4Q/2021

Annual Results January-December 2021
28 February 2022

Colonial

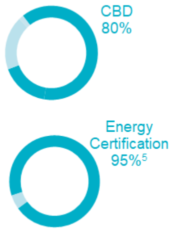
Return to growth - Colonial closes 2021 with solid results in all KPIs

The Group registers a net profit of €474m (+€471m)

Financial Highlights	2021	2020	Var	LFL
Net Tangible Assets (NTA) - €/share	12.04	11.27	+7%	
Recurring EPS - €Cts/share	24.59	27.06	(9%)	
Comparable recurring EPS - €Cts/share[1]	30.43	27.06	+12%	
Net Tangible Assets (NAV) - €m	6,496	5,728	+13%	
GAV Group €m	12,436	12,020	+3%	+6%
Gross Rental Income - €m	314	340	(8%)	+2%
Net Rental Income - €m	293	318	(8%)	+3%
Recurring Net Profit - €m	128	138	(7%)	
Attributable Net Profit - €m	474	2	↑↑	

Portfolio Grade A Prime

GAV 12/21 €12,436m



Operational Highlights	
EPRA Occupancy	96%
Collection Rate Ofices[2]	**100%**
Release Spread[3]	+7%
Barcelona	+24%
Paris	+4%
Madrid	+2%
Rental Growth[4]	+5%
Paris	+8%
Barcelona	+3%
Madrid	+1%

Total Shareholder Return (based on NTA) of +9%
- Net Tangible Assets (NTA) per share of €12.04, +7%
- Net Tangible Assets (NTA) of €6,496m, +13%

Gross Asset Value of the portfolio of €12,436m, +6% like-for-like
- Portfolios in Paris & Barcelona +6% like-for-like
- Madrid portfolio with an increase of +7% like-for-like
- Successful project delivery with significant value creation

Strong growth in Net Results and solid Recurring EPS
- Net Profit of €474m, +€471m vs. the previous year
- Recurring EPS (Earnings per share) of €24.6cts, reaching the high end of the guidance
- Recurring EPS like-for-like[1] up +12% Year on Year

Rental Income with solid growth
- Gross Rental Income of €314m, +2% like-for-like
- Net Rental Income of €293m, +3.3% like-for-like (Paris +6.4% like-for-like)

Strong acceleration in operating fundamentals
- More than 170,000 sqm of letting volume, +75% vs. the previous year
- Significant progress in the renovation program (35,000 sqm signed in 2H21)
- Occupancy levels of 96%, (98% in Paris)
- Growth in signed rents and indexation capturing
- +5% vs ERV 12/20[4] (+8% in Paris)
- +7% of release spread[3] (+24% in Barcelona)

Acquisitions to drive future growth
- Successful tender offer on of SFL reaching a 98.3% stake
- New acquisition program in Paris & Barcelona – more than €500m of investment
- Non-core disposals for €349m, with a premium of +11% above the appraisal value

Leadership in ESG & Descarbonization
- CDP 2021 Rating A, the highest rating: among the 12 best real estate companies in the world
- GRESB 2021 Rating of 94 points, leader in listed offices in Western Europe
- Improvement in the Sustainalytics Rating 2021, the highest rating in the industry in 2022
- Vigeo 2021 Rating at the high end of the sector: A1+ rating

A strengthened balance sheet for future growth
- Conversion of all bonds to "green bonds", the 1st and only company in the IBEX35
- LTV of 35.8% with a liquidity of €2,359m
- Successful Liability Management of more than €1,0bn
- Reduction of the Group's cost of debt, reaching 1.4%

(1) Recurring results excluding non-strategic disposals and the impact of the renovation program tenant rotation and other non-like-for-like items
(2) Collection rates at December 2021
(3) Signed rents on renewals vs. previous rents
(4) Signed rents vs. market rents at 31/12/2020 (ERV 12/20)
(5) Portfolio in operation

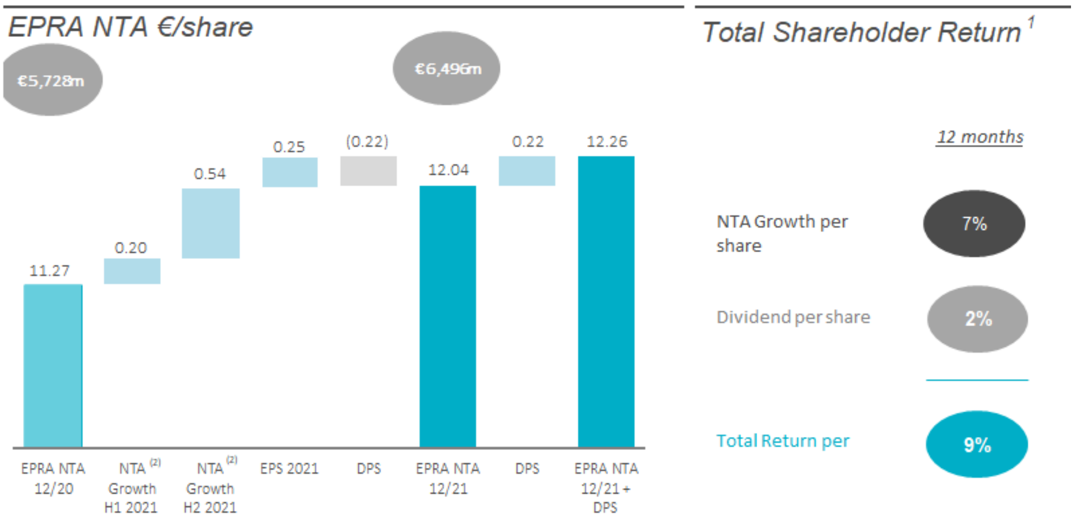
Highlights

Annual Results 2021 – Return to growth

Total Shareholder Return of +9%, reaching an NTA of €12/share

1. Growth in Net Tangible Assets (NTA) up to €6,496m, +13%

Colonial closed 2021 with Net Tangible Assets (NTA) of €12.04/share, corresponding to a year-on-year increase of +7% which, together with the dividend paid per share of €0.22/share, amounts to a Total Shareholder Return of +9%.



(1) Total shareholder return understood as NTA (NAV) growth per share + dividends

(2) NTA growth excluding EPS and DPS paid

In absolute terms, the net value of the assets (NTA) amounts to €6,496m, an annual increase of +13%, a value increase of more than €768m in a year.

This important growth in NTA has been achieved thanks to an industrial Real Estate strategy with a significant Alpha component in returns, mainly due to:

1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings
2. Solid fundamentals of Colonial's assets with high occupancy levels and solid increases in rental prices highlighting, in particular, the strength of the Paris portfolio
3. The important degree of progress in the project portfolio, specifically the delivery and rental of the Prime Marceau in Paris and Diagonal 525 projects in Barcelona
4. The acceleration of the renovation program, substantially improving rental levels, as well as the value of the assets
5. The successful execution of the takeover bid on Société Foncière Lyonnaise with attractive terms for Colonial's shareholders.

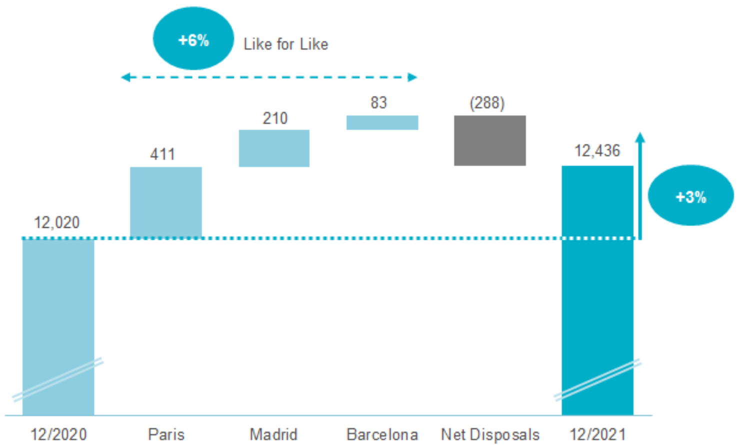
2. Increase in the value of the real estate portfolio of +6% like-for-like

The gross asset value of the Colonial Group at the close of 2021 amounted to €12,436m (€13,091m including transfer costs), showing **an increase of +6% like-for-like compared to the previous year**.

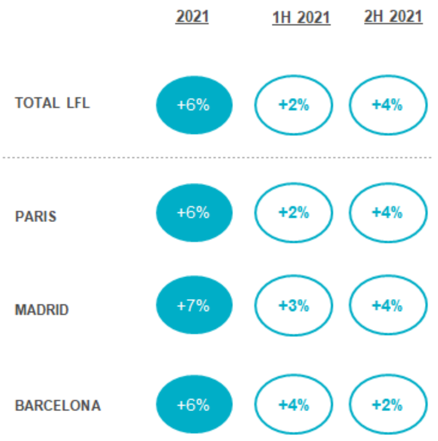
The portfolios in the three cities show solid growth. The portfolios in **Paris and Barcelona both increased +6% like-for-like** and the properties **in Madrid went up +7% like-for-like**.

Globally, an acceleration in value growth took place in the second half of the year, with an increase of +4% like-for-like for all properties.

VARIANCE ANALYSIS VALUE 12 MONTHS - €m



GAV VARIANCE LFL



The growth in asset value is based on (1) the growing demand of the market for prime Real Estate in the city centre, (2) the solid fundamentals of Colonial's portfolio with an occupancy of 96% and rents signed at the high end of the market and (3) the successful generation of Alpha real estate value through the Project Portfolio and the Renovation Program.

In 2021, €349m in non-core assets were disposed of with a premium over the appraisal value of +11%. More than €263m correspond to the signing of the two sales in Paris that comprised the Alpha V program of the previous year. Additionally, Colonial divested two non-strategic assets in Spain in the second half of 2021, optimizing the prime profile of the Group's portfolio.

At 31 December 2021, the exposure of Colonial's property portfolio to CBD areas was at 80%, +266 bps compared to the previous year and 95% of the portfolio in operation hold energy efficiency certifications, an improvement of 252 bps compared to the previous year.
Including the impact of net disposals, the asset value increased +3% compared to the previous year.

Net profit of €474m and recurring profit of €128m

1. Net profit of €474m, +€471m compared to the previous year

The Colonial Group closed 2021 with a net profit of €474m, +€471m compared to the closing of the previous year.

The significant increase in Net Results is due to:

1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings
2. The important degree of advances in the project portfolio and the acceleration in the renovation program, substantially improving rental levels, as well as the value of the assets.
3. The successful execution of the acquisition of 16.6% of Société Foncière Lyonnaise with very attractive terms for Colonial's shareholders.
4. A solid recurring result of more than €128m based on an asset portfolio with high occupancy levels and solid increases in rental prices, specifically in the Paris portfolio

2. Net recurring profit of €24.6cts/share, reaching the high end of the guidance

Colonial closed 2021 with a net recurring profit of €128m, corresponding to €24.6cts/share, achieving the high end of the guidance range of €23-25cts/share that the Company communicated to the capital markets.

It is important to highlight that the strong acceleration in the results in the fourth quarter is due to the increase in inflation captured by the indexation clauses in the Colonial Group's contract portfolio. Likewise, the recurring earnings reflect the strict management of operating and SG&A costs.

Compared to the previous year, the recurring earnings have decreased, reflecting the impact of the disposals of non-strategic assets, as well as the acceleration of the renovation program.

1. The **execution of the disposals of non-strategic assets** with premiums over valuation have resulted in a year-on-year reduction of €13m in net results due to lower rents in exchange for an improved quality of the cash flow of the post-sales portfolio.

2. The start and the **acceleration of the portfolio's renovation program** with the aim of repositioning portfolio assets with significant value creation potential and future cash flow reversion based on a real estate transformation of the assets. This program involves temporary tenant rotation with a negative impact on EBITDA rents of €16m in the 2021 results.

The active management of these buildings has a temporary impact on income in exchange for an increase in rental levels in the portfolio once let again, as well as the potential for value creation in each asset.

3. Net recurring like-for-like results higher than the previous year

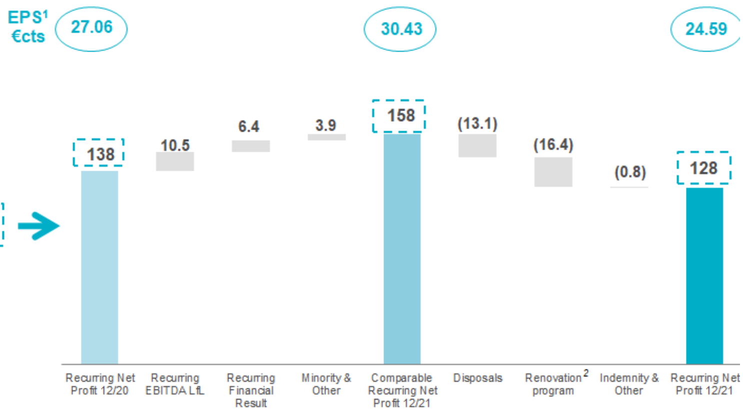
Excluding the effects of the active management of the portfolio, the **Comparable Recurring Net Profit amounts to €158m**, a figure **+15% higher than the result of the previous year**.

The comparable recurring[3] results per share (recurring EPS) is at €30.43cts, a figure +12% higher than the same period of the previous year.

Profit & Loss Account

Results analysis - €m	2021	2020
Gross Rents	314	340
Recurring EBITDA	249	272
Recurring financial result	(80)	(87)
Income tax expense & others - recurring	(12)	(14)
Minority interests - recurring	(29)	(34)
Recurring Earnings	128	138
Change in fair value of assets & provisions	444	(75)
Non-recurring financial result & MTM	(30)	(33)
Income tax & others - non-recurring	(3)	(0)
Minority interests - non-recurring	(65)	(26)
Profit attributable to the Group	474	2

Recurring Earnings - Variance Analysis



(1) Recurring earnings per share
(2) Tenant rotation renovation program
(3) Recurring results excluding non-strategic disposals and the impact of the renovation program tenant rotation and other non like-for-like items

4. Gross rental income of €314m, +2% like-for-like

Colonial closed 2021 with **€314m of Gross Rental Income**, a figure 8% lower than the previous year, due to 1) the disposal of non-strategic assets in 2020 and the beginning of 2021; and 2) the acceleration of the renovation program of the Group.

In like-for-like terms, the Gross Rental Income increased by +2% compared to the same period of the previous year.

5. Net Rental Income (EBITDA rents) of €293m, +3.3% like-for-like

The net rental income (EBITDA rents) increased +3.3% like-for-like, driven by an increase of +6.4 % in the Paris portfolio.

December cumulative - €m	2021	2020	Var	Var LFL
Rental revenues Group	314	340	(8%)	+2%
EBITDA rents Group	**293**	**318**	**(8%)**	**+3.3%**
EBITDA rents Paris	*168*	*172*	*(2%)*	*+6.4%*
EBITDA rents Madrid & Barcelona	*125*	*146*	*(14%)*	*in line*

Significant acceleration in operating fundamentals

1. More than 170,000 sqm of letting volume: the second highest figure in Colonial's history

At the close of 2021, the Colonial Group had signed **118 rental contracts** in the office portfolio, corresponding to **170,344 sqm, exceeding the letting volume of the previous year by +75%.**

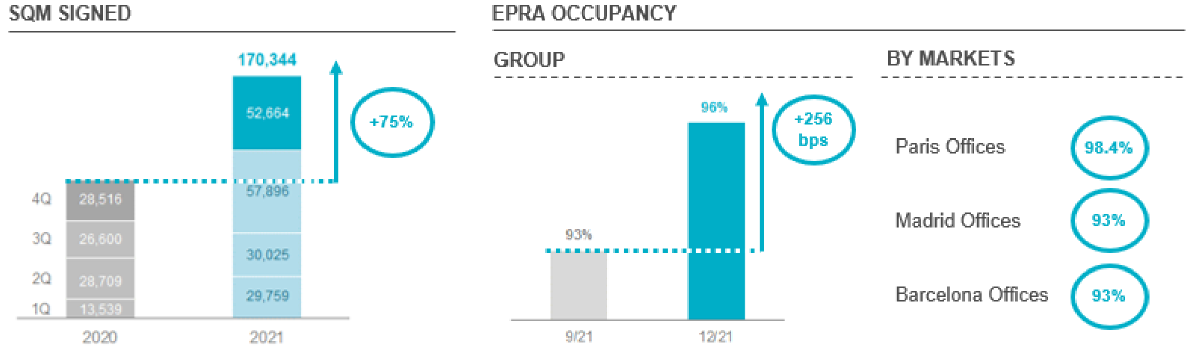
This volume of signed contracts is the second highest in Colonial's history, only surpassed by 2019, a year of record results in all metrics.

In economic terms (sqm signed multiplied by signed rents), **the take-up levels doubled compared to the previous year (+114% vs 2020**), signing contracts for a volume of more than €77m in annualized rents.

2. Acceleration in take-up in the second half, increasing occupancy to 96%

In **the second half of 2021, there was an acceleration with the signing on more than 110,000 sqm (a figure higher than the letting activity in the whole 12 months of the previous year).** The third and fourth quarters exceeded more than 50,000 sqm of signed contracts, with high volumes in the Madrid and Paris portfolios.

It is important to highlight that two thirds of the contracts signed in the fourth quarter correspond to surface areas entering into operation, mainly from the renovation program, improving the occupancy rate of the Group by more the 250 bps in one quarter up to 96% (highlighted is the high occupancy rate of the Paris portfolio, exceeding 98%).



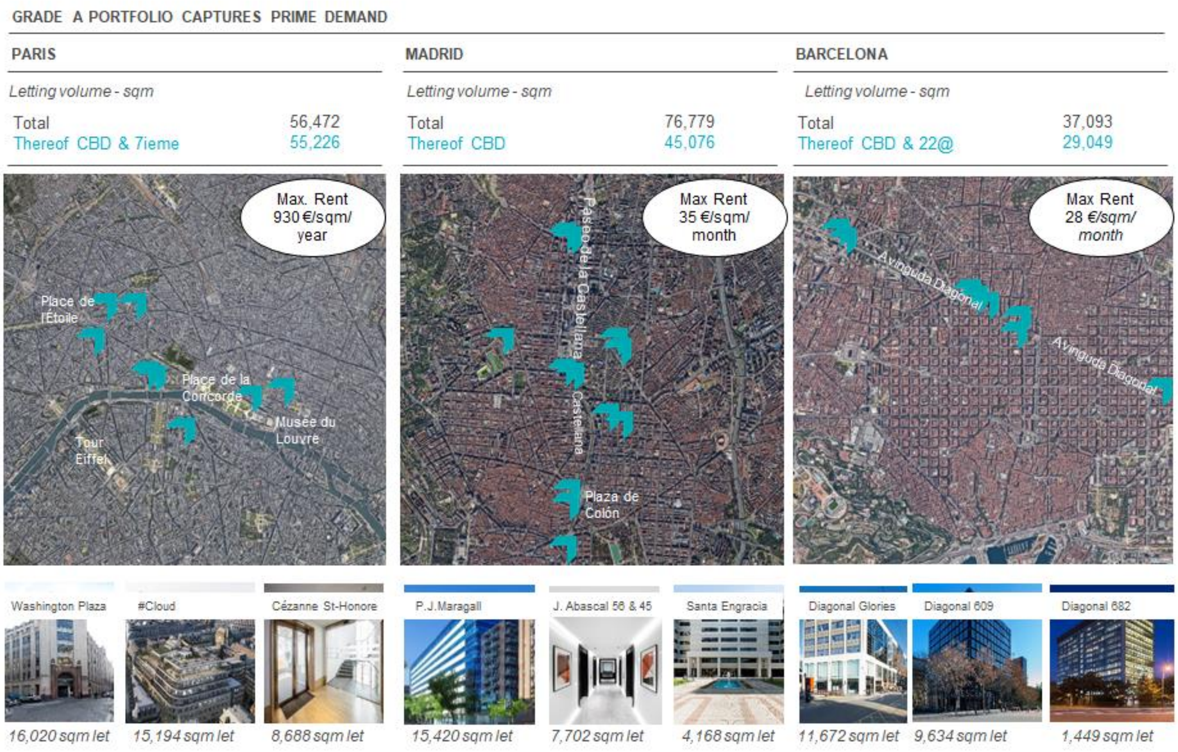
3. Capturing rental prices at the high end of the market: polarization effect of the Grade A portfolio

In 2021, the Colonial Group signed contracts with rental prices at the high end of the market.

