# COLONIAL - 1Q 2025 RESULTS PRESENTATION

### [00:00:00.370] - Pere Viñolas

Thank you. Good afternoon. This is Pere Viñolas speaking together with Carmina Ganyet, Chief Corporate Officer, and Carlos Krohmer, Chief Corporate Development Officer. It is a pleasure for us to share with you our results for the first quarter of this year. Before we get into the actual numbers that we would like to share with you, first, a comment on the framework for these numbers, a reference to our strategic positioning, which is the basis for Colonial to deliver earnings and value growth.

### [00:00:37.860] - Pere Viñolas

As you may know, Colonial strategy is based on prime asset class, which delivers strong rental growth. This is delivering prising power as we have been proving in recent years. This is attracting the best clients, which is the way to capture above-average rental growth. And as a consequence of this, this is about strong earnings growth. That's why we've been able to deliver superior double-digit EPS growth in the last 3 years, 15% CAGR. This is why today, we can announce that we are again showing this client earning growth, 16% EPRA of this year compared to the earnings of last year.

### [00:01:34.360] - Pere Viñolas

At the second angle, it's remembering that Colonial is also about a platform that allows for urban adaptation to urban transformation, adapt our buildings to the needs of the cities, adapt buildings to the needs of top clients. I always like to remember that everything Colonial owns, it's super quality, but a vast majority of this has been the result of our transformation efforts. Almost 80% of what we own is in subject to Alpha intervention. So these two drivers, our prime positioning and our platform skills, are, I think, the framework to explain our results that I share with you immediately.

### [00:02:35.140] - Pere Viñolas

Page 5, the main KPIs about the results for the first quarter of this year. We have finished our first quarter with a gross rental income of 97 million. That is a 4% growth like-for-like, 5% like-for-like if we talk about net rental income, which is now 89 million for the first quarter. Release spread for the group, 11%. It is relevant to emphasise the case of Paris, 20% release spread, very strong, and maybe it's a good thing to highlight this in the current market environment.

**[00:03:27.590] - Pere Viñolas**

Rental growth, again, very strong, 7% rental growth, measured as signed rents versus December '24 ERV, maybe highlighting, again, the case of Madrid, 9% rental growth in the case of Madrid. Finally, as I was saying, EPRA earnings jumping 16% to 55 million.

**[00:03:59.810] - Pere Viñolas**

Having said that, if we go to the EPS reference, this is almost 9 cents. That is basically flat compared to last year, but basically on track with the guidance that we've been providing to the market. This is in line with our expectations in order to achieve this EPS that we expect by the end of the year.

**[00:04:26.480] - Pere Viñolas**

On page 6, highlighting the performance for the different markets we are in, you can see here that it's quite robust across the board. Paris, 7% rental growth in three months with a net rental income like-for-like, 4%. Madrid, rental growth of 9%, with a net rental income growth like-for-like of 7%. Barcelona, rental growth, 6% with a net rental income like-for-like of 2%. This slide, by the way, shows our locations and our occupancies. As usual, the map speaks for itself. Well this is the introduction. I will come back at the end of the presentation with some additional comments. Now, let's jump into the details. Next section is about financial performance. Carmina, when you wish. Thank you.

**[00:05:32.760] - Carmina Ganyet**

Thank you, Pere. I will go in more details into the numbers. In page 8, you can see the gross rental income growing basically on the back of the core portfolio and the project delivers. A 4% like-for-like of portfolio, thanks to the yearly growth across the market in new lettings, and the case, as Pere mentioned, the outstanding release spread, especially in Paris. Additionally, four million, 4% thanks to the project that we have been delivering, especially Madnum and the criteria portfolio entering into our portfolio, into our operational, since July 2024. So compared to the previous quarter , from the quarter last year, this is a delta from this quarter in 2025. This both positive impact has been offsetting the negative impact of 5 million due to the fact of Condorcet entering into the project pipeline, and Haussmann that is going to be delivered during 2025, second half of 2025.

