



Total Tax Contribution of the Colonial Group

2024





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Background and purpose of this report

- > To properly explain the importance of the Colonial Group's tax contribution is a priority for the Group from the standpoint of transparency and corporate social responsibility.

PURPOSE AND SCOPE

The purpose of this report is to obtain and analyse the data relating to the Total Tax Contribution of the Colonial Group (the Group) in 2021, considering all the territories in which the Group operates: Spain and France.

The data for 2023, as well as the analysis of contribution profiles and certain indicators, were compared with the equivalent data for 2022. In addition, the trend for the period 2019 to 2023 is assessed.

Given the prevailing economic environment, the current socio-economic debate has focused on the contribution that large sectors of activity make to the public treasury of the jurisdictions where they carry out their business activities and on how their tax contribution should be distributed.

Against this background, and as provided for under the Group's current fiscal strategy, compliance with prevailing tax legislation at all times is part of the principles that underpin the Group's corporate responsibility, and taxes paid are one way in which it contributes to the economic and social development of the communities in which it operates.

Since 2019, Colonial decided of its own accord to publicly itemise the main tax payments in those countries in which it operates. This reflects the importance given by Colonial to tax matters, as well as its level of commitment in this arena.

Through this study it is possible to identify, measure and communicate the corporate worth of the Colonial Group's tax contribution so that it can be effectively included in the value of the company's reputation, given the value it generates and contributes to society. This report aims to address the concept of corporate social responsibility with broader scope, highlighting the social function stemming from the Colonial Group's tax contribution.

The tax information used in this report is presented in such a way that the tax information has greater versatility and integrity so that it can be presented in accordance with the parameters demanded by the different stakeholders.

TCC METHODOLOGY

PwC's Total Tax Contribution Methodology¹ ("TCC") measures the total impact of a company's tax payments. It is assessed from the standpoint of the total contribution of taxes paid directly or indirectly to the various administrations as a result of the Group's economic activity.

The following points are essential for this methodology:

1. It distinguishes between taxes that are a cost to the Group and taxes that it collects

Taxes borne are those taxes that the Colonial Group has paid to the tax authorities of the different States in which it operates. These are taxes which have represented an effective cost for the Group, such as, for example, the tax on the property it owns.

Taxes collected are those that have been received as a result of the Group's economic activity, and do not entail any cost for the Group, other than managing them.

However, these amounts are paid into the public treasury as a result of the economic activity carried out by the Group, and should therefore be included in the analysis of the tax contribution made by the Colonial Group.

The TTC methodology is consistent with the OECD approach, which highlights the relevance of the role of business groups in the tax system as well as payers of taxes that entail a cost ("*Legal Tax Liability*") and as "collectors" of taxes on behalf of others ("*Legal Remittance Responsibility*"), set forth in working paper number 32, "*Legal tax liability, remittance responsibility and tax incidence*".

2. As taxes are called by different names in different countries, the taxes borne and collected are divided into 5 major categories:

- i. **Profit:** this includes taxes levied on gains earned by companies such as business tax and taxes levied as withholding taxes on payments to third parties.
- ii. **Property:** taxes on the ownership, sale, transfer or occupancy of property.
- iii. **People:** taxes associated with employment, both borne and collected, which include employee income tax withholdings or social security payments payable by both the employee and the company.
- iv. **Product:** they take into account indirect taxes on the production and consumption of goods and services, including VAT, customs duties, etc.

¹ Véase <https://www.pwc.com/gx/en/services/tax/publications/total-tax-contribution-framework.html>

TCC METHODOLOGY

- v. **Planet:** taxes on the supply, use or consumption of products and services deemed to affect the environment. When classifying taxes as environmental, the definition agreed in the harmonised statistical framework developed in 1997 jointly by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD) and the International Energy Agency (IEA), according to which environmental taxes “*are those whose tax base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific negative impact on the environment*”, has been used. All energy and transportation and value-added taxes are included. The Spanish National Statistics Institute (INE) has adopted this definition for the purpose of classifying a tax as an environmental tax, although this approach has been contested in some cases on the grounds that the legislator has not established them for environmental purposes.

3. It covers all tax payments made to Public Administrations

The figures contained in this report include tax payments made to public administrations for items which, due to their characteristics, are part of a taxation process, although for historical or related reasons they are not classified as such.

The above data also include the contributions to the different Public Administrations in the form of “social security contributions”, an approach consistent with the philosophy implemented by the OECD in the analysis of a country's tax burden, since they are a compulsory contribution that is generally a significant part of the State's revenue and which, given its tax rather than contributory nature, is clearly of a fiscal nature in Spain.

The OECD does not expressly refer to interest on late payment and surcharges—from the perspective of possibly considering surcharges and interest on late payment as a higher (or lower) contribution—in its document on the classification as a tax on the various payments to public administrations. In line with this criterion, for the purposes of this report they are not considered as a tax contribution.

The document also clearly indicates how fines and sanctions would not be considered as taxes, even if they are amounts paid to the Tax Authorities, and should therefore not be considered as a greater contribution. So the criterion followed by the OECD is maintained, and they are not considered as a greater contribution either.

TCC METHODOLOGY

4. Adapts to the specific circumstances of the organisation

A full 100% of the tax contribution of those companies that consolidate with the parent company by the full consolidation method in Spain and France is taken into account when calculating the overall TTC of the Colonial Group.

The Group records its investment property at fair value through profit or loss. This value is determined every six months by independent appraisers. To mitigate the accounting effect of these unrealised capital gains/losses, the Group presents a normalised Total Tax Contribution Ratio, which it calculates by eliminating the impact of recording its investment property at fair value from income before taxes borne.

5. Certain special considerations apply for Value Added Tax and equivalent taxes

Value added tax (and equivalent taxes) is a tax on goods and services levied, and its amount is the result of the net payments made by the Group to the tax authorities in each of the jurisdictions in which it operates in the relevant period.

