1Q/2020

Quarterly Results January-March 2020
13 May 2020

Colonial

An excellent first quarter prior to the COVID-19 crisis

Situation of COVID-19 in Colonial at 13 May 2020

The Coronavirus epidemic is significantly affecting our domestic and global markets. Likewise, its impact on Colonial's real estate activity as well as in the economy in general terms continues to be uncertain and difficult to predict.

At present all international bodies expect a significant contraction in the global economy during 2020 and a significant decrease in GDP in Europe and in particular in the markets in which Colonial operates: Spain and France, the governments of which have made and continue to make unprecedented decisions, such as establishing restrictions on the freedom of movement.
There is a majority opinion that in the medium-term there will be a recovery of this economic impact, possibly from the second half of 2020, although there is a large variety of opinions regarding the speed of recovery in each country and region that will mainly depend on the evolution of the health crisis.

The capital markets in turn reacted in mid-March with a strong correction and high volatility derived mainly from the current reduced visibility regarding the short and medium-term termination of this crisis.

In this respect, Colonial's priority has been to ensure the health and safety of our teams and the continuity of our activities and services for our clients. To date, the spread of Coronavirus has not had any significant impact on our employees and management. All of our staff work remotely, in line with our priorities and the recommendation of the Authorities.

Our activity remains stable and the results of the first quarter reflect the strength of Colonial's portfolio and the resistance of its business model. However, these results do not yet reflect the potential impact of the crisis caused by COVID-19, which started in mid-March.

At the date of this publication, the Colonial Group has issued all the invoices of April 2020 without, for the moment, any significant incidences of default, which do not reach 1% of the rents of April. However, this is provisional data which may vary in the coming weeks depending on the evolution of the crisis.

With special sensitiveness with its clients' situation, and specially with those who are the most affected by the prohibition of their activities, Colonial is having individual discussions with them to meet their needs. Accordingly, the commercial team of the Group is analysing and negotiating deferrals or, in exceptional cases, allowances for the payment of rents with a special focus on all of the companies that are having financial difficulties, as a consequence and in the framework of the prohibition of the development of their activities in the retail and leisure sectors. To date, the impact of these negotiations in the Profit and Loss account is below 2%, even though it could reach approximately a maximum of 6% of the 2020 rents of the Colonial Group. This estimate could be revised depending on the duration of the state of emergency and the evolution of the pandemic. This estimate is the result of the composition of Colonial's assets and clients, where the retail sector represents a minority proportion, and large companies being the main clients of the Group.

The Colonial Group's financial situation is solid, with the Investment Grade rating confirmed at the end of April, taking into consideration the current circumstances of the Group as well as the general context as a whole.

The Colonial Group's financial situation presents a solid balance sheet which is reflected in the following figures:

1) A LTV of 36%, an improvement of 300 bps in one year
2) A liquidity of more than €2,000m
   - A liquidity of €1,900m at the end of the first quarter 2020, which together with the new syndicated loan signed in April 2020 reaches above €2,000m.
   - This liquidity exceeds by more than 4 times the debt maturity for 2020 and 2021 and covers all the debt maturities until 2023 (considering the non-renewal of ECP program).
   - Of the current liquidity, more than €500m is cash

Lastly, the location of the Group's assets, the diversification of its client portfolio and its financial position allow Colonial to face this crisis from a solid position, with it being still premature to estimate the final impact that the COVID-19 pandemic may have on the future results of the Group.

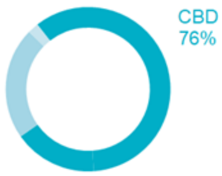
First Quarter 2020 – Resilient Prime Positioning

Solid results obtained at the close of the first quarter of 2020 with an increase of +10% in the Recurring Earnings per Share

1. A portfolio of Prime Offices in the CBD with high occupancy levels and income growth

Unique exposure to Prime

Offices GAV 12/19



Office Occupancy 1Q 20	
Group	**98%**
Madrid	98%
Barcelona	98%
Paris	98%

Gross Rental Income Like for like 1Q 20	
Group	**+6%**
Madrid	+14%
Barcelona	+10%
Paris	+2%

2. A diversified portfolio of stable AAA clients with good fundamentals

Rental Growth [1]	1Q 20
Group	**+6%**
Barcelona	+7%
Madrid	+5%
Paris	+7%

Release Spread [2]	1Q 20
Group	**+21%**
Barcelona	+50%
Madrid	+15%
Paris	na

3. A solid balance sheet - S&P and Moody's confirm Colonial's Rating

LTV	36%
Liquidity[4]	2.100€m
Cash[5]	535€m
Debt coverage 2020 & 2021	4x[6]

Rating confirmed post Covid-19

STANDARD &POOR'S	***Rating*** BBB+ *Stable Outlook*
MOODY'S	***Rating*** Baa2 *Stable Outlook*

Acces to Debt Markets

Sindicate loan of €200m in April 2020

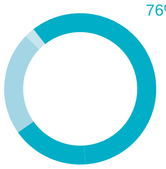
(1) *Signed rents vs market rents at 31/12/2019 (ERV 12/19)*
(2) *Signed rents on renewals vs previous rents*
(3) *Ratio of Top 30 clients of Colonial at 12/19*
(4) *Liquidity (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicated loan formalised as at 4/20*
(5) *Cash at 3/20*
(6) *Coverage assuming the non-renewal of note issuances*
(7) *Maturity at 12/19*

Increase in net profit of +39%

Financial Highlights	1Q 2020	1Q 2019	Var	LFL
EPS recurring - €Cts/share	7,17	6,54	+10%	
Gross Rental Income - €m	86	87	+0%	+6%
EBITDA - €m	64	64	+1%	+11%
Recurring Net Profit - €m	36	33	+10%	
Attributable Net Profit - €m	32	23	+39%	

Unique exposure to Prime

Offices GAV 12/19



Operational Highlights	
EPRA Vacancy	**2,4%**
Rental Growth[1]	**+6%**
Barcelona	+7%
Madrid	+5%
Paris	+7%
Release Spread[2]	**+21%**
Barcelona	+50%
Madrid	+15%
Paris	na

Solid net profit

- ***Recurring EPS of €7.17Cts, +10%***
- Group EBITDA of €64m, +11% like-for-like
- Recurring earnings of €36m, +10%
- Net profit of €32m, +39%

Solid growth in Gross Rental Income

- Gross rental income of €86m, +6% like-for-like
  - > Madrid offices, +14% like-for-like
  - > Barcelona offices, +10% like-for-like
  - > Paris offices, +2% like-for-like

High end renewal prices

- Capturing price increases in signed rents

  +6% vs ERVs at 12/19[1]

  +21% release spread[2]

Solid operational fundamentals

- Rental of 13,539 sqm corresponding to €4m in annual rents
- Solid occupancy levels of 98%
  - > 98% in Paris
  - > 98% in Madrid
  - > 98% in Barcelona
- Sale of non-core asset with a premium of +22% above 12/19 GAV

A solid Balance Sheet

- Liquidity of €2,100m[3], with €535m[4] of cash
- Moody's and S&P confirm Colonial's Rating
- LTV of 36%

(1) Signed rents vs. market rents at 31/12/2019 (ERV 12/19)
(2) Signed rents on renewals vs. previous rents
(3) Liquidity (available credit lines and cash) of €1,900m at 3/20 + €200m in a syndicated loan formalised at 4/20
(4) Cash at 3/20

Highlights

1Q Results 2020

Increase of +39% in the Net Profit of the Colonial Group

A significant increase in Net Recurring Profit and Net Earnings Per Share

The **Colonial Group** closed **the first quarter of 2020** with a **net profit of €32m, +39% compared to the same period of the previous year** and with a **net recurring profit of €36m, an increase of +10%.**

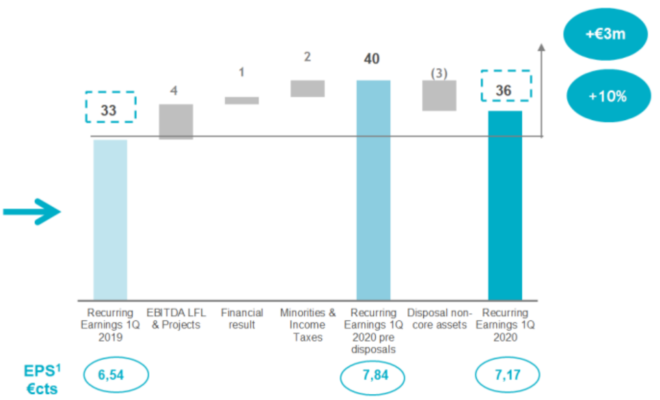
Net recurring EPS amounted to €7.17cts, resulting in an increase of +10% compared to the same period of the previous year.

