

**FIRST SUPPLEMENT DATED 24 SEPTEMBER 2020 TO THE BASE PROSPECTUS DATED
19 DECEMBER 2019**



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 19 December 2019 (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 (which has taken all reasonable care to ensure that such is the case) 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 Comisión Nacional del Mercado de Valores (the “**CNMV**”), as competent authority under the Prospectus Regulation. The CNMV only approves this Supplement as meeting the requirements imposed under Spanish and EU law pursuant to the Prospectus Regulation and, therefore, 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 (i) incorporate by reference into the Base Prospectus the audited consolidated financial statements of the Issuer for the year ended 31 December 2019, together with the independent auditor’s report and the consolidated management report thereon; (ii) incorporate by reference into the Base Prospectus the unaudited condensed interim consolidated financial statements of the Issuer for the six-month period ended 30 June 2020, together with the auditor’s limited review report and the interim consolidated directors’ report thereon; and (iii) make certain amendments to the sections entitled “*Important Notices*”, “*Risk Factors*”, “*Information on the Issuer and the Group*”, “*Spanish SOCIMI Regime and Taxation*” and “*General Information*”.

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, or incorporated by reference into, 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.

DOCUMENTS INCORPORATED BY REFERENCE

In order to update the Issuer's consolidated financial information included in the Base Prospectus by incorporating by reference the Issuer's consolidated financial information for the year ended 31 December 2019 and the six-month period ended 30 June 2020, the information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled "Documents Incorporated by Reference" on pages 31 to 33 of the Base Prospectus by the inclusion of an addition to the cross-reference table as follows:

"Information incorporated by reference"	Page references ⁽¹⁾
(G) The audited consolidated financial statements of Inmobiliaria Colonial, SOCIMI, S.A. for the year ended 31 December 2019 together with the independent auditor's report and the consolidated management report thereon:	
(a) <i>Independent auditor's report on the consolidated annual accounts</i>	2-5
(b) <i>Consolidated financial statements of Inmobiliaria Colonial, SOCIMI, S.A. for the year ended 31 December 2019</i>	7-73
(c) <i>Consolidated management report corresponding to the year ended on 31 December 2019</i>	74-89
Available at: https://www.inmocolonial.com/sites/default/files/cc.aa_.2019_conso_ingles.pdf	
(H) The unaudited condensed interim consolidated financial statements of Inmobiliaria Colonial, SOCIMI, S.A. for the six-month period ended 30 June 2020, together with the auditor's limited review report and the interim consolidated directors' report thereon:	
(a) <i>Auditor's report on the limited review of the condensed interim consolidated financial statements</i>	2-3
(b) <i>Unaudited condensed interim consolidated financial statements of Inmobiliaria Colonial, SOCIMI, S.A. for the six-month period ended 30 June 2020</i>	4-34
(c) <i>Consolidated directors' report for the first half of 2020</i>	35-51
Available at: https://www.inmocolonial.com/sites/default/files/interim_consolidated_financial_statements_2020_06_30.pdf	

(1) The page references indicated for each document are to the page numbering of the electronic copies of such documents available at the locations specified in the table.

Unless specifically incorporated into this Base Prospectus, information contained on the Issuer's website or any other website referred to in this Base Prospectus, does not form part of this Base Prospectus and has not been scrutinised or approved by the CNMV."

IMPORTANT NOTICES

In order to update the cross-references for an explanation and reconciliation of the alternative performance measures included in the Base Prospectus, the information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled “Important Notices” on pages 3 to 6 of the Base Prospectus. To this end, the sub-section entitled “Alternative Performance Measures” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“ALTERNATIVE PERFORMANCE MEASURES

The financial data included in this Base Prospectus, in addition to the conventional financial performance measures established by IFRS-EU, contain certain alternative performance measures (“APMs”) that include EBIT, EBITDA, Gross Financial Debt, Net Financial Debt, EPRA NAV, EPRA NNNAV, Gross Asset Value excluding Transfer costs, Gross Asset Value including Transfer costs, Like-for-like Rental Income, Like-for-like Valuation, Loan to Value (“LTV”) Group and Holding Company LTV. These APMs are presented for purposes of providing investors with a better understanding of Colonial’s financial performance, cash flows or financial position as they are used by Colonial when managing its business.

Such measures have not been prepared in accordance with IFRS-EU, have been extracted or derived from the accounting records or other management systems of the Group, have not been audited and should not be considered as a substitute for those required by IFRS-EU.

For an explanation and reconciliation of these APMs, see note 9 (*Alternative Performance Measures (European Securities Markets Authority)*) to the Issuer’s consolidated management report corresponding to the year ended on 31 December 2019 and note 9 (*Alternative Performance Measures (European Securities Markets Authority)*) to the Issuer’s consolidated directors’ report for the first half of 2020, both of which are incorporated by reference into this Base Prospectus.”

RISK FACTORS

The information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled “Risk Factors” on pages 15 to 30 of the Base Prospectus.

1. To this end, and in order to describe the risks derived from the COVID-19 pandemic, a new risk factor shall, by virtue of this Supplement, be included as the first risk factor in the sub-section entitled “Risks Relating to our Business” as follows:

“The COVID-19 health crisis and its economic and social consequences at the global level, which are currently uncertain, are affecting and could continue to affect our activities and results

There is currently great uncertainty globally due to the events linked to the spread of the SARS-CoV-2 coronavirus, which causes the disease COVID-19, and which was declared a “pandemic” by the World Health Organization (“WHO”) in March 2020.