**[00:06:44.760] - Carmina Ganyet**

If we go into the net rental income, next page, you can see here the details of the positive trend of the positive like-for-like growth across the markets, and especially in the net rental income, increasing efficiency. We work every day to increase efficiency in our portfolio across all our contracts. Basically, this active management in efficiency, you can see in numbers, 5% net rental income, and in the three markets where we are operating, all of them with a positive like-for-like growth in net rental income.

**[00:07:22.960] - Carmina Ganyet**

By concepts, in the right-hand side of the page, you can see the net rental income by concept, how it's growing. Concept by concept, first 2.4% due to the indexation. All our contracts are linked to the CPI or to the ILAT in France, so it adds a positive 2.4% in the growth. Additional 2.3%, this is a demonstration of pricing power across the market and a slightly positive impact from occupancy, as you will see later on.

**[00:08:01.370] - Carmina Ganyet**

In next page, in page 10, this strong operational performance gives us a strong recurring profit growth, 16%. As we explained before, so four million score portfolio, very positive rental growth in the new leases, very positive release spread, especially in Paris, and of course, inflation across the contracts. Additional to millions, thanks to the Madnum and criteria portfolio entering in the income-producing assets. On top, you can see here 4 million in the overheads and other income. This means basically savings in overhead, some economics in overheads, and on top, CAPEX reimbursement to our tenants, especially when the contracts mature, we are able in some contracts to reimburse and to get the CAPEX back into these contracts.

**[00:09:09.940] - Carmina Ganyet**

A very important impact, a positive impact of five million on financial cost. Basically, an important reduction compared to the previous quarter, €500 million debt has been reduced. That means that additional income from cash remuneration and on top, additional active liability management in the capital structure. All this positive important impacts has been overcompensated, the seven million less results or less income from Condorcet, now in the project pipeline, and Haussmann is still in the project pipeline that will come into operation during this year at the second half of the year.

**[00:10:04.110] - Carmina Ganyet**

Basically, EPRA earnings increasing double-digit, 16%. EPRA EPS remaining flat, but importantly, considering the new shares outstanding after the capital increase executed in last year. So we are confident to maintain the guidance that has been on track thanks to these outstanding results.

**[00:10:28.310] - Carmina Ganyet**

In the capital structure, on the next page, both investors and the rating agency confirm the robust capital structure. We have shared with you in the previous communication the successful green bond issuance of €500 million. But recently, we have confirmed by S&P, the BBB+ with a stable outlook as a rating, basically confirming the strong performance, the cash flow resilience, and the strong liquidity position, and the limited interest rate volatility for the coming years.

**[00:11:08.500] - Carmina Ganyet**

This, mainly, you could see in the following page, in page 12, the debt at the end of the quarter, it's 4.4 billion. But when we compare this debt with the previous quarter, in the beginning of the first quarter of 2024, the debt has been reduced 500 million. In the liquidity, we are, as you know, always in the safe position. We have three million liquidity between cash and credit facilities, which covers more than 1.3 times the debt maturities for the following 3 years. As you know, thanks to the pre-hedge that we have in place and all the debt being 100% hedge or pre-hedge, we can maintain this very interesting cost of debt, 1.7%, and our estimation for the forecast for the following years would remain in a very interesting level between 2–2.5%. Carlos?

**[00:12:19.490] - Carlos Krohmer**

So let's step into the operational section. I will start on page 14. You see how the letting performance has been on the first quarter. We've signed more than 30,000 square meters of a significant acceleration in letting activity on a year-on-year comparison, 61% more. These 32,000 are equally split in renewals, 17,000 square meters, and letting up of new available space, 15,000 square meters, and annualised rents of 13 million.

**[00:13:03.320] - Carlos Krohmer**

Interesting particular case study is to look at the Paris market. In Paris, the rent we have signed is 6.4 million in annual terms, and this corresponds to 6,400 square meters, so 6.4 million divided by 6,400, we are signing an average rent of €1,000 per square meter for the total portfolio of Paris.

