3Q/2019

Quarterly results January - September 2019
5 November 2019

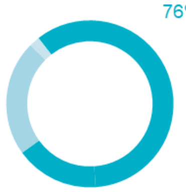
Colonial

A +33% increase in the recurring net profit per share

Financial Highlights	3Q 2019	3Q 2018	Var	LFL
EPS recurring - €Cts/share	20.5	15.4	+33%	
Gross Rental Income - €m	263	258	+2%	+4%
EBITDA recurring - €m	210	202	+4%	+4%
Recurring Net Profit - €m	104	68	+53%	
Attributable Net Profit - €m	393	281	+40%	

Unique exposure to Prime

Offices GAV 6/19



Operational Highlights	
EPRA Vacancy	3.5%
Rental Growth[1]	+8%
Barcelona	+10%
Madrid	+4%
Paris	+12%
Release Spread[2]	+14%
Barcelona	+34%
Madrid	+8%
Paris	+7%

Bottom line results accelerating

- ***Recurring EPS of €20.5cts, +33%***
- Recurring net earnings of €104m, +53%
- Net profit of €393m, +40%

Strong revenue growth

- Gross Rental Income of €263m, +2%
- Like-for-like increase in Gross Rental Income of +4%

Solid operating results

- Capturing rental price increases

  +8% vs ERVs at 12/18[1]

  +14% of release spread[2]
- Solid office occupancy levels of 97%
- 197,027 sqm signed as of 9/2019
- Project portfolio pre-let at 28%

Disposal of non-strategic assets

- Estimated disposal volume of €475m[3]
- Disposal prices with premiums on valuation

A strengthened balance sheet

- S&P rating of BBB+ (highest real estate rating in Spain)
- LTV of 37% with a liquidity of more than €2,400m[4]

(1) Signed rents vs. market rents at 31/12/2018 (ERV 12/18)

(2) Signed rents on renewals vs. previous rents

(3) Estimated disposal volume including the 2019 sale of logistics, the Centro Norte Hotel, as well as the potential exercise of the option on the rest of the logistics portfolio in 2020 and another non-strategic asset currently under advanced negotiation

(4) Cash and undrawn credit lines

Highlights

3Q Results 2019

Net result of €393m, +40% vs the previous year

Significant increase in the recurring net profit per share

Colonial closed the third quarter of 2019 with a net recurring profit of €104m, an increase of +53% compared to the same period of the previous year.

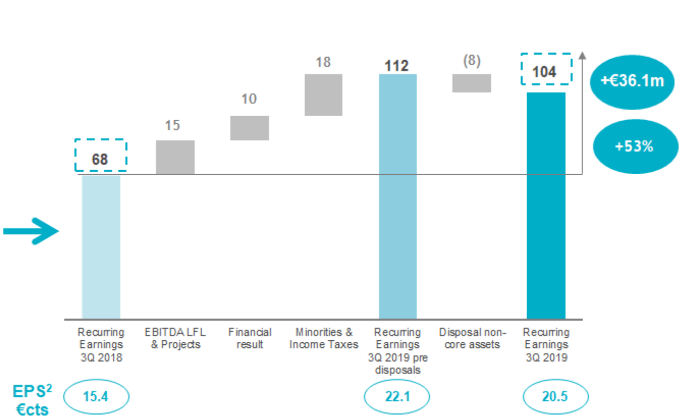
The recurring EPS amounted to €20.5cts, resulting in an increase of +33% compared to the same period of the previous year.

Profit & Loss Account

Results analysis - €m	3Q 2019	3Q 2018
Gross Rents	263	258
Recurring EBITDA	210 [1]	202
Recurring financial result	(67)	(77)
Income tax expense & others - recurring	(9)	(10)
Minority interests - recurring	(29)	(47)
Recurring Earnings	104	68
Change in fair value of assets & provisions	362	304
Non-recurring financial result & MTM	(7)	(19)
Income tax & others - non-recurring	(7)	(2)
Minority interests - non-recurring	(59)	(71)
Profit attributable to the Group	393	281

(1) EBITDA recurring = adjusted EBITDA, annualizing the full year property tax impact booked in 3Q 2019
(2) Recurring earnings per share

Recurring Income - Variance Analysis



The increase in the recurring net profit of +€36m (+53% vs. the previous year) was driven by:

1. An increase in EBITDA of +€15m (+€7m, after the adjustment of the impact of the disposal on non-strategic assets)
2. A reduction in financial costs of €10m
3. A higher attributable profit due to the increase in the SFL stake from 59% up to 82% which is reflected in the line of minority interests

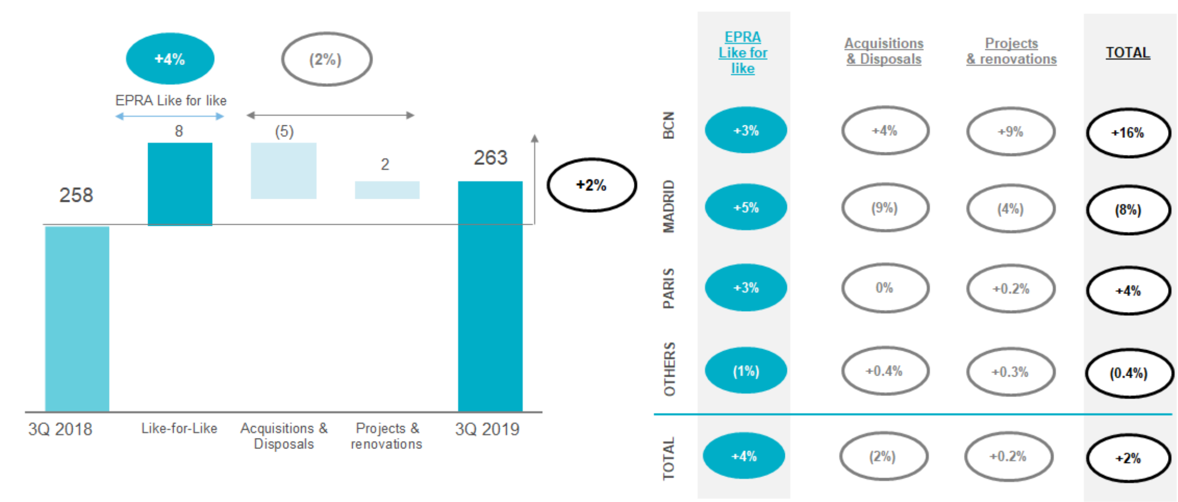
The disposals of non-strategic assets carried out to date have resulted in an impact on the recurring profit of €8m. Consequently, the recurring profit per share, excluding the asset sales, would have been €22.1cts/share, a year-on-year increase of +43% in comparable terms.

Considering the significant growth in the value of the portfolio in the first 6 months of the year, as well as the capital gain on the logistics disposal and deducting all of the non-recurring impacts, the net attributable results amounted to €393m, up +40% compared to the same period of the previous year, equivalent to an increase of +€112m.

Strong revenue growth

Colonial closed the third quarter of 2019 with **€263m Gross Rental Income, an increase of +4% in like-for-like terms, compared to the previous year.**

Gross Rental Income - €m



This growth in rental income is based on a significant like-for-like increase across the portfolio in all three markets in which the Colonial Group operates.

This strong like-for-like growth is among the highest in Europe and is mainly due to the capacity of the Colonial Group to capture rental price increases, thanks to its strong positioning in the city centre (CBD). Of note in the third quarter is the Madrid market with an increase of +5% like-for-like.

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

1. **Barcelona +3% like-for-like,** due to rental price increases across the entire portfolio. Worth highlighting are the Amigó 11-17, Vía Augusta and Avinguda Diagonal 609 assets, which are leading the growth in Barcelona.
2. **Madrid +5% like-for-like.** This increase is driven by the market rental review of current prices on assets. Of note is the significant growth in Discovery, José Abascal 45 and Sagasta 31 buildings, all of them located in the centre of Madrid.
3. **Paris +3% like-for-like.** Rental increases rose to €5m. This was due to the leases signed in 2018, mainly on Cézanne Saint Honoré, Washington Plaza, #Cloud and Grenelle 103 with an increase in rental prices.