Faced with the rapid spread of the coronavirus worldwide, governments of many countries, including Spain and France, have taken and are continuing to take unprecedented measures to contain the spread of the coronavirus, such as imposing restrictions on the freedom of movement of citizens. For example, on 14 March 2020, Royal Decree 463/2020, of March 14, was approved in Spain (modified by Royal Decree 465/2020, of 17 March) which, among other things, suspended the opening to the public of premises and retail establishments that were not aimed basic commercial activity. Additionally, the Spanish government approved on 17 March 2020 Royal Decree-Law 8/2020, of March 17, in order to mitigate the economic and social impact caused by COVID-19 in Spain, and on 29 March 2020, Royal Decree-Law 10/2020, of March 29, was approved, which, among other things, imposed a standstill of all non-essential economic activity for two weeks. Although many countries started to lift implemented restrictions in the early summer of 2020, restrictions were reintroduced in recent weeks as a result of a second wave of COVID-19 cases around the world, including in Spain and France, where the number of COVID-19 cases started to rise again significantly in August and September 2020. A continuation of this second wave of infections could lead to additional restrictions being imposed, which, in turn, could have a material adverse impact on the Spanish and French economies.

The measures adopted to date in Spain as a result of COVID-19 primarily affect the retail sector, in which we have a reduced exposure. As further explained under “—Our business may be affected by adverse conditions in the Spanish and French economies and the Eurozone” below, we almost exclusively operate in the office rental market (93% and 96% of rental income for the six months ended 30 June 2020 and the year ended 31 December 2019, respectively), with the logistics markets and others accounting for 7% and 4% of rental income for these periods, respectively.

In France (where we operate through our subsidiary Société Foncière Lyonnaise (“SFL”)), specific regulations have also been implemented as a result of the spread of COVID-19, which are similar to those taken in Spain.

During recent months and against the backdrop of the coronavirus pandemic, listed companies, including the Issuer, have generally suffered significant decreases in their share price in trading sessions marked by high volatility.

In view of this situation, we have implemented a number of measures, including:

- (i) *Permanent protection and support for employees and management team*: this has included remote working by staff in order to protect the health and safety of our employees, as well as the continuity of our business activity and client service;
- (ii) *Asset protection*: this has included the establishment of action protocols consisting of preventive and

corrective measures in all buildings in order to ensure the health and safety of all users of the buildings, as well as a series of measures in order to ensure the health and safety in a phased return to work;

(iii) *Client service*: we are providing individual assistance to clients who are suffering from great financial hardship due to the coronavirus crisis, in particular small and medium-sized enterprises in the retail sector. To that end, we are analysing and negotiating rent deferrals or, exceptionally, rent rebates with a special focus on companies that are in financial difficulties as a result of, and in the context of, the prohibitions imposed on the carrying out of their business activities in the commerce or leisure sector;

(iv) *Project and investment portfolio*: we have reviewed our project portfolio and have decided to delay the investments planned for 2020 by an amount of €60 million, including to delay the development of our “Méndez Álvaro” asset. Notwithstanding the foregoing, we do not currently expect to incur any relevant penalties or liabilities as a result of such delays. In addition, we have also reviewed our investment policies and criteria in accordance with a more conservative scenario;

(v) *Divestment processes*: we have continued with the management of our planned divestment processes and have not identified any relevant commitment or liability in our investments and divestments. For example, in March 2020, we sold a non-core asset (Hotel Mojácar) for an amount of €8.4 million, which represents a premium of more than 22% over the valuation of the asset carried out in December 2019. We also received €13 million in deferred payments from the sale of our Hotel Centro Norte asset that occurred in 2019. In addition, on 1 July 2020, the purchase options granted in 2019 on five logistics assets were exercised. The exercise price of these options amounted to €110.9 million, of which the Issuer had already received €11.1 million as an advance in 2019;

(vi) *Dividends*: in May 2020, under the provisions of Article 40.6 bis of Royal Decree-Law 8/2020, of March 17, the Issuer’s Board of Directors considered appropriate, from a perspective of financial prudence, to reduce by 9% the proposed amount of dividends to be distributed which had been contained in the Issuer’s consolidated financial statements for the year ended 31 December 2019, on account of the uncertainty caused by the COVID-19 crisis. The final distribution of dividends approved was €0.20 per share instead of the initial €0.22 per share contained in the proposal described in the Issuer’s consolidated financial statements for the year ended 31 December 2019; and

(vii) *Communication*: this has included the creation of new communication channels with employees, highlighting, among other measures, the organisation of weekly meetings with all our employees in order to maintain fluid and close communication in relation to the various actions taken and measures adopted by us to ensure our business activity and the continuation of our services.

In light of the current situation, and given the fact that there is currently no effective treatment against COVID-19, the economic and social impact of the spread of the coronavirus pandemic is uncertain, particularly the impact on certain sectors of the economy, such as the real estate sector in which we operate. While our gross rental income during the first six months of 2020 increased by 2% when compared to the same period in 2019, as of 30 June 2020, we estimated a decrease of approximately 2% of our rental income for the year 2020 due to rent deferrals and rent rebates negotiated with certain of our tenants and there can be no assurance that the impact of the coronavirus pandemic on the economy as a whole and our clients in particular, including as a result of the mitigation measures adopted by the Spanish and French governments, will not have a material adverse impact on our results of operations in the future.