Therefore, considering how the VAT process functions, the figure indicated for a given country for VAT comprises the positive amount paid to the relevant tax authorities, which arises from deducting the VAT due from the amount of VAT deducted.

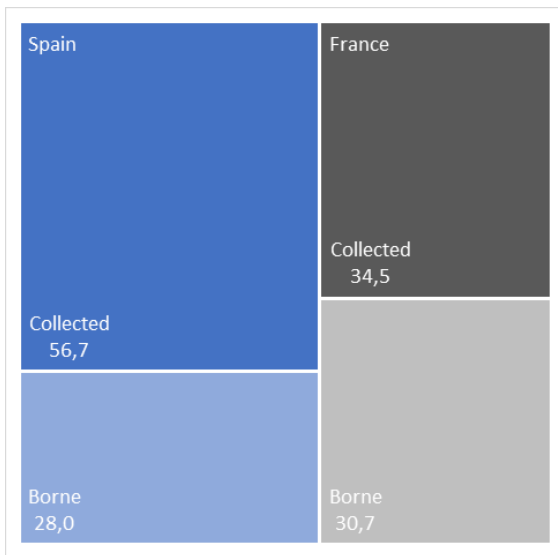
Where, for the year as a whole and for a country, the net amount resulting from subtracting VAT due from VAT deducted is negative as a result of a refund, this item will be empty.

And VAT amounts that are not recoverable because the value chain cannot be continued through the pass-through process will be considered as tax borne on products and services, to the extent that they represent a cost for the company.

Executive summary

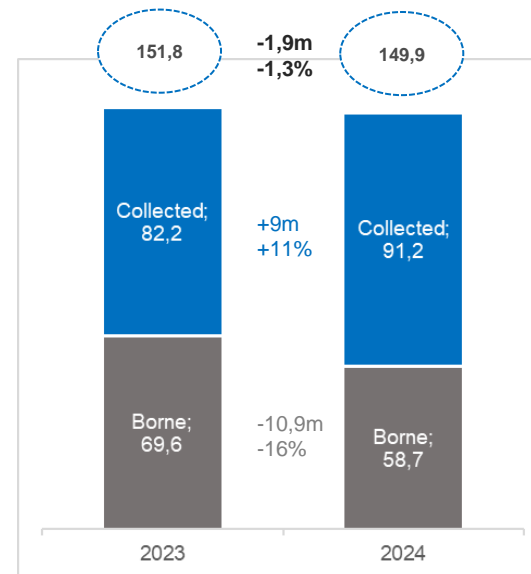
> **The Colonial Group's tax contribution amounted to 149.9 million euros in 2024**, of which 39% corresponds to taxes borne and 61% to taxes collected.

GEOGRAPHICAL DISTRIBUTION OF THE TAX CONTRIBUTION 2023-24



Of every 100 euros that Grupo Colonial has received in taxes, 57 euros have been paid in Spain and the rest in France.

EVOLUTION OF THE TAX CONTRIBUTION 2023-24

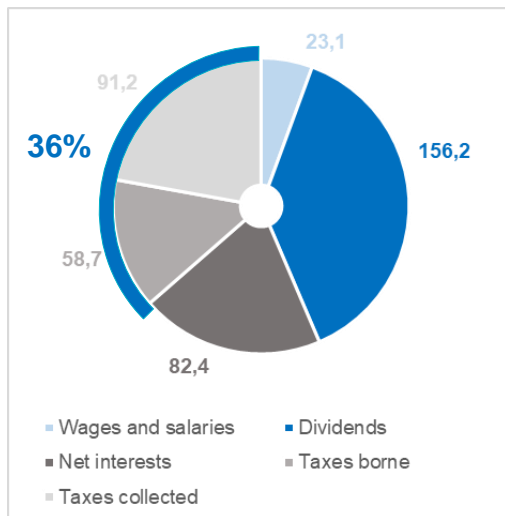


Colonial's Tax Contribution has decreased by 1.3% compared to 2023, mainly as a result of Corporate Tax refunds, partially offset by higher withholdings for dividends.

92% of **the taxes borne** by Colonial in the 2024 financial year correspond to **property taxes**.

62% of **the taxes collected** by Colonial in the 2024 fiscal year correspond to **taxes on products and services**, the most relevant being the value added tax.

DISTRIBUTED TAX VALUE IN 2024

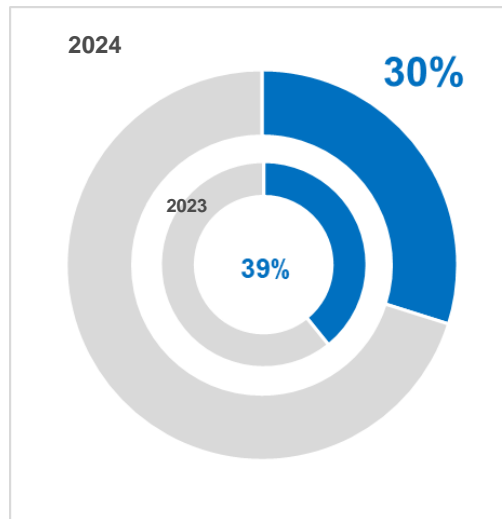


Percentage represented by the taxes borne and collected on the total value generated (taxes borne and collected, dividend paid and wages and salaries net of taxes collected and net interest paid).

