

Pursuant to Article 226 of the Spanish Securities Market Act (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**") hereby discloses the following

### **INSIDE INFORMATION (INFORMACIÓN PRIVILEGIADA)**

Colonial, Société Foncière Lyonnaise ("**SFL**") and Predica Prévoyance Dialogue du Crédit Agricole ("**Predica**"), reference shareholder in SFL directly owner of 5,992,903 SFL shares (12.9%), have agreed today the approval of certain concurrent corporate transactions that will allow Colonial to increase its current stake in the SFL's share capital (81.7%) to at least 94.1%, including the possibility of acquiring all of such share capital, to the extent that Predica will transfer to Colonial and SFL its entire direct stake in the SFL's share capital.

In this regard, in connection with the aforementioned corporate transactions,

- (i) SFL, a subsidiary of Colonial listed on Euronext Paris (regulated French market), has approved a corporate transaction with Predica under which Predica will transfer to SFL itself of 3,664,259 SFL shares (7.9%) within the framework of a share buyback program of SFL for subsequent cancellation, concomitant with an exchange between SFL and Predica (or any entity controlled by Predica) of securities in joint ventures holding certain real estate assets of SFL in France (the "**Asset Exchange**").
- (ii) The Board of Directors of Colonial has agreed:
  - (a) the subscription by Predica, subject to the approval of the General Meeting of Shareholders, of a capital increase to be carried out by Colonial by way of non-cash contributions, by virtue of which Predica will transfer 2,328,644 SFL shares (5.0%) to Colonial, as consideration for the subscription of 22,494,701 newly issued shares of the Company (the "**Predica's Contribution**"). The new Colonial shares will be issued with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share, therefore, the effective amount of the capital increase will be 224,947,010 euros. The resulting exchange ratio of the Predica's Contribution has been set at 9.66 Colonial shares, with a par value of 2.50 euros each, for each of SFL share; and
  - (b) the filing of a takeover bid for all SFL shares owned by shareholders other than Colonial and Predica with a mixed consideration, consisting of cash and shares (the "**Offer**"), subject to the approval of the French financial markets regulator (the "**AMF**") and to the approval by the General Meeting of Shareholders of the corresponding capital increase resolution. The maximum effective amount to be paid by Colonial as consideration for the Offer will be 117,478,868.24 euros and the maximum number of Colonial will be 12,588,820 shares, as consideration of the 2,517,764 SFL shares (5.4%) subject to the Offer. The new Colonial shares will be issued with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share, therefore, the effective amount of the capital increase will be 125,888,200 euros. The resulting exchange ratio of the Offer has been set at 46.66 euros and 5 Colonial shares, with a par value of 2.50 euros each, for each SFL share.

Morgan Stanley & Co. International plc as financial advisor to Colonial has issued a fairness opinion addressed to the Company's Board of Directors.

Furthermore, Grant Thornton, S.L.P. Sociedad Unipersonal, appointed as independent expert by the Commercial Registry, has issued reports on the non-monetary contributions to be executed within the framework of the Predica's Contribution and the Offer, in accordance with the provisions of Article 67 of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July.

It is noted that Colonial and Predica are not acting and do not intend to act in concert in connection with the aforementioned corporate transactions. Both the Asset Exchange and the Predica's Contribution are subject to certain and similar conditions standard in this type of corporate transactions.

In order to execute the Predica's Contribution and the Offer, the Board of Directors of Colonial has agreed to call an Extraordinary General Meeting of Shareholders of the Company to be held exclusively by **virtual-only** means on 27 June 2021 at 4 p.m., on first call, and at the same time on the following day, 28 June 2021, on second call. The General Meeting is expected to be held on second call.

Therefore, it is submitted for approval to the Extraordinary General Meeting of Shareholders of the Company the necessary capital increases, by way of non-cash contributions, to be subscribed by Predica within the framework of the Predica's Contribution and by those SFL shareholders who accept the Offer.

**Annexes I and II** contain, respectively, the call notice and the complete texts of the proposed resolutions drawn up by the Board of Directors of Colonial, preceded by the relevant directors' reports where further details of corporate transactions are included.

For more information regarding the corporate transactions, see the presentation to the market which the Company is expected to publish today through the relevant communication on the Spanish Securities Market Commission (the "CNMV") website ([www.cnmv.es](http://www.cnmv.es)) and on Colonial's corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), as well as the documents regarding the Offer that will be published on the AMF's website ([www.amf-france.org](http://www.amf-france.org)) and on the CNMV's website ([www.cnmv.es](http://www.cnmv.es)).

Madrid, 3 June 2021.

---

Mr. Juan José Brugera Clavero  
Chairman of the Board of Directors

*THIS ANNOUNCEMENT MAY NOT BE DISTRIBUTED OR PUBLISHED EITHER DIRECTLY OR INDIRECTLY, TOTALLY OR PARTIALLY, IN ANY OTHER JURISDICTION IN WHICH IT COULD CONSTITUTE AN INFRINGEMENT OF LEGISLATION APPLICABLE TO SAID JURISDICTION. NEITHER THIS ANNOUNCEMENT NOR ANY OF THE INFORMATION CONTAINED HEREIN CONSTITUTES AN OFFER OF PURCHASE, SALE OR EXCHANGE, NOR A REQUEST FOR AN OFFER OF PURCHASE, SALE OR EXCHANGE OF SECURITIES, OR ANY ADVICE OR RECOMMENDATION WITH RESPECT TO SUCH SECURITIES. THE EFFECTIVENESS OF THE OFFER IS IN ANY CASE SUBJECT TO AUTHORISATION BY THE FRENCH FINANCIAL MARKETS REGULATOR (AMF). THE DETAILED TERMS AND CHARACTERISTICS OF THE OFFER SHALL BE SET OUT IN THE EXPLANATORY PROSPECTUS (PROJET DE NOTE D'INFORMATION), WHICH SHALL BE PUBLISHED IN THE TERMS STIPULATED IN THE REGULATIONS APPLICABLE.*

**ANNEX I**  
**Notice of the call**



FOR INFORMATIONAL PURPOSES ONLY. SPANISH VERSION PREVAILS

**INMOBILIARIA COLONIAL, SOCIMI, S.A.  
NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

As agreed by the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Company**”), the Company’s shareholders are hereby called to the Extraordinary General Meeting to be held on 27 June 2021 at 4 p.m., on first call, and at the same time the next day, 28 June 2021, on second call.

**The Extraordinary General Meeting of Shareholders is expected to be held on second call on 28 June 2021, at 4 p.m. In the event the foregoing schedule is altered, it shall be notified in due course.**

Pursuant to the authorisation granted by the Ordinary General Meeting of Shareholders on 30 June 2020 under the fifth item on the agenda, this Extraordinary General Meeting is called in accordance with the terms foreseen in article 515 of the revised text of the consolidated Spanish Limited Liability Companies Law passed by Royal Legislative Decree 1/2010 of July 2 (the “**Spanish Limited Liability Companies Law**”).

The Board of Directors has agreed, pursuant to the *Spanish Royal Decree-Law 5/2021 of 12 March, on extraordinary measures to support business solvency in response to the COVID-19 pandemic* and to keep shareholders, employees and other people participating in the General Meeting safe, that **the Extraordinary General Meeting will be held exclusively online. In other words, no shareholders or proxies will attend the meeting physically.** In this regard, the **shareholders and their proxies may exercise their rights before the General Meeting by granting proxy and voting remotely or by attending the meeting online**, all this subject to the terms provided in this call. The General Meeting will be considered as held at the Company’s registered office.

The General Meeting will be held according to the following

**AGENDA**

- First** Capital increase by way of non-cash contributions for a nominal amount of 56,236,752.50 euros, by issuing 22,494,701 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares, their consideration being shares in Société Foncière Lyonnaise (SFL) directly owned by Predica Prévoyance Dialogue du Crédit Agricole (Predica). Delegation of powers.
- Second** Capital increase by way of non-cash contributions for a nominal amount of 31,472,050 euros, by issuing 12,588,820 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares, their consideration being shares in Société Foncière Lyonnaise (SFL) owned by the SFL shareholders who transfer their shares to Inmobiliaria Colonial, SOCIMI, S.A. under the takeover bid that the company intends to file for SFL. Delegation of powers.
- Third** Delegation of powers

**SUPPLEMENT TO THE CALL AND SUBMISSION OF FURTHER MOTIONS**

Pursuant to Article 16 of the Company Bylaws and Article 519 of the Spanish Limited Liability Companies Law, any shareholders of the Company representing at least 3% of the share capital may submit reasoned motions on matters that have already been or should be included in the Agenda for a General Meeting already called. Such right shall be exercised by delivering a certified notice to the Company, which must be received at its registered office, at Paseo de la Castellana 52, 28046 Madrid, within five days from the publication of this call. Upon receiving such motions, the Company shall ensure that the motions and any accompanying documentation, if any, are disseminated among all other shareholders by keeping them published on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

By virtue of Article 519.1 of the Spanish Limited Liability Companies Law, the Company's shareholders making up at least 3% of the share capital will not ask to publish a supplement to the call of the General Meeting, including one or more items on the agenda, as it is an Extraordinary General Meeting.

**RIGHT TO INFORMATION**

From the publication of this call until the fifth day before the General Meeting, the Company's shareholders may request in writing any information or clarifications as they may deem necessary regarding the items on the Agenda or submit any relevant questions in writing. Shareholders may also request in writing within the same time frame any clarifications they consider necessary concerning any public information that the Company may have disclosed to the Spanish Securities Market Commission ("CNMV") since the date of the immediately preceding General Meeting or regarding the auditor's report. Without detriment to the above, the shareholders who attend the General Meeting by electronic means and intend to exercise this right should follow the instructions given under the heading "Rules for Online Attendance" herein.

Pursuant to Articles 197, 286, 287, 518, 520 and related provisions of the Spanish Limited Liability Companies Law, the Company's shareholders may examine and inspect the documents listed below at the registered office, in Madrid, Paseo de la Castellana, 52, and on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), and to request their delivery or dispatch free. Shareholders of the Company may also access and examine this documentation at the Company's offices in Avenida Diagonal 532, Barcelona. Without detriment to the above, we hereby recommend that any shareholders who would like a copy of whichever documents below email their request to [accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com).