In addition, and notwithstanding the fact that the rating agencies Standard & Poor’s and Moody’s have so far maintained our credit rating, we cannot rule out that the spread of COVID-19 may not adversely affect the ability of our clients to make rental payments, the valuation of our Property Portfolio, the renewal of lease agreements, the timing of the expected completion of our ongoing projects, the demand of assets in certain locations or with certain characteristics, any divestments we may want to carry out, the level of our indebtedness or our credit

ratings. All of the foregoing could have a material adverse impact on our financial condition, business, prospects and results of operations.

We are currently unable to predict the consequences that the COVID-19 pandemic will have on our activities and results in the future, as these will vary greatly depending on the evolution and extent of the pandemic in the coming weeks and months, as well as the capacity of governments, central banks and businesses to react and adapt to the circumstances. As a result, the health crisis caused by COVID-19 and its global economic and social consequences, although still uncertain, could have a material adverse impact on our financial condition, business, prospects and results of operations.”

2. In addition, and in order to (i) update the Issuer's financial information with information derived from the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020 and (ii) reflect the risks derived from the COVID-19 pandemic, the risk factor entitled "Our business may be affected by adverse conditions in the Spanish and French economies and the Eurozone" in the sub-section entitled "Risks Relating to our Business" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"Our business may be affected by adverse conditions in the Spanish and French economies and the Eurozone

As at the date of this Base Prospectus, the location of our real estate assets is currently exclusively concentrated in Spain (Madrid and Barcelona) and France (Paris, through our subsidiary SFL). During the six months ended 30 June 2020, 51% and 49% of our total revenue came from France and Spain, respectively. We almost exclusively operate in the office rental market in the cities of Barcelona, Madrid and Paris (14%, 32% and 51% of our rental revenue during the six months ended 30 June 2020, respectively), and additionally in Spain in the logistics market and others (3% of our rental revenue during the six months ended 30 June 2020). In addition, according to the valuations of our Property Portfolio made by independent appraisers, as of 30 June 2020, 12%, 26% and 60% of the total value of the assets of the Group were located in Barcelona, Madrid and Paris, respectively, and the remaining 2% were considered logistics assets and other assets also located in Spain. Also, as of 30 June 2020, 22% (433,094 sqm), 44% (841,858 sqm) and 23% (442,218 sqm) of the Group's office rental properties were located in Barcelona, Madrid and Paris, respectively, and 11% (211,923 sqm), corresponded to the logistics portfolio, located entirely in Spain.

As the real estate markets are typically cyclical in nature and follow the performance of the wider economy, we are exposed to any factors that adversely affect the Spanish and French economy and, particularly, the economic conditions in Madrid, Barcelona and Paris. While the exact impact of the COVID-19 pandemic on the Spanish and French economies is uncertain, there is growing concern of a severe and prolonged economic downturn across major economies as a result of the pandemic, including Spain and France. In particular, in the second quarter of 2020, GDP decreased by 18.5% in Spain and 13.8% in France, respectively, when compared to the first quarter of 2020. It is expected that the uncertainty of economic conditions will remain during the second half of 2020 and could lead to uneven recessionary conditions and an uncertain recovery.

In addition, there is still uncertainty surrounding the conditions for the departure of the United Kingdom from the EU following the end of the transition period on 31 December 2020 and the impact this may have on the European economy, the markets and companies in general.

In Spain and France, political and social instability has increased during recent years. In particular, the uncertainty generated by the political situation in Spain and, in particular, in Catalonia could have an impact on the Spanish economy. If political tensions were to re-emerge or intensify, this could have a negative impact on both the financial condition and the current macroeconomic scenario in Spain. There is also significant uncertainty around Spanish government policies given the high level of fragmentation in the Spanish parliament.

Any such adverse economic conditions and uncertainty may have a negative impact on investor confidence, consumer spending, levels of employment, rental revenues, vacancy rates and real estate values, demand for office space, financing costs or the ability of our tenants to meet their rental payment obligations and, accordingly, could have a material adverse effect on our financial condition, business, prospects and results of operations."

3. In addition, and in order to (i) update the Issuer's financial information with information derived from the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020 and (ii) reflect the risks derived from the COVID-19 pandemic, the risk factor entitled "Our activities are concentrated in the letting of offices and, in particular, in the letting offices in the central business districts of Paris, Madrid and Barcelona" in the sub-section entitled "Risks Relating to our Business" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"Our activities are concentrated in the letting of offices and, in particular, in the letting offices in the central business districts of Paris, Madrid and Barcelona"

Our main activity is the management and development of buildings for rental, mainly offices in the central business district ("CBD") in Paris, Madrid and Barcelona. As at 30 June 2020, the letting of offices represented 93% of our rental income and 76% of this income originated from rents obtained in the CBD at 30 June 2020. Furthermore, as at 30 June 2020, 47% of the total sqm surface of our Property Portfolio was located in the CBD. Consequently, changes in trends of preference about the offices' location in these areas could have a material adverse effect on our financial condition, business, prospects and results of operations.

In particular, the impact of the COVID-19 pandemic could significantly affect the office letting activity.

This includes the following factors:

- the imposition of lockdowns, quarantines, restrictions on travel, social distancing rules and restrictions on types of business that may be allowed to operate are having a significant impact on tenants of office spaces;
- difficulty in collecting rent payments, on time or at all, from certain tenants, in particular those that are unable to operate due to the lockdown measures and other restrictions imposed by government;
- cashflow difficulties and deterioration in credit and financing conditions which may affect tenants' ability to access capital necessary to fund business operations, which, in turn, may affect their ability to pay rent on time or at all or may lead to such tenants becoming insolvent;
- tenants' ability to operate their business in compliance with new health and safety rules, regulations and recommendations, such as restrictions on, or changes made by businesses for, social-distancing and hygiene/sanitation reasons;
- a downward trend in property values and rent levels or tenants' requests for payment holidays, rent reductions and rent cancellations; and
- a decrease in demand for commercial property assets, either for certain types or in certain locations or more generally, as a result of travel restrictions or other confinement measures, a general slowdown of the economy or a change in established working patterns in tenants' businesses through a sustained shift to "working from home" and "remote working / meeting" arrangements on an extended or permanent basis. For example, there is currently a draft bill in Spain that proposes to regulate key aspects of remote working.

