental prices on re-let surfaces of +12% (Paris market +22%)
- Progress on the disposal program with the sale of Sagasta 31-33
- Standard & Poor's confirmed the credit rating of BBB+ with stable outlook

Barcelona, May 13, 2024.-

Colonial closed the first quarter of 2024 with a recurring net profit of €47m, a 25% increase compared to the same period in 2023, and with a 10% EBITDA growth reaching €72m. Thanks to its prime positioning, the Group has increased its rental income by 6% year-on-year, surpassing the sector average growth rate, reaching €96m, while maintaining nearly full occupancy levels of 97%.

Juan José Brugera, President of Colonial, noted, "The company closes an excellent first quarter, with a 25% growth in recurring earnings per share and a consolidated net profit of €54m, nearly doubling the result of the previous year."

"Our commitment to the best assets in the market has allowed us to sign contracts with significant rent increases, resulting in a like-for-like rental income growth of +6%, one of the highest in the sector," explained Pere Viñolas, CEO of Colonial.

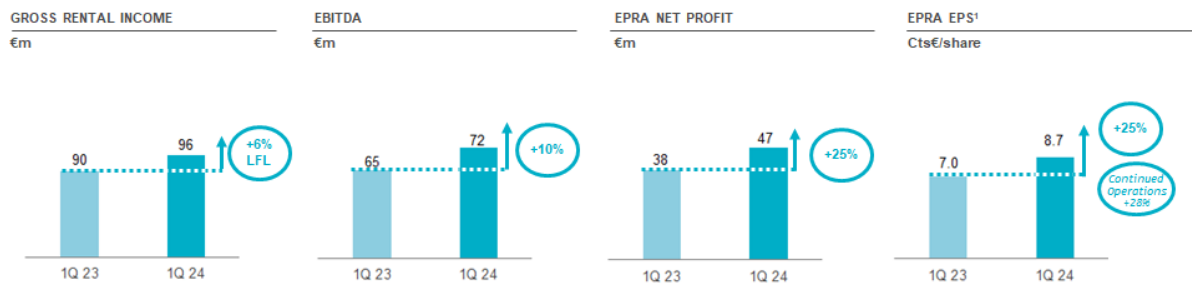
"In terms of active balance sheet management and capital recycling, the company closed the sale of another asset in Madrid in April at a significant premium above valuation. To date, we have reached the amount of €201m, and S&P has confirmed our BBB+ rating with a stable outlook," added Pere Viñolas.

The Group starts 2024 with a net profit of €54m, an increase of +96%

1. Increase of +25% in EPRA net profit driven by higher revenues

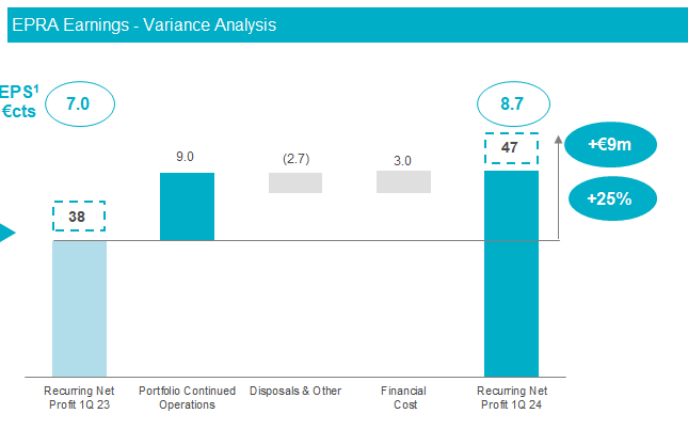
El Grupo Colonial ha cerrado el primer trimestre del ejercicio 2024 con un incremento de los resultados recurrentes impulsados por el elevado crecimiento de ingresos.

- EPRA Net Profit of €47m, +25% vs. the previous year
- EPRA EPS of €8.7cts, +25% vs. the previous year
- EPRA EPS on continued operations², +28% vs. the previous year



The EPRA Results increased based on growth in rental income, which was achieved mainly due to two factors: 1) a **solid like-for-like growth in rents** in all segments thanks to the prime positioning of the portfolio that **contributed €5m**, and 2) **the successful delivery of projects and renovations that contributed with €6m**: worth highlighting is the Louvre Saint-Honoré asset rented to Cartier, as well as the new Adidas flagship store in Galeries des Champs-Élysées.

