IANTE

Calle Maldonado 4, bajo D

MADRID (SPAIN)

www.iante.es

INFORMATION DOCUMENT

May 27th, 2020

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Ce document peut également être consulté sur le site internet IANTE INVESTMENTS SOCIMI, S.A. (www.iante.es) / Copy of this Information Document is available free of charge at IANTE INVESTMENTS SOCIMI, S.A. SOCIMI, S.A.´s website (www.IANTE.es).

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ARMANEXT
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Kevin Cahill
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Mr. Pablo Paramio
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Content

The articles of association included in this Information Document have been translated from Spanish into English, and their content has been included for information purposes. In case of any discrepancies, and for legal purposes, the Spanish version registered in the Commercial Registry shall prevail over the English version.

COMPANY REPRESENTATIVE FOR INFORMATION DOCUMENT

Mr. Kevin Jeremiah Cahill, Mr. Pablo Paramio García y Mrs. María Lorena Salamanca Cuevas, the members of the Board of Directors, acting for and on behalf of IANTE INVESTMENTS SOCIMI S.A., (hereinafter, the "**Company** "or the "**Issuer**" or "**IANTE**" or "**IANTE SOCIMI**") hereby declares, after taking all reasonable measures for this purpose and to the best of his knowledge, that the information contained in this Information Document is in accordance with the facts and that the Information Document makes no material omission.

We declare that, to the best of our knowledge, the information provided in the Information Document is accurate and that, to the best of our knowledge, the Information Document is not subject to any (material) omissions, and that all relevant information is included in the Information Document.

1 SUMMARY

The following is a summary of some of the information contained in this Information Document. We urge to read this entire Information Document carefully, including the risk factors, IANTE INVESTMENTS SOCIMI, S.A.'s original Spanish language historical financial statements, and the valuation of both the assets and the Company.

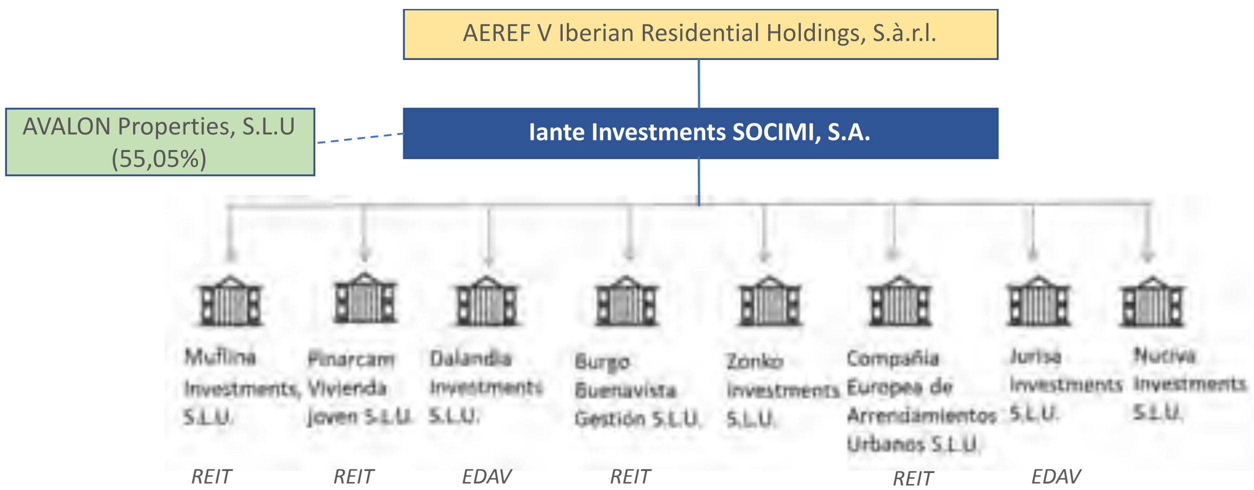
1.1 GENERAL DESCRIPTION OF IANTE INVESTMENTS SOCIMI, S.A.

IANTE INVESTMENTS SOCIMI S.A. is a Spanish company, running under the special tax regime of SOCIMI (Sociedad Cotizada de Inversión en el Mercado Inmobiliario), equivalent to a REIT (Spanish REIT).

The Company was founded on July 6th, 2017 under the corporate name of IANTE INVESTMENTS, S.A. Further, the Company changed its name to IANTE INVESTMENTS SOCIMI S.A. on January 30th, 2019.

On June 6th, 2018 the Company's General Shareholders Meeting agreed on requesting the application of the SOCIMI special tax regime.

IANTE has invested in 26 assets in Spain, through its subsidiaries in the real estate:



AEREF V Iberian Residential Holdings, S.à.r.l. is a company that invests in real estate or movable properties including the direct or indirect acquisition, development, holding promotion, management, sale and/or lease of real estate or moveable property, in the Grand Duchy of Luxembourg or elsewhere.

There are no Beneficial Owners.

MUFLINA INVESTMENTS, S.L.

Muflina is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 37573, Page 31 and Sheet M-669721 and with Tax ID number B-88082847.

This Company was acquired by IANTE SOCIMI on 28th, May 2018.

PINARCAM VIVIENDA JOVEN SOCIMI, S.L.U.

Pinarcam is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 38454, Page 139 and Sheet M-413063 and with Tax ID number B-84775741.

This Company was acquired by IANTE SOCIMI on 20th, December 2018.

BURGO DE BUENAVISTA, S.L.U.

Burgo de Buenavista is a Spanish private limited company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 39014, Page 220 and Sheet M-379507 and with Tax ID number B-84331156.

This Company was acquired by IANTE SOCIMI on 21st, February 2019.

DALANDIA INVESTMENTS, S.L.U.

Dalandia is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 38558, Page 88 and Sheet M-685737 and with Tax ID number B-88253091.

This Company was acquired by IANTE SOCIMI on 15th, February 2019.

ZONKO INVESTMENTS, S.L.U.

Zonko is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 38700, Page 146 and Sheet M-688128 and with Tax ID number B-88310115.

This Company was acquired by IANTE SOCIMI on 8th, March 2019.

COMPAÑÍA EUROPEA DE ARRENDAMIENTOS URBANOS, S.L.U.

CEAR is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, registered with the Commercial Registry of Madrid under Volume 17802, Page 224 and Sheet M-214185 and with Tax ID number B-82055146.

This Company was acquired by IANTE SOCIMI on 14th, June 2019.

JURISA INVESTMENTS, S.L.U.

Jurisa is a Spanish private limited company duly incorporated and validly existing in accordance with the laws of Spain, with registered address at calle Maldonado 4, planta baja, puerta "D", 28006, Madrid, Spain, registered with the Commercial Registry of Madrid under Volume 39204, Page 124 and Sheet M-696433 and with Tax ID number B-88382916.

This Company was acquired by IANTE SOCIMI on 10th, July 2019.

NUCIVA INVESTMENTS, S.L.U.

Nuciva is a Spanish limited liability company duly incorporated and validly existing in accordance with the laws of Spain registered with the Commercial Registry of Madrid under Volume 39286, Page 180 and Sheet M-697753 and with Tax ID number B-88415351.

This Company was acquired by IANTE SOCIMI on 15th, November 2019.

Acquisition of shareholdings in subsidiaries and incorporation of the management company

In 2018 and 2019 the Company acquired 100% of the share capital of the following companies, which are those that hold the assets and/or turnkey contracts:

Company	Date of acquisition	Tax and legal regime
Muflina Investments, S.L.U.	28/05/2018	REIT
Pinarcam Vivienda Joven, S.L.U.	20/12/2018	REIT
Dalandia Investments, S.L.U.	15/02/2019	EDAV*
Burgo Buenavista Gestión, S.L.U.	21/02/2019	REIT
Zonko Investments, S.L.U.	08/03/2019	
Compañía Europea de Arrendamientos Urbanos, S.L.	14/06/2019	REIT
Jurisa Investments, S.L.U.	10/07/2019	EDAV*
Nuciva Investments, S.L.U.	15/11/2019	

*EDAV: special regime for entities engaging in the lease of homes

IANTE's main activity, in compliance with the requirements in relation to this point in the Spanish REIT Act (*Ley de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*), consists of the acquisition and development of urban real estate earmarked for lease.

Since its incorporation, IANTE has implemented a growth strategy based on acquisitions, with the aim of adding value to its real estate assets and increasing the shareholders' return, by optimising the income to be received, as well as the expenses required to ensure proper performance of the assets.

1.2 COMPANY NAME, REGISTERED OFFICE AND REGISTRATION FOR THE SPECIAL TAX REGIME FOR SOCIMI

1.2.1 Company name

The Company name is IANTE INVESTMENTS SOCIMI, S.A.

1.2.2 Registered office

Calle Maldonado 4, bajo D, 28006, Madrid (Spain).

1.2.3 Data of Registration with the Commercial Registry

Registered at the Madrid Commercial Registry.

Date	13/07/2017
Book	36179
Sheet	161
Inscription	1
Page	M-650168

1.2.4 Registration for the SOCIMI special tax regime

On June 6th, 2018 the Company communicated to the Tax Agency its request to be subject to the SOCIMI special tax regime, established in Law 11/2009.

1.3 COMPANY PURPOSE *(ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)*

ARTICLE 2.- CORPORATE PURPOSE

1. The Company's corporate purpose is:

a) The acquisition and development of urban properties for lease;

b) The holding of equity interests in real estate investment trusts ("REITs") or in other non-resident entities in Spain with the same corporate purpose and that operate under a regime similar to that established for REITs with regard to the mandatory profit distribution policy established by law or by the Articles of Association

c) *The holding of equity interests in other resident or non-resident entities in Spain, the main corporate purpose of which is the acquisition of urban real estate earmarked for lease, and that operate under the same regime as that established for REITs with regard to the mandatory profit distribution policy established by law or by the Articles of Association and fulfil the investment requirements referred to in section 3 of Spanish Law 11/2009, of 26 October, on real estate investment trusts (Ley 11/2009, de 26 de octubre de sociedades anónimas cotizadas de inversión en el mercado inmobiliario).*

d) *The holding of shares or equity interests in collective real estate investment undertakings governed by Spanish Law 35/2003, of 4 November, on collective investment undertakings (Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva).*

The Company may also engage in other ancillary activities, i.e. those activities that generate income representing less than twenty per cent (20%) of the Company's total income in each tax period (including, but not limited to, real estate transactions other than those mentioned in subsections a) to d) above), or those that may be considered as ancillary in accordance with the law applicable at any given time.

2. Any activities for the pursuit of which the Act imposes requirements that are not met by the Company are expressly excluded. The activities included in the corporate purpose may be indirectly performed, in full or in part, through investments in companies with the same or similar corporate purpose. The Company's main economic activity code in accordance with the National Classification of Economic Activities (CNAE) is 6810 (buying and selling of own real estate).

1.4 DIVIDENDS *(ARTICLE 21 OF THE ARTICLES OF ASSOCIATION)*

The Company is required to distribute dividends equal to at least those envisaged in the REIT Act, under the terms of this Act. In accordance with the REIT Act and the Company's Articles of Association, this distribution must be agreed within six months after the end of each financial year and the dividend must be paid within one month after the date on which the payout is agreed.

The obligation to distribute dividends, described above, will only apply if the Company obtains a profit.

With regard to the foregoing, Article 21 of the Company's Articles of Association establishes the following:

ARTICLE 21.- DISTRIBUTION OF DIVIDENDS

Once the related commercial obligations are met, the Company will be required to distribute the profit obtained during the year as dividends to their shareholders, which must be distributed within the six months following the end of each year as follows:

a) 100% of the profit from dividends or shares in profits distributed by the entities referred to in Article 2 of these Articles of Association.

b) At least 50% of the profits arising from the transfer of the properties, shares or investments referred to in Article 2 of these Articles of Association, which are used to pursue the Company's main corporate purpose, once three years have elapsed from the date of acquisition. The undistributed profit must be reinvested in other properties or shares that are used to pursue its corporate purpose, within a period of three years following the date of transfer. Otherwise, the profit must be distributed in full.

c) At least 80% of the remaining profits obtained.

The dividend must be paid within one month following the date on which the payout is agreed. The legal reserve may not exceed 20% of share capital.

1.5 REPORTING DATE OF THE FINANCIAL YEAR *(ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)*

ARTICLE 19.- REPORTING DATE OF THE FINANCIAL YEAR

The financial year will begin on 1 January of each year and end on 31 December of that year, with the exception of the Company's first financial year, which will begin on the date of its incorporation and end on the following 31 December.

1.6 ADMINISTRATIVE, MANAGEMENT, AND CONTROLLING BODIES

1.6.1 Board of Directors (ARTICLES 15 TO 18 OF THE ARTICLES OF ASSOCIATION)

ARTICLE 15.- COMPANY MANAGEMENT AND REPRESENTATION.

The General Meeting will entrust the management of the Company to a board of directors consisting of a minimum of three and a maximum of twelve members. The Meeting will have the power to appoint the Chairman or Deputy Chairman of the Board, as well as the Secretary or Deputy Secretary from within or outside the Board. In any case, if the Meeting does not do so, the Board will appoint a Chairman and/or Deputy Chairman from among its members and will also elect the person, from within or outside the Board, to hold the position of Secretary. Likewise, a person from within or outside the Board itself may be appointed to hold the position of Deputy Secretary. If the Secretary and the Deputy Secretary, as the case may be, are not directors, they will be entitled to speak but not vote. The Board of Directors will be called by the Chairman or by whoever stands in for him. If, following a request for a Board meeting made by the directors, the Chairman fails to call the meeting within one month without just cause, directors comprising at least one-third of the Board members may call a meeting, indicating in the agenda whether the *meeting is to be held at the Company's registered office. The call notice will be sent by the Secretary or Deputy Secretary, as the case may be, by individual written communication to each director, by registered mail with acknowledgement of receipt, at least ten (10) days prior to the date of the meeting. The Board will be validly convened where attended in person or by proxy by the majority of the members, who may delegate proxy to another director in writing. Resolutions will be passed by an absolute majority of the directors attending the meeting, with no exceptions other than those established by law for certain resolutions. Minutes will be taken of the Board meetings, which will be signed by at least the Chairman and the Secretary, or Deputy Secretary, as the case may be, and the resolutions taken will be binding from the moment they are passed. Resolutions passed in writing and without a meeting will be valid as long as no director objects to this procedure. The resolutions passed at a Board meeting held by videoconferencing or by conference call will be considered valid provided that none of the directors oppose this procedure, that they have the means necessary to take part, and that they acknowledge each other, which must be expressed in the minutes and in the certificate issued regarding these resolutions. In this case, the Board meeting will be considered to be the only meeting and to be held at the registered office. For this purpose, votes may be cast by means of a letter sent by ordinary mail to the Company's registered office or to the Secretary to the Board, or whoever stands in for him, within ten (10) days of the request for the vote; they may also be cast electronically by each director and, if applicable, will be sent to the e-mail address of the Company or to the e-mail address of the Secretary to the Board, or whoever stands in for him, within ten (10) days of the request for the vote.*

The Board of Directors may designate an executive committee or one or more managing directors from among its members. Under no circumstances may the power to present an account of the conduct of the Company's business and balance sheets to the general meeting, nor the powers granted to the Board, be delegated unless expressly authorised by the general meeting. The debates and resolutions of the Board of Directors will be entered in a minutes book, which will be signed by the Chairman and the Secretary, or whoever stands in for them.

ARTICLE 16.- DIRECTORS

The status of shareholder is not required to be appointed director, whereby both individuals and legal entities may be appointed. However, in this last case, the legal entity must appoint an individual as its representative for the year in which the duties are exercised. Those persons who are subject to any of the prohibitions or incompatibilities established by Spanish Law 3/2015, of 30 March, governing the exercise of high offices of the central government (Ley 3/2015, de 30 de marzo, reguladora del ejercicio del alto cargo de la Administración General del Estado), and by Autonomous Community of Madrid Law 14/1995, of 21 April, on incompatibilities of high offices of the Autonomous Community of Madrid (Ley de la Comunidad de Madrid 14/1995, de 21 de Abril, de Incompatibilidades de Altos Cargos de la Comunidad de Madrid), as well as those persons referred to in section 213 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act, or other current legal provisions, to the extent and under the conditions established therein, may not be directors of the Company. The appointment of directors will take effect from the date of their acceptance.

ARTICLE 17.- TERM AND REMUNERATION

Directors will hold their office for a period of six (6) years, and this term must be equal for all directors. Once the term has elapsed, the appointment will expire when the next General Meeting has been held or when the period established by law for holding the meeting to approve the previous year's financial statements has ended. Likewise, the position and exercise of the office will not be remunerated.

ARTICLE 18.- POWERS

The Managing Body represents the Company in accordance with section 234 of the Corporate Enterprises Act and section 124 of the Commercial Registry Regulations.

1.6.2 Composition of the Board of Directors

The Board of Directors of the Company is composed by:

Member	Position
Mr. Kevin Jeremiah Cahill	Chairman and Director
Mr. Pablo Paramio García	Vice-chairman and Director
Mrs. María Lorena Salamanca Cueva	Secretary and Director
Mr. Víctor Eduardo Vega González	Vice-secretary non-director

1.6.3 Directors' trajectory

The IANTE SOCIMI management team is composed of profiles that combine experience in business management in the key areas of business development, both strategic and operational.

The career and professional profile of the current directors are described below:

Kevin Jeremiah Cahill

Kevin Jeremiah Cahill, a Board member, studied business administration at the University of Western Ontario, Canada. In 2004 he joined Citigroup's staff in the capital markets area, achieving the rank of associate. In 2008 he joined AREA Property Partners as director and in 2019 he became a partner at the Ares Real Estate group.

Pablo Paramio García

Pablo Paramio García, a Board member, was director of the Real Estate area at Credit Suisse before joining Avalon Properties, S.L. During his professional career of more than 10 years at Credit Suisse, he led most of the large real estate transactions carried out in the Iberian market, with experience from start to finish, with great customer exposure with a small team. He has experience in a wide range of products, including leveraged finance, M&A, capital markets, debt markets, etc.

<u>María Lorena Salamanca Cuevas</u>

María Lorena Salamanca Cuevas, Director Secretary to the Board, studied Law at the Universidad San Pablo CEU and business administration at London South Bank University. She is currently a partner at Afiens Legal S.L.P. For more than 10 years she was at Auxadi Contables y Auditores, S.A. where she has led the legal department since 2003. In the last 12 years of her professional career, she has helped more than 100 companies to establish themselves in Spain. Today, she is secretary to the Board of 29 multinational companies and director of the Universitat Oberta de Catalunya.

<u>Víctor Eduardo Vega González</u>

Víctor Eduardo Vega González is the current Non-Director Deputy Secretary to the Company's Board. He is responsible for the Corporate area at Afiens Legal S.L.P. Previously, he was responsible for the Corporate area at Vasalto Tech and Talent. After studying at Universidad Complutense de Madrid, he prepared to become a Property Registrar, acquiring extensive knowledge in commercial and civil law, both in common and regional law.

1.6.4 Assessment of the Board of Directors related to Bankruptcy, Liquidation, and/or Fraud Related Convictions

The Board of Directors declares that neither the Company nor its directors, nor its executives is/are or has/have been involved in historical (at least in the previous past five years), or on-going, bankruptcy, liquidation or similar procedure and also fraud related convictions or on-going procedures in which any person in the management and/or board of the Issuer has been involved.

1.6.5 Description of the Functioning of the General Meeting

The Company's General Shareholders Meeting is governed by the provisions of the Corporate Enterprises Act and the Articles of Association.

ARTICLE 8.- GENERAL MEETING

The shareholders, convened at a General Meeting duly called or a universal meeting, will decide on matters within its remit by the majority established by law or in the Articles of Association. All shareholders, including those dissenting and those who did not participate in the meeting, will abide by the resolutions of the General Meeting, without prejudice to their rights of withdrawal and to challenge provided for by law. If at any time a sole shareholder holds all the share capital, this sole shareholder will exercise all the powers of the General Shareholders Meeting, in which case their decisions will be recorded in the minutes, under their signature or that of their representative, and may be executed and formalised by the shareholder, their representative or the Company's directors.

ARTICLE 9.- TYPES OF GENERAL MEETINGS

The General Shareholders Meetings may be annual or extraordinary and must be called by the Company's Managing Body or, where applicable, by the Company's liquidators.

The Annual General Meeting must meet within the first six (6) months of each year in order to ratify the conduct of the Company's business and, if applicable, approve the financial statements for the preceding year, and resolve on the distribution of profit or allocation of loss, without prejudice to the competence of the shareholders to discuss and pass resolutions on any other item of business on the agenda.

All other meetings will be considered extraordinary and will be held when called by the Managing Body, whenever it is in the interest of the Company to do so or at the request of shareholders holding at least 5% of the share capital, specifying in their request the business to be transacted at the meeting, proceeding as determined in the Corporate Enterprises Act.

The meeting may also be called by the Judge at First Instance of the registered office in the cases set out in section 169 of the Corporate Enterprises Act. The General Meeting will be held where the Company's registered office is located and on the date indicated in the call notice, and its sessions may be extended for one or more consecutive days.

ARTICLE 10.- CALLING GENERAL MEETINGS

a) Body calling the meeting and reasons for the call notice: the Managing Body is responsible for calling the General Meeting. The Managing Body will call an Annual General Meeting to be held within the first six (6) months of each financial year. Moreover, it will call a General Meeting whenever it is in the interest of the Company to do so and, in any event, at the request of one or more shareholders holding at least 5% of the share capital, specifying the business to be transacted at the meeting in their request. In such case, the general meeting will be held within two months from the date on which the directors were requisitioned by notary to call the meeting, and the proposed motions will be included on the agenda. The call notice must specify the date on which, if applicable, the meeting will be held on second call. The above is notwithstanding any court order to call a general meeting, in the cases and with the requirements stipulated by law.

b) Form and contents of the call notice: the Annual, Extraordinary or Special General Meeting must be called in the manner provided for by law, by means of a notice published on the Company's website, if it has been created, registered and published under section 11 bis of the Corporate Enterprises Act.

If the Company has not created a website or if it has not yet been duly registered and published, the call notice will be published in the Official Gazette of the Commercial Registry and in one of the highest-circulation daily newspapers in the province in which the Company's registered office is located, at least one (1) month prior to the date set for the meeting, unless a longer period is established by law. The notice will specify the *name of the Company, the place, date and time of the meeting on first call and the agenda detailing the business to be transacted. It may also state the date, time and place of the meeting should it be held on second call. A period of at least twenty-four (24) hours must elapse between the first and second call.*

c) *Legal regime: that stipulated in this Article will be rendered null and void when a legal provision imposes different requirements for shareholders meetings that deal with certain matters, in which case that specifically established in the Corporate Enterprises Act must be observed.*

ARTICLE 11.- QUORUM FOR CONVENING GENERAL MEETINGS

The General Meeting will be validly convened on first call when the shareholders attending in person or by proxy hold at least 25% of the share capital with voting rights. Meetings will be validly convened on second call regardless of the share capital attending. Notwithstanding that indicated in the previous paragraph, in order for the Annual or Extraordinary General Meeting to validly resolve to increase or reduce share capital, amend the Articles of Association, issue debentures, eliminate or restrict pre-emption rights on new shares, carry out any alteration of legal form, mergers, spin-offs or transfers en bloc of assets and liabilities or transfer the registered office abroad, the attendance of shareholders in person or by proxy holding at least 50% of the subscribed share capital with voting rights will be required on first call. On second call, the attendance of shareholders representing 25% of this share capital will be sufficient. However, where shareholders holding less than 50% of the subscribed share capital with voting rights are present in person or by proxy, the resolutions referred to in the preceding paragraph may only be validly passed with the affirmative vote of shareholders representing two-thirds of the share capital present in person or by proxy at the meeting.

ARTICLE 12.- ATTENDANCE, ACCREDITATION AND PROXIES

All of the Company's shareholders may attend the General Meetings, regardless of the number of shares they hold, provided that they are recorded in the share register prior to the meeting, which will be accredited by means of the corresponding registered attendance card or the document that legally identifies them as shareholders, which will indicate the number, class and series of the shares they hold, as well as the number of votes they may cast. In order to attend the General Meeting, shareholders must have the ownership of their shares recorded in the corresponding share register by book entries five (5) days prior to the date on which the meeting is to be held and must have the corresponding attendance card or the document that legally identifies them as shareholders.

All shareholders entitled to attend General Meetings may be represented by another person who need not be a shareholder. Proxies must be granted in writing, or by remote means of communication that meet the requirements established in the Corporate Enterprises Act in order to vote remotely and must be granted specifically for each meeting. Proxies may always be revoked. Personal attendance at the meeting will have the effect of revoking the proxy. Those cases specifically regulated by law with regard to family representation or with general power *of attorney are exempt. Proxies will cover all the shares held by the shareholder who is represented. Any special powers of attorney must be provided in order to be included in the Company's documentation, unless they are recorded in a public deed. Meetings may also be attended online, provided that the identity of the subject is duly guaranteed and they have the means necessary to do so. In any case, the call notice of the meeting must specify the deadlines, forms and methods for exercising shareholder rights stipulated by the managing body to enable the meeting to be conducted in an orderly manner. In particular, the managing body may determine that the speeches and motions that are to be made by shareholders attending online, pursuant to the Corporate Enterprises Act, must be sent to the Company prior to the convening of the meeting. The responses of the shareholders exercising the right to information during the meeting will be given in writing within seven (7) days following termination of the meeting. The vote on items included in the agenda of any type of general meeting may be delegated or exercised by the shareholder through postal or electronic vote or by any other means of remote communication, provided that the identity of the person exercising the right to vote is duly guaranteed.*

Shareholders voting remotely will be considered present for the purpose of convening the meeting. The Company's directors must attend the general meetings, and executives, managers, technicians and other parties involved in the sound running of the business may also attend these meetings.

ARTICLE 13.- POSITIONS AND FUNCTIONING

The quorum for convening the General Meeting will be in accordance with legal provisions. The position of Chairman and Secretary at the General Meetings will be held by the Chairman and Secretary to the Board of Directors; otherwise, these persons will be appointed at the start of the meeting. They may only deliberate and vote on the items included in the call notice.

The Chairman will direct discussions and give the floor by order of request. Votes will be cast by a show of hands, or by means of a similar method for those cases where there are people attending the meeting and casting votes by electronic means, unless it is to be by secret ballot at the decision of the Chairman or at the request of a majority of the share capital attending in person or by proxy. Resolutions will be passed by a majority of the share capital attending in person or by proxy, unless stipulated otherwise by law.

With regard to all other matters, including verification of attendees and shareholders' right to information, that established in the Corporate Enterprises Act will be applicable.

ARTICLE 14.- MEETING MINUTES AND CERTIFICATES

A record of the General Meetings will be kept in a book of minutes. The minutes may be approved by the General Meeting itself at the end thereof or otherwise within fifteen (15) days by the Chairman of the General Meeting and two scrutineers, one representing the majority and the other the minority. The minutes will be enforceable as from the date of their approval. As regards the issue of certificates and execution in a public deed of corporate resolutions, the provisions of the Commercial Registry Regulations will apply.

2 HISTORY AND KEY FIGURES

2.1 HISTORY OF THE COMPANY

- **July 6th, 2017:** The company was founded under the corporate name of IANTE INVESTMENT, S.A. The Company's share capital at its date of incorporation consisted of 60,000 shares of €1 par value each, paid at 25% of the value by the sole shareholder at the time, Afiens Legal, S.L.P.

- **May 28th, 2018:** AEREF V Iberian Residential Holdings, S.à.r.l. acquired from Afiens Legal S.L.P. all of the shares of IANTE INVESTMENTS, S.A.

- **June 6th, 2018:** On 6 June 2018, the sole shareholder at IANTE's General Meeting passed a resolution to apply the REIT tax regime. Likewise, it was agreed at this General Meeting to amend certain articles of the Company's Articles of Association to adapt them to the REIT regime, in particular those relating to the corporate purpose and the procedure for the distribution of dividends.

- **June 15th, 2018:** On 15 July 2018 Avalon Properties, S.L. ("the Management Company") was incorporated indefinitely, with registered office located at calle Ortega y Gasset 21, 28006, Madrid, and holder of taxpayer identification number B-88133301.

- **January 30th, 2019:** On 30 January 2019, the sole shareholder at IANTE's General Meeting passed a resolution to change the Company's name from IANTE INVESTMENTS, S.A. to IANTE INVESTMENTS SOCIMI, S.A.

- **January 31st, 2019:** On 31 January 2019, IANTE's Board unanimously agreed to move the Company's registered office to calle Maldonado 4, planta baja, puerta "D", 28006, Madrid.

- **February 3rd, 2020:** On 3 February 2020, the IANTE's sole shareholder decided to pay out the unpaid capital calls, amounting to 75% of the share capital for a total of €45,000, and to then proceed to increase share capital by €4,940,000, up to the minimum share capital of €5,000,000 required for Spanish Real Estate Investment Trusts.

2.2 SELECTED FINANCIAL DATA

The Company's key figures are presented below:

SELECTED DATA	31/12/2019	31/12/2018
PROFIT & LOSS (€)		
Revenue	2,389,238	231,280
Other operating expenses	-3,671,282	-1,143,264
Operating Loss	-3,684,835	-733,768
Financial Loss	-5,128,091	-1,809,956
Loss for the year	-8,874,166	-2,566,378
BALANCE SHEET (€)		
Investment Property	153,691,828	53,412,483
Current financial investments	18,028,956	571,427
Cash and equivalent	2,255,818	2,114,109
Equity	6,281,605	4,910,771
Non-current liabilities	118,290,687	21,991,604
Current liabilities	51,833,287	45,261,607

More detailed financial information for the Company is provided in section 7 of this Information Document.

The 2018 and 2019 Spanish language financial statements have been audited by Grant Thornton Auditores S.L.P (hereinafter, the "**Grant Thornton**").

The financial statements (including the corresponding audits reports on such financial years) are available on the Company's website: www.iante.es

3 COMPANY ACTIVITY

3.1 SUMMARY OF THE BUSINESS

IANTE INVESTMENTS SOCIMI S.A. is a real estate investment company (SOCIMI) with registered office at Calle Maldonado 4, bajo D, Madrid (Spain), and with ID number A-87870929. The Company's main activity, in compliance with the requirements in relation to this point in the Spanish REIT Act (Ley de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario), consists of the acquisition and development of urban real estate earmarked for lease.

Since its incorporation, IANTE has implemented a growth strategy based on acquisitions, with the aim of adding value to its real estate assets and increasing the shareholders' return, by optimising the income to be received, as well as the expenses required to ensure proper performance of the assets.

Finished products (real estate assets already acquired):

As of the date of this Information Document, IANTE, through its subsidiaries, owns 13 completed residential buildings located in the Community of Madrid, specifically in Madrid, Parla, Alcobendas, Arganda del Rey and Villalbilla.

At 31 December 2019, the valuation of the portfolio of finished assets owned by the Company through the various subsidiaries described above amounted to €171,783,000, in accordance with the average range of the Savills valuation report.

Real estate assets in process of being acquired:

- 2 Mortgage loans:

    1. On 31 August 2018, through the subsidiary Muflina Investments, S.L.U., the Company acquired a loan linked to a property located at calle San Sebastián 29, known as "Arganda I". This property consists of 69 homes, which, in the event of foreclosure, will be owned by the Company. At 31 December 2019, the loan at its amortised cost was valued at €7,889,890. At 31 December 2019, this asset was appraised by Savills at €11,651,000.

    2. In addition to the asset known as "Arganda I", IANTE has a mortgage loan linked to 18 additional homes and their 19 respective parking spaces in the asset known as "Sanchinarro" described in the point 3.7.5 of this Information Document (see description of asset "Sanchinarro"). At 31 December 2019, the market value of the 18 homes and the 19 parking spaces amounts to €8,222,000.

- Purchase agreements:

  As of the date of this Information Document, Dalandia has signed a future private sale and purchase agreement (asset known as "Antonio González Porras") subject to a series of conditions precedent on a residential building already built in the Community of Madrid, which comprises 27 homes, 27 storage rooms and 46 parking spaces.

  The purchase and sale will only be effective when the public deed of sale is executed, once the conditions precedent are met or waived by Dalandia, and only through the execution of this deed may the seller transfer ownership and physical and legal possession of the building to the Company.

  As of the date of this Information Document, Dalandia has signed a future private sale and purchase agreement subject to a series of conditions precedent on a residential building already built in calle Antonio González Porras, Madrid, which comprises 27 homes, 27 storage rooms and 46 parking spaces. The purchase price of the building is €5.9 million, of which €1.2 million had been paid on account as of 31 December 2019. The outstanding amount will be paid when the public sale and purchase deed is executed. This asset is appraised by Savills at €7,293,000.

- 11 Private turnkey contracts:

  As of the date of this Information Document, IANTE, through its subsidiaries, has signed 11 private turnkey contracts for the future acquisition of the residential assets once their development and construction have been completed.

  Approximately 1,405 homes are associated with these 11 contracts. These assets are located in the Community of Madrid, specifically in Tetuán, Valdebebas, Arganda del Rey, Torrejón de Ardoz, Valdemoro, Rivas Vaciamadrid, Cañaveral and Alcalá de Henares.

  At 31 December 2019, the total valuation of the turnkey contracts entered into by the Company's various subsidiaries amounted to €295 million, in accordance with the average range of the Savills valuation report.

Reference to environmental matters that may affect the Issuer's activity

The Company does not have any liabilities, expenses, assets, provisions or contingencies of an environmental nature that could be material in relation to its equity, financial position or earnings. Therefore, no specific disclosures relating to environmental issues are included in the notes to the financial statements.

3.2 COMPANY INVESTMENTS DATA

On the date of this Document, the Company has 26 assets in Spain with €494,205,532.00 market value.

- Geographical market:
  - Madrid: 100.00%
- Type of product:
  - Finished products: €171,8mn
  - Mortgage Loans: €19,9mn
  - Purchase agreements: €7,3mn
  - Turnkey contracts: €295,3mn

- Occupancy: Occupancy on the date of this Information Document is as follows:

Asset	Address	% Occupancy at 03/05/2020	% Occupancy at 31/12/2019
Sanchinarro	Calle Ana de Austria, 101	73%	85%
Arganda I	Arganda I	94%	84%
Villaverde	Vicente Carballal 4	92%	95%
Parla I	Estrella Polar 1	89%	89%
Parla II	Estrella Polar 2	96%	81%
Arganda II	Avenida República Argentina II	95%	47%
Tetuan	Aligustre 43	71%	71%
Villalbilla	Calle Francisco Quevedo 19	18%	1%
Retiro	Doctor Castelo 22	32%	36%
Maldonado	Maldonado 24	62%	56%
Lavapiés	San Carlos 6	48%	50%
Santa Ana 8	Santa Ana 8	48%	52%
Alcobendas	Francisco Largo Caballero, 20	57%	84%
Vallecas	Alfredo Castro Camba,2	89%	89%

- Debt:

  As of the date of this Information Document, some of IANTE's assets secure the loans granted to the Company or its subsidiaries by certain financial institutions.

  The detail of the mortgage loans at 31 December 2019 is as follows:

Institution	Date	Amount (€)	Amortised Cost (€)
Sabadell	26/07/2019	2,900,000	2,841,951
Sabadell	02/08/2019	700	686,853
Sabadell	02/08/2019	20,466,000	20,115,279
Sabadell	30/07/2019	2,500,000	2,445,824
Sabadell	15/07/2019	5,700,000	5,602,383
Sabadell	02/08/2019	4,100,000	4,017,799
Sabadell	02/08/2019	3,500,000	3,435,741
Sabadell	15/07/2019	5,100,000	5,014,599
Abanca	30/04/2015	1,000,000	597,448
Deutsch Bank	21/02/2007	4,500,000	3,143,350
Sabadell	31/07/2019	3,200,000	3,139,359
		53,666,000	51,040,586

  The assets Arganda, Alfredo Camba 2 (Vallecas), Ana de Austria 101 (Sanchinarro), Aligustre 43 (Tetúan), Doctor Castelo 22 (Retiro), Vicente Carballal 4 (Villaverde), San Carlos 6 (Lavapiés), Maldonado 24, and Estrella Polar 1 (Parla I) are mortgaged against the loans granted by Sabadell.

  The asset located in calle Francisco Largo Caballero 20 (Alcobendas) secures the loan granted by Abanca and the asset located in calle Estrella Polar 2 (Parla II) secures the loan granted by Deutsche Bank.

  Section 4 of this Information Document include the risk associated with the potential foreclosure of the assets.

IANTE's subsidiaries generate revenue essentially as a result of the rent obtained from the lease agreements signed and, eventually, it will obtain revenue with the sale of properties. At 31 December 2019, operating income amounted to €2,389,238.

- Contracts with customers: Company's income per customer is highly diversified, as all the properties are for residential use.

- Contracts with suppliers: the most relevant are those with the Company in charge of providing asset management services, Avalon, and the Property Manager, Azzam. The terms of their contracts as well as the fees accrued as of 31 December 2019 are detailed in section 3.4 of this Information Document.

3.3 PAST AND FUTURE INVESTMENTS

Period from the date of incorporation (6 July 2017) to 31 December 2017

From the date of incorporation of the Company to the end of 2017, the Company did not make any investments in real estate or in investees.

2018 - Acquisition of assets by IANTE's investees

In 2018 IANTE's investees acquired the following assets for a total of €47,596,735:

- On 29 June 2018, Muflina acquired 9 homes and 9 storage rooms located at calle Alfredo Castro Camba 2, Vallecas (Madrid).
- On 31 August 2018, Muflina acquired 85 homes, 114 parking spaces and 85 storage rooms located at calle Ana de Austria 101 - 111, Sanchinarro (Madrid).
- On 31 October 2018, Muflina acquired 24 homes, 24 parking spaces and 24 storage rooms located at calle Aligustre 43, Madrid.
- On 13 December 2018, Muflina acquired 34 homes and 2 commercial premises located at calle Doctor Castelo 22, Madrid.
- On 20 December 2018, Muflina acquired 77 homes, 75 parking spaces and 77 storage rooms located at calle Vicente Carballal 4, Villaverde (Madrid).

In 2018 IANTE's investees acquired the following mortgage loans:

- On 31 August 2018, Muflina acquired a mortgage loan from SAREB secured by a property located at calle San Sebastián 29, Arganda del Rey (Madrid), consisting of 69 homes, 69 storage rooms and 69 parking spaces.
- On 31 August 2018, Muflina acquired a mortgage loan from Deutsche Bank secured by 18 homes and 19 parking spaces located at calle Ana de Austria 101 - 111, Sanchinarro (Madrid).