The maximum rents signed in the portfolio of the Group reached **€930/sqm/year in Paris**, as well as **€35/sqm/month in Madrid** and **€28/sqm/month in Barcelona**. With these price levels, Colonial's portfolio clearly sets the benchmark for prime assets in each of the markets in which it operates.

Colonial's portfolio attracts top tier demand at maximum prices, given the prime locations, the high-quality eco-efficiency levels of the buildings and the fact the carbon footprint ratios are among the lowest in the market. Specifically, the average intensity of carbon emissions of the buildings where contracts have been signed reaches 7 kgCO_2e/sqm (carbon intensity of Scopes 1 & 2), one of the most eco-efficient levels in the sector in Europe.

76% of the 170,344 sqm signed in 2021 correspond to buildings located in the CBD areas in Madrid and Barcelona, as well as in the CBD and the central 7ème district in Paris.



4. Acceleration in market rent growth in the fourth quarter

Growth in the market rents of the portfolio, with an acceleration in the fourth quarter

The **Colonial Group** closed the year with **a growth of +5% in rental prices** compared to the market rent (ERV) at December 2020. **The highest growth was registered in the Paris portfolio**, where the prices **were signed +8% above the market rent at December 2020.**

Specifically highlighted is the **accelerated growth in the last quarter of the year**, where the rents increased **by +8% versus market rents**. The **Barcelona** portfolio registered an increase of **+10%** vs. the market rents at December 2020**, followed by Paris and Madrid with +9% and +5%, respectively.**

Strong price increases	Maximum rent signed	Rental growth vs ERV [1]			Release Spread [2]		
		3Q acum	4Q	2021	3Q acum	4Q	2021
Paris	930 €/sqm/ year	+7%	+9%	+8%	+2%	+2%	+2%
Barcelona	28 €/sqm/ month	+2%	+10%	+3%	+24%	+25%	+24%
Madrid	35 €/sqm/ month	(1%)	+5%	+1%	+2%	+10%	+4%
TOTAL OFFICES		+4%	+8%	+5%	+7%	+7%	+7%

(1) *Signed rents vs ERVs at 31/12/2020*
(2) *Signed rents on renewals vs previous rents*

Solid rent increases from renewals, reaching double-digits in Barcelona

The **release spreads (signed rental prices vs. previous rents) at the close of 2021** were at **+7% for 2021.** These ratios highlight the reversionary potential of Colonial's contract portfolio with significant improvement margins on current passing rents. Worth mentioning is the high **release spread of +24% in the Barcelona portfolio.**

5. A well-positioned portfolio to capture additional growth through indexation

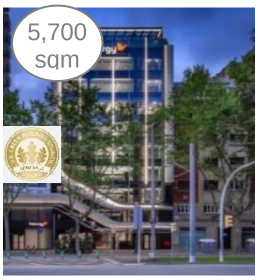
Colonial's contract portfolio is well-positioned to capture the full impact of the current high indexation levels. Almost all of the contracts have indexation clauses. In Madrid and Barcelona, all the contracts are indexed according to the consumer price index with the exception of contracts with 2 clients in the public administration where due to Spanish regulation indexation cannot be applied. In Paris, 100% of the contracts are indexed, with the ILAT index being the main benchmark, in addition to the ICC and ILC indexes, all of which are also currently at positive levels.

Colonial's portfolio was able to attract high levels of indexation in all of its contracts from the fourth quarter. This has meant registering an additional increase in rental income that allowed the Colonial Group to close with a net recurring earnings per share at the high end of the guidance.

Project Portfolio – additional rents and value creation

1. Delivery of Diagonal 525 in the Barcelona CBD and of 83 Marceau in the Paris CBD

The delivery in 2021 of **Diagonal 525 in the Barcelona CBD and 83 Marceau in the Paris prime CBD means annual revenues of €11m and a significant value creation** on total cost.



Diagonal 525 – CBD Barcelona

> Naturgy Headquarters with a 10-year mandatory contract

> Rents signed at €28/sqm/month – reference rent in the prime CBD of Barcelona and doubling the rent of the previous contract

Value creation vs. total cost	+40%
New rents vs. previous rents	+100%

83 Marceau – Prime CBD Paris

> 100% rented at maximum market rent prices

> Goldman Sachs is the main tenant occupying 6,500 sqm with a 12-year contract

> 2022 is the first year with the full impact of rents (entry into operation in the last quarter of 2021)

Value creation vs. total cost	+108%
New rents vs. previous rents	+70%

2. Progress on the projects to be delivered in 2022 with strong market interest

In 2022, more than 49,000 sqm will enter into operation in Madrid and Paris with a **significant impact on value creation** as well as **the Colonial Group's revenues.**

Velázquez 86D – CBD Madrid

> 1,900 sqm of commercial surface area rented to date–12% of the building

> Advanced conversations for the half of the building

> Expected delivery in the first half of 2022

Miguel Ángel 23 – CBD Madrid

> Net zero building, one of the most eco-efficient buildings in Madrid

> Advanced conversations with potential clients for the total surface area

> Expected delivery in the first half of 2022

Biome – Paris City Centre (15eme Arrond.)

> 12 potential clients have seen the asset

> Potential interest for a sizeable demand from the audio-visual and technology sectors

> Expected delivery in the second half of 2022

Renovation Program

The Colonial Group continues with its renovation program of 108,000 sqm spread across 9 assets in the portfolio. During the second half of 2021, **35,000 sqm in rental contracts were signed which correspond to annual revenues of €22m.**

1. Acceleration of the renovation program in Paris

In Paris, the renovation program includes 32,000 sqm. During the second half of 2021, the commercialization of these surfaces was accelerated, with a take-up of more than 27,800 sqm, resulting in 88% of the renovation program total in Paris, with signed rents at the high end of the market.

Cézanne Saint Honoré
Prime CBD – 10,000 sqm

- 8,700 sqm rented (90% of the total)

Washington Plaza
Prime CBD – 10,000 sqm

- 10,000 sqm rented (100% of the total)

103 Grenelle
Paris 7eme – 5,600 sqm

- 4,500 sqm rented (80% of the total)

Charles de Gaulle
Neuilly – 6,300 sqm

- 4,400 sqm rented (70% of the total)

2. Commercial acceleration in Madrid and Barcelona

In Spain, the letting activity reactivated in the last quarter of the year, with the signing of the first pre-rentals in December 2021.

Ortega y Gasset
MAD CBD – 7,800 sqm

Cedro
MAD Sec– 14,400 sqm

Diagonal 530
BCN CBD – 12,900 sqm

Torre Marenostrum
BCN 22@ – 22,400 sqm

Parc Glories II
BCN 22@ – 17,900 sqm

In Madrid, in the Cedro building, located in Alcobendas, 47% of the surface area was rented at above-market prices and very advanced-stage conversations are taking place to rent the remaining 53%. In Ortega y Gasset, work is being done to close the rental of close to 40% of the building in the first quarter of 2022.

In Barcelona, the Diagonal 530 building is already in full commercialization stage, attracting prime demand in the City. The works on the main tower of the Torre Marenostrum continue and will be delivered in the first quarter of 2022. In Parc Glories II, the exit of the current tenant has been signed for December 2022, and the repositioning works will take place in the first quarter of 2023.

Growth through acquisitions

Corporate Operation Alpha VI and the new acquisitions program Alpha VII

1. Alpha VI - Colonial reaches a 98.3% stake in SFL

In the first half of 2021, the Colonial Group communicated its intention to strengthen its stake in its Paris subsidiary SFL through the joint acquisition by Colonial and SFL of the rest of the stake held in SFL by Predica and other minority shareholders through a voluntary mixed tender offer. This transaction was successfully completed in the third quarter of 2021.

On 4th August 2021, the asset swap between SFL and Predica was completed, where SFL recovered full ownership of the Washington Plaza and ParHolding assets. In exchange, new joint ventures were created between SFL and Predica on the four agreed assets (Cézanne, 103 Grennelle, Cloud and 92 CE) where SFL maintains a 51% stake.

Furthermore, an agreement between Colonial and Predica was signed where the French company swapped 5% of SFL shares in exchange for new Colonial shares, amounting to 4.2% of the shareholding.

On 8th September 2021, the voluntary mixed takeover was completed on the 5% shares in the hands of SFL's minority shareholders. The tender offer launched by Colonial was widely accepted among the minority shareholders of SFL. Finally, after the completion of these operations, Colonial's stake in SFL increased from 81.7% to 98.3%.

This transaction has enabled Colonial to consolidate its leadership in the prime offices sector in Europe, reinforcing its position in the French market, the number one European offices market, and it specifically enables the Company to:

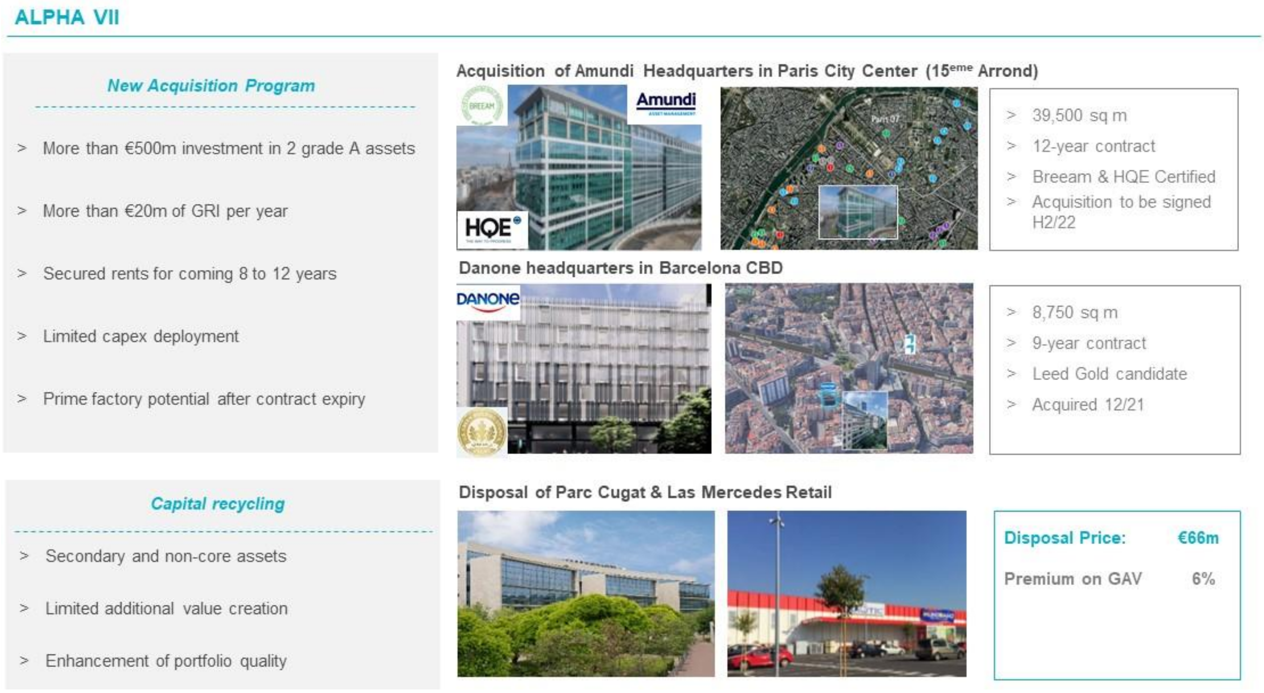
1. **Increase its exposure to prime office assets in Paris, specifically obtaining a greater exposure to large projects in Paris** with significant value creation potential

2. **Simplification the Colonial Group's shareholding structure**, and **an increase in the free float** of the Company **of approximately €400m** (in terms of NTA)

3. **Create value for Colonial's shareholders with a positive impact on the EPS and an improvement in the capital structure**

2. Alpha VII – launch of a new acquisitions program

The Colonial Group has relanced an acquisition program securing the investment of two assets for a total acquisition volume of more than €500m with annual rental income of more than €20m. Likewise, capital has been recycled by divesting the secondary assets of Parc Cugat and the Mercedes Open Parc for a total disposal price of €66m and a premium on GAV of 6%.



Acquisition of the Danone Headquarters - Barcelona CBD

At the end of 2021, **the Colonial Group acquired the asset of Buenos Aires 21 in Barcelona.**

The asset has a surface area of 8,784 sqm above ground and is located in the prime area next to Diagonal in Barcelona. The asset is the headquarters of the food multinational Danone with a mandatory contract until 2029. The acquisition of the asset includes a renovation project for the façade and the common spaces of the building that will enable an improvement in energy efficiency of the asset and obtain the LEED Gold certification.

This acquisition once again shows how the Colonial Group is capable of recycling capital invested in secondary areas and invest them in CBD areas creating shareholder returns.

Acquisition of the Amundi headquarters in the centre of Paris - 15eme arrondissement

In February 2022, the Colonial Group through SFL reached an agreement “promesse d’achat” for the purchase of the 91 Pasteur building of almost 40,000 sqm located in the centre of Paris (15th district).
The building is the headquarters of Amundi, one of the main financial asset managers in Europe listed on the Euronext.

With this investment, the Group will incorporate the 7th largest office building in Paris. This building offers floors of more than 2,000 sqm, a lot of light and a very efficient distribution. The building was fully renovated in 2012 and a limited capex investment is expected. At present, it already has HQE and BREEAM energy certification.

The asset is located in the heart of the 15eme arrondissement in Paris, close to the Montparnasse station, a market currently under full renovation. It is a market with excellent public transport connections that attracts high demand for office spaces. All of the large buildings in the area already have approved renovation projects for the next 5 years, showing the dynamics of this submarket.

Disposals of non-strategic assets – Parc Cugat and Las Mercedes

In the second half of 2021, the Colonial Group executed the sale of two secondary assets: the Parc Cugat office building located in Sant Cugat del Vallés in Barcelona, and the commercial asset Las Mercedes Open Park. Both transactions have closed at a price with a total premium of +6% over GAV.

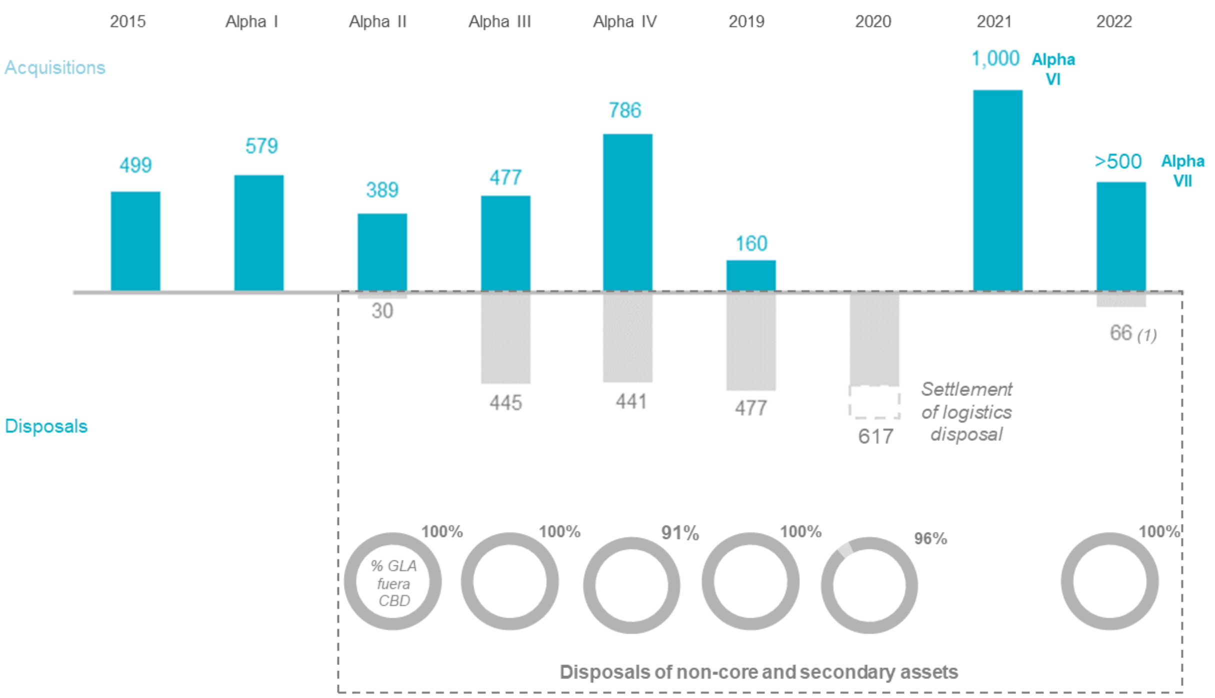
Parc Cugat is located in the peripheral submarket of Sant Cugat del Vallés, in Barcelona, and has a limited perspective of future value creation due to its secondary nature and location in an environment which makes rental price increases difficult.

Las Mercedes Open Park is a non-core commercial asset coming from the Axiare acquisition. This asset, located in a secondary commercial area in Madrid, requires an investment in renovation, as well as the active management of its tenants.

3. Launch of a new investment program

With the execution of Alpha VI and the new Alpha VII program of organic acquisitions, the Company will become again a net buyer in 2021 and 2022.

NET INVESTMENTS SINCE 2015 - €m

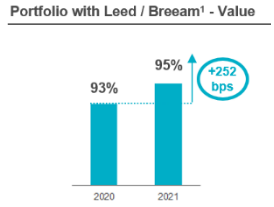


Note (1): Disposals settled in September and November 2021

In the first quarter of 2021, the final part of the 2020 disposal program was formalised for €283m. Specifically, the sale of the two mature core assets in Paris were notarized: 112 Wagram and 9 Percier, as well as the retail asset Les Gavarres in Tarragona coming from the Axiare acquisition.

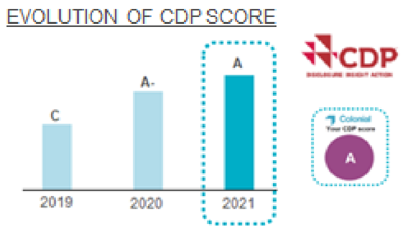
Leadership in ESG and Decarbonization

1. European leadership in eco-efficient buildings
   - 95% of the assets in operation have the highest energy certification
   - Substantial improvement of 252 bps in one year

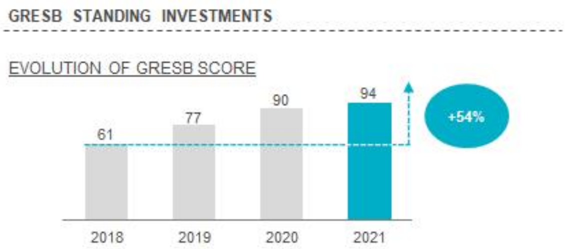


(1) Office Portfolio in operation

2. **CDP**: Maximum rating by the leading index in carbon: **A rating**
   - The only real estate office entity in Europe with an A rating
   - Only 5 real estate companies in Europe
   - Only 12 real estate companies worldwide
   - Part of the select group of 200 companies of a total of more than 13,000 companies in the world with A rating



3. **GRESB**: Rating leader of listed office companies in Western Europe - **Rating 94/100**
   - Continuous improvement in GRESB, scaling more than 30 points in recent years
   - GRESB Benchmark development: rating of 97/100



4. **VIGEO**: Rating at the high end of the sector0000111 –**A1+ rating**
   - Top 3% of the 4,892 companies rated globally
   - 4th of 90 companies within the financial services sector – Real Estate
   - Increase in the rating by 36% in two years

Rank in Sector	4/90
Rank in Region	95/1615
Rank in Universe	100/4892

5. **SUSTAINALYTICS**: Good management of ESG policies – **Rating 10.1 points**
   - Top 21 of the 431 listed real estate companies analysed
   - Awarded the Industry Top Rated of 2022, as well as the ESG Regional Top Rated

6. **MSCI**: Benchmark rating for listed companies –**A rating**
   - Highest rating awarded on an international level and ahead of competitors
   - Strong rating in Corporate Governance

7. **FTSE4Good**: High end rating **– Rating 4/5**
   - Rating above the Office Reits sector average and the Spanish sector average
   - Percentile range of 96% in the ICB real estate subsector

A solid capital structure

1. The Colonial Group converts all its current bonds into green bonds

In February 2022, Colonial and its French subsidiary SFL successfully executed the conversion of all of the Group's bonds for a total amount of €4,602m to "green bonds", after the approval of its bondholders. Colonial reached this milestone after guaranteeing the possession of an investment portfolio that is environmentally sustainable with a value equal to or higher than that of its financing. With this transaction, Colonial has become the first IBEX-35 company to have the entirety of its bonds qualified as "green". This type of debt is intended to finance "green assets" which are those that have a positive impact on the environment. The intention of the Group is that any bond proposed for issue in the future be issued under this framework as "green bonds".