- The announcement of the call.
- The total number of shares and voting rights on the date of the call.
- The full texts of the motions on all and any items on the Agenda and, where appropriate, the motions submitted by shareholders.
- Report by the Board of Directors on the motion to authorize a capital increase by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise (SFL) directly owned by Predica Prévoyance Dialogue Du Crédit Agricole (Predica).
- Report by the independent expert appointed by the Commercial Registry in relation to the capital increase by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise (SFL) directly owned by Predica Prévoyance Dialogue Du Crédit Agricole (Predica).
- Report by the Board of Directors on the motion to authorize a capital increase by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise (SFL) owned by SFL shareholders who transfer their shares as part of the takeover bid that the Company intends to file for SFL.

- Report by the independent expert appointed by the Commercial Registry in relation to the capital increase by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise (SFL) owned by SFL shareholders who transfer their shares as part of the takeover bid that the Company intends to file for SFL.

Also, generally:

- Communication channels between the Company and the shareholders.
- Model attendance, proxy and remote voting card.
- Methods and procedures to appoint a proxy at the General Meeting and to exercise the remote voting before the Meeting.
- Operating Rules for the Online Shareholders' Forum.
- Instructions for attending and voting at the General Meeting by electronic means.

### **RIGHT TO ATTEND AND VOTE**

Pursuant to Article 19 of the Company Bylaws and Article 12 of the Regulations of the Company's General Meeting of Shareholders, shareholders, in person or duly represented, may attend and vote at the General Meeting when they, individually or as a group, own at last 500 shares duly registered in the shareholder ledger five days before the General Meeting.

### **RIGHT OF REPRESENTATION**

Pursuant to the provisions of Article 20 of the Company Bylaws and Article 13 of the Regulations of the General Meeting of Shareholders, any shareholder entitled to attend may be represented at the General Meeting by any person, even if he/she is not a shareholder. The proxy must be granted in writing or by means of remote communication, and specifically for this General Meeting, under Article 184 of the Spanish Limited Liability Companies Law.

A proxy may represent more than one shareholder, without any restrictions on the number of shareholders he/she can represent. A proxy who represents several shareholders may cast both affirmative and negative votes in accordance with the instructions given by each shareholder.

The right to grant proxy will be exercised according to the provisions set forth in the applicable regulations and on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)). The Chairman and the Secretary of the General Meeting shall have the broadest powers to recognise the validity of the proxy or any document evidencing such representation.

Representation may be revoked at any time. Attendance to the General Meeting by the represented shareholder, either personally or remotely, will revoke any proxy granted, regardless of its date.

Any proxies received with no indication of the specific person to whom the shareholder has granted his/her representation shall be deemed granted to the Chairman of the General Meeting or his/her substitute in case of conflict of interests.

In accordance with Articles 523 and 526 of the Spanish Limited Liability Companies Law, it is hereby notified that the members of the Board of Directors may be involved in a conflict of interests, if any: (i) regarding item two on the Agenda; and (ii) in the circumstances envisaged in paragraphs b) and c) of Article 526.1 of the Spanish Limited Liability Companies Law that may arise beyond the Agenda. In

connection with any of them, the proxy shall be deemed granted, if the principal has not given any specific voting instructions, to the Secretary of the General Meeting.

### **MEANS TO EXERCISE THE RIGHT TO GRANT PROXY AND THE RIGHT TO REMOTE VOTING BEFORE THE GENERAL MEETING**

Shareholders may notify the Company of their intention to exercise their right to grant proxy and cast their vote on the motions regarding the items on the Agenda before the General Meeting, through these means:

- a) By delivering in person the attendance, proxy and remote voting card received from the depository institutions or, as appropriate, the attendance, proxy and remote voting card form available on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), duly completed and signed in the “Proxy” section or, as appropriate, the “Remote voting” section, at the Company’s registered office in Paseo de la Castellana 52, 28046 Madrid, or at the Company’s offices in Avenida Diagonal 532, 08006 Barcelona, from 9 a.m. to 2 p.m. addressed to the Shareholder Relations Office (“Oficina de Atención al Accionista”).
- b) By sending the attendance, proxy and remote voting card received from the depository institutions or, as appropriate, the attendance, proxy and remote voting card form available on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), duly completed and signed in the “Proxy” section or, as appropriate, the “Remote voting” section, to the Company’s registered office at Paseo de la Castellana 52, 28046 Madrid, or the Company’s offices at Avenida Diagonal 532, 08006 Barcelona, addressed to the Shareholder Relations Office (“Oficina de Atención al Accionista”).
- c) By using the online proxy or remote voting platform expressly enabled on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), in accordance with the procedure specified therein, or by email ([accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com)).

Without detriment to the above, we recommend that any shareholders who wish to notify the Company, before the General Meeting, their intention to exercise their right to grant proxy and cast their vote remotely on the motions regarding the items on the Agenda, do so through the online proxy or remote voting platform expressly enabled on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), or by email ([accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com)).

Any proxy or vote reported by any of the means set forth in paragraphs a), b) and c) above shall be received by the Company, along with satisfactory proof of identity, at least twenty-four (24) hours prior to the time and date scheduled for the General Meeting on first call, that is, before 4 p.m. on 26 June 2021 notwithstanding the Chairman’s authority to admit any votes and proxies received thereafter. Otherwise, any votes shall be deemed as not cast and any proxies shall be deemed as not granted.

A remote vote will be void:

- a) If it is later expressly revoked by the same medium used for its issue and within the period of time established for same.
- b) If the shareholder who cast the vote attends the meeting online.

Shareholders who have cast their vote remotely shall be considered present for the purposes of constituting the quorum of the General Meeting.

**RULES FOR ONLINE ATTENDANCE**

Online attendance to the General Meeting will be performed subject to these basic rules and, for any matters not expressly provided herein, to the instructions given to attend and vote at the Extraordinary General Meeting online published in the section for the 2021 General Meeting of Shareholders (“Online Attendance”) on the Company’s website ([www.inmocolonial.com](http://www.inmocolonial.com)) (“Website”), to the Laws, to the Company Bylaws and the Company’s Regulations of the General Meeting:

- (i) *Prior identification and registration:* to guarantee the identity of the attendees, the correct exercise of their rights, the interactivity and proper functioning of the meeting, shareholders and proxies who wish to attend the General Meeting online must register beforehand on the Website, from 4 p.m. on 22 June 2021 to 11.59 p.m. on 26 June 2021. Notwithstanding the above, the Chairman of the General Meeting will have full powers, for justified reasons, to admit prior registrations to exercise the right to attend online up to 1 hour before the day of the General Meeting. In other words, until 3 p.m. on 27 June 2021 (if the General Meeting is held on first call) or on 28 June 2021 (if, as expected, the General Meeting is held on second call). After this time, no prior registration to exercise the right to attend online will be accepted.

The aforementioned prior registration will be carried out by any of the following means: (i) Electronic National Identity Document; or (ii) a recognized or advanced electronic signature, based on a recognized and valid electronic certificate, issued by the Spanish Public Certification Entity (CERES), under the auspices of the Royal Mint of Spain.

Notwithstanding the above, for the proxy to attend the General Meeting online, their powers of representation and identity must be proved before the Company, via the submission of the duly completed attendance, proxy and remote voting card, and a copy of their National ID Card, Foreigner’s Identity Card or passport, which must be emailed to [accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com) or received by the Company at its registered office (Paseo de la Castellana 52, 28046 Madrid) or at the Company’s offices in Barcelona (Avenida Diagonal 532, 08006 Barcelona), addressed to the Shareholder Relations Office (Oficina de Atención al Accionista), at least 24 hours before the date scheduled for the General Meeting on first call, that is, before 4 p.m. on 26 June 2021.

The Company may enable additional means of identification that duly guarantee the identity of the shareholder. The Company reserves the right to request any additional means of identification from shareholders it deems necessary to verify their status as shareholders and ensure the authenticity of the vote or proxy.

Once the shareholder or, as the case may be, their proxy, has registered in accordance with the indicated means and within the established term, they may attend and vote at the General Meeting through electronic means after remotely logging in on the day of the General Meeting.

From the end of the registration period until the opening of the connection to log into the General Meeting virtually, the Company will check the status as shareholder or proxy for the persons who are validly registered. In this regard, online attendance will be subject to checking that the registered shareholder does indeed have his/her shares registered in the shareholder register five days before the General Meeting.

- (ii) *Logging in and attendance:* to enable the proper management of the virtual attendance systems, the shareholder or proxy who has previously registered to attend the General Meeting online in accordance with section (i) above must log in via the Website, from 1.45 p.m. to 3.45

p.m. on 27 June 2021 (if the General Meeting is held on first call) or on 28 June 2021 (if, as expected, the Meeting is held on second call), and identify themselves according to any of the means provided in section (i) above or as specified in the relevant instructions.

If the General Meeting is held on second call (as expected), virtual attendees who would have logged in on first call must log in again to attend the General Meeting online on second call, that is from 1.45 p.m. to 3.45 p.m. on 28 June 2021.

- (iii) *Participation:* Any shareholder or proxy attending online who intends to participate, put forward reasoned motions on matters that have already been or should be included in the Agenda for a General Meeting already called or make requests for information or clarifications by Law must submit these to the Company, in writing and in any case, in the form, terms and conditions established on the Website, when they perform the prior registration or from 1.45 p.m. on 27 June 2021 or, as appropriate, on 28 June 2021, depending on whether the General Meeting is held on first or second call, respectively, and up to the moment it is constituted. Without detriment to the above, the Chairman of the General Meeting will have full powers to, for justified reasons, admit during the General Meeting, and through the Website, motions on matters that, by law, do not necessarily have to appear on the Agenda.

If the General Meeting is held on second call (as expected), the electronic attendees who, having logged into the meeting on first call, would have participated and sent motions or requests for information or clarification will have to send them again the next day, under the terms stated in this section (iii); otherwise they will not be considered submitted.

Anyone attending by electronic means who wants their participation to be recorded verbatim in the minutes of the General Meeting must expressly indicate this in the text of their request. Requests for information or clarification from shareholders attending online will be answered verbally during the General Meeting or in writing within seven days of the Meeting, under the Spanish Limited Liability Companies Law.

- (iv) *Voting:* Casting votes on the motions related to items on the Agenda may be carried out from the moment the shareholder or, where applicable, the proxy logs in on the day the General Meeting is held and until the Chairman or, as appropriate, the Secretary of the General Meeting, announces the end of the voting period for the motions involving items on the Agenda. As for the motions on matters that, by law, need not appear on the agenda, electronic attendees may cast their votes from the moment these motions are read out for voting and until the Chairman or, as appropriate, the Secretary of the General Meeting, announces the end of the voting period for said motions. In relation to voting on the motions, the same voting procedure and rules provided in the Company Bylaws and in the Regulations of the General Meeting will apply. Voting on the motions will be carried out through the Website and in accordance with the corresponding voting form.
- (v) *Leaving the meeting:* Persons attending online who wish to expressly leave the General Meeting must do so by sending an online communication via the Website. Once their express wish to leave the meeting has been communicated, all subsequent actions will be deemed without effect.
- (vi) *Other matters:*
- The Company will stream the General Meeting live on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

The Company may adapt, with the appropriate guarantees, the means to allow online attendance to the General Meeting to shareholders who do not reside in Spain, qualified investors, legal entities and other similar persons.