2019 - Acquisition of assets by IANTE's investees

In 2019 IANTE's investees acquired the following assets for a total of €76,032,244:

- On 7 February 2019, Muflina acquired 19 homes, 4 basements and 2 commercial premises located on calle San Carlos, in Madrid.
- On 7 February 2019, Pinarcam acquired 1 home located at calle San Carlos 6, Madrid.
- On 21 March 2019, Dalandia acquired 50 homes, 50 storage rooms, 50 parking spaces and 2 premises located at Calle Estrella Polar 2, Parla (Madrid).

- On 12 April 2019, Muflina acquired 12 homes and 3 commercial premises located at calle Maldonado 24, Madrid.

- On 6 May 2019, Muflina acquired 23 homes and 6 commercial premises located at calle Santa Ana 8, Madrid.

- On 5 September 2019, Jurisa acquired 401 homes (although as of the date of this Information Document, it has sold 1 home, so it currently has 400 homes in this development), 437 parking spaces, 401 storage rooms, and 2 commercial premises, located in Villalbilla (Madrid), on in calle Gonzalo de Berceo, calle Francisco de Quevedo, Miguel de Cervantes and calle Calderon de la Barca.

Current year and future years

From 1st of January 2020 until the date of this Information Document, no acquisitions of assets or companies have been performed by the Company.

The company has currently signed 11 forward purchase agreements to acquire at completion purpose built for rental buildings. These assets are currently under construction and are expected to be delivered between Q4-2020 and Q4-2023.

3.4 BUSINESS MODEL

IANTE INVESTMENST SOCIMI S.A. aims to study new arising opportunities within the real estate market in order to generate income from their lease and thus, maximise shareholders returns.

Asset management

The assets owned by IANTE's subsidiaries are managed through two entities. On the one hand, the Property Manager (Azzam Vivienda, S.L.U.) and on the other, the Asset Manager (Avalon Properties, S.L.). The agreements that IANTE has signed with both entities are described below.

1. Property management

On 19 July 2019, IANTE entered into an agreement with Azzam Vivienda, S.L.U. ("Azzam"), by virtue of which Azzam was exclusively entrusted with the formalities and negotiations related to the certain aspects of the management of the assets of IANTE's subsidiaries, always in accordance with the rules approved by the Company's Board.

Scope of the services:

The property management services provided by Azzam are the usual for this kind of contracts: property and supplier services; services to tenants; turnover services for leased assets; representation services before third parties; documentary database management and key custody services; legal services; routine asset maintenance services; leasing services; purchase option divestment services; free sale divestment services; legal divestment services; billing and collection services; payment services; other accounting and administrative services.

Term and termination of the agreement

The agreement entered into force on the day it was signed, 19 July 2019, both for the assets currently held in its portfolio and for future assets to be included until 31 December 2020, and will end on 31 December 2021.

However, if the Company intends to add new assets after 31 December 2020, the parties, i.e. Azzam and IANTE, must first agree on a new date of termination of the agreement, which must be agreed prior to the contribution of the new assets.

Azzam is a company belonging to the Azora Group, a private capital company that engages in the management of real estate assets in different categories, including residential properties. As of the date of this Information Document, the Azora Group manages several residential portfolios in Spain for third parties, with an approximate value of €2,000 million, distributed over more than 13,000 homes.

2. Asset management

On 27 July 2018, IANTE entered into a management contract with Avalon under which the latter was entrusted with the performance and provision of investment and asset management services, supervisory services and property management services.

Scope of the services:

The services provided by Avalon will include the following:

a) The search for new investment opportunities.

b) The search for financing or refinancing by third parties.

c) The management of the assets owned by IANTE and its subsidiaries.

d) The provision of corporate services to IANTE and its subsidiaries.

e) Advisory services for shareholders on changes to the Business Plan in order to maximise return.

f) In general, it will be responsible for all services (provided directly or subcontracted) related to residential property management.

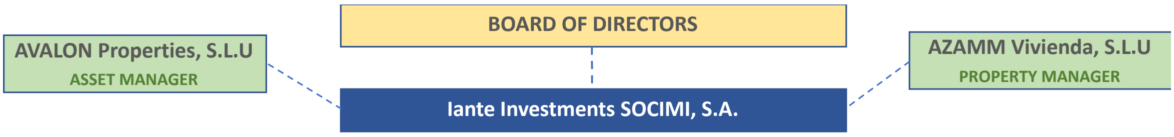
As of the date of this Information Document, IANTE is the majority shareholder of the management company with a 55.05% interest, IANTE also has a majority on the Management Company's Board. Through this structure in which the Company holds the majority of the Management Company, the Company seeks to align its interests with those of its shareholders.

Asset depreciation policy

Investment property is depreciated from the time it is ready for its intended use, on a straight-line basis of 2% or 4% over its estimated useful life, which in this case is 50 years.

3.5 COMPANY'S FUNCTIONAL ORGANISATION CHART

The formal organization chart of the Company that supports the management control described in section 3.4. is the one shown in the chart below:



As of the date of this Informational Document, the Company doesn't have any employees.

3.6 INVESTMENT STRATEGY AND COMPETITIVE ADVANTAGES

3.6.1 Investment Policy

IANTE's investment objective is to build a portfolio of residential assets of approximately € 800 million, with a leverage ratio of 60%. The characteristics of the assets that IANTE currently wishes to acquire are as follows:

- Properties located throughout the Autonomous Community of Madrid (however investments may be made in other regions).
- Properties recently constructed or in any state of repair.
- The minimum number of homes per building must be greater than 20 homes.
- The minimum amount of the investment has to be more than €5 million.
- Gross return of approximately 6%.

These acquisitions can be made through the purchase of finished products, the signing of turnkey contracts or the acquisition of mortgage loans. It also acquires assets in order to carry out restoration work for subsequent lease. These assets will not generate income until the work is completed.

IANTE does not currently invest in any assets other than those indicated in section 3.7 of this Information Document.

3.6.2 Investment Strategy and Competitive Advantages

Investment Strategy

IANTE's objective is to become one of the leading companies in the private residential sector in Spain in the medium term.

Therefore, the Company has created a portfolio of residential buildings, both those in operation and of new construction, located in the metropolitan areas of Madrid and its areas of influence, which have a clear lack of rental supply to accommodate current and future demand in each of these areas.

IANTE invests in existing buildings, and buildings to be rehabilitated or in operation. Similarly, IANTE has pioneered the form of turnkey purchase contracts, whereby IANTE acquires newly constructed buildings, designed exclusively for rental purposes and developed in accordance with the requirements and specifications determined by IANTE.

Within the real estate sector, the residential rental sector stands out as the largest segment for the following reasons: there are increasingly more cities in which to find investment opportunities with liquidity, in each city there are more areas in which to invest (both in central and peripheral areas thanks to public transport), the construction of more buildings, a greater number of building land and, furthermore, there is no evidence to date of any technological threat such as those that are affecting other types of real estate assets (such as office buildings and shopping centres).

In addition, in Spain a change is taking place in the way needs are prioritised, with greater focus on the younger generations, from a mentality where ownership was the priority to a structure where renting has become more important for various reasons such as the consequences of the recent crisis, changes in employment and mobility, development of pay per use in many assets, demographic changes, etc.

The Company's strategy focuses solely on investment in assets for lease as a first residence and, therefore, to date, it does not plan to make investments in assets for short-term or vacation rentals.

IANTE intends to provide liquidity to its shareholders through the listing of its shares on the market, so that the value of the shares reflects the dividend return from rental income and asset sales, as well as the proper management of the Company.

As the Company's main objective is to maximise the return for investors both through the cash flow generated by the assets and through the total value of the Company, it will periodically reassess the portfolio structure in order to optimise the asset portfolio over time.

IANTE is characterised by its long-term commitment to the residential sector in Spain. Proof of this is the turnkey contracts (detailed in point 3.7.16. of this Information Document) signed through its subsidiaries, in accordance with which the delivery of homes will begin in 2021.

Therefore, IANTE’s commitment is to a sector and a type of asset characterised by stability in the generation of income, which allows for the recurring distribution of dividends to its investors.

Competitive advantages

IANTE’s competitive advantages include its high level of specialisation, as it only operates in the residential sector in Madrid and, for the most part, only with entire buildings.

In addition, the experience and know-how of the team (detailed in point 1.7.3. of this Information Document) with regard to the market means greater confidence and transparency. It will also give them access to investment opportunities in assets with stable and recurring income and thus generate the return expected by investors.

IANTE has also reached agreements through its subsidiaries to carry out turnkey projects with third parties in which this third party will be the owner or will acquire the land, will be responsible for developing the project on the basis of the indications given by IANTE, will obtain the necessary permits, will complete the construction within the deadlines set out in the contract and the signed quality standards and, once all the agreed requirements have been met, will proceed to hand over the building.

These turnkey contracts give the investor greater visibility of IANTE’s future in terms of the stability of the cash flows generated by the income to be received by the Company and, therefore, of the dividends to be received, as well as greater investor confidence in the Company’s operations over the long term. The turnkey agreements will provide the portfolio with a purpose built for rental residential stock that will differentiate IANTE portfolio from the current and future supply in the market.

Finally, the fact that the Company is newly created can be considered an advantage, since the Company will not have inherited problems, and will be completely free to acquire assets one by one, through portfolio transactions or, if applicable, through corporate transactions.

Competition

There are no companies with an asset´s mix similar to that of IANTE in the most immediate environment, and hence main competition arises from changes in the supply and demand of premises with similar characteristics to those comprised in the Company´s real estate portfolio.

The principal competitors are:

Testa Residencial SOCIMI, S.A., Vivenio Residencial SOCIMI, S.A., Azora and Tectum Real Estate Investments.

3.7 DESCRIPTION OF REAL ESTATE ASSETS

The Company has indirectly acquired property assets through its two subsidiaries, as mentioned in section 1 of this Information Document.

On the date of this Information Document, the Company's asset portfolio comprises the following properties in Spain:

Finished products

Company	Asset	Address	Municipality	GLA (sqm)	(€)Market Value
Compañía Europea de Arrendamientos Urbanos, S.L	Francisco Largo Caballero 20	Calle Francisco Largo Caballero 20	Alcobendas	9,464.94	23,105,000
Pinarcam Vivienda Joven, S.L.U.	Arganda II	Avenida República Argentina 2	Arganda del Rey	5,833.04	8,461,000
Muflina Investments, S.L.U./Pinarcam Vivienda Joven, S.L.U./Gunile Investments, S.L.U.	Lavapiés	Calle San Carlos 6	Madrid	1,997.25	8,741,000
Muflina Investments, S.L.U.	Santa Ana 8	Calle Santa Ana 8	Madrid	1,849.74	6,608,000
Muflina Investments, S.L.U.	Sanchinarro	Calle Ana de Austria 101	Madrid	6,550.99	33,083,000
Muflina Investments, S.L.U.	Vallecas	Calle Alfredo Castro Camba 2	Madrid	804.00	1,602,000
Muflina Investments, S.L.U.	Retiro	Calle Doctor Castelo 22	Madrid	2,343.00	10,706,000
Muflina Investments, S.L.U.	Maldonado 24	Calle Maldonado 24	Madrid	1,712.50	10,132,000
Muflina Investments, S.L.U.	Tetúan	Calle Aligustre 43	Madrid	983.65	4,414,000
Muflina Investments, S.L.U.	Villaverde	Calle Vicente Carballal 4	Madrid	3,334.99	9,249,000
Burgo Buenavista Gestión, S.L.U.	Parla I	Calle Estrella Polar 1	Parla	4,865.00	7,028,000
Dalandia Investments, S.L.U.	Parla II	Calle Estrella Polar 2	Parla	4,124.98	7,114,000
Jurisa Investments, S.L.U.	Villalbilla	Calle Francisco Quevedo 19	Villalbilla	41,495.95	41,540,000
					171,783,000

Turnkey contracts

Asset	Address	Municipality	GLA (sqm)	(€)Market Value
Alcalá de Henares	Avenida de Pasionistas 2	Alcalá de Henares	8,157.02	16,430,000
Alcalá P8	Calle Barbados 5 P-8 G	Alcalá de Henares	8,098.12	16,858,000
Arganda	Avenida Lisboa 7	Arganda del Rey	9,706.63	17,830,000
Cañaveral	Calle Arrollo del Cañaveral, 70	Coslada	9,868.96	21,740,000
Jardines de Tetuan	Calle Esperanza Sánchez Carrascosa 34-36-42	Madrid	4,348.45	15,059,000
Butarque I	Calle Villaverde a Perales Rio,9	Madrid	2,242.32	5,623,000
Rivas	Calle Cesar Manrique, 1	Rivas-Vaciamadrid	6,991.46	15,337,000
Torrejón de Ardoz	Calle Valle Cabriel 21	Torrejón de Ardoz	9,128.58	19,441,000
Valdemoro	Plaza Cerro del Castillo Este 2	Valdemoro	9,159.55	19,130,000
Torrejón	Calle Londres	Torrejón de Ardoz	8,275.81	21,338,000
Valdebebas	Av. Jose Antonio Corrales 8	Madrid	32,148.83	126,471,000
				295,257,000

Mortgage loan:

Company	Asset	Address	Municipality	GLA (sqm)	(€)Market Value
Muflina Investments, S.L.U	Arganda I	Calle San Sebastian, 29	Arganda	6,709.33	11,651,000
Muflina Investments, S.L.U.	Sanchinarro	Calle Ana de Austria 101	Madrid	1,815.04	8,222,000
					19,873,000

Purchase agreements:

Company	Asset	Address	Municipality	GLA (sqm)	(€)Market Value
Dalandia Investments, S.L.U.	Antonio González Porras	Calle Antonio González Porras	Madrid	2,216.52	7,293,000
					7,293,000

3.7.1 Francisco Largo Caballero 20 (Alcobendas, Madrid)

The building is located at calle Francisco Largo Caballero 20, Alcobendas, Madrid. It was built in 2003 and the Company owns almost the entire building. The building has a total of 74 homes, 74 storage rooms and 82 parking spaces, of which the Company owns 72 homes, 72 storage rooms and 79 parking spaces.

The Company also has the lease right on one commercial premise located at Avenida de la Dehesa 51, San Sebastián de los Reyes (Madrid).

The property is a residential development in good condition, consisting of homes with an average size of 129 m². The area is consolidated, in a residential environment, with good communications by both private and public transport, as the property has a local train station in the vicinity (Valdelasfuentes stop is a 14-minute walk), as well as a bus stop, a nearby shopping centre (Dolce Vita Shopping Gran Manzana) and a sports complex just a few metres away. It also has easy access to the M-603 and A-1 motorways, which connect with Madrid and the rest of the northern municipalities.

The building has a total gross leasable area of 9,465 m². The occupancy rate at 31 December 2019 was 84%.

The market value of the property at 31 December 2019 was €23,105,000, in accordance with the Savills valuation report.

3.7.2 Arganda II (Arganda del Rey, Madrid)

The building is located at Avenida República Argentina 2, Arganda del Rey, Madrid. It was built in 2007 and the Company owns the entire building. The building has 60 homes with their respective storage rooms, 78 parking spaces and 6 commercial premises.

The property is distributed in 4 residential buildings with 3 floors above ground and 1 floor below ground, in good condition, consisting of homes with an average size of 86 m². The area is consolidated, in a residential environment, with good communications, with a 10-minute walk from the bus stop and a 16-minute walk from the Arganda del Rey metro stop, a nearby hospital (Hospital Universitario del Sureste) and a sports complex just a few metres away. It also has easy access to the A-3 and R-3 motorways, which connect with Madrid and the rest of the southern municipalities. There is average commercial activity in the surrounding area, with a market and the Zoco Shopping Centre in the vicinity.

The building has a gross leasable area of 5,833 m². The occupancy rate at 31 December 2019 was 47%.

The market value of the property at 31 December 2019 was €8,461,000, in accordance with the Savills valuation report.

3.7.3 Lavapiés (Madrid, Madrid)

It was built in 1900 and renovated in 2006 and the Company owns the entire building. The building has 22 homes, 4 basements and 3 commercial premises, of which the Company owns 20 homes, the 4 basements and 2 commercial premises.

The residential building is in good condition as a result of the renovation carried out in 2006. The average size of the homes is 75 m². The area is consolidated, and a 20-minute walk from Retiro Park, with good communications, with a 9-minute walk from the Lavapies metro stop and a 7-minute walk from the Embajadores local train station. It also has easy access to the M-30 and A-4 motorways, which connect with Madrid and the rest of the southern municipalities. There is a high level of commercial activity in the surrounding area, with a large number of shops and points of cultural interest in the vicinity.

The building has a gross leasable area of 1,997 m². The occupancy rate at 31 December 2019 was 50%.

The market value of the property at 31 December 2019 was €8,741,000, in accordance with the Savills valuation report.

3.7.4 Santa Ana, 8 (Madrid, Madrid)

The building is located at calle Santa Ana 8, in the Embajadores district of Madrid. It was built in 1905 and the Company owns the entire building. The building has 23 homes and 6 commercial premises.

The average size of the homes is 54 m². The area is consolidated, with good communications, 11 minutes from the Lavapies local train stop, a 13-minute walk from the metro stop of the well-known La Latina neighbourhood and a 20-minute walk from Retiro Park. It also has easy access to the M-30 and A-4 motorways, which connect with Madrid and the rest of the southern municipalities. There is a high level of commercial activity in the surrounding area, with a large number of shops and points of cultural interest in the vicinity.

The building has a gross leasable area of 1,850 m². The occupancy rate at 31 December 2019 was 52%.

The market value of the property at 31 December 2019 was €6,608,000, in accordance with the Savills valuation report.

3.7.5 Sanchinarro (Madrid, Madrid)

The building is located at calle Ana de Austria 101-111, Sanchinarro, Madrid. It was built in 2010. The building has 130 homes with their corresponding storage rooms and 173 parking spaces, of which the Company owns 85 homes and storage rooms and 114 parking spaces. In addition, as described below, the Company holds the mortgage loan, currently in an advanced stage of implementation, secured by a senior mortgage-backed guarantee on 18 homes and their respective storage rooms and 19 parking spaces.

The development consists of 6 residential buildings and is in a good state of repair. The average size of the homes is 81 m². Construction of Sanchinarro, the area where the development is located, began in 2000 as a result of the Urban Development Action Programme. The area is consolidated, with good quality surroundings, with schools, green areas, supermarkets and the El Corte Inglés Shopping Centre, with good communications, and 5 minutes from the bus stop. It also has easy access to the M-30, M-40 and A-1 motorways, which connect with Madrid and the rest of the northern municipalities.

The building has a gross leasable area of 8,366 m². The occupancy rate at 31 December 2019 was 85%.

The market value of the property (not including the homes associated with the mortgage loan) at 31 December 2019 was €33,083,000, in accordance with the Savills valuation report.

3.7.6 Vallecas (Madrid, Madrid)

The building is located at calle Alfredo Castro Camba 2, Vallecas, Madrid. It was built in 2009 and the Company owns the entire building. The building has 9 homes with their corresponding storage rooms.

The property is in a good state of repair. The average size of the homes is 89 m². The building is located in Puente de Vallecas, with good communications as it is a 10-minute walk from the local train stop and a 1-minute walk from the bus stop. The area is consolidated, with schools, green areas, supermarkets and the Madrid Sur Shopping Centre. It also has easy access to the M-30, M-40 and A-4 motorways, which connect with Madrid and the rest of the southern municipalities.

The building has a gross leasable area of 804 m². The occupancy rate at 31 December 2019 was 89%.

The market value of the property at 31 December 2019 was €1,602,000, in accordance with the Savills valuation report.

3.7.7 Retiro (Madrid, Madrid)

The building is located at calle Doctor Castelo 22, Madrid. It was built in 1927 and the Company owns the entire building. The building has a total of 34 homes and 2 commercial premises.

The property is in a good state of repair. The average size of the homes is 58 m². The building is located in the Retiro district of Madrid, with good communications as it is a 6-minute walk from the Ibiza metro stop (line 9). The area is consolidated, with schools, green areas (Retiro Park), supermarkets and several hospitals nearby, including a children's hospital, and a sports centre, as well as a wide range of restaurants. It also has easy access to the M-30, A-3 and R-3 motorways, which connect with Madrid and the rest of the eastern municipalities.

The building has a gross leasable area of 2,343 m². The occupancy rate at 31 December 2019 was 36%.

The market value of the property at 31 December 2019 was €10,706,000, in accordance with the Savills valuation report.

3.7.8 Maldonado, 24 (Madrid, Madrid)

The building is located at calle Maldonado 24, Madrid. It was built in 1935 and the Company owns the entire building. The building has 13 homes and 2 commercial premises.

The property is in a good state of repair. The average size of the homes is 113 m². The building is located in the exclusive Salamanca district, with good communications as it is a 2-minute walk from the Núñez de Balboa metro stop. The area is consolidated, with schools, hospitals, the ABC de Serrano Shopping Centre, as well as a wide range of restaurants. It also has easy access to the M-30, A-2, A-3 and R-3 motorways, which connect with Madrid and the rest of the eastern municipalities.

The building has a gross leasable area of 1,713 m². The occupancy rate at 31 December 2019 was 56%.

The market value of the property at 31 December 2019 was €10,132,000, in accordance with the Savills valuation report.

3.7.9 Tetuán (Madrid, Madrid)

The building is located at calle Aligustre 43, Tetuán, Madrid. It was built in 2011 and the Company owns the entire building. The building has 24 homes with their corresponding storage rooms and 23 parking spaces.

The property is in a good state of repair. The average size of the homes is 41 m². The building is located in the well-known Tetuán neighbourhood, with good communications by both private and public transport as it is an 11-minute walk from the Valdeacederas metro stop and has easy access to the M-30 motorway. The area is consolidated, with schools, hospitals, green areas, and has a high level of commercial activity.

The building has a gross leasable area of 984 m². The occupancy rate at 31 December 2019 was 71%.

The market value of the property at 31 December 2019 was €4,414,000, in accordance with the Savills valuation report.

3.7.10 Villaverde (Villaverde, Madrid)

The property is located at calle Vicente Carballal 4, Villaverde, Madrid. It was built in 2010 and has a total of 257 homes with their storage rooms and approximately 106 parking spaces, of which the Company owns 77 homes with their corresponding storage rooms and 75 parking spaces, representing 30% of the total building.

The property, which is in a good state of repair, consists of 6 buildings with 6 floors above ground where the homes are located and 1 floor below ground where the storage rooms and parking spaces are located. The average size of the homes is 44 m². It has good communications by both private and public transport as it is a 1-minute walk from the local train stop and has easy access to the M-40 and A-4 motorways. The area is consolidated, with schools, hospitals, green areas, and a sports centre.

The building has a gross leasable area of 3,335 m². The occupancy rate at 31 December 2019 was 62%.

The market value of the property at 31 December 2019 was €9,249,000, in accordance with the Savills valuation report.

3.7.11 Parla I (Parla, Madrid)

The property is located at calle Estrella Polar 1, Parla, Madrid. It was built in 2009 and the Company owns 45 homes and 55 parking spaces out of a total of 50 homes and 60 parking spaces.

The building, which is in a good state of repair, is divided into 13 floors above ground where the homes are located and 1 floor below ground where the annexes are located. The average size of the homes is 108 m². It has good communications by both private and public transport as it is close to the local train stop and has easy access to the M-50 and A-42 and R-4 motorways. The area is consolidated, with schools, hospitals, green areas, and has a sports centre and the El Ferial Shopping Centre.

The building has a gross leasable area of 4,865 m². The occupancy rate at 31 December 2019 was 89%.

The market value of the property at 31 December 2019 was €7,028,000, in accordance with the Savills valuation report.

3.7.12 Parla II (Madrid, Madrid)

The property is located at calle Estrella Polar 2, Parla, Madrid. It was built in 2009 and the Company owns the entire building. The building has 50 homes with their corresponding storage rooms, 67 parking spaces and 2 commercial premises.

The building, which is in a good state of repair, is divided into 13 floors above ground where the homes are located and 1 floor below ground where the annexes are located. The average size of the homes is 80 m². It has good communications by both private and public transport as it is close to the local train stop and has easy access to the M-50 and A-42 and R-4 motorways. The area is consolidated, with schools, hospitals, green areas, and has a sports centre and the El Ferial Shopping Centre.

The building has a gross leasable area of 4,125 m². The occupancy rate at 31 December 2019 was 81%.

The market value of the property at 31 December 2019 was €7,114,000, in accordance with the Savills valuation report.

3.7.13 Villalbilla (Villalbilla, Madrid)

The Company owns 400 homes with their corresponding storage rooms, 436 parking spaces and 2 commercial premises located in three real estate complexes.

The first complex is located at calle Miguel de Cervantes 11, calle Miguel de Cervantes 9A and calle Calderón de la Barca 55, Villalbilla, Madrid. It was built in 2010. This complex has a total of 259 homes, of which Jurisa owns 3.

The second complex is located at calle Francisco de Quevedo 17 and 19, and calle Gonzalo de Berceo 16-18-20-22, Villalbilla, Madrid. This complex has a total of 348 homes, of which Jurisa owns 320.

The third complex is located at calle Gonzalo de Berceo 4, Villalbilla, Madrid. This complex has a total of 77 homes, of which Jurisa owns 77.

The development, which is in an average state of repair, is divided into 4 floors above ground where the homes are located and 2 floor below ground where the annexes are located. The average size of the homes is 104 m². It has easy access to the A-2 motorway. The area is located a few minutes from Alcalá de Henares, where there are schools, hospitals, green areas, several local train stops and average commercial activity.

The development has a gross leasable area of 41,496 m². The occupancy rate at 31 December 2019 was 1%.

The market value of the property at 31 December 2019 was €41,540,000, in accordance with the Savills valuation report.

3.7.14 Mortgage loan:

On 31 August 2018, through the subsidiary Muflina Investments, S.L.U., the Company acquired a loan linked to a property located at calle San Sebastián 29, known as “Arganda I”. This property consists of 69 homes, which, in the event of foreclosure, will be owned by the Company. At 31 December 2019, the loan at its amortised cost was valued at €7,889,890. At 31 December 2019, this asset was appraised by Savills at €11,651,000.

The following is a description of the asset known as “Arganda I”.

The building is located at calle San Sebastián 29, Arganda del Rey, Madrid. It was built in 2009. The Company has taken out a loan for the construction of the 69 homes and their respective storage rooms and parking spaces.

The development is made up of 7 residential buildings in good condition, consisting of homes with an average size of 97 m². The area is consolidated, in a residential environment, with good communications, with a 2-minute walk from the bus stop and a 9-minute walk from the Arganda del Rey metro stop, a nearby hospital (Hospital Universitario del Sureste) and a sports complex just a few metres away. It also has easy access to the A-3 and R-3 motorways, which connect with Madrid and the rest of the southern municipalities. There is average commercial activity in the surrounding area, with a market and the Zoco Shopping Centre in the vicinity.

The building has a gross leasable area of 6,709 m². The occupancy rate at 31 December 2019 was 84%.

In addition to the asset known as "Arganda I", IANTE has a mortgage loan linked to 18 additional homes and their 19 respective parking spaces in the asset known as "Sanchinarro" described above (see description of asset number 3.7.5 "Sanchinarro"). At 31 December 2019, the market value of the 18 homes and the 19 parking spaces amounts to €8,222,000.

3.7.15 Sale and purchase agreement subject to conditions precedent

As of the date of this Information Document, Dalandia has signed a future private sale and purchase agreement (asset known as "Antonio González Porras") subject to a series of conditions precedent on a residential building already built the Community of Madrid, which comprises 27 homes, 27 storage rooms and 46 parking spaces.

The purchase and sale will only be effective when the public deed of sale is executed, once the conditions precedent are met or waived by Dalandia, and only through the execution of this deed may the seller transfer ownership and physical and legal possession of the building to the Company.
As of the date of this Information Document, Dalandia has signed a future private sale and purchase agreement subject to a series of conditions precedent on a residential building already built in calle Antonio González Porras, Madrid, which comprises 27 homes, 27 storage rooms and 46 parking spaces. The purchase price of the building is €5.9 million, of which €1.2 million had been paid on account as of 31 December 2019. The outstanding amount will be paid when the public sale and purchase deed is executed. This asset is appraised by Savills at €7,293,000.

3.7.16 Turnkey contracts

As of the date of this Information Document, IANTE, through its subsidiaries, has signed 11 private turnkey contracts for the future acquisition of the residential assets once their development and construction have been completed.

Approximately 1,405 homes are associated with these 11 contracts. These assets are located in the Community of Madrid, specifically in Tetuán, Valdebebas, Arganda del Rey, Torrejón de Ardoz, Valdemoro, Rivas Vaciamadrid, Cañaveral and Alcalá de Henares.

At 31 December 2019, the total valuation of the turnkey contracts entered into by the Company's various subsidiaries amounted to €295 million, in accordance with the average range of the Savills valuation report. The purchase price of the 11 developments is approximately €273 million. Payments will be made in accordance with the payment schedule stipulated in the various contracts. If the turnkey contract is terminated by the seller, they will be obliged to return the amounts paid up to that date to IANTE. As of the date of this IANTE Information Document, a total of €12 million has been paid to the sellers, which has been recognised as an advance payment, and guarantees amounting to €39 million have been provided.

3.8 THE MARKET

It is considered relevant for the investor to provide current general information on the market in which the Company operates.

The main variables and factors to be considered are presented to properly understand the macro economic environment and the business itself more specifically.

This section content has been taken from Asset's Valuation Report.

Macro context

The Spanish economy has entered a period of slowdown, on the other hand, expected after sustainable growth since 2014 also accompanied by a less favourable external environment, which particularly affects our external balance. Our projections for 2020 are around 1.5%-1.7% for Spanish GDP.

Residential segment

The housing market is broadly stabilized, mainly by demand stability. By 2020, a normalization scenario is envisaged, especially in the main cities of Spain, although it does not mean that prices can continue to increase, albeit at lower levels around 1.5%, year-on-year terms.

Investors will remain interested in products such as "Built to Rent", "Co-living", buildings rehabilitation and the change of use, seniors and students residences… Demand could also be affected for the political instability and economic instability in general, producing some retraction.

Rents exceeding the barrier of 5.50 €/sqm/month with upward trend in locations close to the city. The notable interest in "last mile" product remains.

Economic outlook of the Spanish economy

The projections of the Bank of Spain forecast an extension, over the period 2018 - 2021, of the upward phase of the cycle that began at the end of 2013. The factors on which this projected evolution is based are:

- Maintaining the accommodative tone of monetary policy,
- Strengthening the asset situation of businesses and families
- In the short term, the effects of government expansionary fiscal measures and the recent decline in oil prices.

Taken together, these factors should allow the economy to continue expanding at rates significantly higher than its potential rate, thereby continuing to absorb the high volumes of unemployment generated by the crisis.

However, GDP growth is expected to evolve within a path of gradual deceleration within the 2019-2021 year period. This would be the result, among other factors, of the gradual decline in the expansionary effects of the monetary policy measures adopted in recent years, which will cause financial conditions to gradually begin to tighten somewhat less favourably for private agents' spending, as shown by indicators such as interest rates.

In addition, it is believed that in a context of relatively high levels of uncertainty, the proportion of income that households will spend on consumption will be lower than in recent years, thus reversing some of the sharp downward trend indicated by the savings rate over the last decade. GDP is expected to moderate its progress to 1.9% in 2020 and 1.7% in 2021.

The expected slowdown in activity over the timeframe under consideration reflects the expectation of a gradual moderation in the dynamism of national private demand, which in any case is positively influenced by the persistence of favourable financial conditions and by the recovery of the asset situation of families and businesses.

Within the confines of national demand, the advance of private consumption will continue to be favoured by the creation of employment and the increase of actual wages. Compared to September 2018´s projections, the current ones envisage a slight upward revision of the progress of this demand component.

Consumption will gradually slow down, partly because households should raise their savings rate from annual historical lows. In addition, as the timeframe progresses, the increase in household income will tend to rest increasingly on actual wage increases and, to an even lesser extent, on job creation.

With regard to the investment component, residential investment is an activity that will continue to grow consistently due to the favourable status of access to financing, which is determined by the improvement in employment and, partly, by wages and low interest rates.

Business investment will continue to show remarkable dynamism, driven by increased productivity, as well as by the prospects for expansion of activity and profits of companies, the very real possibility of financing at reduced costs and the increasingly healthy financial position of the sector in general. However, the projected trend over the timeframe is one of deceleration, in line with the moderation of final demand and the increase in uncertainty linked to the rise in trade tensions.

The foreseeable depreciation of the exchange rate and the recovery of tourist flows diverted to other areas of the Mediterranean will allow a return to modest gains in market share. In any case, the trend is one of downward revision of the expected path for sales of goods and services to the rest of the world, which is partly derived from the trend of the world economy itself. An increase in imports is expected for the years 2019-2021.

Finally, it should be stressed that a high public deficit together with the intensity and duration of the economic crisis has led to a sharp increase in public debt. The effect alone of the reduction in tax revenue resulting from the bursting of the housing bubble in a decade of crisis has meant an increase of 60 points of GDP in public debt. The high level of public debt should remain one of the main challenges of the Spanish economy, but it should decrease slightly

New phase of the economic cycle

Figures shown by the different departments of economic analysis warn of the slowdown of the Spanish economy, obviously influenced by external noise, and by internal factors such as the low activity of the industrial and primary sector and the decline in domestic demand (private consumption).

Regarding the real estate sector, on the one hand, the residential segment that shows some tiredness in prices, in some places and where investors who acquired portfolios of banking homes 6 - 7 years ago, could now return with the massive sales of assets before a new phase of the economic cycle.

On the other hand, the commercial real estate that maintains the interest on the part of institutional investors in the main segments, with high incomes and yield compression, such as the logistics, offices, high street, hotel and some alternatives. On the other hand, Medium and Shopping centres looking for new formats.

3.9 DEPENDENCE ON LICENCES AND PATENTS

The Company is not dependent on any trademark, patent or intellectual property right that affects its business.

All properties owned have the relevant licences for their activity.

3.10 INSURANCE CONTRACTS

The Group has insured its real estate assets with various insurance companies. The detail of the assets insured is as follows:

Current owner	Asset	Location	Insurance	
			Amount	Insurance company
Muflina Investments, S.L.U.	Sanchinarro	Madrid	€17,561,106	Mapfre España
Vallearganda	Arganda I	Arganda del Rey	€6,641,523	Mapfre España
Muflina Investments, S.L.U.	Vallecas	Madrid	€826,40	Mapfre España
Muflina Investments, S.L.U.	Tetúan	Madrid	€2,062,544	Mapfre España
Muflina Investments, S.L.U. Pinarcam Vivienda Joven, S.L.U. Gunile Investments, S.L.U.	Lavapiés	Madrid	€2,334,476	Mapfre España
Muflina Investments, S.L.U.	Villaverde	Madrid	€17,376,879	Mapfre España y Reale Seguros Generales
Muflina Investments, S.L.U.	Retiro	Madrid	€3,174,742	Mapfre España
Muflina Investments, S.L.U.	Maldonado 24	Madrid	€1,813,924	Mapfre España
Muflina Investments, S.L.U.	Santa Ana 8	Madrid	€1,861,863	Generali España
Pinarcam Vivienda Joven, S.L.U.	Arganda II	Arganda del Rey	€7,233,903	Mapfre España
Burgo Buenavista Gestión, S.L.U.	Parla I	Parla	€5,064,635	Mapfre España
Dalandia Investments, S.L.U.	Parla II	Parla	€5,453,854	Mapfre España
Compañía Europea de Arrendamientos Urbanos, S.L	Francisco Largo Caballero 20	Alcobendas	€11,743,925	Ocaso, S.A.
Jurisa Investments, S.L.U.	Villalbilla	Villalbilla	€42,474,526	Mapfre España

3.11 RELATED-PARTY TRANSACTIONS

The Company has related-party transactions.

The following table contains a summary of the related party transactions of 2018:

a) *Transactions with the majority shareholder*

Balance at 31/12/2018					
Description	Non-current payables		Current payables		Total (€)
	Amount (€)	Rate	Amount (€)	Rate	
Iante Investment SOCIMI, S.A.U.	21,635,889	7%	3,786,000	7%	25,421,889
Muflina Investments, S.L.U.	-	-	38,735,760	5%	38,735,760
Total Group companies and associates	**21,635,889**		**42,521,760**		**64,157,649**

31/12/2018		
Description	**Loans (€)**	**Interest (€)**
Parent	-64,157,649	-963,93
Total Group companies and associates	**-64,157,649**	**-963,93**

These are loans granted by the majority shareholder, AEREF V Iberian Residential Holdings, S.á.r.l., in favour of IANTE and its subsidiaries for a total of €64 million for the acquisition of assets, at an interest rate of between 5% and 7%. The maturity of the loans granted ranges from 1 year to 10 years.

b) Transactions with directors and executives

Description	31/12/2018
	Loan (€)
Avalon	39,752
Total Group companies and associates	**39,752**

A loan of €39,680 was granted to one of the shareholders of Avalon Properties, S.L. (Duron Properties, S.L.U.) on 24 September 2018 and matures on 24 September 2020. This loan earns interest at the legal rate of interest. Accrued interest receivable recognised at year-end amounted to €72.

The following table contains a summary of the related party transactions of 2019:

a) Transactions with the majority shareholder

Balance at 31/12/2019					
Description	**Non-current payables**		**Current payables**		**Total (€)**
	Amount(€)	**Rate**	**Amount(€)**	**Rate**	
Iante Investment SOCIMI, S.A.U.	56,276,288	7%	13,185,484	5% - 7%	**69,461,772**
Pinarcam Vivienda Joven, S.L.U.	-	-	-		**-**
Muflina Investments, S.L.U.	-	-	11,466,760	5%	**11,466,760**
Dalandia Investments, S.L.U.	417,249	7%	1,391,820	5%	**1,809,068**
Nuciva Investments, S.L.U.	4,830,000	7%	-	5%	**4,830,000**
Jurisa Investments, S.L.U.	-	-	16,950,000	5%	**16,950,000**
Total Group companies and associates	**61,523,537**		**42,994,064**		**104,517,600**

31/12/2019		
Description	**Loans (€)**	**Interest (€)**
Parent	-104,517,600	-6,652,491
Total Group companies and associates	**-104,517,600**	**-6,652,491**

These are loans granted by the majority shareholder, AEREF V Iberian Residential Holdings, S.á.r.l., in favour of IANTE and its subsidiaries for a total of €104 million for the acquisition of assets, at an interest rate of between 5% and 7%. The maturity of the loans granted ranges from 1 year to 9 years.

b) <u>Transactions with directors and executives</u>

Description	31/12/2019
	Loan (€)
Avalon	**41,356**
Total Group companies and associates	**41,356**

A loan of €39,680 was granted to one of the shareholders of Avalon Properties, S.L. (Duron Properties, S.L.U.) on 24 September 2018 and matures on 24 September 2020. This loan earns interest at the legal rate of interest. The interest accrued in 2019 amounted to €1,190. The short-term interest receivable and recognised at year-end amounted to €1,262.