It's a clear reference, a clear view of the prime nature of our portfolio. You see here examples of specific contracts that we have signed here on the right-hand side. What you can see, we are capturing really the top rent in the market, that highest rent, and we are really setting the benchmark, and we are delivering extremely strong rental growth.

**[00:13:51.660] - Carlos Krohmer**

With this, I go to the next page. Here on the next page, you can see the rental growth. So just in 3 months, that's an important element to take into account, the rents we have signed on all of these 32,000 square meters are 7% higher than the market rent that the ERV of our appraisals as of December. So just in 3 months, 7% more. We want to put this into another comparison, another reference.

**[00:14:24.070] - Carlos Krohmer**

When we look throughout our contract portfolio, how all of the contracts with an indexation window have been updated in terms of indexation, we have 3.4% applicable indexation in the first quarters of the year. So our high-quality product is delivering as we always were stating, a significant premium in rental growth, vis-à-vis the standard indexation. As you can see, 7% ERV growth, that's 3.4% indexation applicable to our portfolio, so close to 400 basis points of growth premium because of being in the prime end of the market with our assets. So we are really benefiting from a further polarisation trend in demand and from an office supply that is shrinking in all of the markets and strong underlying fundamentals.

**[00:15:21.340] - Carlos Krohmer**

This also is reflected in release spread, double-digit, 11%, driven in particular by Paris, one of the strongest markets in rental growth, and all of these KPIs are well at the top of the sector. There are not so many companies that can show these levels of rental growth.

**[00:15:41.500] - Carlos Krohmer**

This also has to do with a very strong occupancy profile of our company, of our portfolio. We're at 95% as of today. What is important to take into account, this 95% when we compare it with previous years, is that 2% of this is surfaces that have been delivered recently of top quality spaces that have to be let up.

**[00:16:11.090] - Carlos Krohmer**

So in comparable terms, in terms of like-for-like occupancy, we are remaining at levels of 2023, 97%, so we have a structural vacancy of 3%. When we go into the details of this, you see that in the prime end, this is almost testimonial, 0.3% prime Paris, 0.7% prime Madrid and Barcelona. Then we have the remaining of the 3% is 1%, the 22@ in Barcelona, where we are now getting more momentum. We are currently negotiating contracts that will bring down this 1% to 0.7%, and then the remaining 0.9% is a residual part of secondary spaces that we have that is really an absolutely tiny part of this type of locations that we have in our portfolio. So very strong occupancy year-on-year, and again, in the first quarter.

**[00:17:13.920] - Carlos Krohmer**

If we go a little bit more into the operations of the upcoming new spaces and the different markets in the project that we delivered recently, it has the potential to give us an additional annual rental volume of 20 million. We are today already at a level above 20,000 square meters of contracts signed or in a final phase to be signed shortly, so strongly committed. And we are signing these spaces with a 7% higher rent than our initial underwriting, that is behind the 8% yield on cost of this project.

**[00:18:00.100] - Carlos Krohmer**

As you know, we have then also the renovation program, Carmina mentioned it, Haussmann St-Augustin, it's going to be delivered towards the end of the year, during the second half of the year. As of today, we have already signed 2,000 square meters with a top-notch rent above €1,000 per square meter, so already two million secured out of the total potential of this asset.

**[00:18:30.100] - Carlos Krohmer**

And then another element is interesting. The 22@ is gaining momentum in top assets. We have assets with high-quality features in very good micro-locations. We have signed close to 8,000 square meters in Illacuna with a tech company, and we are about to sign a lot of square meters with a digital company that is already our tenant, but there was a rental renewal window. They're not just signing and signing at a higher price, they are moreover increasing the space by more than 20%. There you can see the 22@ is a market that still has to recover a little bit. The good product is already showing a strong momentum. So we are really having an accelerating activity in all of our products.