The Chairman of the General Meeting will have full powers to, for justified reasons, admit shareholders' requests for participation, motions, information or clarifications submitted after the periods set in this section for prior registrations.

Online attendance by the shareholder to the General Meeting revokes the proxy given or remote vote cast before the General Meeting.

It is the sole responsibility of the shareholder or their proxy to safeguard the means of identification or the usernames/passwords, if any, required to access and use the online attendance service.

The Company will not be liable for any damages that may be caused to the shareholder or proxy derived from breakdowns, overloads, power failures, connection failures or any other similar event, beyond the control of the Company, which cause the temporary unavailability of its website, without prejudice to the adoption of the measures required in each situation, including the possible temporary suspension or extension of the General Meeting if this were necessary to guarantee the shareholders or their proxies the full exercise of their rights.

### **ONLINE SHAREHOLDERS' FORUM**

Pursuant to Article 11 of the General Meeting of Shareholders' Regulations of the Company and Article 539.2 of the Spanish Limited Liability Companies Law, as from the publication of this call and until the date scheduled for the Extraordinary General Meeting of Shareholders, the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)) will feature an Online Shareholders' Forum, which will be accessible, with all due safeguards, by individual shareholders and any specific and voluntary associations duly incorporated and registered in the special Registry operated for such purpose by the Spanish Securities Market Commission ("CNMV") for them to communicate before the General Meeting. Any reasoned motions on matters that have already been or should be included in the Agenda for a General Meeting already called, requests for adherence to such proposals, initiatives to reach the percentage required to exercise a minority right as provided by law, and any offers and requests for voluntary representation may all be posted on the aforesaid Forum.

The Forum is not a communications channel between the Company and its shareholders (and associations formed). It is solely established to facilitate communications between the Company's shareholders (and the voluntary associations formed) on account of the General Meeting.

### **PROTECTION OF PERSONAL DATA**

Under the applicable rules on protection of personal data (mainly *Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons regarding the processing of personal data and on the free movement of such data* and *Spanish Organic Law 3/2018 of 5 December on the Protection of Personal Data and guarantee of digital rights*) shareholders are hereby informed that the Company, with tax identification number A-28027399, will be in charge of the automated processing of the personal data provided by shareholders or banks, Brokers and Dealers at which the shareholders have deposited their shares, through the agency legally authorised to keep the shareholder ledger i.e. Iberclear, in connection with the General Meeting, and any other data that may arise as a result thereof. The

purpose of such file or automated processing is only the management and administration of the relations between the Company and the shareholders (including, where appropriate, their proxies) in connection with the General Meeting of Shareholders of the Company. The legal basis of the data processing is the need to comply with the provisions of the Spanish Limited Liability Companies Law. The Company will store the data for the duration of its obligations relating to the Extraordinary General Meeting and for the 6 years following its termination.

Shareholders or their proxies have the right to access, rectify, delete and object to the processing of their data, as well as to exercise the other rights recognised in the current data protection legislation with the extension and limitations provided in such legislation. To do so, they must send a notice (including the identification of the holder of the rights, e.g. a photocopy of their ID card) to the following address: Inmobiliaria Colonial, SOCIMI, S.A., Paseo de la Castellana 52, 28046 Madrid. Additionally, shareholders can send the aforementioned notice to the email address: [dpo@inmocolonial.com](mailto:dpo@inmocolonial.com).

The Company, in its capacity as data controller, has adopted all security measures required by law on its facilities, systems and files, and will safeguard the confidentiality of the relevant personal data, save where such data must be disclosed as required by Law or by a court and/or governmental order.

Should the data subjects consider that their information has been wrongfully processed or their rights have not been duly observed, they may file a claim before the Spanish Agency for Data Protection ([www.aepd.es](http://www.aepd.es)).

#### **NOTARISATION OF THE MINUTES OF THE GENERAL MEETING**

Minutes of the Extraordinary General Meeting shall be notarised by a Notary Public upon request of the Board of Directors, in accordance with the provisions of Article 203 of the Spanish Limited Liability Companies Law and Article 101 of the Commercial Registry Regulations as approved by Royal Decree 1784/1996, of 19 July.

#### **GENERAL INFORMATION**

For any clarification or additional information, shareholders may contact the Shareholder Relations Office ("Oficina de Atención al Accionista"), through the following means:

- Post: to the registered office (Paseo de la Castellana 52, 28046 Madrid) or the Company's office in Barcelona (Avenida Diagonal 532, 08006 Barcelona).
- Telephone no (+34) 934 047 910, on business days, from 9.00 a.m. to 2.00 p.m.
- Email address: [accionistas@inmocolonial.com](mailto:accionistas@inmocolonial.com).

Madrid, 3 June 2021.

---

Mr. Juan José Brugera Clavero  
Chairman of the Board of Directors

\* \* \* \*

## **ANNEX II**

**Full texts of the motions, with their relevant directors' reports**

**REPORT BY THE BOARD OF DIRECTORS OF INMOBILIARIA COLONIAL, SOCIMI, S.A. ON THE MOTION TO AUTHORIZE A CAPITAL INCREASE BY WAY OF NON-CASH CONTRIBUTIONS, CONSISTING OF SHARES IN SOCIÉTÉ FONCIÈRE LYONNAISE (SFL) DIRECTLY OWNED BY PREDICA PRÉVOYANCE DIALOGUE DU CRÉDIT AGRICOLE (PREDICA) (FIRST ITEM ON THE AGENDA).**

**1. Purpose of the report**

This report has been prepared by the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**", together with the companies in its group, the "**Colonial Group**") in connection with a motion to authorize a capital increase of Colonial by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise ("**SFL**") directly owned by Predica Prévoyance Dialogue du Crédit Agricole (the "**Contributor**" or "**Predica**"), reference shareholder in SFL. The aforementioned motion for a capital increase (the "**Capital Increase to be subscribed by Predica**"), submitted for approval by Colonial's General Meeting of Shareholders under first item on the agenda, is attached as an appendix to this report.

Pursuant to the provisions of Articles 286, 296 and 300 of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, (the "**Spanish Limited Liability Companies Law**") and related provisions of the Commercial Registry Regulations approved by Royal Decree 1784/1996, of 19 July, the aforementioned motion put forward to the General Meeting of Shareholders of the Company requires this supporting report to be drawn up by the Colonial Board of Directors.

**2. Motion for a capital increase by way of non-cash contributions**

The Capital Increase to be subscribed by Predica is part of the agreements reached between SFL and Predica (and/or entities controlled by Predica), as well as between Colonial and Predica, which are described in section 2.1 below (the "**Agreements Reached**").

Colonial currently owns 38,018,307 SFL shares, representing approximately 81.7% of SFL's share capital, and has proposed the appointment of 8 SFL directors (out of a total of 14 directors). For its part, Predica currently directly owns 5,992,903 SFL shares, representing approximately 12.9% of SFL's share capital, and has proposed the appointment of 2 SFL directors.

*2.1 Description of corporate transactions within the framework of the Agreements Reached*

By virtue of the Agreements Reached, Predica will transfer to Colonial and SFL its entire direct stake in SFL's share capital through:

- (a) The subscription by Predica of a capital increase to be carried out by Colonial by way of non-cash contributions, by virtue of which Predica will transfer 2,328,644 SFL shares to Colonial, representing approximately 5.0% of SFL's share capital, as consideration for the subscription of 22,494,701 newly issued shares of the Company, representing approximately 4.1% of Colonial's share capital after the Capital Increase to be subscribed by Predica and the Capital Increase to be subscribed by SFL Minority Shareholders (as defined below) in the event that the latter is subscribed in full.

The resolution for the Capital Increase to be subscribed by Predica referred to in this report is submitted for the approval of the General Meeting of the Shareholders of the Company under first item on the agenda.

- (b) The transfer by Predica to SFL itself of 3,664,259 SFL shares, representing approximately 7.9% of SFL's share capital, within the framework of a share buyback program of SFL for subsequent cancellation, concomitant with an exchange between SFL and Predica (or any entity controlled by Predica) of securities in joint ventures holding certain real estate assets of SFL in France (the "**Asset Exchange**").

As a consequence of the Asset Exchange:

- Predica will transfer to SFL the stake it currently has in SCI Washington<sup>(1)</sup> (34%) and Parholding S.A.S.<sup>(2)</sup> (50%), companies belonging to the SFL group, with SFL owning as a result of the aforementioned transfers, all the shares of the said SFL subsidiaries.
- Predica (or any entity controlled by Predica) will acquire 49% of the shares of certain joint ventures with SFL over certain real estate assets belonging to SFL, resulting in SFL owning 51% of their share capital. The real estate assets concerned are: #cloud.paris<sup>(3)</sup>, 92 Champs Élysées<sup>(4)</sup>, Cézanne Saint-Honoré<sup>(5)</sup> and 103 Grenelle<sup>(6)</sup>.

Furthermore, within the framework of the Agreements Reached, Colonial intends to file a takeover bid for all SFL shares owned by shareholders other than Colonial and Predica (the “**Offer**”, together with the Capital Increase to be subscribed by Predica and the Asset Exchange as the “**Transaction**”). The consideration for the Offer will be mixed consisting of cash and newly issued Colonial shares for the SFL shares which are subject to the Offer.

As the consideration for the Offer will consist partially in Colonial shares, Colonial’s Board of Directors submits for the approval of the General Meeting of the Shareholders of the Company, under second item on the agenda, a resolution for a capital increase by way of non-cash contributions consisting of SFL shares owned by SFL shareholders who transfer their SFL shares to Colonial within the framework of the Offer (the “**Capital Increase to be subscribed by SFL Minority Shareholders**”).

Taking into account the current number of outstanding SFL shares (46,528,974 shares), the number of SFL shares currently held by Colonial (38,018,307 shares) and the number of SFL shares currently held directly by Predica (5,992,903 shares), the maximum effective amount to be paid by Colonial as consideration for the Offer will be 117,478,868.24 euros and the maximum number of Colonial shares to be issued under the Capital Increase to be subscribed by SFL Minority Shareholders (as defined below) will be 12,588,820 shares, as consideration of the 2,517,764 SFL shares covered by the Offer representing approximately 5.4% of its share capital.