A slight decrease in rental income has come from 1) the disposal of the secondary office portfolio at the end of 2018, 2) the sale of the Centro Norte Hotel and 3) the sale of the logistics portfolio in 2019. The rotation of the project portfolio as well as the start of the renovation program in Madrid, has resulted in a temporary decrease in rents, specifically due to the start of the projects on the 83 Marceau asset in Paris and the Velázquez and Miguel Ángel 23 assets,.

Solid operational fundamentals in all segments

Capturing rental price increases

The Colonial Group's business has performed excellently, with take-up levels moving at a strong pace, achieving levels close to full occupancy. At the close of the third quarter of 2019, the Colonial Group has signed 97 rental contracts on the office portfolio corresponding to more than 197,000 sqm and annual rents of €63m.

Strong price increases	# contracts	Surface sqm	GRI €m	2019 % Var. vs ERV 12/18[1]	2019 Release Spread[2]	3Q 2019 % Var. vs ERV 12/18[1]	3Q 2019 Release Spread[2]
Barcelona	30	54,871	€14m	+10%	+34%	+7%	+24%
Madrid	37	111,075	€25m	+4%	+8%	+6%	+36%
Paris	30	31,081	€24m	+12%	+7%	+12%	-
TOTAL OFFICES	97	197,027	€63m	+8%	+14%	+8%	+28%

(1) *Signed rents vs market rents at 31/12/2018 (ERV 12/18)*
(2) *Signed rents in renewals vs previous rents*
(3) *There are two contracts with a "cap", one in Madrid and another in Barcelona*

Compared with the market rent (ERV) at December 2018, signed rents in the third quarter of 2019 increased by +8%.
In Barcelona, rents were signed at +7% above market rent, in the Madrid portfolio at +6% and in the Paris portfolio at +12%. Likewise, the increase in rental prices on renewals (Release Spread) in the third quarter was in double digits: Barcelona +24% and Madrid +36%.

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

In the third quarter of 2019, 59,000 sqm were signed across 28 contracts in the Spanish portfolio. In Madrid, of note is the renewal of 5,600 sqm on the Josefa Valcárcel 24, as well as the signing of more than 7,600 sqm on the new Castellana 163 project (letting up with several tenants) as well as the signing of more than 4,500 sqm on the Virto asset, among others.

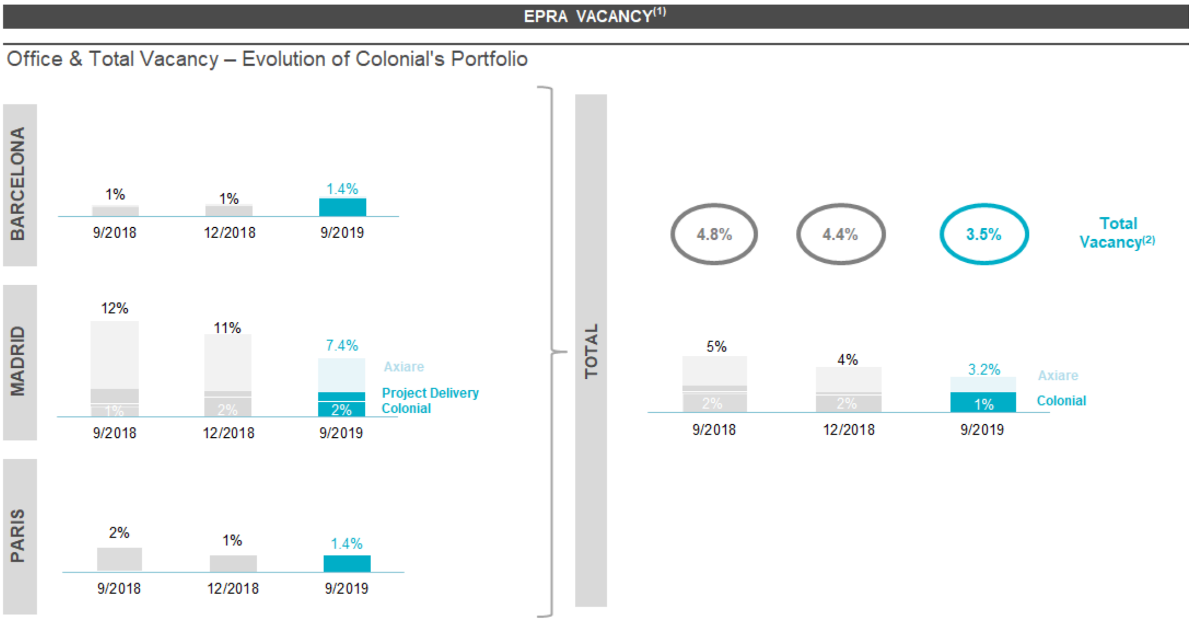
In Barcelona, it is worth highlighting the contract renewal of almost 10,500 sqm on the Diagonal 197 building and more than 3,700 sqm on the Berlín/Numància asset. In addition, of note is the new signings of more than 6,700 sqm on Torre Marenostrum building, 3,000 sqm on the Sant Cugat asset and 2,400 sqm on Berlín/Numància.

In the Paris portfolio, in the third quarter almost 7,000 sqm were signed across 8 transactions, highlighting the signings of 2,600 sqm on the 112 Wagram asset, 2,000 sqm on 103 Grenelle asset and almost 2,000 sqm on the Charles de Gaulle building.

Solid occupancy levels

The **total vacancy of the Colonial Group's portfolio** (including all uses: offices, retail and logistics) **stood at levels of 3.5%** at the close of the third quarter of 2019.

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 (1-[Vacant floorspace multiplied by the market rent/operational floor space at market rent])*
(2) *Total portfolio including all uses: offices, retail and logistics*

Noteworthy are the office portfolios in Barcelona and Paris, both with vacancy rates of 1.4%**.**

The Madrid office portfolio has a vacancy rate of 7%, improving +472 bps compared to the same period of the previous year and +311 bps compared to December 2018.

- A 4% vacancy corresponds primarily to assets of the former Axiare portfolio. Especially noteworthy is the recent delivery of Ribera de Loira, as well as the Virto asset which had a 19% occupancy at the close of September 2019. Significant progress has been made on Avenida Bruselas (100% occupancy) and Ribera del Loira (62% occupancy at the date of issue of this report).

- In addition, noteworthy is the entry into operation of the Castellana 163 asset, located in the Madrid CBD, which is being progressively repositioned floor by floor.

- The rest of the Madrid portfolio has solid occupancy levels, maintaining a vacancy rate of 2%. The current available GLA represents a supply of maximum quality in attractive market segments, where there is a clear scarcity of Grade A products. Consequently, this offers significant potential for additional rental income to be captured in the coming quarters.

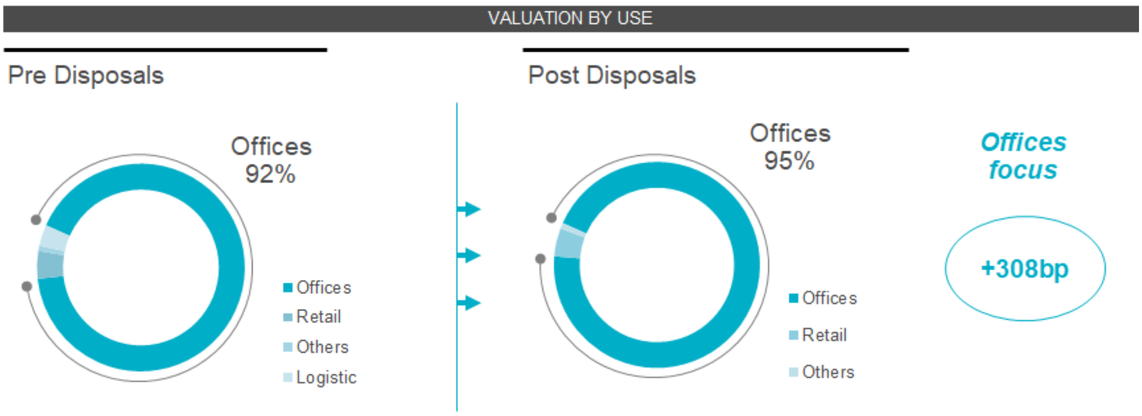
Disposals of non-strategic assets

During the third quarter of 2019, Colonial signed an agreement for the sale of 18 logistics assets with a total surface area of 473,000 sqm.