Profit & Loss Account

Results analysis - €m	1Q 2020	1Q 2019
Gross Rents	86	87
Recurring EBITDA	69	69
Recurring financial result	(22)	(23)
Income tax expense & others - recurring	(2)	(4)
Minority interests - recurring	(9)	(9)
Recurring Earnings	36	33
Change in fair value of assets & provisions	1	3
Non-recurring financial result & MTM	(0)	(5)
Income tax & others - non-recurring	(5)	(9)
Minority interests - non-recurring	0	1
Profit attributable to the Group	32	23

(1) Recurring earnings per share

Recurring Income - Variance Analysis



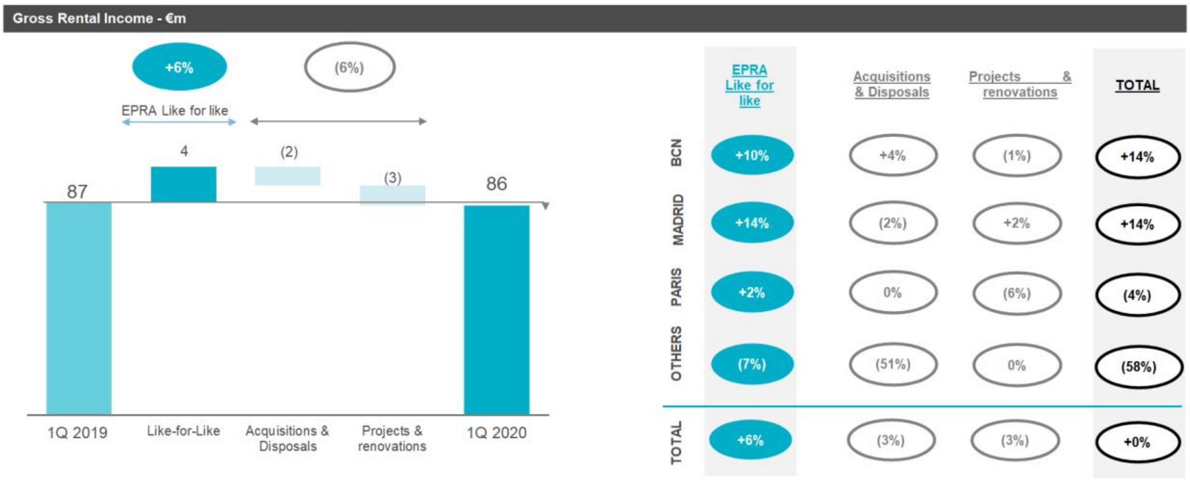
The increase in the recurring net profit of +€3m (+10% vs. the previous year) was driven by:

1. An increase in EBITDA like-for-like and projects of +€4m (+€1m, after the adjustment of the impact of the disposals of non-strategic assets carried out in 2019)
2. A reduction in financial costs of €1m

The disposals of non-strategic assets, mainly carried out in the second half of 2019, have resulted in an impact of lower rents on the recurring profit of €3m. Consequently, the recurring profit per share, excluding the above-mentioned non-strategic asset sales, would have been €7.8cts/share, which represents an increase of +20% in comparable terms.

Solid growth in Gross Rental Income

Colonial closed the first quarter of 2020 with **€86m of Gross Rental Income. An increase of +6% in like-for-like terms compared to the previous year**.



The significant like-for-like increase across the portfolio in all three markets in which the Colonial Group operates is among the highest in Europe, mainly based on the solid positioning of its assets in the city centres (CBD) which enable it to capture the highest rents in the market. **Of note in the first quarter increase is the Madrid market with an increase of +14% like-for-like and the Barcelona market with a +10% increase.**

In terms of the breakdown of the contribution of each of the three markets in the Group's portfolio, the main aspects to highlight are the following:

1. **Barcelona +10% like-for-like.** This is due to the rental price increases in Diagonal 197 and Plaza Europa 42-44, as well as increased occupancy in Parc Glories.
2. **Madrid +14% like-for-like.** This increase is driven by an increase in the market rental review of prices on the Santa Hortensia, Martínez Villergas and José Abascal 56 assets. Regarding improvements in occupancy, of special mention are the assets Príncipe de Vergara, Ribera de Loira, Francisca Delgado 11, Alfonso XII and José Abascal 56.
3. **Paris +2% like-for-like.** This is due to an increase in prices on the assets Cézanne Saint Honoré, Louvre St. Honoré offices, Washington Plaza and #Cloud, among others.

The Colonial Group's rental income was impacted by: 1) the sale of non-strategic assets carried out in 2019 (Hotel Centro Norte and part of the logistics portfolio), and 2) the rotation of the project portfolio, as well as the start of the Group's renovation program, specifically due to the start of the project on the 83 Marceau asset and the renovation of the Grenelle asset in Paris, which have led to a temporary reduction in income.

Solid operational fundamentals in all segments

1. A first quarter with increases in rents

At the close of the first quarter of 2020, the Colonial Group had signed 15 rental contracts on the office portfolio corresponding to 13,539 sqm and annual rents of €4m.

Strong price increases	# contracts	Surface sqm	GRI €m	1Q 2020 Release Spread[1]	1Q 2020 % Var. vs ERV 12/19[2]
Barcelona	8	7,024	€2m	+50%	+7%
Madrid	5	5,374	€1m	+15%	+5%
Paris	2	1,141	€1m	na	+7%
TOTAL OFFICES	15	13,539	€4m	+21%	+6%

(1) Signed rents on renewals vs previous rents
(2) Signed rents vs market rents at 31/12/2019 (ERV 12/19)

For the contracts renewed in the first quarter of 2020, **the release spread** (signed rents vs previous rents) **was +21%.** Of special mention is the high increase in the Barcelona portfolio of +50%, as well as an increase in Madrid of +15%. In Paris, there were no contract renewals as there have not been any expiries to date.

Compared with the market rent at December 2019, the rental prices of new contracts and the renewals **increased by +6% in the first quarter of 2020.** In the same respect, in **Barcelona**, the rents deriving from new contracts and renewals were **+7% above market rents 12/19.** In the **Paris portfolio, the increase compared to market rents was also up +7%**, and in **Madrid, the increase was +5%.**

Colonial's total letting activity is spread across the three markets in which the Company operates.

In Spain, contracts were signed or renewed rental contracts with a surface area of 12,398 sqm during the first quarter of 2020, corresponding to 13 and €3m of annualized rents.

In the Madrid portfolio, rental contracts with a surface area of 5,374 sqm were signed or renewed on 5 transactions. Of special mention is the renewal of almost 2,000 sqm on the Recoletos 37 asset with a large publisher, the renewal of 1,073 sqm on the Egeo asset with a food company, as well as the renewal of almost 1,000 sqm on the Francisca Delgado 11 asset with an international consultancy firm.

In the **Barcelona office portfolio,** rental contracts with a surface area of 7,024 sqm across 8 transactions were signed or renewed. Among the highlights is the signing of 2,400 sqm on the Torre BCN asset and the signing of 1,245 sqm on the Diagonal 609-615 asset, both with banking entities, as well as the signing of almost 1,000 sqm on the Torre Marenostrum building with a communications consultancy firm.

In the **Paris portfolio**, rental contracts of 1,141 sqm were signed or renewed across 2 transactions: one contract signed on the 112 Wagram asset and the other on the Edouard VII building.

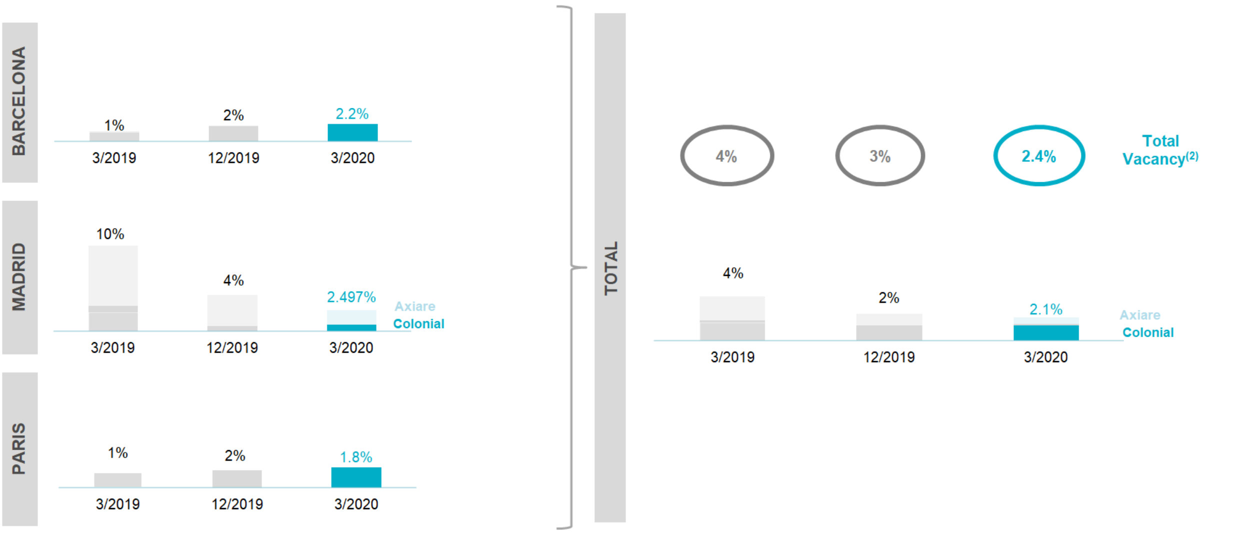
2. Solid occupancy levels

The **total vacancy of the Colonial Group's portfolio** (including all uses: offices, retail and logistics) **stood at levels of 2%** at the close of the first quarter of 2020**.**

The financial vacancy of the Colonial Group's portfolio is shown as follows:

EPRA VACANCY(1)

Office & Total Vacancy – Evolution of Colonial's Portfolio



(1) EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (1-[Vacant floorspace multiplied by the market rent/operational floor space at market rent])

(2) Total portfolio including all uses: offices, retail and logistics

Noteworthy is the **office** portfolio in **Paris**, with a **vacancy rate of 1.8%.**

The **Barcelona office portfolio** has a **vacancy rate of 2%**, a ratio that remains at very low levels, in line with the high quality of the portfolio. This vacancy has remained stable compared to the previous quarter.