Profit & Loss Account - €m	1Q 2024	1Q 2023
Gross Rents	95.8	90.3
Recurring EBITDA	76.8	71.3
Recurring financial result	(20.1)	(23.1)
Income tax expense & others - recurring	(0.5)	(2.7)
Minority interests - recurring	(9.1)	(7.6)
EPRA Earnings	47.1	37.8
Change in fair value of assets & provisions	(0.0)	(0.3)
Non-recurring financial result & MTM	0.0	(0.9)
Income tax & others - non-recurring	7.1	(8.9)
Minority interests - non-recurring	0.2	0.1
Result attributable to the Group	54.5	27.8



These increases in rental revenues have compensated for the impact of the loss in rents from the disposals carried out in 2023 and 2024. The execution of the disposal program has meant that the increase in the net results was lower. Excluding the impact of the active management of the portfolio, **the EPRA EPS of the continued operations² grew +28% compared to the previous year.**

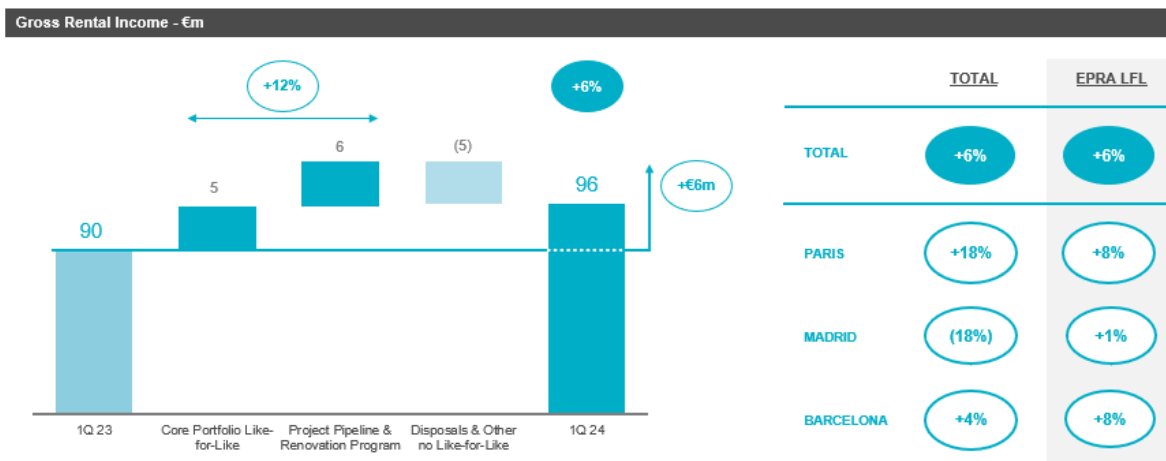
(1) EPRA Earnings Per Share
 (2) Adjusted for the impact of asset disposals

2. Gross Rental Income and Net Rental Income with strong growth

Revenue Growth: Polarization & Pan-European Prime Positioning

The **+€6m increase in revenues** is based on a business model with:

- (1) A clear focus on the **best prime product offered in the city center**, and
- (2) The **proven capability to generate profit through urban transformation projects**. Highlighted is the income contribution from the **Louvre Saint Honoré in Paris and the Adidas flagship store in Champs Elysees**.



Revenue Growth: Polarization & Pan-European Prime Positioning

Colonial closed the first quarter of 2024 with **€96m of Gross Rental Income**, and **Net Rental Income of €86m**.

The Group’s revenue growth is solid, in absolute terms as well as in like-for-like terms, with an increase of **+6%** compared to the previous year, demonstrating the strength of Colonial’s prime positioning.

March cumulative - €m	2024	2023	Var	LFL
Gross Rental Income Group	96	90	6%	6%
Gross Rental Income Paris	64	54	18%	8%
Gross Rental Income Madrid	21	25	(18%)	1%
Gross Rental Income Barcelona	11	11	4%	8%
Net Rental Income Group	86	77	12%	7%
Net Rental Income Paris	60	50	20%	7%
Net Rental Income Madrid	17	19	(9%)	6%
Net Rental Income Barcelona	8	8	9%	15%

The increase in revenues is among the highest in the sector and is a clear reflection of the market polarization towards the best office product.

Particularly worth highlighting is the Paris portfolio with an increase in income of **+18%**.

Solid operating fundamentals in all segments

1. Significant rental price increases in the contracts signed in 2024

Colonial commenced the year with **solid letting activity, capturing significant rental price increases in the contracts signed.**

In particular, contracts³ were signed for more than 20,000 sqm corresponding to €13m in annualized rents, of which 59% correspond to the Paris market and 41% correspond to Madrid and Barcelona.

The release spread on re-let surfaces stood at +12%. The rents signed were exceeded by +6% the market rents at 31/12/2023, clearly evidencing the pricing power of Colonial's prime properties.