Year to date, the disposals of 11 facilities have materialized, totaling 314,000 sqm. In addition, during the first quarter 2019 the disposal of the Centro Norte Hotel with a GLA of more than 8.000 sqm has been executed.

Regarding the rest of the logistics assets, Colonial expects the potential buyer to exercice the call option on them in the first half of 2020.

Colonial expects to close the year with disposals for a volume of €475m[1] which enables 1) an optimization of the business mix, further increasing the office exposure up to 95% in terms of asset value, as well as 2) an improvement in the quality of returns with a focus on prime offices.



(1) *Estimated disposal volume including the 2019 sale of logistics, the Centro Norte Hotel, as well as the potential exercise of the option on the rest of the logistics portfolio in 2020 and another non-strategic asset currently under advanced negotiation*

A solid capital structure

A strong balance sheet

At 30 September 2019, the Colonial Group had a solid balance sheet with a LTV of 37% (211 bps improvement compared to the start of the year) with a Standard & Poors rating of BBB+, the highest rating in the Spanish Real Estate sector.

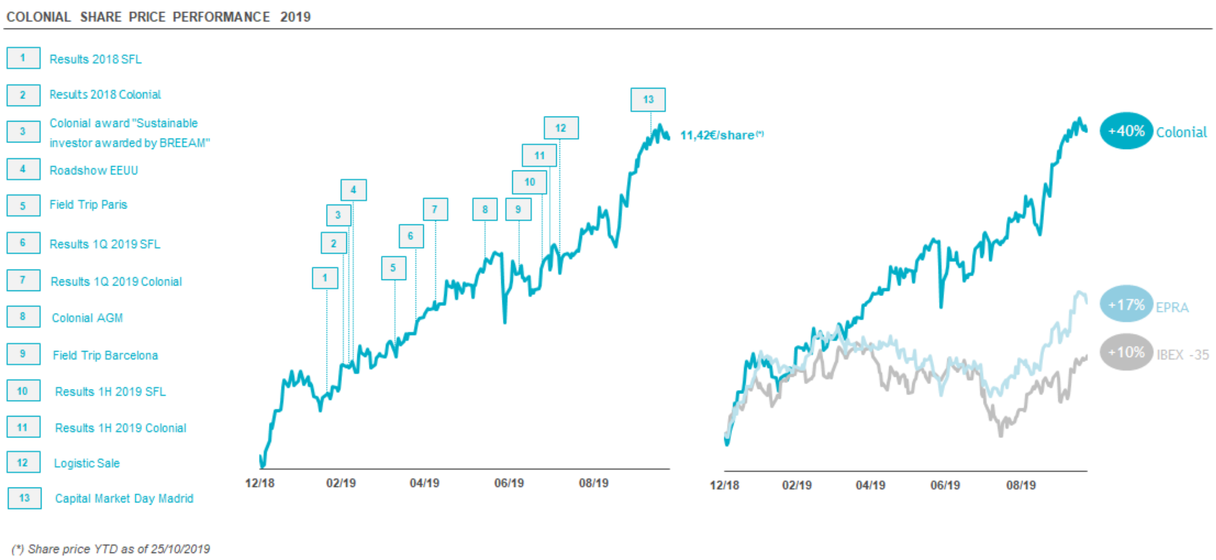
The liquidity of the Group at the close of the third quarter amounts to €2,429m. In terms of debt maturity, it is particularly noteworthy that 73% of the Group's debt will mature from 2023 onwards.

In the first half of 2019, Colonial finalized the restructuring of the pending debt coming from Axiare, cancelling various bilateral loans amounting €162m and refinancing two bilateral loans in the amount of €151m, improving margins and cancelling mortgage securities.

SFL, on its behalf, has restructured a syndicate loan of €390m resulting in an improvement in both margins and maturity.

Solid share price performance

As at the date of release of this report, Colonial's shares closed with a revaluation of +40%, outperforming the EPRA & IBEX35 benchmark indices.



The share price performance reflects the support of capital markets for the successful execution of the Colonial Group's growth strategy. Colonial's share price trading stands out compared to its peers as one of the securities that is trading the closest to its fundamental value.

ESG Strategy

Colonial pursues a clear leadership in ESG, being a fundamental element of its strategy of sustainable growth which offers attractive risk adjusted returns relying on maximum levels of corporate excellence and high-quality products.

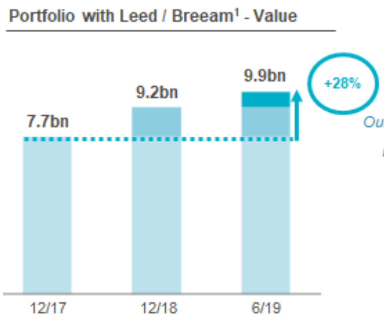
Leadership in ESG

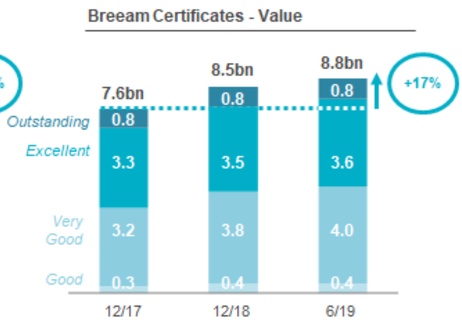
Colonial has obtained the EPRA Gold sBPR rating for the fourth year in a row, which certifies the highest reporting standards in ESG.

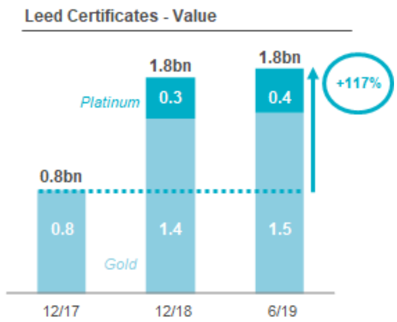
The Colonial Group has increased its GRESB scoring by +21%, with very high scores in the areas of Monitoring-EMS, Management and Risk-opportunities. The French subsidiary of the Colonial Group has obtained the second-best GRESB rating in the offices sector in all of Europe.

Colonial's MSCI rating is AA, one of the highest ratings in Europe, specifically due to its very high Corporate Governance Standards.

In addition, 91% of the portfolio in operation has LEED or BREEAM energy certificates. In particular, €1,845m of assets have LEED certificates and €8,837m of assets have BREEAM certificates. This level of energy certificates is clearly above the sector average.







(1) Portfolio in operation

At the beginning of 2019, BREEAM/GRESB recognized the high quality of Colonial's portfolio as the leader in Europe for responsible investment through the "Award for Responsible Real Estate Investment" in the large portfolio category.

Colonial's leadership in ESG has enabled the formalization of two ESG compliant loans for a total volume of €151m, with ING and CaixaBank.

Growth drivers

The Colonial Group has an attractive growth profile, based on its strategy of industrial value creation with a high Alpha component in returns. This growth strategy is based on the following value drivers:

A. Clear leadership in prime offices

Colonial has the highest quality product with an unparalleled City Centre exposure in Europe with 76% of the portfolio located in CBD.

B. An attractive project pipeline: A portfolio of 12 projects with more than 211,000 sqm to create prime products that offer strong returns and therefore, future value creation with solid fundamentals.

	Project		City	% Group	Delivery	GLA (sqm)	Total Cost €m[1]	Total Cost €/ sqm[1]	Yield on Cost
1	Pedralbes Center	Prime Commercial	Barcelona CBD	100%	1H 19	6,917	38	5,502	6.3%
2	Gala Placidia / Utopic_us		Barcelona CBD	100%	1H 19	4,312	17	3,922	7.0%
3	Miguel Angel 23		Madrid CBD	100%	1H 21	8,036	66	8,244	5.6%
4	Castellana, 163		Madrid CBD	100%	2020/ 21	10,910	52	4,803	6.6%
5	Diagonal 525		Barcelona CBD	100%	1H 21	5,710	37	6,460	6.0%
6	Biome		Paris City Center	82%	2H 21	24,500	283	11,551	5.0%
7	83 Marceau		Paris CBD	82%	1H 21	9,600	151	15,755	5.2%
8	Velazquez Padilla 17		Madrid CBD	100%	1H 21	17,239	113	6,532	6.8%
9	Plaza Europa 34		Barcelona	50%	2H 21	14,306	38	2,676	7.0%
10	Mendez Alvaro Campus		Madrid CBD South	100%	2H 22	89,871	287	3,188	7.4%
11	Sagasta 27		Madrid CBD	100%	2H 22	4,481	23	5,044	6.4%
12	Louvré SaintHonoré	Prime Commercial	Paris CBD	82%	2023	16,000	208	13,029	7.3%
TOTAL OFFICE PIPELINE						211,882	1,313	6,198	6.3%

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

As at the date of this report, 5 of the 12 projects (specifically, Pedralbes Center, Gala Placidia, Castellana 163, Diagonal 525 and Louvré Saint Honoré) already have pre-let agreements in very favourable terms, significantly increasing the visibility of future cash flow and value creation.

