

Pursuant to Section 228 of the restated Spanish Securities Market Act (Ley del Mercado de Valores) approved by Real Decreto Legislativo 4/2015, de 23 de octubre, Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) hereby discloses the following:

### **REGULATORY ANNOUNCEMENT (HECHO RELEVANTE)**

In relation with the merger between Colonial (as absorbing company) and Axiare Patrimonio Socimi, S.A. (as absorbed company) (the “**Merger**”), the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) has resolved to consider the document attached to this Regulatory Announcement (*Hecho Relevante*) as equivalent to the prospectus pursuant to Section 26.1.d) of *Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos* as well as to verify that the requirements for the admission to trading of the 19,273,622 new ordinary shares of the Company issued for the purpose of the Merger have been met.

The Company foresees that the beginning of trading on the new shares on the Spanish Stock Exchange will take place today July 9, 2018.

July 9, 2018



## **DOCUMENT EQUIVALENT**

**TO THE PROSPECTUS FOR THE MERGER BETWEEN INMOBILIARIA  
COLONIAL, SOCIMI, S.A. (AS ABSORBING COMPANY)  
AND AXIARE PATRIMONIO SOCIMI, S.A. (AS ABSORBED COMPANY)**

**July 2018**

*This Equivalent Document has been considered by the Spanish Securities Market Commission,  
pursuant to Article 26.1.d) of Royal Decree 1310/2005 of 4 November, as equivalent to the prospectus  
which is mandatory as per the aforesaid Royal Decree.*

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## 1. PARTIES RESPONSIBLE

### 1.1 Identification of the parties responsible

Mr Pedro Viñolas Serra, for and on behalf of Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”), with registered office in Madrid, Paseo de la Castellana nº 52, tax number (“NIF”) A-28027399 and Legal Entity Indicator (LEI) 95980020140005007414, in his capacity as CEO of Colonial, undertakes responsibility for the contents of this document as the equivalent of the prospectus pursuant to Article 26.1.d) of Royal Decree 1310/2005 of 4 November (the “**Equivalent Document**”).

Mr Pedro Viñolas Serra was re-elected CEO of Colonial by virtue of the resolution adopted by the Board of Directors of the Company at a meeting on 24 May 2018, and this post was filed on public record in a deed drawn up on 1 June 2018 by the Notary Public of the Catalan Association of Public Notaries Ms María Dolores Giménez Arbona, and entered in her notarial record book as number 1737, and entered in the Madrid Commercial Registry on 15 June 2018 in volume 36660, sheet 95, page M-30822, entry 286.

### 1.2 Statement by the party responsible confirming the veracity of the information in the Equivalent Document

Mr Pedro Viñolas Serra, for and on behalf of the Company, declares, having exercised reasonable diligence to ensure this is so, that to his knowledge, the information in the Equivalent Document matches the facts and there are no omissions that could affect the contents.

## 2. DESCRIPTION OF THE OPERATION

### 2.1 Background

On 28 December 2017, the Spanish Securities Market Commission (the “**CNMV**”) authorised Colonial's voluntary takeover bid for 100% of the shares in Axiare Patrimonio SOCIMI, S.A. (“**Axiare**”). After the corresponding acceptance period, which ended on 29 January 2018, said voluntary takeover bid obtained a positive result as it was accepted by Axiare shareholders holding 45,912,569 shares. Thus, after its liquidation (considering that 28.79% of Axiare’s share capital held by Colonial at the time the bid was drawn up), Colonial's stake in Axiare rose to 86.86%. As stated in the bid prospectus, Colonial provided for the possibility of commencing, depending on its outcome, a merger by absorption between Colonial and Axiare, in which Colonial would be the resulting company.

To this end, on 10 April 2018 the Boards of Directors of Colonial and Axiare jointly approved the common draft terms of the merger (the “**Common Draft Terms of the Merger**”) between Colonial (as absorbing company) and Axiare (as absorbed company) (the “**Merger**”), as per the provisions of Law 3/2009 of 3 April on structural changes to companies (the “**Law on Structural Changes**”).