2. Liability Management

In 2021, the **Colonial Group successfully carried out liability management of its debt for more than €1,000m.** Specifically, the following operations were carried out:

1. In **June and July 2021**, **Colonial** carried out a bond issuance, **amounting to €500m which was later extended up to €625m**. The issue has a maturity of 8 years and a coupon of 0.75%, the lowest in the history of the Group at that date.
   In parallel, Colonial announced the **buyback of the totality of its bonds, maturing in 2023, amounting to €306m** with an accrued annual coupon of 2.728%. Additionally, Colonial announced a **buyback of €306m for its bonds maturing in 2024.**
2. Likewise, in August and September 2021, **SFL repurchased the totality of its bonds maturing in November 2021, with a pending nominal amount of €250m** and a coupon of 1.88%. Additionally, there was an early cancellation of a mortgage-secured loan **maturing in July 2022 for a total of €196m.**
3. In October 2021, **SFL carried out a bond issuance in the French market, amounting to €500m** and maturing in April 2028. **The issue has a coupon of 0.5%, the lowest level reached in the history of the Group.**

The Group's spot financial cost is 1.4%, 30bps lower than the cost of the previous year.

3. A strong balance sheet for future growth

At the close of 2021, the Colonial Group had a **solid balance sheet with an LTV of 35.8%.**
The liquidity of the Group amounted to €2,359m, between cash and undrawn credit lines. This liquidity enables the Group to assure its financing needs in the coming years covering the debt maturities through to 2024.

Colonial's **solid financial profile has enabled the Group to maintain its credit rating by Standard & Poor's of BBB+ stable**, the highest in the Spanish real estate sector.

Solid bases for future growth as of the 2021 results

Acceleration in the growth of the EPS as of 2022

Colonial closed 2021 with a return to growth and solid results in all metrics. Additionally, the Group is advancing in multiple initiatives towards future growth:

1. **Operation Alpha VI – Acquisition of SFL**
   - Increase in Colonial's stake in SFL from 81.7% to 98.3%, with attractive terms for Colonial's shareholders
   - Increased exposure to assets and prime products in the Paris market, with a solid growth profile
   - Potential financial-fiscal optimizations with a positive impact in the medium term
2. **Reversionary potential in the portfolio – €35m in additional annual rents**
   - Price reversion: The impact of renewing all the contracts in the contract portfolio at current market prices is €20m in additional annual rents

     This impact is +11% for the Paris portfolio and +19% and +10% for the Barcelona and Madrid portfolios.
   - Occupancy reversion: The impact of renting all the available surfaces areas in the comparable portfolio (excluding projects and renovation programs) at current market prices (without growth or inflation) will result in €15m in additional annual rents.
3. **Project portfolio - €79m in annual rents**

   Colonial manages a project portfolio of more than 189,000 sqm with more than €79m in annual rents
   - 2021 Deliveries: Diagonal 525 in Barcelona and 83 Marceau in Paris provide €11m in annual rents, of which only €4.5m were registered in 2021 due to not being in operation for the whole year.
   - Deliveries over 49,000 sqm in 2022: with strong interest in Miguel Angel 23, Velazquez 86D and Biome: progressive impacts of higher rents in 2022 with consolidation in 2023.
   - Deliveries > 2023: more than €44m in additional rents, including €16m in Louvre Saint Honoré, already pre-let
4. **Renovation program – More than €40m in additional annual rents**

   More than 107,000 sqm in renovation programs, of which 64,000 sqm are already pre-let
   - Delivery of more than 41,000 sqm in 2022, of which 39% are already pre-let
   - Delivery of more than 17,000 sqm in 2023-24
   - Recurring analysis of new repositioning opportunities
5. **Acquisition Program – More than €20m in additional annual rents in the short term**
   - Purchase of the Danone Headquarters in Barcelona CBD
   - Purchase of the Amundi Headquarters in Paris (only partially in 2022)
   - New acquisition program in the medium term and the tactical rotation of non-core assets
   - More than €2,140m liquidity for future acquisition and project development

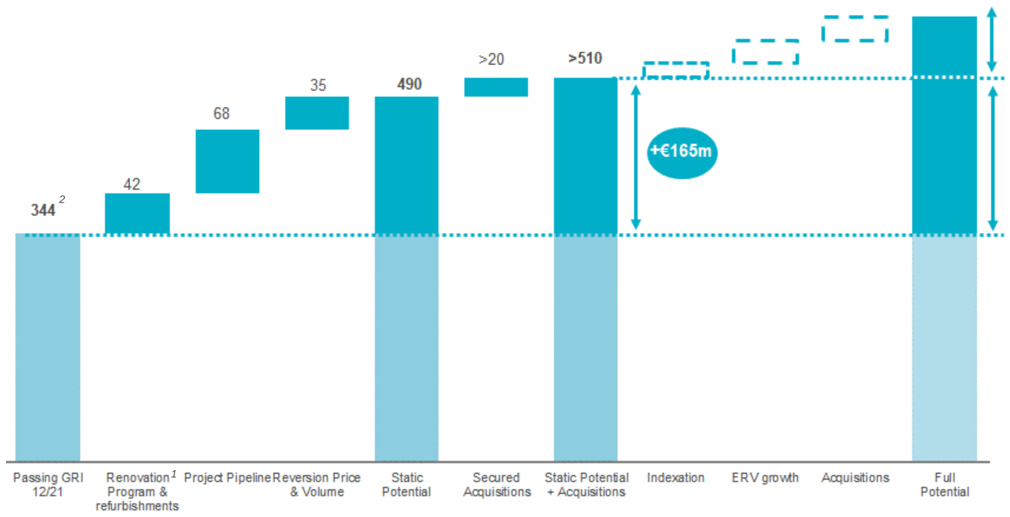
6. Capturing of high indexation levels (CPI)

- The Group's contract portfolio is well-positioned to capture the positive impacts of indexation at the beginning of the year in the 3 markets in which it operates.
- There are no cap clauses in the rental contracts that can limit this effect.

7. Acceleration in rental increase for Grade A assets in CBD areas

The polarization trend of the demand drives the growth of Grade A assets in the CBD areas

- The Paris market offers strong rental growth for premium products given the scarcity of the offer and solid demand with very positive future perspectives.
- The Barcelona and Madrid markets offer a very attractive growth profile for Grade A product in the CBD, which was also reflected in the acceleration at the end of 2021.



1.. Includes passing rents of project pipeline of €11m

2. Excluding the Danone HQ acquisition at the end of 2021

Appendices

1. Analysis of the Profit and Loss Account
2. Office markets
3. Business performance
4. Project portfolio
5. ESG strategy
6. Digital strategy & Coworking
7. Portfolio valuation
8. Financial structure
9. Net Tangible Assets & Analyst Consensus
10. EPRA ratios & consolidated balance sheet
11. Historical series
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1. Analysis of the Profit and Loss Account

Consolidated Analytic Profit and Loss Account

The **Colonial Group** closed **2021** with a **net profit of €474m, +€471m compared to the same period of the previous year**.

December cumulative - €m	2021	2020	Var.	Var. % [1]
Rental revenues	314	340	(27)	(8%)
Net operating expenses [2]	(21)	(23)	2	9%
Net Rental Income	293	318	(25)	(8%)
Other income [5]	(1)	2	(3)	(184%)
Overheads	(43)	(46)	3	6%
EBITDA	248	273	(25)	(9%)
Exceptional items	(10)	(5)	(5)	(110%)
Change in fair value of assets & capital gains	443	(77)	520	672%
Amortizations & provisions	(8)	(6)	(1)	(20%)
Financial results	(110)	(120)	10	8%
Profit before taxes & minorities	563	65	499	769%
Income tax	4	(2)	6	278%
Minority Interests	(93)	(60)	(33)	(54%)
Net profit attributable to the Group	474	2	471	-

Results analysis - €m	2021	2020	Var.	Var. %
Recurring EBITDA [3]	249	272	(23)	(9%)
Recurring financial result	(80)	(87)	6	7%
Income tax expense & others - recurring result	(12)	(14)	2	13%
Minority interest - recurring result	(29)	(34)	6	17%
Recurring net profit - post company-specific adjustments [4]	128	138	(10)	(7%)
NOSH (million) [6]	*520.1*	*508.1*	*12*	*2%*
EPS recurring (€cts)	24.59	27.06	(2)	(9%)

(1) Sign according to the profit impact
(2) Invoiceable costs net of invoiced costs + non invoiceable operating costs
(3) Recurring EBITDA includes €4m reversal of Covid provision
(4) Recurring net profit = EPRA Earnings post company-specific adjustments.
(5) Reinvoiced capex & EBITDA Utopic'us Centers
(6) Average number of shares outstanding without considering treasury stock adjustments

Analysis of the Profit and Loss Account

- Colonial closed 2021 with a Gross Rental Income of €314m, a figure 8% lower compared to the previous year, mainly due to the disposals carried out on non-strategic assets and to the acceleration of the renovation program for asset repositioning. **In like-for-like terms, the rental income increased by +2%.**

- Net Rental Income amounted to €293m, a figure 8% lower than the previous year, mainly due to the disposals carried out on non-strategic assets and to the acceleration of the renovation program for asset repositioning.
  In comparable terms, Net Rental Income increased +3.3% like-for-like. This increase was driven by the increase of **+6.4% in the Paris portfolio**.

- The impact on the Profit and Loss account from the revaluation at 31 December 2021 and the capital gain from the disposals of property investments amounted to €443m. The revaluation was registered in France as well as in Spain.

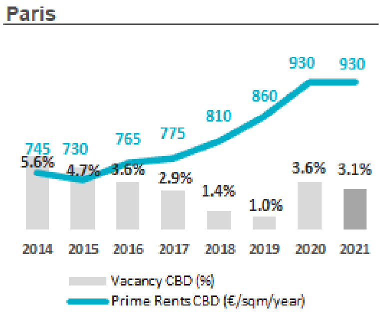
- The financial cost of the Group amounted to €110m, 8% lower than that of the previous year. This decrease is due to savings from the reduction in the average interest rate of the Group's debt thanks mainly to the Liability Management carried out in 2020 and 2021.

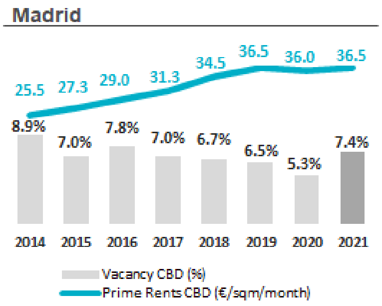
- Profit before taxes and minority interests at the close of 2021 amounted to €563m, +€499m more than the results of same period of the previous year.

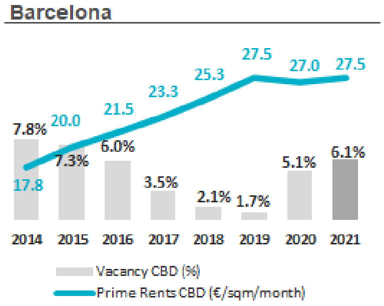
- Finally, after deducting the Minority Interest of (€93m), as well as Income Tax of +€4m, the Net Profit attributable to the Group amounted to €474m, an increase of +€471m compared to the same period of the previous year.

2. Office markets

Rental markets







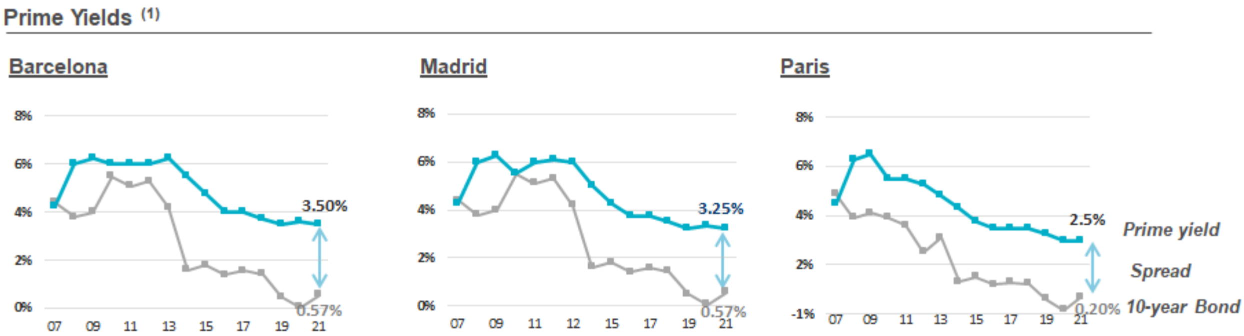
In the office market in Paris, take-up increased +49% compared to the figure of 2020. Likewise, the CBD recovered the same level of demand as 2019 (pre-pandemic record year) reaching 426,000 sqm, exceeding the 2020 figure by +55%. The vacancy rate in the CBD in Paris decreased from 3.9% in the third quarter of 2021 to 3.1%. This lack of prime product meant prime rents increased up to €930/sqm/year.

The office market in Madrid continues to recover, closing 2021 with a demand of 412,000 sqm, a figure +22% higher than the previous year. Increased dynamism was seen in the fourth quarter of 2021, in which 131,000 sqm were signed, almost double the figure registered in the same quarter of 2020. In 2021, the CBD and the city centre continue to be the most sought-after areas, making up close to 40% of the demand. The quality of the assets continues to be the main selling point for companies, as 61% of the demand was signed on Grade A and Grade B+ buildings. The vacancy rate of the CBD increased due to the entry into operation of new product, reaching 7.4%. However, the vacancy of Grade A product in the CBD stood at 3.6%. Prime rents remained stable at €36.5/sqm/month.

Take-up in the **office market in Barcelona** continues to show a strong recovery, standing at 332,000 sqm for 2021, a figure +240% higher than 2020. Likewise, it should be mentioned that the demand in the fourth quarter of 2021 reached 99,000 sqm, +38% higher than the last quarter of 2019 (pre-pandemic). Clients show a preference for the city centre and the 22@, receiving more than 85% of the demand and are looking particularly for Grade A and B+ offices. The vacancy rate in the CBD stood at 6.1%, however, the availability of Grade A product is very limited. Prime rents once again reached an all-time high over the last decade, due to the lack of quality spaces, standing at €27.5/sqm/month.

(*) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield and CBRE

Investment market



In Barcelona, the investment volume in 2021 reached €2,000m, the highest in the last 14 years, and +13% more than in 2019 (pre-Covid year). The 22@ market, followed by the CBD, continue to concentrate more than 70% of the transactions, as they provide investors with the sought-after products: Grade A buildings in excellent locations, with AAA clients. 80% of the transactions were carried out by international investors with the aim of obtaining adjusted risk assets. Among the investors, investment funds stand out, specialised in real estate investment and institutional investors from central Europe, in particular German investors. This flow of capital meant core products **positioned the prime yields of Barcelona at levels of 3.50%.**

In Madrid, the investment volume reached €655m, of which the CBD concentrates more than 60% of the total transactions. In 2021, the main investors were national and international insurance companies and institutional funds. Investors showed a high willingness and capacity to invest in the office market in Madrid, at levels similar to those of 2019. However, the availability of Grade A product is very limited. In this respect, international investment funds consider ESG to be the key factor of each asset and the margin for improvement of the stock in certain areas in Madrid is therefore significant. **Prime yields in Madrid stood at 3.25%.**

The **investment volume** in the office market of **Paris reached €12,663m in 2021. Investment in core offices in Paris concentrated 60% of the total investment in real estate assets in 2021,** being investors' preferred type of asset. International funds have once again invested a volume like 2019, showing a trend of recovery in the investment market following the pandemic. Likewise, in 2021, investors, in particular international funds, have been looking for assets with adjusted risk, therefore they have been very active in the acquisition of assets of prime offices located in well-established areas with a good ESG profile. Likewise, the lack of this type of product has limited the number of large transactions for this year. **Prime yields stood at 2.50%.**

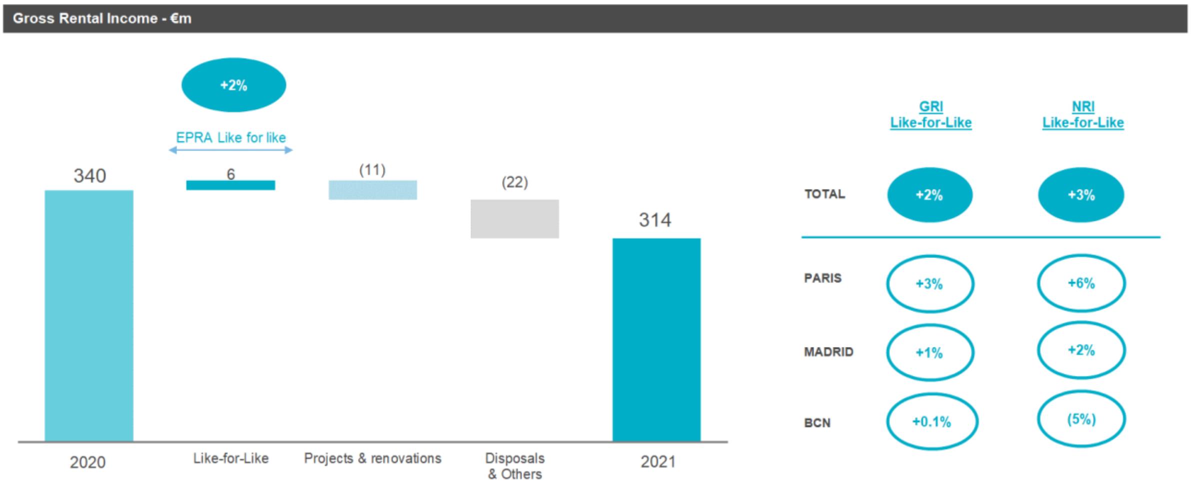
(*) Sources: Reports by Jones Lang Lasalle, Cushman & Wakefield and CBRE

3. Business performance

Gross rental income and EBITDA of the portfolio

- Colonial closed 2021 with **Gross Rental Income of €314m**, a figure 8% lower than the previous year, mainly due to the disposals of non-strategic assets as well as the acceleration of the renovation program to reposition assets.