Therefore, shareholders of SFL other than Predica and Colonial could become shareholders of Colonial and benefit from, inter alia, more liquidity than they currently have as SFL shareholders and a greater diversification of their financial exposure.

The Capital Increase to be subscribed by Predica, the Asset Exchange and the Offer are expected to be carried out simultaneously insofar as the aforementioned corporate transactions are interrelated, although each of these transactions, due to their nature, are scheduled to be completed at different times, except the Capital Increase to be subscribed by Predica and the Asset Exchange which are expected to be completed simultaneously since they are both subject to the following condition precedents:

- Approval by the General Meeting of the Shareholders of the Company, on the basis of the relevant independent expert’s reports, of the resolutions necessary to fulfill the Transaction.
- Approval by the French financial markets regulator (the “**AMF**”) of the Offer and absence of recourse against the AMF’s conformity decision regarding the Offer within the legal applicable time period (or, if a recourse has been filed, it has been dismissed or rejected by the Paris Court of Appeal).
- Clearance by the *collectivité* concerned of the right of urban pre-emption under the Asset Swap or non-exercised by them within the legal applicable time (2 months period).

---

(1): The company that owns the office building located in Paris, at 42 rue Washington, 75008.

(2): The company that owns the buildings located in Paris, at Galerie Champs Élysées, 90 Champs-Élysées, 75008 and 106 Hausmann, 75008.

(3): Office building located in Paris, at 6 rue Ménars, 75002.

(4): Office building located in Paris, at 92 avenue des Champs-Élysées, 75008.

(5): Office building located in Paris, at 5 rue Paul Cézanne, 75008.

(6): Office building located in Paris, at 103 rue de Grenelle, 75007.

- Absence of any material loss (as defined in the Asset Exchange agreement) which has not been remedied by the date of satisfaction of the last of the aforementioned conditions precedent with respect to any of the properties owned by SCI Washington, Parholding, SAS Cloud, 92 Champs-Élysées, SCI Paul Cézanne and SCI 103 Grenelle.

It is noted that Colonial and Predica are not acting and do not intend to act in concert in connection with the Transaction.

For more information regarding the Transaction, see the presentation to the market which the Company is expected to publish through the relevant communication on the Spanish Securities Market Commission (the “CNMV”) website ([www.cnmv.es](http://www.cnmv.es)) and on Colonial’s corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), as well as the documents regarding the Offer that will be published on the AMF’s website ([www.amf-france.org](http://www.amf-france.org)) and on the CNMV’s website ([www.cnmv.es](http://www.cnmv.es)).

## 2.2 *Reasons for the motion for a capital increase by way of non-cash contributions*

The purpose of the Capital Increase to be subscribed by Predica that is the subject of this report is the issuing of the Colonial shares necessary to acquire, through non-cash contributions, the 2,328,644 SFL shares directly owned by Predica referred to in point (a) of section 2.1 above.

In this sense, Predica has agreed to provide Colonial, the moment it executes the transactions with SFL described in point (b) of section 2.1 above, with 2,328,644 SFL shares that it owns, representing approximately 5.0% of SFL’s share capital, by way of consideration for the subscription of 22,494,701 shares of the Company, which would be issued by the Company through the execution of the Capital Increase to be subscribed by Predica. The 22,494,701 shares of the Company would represent approximately 4.1% of the share capital of Colonial after the Capital Increase to be subscribed by Predica and the Capital Increase to be subscribed by SFL Minority Shareholders in the event that the latter is subscribed in full.

The motion for the Capital Increase to be subscribed by Predica is justified, from the point of view of Colonial’s corporate interest, in the rationale for the Transaction as a whole, insofar as the corporate transactions that make up the Transaction are interrelated. The Transaction, which encompasses the Capital Increase to be subscribed by Predica, will enable Colonial to increase its stake in SFL’s share capital to at least 94.1% (it currently stands at 81.7%), allowing for the possibility of acquiring all of SFL’s share capital.

From a strategic point of view, both the Capital Increase to be subscribed by Predica and the Offer and the corresponding Capital Increase to be subscribed by SFL Minority Shareholders (referred to in second item on the agenda), which are part of the Agreements Reached, are corporate transactions which are significantly in the interest of the Company since they are aimed at increasing the competitiveness of the Colonial Group in the European market, consolidating its leadership in the prime office sector, reinforcing its capital to improve its capacity for growth, and increasing shareholder remuneration. In particular, the Transaction will allow Colonial to expand and strengthen its presence in the French market, the leading European office market, to help consolidate Colonial as one of the main players in the European real estate sector, specialized in the leasing of prime offices, improving the position of the Colonial Group with regard to investment opportunities and market challenges that may arise in the Spanish and French prime office markets. The Transaction responds to Colonial Group’s active development and growth policy, as well as to the consolidation of its position.

In this way, the increase in Colonial’s stake in SFL’s share capital will allow the Company, among other things, to:

- Increase its share capital, increasing NTA (previously called NAV). In this regard, it is estimated that the Colonial Group’s NTA could increase by up to approximately 400 million euros.
- Increase the dividend distributed by SFL.
- Increase the earnings per share and the net asset value per share for Colonial shares.

- Simplify Colonial Group's shareholder structure.
- Expand Colonial's free float. In this regard, it is estimated that the free float of Colonial could increase by up to approximately 400 million euros (in terms of NTA).

Furthermore, both the Capital Increase to be subscribed by Predica and the Capital Increase to be subscribed by SFL Minority Shareholders are corporate transactions in line with the strategy that Colonial has been developing in relation to its stake in SFL. For example, in November 2018, after the corresponding approval of the transaction by Colonial's General Meeting of Shareholders, a capital increase was carried out by way of non-cash contributions for a nominal amount of 133,809,507.50 euros, the consideration of which consisted of SFL shares owned by Qatar Holding LLC and DIC Holding LLC, allowing Colonial to obtain a 80.74% stake in SFL's share capital.

In view of the above, Colonial's Board of Directors considers that the Capital Increase to be subscribed by Predica proposed to Colonial's General Meeting of Shareholders is necessary to fulfill the Transaction and is in line with the Company's best interest.

### 3. Description of the planned non-cash contribution

The planned non-cash contribution consists of 2,328,644 SFL shares representing approximately 5.0% of SFL's share capital, of the same class and series, fully paid up and free of liens and encumbrances.

Société Foncière Lyonnaise (SFL) is a French public limited company (*Société Anonyme*) registered with the Registre du Commerce et des Sociétés de Paris under number 552 040 982 (NAF code 6820B), with registered offices in Paris (France), 42, rue Washington (75008) whose shares are traded on Euronext Paris (regulated French market). SFL is regulated as a listed real estate investment company (*Société d'Investissement Immobilier Cotée* or SIIC). On 31 December 2020, SFL owned 20 buildings in Paris, with a combined total surface area of approximately 393,000m<sup>2</sup>, valued at 7,458 million euros.

### 4. Valuation of the planned non-cash contribution and criteria used

The same valuation criteria used to determine the value of the planned non-cash contributions for the Capital Increase to be subscribed by SFL Minority Shareholders (referred to in second item on the agenda) have been used to determine the value of the planned non-cash contributions for the Capital Increase to be subscribed by Predica.

In this regard, different valuation methods have been considered to establish the value of the SFL shares owned by Predica which are being transferred to Colonial as part of the Capital Increase to be subscribed by Predica. All these methods are widely accepted by the international financial community, including:

- **Asset valuation:** this method values a company's assets and then subtracts all liens on those assets, as well as any other outstanding debts or liabilities that the company may have with third parties. In this regard, for companies operating in the real estate sector, the most internationally relevant appraisal method is based on the EPRA NTA indicator, which is basically the sum of the company's book value (net asset value - NTA) and the latent capital gains of the investment properties, measured at fair value, adjusting certain items according to the recommendations of the European Public Real Estate Association (EPRA). With this method, the value obtained represents the overall underlying value of property investments combined with other assets, adjusted for the company's financial debt and other liabilities. Specifically, the EPRA NDV —net disposal value— (previously the EPRA NNNAV) consists of the EPRA NTA adjusted to include the fair value of (i) financial instruments, (ii) debt, and (iii) deferred taxes.
- **Comparable multiples:** this method, which is commonly used by international (International Financial Reporting Standards) and US accounting standards, estimates the value based on multipliers obtained from comparable companies.

- **Share market price:** this method calculates a company's value based on its share price in a secondary market.

Of the valuation methods analysed, the asset valuation method was considered to be the most relevant, hence taking Colonial's and SFL's EPRA NDV as of 31 December 2020 (both adjusted for dividend to be charged to 2020).

With regard to SFL, the valuations published by the company and carried out by renowned experts in the real estate sector have been taken into account. These have valued each of SFL's property assets individually and have issued the relevant valuation reports in accordance with the valuation and appraisal standards of the Royal Institution of Chartered Surveyors (RICS). As a result, in agreement with the above, the 2,328,644 SFL shares transferred to Colonial by Predica, representing approximately 5.0% of SFL's share capital, have a combined total value of 225,133,301.92 euros, which is equivalent to a value of 96.68 euros per SFL share being transferred.

The Board of Directors believes that the asset valuation method using EPRA NDV (adjusted for dividend to be charged to 2020) is appropriate and, consequently, the valuation of the aforementioned SFL shares is reasonable within the framework of the Capital Increase to be subscribed by Predica which is the subject of this report. Therefore, this will be the valuation of the SFL shares for establishing the exchange ratio, once the value of the Colonial shares to be transferred to Predica as consideration has been set, as described in section 6 below.

## 5. Identification of the contributor

The contributor of the SFL shares within the framework of the Capital Increase to be subscribed by Predica is Predica Prévoyance Dialogue du Crédit Agricole, a French *société anonyme* registered with the *Registre du Commerce et des Sociétés de Paris* under number 334 028 123 (NAF code 6511Z) with its registered offices in Paris (France), 16-18 boulevard de Vaugirard (75015).

## 6. Number and par value of the Colonial shares to be issued as consideration for the planned non-cash contributions. Exchange ratio.

The same valuation criteria used to determine the number of Colonial shares to be issued under the Capital Increase to be subscribed by SFL Minority Shareholders (referred to in second item on the agenda) have been used to determine the number of Colonial shares to be issued under the Capital Increase to be subscribed by Predica.

In this regard, the different valuation methods described in section 4 have been considered to determine the number of Colonial shares to be issued as consideration for the SFL shares owned by Predica and being transferred under the Capital Increase to be subscribed by Predica.