The full contents of the Common Draft Terms of the Merger were posted on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)) as regulatory announcements by Colonial and Axiare on 10 April 2018 (record numbers 263939 and 263940 respectively), and were also posted on and could be downloaded and printed out from the corporate websites of the companies involved in the Merger ([www.inmocolonial.com](http://www.inmocolonial.com) and [www.axiare.es](http://www.axiare.es)). It was also posted in the Official Commercial Registry Gazette (“**BORME**”) on 20 April 2018. Moreover, on 13 April 2018 a copy of the Common Draft Terms of the Merger was willingly submitted to the Madrid Commercial Registry, and this was posted in the Official Commercial Registry Gazette (“**BORME**”) on 20 April 2018.

On 19 April 2018 and 16 April 2018 respectively, the Boards of Colonial and Axiare issued their explanatory reports in connection with the Merger. Additionally, pursuant to Articles 34 and 35 of the

Law on Structural Changes, on 19 April 2018 BDO Auditores, S.L.P. produced its report as the sole independent expert for the Merger.

On 24 and 25 May 2018 respectively, the General Meetings of Colonial and Axiare approved (each with 99.99% of share capital present or represented by proxy) all the resolutions concerning the Merger, whereupon, following publication of the respective merger announcements and expiry of the legal deadline for objections by creditors, up to 30 June 2018, on 2 July 2018 Colonial and Axiare drew up the merger deed with the Notary Public of the Catalan Association of Notary Publics Ms María Dolores Giménez Arbona.

## ***2.2 Structure of the operation***

The Merger is carried out in accordance with the provisions of the trade laws in force, in particular, the Law on Structural Changes, the recast Spanish Limited Liability Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Limited Liability Companies Law**”) and the Commercial Registry Regulations approved by Royal Decree 1784/1996 of 19 July (the “**Commercial Registry Regulations**”). The Merger takes place by means of the absorption of Axiare (the absorbed company) by Colonial (the absorbing company), with the dissolution of the former, without liquidation, and the en-bloc transfer of all its equity to Colonial, which acquires, by universal succession, all Axiare's rights and obligations. This universal succession involves the acquisition by Colonial, in a single act, of all the assets and liabilities forming part of Axiare's equity. All the assets, rights, obligations and, in general, all the legal relations of Axiare are therefore transferred to Colonial, and remain in force with the consequent change of owner.

As a result of the Merger, Axiare shareholders other than Colonial receive, in consideration for their shares in Axiare, newly issued Colonial shares, in accordance with the exchange ratio determined in the Common Draft Terms of the Merger. In this regard, the Merger implies that Axiare shareholders –other than Colonial– become shareholders of Colonial by allocating the Colonial shares they are entitled to based on the expected exchange ratio, all under the terms set forth in the Common Draft Terms of the Merger.

Since the shares making up Colonial's capital are admitted to trading on the Madrid and Barcelona Stock Exchanges, Colonial shall request admission to trading of any new shares it may issue within the framework of the Merger exchange, for the purposes of which this Equivalent Document has been drawn up. To this end admission shall be sought to the trading of any new Colonial shares issued within the framework of the Merger exchange on the Madrid and Barcelona Stock Exchanges, and for them to be entered in the Spanish Stock Exchanges' Interconnection System (“SIBE”).

As a result of the Merger, Axiare is dissolved as a legal entity, and all Axiare shares are excluded from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

The purpose of the Merger is to carry out an internal reorganisation in the Colonial Group in order to, among other aspects, (i) consolidate Colonial's positioning in the prime office sector; (ii) simplify and optimise the Colonial Group's organisational and functional structure; and (iii) improve its financial structure.

## ***2.3 Main legal aspects of the Merger***

### ***2.3.1 Exchange ratio***

As mentioned in the Common Draft Terms of the Merger, the exchange ratio of Axiare shares to Colonial shares was determined on the basis of the real value of the corporate assets of Colonial and Axiare (see sub paragraph 3 of this Equivalent Document). Under this approach, the resulting exchange

ratio was 1.8554 Colonial shares of 2.50 euro par value for each Axiare share of 10 euro par value. No additional cash compensation is stipulated.

The grounds for the exchange ratio are set out in the respective reports by the directors of Colonial and Axiare concerning the Merger.

### ***2.3.2 Shares to be exchanged***

At the date of this Equivalent Document, Colonial holds 68,674,633 Axiare shares, and Axiare does not have any treasury shares.

Pursuant to the foregoing, out of the 79,062,486 shares that make up Axiare's share capital, 10,387,853 of Axiare's ordinary shares with a par value of 10 euros each (the total amount minus the 68,674,633 Axiare shares owned by Colonial) are included in the Merger exchange.