  In like-for-like terms, in other words, adjusting disposals, indemnities and variations in the project and renovations portfolio, and other extraordinary items, **the rental income increased by +2% compared to the same period of the previous year.**



The like-for-like variation in the offices portfolio has the following breakdown:

1. Income from **the Paris offices portfolio +3% like-for-like,** mainly due to the Édouard VII, Washington Plaza, 106 Haussmann and Rives de Seine assets, among others

2. Income from the **Madrid offices portfolio +1% like-for-like**, mainly driven by rental price increases in the Castellana 43, Santa Engracia and Almagro 9 assets, among others, which have compensated for the tenant rotations

3. Income from the **Barcelona offices portfolio remained stable like-for-like**, mainly due to rental price increases in Diagonal 682, Diagonal 409 and Glories/Diagonal assets, as well as the new contracts signed on Torre BCN and Torre Marenostrum, which have compensated for the tenant rotations in the Via Augusta and Sant Cugat assets

The like-for-like variance in rental income by market is shown below:

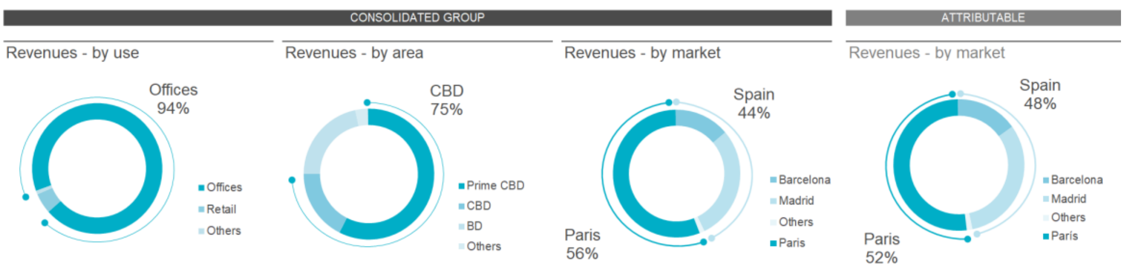
	Barcelona	Madrid	Paris	TOTAL
Rental revenues 2020R	50	108	182	340
EPRA Like-for-Like [1]	0	1	5	6
Projects & refurbishments	(2)	(2)	(6)	(11)
Acquisitions & Disposals	(3)	(4)	(6)	(14)
Indemnities & others	0	(8)	0	(8)
Rental revenues 2021R	44	95	175	314
Total variance (%)	*(11%)*	*(12%)*	*(4%)*	*(8%)*
Like-for-like variance (%)	0%	1%	3%	2%

(1) ***EPRA like-for-like:*** *Like-for-like calculated following EPRA recommendations*

The total rental income of the Colonial Group has been mainly affected by: 1) the disposals of non-strategic assets carried out in 2020; and 2) the acceleration of the renovation program of the Group. Highlighted are the repositioning projects on the Diagonal 530 and Torre Marenostrum assets in Barcelona, 9,700 sqm of renovation on the Cézanne Saint Honoré building and the renovation of 10,000 sqm on the Washington Plaza building, both in Paris.

- **Rental income breakdown:** Most of the Group's rental income, 94%, comes from the office portfolio. Likewise, the Group maintains its high exposure to CBD markets, with 75% of the income.

  In consolidated terms, **56% of the rental income (€175m), came from the subsidiary in Paris** and 44% was generated by properties in Spain. In **attributable terms, 52% of the rents were generated** in **Paris** and the rest in Spain.



- **At the close of 2021, EBITDA rents reached €293m, an increase of +3% in like-for-like terms, underpinned by an increase in the Paris portfolio of +6%.**

Property portfolio

December cumulative - €m	2021	2020	Var. %	EPRA Like-for-like [1]	
				€m	%
Rental revenues - Barcelona	44	50	(11%)	0.0	0%
Rental revenues - Madrid	95	108	(12%)	1.1	1%
Rental revenues - Paris	175	182	(4%)	4.6	3%
Rental revenues Group	**314**	**340**	**(8%)**	**5.8**	**2%**
EBITDA rents Barcelona	39	47	(17%)	(2.1)	(5%)
EBITDA rents Madrid	86	98	(13%)	1.9	2%
EBITDA rents Paris	168	172	(2%)	8.9	6%
EBITDA rents Group	**293**	**318**	**(8%)**	**8.7**	**3%**
EBITDA rents/Rental revenues - Barcelona	*88%*	*95%*	*(6.6 pp)*		
EBITDA rents/Rental revenues - Madrid	*90%*	*91%*	*(0.7 pp)*		
EBITDA rents/Rental revenues - Paris	*96%*	*94%*	*2.1 pp*		

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

Pp: Percentage points

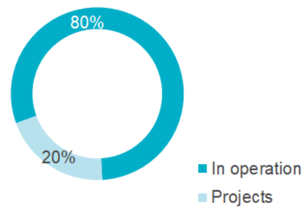
Portfolio letting performance

- **Breakdown of the current portfolio by floor area**:

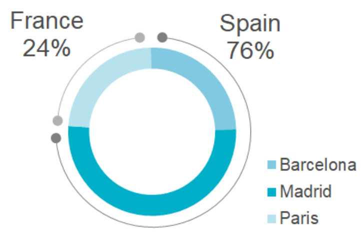
  At the close of 2021, the Colonial Group's portfolio totalled 1,677,527 sqm, primarily related to office buildings, which comprised 1,531,678 sqm.

  At the close of 2021, 80% of the office portfolio was in operation and the rest corresponded to an attractive portfolio of projects and renovations.

Offices Surface - by condition



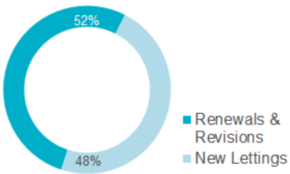
Offices Surface - by market

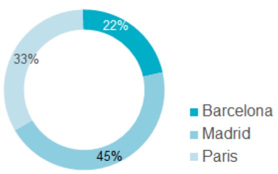


- **Signed leases - Offices:** At the close of 2021, the Colonial Group formalized leases for a **total of 170,344 sqm of offices**. 67% (113,872 sqm) corresponded to contracts signed in Barcelona and Madrid and the rest (56,472 sqm) were signed in Paris.

  Renewals: Out of the total office letting activity, 52% (89,385 sqm) are lease renewals, spread over the three markets in which the group operates**.**

  New lettings: New leases relating to 80,960 sqm were signed, highlighting the 40,869 sqm signed in Paris and 28,865 sqm signed in Madrid.





Letting Performance - Offices

December cumulative - sq m	2021	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	25,867	3	*24%*
Renewals & revisions - Madrid	47,914	3	*4%*
Renewals & revisions - Paris	15,603	6	*2%*
Total renewals & revisions	**89,385**	**4**	***7%***
New lettings Barcelona	11,226	4	
New lettings Madrid	28,865	5	
New lettings Paris	40,869	7	
New lettings	**80,960**	**7**	**na**
Total commercial effort	**170,344**	**5**	**na**

The new rents stood at +7% above previous rental prices: **Barcelona +24%, Madrid +4% and Paris +2%.**

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

In Spain, 113,872 sqm were signed during 2021, corresponding to 78 contracts.

Of special mention is the strong commercial activity in the Madrid office portfolio, where rental contracts with a total surface area of 76,779 sqm were signed across 44 transactions. 15,420 sqm corresponded to the renewal of Poeta Joan Maragall asset with various government agencies, the renewal of 14,430 sqm on the EGEO asset with a leading engineering consultancy firm, as well as 4,418 sqm on the José Abascal 56 asset with a prestigious law firm and an important investment bank and the renewal of 4,168 sqm on the Santa Engracia asset with an important hotel branch. Regarding new contracts signed, of special mention is the signing of 6,739 sqm on the Cedro asset with a leasing company, the signing of 3,254 sqm on the Ribera del Loira 28 asset with various clients, the signing of 2,308 sqm on Don Ramón de la Cruz with an investment bank, the signing of 2,414 sqm on the Puerto de Somport 8 asset with various tenants and the signing of 2,207 sqm on the José Abascal 45 asset, with various tenants, among others.

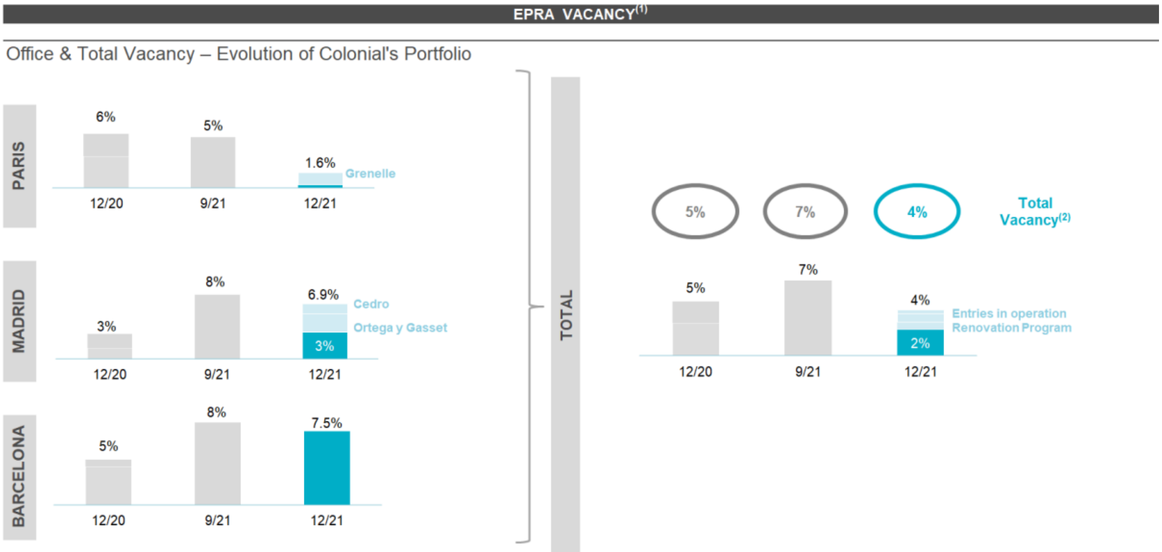
In the **Barcelona office portfolio,** rental contracts with a surface area of 37,093 sqm across 34 transactions were signed. Among the highlights are the renewal of 11,672 sqm on the Diagonal 220-240 asset with a government agency, the renewal of 7,332 sqm on Diagonal 609-615, as well as the renewal of 2,285 sqm on the Sant Cugat property and 1,127 sqm on the Diagonal 682 property with various tenants. Likewise, regarding new contracts signed, of special mention is the signing of 4,520 sqm on the Sant Cugat property, 2,302 sqm on Diagonal 609-615 with various tenants and the signing of 1,299 sqm on Diagonal 530 with Utopicus.

In the Paris portfolio, rental contracts with a surface area of 56,472 sqm were signed across 40 transactions. Of special mention is the renewal of 7,019 sqm on the #Cloud property with a social media company and the renewal of 4,285 sqm on the Washington Plaza building and 3,749 sqm on the Édouard VII property with various tenants. Regarding new contracts signed, of special mention is the signing of 11,734 sqm on the Washington Plaza building, 8,175 sqm on #Cloud, 8,615 sqm on the Cézanne Saint-Honoré asset, 5,523 sqm on the Édouard VII asset, as well as the signing of 4,551 sqm on the 103 Grenelle asset with various tenants.

A portfolio with solid occupancy levels

- **The total EPRA vacancy of the Colonial Group, at the close of 2021, stood at 4.1%, a vacancy rate significantly lower than the vacancy rate of 7% in the third quarter of 2021, and below the vacancy rate of December 2020.** This decrease in vacancy is mainly due to the recovery seen in the Paris market, which has compensated for the entry into operation of renovated assets in Madrid, as well as the tenant rotation in the Sant Cugat asset (secondary area of Barcelona).

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



(1) *EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (Vacant floorspace multiplied by the market rent/operational floor space at market rent)*
(2) *Total portfolio including all uses: offices, retail and logistics*

The office portfolio in Paris has a vacancy rate of 1.6%, a rate that saw an increase over the last two quarters due to the entry into operation of the renovated surfaces in the 103 Grenelle and Washington Plaza assets, but which closed the year with a strong recovery thanks to the new signings carried out on the Washington Plaza asset.

The office portfolio in Madrid has a vacancy rate of 6.9%, an improvement compared to the rate reported in the last quarter, although higher than the vacancy rate of the previous year. This increase is mainly due to the entry into operation of the refurbished assets Cedro and Ortega y Gasset 100. Both repositioned assets are generating a lot of interest in the market, highlighting the signing of 6,000 sqm on the Cedro asset in the last quarter of 2021. Excluding these assets, the vacancy rate of the rest of the Madrid portfolio is 3%.

The Barcelona office portfolio has a vacancy rate of 7.5%, a rate in line with the rate reported in the last quarter, although higher than the vacancy rate of the previous year, mainly due to the tenant rotation in the Sant Cugat asset.

The vacant office space at the close 2021 is as follows:

Vacancy surface of offices

Surface above ground (sq m)	Entries into operation [1]	BD area and others	CBD area & 7ème Paris	2021	EPRA Vacancy Offices
Barcelona	0	12,474	7,602	20,076	7.5%
Madrid	16,175	1,095	8,868	26,139	6.9%
París	4,225	0	307	4,533	1.6%
TOTAL	20,401	13,569	16,778	50,748	4.0%

(1) Projects and renovations that have entered into operation


Diagonal 609-615


Ortega y Gasset


Principe de Vergara 112-114

Cedro


Diagonal 682


Grenelle 103

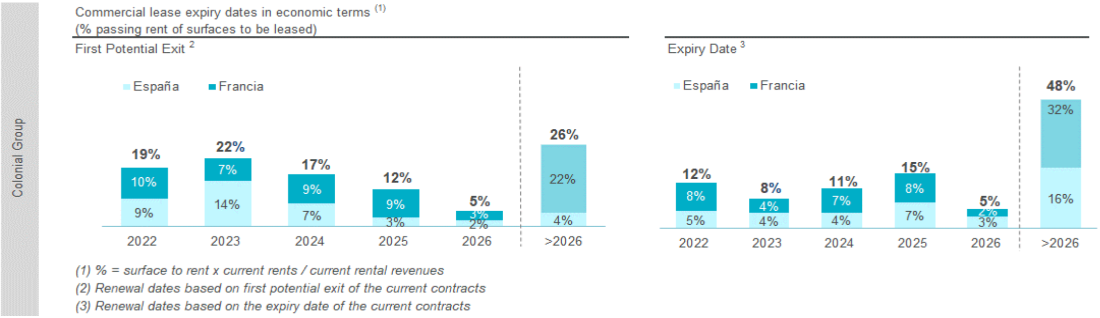

Castellana 163


Sant Cugat

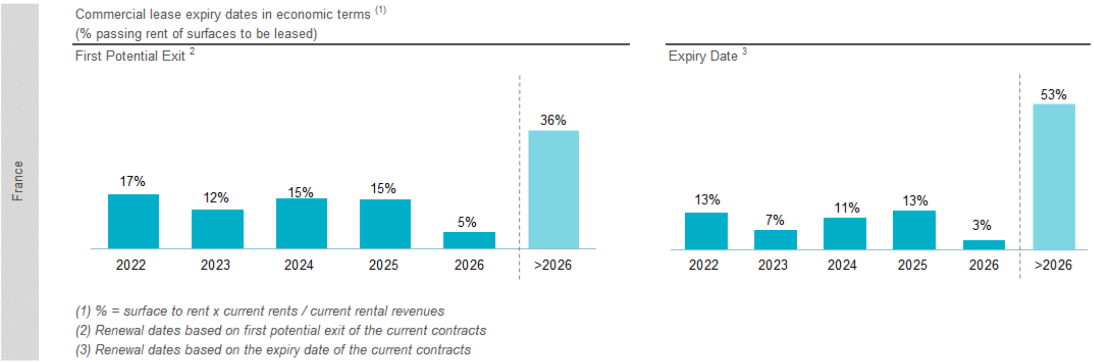
Commercial lease expiry and reversionary potential

- **Commercial lease expiry:** The following graphs show the contractual rent roll for the coming years.

The **first graph** shows the commercial lease expiry dates for the Colonial Group's entire portfolio. If the tenants choose to end the contract at the first possible date in the year 2022 (break option or end of contract), it will correspond to 19% of the contract portfolio. If the tenants remain until the contract expires in 2022, the figure is reduced to 12%.

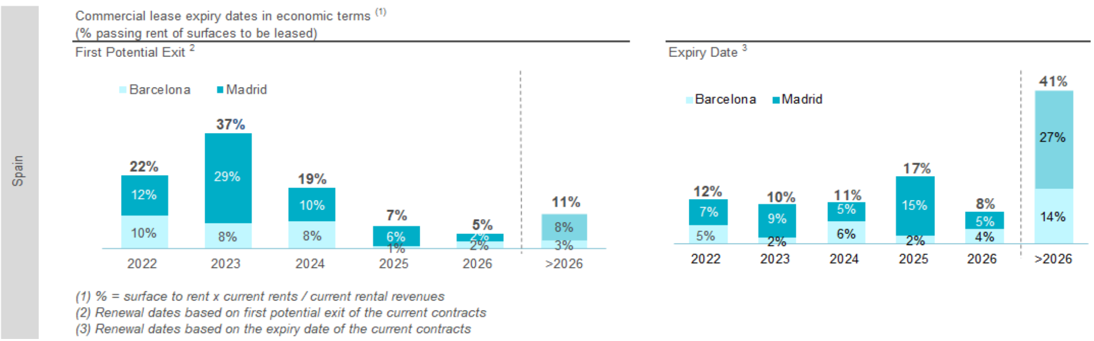


In this **second graph**, it shows the commercial lease expiry dates of the assets **in France** if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires. In France, the contract structured in a longer term.



The **third graph** shows the commercial lease expiry dates of the assets **in Spain** if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires.

It is worth mentioning that the contract structure in Spain is over a shorter term than the contract structure in France.



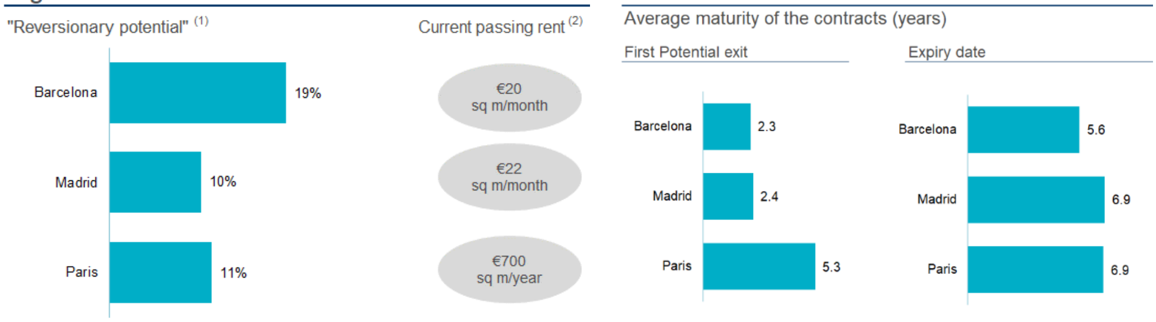
- **Reversionary Potential of the rental portfolio**

The Colonial Group's contract portfolio has a significant reversionary potential. This reversionary potential is the result of comparing the rental income of the current contracts (contracts with current occupancy and current rents) with the rental income that would result from letting the total surface at the market prices estimated by independent appraisers as at the close of 2021 (not including the potential rents from the projects and significant renovations underway).

The static reversionary potential of the rental revenues of the office portfolio stood at:

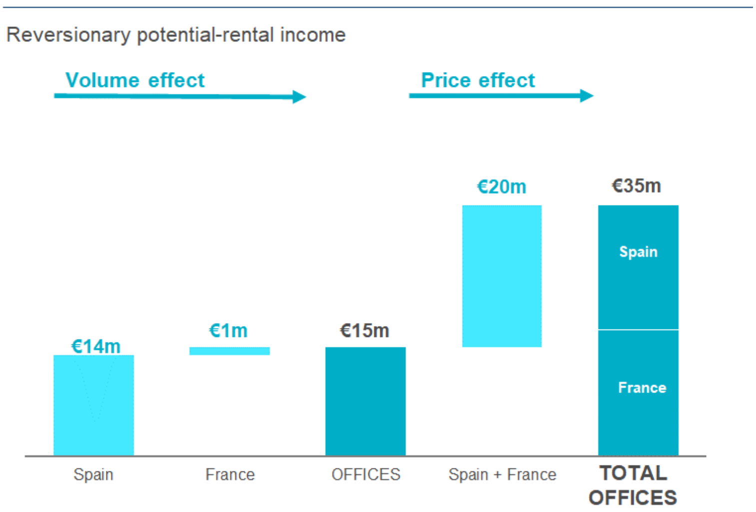
> +19% in Barcelona
> +10% in Madrid
> +11% in Paris

Figures at December 2021



(1) Reversionary potential excluding the impacts of the renovation program
(2) Current office rent of occupied surfaces

Specifically, the static reversionary potential in the current portfolio **would result in approximately €35m of additional annual rental income**.



4. Project portfolio

Project portfolio and renovation programs

The Colonial Group continues to make solid progress in developing its project portfolio, located in the city centres of Barcelona, Madrid and Paris. Currently, Colonial has 9 assets in its project portfolio, totalling more than 189,000 sqm.