The value generated by the Colonial Group amounted to 411.5 million euros. **36% of the value generated by the Group has been paid to the public administration in the form of tax payments.**

Source: Prepared in-house

COLONIAL GROUP TAX CONTRIBUTION WITH RESPECT TO 2024 REVENUE

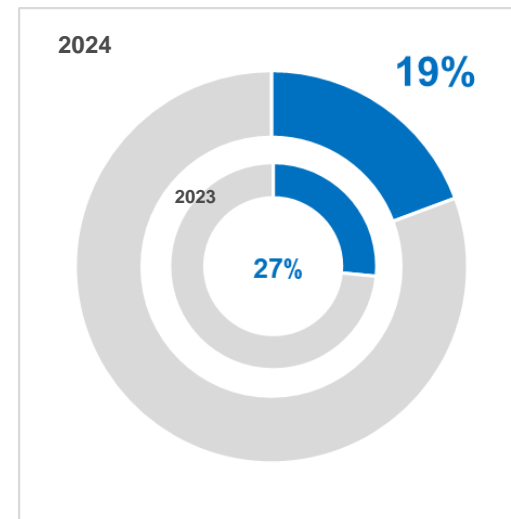


Percentage represented by taxes borne and collected on the amount of the consolidated revenue.

For every 100 euros of the Group's revenue, 30 euros are used to pay taxes, 12 euros of which are taxes borne and 18 euros of which are taxes collected.

The 10% decrease corresponds mainly to the increase in turnover.

NORMALISED TOTAL TAX CONTRIBUTION RATE FOR 2024



Percentage represented by taxes borne on consolidated profit/(loss) before taxes borne adjusting for asset revaluations.

In 2024, the Group's normalised TTC accounts for 19% of pre-tax profit before taxes borne, compared to 27% in 2023 (-30%), mainly due to the increase in profit before input tax and the decrease in input tax due to the refund of corporation tax.

Tax Contribution of the Colonial Group in 2024

ANALYSIS OF THE TOTAL TAX CONTRIBUTION IN 2024

The Colonial Group's total tax contribution from the countries in which it is present amounted to **149.9 million euros during the 2024 financial year**, and 57% of it corresponded to the contribution made in Spain.

In this respect, 39% corresponds to taxes borne that represent a cost for the Group, and the remaining 61% relates to taxes collected by the Group during its economic activity.

Total tax contribution over time in 2024

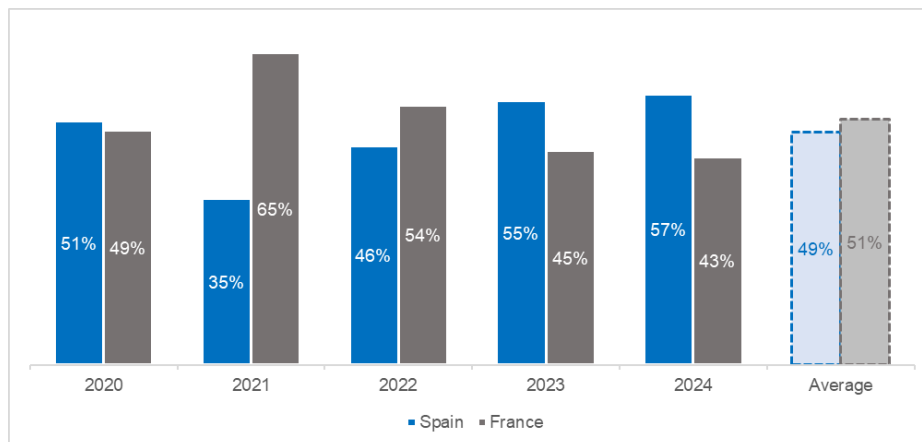
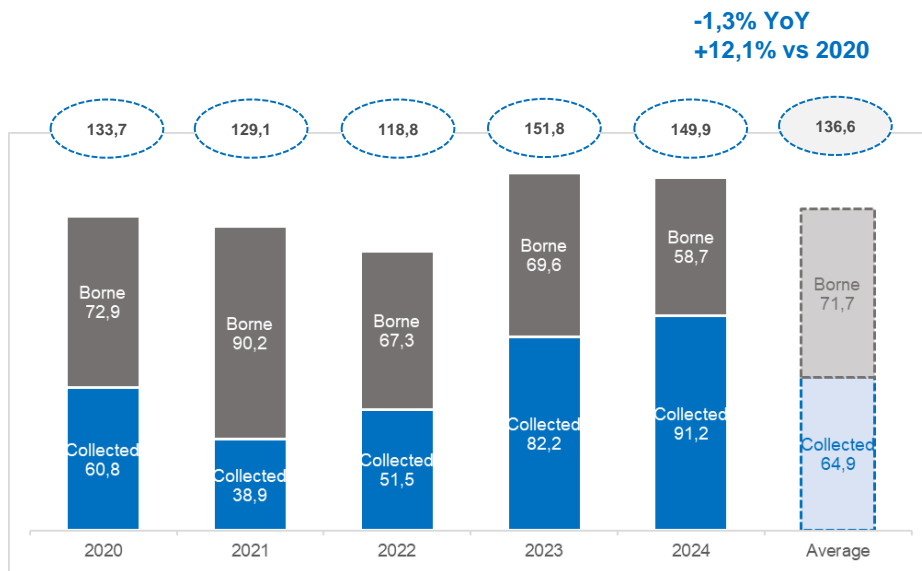
The tax contribution for 2024 has decreased by 1.3% compared to 2023, although it has increased by 12.1% since 2020 and is 9.7% above the average of the last 5 years.

On the one hand, taxes collected have increased by 10.9% compared to the 2023 financial year, mainly due to the increase in taxes collected from withholdings on dividends distributed, as well as taxes associated with employment.

And taxes borne have decreased by 15.7% compared to the previous year, mainly due to taxes on profits that during 2024 have decreased due to the refund of corporate tax.