### ***2.3.3 Methods to carry out the exchange***

As stipulated in the Common Draft Terms of the Merger, Colonial shall exchange the Axiare shares in accordance with the exchange ratio referred to in sub paragraph 2.3.1 above, by delivering newly issued ordinary shares. Subscription of the new shares of Colonial issued to service the exchange is reserved for Axiare shareholders and, as a result, there are no preemptive subscription rights for Colonial's shareholders.

Considering the number of Axiare shares targeted by the exchange (i.e. 10,387,853 Axiare shares), the number of shares issued by Colonial to service the exchange of Axiare shares, according to the terms of the Merger, is 19,273,622 ordinary Colonial shares with a par value of 2.50 euros each, in the total nominal amount of 48,184,055.00 euros, accounting for 4.43% of the share capital of Colonial before the Merger and for 4.24% of the share capital of Colonial after the Merger.

### ***2.3.4 Exchange procedure***

The exchange is carried out as described in sections 4.3 and 4.4 of the Common Draft Terms of the Merger, and in the exchange announcement posted on 2 July 2018 on the CNMV website as a regulatory announcement, and in the Spanish Stock Exchanges' share listing gazettes (the "**Exchange Announcement**"). In this regard, since the shares of Colonial and Axiare are represented by registered book entries, the exchange of Axiare shares for new Colonial shares issued to service the Merger exchange is carried out through the corresponding depository entities, in accordance with *Royal Decree 878/2015 of 2 October, on registration, clearing and settlement of transferable securities represented by book entries, on the legal framework for central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market* and in accordance with Article 117 of the Spanish Limited Liability Companies Law.

Colonial and Axiare have appointed an odd-lot broker to act as counterparty for the purchase of remainders or odd lots. In this way, any Axiare shareholder who, in accordance with the exchange ratio and taking into account the number of Axiare shares held, was not entitled to receive a whole number of Colonial shares, shall transfer his or her remaining Axiare shares to the odd-lot broker, who, in turn, shall pay him or her the relevant cash value. It is hereby stipulated that, as stated in the Exchange Announcement, the companies involved in the Merger have appointed CaixaBank, S.A. as agent bank and odd-lot broker for the purposes of the exchange.

### **2.3.5 Effective accounting date of the Merger**

In accordance with the General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November, the effective accounting date of the Merger shall be 2 February 2018.

### **2.3.6 Ancillary provisions**

For the purposes of Article 31.3 of the Law on Structural Changes, it is hereby stated that Axiare's Company Bylaws include Article 9 ("*Ancillary provisions* ") and Article 52 ("*Special rules for the distribution of dividends*"). These articles impose a number of duties on its shareholders (communication and compensation) in order to enable Axiare to comply with the special tax regime for SOCIMIs and to be compensated for any damages that may be caused by the taxation of certain shareholders.

The Company Bylaws of Colonial, in its capacity as a SOCIMI, and for the same purposes of complying with the special tax regime of SOCIMIs, as well as being compensated for the damages that may be caused by the taxation of certain shareholders, include Article 8 bis. ("*Ancillary provisions*") and Article 37 bis. ("*Special rules for the distribution of dividends*"), which are similar to the articles in Axiare's Company Bylaws. Therefore, no impact is foreseen and no compensation is to be granted for this concept.

Notwithstanding the foregoing, as a result of Colonial's share in Société Foncière Lyonnaise ("**SFL**"), and to enable Colonial to comply with the special tax regime of SOCIMIs, and to be compensated for any damage that might be caused by the taxation of certain shareholders, Colonial's Company Bylaws lay down obligations for shareholders who are not natural persons but are owners of at least 10% of the share capital. Taking into account the fact that there are currently no shareholders in Axiare who own shares that, according to the exchange ratio established, shall own a stake in Colonial larger than 10% of the company's share capital (there would be no such shareholders even in the event that all Axiare shares not held by Colonial were held by a single shareholder), the stipulations in Colonial's Company Bylaws as a result of its stake in SFL have no impact on the shareholders of the companies merged, and no compensation shall be granted in this regard. The foregoing is without prejudice to the fact that Axiare shareholders have been able to transfer their shareholding within the framework of the takeover bid made by Colonial for all Axiare shares.

### **2.3.7 Securities and special rights**

Axiare has no special shares or holders of securities other than equity instruments. Consequently, no special rights are granted and no options are offered.