At the date of this Information Document, there aren't any related party transactions in 2020.

4 RISK FACTORS

Set forth below are detailed those certain risks, uncertainties and other factors that may affect the Company's future results.

4.1 RISKS ASSOCIATED WITH THE REAL ESTATE BUSINESS

4.1.1 Cyclical sector

The current property sector is very sensitive to the existing political and economic-financial environment. The revenues derived from the property assets and their valuations depend, in large part, on the supply and demand for properties, inflation, interest rates, the economic growth rate or legislation.

If the Company's asset portfolio were to suffer a decline in value requiring a provision with respect to the carrying value, this would have an impact on the profit, the financial situation and the valuation of the Company.

4.1.2 Risks derived from the possible fluctuation in the demand for properties and their consequent decrease in rental prices

Contractual relationships with tenants are documented and signed by both parties. In the event that said clients decide not to renew their contracts or insist on renegotiating rent prices downwards, this would have a negative impact on the financial situation, profits or valuation of the Company.

4.1.3 Degree of liquidity of investments

Real estate investments are characterised as being more illiquid than investments in movable property. Therefore, in the event that the Company wants to disinvest part of their portfolio of real estate assets, its ability to sell may be limited in the short term or may be forced to reduce the sale price.

The scant liquidity of the investments could limit the Company's capacity to adapt the composition of its real estate portfolio to possible circumstantial changes, thus forcing IANTE to hold on to the real estate assets for longer than initially anticipated.

4.2 OPERATING RISKS

4.2.1 Risks of reduction in the market value of the real estate assets associated with the valuation of assets

The holding and acquisition of real estate assets involves certain investment risks, such as the return of the investment being less than expected, or the estimates or valuations made being inaccurate or incorrect.

In addition, the market value of the assets could be reduced or negatively affected in certain cases, such as, for example, in the case of changes to the expected returns on assets or adverse developments from a macroeconomic point of view or even political uncertainty.

Consequently, although the Company's financial statements are audited annually and its interim financial statements are reviewed on a half-yearly basis and for each acquisition made by the Company, legal and tax due diligences are performed, as well as periodic valuations, regular market studies and verifications of the legal and technical requirements, the Company cannot ensure that once the real estate assets are acquired no significant factors that were unknown at the time of acquisition will appear, such as restrictions imposed by the law or that are environmental in nature or that the estimates with which the valuation was made will be met. This could result in the value of its assets being reduced and could have a material adverse impact on the activities, results and financial position of the Company.

4.2.2 Risks associated with the valuation of assets

In the valuation of the Company's shares, the Board has taken into consideration Savills's valuation report on the shares prepared dated 31 December 2019. To set the aforementioned price, the Company considered assumptions related to, among others, the properties' occupancy rate, future rent contractual lease payment revisions and the estimated exit yield, although potential investors may not agree with these assumptions. If the subjective elements used in the calculation evolve negatively, the valuation of IANTE's assets would be lower and, consequently, the financial position, results or valuation of the Company could be affected.

4.2.3 Risk associated with turnkey contracts

The Company has signed 11 private agreements for the future sale and purchase of assets. Under these contracts, which have a turnkey format, the developer and/or builder undertakes to deliver a certain number of homes with particular characteristics on a specific date. If the developer and/or builder does not comply with the clauses of the contract, for reasons attributable thereto and/or to third parties, IANTE or any of its subsidiaries would be affected as they would not receive the asset under the terms stipulated in the contract, in which case IANTE would not be required to purchase the assets and, as a result, IANTE's financial position, results or valuation could be adversely affected.

In addition, the amounts paid under these contracts are in some cases secured by bank guarantees and in other cases by other types of guarantees.

IANTE or its subsidiaries would be obliged to pay a penalty to the developer and/or builder, the amount of which would be between 20% and 30% of the price if, once all the conditions precedent had been fulfilled (or waived by the buyer, as appropriate), the buyer voluntarily decided not to appear at the notary's office to formally execute the sale and purchase deed.

4.2.4 Breach of leases

In the event of default by the lessees of their obligations to pay the rent due to IANTE under the corresponding lease agreements, the recovery of the property and its availability to re-rent could be delayed until the court-ordered eviction of the non-compliant lessee. All this could negatively affect the business, the results and the financial position of the Company.

4.2.5 Risk of possible conflicts of interest on the part of Azzam as Property Manager

The Company signed a property management agreement with Azzam on 16 July 2019.

Azzam is a company belonging to the Azora Group, a private capital company that engages in the management of real estate assets in different categories, including residential properties. As of the date of this Informational Document, the Azora Group manages several residential portfolios in Spain for third parties, with an approximate value of €2,000 million, distributed over more than 13,000 homes.

Certain situations may therefore arise in which the interests of the Azora Group as Property Manager for third parties and for the Company may lead to potential conflicts of interest.

4.2.6 Risks arising from claims for liability or insufficient insurance cover

IANTE is exposed to substantial claims of liability for contractual breaches, including breaches due to error or omission by the Company or its professionals in the performance of their activities. Likewise, the real estate assets that the Company acquires are exposed to the generic risk of damage contract of sale that may occur due to fires, floods or other causes, and the Company may be liable vis-à-vis third parties as a result of damage caused to any of the assets that IANTE owns.

The insurance policies taken out to cover all these risks, although it is understood that they meet the standards required in accordance with the activity carried out, may not adequately protect the Issuer from the consequences and liabilities arising from the foregoing circumstances, including losses that may result from the interruption of the business.

If the Issuer were to be the subject of substantial claims, its reputation and ability to provide services could be adversely affected. In addition, possible future damage that is not covered by the insurance arranged by IANTE, that exceeds the amounts insured, that has substantial deductibles or that is not mitigated by contractual limitations on liability, could have a negative effect on the Company's operating results and financial position.

4.2.7 Risk of geographical concentration of product and market

As at 31 December 2019, the assets held by the Company in the city of Madrid, Arganda del Rey (Madrid), Torrejón de Ardoz (Madrid), Valdemoro (Madrid), Rivas Vaciamadrid (Madrid), Villalbilla (Madrid), Parla (Madrid), Alcobendas (Madrid), San Sebastián de los Reyes (Madrid) and Alcalá de Henares (Madrid) represented 100% of the total value of its real estate portfolio. Therefore, if there are any specific changes regarding urban development in the corresponding municipalities or the autonomous community or changes due to specific economic conditions that arise in this region, the Company's financial position, results or valuation may be adversely affected.

4.2.8 Risk of significant concentration in one type of asset

At 31 December 2019, 100% of the total value of the Company's assets are homes, representing little diversification with regard to asset type. Therefore, any changes that take place in this sector (economic, technological, competition conditions, etc.) would affect the assets held by the Company, which could negatively impact the financial position, results or valuation of the Company.

4.2.9 Risk of competition

The activities carried out by IANTE are included in a competitive sector in which other specialised Spanish and international companies operate that mobilise significant human, material, technical and financial resources.

Experience, material, technical and financial resources, and local knowledge of each market are key factors in successfully carrying out its activities in this sector.

The groups and companies with which IANTE competes may have greater material, technical and financial resources, more experience, or better knowledge of the markets in which it operates or may operate in the future and may reduce the business opportunities for IANTE

This high level of competition in the sector could lead to an excess supply of properties or a reduction in prices in the future.

Finally, competition in the real estate sector could hinder, at times, the acquisition of assets under favourable terms for the Issuer. Similarly, the Issuer's competitors could adopt rental, development and acquisition business models similar to those of the Issuer. All this could reduce its competitive advantages and significantly affect the future development of its activities, the results and the financial situation of the Company.

4.2.10 Risk arising from licenses and energy performance certificates for the properties

To hold and operate its assets, the Company and/or its tenants are required to obtain certain licenses, certificates, permits or authorisations to, among other things, implement certain activities, carry out remodelling and/or expansion works, changes of use, ongoing regularisations or bring assets into line with urban and sector regulations.

Failure to obtain the related licenses or energy performance certificates could give rise to sanctions and/or, in very extreme cases, an order issued by the corresponding public authorities to cease the activity carried out in the assets, which could have a negative effect on the Company's transactions, financial position, forecasts, results and valuation.

4.2.11 Risk of Covid -19

Risk of the expected growth of the rental increase to be slower due to the lower income growth. Risk of some of the works associated to the forward purchase contracts in place to experience delays that cause the asset is delivered at a latter date than originally expected.

4.3 FINANCIAL RISKS

4.3.1 Level of borrowings

At 31 December 2019, the Company had a net financial debt with both credit institutions and Group companies of €160,666,857. Taking into account asset valuation provided by Savills at 31 December 2019 (finished products, mortgage-backed loans and other financial assets), the Company's loan-to-value ratio was 81%.

In the event that the cash flows generated by the income received from the real estate portfolio are insufficient to pay the existing borrowings, this shortfall would negatively affect IANTE's financial position, results or valuation.

4.3.2 Risk of foreclosure on the mortgages on the Company's real estate assets

As of the date of this Information Document, part of IANTE's real estate assets for lease are mortgaged in favour of the financial institutions that have granted loans. If IANTE fails to comply with the contractual obligations of the aforementioned mortgage-backed loans, the financial institutions may foreclose, meaning that the mortgage assets would become the property of the financial institutions and thus, negatively affecting the financial position, results or valuation of IANTE.

4.4 LEGAL AND REGULATORY RISKS

4.4.1 Risks related to regulatory changes

The Company's activities are subject to legal and regulatory provisions of a technical, environmental, fiscal and commercial nature, as well as planning, safety, technical and consumer protection requirements, among others. The local, autonomic, and national administrations may impose sanctions for non-compliance with these standards and requirements. The sanctions may include, among other measures, restrictions that may limit the performance of certain operations by the Company. In addition, if the non-compliance is significant, the fines or sanctions may have a negative impact on the Company's profits and financial situation.

A significant change to these legal and regulatory provisions or a change affecting the way in which these legal and regulatory provisions are applied, interpreted or met, may force the Company to change its plans, projections or even properties and, therefore, assume additional costs, which could negatively impact the Company's financial situation, profit or valuation.

4.4.2 Changes in tax legislation (including changes in the tax regime of SOCIMI)

Any change (including changes of interpretation) in the Law of SOCIMI or in relation to the tax legislation in general, in Spain or in any other country in which the Company may operate in the future or in which the shareholders of the Company are residents, including but not limited to:

(i) The creation of new taxes, and,

(ii) The increase of the tax rates in Spain or in any other country where the Company may operate,

could have an adverse effect on the activities of the Company, its financial conditions, its forecasts or results of operations.

Furthermore, the non-compliance with the requirements established in the Law of SOCIMI would determine the loss of the special tax regime applicable to IANTE SOCIMI (except in those cases in which the regulations allow its correction within the next immediate fiscal year).

The loss of the SOCIMI regime (i) would have a negative impact for the Company in terms of both direct and indirect taxes, (ii) could affect the liquidity and financial position of IANTE SOCIMI as long as it is required to regularize the indirect taxation of certain acquisitions of real estate assets, as well as the direct taxation of those income obtained in previous tax periods going to tax in accordance with the general regime and the general rate of taxation of Corporate Income Tax, and (iii) would determine that IANTE SOCIMI could not opt again for the application of the same SOCIMI special tax regime until at least three years from the conclusion of the last tax period in which said regime would have been applicable. All this could therefore affect the return that investors obtain from their investment in the Company.

4.4.3 Application of special tax regime

It should be noted that IANTE SOCIMI will be subject to a special tax of 19% on the full amount of the dividends or profit sharing distributed to the partners whose participation in the share capital of the entity is equal to or greater than 5% when the dividends paid out to these shareholders are either tax exempt or taxed at a rate lower than 10%.

This tax will be considered as a Corporate Income Tax fee. Shareholders who cause the accrual of the special tax of 19% shall indemnify the Company in an amount equivalent to the Corporate Income Tax expense that would arise from making the dividend payment that serves as the basis for the calculation of the aforementioned special tax.

4.4.4 Loss of the SOCIMI tax regime

On June 6th, 2018, the Company's General Shareholders Meeting agreed on requesting the application of the special tax regime for SOCIMI. The application of said special tax regime is subject to compliance with the requirements set out in Law 11/2009 modified by Law 16/2012. Lack of compliance with any of said requirements would mean that the Company would be taxed under the general Corporation Income Tax regime for the year in which said non-compliance occurred, with the Company being required to enter, where appropriate, the difference between the fee for this tax resulting from the application of the general regime and the amount paid that resulted from the application of the special tax regime in subsequent tax periods, without prejudice to late payment interest, surcharges and penalties that may be appropriate, as the case may be. The loss of said SOCIMI special tax regime could negatively affect the Company's financial situation, operating results, cash flows or valuation.

4.4.5 Litigation risk

Currently there is not any litigation risks that have impact on the Company's results.

4.4.6 Lack of liquidity for the payment of dividends

All dividends and other distributions paid by the Company will depend on the existence of profits available for distribution, and sufficient cash. In addition, there is a risk that the Company generates profits but does not have sufficient cash to meet, monetarily, the dividend distribution requirements set out in the SOCIMI tax regime. If the Company does not have sufficient cash, it may be required to cover dividends in kind or to implement a system of reinvesting dividends in new shares.

As an alternative, the Company may request additional funding, which would increase its financial costs, reduce its capacity to ask for funding for making new investments and it may have an adverse material effect on the Company's business, financial conditions, operating results and forecasts.

Shareholders would be obliged to assume the fiscal costs of paying the dividend. In addition, the payment of dividends in kind (or the implementation of equivalent systems such as the reinvestment of the dividend right in new shares) may give rise to the dilution of the shareholding of some shareholders who receive the dividend monetarily.

5 INFORMATION CONCERNING THE OPERATION

5.1 REGISTRATION WITH EURONEXT ACCESS

Registration procedure: Registration of shares for negotiations on Euronext Access Paris through technical admission.

ISIN: ES0105479002

Euronext Ticker: MLINT

Number of shares to be listed: 5,000,000 shares

Nominal price per share: €1

Reference price per share: €4.62

Market capitalisation: €23,000,000

Initial listing and trading date: May 29th, 2020

Listing Sponsor: ARMANEXT ASESORES S.L.

Financial service: Société Générale Securities Services

Central Securities Depositary: EUROCLEAR FRANCE

5.2 OBJECTIVES OF THE LISTING PROCESS

This transaction is carried out within the framework of a procedure for admission to trading on the Euronext Access Market operated by Euronext Paris S.A., through technical admission. The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF).

The registration in the Euronext Access Market will allow the Company to acquire notoriety and to adapt to the operation of financial markets before a possible transfer to a larger market that enables to continue its development.

Additionally, the Company has to be listed in a European Market to keep the special tax regime for SOCIMI.

5.3 COMPANY'S SHARE CAPITAL (*ARTICLE 5 OF THE ARTICLES OF ASSOCIATION*)

Article 5 of the articles of association sets out the Company's share capital.

ARTICLE 5.-SHARE CAPITAL

The share capital is fixed at the figure of FIVE MILLION EUROS (€ 5,000,000.00), fully assumed and disbursed, divided into FIVE MILLION (5,000,000) registered shares of 1Euros of face value each, indivisible and cumulative, numbered from 1 to 5,000,000, both inclusive, belonging to a single class and series.

(…)

5.4 EVOLUTION OF THE SHARE CAPITAL, INCREASES AND REDUCTIONS

The Company was incorporated on July 6th, 2017 with share capital of €3,000. Subsequently, it has increased the share capital on several occasions:

- **July 6th, 2017:** The company was founded under the corporate name of IANTE INVESTMENT S.A. Comprising 60,000 shares each with a face value of €1.

  As a result of the foregoing, the Company´s shareholders based their percentage in the share shares capital as follows:

SHAREHOLDER	SHARES	SHAREHOLDING
Afiens Legal S.L.P.	60,000	100.00%
TOTAL	**60,000**	**100.00%**

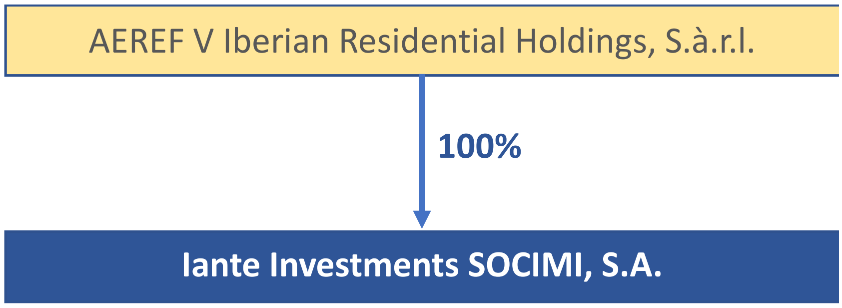
- **May 28th, 2018:** AEREF V Iberian Residential Holdings, S.à.r.l. acquired from Afiens Legal S.L.P.

SHAREHOLDER	SHARES	SHAREHOLDING
AEREF V Iberian Residential Holdings, S.á.r.l.	60,000	100.00%
TOTAL	**60,000**	**100.00%**

- **February 3rd, 2020:** The Company increased its capital in €4,940,000 of €1 each. The resulting total share capital after the increase was €5,000,000 consisting in 5,000,000 shares of €1 each.

SHAREHOLDER	SHARES	SHAREHOLDING
AEREF V Iberian Residential Holdings, S.á.r.l.	5,000,000	100.00%
TOTAL	**5,000,000**	**100.00%**

On the date of this Information Document, this is the Company's shareholding:



AEREF V Iberian Residential Holdings, S.à.r.l is the sole shareholder of the Company.

5.5 MAIN CHARACTERISTICS OF THE SHARES

The legal regime applicable to IANTE's shares is that envisaged in Spanish law, the provisions included in the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, and Royal Decree Law 21/2017, of 29 December, on urgent measures for the adaptation of Spanish law to European Union securities market regulations, and in any implementing regulations that may apply.

IANTE's shares are represented by book entries and are registered in the corresponding accounting records kept by Euroclear France. All of IANTE's shares are registered, belong to the same class and series and are fully subscribed and paid up. All shares representing the Company's share capital also confer the same dividend and voting rights. Each share carries the right to one vote and there are no preference shares.

IANTE's shares are denominated in euros (€).

All of IANTE's shares are ordinary and grant the holders the same rights. In particular, mention is made of the following rights set out in the prevailing Articles of Association or in applicable regulations:

a) Right to receive dividends

   All shares grant the holder the right to participate in the distribution of company profit and the proceeds resulting from liquidation. The Company is subject to the regime set out in the regulations for REITs in relation to the distribution of dividends, as detailed in section 1.4.

b) Right of attendance and representation and right to vote

All of IANTE's shares grant their holders the right to attend and vote at the Company's General Shareholders Meeting and to challenge corporate resolutions in accordance with the general regime established in the Corporate Enterprises Act and in IANTE's Articles of Association.

In particular, with regard to the right to attend General Shareholders Meetings, Article 12 of the Articles of Association states that shareholders may attend General Shareholders Meetings, regardless of the number of shares they hold, provided they are registered as such in the corresponding book-entry register on behalf of any of the Participating Entities five (5) days prior to the date on which the General Shareholders Meeting is to be held.

The Articles of Association provide for the possibility of attending the general meetings remotely, by the means and under the terms envisaged in the Articles of Association.

The splitting of votes is permitted so that financial intermediaries acting as nominees on behalf of different clients can issue their votes in accordance with their instructions.

Each share carries the right to issue one vote.

All shareholders entitled to attend may be represented at the Meeting by another person who need not be a shareholder.

c) Pre-emption rights

All of IANTE's shares grant their holder, in accordance with the Corporate Enterprises Act, a pre-emption right in capital increases with issuance of new shares and the issue of debentures convertible into shares, except where the pre-emption right is excluded in accordance with sections 308 and 417 of the Corporate Enterprises Act.

Moreover, all of IANTE's shares grant their holders a bonus issue right, as recognised in the Corporate Enterprises Act in cases of capital increases charged to reserves.

d) Right to information

The shares representing IANTE's share capital grant their holders the right of information contained in section 93 d) of the Corporate Enterprises Act and, in particular, in section 197 of this Act, as well as those rights that, as special manifestations of the right of information, are contained in the Corporate Enterprises Act.

5.6 CONDITIONS FOR THE TRANSFER OF SHARES *(ARTICLES 6, 7 AND 25 OF THE ARTICLES OF ASSOCIATION)*

ARTICLE 6.- SHARE TRANSFERS

The shares and dividend rights deriving from them, including the pre-emption and bonus issue rights, are freely transferable by all lawful means. However, any shareholder wishing to acquire a shareholding of more than 50% of the share capital will at the same time have to make a purchase offer for all of the remaining shares on the same terms. Any shareholder who receives, from another shareholder or a third party, an offer to purchase their shares, where it can be reasonably deduced from the terms under which it is formulated, the characteristics of the acquirer and the remaining applicable circumstances that the purpose is for the acquirer to obtain a shareholding of more than 50% of the share capital, may only transfer the shares leading the acquirer to exceed this percentage if the potential acquirer demonstrates that it has offered to all the shareholders the option to purchase its shares. Transfers made in breach of the provisions of this Article will not be enforceable against the Company and will have no effect against it.

ARTICLE 7.- ANCILLARY OBLIGATIONS

The Shares are also subject to the performance and fulfilment of the ancillary obligations described below.

The ancillary obligations envisaged in this Article will not entail any remuneration by the Company to the shareholder in each case in question. Likewise, without prejudice to the provisions of Article 6 above, the transfer of the Shares (including, therefore, these ancillary obligations) through *inter vivo* or *mortis causa* acts is expressly authorised for all purposes.

1. ***Notification of significant shareholdings***

   a) *All shareholders will be obliged to notify the Company of any acquisitions of shares, by any means, directly or indirectly, that means that their total shareholding reaches, exceeds or falls below 5% of the share capital and its successive multiples.*

   b) *If the shareholder is a director or executive of the Company, the notification obligation will refer to 1% of the share capital and its successive multiples.*

   c) *Notices must be sent to the body or person designated by the Company for such purpose within a maximum of four (4) business days following that on which the event triggering the notice occurred.*

   d) *The Company will publish these notices in accordance with the rules of the Alternative Equities Market from the time that its shares are admitted to trading on the market.*

2. Publicity of shareholder agreements

a) All shareholders will be obliged to notify the Company of any covenants that they subscribe, extend or extinguish and by virtue of which the transferability of the shares they own is restricted or the voting rights conferred are affected, in accordance with that established by law.

b) Notices must be sent to the body or person designated by the Company for such purpose within a maximum of four (4) business days following that on which the event triggering the notice occurred.

c) The Company will publish these notices in accordance with the rules of the Alternative Equities Market from the time that its shares are admitted to trading on the market.

3. Tax information

a) All shareholders that holds shares in the Company in a percentage equal to or greater than 5% of the share capital must notify the Company of this fact. Along with this notice, the shareholder must provide a certificate issued by a person duly authorised, accrediting the effective tax rate to which the dividend distributed by the Company is subject for this shareholder, along with a declaration that the shareholder is the effective beneficiary of this dividend. This information obligation is imposed for the purpose of notifying the Company whether the dividend distributed by the Company is subject to an effective tax rate of less than 10% for this shareholder.

*The percentages of ownership interest and taxation indicated in the previous paragraph correspond to those envisaged in Spanish Law 11/2009, of 26 October, governing real estate investment trusts ("**REIT Act**") and, therefore, will be understood to be automatically modified if this rule is changed or replaced by another.*

b) When the holder of the shares referred to in this section is:

i) A custodian that is formally entitled to act as a shareholder in the accounting records, but that acts for and on behalf of one or more third parties, the percentages of ownership interest and taxation referred to in this section will be those of these third parties and not those of the custodian.

ii) A foreign entity to which a similar regime to that provided for in the REIT Act applies, the percentages of ownership interest and taxation provided for in this section will refer to those of each of its shareholders.

iii) A look-through entity, the percentages of ownership interest and taxation provided for in this section will refer to those of each of the partners, shareholders or unitholders.

c) Likewise, all shareholders, while they are included in the situation provided for in section a) above, must:

i) Notify the Company of any acquisition or transfer of the Company's shares, regardless of the number of shares acquired or transferred.

ii) Provide, within ten (10) calendar days following the date on which the Company agrees at any given time to distribute any dividend or similar amount (e.g. reserves), tax certificates as indicated in section a) above.

iii) Provide (or request that third parties provide) in writing to the Company the information required thereby, at any given time, in relation to the effective ownership of the shares or the interest in these shares (accompanied, if required by the Company, by a formal or notarial declaration and/or by independent evidence), including any information that the Company considers necessary or appropriate for the purpose of determining whether such shareholders or third parties are likely to be in the situation described in section a) above.

d) The provisions of sections a) to c) above will also apply to those persons that hold dividend rights, voting rights or financial instruments over the Company's shares in the percentages indicated in section a) above.

e) If the person obliged to give notice does not comply with the provisions of sections a) to c) above, the Company will consider that the dividend is exempt from taxation for this shareholder or that it is taxed at a lower rate than that indicated in section a) above.

4. Obligation to compensate significant shareholders

a) In those cases in which, as a result of any of the shareholders being subject to the assumptions established in the accessory provision 3 of this Article of the Articles of Association, the Company will be obliged to pay the special tax envisaged in section 9.2 of the REIT Act, or the regulation that replaces it, and the aforementioned shareholder will have the obligation of compensating the Company for the damage caused.

b) The amount of compensation will be equivalent to the corporation tax expense payable by the Company as a result of payment of the dividend used as the basis for calculating the special tax rate, plus the amount that, having deducted the corporation tax levied on the full amount of the compensation, offsets the expense arising from the special tax and the corresponding compensation.

c) The amount of the compensation will be calculated by the Company and will be due, unless otherwise indicated by the Company, on the day prior to the payment of the dividend.

d) The compensation envisaged will be offset against any present and future dividends to be received by the shareholder, as well as any other amounts owed by the Company. However, the Company may demand and claim the compensation envisaged at any given time and by any method permitted by law.

e) The obligation to pay compensation provided for in this section will also apply to shareholders who, regardless of the tax rate to which the dividend received from the Company is subject for this shareholder, have failed to comply with the information obligations envisaged in the previous accessory provision of this Article.

ARTICLE 25.- DELISTING

From the moment the Shares are listed on the Alternative Equities Market, if the shareholders at the Company's General Meeting pass a resolution to delist its shares from this market that is not supported by all shareholders, the Company will be obliged to offer those shareholders that did not vote in favour of the resolution the option of acquiring the shares at the price determined in accordance with the criteria envisaged in applicable regulations on takeover bids in cases of delisting.

The Company will not be subject to the aforementioned obligation if it agrees to list its shares on a Spanish official secondary market, at the same time as applying for its delisting from trading on the Alternative Equities Market.

6 COMPANY VALUATION

6.1 BUSINESS PLAN

Below the Profit and Loss forecast for the years ending 2020, 2021 and 2022 can be found. These forecasts have been prepared using criteria comparable to that used in the preparation of the Company's Financial Statements.

The Profit and Loss forecast for the 2020-2022 period considering the assumptions explained below is the following:

PROFIT AND LOSS (€K)	2020E	2021E	2022E
Gross sales	4,433	7,719	14,052
Salaries	-1,243	-1,243	-1,243
Operating expense	-2,963	-3,938	-4,535
EBITDA	227	2,538	8,274
Euronext Expenses	-400		
Amortization	-3,384	-4,512	-5,489
Financial loss	-7,629	-7,989	-9,252
NON-OPERATING INCOME	-11,186	-9,963	-6,467
Taxes			
PROFIT BEFORE TAXES	-11,186	-9,963	-6,467
Loss for the year	**-11,186**	**-9,963**	**-6,467**

The information of these starting hypothesis is detailed below:

<u>Gross sales</u>

- The business plan assumes that:
  - Existing assets continue the lease up until they reach their stabilization point. 11 assets.
  - Assets under refurbishment are rented once the works are delivered. Progressive lease up until the assets are stabilized. 4 assets
  - Forward purchases delivered through the course of 2021 and 2022. 7 assets.
- Occupancy rates: have been assumed to increase up to the target stabilization occupancy of each asset.
- Rental income for the year 2020 has been projected based on the latest tenancy schedule and taking certain assumptions regarding the lease-up pace of the assets that are not currently at the target stabilized occupancy.

- Occupancy rates across the different assets might differ depending on the micro location of the asset and expected tenant profile.

Operating expense

- Include structure expenses; expenses related to maintenance costs, insurance premiums, banking services, and independent professionals services for the listing of the Company's equity on Euronext Access (mainly, lawyers, accounting and tax services, auditors, Listing Sponsor, banking services, etc.).

Capex

- The business plan incorporates an estimate of the capex needs that the company will experience both for maintenance of the operational asset as well as for refurbishing and upgrading the assets for refurbishment.

Amortization

- Amortization: has been calculated following current accounting standards. Land is not amortized, and assets shall be amortized at 2%.

Financial expenses

- Financial expenses are forecast attending to current financing in place and the expected financing to be arranged for the future acquisitions.

Taxes

- It has been estimated that all the provisions of the SOCIMI Law have been complied and, therefore, the effective rate applicable to the Company from 2020 onwards is 0%.

The business plan data have been prepared using criteria comparable to that used for the historical financial information

The Profit and Loss forecast reflected in this section has been prepared by using accounting criteria consistent with those used for the preparation of the Financial Statements, described in section 8 of this Information Document.

The Profit and Loss forecast presented above has not been subject to audit review or any type of assurance by independent auditors.

Main assumptions and factors that could substantially affect compliance with the forecasts or estimates

The main assumptions and factors, which could substantially affect the fulfilment of the forecasts or estimates, are detailed in point 4 of this Information Document. In addition to those mentioned in the section indicated above, a series of factors are listed below which, although not including all possible factors are those which could substantially affect the fulfilment of the forecasts

- Risk of inaccurate estimation of the market rents
- Default risk higher than that estimated in the invoiced rents
- Risk of lack of occupancy in the leased properties
- Risk of non-occupancy of the new properties acquired
- Risk of increase in third-party costs (marketing, insurers, utilities and professional services suppliers)
- Risk of increase in the estimated CapEx and OpEx levels

6.2 COMPANY'S FINANCIAL RESOURCES FOR AT LEAST TWELVE MONTHS AFTER THE FIRST DAY OF TRADING

€'000	jun-20	jul-20	ago-20	sep-20	oct-20	nov-20	dic-20	ene-21	feb-21	mar-21	abr-21	may-21	jun-21	jul-21	ago-21	sep-21	oct-21	nov-21	dic-21
Income	374	388	388	407	416	426	445	476	494	511	532	553	588	627	671	727	781	847	913
Opex	(349)	(352)	(355)	(379)	(356)	(354)	(352)	(371)	(367)	(370)	(374)	(373)	(429)	(439)	(440)	(494)	(498)	(511)	(516)
EBITDA	**25**	**37**	**34**	**28**	**60**	**72**	**92**	**105**	**127**	**141**	**159**	**180**	**159**	**189**	**230**	**233**	**284**	**336**	**397**
Mantainance CAPEX	(468)	(839)	(839)	(961)	(961)	(961)	(961)	(798)	(379)	(379)	(379)	(379)	(288)	(288)	(288)	(288)	(288)	-	-
Refurbishment CAPEX	-	-	-	-	-	-	-	(15,314)	-	-	-	-	(30,924)	(5,000)	-	(38,311)	-	-	-
CAPEX	**(468)**	**(839)**	**(839)**	**(961)**	**(961)**	**(961)**	**(961)**	**(16,112)**	**(379)**	**(379)**	**(379)**	**(379)**	**(31,212)**	**(5,288)**	**(288)**	**(38,599)**	**(288)**	**-**	**-**
Change in WC																			
Increase / Decrease in Bank Debt Outstanding	463	823	791	6,014	914	914	908	11,283	325	325	291	291	23,859	186	142	27,671	142	(146)	(150)
Increase / Decrease in Shareholder Loans	-	-	-	(5,100)	-	-	-	2,387	-	-	-	-	3,633	2,500	-	5,391	-	-	-
Net Financial Result	(125)	(125)	(126)	(127)	(135)	(137)	(138)	(139)	(154)	(155)	(155)	(155)	(156)	(188)	(188)	(188)	(225)	(225)	(225)
Equity Injections	-	-	-	-	-	-	-	2,387	-	-	-	-	3,633	2,500	-	5,391	-	-	-
Cash Flow from Financing Activities	**339**	**697**	**665**	**786**	**778**	**777**	**770**	**15,919**	**171**	**171**	**136**	**135**	**30,969**	**4,998**	**(46)**	**38,265**	**(83)**	**(371)**	**(375)**
Listing Related Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FCF	**(105)**	**(105)**	**(140)**	**(147)**	**(123)**	**(112)**	**(99)**	**(88)**	**(81)**	**(67)**	**(84)**	**(63)**	**(85)**	**(101)**	**(104)**	**(101)**	**(88)**	**(36)**	**22**

6.3 COMPANY VALUATION INCLUDING REAL ASSETS VALUATION

IANTE has engaged Savills to perform an independent valuation of the Company at 31 December 2019 in accordance with internationally accepted criteria. In view of the aforementioned commission, Savills has issued a valuation report on IANTE's shares issued on 31st December, 2019.

The method used by Savills in the valuation of the Company's shares is the Triple NAV. This method consists of calculating the value of the real estate company based on the sum of the market value of its assets, less its borrowings, net tax liabilities arising from the theoretical recognition of the market value of these assets, and other adjustments to the fair value of assets and liabilities. This method indicates the market value of a company's equity adjusting the assets and liabilities to their equivalent market value. To use this method, a market value for each relevant asset must be obtained using one or various approaches.

For the issuance of this valuation report, Savills has based its analysis mainly on the following: (i) a valuation report prepared by Savills in accordance with the RICS valuation standards on assets owned by IANTE subsidiaries at 31 December 2019 (attached as Appendix VII to this Information Document); ii) the audited consolidated financial statements of IANTE, together with the audit's report issued by Grant Thornton at 31 December 2019, iii) property lease agreements, management agreements, and financing agreements, iv) documentation relating to expenses, supplies and taxes.

a) Valuation report on the assets at 31 December 2019

The valuation report on the assets issued on 31st December, 2019 was prepared in accordance with the RICS Valuation Standards based on the 2017 edition of the Red Book "RICS Valuation – Professional Standards. Incorporating the International Valuation Standards".

Savills used the Discounted Cash Flow ("DCF") method for a period of 10 years for the valuation of all assets.

To determine the value of a property using the DCF, an estimate was made of the property's expenses, the contracted rent and the market rent considered for the empty area. Costs associated with empty spaces, costs of re-renting and the future sale of the property at a yield were also considered. The expenses, income and future sales value were discounted by means of a discount rate (IRR).

With regard to the finished product, the occupancy and income as of 31 December 2019 for each of the assets were considered for the DCF. Also, after the termination of the current contracts, market rents were estimated for the DCF period.

For turnkey contracts, an initial occupancy rate of 40%-50% was estimated, as well as market rents based on current comparables.

The finished product and the turnkey contracts were estimated based on the income and the expenses discounted in accordance with the CPI.

The main variables considered for the valuation of each of the assets are shown below:

Finished products

Asset	Methodology	Discount rate	Exit yield	Market value
Francisco Largo Caballero 20	DFC - 10 years	5.00%	4.00%	€23,105,000
Arganda II	DFC - 10 years	6.00%	4.50%	€8,461,000
Lavapiés	DFC - 10 years	6.00%	3.75%	€8,741,000
Santa Ana 8	DFC - 10 years	4.75%	3.75%	€6,608,000
Sanchinarro	DFC - 10 years	4.75%	3.75%	€33,083,000
Vallecas	DFC - 10 years	5.50%	4.50%	€1,602,000
Retiro	DFC - 10 years	6.00%	3.50%	€10,706,000
Maldonado 24	DFC - 10 years	4.00%	3.00%	€10,132,000
Tetúan	DFC - 10 years	5.00%	4.00%	€4,414,000
Villaverde	DFC - 10 years	6.00%	4.25%	€9,249,000
Parla I	DFC - 10 years	5.50%	4.00%	€7,028,000
Parla II	DFC - 10 years	5.50%	4.00%	€7,114,000
Villalbilla	DFC - 10 years	6.00%	4.75%	€41,540,000
Total				**€171,783,000**

Mortgage loans

Asset	Methodology	Discount rate	Exit yield	Market value
Arganda I	DFC - 10 years	5.50%	4.50%	€11,651,000
Sanchinarro (18 homes)	DFC - 10 years	4.75%	3.75%	€8,222,000
Total				**€19,873,000**

Purchase Agreements

Asset	Methodology	Discount rate	Exit yield	Market value
Antonio González Porras	DFC - 10 years	5.00%	5,00%	€7,293,000
Total				**€7,293,000**

Turnkey contracts

Asset	Methodology	Discount rate	Exit yield	Market value
Alcalá de Henares	DFC - 10 years	6.00%	4.50%	€16,430,000
Alcalá P8	DFC - 10 years	6.00%	4.50%	€16,858,000
Arganda I	DFC - 10 years	6.00%	4.50%	€17,830,000
Cañaveral	DFC - 10 years	6.00%	4.50%	€21,740,000
Jardines de Tetúan	DFC - 10 years	5.00%	4.00%	€15,059,000
Butarque I	DFC - 10 years	6.00%	4.50%	€5,623,000
Rivas	DFC - 10 years	6.00%	4.50%	€15,337,000
Torrejón de Ardoz	DFC - 10 years	6.00%	4.50%	€19,441,000
Valdemoro	DFC - 10 years	6.00%	4.50%	€19,130,000
Torrejón	DFC - 10 years	5.50%	4.25%	€21,338,000
Valdebebas	DFC - 10 years	4.75%	3.75%	€126,471,000
Total				**€295,257,000**

b) Valuation report on the Company a 31 December 2019

Savills considered that the best methodology for valuing the Company's shares is the Triple NAV.

This method consists of calculating the value of the Company based on the sum of the market value of its assets, less its borrowings, net tax liabilities arising from the theoretical recognition of the market value of these assets, and other adjustments to the fair value of assets and liabilities.

