

Ordinary General Meeting of Shareholders 2025

Shareholders approve the merger with SFL and Colonial begins a new phase of pan-European growth

The start of this new phase coincides with a double-digit dividend increase at the top end of forecasts

- The dividend approved by the AGM amounts to €0.30/share, representing an 11% increase compared to last year.
- The Group forecasts an earnings per share (EPS) of €0.32–0.35 for 2025.
- Positive fundamentals in 2024 outperformed the market: high leasing volume, near-full occupancy, and a 5% increase in rents.
- The company increased its recurring net profit by 16% in Q1 2025.
- Colonial drives new urban transformation projects through Alpha X and partners with Stoneshield Capital to create the leading pan-European Science & Innovation platform.
- The company strengthens its ESG leadership and achieved a 55% reduction in carbon emissions in 2024, exceeding its target.

Madrid, 27 May 2025.-

Colonial's 2025 Shareholders' Meeting marked a turning point in the company's history and the design of its future growth strategy. Shareholders today approved the full merger of Colonial with its French subsidiary SFL, a milestone that lays the foundations and drives a new phase marked by a pan-European growth strategy. This phase begins alongside the shareholders' approval of the company's 2024 results, a year defined by growth and €307 million in profit, and the greenlight for a double-digit dividend increase, exemplifying the strong momentum of the business. Shareholders approved the Board of Directors' proposal to distribute a **€0.30 per share dividend, an 11.1% increase over the €0.27 distributed in 2024**. This surpasses the top end of Colonial's projected range, which anticipated annual dividend growth between 8% and 10%. The total maximum dividend amounts to **€188.2 million** charged to 2024 earnings, **up 31% from €143.6 million the previous year**,

and **reaffirms a policy of consistent dividend growth, with a 36% increase since 2021.**

The growing dividend policy in recent years reflects the strength of Colonial's results in 2024, which are underpinned by the **positive and above-market evolution of the company's fundamentals**, both in terms of leasing volume, occupancy, and rent increases, thanks to a portfolio of top-quality assets in the best locations. Furthermore, the consolidation of Colonial's value proposition as a platform for urban transformation, supported by its strategic prime positioning, together with the value creation driven by Alpha through new projects and its ability to recycle capital via asset sales, places the company in a highly favorable position to benefit from the recovery of the real estate cycle.

Colonial's CEO, **Pere Viñolas**, highlighted that "the dividend increase, above forecasts, reflects the solid fundamentals of the company, the successful execution of its strategic plan, and the value-generation capacity of our prime portfolio." Viñolas also emphasized "Colonial's commitment to its shareholders and its ability to consistently generate sustained growth in the dividend per share."

Full Merger with SFL and the Beginning of a New Phase

The Shareholders' Meeting has approved the absorption merger of Société Foncière Lyonnaise (SFL), a key transaction to create the leading pan-European organization in the prime real estate sector, with a portfolio of mixed-use assets and urban projects, and which opens a new phase of pan-European growth.

Juan José Brugera, Chairman of Colonial, stated that "this new phase, which begins with the integration of SFL and the consolidation under a single pan-European brand, will strengthen the company's position in strategic markets and accelerate its growth strategy based on a solid and profitable business model."

Once executed, this cross-border merger, the first in which a French real estate company is integrated into a Spanish one, will enable the Group to leverage the expertise of both teams and the prestige of their brands, and to generate new synergies through greater efficiency thanks to a fully integrated platform and a simplified legal structure, perfectly positioned to seize new growth opportunities. It will also improve access to equity and debt capital markets through a larger, more diversified platform with a strong credit profile and corporate rating.

The transaction was also approved by SFL's Shareholders' Meeting on 23 April. The agreed exchange ratio is 13 Colonial shares for each SFL share, and the merger will be carried out through the delivery of treasury shares, with no cash compensation.

Colonial's Prime Strategy Boosts Profits

In 2024, Colonial grew by consolidating the positive evolution of all its fundamentals, outperforming the market average: **high leasing volumes**, totaling 134,797 m²; **near-full occupancy** at around 95%, with the Paris market reaching 100%; **and rent increases**, capturing the impact of indexation on leases, resulting in a +5% increase in rents (+4% in Spain and +6% in Paris).

This progress translated into a **+6% like-for-like increase in the Group's annual revenues**, reaching €391 million, **among the highest in the sector**, and a **12% rise in recurring net profit**, to €193 million. **Recurring net profit per share in 2024 was €0.33, up 3% from 2023** and above the upper end of the annual guidance range, demonstrating the strength of Colonial's positioning. The company also **increased the value of its assets by 3%**, reaching €11.646 billion, thanks to rental growth and project execution. The forecast for 2025 places EPS between €0.32 and €0.35.

Colonial's prime portfolio benefits from the **polarization effect** in the office market, which favors top-quality Grade A products in the best locations, securing rents above the market average.

Debt Reduction of Nearly €400 Million

The Colonial Group presents a solid balance sheet, both in terms of LTV and liquidity, with a net debt reduction of €399 million in 2023, bringing total net debt to €4.465 billion, and more than €3.1 billion in **liquidity, sufficient to cover all debt maturities through 2028.**

In 2024, the rating agency Moody's upgraded Colonial's credit rating to Baa1 with a stable outlook. Likewise, Standard & Poor's maintains a BBB+ credit rating, also with a stable outlook.