## **3. CALCULATION METHOD USED TO DETERMINE THE EXCHANGE RATIO**

The exchange ratio in a merger is the result of an agreement between the merging companies at the time of signing the common draft terms of the merger, based on the real value of each company, pursuant to Article 25 of the Law on Structural Changes. In the case of the Merger between Colonial and Axiare, as stated in the respective directors' reports on the Merger, determination of the exchange ratio considered a number of appraisal methods, all of which are commonly accepted by the international financial community.

Of the various methods considered, the exchange ratio calculated on the basis of the asset valuation was considered to be the most relevant for the purposes of determining the real value of the assets of Colonial and Axiare, as required under Article 25 of the Law on Structural Changes. In particular, the so-called "EPRA NAV" of Colonial and Axiare was considered for the purpose of determining the Merger exchange ratio. EPRA NAV is a method commonly accepted by the international financial community for valuations of real estate companies. It consists of calculating the net asset value on the basis of the

company's own funds and adjusting certain items in accordance with the recommendations of EPRA (*European Public Real Estate Association*).

The EPRA NAV calculated on 31 December 2017, adjusted to the material developments occurred after such date, was considered in this regard. Specifically, in relation to Colonial's EPRA NAV, the valuation took into account (i) the impact of the outcome of the takeover bid on all of Axiare shares, settled on 7 February 2018 (the “**Bid**”); (ii) the reversal of provisions relating to the settlement of the incentive and severance package plan for the Axiare workforce that Colonial adjusted in its NAV published in December 2017; and (iii) the supplementary dividend included in the proposed distribution of 2017 profits posted in the annual financial statements drawn up by the former Board of Directors of Axiare, attributable to Colonial's stake in Axiare, as well as the dividend proposed when Colonial's accounts were drawn up. The following aspects were taken into account concerning Axiare's EPRA NAV: (i) settlement of the long-term incentive plan, as per the regulatory announcement posted by the CNMV on 24 January 2018 (record number 260962); (ii) compensation earned by the management team as agreed by the previous Board of Directors of Axiare; (iii) the supplementary dividend included in the proposed distribution of 2017 profits posted in the annual financial statements drawn up by the former Board of Directors of Axiare; and (iv) revenue from the sale of Axiare's treasury shares as part of the Bid.

For the purposes of gauging the fairness of the exchange ratio, Colonial sought the opinion of J.P. Morgan Securities plc, who issued an opinion addressed to Colonial's Board of Directors on 10 April 2018, based on and subject to the elements, limitations and assumptions specified therein, which considered the proposed exchange ratio for the Merger, as of the date of that opinion, financially fair for Colonial.

Simultaneously, Credit Suisse International issued an opinion on 10 April 2018 addressed to the Board of Directors of Axiare in which it considered that, as of that date, and based on the elements, limitations and assumptions in the opinion, the proposed exchange ratio was financially fair for Axiare shareholders.

Finally, BDO Auditores, S.L.P., as the sole independent expert for the Merger, pursuant to Articles 34 and 35 of the Law on Structural Changes, issued its report on the Merger on 19 April 2018 and, among other aspects, concluded that “*The exchange rate proposed by the Boards of Directors of the Companies is justified, and the valuation method they have used is suitable, in due consideration of the circumstances and context of the intended merger.*”

#### **4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING**

##### ***4.1 Description of the type and class of securities in respect of which admission to trading is sought***

The 19,273,622 new Colonial shares issued within the framework of the Merger exchange (see sections 2.3.1 and 2.3.2 of this Equivalent Document) (the “**New Shares**”) are ordinary shares with a par value of 2.50 euros each, of the same class and series as the other Colonial shares, and grant their holders the same rights that are currently enjoyed by the holders of Company shares already admitted to trading on the Madrid and Barcelona Stock Exchanges, and on the Spanish Stock Exchanges' Interconnection System (“SIBE”).

The ISIN code (International Securities Identification Number) of the Colonial shares already admitted to trading is ES0139140174. The National Security Coding Agency (“ANCV”), a CNMV body, assigned the provisional ISIN code ES0139140208 to the New Shares. Once the New Shares have been admitted to trading, the provisional ISIN code assigned to the New Shares shall be integrated with that of the Colonial shares currently admitted to trading, and thus all the Company's shares shall have the same ISIN code assigned (ES0139140174).

#### **4.2 Representation of the securities**

The New Shares shall be represented by registered book entries and entered into the corresponding accounting records managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”), with registered office at Plaza de la Lealtad, 1, 28014 Madrid, and its authorised participating entities (the “**Participants**”).