Following an analysis of the different methods described in section 4, the asset valuation method was considered the most relevant, hence taking Colonial's EPRA NDV as of 31 December 2020 (adjusted for dividend to be charged to 2020), i.e., a valuation of 10.00 euros per share. For these purposes, the valuations published by the Company and carried out by renowned experts in the real estate sector have been taken into account. These have valued each of Colonial's property assets individually and have issued the relevant valuation reports in accordance with the valuation and appraisal standards of the Royal Institution of Chartered Surveyors (RICS).

In due consideration of the valuation of Colonial shares, and SFL shares based on the criteria described above, the resulting exchange ratio is 9.66 Colonial shares, with a par value of 2.50 euros each, for each of SFL share. Therefore, a total of 22,494,701 new Colonial shares will be issued with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share.

The new Colonial shares shall entitle Predica to the same voting and dividend rights as the shares of the Company currently outstanding, as of the date on which they are registered in its name in the accounting records.

In connection with the valuations carried out, Morgan Stanley & Co. International plc has issued a fairness opinion addressed to the Company's Board of Directors confirming that, in its opinion as of the date of the report, the consideration payable by the Company in connection with (i) the non-cash contribution of Predica; and (ii) the Offer is fair from a financial point of view to Colonial.

#### **7. Amount of the Capital Increase to be subscribed by Predica**

As consideration for the planned non-cash contribution of Predica, Colonial's share capital will be increased by a nominal amount of 56,236,752.50 euros, by issuing 22,494,701 new outstanding ordinary shares with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share, with an incomplete subscription forecast. Therefore, the issue price per share will be 10.00 euros and the effective amount of the Capital Increase to be subscribed by Predica will be 224,947,010 euros.

#### **8. Guarantees adopted to ensure the effective Capital Increase to be subscribed by Predica**

No special guarantees have been adopted in due consideration of the nature of the items contributed. However, Predica has agreed to transfer the 2,328,644 SFL shares to Colonial under the Capital Increase to be subscribed by Predica (see section 2 of this report).

#### **9. Preferential subscription rights**

Since the Capital Increase to be subscribed by Predica compensates non-cash contributions, the Company's shareholders will not be entitled to any preferential subscription rights over the Colonial shares to be issued as a result of the Capital Increase to be subscribed by Predica described herein.

#### **10. Deadline for the Capital Increase to be subscribed by Predica**

In accordance with the provisions of Article 297.1 (a) of the Spanish Limited Liability Companies Law, it is proposed to delegate to Colonial's Board of Directors the power to execute the Capital Increase to be subscribed by Predica at any time within the period of one year from the date of the resolution referred to herein is adopted.

As stated in section 2.1 of this report, the Capital Increase to be subscribed by Predica, the Asset Exchange and the Offer are expected to be carried out simultaneously insofar as the aforementioned corporate transactions are interrelated, although each of these transactions, due to their nature, are scheduled to be completed at different times (except the Capital Increase to be subscribed by Predica and the Asset Exchange which are expected to be completed simultaneously). In this regard, it is proposed to delegate to Colonial's Board of Directors the power to refrain from executing the resolution referred to herein in the event that the conditions set out in the Agreements Reached are not met.

#### **11. Incomplete subscription**

The possibility of the incomplete subscription of the Capital Increase to be subscribed by Predica is expressly provided for. Consequently, in the event of an incomplete subscription, the Capital Increase to be subscribed by Predica shall be limited to the amount corresponding to the par value of the new Colonial shares actually subscribed and paid up as consideration for the SFL shares actually transferred.

#### **12. Amendment to Article 5 of the Company Bylaws**

It is proposed to grant the Company's Board of Directors with the power to redraft Article 5 of Colonial's Bylaws on the share capital, based on the final number of new Colonial shares that are effectively subscribed and paid up by Predica.

### 13. Independent expert

Notwithstanding the fact that the contribution consists of securities traded on a regulated market, in order to offer greater security to the Colonial shareholder and in due consideration of possible interpretations of the existing legal framework, Colonial's Board of Directors has decided to exercise the most prudent alternative and has issued a request to the Commercial Registry to appoint an independent expert to draw up a report on the non-cash contribution, pursuant to the provisions of Article 67 of the Spanish Limited Liability Companies Law.

In this regard, the Commercial Registry has appointed Grant Thornton, S.L.P. Sociedad Unipersonal as the independent expert. Its report will be permanently available to Colonial's shareholders, at the time of convening the General Meeting of Shareholders and until such meeting has been held, on the Company's corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

\* \* \* \*

This report was drawn up and approved by Colonial's Board of Directors at a meeting held on June 3, 2021.

## APPENDIX

### MOTION TO AUTHORIZE A CAPITAL INCREASE BY WAY OF NON-CASH CONTRIBUTIONS, CONSISTING OF SHARES IN SOCIÉTÉ FONCIÈRE LYONNAISE (SFL) OWNED BY PREDICA PRÉVOYANCE DIALOGUE DU CRÉDIT AGRICOLE (PREDICA).

**Capital increase by way of non-cash contributions for a nominal amount of 56,236,752.50 euros, by issuing 22,494,701 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares, their consideration being shares in Société Foncière Lyonnaise (SFL) directly owned by Predica Prévoyance Dialogue du Crédit Agricole (Predica). Delegation of powers.**

The General Meeting of the Shareholders of Immobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) agrees to a capital increase by way of non-cash contributions in accordance with the terms established below, all with the purpose of acquiring 2,328,644 shares in Société Foncière Lyonnaise (“**SFL**”) representing approximately 5.0% of its share capital, directly owned by Predica Prévoyance Dialogue du Crédit Agricole (the “**Contributor**” or “**Predica**”).

For the purposes of this resolution, all capitalised terms not expressly defined shall have the meaning ascribed to them in Colonial’s Board of Directors’ report on this resolution.

#### **1. Capital increase by way of non-cash contributions**

An increase of Colonial’s share capital is agreed for a nominal amount of 56,236,752.50 euros, by issuing 22,494,701 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares (the “**Capital Increase**”). The consideration for the new Colonial shares issued under the Capital Increase will consist of non-cash contributions, specifically, the SFL shares described in section 2 of this resolution.

#### **2. Description of the planned non-cash contribution**

The planned non-cash contribution consists of 2,328,644 SFL shares representing approximately 5.0% of its share capital of the same class and series, fully paid up and free of liens and encumbrances, which are currently traded on Euronext Paris.

Société Foncière Lyonnaise (SFL) is a French public limited company (*Société Anonyme*) registered in the Registre du Commerce et des Sociétés de Paris under number 552 040 982 (NAF code 6820B), with registered offices in Paris (France), 42, rue Washington (75008) whose shares are traded on Euronext Paris (regulated French market). SFL is regulated as a listed real estate investment company (*Société d’Investissement Immobilier Cotée* or SIIC).

#### **3. Identification of the Contributor**

The Contributor of the 2,328,644 SFL shares is Predica Prévoyance Dialogue du Crédit Agricole (Predica), a French *société anonyme* registered with the *Registre du Commerce et des Sociétés* of Paris under number 334 028 123 (NAF code 6511Z) with its registered offices in Paris (France), 16-18 boulevard de Vaugirard (75015).

#### **4. Number and par value of the shares to be issued**

As consideration for the planned non-cash contribution, 22,494,701 new Colonial ordinary shares with a par value of 2.50 euros each will be issued. Therefore, the total nominal amount of the Capital Increase will be 56,236,752.50 euros.

**5. Issue price of the new shares and effective amount of the Capital Increase**

The new Colonial shares will be issued at a par value of 2.50 euros each, plus a share premium of 7.50 euros per share. Therefore, the issue price of each share will be 10.00 euros and the total effective amount of the Capital Increase will be 224,947,010 euros.

**6. Guarantees adopted to ensure the effective Capital Increase**

No special guarantees have been adopted in due consideration of the nature of the items contributed. However, Predica has agreed to transfer to Colonial the 2,328,644 SFL shares.

**7. Subscription and payment of the new shares**

The new Colonial shares will be subscribed by the Contributor, and the par value and the share premium will be fully paid up when the deed establishing the capital increase addressed in this resolution is executed.

**8. Preferential subscription rights**

Since the compensation for the Capital Increase consists of non-cash contributions, the Company's shareholders will not be entitled to any preferential subscription rights over the Colonial shares to be issued as a result of the Capital Increase referred to herein.

**9. Incomplete subscription**

The possibility of the incomplete subscription of the Capital Increase is expressly provided for. Consequently, in the event of an incomplete subscription, the Capital Increase shall be limited to the amount corresponding to the par value of the new Colonial shares actually subscribed and paid up as consideration for the SFL shares actually transferred.

**10. Rights attached to the new shares**

The new Colonial shares shall entitle the Contributor to the same voting and dividend rights as the shares of the Company currently outstanding as of the date on which they are registered in its name in the related accounting records.

**11. Representation of the new shares**

The new Colonial shares shall be represented by book entries and the accounting records shall be kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* ("Iberclear") and its participating entities.

**12. Amendment to Article 5 of the Company Bylaws**

The Board of Directors will have the power to redraft Article 5 of Colonial's Bylaws on the share capital, based on the final number of new Colonial shares that are effectively subscribed and paid up by the Contributor.

**13. Admission to trading of new shares**

It is resolved that the admission to trading of the new Colonial shares on the Madrid and Barcelona Stock Exchanges and on any other domestic or international markets in which the Company's shares are admitted to trading at the time of execution of this resolution shall be requested and for those shares to be included in the Spanish Stock Market Interconnection System (*Sistema de Interconexión Bursátil Español* or SIBE).

It is expressly stated that, in the event a request is subsequently made for the Company's shares to be delisted, such delisting shall be adopted in accordance with the procedures and requirements of the current legislation.