Any of the above could have a material adverse effect on our financial condition, business, prospects and results of operations."

4. In addition, and in order to (i) update the Issuer's financial information with information derived from the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020 and (ii) reflect the risks derived from the COVID-19 pandemic, the risk factor entitled "The valuation of our real estate asset portfolio may not precisely and accurately reflect the value of our assets at any given time" in the sub-section entitled "Risks Relating to our Business" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"The valuation of our real estate asset portfolio may not precisely and accurately reflect the value of our assets at any given time

As stated in note 5 to the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June, which is incorporated by reference to this Base Prospectus, twice a year we engage independent appraisers to prepare a valuation of all assets that form part of our Property Portfolio. On 30 June 2020, the assets comprising our Property Portfolio were valued by the independent appraisers at an amount of approximately €12,163,824 thousand (this amount includes the full value of the assets that we hold indirectly through joint ventures in which we have a stake of 50% or more), based on certain assumptions and different valuation methods, a slight decrease when compared to the valuation as at 31 December 2019 (approximately €12,196,429 thousand).

The Group books, periodically (every half year), the corresponding revaluation or impairment as a result of adjusting the carrying amount of each of the assets at their fair value in accordance with IAS 40. This value is determined by taking as reference the values attributed to each of the properties by independent appraisers. As at 30 June 2020, the Group recognised in the consolidated income statement ("changes in value of investment property") investment property revaluation losses for the six-month period ended 30 June 2020 amounting to €107,250 thousand, based on the valuations made by the independent appraisers as at 30 June 2020. The revaluation, which has been recorded in both France and Spain, is the result of the decrease in the appraisal value of the assets in our Property Portfolio.

The valuation of property and property related assets is inherently subjective, in part because all property valuations are made on the basis of assumptions which may not prove to be accurate (particularly in periods of volatility or low transaction flow in the commercial real estate market), and in part because of the individual nature of each property. Therefore, property valuations might not accurately reflect the current market value of the Property Portfolio at a certain time. While the independent appraisers carry out their valuation applying mainly objective market criteria to each of such assets, real estate valuation is inherently subjective and relies on a number of assumptions based on the features of each property. In the event that certain information, estimates or assumptions used by such independent appraisers turn out to be inaccurate or incorrect, this could cause their valuations of our Property Portfolio to be materially incorrect and may require such valuations to be revised.

For example, during the first six months of 2020, real estate market activity has been adversely affected by the COVID-19 pandemic and appraisers consider that they cannot base their opinion of value on market and comparable evidence prior to this situation. Appraisers state that they are faced with an unprecedented situation on which to base their opinion, which is why their valuation is subject to substantial valuation uncertainty in accordance with the VPS 3 and VPGA 10 of the RICS Global Valuation Standards, which state that, with less certainty, a higher degree of valuation caution should be taken into account than under normal conditions. Appraisers emphasise that the inclusion of the valuation uncertainty clause does not mean that the valuation cannot be relied upon, but rather that it is included to ensure transparency that, in these extraordinary circumstances, the valuation has less certainty than it would normally have.

However, the market value of real estate assets, including commercial land under development and buildings of any nature could decrease due to a number of other factors as well, such as increases in the risk premium leading to lower than expected returns, our inability to obtain or maintain necessary licenses, decline in

demand, planning and zoning developments, regulatory changes, and other factors, some of which may be beyond our control. We cannot currently predict the future impact of the COVID-19 pandemic on the assets in our Property Portfolio or the wider real estate markets in Spain and France. Any downward revision of the valuation of our Property Portfolio, whether as a result of the COVID-19 pandemic or otherwise, may require us to include a loss in our financial statements, which, in turn, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.”

5. In addition, and in order to (i) update the Issuer's financial information with information derived from the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020 and (ii) reflect the risks derived from the COVID-19 pandemic, the risk factor entitled "We rely on debt financing for a significant part of our funding needs" in the sub-section entitled "Risks Relating to our Financing" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"We rely on debt financing for a significant part of our funding needs"

As a company operating in the real estate sector, we require significant levels of investment to fund the development of our projects and the growth of our business through the acquisition of real estate. To finance our business, we typically use bank loans, mortgage loans, debt and capital increases. If we do not have access to such financing or alternative financing such as debt issuances or share capital increases, or in the event we are unable to obtain financing on favourable terms or at all, our capacity to refinance our debt and/or our ability to grow our business could be harmed, which would have a negative effect on our strategy and business. This risk is particularly relevant in adverse market conditions such as those currently prevalent as a result of the COVID-19 pandemic. While such adverse market conditions have so far not had a significant adverse impact on the Group's ability to access debt financing, there can be no assurance that this will not be the case in the future. Our inability to access financing or obtaining financing on suitable terms, could have an adverse effect on our business activity and limit our growth, both of which could have a negative impact on our business and results of operations.