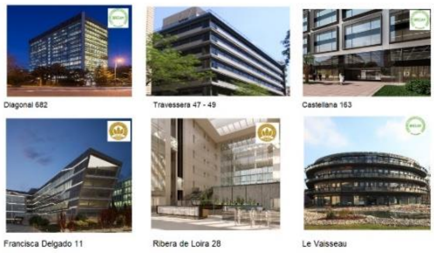
In the **office portfolio in Madrid** the vacancy rate reduced to **2%, improving by +764bps compared to the previous year and +184bps in one quarter.** The quarterly improvement is mainly due to the 100% occupancy of the Josefa Valcárcel 40bis asset, and the annual improvement is due to new contracts on the Av. Bruselas, Ribera de Loira, Fca. Delgado, José Abascal 56 and Ramírez Arellano 15 assets, among others.

The vacant office space at the close of the first quarter of 2020 is as follows:

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation [1]	BD area and others	CBD area	2020	EPRA Vacancy Offices
Barcelona	0	2,363	2,984	5,347	2.2%
Madrid	6,117	4,619	1,120	11,856	2.5%
París	0	6,026	803	6,828	1.8%
TOTAL	6,117	13,008	4,906	24,031	2.1%

(1) Projects and refurbishments that have entered into operation



3. A resilient client portfolio

Colonial has a portfolio of clients diversified between sectors with high levels of loyalty, permanency and solvency. Given the location of the portfolio in the city centre, the client profile corresponds mainly to large companies with limited exposure to the retail sector in which the leisure sector and small companies represent less than 2% of our rental income.

1) Colonial has grade A assets (buildings with top energy efficiency certificates), which are located in the Central Business District (76%) and diversified across three cities, Paris, Madrid and Barcelona. The focus of the Colonial Group has been and continues to be on the prime office sector.
2) Colonial has a portfolio of clients with a solid profile in terms of solvency: more than 80% of our main clients have an Investment Grade rating. The assets with exclusive use of retail represent less than 6% of the 2019 income of the portfolio, all of them Grade A clients (top tier clients) in prime locations.
3) The Colonial Group's client portfolio is highly diversified among many different sectors and includes top tier tenants like McKinsey, Freshfields, Netflix, Facebook, Naturgy, Exane, and GRDF, among others, with a high loyalty profile (78% of the clients remain in Colonial buildings between 5 and 10 years).

4) The commercial team of the Group is analysing and negotiating deferral systems or, in exceptional cases, allowances for the payment of rents with a special focus on all of the companies that are having financial difficulties, as a result and in the framework of the prohibition of the development of their activities in the commercial and leisure sectors. To date, the impact of these negotiations in the Profit and Loss account is below 2%, even though it could reach approximately a maximum of 6% of the 2020 rents of the Colonial Group. This estimate could be revised depending on the duration of the state of emergency and the evolution of the pandemic. This estimate is the result of the composition of

Colonial's assets and clients, where the retail sector represents a minority proportion and large companies constitute the Group's main clients.

At the date of this publication, the Colonial Group has issued all the invoices corresponding to April 2020 without any significant incidences of default.

A solid capital structure

I. A strong balance sheet

At the close of the first quarter of 2020, the Colonial Group has a solid balance sheet which is reflected in the following figures:

1) A LTV of 36%, an improvement of 300 bps in one year.
2) A liquidity of more than €2,000m:
   > A liquidity of more than €1,900m at the end of the first quarter 2020, which together with the new syndicated loan signed in April 2020 reaches over €2,000m.
   > This liquidity exceeds by more than 4 times the debt maturity for 2020 and 2021 and covers all the debt maturities until 2023 (excluding the renewal of ECP program)
   > Of the current liquidity, more than €500m is cash

II. Investment Grade Rating confirmed during the COVID-19 crisis

Standard and Poor's as well as Moody's have confirmed Colonial's rating in April 2020 in view of the effects of the COVID-19 crisis under the currently known circumstances.

In particular, they have considered:

> The S&P agency maintains BBB+ rating. The stable perspective, which has been confirmed, reflects the opinion of S&P that Colonial will withstand the effects of COVID-19, backed by the high quality of its portfolio, its robust tenant base and the good liquidity of the Company.
> Moody's also maintains Baa2 rating with a stable outlook which it granted in 2019. The rating is mainly based on Colonial's leadership position in the prime offices market in France and Spain, its solid client base and the high occupancy rates of its portfolio, the deleveraging at 31 December 2019 and the strong liquidity of Colonial.

I Colonial is one of the few European real estate companies that have maintained its rating consolidating its positioning as the Real Estate company with the highest rating in the Spanish sector and among the best rated in Europe.

III. Access to the banking market

After the close of the first quarter of 2020, Colonial has signed in Spain a sustainable syndicated loan amounting €200m. Its Club Deal format includes the following leading banking institutions, both national and international: BBVA, BNP Paribas, Caixabank and Natixis. Caixabank acting as the Agent Bank and Sustainability Agent.

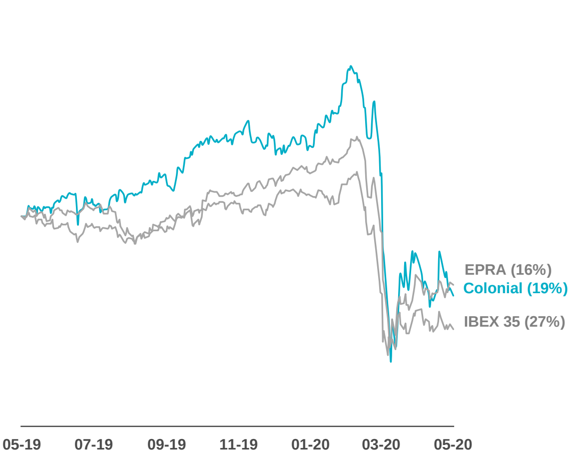
IV. Favourable consensus of analysts

In the framework of the COVID-19 crisis, the analysts are progressively revising their assumptions and perspectives on the European listed market.

In the case of the Colonial Group, the analysts' consensus maintains "buy" recommendations and highlights the Company's strength in their analysis, thanks to its strategy of positioning in prime offices. The table below shows the main analysts that have reviewed their recommendations as at the date of this publication:

Analyst	Recommendation	Date
Goldman Sachs	Buy	03/04/2020
J.P.Morgan CAZENOVE	BUY	30/04/2020
Morgan Stanley	Hold	11/05/2020
BofA SECURITIES	SELL	07/05/2020
Green Street Advisors	Hold	02/05/2020
KEMPEN & CO Merchant Bank	BUY	25/03/2020
Kepler Cheuvreux	BUY	31/03/2020
BARCLAYS	SELL	15/04/2020
ODDO BHF CORPORATES & MARKETS	BUY	24/03/2020
ALANTRA Equities	Neutral	17/04/2020
JBCapitalMarkets	BUY	25/03/2020
Santander	BUY	25/03/2020

COLONIAL SHARE PRICE PERFORMANCE 2020 YoY*



Strategic Prime positioning with great resilience

The strength of Colonial to deal with the current situation is based on its strategic prime positioning with offices in the CBD and clients with solid solvency, as well as a solid balance sheet.

The main strengths of the Colonial Group are the following:

A. Leadership in Grade A offices in the city centre (CBD)

Colonial has high quality product, in city centre locations with 76% of the portfolio in the CBD.

BARCELONA	MADRID	PARIS
Colonial Portfolio - max rent signed 2019	Colonial Portfolio - max rent signed 2019	Colonial Portfolio - max rent signed 2019
€28 /sq m/month	€35 /sq m/month	€795 /sq m/year

B. A strong prime positioning with a top quality client portfolio which provides an attractive combination of 1) rents at the high end of the market with 2) high loyalty levels and solid maturity profiles.

The contract portfolio of the Colonial Group has a positive "reversionary buffer" in the first quarter given that the current rents of the portfolio are still below the market rents as of December 2019. Likewise, to date, the Group has captured high reversion rates with a release spread[1] of +21% in the first quarter of 2020.

(1) Signed rents on renewals vs. previous rents

C. **A solid balance sheet with the best rating in the Spanish real estate sector**, confirmed by S&P and Moody's during April 2020, in the peak of the COVID-19 crisis.

A prudent LTV profile with one of the highest levels of liquidity in the sector, covering more than 4 times the debt maturities in 2020 and 2021 (considering the non-renewal of the ECP program).

D. **An attractive project pipeline** located one of the best areas of Paris, Madrid and Barcelona, with significant pre-lettings.

	Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m [1]	Total Cost €/ sqm [1]	Yield on Cost
1	Castellana, 163	Madrid CBD	100%	2020	10.910	52	4.803	7,5%
2	Diagonal 525	Barcelona CBD	100%	1H 21	5.710	39	6.778	5,1%
3	Miguel Angel 23	Madrid CBD	100%	2H 21	8.036	66	8.244	5,9%
4	83 Marceau	Paris CBD	82%	2H 21	9.600	151	15.755	5,2%
5	Velazquez Padilla 17	Madrid CBD	100%	2H 21	17.239	113	6.535	7,7%
6	Biome	Paris City Center	82%	2H 21	24.500	283	11.551	5,0%
7	Plaza Europa 34	Barcelona	50%	2H 22	14.306	42	2.909	7,0%
8	Mendez Alvaro Campus	Madrid CBD South	100%	2H 23	89.871	300	3.343	7,9%
9	Sagasta 27	Madrid CBD	100%	2H 23	4.481	23	5.044	7,0%
10	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2023	16.000	208	13.029	7,7%
	TOTAL OFFICE PIPELINE				200.653	1.277	6.366	6,6%

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

Colonial's project portfolio is 100% located in the city centres of Barcelona, Madrid and Paris, with 50% of the value attached to 3 projects in Paris. As of the end of 2019, preletting contracts in favorable terms were signed for the 25% of the project portfolio, specifically on the Castellana 163, Diagonal 525 and Louvre St. Honoré projects. Except for Castellana 163, (were the works are fully completed), no additional project delivery is due during 2020.

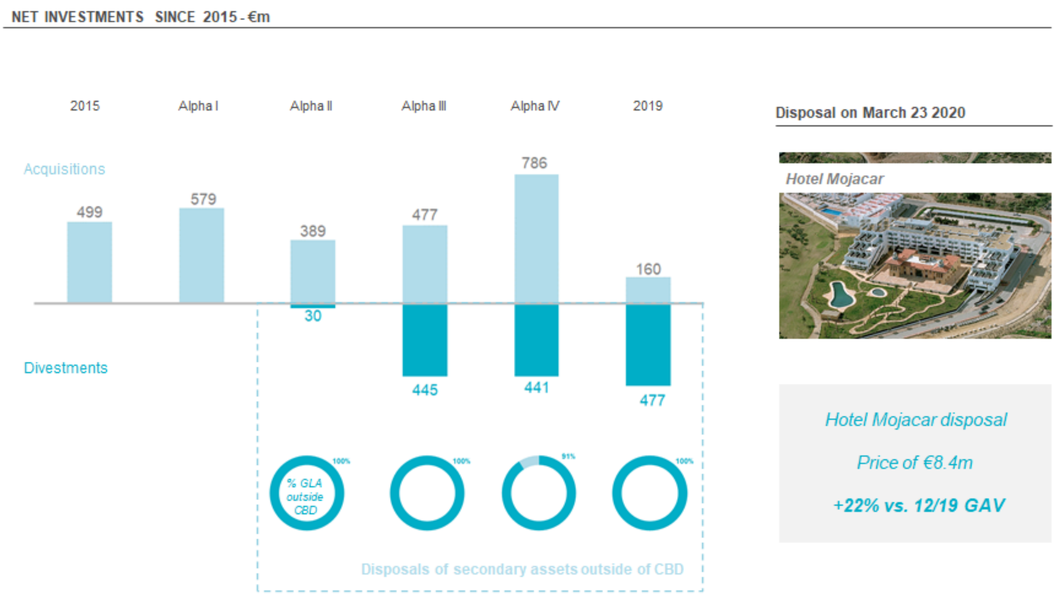
In the first quarter of 2020, additional pre-letting conversations with potential future tenants.

However, currently the COVID-19 crisis is impacting the Colonial Group's project portfolio activities and isolated delays for some of them cannot be ruled out. The Company has decided to delay the capex program in €60m, in particular for Mendez-Alvaro, with €90m of pending capex for the whole year 2020. However, no relevant penalties or liabilities associated with delays are expected.

E. Active management of the portfolio, through the disposals of non-core assets and the acquisition of assets located in CBD areas, improving the risk-return profile of the Group.

Over the last 3 years, the Colonial Group has carried out significant disposals of non-core assets for €1,400m, with double digit premiums over the asset valuations in process.
In addition, in the framework of improving the Prime portfolio of the Group, since 2015 Colonial has acquired more than €2,900m[1], in core CBD buildings, identifying assets with added value potential in market segments with solid fundamentals.

In the first quarter of 2020, Colonial divested the Hotel Mojácar (a non-strategic asset) for €8.4m, corresponding to a +22% premium on the appraisal value as of December 2019. In addition, €13m of deferred payments were received related to the disposal of the Hotel Centro Norte in 2019.



(1) *Acquisition price + Capex*

ESG & COVID-19

Due to the seriousness of the social situation caused by COVID-19 and giving continuity to the contributive spirit of social corporate responsibility policies that the Company regularly carries out, Colonial has set a program of initiatives into motion in order to collaborate in stopping the pandemic and in the mitigation of its consequences.

The program includes different lines of action, among which the following are highlighted:

1) Economic contributions: Colonial will contribute €1m through various financing programs to health institutions located in Barcelona, Madrid and Paris, and to different research programs carried out in centres in Spain and France for the containment and the treatment of the COVID-19 pandemic. At present, there are specific resourcing projects underway at the Research Foundation of the *Hospital Universitario La Paz* in Madrid, the *Hospital Sant Joan de Deu*, the *Hospital Clínic* in Barcelona as well as the *La Fondation de France*.

2) Provision of spaces: Colonial has offered its available spaces in its locations in Madrid, Barcelona and Paris for any activity related to the treatment of the pandemic.

3) Help for the self-employed, startups and small and medium-sized companies:
   - The study of systems of deferral or subsidies for the payment of rents for all of those small companies that are suffering financial difficulties
   - Creation of a solidarity fund through Utopicus, composed of a variety of free services and economic contributions to help the self-employed, startups and SME's which find themselves in a situation of real need within our community.

4) Volunteering and other aid: Colonial has promoted different volunteering initiatives and the promotion of social initiatives that are involving collectives from their surroundings (clients, suppliers, employees, etc.).

5) Employee support: various initiatives have been stablished in order to support and encourage all the staff of Colonial in order to enable their current activities in the framework of the pandemic

Appendices

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. ESG strategy
5. Digital Strategy & Coworking
6. Financial structure
7. EPRA Ratios
8. Glossary and alternative performance measures
9. Contact details and disclaimer

1. Analysis of the Profit and Loss Account

Analysis of the Profit and Loss Account

The net profit attributable to the Group at the close of the first quarter of 2020 amounted to €32m, an increase of +39% compared to the same period of the previous year.

March cumulative - €m	2020	2019	Var.	Var. % [1]
Rental revenues	86	87	(0)	(0%)
Net operating expenses [2]	(11)	(11)	0	1%
Net Rental Income	75	76	(0)	(0%)
Other income	0	0	0	(135%)
Overheads	(11)	(12)	1	6%
EBITDA	64	64	1	1%
Exceptional items	(1)	(2)	1	60%
Change in fair value of assets & capital gains	2	(1)	3	265%
Amortizations & provisions [3]	(1)	1	(2)	177%
Financial results	(22)	(28)	5	20%
Profit before taxes & minorities	42	34	8	23%
Income tax	(1)	(2)	1	46%
Minority Interests	(9)	(9)	0	2%
Net profit attributable to the Group	32	23	9	39%

Results analysis - €m	2020	2019	Var.	Var. %
Rental revenues	86	87	(0)	(0%)
Net operating expenses & other income [4]	(6)	(11)	5	47%
Overheads	(11)	(12)	1	6%
Recurring EBITDA	69	69	1	1%
Recurring financial result	(22)	(23)	1	4%
Income tax expense & others - recurring result	(2)	(4)	1	37%
Minority interest - recurring result	(9)	(9)	1	6%
Recurring net profit - post company-specific adjustments [4]	36	33	3	10%
NOSH (million)	*508.1*	*508.1*	*0*	*0%*
EPS recurring (€cts)	7.17	6.54	0.6	10%

(1) Sign according to the profit impact
(2) Invoiceable costs net of invoiced costs + non invoiceable operating costs
(3) Includes impairment of goodwill
(4) Recurring net profit = EPRA Earnings post company-specific adjustments.

Analysis of the Profit and Loss Account

- At the close of the first quarter of 2020, the Colonial Group's Gross Rental Income amounted to €86m, a +6% increase in like-for-like terms compared to the same period of the previous year.

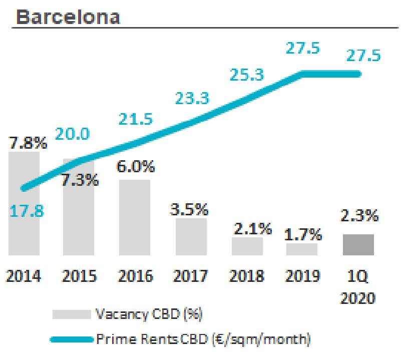
- The Group's EBITDA stands at €64m, up +11% in like-for-like terms, compared to the previous year.