C. A strong prime positioning with a contract portfolio to capture the cycle

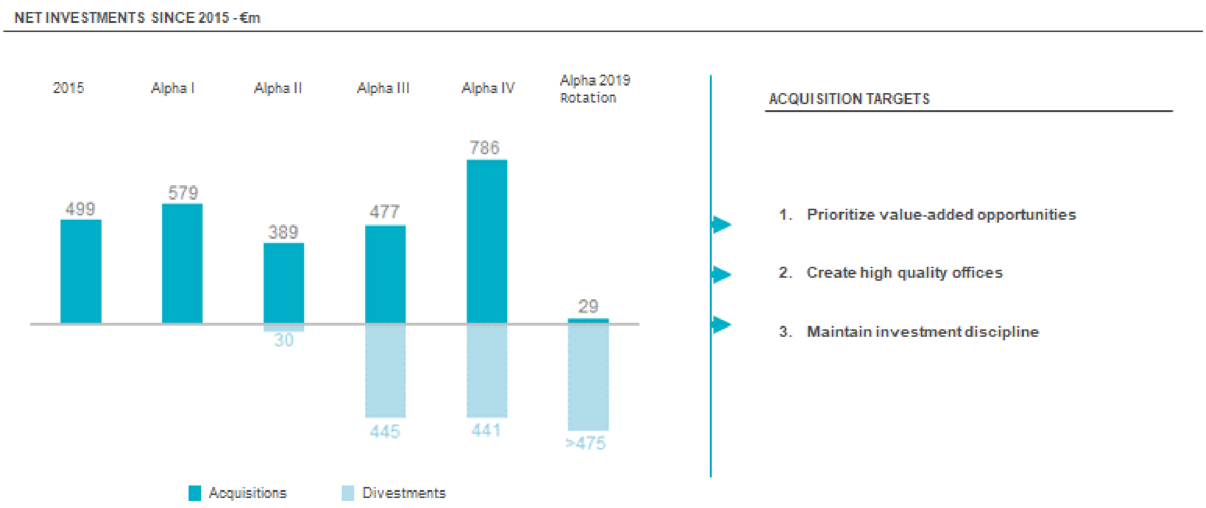
This third quarter has once again shown the capacity of the Colonial Group's contract portfolio to capture maximum market rents and obtain significant rental price increases with double digit release spreads.

In addition, the new renovation programs are progressing, accelerating tenant rotation in the corresponding spaces. Of note there are two buildings in prime CBD, 106 Haussmann in Paris and Ortega y Gasset in Madrid, and the TorreMarenostrum asset in the 22@ technological district in Barcelona. The renovation program will generate a total of €25m in annual rents, more than 60% of this amount is already pre-let or in advanced stages of negotiation.

D. Solid investment markets: the direct investment markets maintain high interest in prime products. In this respect, Colonial's portfolio offers interesting spreads compared to the benchmark reference rates.

E. Financial discipline in the acquisition and disposal program: Over recent years, Colonial has successfully delivered the organic investment targets announced to the capital markets: asset acquisitions, prioritising off-market transactions and identifying properties with value-added potential in market segments with solid fundamentals.

Since 2015, the Colonial Group has carried out significant investments and disposals:



In 2020, Colonial expects to continue with a selective rotation of non-strategic and/or mature assets and at the same time to pursue the acquisition program. Currently, the Colonial Group is analyzing a pipeline of acquisition opportunities of more than €1bn.

Appendices

1. Analysis of the Profit and Loss Account

Analysis of the Profit and Loss Account

The net profit attributable to the Group at 30 September 2019 amounted to €393m, an increase of +40% compared to the same period of the previous year.

September cumulative - €m	2019	2018	Var.	Var. % [(1)]
Rental revenues	263	258	4	2%
Net operating expenses [(2)]	(22)	(23)	0	1%
Net Rental Income	240	236	5	2%
Other income	3	1	2	(119%)
Overheads	(35)	(35)	(0)	(1%)
EBITDA	208	202	6	3%
Exceptional items	(3)	(6)	3	46%
Change in fair value of assets & capital gains	436	339	97	28%
Amortizations & provisions	(62)	(23)	(39)	(170%)
Financial results	(74)	(96)	22	23%
Profit before taxes & minorities	505	416	88	21%
Income tax	(23)	(17)	(6)	(34%)
Minority Interests	(88)	(118)	30	25%
Profit attributable to the Group	393	281	112	40%

Results analysis - €m	2019	2018	Var.	Var. %
Recurring EBITDA	210 [(3)]	202	7	4%
Recurring financial result	(67)	(77)	10	14%
Income tax expense & others - recurring result	(9)	(10)	1	8%
Minority interest - recurring result	(29)	(47)	18	38%
Recurring net profit - post company-specific adjustments [(4)]	104	68	36	53%
NOSH (million)	*508.1*	*441.7*	*66*	*15%*
EPS recurring (€cts)	20.5	15.4	5.1	33%

(1) Sign according to the profit impact

(2) Invoiceable costs net of invoiced costs + non invoiceable operating costs

(3) Adjustment of temporary impact of property taxes

(4) Recurring net profit = EPRA Earnings post company-specific adjustments.

(5) Includes impairment of goodwill

Analysis of the Profit and Loss Account

- At the close of the third quarter of 2019, the Colonial Group's Gross Rental Income amounted to €263m, +2% higher compared to the same period of the previous year. In like-for-like terms, the increase stands at +4%.

- The Group's EBITDA stands at €208m, a +3% increase compared to the same period of the previous year.

- The impact on the Consolidated Profit and Loss Account from the revaluation and capital gains from disposals of property investments increased up to €436m. The revaluation, which was registered in France as well as in Spain, is the result of the increase in the appraisal value of the assets.

  Due to this value creation, Colonial has offset the Goodwill of the Axiare acquisition just 12 months after the completion of the merger of both companies in July 2018.

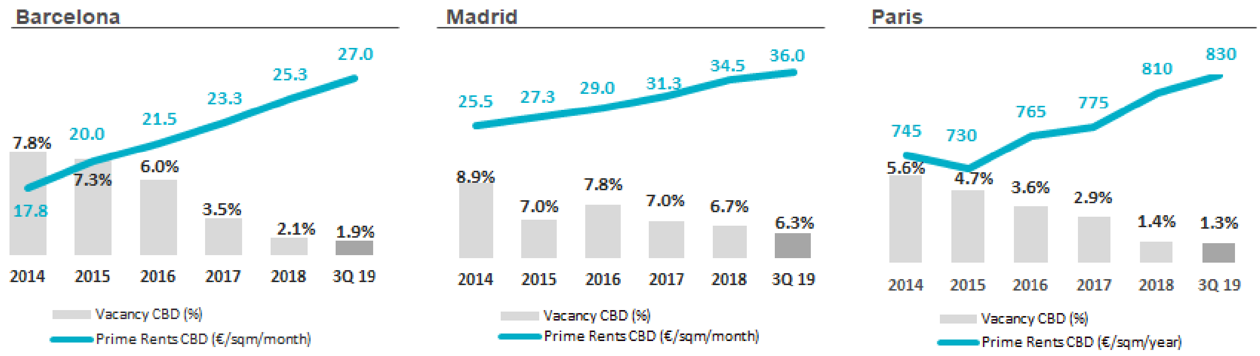
- The recurring financial cost of the Group amounted to €(67)m, a decrease of 14% compared to the same period of the previous year, mainly due to the Group's debt refinancing transactions carried out in 2018 and 2019.
  The net financial cost amounted to €(74)m, which is 23% lower than the same period of the previous year.