**[00:19:24.950] - Pere Viñolas**

Thank you. Let me start with the last section. The summary of what we have seen in the presentation is a good first quarter. In the end, good letting activity, good increase compared to last year, nice news in Barcelona, in particular, good occupancy, good rental growth, very strong rental growth, and a nice performance on the financial side. Rating confirmed, very low cost of debt for long term. So everything means in the end, very strong profile in terms of cash flow growth.

**[00:20:12.790] - Pere Viñolas**

As I said at the beginning, I think this is based in the end on the strategic positioning of Colonial in its prime asset positioning, in the fact that we are a platform for urban transformation. In the end, we are sitting on several layers that allow for earning growth. And what we are today presenting is 55 millions of earnings. This, in the end, is showing a 15% CAGR for the last 3 years. This is looking backwards.

**[00:20:51.170] - Pere Viñolas**

Looking forward, I think that it's important to see what is lying ahead. In the end, today, Colonial is sitting on close to 200,000 square meters in urban transformation initiatives with €100 million of potential rental income, out of which 64 have to do with a new Alpha X pipeline. If we consider the potential that this means in terms of EPS, that means that in the midterm, from 2025 to date, 2028, we see the potential for an additional EPRA EPS of more than 11 cents. That is a 33% growth on 2024 EPRA EPS.

**[00:21:54.550] - Pere Viñolas**

All of these projects, by the way, go as expected. This is the first obvious layer of additional EPS growth for the near future. On top of that, as you know, as a third layer in the field of urban transformation in the field of additional value-added initiatives that we may consider, we've announced recently a 200 million investment to create the European leading operator in the science and innovation. Just a reminder of what we announced just a few days ago.

**[00:22:39.090] - Pere Viñolas**

We are the main investor in an existing portfolio of close to €400 million, with expectation of a stabilised yield on cost between 6% and 7%. But this is, most of all, about an additional build-up strategy that would allow for a short-term pipeline with attractive value-add returns that would mean €700 million of asset under management with a stabilised yield on cost of 7%-8%, and a long-term ambition to accelerate this to third-party capital.

**[00:23:25.270] - Pere Viñolas**

Here, Colonial trying to invest, number 1, in the strategy of a slightly different asset class, number 2, in an asset class with a different kind of returns, but number 3, also putting at stake our value as a platform through a role of a co-asset manager with the returns attached to this, and all three layers together, meaning an expectation of Geared IRR of around 15%. That's an example of a third layer of drivers for future EPS earning growth, which started last year already with the Alpha X project.

**[00:24:21.380] - Pere Viñolas**

Maybe a comment here, again, as we did when we were presenting this initiative. This initiative is not to revisit the strategy of Colonial. Is it about confirming our strategic view of Colonial, which is Colonial is expected to be a company with a core pricing power element at the heart of its strategy? As I said in previous meetings, we believe a lot in the potential of our basic positioning. This is proven in recent years and more to come, as we have shown. But we also believe in the value-add component through urban transformation of our platform. Traditionally, we've devoted around 10% of our assets on the management to this. These initiatives of Deeplabs fall within this category. Therefore, there is no lack of consistency. It's the other way around. It's super consistent, this last investment with our long-term view of Colonial.

**[00:25:38.750] - Pere Viñolas**

All in all, page 23, a vision of our company with a very strong EPS growth profile with double-digit IRRs expected for the next few years. As we have seen, existing urban transformation projects on the way with an expected impact of 11 cents midterm, and then now adding this additional layer of science and innovation platform with third-party capital that could be adding 2-3 additional cents of EPS in the midterm.

**[00:26:22.420] - Pere Viñolas**

Not to forget the prime asset reversion, superior cash flow growth that could have a GRI impact of €47 million, and obviously with the additional potential that may fall from opportunistic capital recycling in addition to all of these layers.