- The market value of the assets has been estimated taking as reference the appraisal report of the different assets as of 31 December 2019, prepared by Savills Aguirre Newman Valoraciones y Tasaciones S.A.U.

- For turnkey contracts, the market value obtained in the asset appraisal has been included in the proportion in which the Company has made payments on the agreed purchase price for each asset (Adjusted Market Value).

- In order to provide a range of values, a lower and upper range has been calculated by conducting a sensitivity analysis to a variation of +/- 3% in the market value of assets, with the lower range being €200 million and the upper range €212 million.

- IANTE has mortgage financing at an interest rate of 1.6% for a term of 5 years. After conducting an appraisal of the debt, no adjustments were made it since the debt is already at market values.

- An adjustment has been made for the Company's structural costs, including items not considered in the appraisal of the Company's assets but which are essential for the management of its real estate portfolio.

- Due to its adherence to the special REIT tax regime on 6 June 2018, the Company is subject to tax rate of 0%. As the assets were acquired under the REIT regime, no adjustment for potential latent taxes is included in the valuation.

The calculations taken into account by Savills Aguirre Newman for the Company's valuation are explained below:

Carrying amount of the assets

The value of the assets used by Savills Aguirre Newman is the sum of the market value at 31 December 2019 of the following items:

- Finished products: the market value obtained in the valuation of the assets at 31 December 2019 has been considered, amounting to €171,783,000.

- Mortgage loans: the market value of the underlying assets has been considered, since IANTE has rights over all of the assets through a mix of property titles and mortgage loans, in addition to carrying out the comprehensive management of the assets. The market value of these assets amounts to €19,873,000.

- Purchase option and turnkey contracts: the market value of the assets has been considered in proportion to the amounts already paid for them. The breakdown is follows:

Company valuation	Amount advanced (€)	% of amount advanced	Market value (€)	Market value of the advance (€)
Butarque I	1,801,594	33%	5,623,000	1,835,543
Torrejón de Ardoz	2,047,507	11%	19,441,000	2,144,697
Valdemoro	19,463	0%	19,130,000	19,493
Jardines de Tetuán	76,363	0%	15,059,000	74,35
Arganda I	140,934	1%	17,830,000	164,091
Rivas	212,212	1%	15,337,000	212,403
Alcalá P8	47,722	0%	16,858,000	49,175
Cañaveral	0	0%	21,740,000	0
Alcalá de Henares	1,961,217	12%	16,430,000	2,039,417
Torrejón	7,563	0%	21,338,000	9,492
Valdebebas	5,753,858	5%	126,471,000	6,357,435
Total turnkey	**12,068,433**		**295,257,000**	**12,906,096**
Antonio González Porras	1,215,235	21%	7,292,532	1,502,058
Total purchase option	**1,215,235**		**7,292,532**	**1,502,058**

The value of the assets used by Savills Aguirre Newman is the sum of the market value at 31 December 2019 of the following items:

Heading	Book Value (€)	Asset valuation (€)	Equity valuation (€)
Finished products	141,603,723	171,783,000	171,783,000
Mortgage loan	14,859,453	19,873,000	19,873,000
Purchase option	1,215,235	7,292,532	1,502,058
Turnkey	12,068,433	295,257,000	12,906,096
Total	**169,746,844**	**494,205,532**	**206,064,154**

1. Net financial position

The calculation of the financial position is as follows:

Net financial position (€)	31/12/19
Bank borrowings	- 51,040,586
Cash and cash equivalents	2,255,818
Financial investments	2,085,596
Total	**- 46,699,172**

The Company has loans with Banco Sabadell at 1.6% and with Deutsche Bank at 1%. The carrying amount of this loan is €51,040,586, recognised at amortised cost.

After analysing the loans, the carrying amount (amortised cost) of the loans is considered to be equivalent to the market value.

The cash and cash equivalents amounting to €2,255,818 and the non-current and current financial investments totalling €2,085,596 have been subtracted from this amount.

Other assets and liabilities

The calculation of other assets and liabilities is as follows:

Other assets and liabilities (€)	31/12/19
Intangible assets and property, plant and equipment	430,057
Inventories	490,008
Trade receivables	1,124,700
Other assets	252,883
Total other assets	**2,297,648**
Other payables and finance leases	- 6,590,414
Payable to Group companies	- 111,170,092
Trade payables	- 1,317,891
Other liabilities	-4,991
Total other liabilities	**- 118,235,216**
Net amount	**- 116,785,740**

The valuation was adjusted by €116,785,740 thousand as a result of the difference between the value of the other assets and liabilities, without taking into account the investment property or those taken into account in the calculation of the net financial position.

2. Adjustment for overhead costs

An adjustment was made in the valuation to reflect the overhead costs necessary for the management of the real estate portfolio. These overhead costs relate to the asset manager contract, the fees of which have not been included in the valuation of the assets.

The overhead costs were estimated using the fees set out in the service agreement between IANTE and Avalon as a reference, which were calculated at €1.6 million per year.

- Base quarterly management fee: 0.6% of the purchase price of the assets plus CapEx invested, provided this is less than €100 million and 0.4% for more, with a minimum of €300,000 in the first three years.

- Acquisition fee: 0.5% commission on the purchase price (excluding CapEx)

- Incentive fee and exit fee

The adjustment for overhead costs amounts to €22,233,296.

In order to provide a range of values, a lower and upper range has been calculated by performing a sensitivity analysis to changes of +/- 3% in the market value of the assets. Likewise, a sensitivity analysis to changes of +/- 5% in the discount rate applied in the calculation of overhead costs was performed. The result is the following:

Company valuation (€)	**Lower range**	**Middle range**	**Upper range**
Market value of the assets	199,882,229	206,064,154	212,246,079
Net financial position	- 46,699,172	- 46,699,172	- 46,699,172
Other assets and liabilities	- 116,785,740	- 116,785,740	- 116,785,740
Structure costs	- 19,685,453	- 22,233,296	- 25,538,536
Net Asset Value	**16,711,865**	**20,345,946**	**23,222,630**
Nr. of shares	5,000,000	5,000,000	5,000,000
Price per share	**3.34**	**4.07**	**4.64**

The Savills analysis concluded by valuing IANTE's equity at between €16,711,865 and €23,222,630, representing a price per share of between €3.34 and €4.64.

7 FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31ST, 2018 AND DECEMBER 31ST, 2019

The financial consolidated statements set out in this Information Document have been prepared in accordance with accounting principles referred to in section 7.3, and the selected financial data included have been derived from the Spanish language audited consolidated financial statements for the financial year ended in December 31st, 2018, and in December 31st, 2019 contained in the respective annual consolidated financial reports, so they should be read in conjunction with the financial consolidated statements and notes included therein.

The Spanish language financial consolidated statements have been audited by Grant Thornton.

The financial consolidated statements (including the report on such financial years) are available on the Company's website: www.iante.es

The selected financial data of the financial consolidated statements included in this Information Document have been translated into English from the Spanish version of the audited financial consolidated statements, and their content appears for information purposes. In case of any discrepancies, the information included in the Spanish version of the audited financial consolidated statements shall prevail.

The financial statements consolidated at December 31st, 2018 and at December 31st, 2019 together with the auditors' reports are attached as **Appendix I**.

7.1 BALANCE SHEETS AT DECEMBER 31ST, 2018 AND DECEMBER 31ST,2019

Below is the balance sheet for the Company corresponding to the year ending on December 31st, 2018 and 31st, December 2019.

Asset (€)	31/12/2019	31/12/2018
Non-current assets	**154,489,335**	**69,090,689**
Intangible assets	1,813	2,017
Property, plant and equipment	215,715	50,190
Investment property	153,691,828	53,412,483
Non-current financial investments	131,328	15,272,177
Deferred tax assets	236,121	116,493
Goodwill of consolidated companies	212,530	237,329
Current assets	**21,916,244**	**3,073,293**
Inventories	490,008	2,636
Trade and other receivables	1,124,700	383,106
Current financial investments	18,028,956	571,427
Current prepayments and accrued income	16,762	2,015
Cash and cash equivalents	2,255,818	2,114,109
TOTAL ASSETS	**176,405,579**	**72,163,982**

Equity and Liabilities (€)	31/12/2019	31/12/2018
Equity	**6,281,605**	**4,910,771**
Shareholders' equity	5,946,882	4,632,334
Share capital	15,000	15,000
Reserves	-550,918	-808
Reserves of consolidated companies	-2,043,709	-
Other shareholder contributions	17,456,960	7,211,960
Loss for the year attributable to the Parent	-8,930,452	-2,593,818
Non-controlling interests	334,723	278,437
Non-current liabilities	**118,290,687**	**21,991,604**
Non-current payables	56,767,150	355,715
Non-current payables to Group companies and associates	61,523,537	21,635,889
Current liabilities	**51,833,287**	**45,261,607**
Current payables	836,851	143,944
Current payables to Group companies and associates	49,646,555	43,485,691
Trade and other payables	1,317,891	1,628,292
Current prepayments and accrued income	4,991	3,680
TOTAL EQUITY AND LIABILITIES	**176,405,579**	**72,163,982**

The differences between the main items 2019 vs 2018 are:

The **investment property** caption has increased by approximately 100 million year over year due to the acquisitions completed during the year, which are as follows:

- + €89.4 million due to the acquisition of new assets during the year (mainly the Villalbilla, Alcobendas, Estrella Polar 1 and 2, San Carlos, Maldonado and Santa Ana projects)

- +€12.1 million related to the investments made during 2019 in the turnkey projects currently under construction.

These increases are partially offset by depreciation expenses recorded during 2019 amounting to €1.3 million.

The fluctuation in the **non-current financial investments** and **current financial investments** captions of the consolidated balance sheet year over year relate mainly to loans receivables acquired by the subsidiary Muflina Investments SOCIMI, S.L.U. which as of Dec 31, 2018 amounted to €15.2 million and which are secured with dwellings and parking spaces in Sanchinarro and in Arganda del Rey. Muflina subrogated in the creditor's contractual position to acquire the properties through the foreclosure proceedings.

In 2019, these loans have been reclassified from non-current financial investments to current financial investments as the foreclosure proceedings are scheduled to complete in 2020, acquiring the Group the legal ownership of the units that secure the loans. Additionally, financial income has been recognized during 2019, increasing their balance from 15.2 million in 2018 to 15.7 million as of December 31, 2019.

Other shareholders contributions have increased by €10,245 thousand year over year as a result of non-refundable contributions made during the year 2019 by the Sole shareholder of the parent company (AEREF V Iberian Residential Holding, Sarl).

Non-current payables have increased by approximately €56.5 million year over year due to the following:

- +€48.1 million due to the additional debt obtained from Sabadell to partially fund the acquisitions of new assets completed during 2019 (net of transaction costs).

- +€3.5 million due to the debt held by the subsidiaries acquired during 2019 and which has not been amortized.

- +€5 million related to the deferred payment agreed with the previous shareholders of the acquired subsidiary "Compañía Europea de Arrendamientos Urbanos, S.L.U." as part of the total consideration included in the purchase agreement and which is due in july 2021.

Non-current payables to group companies and associates have increased by approximately €39.9 million year over year due to the additional funds received from the Sole Shareholder (AEREF V Iberian Residential Holding, Sarl) under the Interest Bearing Credit Facility Agreement which have been used to partially fund the investments completed during 2019.

7.2 INCOME STATEMENTS AT DECEMBER 31ST, 2018 AND DECEMBER 31ST,2019

Below is the income statement for the Company corresponding to the year ending on December 31st, 2018 and 31st, December 2019.

Income statement (€)	31/12/2019	31/12/2018
Revenue	2,389,238	231,280
Other operating income	38,604	10,220
Staff costs	-1,186,820	-430,700
Other operating expenses	-3,671,282	-1,143,264
Depreciation and amortisation charge	-1,299,712	-139,951
Impairment and gains or losses on disposal of non-current assets	49,970	-
Other gains or losses	-4,833	738,647
Operating loss	-3,684,835	-733,768
Finance income	460,140	153,865
Finance costs	-5,588,231	-1,963,821
Financial loss	-5,128,091	-1,809,956
Loss before tax	-8,812,926	-2,543,724
Income tax	-61,240	-22,654
Loss for the year	-8,874,166	-2,566,378

The differences between the main items 2019 vs 2018 are:

Revenue has increased from €0.2 million in 2018 to €2.4 million in 2019 as a result of the consolidation during 12 months of the investment properties acquired in 2018 and due to the acquisition of additional assets during 2019, some of which already had ongoing lease agreements in place in the moment of their acquisition or have been subsequently leased.

Operating losses have increased from €0.7 million in 2018 to €3.7 million in 2019 as a result of the additional personnel and general expenses incurred as the corporate structure of the group adapts to the expected size of the portfolio and as a result of the currently undermanaged situation of part of the portfolio which require larger initial tenant rotation and commercialization expenses.

Finance costs have increased by approximately €3.6 million year over year as a result of the larger average debt balance during 2019, both with financial entities and the Sole shareholder due to the additional funds obtained to acquire new assets.

7.3 PRINCIPLES, RULES AND ACCOUNTING METHODS

The financial consolidated statements are prepared using the accounting records of IANTE.

The Directors of the Company are responsible for the preparation of the accompanying financial consolidated statements so that they give a true and fair view of the equity, financial position and results, in accordance with Spanish GAAP, and in according with Law 16/2007 of 4 July, 2007 concerning the reform and adaptation of the commercial legislation in terms of accounting for its international harmonisation based on European Union legislation, Royal Decree 1514/2007 of November 16, 2007 approving the General Accounting Plan, and Royal Decree 1159/2010 of September 17, 2010 approving the standards for the preparation of annual accounts, in all that does not expressly oppose that set out in the commercial reform mentioned with the aim of presenting a true image of the equity, financial situation and results of the group as well as the accuracy of the cash flows included in the cash flow statement.

7.4 SCHEDULED DATE FOR FIRST SHAREHOLDER'S GENERAL MEETING, AND FIRST PUBLICATION OF EARNINGS FIGURES

The scheduled date for the first Shareholder's General Meeting (Sole Shareholder at the date of this Information Document)) will be in June 2020, and publication of the Company's earnings figures following the listing admission will be in June 30th, 2020.

8 LISTING SPONSOR

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APPENDIX I: FINANCIAL STATEMENTS AT DECEMBER 31st, 2018, AND AT DECEMBER 31st, 2019 AND AUDITORS' REPORTS

INDE. ENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

(Translation of a report and consolidated annual accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

To the sole shareholders of Iante Investments Socimi, S.A., (Sociedad Unipersonal) on behalf of the directors:

Opinion

We have audited the consolidated annual accounts of Iante Investments Socimi, S.A., (Sociedad Unipersonal), (the Parent company) and its subsidiaries, (the Group), which comprise the consolidated balance sheet at 31 December 2018, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the consolidated equity and the consolidated financial position of the Group at 31 December 2018, and of the consolidated results of its operations and consolidated cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2 to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for Opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Most relevant audit aspects

The most relevant audit aspects of the audit are those that, in our professional judgement, were considered as the most significant material misstatement risks in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Recognition and Valuation of Real Estate Investments

As detailed in note 8 of the attached notes to the consolidated financial statements, as of 31 December 2018, the Group has registered under the heading Investments Properties real estate assets amounting to EUR 53,412 thousand.

In the light of the applicable framework of financial reporting, Investments Properties will be valued for their cost at the time of their acquisition, either the purchase price or the cost of production. In addition, in those assets who need a period of time longer than one year to be in conditions of use, the costs that have accrued before the start-up of operating conditions or that improve the useful life of real estate investments shall be included in the purchase price or cost of production. Subsequently, they will be valued at the acquisition price reduced by the accumulated depreciation and impairment losses experienced. At least at the end of the financial year, the existence of evidence of impairment must be assessed and, where appropriate, the estimation of the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and its value in use, making the necessary valuation corrections, if applicable.

The relevance of the amounts recorded by the Group in the 2018 financial year under the heading of Investments Properties and the risk that any real estate investment will deteriorate, as well as the weight that said heading has on the total asset at the end of the financial year, makes us consider the registration and valuation of real estate investments as the most relevant aspect of our audit.

In this regard, we have carried out a series of audit tests, through the application, among others, of the following procedures:

- Obtaining supporting documentation regarding the cost of acquiring the properties maintained by the Group companies, verification of the distribution between ground and flight made and the recalculation of their net book value at the closing date of the consolidated annual accounts.

- We have verified that management has applied the requirements set out in the applicable financial reporting framework relating to the realization of estimates of useful lives.

- Verification of the criteria used by the Group to determine whether or not impairment is necessary in investments.

- As a post-formulation fact, we have obtained and revised the valuation reports of the main real estate investments made by independent experts, to corroborate the non-deterioration. We have reviewed the valuation model and discount rates used and whether the projected cash flows are in line with the current leases agreements.

- We have evaluated the competence and capacity of the experts, as well as obtaining a confirmation of their independence.

- We have evaluated that the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the applicable financial reporting regulatory framework.

Other issues

As indicated in note 2, the Parent company acquired control of the subsidiaries on 28 May 2018 and, therefore, 2018 is the first year in which the companies form the Group, and therefore neither quantitative nor qualitative comparative information for the previous year is included.

Other information: Consolidated Management Report

Othe. information comprises exclusively the consolidated directors' report for the 2018 financial year. The directors of the Parent company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the consolidated directors' report includes evaluating and reporting on the consistency of the consolidated directors' report with the consolidated annual accounts, based on the knowledge of the Group obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the consolidated directors' report meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for the year 2018 and its content and presentation meet the requirements of the applicable regulations.

Responsibility of the directors of the Parent company in relation to consolidated annual accounts

The directors of the Parent company are responsible for the preparation of the accompanying consolidated annual accounts, so that they show a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the Parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Parent company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities in relation to the audit of consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with the regulations regulating the audit activity in force in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent company.

- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Parent company regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated to the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº S0231

Marta Alarcón Alejandre

ROAC nº 16086

14th May, 2020

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2018

(Figures expressed in euros)

ASSETS	Note	31.12.2018.
NON-CURRENT ASSETS		**69.090.689**
Intangible assets	**6**	**2.017**
Property, plant and equipment	**7**	**50.190**
Plant and other items of property, plant and equipment		50.190
Investment property	**8**	**53.412.483**
Properties		28.943.468
Buildings		23.229.015
Investment property in progress		1.240.000
Non-current financial investments	**10**	**15.272.177**
Loans to third parties	10 & 21	39.752
Values representing debts		15.201.244
Other financial assets		31.181
Deferred tax assets	**17**	**116.493**
Goodwill of consolidated companies	**5**	**237.329**
CURRENT ASSETS		**3.073.293**
Inventories		**2.636**
Advances to suppliers		2.636
Trade and other receivables	**11**	**383.106**
Customers from sales and services rendered	10 & 11	115.533
Current tax assets	11 & 17	9.568
Other accounts receivable from public authorities	11 & 17	258.006
Current financial investments	**10**	**571.427**
Other financial assets		571.427
Short-term accruals		**2.015**
Cash and other cash equivalents	**13**	**2.114.109**
Cash in hand and at banks		2.114.109
TOTAL ASSETS		**72.163.982**

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2018

(Figures expressed in euros)

EQUITY AND LIABILITIES	Note	31.12.2018.
EQUITY		**4.910.771**
Shareholders' equity	**14**	**4.632.334**
Share Capital		**15.000**
Reserves		**(808)**
Prior . ears' losses		(808)
Other shareholder contributions		**7.211.960**
Profit/Loss for the year attributable to the parent company		**(2.593.818)**
Consolidated profit/(loss)		(2.566.378)
Minority interest profit/(loss)		27.440
Minority interests	**14**	**278.437**
NON-CURRENT LIABILITIES		**21.991.604**
Non-current payables	**15**	**355.715**
Other financial liabilities		355.715
Non-current payables to group companies and associates	**15 & 21**	**21.635.889**
Other debts		21.635.889
CURRENT LIABILITIES		**45.261.607**
Current payables	**15**	**143.944**
Other financial liabilities		143.944
Current payables to group companies and associates	**15 & 21**	**43.485.691**
Other debts		43.485.691
Trade and other payables		**1.628.292**
Payable to suppliers	15, 16	555.692
Sundry payables	15, 16	604.306
Staff costs (remuneration payable)	15, 16	204.117
Current tax liabilities	16 & 17	20.903
Other payables to Public Authorities	16 & 17	243.274
Short-term accruals		**3.680**
TOTAL EQUITY AND LIABILITIES		**72.163.982**

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018.

(Figures expressed in euros)

	Note	2018
CONTINUOUS OPERATIONS:		
Net turnover	**18.1**	**231.280**
Services		231.280
Other operating revenue		**10.220**
Non-core and other current operating income		10.220
Personnel costs	**18.2**	**(430.700)**
Wages, salaries and similar expenses		(403.197)
Social security		(27.503)
Other operating expenses	**18.3**	**(1.143.264)**
Outside services		(777.838)
Taxes other than income tax		(361.414)
Other current operating expenses		(4.012)
Depreciation and amortisation	**18.4**	**(139.951)**
Other profit/(losses)	**20**	**738.647**
PROFIT/(LOSS) FROM OPERATIONS		**(733.768)**
Finance income		**153.865**
Other financial income	**19.2 & 10**	153.865
Financial costs		**(1.963.821)**
On debts to Group companies and associates	**19.1 & 21**	(964.353)
On debts to third parties	**19.1 & 10**	(999.468)
FINANCIAL LOSS		**(1.809.956)**
PROFIT/(LOSS) BEFORE TAX		**(2.543.724)**
Income tax	**17**	**(22.654)**
PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS		**(2.566.378)**
CONSOLIDATED PROFIT/LOSS FOR THE YEAR	**3**	**(2.566.378)**
Profit/(loss) attributable to the parent company		(2.593.818)
Profit/(loss) attributable to non-controlling interests		27.440

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

(Figures expressed in euros)

A) STATUS OF CONSOLIDATED INCOME AND EXPENSES STATEMENT FOR THE FISCAL YEAR ENDED 31 December 2018

	2018
Consolidated profit/(loss) for the year	**(2.566.378)**
TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENSE	**(2.566.378)**

B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital	Reserves and Profits/Losses from previous fiscal years	Other shareholder contributions	Reserves of consolidated companies	Profit/(loss) attributable to the Parent	Minority interests	TOTAL
ADJUSTED BALANCE, START OF 2018	**15.000**	**(808)**	--	--	--	--	**14.192**
Total recognised consolidated income and expense	--	--	--	--	**(2.593.818)**	**27.440**	**(2.566.378)**
Other changes in equity	--	--	**7.211.960**	--	--	**250.997**	**7.462.957**
Other changes	--	--	7.211.960	--	--	250.997	**7.462.957**
Distribution of profit/(loss)	--	--	--	--	--	--	--
2018 ENDING BALANCE	**15.000**	**(808)**	**7.211.960**	--	**(2.593.818)**	**278.437**	**4.910.771**

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018.

(Figures expressed in euros)

	Note	2018
CASH FLOWS FROM OPERATING ACTIVITIES		**(83.204)**
Profit/Loss for the year before tax		**(2.543.724)**
Adjustments for:		**1.215.272**
Depreciation and amortisation	18.4	139.951
Finance income		(153.865)
Financial costs	19	1.963.821
Other income and expenses		(734.635)
Changes in working capital:		**1.243.583**
Inventories		(2.636)
Debtors and other receivables		(373.388)
Creditors and other payables		1.619.607
Other cash flows from operating activities:		**1.665**
Other amounts received (paid)		1.665
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(69.685.575)**
Payments due to investment:		**(69.685.575)**
Loans to third parties		(15.843.604)
Intangible assets	6	(250.037)
Property, plant and equipment	7	(51.823)
Investment property	8	(53.540.111)
CASH FLOWS FROM FINANCING ACTIVITIES		**71.868.847**
Proceeds and payments relating to equity instruments		**7.211.960**
Issue of equity instruments	14	7.211.960
Proceeds and payments relating to financial liability instruments:		**64.656.887**
Debts with group affiliates and associated companies	21	64.157.228
Other debts	14 & 15	499.659
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2.100.068**
Cash and cash equivalents at 1 January		14.041
Cash and cash equivalents at end of year		2.114.109

（*） **This is a free transalation into English language of the Annual accounts originally prepared in Spanish language. All possible care has been taken to ensure that the translation is an accruate represantiton of the original. However, in case of discrepances the Spanish language version shall prevail**.

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries

Consolidated Financial Statements for the year ended 31 December 2018 and Consolidated Directors’ Report. (*)

Consolidated Financial Statements

1. **Activities and general information**

1.1. Parent Company

The Company IANTE INVESTMENTS SOCIMI, S.A.U. (doing business as Iante Investments S.A.U. until 27 March 2019) (the "Company" or the "Parent Company"), an indefinite Spanish company with registered address at Calle Maldonado, 4 Madrid (Madrid), with tax identification number A87870929, incorporated under a deed notarised by notary public Fernando Fernández Medina in Madrid on 6 July 2017 under number 1,911 of his protocol, registered in the Madrid Commercial Register in volume 36,179, Page 161, Section 8, Sheet M-650168, Entry 1, that conducts its activities in Madrid and acts as a portfolio company.

The Company is controlled by AEREF V IBERIAN RESIDENTIAL HOLDINGS, S.a.r.l., whose parent company is AEREF V Master, S.a.r.l. The registered address of AREF V IBERIAN RESIDENTIAL HOLDINGS, S.a.r.l. and AEREF V Master S.à.r.l. is Rue Albert Borschette L-1246, Luxembourg for both companies.

The Company has the following corporate purpose:

1. The acquisition and promotion of urban real estate properties for leasing thereof.
2. Holding of shares in the capital of other listed companies investing in the real estate market ("REITs") or in other entities not residing in Spanish territor` that have the same purpose as those and that are subject to a special regime similar to that established for the REITs in terms of mandatory, legal or statutory policies regarding profit distribution.
3. The holding of equity interests in other resident or non-resident entities in Spain whose corporate purpose is to acquire urban properties for subsequent leasing, and that operate under the same regime as that established for REITs with respect to the mandatory profit distribution policy enforced by law or by the articles of association, and that fulfil the investment requirements referred to in section 3 of Spanish Law 11/2009, 1.
4. Holding shares in Real Estate Collective Investment Institutions that are regulated in Spanish Law 35/2003 of 4 November, on Collective Investment Institutions [*Ley 35/2003, de Instituciones de Inversión Colectiva*].

In addition, the Company may also conduct other complementary activities that represent, in general, less than twent` percent (20%) of the Company's income in each tax period (including, without limitation, real estate transactions other than those mentioned in the paragraphs [a] to [d] above), and those that may be considered ancillary in accordance with the applicable law at any time.

Pursuant to Title I, Chapter III of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*], the Parent Company has registered its single-member company status, and its sole member is the company AEREF V Iberian Residential Holdings S.a.r.l. with registered address at Rue Albert Borschette L-1246, Luxembourg.

The Company is included under the regime regulated by Spanish Law 11/2009, amended by Spanish Law 16/2016, of 27 December regulating Real Estate Investment Trusts (REITs) [*Ley 16/2012 de 27 de diciembre por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI")*], due to adhering to this special regime as of 1 January 2018.

At 31 December 2018, Iante Investments SOCIMI, S.A.U. is the Parent Company of the Iante Investments SOCIMI, S.A.U. Group and its subsidiaries (the "Group") made up of four companies: Iante Investments SOCIMI, S.A.U. and three subsidiaries (see Note 1.2).

For the purpose of preparing these consolidated financial statements, a group is considered to exist when a Parent Company has one or more subsidiaries over which the Parent Company has direct or indirect control. The accounting principles applied in preparing the Group.s consolidated financial statements as well as its scope of consolidation are detailed in Notes 1.2 and 2.

1.2. Subsidiaries

Subsidiaries are all of the entities, including special purpose vehicles, over which the Group directly or indirectly has or may have control, which is understood as the power to govern the financial and operating policies of a business so as to obtain economic benefits from its activities. When assessing whether the Group controls another entity, the existence and effect of any potential voting rights that may currently be exercised or converted are taken into account. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The detail of the Group's subsidiaries at 31 December 2018 is as follows:

Name and address	Shares		Shareholder Company	Date incorporated into the Group	Consolidation method	Activity
	Amount (euros)	Nominal %				
Muflina Investments, S.L.U. (*) Claudio Coello, 124 Madrid	25,766,840	100%	Iante Investments Socimi S.A.U.	28/05/2018	Full consolidation	Property
Pinarcam Vivienda Joven Socimi S.L.U. (*)(*) Camino de la Zarzuela 15, Madrid	5,871,446	100%	Iante Investments Socimi S.A.U.	20/12/2018	Full consolidation	Property
Avalon Properties, S.L. (*) Ortega y Gasett 21, Madrid.	500,000	50.10%	Iante Investments Socimi S.A.U.	27/07/2018	Full consolidation	Corporate

(*) Audited Grant Thornton, S.L.P.
(*) (*) Doing business Pinarcam Vivienda Joven, S.L. until February 2019, when its name was changed.

These companies are consolidated for the reasons included in article 2 of the standards for the preparation of consolidated financial statements:

1. When the parent, in relation to another company (subsidiary) is in one of the following situations:

   - The parent holds the majority of voting rights.

   - The parent has the power to appoint or dismiss the majority of the directors.

   - The parent may, through agreements entered into with other shareholders, control the majority of the voting rights.

- The parent has appointed with its votes the majority of the directors who discharge their position at the time these consolidated financial statements were prepared and during the two immediately preceding years. This situation is understood to exist when the majority of the members of the managing body of the subsidiary are members of the managing body or senior executives of the parent or of another company controlled by the parent.

2. When a parent holds half or less than half of the voting rights, including when it barely has an ownership interest or does not have an ownership interest in another company, or when the management power has not been specified (special purpose vehicles), but participates in the risks and rewards of the company, or has the ability to take part in the operating and financial decisions thereof.

In compliance with section 155 of the Spanish Corporate Enterprises Act, the Parent Company has notified all of these companies that, on their own or through another subsidiary, possess more than 10% of the capital.

The financial year of all subsidiaries, which are included in the scope of consolidation, ends on 31 December.

Iante Investmets Socimi S.A.U., Avalon Properties S.L., and Durón Properties S.L. signed a shareholders agreement on 27 July 2018. On that same date, 27 July 2018, Aeref V Iberian Residential Holding, S.a.r.l signed a framework investment agreement with Pablo Paramio as the representative of Durón Properties S.L. that details the commercial covenants between them.

That Framework Agreement specifies that Avalon Properties, S.L. is the company that will direct the operations and investments to be performed, and that to do this Avalon Properties, S.L. and the subsidiaries must sign a Management Agreement on the structure created in Spain (as described in Note 21). Under the Framework Agreement, Durón Properties S.L. must also give Aeref V Iberian Residential Holding, S.a.r.l an option to buy 49.90% of the shares in Avalon Properties, S.L. that Aeref V Iberian Residential Holding, S.a.r.l may exercise if Durón Properties, S.L. breaches any of its obligations, at a price of 1 euro, with the difference between the fair value of the shares and the one euro price being the penalty for breach. At the same time, Durón Properties, S.L. also provided Aeref V Iberian Residential Holding, S.a.r.l a sell option to sell its shares in Avalon to Durón Properties, S.L. for 1 euro per share or the net book value of the shares, whichever is greater. However, if Mr Paramio commits a breach as defined in the Framework Agreement (Key Man Event), the exercise price will be the shares' fair market value.

The Framework Agreement also establishes certain contributions that Durón Properties, S.L. must make to Avalon S.L. before 31 December 2018 and that have not yet been made. However, as an involved party, Aeref V Iberian Residential Holding, S.a.r.l has no intention to exercise its rights under the Framework Agreement in the event of that breach. Therefore, the directors believe that no impact needs to be recorded in the consolidated annual financial statements at 31 December 2018.

Both agreements were amended in 2019, specifically on 20 December 2019. The Company's directors believe that the amendments to those contracts have no significant and relevant impact on the consolidated annual financial statements at 31 December 2018.

1.3. REIT regime

The Group companies are governed by Spanish Law 11/2009, of 26 October, as amended by Spanish Law 16/2012, of 27 December, governing Real Estate Investment Trusts. Sections 3 to 6 of that Act establish the main requirements and obligations that this type of companies must satisfy:

<u>Investment requirements (Section 3)</u>

a) REITs must have invested at least 80% of the value of their assets in urban properties earmarked for lease, in land to develop properties to be earmarked for that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies referred to in section 2.1 of the aforementioned Act.

   This percentage is calculated based on consolidated profit if the company is a Parent of a group, as defined under section 42 of the Spanish Commercial Code [*Código de Comercio*], irrespective of the place of residence and the obligation to prepare annual financial statements. Such a group must be comprised exclusively of the REITs and the other entities referred to in section 2.1 of Spanish Law 11/2009.

b) Similarly, at least 80% of the income for the tax period for each year, excluding that arising from the disposal of shareholdings and properties used in the compliance of its main corporate purpose, once the holding period referred to below has elapsed, should come from the lease of properties and from dividends or shares in profit from these investments.

   This percentage is calculated based on consolidated profit if the company is a Parent of a group, as defined under section 42 of the Spanish Commercial Code, irrespective of the place of residence and the obligation to prepare annual financial statements. Such a group must be comprised exclusively of the REITs and the other entities referred to in section 2.1 of Spanish Law 11/2009.

c) The properties that form part of the Group companies' assets must remain leased for at least three years. The time during which the properties have been made available for lease, up to a maximum of one year, will be included for the purposes of this calculation.

   In this regard, the period will be calculated:

   - For properties that are included in the Group companies' assets before the company applies the regime, from the beginning of the first tax period in which the special tax regime set forth in this Law is applied, provided that the property is leased or offered for lease at that date. Otherwise, the following letter will apply.

   - For properties developed or acquired subsequently by the Group companies, from the date on which they were leased or made available for tease for the first time.

   In the case of shares or investments in entities referred to in section 2.1 of this Law, they must be retained on the asset side of the Group companies' balance sheet for at least three years following their acquisition or, where applicable, from the beginning of the first tax period in which the special tax regime set forth in this law is applied.

   As established in Transitional Provision One of Spanish Law 11/2009, of 26 October, as amended by Spanish Law 16/2012, of 27 December, governing Real Estate Investment Trusts, REITs may opt to apply the special tax regime under the terms and conditions established under section 8 of this law, even if they do not meet the requirements established therein, provided that such requirements are met within two years of the date they opt to apply the aforementioned regime.

In the event of a breach of any of the conditions, the Group companies would be switched to paying taxes under the general regime so long as the deficiency is not rectified in the year after the breach.

Obligation to distribute profits (Section 6)

Once the commercial and corporate requirements are fulfilled, the Group companies must distribute as dividends:

- 100% of the profit from dividends or shares in profit distributed by the entities referred to in section 2.1 of this law.

- At least 50% of the profit generated from the transfer of property and shares or investments referred to in section 2.1 of Spanish Law 11/2009, once the minimum holding periods have elapsed, subject to compliance of its main corporate purpose. The rest of the profit must be reinvested in other properties or shares subject to compliance with the corporate purpose of the REIT, within a period of three years following the date of transfer.

- At least 80% of the remaining profits obtained. When dividend distributions are charged to reserves generated from profits in a year in which the special tax regime applied, the distribution must necessarily be approved as set out above.

The dividend distribution resolution must be passed in the first six months after the close of each year, and the dividends must be paid out within one month of the date of the distribution resolution.

The income tax rate for REITs is 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to a tax rate lower than 10%, the REIT will be subject to a special charge of 19%, which will be considered to be the income tax charge, on the amount of the dividend distributed to these shareholders. If deemed applicable, this special charge must be paid by the REIT within two months after the dividend distribution date.

If so required, each Group company's annual financial statements cover the information obligations provided in Spanish Law 11/2009.

2. Basis of presentation of the consolidated financial statements

2.1. Fair presentation

The annual financial statements, comprising the consolidated balance sheet, the consolidated income statement, statements of changes in consolidated net equity, consolidated statement of cash flow changes, the consolidated directors' report and the consolidated notes consisting of notes 1 to 27, have been prepared based on the accounting records.

These consolidated financial statements were prepared in accordance with the prevailing corporate and commercial law included in the Spanish Commercial Code amended in accordance with Spanish Law 16/2007, of 4 July, on reform and adaptation of accounting-related corporate and commercial law for international harmonisation according to European Union Law, Spanish Royal Decree 1514/2007, of 20 November, approving the Spanish National Chart of Accounts, and Spanish Royal Decree 1159/2010, of 17 September, approving the rules for the preparation of consolidated financial statements and its subsequent amendments and Spanish Royal Decree 602/2016, and with the Sector Adaptation for Real Estate Companies, to present fairly the Group's equity and financial position, as well as the accuracy of the cash flows included in the consolidated statement of cash flows.

Unless otherwise indicated, all amounts disclosed in the notes to these financial statements are expressed in euros.

Consolidated annual accounts have been formulated by the Board of the parent company as of April 24th, 2020 and again formulated as of April 27th2020 to reflect the inclusion of some agreements taken on the later date as subsequent events. The annual financial accounts will be subject to general shareholder's meeting approval and it is expected they will be confirmed without any change.

2.2. Accounting principles

The consolidated financial statements were prepared in accordance with obligatory accounting principles. All accounting principles with a significant effect on the financial statements were applied in their preparation.

2.3. Key issues in relation to the valuation and estimation of uncertainty

In preparing the accompanying consolidated financial statements, estimates were made by the Company's Directors in order to measure certain assets, liabilities, income, expenses and obligations reported in them. These estimates relate basically to the following:

- The useful life of property, plant and investment properties (Note 4.5)

- The measurement of possible impairment losses on certain assets (see Notes 4.2, 4.3, 4.4 and 4.7.1);

- The calculation of provisions, and the probability of occurrence, and the amount of undetermined or contingent liabilities (see Note 4.9).

- The Parent Company and the subsidiaries have availed themselves of the regime established under Spanish Law 11/2009, of 26 October, governing Real Estate Investment Trust (REITs), which, in practice, means that, provided certain requirements are met, the Parent Company and the subsidiaries are subject to an income tax rate of 0%. The Directors monitor compliance with the relevant legal requirements for the purpose of securing the tax advantages established therein. In this regard, the Directors consider that these requirements have been met at 31 December 2018, and no results need to be recorded due to corporate income tax (see note 4.8). The other companies not subject to the regime described above will analyse the provisions for future tax earnings that make it likely to apply assets from deferred taxes (see note 4.8).