Our Net Financial Indebtedness (calculated as the gross financial indebtedness (€5.5 billion) less cash and cash equivalents) was €4.7 billion as at 30 June 2020. Our Loan to Value was 36.6% as at 30 June 2020 (calculated as net financial indebtedness (gross financial indebtedness less cash and cash equivalents) divided by gross asset valuation), compared with 36.1% as at 31 December 2019. Additionally, as at 30 June 2020, of the total amount of gross financial indebtedness of the Group, current debt (with maturity of less than 1 year) represented 6%. The weighted average cost of the Group's current debt was 1.69% as at 30 June 2020 compared to 1.63% as at 31 December 2019.

Therefore, we are subject to risks normally associated with debt financing, including the risk that the cash flow from our operations is insufficient to meet our debt service requirements. If we do not have enough cash to service our debt, meet other obligations and fund other liquidity needs, we may be required to take actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital. These alternative measures may be costly, may not be successful and may not permit the Group to satisfy all of its scheduled debt service requirements. We cannot assure you that any of these remedies, including obtaining appropriate waivers from our lenders, can be effected on reasonable terms or at all. In addition, any significant increase of leverage by the Group could restrict or limit access to financial markets and could have a negative impact on the credit rating of Colonial. In addition, despite working with lenders of recognised solvency, we cannot guarantee that the counterparties in our financing contracts will comply with their obligations in the future.

Furthermore, our financing is subject to our complying with certain covenants. These include a change of control and determined levels of certain economic ratios as defined in each contract (loan to value ratio, debt service ratio, interest cover ratio, and others). While as of 30 June 2020, the Group had complied with all of the required covenants, any failure to comply with these covenants (including those contained in "Terms and Conditions of the Notes—Condition 6"), including as a result of the occurrence of extraordinary or unforeseen events, could result in an event of default under the Notes and such debt facilities, as well as early termination of such debt facilities.

Any of the foregoing factors could have a material adverse effect on our financial condition, business, prospects and results of operations."

6. In addition, and in order to (i) reflect the most recent revisions of the Issuer’s credit ratings and (ii) reflect the risks derived from the COVID-19 pandemic, the risk factor entitled “A decrease in credit rating could adversely affect the Group” in the sub-section entitled “Risks Relating to our Financing” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“A decrease in credit rating could adversely affect the Group

The following table lists the credit ratings (rating) that Colonial currently has, both long-term and short-term, by Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Limited, which are both credit rating agencies registered under the CRA Regulation.

Credit rating agencies	Long term	Short term	Perspective	Date last revision rating
Standard & Poor’s Credit Market Services Europe Limited ⁽¹⁾ ...	BBB+	A-2	Stable	30/04/2020
Moody’s Investors Service Limited ⁽¹⁾	Baa2	—	Stable	28/04/2020

(1) Rating agency registered under the CRA Regulation.

Since April 2017, SFL has been assigned a long-term credit rating of “BBB+” and a short-term credit rating of “A-2”, with a stable outlook, by S&P Global Ratings Europe Limited. The credit ratings of the Group companies can be found on the Colonial website (<https://www.inmocolonial.com/en/shareholders-investors/fixe-income/rating>).

There can be no assurance that the credit ratings currently granted to the Group companies will be maintained over time, as credit ratings are periodically reviewed and updated and depend on various factors, some of which may be beyond the Group’s control, such as, for example, the spread of the COVID-19 pandemic. Therefore, the credit ratings of the Group companies may suffer decreases and may be suspended or withdrawn at any time by the relevant credit rating agencies.

Credit ratings are not a recommendation to purchase, subscribe, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the rating agency awarding the rating. However, credit ratings affect the cost as well as other conditions in relation to our financings. Any downgrade of the credit rating of the Group would increase our borrowing costs and could restrict or limit access to financial markets, which could adversely affect our liquidity and could have a material adverse effect on our financial condition, business, prospects and results of operations.”

7. In addition, and in order to update the Issuer's financial information with information derived from the Issuer's consolidated financial statements for the year ended 31 December 2019, the risk factor entitled "Deferred tax assets at risk" in the sub-section entitled "Risks Relating to Taxation" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"Deferred tax assets at risk

As a result of losses incurred in previous years, as at 31 December 2019, the unused prior year's tax loss carryforward amounted to €5,414,083 thousand, without having recorded any tax credit at that date.

As described above, currently (under the SOCIMI Regime), the offset of tax losses is only available for Colonial for income that must be taxed in accordance with the general Corporate Income Tax regime and at the general Corporate Income Tax rate.

In accordance with Law 27/2014, of November 27 (*Ley 27/2014, de 27 de noviembre, del Impuesto de Sociedades*), as from 1 January 2015, there is no longer a maximum limit of years to carry forward tax losses and use them to offset taxable profits. However, the maximum offset has been limited to 70% from 2017. The Royal Decree-Law 3/2016, of 2 December, limited the compensation of the carried forward tax losses to 25% of the taxable base for those entities whose turnover is at least €60 million.

Therefore, if there is a change in law that would eliminate or further limit the right to offset deferred tax assets, this could have a material adverse effect on the value of our deferred tax asset as well as our financial condition, business, prospects and results of operations. Nevertheless, this item may not have a relevant practical impact considering that SOCIMIs are taxed at a 0% Corporate Income Tax rate on certain income."

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 130 to 142 of the Base Prospectus.