Out of the 9 projects underway, the **Diagonal 525, 83 Marceau and Louvre Saint-Honoré** projects are **already fully pre-let.** As at the current date, these pre-let agreements guarantee a total volume of **€27m** in new rents, once completed.

	Project	City	% Group	Delivery	GLA (sqm)	Total[1] Cost €m	Yield on Cost
1	Diagonal 525	Barcelona CBD	100%	Delivered	5,706	41	≈ 5%
2	83 Marceau	Paris CBD	98%	Delivered	9,600	154	≈ 6%
3	Miguel Angel 23	Madrid CBD	100%	1H 22	8,204	66	5- 6%
4	Velazquez 86D	Madrid CBD	100%	1H 22	16,318	116	6- 7%
5	Biome	Paris City Center	98%	2H 22	24,500	283	≈ 5%
7	Sagasta 27	Madrid CBD	100%	2H 22	4,896	23	6%
6	Plaza Europa 34	Barcelona	50%	1H 23	14,306	42	≈ 7%
8	Mendez Alvaro Campus	Madrid CBD South	100%	1H 2024	89,871	323	7- 8%
9	Louvre SaintHonoré Prime Commercial	Paris CBD	98%	2024	16,000	215	7- 8%
CURRENT PIPELINE					189,401	1,264	6- 7%

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

Successful delivery of projects in Barcelona and Paris with excellent value creation

The delivery of **Diagonal 525 in Barcelona and 83 Marceau in 2021** in Paris**, resulted in new annual revenues of €11m** for Colonial **and a significant value creation** on total cost**.**

- In the first quarter of 2021, Colonial completed the full renovation works of the building located at Diagonal 525 with a surface area of 5,706 sqm in the centre of the CBD in Barcelona. Following the acquisition in an off-market transaction, the building was completely renovated, significantly improving its energy efficiency and obtaining LEED Gold certification.

Prior to completion, 100% of the property was rented to Naturgy, signing a 10-year mandatory contract. The rent signed is €28/sqm/month, establishing the highest prime rent in the Barcelona market, double the rent of the previous contract.

The success of the project and its rental at the highest rental prices has achieved a value creation of 40% over the total cost of the project.

- In the third quarter of 2021, the **83 Marceau** project was delivered, located a few metres from the Arc de Triomphe, with a surface area of more than 9,000 sqm. The project has transformed the building, providing extremely flexible and efficient office floors of 1,200 sqm, with a central atrium that gives to a patio bathed in natural light. Its spacious terraces provide exceptional views over Paris.

Prior to completion, the building was 100% rented with the highest annual rents in the market. The tenants include investment bank Goldman Sachs, occupying 6,500 sqm with a 12-year contract (with a mandatory contract of 9 years) in very favourable terms.

This project has repositioned 83 Marceau as one of the best office assets in the prime CBD of Paris. Following its rental at the highest rental prices in the market, the Colonial Group has achieved a value creation of 108% over the total cost of the project.

Completion of 3 projects in 2022 – First pre-lets in Madrid and start of commercialisation in Paris

In 2022, more than 49,000 sqm entered into operation in Madrid and Paris, having a **significant positive impact on** both **the value creation and revenues** of the Colonial Group**.**

- **Velázquez 86D,** in the **prime market of Madrid**, is a 16,000 sqm, unique, large-sized asset with floors of more than 2,200 sqm, distributed over 7 levels**. In 2021, 1,900 sqm of commercial surface areas had been pre-let**, equivalent to **12% of the building**. The commercialisation process remains in force with advanced-stage conversations taking place for the half of the building.

- **Miguel Ángel 23,** with more than 8,000 sqm of surface area, is at the leading edge of the new sustainability standards, reaching high levels of neutrality in carbon emissions. Thanks to its great visibility and efficient floors, this asset is ideal to house the headquarters of multinational companies looking for a benchmark building with the highest energy efficiency. In recent months, conversations have progressed with clients who are evaluating the possibility to rent significant space in this prime product.

- In **Biome**, located in the heart of the *15ème arrondissement*, a complete transformation is being carried out on the asset, creating an iconic building with unique architecture where the interior opens out to the exterior, with a green area surrounding the building and providing efficient floors from 1,400 sqm to 3,500 sqm. Following the commencement of its commercialisation in October 2021, more than 12 visits have been made to the property and there is potential interest for a sizeable demand from companies in the audio-visual, technology and real estate sectors. The asset is expected to be delivered during the second half of 2022.

Long-term projects in the CBDs of Madrid and Paris

- **Méndez Álvaro**, located in the south of the CBD in Madrid, has a surface area of 90,000 sqm, and will become the largest asset of the Colonial Group. The project will combine a campus of offices with a residential area. It is currently in the construction phase and its entry into operation is expected between the fourth quarter of 2023 and the first half of 2024.

- The **Louvre Saint Honoré** asset**,** with more than 16,000 sqm in an exceptional location in front of the Louvre, will provide very ample, functional spaces. Its delivery is expected by 2024 and is 100% pre-let to the Cartier Foundation, a Cartier Group company, with 20-year mandatory contract, at top market prices.

Renovation program

In addition to the project portfolio, the Colonial Group is currently carrying out a renovation program on 9 assets in its portfolio, with the aim of increasing rents and the value of these assets. This renovation program is mainly focused on the adaptation of common areas and updating the installations, requiring a limited investment.

- In **Paris**, highlighted are the following renovation projects:

Cézanne Saint Honoré is an asset located in the heart of the 8ème *arrondissement* of Paris, in which almost 10,000 sqm are being renovated in an asset with a total surface area of 27,500 sqm. The building will provide thoughtfully designed offices dedicated to the well-being of employees, with a great flexibility of spaces, natural light and a magnificent terrace. The property will be delivered in spring 2022. Market interest for this space has been extremely high and 6 months prior to completion of the works, 90% of the space has already been pre-let to three clients, at the highest market rents, with a double-digit release spread.

In **Washington Plaza**, a flagship building, located next to Champs-Élysées, a renovation is being carried out on more than 10,000 sqm. The building combines all the requisites sought after by companies and their employees: unique architecture, contemporary design and office spaces which encourage horizontal working and flexibility. It has a BREEAM Very Good certificate. At December 2021, the Colonial Group had rented 100% of the renovated space. This renovation of the asset, together with previous renovations, has meant the average rent for the asset to increase +15% in the last five years, reaching the historic milestone of full occupancy in the building.

103 Grenelle is an asset located in the district of the ministries, in which a renovation is being carried on 5,600 sqm of a total surface area of 17,000 sqm. In the fourth quarter of 2021, the building was delivered, with contracts signed for 80% of the surface area by multinational professional services companies and fashion companies, with demand exceeding 1,000 sqm, with an average contract length of more than 5 years. The building is certified as BREEAM Excellent.

Charles de Gaulle is an asset of almost 6,300 sqm located in the hub that connects the *place de l'Étoile* with *La Défense*. This building is being entirely renovated, offering office spaces bathed in light, fully renovated with a refined design, as well as a transformation of the reception hall and common areas. The building is certified as BREEAM Very Good. The renovated surfaces were delivered in the last quarter of 2021, with pre-let agreements already signed for 70% of the surface area.

- The renovations being carried out in the **Madrid** market are:

Ortega y Gasset is located in the CBD in Madrid, the work on which has recently finished. This building has almost 8,000 sqm of surface area, distributed over 7 floors, with a panoramic terrace. Its unique architecture gives it a distinguishing identity in the Madrid market. As with the rest of Colonial's assets, the commitment to sustainability is evident, with an optimum energy performance, opting for BREEAM certification. The renovation project was completed in the fourth quarter of 2021 and is currently in the commercialisation phase, which has been well-received by the market.

Cedro is the largest renovation program in Madrid, with more than 14,000 sqm of surface area. In a strategic location, Cedro provides a distribution adapted to new corporate spaces, with a modern architecture and the highest level of sustainability. Work on the building was recently completed and it entered into operation in the fourth quarter of 2021, with a pre-let surface area of 47%. It holds LEED Gold and BREEAM Good certifications.

- In **Barcelona**, the following renovation programs are being carried out:

Diagonal 530 is the corporate headquarters of the Colonial Group, in an unbeatable location within the CBD of Barcelona. A total renovation has been carried out on the building, of more than 13,000 sqm, increasing the gross lettable surface area by 9%, thanks to an optimisation of the space of common areas and accesses. Certified as BREEAM Excellent.
The space is expected to be delivered in the first quarter of 2022, and is currently in the commercialisation phase, which has been well received by the market. Top rents are expected to be achieved for the asset. The asset will house the new centre of Utopicus, for which 1,299 sqm have already been signed, thereby combining traditional working with flexible working.

Torre Marenostrum, in 22@ district and with a total surface of more than 22,000 sqm. The first phase of the project (7,500 sqm) entered into operation at the beginning of 2021, with an occupancy of 100%. The second phase (14,500 sqm) is expected to be delivered in the first quarter of 2022.
It has been well received by the market, thanks to its unique architecture, its glass façade facing out to the four winds and its proximity to the sea. The building is an attractive multi-tenant asset, combining traditional office spaces with coworking spaces. In the coming months, a space of more than 1,000 sqm will be allocated within the asset for use as the "headquarter flex" for a multinational technology company, thereby fulfilling its hybrid offering, combining coworking and flexible spaces with traditional office spaces. It is currently certified as BREEAM Very Good.

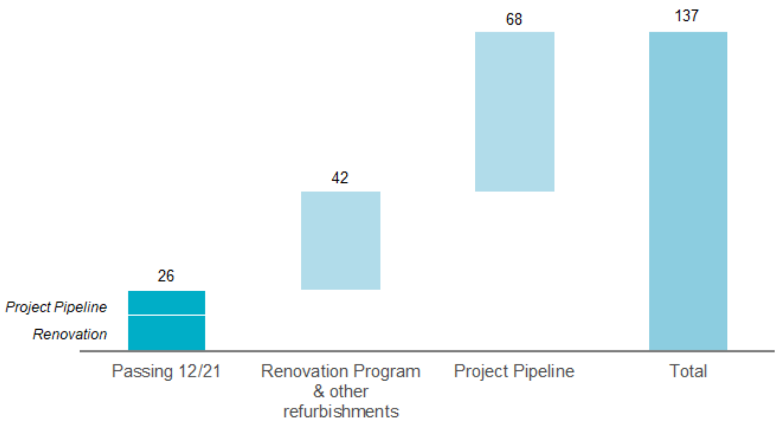
In addition, it is expected that in 2023, Colonial will have the opportunity to carry out an ambitious complete renovation plan on the **Parc Glòries II**, an asset of almost 18,000 sqm, located in the prime area of 22@. This renovation will enable the asset to be positioned as a benchmark building in the technological district. Currently, the project is in the design phase and its commercialisation is expected in 2024. The space will have 7 floors of more than 2,000 sqm and will have spacious terraces. The building will aim to obtain the best environmental certifications.

Potential of the project portfolio and renovation program

- The project portfolio, as well as the renovation program and other refurbishments, provide potential additional annual rents of €137m.

  It should be mentioned that, thanks to the pre-letting levels of the projects and renovation program, €58m of future rents are already assured. The entry of the renovation program and other refurbishments into the market has the potential for €42m in additional rents in the short-term.

Additional rental income from projects and significant refurbishments - €m



5. ESG Strategy – Environmental, Social and Corporate Governance

1. Corporate Strategy & Strategic Plan on Decarbonization

The Colonial Group pursues a clear leadership in ESG, being a fundamental element of its strategy, prioritizing sustainable long-term returns, and based on a business model of high-quality products. Accordingly, the Colonial Group's Corporate Strategy has a central focus on maximum excellence in the fields of governance, social aspects and sustainable investment.

The Company is working on the implementation of the strategic plan for decarbonization. This plan implies the commitment of the Colonial Group so that by 2030, its entire office portfolio will be neutral in carbon emissions, and totally aligned with the Paris climate agreement of December 2015.

With this objective, in 2021 the Colonial Group has continued working to achieve the maximum level of reductions in its carbon footprint, positioning itself among the lowest levels in the European sector.

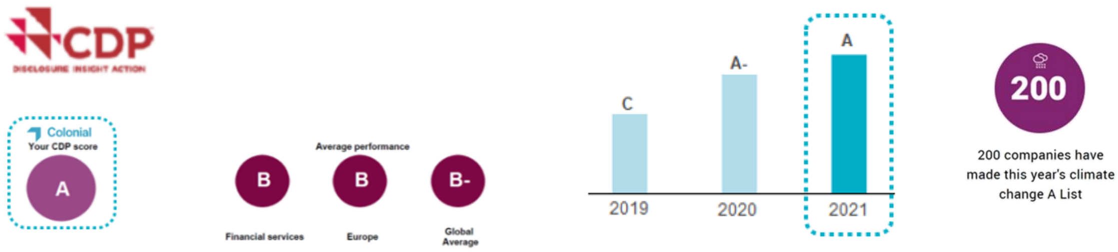
2. Significant progress in ESG ratings

2021 was an extremely satisfying year in terms of ESG. In this respect, the Colonial Group made some important progress in the sustainability indices.

CDP

Colonial obtained an A rating in the CDP 2020 ratings, confirming its leadership in decarbonisation.
This rating is way above the regional average of Europe and the financial services sector and has led to a strong year-on-year boost. Of special mention are the following:

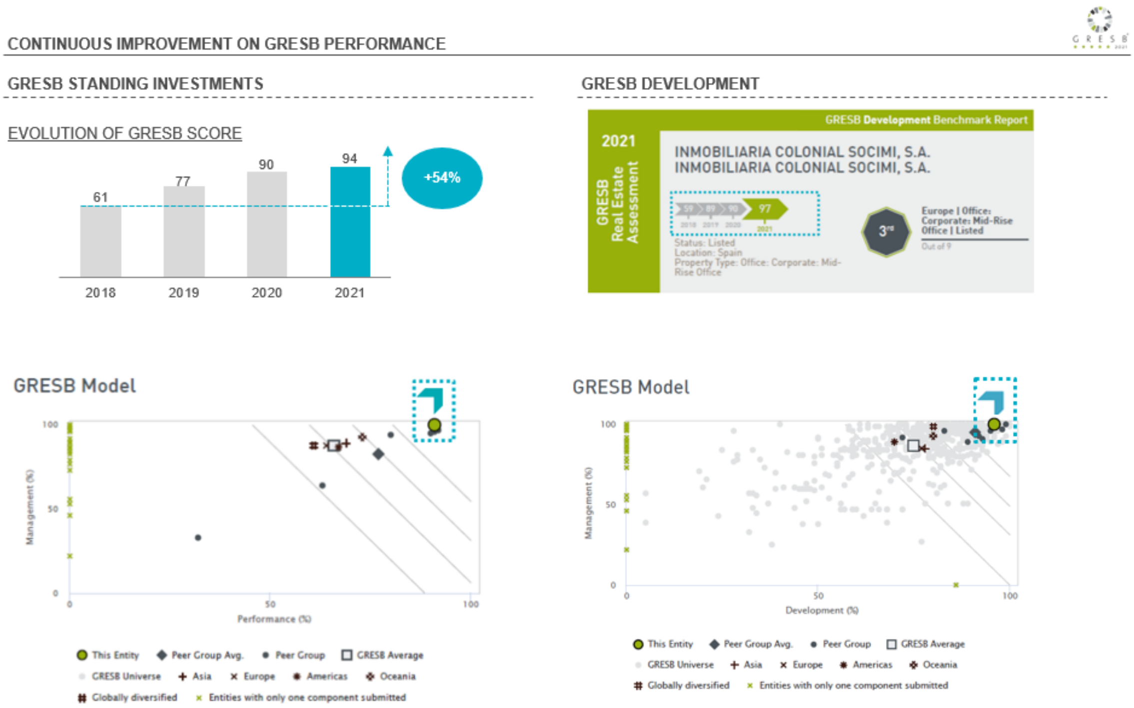
- The sole office real estate company in Europe with an A rating
- Only 12 companies in the real estate sector worldwide obtained this level of rating, only five in Europe. In Spain, Colonial is the only company in the real estate sector to obtain this rating.
- Globally: 200 companies (compared to 277 in 2020) out of more than 13,000 companies worldwide, became part of the A group from the climate change questionnaire, and Colonial is one of the 200.



GRESB

Leader in GRESB in offices in Continental Europe. Colonial has obtained **a GRESB rating of 94/100 for 2021, positioning itself as the leader, number one among the listed offices in Western Europe.**

Since 2017, Colonial has continually increased its rating year on year, increasing more than 30 points. Likewise, for the second consecutive year, Colonial has obtained the maximum 5-star GRESB rating.



VIGEO

Colonial has obtained an A1+ rating from Vigeo, a rating at the high end of the sector and in the top 3% of the 4,892 companies rated worldwide (4th out of 90 among the financial services sector – Real Estate).

The Company's rating overall has increased 5 points since the last review last year, showing the willingness and capacity of the company to integrate ESG factors in its strategy, operations and risk management.

SUSTAINALYTICS

Sustainalytics has given Colonial a rating of 10.1 in ESG risk, placing it in the Top 21 of the 431 listed real estate companies analysed. The agency highlights the good management of ESG policies in accordance with all of the international standards.

Likewise, of special mention is the fact that Colonial has been identified as one of the best companies in ESG among over 4,000 entire companies that Sustainalytics covers globally. As a result of its excellent work, Colonial has received the Industry Top Rated and Regional Top Rated awards.

MSCI

MSCI, a benchmark rating company for performing listed companies, through its ESG rating, has continued to award Colonial with an "A", one of the highest ratings at an international level. Colonial continues in the lead of its competitors with a strong focus on green investment, as well as very high standards in Corporate Governance.

FTSE4Good

FTSE4Good: High end rating, positioning the company above the Office Reits sector average and the average rating in Spain **– Rating 4/5**

SBTi (Science Based Target Initiative)

Adhesion to the Science Based Target Initiative (SBTi)
At the beginning of 2021 Colonial joined the Science Based Target Initiative (SBTi) which defines new objectives aligned with science to reduce emissions and to limit the rise in the Earth's average temperature to 1.5ºC.

This is achieved through a collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF).

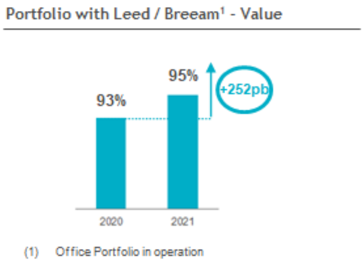
At the end of August 2021, more than 880 companies had their objectives approved by the SBTi. The strategic decarbonization plan will enable progress to be made in this direction, and its alignment with science will be certified by the SBTi method.

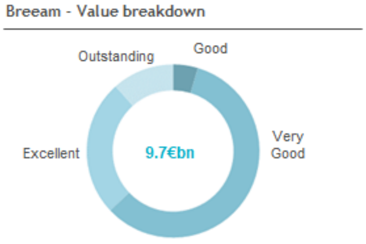
EPRA

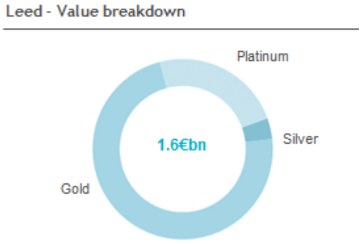
Colonial has obtained the EPRA Gold sBPR rating for the 6th consecutive year, which certifies the highest reporting standards in ESG.

3. Energy Efficiency-Certifications of the Colonial Group's asset portfolio:

95% of the office portfolio in operation has LEED and BREEAM energy certificates. This high level of certification places Colonial in a leadership position in Europe in terms of energy efficiency. In particular, €1,600m of assets have LEED certificates and €9,700m of assets have BREEAM certificates.







4. Sustainable financing

After the close of 2021, the Colonial Group successfully converted all of its existing bonds to green bonds, being the first and only issuer on the IBEX with 100% green bonds.

- ✓ All of Colonial's bondholders approved the conversion from the existing bonds to green bonds, maintaining the same terms and conditions, interests and maturities.

- ✓ Colonial reached this milestone thanks to its environmentally sustainable investment portfolio with a value equal to or higher than €4,602m of its financing via bonds.