#### 14. Delegation of powers

Notwithstanding the specific delegations of powers set out in preceding sections (which should be understood as granted with express powers to replace the persons indicated herein), it is resolved to empower the Board of Directors, to the fullest extent required by law and with the express power to substitute the Chairman, CEO, the Corporate Managing Director and Secretary and Vice Secretary of the Board, so that any of them, within a period of a year, interchangeably and with a single signature, may take any necessary or advisable actions to execute this resolution, specifically, including but not limited to:

- Expand and develop this resolution, setting those terms and conditions not provided for, and, in particular, set the effective date for the Capital Increase, among other things.
- Prepare, subscribe and submit, as appropriate, to the Spanish Securities Market Commission (the "CNMV"), the French financial markets regulator (the "AMF") or other such supervisory authorities as may be appropriate, in relation to the issuance and admission to trading of any new Colonial shares issued under this resolution, (i) any prospectuses and supplements thereto as may be necessary or appropriate, undertaking responsibility therefor; and (ii) any documents and information as may be required for the purposes of compliance with the provisions of *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC*, in the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October and in their corresponding implementing provisions.
- Declare the Company's share capital to have been subscribed and paid up following the Capital Increase, even when the total number of shares is not yet subscribed, and subscription is incomplete, with the possibility of the Capital Increase being concluded with the amount of the subscriptions executed, with express authorisation to change the number of SFL shares to be transferred by the Contributor, and therefore the number of new Colonial shares to be transferred as a consideration to the Contributor, within the nominal amount of the Capital Increase agreed by the General Meeting of Shareholders in this resolution.
- Resolve to refrain from executing this resolution in the event that the conditions set out in the Agreements Reached are not met.
- Adopt all the legally required resolutions, as well as carry out all the necessary or appropriate actions for the formalisation of this resolution, including the power to modify the corresponding article of the Bylaws relating to the Company's share capital.
- Take any action on behalf of the Company, make any statements and any arrangements with the CNMV, the AMF, Iberclear, Euroclear, stock exchange management companies and any other Spanish or foreign public or private body, entity or registry for the purposes of authorisation, verification and subsequent performance of the Capital Increase under this resolution and the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or foreign markets on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE).
- Negotiate and sign, as the case may be, in the terms it deems most appropriate, any contracts that may be necessary or advisable to carry out the Capital Increase addressed in this resolution.
- To request the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and/or on any other Spanish or foreign markets on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE).

- To adopt or reject the application, where appropriate, of the special tax systems established by the regulations for this type of transactions.
- Execute on behalf of the Company such public or private documents as required or appropriate to issue the new shares covered in this resolution and to admit such shares to trading and, in general, perform such legal formalities as required for the execution thereof and rectify, clarify, interpret, specify or supplement the resolutions adopted by the shareholders at the Annual General Meeting, in particular, such defects, omissions or errors, in substance or in form, arising from the oral or written assessment, that may prevent registration of the resolutions and related consequences at the Mercantile Registry, the official registries of the CNMV or any other registries.

\* \* \* \*

**REPORT BY THE BOARD OF DIRECTORS OF INMOBILIARIA COLONIAL, SOCIMI, S.A. ON THE MOTION TO AUTHORIZE A CAPITAL INCREASE BY WAY OF NON-CASH CONTRIBUTIONS, CONSISTING OF SHARES IN SOCIÉTÉ FONCIÈRE LYONNAISE (SFL) OWNED BY SFL SHAREHOLDERS WHO TRANSFER THEIR SHARES AS PART OF THE TAKEOVER BID THAT THE COMPANY INTENDS TO FILE FOR SFL (SECOND ITEM ON THE AGENDA).**

**1. Purpose of the report**

This report has been prepared by the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**", together with the companies in its group, the "**Colonial Group**") in connection with a motion to authorize a capital increase of Colonial by way of non-cash contributions, consisting of shares in Société Foncière Lyonnaise ("**SFL**") owned by shareholders other than Predica Prévoyance Dialogue du Crédit Agricole ("**Predica**") and Colonial (the "**SFL Minority Shareholders**") who will transfer their SFL shares to Colonial as part of the takeover bid that the Company intends to file for SFL (the "**Offer**"). The aforementioned motion for a capital increase (the "**Capital Increase to be subscribed by SFL Minority Shareholders**"), submitted for approval by Colonial's General Meeting of Shareholders under second item on the agenda, is attached as an appendix to this report.

Pursuant to the provisions of Articles 286, 296 and 300 of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, (the "**Spanish Limited Liability Companies Law**") and related provisions of the Commercial Registry Regulations approved by Royal Decree 1784/1996, of 19 July, the aforementioned motion put forward to the General Meeting of Shareholders of the Company requires this supporting report to be drawn up by the Colonial Board of Directors.

**2. Motion for a capital increase by way of non-cash contributions**

The Capital Increase to be subscribed by SFL Minority Shareholders is part of the agreements reached between SFL and Predica (and/or entities controlled by Predica), as well as between Colonial and Predica, which are described in section 2.1 below (the "**Agreements Reached**").

Colonial currently owns 38,018,307 SFL shares, representing approximately 81.7% of SFL's share capital, and has proposed the appointment of 8 SFL directors (out of a total of 14 directors). For its part, Predica currently directly owns 5,992,903 SFL shares, representing approximately 12.9% of SFL's share capital, and has proposed the appointment of 2 SFL directors.

*2.1 Description of corporate transactions within the framework of the Agreements Reached*

By virtue of the Agreements Reached, Predica will transfer to Colonial and SFL its entire direct stake in SFL's share capital through:

- (a) The subscription by Predica of a capital increase to be carried out by Colonial by way of non-cash contributions, by virtue of which Predica will transfer 2,328,644 SFL shares to Colonial, representing approximately 5.0% of SFL's share capital, as consideration for the subscription of 22,494,701 newly issued shares of the Company, representing approximately 4.1% of Colonial's share capital after the aforementioned capital increase (the "**Capital Increase to be subscribed by Predica**") and the Capital Increase to be subscribed by SFL Minority Shareholders in the event that the latter is subscribed in full.

The resolution for the Capital Increase to be subscribed by Predica is submitted for the approval of the General Meeting of the Shareholders of the Company under first item on the agenda.

- (b) The transfer by Predica to SFL itself of 3,664,259 SFL shares, representing approximately 7.9% of SFL's share capital, within the framework of a share buyback program of SFL for subsequent cancellation, concomitant with an exchange between SFL and Predica (or any entity controlled by Predica) of securities in joint ventures holding certain real estate assets of SFL in France (the "**Asset Exchange**", and together with the Capital Increase to be subscribed by Predica and with the Offer, the "**Transaction**").

As a consequence of the Asset Exchange:

- Predica will transfer to SFL the stake it currently has in SCI Washington<sup>(1)</sup> (34%) and Parholding S.A.S.<sup>(2)</sup> (50%), companies belonging to the SFL group, with SFL owning as a result of the aforementioned transfers, all the shares of the said SFL subsidiaries.
- Predica (or any entity controlled by Predica) will acquire 49% of the shares of certain joint ventures with SFL over certain real estate assets belonging to SFL, resulting in SFL owning 51% of their share capital. The real estate assets concerned are: #cloud.paris<sup>(3)</sup>, 92 Champs Élysées<sup>(4)</sup>, Cézanne Saint-Honoré<sup>(5)</sup> and 103 Grenelle<sup>(6)</sup>.

Furthermore, within the framework of the Agreements Reached, Colonial intends to file the Offer for all SFL shares owned by shareholders other than Colonial and Predica. The consideration for the Offer will be mixed consisting of cash and newly issued Colonial shares for the SFL shares which are subject to the Offer.

As the consideration for the Offer will consist partially in Colonial shares, Colonial's Board of Directors submits for the approval of the General Meeting of the Shareholders of the Company, under second item on the agenda, the resolution for the Capital Increase to be subscribed by SFL Minority Shareholders described in this report.

Taking into account the current number of outstanding SFL shares (46,528,974 shares), the number of SFL shares currently held by Colonial (38,018,307 shares) and the number of SFL shares currently held directly by Predica (5,992,903 shares), the maximum effective amount to be paid by Colonial as consideration for the Offer will be 117,478,868.24 euros and the maximum number of Colonial shares to be issued under the Capital Increase to be subscribed by SFL Minority Shareholders will be 12,588,820 shares, as consideration of the 2,517,764 SFL shares covered by the Offer representing approximately 5.4% of its share capital.

Therefore, SFL Minority Shareholders could become shareholders of Colonial and benefit from, inter alia, more liquidity than they currently have as SFL shareholders and a greater diversification of their financial exposure.

The Capital Increase to be subscribed by Predica referred to in first item on the agenda, the Asset Exchange and the Offer are expected to be carried out simultaneously insofar as the aforementioned corporate transactions are interrelated, although each of these transactions, due to their nature, are scheduled to be completed at different times, except the Capital Increase to be subscribed by Predica and the Asset Exchange which are expected to be completed simultaneously since they are both subject to the following condition precedents:

- Approval by the General Meeting of the Shareholders of the Company, on the basis of the relevant independent expert's reports, of the resolutions necessary to fulfill the Transaction.
- Approval by the French financial markets regulator (the "AMF") of the Offer and absence of recourse against the AMF's conformity decision regarding the Offer within the legal applicable time period (or, if a recourse has been filed, it has been dismissed or rejected by the Paris Court of Appeal).
- Clearance by the *collectivité* concerned of the right of urban pre-emption under the Asset Exchange or non-exercised by them within the legal applicable time (2 months period).
- Absence of any material loss (as defined in the Asset Exchange agreement) which has not been remedied by the date of satisfaction of the last of the aforementioned conditions precedent with respect to any of the properties owned by SCI Washington, Parholding, SAS Cloud, 92 Champs-Élysées, SCI Paul Cézanne and SCI 103 Grenelle.

---

(1): The company that owns the office building located in Paris, at 42 rue Washington, 75008.

(2): The company that owns the buildings located in Paris, at Galerie Champs Élysées, 90 Champs-Élysées, 75008 and 106 Hausmann, 75008.

(3): Office building located in Paris, at 6 rue Ménars, 75002.

(4): Office building located in Paris, at 92 avenue des Champs-Élysées, 75008.

(5): Office building located in Paris, at 5 rue Paul Cézanne, 75008.

(6): Office building located in Paris, at 103 rue de Grenelle, 75007.

It is noted that Colonial and Predica are not acting and do not intend to act in concert in connection with the Transaction.

For more information regarding the Transaction, see the presentation to the market which the Company is expected to publish through the relevant communication on the Spanish Securities Market Commission (the “CNMV”) website ([www.cnmv.es](http://www.cnmv.es)) and on Colonial’s corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)), as well as the documents regarding the Offer that will be published on the AMF’s website ([www.amf-france.org](http://www.amf-france.org)) and on the CNMV’s website ([www.cnmv.es](http://www.cnmv.es)).

## 2.2 *Reasons for the motion for a capital increase by way of non-cash contributions*

The purpose of the Capital Increase to be subscribed by SFL Minority Shareholders that is the subject of this report is the issuing of the Colonial shares necessary to acquire, through non-cash contributions, all the SFL shares to which the Offer will be directed.

The motion for the Capital Increase to be subscribed by SFL Minority Shareholders is justified, from the point of view of Colonial’s corporate interest, in the rationale for the Transaction as a whole, insofar as the corporate transactions that make up the Transaction are interrelated. The Transaction, which encompasses the Capital Increase to be subscribed by SFL Minority Shareholders, will enable Colonial to increase its stake in SFL’s share capital to at least 94.1% (it currently stands at 81.7%), allowing for the possibility of acquiring all of SFL’s share capital.