- Profit before taxes and minority interests at the close of the third quarter of 2019 amounted to €505m, +21% compared to the previous year.

- The corporate tax expense amounted to €(23)m and mainly corresponds to the accounting in France of taxes associated to non-SIIC companies, in particular the Parholding Group.

- Finally, after deducting the minority interest of €(88)m, the profit attributable to the Group amounted to €393m, an increase of +40% compared to the previous year.

2. Office markets



Rental markets

Take-up in the **office market in Barcelona** continued the trend of an historic year, with 70,000 sqm signed in the third quarter, reaching a total of 308,000 sqm, a figure higher than the record high of the previous year. The vacancy rate remained below 2% in the CBD. A lack of prime supply together with strong demand continues to drive up rents, with prime rents reaching €27/sqm/month, which represents a 2019 increase of +7%.

During the third quarter of 2019, more than 155,000 sqm were signed **in the office market in Madrid**. This figure represents an increase of +15% compared to the same quarter of the previous year and + 30% compared to the cumulative take-up of the same period of 2018. The vacancy rate stood below 9% in Madrid, with a vacancy rate in the CBD at around 6%. At the close of the third quarter, prime rents in Madrid stood at €36/sqm/month, which represents a 2019 increase of +4%.

In the offices market in Paris, take-up in the third quarter of 2019 reached a total of 543,400 sqm, an increase of +8% compared to the same period of the previous year. In the CBD, the vacancy rate stood at 1.3%, an historically low level. Prime rents stood at €830/sqm/year.

Investment market

In **Spain**, investment in offices reached €2.928m 2019YTD, a figure above the average achieved over the last 10 years. Prime yields in Madrid and Barcelona remained stable at 3.5% and 3.75%, respectively.

In **Paris** the third quarter closed with a cumulative investment volume of €16,396m in the first nine months of 2019, an increase of +25% compared to the previous year (€13,831m of investment in the offices market). Foreign investor appetite remains strong, representing more than 40% of the total investment and prime yields remain stable at 2.75%.

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

3. Business performance

Gross rental income and EBITDA of the portfolio

- Gross rental income **reached €263m, a +2% year-on-year increase**.
  In **like-for-like terms**, adjusting for investments, disposals and variations in the project and renovation pipeline and other extraordinary items, **the Group's gross rental income increased by +4% like for like.**

  In Spain, like-for-like rental income increased by +4%: +3% in the Barcelona portfolio and +5% in the Madrid portfolio. In Madrid, this increase was mainly due to the market rental reviews on properties such as Egeo and Sagasta 31. In addition, there was a positive impact from occupancy levels in the Discovery asset. In Barcelona, the positive impact mainly came from an increase in rents across the entire portfolio, highlighting the Diagonal 609 asset and an increase in occupancy in Torre BCN.

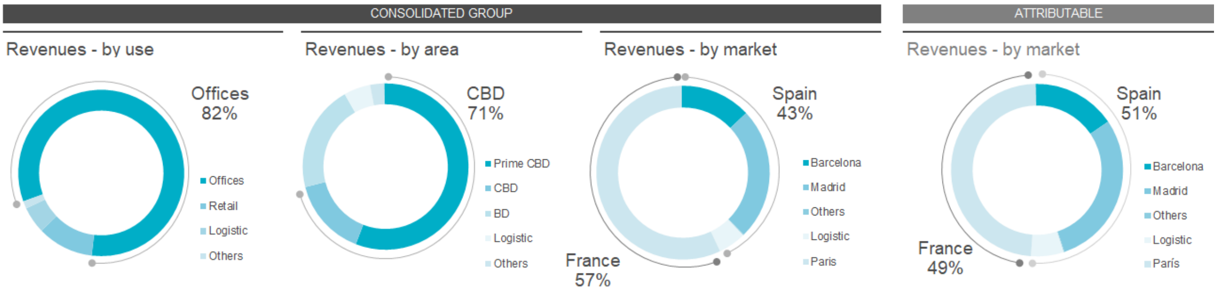
  In **Paris, like-for-like rental income rose by +3%,** mainly driven by signed leases on the Cézanne Saint Honoré, Washington Plaza, #Cloud and Grenelle assets.

Variance in rents (2019 vs. 2018) €m	Barcelona	Madrid	París	Logistic & others	Total
Rental revenues 2018R	29.9	70.9	143.8	13.7	258.3
EPRA Like-for-Like (1)	0.8	2.7	4.8	(0.1)	8.1
Projects & refurbishments	2.9	(1.8)	(2.4)	0.0	(1.2)
Acquisitions & Disposals	1.2	(6.7)	0.0	0.0	(5.4)
Indemnities & others	(0.0)	0.1	2.9	0.0	2.9
Rental revenues 2019R	34.8	65.1	149.1	13.6	262.7
Total variance (%)	*16%*	*(8%)*	*4%*	*(0%)*	*2%*
Like-for-like variance (%)	3%	5%	3%	(1%)	4%

A slight decrease in rental income has come from due to 1) the disposal of the secondary office portfolio at the end of 2018, 2) the sale of the Centro Norte hotel and 3) the sale of the logistics portfolio in 2019 in Madrid. The rotation of the project portfolio has resulted in a temporary decrease in rents, specifically due to the start of the projects on the 83 Marceau asset in Paris and the Velázquez and Miguel Ángel 23 assets, as well as the start of the renovation program in Madrid.

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

- **Rental income breakdown:** Most of the Group's rental income, 82%, is from the office portfolio. Furthermore, the Group maintains its high exposure to CBD markets.
  In consolidated terms, 57% of the rental income (€149m) came from the subsidiary in Paris and 43% was generated by properties in Spain. In attributable terms, 51% of the rents were generated in Spain and the rest in France.



- **At the end of the third quarter of 2019, EBITDA rents reached €240m.**

Property portfolio

September cumulative - €m	2019	2018	Var. %	EPRA Like-for-like [1] €m	EPRA Like-for-like [1] %
Rental revenues - Barcelona	35	30	16%	0.8	3%
Rental revenues - Madrid	65	71	(8%)	2.7	5%
Rental revenues - Paris	149	144	4%	4.8	3%
Rental revenues - Logistic & others	14	14	(0%)	(0.1)	(1%)
Rental revenues	**263**	**258**	**2%**	**8.1**	**4%**
EBITDA rents Barcelona	33	28	19%	1.1	5%
EBITDA rents Madrid	54	60	(10%)	2.1	4%
EBITDA rents Paris	142	136	4%	5.1	4%
EBITDA rents Logistic & others	12	12	(5%)	(0.7)	(7%)
EBITDA rents	**240**	**236**	**2%**	**7.6**	**4%**
EBITDA rents/Rental revenues - Barcelona	*94%*	*92%*	*1.9 pp*		
EBITDA rents/Rental revenues - Madrid	*83%*	*84%*	*(1.7 pp)*		
EBITDA rents/Rental revenues - Paris	*95%*	*94%*	*0.6 pp*		
EBITDA rents/Rental revenues - Logistic & others	*85%*	*90%*	*(4.5 pp)*		

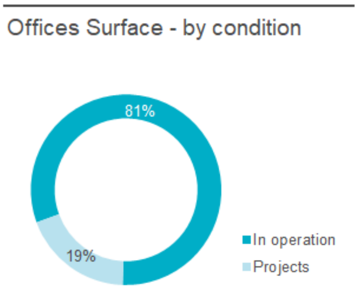
Pp: percentage points
*(1) **EPRA like-for-like: Like-for-like calculated according to EPRA recommendations**.*

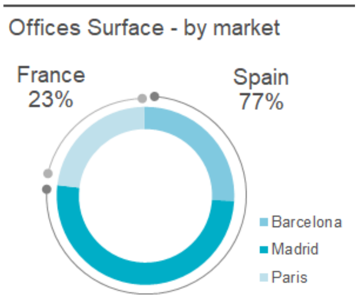
The accounting standard requires certain property taxes to be registered at the time of their accrual, in the month of January, which means that the EBITDA ratio/income from the portfolio is artificially low, an effect which will be progressively corrected during the financial year.

Portfolio letting performance

- **Breakdown of the current portfolio by floor area:** At the close of the third quarter of 2019, the Colonial Group's portfolio totalled 1,944,206 sqm (1,391,478 sqm above ground), primarily related to office buildings, which comprised 1,645,929 sqm.