These estimates were made based on the best information available up until the date of preparation of these consolidated financial statements, as there was no event that could change these estimates. Any future event unknown at the date of preparation might make it necessary to change these estimates (upwards or downwards), which would be recognised prospectively as appropriate.

2.4. Comparative information

As laid out in Note 1, the Company acquired the subsidiaries in 2018. Since this is the first year that the Company is filing consolidated annual financial statements, the Directors have not included comparative balances on the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and the notes, all of which are consolidated.

2.5. Grouping of headings

Certain items in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the consolidated financial statements.

2.6. Current and non-current classification

Items due to be settled within a maximum of one year from the date of these consolidated financial statements can be classified as current.

2.7. Going-concern principle

At the close of 2018, the Group recorded losses that have impaired its financial situation, and it had -€42 million in working capital, with its current liabilities including €43 million in debt to group companies.

The Directors believe that this situation is reasonable in a newly-created Group that has yet to become fully operational as it is expected to in a brief period of time. When combined with the express financial support from its parent company, this situation will allow the Group to normalise its financial situation in the short term. Therefore, the consolidated annual financial statements have been presented based on the principle of a going concern that presumes the realisation of assets and the liquidation of liabilities in the normal course of operations.

2.8. Date of first consolidation

As indicated in Note 1, the Group's parent company, Iante Investments SOCIMI, S.A.U., was incorporated on 6 July 2017, although it was on 28 May 2018 when the subsidiaries were acquired that the consolidation conditions were met in the Group.

3. Proposal for distribution of profit/(loss) from the Parent Company:

The proposal for distribution of profit/(loss) from the Parent Company that the Board of Directors will present to the General Meeting is as follows:

	Euros
	2018
Basis for distribution	
Profit/(loss)	(566,347)
Application	
Prior years' losses	(566,347)

The Board of Directors of the Parent Company expects this proposal to be passed without modifications.

4. Accounting standards and measurement bases

The principal accounting policies and measurement bases used in the preparation of the consolidated annual financial statements were as follows:

4.1. Subsidiaries

Acquisition of control

Acquisition by the Parent (or another Group company) of control of a subsidiary constitutes a business combination that is recognised in accordance with the acquisition method. This method requires the acquiring company to recognise, at the date of acquisition, the identifiable assets acquired and the liabilities assumed in the business combination, and, where applicable, the corresponding goodwill or negative difference. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The acquisition cost is calculated as the sum of the fair values on the date of acquisition of the assets delivered, the liabilities incurred or assumed and the equity instruments issued by the acquirer and the fair value of any contingent consideration that depends on future events or the fulfilment of certain conditions that must be recognised as an asset, liability or equity in accordance with its nature.

The expenses related to issuing the equity instruments or the financial liabilities delivered are not part of the cost of the business combination and are recognised in accordance with the rules applicable to financial instruments. The fees paid to legal advisors and other professionals who participate in the business combination are recognised as expenses as they are incurred. The expenses incurred internally for these items and, where applicable, those incurred by the entity acquired do not form part of the cost of the business combination.

Nevertheless, since the company acquired in 2018, Pinarcam Vivienda Joven Socimi, S.L.U., does not constitute an undertaking, the change in control over them has not been recorded in accordance with Accounting and Record Standard 19 of the Spanish General Accounting Plan, or with sections 22 to 26 of the Standards on Preparing Consolidated Financial Statements; rather this was recorded in accordance with section 38 of the Standards on Preparing Consolidated Financial Statements because those companies lack some of the fundamental components that define an undertaking. According to Accounting and Record Standard 19 of the Spanish General Accounting Plan, an undertaking is an integrated set of activities and assets that may be directed and managed to provide yield, lower costs or other economic benefits directly to their owners and participants, and control is the power to conduct an undertaking's financial and operational policies to obtain economic benefits from its activities. The Group's acquisition of Pinarcam Vivienda Joven S.L. contained assets (primarily a real estate investment) and profits (rent from the leases), but no activities were acquired and no personnel were hired. Therefore, the directors consider that it should be handled as an acquisition of assets.

Consolidation method

The assets, liabilities, income, expenses, cash flows and other items of the Group companies' financial statements are fully consolidated in the Group's consolidated financial statements. This method requires the following:

Chronological homogenisation.

The consolidated financial statements are prepared on the same date and for the same period as the financial statements for the company that must be consolidated. Companies whose reporting date differs are included through interim financial statements at the same date and for the same period as the consolidated financial statements.

Appraisal homogenisation.

The assets, liabilities, income and expenses and other items in the financial statements for the Group companies were measured following uniform methods. Assets, liabilities, income or expenses that have been measured using criteria that are not consistent with those used on consolidation have been measured again, making the necessary adjustments, for the sole purpose of consolidation.

Aggregation.

The various items in the individual financial statements — previously standardised — are aggregated according to their nature.

Investment-equity elimination.

The fair values representing the equity instruments of the subsidiary owned, directly or indirectly, by the Parent, are offset with the proportional part of the equity items of the aforementioned subsidiary attributable to the said ownership interests, generally, based on the values obtained from applying the acquisition method described above. On consolidation in years following the acquisition of control, the excess or lack of equity generated by the subsidiary from the date of acquisition attributable to the parent is recognised on the consolidated balance sheet under reserves or valuation adjustments based on its nature.

According to the definition under section 38 of Spanish Royal Decree 1159/2010, of 17 September, approving the Standards for Preparing Consolidated Annual Financial Statements, if companies are consolidated that do not constitute an undertaking, then the equity elements of a subsidiary they should be reflected in the consolidated annual financial statements in accordance with the rules in the Spanish General Accounting Plan for each of them, both on the date they joined the group and in subsequent years, until they are sold off or disposed of otherwise.

in this case, the book value of the stake will be distributed based on the relative fair value of the various identifiable acquired assets and the liabilities taken on, with no need to recognise consolidation goodwill or a negative consolidation difference.

The portion attributable to non-controlling interests is recognised under "Non-controlling interests".

Minority interests.

Non-controlling interests are measured based on their effective share of the subsidiary's equity after the aforementioned adjustments have been included.

Elimination of intragroup items.

All receivables, payables, income, expenses and cash flows between Group companies are eliminated. Likewise, all results arising from internal transactions are eliminated and deferred until they are performed vis-à-vis third parties unrelated to the Group.

4.2. Consolidation goodwill fund

At the close of 2018, the consolidation goodwill corresponds to the positive differences between the book value of the stake and the value attributed to that stake of the fair value of the assets acquired and liabilities taken on from the companies acquired in the year.

Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow, and any corresponding valuative adjustments are then recorded.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use; and zero. Impairment loss is recorded as loss under the results from the year.

Where an impairment loss is subsequently reversed (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. These reversals of losses due to impairment are credited under consolidated profits and losses.

Goodwill is amortised linearly over ten years. Useful life is determined separately for each cash generating unit assigned goodwill.

4.3. Intangible assets

The assets included as intangible assets are calculated using their acquisition price. Intangible assets are presented in the balance sheet at their acquisition or production cost less the amount of any accumulated amortisation and accumulated impairment losses. Specifically, the following criteria are applied:

Computer software

Computer programs that meet the recognition criteria are capitalised at their acquisition or preparation cost. Computer software is amortised on a straight-line basis over three years from the entry into service of each application.

The maintenance costs for computer applications are counted as expenses when they are incurred.

4.4. Property, plant and equipment

Property plant and equipment are valued at their acquisition price or production cost plus the adjustments applied as specified under the various legal provisions, the last of which was approved by Spanish Law 16/2012, of 27 December, and minus the corresponding cumulative amortisation and impairment losses.

Indirect taxes charged on tangible fixed assets are only incorporated into the acquisition price or production cost when they could not be directly refunded from the tax authorities.

The amortization of property components is calculated by systematically distributing the amortisable amount throughout the asset's lifespan. Based on this, the amortisable amount refers to the asset's acquisition cost minus its residual value.

The amortisation of tangible fixed assets is determined by applying the following criteria:

Amortisation coefficient	**%**
Technical and mechanical facilities	10
Furniture and fixtures	10
Equipment for processing information	4

The Group reviews the residual value, the useful life and the basis of depreciation of the property, plant and equipment at the end of each year. The modifications made to the initially established criteria are recognized as a change in estimation.

4.5. Investment properties.

Investment property includes land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices.

Investment property is initially recognised at its cost (either its acquisition price or its production cost), including directly related expenses, which include, in addition to the amount invoiced by the seller after deduction of any discounts and reductions in price, any additional and directly related expenses incurred until it is brought into operating condition.

After its initial recognition, it is assessed for its cost minus its accumulated amortisation and (if applicable) the accumulated amount of impairment adjustments recorded.

The cost of any acquired or produced assets that need more than one year to be brought into operation condition includes the financial expenses accrued before the property meeting requirements for capitalisation was brought into operating condition.

The value of investment properties also includes the initial estimate of the present value of asset dismantling or retirement obligations and other associated costs, such as the cost of restoring assets when these obligations lead to recognising provisions.

Repairs that do not lead to a lengthening of the useful life and maintenance expenses are expensed currently. Costs from making expansions or improvements that increase an asset's productive capacity or its service life are added to the asset as increases in its value.

Where applicable, changes that arise from the residual value, useful life and the method of depreciating an asset are recognised prospectively as changes in the accounting estimates, except if it is an error.

Lots and buildings with future uses that were not defined when they were added to the Company's assets are classified as investment properties. Properties that are under construction or improvement for future use are classified as current fixed assets.

The criteria used to recognise the impairment losses on these assets and, where applicable, the reversal of impairment losses recognised in prior years are described below.

The depreciation charge for investment property is calculated using the straight-line method based on the years of estimated useful life of the assets. The annual depreciation rates applied to the respective book values, and the years of estimated useful life, are as follows:

	Annual Percentage
Buildings	2%
Facilities	10%

Property, plant and equipment in progress is not depreciated until it enters into operation, at which time it is transferred to the corresponding investment property account in view of its nature.

Impairment of investment property

An impairment loss occurs on an investment property when its carrying amount exceeds its recoverable amount, which is understood to be the higher of fair value less costs to sell and value in use. Value in use is the present value of expected future cash flows, applying risk-free market interest rates adjusted for the specific risks associated with the asset. For assets which do not generate cash flows that are largely independent of those arising from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which these assets belong.

For these purposes, least at the end of each reporting period, the Company assess as to whether there is any evidence that investment property has suffered impairment.

Impairment losses the reversal thereof are recognised in the income statement. Impairment losses are reversed when the circumstances giving rise to them cease to exist, except those corresponding to goodwill. The reversal of impairment is limited to the carrying amount of the asset that would appear had the corresponding value impairment not been previously recognised.

4.6. Leases and other similar transactions

The Company recognises those transactions for which the lessor transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee as finance leases, and recognises all others as operating leases.

Operating leases

Revenues and expenditures derived from operational leases are charged to the consolidated income statement in the year in which they accrued.

Also, the acquisition cost of the leased asset is presented in the consolidated balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

Expenses resulting from operating leases are recognised in the consolidated income statement in the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

4.7. Financial instruments

4.7.1. Financial assets

The financial assets held by the Company are classified, for measurement purposes, in the following categories:

1. Loans and receivables

Loans and receivables relate to trade and non-trade receivables arising from the sale of goods, delivery of cash or provision of services, that have fixed or determinable payments and are not traded in an active market.

Loans and receivables are initially recognised at the fair value of the consideration paid, plus any directly attributable transaction costs. They are subsequently measured at amortised cost, and the interest income is recognised in profit or loss on the basis of the effective interest rate.
However, trade receivables maturing within twelve months where there is no contractual interest rate are initially measured at face value, provided that the effect of not discounting the cash flows is not material, in which case they will continue to be measured subsequently at this amount, unless impairment existed.

Impairment losses on these assets are recognised based on the difference between their carrying amount and the present value at the reporting date of the future cash flows that they are expected to generate, discounted at the effective interest rate calculated upon initial recognition. These impairment losses are recognised in the consolidated income statement.

4.7.2. Financial liabilities

A financial liability is recognised on the consolidated balance sheet when the Group Company becomes a party to the contract or legal transaction in accordance with its provisions.

Accounts payable that have arisen from the purchase of goods or services in the normal course of the Company's business or through non-trade transactions are initially measured at the fair value of the consideration received, adjusted by the directly attributable transaction costs.

However, trade payables maturing within twelve months where there is no contractual interest rate are initially measured at face value, provided the effect of not discounting the cash flows is not material.

Accounts payable are subsequently measured at amortised cost using the effective interest method. In accordance with the foregoing, those that are initially measured at face value continue to be measured at this amount.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist.

4.7.3. Guarantees delivered and received

The difference between the fair value of the guarantees delivered and received and the amount paid or collected is considered to be a prepayment or advance for the operating lease or the provision of the service, which is taken to consolidated profit or loss over the lease term or over the period in which the service is provided.

In the case of short-term guarantees, cash flows are not discounted since their effect is not material.

4.7.4. Transactions in foreign currencies

The Group's operational currency is the euro.

Transactions expressed in foreign currencies are converted into the operational currency by applying the applicable exchange rate when the corresponding transaction was performed, recording them at the close of the financial year based on the exchange rate in force at that time.

In the particular case of monetary financial assets classified as available for sale, any exchange differences arising from changes in the exchange rate between the transaction date and the year-end date are determined as if these assets were measured at amortised cost in the foreign currency, so that the exchange differences will be those arising from changes in the amortised cost as a result of changes in exchange rates, irrespective of their fair value.

Any exchange differences that arise due to recognition of debits and credits in foreign currencies at year end are allocated directly to the consolidated income statement.

4.8. Income taxes

The Group Companies, aside from Pinarcam Vivienda Joven Socimi, S.L.U. and Avalon Properties, S.L.U., have availed themselves of the regime established in Law 11/2009, of 26 October, regulating Real Estate Investment Trust (REITs), which, in practice, means that, provided certain requirements are met, the Company is subject to an income tax rate of 0%. The Directors monitor compliance with the relevant legal requirements for the purpose of securing the tax advantages established in them, but they consider that these requirements will not be met as required by the specified deadlines. Therefore, no results from corporate income tax have been recorded.

Moreover, the other companies apply the normal regime, such that the income tax expense or income is calculated by adding the current tax expense or income to the portion relating to the deferred tax expense or income.

Current tax is the amount resulting from applying the tax rate to the tax base for the year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the year, reducing the current income tax expense.

The deferred tax expense or income corresponds to recognition and settlement of deferred tax assets arising from deductible temporary differences, tax loss carryforwards and unused tax credits and other tax assets pending application and deferred tax liabilities arising from taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates estimated at the date of reversal.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

In accordance with the accounting principle of prudence, deferred tax assets are only recognised to the extent that it is considered probable that taxable profits will be obtained in the future. However, deferred tax assets are not recognised from temporary deductible differences deriving from the initial recognition of assets and liabilities in a transaction that do not affect the tax result and the accounting result and that are not a business combination.

Current tax income or expense and deferred taxes are recognised in profit or loss. However, current and deferred tax assets and liabilities relating to a transaction or event that is recognised directly in equity are recognised with a charge or credit to this heading.

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made. Deferred tax assets recognised and those not previously recognised are reassessed. Any assets recognised that are not likely to be recovered are derecognised while any assets of this nature that have not been recognised previously are recognised to the extent that it is probable that they will be recovered against future taxable profit.

4.9. Provisions and contingencies

When preparing the consolidated financial statements the Group's Directors made a distinction between:

4.9.1. Provisions

Credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations.

4.9.2. Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The consolidated financial statements include all provisions with respect to which it is considered more likely than not that the obligation will have to be settled, and they are measured at the present value of the best estimate available of the amount required to pay or transfer the obligation to a third party. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed in the notes.

Provisions are measured at the reporting date at the present value of the best possible estimate of the amount required to settle the obligation or to transfer it to a third party. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis. For provisions with maturities of one year or less where the financing effect is insignificant, no type of discount is applied.

The compensation to be received from a third party on settlement of the obligation is not decreased from the amount of debt, but rather is recognised as an asset, provided there are no doubts that the reimbursement will take place.

4.10. Cash and other cash equivalents

Cash and cash equivalents include cash and demand deposits held at banks. Also included in this category are other highly liquid short-term investments that can always be easily converted into fixed amounts of cash and whose risk of changing value is insignificant.

The Group presents payments and collections from financial liabilities and assets with a high rotation at the net amount in the statement of cash flows. For these purposes, the rotation period is considered to be high when the period between the date of acquisition and the maturity date does not exceed six months.

4.11. Related party transactions

Related party transactions, irrespective of the level of the relationship, are recognised in accordance with generally accepted accounting principles. Consequently, the items subject of the transaction are initially recognised at fair value. If the price agreed upon in a transaction is differs from its fair value, the difference is recognised in accordance to the economic substance of the transaction. They are subsequently measured in accordance with the corresponding accounting principles.

4.12. Revenues and expenses

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards inherent to ownership of the asset sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the asset sold.

Lease income is recognised on an accrual basis using the straight-line method over the estimated term of the agreement.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

4.13. Segmented information

The Group is presenting segmented information based on the primary activities performed, the revenue and costs of which have been assessed, reviewed and discussed separately by its Governance Bodies. The segmented information is presented in Note 23 of these consolidated notes.

4.14. Consolidated statement of cash flows

The following terms are used in the consolidated statement cash flows, which were prepared using the indirect method, with the meanings specified:

- Operating activities: activities that generate a group's ordinary income, and other activities that cannot be classified under investment or financing activities.

- Investment activities: activities for the acquisition, sale or other means of disposal of non-current assets and other investments not included under cash or cash equivalents.

- Financing activities: activities that give rise to changes in the size and composition of equity and liabilities that are not part of operating activities.

5. Consolidation goodwill fund

The details of the goodwill in consolidated companies broken down by company is as follows:

Sociedad	2018
Avalon Properties S.L.	247.996
	247.996
Amortización incial	-
Entradas (Nota 18.4)	(10.667)
Amortización final	**(10.667)**
Valor Neto Contable	**237.329**

The goodwill of the subsidiary Avalon Properties, S.L. arose in 2018 due to the fact that the stake in that subsidiary was acquired in 2018.

The possible impairment to that goodwill is analysed at the close of each year. The Group estimates that the goodwill was not impaired in 2018.

6. Intangible assets

The balances and changes in 2018 in gross values, accumulated depreciation and impairment losses are as follows:

	01/01/218	Additions	Disposals	31/12/2018
Gross values				
Patents, licenses, brands and others	-	2,040	-	**2,040**
	-	**2,040**	**-**	**2,040**
Accumulated depreciation				
Patents, licenses, brands and others	-	(23)	-	**(23)**
	-	**(23)**	**-**	**(23)**
Net Book Value	**-**	**2,017**	**-**	**2,017**

At 31 December 2018 there are no fully amortised intangible fixed assets.

7. Property, plant and equipment

The balances and changes in 2018 in gross values, accumulated depreciation and impairment losses are as follows:

	01/01/2018	Additions	Disposals	31/12/2018
Cost				
Other fixtures	-	686	-	686
Furniture	-	32,951	-	32,951
Computers and electronic devices	-	16,533	-	16,533
Advances and property, plant and equipment in the course	-	1,653	-	1,653
	-	**51,823**	**-**	**51,823**
Accumulated depreciation				
Other installations (Note 18.4)		(28)		(28)
Furniture (Note 18.4)	-	(572)	-	(572)
Computers and electronic devices (Note 18.4)	-	(1,034)	-	(1,034)
	-	**(1,633)**	**-**	**(1,633)**
Net Book Value	**-**	**50,190**	**-**	**50,190**

At the close of 2018, EUR 51,823 had been added, mainly from furniture and computers necessary for conducting the activity in the offices.

At 31 December 2018 there is no fully amortised property, plant and equipment.

8. Investment property

The detail of "Investment property" at 31 December 2018 and of the changes to it is as follows:

	01/01/2018	Inclusions in the scope of consolidation (*)	Additions	Disposals	31/12/2018
Cost					
Properties	-	1,563,998	27,379,469	-	28,943,468
Buildings	-	4,379,377	18,977,266	-	23,356,643
Investment property in progress	-	-	1,240,000	-	1,240,000
	-	**5,943,375**	**47,596,735**	**-**	**53,540,111**
Accumulated depreciation and amortisation					
Buildings	-	-	(127,628)	-	(127,628)
	-	**-**	**(127,628)**	**-**	**(127,628)**
Net Book Value	**-**	**5,943,375**	**47,469,108**	**-**	**53,412,483**

(*) The additions to the scope of consolidation at 31/12/2018 correspond to the acquisition of Pinarcam on 20 December 2018.

In 2018, the Group made six investments in assets, all of which are located in the Community of Madrid. The investment property corresponds mainly to properties held as residential rentals.

On 22 November 2018, the Group paid a notary escrow payment of 1,240,000 euros to buy a property. That amount was recorded as investment property in progress until the acquisition of the property is final.

Under the heading "Investment Property", the amount associated with lots is 28,943,468 euros at 31 December 2018.

The details of the investment properties held by the Company are as follows:

San Diego: Building located at Calle San Diego, 90 and around to Calle Alfredo Castro Cambra, 2, Madrid. This building was acquired on 29 June 2018
Ana de Austria: Building located at Calle Ana de Austria 101-111, Sanchinarro. This building was acquired on 31 August 2018.
Aligustre: Building located at Calle Aligustre, 43. This building was acquired on 31 October 2018.
Doctor Castelo: Building located at Doctor Castelo nº22. This building was acquired on 31 August 2018.
Villaverde: Building located at Calle Vicente Carballal. This building was acquired on 20 December 2018.
Manzana Arganda 17: Located at Avenida República de Argentina nº2 and included in parcel 17.1 of Execution Unit 39 “El Guijar”, in Arganda del Rey. The plot where the building was built was received on 10/07/2006. Then the first occupancy permit was obtained on 27/06/2008 and the property was allocated to residential use.

The value recorded in the initial assessment of this building made by the Group includes 545,294 euros because it was allocated the first-time consolidation difference that arose when the Group took control of the company PINARCAM Vivienda Joven Socimi, S.L.U. on 20 December 2018.

The details of the square metres leased at 31 December 2018 are as follows:

Total Sqaure Metres Built	Occupancy rate (%)
27,224	44%

To determine their market value, the Company's directors have assigned an independent expert to appraise the Group’s properties. The appraisals were conducted in accordance with the Ministry of Economy’s standards under Ministerial Order ECO 805/2003, without this detecting any signs of impairment. The fair value of the investment properties calculated based on the appraisals is 75,656,957 euros at 31 December 2018.

Fair value is defined as the estimated amount for which an asset should be exchanged on the date of valuation between a willing seller and a willing buyer, after a reasonable marketing period, and wherein the parties have acted knowledgeably, prudently and without compulsion.

During 2018, no need was detected to make impairment adjustments to the investment properties.

It is the Group's policy to purchase insurance policies to cover any possible risks to which the various elements of its investment properties may be subject. In the year closed 31 December 2018, the Group companies’ directors determined that there are no coverage deficits of these risks.

9. Operational leases

The Group acts of the lessor of the investment properties it owns.

The minimum future payments from operational leases contracted by tenants based on leases currently in force is as follows:

	Minimum payments
	31.12.2018
Less than one year	1,648,077
One to five years	3,439,484
More than five years	1,194,771
	6,282,332

The Group's expenses in its position as a lessee come from payment for the use of the lease of the office of Avalon Properties, S.L., pursuant to a lease signed on 1 July 2018, for a three-year period. The minimum future payments on it are as follows:

	Minimum payments
	31.12.2018
Less than one year	45,600
One to five years	68,400
More than five years	-
	114,000

10. Non-current and current financial assets

The details of the financial assets by category at 31 December 2018 is as follows:

	Non-current financial investments		Current financial investments	
	Credits, derivatives and others	Debt securities	Credits, derivatives and others	Total
	31.12.2018	31.12.2018	31.12.2018	31.12.2018
Categories:				
Loans and receivables	39,752	15,201,244	-	15,240,996
Clients and payables	-	-	115,533	115,533
Deposits and guarantees provided	31,181	-	571,427	602,608
	70,933	15,201,244	686,960	15,959,137

The balance recorded under "Non-current financial investments" consists of:

- The heading "Debt securities" mainly includes two credits acquired from the Bank Restructuring Real Estate Asset Management Company (SAREB). These credits have been classified as financial assets held to maturity, initially recorded at their fair value, which is equal to the consideration paid plus any directly attributable transaction costs. These investments were then recorded at their amortised cost and the interest accrued in the period was calculated using the effective interest rate method, with the directors assessing a rate of 3%. The list of the credits acquired is:

    - **Arganda**: on 31 August 2018, the company Muflina Investments S.L.U. acquired, under a deed of credit assignment to the SAREB, a credit related to a building located at Calle San Sebastián, 29. The credit was subsequently valuated at its amortised cost at 31 December 2018 for 7,569,216 euros. The interest accrued in the period generated a financial cost of 417,158 euros recorded under "Third-party financial expenses" on the consolidated income statement. On the other hand, there was financial income item for 76,074 euros from the adjustment of the credit that was recorded under "Income from third parties" on the consolidated income statement. The Company's directors estimate that this sum will be recovered in the first semester of 2020.

- **Sanchinarro**: on 31 August 2018, the company Muflina Investments S.L.U. acquired, under a deed of credit assignment to the SAREB, a credit related to a building. The credit was subsequently valuated at its amortised cost at 31 December 2018 for 6,764,635 euros. The interest accrued in the period generated a financial cost of 478,911 euros recorded under "Third-party financial expenses" on the consolidated income statement. On the other hand, there was financial income item for 68,496 euros from the adjustment of the credit that was recorded under "Income from third parties" on the consolidated income statement. The Company's directors estimate that this sum will be recovered in the second semester of 2020.

- The consideration was also recorded that is associated with the collaboration agreement signed on 31 August 2018 by Muflina Investments S.L.U. and Proyectos inmobiliarios DAUSSET, S.L., to satisfy its obligations as the sub-letter of 69 dwellings in the building located at C/San Sebastián, Arganda, as Muflina is interested in this being so because it may be awarded these properties in the foreclosure proceeding initiated by the former creditor of the loan mentioned in point one above. Under this agreement, the subsidiary Muflina Investments, S.L.U, agrees to pay Dausset la the sum of 913,233 euros. The directors have classified the credit as a financial asset held to maturity, initially recorded at its fair value, which is equal to the consideration paid plus transaction costs. These investments were then recorded at their amortised cost and the interest accrued in the period was calculated using the effective interest rate method, with the directors assessing a rate of 3%. The credit was subsequently valuated at its amortised cost at 31 December 2018 for 867,392 euros. The interest accrued in the period, die to the calculation of the effective interest rate, generated a financial cost of 37,191 euros recorded under "Third-party financial expenses" on the consolidated income statement. On the other hand, there was financial income item for 8,750 euros from the adjustment of the credit that was recorded under "Income from third parties" on the consolidated income statement. Due to a sum pending disbursal Company has recorded a long-term debt under non-current liabilities on the consolidated balance sheet for a sum of 329,122 euros (see Note 15). The Company's directors estimate that this sum will be recovered in the second semester of 2020.

- The following are recorded under the heading "Credits, derivatives and others":

  - A loan granted by one of the shareholders of Avalon Propertiress S.L, (Duron Properties, S.L.U.) for a sum of 39,752 euros dated 24 September 2018 and maturing on 24 September 2020 (see Note 21). The loan accrues the legal interest rate of money. The accrued interest payable recorded at the close of the year amounted to 72 euros.

- Deposits received from leases deposited in the Madrid Housing Institute (IVIMA) for a sum of 31,181 euros.

The balance recorded under "Current financial assets" consists of:

- The sum of 115,533 euros under "Clients from sales and services rendered" on the attached consolidated balance sheet covers the outstanding receivables from the leases.

- The sum of 571,427 euros under "Deposits and securities provided" corresponds mainly to the sums paid to notaries to pay the tax settlements and supplements derived from property purchases by Group companies, which will be applied once the corresponding invoices and settlements are executed in 2019, with the corresponding expenses and assets based on their accrual.

At 31 December 2018, the Directors consider that there are no significant differences between the fair value of the non-current financial assets and their book value.

<u>The maturities of the balances maintained in these loans was as follows:</u>

	2019	2020	2021	2022	Resto	Total
Loans and receivables	-	15.201.244	-	-	-	15.201.244
Credits to companies (Note 21)	-	39.752	-	-	-	39.752
Payables and receivables (Note 11)	115.533	-	-	-	-	115.533
Deposits and loans provided	571.427	-	-	-	31.181	602.608
	686.960	15.240.996	-	-	31.181	15.959.137

11. Trade and other receivables

The detail of "Trade and other receivables" at 31 December 2018 is as follows:

	31.12.2018
Clients provisions of services	263,912
Trade credit impairment	(148,380)
Tax Agency VAT	258,006
Withholdings and payments on acct.	9,568
Total	383,106

The balance under "Clients" is presented net of impairment adjustments, and the sum at the close of 2018 is 148,380 euros. The corresponding impairments are allocated based on the risk of possible default on collection of the assets. There were no insolvency impairments in 2018

The balance owed to public administrations for VAT was settled in 2019.

12. Risk management policy

The Group's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk.

The main financial risks affecting the Group are as follows:

12.1. Credit factors

The Group does not have any material credit risk concentration. The Group has policies to ensure that sales are made to clients with adequate credit records. Cash transactions are only conducted with financial institutions with high credit ratings. The Group has policies to limit the amount of risk with any financial institution.

The valuative adjustment for client default entails intense judgement by Management and review of individual balances based on clients' credit worthiness, current market trends and an historical analysis of insolvencies on an aggregate level. In relation to the valuative adjustment derived from the aggregate analysis of the historical experience of delinquencies, a reduction in balance volumes implies a reduction in valuative adjustments and vice versa.

12.2. Liquidity risk

The Group manages liquidity risk on a prudent basis, the purpose of which is to maintain sufficient cash.

All of the financing received as of 31 December 2018 has been provided by the ultimate parent company.

12.3. Interest rate risk

Because of the current situation in the real estate sector and in order to mitigate any negative impacts that this may cause, the Group has specific measures to minimise the impacts on its financial situation.

These measures are applied based on the strategy and forecasts defined by the Group.

The financial debt is exposed to interest rate risk in its cash flows, which may have an adverse effect on the financial results and cash flows.

13. Cash and other cash equivalents

The detail of "Cash and Cash Equivalents" at 31 December 2018 is as follows:

	31.12.2018
Banks and cash	2.114.109
Total	2.114.109

At 31 December 2018, the Group had no deposits in financial institutions. They are classified as short term because they are all freely available at all times.

14. Shareholders. Equity

14.1. Share capital

The share capital amounts to 60,000 euros, represented by 60,000 shares with a par value of one euro each, all in the same class, all taken up and 25% paid out, and that confer the same rights on their holders, with 45,000 euros pending disbursal within a maximum period of five years.

All of the shares of the parent company belong to AEREF V Iberian Residential Holdings S.a.r.l.

The Company does not have any treasury shares.

In 2018, the parent company received the following other contributions from the sole member:

- On 22 August 2018, 4,288,960 euros in capital contributions were received.
- On 31 October 2018, 395,000 euros in capital contributions were received.On 21 November 2018, 1,085,000 euros in capital contributions were received.On 29 November 2018, 631,000 euros in capital contributions were received.
- On 4 December 2018, 812,000 euros in capital contributions were received.

The Parent company's shares are not officially listed.

14.2. Legal Reserve

Under the revised text of the Spanish Corporate Enterprises Act, 10% profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. This legal reserve may be used for capital increases in proportion to the amount in excess of the 10% of the capital that has already been increased. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

This reserve was not constituted at the close of the financial year ended 31 December 2018.

14.3. Reserves in consolidated companies

Since the Group was established in 2018, the variations in Shareholders' Equity correspond to the distribution of profits on the year.

14.4. Minority interests

The breakdown of companies under "minority interests" on the attached balance sheet is as follows:

Company	**2018**
Avalon Properties S.L.	278,437
	278,437

15. Current and non-current financial assets

a) Classification by category

The list of the various non-current financial liabilities by category with determined or determinable maturities is as follows at the close of 2018:

	Non-current debts		
	Debts to group companies and associates (Note 21)	Other	Total
	31.12.18	31.12.18	31.12.18
Categories:			
Debits and payables	21.635.889	355.715	21.991.604
	21.635.889	355.715	21.991.604

	31.12.18	31.12.18	31.12.18
Categories:			
Debits and payables	43,485,691	143,944	43,629,635
Receivables (Note 16)	-	1,364,115	1,364,115
	43,485,691	1,508,059	44,993,750

b) Classification by due date

The list of the various financial liabilities by maturity with determined or determinable maturities is as follows at the close of 2018:

	2019	2020	2021	2022	Other	Total
Debts:						
Debts to group companies and associates (Note 21)	43.485.691	-	-	-	21.635.889	65.121.580
Debits and payables	143.944	355.715	-	-	-	499.659
Receivables (Note 16)	1.364.115	-	-	-	-	1.364.115
Total	44.993.750	355.715	-	-	21.635.889	66.985.354

16. Trade and other payables

The breakdown of trade payables and other payables under current liabilities is as follows:

	31.12.2018.
Suppliers	555,692
Sundry accounts payable	604,306
Staff costs (remuneration payable)	204,117
Current tax liabilities (Note 17)	20,903
Other government debts (note 17)	243,274
Total	**1,628,292**

Pursuant to Additional Provision Two of Spanish Law 31/2014, of Law 31/2014 of 3 December, which amended the Spanish Corporate Enterprises Act, and in accordance with the Resolution of 29 February 2016 of the Accounting and Auditing Institute, below is a detail of the average period of payment to suppliers, the ratio of transactions paid, the ratio of outstanding transactions, the total payments paid and the total outstanding payments:

	2018
	Days
Average period of payment to suppliers	8
Ratio of transactions settled	5
Ratio of transactions not yet settled	23

	2018
	Amount
Total payments made	2.020.641
Total payments outstanding	640.712

17. Tax situation

Current tax receivables and payables

The detail of the current tax receivables and payables at 31 December 2018 is as follows:

	31-dic-18		
	Payables		Receivables
Account	Non-current	Current	Current
Value Added Tax	-	256.771	196.581
Personal income tax	-	-	42.631
Current tax assets	-	9.568	-
Deferred tax assets	116.493	-	-
Assets from withholdings and payments on account	-	1.234	-
Current tax liabilities	-	-	20.903
Social Security Bodies	-	-	4.062
	116.493	267.573	264.177

The Board of Directors unanimously resolved to have the Group recur to the Special Regime for group of companies under Sections 163 *quinquies* to 163 *nonies* of Spanish Law 37/1992 of 28 December, on VAT [*Ley 37/1992, del IVA*], and sections 61 *bis* to 61 *sexies* of Spanish Royal Decree 1624/1992, effective as of the year beginning 1 January 2019. Therefore any sums payable or receivable for Value Added Tax will be handled as payables to or receivables from Group companies as of that date. For these purposes, the corresponding communication with the above agreements was sent to the Tax Administration as stipulated under section 163 *sexies* five of the Spanish VAT Act on 28 December 2018, thus paying tax under the consolidated declaration regime starting in 2019.

Calculation of income tax

Income tax is calculated on the basis of the accounting profit/loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit/tax loss.

At 31 December 2018, the income tax expense is zero in the companies Iante Investments SOCIMI, S.A.U. and Muflina Investments Socimi, S.A.U., as the income tax rate for REITs was set at 0% (see Note 4.8).

The company Pinarcam Vivienda Joven Socimi S.L.U., entered into the REIT tax regime in February, effective 1 January 2019. It thus paid tax under the general regime in 2018.

The Group does not file under the consolidated groups of companies regime provided under Spanish law 43/1995, and it records the corresponding income tax expenses individually.

The settlement of the net amount of revenues and expenses from the year with the individual income tax bases (tax result) for the year ended 31 December 2018 was as follows:

	Avalon Properties, S.L.	Pinarcam Vivienda Joven Soimi, S.L.U.	Muflina Investment, S.L.U	Iante Investment Socimi, S.A.U.
Profit/(loss) before tax	75.893	212.751	(2.715.607)	(566.347)
Permanent differences	7.720	239	-	-
Other differences of temporary imputation of expense and revenue. Special regime	-	-	2.715.607	566.347
BINS	-	-	-	-
Tax Base	83.613	212.990	-	-
Amount due	20.903	53.247 (*)	-	-

(*) The sum of 53,247 euros corresponds to the income tax payment due reflected in the Company's individual annual financial statements. The amount allocated to the Group, generated since the date of change of control, amounts to 1,751 for income tax.

The amount indicated on the consolidated income statement for the income tax expense owed by the Group is broken down in the following way:

	2018
Current tax	22,654
Total income tax payable/receivable	22,654

Deferred tax assets arising as a result of tax loss carryforwards are recognised to the extent that the Company is likely to obtain future taxable profits against which they can be offset.

The detail of the balance of these accounts at the close of 2018 is as follows:

	31/12/2018
	Pinarcam Vivienda Joven Socimi, S.L.U.
Temporary deductible differences	10,391
Tax Credits	106,102
Total	116,493

The detail of the tax carryforwards at 31 December 2018 is shown below, which in the case of Pinarcam Vivienda Joven Socimi, S.L.U were generated before entering into the aforementioned tax regime:

	31/12/2018
Tax carryforwards	Pinarcam Vivienda Joven Socimi, S.L.U.
2009	73,266
2012	20,137
2013	18,754
2014	141,544
2015	170,881
Total	**424,582**

The directors consider that they will be recovered when the Company's properties are sold.

Tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations period has expired.

At the close of 2018, the Group's companies have any years not time barred open to audit. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any liabilities as might arise would not have a material effect on the accompanying financial statements.

The income tax rate for REITs is 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to a tax rate lower than 10%, the REIT will be subject to a special charge of 19%, which will be considered to be the income tax charge, on the amount of the dividend distributed to these shareholders. If deemed applicable, this special charge must be paid by the REIT within two months after the dividend distribution date.