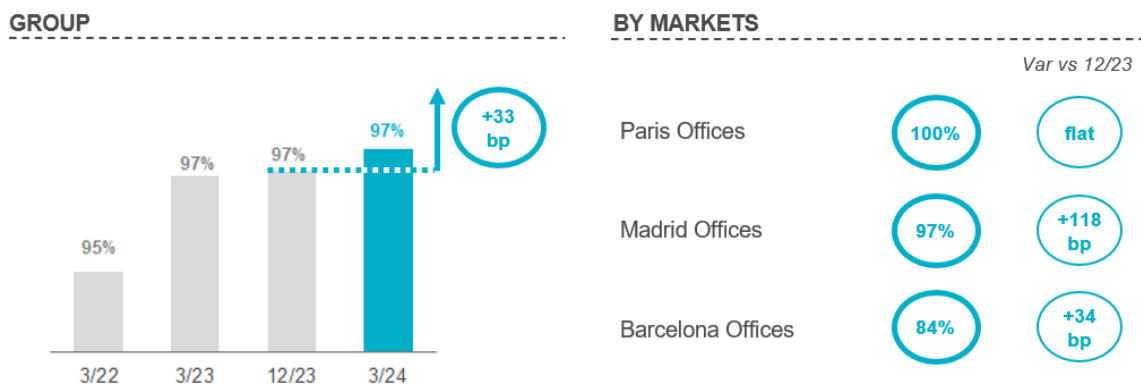
Of special mention is the **Paris market with a release spread of +22% and an increase of +9% compared to the market rent.** It is worth mentioning that a large transaction was signed with a release spread of +30% and an increase of +15% compared to the market rent. In the **asset portfolio in Spain, the Barcelona portfolio captured a growth of +7% compared to the ERV.** In Madrid, the increase was up +3% compared to the ERV.

The signed rents are at maximum rental prices, clearly setting the benchmark for prime product. In **Paris,** two large transactions were registered with **rents above €1,000/sqm/year.** The **maximum rents** signed in Spain stood at **€40/sqm/month for Madrid** and **€28/sqm/month for Barcelona.**

2. Solid occupancy levels

The **occupancy of the Colonial Group stands at 97%,** reaching **one of the highest ratios in the sector.** Of special mention is **the Paris portfolio with full occupancy at 100%,** followed by the **Madrid portfolio at 97%.**

EPRA OFFICES OCCUPANCY



It is worth highlighting that the current vacancy in the Barcelona portfolio is concentrated in the entries into operation of the renovation programs of Torre Marenostrom and Illacuna, as well as the client rotation in a secondary asset located in Sant Cugat. **Excluding these three assets, the occupancy of the rest of the Barcelona portfolio is at 98%.**

Active management of the portfolio and capital structure

1. Disposal Program

After the close of the first quarter of 2024, the Colonial Group has closed an agreement to sell the asset Sagasta 31-33 at a price above the last appraisal.



This disposal means a strong progress on the new disposal program announced by the Group at the end of 2023, which included two disposals carried out in Madrid corresponding to the residential part of the Méndez Álvaro Campus (“Madnum” Residencial – binding agreement pending execution) and three floors of a building in Paseo de Recoletos, of which 2 floors were settled in 4Q 2023 and the third in 1Q 2024

2. Capital Structure

At the close of the first quarter of 2024, the Colonial Group had a solid balance sheet, with an LTV of 39.1%¹ and a liquidity of €2,944m.

The liquidity of the Colonial Group at the close of the first quarter amounted to €2,944m between cash and undrawn credit lines, enabling the Colonial Group to cover all its debt maturities until 2027.

In relation to the **financing cost, the spot interest rate at the close of the first quarter of 2024 remained at 1.74%** (1.75% at the close of 2023) thanks to the Group’s interest rate risk management policy.

At the close of the first quarter of 2024, 100% of the Colonial Group’s net debt was at a fixed and/or hedged interest rate, and the fair value of the derived financial instruments, registered in net equity, was positive at €228m.

Colonial successfully carried out two bond issuances with execution dates in November 2023 and April 2024, for an additional €200m on its bond maturing in November 2029, which, thanks to the Group’s pre-hedging strategy, has enabled Colonial to **fix an average effective interest rate of 1.9%²**.

As proof of Colonial’s financial stability, in April 2024, Standard & Poor’s confirmed Colonial and SFL’s BBB+ rating during its annual review.

(1) LTV including the binding sales agreements pending signature in 1Q24, and the sales agreement for Méndez Álvaro residential (excluding the 2024 sales agreements, the LTV stood at 39.9%)

(2) Excluding the pre-hedging impact of the Group, the average interest rate is 4.2%.

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 €11bn.



“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”

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