  At the close of the third quarter of 2019, 81% of the office portfolio was in operation and the rest corresponded to an attractive portfolio of projects and refurbishments as well as the land plots of Parc Central in Barcelona and Puerto de Somport in Las Tablas, Madrid.

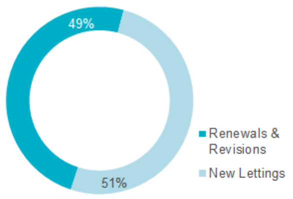


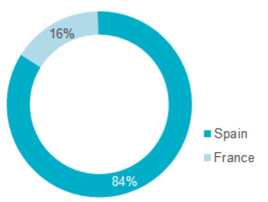


- **Signed leases - Offices:** At the end of the third quarter of 2019, the Colonial Group signed **leases for 197,027 sqm of offices**. 84% (165,946 sqm) were signed in Barcelona and Madrid and the rest (31,081 sqm) were signed in Paris.

  New lettings: Out of the total office letting activity, 51% (100,213 sqm) related to new leases, spread over the three markets in which the group operates**.**

  Renewals: Lease renewals relating to 96,814 sqm were completed, of which 66,630 sqm were renewed in Madrid.





Letting Performance - Offices

September cumulative - sq m	2019	Average maturity	% New rents vs. previous
Renewals & revisions - Barcelona	26,561	2	*34%*
Renewals & revisions - Madrid	66,630	4	*8%*
Renewals & revisions - Paris	3,623	4	*7%*
Total renewals & revisions	**96,814**	**3**	***14%***
New lettings Barcelona	28,310	5	
New lettings Madrid	44,445	5	
New lettings Paris	27,458	8	
New lettings	**100,213**	**6**	**na**
Total commercial effort	**197,027**	**5**	**na**

Release spreads stood at +14% above the previous rents, highlighting **Barcelona with +34% and Madrid with +8%. In Paris**, the prices signed in renewals **stood at +7% compared to the previous rents.**

The letting activity was focused on the offices portfolio. In addition, two rental contracts were signed in the logistics portfolio, corresponding to more than 22,000 sqm.

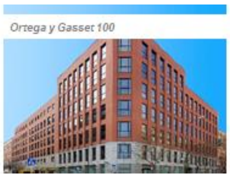
Project portfolio and renovation program

- Colonial has a **project portfolio** of over 211,000 sqm to create top quality products, offering high returns and a future value uplift with solid fundamentals. Five of the twelve projects (specifically, the Pedralbes Center, Gala Placidia, Castellana 163, Diagonal 525 and Louvré Saint Honoré) already have pre-let agreements with very favourable terms, significantly increasing the visibility of future cash flow and value creation. The other projects in the portfolio continue to progress and already have very good market prospects. They are in excellent locations where there is little new offering in these areas.

	Project	City	% Group	Delivery	GLA (sqm)	Total Cost €m[1]	Total Cost €/ sqm[1]	Yield on Cost
1	Pedralbes Center (Prime Commercial)	Barcelona CBD	100%	1H 19	6,917	38	5,502	6.3%
2	Gala Placidia / Utopic_us	Barcelona CBD	100%	1H 19	4,312	17	3,922	7.0%
3	Miguel Angel 23	Madrid CBD	100%	1H 21	8,036	66	8,244	5.6%
4	Castellana, 163	Madrid CBD	100%	2020/ 21	10,910	52	4,803	6.6%
5	Diagonal 525	Barcelona CBD	100%	1H 21	5,710	37	6,460	6.0%
6	Biome	Paris City Center	82%	2H 21	24,500	283	11,551	5.0%
7	83 Marceau	Paris CBD	82%	1H 21	9,600	151	15,755	5.2%
8	Velazquez Padilla 17	Madrid CBD	100%	1H 21	17,239	113	6,532	6.8%
9	Plaza Europa 34	Barcelona	50%	2H 21	14,306	38	2,676	7.0%
10	Mendez Alvaro Campus	Madrid CBD South	100%	2H 22	89,871	287	3,188	7.4%
11	Sagasta 27	Madrid CBD	100%	2H 22	4,481	23	5,044	6.4%
12	Louvré SaintHonoré (Prime Commercial)	Paris CBD	82%	2023	16,000	208	13,029	7.3%
TOTAL OFFICE PIPELINE					211,882	1,313	6,198	6.3%

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

- In addition to the project portfolio, the Colonial Group is currently carrying out a **renovation program** on 5 assets in its portfolio, with the aim of increasing the rents and value of these assets. This renovation program is mainly focused on the reorganization of common areas and updating the facilities, requiring a very limited investment.



Of special mention are the renovation programs being carried out on the Haussmann 106 building in Paris, and the Cedro and Ortega y Gasset buildings in Madrid. These three assets present excellent opportunities to optimize cash flow and value creation, especially on the properties located in the CBD (Haussmann and Ortega y Gasset).

In addition, it is worth mentioning that repositioning work has begun on the Torre Marenostrum asset in the prime 22@ district in Barcelona, converting it into a multi-user asset and combining traditional office spaces with coworking spaces, managed by a Colonial subsidiary UtopicUs.

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

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

- At the beginning of 2019, BREEAM/GRESB recognized the high quality of Colonial's portfolio as the leader in Europe for responsible investment through the "Award for Responsible Real Estate Investment" in the large portfolio category.

- Colonial's MSCI rating is AA, one of the highest ratings in Europe, in particular due to its very high standards in relation to Corporate Governance.

- Colonial pursues a clear leadership in ESG, being a fundamental element of its growth strategy, in which offering maximum quality in its portfolio constitutes a main characteristic. This fact is reflected in the high number of certifications in the Colonial Group's property portfolio.

- 91% of the portfolio has energy certificates LEED and BREEAM. In particular, €1,845m of the assets have LEED ratings and €8,837m of the assets have BREEAM ratings.

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

- In addition to the strategy on environmental sustainability, Colonial opts for the highest standards in Corporate Governance and a clear ambition in social aspects and attraction of talent. In this respect, Colonial has adhered to the 10 principles of the United Nations Global Compact referring to Human Rights, Employment Rights, the Environment and the fight against corruption, ensuring that these principles form part of its strategy and culture.

(1) ESG = Environmental, Social and Governance. Environment, social politics and sustainability

- Accordingly, Colonial has made significant progress in corporate ratings that evaluate all of the non-financial-ESG aspects:

BENCHMARK / INDEX	ACHIEVEMENT / RATING
GRESB REAL ESTATE; BREEAM AWARDS 2019 WINNER	> **GRESB / BREEAM 2019 Award for Responsible Real Estate Investment** > #1 in the Large Portfolio Category (more than €1bn) > 91% of portfolio with highest energy standards
MSCI	> **AA Rating (up from BBB)** > One of the highest ratings in Europe > Strong scoring on Governance
EPRA sBPR GOLD	> **Gold 4th year in a row** > Gold since 2016 > First mover in Spain
GRESB REAL ESTATE; GREEN STAR	> **Green Star3rd year in a row** > Strong performance on building certificates > Gresb member
FTSE4Good	> **“Good practice” rating** > Index inclusion 2018 > Strong performance on Governance & Supply Chain

- The high quality of Colonial’s portfolio is reflected in the high level of certification of its assets. In March 2019, BREAAM/GRESB recognized the Colonial Group as the leader, number one in Europe, in responsible investment through the “Award for Responsible Real Estate Investment” in the large portfolio category.

- Colonial’s European leadership in relation to sustainability in its sector has enabled Colonial to obtain the first sustainable loan to be granted to a Spanish company in the real estate sector. Issued by ING, the loan is for €76m, maturing in December 2023. The loan is linked to the sustainability strategy of the company and the interest will vary in accordance with the rating that Colonial obtains in relation to ESG from the sustainability agency GRESB.
  In May 2019, Colonial signed a second sustainable loan with CaixaBank for an amount of €75m, maturing in July 2024.

- The Window Building has received the 2018 Innovation Prize awarded by the Spanish Association of Offices (AEO). This building constitutes an innovative operation due to the unique architectural solution, representative of an urban fabric complex and high, demanding municipal standards. The building provides an architectural solution which very effectively resolves this equation of urban incognitos, while also possessing an adequate level of efficiency and high-quality equipment in its facilities.