Source: Prepared in-house

TOTAL TAX CONTRIBUTION OVER TIME



Fuente: Elaboración propia

Tax borne

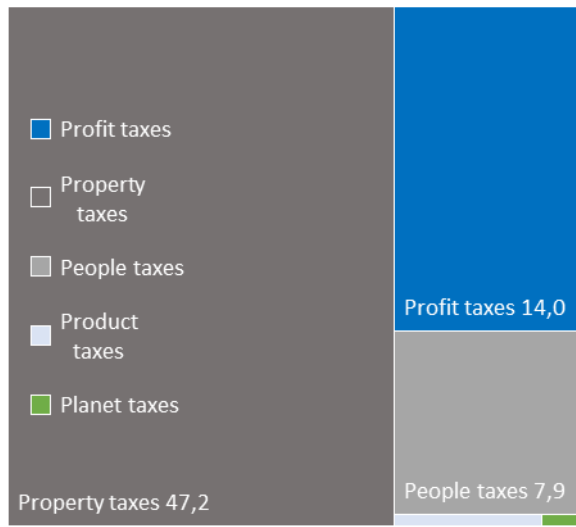
2024

Total: 58,7 M€



2023

Total: 69,6 M€



ANALYSIS OF TAXES BORNE IN FISCAL YEAR 2024

Property taxes - The main item of **property taxes** is property tax (73%), followed by the tax on the increase in value of urban land (11%), the fees for building permits and authorisations and the tax on constructions, installations and works, stamp duty on the declaration of new construction, which together represent 16% of the total payments made by the Group.

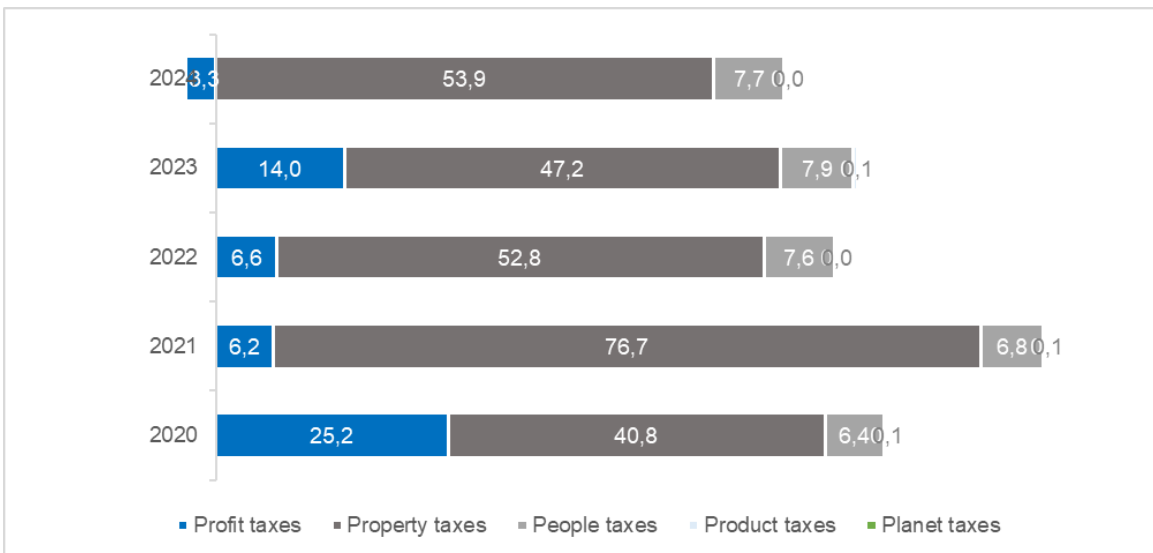
Income taxes - correspond to net corporate tax refunds, amounting to -3.3 million euros.

Employment-related taxes - (13% of the Group's tax contribution) - correspond to contributions made to Social Security (or similar bodies), amounting to 7.7 million euros.

Taxes on products and services mainly correspond to different taxes paid to the Local Administration, and amount to **0.4 million euros**.

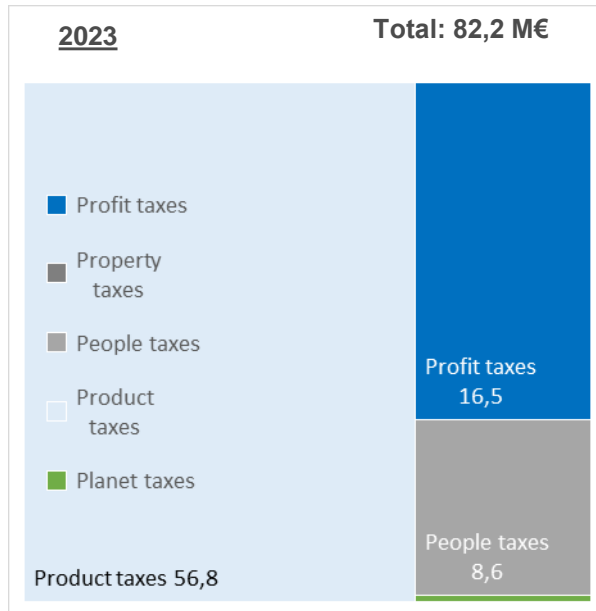
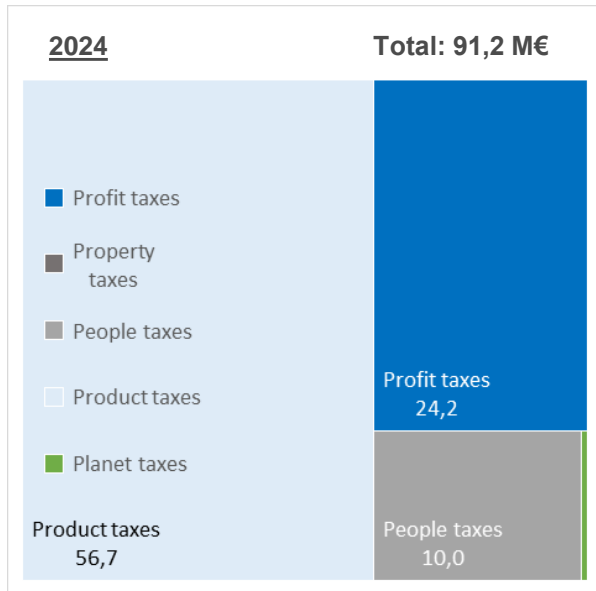
Environmental taxes of the Group correspond mainly to waste fees, and amount to less than **0.1 million euros**.