#### **4.3 Rights attached to the securities**

The New Shares shall have the same voting and economic rights as the other Company shares as of the date of their entry in the corresponding accounting records managed by Iberclear and its Participants. Notwithstanding the foregoing, the New Shares shall grant entitlement to their holders to a share of company profits as of the date of entry of the Merger deed in the Commercial Registry.

#### **4.4 Application for admission to trading**

The Company’s General Meeting on 24 May 2018 resolved to apply for admission to trade the new Colonial shares issued to service the Merger exchange on the Madrid and Barcelona Stock Exchanges, and for them to be entered in the Spanish Stock Exchanges’ Interconnection System (Continuous Market).

It is thus intended that trading of the new Colonial shares issued to service the Merger exchange on the Madrid and Barcelona Stock Exchanges and their inclusion in the Spanish Stock Exchanges’ Interconnection System (Continuous Market) shall commence on 9 July 2018, once the merger deed has been registered. In the event of any delays in commencement of trading of the shares with respect to the envisaged date, the Company undertakes to notify this circumstance to the market by posting the corresponding “regulatory announcement” on Colonial’s corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es)).

The Company is aware of the requirements and conditions for admission, maintenance and exclusion of the new Colonial shares issued to service the Merger exchange on the aforementioned organised markets, and agrees to comply with them.

### **5. DOCUMENTATION MAKING UP THE EQUIVALENT DOCUMENT**

By virtue of the provisions of Article 26.1.d) of Royal Decree 1310/2005 of 5 November, the obligation to publish a prospectus does not apply to the admission to trading of securities that are allocated or that are to be allocated in connection with a merger, provided a document is furnished containing information that the CNMV considers equivalent to the information in the prospectus, in due consideration of the European legislation.

The information that the CNMV considers equivalent to the information in the prospectus is as listed below, which is attached by way of a reference since it was submitted to the CNMV prior to the date of this Equivalent Document or, as the case may be, it is listed in the CNMV register of regulatory announcements, which is available on its website ([www.cnmv.es](http://www.cnmv.es)) and/or on Colonial’s corporate website ([www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

- Common Draft Terms of the Merger drawn up by the Boards of the companies involved in the Merger (regulatory announcements of Colonial and Axiare on 10 April 2018 with (record numbers 263939 and 263940 respectively) (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

- Explanatory report in connection with the Merger issued by the Board of Directors of Colonial on 19 April 2018 (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- Explanatory report in connection with the Merger issued by the Board of Directors of Axiare on 16 April 2018 (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- Report issued by BDO Auditores, S.L.P. as the sole independent expert for the Merger on 19 April 2018 (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- Regulatory announcement by Colonial published on 20 April 2018 (record number 264396) by virtue of which Colonial called a General Meeting of Shareholders for the purposes of, among other resolutions, approving the Merger (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)). For these purposes, the proposed resolutions were published as appendices to the regulatory announcement, and included the one referring to the Merger, which also features the share capital increase as part of the exchange and the application for the admission to trading for the new Colonial shares issued within the framework of the Merger exchange.
- Regulatory announcement by Axiare published on 20 April 2018 (record number 264398) by virtue of which Axiare called a General Meeting of Shareholders for the purposes of, among other resolutions, approving those concerning the Merger (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- The individual and consolidated annual financial statements and management reports for the last three financial years (2015, 2016 and 2017), and the audit reports of Inmobiliaria Colonial, SOCIMI, S.A. (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

The merger balance sheet of Inmobiliaria Colonial, SOCIMI, S.A. is the last individual annual balance sheet at 31 December 2017, along with the report by the auditors.

- The individual and consolidated annual financial statements and management reports for the last three financial years (2015, 2016 and 2017), and the audit reports of Axiare Patrimonio SOCIMI, S.A. (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

The merger balance sheet of Axiare Patrimonio SOCIMI, S.A. is the last individual annual balance sheet at 31 December 2017, along with the report by the auditors.