Following the close of fiscal year 2024, Colonial carried out a **green bond issuance in January 2025 amounting to €500 million**, maturing in 2030 and offering a coupon of 3.25%. The success of this issuance, which registered the highest demand in the sector over the past 24 months, resulted in an 8.1x oversubscription, underscoring the strong confidence of investors in Colonial's financial discipline and strategy, the quality of its portfolio, its track record, and its solid credit profile.

Revenue and Leasing on the Rise in the First Quarter of 2025

The Colonial Group closed the first quarter of 2025 with a **recurring net profit of €55 million, representing a +16% increase** compared to the same period in 2024, driven by rental income growth, among the highest in the sector, which stood at +4% on a like-for-like basis.

The results continue the upward trend in revenue and earnings growth, supported by the near-full occupancy of its properties and the ability of its prime offering to secure top market rents, both in renewals and in newly delivered or refurbished projects.

As of the end of Q1 2025, the Colonial Group had signed 22 lease agreements corresponding to **32,461 m², 61% higher** than the surface area leased during the same period in the previous year, and at rent levels 7% above the market average at the end of 2024.

Growth Strategy to Capture the Positive Real Estate Cycle Trend

Since 2024, Colonial has been driving a new project portfolio, **Alpha X**, which together with its urban regeneration and mixed-use strategy, adds up to nearly 200,000 m² in urban transformation initiatives, expected to generate **€100 million in additional rental income**. Of the total 200,000 m² allocated to urban transformation projects, the Alpha X project includes the development of 110,000 m² over the coming years: 22,000 m² in 2026 for the Scope project in France; 41,860 m² in 2027 for the development of Condorcet (urban mixed-use) and Sáncho de Ávila (Life Sciences / Health); and 47,000 m² in 2028 for the Santa Hortensia project in Madrid.

This is complemented by the potential rent reversion of its prime assets and the opportunistic rotation of mature assets to take advantage of the real estate cycle recovery in Europe, resulting in a solid growth profile for the coming years.

Altogether, Colonial has growth potential **exceeding €150 million in future rental income** through new projects and reversion, as well as an attractive **European growth** strategy reinforced by increased acquisition activity, capitalizing on the positive trend in the prime market.

€200 Million Investment to Create the Leading Pan-European Science & Innovation Platform

Colonial has partnered with Stoneshield Capital in a joint venture to create the leading pan-European real estate platform in Science & Innovation. At the same time, it is investing €200 million in Deeplabs, the market leader in Spain, with 138,000 square meters of purpose-built workspace and facilities across three Science & Innovation campuses in Barcelona and Madrid, a large, diversified, high-quality tenant base, and the ambition to accelerate pan-European growth.

Founded in 2020, Deeplabs has developed a successful strategy to date, with a consolidated portfolio of €400

million in Science & Innovation hubs in Barcelona and Madrid, and a leading position in the Spanish Life Sciences segment. The ambition of this Science & Innovation platform is to build a portfolio in key strategic Science & Innovation locations across Europe, including Paris, Cambridge, Amsterdam, Berlin, Munich, and Lisbon, reaching more than €2.4 billion in assets under management in the medium term and accelerating growth through third-party capital. A short-term pipeline of €700 million in assets has already been identified.

The creation of the new joint venture and the investment in Deeplabs are aligned with Colonial's aim of **accelerating its urban transformation strategy** and will enable the company to continue generating shareholder value and attractive returns.

Colonial Confirms Its ESG Leadership

The Colonial Group has reaffirmed, once again, its clear leadership in ESG at the European level, with a corporate strategy centered on the highest standards of excellence in governance, social responsibility, and sustainable investment. In 2024, the company achieved a 55% reduction in carbon emissions compared to the 2021 baseline, exceeding its target.

The company maintains leading positions in major international ESG ratings, such as **CDP** (highest 'A Score' for the 4th consecutive year), the **GRESB** sustainability index (5 Stars for the 5th consecutive year), and **Sustainalytics** (5.7 Rating, leading the IBEX 35). Beyond these distinctions, in the environmental field, Colonial stands out for **having 99% of the value of its operating office portfolio certified with Leed or Breeam energy labels**, positioning the company as a European leader in energy efficiency. Specifically, the value of Leed-certified assets amounts to €1.966 billion, while €8.902 billion in assets hold Breeam certifications.

Looking ahead, Colonial is committed to achieving the global **'Net Zero' target by 2045**, meaning net-zero greenhouse gas (GHG) emissions across its entire value chain.

About Colonial

Inmobiliaria Colonial is the leading platform in the prime commercial real estate market in Europe, with a presence in the main business districts of Barcelona, Madrid, and Paris. It owns a unique portfolio of commercial properties totaling over 1 million m², with a market value exceeding €11.6 billion. The Group follows a dedicated long-term strategy focused on value creation through a high-quality client base and asset appreciation. Looking ahead, the Colonial Group will continue to lead the urban transformation of city centers in the European market, recognized for its expertise and professionalism, financial strength, and profitability, while delivering excellent, sustainable real estate solutions tailored to the needs of its clients.

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