TAXES BORNE EXERCICES 2020-2024



Source: Prepared in-house

Tax collected



ANALYSIS OF TAXES COLLECTED ANALYSIS IN FISCAL YEAR 2024

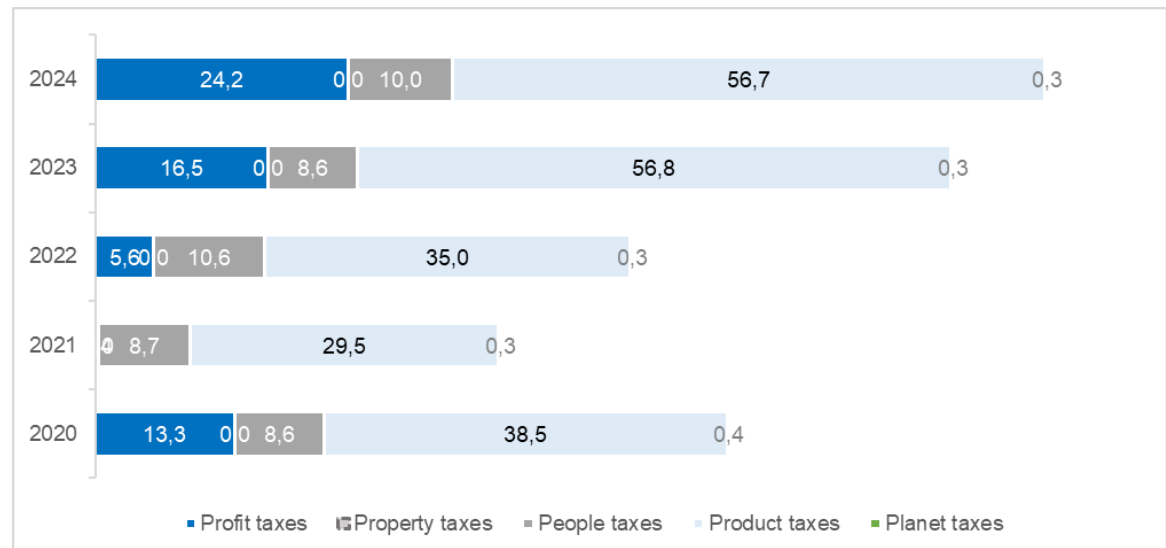
Taxes on products and services - correspond in full to the Value Added Tax (and equivalent taxes) collected and paid by Grupo Colonial in the various jurisdictions in which it operates.

Taxes on profits - correspond mainly to withholdings made on dividends paid during the year, both to residents and non-residents.

Taxes associated with employment correspond to the amounts withheld from employees as personal income tax and contributions to Social Security (or similar bodies), for a total amount of 10 million euros.

Environmental taxes - correspond mainly to the waste tax, and account for 0.3 million euros.

TAXES COLLECTED EXERCICES 2020-2024



Source: Prepared in-house

Colonial Group Tax Contribution Indicators

Total Tax Contribution Rate

- > In 2024 the tax contribution rate stands at 19% of the profits before taxes borne. This represents a decrease of 8% compared to 2023 mainly due to the increase in income before borne taxes and the reduction of taxes borne by corporate tax refunds.

Total Tax Contribution Rate

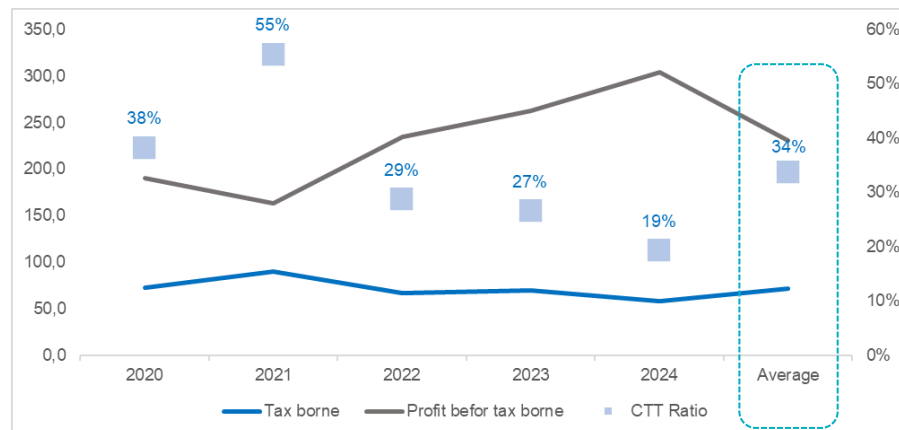
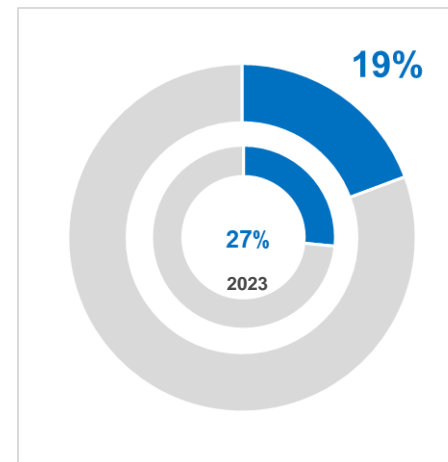
The Tax Contribution rate is an indicator of the cost of taxes borne in relation to profits earned.

It is calculated as the percentage of taxes borne with respect to income before those taxes borne, taking into account consolidated figures that include the activity carried out by the Group at a global level.

In the 2024 financial year, input taxes have decreased by 10.9%, mainly due to taxes on profits paid in the 2024 financial year in Spain due to corporate tax refunds.