1. To this end, and in order to reflect the exercise of purchase options granted in relation to the sale of the Issuer’s logistics portfolio in 2019, a new sub-section entitled “Recent Developments” shall, by virtue of this Supplement, be included immediately before the sub-section entitled “Share Capital”, as follows:

“Recent Developments

Further to the information set out under “—History—Sale of logistics portfolio”, on 1 July 2020, the purchase options granted in 2019 on five logistics assets were exercised. The exercise price of these options amounted to €110.9 million, of which the Issuer had already received €11.1 million as an advance in 2019. The exercise of these options is not expected to have a material impact on the Issuer’s consolidated financial statements for the year ending 31 December 2020 as they were already recorded in the Issuer’s audited consolidated financial statements for the year ended 31 December 2019 as “assets held for sale” at the exercise price of these options less cost of sales.”

2. In addition, and in order to update the Issuer's financial information with information derived from the Issuer's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2020, the sub-section entitled "Our Core Rental Business" shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

"Our Core Rental Business"

Our rental business comprises the management of our Property Portfolio, which is mainly made up of office buildings and, to a lesser extent, commercial or retail premises, as well as the sale of real estate assets.

We focus on the rental of quality office buildings in prime locations in the CBD of Barcelona, Madrid and Paris (the latter is done through SFL, in which we hold a stake of 81.71% as at the date of this Supplement) (see "*—History—SFL (2018)*"). As part of this activity, we have an active asset rotation strategy and undertake important refurbishment projects.

As at 30 June 2020, our Property Portfolio was made up of 93 buildings and projects with a total surface of 1,929,094 sqm, from which 42,247 sqm corresponded with 32 new rental contracts signed in the first six months of 2020 and which are distributed as follows: 15,664 sqm in Paris (of which 15,664 sqm are above ground) across nine transactions; 5,839 sqm in Madrid (of which 5,839 sqm are above ground) across six transactions; 20,744 sqm in Barcelona (of which 20,744 sqm are above ground) across 17 transactions. The Property Portfolio currently includes 10 projects under construction or refurbishment as well as a number of buildings partially under refurbishment, representing a total surface of 200,653 sqm above ground.

As at 30 June 2020, the assets forming our rental business were valued at an amount of €12,163,824 thousand by independent appraisers. As at 30 June 2020, based on the valuation, 40% of this value corresponded to assets located in Spain and 60% to assets located in France (held through SFL).

Breakdown of revenues from rentals by category and location

During the six months ended 30 June 2020, the largest component of our rental revenues (93%) derived from our office buildings. Our rental business in France, carried out by SFL, generated 51% of our rental revenues (€91,190 thousand), while Spain generated 49% of our rental revenues (€86,917 thousand). In attributable terms, that is, taking into account the rental revenues per asset attributable to our Company's holding of each asset (which is calculated by multiplying the percentage of each asset owned by our Company with the revenue of the asset), approximately 57% of the rental revenues were generated in Spain and the rest in France.

The following table below shows a detailed unaudited breakdown of the category of asset and the geographical distribution of our revenues from rentals based on management measures during the six months ended 30 June 2020 and 2019, and for the years ended 31 December 2019 and 2018:

Revenues from rentals	Six months ended 30 June 2020 (unaudited) (€ millions)	Increase/decrease first six months 2020-2019 (unaudited) %	Six months ended 30 June 2019 (unaudited) (€ millions)	Year ended December 2019 (€ millions)	Increase/decrease 2019-2018 %	Year ended December 2018 (€ millions)
Madrid offices	57	32%	43	89	(2)%	91
Barcelona offices ...	25	9%	23	47	18%	40
Retail	3	1,400%	0.2	0.9	(6)%	0.96
Rest of uses	0.1	(75%)	0.4	2	(13)%	3
Logistic	1	(90%)	10	16	(16)%	19

Total Spain	86	12%	77	155	1%	153
Paris offices.....	84	9%	77	157	3%	152
Paris retail	6	(69%)	19	38	(0%)	38
Rest of uses	2	(39%)	3	4	0%	4
Total France	91	(7%)	98	199	3%	194
Total Revenues from rentals	178	2%	175	355	2%	348

Occupancy Rate

We refer to “**Occupancy Rate**” as the percentage of surfaces in operation that are occupied. We refer to “**EPRA Occupancy**” as the economic occupancy calculated according to EPRA recommendations (occupied surface areas multiplied by the market rental prices divided by surfaces in operation at market rental prices). The EPRA Occupancy for our office Property Portfolio stood at 96% at 30 June 2020.

The EPRA Occupancy of our Property Portfolio in respect of office use as of 30 June 2020 and 31 December 2019 and 2018 broken down by geographical area was as follows:

	<u>As of 30 June</u>	<u>As of 31 December</u>	
	<u>2020</u>	<u>2019</u>	<u>2018</u>
EPRA Occupancy by location—offices	(unaudited)	(unaudited)	(unaudited)
Barcelona	96%	98%	99%
Madrid	96%	96%	89%
Paris	96%	98%	99%
Total	96%	98%	96%

The EPRA Occupancy of our Property Portfolio including other uses was 96% at 30 June 2020.

Letting performance and lease terms

In the six months ended 30 June 2020, the Group signed leases for a total of 42,247 sqm. Of the total contracts, 63% (26,583 sqm) were signed in Barcelona and Madrid, (8,194 sqm of which corresponded to new rentals of empty surfaces), and 15,664 sqm were signed in Paris (8,592 sqm correspond to new rentals of empty surfaces).

Regarding the number of rental renewals in the contract portfolio, 25,461 sqm of renewals were signed in the six months ended 30 June 2020. This high volume of renewals shows our Group’s capacity to retain clients.