5. Digital Strategy & Coworking

Utopicus continues to carry out its expansion strategy in Madrid and Barcelona. At the close of the third quarter of 2019, it had 40,804 sqm of GLA in 15 centres under management, positioning the company as the coworking market leader in Spain.

During the month of July, the Gala Placidia centre was opened in its entirety. The space was designed for large companies that look for flexible spaces and is located in the traditional Barcelona CBD just a few minutes away from Diagonal. The space provides room for more than 500 workstations and areas to carry out events, seminars and courses. In addition, there are common spaces, large terraces, a cafeteria and open meeting spaces which encourage the collaboration of its members. At the date of this report, it is already being used by companies in the technology, consultancy and services sectors.

In addition, during the third quarter of 2019, a new location was identified in one of Colonial's buildings in the street Francisco Silvela in Madrid. The concept of "hybrid building" will be replicated on this building, which has already been successfully implemented in various Colonial buildings, such as Príncipe de Vergara and Parc Glories, for example. The new center will combine flexible space with traditional offices. This concept is achieving very good results, with increases in occupancy levels at higher rents than those previously obtained.

6. Financial structure

In the first half of 2019, Colonial finalized the restructuring of the pending debt coming from Axiare, cancelling various bilateral loans in the amount of €162m and refinancing two bilateral loans in the amount of €151m, improving margins and cancelling mortgage securities. The refinanced loans are sustainable loans as their margin will vary according to the rating that Colonial obtains with respect to ESG (environmental, social and corporate governance) from the sustainability agency, GRESB. In the month of September these loans obtained a reduction in the margins thanks to an improvement in the GRESB rating, which capitalizes on the efforts of the Group in relation to ESG.

Short-term note issues were initiated under the ECP program registered in December 2018 and were well received by the market. At 30 September 2019, the program was totally drawn.

As for SFL, it has restructured a syndicate loan of €390m that has resulted in an improvement both in terms of margins as well as maturity. SFL also carried out short-term note issues throughout the year and at the close of the third quarter these issues amounted to €386m.

The main debt figures of the Group are as follows:

Colonial Group	Sep-19	dec-18	Var.
Gross financial debt	5,086	4,748	7%
Net financial debt	4,522	4,680	(3,4%)
Total liquidity (1)	2,429	1,793	35%
% debt fixed or hedged	84%	97%	(13%)
Average maturity of the debt (years)(2)	5.2	5.9	(0.7)
Cost of current debt	1.54%	1.77%	(23 b.p.)
Rating COL (S&P's)	BBB+	BBB+	-
Rating COL (Moody's)	Baa2 Stable	Baa2 Negative	↑
Rating SFL (S&P's)	BBB+	BBB+	-
LtV Group (including transfer costs)	37%	39%	(211 b.p.)

(1) Cash & Undrawn balances
(2) Average maturity based on available debt
(3) Cost of debt including promissory notes. Without considering the issues of promissory notes, the cost would amount to 1.81%

The net financial debt of the Group at 30 September 2019 stood at €4,522m, the breakdown of which is as follows:

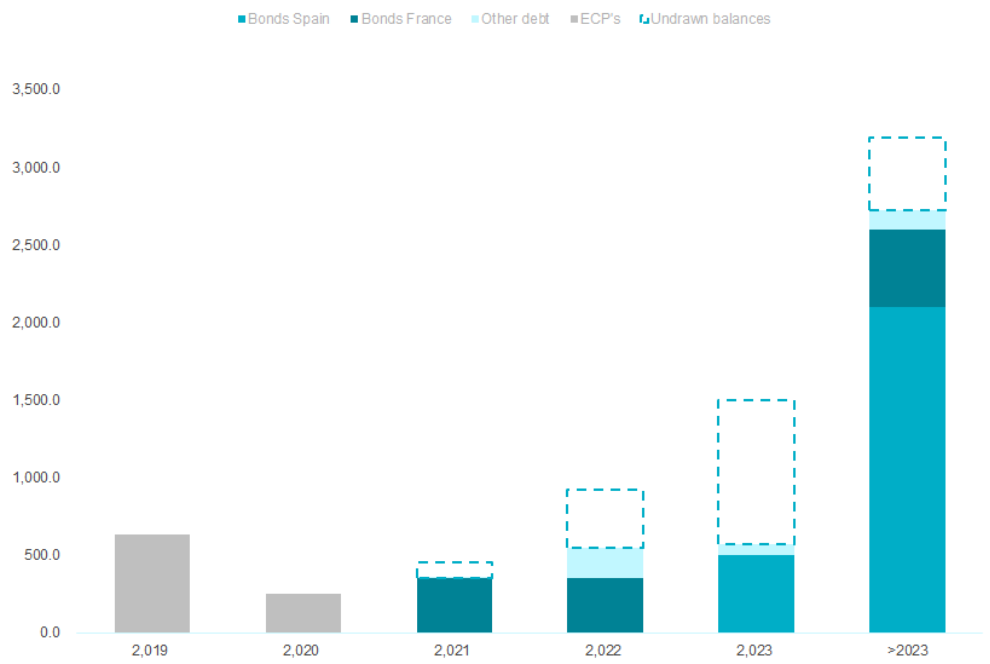
	September 2019			December 2018			Var		
€m	Colonial	SFL	TOTAL	Colonial	SFL	TOTAL	TOTAL	Cost[3]	Average maturity[2]
Syndicate loans	0	0	0	70	0	70	(70)	-	4.8
Mortatge debt	76	199	275	314	201	515	(240)	1.29%	3.1
Bonds Colonial	2,600	-	2,600	2,600	-	2,600	-	2.05%	6.0
Bonds SFL	-	1,200	1,200	-	1,200	1,200	-	1.83%	3.9
Issuances notes	500	386	886	-	263	263	623	-0.23%	0.2
Other debt	125	0	125	50	50	100	25	1.12%	4.8
Gross debt	**3,301**	**1,785**	**5,086**	**3,034**	**1,714**	**4,748**	**338**	**1.54%**	**5.2**
Cash	(513)	(51)	(564)	(43)	(25)	(68)	(496)		
Net Debt	**2,788**	**1,734**	**4,522**	**2,991**	**1,688**	**4,680**	**(158)**		
Total liquidity [1]	1,388	1,041	**2,429**	848	945	**1,793**	**636**		
Cost of debt - Spot (%)	1.64%	1.35%	**1.54%** [3]	1.95%	1.46%	**1.77%**	**(23 p.b.)**		

(1) Cash & Undrawn balances

(2) Average maturity calculated based on available balances

(3) Margin + reference type without incorporating commissions

In terms of the maturity schedule, it is particularly noteworthy that 73% of the Group's debt will mature as of 2023, not taking into account the ECP program.



	2,019	2,020	2,021	2,022	2,023	>2023	TOTAL
Colonial	357	143	-	-	576	2,225	**3,301**
SFL	276	112	352	545	-	500	**1,785**
TOTAL	**633**	**255**	**352**	**545**	**576**	**2,725**	**5,086**

Financial results

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

September cumulative - €m	COL	SFL	2019	2018	Var. %
Recurring financial expenses - Spain	*(48)*	*0*	*(48)*	*(56)*	*15%*
Recurring financial expenses - France	*0*	*(24)*	*(24)*	*(27)*	*12%*
Recurring Financial Expenses	(48)	(24)	(71)	(83)	14%
Recurring Financial Income	1	0	1	*1*	(35%)
Capitalized interest expenses	0	4	4	*4*	(14%)
Recurring Financial Result	**(47)**	**(20)**	**(67)**	**(77)**	**14%**
Non-recurring financial expenses	(4)	0	(4)	*(14)*	(71%)
Non-recurring Financial Income	0	0	0	*(1)*	(100%)
Change in fair value of financial instruments	(2)	(1)	(3)	*(4)*	32%
Financial Result	**(53)**	**(21)**	**(74)**	**(96)**	**23%**

- The debt refinancing operations of the Group carried out in 2018 and in the first quarter of 2019 have resulted in a reduction in the recurring financial result of more than 14% with respect to the same period of the previous year (or of more than 17% taking into account the financial result of the month of January 2018 of Axiare, not included in the consolidated data of Colonial as the takeover bid materialized with effect from 1 February 2018).