The normalized CTT ratio stands at 19%, compared to 27% in 2023, i.e. a decrease of 8%, mainly due to the increase in the profit before input tax and a decrease in input tax, due to corporate tax refunds

Normalised TTC rate of the Colonial Group in 2024



Source: Prepared in-house

TTC compared with revenue

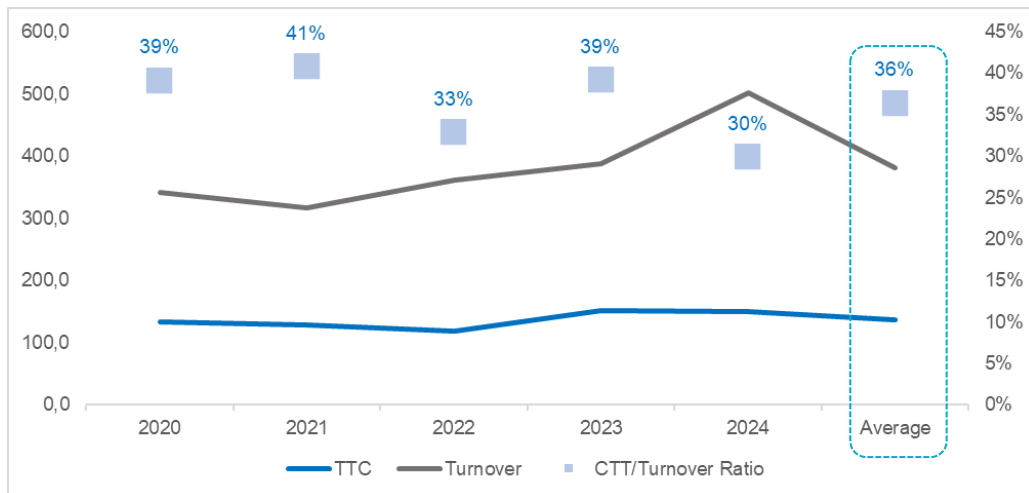
- > For every 100 euros of the Group's revenue, 30 euros are used to pay taxes. Of that amount, 12 euros are taxes borne and 18 euros are taxes collected.

TTC compared with revenue

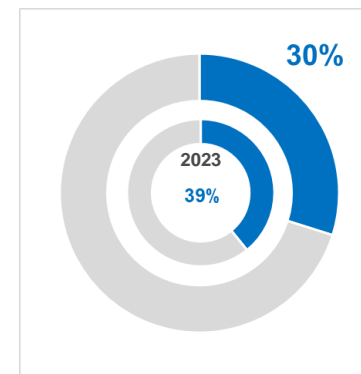
The TTC compared to the Group's revenue is an indicator that shows the amount of tax contribution made by the Group in relation to the size of its business.

For the Colonial Group, the average ratio of Total Tax Contribution to revenue is 30% in 2024 (39% in 2023).

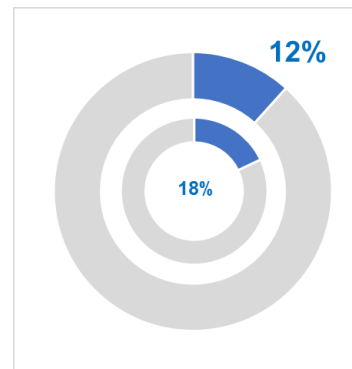
Este indicador ha disminuido un 24% en comparación con el obtenido en el ejercicio anterior, fundamentalmente por el incremento del importe de la cifra de negocio.



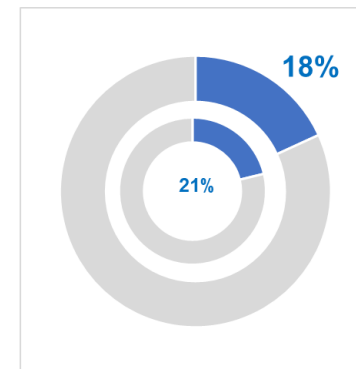
TTC compared with revenue of the Colonial Group in 2024



Taxes borne



Taxes collected



> **The value distributed by the Group** grew to **411.5 million euros**, 4% more in relation to 2023. Approximately one **third of the value distributed** by the Group (36%) is in the form of tax payments.

Tax value distributed by the Group

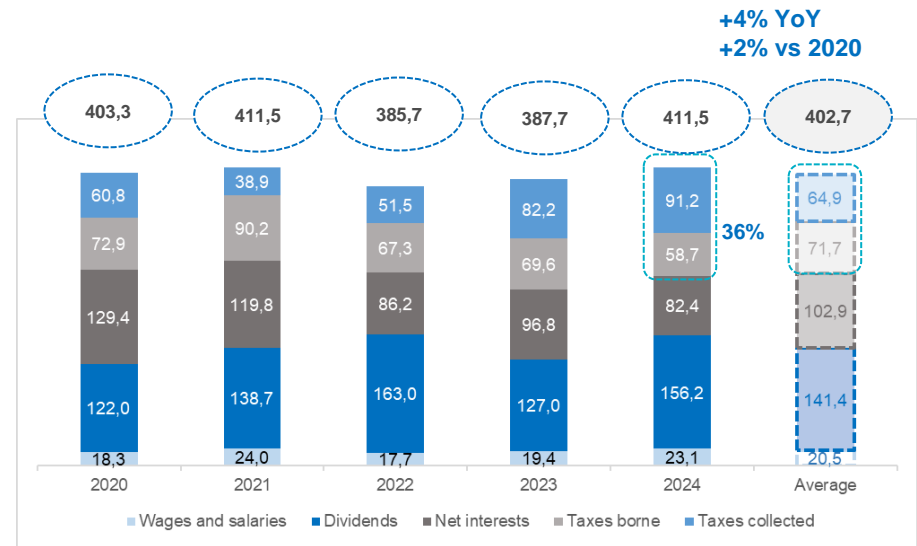
According to the TTC methodology, the Group's distributed value is made up of the sum of the following elements:

- Net interests,
- Wages and salaries (net of taxes collected from employees),
- Taxes (borne and collected)
- Shareholder value (dividends satisfied net of taxes collected)

The distributed tax value ratio shows what percentage of the total value generated by the Group is allocated to the payment of taxes borne and collected to the Public Administrations.

