

***Consolidation of Colonial as the largest Spanish REIT by market value***

## **Colonial successfully closes its tender offer on SFL**

- After the broad acceptance of the tender offer, Colonial reaches a 98.33% stake in its French subsidiary SFL
- With this transaction Colonial increases in more than €1bn its exposure to the best Prime office assets in Paris
- Colonial increases its share capital in more than €400m
- SFL minority shareholders join Colonial's shareholder base

***Madrid, August 31st 2021.***

The minority shareholders of SFL, French subsidiary of Colonial, have broadly accepted the voluntary mixed tender offer of Colonial which allows them to join the shareholding of the largest office platform in Europe. Additionally, after this transaction, Colonial consolidates its position as the largest REIT by market value. As announced today, the tender offer for the 5% shares in SFL held by minority shareholders has closed with an acceptance of 4.2% of the share capital corresponding to 1.801.231 shares of SFL. Consequently, Colonial holds 98.33% of its French subsidiary SFL.

The successful outcome of this relevant transaction consolidates Colonial's leadership in the prime office European sector reinforcing its positioning in the Paris market, first office market in the Eurozone. Specifically, the Colonial Group increases in more than €1bn its exposure to the best primes office buildings of Paris as well as to the SFL project pipeline with high value creation potential.

With this transaction, the Group's shareholding structure will be simplified, and its share capital will be reinforced while reinforcing its capital structure with an additional ca. 400€m in NTA that will increase the company's free float. As a result, Colonial consolidates its position as the largest Spanish REIT by market value.

The favorable outcome of the tender offer culminates a transaction initiated during the first semester of 2021, when Colonial's shareholders approved reinforcing its stake in its French subsidiary, SFL, which at the time amounted to 81.7%, through the acquisition of an additional 12.9% in SFL held by Predica (subsidiary of Crédit Agricole Assurances) and the launch of a mixed, voluntary tender offer for the remaining 5% held by SFL minority shareholders. This offer to SFL's minority shareholders consisted of a consideration of 46.66€ and 5 newly issued shares of Colonial (listed in Madrid and Barcelona) for each SFL share. Following the acceptance of 84% of SFL's minority shareholders, the consideration to be paid by Colonial amounts to €84m in cash and 9m of newly issued Colonial shares.

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The financial terms of the tender offer, based on NDV parity of both Colonial and SFL shares, allow SFL's minority shareholders to benefit from Colonial shares' higher liquidity. Correspondingly, Colonial's shareholders profit from an increase in the company's value, as it acquires, through this transaction, new assets at a discount on SFL's last reported values, while preserving its solid investment grade levels.

The overall transaction, by which Colonial will hold almost 100% of SFL, reinforces, at the same time, its long-term partnership with Predica, a renowned institutional investor, that will now hold a 4% of Colonial's shares.

"The successful closing of this transaction reinforces our bet for prime assets by increasing our exposure to Paris' office market, the largest in the Eurozone. This strategy, focused on value creation, has allowed Colonial to become a leading company in the European office sector, and the largest Spanish REIT by market value", explains Juan José Brugera, Chairman of Colonial.

## About Colonial

Colonial is a Spanish listed REIT company (SOCIMI), leader in the European Prime office market with presence in the main business areas of Barcelona, Madrid, and Paris with a prime office portfolio of more than one million of sqm of GLA and assets under management with a value of more than €12bn.



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"The information contained in this document should be read in conjunction with all available public information, particularly the information available on the Colonial website [www.inmocolonial.com](http://www.inmocolonial.com)."

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