- ✓ The Group is the leader in Europe in the GRESB index (Global Real Estate Sustainability Benchmark), the benchmark index for ESG in the real estate sector.

The green bonds are a financing alternative for the Group at a time when sustainability is becoming increasingly more important.

Green Bond Framework

To request the conversion to Green Bonds, the Group defined a Green Bond Framework, under which certain KPIs were established, which were linked to the energy certificates and CO_2 emissions in the asset portfolio of the Group. This framework was developed in line with the Green Bond principles of the International Capital Markets Association (ICMA Green Bond Principles) which promote the transparency, accuracy and integrity of the information disclosed and reported by the issuers and was validated by Second Party Opinion, by Vigeo Eiris (V.E.).

Over the years, Colonial's ESG strategy has obtained recognition from the main entities in this field in Europe, making the Colonial Group the leader in the European real estate sector.

5. ESG Investment – Decarbonization Laboratory

Colonial will build the first office building in Spain made entirely of wood.

As proof of the Group's commitment to its sustainability and decarbonization strategy, and in line with its aspiration for leadership in ESG, **Colonial is building the first office building in Spain made entirely of wood.**

The Witty Wood building will have 2,476 sqm destined to office use. The project, which is a unique concept of office buildings in Spain, will count on spaces equipped with the latest technologies. Witty Wood is located on 42 Llacuna, in the heart of the 22@ district.

The Witty Wood building will be built using wood as the primary material, an unprecedented case in the offices market in Spain. Timber engineering acts as storage for Co2, consequently considerably reducing the emissions that impact global warming. In the construction phase alone, carbon emissions are reduced by 50%. Due to these characteristics, among others, the building will count on the maximum environmental certificates: LEED Platinum.

Currently, the work above ground is being carried out, with an expected end date for the works during the first half of 2022. The commercialization stage has begun for the project.

6. Digital Strategy & Coworking

Coworking and Flexible Spaces

The Colonial Group, through Utopicus, offers its clients a hybrid model of flexible spaces and services to incorporate into its assets, with the aim of improving the experience of its users in the office spaces of the Group. Utopicus bets on offering companies an alternative of flexible working spaces, in safe, high quality working environments. Therefore, the Utopicus centres comply with the top protocols in safety and hygiene recognized by Global Safe Site of Bureau Veritas and the AENOR certificate for best practices regarding COVID-19.

At the close of 2021, Utopicus had 12 centres in operation, corresponding to 36,364 sqm of surface area, following the recent opening of a new centre in Madrid, in April 2021, in Paseo de la Habana (5,745 sqm), and the closure of the Colegiata centre (910 sqm) in July 2021, also in Madrid.

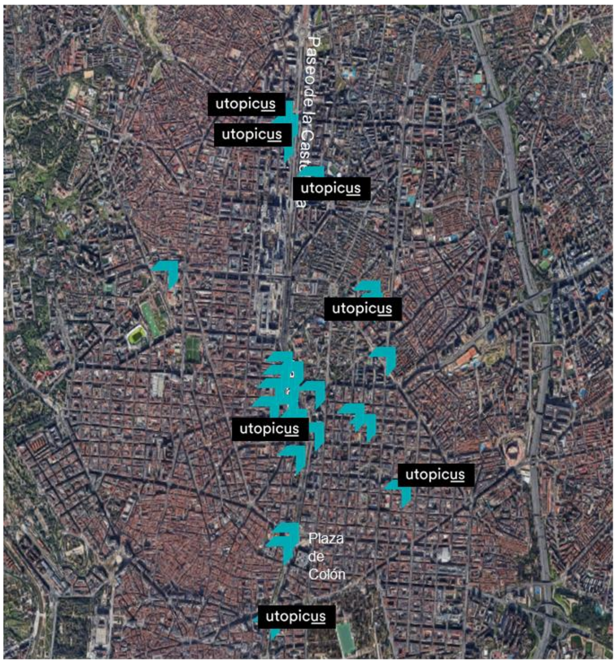
At 31 December 2021, occupancy in the coworking centres was at its highest of the year, thereby confirming the recovery of the Flex sector. The centres in the city of Barcelona have an occupancy of 84%, with an improvement of 26 pp. compared to the occupancy at the close of 2020 (58%). In Madrid, following the recent openings, under the framework of strengthening its positioning, the average occupancy of the portfolio is lower than in Barcelona. However, the centres in operation, such as Gran Via or Francisco Silvela, reached occupancy levels above 70%.

Colonial has decided to continue to expand its flexible offices business line as a complement for the traditional office activity, opening a new centre in Barcelona in the first quarter of 2022, located in Diagonal 530 (1,300 sqm), an asset which also houses the corporate headquarters of the Group.

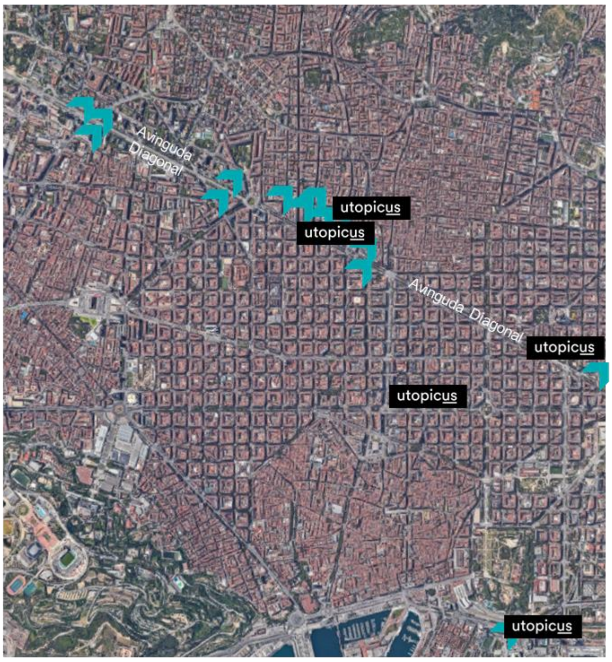
In addition to the pre-existing demand from SMEs and freelancers, interest (and occupancy) has already increased from clients with a more corporate profile which are already considering 100% flexible models. These models of 'Headquarters Flex' enable corporations to have a space under their own corporate identity with all the services of Utopicus.

In view of this evolving demand, Colonial, hand in hand with Utopicus, sees a business opportunity to increase the value of its assets, offering multiple rental solutions and services to its clients.

MADRID



BARCELONA



7. Portfolio valuation

- The Gross Asset Value of the Colonial Group at the close of 2021 amounted to €12,436m (€13,091m including transfer costs), showing an increase of +6% like-for-like, year-on-year. The growth registered during the second half of 2021 corresponds to +4% like-for-like.

- The assets in Spain and France have been appraised by Jones Lang LaSalle, Cushman & Wakefield, and CB Richard Ellis. The appraisal values are updated half-yearly, following the best market practices, in compliance with the Regulation Standards of the Royal Institution of Chartered Surveyors (RICS) comprised in the Red Book – the valuation manual.

- The market valuations defined by the RICS are internationally recognized by advisors and accountants of investors and corporations that own real estate assets, as well as The European Group of Valuers (TEGoVA) and The International Valuation Standards Committee (IVSC). The appraisers' fees are determined by the volume for the specific workout of each assignment.

Gross Asset Values - Excluding transfer costs

Asset valuation (€m)	31-Dec-21	30-Jun-21	31-Dec-20	Dec 21 vs Jun 21		Dec 21 vs Dec 20	
				Total	LfL (1)	Total	LfL (1)
Barcelona	1,423	1,373	1,333	4%	2%	7%	4%
Madrid	2,518	2,494	2,441	1%	1%	3%	3%
París	6,633	6,378	6,616	4%	3%	0%	4%
Portfolio in operation (2)	**10,573**	**10,245**	**10,390**	**3%**	**2%**	**2%**	**3%**
Projects	**1,843**	**1,717**	**1,556**	**7%**	**11%**	**18%**	**19%**
Others	20	55	75	(63%)	1%	(73%)	0%
Colonial group	**12,436**	**12,017**	**12,020**	**3%**	**4%**	**3%**	**6%**
Spain	4,830	**4,694**	**4,563**	3%	3%	6%	7%
France	7,606	**7,323**	**7,458**	4%	4%	2%	6%

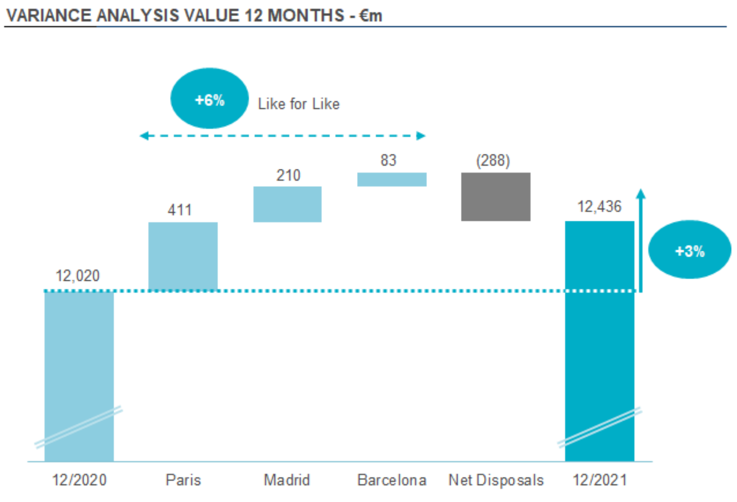
Gross Asset Values - Including transfer costs

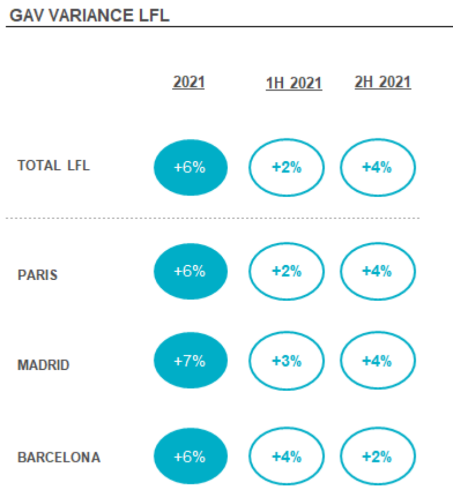
Colonial group	**13,091**	**12,655**	**12,631**	**3%**	**4%**	**4%**	**6%**
Spain	4,953	4,816	4,685	3%	3%	6%	6%
France	8,138	7,838	7,946	4%	4%	2%	6%

(1) Portfolio in comparable terms
(2) Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects

- Including the impact of the disposals registered in 2021, the value of the assets has increased by +3% compared to the previous year, highlighting a +6% increase in the assets in Barcelona and Madrid.

- The value variance analysis is as follows:





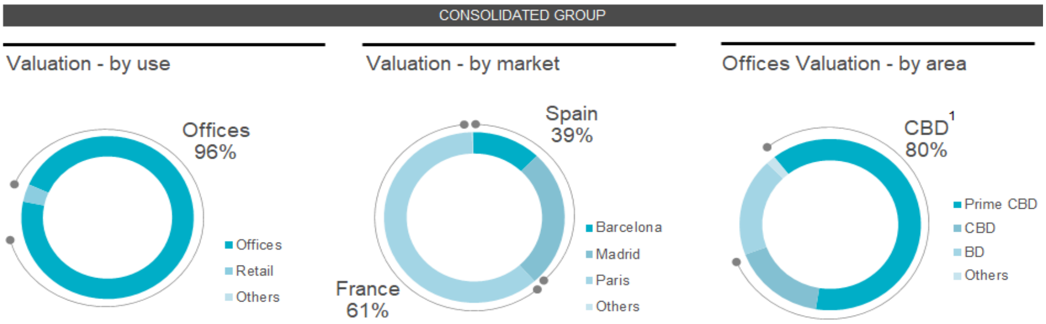
By sub-segments, the evolution of the asset value is as follows:

- In Paris, the value of the portfolio increased +6% like-for-like in 2021 (+4% in 2H 2021), based on the resilience of the prime portfolio in Paris and the progress in the project pipeline.
- In Spain, the office portfolio increased +7% like-for-like in 2021. Of special mention is the increase in value of the Madrid portfolio in the second half of 2021, and the increase in the value of the Barcelona portfolio during the first half of 2021, both +4% like-for-like. These increases are based on the strong positioning of the portfolio of assets in the city centre and CBD, together with the successful delivery and management of projects.

- The increase in value of Colonial's asset portfolio is due to:

1) The high concentration in Prime CBD locations with strong fundamentals, enabling higher protection in downward cycles and a better growth profile in upward cycles
2) The high quality of the buildings attracting clients with maximum solvency and high loyalty indices
3) A successful diversification strategy that optimizes the risk profile of the portfolio
4) An industrial approach on value creation through the repositioning of assets, creating Alpha real estate value that enables the creation of a competitive advantage in the market and consequently a higher-than-average return

The breakdown of the valuation of the Group's rental portfolio by use, market and type of product is shown below:



(1) CBD Barcelona, includes the 22@ segment market assets

- Regarding the valuation of the portfolio in operation, the main value parameters are as follows:

Main parameters of Asset appraisal

Portfolio in operation	€m	sq m above ground (*)	€/sq m (*)	Valuation Yield	
Barcelona	1,423	237,141	6,000	4.23%	Gross Yields
Madrid	2,518	370,170	6,802	4.12%	Gross Yields
Paris	5,854	288,788	20,272	2.97%	Net Yields

When **comparing the valuation parameters of Colonial's appraisal values with market data**, the following must be taken into consideration:

1. In Spain, consultants publish *gross yields* in their market reports.
(Gross yield = gross rent/value excluding transfer costs).

2. In France, consultants publish *net yields* in their market reports.
(Net yield = net rent/value including transfer costs).

(*) In Barcelona the sqm for the calculation of the capital value correspond to the surface above ground of all the assets in Barcelona, excluding the Plaza Europa project, Wittywood and the entire Diagonal 530 asset, as well as the surface area of non-core assets.
In Madrid, the sqm correspond to the surface above ground of all assets in Madrid, excluding the Méndez Álvaro complexes, the Puerto Somport 10-18, Sagasta 27, Miguel Ángel 23, Velázquez 86D, Cedro and Luca de Tena 7 projects, as well as the surface area of non-core assets.
In France, the sqm correspond to the office surface above ground in operation, excluding the main commercial assets and including certain rentable surfaces below ground in the portfolio not corresponding to parking units

- The appraisal certificate is as follows:

CONSEJO DE ADMINISTRACIÓN
INMOBILIARIA COLONIAL, SOCIMI S.A.
Av. Diagonal 532, 08006 Barcelona

Madrid, 27th January 2022

Dear Sirs,

In accordance with your instruction, Jones Lang LaSalle España, S.A. and CBRE, as valuers of the Colonial portfolio in Spain, and CBRE and Cushman & Wakefield, as SFL valuers in France; have carried out the valuation reports of the freehold interest of the portfolio of properties of Inmobiliaria Colonial (Spain and France) as at 31st of December 2021 for internal use of the company.

According to the aforementioned reports, the Net Market Value of the company's portfolio is:

€ 12,436,041,000
(Twelve Billion, Four Hundred and Thirty Six Million, Forty One Thousand Euros)

The breakdown is as follows:

Unit	Market Value (excl. Transfer costs)	Gross Value (incl. Transfer costs)
Madrid	3.267.880.000 €	3.343.771.237 €
Barcelona	1.545.135.000 €	1.591.957.169 €
Rest of Spain	16.873.000 €	17.575.175 €
Total Colonial (Spain)	**4.829.888.000 €**	**4.953.303.580 €**
Total SFL (París)	**7.606.153.000 €**	**8.137.734.267 €**
Total Colonial + SFL	**12.436.041.000 €**	**13.091.037.847 €**

For the avoidance of doubt, each valuer only accepts responsibility for the assets that they have valued within the portfolio. The portfolio value assumes 100% ownership for all the properties.

The valuation has been carried out in accordance with the Practice Statement and the relevant Guidance Notes in the RICS Appraisals and Valuations Manual prepared by the Royal Institution of Chartered Surveyors and with the General Principles adopted in the Preparation of Valuations and Reports.

Firmado por 05287195R JAVIER KINDELAN (R: A85490217) el día 15/02/2022 con un certificado emitido por AC Representación

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Cushman & Wakefield Valuation France S.A.
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Société anonyme au capital de 6 616 304 €
RC Siret 332 111 574 00056
N° TVA intracommunautaire FR 10 332 111 574

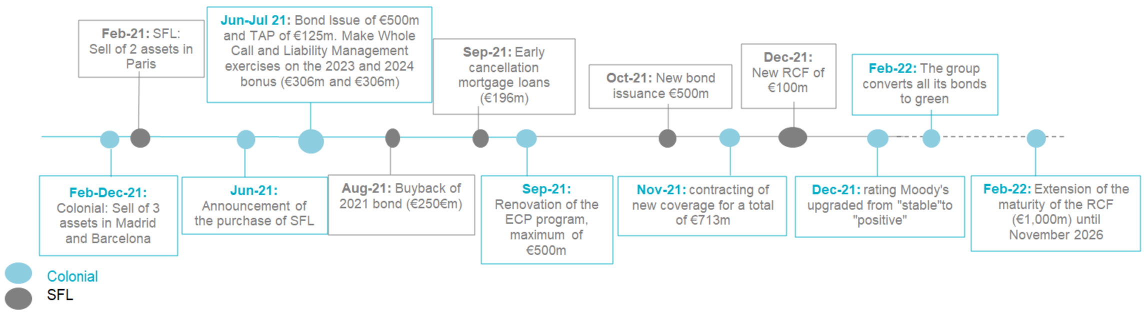
Signature électronique certifiée
Anne DIGARD -FRICS-REV
Président -CEO
CBRE Valuation

8. Financial structure

Colonial maintains a solid financial profile enabling the company to maintain a BBB+ stable credit rating by Standard & Poor's, the highest rating in the Spanish Real Estate sector. This rating was confirmed by S&P in April 2021.

In addition, in December 2021, Moody's improved its credit rating of Colonial from Baa2 stable outlook to positive outlook. This decision was made after having reviewed the performance of Colonial during and after the pandemic, the economic forecasts of the office market, the impact of the acquisition of SFL's shares and Colonial's business model, which focuses on offices in prime areas, confirming the positive path on which the company is progressing.

In 2021, the Group carried out the following operations:



- On 3 June 2021, Colonial announced a voluntary tender offer on 5% of the minority shares of SFL which, together with the acquisition of the 12.9% owned by Predica, has enabled Colonial to obtain a 98.33% share in SFL.

- In June 2021, Colonial formalized a bond issuance, listed on the Spanish stock exchange, for €500m which was later extended to €625m. The issue has a maturity of 8 years with a coupon of 0.75%, the lowest in the history of the Group at that time. The demand exceeded up to three times the issue volume and was supported by the main international institutional investors.

- In parallel, Colonial announced the execution of the buy-back of all of its bonds maturing in 2023 and €306m of its bonds maturing in 2024, which accrued an annual coupon of 2.728% and 1.45%, respectively.

- In August 2021, SFL repurchased the totality of is bonds maturing in November 2021, with a pending nominal amount of €250m and with a coupon of 1.88%.
  In addition, in September 2021, a mortgage-secured loan maturing in July 2022 for a total amount of €196m was bought-back.

- In September 2021, Colonial proceeded to renew the European Commercial Paper (ECP) Program at the maximum amount of €500m. The objective is to obtain greater diversification in the capital markets and access financing at negative rates in the shortest term. At 31 December 2021, this program was drawn down for the amount of €140m in Colonial. In addition, at the close of 2021, SFL issued €117m under the NEU CP program, the limit of which is €500m.

- In October 2021, SFL carried out a bond issuance in the French market, amounting to €500m and maturing in April 2028. The issue has a coupon of 0.5%, the lowest level reached in the history of the Group.

- In February 2022, the assembly of bondholders of Colonial and SFL approved the conversion of the entirety of the bonds in circulation to Green Bonds, for a total amount of €4,602m. The reclassification of the existing bonds to green bonds and the new future green issues will be a competitive advantage and an attractive investment for the capital markets, whose interest in this type of investment is ever-increasing. With this operation, Colonial has become the first IBEX-35 company to have the entirety of its bonds qualified as “green”.