In essence, the distributed tax value reflects the way in which the Colonial Group contributes the economic value it generates to society.

EVOLUTION OF THE VALUE DISTRIBUTED BY THE GROUP

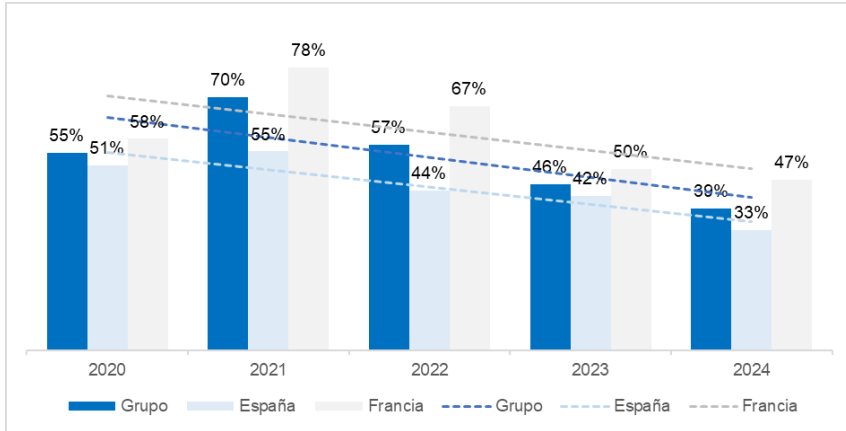


In 2024, **the total amount of distributed value amounted to 411.5 million euros**, 149.9 million of which were paid to the various public administrations as taxes borne and collected.

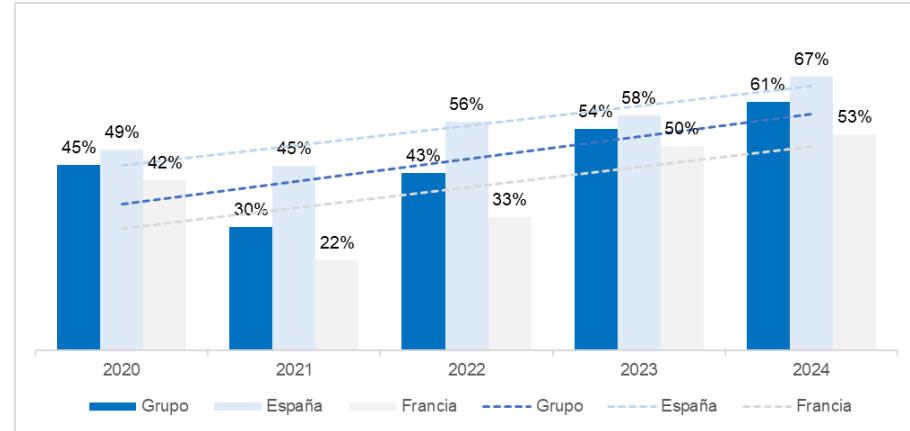
In 2024 close to **36%** of the value generated by Colonial Group **goes to society through the payment of taxes borne and collected** in the different territories in which it operates.