**[00:26:44.230] - Pere Viñolas**

In the end, what we share today with you is a good set of results for the first quarter. The EPRA earnings growth, 16% year-on-year growth. Our EPRA EPS, a full year guidance on track. Good fundamentals in terms of net rental income, 5% like-for-like growth. Good fundamentals in terms of rental growth, more than pricing power, and further growth secured through project deliveries. That's been the reality of this quarter.

**[00:27:21.440] - Pere Viñolas**

Again, I just highlighted with a strong growth profile for coming years, more than 150 million of future rents through the new pipeline and reversions, the Enhanced Urban Transformation Growth strategy through the science and innovation and third-party capital component, and the opportunistic capital location that should benefit from European Real Estate Cycle Recovery.

**[00:27:47.430] - Pere Viñolas**

All in all, good EPS CAGR expected for the next years. Confirmation of our guidance for 2025, it remains in the range of 32-35. Let's not forget about the dividend of 30 cents per share with an 11% year-on-year growth to be delivered shortly. This has been the presentation of our results. Thank you very much for your attention. Now, as usual, we will gladly answer any questions you may have. Thank you.

**[00:28:26.060] - Moderator**

Ladies and gentlemen, the Q&A session starts now. If you wish to ask a question, please press *5 on your telephone keypad. Thank you. The first question comes from Jonathan Kownator from Goldman Sachs. Please go ahead.

**[00:28:48.240] - Jonathan Kownator**

Good evening. Thank you for taking my questions. I have a few, if I may. First, on slide 10 on your earnings page, you have a positive impact both on SG&A and financial costs and others. Two questions there. First of all, I think, Carmina, you mentioned some CAPEX expense to tenants. I assume these are… Are these lease break incentives, and how much was that? Is it an indemnity for a departure, and how much was the amount? Also, there was a positive tax contribution instead of negative. I was just wondering what that was. That's the first question, please.

**[00:29:36.640] - Carmina Ganyet**

Thank you, Jonathan, for the question. On the CAPEX reimbursement, mainly when a tenant is leaving under the agreement we have in our contract, all the let's say, floor plans needs to be delivered with the same condition as they were when they signed the contract. This means in this case, I think it's €3 million, basically, coming from especially Condorcet, which is Gaz de France. When they deliver the space and the building, before we start the project and all the analysis on the project, it's a negotiation about the CAPEX reimbursement and the commitment from this site to reimburse this CAPEX to the company, to the vendor. This is a normal practice in our business. In this case, especially because of the size of the building, it's more material. And on the income, you mean in the tax, sorry?

**[00:30:48.520] - Jonathan Kownator**

Yeah, there's the line tax and others, and I think the contribution is plus 2 million in your P&L.

**[00:30:56.400] - Carmina Ganyet**

Yes, this is a reversion of a provision of the income that was estimated in 2024 that has been a different amount after being checked by the tax administration, and this is the impact you have in the P&L in 2025.

**[00:31:19.640] - Jonathan Kownator**

Okay, so provision, reversion on… Okay. Thanks

**[00:31:20.570] - Carmina Ganyet**

The timing, correct. It's not ordinary, yes.

**[00:31:23.830] - Jonathan Kownator**

Yeah. Second question. Just wanted to come back on your new investment in science and innovation. Two questions here. First of all, you're obviously investing 200 million for 0.4 million of assets. Just wanted to understand if that's going to flow as a consolidated investment into your P&L or if that's going to be separate, given also that the LTV is higher than your existing portfolio. Second, I just wanted to understand, you talk about stabilised yield of 7%-8%, I think, which is quite attractive, obviously. But just wanted to understand what's the current yield when you buy the assets and what's the path to get to that stabilised yield, please.

**[00:32:10.350] - Carmina Ganyet**

Okay. Jonathan, in the first question, this is a vehicle with third money capital, or third capital, sorry. So the way that has been structured and will be structured will be accounted in our books into equity methods. We are going to be diluted with this capital money. This is a co-GP, a co-control. This means in the accounting perspective, you need to consider it as an equity method. The debt is not consolidated in our books, but it will be impacted through equity methods. Every year, you will see the impact on the revaluation of the NPA in this investment in our balance sheet.