18. Revenues and expenses

18.1. Revenue.

The revenue from services provided during 2018 were all obtained in Spain, mainly from the leases of the developments and corporate services for a sum of 241,499 euros, with the following breakdown:

	31.12.2018
Muflina Investments , S.L.U.	226,299
Pinarcam Vivienda Joven Socimi, S.L.U.	4,981
	231,280

18.2. Personnel costs

The breakdown is as follows:

	31.12.2018.
Wages, salaries and similar expenses	
Wages and salaries	(403,197)
Social security	
Social Security	(27,503)
	(430,700)

18.3. Other operating expenses

The breakdown is as follows:

	31.12.18
Rentals and leases	24,167
Repairs and conservation	30,038
Independent professional services	538,484
Insurance premiums	810
Bank services	6,341
Supplies and other services	154,566
Other services	23,431
Taxes	361,414
Other current management expenses	4,012
	1,143,264

18.4. Depreciation and amortisation

The detail of "Depreciation and amortisation charge" is as follows:

	2018
Goodwill from consolidation (Note 5)	10,667
Intangible assets (Note 6)	23
Property, plant and equipment (Note 7)	1633
Real estate investments (Note 8)	127,628
	139,951

19. Financial profit/(loss)

19.1 Financial costs

The breakdown is as follows:

	31.12.18
Interest on loans group company loans (Note 21)	964,353
Other financial expenses (Note 10)	999,468
	1,963,821

The entry "Other financial costs" for a sum of 999,468 euros records financial costs derived from:

- **Arganda**: The interest accrued in the period from valuating the credit at its amortised cost at 31 December 2018 generated a financial cost of 417,158 (see Note 10).

- **Sanchinarro**: The interest accrued in the period from valuating the credit at its amortised cost at 31 December 2018 generated a financial cost of 478,911 euros (see Note 10).

- **Dausset:** The interest accrued in the period from valuating the credit at its amortised cost at 31 December 2018 generated a financial cost of 37,191 euros (see Note 10).

- **Sareb:** Financial expenses allocated to the Group for a sum of 66,208 euros generated from the date of change of control to when the Sareb assigned its debt to Pinarcam Vivienda Joven Socimi S.L.U., to Iante Investments Socimi S.A.U.

19.2 Finance income

The breakdown is as follows:

	31.12.18
Other financial revenues (Note 9)	153,865
	153,865

19.3 Detail of consolidated profit/(loss)

Each company in the consolidation perimeter made the following contribution to the consolidated profit/(loss) on the year, expressed in euros:

2018			
Company	Profit/(loss)	Attributable to minority interests	Attributable to the parent company
Iante Investments Socimi, S.A.U.	(550,110)	--	(550,110)
Muflina Investments, S.L.U.	(2,172,090)	--	(2,172,090)
Pinarcam Vivienda Joven Socimi, S.L.U.	722,233	--	722,233
Avalon Properties, S.L.	(566,412)	27,440	(593,852)
Total	(2,566,379)	27,440	(2,593,819)

20. Other profit/(losses)

The details of the other profit/(loss) as of 31 December 2018 were as follows:

	31.12.18
Expenses	
Other	(5,448)
Revenues	
Other	744,095
	738,647

The revenues recorded under "Other profit/(loss)" for a sum of 744,095 euros corresponds to the profits from the assignment to the Parent Company (Iante Investments Socimi S.A.U) of part of the debt taken out by Pinarcam Vivienda Joven Socimi S.L.U., from the Sareb.

21. Related-party transactions

In 2018 the following related party transactions were performed:

Company	Type of relation
AEREF V Iberian Residential Holdings, S.A.R.L.	Parent company
Board Members	Other related parties
Duron Properties, S.L.U.	Other related parties

The detail of the transactions with Group, multigroup and associated companies in 2018 is as follows:

Concept	2018 Revenue/(expens Intereses devengados
Parent company (Note 19)	(964.353)
Total group companies and associates	(964.353)

The detail of the related party balances in 2018 is as follows:

	2018 Assets(Liabilities)		
	Payables	Receivables	
Concept	Credits	Loans	Interest
Parent company	-	(64.157.649)	(963.931)
Other related parties	39.752	-	-
Total group companies and associates	39.752	(64.157.649)	(963.931)

	Balances at 31.12.18			
	Non-current debts		Current debts	
Concept	Amount	Rate	Amount	Rate
Iante Investment SOCIMI, SAU	21.635.889	7%	3.786.000	7%
Muflina Investments, S.L.U	--	--	38.735.760	5%
Total group companies and associates	21.635.889		42.521.760	

The Parent Company IANTE Investments SOCIMI, S.A.U. made a total of 25,421,889 in drawdowns in the year under the two credit facility agreements it signed with the parent company AEREF V Iberian Residential Holdings, S.A.R.L. On one hand, it has drawn down 21,635,889 euros under the “Interest Bearing Credit Facility Agreement”, which it signed with the parent company on 22 February 2019 and effective as of 27 June 2018. The loan is stipulated to mature in 2028 and it accrues 7% interest per annum, with 405,150 euros in accrued expenses recorded in the year. The outstanding interest recorded in the short term at the close of the year amounted to 404,728 euros. On the other hand, it drew down 3,786,000 euros under the “Interest Bearing Bridge Facility Agreement” signed on 27 July 2018 and effective as of that date, which matures in one year and that accrues 7% interest per annum. The interest accrued in the year under the “Interest Bearing Bridge Facility Agreement” amounted to 17,353 euros, which had not been paid at the close of the financial year and is recorded in the short term on the consolidated balance sheet.

The subsidiary MUFLINA INVESTMENTS, S.L.U. received 38,735,760 in drawdowns under the loan agreement signed on 27 November 2019 and effective 28 May 2018, with the company AEREF V Iberian Residential Holdings, S.A.R.L. The drawdowns mature in one year and they accrue 5% interest per annum, with 541,850 euros accrued in the year. This interest has not been paid and it has been recorded at the close of the year in the short term on the consolidated balance sheet.

Additionally, a loan granted by one of the shareholders of Avalon Propertiress S.L, (Duron Properties, S.L.U.) was recorded for a sum of 39,752 euros dated 24 September 2018 and maturing on 24 September 2020. The loan accrues the legal interest rate of money. The accrued interest payable recorded at the close of the year amounted to 72 euros.

As detailed in Note 1.2 of these consolidated notes, Iante Investmets Socimi, S.A.U. Avalon Properties, S.L., and Durón Properties S.L. signed a shareholders agreement on 27 July 2018. On that same date, AEREF IBERIAN RESIDENTIAL HOLDING, SARL and Pablo Paramio representing Durón Properties, S.L. that details the commercial covenants between them, which was amended together with the shareholders agreement in 2019, specifically on 20 December 2019. The Company’s directors and advisers consider that these amendments will have no significant and relevant impact on the consolidated annual financial statements as at 31 December 2018.

Avalon Properties, S.L. bills for independent professional services based on a contract signed with Iante Investments Socimi S.A.U. on 27 July 2018 for the provision of asset management and investment services, property management and supervision services and other services.

The business consists of establishing a platform in Spain to:

(i) acquire, renovate and lease residential buildings in selected neighbourhoods of downtown Madrid within the M-30 highway, and some specific areas outside of the M-30 highway.
(ii) opportunely acquire individual units that may be sold after renovation at prices in excess of 1,000,000 euros.

The fees billed by Avalon Properties S.L. consist of:

- **Base quarterly management fee**, which is broken down as follows:
  An annual management commission consisting of:
  - 0.6% of the assets’ purchase price plus CAPEX invested, provided that the aforementioned principal is less than €100,000,000 and subject to a minimum of 300,000 euros during the first three years; or

- 0.4% of the assets' purchase price plus CAPEX invested, provided it is greater than €100,000,000.

For future assets purchased, the Base Management Fee will be:

- 0.3% of the assets' purchase price plus CAPEX; or
- 0.2% if the assets' purchase price plus CAPEX is greater than 100,000,000 euros, to be paid between the exchange and the finalisation.

The Base Management Fee will be reduced by 25% (i.e., to 0.225% or 0.15%, depending on the case) if the period stipulated in the future purchase agreements for transferring the assets is greater than 24 months.

- **Acquisition fee:** an acquisition commission of 0.5% of the purchase price (excluding CAPEX) of any new asset purchased by the companies, after the purchase of the corresponding asset has been notarised, and to be paid at the end of each quarter based on the net distributable cash flows.
- **Incentive fee**: based on the financial performance of the Spanish companies and assets, which will be based on the net distributable cash flow calculated after the taxes due in Spain and Luxembourg for IANTE and GUNILE. These amounts will only be cumulative when the last asset is sold and transferred.
- **Exit fees:** 1% of the capital invested by Ares in the Spanish companies, with a limit of 800,000 euros. Once Ares has received distributions that provide it an IRR of 5% or the net distributable cash flows calculated after the taxes due in Spain and Luxembourg for the Spanish companies. The exit fees will be deducted from the incentive fee, if one is paid.

The agreement mentions fixed remuneration for the CEO guaranteed for three years.
The acquisition fee, the exit fees and the incentive fee are non-refundable.

The sums Avalon Properties S.L. billed Iante Invetsments Socimi S.A.U., have been eliminated from the consolidation process because the latter company is fully integrated.

The sums accrued by the members of the Board of Directors in 2018 for performing their functions as directors in the Company amounted to 260,938 euros, 150,000 euros of which is still outstanding. Two members of the Board are classified as senior managers.

The Group has not provided any loans and advances to the members of its board, and it has no contractual pension and life insurance obligations.

The members of the Group's Board of Directors and their related parties pursuant to section 231 of the Spanish Corporate Enterprises Act have not incurred in any conflicts of interest under section 229 of the revised text of the Spanish Corporate Enterprises Act.

22. Other information

22.1. Staff

The average number of staff employed by the Group, distributed by category, is as follows:

	2018		
	Men	Women	Total
Other managers	1	-	1
Directors	-	1	1
Total	**1**	**1**	**2**

The number of persons employed by the Group at at the close of 2018, is as follows:

	2018		
	Men	Women	Total
Other managers	2	1	3
Total	**2**	**1**	**3**

One of the male directors is a member of the Board of Directors.

No one employed during the year had a disability of 33% or higher.

23. Segmented information

The Parent Company's board of directors has the final say on operational decisions.

Management has determined the operational segments based on the information the body reviews to allocate the Group's resources and assess its performance.

Management has identified two segments that need to be reported: Residential leasing and Corporate.

The residential leasing segment focuses its activity on leasing the properties held by the Group and described in Note 8, all of which are located in the Community of Madrid.

The Corporate segment focuses on administrative activities and on supporting the other segments.

The total asset and liability figures provided to the Parent Company's board of directors are assessed based on uniform criteria. These assets and liabilities are allocated based on the activities of the segment as shown in the following table:

T

LIABILITIES	Euros Lease	Corporate	Consolidated
EQUITY			
Share capital	15,000	-	15,000
Other equity items	4,617,334	278,437	4,895,771
TOTAL EQUITY	**4,632,334**	**278,437**	**4,910,771**
NON-CURRENT LIABILITIES			
Non-current debts	355,715	-	355,715
Non-current debts to group companies and ass	21,635,889	-	21,635,889
TOTAL NON-CURRENT LIABILITIES	**26,199,685**	**-**	**21,991,604**
CURRENT LIABILITIES			
Current debts	143,944	-	143,944
Debts to group companies and associates	43,485,691	-	43,485,691
Trade creditors and other payables	1,351,396	276,895	1,628,292
Current accruals	3,680	-	3,680
TOTAL CURRENT LIABILITIES	**40,776,631**	**276,895**	**45,261,607**
TOTAL EQUITY AND LIABILITIES	**71,608,650**	**555,332**	**72,163,981**

The business information provided to the Parent Company's board of directors on the consolidated earning statement for the year is as follows:

	Euros **Lease**	**Corporate**	**Consolidated**
Net turnover	231,280	-	231,280
Other operating revenues	-	10,220	10,220
Personnel expenses	-	(430,700)	(430,700)
Other operating costs	(1,036,116)	(107,148)	(1,143,264)
Amortisation of investment properties	(127,627)	(12,324)	(139,951)
Other profit/(loss)	744,094	(5,447)	738,647
OPERATING PROFIT/(LOSS)	**(188,370)**	**(545,399)**	**(733,768)**
Financial revenue	153,733	133	153,865
Financial expenses	(1,963,821)	-	(1,963,821)
FINANCIAL PROFIT/(LOSS)	**(1,810,088)**	**133**	**(1,809,956)**
PROFIT/(LOSS) BEFORE TAX	**(1,998,458)**	**(545,266)**	**(2,543,724)**
Income tax	(1,751)	(20,903)	(22,654)
CONSOLIDATED PROFIT/(LOSS) ON YEAR	**(2,000,209)**	**(566,169)**	**(2,566,378)**

24. Environmental information

The Group companies have no assets nor have they incurred any expenses aimed at minimising their environmental impact and protecting and improving the environment. There are also no provisions for risks and expenses or contingencies related to protecting and improving the environment.

25. Fees paid to auditors

The fees Grant Thornton S.L. accrued during the year for audit services and other services are shown below:

	2018
For auditing	54,000
For other services	-
	54,000

26. Subsequent Events

Purchases of new companies

The Parent Company purchased all of the shares of the following companies:

- Dalandia Investment, S.L., acquired for 3,000 euros.
- El Burgo Buenavista Gestión, S.L., acquired for 2,467,892 euros.
- Zonko Investment, S.L., acquired for 3,000 euros.
- Compañía Europea de Arrendamientos Urbanos, S.L., acquired for 18,500,000 euros.
- Jurisa Investment, S.L., acquired for 3,000 euros.
- Nuciva Investment, S.L.U., acquired for 3,000 euros.

Acquisitions of new properties by Group companies

The subsidiary Muflina Investments, S.L.U., acquired three properties in the Province of Madrid for a sum of 20 million euros.

The subsidiaries Pinarcam Vivienda Joven Socimi, S.L.U., Dalandia Investments S.L, and Jurisa Investments S.L. acquired ownership of three properties in Madrid for a sum of 39 million euros.

On the 10th of February 2020, a private contract signed by the subsidiary, Pinarcam Vivienda Joven Socimi, S.L.U., was made public, establishing a purchase option on 14 properties. The procedure is subject to compliance with certain conditions established therein.

Turnkey contracts signed by Group companies

The subsidiary Dalandia Investments, S.L. signed several turnkey contracts in which it agreed to build buildings in Spain with different developers for a total projected purchase price of 117 million euros. The developments and the projected purchase prices are:

- VALDEMORO development.
- TORREJÓN development.
- RIVAS development.
- BUTARQUE I development.
- ALCALÁ P9 development.
- ALCALÁ P8 development.
- CAÑAVERAL development.
- Gómez Porras.

The subsidiary Zonko Investments, S.L., signed several turnkey contracts in which it agreed to build buildings in Spain with different developers. The developments and the projected purchase prices are:

- JARDINES DE TETÚAN development.
- BALCÓN DE EUROPA development.
- Ferrocarril Torrejón development.

The projected purchase price for these developments is 46 million euros.

The subsidiary Nuciva Investments, S.L., signed a turnkey contract in which it agreed to build a building in Valdebebas. The projected purchase price is 109,806,095 euros. On the 29th of January 2020, an addendum was made to the purchase agreement for the property in the Valdebebas development, establishing that the new purchase price is estimated at 114,463,798 euros.

Other transactions

The parent company's Board of Directors unanimously resolved to have the Group recur to the Special Regime for group of companies under Sections 163 *quinquies* to 163 *nonies* of Spanish Law 37/1992 of 28 December, on VAT [*Ley 37/1992, del IVA*], and sections 61 *bis* to 61 *sexies* of Spanish Royal Decree 1624/1992, effective as of the year beginning 1 January 2019. Therefore any sums payable or receivable for Value Added Tax will be handled as payables to or receivables from Group companies as of that date. For these purposes, the corresponding communication with the above agreements was sent to the Tax Administration as stipulated under section 163 *sexies* five of the Spanish VAT Act on 28 December 2018, thus paying tax under the consolidated declaration regime starting in 2019.

During 2019, the sole member AEREF V Iberian Residential Holdings, S.A.R.L. made 10,245,000 euros in shareholder contributions to the Parent Company.

On 20 December 2019, the shareholders agreement and the framework agreement were modified as indicated in Note 1.2 of the consolidated notes, and the Group's directors consider that the modifications to those agreements will have no significant and relevant impact on the consolidated annual financial statements at 31 December 2018 of Iante Investments Socimi S.A.U. On that same date, a purchase agreement was signed in which Durón Properties S.L. sold 300 shares to Iante Investments Socimi S.A.U., representing 5% of the share capital of Avalon Properties S.L. the price for the shares was 670,000,000 euros, i.e., 2,233.33 euros per share. However, Durón Properties S.L. and Iante Investments Socimi S.A.U. agreed that Durón Propeties is entitled to an additional payment or a higher price depending on the future evolution of Avalon Properties S.L.

On 20 December 2019, amendments to both agreements were signed to eliminate certain obligations of Durón Properties, S.L. that have been replaced with the commitment to have Durón Properties S.L. invest one million euros by buying shares in Iante Investments Socimi S.A.U. before the Company's initial listing on the Alternative Securities Market.

This sale is pending completion as at the date of these consolidated annual financial statements.

During 2020, the Group's Parent Company is preparing to go public on the Alternative Stock Market.

On the 3rd of February 2020, the Company's sole shareholder, AEREF V Iberian Residential Holdings, S.à.R.L., agreed to pay out unpaid capital dividends, amounting to 75% of the share capital, for a total of forty-five thousand euros (45,000€). Therefore, in said act, the share capital of the Company is fully paid up and subscribed by the Sole Shareholder. Likewise, on the same date, it was decided to increase the Company's share capital, currently set at sixty thousand euros (60,000€), fully subscribed and paid up, by four million nine hundred and forty thousand euros (4,940,000), i.e. up to a total of five million euros (5,000,000€), by issuing and putting into circulation four million nine hundred and forty thousand (4,940,000) new ordinary shares that will be included in the Company's single series and class. These shares, which will have a nominal value of one euro (1€) each and will be numbered consecutively from 60,001 to 5,000,000, both inclusive, and will be issued with a charge to the Company's available reserves as shown on the last balance sheet approved by the Sole Shareholder. The shares numbered 60,001 to 5,000,000, inclusive, are assigned to the Sole Shareholder. The new shares will be assigned in the manner described above, will enjoy the same political and economic rights as those already in circulation, and will participate to the corporate results. This extension was registered in the Mercantile Registry on the 5th of March 2020.

On the 11th of March 2020, the Company published the resolution adopted by the Shareholders' Meeting on the 26th of February 2020, by which the Company established the forecast of its future admission to the Real Estate Investment Trust (SOCIMI) segment of the Alternative Stock Market (MAB). As a result, the Company is obliged to modify its Articles of Association, specifically Article 5 thereof. This article establishes that the share capital, which is fully subscribed and paid up, is set at 5,000,000 euros, divided into 5,000,000 shares of 1 euro face value each, represented by registered entries, all of them of a single class and series. The accounting record of the shares shall be kept by Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and the entities participating in it. Notwithstanding the above, and as detailed below, on April 27th, 2020 the Board has agreed to approve the request to proceed with the listing of the whole share capital at Euronext Access reason why the aforementioned commitment is suspended and has not been completed on the date of formulation of consolidated accounts.

Afterwards, on April 27th, 2020 the Sole Shareholder of the parent company agrees to revoke the agreement dated February 26th, 2020 in relation to admision of share capital of IANTE at the Mercado Alternativo Bursatil (MAB), revoke the appointment of Iberclear and request the listing of all the shares at the French market Euronext Access, appointing Euroclear France, S.A. (Euroclear) as custodian bank. It is also agreed to ammend bylaws of the company to reflect these new agreements. On the same date, April 27th, 2020 the Board of Directors of Iante Investments Socimi, S.A.U. helds a meeting to revoke those agreements reached in their meeting of February 26th, 2020 and agrees to perform all required actions to complete Parent company's Sole Shareholder's arrangements. On the date of formulation of consolidated financial accounts the dominant company has not yet notarised these agreements.

Transformation into an REIT

On 8 February 2019, the company Pinarcam Vivienda Joven Socimi, S.A.U., decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under Spanish Law 11/2009, of 26 October, and to change its name to Pinarcam Vivienda Joven Socimi, S.A.U.

On the 16th of January 2020, the Company Burgo de Buenavista Gestión, S.L. adopted the legal and tax regime for Listed Companies investing in the Real Estate Market regulated by Law 11/2009 of 26 October and agreed to change its name to Burgo de Buenavista Gestión Socimi, S.L., on the 5th of February 2020. The name change is registered at the Mercantile Registry on the date of preparation of these consolidated financial statements.

On the 22nd of October 2019, Compañía Europea de Arrendamientos Urbanos, S.L. adopted the legal and tax regime for Listed Companies investing in the Real Estate Market regulated by Law 11/2009 of 26 October and approved the change of name on the 15th April 2020 to Compañía Europea de Arrendamientos Urbanos Socimi, S.L.U. The name change is pending registration at the Mercantile Registry at the date of preparation of these consolidated financial statements.

Registration under the EDAV regime

On the 16th of January 2020, Jurisa Investments, S.L.U., was incorporated under Regime for Entities engaged in home rental with effect from January 1, 2020.

On the 16th of January 2020, Dalandia Investments, S.L.U., was incorporated under Regime for Entities engaged in home rental with effect from January 1, 2020.

Debt

Borrowings from credit institutions:

On 26 July 2019, the company PINARCAM Vivienda Joven Socimi S.L.U., took out a mortgage from Banco Sabadell for a sum of 2,900,000 euros.

In 2019, the company MUFLINA Investments, S.L.U., took out several bank loans for a sum of 42,066,000 euros.

Aside from the above, no other significant events occurred after the closing date of the year ended 31 December 2018.

Other significant events

At the date of preparation of these consolidated financial statements, Spain, like other countries, was in a difficult situation as a result of the infection caused by the Coronavirus (COVID-19). Since the first case of the COVID-19 Coronavirus infection was reported in the city of Wuhan (China) at the end of December 2019, the outbreak has rapidly spread to a large number of cities in that country and subsequently to different countries around the world, including Spain.

In accordance with the financial reporting framework applicable to the Group, and in relation to the consolidated financial statements for the year ended 31st of December 2019, the consequences arising from COVID-19 are considered to be a subsequent event which does not require an adjustment to the consolidated financial statements for 2019 since they do not disclose circumstances that already existed at year-end, without prejudice to the fact that they should be disclosed in the notes to the consolidated financial statements on the basis of their significance.

The directors of the parent company have carried out an evaluation of the events described and their impact on the Group. In this respect, the impacts on the main areas that could be affected have been analysed, which are as follows:

- Debt commitments: The Group is not expected to be affected since bank debt is not subject to covenant compliance clauses and there are no significant future payments in the near future. As for the debt with the Sole Shareholder, there are plans to convert part of this into equity and the Group is in the process of going public on a secondary market

- Valuation of real estate assets: While there may be some stress on a particular asset if the state of alarm is prolonged, it is not estimated that there will be a material impact, considering the latest valuations of the assets by an independent expert.

- Impact of Government approved housing and rental measures: Although the Government has approved some measures that could have an impact on turnover (moratoriums, halting of evictions, guarantee lines...) the assessment of these measures is that they will not have a significant impact on the Group

- Impact on income generation and collectability: Although there is uncertainty as to how the crisis will affect tenants and their savings and employment levels if the alarm situation is prolonged, no significant impacts have been identified at the date of preparation of the annual accounts. The marketing of housing in the launch phase is being delayed, but the pace is expected to recover once the period of confinement is over.

- Impact on turnkey contracts in progress: Since the restrictions on construction have been limited in time, no delays are expected in the delivery of turnkey projects in progress.

In view of the above mentioned, and although there are uncertainties due to possible future events that cannot be seen at the current date, the Parent Company's directors consider that the current and potential impacts will not adversely affect the Group's ability to continue as a going concern.

27. Disclosure requirements arising from REIT status, (Spanish Law 11/2009)

The disclosure requirements under section 11 of Spanish Law 11/2009 are covered in the Parent Company’s and the subsidiaries’ abridged annual financial statements.

There is no other information deemed relevant that might facilitate the comprehension of the financial statements subject to filing, with the goal that they should reflect the true and fair view of the Group's equity, financial situation and results.

The Group's directors believe that the information provided here sufficiently reflects the true and fair view of the equity, financial situation and results.

CONSOLIDATED DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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This report includes notes on the evolution of the consolidated annual accounts of Iante Investments Socimi, S.A. and its subsidiaries (the "Group") and other notable events.

1. Situation of the Group

1.1. Situation of the Group

The Group is fully performing its economic activities, the volume and characteristics of which can be seen from its acquisition of all of the assets primarily held as residential leases in the Community of Madrid.

1.2. Composition of the Consolidated Balance Sheet

Certain information is provided below to clarify the Group's situation based on the various items in the consolidated annual financial statements.

First, there is a table representing the economic and financial structure of the Group's balance sheet at the close of the year:

ASSETS	31.12.2018
TOTAL NON-CURRENT ASSETS	69,090,689
TOTAL CURRENT ASSETS	3,073,293
TOTAL ASSETS	72,163,982

LIABILITIES	31.12.2018
TOTAL EQUITY	4,910,771
TOTAL NON-CURRENT LIABILITIES	21,199,604
TOTAL CURRENT LIABILITIES	45,261,607
TOTAL EQUITY AND LIABILITIES	71,371,981

1.3. Debt

The Group has a total debt of 65,621,240 euros divided into 39,421,555 in current payables and 26,199,685 euros in non-current payables.

1.4. Capital payments outstanding

Iante Investments Socimi, S.A.'s share capital is 60,000 euros, 45,000 euros of which is pending disbursal.

	31/12/2018	
Partners	**Number of shares**	**Stake %**
AEREF V IBERIAN RESIDENTIAL HOLDINGS s.à.r.l	60,000	100%
Total	**60,000**	**100%**

2. Business performance

2.1. Business performance

During the second semester of 2018, the Group acquired, through its subsidiaries, six properties, all located in the Community of Madrid, for a sum of 52.3 million euros, generating 231,000 euros in rental income in 2018.

3. Outlook for the Group

3.1. Turnover

Turnover is expected to increase taking into account that there are 12 months in the 2019 financial year.

3.2. Investments

The Parent Company purchased all of the shares of the following companies:

- Dalandia Investment, S.L., acquired for 3,000 euros.
- El Burgo Buenavista Gestión, S.L., acquired for 2,467,892 euros.
- Zonko Investment, S.L., acquired for 3,000 euros.
- Compañía Europea de Arrendamientos Urbanos, S.L., acquired for 18,500,000 euros.
- Jurisa Investment, S.L., acquired for 3,000 euros.
- Nuciva Investment, S.L.U., acquired for 3,000 euros.

Acquisitions of new properties by Group companies

The subsidiary Muflina Investments, S.L.U., acquired three properties in the Province of Madrid for a sum of 20 million euros.

The subsidiaries Pinarcam Vivienda Joven Socimi, S.L.U., Dalandia Investments S.L, and Jurisa Investments S.L. acquired ownership of three properties in Madrid for a sum of 39 million euros.

On the 10th of February 2020, a private contract signed by the subsidiary, Pinarcam Vivienda Joven Socimi, S.L.U., was made public, establishing a purchase option on 14 properties. The procedure is subject to compliance with certain conditions established therein.

Turnkey contracts signed by Group companies

The subsidiary Dalandia Investments, S.L. signed several turnkey contracts in which it agreed to build buildings in Spain with different developers. The developments and the projected purchase prices are:

- VALDEMORO development.
- TORREJÓN development.
- RIVAS development.
- BUTARQUE I development.
- ALCALÁ P9 development.
- ALCALÁ P8 development.
- CAÑAVERAL development.
- Gómez Porras.

The projected purchase price for these developments is 117 million euros.

The subsidiary Zonko Investments, S.L. signed several turnkey contracts in which it agreed to build buildings in Spain with different developers. The developments and the projected purchase prices are:

- JARDINES DE TETÚAN development.
- BALCÓN DE EUROPA development.
- Ferrocarril Torrejón development.

The projected purchase price for these developments is 46 million euros.

The subsidiary Nuciva Investments, S.L., signed a turnkey contract in which it agreed to build a building in Valdebebas. The projected purchase price is 109,806,095 euros. On the 29th of January 2020, an addendum was made to the purchase agreement for the property in the Valdebebas development, establishing that the new purchase price is estimated at 114,463,798 euros.

3.3. Consolidated profit/(loss)

The profit margin is expected to increase due to the increased occupancy and higher rents after the relevant CapEx investments in the investment properties.

3.4. Financial situation

In the immediate future, the financial situation is expected to remain at similar levels as the current year, which may be classified as acceptable.

4. Research and development

The Group conducted no research and development activities in 2018.

5. Information on payment periods to suppliers in commercial transactions

The details of the required disclosures on average payment periods to suppliers in commercial transactions under Spanish Law 15/2010, of 5 July, and the amendments of Spanish Law 31/2014, of 3 December and the Resolution of the Spanish Institute of Accountants and Auditors of 29 January 2016, are as follows:

	31 December 2018
	Days
Average period of payment to suppliers	8
Ratio of transactions settled	5
Ratio of transactions not yet settled	23
	Euros
Total payments made	2,020,461
Total payments outstanding	640,712

6. Significant events after the reporting period

There were no additional purchases of investment properties and no other companies were acquired aside from those detailed in point 3.2 of this consolidated directors' report.

Other transactions

The parent company's Board of Directors unanimously resolved to have the Group recur to the Special Regime for group of companies under Sections 163 *quinquies* to 163 *nonies* of Spanish Law 37/1992 of 28 December, on VAT [*Ley 37/1992, del IVA*], and sections 61 *bis* to 61 *sexies* of Spanish Royal Decree 1624/1992, effective as of the year beginning 1 January 2019. Therefore any sums payable or receivable for Value Added Tax will be handled as payables to or receivables from Group companies as of that date. For these purposes, the corresponding communication with the above agreements was sent to the Tax Administration as stipulated under section 163 *sexies* five of the Spanish VAT Act on 28 December 2018, thus paying tax under the consolidated declaration regime starting in 2019.

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On 20 December 2019, the shareholders agreement and the framework agreement were modified as indicated in Note 1.2 of the consolidated notes, and the Group's directors consider that the modifications to those agreements will have no significant and relevant impact on the consolidated annual financial statements at 31 December 2018 of Iante Investments Socimi S.A.U. On that same date, a purchase agreement was signed in which Durón Properties S.L. sold 300 shares to Iante Investments Socimi S.A.U., representing 5% of the share capital of Avalon Properties S.L. the price for the shares was 670,000,000 euros, i.e., 2,233.33 euros per share. However, Durón Properties S.L. and Iante Investments Socimi S.A.U. agreed that Durón Propeties is entitled to an additional payment or a higher price depending on the future evolution of Avalon Properties S.L.

On 20 December 2019, amendments to both agreements were signed to eliminate certain obligations of Durón Properties, S.L. that have been replaced with the commitment to have Durón Properties S.L. invest one million euros by buying shares in Iante Investments Socimi S.A.U. before the Company's initial listing on the Alternative Securities Market.

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Afterwards, on April 27th, 2020 the Sole Shareholder of the parent company agrees to revoke the agreement dated February 26th, 2020 in relation to admision of share capital of IANTE at the Mercado Alternativo Bursatil (MAB), revoke the appointment of Iberclear and request the listing of all the shares at the French market Euronext Access, appointing Euroclear France, S.A. (Euroclear) as custodian bank. It is also agreed to ammend bylaws of the company to reflect these new agreements. On the same date, April 27th, 2020 the Board of Directors of Iante Investments Socimi, S.A.U. helds a meeting to revoke those agreements reached in their meeting of February 26th, 2020 and agrees to perform all required actions to complete Parent company's Sole Shareholder's arrangements. On the date of formulation of consolidated financial accounts the dominant company has not yet notarised these agreements.

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On 8 February 2019, the company Pinarcam Vivienda Joven Socimi, S.A.U., decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under Spanish Law 11/2009, of 26 October, and to change its name to Pinarcam Vivienda Joven Socimi, S.A.U.

On the 16th of January 2020, the Company Burgo de Buenavista Gestión, S.L. adopted the legal and tax regime for Listed Companies investing in the Real Estate Market regulated by Law 11/2009 of 26 October and agreed to change its name to Burgo de Buenavista Gestión Socimi, S.L., on the 5th of February 2020. The name change is registered at the Mercantile Registry on the date of preparation of these consolidated financial statements.

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Debt

Borrowings from credit institutions:

On 26 July 2019, the company PINARCAM Vivienda Joven Socimi S.L.U., took out a mortgage from Banco Sabadell for a sum of 2,900,000 euros.

In 2019, the company MUFLINA Investments, S.L.U., took out several bank loans for a sum of 42,066,000 euros.

Aside from the above, no other significant events occurred after the closing date of the year ended 31 December 2018.

Other significant events

At the date of preparation of these consolidated financial statements, Spain, like other countries, was in a difficult situation as a result of the infection caused by the Coronavirus (COVID-19). Since the first case of the COVID-19 Coronavirus infection was reported in the city of Wuhan (China) at the end of December 2019, the outbreak has rapidly spread to a large number of cities in that country and subsequently to different countries around the world, including Spain.

In accordance with the financial reporting framework applicable to the Group, and in relation to the consolidated financial statements for the year ended 31st of December 2019, the consequences arising from COVID-19 are considered to be a subsequent event which does not require an adjustment to the consolidated financial statements for 2019 since they do not disclose circumstances that already existed at year-end, without prejudice to the fact that they should be disclosed in the notes to the consolidated financial statements on the basis of their significance.

The directors of the parent company have carried out an evaluation of the events described and their impact on the Group. In this respect, the impacts on the main areas that could be affected have been analysed, which are as follows:

- Debt commitments: The Group is not expected to be affected since bank debt is not subject to covenant compliance clauses and there are no significant future payments in the near future. As for the debt with the Sole Shareholder, there are plans to convert part of this into equity and the Group is in the process of going public on a secondary market

- Valuation of real estate assets: While there may be some stress on a particular asset if the state of alarm is prolonged, it is not estimated that there will be a material impact, considering the latest valuations of the assets by an independent expert.

- Impact of Government approved housing and rental measures: Although the Government has approved some measures that could have an impact on turnover (moratoriums, halting of evictions, guarantee lines...) the assessment of these measures is that they will not have a significant impact on the Group

- Impact on income generation and collectability: Although there is uncertainty as to how the crisis will affect tenants and their savings and employment levels if the alarm situation is prolonged, no significant impacts have been identified at the date of preparation of the annual accounts. The marketing of housing in the launch phase is being delayed, but the pace is expected to recover once the period of confinement is over.

- Impact on turnkey contracts in progress: Since the restrictions on construction have been limited in time, no delays are expected in the delivery of turnkey projects in progress.

In view of the above mentioned, and although there are uncertainties due to possible future events that cannot be seen at the current date, the Parent Company's directors consider that the current and potential impacts will not adversely affect the Group's ability to continue as a going concern.

7. Treasury shares

7.1. Treasury shares at the start of the year

No treasury shares were held in the portfolio at the start of the year.

7.2. Share buybacks

During the year referred to in this consolidated directors’ report, the Parent Company did not buy back any of its own shares.

7.3. Disposals of treasury shares

No treasury shares were disposed of during the year referred to in this report.

7.4. Amortisation of treasury shares

No capital reductions were conducted during the financial year to pay off treasury shares held in the portfolio.

7.5. Treasury shares at the end of the year

No treasury shares were held in the portfolio at year's end.

8. Financial instruments

The Group's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk.

The main financial risks affecting the Group are as follows:

8.1. Credit factors

The Group does not have any material credit risk concentration. The Group has policies to ensure that sales are made to clients with adequate credit records. Cash transactions are only conducted with financial institutions with high credit ratings. The Group has policies to limit the amount of risk with any financial institution.

The valuative adjustment for client default entails intense judgement by Management and review of individual balances based on clients' credit worthiness, current market trends and an historical analysis of insolvencies on an aggregate level. In relation to the valuative adjustment derived from the aggregate analysis of the historical experience of delinquencies, a reduction in balance volumes implies a reduction in valuative adjustments and vice versa.

8.2. Liquidity risk

The Group manages liquidity risk on a prudent basis, the purpose of which is to maintain sufficient cash.

All of the financing received as of 31 December 2018 has been provided by the ultimate parent company.

8.3. Interest rate risk

Because of the current situation in the real estate sector and in order to mitigate any negative impacts that this may cause, the Group has specific measures to minimise the impacts on its financial situation.

These measures are applied based on the strategy and forecasts defined by the Group.

The financial debt is exposed to interest rate risk in its cash flows, which may have an adverse effect on the financial results and cash flows.

9. Environment

Because of their nature, the Group's business activities do not have a significant environmental impact.

10. Staff

At 31 December 2018, the Group has three employees.

AUTHORISATION OF ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT BY THE BOARD OF DIRECTORS

Pursuant to current legislation, the directors of Iante Investments Socimi, S.A.U. authorised for issue the Group's consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated notes to the financial statements) for the year ended 31 December 2018.

The directors affix their signatures to the aforementioned documents, signing this page attached to the notes to the accompanying financial statements and directors' report.

Madrid, 27 April 2020

Mr Kevin Jeremiah Cahill Chair	Mr Pablo Paramio García Board Member

Ms Mª Lorena Salamanca Cuevas
Non-Board Member Secretary

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

(Translation of a report and consolidated annual accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

To the sole shareholders of Iante Investments Socimi, S.A., (Sociedad Unipersonal):

Opinion

We have audited the consolidated annual accounts of Iante Investments Socimi, S.A., (Sociedad Unipersonal), (the Parent company) and its subsidiaries, (the Group), which comprise the consolidated balance sheet at 31 December 2019, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the consolidated equity and the consolidated financial position of the Group at 31 December 2019, and of the consolidated results of its operations and consolidated cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2 to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for Opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Most relevant audit aspects

The most relevant audit aspects of the audit are those that, in our professional judgement, were considered as the most significant material misstatement risks in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Recognition and Valuation of Real Estate Investments.

As detailed in note 8 of the notes to the consolidated annual accounts, at 31 December 2019 the Group has registered under the heading Investments Properties real estate assets amounting to EUR 153,692 thousand.

In the light of the applicable framework of financial reporting , Investments Properties will be valued for their cost at the time of their acquisition, either the purchase price or the cost of production. In addition, in those assets who need a period of time longer than one year to be in conditions of use, the costs that have accrued before the start-up of operating conditions or that improve the useful life of real estate investments shall be included in the purchase price or cost of production. Subsequently, they will be valued at the acquisition price reduced by the accumulated depreciation and impairment losses experienced. At least at the end of the financial year, the existence of evidence of impairment must be assessed and, where appropriate, the estimation of the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and its value in use, making the necessary valuation corrections, if applicable.