From a strategic point of view, both the Capital Increase to be subscribed by Predica (referred to in first item on the agenda) and the Offer and the corresponding Capital Increase to be subscribed by SFL Minority Shareholders, which are part of the Agreements Reached, are corporate transactions which are significantly in the interest of the Company since they are aimed at increasing the competitiveness of the Colonial Group in the European market, consolidating its leadership in the prime office sector, reinforcing its capital to improve its capacity for growth, and increasing shareholder remuneration. In particular, the Transaction will allow Colonial to expand and strengthen its presence in the French market, the leading European office market, to help consolidate Colonial as one of the main players in the European real estate sector, specialized in the leasing of prime offices, improving the position of the Colonial Group with regard to investment opportunities and market challenges that may arise in the Spanish and French prime office markets. The Transaction responds to Colonial Group’s active development and growth policy, as well as to the consolidation of its position.

In this way, the increase in Colonial’s stake in SFL’s share capital will allow the Company, among other things, to:

- Increase its share capital, increasing NTA (previously called NAV). In this regard, it is estimated that the Colonial Group’s NTA could increase by up to approximately 400 million euros.
- Increase the dividend distributed by SFL.
- Increase the earnings per share and the net asset value per share for Colonial shares.
- Simplify Colonial Group’s shareholder structure.
- Expand Colonial’s free float. In this regard, it is estimated that the free float of Colonial could increase by up to approximately 400 million euros (in terms of NTA).

Furthermore, both the Capital Increase to be subscribed by Predica and the Capital Increase to be subscribed by SFL Minority Shareholders are corporate transactions in line with the strategy that Colonial has been developing in relation to its stake in SFL. For example, in November 2018, after the corresponding approval of the transaction by Colonial’s General Meeting of Shareholders, a capital increase was carried out by way of non-cash contributions for a nominal amount of 133,809,507.50 euros, the consideration of which consisted of SFL shares owned by Qatar Holding LLC and DIC Holding LLC, allowing Colonial to obtain a 80.74% stake in SFL’s share capital.

In view of the above, Colonial's Board of Directors considers that the Capital Increase to be subscribed by SFL Minority Shareholders proposed to Colonial's General Meeting of Shareholders is necessary to fulfill the Transaction and is in line with the Company's best interest.

### 3. Description of the planned non-cash contributions

The planned non-cash contributions consist of 2,517,764 SFL shares representing approximately 5.4% of SFL's share capital, of the same class and series, fully paid up and free of charges and encumbrances. This number of SFL shares has been determined under the assumption that all of the SFL shares to which the Offer will be aimed are transferred to Colonial, i.e., 2,517,764 SFL shares.

Société Foncière Lyonnaise (SFL) is a French public limited company (*Société Anonyme*) registered with the Registre du Commerce et des Sociétés de Paris under number 552 040 982 (NAF code 6820B), with registered offices in Paris (France), 42, rue Washington (75008) whose shares are traded on Euronext Paris (regulated French market). SFL is regulated as a listed real estate investment company (*Société d'Investissement Immobilier Cotée* or SIIC). On 31 December 2020, SFL owned 20 buildings in Paris, with a combined total surface area of approximately 393,000m<sup>2</sup>, valued at 7,458 million euros.

### 4. Valuation of the planned non-cash contributions and criteria used

The same valuation criteria used to determine the value of the planned non-cash contributions for the Capital Increase to be subscribed by Predica (referred to in first item on the agenda) have been used to determine the value of the planned non-cash contributions for the Capital Increase to be subscribed by SFL Minority Shareholders.

In this regard, different valuation methods have been considered to establish the value of the SFL shares owned by SFL Minority Shareholders which are being transferred to Colonial as part of the Capital Increase to be subscribed by SFL Minority Shareholders. All these methods are widely accepted by the international financial community, including:

- **Asset valuation:** this method values a company's assets and then subtracts all liens on those assets, as well as any other outstanding debts or liabilities that the company may have with third parties. In this regard, for companies operating in the real estate sector, the most internationally relevant appraisal method is based on the EPRA NTA indicator, which is basically the sum of the company's book value (net asset value - NTA) and the latent capital gains of the investment properties, measured at fair value, adjusting certain items according to the recommendations of the European Public Real Estate Association (EPRA). With this method, the value obtained represents the overall underlying value of property investments combined with other assets, adjusted for the company's financial debt and other liabilities. Specifically, the EPRA NDV —net disposal value— (previously the EPRA NNAV) consists of the EPRA NTA adjusted to include the fair value of (i) financial instruments, (ii) debt, and (iii) deferred taxes.
- **Comparable multiples:** this method, which is commonly used by international (International Financial Reporting Standards) and US accounting standards, estimates the value based on multipliers obtained from comparable companies.
- **Share market price:** this method calculates a company's value based on its share price in a secondary market.

Of the valuation methods analysed, the asset valuation method was considered to be the most relevant, hence taking Colonial's and SFL's EPRA NDV as of 31 December 2020 (both adjusted for dividend to be charged to 2020).

With regard to SFL, the valuations published by the company and carried out by renowned experts in the real estate sector have been taken into account. These have valued each of SFL's property assets individually and have issued the relevant valuation reports in accordance with the valuation and appraisal standards of the Royal Institution of Chartered Surveyors (RICS). As a result, in agreement with the above, the 2,517,764 SFL shares,

representing approximately 5.4% of SFL's share capital, to which the Offer will be directed and which could be transferred to Colonial by SFL Minority Shareholders, have a combined total value of 243,417,423.52 euros, which is equivalent to a value of 96.68 euros per SFL share being transferred.

The Board of Directors believes that the asset valuation method using EPRA NDV (adjusted for dividend to be charged to 2020) is appropriate and, consequently, the valuation of the aforementioned SFL shares is reasonable within the framework of the Capital Increase to be subscribed by SFL Minority Shareholders which is the subject of this report. Therefore, this will be the valuation of the SFL shares for establishing the exchange ratio, once the value of the Colonial shares to be transferred to SFL's Minority Shareholders as consideration has been set, as described in section 6 below.

## **5. Identification of the contributors**

The Capital Increase to be subscribed by SFL Minority Shareholders is intended exclusively for those SFL Minority Shareholders who transfer their SFL shares to Colonial within the Offer's framework.

## **6. Number and par value of the Colonial shares to be issued as consideration for the planned non-cash contributions. Exchange ratio.**

The same valuation criteria used to determine the number of Colonial shares to be issued under the Capital Increase to be subscribed by Predica (referred to in first item on the agenda) have been used to determine the number of Colonial shares to be issued under the Capital Increase to be subscribed by SFL Minority Shareholders, also taking into account the fact that the consideration for the Offer will be mixed, being composed of cash and newly issued Colonial shares.

In this regard, the different valuation methods described in section 4 have been considered to determine the number of Colonial shares to be issued as consideration for the SFL shares owned by SFL Minority Shareholders and being transferred under the Capital Increase to be subscribed by SFL Minority Shareholders.

Following an analysis of the different methods described in section 4, the asset valuation method was considered the most relevant, hence taking Colonial's EPRA NDV as of 31 December 2020 (adjusted for dividend to be charged to 2020), i.e., a valuation of 10.00 euros per share. For these purposes, the valuations published by the Company and carried out by renowned experts in the real estate sector have been taken into account. These have valued each of Colonial's property assets individually and have issued the relevant valuation reports in accordance with the valuation and appraisal standards of the Royal Institution of Chartered Surveyors (RICS).

In due consideration of the valuation of the Colonial shares, and the SFL shares based on the criteria described above, considering the fact that the consideration for the Offer will be mixed, being composed of cash and newly issued Colonial shares, the resulting exchange ratio is 46.66 euros and 5 Colonial shares, with a par value of 2.50 euros each, for each SFL share. Therefore, given that the Offer is for all the SFL shares owned by SFL Minority Shareholders (2,517,764 SFL shares) which are to be transferred to Colonial as consideration for the new shares to be issued by Colonial, a total of 12,588,820 new Colonial shares will be issued with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share.

The new Colonial shares shall entitle their holders to the same voting and dividend rights as the shares of the Company currently outstanding, as of the date on which they are registered in their holders' name in the accounting records.

In connection with the valuations carried out, Morgan Stanley & Co. International plc has issued a fairness opinion addressed to the Company's Board of Directors confirming that, in its opinion as of the date of the report, the consideration payable by the Company in connection with (i) the non-cash contribution of Predica; and (ii) the Offer is fair from a financial point of view to Colonial.

**7. Amount of the Capital Increase to be subscribed by SFL Minority Shareholders**

As part of the established consideration for the planned non-cash contributions of SFL Minority Shareholders and since the Offer is directed at all SFL shares owned by SFL Minority Shareholders (2,517,764 SFL shares), Colonial's share capital will be increased by a nominal amount of 31,472,050 euros, by issuing 12,588,820 new outstanding ordinary shares with a par value of 2.50 euros each, plus a share premium of 7.50 euros per share, with an incomplete subscription forecast. Therefore, the issue price of each share will be 10.00 euros and the effective amount of the Capital Increase to be subscribed by SFL Minority Shareholders will be 125,888,200 euros.

**8. Guarantees adopted to ensure the effective Capital Increase to be subscribed by SFL Minority Shareholders**

No special guarantees have been adopted in due consideration of the nature of the items contributed.

**9. Preferential subscription rights**

Since the Capital Increase to be subscribed by SFL Minority Shareholders compensates non-cash contributions, the Company's shareholders will not be entitled to any preferential subscription rights over the Colonial shares to be issued as a result of the Capital Increase to be subscribed by SFL Minority Shareholders described herein.

**10. Deadline for the Capital Increase to be subscribed by SFL Minority Shareholders**

In accordance with the provisions of Article 297.1 (a) of the Spanish Limited Liability Companies Law, it is proposed to delegate to Colonial's Board of Directors the power to execute the Capital Increase to be subscribed by SFL Minority Shareholders at any time within the period of one year from the date of the resolution referred to herein is adopted.

As stated in section 2.1 of this report, the Capital Increase to be subscribed by Predica, the Asset Exchange and the Offer are expected to be carried out simultaneously insofar as the aforementioned corporate transactions are interrelated, although each of these transactions, due to their nature, are scheduled to be completed at different times (except the Capital Increase to be subscribed by Predica and the Asset Exchange which are expected to be completed simultaneously). In this regard, it is proposed to delegate to Colonial's Board of Directors the power to refrain from executing the resolution referred to herein in the event that the conditions set out in the Agreements Reached are not met.