- The full text of the Bylaws of Inmobiliaria Colonial, SOCIMI, S.A., which shall be applicable when the Merger deed has been registered (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)). The aforementioned Bylaws shall be Inmobiliaria Colonial, SOCIMI, S.A.'s current Company Bylaws (as recorded in the Appendix to the Common Draft Terms of the Merger), in which, pursuant to the merger, only the amount of share capital shall be modified (Article 5 of the Inmobiliaria Colonial, SOCIMI, S.A. Bylaws) as a result of the capital increase to service the Merger exchange.
- Regulatory announcement published by Colonial on 24 May 2018 (record number 266081) whereby Colonial notified the market of approval of all the proposed resolutions by the General Meeting of Shareholders on 24 May 2018, including the resolution concerning the Merger (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- Regulatory announcement published by Axiare on 25 May 2018 (record number 266141) whereby Axiare notified the market of approval of all the proposed resolutions by the General Meeting of Shareholders on 25 May 2018, with the exception of item five on the Agenda, and including the resolutions concerning the Merger (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

- Regulatory announcement published by Colonial on 2 July 2018 (record number 267487) whereby it notified the market of the procedure to exchange Axiare shares for the new Colonial shares issued to service the Merger exchange (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).
- The Regulations of Colonial's General Meeting of Shareholders, the Colonial Board Regulations and Colonial's Internal Code of Conduct with respect to securities markets (available at [www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare](http://www.inmocolonial.com/accionistas-inversores/fusion-colonial-axiare)).

## 6. MAIN ASPECTS OF CORPORATE GOVERNANCE

Colonial shall maintain the corporate governance system it operated prior to the Merger. In this regard, Colonial's corporate governance documentation is composed of (i) the Company Bylaws (which are amended only to stipulate Colonial's new share capital as a result of the capital increase carried out to service the exchange of Axiare shares for newly issued Colonial shares); (ii) the Regulations of the General Meeting of Shareholders; (iii) the Board Regulations; and (iv) the Internal Code of Conduct, all of which are available on Colonial's corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

## 7. COMPOSITION OF COLONIAL'S BOARD OF DIRECTORS

No changes have been planned for the composition of Colonial's Board of Directors as a result of the Merger. Notwithstanding the foregoing, Colonial's General Meeting of Shareholders on 24 May 2018 resolved to appoint a new Director (Mr Javier López Casado), and to re-elect 7 of the previous Colonial Directors (Mr Juan José Brugera Clavero; Mr Pedro Viñolas Serra; Mr Juan Carlos García Cañizares; Ms Ana Sainz de Vicuña Bemberg; Mr Carlos Fernández-Lerga Garralda; Mr Javier Iglesias de Ussel Ordís; and Mr Luis Maluquer Trepas).

The current composition of the Board of Directors of Colonial is as follows:

| Name/Company name                       | Position              | Category                          | Date of appointment | Date of last appointment | Shareholder proposing the appointment |
|---|-----------------------|-----------------------------------|---------------------|--------------------------|---------------------------------------|
| Mr Juan José Brugera Clavero.....       | Chairman              | Executive Director <sup>(1)</sup> | 19/06/2008          | 24/05/2018               | --                                    |
| Mr Pedro Viñolas Serra .....            | CEO                   | Executive Director                | 18/07/2008          | 24/05/2018               | --                                    |
| Sheikh Ali Jassim M. J. Al-Thani.....   | Member                | Proprietary Director              | 12/11/2015          | 28/06/2016               | Qatar Investment Authority            |
| Mr Adnane Mousannif.....                | Member                | Proprietary Director              | 28/06/2016          | 28/06/2016               | Qatar Investment Authority            |
| Mr Juan Carlos García Cañizares .....   | Member                | Proprietary Director              | 30/06/2014          | 24/05/2018               | Aguila LTD. <sup>(2)</sup>            |
| Mr Carlos Fernández González .....      | Member                | Proprietary Director              | 28/06/2016          | 28/06/2016               | Mr Carlos Fernández González          |
| Mr Javier López Casado .....            | Member                | Proprietary Director              | 24/05/2018          | 24/05/2018               | Mr Carlos Fernández González          |
| Ms Ana Sainz de Vicuña Bemberg...       | Member                | Independent Director              | 30/06/2014          | 24/05/2018               | --                                    |
| Mr Carlos Fernández-Lerga Garralda      | Coordinating Director | Independent Director              | 19/06/2008          | 24/05/2018               | --                                    |
| Mr Javier Iglesias de Ussel Ordís ..... | Member                | Independent Director              | 19/06/2008          | 24/05/2018               | --                                    |

| Name/Company name              | Position                    | Category             | Date of appointment | Date of last appointment | Shareholder proposing the appointment |
|--------------------------------|-----------------------------|----------------------|---------------------|--------------------------|---------------------------------------|
| Mr Luis Maluquer Trepat .....  | Member                      | Independent Director | 31/07/2013          | 24/05/2018               | --                                    |
| Mr Francisco Palá Laguna ..... | Non-Director Secretary      | --                   | 13/05/2008          | 13/05/2008               | --                                    |
| Ms Nuria Oferil Coll.....      | Non-Director Vice-Secretary | --                   | 12/05/2010          | 12/05/2010               | --                                    |