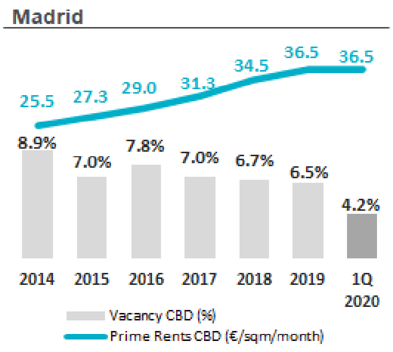
- The net financial cost amounted to €(22)m, an improvement of 20% compared to the same period of the previous year.
  The recurring financial cost of the Group amounted to €(22)m, an improvement of 4% compared to the same period of the previous year, mainly due to the Group's debt refinancing transactions carried out in 2019

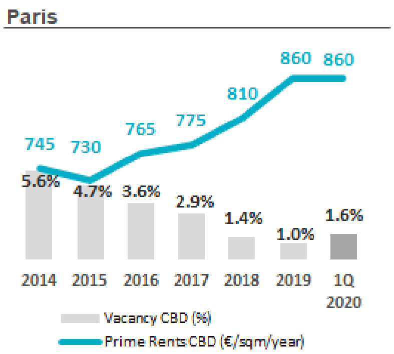
- Profit before taxes and minority interests at the close of the first quarter of 2020 amounted to €42m, up to +23% compared to the previous year.

- Finally, and after deducting the minority interest of €(9)m, as well as the corporation tax of €(1)m, the profit after tax attributable to the Group amounted to €32m, an increase of +39% compared to the same period of the previous year.

2. Office markets







Rental markets

Take-up in the **office market in Barcelona** was low and stood at 30,000 sqm in the first quarter of 2020. This figure reflects the scarcity of product in the market together with a temporary cease in demand due to the COVID-19 crisis. The vacancy rate was at 2.3% in the CBD. Rents remained stable, due to a lack of quality space, positioning prime rents at €27.5/sqm/month.

During the first quarter of 2020, 100,000 sqm were signed **in the office market in Madrid**. This figure is lower than the figure from the first quarter of the previous year. However, it should be mentioned that the take-up figure from last year was a record high and March results were weak due to COVID-19 crisis. As a result, the vacancy rate in Madrid was 8.1%, with a vacancy rate in the CBD of 4.2%. At the close of the first quarter of 2020, prime rents in Madrid remained stable, to stand at €36.5/sqm/month.

In **the office market in Paris,** take-up in the first quarter of 2020 was only 340,000 sqm. The COVID-19 crisis and subsequent lockdown on 17 March 2020 of all activity have had a considerable impact on these figures, however the activity in the CBD has been over 100,000 sqm, similar levels as the first quarter of the previous year. In the CBD, the vacancy rate was 1.6%, at historically low levels, putting pressure on prime rents, which stood at €860/sqm/year.

Investment market

In **Spain**, investment in the offices sector reached €755m during the first quarter of 2020. By city, Madrid had 76% of the investment volume while Barcelona had 24%. Prime yields in Madrid and Barcelona remained at levels of 3.25% and 3.5%, respectively.

The investment volume in the Paris market reached €5,300m at the close of 1Q 2020. This figure was driven by transactions that were in progress prior to the COVID-19 crisis. This figure is one of the highest registered since 2008. Regarding the offices market, the investment reached €4,300m. Prime yields remained stable at 2.75%.

(1) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield, CBRE, BNP Paribas & Savills

3. Business performance

Gross rental income and EBITDA of the portfolio

- Gross rental income reached **€86m, a similar figure to the same period of the previous year,** mainly due to the sale of part of the logistics portfolio and non-core assets carried out during 2019.
  In **like-for-like terms**, adjusting for investments, disposals and variations in the project and renovation pipeline and other extraordinary items, **the Group's gross rental income increased by +6%, like-for-like**.

  In Spain, like-for-like rental income increased by +12%. The Madrid portfolio increased by +14%, like-for-like, and the Barcelona portfolio increased by +10%, like-for-like.

  In **Madrid**, this increase was driven by the increase in market rental reviews on properties such as Santa Hortensia, Martínez Villergas and José Abascal 56. Regarding greater occupancy levels, worth highlighting are Príncipe de Vergara, Ribera de Loira, Francisca Delgado 11, Alfonso XII and José Abascal 56.

  In **Barcelona**, the positive impact mainly came from rental price increases in Diagonal 197 and Plaza Europa 42-44, as well as the improvement in occupancy in Parc Glories.

  In **Paris, rental income increased by +2% like-for-like,** mainly driven by price increases in the Cézanne Saint Honoré, Louvre St. Honoré offices, Washington Plaza and #Cloud assets, among others.

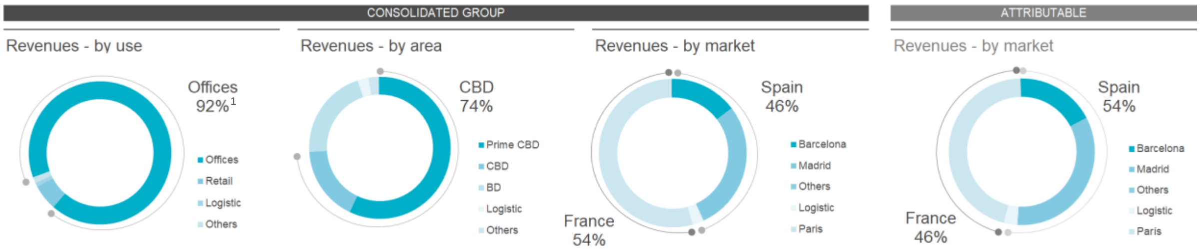
Variance in rents (2020 vs. 2019) €m	Barcelona	Madrid	París	Logistic & others	Total
Rental revenues 2019R	11.4	21.6	48.5	5.2	86.7
EPRA Like-for-Like (1)	0.9	2.8	0.9	(0.1)	4.5
Projects & refurbishments	(0.1)	0.4	(2.1)	0.0	(1.8)
Acquisitions & Disposals	0.7	(0.1)	0.0	(2.9)	(2.3)
Indemnities & others	0.0	(0.1)	(0.6)	0.0	(0.7)
Rental revenues 2020R	12.9	24.6	46.6	2.2	86.4
Total variance (%)	*14%*	*14%*	*(4%)*	*(58%)*	*(0%)*
Like-for-like variance (%)	10%	14%	2%	(7%)	6%

(1) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.

The Colonial Group rental income was impacted by: 1) the sale of non-strategic assets carried out in 2019 (Hotel Centro Norte and part of the logistics portfolio), divestments that have strengthened the quality of the Group portfolio and 2) the rotation of the project portfolio, as well as the start of the Group's renovation program, specifically due to the start of the project on the 83 Marceau asset and renovation of the Grenelle asset in Paris.

- **Rental income breakdown:** Most of the Group's rental income, 92%, is from the office portfolio. Furthermore, the Group maintains its high exposure to CBD markets, with 74% of the income.

  In consolidated terms, 54% of the rental income (€47m) came from the subsidiary in Paris and 46% was generated by properties in Spain. In attributable terms, 54% of the rents were generated in Spain and the rest in France.



1 *Includes 6% of retail use in the ground floor of office assets*

- **At the close of the first quarter of 2020, EBITDA rents reached €75m, an increase of +7% in like-for-like terms.** Worth highlighting is the Madrid portfolio with an increase of +21% like-for-like, followed by Barcelona with an increase of +14%.

Property portfolio

March cumulative - €m	2020	2019	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	13	11	14%	0.9	10%
Rental revenues - Madrid	25	22	14%	2.8	14%
Rental revenues - Paris	47	49	(4%)	0.9	2%
Rental revenues - Logistic & others	2	5	(58%)	(0.1)	(7%)
Rental revenues	**86**	**87**	**(0%)**	**4.5**	**6%**
EBITDA rents Barcelona	11	10	16%	1.1	14%
EBITDA rents Madrid	19	15	21%	3.1	21%
EBITDA rents Paris	43	46	(6%)	0.6	1%
EBITDA rents Logistic & others	2	5	(53%)	0.1	6%
EBITDA rents	**75**	**76**	**(0%)**	**4.9**	**7%**
EBITDA rents/Rental revenues - Barcelona	*88%*	*87%*	*1.6 pp*		
EBITDA rents/Rental revenues - Madrid	*76%*	*72%*	*4.2 pp*		
EBITDA rents/Rental revenues - Paris	*92%*	*94%*	*(1.7 pp)*		
EBITDA rents/Rental revenues - Logistic & others	*100%*	*87%*	*12.4 pp*		

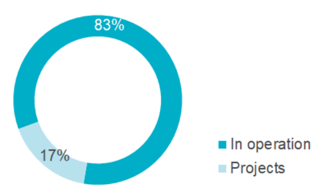
Pp: percentage points

(1) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.

