

Pursuant to Section 227 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**” and together with its consolidated subsidiaries, the “**Group**”) hereby discloses the following

REGULATORY ANNOUNCEMENT (HECHO RELEVANTE)

Within the framework of the internal corporate reorganization of the Group, the board of directors of Colonial has started an integration process with some wholly owned subsidiaries. In this regard, the board of directors of Colonial and the sole directors of (i) Axiare Investigación, Desarrollo e Innovación, S.L.U.; (ii) Axiare Properties, S.L.U.; (iii) Chameleon (Cedro), S.L.U.; (iv) Colonial Arturo Soria, S.L.U.; (v) Colonial Invest, S.L.U.; (vi) Fincas y Representaciones, S.A.U.; (vii) Hofinac Real Estate, S.L.U.; (viii) LE Offices Egeo, S.A.U.; and (ix) Venusaur, S.L.U. (the “**Absorbed Companies**”) have approved today the common draft terms of the merger between Colonial, as the absorbing company, and the Absorbed Companies as the absorbed companies (the “**Common Draft Terms of the Merger**”).

To the extent that all the Absorbed Companies are wholly and directly owned by Colonial, the simplified regime established in Sections 49 and 51 of *Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles* applies to the merger.

The Common Draft Terms of the Merger will be available on Colonial’s corporate website (www.inmocolonial.com).

December 20, 2018.