The relevance of the amounts recorded by the Group in the 2019 financial year under the heading of Investments Properties and the risk that any real estate investment will deteriorate, as well as the weight that said heading has on the total asset at the end of the financial year, makes us consider the registration and valuation of real estate investments as the most relevant aspect of our audit.

In this regard, we have carried out a series of audit tests, through the application, inter alia, of the following procedures:

- Obtaining supporting documentation regarding the cost of acquiring the properties maintained by the Group companies, verification of the distribution between ground and flight made and the recalculation of their net book value at the closing date of the consolidated annual accounts.

- We have verified that management has applied the requirements set out in the applicable financial reporting framework relating to the realization of estimates of useful lives.

- Verification of the criteria used by the Group to determine whether or not impairment is necessary in investments.

- We have obtained and reviewed the valuation reports of the main real estate investments made by independent experts, to corroborate the non-deterioration. We have reviewed the valuation model and discount rates used and whether the projected cash flows are in line with the current leases agreements.

- We have evaluated the competence and capacity of the experts, as well as obtaining a confirmation of their independence.

- We have evaluated if the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the applicable framework of financial reporting.

Other information: Consolidated directors' report

Other information comprises exclusively the consolidated directors´ report for the 2019 financial year. The directors of the Parent company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the consolidated directors' report includes evaluating and reporting on the consistency of the consolidated directors' report with the consolidated annual accounts, based on the knowledge of the Group obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the consolidated directors' report meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated directors report is consistent with that disclosed in the consolidated annual accounts for the year 2019 and its content and presentation meet the requirements of the applicable regulations.

Responsibility of the directors of the Parent company in relation to consolidated annual accounts

The directors of the Parent company are responsible for the preparation of the accompanying consolidated annual accounts, so that they show a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the Parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Parent company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities in relation to the audit of consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with the regulations regulating the audit activity in force in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent company.

- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the administrators of the Parent Company regarding, among other issues, the scope and timing of the planned audit and significant audit findings, as well as any significant deficiencies in the internal control we identified in the course of the audit.

From the significant risks communicated to the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC nº S0231

Marta Alarcón Alejandre

ROAC nº 16086

19th May, 2020

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 December 2019

(Figures expressed in euros)

ASSETS	Note	31.12.2019.	31.12.2018.
NON-CURRENT ASSETS		154.489.335	69.090.689
Intangible assets	**6**	**1.813**	**2.017**
Property, plant and equipment	**7**	**215.715**	**50.190**
Plant and other items of property, plant and equipment		91.681	50.190
Property, plant and equipment in the course of construction and advances		124.034	--
Investment property	**8**	**153.691.829**	**53.412.483**
Properties		66.190.482	28.943.468
Buildings		75.413.241	23.229.015
Investment property in progress		12.088.106	1.240.000
Non-current financial investments	**10**	**131.328**	**15.272.177**
Loans to third parties		--	39.752
Values representing debts		--	15.201.244
Other financial assets		131.328	31.181
Deferred tax assets	**17**	**236.121**	**116.493**
Goodwill of consolidated companies	**5**	**212.530**	**237.329**
CURRENT ASSETS		21.916.243	3.073.293
Inventories		**490.008**	**2.636**
Advances to suppliers		490.008	2.636
Trade and other receivables	**11**	**1.124.699**	**383.106**
Customers from sales and services rendered	10 & 11	204.271	115.533
Other receivables	10	16.105	--
Current tax assets	11 & 17	13.833	9.568
Other accounts receivable from public authorities	11 & 17	890.462	258.006
Staff		28	
Current financial investments	**10**	**18.028.956**	**571.427**
Loans to companies	10 & 21	42.356	--
Values representing debts	10	15.752.951	--
Other financial assets	**10**	2.233.649	571.427
Short-term accruals		**16.762**	**2.015**
Cash and other cash equivalents	**13**	**2.255.818**	**2.114.109**
Cash in hand and at banks		2.255.818	2.114.109
TOTAL ASSETS		176.405.579	72.163.982

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 December 2019

(Figures expressed in euros)

EQUITY AND LIABILITIES	Note	31.12.2019.	31.12.2018.
EQUITY		**6.281.605**	**4.910.771**
Shareholders' equity	**14.1**	**5.946.882**	**4.632.334**
Share Capital		**15.000**	**15.000**
Reserves		**(550.918)**	**(808)**
Prior years' losses		(550.918)	(808)
Reserves in consolidated companies	**14.4**	**(2.043.709)**	**--**
Other shareholder contributions		**17.456.960**	**7.211.960**
Profit/Loss for the year attributable to the parent company		**(8.930.452)**	**(2.593.818)**
Consolidated profit/(loss)		(8.874.166)	(2.566.378)
Minority interest profit/(loss)		56.286	27.440
Minority interests	**14.5**	**334.723**	**278.437**
NON-CURRENT LIABILITIES		**118.426.859**	**21.991.604**
Non-current payables	**15**	**56.903.323**	**355.715**
Bank borrowings		51.624.161	--
Other financial liabilities		5.279.162	355.715
Non-current payables to group companies and associates	**15 & 21**	**61.523.537**	**21.635.889**
Other debts		61.523.537	21.635.889
CURRENT LIABILITIES		**51.697.115**	**45.261.607**
Current payables	**15**	**727.678**	**143.944**
Bank borrowings		264.597	--
Obligations under finance leases		19.553	--
Other financial liabilities		443.528	143.944
Current payables to group companies and associates	**15 & 21**	**49.646.555**	**43.485.691**
Other debts		49.646.555	43.485.691
Trade and other payables		**1.317.892**	**1.628.292**
Payable to suppliers	15, 16	61.588	555.692
Sundry payables	15, 16	959.529	604.306
Staff costs (remuneration payable)	15, 16	126.295	204.117
Current tax liabilities	16 & 17	42.738	20.903
Other payables to Public Authorities	16 & 17	127.742	243.274
Short-term accruals		**4.991**	**3.680**
TOTAL EQUITY AND LIABILITIES		**176.405.579**	**72.163.982**

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 December 2019.

(Figures expressed in euros)

	Note	2019	2018
CONTINUOUS OPERATIONS:			
Net turnover	**18.1**	**2.389.238**	**231.280**
Services		2.389.238	231.280
Other operating revenue		**38.604**	**10.220**
Non-core and other current operating income		38.604	10.220
Personnel costs	**18.2**	**(1.186.820)**	**(430.700)**
Wages, salaries and similar expenses		(1.044.375)	(403.197)
Social security		(142.445)	(27.503)
Other operating expenses	**18.3**	**(3.671.283)**	**(1.143.264)**
Outside services		(3.464.588)	(777.838)
Taxes other than income tax		(206.695)	(361.414)
Other current operating expenses		--	(4.012)
Depreciation and amortisation	**18.4**	**(1.299.712)**	**(139.951)**
Impairment and gains or losses on disposals of non-current assets		**49.970**	**--**
Gains or losses on disposals and other	**8**	49.970	--
Other profit/(losses)	**20**	**(4.833)**	**738.647**
PROFIT/(LOSS) FROM OPERATIONS		**(3.684.835)**	**(733.768)**
Finance income		**460.140**	**153.865**
Other financial income	**19.2 & 10**	460.140	153.865
Financial costs		**(5.588.231)**	**(1.963.821)**
On debts to Group companies and associates	**19.1 & 21**	(5.075.471)	(964.353)
On debts to third parties	**5, 19.1 & 10**	(468.349)	--
Other finance costs		(44.411)	(999.468)
FINANCIAL LOSS		**(5.128.091)**	**(1.809.956)**
PROFIT/(LOSS) BEFORE TAX		**(8.812.926)**	**(2.543.724)**
Income tax	**17**	**(61.240)**	**(22.654)**
PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS		**(8.874.166)**	**(2.566.378)**
CONSOLIDATED PROFIT/LOSS FOR THE YEAR	**3**	**(8.874.166)**	**(2.566.378)**
Profit/(loss) attributable to the parent company		(8.930.452)	(2.593.818)
Profit/(loss) attributable to non-controlling interests		56.286	27.440

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2019

(Figures expressed in euros)

A) STATUS OF CONSOLIDATED INCOME AND EXPENSES STATEMENT FOR THE FISCAL YEAR ENDED 31 December 2019

	2019	2018
Consolidated profit/(loss) for the year	**(8.874.166)**	**(2.566.378)**
TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENSE	**(8.874.166)**	**(2.566.378)**

B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 December 2019

	Share Capital	Reserves and Profits/Losses from previous fiscal years	Other shareholder contributions	Reserves of consolidated companies	Profit/(loss) attributable to the Parent	Minority interests	TOTAL
ADJUSTED BALANCE, START OF 2018	**15.000**	**(808)**	**--**	**--**	**--**	**--**	**14.192**
Total recognised consolidated income and expense	**--**	**--**	**--**	**--**	**(2.593.818)**	**27.440**	**(2.566.378)**
Other changes in equity	**--**	**--**	**7.211.960**	**--**	**--**	**250.997**	**7.462.957**
Other changes	--	--	7.211.960	--	--	250.997	**7.462.957**
Distribution of profit/(loss)	**--**	**--**	**--**	**--**	**--**	**--**	**--**
2018 ENDING BALANCE	**15.000**	**(808)**	**7.211.960**	**--**	**(2.593.818)**	**278.437**	**4.910.771**
ADJUSTED BALANCE, START OF 2019	**15.000**	**(808)**	**7.211.960**	**--**	**(2.593.818)**	**278.437**	**4.910.771**
Total recognised consolidated income and expense	**--**	**--**	**--**	**--**	**(8.930.452)**	**56.286**	**(8.874.166)**
Other changes in equity	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Other changes	--	--	10.245.000	--	--	--	**10.245.000**
Distribution of profit/(loss)	**--**	**(550.110)**	**--**	**(2.043.709)**	**2.593.818**	**--**	**--**
2018 ENDING BALANCE	**15.000**	**(550.918)**	**17.456.960**	**(2.043.709)**	**(8.930.452)**	**334.723**	**6.281.604**

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
CONSOLIDATED INCOME STATEMENT

(Figures expressed in euros)

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		**(11.561.853)**	**(83.204)**
Profit/Loss for the year before tax		**(8.812.926)**	**(2.543.724)**
Adjustments for:		**6.382.665**	**1.215.272**
Depreciation and amortisation	18.4	1.299.712	139.951
Gains/Losses on derecognition and disposal of non-current assets		(49.970)	--
Finance income		(460.140)	(153.865)
Financial costs	19	5.588.231	1.963.821
Other income and expenses		4.833	(734.635)
Changes in working capital:		**(3.448.571)**	**1.243.583**
Inventories		(487.372)	(2.636)
Debtors and other receivables		(741.593)	(373.388)
Other current assets		(17.457.529)	--
Creditors and other payables		216.703	1.619.607
Other non-current assets and liabilities		15.021.220	--
Other cash flows from operating activities:		**(5.683.021)**	**1.665**
Interest paid		(6.148.071)	--
Interest collected		460.140	--
Income tax recovered (paid)		4.910	--
Other amounts received (paid)		--	1.665
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(101.721.292)**	**(69.685.575)**
Payments due to investment:		**(101.721.292)**	**(69.685.575)**
Loans to third parties		--	(15.843.604)
Intangible assets	6	--	(250.037)
Property, plant and equipment	7	(187.616)	(51.823)
Investment property	8	(101.533.676)	(53.540.111)
CASH FLOWS FROM FINANCING ACTIVITIES		**113.424.853**	**71.868.847**
Proceeds and payments relating to equity instruments		**10.245.000**	**7.211.960**
Issue of equity instruments	14	10.245.000	7.211.960
Proceeds and payments relating to financial liability instruments:		**103.179.853**	**64.656.887**
Bank borrowings	15	51.908.310	--
Debts with group affiliates and associated companies	21	46.048.511	64.157.228
Other debts	14 & 15	5.223.031	499.659
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**141.708**	**2.100.068**
Cash and cash equivalents at 1 January		2.114.109	14.041
Cash and cash equivalents at end of year		2.255.818	2.114.109

(*) **This is a free transalation into English language of the Annual accounts originally prepared in Spanish language. All possible care has been taken to ensure that the translation is an accruate represantiton of the original. However, in case of discrepances the Spanish language version shall prevail**.

IANTE INVESTMENTS SOCIMI, S.A.U. and subsidiaries

Consolidated Financial Statements for the year ended 31 December 2019 and Consolidated Directors' Report. Auditors' Report on Consolidated Financial Statements

Consolidated Financial Statements

1. **Activities and general information**

1.1. Parent Company

The Company IANTE INVESTMENTS SOCIMI, S.A.U. (doing business as Iante Investments S.A.U. until 27 March 2019) (the "Company" or the "Parent Company"), a Spanish company with registered address at Calle Maldonado, 4 Madrid (Madrid), with tax identification number A87870929, incorporated indefinitely by deed notarised by notary public Fernando Fernández Medina in Madrid on 6 July 2017 under number 1,911 of his protocol, registered in the Madrid Commercial Register in volume 36,179, Page 161, Section 8, Sheet M-650168, Entry 1, that conducts its activities in Madrid and acts as a portfolio company.

The Company is controlled by AEREF V IBERIAN RESIDENTIAL HOLDINGS, S.a.r.l., whose parent company is AEREF V Master, S.a.r.l. The registered address of AREF V IBERIAN RESIDENTIAL HOLDINGS, S.a.r.l. and AEREF V Master S.à.r.l. is Rue Albert Borschette L-1246, Luxembourg for both companies.

The Company has the following corporate purpose:

1. The acquisition and promotion of urban real estate properties for leasing thereof.
2. Holding of shares in the capital of other listed companies investing in the real estate market ("REITs") or in other entities not residing in Spanish territory that have the same purpose as those and that are subject to a special regime similar to that established for the REITs in terms of mandatory, legal or statutory policies regarding profit distribution.
3. The holding of equity interests in other resident or non-resident entities in Spain whose corporate purpose is to acquire urban properties for subsequent leasing, and that operate under the same regime as that established for REITs with respect to the mandatory profit distribution policy enforced by law or by the Articles of Association, and that fulfil the investment requirements referred to in section 3 of Spanish Law 11/2009, of 26 October, regulating real estate investment trusts [REIT Act 2009, *Ley 11/2009, de sociedades anónimas cotizadas de inversión en el mercado inmobiliario.*].
4. Holding shares in Real Estate Collective Investment Institutions that are regulated in Spanish Law 35/2003 of 4 November, on Collective Investment Institutions [Collective Investment Institution Act, *Ley 35/2003, de Instituciones de Inversión Colectiva*].

In addition, the Company may also conduct other complementary activities that represent, in general, less than twenty percent (20%) of the Company's income in each tax period (including, without limitation, real estate transactions other than those mentioned in the paragraphs [a] to [d] above), and those that may be considered ancillary in accordance with the applicable law at any time.

Pursuant to Title I, Chapter III of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*], the Parent Company has registered its single-member company status, and its sole shareholder is the company AEREF V Iberian Residential Holdings S.a.r.l. with registered address at Rue Albert Borschette L-1246, Luxembourg.

The Company is included under the regime regulated by REIT Act 2009, amended by Spanish Law 16/2016, of 27 December regulating Real Estate Investment Trusts [REIT Act 2016, *Ley 16/2012 de 27 de diciembre por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*], due to adhering to this special regime as of 1 January 2018.

The consolidated annual financial statements Iante Investments SOCIMI, S.A.U., and subsidiaries for the year closed 31 December 2018 were prepared and issued by the Parent Company's Directors on 27 December 2019, and will be approved by the Parent Company's Shareholders Meeting and filed in the Commercial Register of Madrid. At 31 December 2019, Iante Investments SOCIMI, S.A.U. is the Parent Company of the Iante Investments SOCIMI, S.A.U. and Subsidiaries Group (the "Group") comprised of ten companies.

For the purpose of preparing these consolidated financial statements, a group is considered to exist when a Parent Company has one or more subsidiaries over which the Parent Company has direct or indirect control. The accounting principles applied in preparing the Group's consolidated financial statements as well as its scope of consolidation are detailed in Notes 1.2 and 2.

1.2. Subsidiaries

Subsidiaries are all of the entities, including special purpose vehicles, over which the Group directly or indirectly has or may have control, which is understood as the power to govern the financial and operating policies of a business so as to obtain economic benefits from its activities. When assessing whether the Group controls another entity, the existence and effect of any potential voting rights that may currently be exercised or converted are taken into account. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The detail of the Group's subsidiaries at 31 December 2019 is as follows:

Name and address	Shares		Company holding direct stake	Date incorporated into the Group	Consolidation method	Activity
	Amount (euros)	Nominal %				
Muflina Investments, Socimi S.L.U. (*) Maldonado 4, Madrid	33,820,840	100%	Iante Investments Socimi S.A.U.	28/05/2018	Full consolidation	Property
Pinarcam Vivienda Joven Socimi S.L.U. (*) Maldonado 4, Madrid	5,871,446	100%	Iante Investments Socimi S.A.U.	20/12/2018	Full consolidation	Property
Avalon Properties, S.L. (*) Ortega y Gasett 21, Madrid.	500,000	50.10%	Iante Investments Socimi S.A.U.	27/07/2018	Full consolidation	Corporate
Dalandia Investments, S.L.U. (*) Maldonado 4, Madrid	8,169,000	100%	Iante Investments Socimi S.A.U.	15/02/2019	Full consolidation	Property
Burgo de Buenavista Gestión S.L.U., (*) (*) Maldonado 4, Madrid	2,467,892	100%	Iante Investments Socimi S.A.U.	21/02/2019	Full consolidation	Property
Compañía Europea de Arrendamientos Urbanos, S.L.U. (*) Maldonado 4, Madrid	18,500,000	100%	Iante Investments Socimi S.A.U.	14/06/2019	Full consolidation	Property

Nuciva Investments, S.L.U. (*) Maldonado 4, Madrid	3,000	100%	Iante Investments Socimi S.A.U.	15/11/2019	Full consolidation	Property
Zonko Investments, S.L.U. (*) Maldonado 4, Madrid	16,953,000	100%	Iante Investments Socimi S.A.U.	08/03/2019	Full consolidation	Property
Jurisa Investments, S.L.U. (*) Maldonado 4, Madrid	3,000	100%	Iante Investments Socimi S.A.U.	10/07/2019	Full consolidation	Property

The subsidiaries included in the 2018 consolidation perimeter are as follows:

Name and address	Shares		Shareholder Company	Date incorporated into the Group	Consolidation method	Activity
	Amount (euros)	Nominal %				
Muflina Investments Socimi, S.L.U. (*) Maldonado 4, Madrid	25,766,840	100%	Iante Investments Socimi S.A.U.	28/05/2018	Full consolidation	Property
Pinarcam Vivienda Joven Socimi S.L.U. (*) Maldonado 4, Madrid	5,871,446	100%	Iante Investments Socimi S.A.U.	20/12/2018	Full consolidation	Property
Avalon Properties, S.L. (*) Ortega y Gasett 21, Madrid.	500,000	50.10%	Iante Investments Socimi S.A.U.	27/07/2018	Full consolidation	Corporate

(*) Audited by Grant Thornton Auditores, S.L.P., Single-Member Company.
(*) (*) Doing business as Burgo de Buenavista Gestión, S.L.U., until its name was changed in April 2020.

These companies are consolidated for the reasons included in Article 2 of the standards for the preparation of consolidated financial statements:

1. When the Parent Company, in relation to another company (subsidiary) is in one of the following situations:

   - The parent holds the majority of voting rights.

   - The parent has the power to appoint or dismiss the majority of the directors.

   - The parent may, through agreements entered into with other shareholders, control the majority of the voting rights.

   - The parent has appointed with its votes the majority of the directors who discharge their position at the time these consolidated financial statements were prepared and during the two immediately preceding years. This situation is understood to exist when the majority of the members of the managing body of the subsidiary are members of the managing body or senior executives of the parent or of another company controlled by the parent.

2. When a Parent holds half or less than half of the voting rights, including when it barely has an ownership interest or does not have an ownership interest in another company, or when the management power has not been specified (special purpose vehicles), but participates in the

risks and rewards of the company, or has the ability to take part in the operating and financial decisions thereof.

In compliance with section 155 of the Corporate Enterprises Act, the Parent Company has notified all of these companies that, on their own or through another subsidiary, possess more than 10% of the capital.

As with the parent company, the financial year of all the above-mentioned subsidiaries included in the scope of consolidation ends on 31 December.

Iante Investmets Socimi S.A.U., Avalon Properties S.L., and Durón Properties S.L. signed a shareholders agreement on 27 July 2018. On that same date, 27 July 2018, Aeref V Iberian Residential Holding, S.a.r.l signed a framework investment agreement with Durón Properties S.L. that details the commercial covenants between them.

That Framework Agreement specifies that Avalon Properties, S.L. is the company that will direct the operations and investments to be performed, and that to do this Avalon Properties, S.L. and the subsidiaries must sign a Management Agreement on the structure created in Spain (as described in Note 21). Under the Framework Agreement, Durón Properties S.L. must also give Aeref V Iberian Residential Holding, S.a.r.l an option to buy 49.90% of the shares in Avalon Properties, S.L. that Aeref V Iberian Residential Holding, S.a.r.l may exercise if Durón Properties, S.L. breaches any of its obligations, at a price of 1 euro, with the difference between the fair value of the shares and the one euro price being the penalty for breach. At the same time, Durón Properties, S.L. also provided Aeref V Iberian Residential Holding, S.a.r.l a sell option to sell its shares in Avalon to Durón Properties, S.L. for 1 euro per share or the net book value of the shares, whichever is greater. However, if the CEO commits a breach as defined in the Framework Agreement (Key Man Event), the exercise price will be the shares' fair market value.

On 20 December 2019, amendments to both agreements were signed to eliminate certain obligations of Durón Properties, S.L. that have been replaced with the commitment to have Durón Properties S.L. invest one million euros by buying shares in Iante Investments Socimi S.A.U. before the Company's initial listing on the Alternative Securities Market. Notwithstanding the above, and as detailed in the Note 27, on April 27th, 2020 the Board has agreed to approve the request to proceed with the listing of the whole share capital at Euronext Access reason why the aforementioned commitment is suspended and has not been completed on the date of formulation of consolidated accounts.

On the same date, 20 December 2019, Durón Properties S.L. signed an agreement to sell 300 shares in Avalon Properties S.L to Iante Investments Socimi S.A.U., which represent 5% of its share capital. The price for the shares is set at 670,000 euros, i.e., 2,233.33 euros per share. However, Durón Properties S.L. and Iante Investments Socimi S.A.U. agreed that Durón Properties is entitled to an additional payment or a higher price depending on the future evolution of Avalon Properties S.L.

This sale is pending completion as at the date of these consolidated annual financial statements.

1.3. REIT regime

The Parent Company and the Grupo Muflina Investements Socimi, S.L.U, Pinarcam vivienda joven Socimi, S.L.U., Burgo de Buenavista Gestión Socimi S.L.U, and Compañía Europea de

Arrendamientos Urbanos, S.L. Group companies are governed by REIT Act 2009, as amended by Spanish Law 16/2012 regulating REITs (REIT Act 2012). Sections 3 to 6 of that Act establish the main requirements and obligations that this type of companies must satisfy:

<u>Investment requirements (Section 3)</u>

a) REITs must have invested at least 80% of the value of their assets in urban properties earmarked for lease, in land to develop properties to be earmarked for that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies referred to in section 2.1 of the aforementioned Act.

   This percentage is calculated based on consolidated profit if the company is a Parent of a group, as defined under section 42 of the Spanish Commercial Code (*Código de Comercio*), irrespective of the place of residence and the obligation to prepare annual financial statements. Such a group must only comprise the REITs and the other entities referred to in section 2.1 of REIT Act 2009.

b) Similarly, at least 80% of the income for the tax period for each year, excluding that arising from the disposal of shareholdings and properties used in the compliance of its main corporate purpose, once the holding period referred to below has elapsed, should come from the lease of properties and from dividends or shares in profit from these investments:

   This percentage is calculated based on consolidated profit/loss if the company is a Parent of a group, as defined under section 42 of the Commercial Code, irrespective of the place of residence and the obligation to prepare annual financial statements. Such a group must only comprise the REITs and the other entities referred to in section 2.1 of REIT Act 2009.

c) The properties that form part of the Group companies' assets must remain leased for at least three years. The time during which the properties have been made available for lease, up to a maximum of one year, will be included for the purposes of this calculation.

   In this regard, the period will be calculated:

   - For properties that are included in the Group companies' assets before the company applies the regime, from the beginning of the first tax period in which the special tax regime set forth in this Act is applied, provided that the property is leased or offered for lease at that date. Otherwise, the following letter will apply.

   - For properties developed or acquired subsequently by the Group companies, from the date on which they were leased or made available for tease for the first time.

   In the case of shares or investments in entities referred to in section 2.1 of this Act, they must be retained on the asset side of the Group companies' balance sheet for at least three years following their acquisition or, where applicable, from the beginning of the first tax period in which the special tax regime set forth in this Act is applied.

   As established in Transitional Provision One of REIT Act 2009, as amended by REIT Act 2012, REITs may opt to apply the special tax regime in accordance with section 8 of this Act, even if they do not meet the requirements established therein, provided that such requirements are met within two years of the date they opt to apply the aforementioned regime.

   In the event of a breach of any of the conditions, the Group companies would be switched to paying taxes under the general regime so long as the deficiency is not rectified in the year after the breach.

Obligation to distribute profits (Section 6)

Once the commercial and corporate requirements are fulfilled, the Group companies must distribute as dividends:

- 100% of the profit from dividends or shares in profit distributed by the entities referred to in section 2.1 of this Act.

- At least 50% of the profit generated from the transfer of property and shares or investments referred to in section 2.1 of REIT Act 2009, once the minimum holding periods have elapsed, subject to compliance of its main corporate purpose. The rest of the profit must be reinvested in other properties or shares subject to compliance with the corporate purpose of the REIT, within a period of three years following the date of transfer.

- At least 80% of the remaining profits obtained. When dividend distributions are charged to reserves generated from profits in a year in which the special tax regime applied, the distribution must necessarily be approved as set out above.

The dividend distribution resolution must be passed in the first six months after the close of each year, and the dividends must be paid out within one month of the date of the distribution resolution.

The income tax rate for REITs is 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to a tax rate lower than 10%, the REIT will be subject to a special charge of 19%, which will be considered to be the income tax charge, on the amount of the dividend distributed to these shareholders. If deemed applicable, this special charge must be paid by the REIT within two months after the dividend distribution date.

If so required, each Group company's annual financial statements cover the information obligations provided in REIT Act 2009.

2. Basis of presentation of the consolidated financial statements

2.1. Fair presentation

The annual financial statements, comprising the consolidated balance sheet, the consolidated income statement, statements of changes in consolidated net equity, consolidated statement of cash flow changes, the consolidated directors' report and the consolidated notes consisting of notes 1 to 28, have been prepared based on the accounting records.

These consolidated financial statements were prepared in accordance with the prevailing corporate and commercial law included in the Commercial Code amended in accordance with Spanish Law 16/2007, of 4 July, on reform and adaptation of accounting-related corporate and commercial law for international harmonisation in accordance with Union Law, Spanish Royal Decree 1514/2007, of 20 November, approving the Spanish National Chart of Accounts (*Plan General de Contabilidad*), and Spanish Royal Decree 1159/2010, of 17 September, approving the rules for the preparation of consolidated financial statements and its subsequent amendments and Spanish Royal Decree 602/2016, and with the Sector Adaptation for Real Estate Companies, to present fairly the Group's equity and financial position, as well as the accuracy of the cash flows included in the consolidated statement of cash flows.

Unless otherwise indicated, all amounts disclosed in the notes to these financial statements are expressed in euros.

These consolidated financial statements, which were formally prepared by the Parent's Directors, will be submitted for approval by the shareholders at the General Meeting, and it is considered that they will be approved without any changes.

2.2. Accounting principles

The consolidated financial statements were prepared in accordance with obligatory accounting principles. All accounting principles with a significant effect on the financial statements were applied in their preparation.

2.3. Key issues in relation to the valuation and estimation of uncertainty

In preparing the accompanying consolidated financial statements, estimates were made by the Company's Directors in order to measure certain assets, liabilities, income, expenses and obligations reported in them. These estimates relate basically to the following:

- The useful life of property, plant and investment properties (Note 4.5)

- The assessment of possible impairment losses on certain assets (Note 4.5).

- The calculation of provisions, and the probability of occurrence, and the amount of undetermined or contingent liabilities (see Note 4.9).

- The Parent Company and the subsidiaries have availed themselves of the regime established under , of 26 October, amended by the REIT Act 2016REIT Act 2009, which, in practice, means that, provided certain requirements are met, the Parent Company and the subsidiaries are subject to an income tax rate of 0%. The Directors monitor compliance with the relevant legal requirements for the purpose of securing the tax advantages established therein. In this regard, the Directors consider that these requirements have been met at 31 December 2019, and no results need to be recorded due to corporation tax (see note 4.8). The other companies not subject to the regime described above will analyse the provisions for future tax earnings that make it likely to apply assets from deferred taxes (see note 4.8).

These estimates were made based on the best information available up until the date of preparation of these consolidated financial statements, as there was no event that could change these estimates. Any future event unknown at the date of preparation might make it necessary to change these estimates (upwards or downwards), which would be recognised prospectively as appropriate.

2.4. Comparative information

In accordance with commercial law, with each of the items in the consolidated balance sheet, consolidated profit and loss account, consolidated changes in equity, and the consolidated statement of cash flows, in addition to the figures for the financial year 2019, those relating to the prior year are also submitted for comparison. The notes to the consolidated financial statements also include quantitative information from the previous year, except when an accounting standard specifically establishes that it is not necessary.

2.5. Grouping of headings

Certain items in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the consolidated financial statements.

2.6. Current and non-current classification

Items due to be settled within a maximum of one year from the date of these consolidated financial statements can be classified as current.

2.7. Going-concern principle

At the close of 2019, the Group recorded losses that have impaired its financial situation, and it had -€30 million in working capital (-€42 million in 2018), with its current liabilities including €49 million in debt to group companies (€43 million in 2018).

The Directors of the Parent Company believe that this situation is reasonable in a newly-created Group that has yet to become fully operational as it is expected to in a brief period of time. When combined with the express financial support from its parent company, this situation will allow the Group to normalise its financial situation in the short term. Therefore, the consolidated annual financial statements have been presented based on the principle of a going concern that presumes the realisation of assets and the liquidation of liabilities in the normal course of operations.

2.8. Date of first consolidation

As indicated in Note 1, the Group's parent company, Iante Investments SOCIMI, S.A.U., was incorporated on 6 July 2017, although it was on 28 May 2018 when the subsidiaries were acquired that the consolidation conditions were met in the Group.

2.9. Changes in the scope of consolidation

The following companies were added to the consolidation perimeter in 2019:

Name and address	Shares		Shareholder Company	Date incorporated into the Group	Consolidation method	Activity
	Amount (euros)	Nominal %				
Dalandia Investments, S.L.U. (*) Maldonado 4, Madrid	8,169,000	100%	Iante Investments Socimi S.A.U.	15/02/2019	Full consolidation	Property
Burgo Buenavista Gestión S.L.U., (*)(*) Maldonado 4, Madrid	2,467,892	100%	Iante Investments Socimi S.A.U.	21/02/2019	Full consolidation	Property
Compañía Europea de Arrendamientos Urbanos, S.L.U. (*) Maldonado 4, Madrid	18,500,000	100%	Iante Investments Socimi S.A.U.	14/06/2019	Full consolidation	Property
Nuciva Investments, S.L.U. (*) Maldonado 4, Madrid	3,000	100%	Iante Investments Socimi S.A.U.	15/11/2019	Full consolidation	Property
Zonko Investments, S.L.U. (*) Maldonado 4, Madrid	16,953,000	100%	Iante Investments Socimi S.A.U.	08/03/2019	Full consolidation	Property
Jurisa Investments, S.L.U. (*) Maldonado 4, Madrid	3,000	100%	Iante Investments Socimi S.A.U.	10/07/2019	Full consolidation	Property

No companies were removed from the perimeter in 2019.

The overall effect of the above subsidiaries being added to the perimeter was:

- The variation in the consolidated group results in the current year versus the previous year amounted to a net loss of 1,566,920 euros.

3. Proposal for distribution of profit/(loss) from the Parent Company:

The proposal for distribution of profit/(loss) from the Parent Company that the Board of Directors will present to the General Meeting is as follows:

	Euros 2019	Euros 2018
Basis for distribution		
Profit/(loss)	(4,171,353)	(566,347)
Application		
Prior years' losses	(4,171,353)	(566,347)

The Board of Directors of the Parent Company expects this proposal to be passed without modifications.

4. Accounting standards and measurement bases

The principal accounting policies and measurement bases used in the preparation of the consolidated annual financial statements were as follows:

4.1. Subsidiaries

Acquisition of control

Acquisition by the Parent (or another Group company) of control of a subsidiary constitutes a business combination that is recognised in accordance with the acquisition method. This method requires the acquiring company to recognise, at the date of acquisition, the identifiable assets acquired and the liabilities assumed in the business combination, and, where applicable, the corresponding goodwill or negative difference. Subsidiaries are consolidated from the date on which control passes to the Group, and are excluded from consolidation on the date on which control ceases to exist.

The acquisition cost is calculated as the sum of the fair values on the date of acquisition of the assets delivered, the liabilities incurred or assumed and the equity instruments issued by the acquirer and the fair value of any contingent consideration that depends on future events or the fulfilment of certain conditions that must be recognised as an asset, liability or equity based on its nature.

The expenses related to issuing the equity instruments or the financial liabilities delivered are not part of the cost of the business combination and are recognised in accordance with the rules applicable to financial instruments. The fees paid to legal advisors and other professionals who participate in the business combination are recognised as expenses as they are incurred. The expenses incurred internally for these items and, where applicable, those incurred by the entity acquired do not form part of the cost of the business combination.

However, both the company acquired in 2018, Pinarcam Vivienda Joven Socimi, S.L.U., and those acquired in 2019, Burgo de Buenavista Gestión Socimi S.L.U., and Compañía Europea de Arrendamientos Urbanos S.L.U., do not constitute a business. Therefore, the change in control over them has not been recorded in accordance with Accounting and Record Standard 19 of the National Chart of Accounts, or with sections 22 to 26 of the Standards on Preparing Consolidated Financial Statements; rather this was recorded in accordance with section 38 of the Standards on Preparing Consolidated Financial Statements because those companies lack some of the fundamental components that define an undertaking. According to Accounting and Record Standard 19 of the National Chart of Accounts, an undertaking is an integrated set of activities and assets that may be directed and managed to provide yield, lower costs or other economic benefits directly to their owners and participants, and control is the power to conduct an undertaking's financial and operational policies to obtain economic benefits from its activities. The Parent Company's acquisition of Pinarcam Vivienda Joven Socimi S.L.U., Burgo de Buenavista Gestión Socimi S.L.U., and Compañía Europea de Arrendamientos Urbanos S.L.U., contained assets (primarily real estate investments) and profits (rent from the leases), but no activities were acquired and no personnel were hired. Therefore, the directors consider that it should be handled as an acquisition of assets.

Consolidation method

The assets, liabilities, income, expenses, cash flows and other items of the Group companies' financial statements are fully consolidated in the Group's consolidated financial statements. This method requires the following:

Chronological homogenisation.

The consolidated financial statements are prepared on the same date and for the same period as the financial statements for the company that must be consolidated. Companies whose reporting date differs are included through interim financial statements at the same date and for the same period as the consolidated financial statements.

Appraisal homogenisation.

The assets, liabilities, income and expenses and other items in the financial statements for the Group companies were measured following uniform methods. Assets, liabilities, income or expenses that have been measured using criteria that are not consistent with those used on consolidation have been measured again, making the necessary adjustments, for the sole purpose of consolidation.

Aggregation.

The various items in the individual financial statements — previously standardised — are aggregated according to their nature.

Investment-equity elimination.

The fair values representing the equity instruments of the subsidiary owned, directly or indirectly, by the Parent, are offset with the proportional part of the equity items of the aforementioned subsidiary attributable to the said ownership interests, generally, based on the values obtained from applying the acquisition method described above. On consolidation in years following the acquisition of control, the excess or lack of equity generated by the subsidiary from the date of acquisition attributable to the parent is recognised on the consolidated balance sheet under reserves or valuation adjustments based on its nature.

According to the definition under section 38 of Spanish Royal Decree 1159/2010, of 17 September, approving the Standards for Preparing Consolidated Annual Financial Statements, if companies are consolidated that do not constitute an undertaking, then the equity elements of a subsidiary they should be reflected in the consolidated annual financial statements in accordance with the rules in the National Chart of Accounts for each of them, both on the date they joined the group and in subsequent years, until they are sold off or disposed of otherwise.

in this case, the book value of the stake will be distributed based on the relative fair value of the various identifiable acquired assets and the liabilities taken on, with no need to recognise consolidation goodwill or a negative consolidation difference.

The portion attributable to non-controlling interests is recognised under "Non-controlling interests".

Minority interests.

Non-controlling interests are measured based on their effective share of the subsidiary's equity after the aforementioned adjustments have been included.

Elimination of intragroup items.

All receivables, payables, income, expenses and cash flows between Group companies are eliminated. Likewise, all results arising from internal transactions are eliminated and deferred until they are performed vis-à-vis third parties unrelated to the Group.

4.2. Consolidation goodwill fund

At the close of 2019 and 2018, the consolidation goodwill corresponds to the positive differences between the book value of the stake and the value attributed to that stake of the fair value of the assets acquired and liabilities taken on from the companies acquired in the year.

Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow, and any corresponding valuative adjustments are then recorded.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use; and zero. Impairment loss is recorded as loss under the results from the year.

Where an impairment loss is subsequently reversed (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. These reversals of losses due to impairment are credited under consolidated profits and losses.

Goodwill is amortised linearly over ten years. Useful life is determined separately for each cash generating unit assigned goodwill.

4.3. Intangible assets

The assets included as intangible assets are calculated using their acquisition price. The intangible assets are included in the balance sheet with their costs minus the value of their amortizations and accumulated deterioration values. Specifically, the following criteria are applied:

Computer software

Computer programs that meet the recognition criteria are capitalised at their acquisition or preparation cost. Computer software is amortised on a straight-line basis over three years from the entry into service of each application.

The maintenance costs for computer applications are counted as expenses when they are incurred.