  To request the conversion to Green Bonds, the Group defined a Green Bond Framework, under which certain KPIs were established, which were linked to the energy certificates and CO2 emissions in the asset portfolio of the Group. This framework was developed in line with the Green Bond principles of the International Capital Markets Association (ICMA Green Bond Principles) which promote the transparency, accuracy and integrity of the information disclosed and reported by the issuers and was validated by Second Party Opinion, by Vigeo Eiris (V.E.)

- After the close of 2021, Colonial reached an agreement with the participating financial entities in the credit line of €1,000m, extending the maturity until November 2026.

These debt refinancing operations enabled the financial cost the Group’s debt to be optimized and the average maturity of the same to be extended to 5.2 years versus 4.2 years.

The LTV ratio stands at 35.8%, 41 bps lower than at the close of the previous year.

At the close of 2021, the Colonial Group maintained a liquidity of €2,359m, between available cash and undrawn credit lines.

The table below shows the main debt figures of the Group at 31 December 2021:

Colonial Group (€m)	Dec-21	Dec-20	Var.
Gross financial debt	**4,935**	4,851	*2.0%*
Net financial debt	**4,716**	4,582	*2.9%*
Total liquidity [1]	**2,359**	2,309	*2.2%*
% debt fixed or hedged	**95%**	96%	*(1%)*
Average maturity of the debt (years)[2]	**5.2**	5.2	*0.0*
Cost of currente Debt [3]	**1.40%**	1.70%	*(30 bp)*
GAV Group	**13,194**	12,669	*4%*
LtV Group (including transfer costs)	**35.8%**	36.2%	*(41 bp)*
Mortage Debt	**1.5%**	5.6%	*(4%)*

(1) Cash & Undrawn balances
(2) Average maturity based on available debt and post issuance and liability management
(3) Cost of current debt including ECPs. Without taking into account the ECPs, the Cost of debt will be of 1,49%.

MOODY'S

Baa2 Positive

S&P Global Ratings

BBB+ Stable

BBB+ Stable

Colonial *SFL*

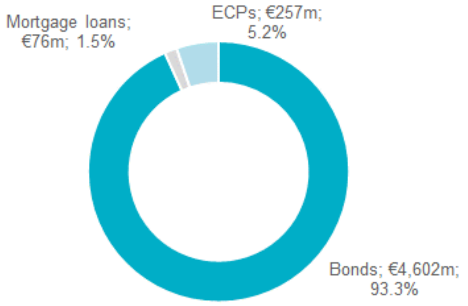
The net financial debt of the Group at the close of 2021 stood at €4,716m, the breakdown of which is as follows:

	December 2021			December 2020			Var
€m	**Colonial**	**SFL**	**TOTAL**	**Colonial**	**SFL**	**TOTAL**	**TOTAL**
Non-mortatge debt	-	-	-	-	4	4	(4)
Mortatge debt	76	0	76	76	197	273	(197)
Bonds Colonial	2,812	1,790	4,602	2,800	1,539	4,339	263
Issuances notes	140	117	257	70	165	235	22
Gross debt	**3,028**	**1,907**	**4,935**	**2,945**	**1,906**	**4,851**	**84**
Cash	(104)	(115)	(219)	(253)	(15)	(269)	50
Net Debt	**2,924**	**1,792**	**4,716**	**2,692**	**1,890**	**4,582**	**133**
Total liquidity [1]	1,104	1,255	**2,359**	1,253	1,055	**2,309**	**50**
Cost of debt - Spot (%)	1.50%	1.23%	**1.40%** [2]	1.82%	1.50%	**1.70%**	**(30 p.b.)**

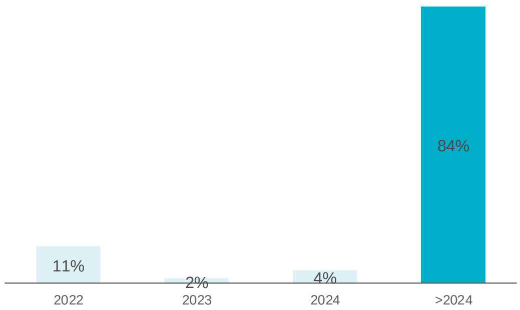
(1) Cash & Undrawn balances
(2) Average maturity calculated based on available balances
(3) Average Maturity calculated based on the available debt

At 31 December 2021, 93% of the debt of the Group was comprised of bond issues on the securities market and the rest was formalized with financial entities (only 1.5% have a mortgage guarantee). 84% of the debt matures as of 2025.

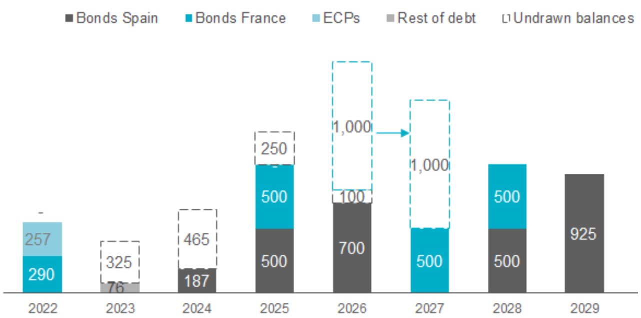
Debt composition



Debt maturity in years (%)

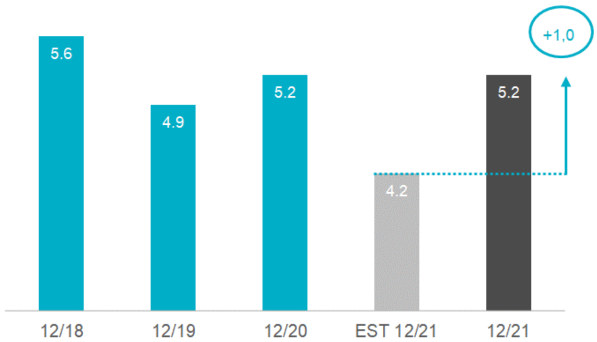


Debt maturity in years (€m)



	2022	2023	2024	2025	2026	2027	2028	2029	TOTAL
Colonial	140	76	187	500	700	-	500	925	3,028
SFL	407	-	-	500	-	500	500	-	1,907
TOTAL	547	76	187	1,000	700	500	1,000	925	4,935
% sobre el total	7%	8%	5%	4%	22%	15%	10%	10%	100%

The evolution of the average maturity of the Group's debt (in years) is shown in the following graph. EST 12/21 is the average life of the debt estimated at the close of 2021 prior to the formalization of the operations carried out in 2021, described above.

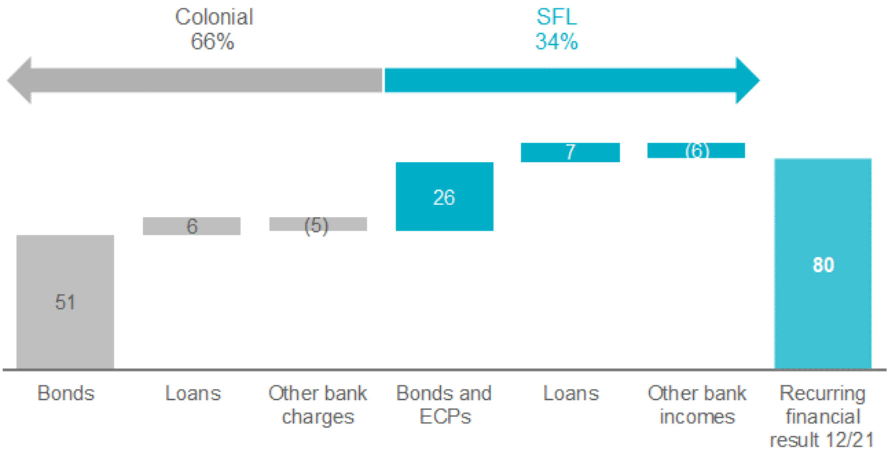


Financial results

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

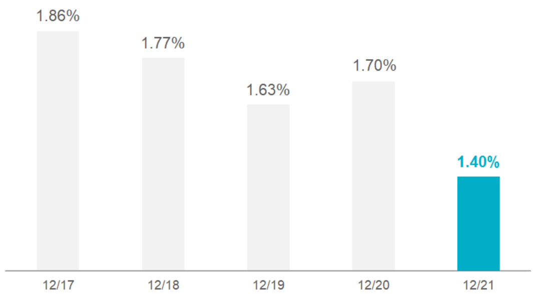
December cumulative - €m	COL	SFL	2021	2020	Var. %
Recurring financial expenses - Spain	*(59)*	*-*	*(59)*	*(63)*	*5%*
Recurring financial expenses - France	*-*	*(34)*	*(34)*	*(35)*	*3%*
Recurring Financial Expenses	**(59)**	**(34)**	**(93)**	**(98)**	**5%**
Capitalized interest expenses	6	6	12	11	18%
Recurring Financial Result	**(53)**	**(28)**	**(80)**	**(87)**	**7%**
Non-recurring Financial Income (Expenses)	(28)	(3)	(31)	(34)	9%
Financial Result	**(109)**	**(33)**	**(111)**	**(121)**	**8%**

- The recurring financial expenses of the Group decreased by 5% compared to the same period of the previous year, due to a lower financing cost and a decrease in the gross debt. Likewise, the non-recurring financial cost of the Group increased, compared to the same period of the previous year, due to the costs incurred for the early cancellation of the debt.

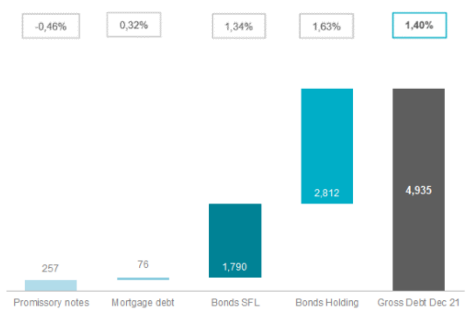


- The spot financial cost of the drawn debt was 1.40%, an improvement of 30 bps compared to the financial cost at the close of 2020. Including formalization costs, accrued over the life of the debt, the financial cost amounted to 1.53%. Without considering the ECP program, the spot financial cost amounts to 1.49% (1.62% including the financing costs).

Debt spot cost evolution



Cost of debt by type of debt



- In addition to the operations described above and benefiting from the current situation of continued low interest rates, Colonial restructured part of its pre-hedging instruments in order to adjust them to the new debt maturities, covering new interest rates of future debt emissions. The cumulative value of these types of instruments amounts to €1,713m. All of these comply with that provided in the hedging accounting standards.

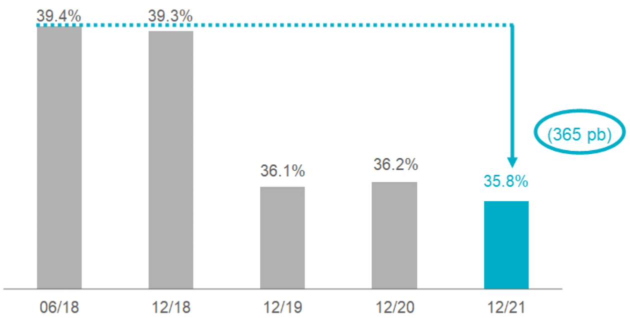
Main debt ratios and liquidity

The undrawn balances of the Group at 31 December 2021 amounted to €2,359m. This liquidity enables the Group to guarantee its financing needs in the coming years.

The breakdown of balances is shown in the following graph:

Cash & undrawn balances (€M)	Colonial	SFL	Group
Current accounts	104	115	219
Credit lines available	1,000	1,140	2,140
Total	**1,104**	**1,255**	**2,359**

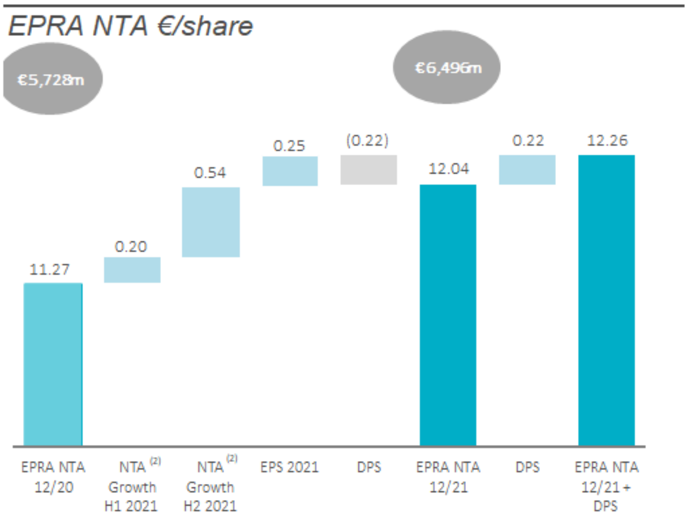
The Loan to Value (LTV) of the Group, calculated as the ratio of total net debt among the total GAV of the Group, amounted to 35.8%. The evolution of the LTV is shown in the following graph:

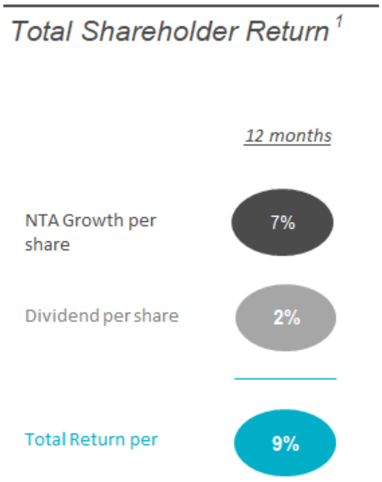


9. Net Tangible Assets & Analyst consensus

EPRA Net Tangible Assets (NTA)

Colonial closed 2021 with a Net Tangible Assets (NTA) value of €12.04/share. This represents a year-on-year increase of +7% which, together with the dividend paid of €0.22/share resulted in a total shareholder return of +9%.





(1) *Total shareholder return understood as NTA (NAV) growth per share + dividends*
(2) *NTA growth excluding EPS & DPS paid*

In absolute terms, the net value of the assets amounts to €6,496m, an annual increase of +13%, a value increase of more than €768m in a year.

This important growth in NTA was produced thanks to an industrial real estate strategy with an important component in Alpha returns, mainly due to:

1. A strong increase in the value of the prime asset portfolios in the three markets, driven by a strong demand for prime Grade A buildings
2. Solid fundamentals of Colonial's assets with high occupancy levels and solid increases in rental prices highlighting, in particular, the strength of the Paris portfolio
3. The important degree of progress in the project portfolios, specifically the delivery and rental of the Prime 83 Marceau in Paris and Diagonal 525 projects in Barcelona
4. The acceleration in the renovation program, substantially improving rental levels, as well as the value of the assets
5. The successful execution of the takeover bid on Société Foncière Lyonnaise with attractive terms for Colonial's shareholders

The EPRA Net Tangible Assets (EPRA NAV – NTA) is calculated based on the Group's consolidated equity and adjustments of specific items following EPRA recommendations.

EPRA Net Tangible Assets - €m (Net Asset Value)	12/2021	12/2020
IFRS Equity attributable to shareholders	**5,999**	**5,401**
Include:		
(i) Hybrid instruments	-	-
Diluted NAV	**5,999**	**5,401**
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)		
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)		
(i.c) Revaluation of other non-current investment	149	64
(ii) Revaluation of tenant leases held as finance leases	-	-
(iv) Revaluation of trading properties	12	10
Diluted NAV at Fair Value	**6,160**	**5,475**
Exclude:		
(v) Deferred tax in relation to fair value gains of IP	351	233
(vi) Fair value of financial instruments	(15)	19
(vii) Goodwill as a result of deferred tax	-	-
(viii.a) Goodwill as per the IFRS balance sheet	-	-
(viii.b) Intangible as per the IFRS balance sheet	-	-
Include:		
(ix) Fair value on fixed interest rate debt	n.a.	n.a.
(x) Revaluation of intangibles to fair value	n.a.	n.a.
(xi) Real estate transfer tax	-	-
EPRA NTA (NAV) - €m	**6,496**	**5,728**
Nº of shares (m)	***539.6***	***508.1***
EPRA NTA (NAV) - Euros per share	***12.04***	***11.27***

Calculation of the EPRA NTA (NAV): Following the EPRA recommendations and starting from the consolidated equity of €5,999m, the following adjustments were carried out**:**

1. Revaluation of other investments: registry at fair value of several investments of the Group registered in the balance sheet at acquisition cost, mainly treasury shares and assets dedicated to own use.
2. Revaluations of assets held for sale. Registry of the unrealized gain of the properties posted under this heading.
3. Adjustment of deferred taxes: adjustment of the amount of deferred taxes associated with the revaluation of the property assets registered on the balance sheet.
4. Market value of financial instruments: adjustment of the market value (mark to market) of derivative instruments.

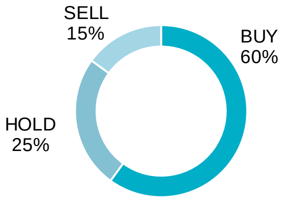
Analyst consensus

In 2021, two new analysts began to cover Colonial, reaching a current total of 21 analysts. The consensus positions the average target price above €9.3/share.

Likewise, of special mention is that over 60% of the 21 analysts which follow the company, recommend buying Colonial's shares, compared to December 2020 when it was 36%.

Institution	Analyst	Date	Recomendation	Target Price (€/share)
BUY				
JB Capital Markets S.V., S.	Daniel Gandoy Lopez	18/11/2021	Overweight	11.4
Renta 4 SAB	Javier Diaz	22/06/2021	Outperform	10.7
Goldman Sachs	Jonathan Kownator	13/12/2021	Buy	10.6
Banco Sabadell	Ignacio Romero	30/07/2021	Buy	10.4
ODDO BHF	Florent Laroche-Joubert	17/11/2021	Outperform	10.3
Societe Generale	Ben Richford	22/11/2021	Buy	10.1
Exane BNP Paribas	Alvaro Soriano	26/01/2022	Outperform	10.0
Santander	Eduardo Gonzalez	14/07/2020	Buy	10.0
J.P. Morgan	Neil Green	07/01/2022	Overweight	10.0
Bestinver Securities	Ignacio Martinez Esnaola	18/11/2021	Buy	10.0
Kempen	Jaap Kuin	13/01/2022	Buy	9.7
ALANTRA	Fernando Abril Martorell	14/02/2022	Buy	9.6
HOLD				
CaixaBank BPI	Pedro Alves	18/11/2021	Neutral	9.7
Intermoney Valores	Guillermo Barrio	17/11/2021	Hold	9.5
Morgan Stanley	Bart Gysens	05/01/2022	Equalweight	9.0
Bankinter	Juan Moreno	19/11/2021	Neutral	8.6
Bank of America	Markus Kulessa	25/02/2021	Neutral	8.5
Green Street	Marie Dormeuil	19/11/2021	Hold	n.a.
SELL				
Barclays	Celine Huynh	25/11/2021	Sell	7.4
Mirabaud Securities	Ignacio Mendez	30/07/2021	Sell	6.5
Baader / AlphaValue	Christian Auzanneau	30/03/2020	Sell	4.2

Source: Bloomberg & analyst reports



10. EPRA Ratios & consolidated balance sheet

1) EPRA Earnings

EPRA Earnings - €m	2021	2020
Earnings per IFRS Income statement	**474**	**2**
Earnings per IFRS Income statement - €cts/share	***91.10***	***0.47***
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(443)	78
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	1	(2)
(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	30	31
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	(9)	(4)
(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	66	27
EPRA Earnings	**120**	**133**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	10	3
(b) Non recurring financial result	0	2
(c) Tax credits	0	0
(d) Minority interests in respect of the above	(2)	(0)
Company specific adjusted EPRA Earnings	**128**	**138**
Average N° of shares (m)	***520.1***	***508.1***
Company adjusted EPRA Earnings per Share (EPS) - €cts/share	***24.59***	***27.06***

(1) *Diluted earnings per share: average shares of the period, including variations due to capital operations, without adjusting for the impact of treasury shares.*
The diluted earnings per share, adjusting for treasury shares, amounts to €24.8cts/share.