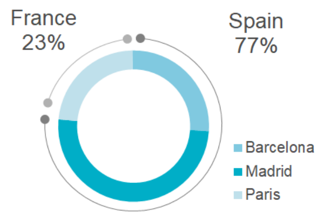
Portfolio letting performance

- **Breakdown of the current portfolio by floor area:** At the close of the first quarter of 2020, the Colonial Group's portfolio totaled 1,929,516 sqm, primarily related to office buildings, which comprised 1,611,930 sqm.
  At the close of the first quarter of 2020, 83% of the office portfolio was in operation and the rest corresponded to an attractive portfolio of projects and refurbishments.

Offices Surface - by condition



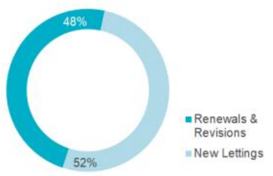
Offices Surface - by market

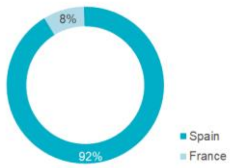


- **Signed leases - Offices:** At the close of the first quarter of 2020, the Colonial Group signed leases for a **total of 13,539 sqm of offices**. 92% (12,398 sqm) were signed in Barcelona and Madrid and the rest (1,141 sqm) were signed in Paris.

  New lettings: Out of the total office letting activity, 52% (6,996 sqm) related to new leases, spread over the three markets in which the group operates**.**

  Renewals: Lease renewals relating to 6,542 sqm were completed in Spain, of which 4,795 sqm were renewed in Madrid. In Paris there were no contract maturities to be renewed in the first quarter of 2020.





Letting Performance - Offices

March cumulative - sq m	2020	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	1,747	4	*50%*
Renewals & revisions - Madrid	4,795	2	*15%*
Renewals & revisions - Paris	na	na	
Total renewals & revisions	**6,542**	3	***21%***
New lettings Barcelona	5,277	2	
New lettings Madrid	578	3	
New lettings Paris	1,141	5	
New lettings	**6,996**	3	**na**
Total commercial effort	**13,539**	3	**na**

The new rents were +21% versus the previous rent, highlighting **Barcelona with +50% and Madrid with +15%. In Paris**, there were no contract reviews or renewals**.**

Project portfolio and renovation program

- Colonial has a **project portfolio** of over 200,000 sqm with the aim of creating top quality products, that allow to obtain a high return, and furthermore a higher future value uplift with solid fundamentals. In the current project portfolio, three of the projects (specifically, Castellana 163, Diagonal 525 and Louvre Saint Honoré) already have pre-let agreements signed in 2019 with very favourable terms. The other projects in the portfolio continue to progress in prime locations where there is little new offering.

	Project		City	% Group	Delivery	GLA (sqm)	Total Cost €m [1]	Total Cost €/ sqm [1]	Yield on Cost
1	Castellana, 163		Madrid CBD	100%	2020	10.910	52	4.803	7,5%
2	Diagonal 525		Barcelona CBD	100%	1H 21	5.710	39	6.778	5,1%
3	Miguel Angel 23		Madrid CBD	100%	2H 21	8.036	66	8.244	5,9%
4	83 Marceau		Paris CBD	82%	2H 21	9.600	151	15.755	5,2%
5	Velazquez Padilla 17		Madrid CBD	100%	2H 21	17.239	113	6.535	7,7%
6	Biome		Paris City Center	82%	2H 21	24.500	283	11.551	5,0%
7	Plaza Europa 34		Barcelona	50%	2H 22	14.306	42	2.909	7,0%
8	Mendez Alvaro Campus		Madrid CBD South	100%	2H 23	89.871	300	3.343	7,9%
9	Sagasta 27		Madrid CBD	100%	2H 23	4.481	23	5.044	7,0%
10	Louvré SaintHonoré	Prime Commercial	Paris CBD	82%	2023	16.000	208	13.029	7,7%
TOTAL OFFICE PIPELINE						200.653	1.277	6.366	6,6%

[1] Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex

- Currently, the COVID-19 crisis is impacting the Colonial Group's project portfolio and isolated delays are expected in some of the projects. The company has decided to delay the capex program in €60m, in particular in Mendez-Alvaro, with €90m of capex for the entire year 2020. However, no relevant penalties or liabilities attached to the delays are expected.

- In the first months of 2020, conversations continue over additional pre-lettings with potential future tenants.

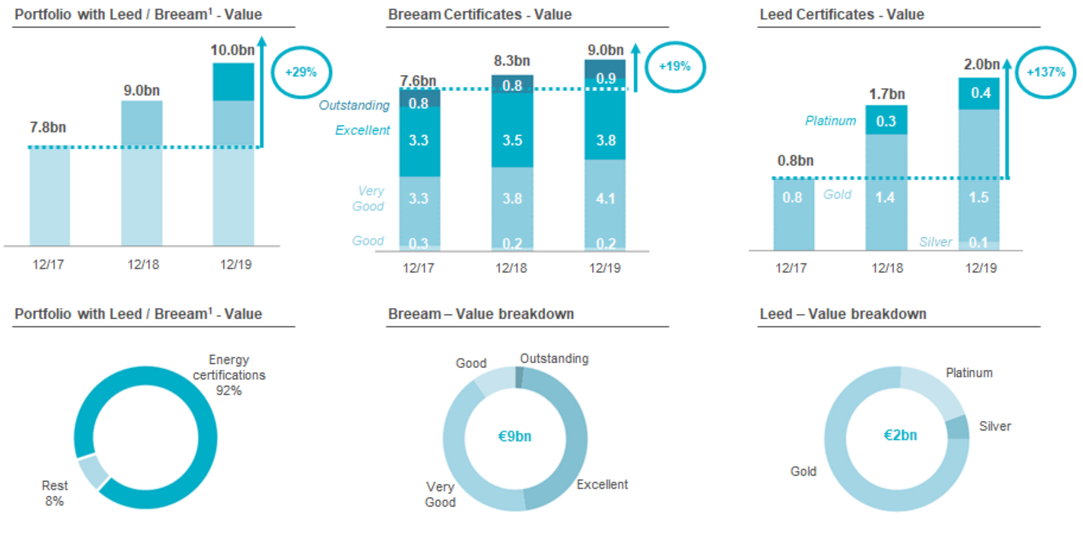
- In addition to the project portfolio, the Colonial Group is currently carrying out a renovation program on various assets in its portfolio, with the aim of increasing the rents and value of these assets. This renovation program is mainly focused on the adaptation of communal areas and updating the facilities, requiring an adjusted investment.

- In Spain, of special mention are the renovation programs on the assets Cedro and Ortega & Gasset in Madrid and the assets Torre Marenostrum and Diagonal 530 in Barcelona. In France, of special mention is the 176 Charles de Gaulle property, an office building located in the flowering district of Neuilly.

4. ESG[1] Strategy – Environmental, Social and Corporate Governance

- Colonial pursues a clear leadership in ESG, being a fundamental element of its growth strategy, and prioritizing a long-term sustainable return backed by a model offering maximum quality.

- The Colonial Group's ambition for leadership in ESG is reflected in the high level of certifications in its property portfolio. 92% of the portfolio have energy certificates LEED and BREEAM. Specifically, €2,011m of the assets have LEED ratings and €9,008m of the assets have BREEAM ratings.



(1) Office Portfolio in operation

- This level of certification is clearly above the sector average. In addition, a strategic plan on sustainability carries out actions on energy efficiency, focusing on continuous improvement asset by asset.

- Thanks to its high standards in sustainability, in April 2020 Colonial formalized a sustainable loan for €200m with the margin linked to its GRESB rating.

BNP PARIBAS NATIXIS CaixaBank BBVA

Together with the sustainable loans from 2019 which amount to €151m, to date Colonial has issued €351m of sustainable financing.

(1) ESG = Environmental, Sustainability and Governance

5. Digital Strategy & Coworking

Co-Working and Flexible Spaces

At the end of the first quarter of 2020, Utopicus, the operator of flexible spaces of the Colonial Group had 10 centres in operation corresponding to 25,900 sqm of surface area.

In the first quarter of 2020, Utopicus opened a new centre in the Castellana 163 building. The centre has a flexible working space of 3,600 sqm and is located in the CBD of the capital. With two entrances, one through the Castellana façade and the other through Capitán Haya, the space is equipped with all necessary services for clients of the Colonial Group. Utopicus Castellana has meeting and training rooms, private offices, a club area and flexible working area.

In addition, at the beginning of January 2020 the Duque de Rivas centre was closed. The centre was inaugurated in 2014, before Colonial acquired Utopicus in 2017. The space had a suboptimal surface area of approximately 1,000 sqm distributed over two floors. The layout has made it difficult to manage the space and obtain a profit from the centre.

At the same time, work continues for the opening of 3 new centres over the coming months. Once finalised, Utopicus will manage 13 centres with a surface area in operation of close to 40,000 sqm and the capacity for more than 4,500 workstations, strengthening its leadership in the segment of flexible office and coworking spaces in Spain.

The Utopicus activity, which represents approximatively 1% of the rent of the Colonial Group, has not been detached to the consequences of the current state of emergency due to COVID-19 pandemic. Even though the centres have continued available to all clients and the impacts of no-renewal of clients with contract expiry in the short term has been immaterial.



Digitalization

In the first quarter of 2020, the Colonial Group continued to maintain a strong focus on innovation through the development and implementation of Propnet technology, which will enable the use of spaces to be optimized across the entire portfolio of the Group over the coming years.