**[00:33:06.460] - Carmina Ganyet**

The yield on cost, yes, when it's stabilised, you need to forecast the stabilised yields in its 400 million assets in the science and innovation today, not in the pipeline, but the seed portfolio today, it's €400 million, and the stabilised yield, because of some repositioning asset, some releases spread that we had in place. You need to consider 6%, 7% yield on cost on €400 million. This is the forecast and our estimation and the numbers that we are seeing in 1 year and a half.

**[00:33:49.580] - Jonathan Kownator**

That's going to come in 1, 1.5 years? Okay, very clear. What's the current yield? Is there a yield currently or do you have to, I don't know… What's the precise situation? Are the buildings empty, and you need to do CAPEX, and then you're going to relet them? Is that what we need to understand?

**[00:34:08.390] - Carmina Ganyet**

No today, it's more than 80% occupancy rate, but there are some spaces that they split. They are 20%, 20 something percent of the total surface are lots attached to the corporates that are inside as a tenant inside of this portfolio. Mainly, there are some additional minor CAPEX, €20 million, which has been reduced to the price to complete this space and to release the rents attached to this space.

**[00:34:48.070] - Jonathan Kownator**

Okay. The in-place yield would be what? 5%, 6%, 5%, maybe, or is it lower than that?

**[00:34:54.980] - Carmina Ganyet**

Sorry, today?

**[00:34:56.640] - Jonathan Kownator**

Yes.

**[00:34:57.170] - Carmina Ganyet**

Yeah, in line of 5%.

**[00:35:00.100] - Jonathan Kownator**

Okay. Thank you.

**[00:35:02.440] - Carmina Ganyet**

Thank you.

**[00:35:03.580] - Moderator**

The next question comes from Florent Laroche-Joubert from ODDO BHF. Please, sir, go ahead.

**[00:35:17.430] - Florent Laroche-Joubert**

Yes. Good evening. Thank you for the presentation. I would have maybe three questions. My first question would be on the 2% of vacancy that comes from project that has been delivered recently. Will it be possible to have more colours on how many times you need maybe to let these buildings? I don't know if you have any current discussions in the other side. Do we need to take into account any departure in the short term? This is my first question.

**[00:35:57.410] - Florent Laroche-Joubert**

My second question. Coming back to the rental growth in Madrid of plus 9%, but we see that we have a flat reversion. Would it be possible maybe to have an update on your reversion potential in Madrid and Barcelona? My third question, it would be on the appetite on the investment market today in Paris and Spain. What do you think about that? Since maybe the events with US Paris, and so maybe any colours at this stage on the valuation of the asset at mid-year. That would be very useful. Thank you.

**[00:36:39.380] - Pere Viñolas**

Yes. Sorry. On the first question, exactly which asset you were referring to about that vacancy?

**[00:36:46.510] - Florent Laroche-Joubert**

The asset that you delivered recently. You have Madnum.

**[00:36:51.760] - Pere Viñolas**

Okay. Carlos, can you cover maybe these questions?

**[00:36:58.160] - Carlos Krohmer**

Yeah. On the current delivered projects, as I explained, we are progressing quite strongly on Méndez Álvaro. On the other two assets… On the other asset, especially Diagonal 197, we are seeing a lot of market interest, but as you know, we are prudent in guiding. Until we have something more strong or more closer to a signing, we are not really giving specific guidance on it. But what I can tell you, and I think I explained it with the other examples of the 22@, with the technology building, that we are seeing a pickup in momentum in the 22@, especially for top-notch buildings.

**[00:37:54.170] - Carlos Krohmer**

Diagonal 197 is in the best micro-location of the 22@. It's a renovation program. This has been fully repositioned just recently. We are positive on it, so we're going to have a good performance. We're working on it. But today, we have a lot of interest, but not something that we could give a specific guidance. But we will come soon with very good news.