- (1) Mr Juan José Brugera Clavero has been granted some of the powers of the Board of Directors. Notwithstanding the foregoing, the chief executive officer of the company is Mr Pedro Viñolas Serra, who has been granted all powers in accordance with the law.
- (2) Through Park, S.A.R.L., wholly owned by SNI International Holdings S.A.R.L., which in turn is controlled by Aguila LTD.

The CVs of all directors of Colonial are available on the corporate website ([www.inmocolonial.com](http://www.inmocolonial.com)).

## 8. INFORMATION ON SIGNIFICANT STAKES IN COLONIAL'S SHARE CAPITAL AFTER THE MERGER.

### 8.1 Significant shareholders

The table below shows Colonial's significant shareholders at the date of this Equivalent Document, and the percentage stakes of these shareholders with respect to the total voting rights after the Merger and, consequently, Colonial's share capital increase to service the exchange:

| <b>SIGNIFICANT SHAREHOLDERS</b>    | <b>Num. of direct voting rights</b> | <b>Num. of indirect voting rights</b> | <b>% of total voting rights<sup>(7)</sup></b> | <b>% of total voting rights after the Merger</b> |
|------------------------------------|-------------------------------------|---------------------------------------|---|--|
| Mr Carlos Fernández González ..... | --                                  | 80,028,647 <sup>(2)</sup>             | 18.384  | 17.605   |
| Qatar Investment Authority .....   | --                                  | 41,610,141 <sup>(3)</sup>             | 9.559   | 9.153  |
| Aguila LTD.....                    | --                                  | 28,800,183 <sup>(4)</sup>             | 6.616   | 6.335  |
| Inmo, S.L.....                     | --                                  | 20,011,190 <sup>(5)</sup>             | 4.597   | 4.402  |
| BlackRock Inc. ....                | --                                  | 14,604,595 <sup>(6)</sup>             | 3.355   | 3.213  |
| Deutsche Bank, A.G. ....           | 8,135,389 <sup>(1)</sup>            | --                                    | 1.869   | 1.790  |
| <b>Total .....</b>                 | <b>8,135,389</b>                    | <b>185,054,756</b>                    | <b>44.380</b>                                 | <b>42.498</b>                                    |

- (1) The number of voting rights reported to the CNMV has been adjusted in the same proportion as in the grouping and cancellation of shares (counter-split) carried out by the Company in July 2016, i.e. 1 new share for every 10 old shares. This stake could increase by 5,137,434 shares if Deutsche Bank, A.G. were to exercise rights arising from financial instruments which grant the entitlement to acquire shares (call options maturing on 31/05/2018; swaps maturing on 04/01/2017; and put options maturing on 31/05/2018).
- (2) Mr Carlos Fernández González controls the majority of the share capital and voting rights of Grupo Far-Luca, S.A. de C.V., a company holding 99% of the shares of Grupo Finaccess, S.A.P.I. de C.V., and this company in turn holds 99.99% of the share capital and the voting rights of Finaccess Capital, S.A. de C.V. which controls the direct shareholders Hofinac B.V. (51%) and Finaccess Capital Inversores, S.L. (100%). The direct shareholders are therefore controlled by a company with links to the party liable.
- (3) Through QH Netherlands BV, wholly owned by Qatar Holdings LLC, which in turn is wholly owned by Qatar Investment Authority.
- (4) Through Park, S.A.R.L., wholly owned by SNI International Holdings S.A.R.L., which in turn is controlled by Aguila LTD.
- (5) Through Trudonba XXI, S.L.U., which is wholly owned by Inmo, S.L.
- (6) Through several North American funds. This stake could increase by 1,297,269 shares if BlackRock, Inc. were to exercise its rights arising from financial instruments which grant the entitlement to acquire shares (lent securities).
- (7) Calculated on the basis of the number of Company shares outstanding at the date of this Equivalent Document.
- Source: Notifications to the CNMV (CNMV website ([www.cnmv.es](http://www.cnmv.es)) consulted on the date of this Equivalent Document).