Lease terms and market rents

The average lease term in our Property Portfolio was approximately 4.2 years as at 30 June 2020, although depending on the location, the average is slightly different, as set out in the table below, which provides the average maturity of the leases in our Property Portfolio, by market, as at 30 June 2020:

Market	Years
Barcelona	2.2
Madrid	2.8
Paris	5.3

Market Value of Assets

We instruct independent appraisers, every six months, to prepare a valuation of all the assets that make up our Property Portfolio.

The valuation is based on the independent appraisers' estimate of the market prices that could be obtained for our Property Portfolio at that date. However, the valuation of property is inherently subjective due to the individual nature of each property. The valuation is prepared by the independent appraisers on the basis of certain information provided by us which was not independently verified.

We cannot assure that any of our properties making up our Property Portfolio could have been or could be sold at their respective market values set forth in the valuation, if at all, or that the actual market value of our Property Portfolio, whether or not equivalent to the values set forth in the valuation, will not decline significantly over time due to various factors, including as a result of the COVID-19 pandemic and changing macro- and microeconomic conditions in the countries in which portions of our Property Portfolio are currently located or may be located in the future and other factors set forth under “*Risk Factors*”.

Valuation of the rental portfolio as at 30 June 2020

As at 30 June 2020, the gross market asset value of our Property Portfolio was valued at an amount of approximately €12,163,824 thousand by independent appraisers (this amount includes the full value of the assets that we hold indirectly through joint ventures in which we have a stake of 50% or more based on certain assumptions and different valuation methods (a 3% increase compared to 30 June 2019)). The valuation of our Group's assets at 30 June 2020 decreased by 4% like-for-like compared to the previous year. Like-for-like comparison means the data that can be compared between one period and another (excluding investments and disposals).

The valuation sets out the market value of the property according to the Professional Standards and Valuation Practice Statements contained in the Royal Institute of Chartered Surveyors (RICS) Red Book, which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. See also “*Risk Factors—Risks Relating to our Business—The valuation of our real estate asset portfolio may not precisely and accurately reflect the value of our assets at any given time*”. The table below shows the breakdown of value by segment (properties in operation and projects) and location as at 30 June 2020 and 2019:

Breakdown of value by segment (unaudited)						
Asset valuation	Value as of 30 June 2020 ⁽¹⁾	Value as of 30 June 2019⁽¹⁾	Increase/decrease		Like-for-like basis⁽²⁾⁽³⁾ 30 June 2020 vs. 30 June 2019	
	(€ in thousands)	(€ in thousands)	(€ in thousands)	%	(€ in thousands)	%
Gross asset values excluding transfer cost						
Barcelona	1,499,940	1,267,630	232,310	18.3%	65,570	4.9%
Madrid	2,568,320	2,460,002	108,318	4.4%	8,938	0.4%
Paris	6,454,910	6,483,577	(28,667)	(0.4)%	204,342	3.3%
Portfolio in operation⁽²⁾	10,523,170	10,211,209	311,961	3.1%	278,850	2.8%

Projects	1,378,711	1,098,537	280,174	25.5%	202,265	17.2%
Logistic & Others	261,943	487,892	(225,949)	(46.3)%	4,000	1.6%
Colonial Group	12,163,824	11,797,638	366,186	3.1%	503,195	4.4%
Spain	4,924,823	4,974,524	(49,701)	(1.0%)	87,308	1.8%
France	7,239,001	6,823,114	415,887	6.1%	415,887	6.1%
Gross asset values including transfer cost						
Total Group assets	12,772,975	12,390,489	382,486	3.1%	525,039	4.3%
Spain	5,057,881	5,114,772	(56,890)	(1.1)%	85,663	1.8%
France	7,715,093	7,275,717	439,376	6%	439,376	6.0%

(Source: independent appraisers)

Notes:

- (1) Property Portfolio in comparable terms (calculated on the basis of like-for-like valuation).
- (2) Like-for-like comparison means the data that can be compared between one period and another (excluding investments and disposals).
- (3) Property Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects."

3. In addition, and in order to reflect (i) the resignation of Mr. Carlos Fernández Lerga Garralda and Mr. Javier Iglesias de Ussel Ordis from the Board of Directors, (ii) the reappointment on 30 June 2020 of Sheikh Ali Jassim M. J. Al-Thani, Mr. Adnane Mousannif and Mr. Carlos Fernández González as directors and (iii) the appointment of Mr. Luis Maluquer Trepas as Lead Independent Director, the sub-section entitled “Board of Directors” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“Board of Directors

The following table sets out the name, date of first and most recent appointment to the Issuer’s Board of Directors, position and the status of each member of the Issuer’s Board of Directors as at the date of this Supplement:

Name	Date of first appointment	Date of most recent appointment	Position	Status	Appointment proposed by
Mr. Juan José Brugera Clavero.....	06/19/2008	05/24/2018	Chairman ⁽¹⁾	Executive	—
Mr. Pedro Viñolas Serra.....	07/18/2008	05/24/2018	Chief Executive Officer and Vice-Chairman	Executive	—
Sheikh Ali Jassim M. J. Al-Thani.....	11/12/2015	06/30/2020	Director	Proprietary	Qatar Investment Authority
Mr. Adnane Mousannif	06/28/2016	06/30/2020	Director	Proprietary	Qatar Investment Authority
Mr. Juan Carlos García Cañizares	06/30/2014	05/24/2018	Director	Proprietary	Aguila LTD.
Mr. Luis Maluquer Trepas.....	07/31/2013	05/24/2018	Lead Independent Director	Independent	—
Mr. Carlos Fernández González.....	06/28/2016	06/30/2020	Director	Proprietary	Finaccess Group
Mr. Javier López Casado	05/24/2018	05/24/2018	Director	Proprietary	Finaccess Group
Ms. Silvia-Mónica Alonso-Castrillo Allain	01/24/2019	06/14/2019	Director	Independent	—
Ms. Ana Bolado Valle.	06/14/2019	06/14/2019	Director	Independent	—
Ms. Ana Peralta Moreno.....	06/14/2019	06/14/2019	Director	Independent	—
Mr. Francisco Palá Laguna	05/13/2008	05/13/2008	Non-executive Secretary	—	—
Ms. Nuria Oferil Coll ..	05/12/2010	05/12/2010	Non-executive Vice-Secretary	—	—