**[00:38:22.070] - Carlos Krohmer**

On the release spread and the ERV Growth, maybe technical thing, you cannot fully compare the two figures in terms of that it's not totally the same universe. The ERV applies to all of the contract sign, to 32,000 square meters. The release spread, you can only apply to the things where there is a tenant, where the market rental review, so to the renewables.

**[00:38:50.070] - Carlos Krohmer**

As you have seen, the renewals is approximately half of it, and then it depends a little bit on the mix. In this first quarter, close to 90% of the renewals corresponds to an asset in the 22@, but at the moment, is still a market that needs a little bit stronger momentum, and another one corresponds to an asset in Campo Las Naciones. We are not talking about an asset in the pure

Castellana. This is why in that location that are not as similar, strong as the Castellana, we have had a flat release rate.

**[00:39:29.770] - Carlos Krohmer**

When we then look at the broader picture and the total 32,000 square meters and the prices of everything, we have had, especially on the new lettings, a lot of assets that are really in the pure CBD, and therefore, you see this strong rental growth.

**[00:39:51.200] - Carlos Krohmer**

To give a conclusion, going forward, Spain, as you know, picked up in the past very quickly, indexation. From a general point of view, the markets are more or less at the ERV level. Going forward, for the prime, we should see progressively ERV spreads that are similar to release spreads that are similar to the ERV.

**[00:40:21.290] - Carlos Krohmer**

In France, contracts are more longer-term. You are coming when you are doing a renewal from moments later in the past. There is, for this reason, a higher release rate. Then, the market is today the strongest market in Europe in terms of performance. This also explains basically, you see it also in the year, of course.

**[00:40:57.670] - Moderator**

We have another question, and it comes from Alex Kolsteren from Van Lanschot Kempen. Please, sir, go ahead.

**[00:41:08.120] - Alex Kolsteren**

Hi, good evening, team. Thank you for your presentation. Two questions at this point from my side. One, we've discussed the netting numbers. I was wondering if in this leasing, the incentives have moved, so if they remain stable or gone up or down. Secondly, after the reporting period, so April more or less, obviously a tariff escalation, do you see a slowdown in tenant decisions already?

**[00:41:37.950] - Carlos Krohmer**

On the release spreads, as you may know, in Spain, especially the CBD, plays a minor role, so it's irrelevant, and they remain tight and stable. In Paris, our product has the lowest level of incentives. Typically, in the CBD, you can see levels of incentives between 14 and 16%, we are at levels of 12%, so extremely low levels. We are beating the market in terms of rental performance on every floor of the rental price revenue stage on the top line, that is the ERV, and on the incentives, that is below the ERV.

**[00:42:29.920] - Carlos Krohmer**

In terms of momentum in general, for our product, we're seeing strong momentum. Why? Because it's scarce. When you look at how much is the availability of grade A product in the three cities where we are, it's below 1%. There's no supply, and there is strong amount for this product, so we are seeing strong activity. I think it's also that I must speak for itself, 60% year-on-year growth in letting activity. I think it's really pretty outstanding and not at all is signalling for our product. I'm talking about our top-notch product. Any hesitant on decisions is the other way around.

**[00:43:12.610] - Alex Kolsteren**

Thank you very much.

**[00:43:19.390] - Moderator**

It seems that there are no further questions. Now we'll hand the floor to the CEO of Colonial, Mr. Pere Viñolas, to close the meeting.

**[00:43:30.830] - Pere Viñolas**

Thank you. Just finalised. We have been very pleased to share these results with you. It's a part of a long-term trend. It's now a few years that we are showing this very strong performance in fundamentals. It's also good to see this across the board in our different geographies. We remain confident about our expectations for year-end, so it will be a pleasure to confirm that in the next future meetings. Thank and have a good day. Thank you.