2) EPRA Net Asset Value – New Methodology

EPRA Net Asset value - December 2021

EPRA Net Asset value - €m	NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders	5,999	5,999	5,999	5,999
Include:				
(i) Hybrid instruments	-	-	-	-
Diluted NAV	5,999	5,999	5,999	5,999
Include:				
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)				
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)				
(i.c) Revaluation of other non-current investment	149	149	149	149
(ii) Revaluation of tenant leases held as finance leases	-	-	-	-
(iv) Revaluation of trading properties	12	12	12	12
Diluted NAV at Fair Value	6,160	6,160	6,160	6,160
Exclude:				
(v) Deferred tax in relation to fair value gains of IP	351	351	351	n.a.
(vi) Fair value of financial instruments	(15)	(15)	(15)	n.a.
(vii) Goodwill as a result of deferred tax	-	-	-	-
(viii.a) Goodwill as per the IFRS balance sheet	-	n.a.	-	-
(viii.b) Intangible as per the IFRS balance sheet	-	n.a.	-	n.a.
Include:				
(ix) Fair value on fixed interest rate debt	-	n.a.	n.a.	(203)
(x) Revaluation of intangibles to fair value	-	-	n.a.	n.a.
(xi) Real estate transfer tax	n.a.	567	-	n.a.
EPRA NAV - €m	**6,496**	**7,063**	**6,496**	**5,957**
Nº of shares (m)	***539.6***	***539.6***	***539.6***	***539.6***
EPRA NAV - Euros per share	***12.04***	***13.09***	***12.04***	***11.04***

EPRA Net Asset value - December 2020

EPRA Net Asset value - €m	NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders	5,401	5,401	5,401	5,401
Include:				
(i) Hybrid instruments	-	-	-	-
Diluted NAV	5,401	5,401	5,401	5,401
Include:				
(ii.a) Revaluation of investment properties (if IAS 40 cost option is used)				
(ii.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)				
(ii.c) Revaluation of other non-current investment	64	64	64	64
(iii) Revaluation of tenant leases held as finance leases	-	-	-	-
(iv) Revaluation of trading properties	10	10	10	10
Diluted NAV at Fair Value	5,475	5,475	5,475	5,475
Exclude:				
(v) Deferred tax in relation to fair value gains of IP	233	233	233	n.a.
(vi) Fair value of financial instruments	19	19	19	n.a.
(vii) Goodwill as a result of deferred tax	-	-	-	-
(viii.a) Goodwill as per the IFRS balance sheet	-	n.a.	-	-
(viii.b) Intangible as per the IFRS balance sheet	-	n.a.	-	n.a.
Include:				
(ix) Fair value on fixed interest rate debt	-	n.a.	n.a.	(280)
(x) Revaluation of intangibles to fair value	-	-	n.a.	n.a.
(xi) Real estate transfer tax	n.a.	471	-	n.a.
EPRA NAV - €m	**5,728**	**6,198**	**5,728**	**5,195**
Nº of shares (m)	***508.1***	***508.1***	***508.1***	***508.1***
EPRA NAV - Euros per share	***11.27***	***12.20***	***11.27***	***10.22***

3) EPRA Net initial Yield & Topped-up Net Initial Yield

D. EPRA Net Initial yield & "Topped-Up" Net Initial Yield		Barcelona	Madrid	Paris	Total 2021	Total 2020
Figures in €m						
Investment property – wholly owned		1,512	3,265	7,606	12,383	11,996
Investment property – share of JVs/Funds		33	na	na	33	24
Trading property (including share of JVs)		na	na	na	na	na
Less: developments		(205)	(743)	(1,249)	(2,197)	(1,992)
Completed property portfolio	E	**1,340**	**2,521**	**6,357**	**10,219**	**10,028**
Allowance for estimated purchasers' costs		41	58	458	558	533
Gross up completed property portfolio valuation	B	**1,381**	**2,580**	**6,816**	**10,776**	**10,561**
Annualised cash passing rental income		46	95	176	317	326
Property outgoings		(4)	(9)	(4)	(17)	(16)
Annualised net rents	A	**42**	**86**	**172**	**300**	**310**
Add: notional rent expiration of rent free periods or other lease incentives		1	3	23	28	19
"Topped-up" net annualised rent	C	**43**	**89**	**195**	**327**	**329**
EPRA Net Initial Yield	A/B	**3.0%**	**3.3%**	**2.5%**	**2.8%**	**2.9%**
EPRA "Topped-Up" Net Initial Yield	C/B	**3.1%**	**3.5%**	**2.9%**	**3.0%**	**3.1%**
Gross Rents 100% Occupancy	F	55	107	205	367	370
Property outgoings 100% Occupancy		(3)	(6)	(4)	(14)	(14)
Annualised net rents 100% Occupancy	D	**52**	**101**	**201**	**353**	**355**
Net Initial Yield 100% Occupancy	D/B	**3.8%**	**3.9%**	**2.9%**	**3.3%**	**3.4%**
Gross Initial Yield 100% Occupancy	F/E	**4.1%**	**4.2%**	**3.2%**	**3.6%**	**3.7%**

4) EPRA Vacancy Rate

EPRA Vacancy Rate - Offices Portfolio

€m	2021	2020	Var. %
BARCELONA			
Vacant space ERV	4	2	
Portfolio ERV	52	53	
EPRA Vacancy Rate Barcelona	**8%**	**5%**	*3 pp*
MADRID			
Vacant space ERV	7	3	
Portfolio ERV	97	94	
EPRA Vacancy Rate Madrid	**7%**	**3%**	*4 pp*
PARIS			
Vacant space ERV	3	10	
Portfolio ERV	188	182	
EPRA Vacancy Rate Paris	**2%**	**6%**	*(4 pp)*
TOTAL PORTFOLIO			
Vacant space ERV	14	16	
Portfolio ERV	337	329	
EPRA Vacancy Rate Total Office Portfolio	**4%**	**5%**	*(1 pp)*

EPRA Vacancy Rate - Total Portfolio

€m	2021	2020	Var. %
BARCELONA			
Vacant space ERV	4	3	
Portfolio ERV	54	56	
EPRA Vacancy Rate Barcelona	**8%**	**5%**	*3 pp*
MADRID			
Vacant space ERV	7	3	
Portfolio ERV	97	94	
EPRA Vacancy Rate Madrid	**7%**	**3%**	*4 pp*
PARIS			
Vacant space ERV	5	12	
Portfolio ERV	222	218	
EPRA Vacancy Rate Paris	**2%**	**6%**	*(3 pp)*
LOGISTIC & OTHERS			
Vacant space ERV	-	-	
Portfolio ERV	2	6	
EPRA Vacancy Rate Total Portfolio	**0%**	**0%**	*0 pp*
TOTAL PORTFOLIO			
Vacant space ERV	16	18	
Portfolio ERV	375	373	
EPRA Vacancy Rate Total Portfolio	**4%**	**5%**	*(1 pp)*

Annualized figures

EPRA Cost Ratios

E. EPRA Cost Ratios		Spain	France	12/2021	12/2020
Figures in €m					
(i) Administrative/operating expense line per IFRS income statement		22.2	32.7	55	48
(ii) Net service charge costs/fees		14.3	8.8	23	23
(iii) Management fees less actual/estimated profit element		0	0	0	0
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		0	0	0	0
(v) Share of Joint Ventures expenses		na	0	0	0
Exclude (if part of the above):					
(vi) Investment Property depreciation		na	na	na	na
(vii) Ground rent costs		na	na	na	na
(viii) Service charge costs recovered through rents but not separately invoiced		na	(14)	(14)	(3)
EPRA Costs (including direct vacancy costs)	**A**	**36.5**	**27.9**	**64**	**68**
(ix) Direct vacancy costs		(2.9)	(3.1)	(6)	(5)
EPRA Costs (excluding direct vacancy costs)	**B**	**33.6**	**24.8**	**58**	**63**
(x) Gross Rental Income less ground rent costs - per IFRS		139.3	174.6	314	340
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant)		na	(3)	(3)	(3)
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rents)		na	0	0	0
Gross Rental Income	**C**	**139.3**	**171.8**	**311**	**338**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**A/C**	**26.2%**	**16.2%**	**20.7%**	**20.1%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**B/C**	**24.1%**	**14.4%**	**18.8%**	**18.7%**

5) EPRA Capex disclosure

€m

Property-related CAPEX	12/2021	12/2020
Acquisitions [(1)]	0	1
Development (ground-up/green field/brown field)	208	158
Like-for-like portfolio	32	17
Other [(2)]	23	18
Capital Expenditure	**263**	**194**

(1) Does not include contribution of assets in exchange of shares

(2) Includes capitalised interest relating to projects, tenant incentives, letting fees and other capitalised expenses

Consolidated balance sheet

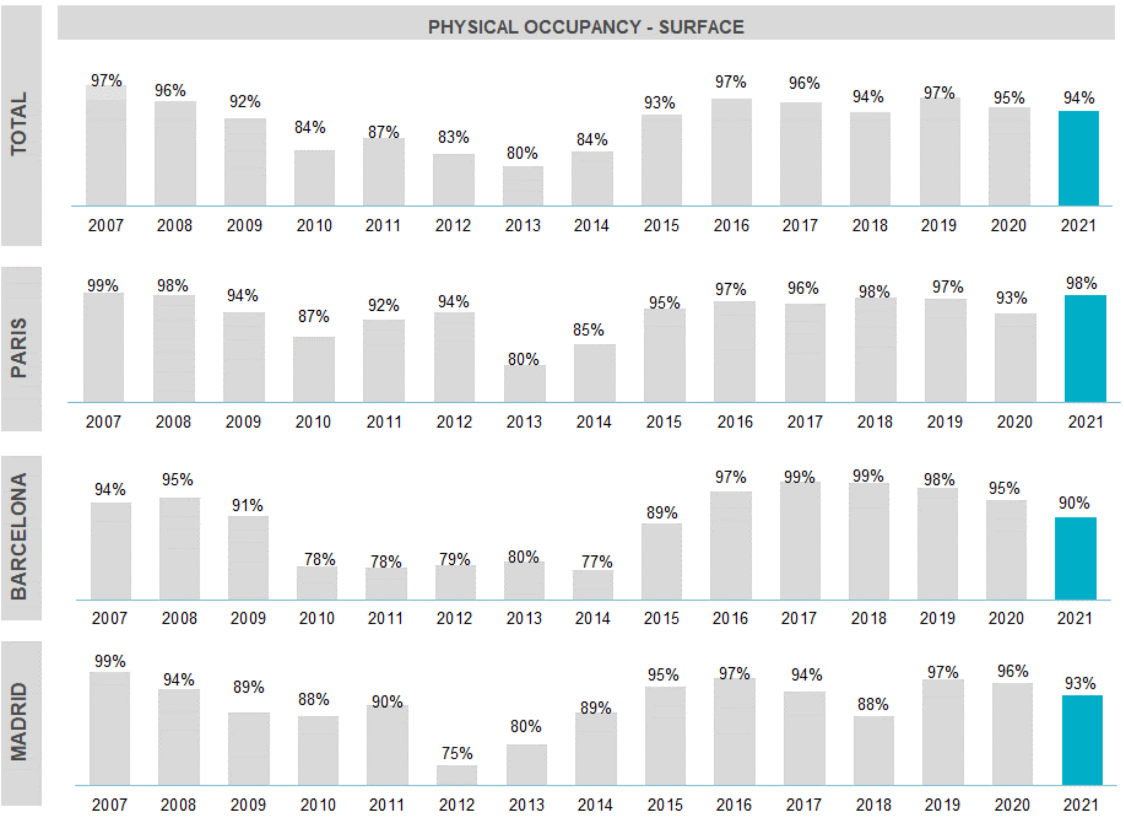
Consolidated balance sheet

€m	2021	2020
ASSETS		
Property investments	12,183	11,516
Other non-current assets	171	250
Non-current assets	12,360	11,771
Inventory	61	52
Debtors and other receivables	38	30
Other current assets	243	220
Assets available for sale	27	282
Current assets	368	584
TOTAL ASSETS	12,728	12,355
LIABILITIES		
Equity	5,999	5,401
Minority interests	1,186	1,433
Net equity	7,184	6,833
Bond issues and other non-current issues	4,285	4,069
Non-current financial debt	89	294
Deferred tax	360	367
Other non-current liabilities	90	88
Non-current liabilities	4,824	4,818
Bond issues and other current issues	566	508
Current financial debt	4	62
Creditors and other payables	123	103
Other current liabilities	26	32
Current liabilities	719	704
TOTAL EQUITY & LIABILITIES	12,728	12,355

11. Historical series

Evolution of physical office occupancy

Office Occupancy[(1)] – Evolution of Colonial's Portfolio



(1) Occupied surfaces/surfaces in operation

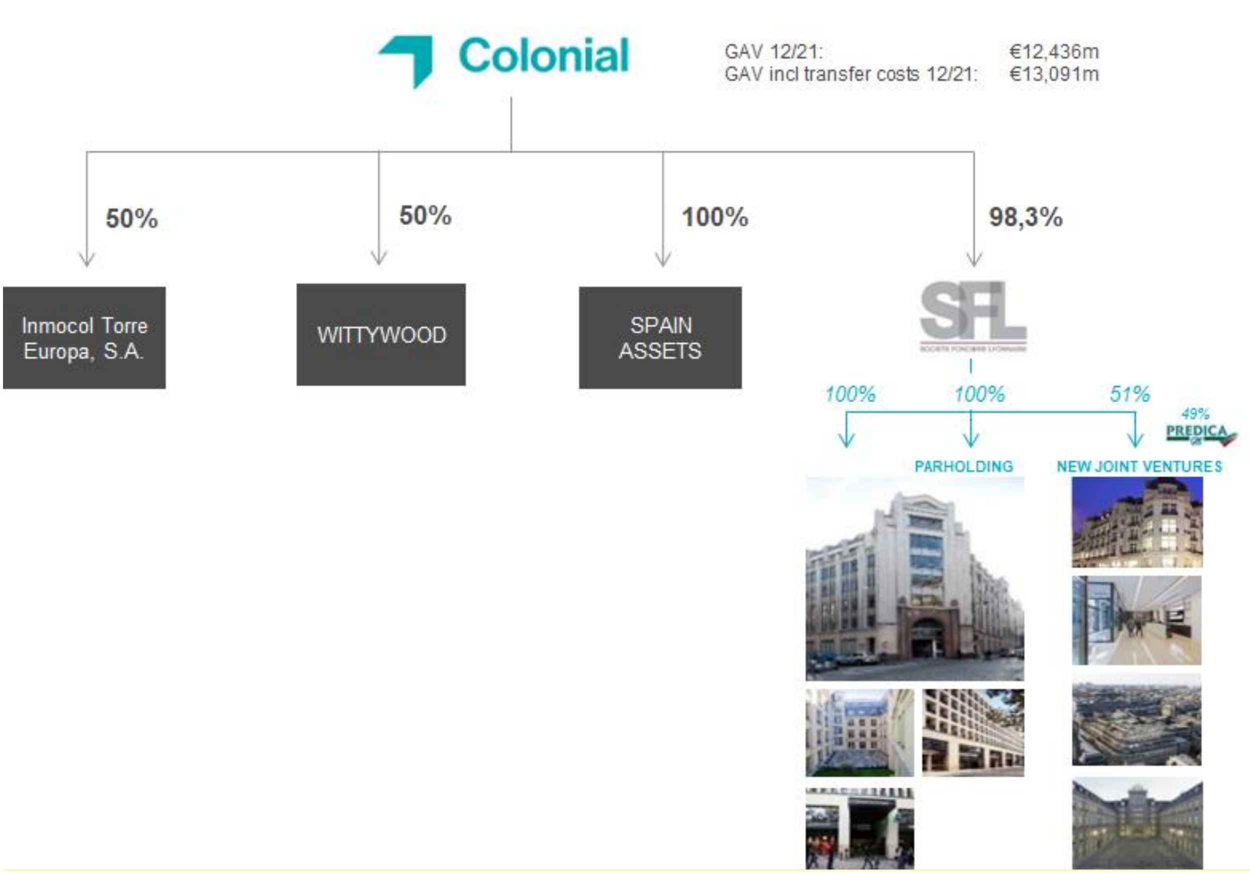
Offices historical series breakdown[1]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Paris																		
Physical Offices Occupancy (%)	97%	96%	98%	99%	98%	94%	87%	92%	94%	80%	85%	95%	97%	96%	98%	97%	93%	98%
Rental revenues (€m)	157	153	162	170	182	183	175	152	150	149	152	169	198	196	194	199	180	175
Net Rental Income (€m)	147	145	153	162	171	173	162	141	138	137	139	155	188	185	183	189	172	168
NRI / Rental revenues (%)	94%	95%	95%	95%	94%	94%	93%	93%	92%	92%	92%	92%	95%	94%	94%	95%	95%	96%
Barcelona																		
Physical Offices Occupancy (%)	97%	100%	99%	94%	95%	91%	78%	78%	79%	80%	77%	89%	97%	99%	99%	98%	95%	90%
Rental revenues (€m)	55	53	56	60	51	49	39	32	31	28	28	27	30	35	41	48	49	44
Net Rental Income (€m)	53	51	55	58	49	47	37	28	27	25	23	23	28	34	39	44	47	39
NRI / Rental revenues (%)	95%	96%	97%	97%	96%	97%	93%	88%	89%	89%	85%	85%	92%	96%	94%	92%	95%	88%
Madrid																		
Physical Offices Occupancy (%)	93%	98%	99%	99%	94%	89%	88%	90%	75%	80%	89%	95%	97%	94%	87%	94%	96%	93%
Rental revenues (€m)	37	44	68	70	56	50	47	45	44	35	32	35	43	52	94	90	103	95
Net Rental Income (€m)	34	42	66	66	52	46	42	41	40	30	28	31	38	46	83	76	94	86
NRI / Rental revenues (%)	93%	94%	96%	95%	92%	92%	90%	90%	90%	86%	85%	88%	88%	88%	88%	85%	91%	90%

(1) Does not include logistics and others

12. Group Structure

Colonial Group Structure



13. 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 capitalization	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). Includes 22@ market in Barcelona.
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 + Value of treasury shares
Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries

IFRS	International Financial Reporting Standards, which correspond to the *Normas Internacionales de Información Financiera (NIIF).*
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 NTA	EPRA Net Tangible Assets (EPRA NTA) is a proportionally consolidated measure, representing the IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the mark-to-market on the convertible bonds, the carrying value of intangibles as well as deferred taxation on property and derivative valuations. It includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options.
EPRA NDV	EPRA Net Disposal Value (EPRA NDV) represents NAV under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.
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
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield, eliminating the negative impact of the lower rental income
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"	Indicates the Group's capacity to generate profits, only taking into consideration its economic activity, less the effect of debt and taxes.
Analytic EBIT	Calculated as the EBIT, less the "Financial result" deriving from the registration of "IFRS 16 on financial leases", associated with flexible business	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" "Value variations in real estate investments", "Net changes in provisions" and "Result for variations in asset value or impairments"	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.
Analytic EBITDA **(Earnings Before Interest, Taxes, Depreciation and Amortization)**	Calculated adjusting the EBITDA by the costs incurred in the "Amortization" and "Financial Result" deriving from the registration of "IFRS 16 on financial leases", associated with flexible business.	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.
EBITDA assets **(Earnings Before Interest, Taxes, Depreciation and Amortization)**	Calculated adjusting the analytic EBITDA by "general expenses" and "extraordinary items" not associated with property use.	Indicates the Group's capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, provisions, and the effect of debt and taxes associated with property use.
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 of the Group. .
EPRA[1] NTA **(EPRA Net Tangible Asset**)	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.

(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 measure	Method of calculation	Definition/Relevance
EPRA[1] NDV (EPRA Net Triple Asset)	Calculated adjusting the following items in the EPRA NTA: 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 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.
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	Amount of the ERV excluding the transaction costs or of the ERV including the transaction costs comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded,	It enables a homogeneous comparison of the evolution of the ERV 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 EPRA NAV.	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.

14. Contact details & Disclaimer

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Capital Market registry data – Stock market

Bloomberg: COL.SM
Código ISIN: ES0139140042
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 1.7 million sqm of GLA and assets under management with a value of more than €12bn.

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