  The abovementioned improvement is the result of the debt restructuring that the Group has carried out in recent months, mainly related to the following:
  - Transactions of bond buy-back in Colonial and SFL and new issuances, improving interest rates and maturity
  - Cancellation of pending debt coming from Axiare
  - Refinancing of loans of Colonial and SFL, improving interest rates and maturity
  - Implementation of the short-term note issues program amounting to €1,000m

- The spot financial cost of the drawn debt at the close of the third quarter of 2019 amounted to 1.54%, compared to 1.92% from the same period of the previous year (1.77% at December 2018). Including formalization costs, accrued over the life of the debt, at 30 September 2019, the financial cost amounted to 1.65%. Without taking into account the ECP program, this cost amounts to 1.81% (1.92% including the financing commissions).

- The non-recurring cost registered in the year mainly corresponds to the inclusion of capitalized expenses of Axiare's cancelled debt.

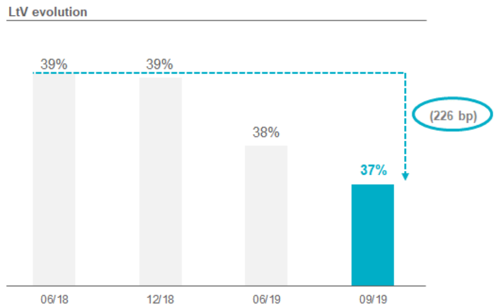
- Given the current situation regarding interest rates in the market which is at historic lows, in the third quarter of 2019, the Group formalized various pre-hedging instruments in order to cover the interest rates of future debt emissions of €700m.

Main debt ratios and liquidity

The divestment of the logistics portfolio in August 2019 has enabled the LTV to be reduced to 37%, including the dividend payment made in July 2019.

The undrawn balances of the Group at the end of 30 September 2019 amounted to €2,429m. The breakdown shown in the following graph:

Cash & undrawn balances (€M)	Colonial	SFL	Group
Current accounts	513	51	564
Credit lines available	875	990	1,865
Total	**1,388**	**1,041**	**2,429**



7. EPRA Ratios

EPRA Ratios

1) EPRA Earnings

EPRA Earnings - €m	3Q 2019	3Q 2018
Earnings per IFRS Income statement	**393**	**281**
Earnings per IFRS Income statement - €/share	*0.773*	*0.635*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(419)	(325)
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(17)	(15)
(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	62	26
(vi) Changes in fair value of financial instruments and associated close-out costs	7	19
(vii) Acquisition costs on share deals and non controlling joint venture interests	3	0
(viii) Deferred tax in respect of EPRA adjustments	16	3
(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	59	73
EPRA Earnings	**104**	**61**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	0	1
(b) Non recurring financial result	0	0
(c) Tax credits	0	7
(d) Minority interests in respect of the above	(0)	(1)
Company specific adjusted EPRA Earnings	**104**	**68**
Average Nº of shares (m)	*508.1*	*441.7*
Company adjusted EPRA Earnings per Share (EPS) - €/share	*0.205*	*0.154*

2) EPRA Vacancy Rate

Ratio Desocupación EPRA - Portfolio de Oficinas

€m	3T 2019	3T 2018	Var. %
BARCELONA			
Superficie vacía ERV	0.8	0.4	
Portfolio ERV	54	45	
EPRA Ratio Desocupación Barcelona	**1%**	**1%**	*1 pp*
MADRID			
Superficie vacía ERV	7	12	
Portfolio ERV	100	100	
EPRA Ratio Desocupación Madrid	**7%**	**12%**	*(5 pp)*
PARIS			
Superficie vacía ERV	3	4	
Portfolio ERV	181	177	
EPRA Ratio Desocupación Paris	**1%**	**2%**	*(1 pp)*
TOTAL PORTFOLIO			
Superficie vacía ERV	11	17	
Portfolio ERV	335	322	
EPRA Ratio Desocupación Total Portfolio Oficinas	**3%**	**5%**	*(2 pp)*

Ratio Desocupación EPRA - Portfolio Total

€m	3T 2019	3T 2018	Var. %
BARCELONA			
Superficie vacía ERV	0.8	0.4	
Portfolio ERV	56	45	
EPRA Ratio Desocupación Barcelona	**1%**	**1%**	*0 pp*
MADRID			
Superficie vacía ERV	7	12	
Portfolio ERV	100	102	
EPRA Ratio Desocupación Madrid	**7%**	**12%**	*(4 pp)*
PARIS			
Superficie vacía ERV	4	5	
Portfolio ERV	221	217	
EPRA Ratio Desocupación Paris	**2%**	**2%**	*(1 pp)*
LOGISTICO & OTROS			
Superficie vacía ERV	2	1	
Portfolio ERV	12	-	
EPRA Ratio Desocupación Total Portfolio	**16%**	-	-
TOTAL PORTFOLIO			
Superficie vacía ERV	14	19	
Portfolio ERV	388	388	
EPRA Ratio Desocupación Total Portfolio	**4%**	**5%**	*(1 pp)*

Annualized figures

8. Glossary & Alternative Performance Measures

Glossary

Earnings per share (EPS)	Profit from the year attributable to the shareholders divided by the basic number of shares
BD	Business District
Market capitalisation	The value of the company's capital obtained from its stock market value. It is obtained by multiplying the market value of its shares by the number of shares in circulation
CBD	Central Business District (prime business area)
Property company	Company with rental property assets
Portfolio (surface area) in operation	Property/surfaces with the capacity to generate rents at the closing date of the report
EBIT	Calculated as the operating profit plus variance in fair value of property assets as well as variance in fair value of other assets and provisions.
EBITDA	Operating result before net revaluations, disposals of assets, depreciations, provisions, interests, taxes and exceptional items.
.	
EPRA	European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector
Free float	The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders
GAV excl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs
GAV incl. transfer costs	Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs
GAV Parent Company	Gross Asset Value of directly-held assets + NAV of the 55% stake in the Torre Marenostrum SPV + Value JV Plaza Europa + NAV of 81.7% stake in SFL. + NAV stake in Axiare value of the portfolio

Holding	A company whose portfolio contains shares from a certain number of corporate subsidiaries.
IFRS	International Financial Reporting Standards.
JV	Joint Venture (association between two or more companies).
Like-for-like valuation	Data that can be compared between one period and another (excluding investments and disposals).
LTV	Loan to Value (Net financial debt/GAV of the business).
EPRA Like-for-like rents	Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project and refurbishment portfolio, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave. Calculation based on EPRA Best Practices guidelines.
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated equity of the company and adjusting some items following the EPRA recommendations.
EPRA NNNAV	The EPRA NNNAV is calculated adjusting the following items in the EPRA NAV: the fair market value of the financial instruments, the fair market value of the debt, the taxes that would be accrued with the sale of the assets at their market value applying tax benefits for reinvestments and the tax credit on balance, considering a going concern assumption.
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
Physical Occupancy	Percentage: occupied square metres 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
TMN	SPV of Colonial (55%) and Naturgy (45%) related to the Torre Marenostrum building
Valuation Yield	Capitalization rate applied by the independent appraisers in the valuation
Yield on cost	Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure.
Yield occupancy 100%	Passing rents + vacant spaces rented at the market prices/market value
EPRA net initial yield (NIY)	Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs (estimated purchasing costs)
EPRA Topped-Up Net Initial Yield	EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods
Gross Yield	Gross rents/market value excluding transfer costs
Net Yield	Net rents/market value including transfer costs
€m	In millions of euros

Alternative performance measures

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

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

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

9. Contact Details & Disclaimer

Contact details

Investor Relations

Tel. +34 93 404 7898
inversores@inmocolonial.com

Shareholders Office

Tel. +34 93 404 7910
accionistas@inmocolonial.com

Colonial Website

www.inmocolonial.com

Capital Market registry data – Stock market

Bloomberg: COL.SM
ISIN code: ES0139140042
Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe y FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600.

About Colonial

Inmobiliaria Colonial, SOCIMI, S.A.

Barcelona office
Avenida Diagonal, 532
08006 Barcelona

Madrid office
Pº de la Castellana, 52
28046 Madrid

Paris office
42, rue Washington
75008 Paris

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid and Paris with a prime office portfolio of more than two million sqm of GLA and assets under management with a value of more than €11bn.

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