



INMOBILIARIA COLONIAL, SOCIMI, S.A.

(incorporated as a limited liability company (*sociedad anónima*) in the Kingdom of Spain)

€5,000,000,000

Euro Medium Term Note Programme

This first supplement (the “**Supplement**”) to the base prospectus dated 18 May 2021 (the “**Base Prospectus**”) relating to the €5,000,000,000 Euro Medium Term Note Programme of Inmobiliaria Colonial, SOCIMI, S.A. (the “**Issuer**”, “**Colonial**” or the “**Company**” and together with its consolidated subsidiaries, “**we**”, “**us**”, “**our**” or the “**Group**”, unless otherwise indicated or the context otherwise requires), comprises a supplement to the Base Prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and is prepared in connection with the Euro Medium Term Note Programme (the “**Programme**”) of the Issuer. This first Supplement together with the Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement. The Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus (as so supplemented) issued by the Issuer. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the Central Bank of Ireland (the “**CBI**”), as competent authority under the Prospectus Regulation. The CBI only approves this Supplement as meeting the requirements of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or as an endorsement of the quality of any Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The purpose of this Supplement is to make certain amendments to the section entitled “*Information on the Issuer and the Group*”.

With effect from the date of this Supplement, and in order to reflect certain significant new factors relating to the information included in the Base Prospectus which are capable of affecting the assessment of the Notes issued under the Programme, the information set out in the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

Save as disclosed in this Supplement, there has been no other significant new factor and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any other statement in or incorporated by reference into the Base Prospectus, the statements referred to in (i) above will prevail.

INFORMATION ON THE ISSUER AND THE GROUP

The information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled “Information on the Issuer and the Group” on pages 116 to 128 of the Base Prospectus.

To this end, the below information shall be inserted as a new sub-section entitled “Recent Developments” immediately before the sub-section entitled “Share Capital” on the beginning of page 118, as follows:

“Recent Developments

On 3 June 2021, Colonial, SFL and Predica Prévoyance Dialogue du Crédit Agricole (“**Predica**”), reference shareholder in SFL directly holding 5,992,903 SFL shares (12.9% of SFL’s share capital), agreed the approval of certain concurrent corporate transactions that will allow Colonial to increase its current stake in SFL’s share capital from 81.7% to at least 94.1%, including the possibility of acquiring all of SFL’s share capital, to the extent that Predica transfers to Colonial and SFL its entire direct stake in the SFL’s share capital.

In relation to such corporate transactions:

- (i) SFL approved a corporate transaction with Predica under which Predica will transfer to SFL 3,664,259 SFL shares (7.9%) within the framework of a share buyback programme of SFL for subsequent cancellation, together 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 agreed:
 - (a) the subscription by Predica, subject to the approval by an Extraordinary General Meeting of Shareholders of Colonial, 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 Colonial (“**Predica’s Contribution**”). The new shares of Colonial will be issued with a nominal value of €2.50 each, plus a share premium of €7.50 per share, resulting in the effective value of the capital increase amounting to €224,947,010. The resulting exchange ratio of Predica’s Contribution was set at 9.66 Colonial shares, at a nominal value of €2.50 for each SFL share; and
 - (b) the filing of a takeover bid for all remaining 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 the approval by the Extraordinary General Meeting of Shareholders of Colonial 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 and the maximum number of Colonial shares will be 12,588,820 shares, as consideration for the 2,517,764 SFL shares (5.4%) subject to the Offer. The new Colonial shares will be issued at a nominal value of €2.50 each, plus a share premium of €7.50 per share, resulting in the effective value of the capital increase amounting to €125,888,200. The resulting exchange ratio of the Offer was set at €46.66 and 5 Colonial shares, at a nominal value of €2.50 each, for each SFL share.

Colonial and Predica are not acting and do not intend to act in concert in connection with such corporate transactions. Both the Asset Exchange and Predica’s Contribution are subject to certain customary conditions for these types of transactions.

In order to execute Predica’s Contribution and the Offer, the Board of Directors of Colonial agreed to call an Extraordinary General Meeting of Shareholders of Colonial to be held exclusively by virtual 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 Extraordinary General Meeting is expected to be held on second call.

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