Breakdown by geographic area

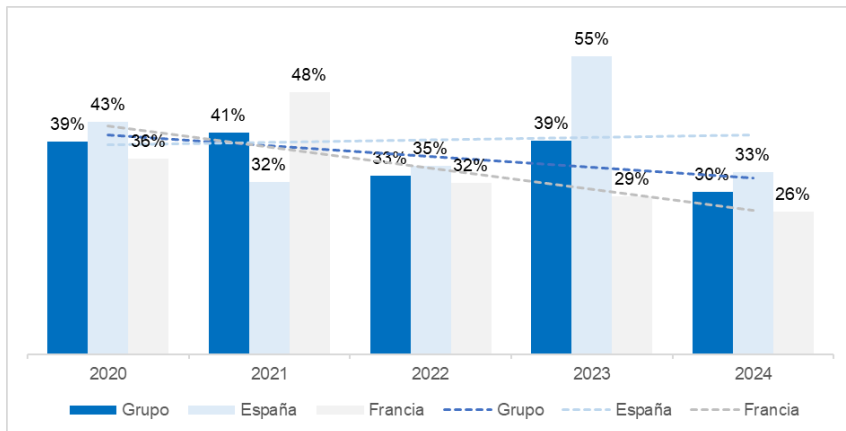
EVOLUTION TAXES BORNE



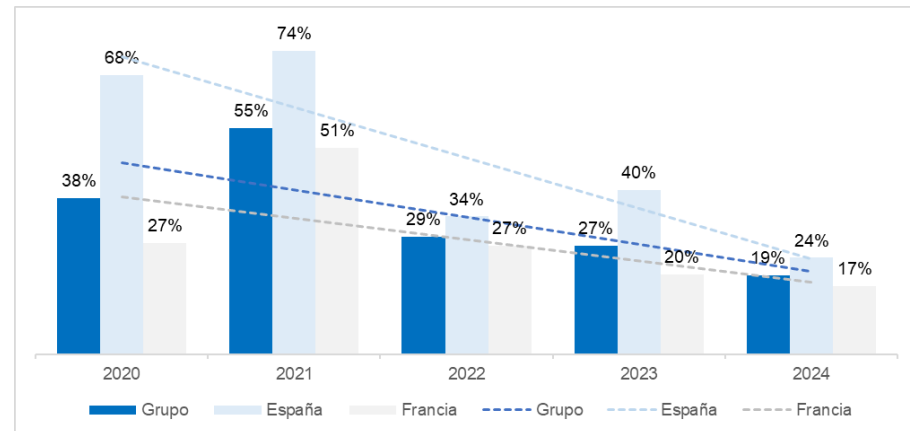
EVOLUTION TAXES COLLECTED



TTC/TURNOVER EVOLUTION



EVOLUTION OF THE TOTAL TAX CONTRIBUTION RATIO



Annexes

Annex II: Breakdown by tax and type – Borne taxes

TOTAL TAX CONTRIBUTION - COLONIAL GROUP	2024						Difference					%				
	2024	2023	2022	2021	2020	2019	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Taxes borne	M€	M€	M€	M€	M€	M€	M€	M€	M€	M€	M€					
Profit taxes	-3,3	14,0	6,6	6,2	25,2	17,8	-17,3	7,4	0,4	-19,0	7,4	-124%	112%	6%	-75%	41%
Corporate income tax	-6,0	11,7	4,8	4,3	24,1	15,6	-17,7	6,9	0,5	-19,8	8,5	-151%	144%	12%	-82%	54%
Withholding tax credits reduced to the Corporate income tax	0,0	0,0	0,0	0,0	-0,7	0,7	0,0	0,0	0,0	0,7	-1,4	0%	0%	0%	-100%	-206%
Tax on interest and other taxes on income, profits and gains which apply to companies generally	1,1	0,4	0,0	0,0	0,0	0,0	0,7	0,4	0,0	0,0	0,0	175%	0%	0%	0%	-100%
Other taxes on income, profits and gains relating to specific activity	1,6	1,9	1,8	1,9	1,8	2,2	-0,3	0,1	-0,1	0,1	-0,4	-16%	6%	-5%	7%	-19%
Property taxes	53,9	47,2	52,8	76,7	40,8	44,8	6,7	-5,6	-23,9	35,9	-4,0	14%	-11%	-31%	88%	-9%
Property tax	39,4	39,4	35,1	34,0	35,4	33,8	0,0	4,3	1,1	-1,4	1,6	0%	12%	3%	-4%	5%
Real estate transfer tax	0,0	0,0	0,0	1,1	0,0	0,0	0,0	0,0	-1,1	1,1	0,0	0%	0%	-100%	0%	0%
Stamp duty taxes	4,2	0,4	0,1	1,4	0,4	1,8	3,8	0,3	-1,3	1,0	-1,4	950%	300%	-93%	286%	-80%
Taxes on intangible assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Registration duty, financial transactions tax (FTT) and other taxes on intangible assets	0,0	0,0	14,1	36,0	0,0	0,0	0,0	-14,1	-21,9	36,0	0,0	0%	-100%	-61%	0%	0%
Territorial economic contributions	0,7	0,8	0,9	1,1	2,1	2,3	-0,1	-0,1	-0,2	-1,0	-0,3	-13%	-11%	-18%	-47%	-12%
Other transfer taxes on the acquisitions or disposals of assets, net wealth and financial and capital transactions	5,8	4,5	0,6	1,9	1,4	2,3	1,3	3,9	-1,3	0,5	-0,9	29%	650%	-68%	38%	-40%
Other taxes paid on the ownership, use or transfer of property	3,8	2,1	2,0	1,2	1,6	4,6	1,7	0,1	0,8	-0,4	-3,0	81%	5%	67%	-25%	-65%
People taxes	7,7	7,9	7,6	6,8	6,4	6,3	-0,2	0,3	0,8	0,4	0,0	-3%	4%	12%	7%	0%
Employers' social security contributions	6,1	6,3	6,0	5,3	5,3	5,5	-0,2	0,3	0,7	0,0	-0,1	-3%	5%	13%	0%	-3%
Employment taxes borne by the employer	0,8	0,6	0,6	0,5	0,3	0,3	0,2	0,0	0,1	0,2	0,1	33%	0%	20%	43%	26%
Other significant taxes paid in relation to employing staff	0,8	1,0	1,0	1,0	0,7	0,6	-0,2	0,0	0,0	0,3	0,1	-20%	0%	0%	43%	16%
Product taxes	0,4	0,4	0,3	0,4	0,4	0,4	0,0	0,1	-0,1	0,0	0,0	0%	33%	-25%	2%	9%
Irrecoverable VAT	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Other sales, consumption and turnover taxes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Fuel tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Insurance premium tax	0,1	0,1	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0%	0%	0%	336%	-38%
Vehicles tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	-100%	17%
Customs duties and other taxes on international trade and transactions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Other taxes on goods and services	0,3	0,3	0,2	0,3	0,4	0,3	0,0	0,1	-0,1	-0,1	0,0	0%	50%	-33%	-17%	14%
Planet taxes	0,0	0,1	0,0	0,1	0,1	0,1	-0,1	0,1	-0,1	0,0	0,0	-100%	0%	-100%	1%	4%
Environmental tax	0,0	0,1	0,0	0,1	0,1	0,1	-0,1	0,1	-0,1	0,0	0,0	-100%	0%	-100%	1%	4%
Any other environmental taxes borne	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
TOTAL	58,7	69,6	67,3	90,2	72,9	69,4	-10,9	2,3	-22,9	17,3	3,4	-16%	3%	-25%	24%	5%
Other payments and contributions borne	M€	M€	M€	M€	M€	M€	M€	M€	M€	M€	M€					
Others	48,4	0,0	0,0	5,3	8,5	8,5	48,4	0,0	-5,3	-3,3	0,0	0%	0%	-100%	-38%	0%
Regulatory fees paid to Government	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Rentals paid to Government in respect of the use of land and other assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Firemen services charges	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
REIT conversion charges, i.e. "Exit taxes"	48,1	0,0	0,0	5,3	8,5	8,5	48,1	0,0	-5,3	-3,3	0,0	0%	0%	-100%	-38%	0%
Planning application, license and other fees	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Insurance compensation consortium charges	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%
Any other payments to Government	0,3	0,0	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,0	0%	0%	0%	0%	0%

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