

## **SFL's Board of Directors issues a favorable report on the mixed takeover bid made by Colonial**

**Paris, July 9, 2021.**

After its meeting on July 8, 2021, SFL's Board of Directors has issued a favorable report on the mixed takeover bid made by Colonial on SFL shares ("the Offer"), which is subject to the examination by the French Financial Markets Authority (AMF).

Within the framework of the Offer, Colonial offers SFL shareholders the acquisition of the SFL shares they own, whose consideration consists of 1 SFL share (ex dividend) for:

- a cash amount of 46.66 euros and,
- 5 Colonial ordinary shares, newly issued (ex dividend)

It should be noted that the Offer is part of a set of operations related to the evolution of the existing partnership between SFL and Predica.

An ad hoc Committee was formed, made up of three independent members of the SFL Board of Directors, with the task of supervising the performance of the independent expert in the framework of issuing the report of the Board of Directors. This ad hoc Committee has met numerous times between April and June 2021 with the independent expert appointed by the Board of Directors on April 8, the audit firm Finexsi.

The independent expert has verified that the Offer would imply for SFL's shareholder a premium of 43.8% over the stock market price of SFL and Colonial on June 3, 2021, and a premium of 43.6% over the volume-weighted average price in 60 days, calculated on the same date. The weighted average price on that same date, presented a discount on the Net Value of Assets (NTA) of 43.8%.

The independent expert has also verified that the SFL shareholder who contributes shares in the Offer will receive Colonial shares, with significantly more liquidity and which will allow them to continue their exposure to the same sector and whose market price presents a lower discount on the Net Value of the Assets (NTA). The independent expert has thus concluded within the framework of its assignment that the terms of the Offer proposed for SFL's shares are equitable from a financial point of view for the company's shareholders.

The ad hoc Committee has taken into consideration the conclusions of the independent expert and the intentions expressed by Colonial in the brochure related to the takeover bid presented (*projet de note d'information*) and has thereby verified that the Offer presents an opportunity for shareholders minorities can benefit from immediate liquidity under conditions considered fair according to the independent expert.

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Likewise, the ad hoc Committee has recommended to SFL's Board of Directors to conclude that the Offer is in the interest of the company, its shareholders and its employees, as well as to recommend that the company's shareholders contribute their shares in the Offer.

About the base of the fairness opinion mainly and the positive recommendation of the ad hoc Committee, the Board of Directors, unanimously, has issued a favorable opinion on the Offer and has recommended the shareholders to contribute their shares in the Offer.

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### 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 included in this document should be read in conjunction with all publicly available information, in particular the information available on the Colonial website [www.inmocolonial.com](http://www.inmocolonial.com)."

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