Notes:

(1) Mr. Juan José Brugera Clavero has been delegated some of the faculties of the Board of Directors. However, the Chief Executive Officer of the Issuer is Mr. Pedro Viñolas Serra who has been delegated all faculties in accordance with the law.

The business address of each member of the Board of Directors of the Issuer is Paseo de la Castellana, 52, 28046 Madrid.”

SPANISH SOCIMI REGIME AND TAXATION

The information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled “Spanish SOCIMI Regime and Taxation” on pages 143 to 156 of the Base Prospectus.

1. To this end, and in order to reflect the most recent negotiations surrounding the proposed financial transaction tax in the EU, the sub-section entitled “2. The Proposed Financial Transactions Tax (“EU FTT”)” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“2. The Proposed Financial Transactions Tax (“EU FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). However, Estonia has since stated that it will not participate and has already pulled out of the EU FTT.

The Commission’s Proposal had very broad scope and could, if introduced as drafted, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, on 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited EU FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

Notwithstanding the above, the EU FTT proposal remains subject to negotiation between the remaining Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Furthermore, additional EU Member States may decide to participate and participating Members States may withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.”

2. In addition, and in order to reflect the most recent developments with regard to the proposed financial transaction tax in Spain, the sub-section entitled “3. The proposed Spanish Financial Transactions Tax” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“3. The proposed Spanish Financial Transactions Tax

On 18 February 2020, the Spanish Council of Ministers approved a draft bill (the “**Draft Bill**”), according to which, due to the delay in the EU FTT being approved, the intention is to implement a Spanish financial transactions tax (the “**Spanish FTT**”). However, the Spanish Council of Ministers stated that Spain would continue to participate in the enhanced co-operation for the approval of the EU FTT and, if finally approved, Spain would adapt the Spanish FTT to align it with the EU FTT.

According to the Draft Bill, the Spanish FTT will be aligned with the French and Italian financial transactions tax. Specifically, it is proposed that a Spanish FTT, at a rate of 0.2%, would apply to certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. While, as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that any such Spanish FTT would not apply to an issue of Notes in the future.

The Draft Bill was approved by the Spanish Parliament on 30 July 2020 and has subsequently been sent to the Senate for debate and approval. As a result, some of the proposed measures could be modified during the legislative process. Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.”

3. In addition, and in order to update the reference to Royal Decree-Law 27/2018 with a reference to Royal Decree Law 18/2019, the sub-section entitled “Wealth Tax (*Impuesto sobre el Patrimonio*)” under the heading “4. The Kingdom of Spain” and sub-heading “1. Individuals with Tax Residency in Spain” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“Wealth Tax (*Impuesto sobre el Patrimonio*)

Wealth Tax may be levied in Spain on resident individuals, on a worldwide basis. While for the years 2011 to 2020 the Spanish Central Government has repealed the 100% relief (*bonificación del 100%*) of this tax, the actual collection of this tax depends on the regulations of each Autonomous Community. Thus, investors should consult their tax advisers according to the particulars of their situation.

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

In accordance with Article 3 of the Royal Decree-Law 18/2019, of 27 December, as from the year 2021, a full exemption on Net Wealth Tax would apply (*bonificación del 100%*), and therefore, from year 2021 Spanish individual holders will be released from formal and filing obligations in relation to this Wealth Tax, unless the derogation of the exemption is extended again (which cannot be ruled out).”

4. In addition, and in order to update the reference to Royal Decree-Law 27/2018 with a reference to Royal Decree Law 18/2019, the sub-section entitled “3.2 Wealth Tax (*Impuesto sobre el Patrimonio*)” under the heading “4. The Kingdom of Spain” and sub-heading “3. Individuals and Legal Entities with no Tax Residency in Spain” shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“3.2 Wealth Tax (*Impuesto sobre el Patrimonio*)

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area Member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

In accordance with Article 3 of the Royal Decree-Law 18/2019, of 27 December, as from the year 2020, a full exemption on Net Wealth Tax would apply (*bonificación del 100%*), and therefore, from year 2020 Spanish individual holders will be released from formal and filing obligations in relation to this Wealth Tax, unless the derogation of the exemption is extended again (which cannot be ruled out).

Non-Spanish resident legal entities are not subject to Wealth Tax.”

GENERAL INFORMATION

The information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled “General Information” on pages 185 to 188 of the Base Prospectus.

To this end, and in order to update the “no significant change” and “no material adverse change” statements in the Base Prospectus, paragraph (6) shall, by virtue of this Supplement, be deleted in its entirety and replaced with the following information:

“

- (6) There has been no significant change in the financial position or financial performance of the Group since 30 June 2020 and, save for any impact resulting from the COVID-19 pandemic as described in the section entitled “*Risk Factors*”, there has been no material adverse change in the prospect of the Issuer since 31 December 2019.”

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

By:

Ángels Arderiu Ibars

Chief Financial Officer