Colonial has developed an application that, together with the prior sensorization of the property, will lead to an improvement in the efficiency and energy consumption of the spaces. The application measures different aspects of a building, such as the heating, clean air, lights and consumption, among others, always looking to increase the comfort and well-being of the Colonial Group clients.

6. Financial structure

Colonial maintains a solid financial profile enabling the company to maintain a BBB+ credit rating by Standard & Poor's, the highest rating in the Spanish Real Estate sector.

Both Standard & Poor's and Moody's reviewed the credit rating of Colonial during April 2020, maintaining the same level as prior to the COVID-19 crisis.

Regarding leveraging, after divestments carried out in the last three years amounting to €1,400m, the LTV ratio stands at 36,0%, 300 bps lower than the same period of the previous year.

In addition, subsequent to the close of the first quarter of 2020, Colonial formalized a new loan, in Club Deal format, amounting €200m and maturing in 2022. The loan includes the following benchmark institutions, both national and international: BNP Paribas, Natixis, BBVA and Caixabank. The latter acts as the Agent Bank and Sustainability Agent.
The loan is a sustainable loan as its margin is linked to the rating obtained from the agency GRESB. This new loan is in addition to the bilateral sustainable loans signed during the last financial year with Caixabank and ING and reinforces the message of the Colonial Group's commitment to ESG.

At 31 March 2020, the Colonial Group maintained a liquidity of €1,900m (€2,100m including the new loan), between available cash and undrawn credit lines. This liquidity enables the Group to cover 4 times the debt maturities from the years 2020 and 2021 (considering the non-renewal of ECP program).

The Colonial Group carries out active debt management which has enabled the company to obtain an improvement in margins, cancel mortgage guarantees and extend the net maturity of its debt.

The main debt figures of the Group at 31 March 2020 are as follows:

Grupo Colonial (€m)	Mar-20	Dec-19	Var.
Gross financial debt	**5,117**	4,826	*6%*
Net financial debt	**4,582**	4,609	*(0.6%)*
Total liquidity [1]	**1,900**	2,082	*(9%)*
% debt fixed or hedged	**83%**	88%	*(6%)*
Average maturity of the debt (years)[2]	**4.5**	4.9	*(0.4)*
Cost of current debt	**1.66%**	1.63%	*3 p.b.*
Rating Colonial (Moody's)	**BBB+**	BBB+	-
Rating Colonial (S&P's)	**Baa2 Stable**	Baa2 Stable	-
Rating SFL (S&Ps)	**BBB+**	BBB+	-
LtV Group (including transfer costs)	**36.0%**	36.1%	*(9 p.b.)*
Debt with mortgage security	**5%**	6%	*(1%)*

(1) Cash & Undrawn balances
(2) Average maturity based on available debt
(3) Cost of debt including promissory notes. Without considering the issues of promissory notes, the cost would amount to 1.77%

The net financial debt of the Group at the close of the first quarter of 2020 stood at €4,582m, the breakdown of which is as follows:

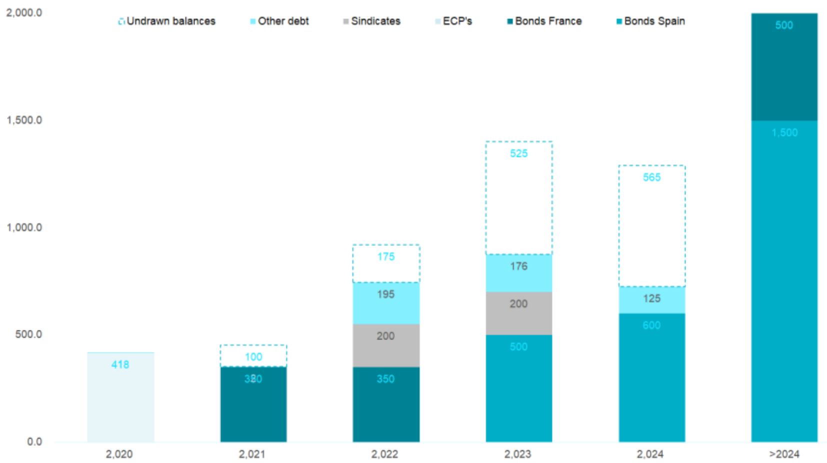
	March 2020			December 2019			Var	
€m	**Colonial**	**SFL**	**TOTAL**	**Colonial**	**SFL**	**TOTAL**	**TOTAL**	**Average maturity [2]**
Syndicate loans	400	-	400	-	-	-	**400**	3,8
Mortatge debt	76	199	274	76	199	275	**(1)**	2,6
Bonds Colonial	2,600	-	2,600	2,600	-	2,600	-	5,5
Bonds SFL	-	1,200	1,200	-	1,200	1,200	-	3,4
Issuances notes	60	358	418	240	387	626	**(209)**	0,1
Other debt	125	100	225	125	-	125	**100**	4,6
Gross debt	**3,261**	**1,856**	**5,117**	**3,040**	**1,786**	**4,826**	**291**	4,5
Cash	(418)	(116)	(535)	(163)	(54)	(217)	(318)	
Net Debt	**2,842**	**1,740**	**4,582**	**2,877**	**1,732**	**4,609**	**(27)**	
Total liquidity [1]	893	1,006	**1,900**	1,038	1,044	**2,082**	**(182)**	
Cost of debt - Spot (%)	1.85%	1.32%	**1.66%**	1.80%	1.34%	**1.63%**	**3 b.p.**	

(1) Cash & Undrawn balances

(2) Average maturity calculated based on available balances

Without taking into account the ECP program, it is particularly noteworthy that 95% of Colonial's debt will mature as of 2023 and 46% will mature as of 2025.

81% of the drawn debt of the Group is made up of issuances in the bond market, the rest of the debt is financed with credit entities and only 5% have mortgage guarantees.



	2,020	2,021	2,022	2,023	2,024	>2024	TOTAL
Colonial	60	-	200	776	725	1.500	**3.261**
SFL	388	352	545	100	-	500	**1.856**
TOTAL	**419**	**352**	**745**	**876**	**725**	**2.000**	**5.117**

Financial results

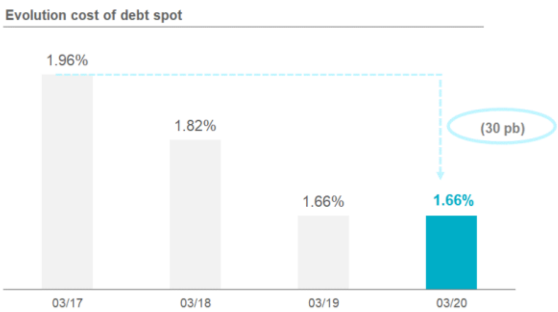
- The main figures of the financial result of the Group are shown in the following table:

March cumulative - €m	COL	SFL	2020	2019	Var. %
Recurring financial expenses - Spain	*(16)*	*0*	*(16)*	*(16)*	*5%*
Recurring financial expenses - France	*0*	*(8)*	*(8)*	*(8)*	*2%*
Recurring Financial Expenses	**(16)**	**(8)**	**(23)**	**(24)**	**4%**
Capitalized interest expenses	0	1	1	*1*	12%
Recurring Financial Result	**(16)**	**(6)**	**(22)**	**(23)**	**4%**
Non-recurring financial expenses	(0)	(0)	(0)	*(4)*	(95%)
Change in fair value of financial instruments	(0)	(0)	(0)	*(1)*	59%
Financial Result	**(16)**	**(6)**	**(22)**	**(28)**	**19%**

- The Financial Result at 31 March 2020 was reduced by 19% with respect to the same period of the previous year, mainly due to the accounting entry of the cancellation costs of the debt coming from Axiare. These refinancing operations, accumulated in the first quarter of 2019, resulted in a reduction in the recurring financial result in 2019 of 14%.

- The recurring financial cost is maintained in line with the previous year, thanks to the effort and commitment to maintaining a solid financial structure and is the result of the active debt management the Group carried out in 2018 and 2019, mainly:
  - Transactions Colonial and SFL bond buy-backs and new issuances, improving interest rates and maturity
  - Cancellation of pending debt coming from Axiare
  - Refinancing of loans of Colonial and SFL, improving interest rates and maturity
  - Implementation of the short-term note issues program amounting to €1,000m

- The spot financial cost of the drawn debt at 31 March 2020 amounted to 1.66%. Including formalization costs, accrued over the life of the debt, the financial cost amounted to 1.78%. Without taking into account the ECP program, this cost amounts to 1.77% (1.89% including the financing commissions). The evolution of the spot financial cost of the drawn debt over the last four years is shown below:



- In the first quarter of 2020, taking advantage of yield curves at historic lows, the Group has formalized various pre-hedging instruments of €400m in order to cover the interest rates of future debt emissions. The cumulative value of these types of instruments amounts to €1,100m, with different execution dates, adjusted to the debt maturity profile of the Group. All of these comply with the hedging accounting standards.