## 8.2 Board of Directors

The table below shows the number of shares held by the current Directors individually, directly or indirectly, on the date of this Equivalent Document, and the percentage stakes of these Directors with respect to the total voting rights after the Merger and, consequently, Colonial's share capital increase to service the exchange:

| Name/Company name                        | Num. of direct voting rights | Num. of indirect voting rights | % of total voting rights <sup>(7)</sup> | % of total voting rights after the Merger |
|--|------------------------------|--------------------------------|---|---|
| Mr Juan José Brugera Clavero .....       | 202,243 <sup>(1)</sup>       | --                             | 0.046                                   | 0.044                                     |
| Mr Pedro Viñolas Serra .....             | 315,985 <sup>(2)</sup>       | --                             | 0.073                                   | 0.070                                     |
| Mr Carlos Fernández González .....       | --                           | 80,028,647 <sup>(4)</sup>      | 18.384                                  | 17.605                                    |
| Mr Javier López Casado .....             | --                           | --                             | --                                      | --  |
| Sheikh Ali Jassim M.J. Al-Thani .....    | --                           | --                             | --                                      | --  |
| Mr Adnane Mousannif .....                | --                           | --                             | --                                      | --  |
| Mr Juan Carlos García Cañizares .....    | --                           | --                             | --                                      | --  |
| Ms Ana Sainz de Vicuña Bemberg .....     | 1,550 <sup>(3)</sup>         | --                             | 0.000                                   | 0.000                                     |
| Mr Carlos Fernández-Lerga Garralda ..... | 1,361                        | 670 <sup>(5)</sup>             | 0.000                                   | 0.000                                     |
| Mr Javier Iglesias de Ussel Ordís .....  | 1,820 <sup>(3)</sup>         | --                             | 0.000                                   | 0.000                                     |
| Mr Luis Maluquer Trepas .....            | 20,000 <sup>(3)</sup>        | 2,500 <sup>(3)(6)</sup>        | 0.005                                   | 0.005                                     |
| <b>Total .....</b>                       | <b>542,959</b>               | <b>80,031,817</b>              | <b>18.508</b>                           | <b>17.725</b>                             |

- (1) This stake could increase by 146,511 shares, should Colonial deliver to Mr Juan José Brugera Clavero the shares he would be entitled to by virtue of the share delivery plan approved, at the behest of the Appointments and Remuneration Committee, at the General Meeting of 21 January 2014 and extended for another 2-year period at the General Meeting of 29 June 2017, of which he is the beneficiary subject to the conditions therein.
- (2) This stake could increase by 380,931 shares, should Colonial deliver to Mr Pedro Viñolas Serra the shares he would be entitled to by virtue of the share delivery plan approved, at the behest of the Appointments and Remuneration Committee, at the General Meeting of 21 January 2014 and extended for another 2-year period at the General Meeting of 29 June 2017, of which he is the beneficiary subject to the conditions therein.
- (3) The number of voting rights reported to the CNMV has been adjusted in the same proportion as in the grouping and cancellation of shares (counter-split) carried out by the Company in July 2016, i.e. 1 new share for every 10 old shares.
- (4) Mr Carlos Fernández González controls the majority of the share capital and voting rights of Grupo Far-Luca, S.A. de C.V., a company holding 99% of the shares of Grupo Finaccess, S.A.P.I. de C.V., and this company in turn holds 99.99% of the share capital and the voting rights of Finaccess Capital, S.A. de C.V. which controls the direct shareholders Hofinac B.V. (51%) and Finaccess Capital Inversores, S.L. (100%). The direct shareholders are therefore controlled by a company with links to the party liable.
- (5) Mr Carlos Fernández-Lerga directly controls the company EUR Consultores, S.L.
- (6) Through Ms Marta Maluquer Domingo.
- (7) Calculated on the basis of the number of Company shares outstanding at the date of this Equivalent Document.
- Source: Notifications to the CNMV (CNMV website – [www.cnmv.es](http://www.cnmv.es) – consulted on the date of this Equivalent Document).

All pages of this Equivalent Document were stamped, and it was signed on 4 July 2018.

Signed on behalf of Inmobiliaria Colonial, SOCIMI, S.A.

By proxy

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Pedro Viñolas Serra  
CEO