**11. Incomplete subscription**

As the Offer may not be accepted by all the shareholders to whom it is addressed, the possibility of the incomplete subscription of the Capital Increase to be subscribed by SFL Minority Shareholders is expressly provided for. Consequently, in the event of an incomplete subscription, the Capital Increase to be subscribed by SFL Minority Shareholders shall be limited to the amount corresponding to the par value of the new Colonial shares actually subscribed and paid up as consideration for the SFL shares actually transferred.

**12. Amendment to Article 5 of the Company Bylaws**

It is proposed to grant the Company's Board of Directors with the power to redraft Article 5 of Colonial's Bylaws on the share capital, based on the final number of new Colonial shares that are effectively subscribed and paid up by SFL Minority Shareholders.

**13. Independent expert**

Notwithstanding the fact that the contributions consist of securities traded on a regulated market, in order to offer greater security to the Colonial shareholder and in due consideration of possible interpretations of the existing legal framework, Colonial's Board of Directors has decided to exercise the most prudent alternative and

has issued a request to the Commercial Registry to appoint an independent expert to draw up a report on the non-cash contribution, pursuant to the provisions of Article 67 of the Spanish Limited Liability Companies Law.

In this regard, the Commercial Registry has appointed Grant Thornton, S.L.P. Sociedad Unipersonal as the independent expert. Its report will be permanently available to Colonial's shareholders, at the time of convening the General Meeting of Shareholders and until such meeting has been held, on the Company's corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

\* \* \* \*

This report was prepared and approved by Colonial's Board of Directors at a meeting held on June 3, 2021.

## APPENDIX

### MOTION TO AUTHORIZE A CAPITAL INCREASE BY WAY OF NON-CASH CONTRIBUTIONS, CONSISTING OF SHARES IN SOCIÉTÉ FONCIÈRE LYONNAISE (SFL) OWNED BY SFL SHAREHOLDERS WHO TRANSFER THEIR SHARES TO THE COMPANY AS PART OF THE TAKEOVER BID THAT THE COMPANY INTENDS TO FILE FOR SFL.

Capital increase by way of non-cash contributions for a nominal amount of 31,472,050 euros, by issuing 12,588,820 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares, their consideration being shares in Société Foncière Lyonnaise (SFL) owned by the SFL shareholders who transfer their shares to Inmobiliaria Colonial, SOCIMI, S.A. under the takeover bid that the company intends to file for SFL. Delegation of powers.

The General Meeting of the Shareholders of Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) agrees to a capital increase by way of non-cash contributions in accordance with the terms established below, all with the purpose of acquiring 2,517,764 shares in Société Foncière Lyonnaise (“**SFL**”) representing approximately 5.4% of its share capital, owned by the SFL shareholders (the “**SFL Minority Shareholders**”) who transfer their shares to Colonial as part of the takeover bid that the Company intends to file for SFL (the “**Offer**”) and where the consideration partially consists of Colonial shares. In this regard, the consideration under the Offer will be a mixed consideration, consisting of cash and newly issued Colonial shares, resulting in an exchange ratio of 46.66 euros and 5 Colonial shares, each with a nominal value of 2.50 euros, for each SFL share subject to the Offer.

For the purposes of this resolution, all capitalised terms not expressly defined shall have the meaning ascribed to them in Colonial’s Board of Directors’ report on this resolution.

#### 1. Capital increase by way of non-cash contributions

An increase of Colonial’s share capital is agreed for a nominal amount of 31,472,050 euros, by issuing 12,588,820 new outstanding ordinary shares with a par value of 2.50 euros each, of the same class and series as current outstanding shares (the “**Capital Increase**”). The consideration for the new Colonial shares issued under the Capital Increase will consist of non-cash contributions, specifically, the SFL shares described in section 2 of this resolution.

#### 2. Description of the planned non-cash contributions

The planned non-cash contributions consist of 2,517,764 SFL shares representing approximately 5.4% of its share capital of the same class and series, fully paid up and free of liens and encumbrances, which are currently traded on Euronext Paris. This number of shares has been determined under the assumption that all of the SFL shares to which the Offer will be aimed are transferred to Colonial, i.e., 2,517,764 SFL shares.

Société Foncière Lyonnaise (SFL) is a French public limited company (*Société Anonyme*) registered in the Registre du Commerce et des Sociétés de Paris under number 552 040 982 (NAF code 6820B), with registered offices in Paris (France), 42, rue Washington (75008) whose shares are traded on Euronext Paris (regulated French market). SFL is regulated as a listed real estate investment company (*Société d’Investissement Immobilier Cotée* or SIIC).

#### 3. Identification of the contributors

The Capital Increase which is the subject of this resolution is solely intended for those SFL Minority Shareholders that transfer their SFL shares to Colonial under the Offer.

#### 4. Number and par value of the shares to be issued

As consideration for the planned non-cash contributions, 12,588,820 new Colonial ordinary shares with a par value of 2.50 euros each will be issued. Therefore, the total nominal amount of the Capital Increase will be 31,472,050 euros.

**5. Issue price of the new shares and effective amount of the Capital Increase**

The new Colonial shares will be issued at a unit par value of EUR 2.50 each, plus a share premium of 7.50 euros per share. Therefore, the issue price of each share will be 10.00 euros and the total effective amount of the Capital Increase will be 125,888,200 euros.

**6. Guarantees adopted to ensure the effective Capital Increase**

No special guarantees have been adopted in due consideration of the nature of the items contributed.

**7. Subscription and payment of the new shares**

The new Colonial shares will be subscribed by SFL Minority Shareholders, and the par value and the share premium will be fully paid up when the deed establishing the Capital Increase is executed.

**8. Preferential subscription rights**

Since the compensation for the Capital Increase consists of non-cash contributions, the Company's shareholders will not be entitled to any preferential subscription rights over the Colonial shares to be issued as a result of the Capital Increase referred to herein.

**9. Incomplete subscription**

The possibility of the incomplete subscription of the Capital Increase is expressly provided for. Consequently, in the event of an incomplete subscription, the Capital Increase shall be limited to the amount corresponding to the par value of the new Colonial shares actually subscribed and paid up as consideration for the SFL shares actually transferred.

**10. Rights attached to the new shares**

The new Colonial shares shall entitle their holders to the same voting and dividend rights as the shares of the Company currently outstanding as of the date on which they are registered in their holders' name in the related accounting records.

**11. Representation of the new shares**

The new Colonial shares shall be represented by book entries and the accounting records shall be kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* ("Iberclear") and its participating entities.

**12. Amendment to Article 5 of the Company Bylaws**

The Board of Directors will have the power to redraft Article 5 of Colonial's Bylaws on the share capital, based on the final number of new Colonial shares that are effectively subscribed and paid up by SFL Minority Shareholders.

**13. Admission to trading of new shares**

It is resolved that the admission to trading of the new Colonial shares on the Madrid and Barcelona Stock Exchanges and on any other domestic or international markets in which the Company's shares are admitted to trading at the time of execution of this resolution shall be requested and for those shares to be included in the Spanish Stock Market Interconnection System (*Sistema de Interconexión Bursátil Español* or SIBE).

It is expressly stated that, in the event a request is subsequently made for the Company's shares to be delisted, such delisting shall be adopted in accordance with the procedures and requirements of the current legislation.

#### 14. Delegation of powers

Notwithstanding the specific delegations of powers set out in preceding sections (which should be understood as granted with express powers to replace the persons indicated herein), it is resolved to empower the Board of Directors, to the fullest extent required by law and with the express power to substitute the Chairman, CEO, the Corporate Managing Director and Secretary and Vice Secretary of the Board, so that any of them, within a period of a year, interchangeably and with a single signature, may take any necessary or advisable actions to execute this resolution, specifically, including but not limited to:

- Expand and develop this resolution, setting those terms and conditions not provided for, and, in particular, set the effective date for the Capital Increase, among other things.
- Prepare, subscribe and submit, as appropriate, to the Spanish Securities Market Commission (the "CNMV"), the French financial markets regulator (the "AMF") and/or such other supervisory authorities as may be appropriate, in relation to the issuance and admission to trading of any new Colonial shares issued under this resolution, (i) any prospectuses and supplements thereto as may be necessary or appropriate, undertaking responsibility therefor; and (ii) any documents and information as may be required for the purposes of compliance with the provisions of *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC*, in the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October and in their corresponding implementing provisions. In particular, to the extent that the Capital Increase is directed at acquiring SFL shares under the Offer, this delegation of powers includes the necessary or appropriate powers to take any action on behalf of the Company, make any statements and any arrangements in relation to the Offer with the CNMV, the AMF, Iberclear, Euroclear, stock exchange management companies and any other Spanish or foreign public or private body, entity or registry.
- Declare the Company's share capital to have been subscribed and paid up following the Capital Increase, even when the total number of shares is not yet subscribed, and subscription is incomplete, with the possibility of the Capital Increase being concluded with the amount of the subscriptions executed, with express authorisation to change the number of SFL shares to be transferred by SFL Minority Shareholders, and therefore the number of new Colonial shares to be transferred as a consideration, within the nominal amount of the capital increase agreed by the General Meeting of Shareholders in this resolution.
- Adopt all the legally required resolutions, as well as carry out all the necessary or appropriate actions for the formalisation of this resolution, including the power to modify the corresponding article of the Bylaws relating to the Company's share capital.
- Take any action on behalf of the Company, make any statements and any arrangements with the CNMV, the AMF, Iberclear, Euroclear, stock exchange management companies and any other Spanish or foreign public or private body, entity or registry for the purposes of authorisation, verification and subsequent performance of the Capital Increase under this resolution and the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or foreign markets on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE).
- Negotiate and sign, as the case may be, in the terms it deems most appropriate, any contracts that may be necessary or advisable to carry out the Capital Increase addressed in this resolution.
- To request the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and/or on any other Spanish or foreign markets on which the Company's shares are listed at the time of

execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE).

- To adopt or reject the application, where appropriate, of the special tax systems established by the regulations for this type of transactions.
- Execute on behalf of the Company such public or private documents as required or appropriate to issue the new shares covered in this resolution and to admit such shares to trading and, in general, perform such legal formalities as required for the execution thereof and rectify, clarify, interpret, specify or supplement the resolutions adopted by the shareholders at the Annual General Meeting, in particular, such defects, omissions or errors, in substance or in form, arising from the oral or written assessment, that may prevent registration of the resolutions and related consequences at the Mercantile Registry, the official registries of the CNMV or any other registries.

\* \* \* \*