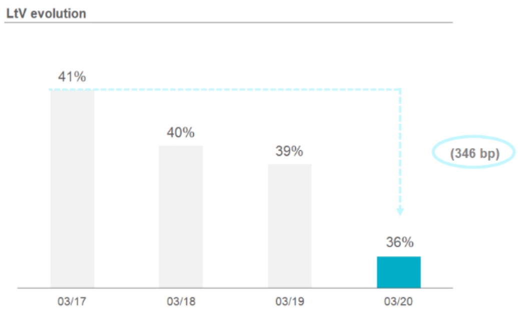
Main debt ratios and liquidity

The Loan to Value (LTV) of the Group, calculated as the ratio of total net debt among the total GAV of the Group, amounted to 36%, compared to 39% at 31 March 2019. This improvement is mainly due to the divestment of part of the logistics portfolio in the second half of 2019.

The undrawn balances of the Group at 31 March 2020 amounted to €1,900m, between available cash and credit lines.

The breakdown is shown in the following graph:

Cash & undrawn balances (€M)	Colonial	SFL	Group
Current accounts	418	116	535
Credit lines available	475	890	1,365
Total	**893**	**1,006**	**1,900**



7. EPRA Ratios

1) EPRA Earnings

EPRA Earnings - €m	1Q 2020	1Q 2019
Earnings per IFRS Income statement	**32**	**23**
Earnings per IFRS Income statement - €cts/share	*6.32*	*4.53*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	0	0
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(2)	1
(iii) Profits or losses on sales of trading properties including impairment changes in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	(0)	0
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	0	5
(vii) Acquisition costs on share deals and non controlling joint venture interests	(0)	1
(viii) Deferred tax in respect of EPRA adjustments	0	(0)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation	0	0
(x) Minority interests in respect of the above	(0)	(0)
EPRA Earnings	**31**	**30**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	6	4
(b) Non recurring financial result	(0)	(0)
(c) Tax credits	0	0
(d) Minority interests in respect of the above	(0)	(0)
Company specific adjusted EPRA Earnings	**36**	**33**
Average Nº of shares (m)	*508.1*	*508.1*
Company adjusted EPRA Earnings per Share (EPS) - €cts/share	*7.17*	*6.54*

2) EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio			
€m	1Q 2020	1Q 2019	Var. %
BARCELONA			
Vacant space ERV	1.3	0.7	
Portfolio ERV	58	52	
EPRA Vacancy Rate Barcelona	**2%**	**1%**	*1 pp*
MADRID			
Vacant space ERV	3	10	
Portfolio ERV	101	98	
EPRA Vacancy Rate Madrid	**2%**	**10%**	*(8 pp)*
PARIS			
Vacant space ERV	3	3	
Portfolio ERV	178	180	
EPRA Vacancy Rate Paris	**2%**	**1%**	*0 pp*
TOTAL PORTFOLIO			
Vacant space ERV	7	13	
Portfolio ERV	337	331	
EPRA Vacancy Rate Total Office Portfolio	**2%**	**4%**	*(2 pp)*

EPRA Vacancy Rate - Total Portfolio			
€m	1Q 2020	1Q 2019	Var. %
BARCELONA			
Vacant space ERV	1.3	0.7	
Portfolio ERV	60	53	
EPRA Vacancy Rate Barcelona	**2%**	**1%**	*1 pp*
MADRID			
Vacant space ERV	3	10	
Portfolio ERV	101	98	
EPRA Vacancy Rate Madrid	**3%**	**10%**	*(8 pp)*
PARIS			
Vacant space ERV	4	3	
Portfolio ERV	219	220	
EPRA Vacancy Rate Paris	**2%**	**1%**	*0 pp*
LOGISTIC & OTHERS			
Vacant space ERV	2	3	
Portfolio ERV	11	-	
EPRA Vacancy Rate Total Portfolio	**16%**	**-**	**-**
TOTAL PORTFOLIO			
Vacant space ERV	9	17	
Portfolio ERV	391	390	
EPRA Vacancy Rate Total Portfolio	**2%**	**4%**	*(2 pp)*

Annualized figures

8. Glossary & Alternative Performance Measures

Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the basic number of shares
BD	Business District
Market capitalisation	The value of the company's capital obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation
CBD	Central Business District (prime business area)
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property/surfaces with the capacity to generate rents at the closing date of the report
EBIT	Calculated as the operating profit plus variance in fair value of property assets as well as variance in fair value of other assets and provisions.
EBITDA	Operating result before net revaluations, disposals of assets, depreciations, provisions, interests, taxes and exceptional items.
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV excl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs
GAV incl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs
GAV Parent Company	Gross Asset Value of directly held assets + Value JV Plaza Europa + NAV of 81.7% stake in SFL.

Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.
IFRS	International Financial Reporting Standards.
JV	Joint Venture (association between two or more companies).
Like-for-like valuation	Data that can be compared between one period and another (excluding investments and disposals).
LTV	Loan to Value (Net financial debt/GAV of the business).
EPRA Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave. Calculation based on EPRA Best Practices guidelines.
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following the EPRA recommendations.
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
Physical Occupancy	Percentage: occupied square meters of the portfolio at the closing date of the report/surfaces in operation of the portfolio
Financial Occupancy	Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices/surfaces in operation at market rental prices).
EPRA Vacancy	Vacant surface multiplied by the market rental prices/surfaces in operation at market rental prices. Calculation based on EPRA Best Practices guidelines.

Reversionary potential	This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and refurbishments are excluded.
Projects underway	Property under development at the closing date of the report
RICS	Royal Institution of Chartered Surveyors
SFL	Société Foncière Lyonnaisse
Take-up	Materialized demand in the rental market, defined as new contracts signed
Valuation Yield	Capitalization rate applied by the independent appraisers in the valuation
Yield on cost	Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure.
Yield occupancy 100%	Passing rents + vacant spaces rented at the market prices/market value
EPRA net initial yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs (estimated purchasing costs)
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods
Gross Yield	Gross rents/market value excluding transfer costs
Net Yield	Net rents/market value including transfer costs
€m	In millions of euros

Alternative performance measures

Alternative performance measure	Method of calculation	Definition/Relevance
EBIT ***(Earnings before interest and taxes)***	Calculated as the "Operating profit" plus "Changes in the value of property investments" and the "Profit/(loss) due to changes in the value of assets"	Indicates the Group's capacity to generate profits, only taking into consideration its economic activity, less the effect of debt and taxes.
EBITDA **(*Earnings Before Interest, Taxes, Depreciation and Amortization*)**	Calculated as the "Operating profit" adjusted by "Depreciation/Amortization" and "Net changes in provisions"	Indicates the Group's capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, and the effect of debt and taxes.
Gross financial debt	Calculated as the total of all items under "Bank borrowings and other and other financial liabilities" and "Issues of debentures and similar securities", excluding "Interest (accrued), "Origination fees" and "Other financial liabilities" from the consolidated statement of financial position.	Relevant figure for analysing the financial situation. .
EPRA[1] NAV **(EPRA Net Asset Value)**	Calculated based on the Company's capital and reserves, adjusting certain items in accordance with EPRA recommendations.	Standard analysis ratio in the real estate sector and recommended by EPRA.
EPRA[1] NNNAV **(EPRA triple net asset value)**	Calculated adjusting the following items in the EPRA NAV: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax benefits for reinvestments and the tax credit recognized in the balance sheet, considering a going concern assumption	Standard analysis ratio in the real estate sector recommended by EPRA
Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by independent appraisers of the Group, less transaction or transfer costs.	Standard analysis ratio in the real estate sector.
Market value including transaction costs or GAV including Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by external appraisers of the Group, before deducting the transaction or transfer costs.	Standard analysis ratio in the real estate sector.

(1) EPRA (*European Public Real Estate Association*) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

Alternative Performance Measures	Method of calculation	Definition/Significance
Like-for-like rental income	Amount of the rental income included in the item “Revenues” comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded, as well as the income deriving from assets included in the projects and refurbishments portfolio and other atypical adjustments (for example, penalties for early termination of rental contracts).	It enables a homogeneous comparison of the evolution of rental income of an asset or group of assets.
Like-for-like measurement	Market measurement (valuation) amount, excluding transaction costs, or market valuation, including transaction costs, comparable between two periods. To obtain the calculation, the rental income coming from investments or disposals carried out between both periods is excluded.	It enables a homogenous comparison of the evolution of the market valuation of the portfolio.
Loan to Value, Group or LTV Group	Calculated as the result of dividing the gross financial debt (reduced by the amount in the item “Cash and cash equivalents”) by the market valuation including the transaction costs of the Group’s asset portfolio plus the treasury shares of the Parent Company at Nav value.	It enables the analysis of the ratio between the net financial debt and the valuation of the Group’s asset portfolio.
LTV Holding or LTV Colonial	Calculated as the result of dividing the gross financial debt (less the amount in the item “Cash and cash equivalents”) of the Parent Company and 100% owned subsidiary companies by the market valuation, including transaction costs, of the parent company’s asset portfolio and the EPRA NAV of all financial stakes in subsidiary companies.	It enables the analysis of the ratio between the net financial debt and the valuation of the parent company’s asset portfolio.

9. Contact Details & Disclaimer

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Capital Market registry data – Stock market

Bloomberg: COL.SM
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Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe and FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600.

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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 two million sqm of GLA and assets under management with a value of more than €11bn.

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