4.4. Property, plant and equipment

Property plant and equipment are valued at their acquisition price or production cost plus the adjustments applied as specified under the various legal provisions, the last of which was approved by REIT Act 2012, and minus the corresponding cumulative amortisation and impairment losses.

Indirect taxes charged on tangible fixed assets are only incorporated into the acquisition price or production cost when they could not be directly refunded from the tax authorities.

The amortization of property components is calculated by systematically distributing the amortisable amount throughout the asset's lifespan. Based on this, the amortisable amount refers to the asset's acquisition cost minus its residual value.

The amortisation of tangible fixed assets is determined by applying the following criteria:

Amortisation coefficient	**%**
Technical and mechanical facilities	10
Furniture and fixtures	10
Equipment for processing information	4

The Group reviews the residual value, the useful life and the basis of depreciation of the property, plant and equipment at the end of each year. The modifications made to the initially established criteria are recognized as a change in estimation.

4.5. Investment properties.

Investment property includes land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices.

Investment property is initially recognised at its cost (either its acquisition price or its production cost), including directly related expenses, which include, in addition to the amount invoiced by the seller after deduction of any discounts and reductions in price, any additional and directly related expenses incurred until it is brought into operating condition.

After its initial recognition, it is assessed for its cost minus its accumulated amortisation and (if applicable) the accumulated amount of impairment adjustments recorded.

The cost of any acquired or produced assets that need more than one year to be brought into operation condition includes the financial expenses accrued before the property meeting requirements for capitalisation was brought into operating condition.

The value of investment properties also includes the initial estimate of the present value of asset dismantling or retirement obligations and other associated costs, such as the cost of restoring assets when these obligations lead to recognising provisions.

Repairs that do not lead to a lengthening of the useful life and maintenance expenses are expensed currently. Costs from making expansions or improvements that increase an asset's productive capacity or its service life are added to the asset as increases in its value.

Where applicable, changes that arise from the residual value, useful life and the method of depreciating an asset are recognised prospectively as changes in the accounting estimates, except if it is an error.

Lots and buildings with future uses that were not defined when they were added to the Company's assets are classified as investment properties. Properties that are under construction or improvement for future use are classified as current fixed assets.

The criteria used to recognise the impairment losses on these assets and, where applicable, the reversal of impairment losses recognised in prior years are described below.

The depreciation charge for investment property is calculated using the straight-line method based on the years of estimated useful life of the assets. The annual depreciation rates applied to the respective book values, and the years of estimated useful life, are as follows:

	Annual Percentage
Buildings	2%-4%
Facilities	10%

Property, plant and equipment in progress is not depreciated until it enters into operation, at which time it is transferred to the corresponding investment property account in view of its nature.

Turnkey contracts are contracts in which the transfer of control (and of the risks and rewards) takes place when the asset is delivered. The amounts initially paid on account are recorded as advances under current investment properties.

Impairment of investment property

An impairment loss occurs on an investment property when its carrying amount exceeds its recoverable amount, which is understood to be the higher of fair value less costs to sell and value in use. Value in use is the present value of expected future cash flows, applying risk-free market interest rates adjusted for the specific risks associated with the asset. For assets which do not generate cash flows that are largely independent of those arising from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which these assets belong.

For these purposes, least at the end of each reporting period, the Company assess as to whether there is any evidence that investment property has suffered impairment.

Impairment losses the reversal thereof are recognised in the income statement. Impairment losses are reversed when the circumstances giving rise to them cease to exist, except those corresponding to goodwill. The reversal of impairment is limited to the carrying amount of the asset that would appear had the corresponding value impairment not been previously recognised.

4.6. Leases and other similar transactions

The Company recognises those transactions for which the lessor transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee as finance leases, and recognises all others as operating leases.

Financial leases

Financial leases where the Company is the lessor are recorded at their initial moment with a credit for the current value of the minimum receivables owed for the lease plus the residual value of the asset, discounted at the lease's implicit interest rate. The difference between the credit recorded under the asset and the receivable, corresponding to unaccrued interest, is recorded under the year's consolidated income statement insofar as they accrue, based on the effective interest rate. At the initial moment, the Company also derecognises the corresponding result for the difference between its fair value and its net book value.

In financial leases where the Company is the lessee, the Company records an asset on the balance sheet based on the nature of the asset referred to in the lease, and a liability for the same amount, which is either the fair value of the leased asset or the current value of the minimum agreed sums at the start of the lease, not including the option to buy, whichever is less. Contingent instalments, the cost of services and taxes recoverable by the lessor are not included. The finance charges are allocated to the income statement for the fiscal year in which they are accrued, applying the effective interest rate. Contingent instalments are recorded as expenses in the year in which they are incurred.

The assets recorded for these types of transactions are amortised using the same criteria as those applied to all of the tangible (or intangible) assets, in view of their nature.

Operating leases

Revenues and expenditures derived from operational leases are charged to the consolidated income statement in the year in which they accrued.

Also, the acquisition cost of the leased asset is presented in the consolidated balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

Expenses resulting from operating leases are recognised in the consolidated income statement in the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

4.7. Financial instruments

4.7.1. Financial assets

The financial assets held by the Company are classified, for measurement purposes, in the following categories:

1. Loans and receivables

Loans and receivables relate to trade and non-trade receivables arising from the sale of goods, delivery of cash or provision of services, that have fixed or determinable payments and are not traded in an active market.

Loans and receivables are initially recognised at the fair value of the consideration paid, plus any directly attributable transaction costs. They are subsequently measured at amortised cost, and the interest income is recognised in profit or loss on the basis of the effective interest rate.

However, trade receivables maturing within twelve months where there is no contractual interest rate are initially measured at face value, provided that the effect of not discounting the cash flows is not material, in which case they will continue to be measured subsequently at this amount, unless impairment existed.

Impairment losses on these assets are recognised based on the difference between their carrying amount and the present value at the reporting date of the future cash flows that they are expected to generate, discounted at the effective interest rate calculated upon initial recognition. These impairment losses are recognised in the consolidated income statement.

4.7.2. Financial liabilities

A financial liability is recognised on the consolidated balance sheet when the Company becomes party to the contract or legal transaction in accordance with its provisions.

Accounts payable that have arisen from the purchase of goods or services in the normal course of the Company's business or through non-trade transactions are initially measured at the fair value of the consideration received, adjusted by the directly attributable transaction costs.

However, trade payables maturing within twelve months where there is no contractual interest rate are initially measured at face value, provided the effect of not discounting the cash flows is not material.

Accounts payable are subsequently measured at amortised cost using the effective interest method. In accordance with the foregoing, those that are initially measured at face value continue to be measured at this amount.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist.

4.7.2.1. Financial liability derivative instruments

Financial liability derivative instruments, i.e., those with unfavourable valuations for the Company, are assessed at their fair value, following the same criteria as those for financial assets held for trading.

The Group evaluates whether an implicit derivative should be separated from its primary contract, only when the Group becomes party to the contract, or in a year after the year when there was a change to the contractual terms that significantly affected the expected cash flows associated with the implicit derivative, the primary contract or both in comparison to the originally expected cash flows.

4.7.3. Guarantees delivered and received

The difference between the fair value of the guarantees delivered and received and the amount paid or collected is considered to be a prepayment or advance for the operating lease or the provision of the service, which is taken to consolidated profit or loss over the lease term or over the period in which the service is provided.

In the case of short-term guarantees, cash flows are not discounted since their effect is not material.

4.7.4. Transactions in foreign currencies

The functional currency of the Company is the euro.

Transactions expressed in foreign currencies are converted into the operational currency by applying the applicable exchange rate when the corresponding transaction was performed, recording them at the close of the financial year based on the exchange rate in force at that time.

In the particular case of monetary financial assets classified as available for sale, any exchange differences arising from changes in the exchange rate between the transaction date and the year-end date are determined as if these assets were measured at amortised cost in the foreign currency, so that the exchange differences will be those arising from changes in the amortised cost as a result of changes in exchange rates, irrespective of their fair value.

Any exchange differences that arise due to recognition of debits and credits in foreign currencies at year end are allocated directly to the consolidated income statement.

4.8. Income taxes

The Group Companies, aside from Nuciva Investments, S.L.U., Jurisa Investmentes, S.L.U., Dalandia Investmentes S.L.U., Zonko Investments S.L.U., Avalon Properties, S.L., Burgo de Buenavista Gestión Socimi S.L.U., and Compañía Europea de Arrendamientos Urabanos S.L.U., have availed themselves of the regime established in REIT Act 2009, amended by REIT Act 2012, which, in practice, means that, provided certain requirements are met, the Company is subject to an income tax rate of 0%. The Directors monitor compliance with the relevant legal requirements for the purpose of securing the tax advantages established in them, but they consider that these requirements will not be met as required by the specified deadlines. Therefore, no results from corporation tax have been recorded.

Moreover, the other companies apply the normal regime, such that the income tax expense or income is calculated by adding the current tax expense or income to the portion relating to the deferred tax expense or income.

Current tax is the amount resulting from applying the tax rate to the tax base for the year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the year, reducing the current income tax expense.

The deferred tax expense or income corresponds to recognition and settlement of deferred tax assets arising from deductible temporary differences, tax loss carryforwards and unused tax credits and other tax assets pending application and deferred tax liabilities arising from taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates estimated at the date of reversal.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

In accordance with the accounting principle of prudence, deferred tax assets are only recognised to the extent that it is considered probable that taxable profits will be obtained in the future. However, deferred tax assets are not recognised from temporary deductible differences deriving from the initial recognition of assets and liabilities in a transaction that do not affect the tax result and the accounting result and that are not a business combination.

Current tax income or expense and deferred taxes are recognised in profit or loss. However, current and deferred tax assets and liabilities relating to a transaction or event that is recognised directly in equity are recognised with a charge or credit to this heading.

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made. Deferred tax assets recognised and those not previously recognised are reassessed. Any assets recognised that are not likely to be recovered are derecognised while any assets of this nature that have not been recognised previously are recognised to the extent that it is probable that they will be recovered against future taxable profit.

4.9. Provisions and contingencies

When preparing the consolidated financial statements the Company's directors made a distinction between:

4.9.1. Provisions

Credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations.

4.9.2. Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The consolidated financial statements include all provisions with respect to which it is considered more likely than not that the obligation will have to be settled, and they are measured at the present value of the best estimate available of the amount required to pay or transfer the obligation to a third party. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed in the notes.

Provisions are measured at the reporting date at the present value of the best possible estimate of the amount required to settle the obligation or to transfer it to a third party. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis. For provisions with maturities of one year or less where the financing effect is insignificant, no type of discount is applied.

The compensation to be received from a third party on settlement of the obligation is not decreased from the amount of debt, but rather is recognised as an asset, provided there are no doubts that the reimbursement will take place.

4.10. Cash and other cash equivalents

Cash and cash equivalents include cash and demand deposits held at banks. Also included in this category are other highly liquid short-term investments that can always be easily converted into fixed amounts of cash and whose risk of changing value is insignificant.

The Group presents payments and collections from financial liabilities and assets with a high rotation at the net amount in the statement of cash flows. For these purposes, the rotation period is considered to be high when the period between the date of acquisition and the maturity date does not exceed six months.

4.11. Related party transactions

Related party transactions, irrespective of the level of the relationship, are recognised in accordance with generally accepted accounting principles. Consequently, the items subject of the transaction are initially recognised at fair value. If the price agreed upon in a transaction is differs from its fair value, the difference is recognised in accordance to the economic substance of the transaction. They are subsequently measured in accordance with the corresponding accounting principles.

4.12. Revenues and expenses

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards inherent to ownership of the asset sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the asset sold.

Lease income is recognised on an accrual basis using the straight-line method over the estimated term of the agreement.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

4.13. Segmented information

The Group is presenting segmented information based on the primary activities performed by the Group, the revenue and costs of which have been assessed, reviewed and discussed separately by its Governance Bodies. The segmented information is presented in Note 23 of these consolidated notes.

4.14. Consolidated statement of cash flows

The following terms are used in the consolidated statement cash flows, which were prepared using the indirect method, with the meanings specified:

- Operating activities: activities that generate a group's ordinary income, and other activities that cannot be classified under investment or financing activities.

- Investment activities: activities for the acquisition, sale or other means of disposal of non-current assets and other investments not included under cash or cash equivalents.

- Financing activities: activities that give rise to changes in the size and composition of equity and liabilities that are not part of operating activities.

5. Consolidation goodwill fund

The details of the goodwill in consolidated companies broken down by company is as follows:

Company	2019	2018
Avalon Properties S.L.	247,997	247,997
	247,997	**247,997**
Initial amortisation	(10,667)	-
Additions	(24,800)	(10,667)
Final amortisation	**(35,467)**	**(10,667)**
Net Book Value	**212,530**	**237,329**

The goodwill of the subsidiary Avalon Properties, S.L. arose in 2018 due to the fact that the stake in that subsidiary was acquired in 2018.

The possible impairment to that goodwill is analysed at the close of each year. The Group estimates that the goodwill was not impaired in 2019 or in 2018.

6. Intangible assets

The balances and changes in 2019 and 2018 in gross values, accumulated depreciation and impairment losses are as follows:

	01/01/2019	Additions	Disposals	31/12/2019
Gross values				
Patents, licenses, brands and others	2,040	-	-	**2,040**
	2,040	**-**	**-**	**2,040**
Accumulated depreciation				
Patents, licenses, brands and others	(23)	(204)	-	**(227)**
	(23)	**(204)**	**-**	**(227)**
Net Book Value	**2,017**	**(204)**	**-**	**1,813**

	01/01/2018	Additions	Disposals	31/12/2018
Gross values				
Patents, licenses, brands and others	-	2,040	-	**2,040**
	-	**2,040**	**-**	**2,040**
Accumulated depreciation				
Patents, licenses, brands and others	-	(23)	-	**(23)**
	-	**(23)**	**-**	**(23)**
Net Book Value	**-**	**2,017**	**-**	**2,017**

At 31 December 2019 and 2018 there are no fully amortised intangible fixed assets.

7. Property, plant and equipment

The balances and changes in 2019 and 2018 in gross values, accumulated depreciation and impairment losses are as follows:

	01/01/2019	Inclusions in the scope of consolidation (*)	Additions	Disposals	31/12/2019
Cost					
Other fixtures	686	--	1,147	-	1,833
Furniture	32,951	42,813	12,816	-	88,580
Computers and electronic devices	16,533	--	6,747	-	23,280
Advances and property, plant and equipment in the cou	1,653	--	124,034	(1,653)	124,034
	51,823	**42,813**	**144,744**	**-1,653**	**237,727**
Accumulated depreciation and amortisation					
Other fixtures	(28)	--	(100)	--	(128)
Furniture	(572)	--	(15,111)	-	(15,683)
Computers and electronic devices	(1,034)	--	(5,168)	-	(6,202)
	(1,633)	**--**	**(20,379)**	**-**	**(22,012)**
Net Book Value	**50,190**	**42,813**	**124,365**	**-**	**215,715**

	01/01/2018	Additions	Disposals	31/12/2018
Cost				
Other fixtures	-	686	-	686
Furniture	-	32,951	-	32,951
Computers and electronic devices	-	16,533	-	16,533
Advances and property, plant and equipment in the cou	-	1,653	-	1,653
	-	**51,823**	**-**	**51,823**
Accumulated depreciation and amortisation				
Other fixtures		(28)		(28)
Furniture	-	(572)	-	(572)
Computers and electronic devices	-	(1,034)	-	(1,034)
	-	**(1,633)**	**-**	**(1,633)**
Net Book Value	**-**	**50,190**	**-**	**50,190**

(*) The additions to the scope of consolidation at 31 December 2019 correspond to the acquisition of Burgo de Buenavista Gestión Socimi S.L.U. on 21 February 2019.

At the close of 2019, EUR 144,744 had been added, mainly from furniture and equipment necessary for conducting the activity in the offices (51,823 euros in 2018).

At 31 December 2019 and 2018 there was no fully amortised property, plant and equipment.

8. Investment property

The detail of "Investment property" at 31 December 2019 and 2018 and of the changes to it is as follows:

	01/01/2019	Inclusions in the scope of consolidation (*)	Additions	Disposals	Transfers	31/12/2019
Cost						
Properties	28,943,468	5,578,035	30,716,940	-	952,039	66,190,482
Buildings	23,356,643	19,923,397	33,227,198	-	287,960	76,795,198
Investment property in progress	1,240,000	-	12,088,106	-	(1,240,000)	12,088,106
	53,540,111	**25,501,432**	**76,032,244**	**-**	**-**	**155,073,787**
Accumulated depreciation and amortisation						
Buildings	(127,628)	-	(1,254,330)	-	-	(1,381,958)
	(127,628)	**-**	**(1,254,330)**	**-**	**-**	**(1,381,958)**
Net Book Value	**53,412,483**	**25,501,432**	**74,777,914**	**-**	**-**	**153,691,829**

	01/01/2018	Inclusions in the scope of consolidation (*)	Additions	Disposals	31/12/2018
Cost					
Properties	-	1,563,998	27,379,469	-	28,943,468
Buildings	-	4,379,377	18,977,266	-	23,356,643
Investment property in progress	-	-	1,240,000	-	1,240,000
	-	**5,943,375**	**47,596,735**	**-**	**53,540,111**
Accumulated depreciation and amortisation					
Buildings	-	-	(127,628)	-	(127,628)
	-	**-**	**(127,628)**	**-**	**(127,628)**
Net Book Value	**-**	**5,943,375**	**47,469,108**	**-**	**53,412,483**

(*) The additions to the scope of consolidation at 31 December 2019 correspond to Burgo de Buenavista Gestión Socimi S.L.U., and Compañía Europea de Arrendamientos Urbanos, S.L.U., on 21 February and 14 June 2019 respectively. In 2018, they corresponded to the acquisition of Pinarcam Vivienda Joven Socimi S.L.U., on 20 December 2018.

In 2019, the Group made five investments in assets, all of which are located in the Community of Madrid (six investments in 2018). The investment property corresponds mainly to properties held as residential rentals.

The additions to the scope of consolidation at 31 December 2019 include a gross sum of 499,213 euros of assets under financial lease (see note 9.1).

On 22 November 2018, the Group paid a notary escrow payment of 1,240,000 euros to buy a property located on Calle San Carlos. That amount was transferred as investment property in progress once the acquisition of the property was completed.

Under the heading "Investment Property", the amount associated with lots is 66,190,482 euros at

31 December 2019 (28,943,468 euros in 2018).

The amount of the financial expenses activated as increased value of investment properties at 31 December 2019 was 682,801 euros (0 euros in 2018), capitalised in 2019. These expenses correspond to the interest accrued from mortgages from Banco Sabadell (see note 15), and the interest accrued from loans from the sole shareholder of the Group's Parent Company (see note 21), to finance properties that are being remodelled and that are expected to be in operating condition in over a year.

The details of the investment properties held by the Company at 31 December 2019 are as follows:

San Diego: Property located at Calle Alfredo Castro Cambra, 2, Madrid. This building was acquired on 29 June 2018.
Ana de Austria: Building located at Calle Ana de Austria 101-111, Sanchinarro. This building was acquired on 31 August 2018.
Aligustre: Building located at Calle Aligustre, 43. This building was acquired on 31 October 2018.
Doctor Castelo: Building located at Doctor Castelo nº22. This building was acquired on 31 August 2018.
Villaverde: Building located at Calle Vicente Carballal. This building was acquired on 20 December 2018.
Manzana Arganda 17: Located at Avenida República de Argentina nº2 and included in parcel 17.1 of Execution Unit 39 "El Guijar", in Arganda del Rey. The plot where the building was built was received on 10/07/2006. Then the first occupancy permit was obtained on 27/06/2008 and the property was allocated to residential use. This building is property of Pinarcam Vivienda Jovén Socimi S.L.U.
San Carlos 6: Property and premises located at Calle San Carlos, 6. The building and the premises were acquired on 7 February 2019. This property belongs to Pinarcam Vivienda Jovén Socimi S.L.U.
Estrella Polar I: Building located at Calle Estrella Polar, 1. This building was acquired on 21 March 2019. This building is property of the company Burgo de Buenavista Gestión Socimi S.L.U.
Estrella Polar II: Building located at Calle Estrella Polar, 2. This building was acquired on 21 March 2019.
Maldonado 24: Building located at Calle Maldonado 24. This building was acquired on 12 April 2019.
Santa Ana 8: Building located at Calle Santa Ana 8. This building was acquired on 06 May 2019.
Villalbilla: Building located in Villalbilla in the Province of Madrid. This building was acquired on 05 September 2019.
Alcobendas: Building located at Calle Francisco Largo Caballero, 20 in the Province of Madrid. This building was acquired on 05 July 2019. This building is property of the company Europea de Arrendamientos Urbanos S.L.U.

Under the heading "Investment property in progress" for a sum of 12,088,106 euros, a sum of 12,068,432 euros was recorded for the amounts the Group paid for the 11 turnkey contracts it signed, in which it agreed to acquire properties under construction by various developers in Spain.

The details of the turnkey contracts signed at 31 December 2019 are as follows:

Buyer	Development	Contract date	Date of delivery	Down payment	Buyer guarantees	Developer guarantees
Dalandia Investments, S.L.U.	BUTARQUE I	24/04/2019	22 months	1,801,594	-	1,721,928
Dalandia Investments, S.L.U.	AEDAS TORREJÓN	29/04/2019	36 months	2,047,507	3,712,000	-
Dalandia Investments, S.L.U.	MOMENTUM VALDEMORO	14/03/2019	36 months	19,463	3,820,200	-
Zonko Investments, S.L.U.	METROVACESA - JARDINES DE TETUAN	29/04/2019	24 months	76,363	709,265	-
Zonko Investments, S.L.U.	METROVACESA - BALCÓN DE EUROPA	03/04/2019	24 months	140,934	3,062,764	-
Dalandia Investments, S.L.U.	MOMENTUM RIVAS	12/04/2019	36 months	212,212	3,064,640	-
Dalandia Investments, S.L.U.	AEDAS ALCALÁ P8	30/09/2019	30 months	47,722	-	-
Dalandia Investments, S.L.U.	AEDAS CAÑAVERAL	30/09/2019	30 months	-	-	-
Dalandia Investments, S.L.U.	ALCALÁ P9	23/07/2019	28 months	1,961,217	-	-
Zonko Investments, S.L.U.	FERROCARRIL TORREJÓN	28/10/2019	41 months	7,562.50	850,000	-
Nuciva Investments, S.L.U.,	VALDEBEBAS	12/12/2019	46 months	5,753,858	27,451,524	-
TOTAL				**12,068,432**	**42,670,393**	**1,721,928**

At the close of 2019, the Group has commitments to purchase future properties due to the turnkey contracts described in the table above for a sum of 273,407,249 euros, with the commitment including the amendment of the Valdebeas contract described in note 27 on events after the reporting date.

The amount of the financial expenses activated as increased value of the turnkey assets in 2019 is 41,277 in 2019. These expenses correspond to the interest accrued from loans from the sole shareholder of the Group's parent company (see note 21).

The details of the square metres available and leased of the buildings owned by the Group at 31 December 2019 and 2018 is as follows:

Year	Total Sqaure Metres Built	Occupancy %	Total Square Metres Available
2019	85,361	37%	53,822
2018	27,224	44%	15,246

To determine their market value, the Company's directors have assigned an independent expert to appraise the Group’s properties. The valuations have been made in accordance with the RICS Appraisal and Valuation Standards based on the Red Book edition published in 2017.

The method used by the appraiser was the “Cash Flow Discount”, the “Rent Capitalisation Method” and “Comparison”. The two types of assets the Group possess were assessed (Properties and Turnkey).

To estimate the market value of the properties, a Cash Flow Discount method was adopted taking into account the projected net revenues over a 10-year period, estimating the property’s expenses, the contracted rent and the market rent considered for the empty surface area. This way, the current rent generated by these properties was taken into account, together with their potential rent based on the market rent levels estimated for each of them, and the terms of the leases in force for them. These rents provide a given initial yield that can be compared to the profitability required by the current market in view of the assets’ location, characteristics, tenants and rents. To determine the market value for this type of assets, the various usual types of costs were estimated, such as reletting fees, void period, vacancy rate, management fees, contingencies, payments, etc., over the course of their management.

As for the opening profit margin, 10-year forecasts are made. To determine the value of each property in 10 years, the previous year's net rent is capitalised in a range of 3%-4.75% profitability, in view of factors including current offers, the latest transactions in the area, the location, type, quality, condition, and the differentiation from direct competitors, in addition to the property's lease status and the average term of its leases. At that time, the property will theoretically be rented at market rents.

For turnkey assets, the appraiser made a special appraisal assumption, because turnkey assets correspond to residential property approximations under appraisal that will be delivered as finished products in the future. However, these assets were appraised on the special assumption that they are completed buildings rented with 40-50% occupancy on the appraisal date.

The fair value of the investment properties calculated based on the appraisals is 171,783,000 euros at 31 December 2019 for the properties and 295,257,000 euros for the turnkey assets.

In 2018, to determine their market value, the Company's directors have assigned an independent expert to appraise the Group’s properties. The appraisals were conducted in accordance with the Ministry of Economy’s standards under Ministerial Order ECO 805/2003, without this detecting any signs of impairment. The fair value of the investment properties calculated based on the appraisals was 75,656,957 euros at 31 December 2018.

Fair value is defined as the estimated amount for which an asset should be exchanged on the date of valuation between a willing seller and a willing buyer, after a reasonable marketing period, and wherein the parties have acted knowledgeably, prudently and without compulsion.

During 2019 and 2018, no need was detected to make impairment adjustments to the investment properties.

It is the Company's policy to purchase insurance policies to cover any possible risks to which the various elements of its investment properties may be subject. In the years closed 31 December 2019 and 31 December 2018, the Company’s directors determined that there are no coverage deficits of these risks.

9. Operational leases and other similar transactions

9.1. Financial leases

At 31 December 2019, the heading “investment properties” on the consolidated balance sheet includes a sum of 499,213 euros for assets under finance lease. The finance lease was signed on 22 May 2008 with Madrid de Leasing Corporación S.A. E.F.C. to acquire the land and property located at Avenida de la Dehesa Vieja nº15, Polígono industrial Dehesa Vieja, of the San Sebastián de los Reyes Parcelisation Project, which expires on 22 May 2020, with an outstanding payment of 19,553 euros due at the end of 2019 (see Note 15).

9.2. Operational leases

The Group acts of the lessor of the investment properties it owns.

The minimum future payments from operational leases contracted by tenants based on leases currently in force is as follows:

	Minimum payments	Minimum payments
	31.12.2019	31.12.2018
Less than one year	2,821,676	1,648,077
One to five years	5,896,701	3,439,484
More than five years	2,430,372	1,194,771
	11,148,749	6,282,332

The Group's expenses in its position as a lessee come from payment for the use of the lease of the office of Avalon Properties, S.L., pursuant to a lease signed on 1 July 2018, for a three-year period. The minimum future payments on it are as follows:

	Minimum payments	Minimum payments
	31.12.2019	31.12.2018
Less than one year	45,600	45,600
One to five years	22,800	68,400
More than five years	-	-
	68,400	114,000

10. Non-current and current financial assets

The details of the financial assets by category at 31 December 2019 and 31 December 2018 is as follows:

	Non-current financial investments	Current financial investments		
	Credits,	Debt securities	Credits, derivatives	Total
	31.12.2019	31.12.2019	31.12.2019	31.12.2019
Categories				
Loans and receivables	-	15.752.951	42.356	15.795.307
Clients and receivables	-	-	220.376	220.376
Other receivables	131.328	-	2.233.649	2.364.977
	131.328	15.752.951	2.496.381	18.380.660

	Non-current financial investments		Current financial investments	
	Credits, derivatives and others	Debt securities	Credits, derivatives and others	Total
	31.12.2018	31.12.2018	31.12.2018	31.12.2018
Categories:				
Loans and receivables	39.752	15.201.244	-	15.240.996
Clients and receivables	-	-	115.533	115.533
Other receivables	31.181	-	571.427	602.608
	70.933	15.201.244	686.960	15.959.137

The balance recorded under “non-current financial investments” at 31 December 2019 for a sum of 131,328 euros mainly consists of deposits received from leases deposited in the Madrid Housing Institute (IVIMA) for a sum of 108,497 euros (31,181 euros in 2018).

The balance recorded under “Current financial assets” consists of:

- The heading “Debt securities” for a sum of 15,752,951 euros (15,201,244 euros in 2018, classified as non-current) mainly includes two credits acquired from the Bank Restructuring Real Estate Asset Management Company (SAREB). These credits have been classified as financial assets held to maturity, initially recorded at their fair value, which is equal to the consideration paid plus any directly attributable transaction costs. These investments were then recorded at their amortised cost and the interest accrued in the period was calculated using the effective interest rate method, with the directors assessing a rate of 3%. The list of the credits acquired is:

    - **Arganda**: on 31 August 2018, the Company acquired, under a deed of credit assignment to the SAREB, a credit related to a building located at Calle San Sebastián, 29. The credit was subsequently valuated at its amortised cost at 31 December 2019 for 7,889,890 euros (7,569,216 euros in 2018). The interest accrued in 2018 generated a financial cost of 417,158 euros recorded under “Third-party financial expenses” on the consolidated income statement. On the other hand, there was a financial income item for 230,726 euros in 2019 (76,074 euros in 2018) from the adjustment of the credit that was recorded under “Income from third parties” on the consolidated income statement. The Company's directors estimate that this sum will be recovered in the first semester of 2020.

    - **Sanchinarro**: on 31 August 2018, the Company acquired, under a deed of credit assignment to the SAREB, a credit related to a building. The credit was subsequently valuated at its amortised cost at 31 December 2019 for 6,969,563 euros (6,764,635 euros in 2018). The interest accrued in 2018 generated a financial cost of 478,911 euros recorded under “Third-party financial expenses” on the consolidated income statement. On the other hand, there was financial income item for 204,926 euros (68,496 euros in 2018) from the adjustment of the credit that was recorded under “Income from third parties” on the consolidated income statement. The Company's directors estimate that this sum will be recovered in the second semester of 2020.

    - The consideration was also recorded that is associated with the collaboration agreement signed on 31 August 2018 by Muflina Investments Socimi S.L.U. and Proyectos inmobiliarios DAUSSET, S.L., to satisfy its obligations as the sub-letter of 69 dwellings in the building located at C/San Sebastián, Arganda, as Muflina is interested in this being so because it may be awarded these properties in the foreclosure proceeding initiated by the former creditor of the loan mentioned in point one above. Under this agreement, the subsidiary Muflina Investments Socimi S.L.U., agrees to pay Dausset la the sum of 913,233 euros. The directors have classified the credit as a financial asset held to maturity, initially recorded at its fair value, which is equal to the consideration paid plus transaction costs. These investments were then recorded at their amortised cost and the interest accrued in the period was calculated using the effective interest rate method, with the directors assessing a rate of 3%. The credit was subsequently valuated at its amortised cost at 31 December 2019 for 893,498 euros (867,392 euros at 31 December 2019). The interest accrued in the period, die to the calculation of the effective interest rate, generated a financial cost of 37,191 euros in 2018 recorded under "Third-party financial expenses" on the consolidated income statement. On the other hand, there was financial income item for 23,200 euros (8,750 euros in 2018) from the adjustment of the credit that was recorded under "Income from third parties" on the consolidated income statement. Due to a sum pending disbursal Company has recorded a short-term debt under current liabilities on the consolidated balance sheet for a sum of 329,122 euros (321,692 euros in 2018) (see Note 15). The Company's directors estimate that this sum will be recovered in the second semester of 2020.

- In addition, a loan granted by one of the shareholders of Avalon Propertiress S.L, (Duron Properties, S.L.U.) for a sum of 39,680 euros dated 24 September 2018 and maturing on 24 September 2020 (see Note 21). The loan accrues the legal interest rate of money. The accrued interest payable recorded at the close of the year amounted to 1,190 euros in 2019 (72 euros in 2018).

- The sum of 220,376 euros under "Clients from sales and services rendered" on the attached consolidated balance sheet covers the outstanding receivables from the leases.

- The sum of 2,233,649 euros under "Other financial assets" mainly corresponds to the sums paid to the seller of a building located at C/Antonio González Porras 1 and 3 of Madrid, for a sum of 1,215,235 euros; the sum paid in the sale is subject to a condition precedent of performance in which the subsidiary Dalandia Investments S.L.U agreed to acquire the building and the seller agreed to sell it once the provisions of the agreement had been performed. This also included 1,016,873 euros in fixed-term deposits in Banco de Sabadell maturing in 2020 at a 0% interest rate.

At 31 December 2019 and 31 December 2018, the Directors consider that there are no significant differences between the fair value of the non-current financial assets and their book value.

The maturities of the balances maintained in these loans was as follows:

2019	2020	2021	2022	2023	Other	Total
Loans and receivables	15,752,951	-	-	-	-	15,752,951
Credits to companies (note 21)	42,356	-	-	-	-	42,356
Debtors and receivables (note 11)	220,376	-	-	-	-	220,376
Other financial assets	2,233,649	-	-	-	131,328	2,364,977
	18,249,332	-	-	-	131,328	18,380,660

2018	2019	2020	2021	2022	Resto	Total
Loans and receivables	-	15.201.244	-	-	-	15.201.244
Credits to companies (note 21)	-	39.752	-	-	-	39.752
Debtors and receivables (note 21)	115.533	-	-	-	-	115.533
Other financial assets	571.427	-	-	-	31.181	602.608
	686.960	15.240.996	-	-	31.181	15.959.137

11. Trade and other receivables

The detail of "Trade and other receivables" at 31 December 2019 and 31 December 2018 is as follows:

	31.12.2019	31.12.2018
Services clients	204,271	115,532
Other receivables	16,105	-
Other credits from Public Administrations (see note 17)	890,462	258,006
Personnel	29	-
Current tax assets (see note 17)	13,833	9,568
Total	1,124,700	383,106

The balance under "Clients" is presented net of impairment adjustments, and the sum at the close of 2019 is 0 euros (148,380 euros in 2018). The corresponding impairments are allocated based on the risk of possible default on collection of the assets. There were no insolvency impairments in 2019.

12. Risk management policy

The Group's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk.

The main financial risks affecting the Group are as follows:

12.1. Credit factors

The Group does not have any material credit risk concentration. The Group has policies to ensure that sales are made to clients with adequate credit records. Cash transactions are only conducted with financial institutions with high credit ratings. The Group has policies to limit the amount of risk with any financial institution.

The valuative adjustment for client default entails intense judgement by Management and review of individual balances based on clients' credit worthiness, current market trends and an historical analysis of insolvencies on an aggregate level. In relation to the valuative adjustment derived from the aggregate analysis of the historical experience of delinquencies, a reduction in balance volumes implies a reduction in valuative adjustments and vice versa.

12.2. Liquidity risk

The Group manages liquidity risk on a prudent basis, the purpose of which is to maintain sufficient cash.

The financing received as at 31 December 2019 was received from credit institutions and from the ultimate parent company. (All of the financing was received from the ultimate parent company in 2018).

12.3. Interest rate risk

Because of the current situation in the real estate sector and in order to mitigate any negative impacts that this may cause, the Group has specific measures to minimise the impacts on its financial situation.

These measures are applied based on the strategy and forecasts defined by the Group.

The financial debt is exposed to interest rate risk in its cash flows, which may have an adverse effect on the financial results and cash flows.

13. Cash and other cash equivalents

The detail of "Cash and Cash Equivalents" at 31 December 2019 and 31 December 2018 is as follows:

	31.12.2019	31.12.2018
Banks and savings banks	2.255.818	2.114.109
Total	2.255.818	2.114.109

At 31 December 2019 and 31 December 2018, the Group had no deposits in financial institutions. They are classified as short term because they are all freely available at all times.

14. Shareholders' Equity

14.1. Share capital

The share capital amounts to 60,000 euros, represented by 60,000 shares with a par value of one euro each, all in the same class, all taken up and 25% paid out, and that confer the same rights on their holders, with 45,000 euros pending disbursal within a maximum period of five years (see note 26).

All of the shares of the Company belong to AEREF V Iberian Residential Holdings S.a.r.l.

The Company does not have any treasury shares.

During 2018, the sole shareholder AEREF V Iberian Residential Holdings, S.A.R.L made 7,211,960 euros in shareholder contributions to the Parent Company.

During 2019, the sole shareholder AEREF V Iberian Residential Holdings, S.A.R.L. made 10,245,000 euros in shareholder contributions to the Parent Company; therefore the total amount is 17,456,960 euros.

The Company's shares are not officially listed.

14.2. Reserves and Profits/Losses from previous fiscal years

The breakdown is as follows:

	2019
Reserves in consolidated companies	(2,043,709)
Total	(2,043,709)

14.3. Legal Reserve

Under the revised text of the Corporate Enterprises Act, 10% profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. This legal reserve may be used for capital increases in proportion to the amount in excess of the 10% of the capital that has already been increased. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

This reserve was not constituted at the close of the financial year ended 31 December 2019.

14.4. Reserves in consolidated companies

The details of the consolidated reserves by company were as follows:

	31.12.2019.
From companies consolidated under global integration	
Pinarcam Vivienda Joven Socimi S.L.U.	722.233
Avalon Properties, S.L.	(593.852)
Muflina Investments S.L.U.	(2.172.090)
	(2.043.709)

14.5. Minority interests

The changes under minority interests were as follows:

	Avalon Properties S.A.	Total
2018 profit	27,440	27,440
Capital increase	250,997	250,997
Balance at 31.12.2018	278,437	278,437
2019 profit	56,286	56,286
Balance at 31.12.2019	334,723	334,723

The details of minority interests by company were as follows

Company	**2019**	**2018**
Avalon Properties S.L.	334,723	278,437
	334,723	**278,437**

15. Current and non-current financial liabilities

a) Classification by category

The list of the various current and non-current financial liabilities by category with determined or determinable maturities is as follows at the close of 2019 and 2018:

	Non-current debts			
	Debts to group companies and associates (note 21)	Bank borrowings	Other	Total
	31.12.2019	31.12.2019	31.12.2019	31.12.2019
Categories:				
Accounts payable	61,523,537	51,624,161	5,279,162	118,426,859
	61,523,537	51,624,161	5,279,162	118,426,859

	Current debts			
	Debts to group companies and associates (note 21)	Bank borrowings	Other	Total
	31.12.2019	31.12.2019	31.12.2019	31.12.2019
Categories:				
Accounts payable:	49,646,555	264,597	463,081	50,374,233
Creditors (note 16)	--	--	1,147,412	1,147,412
	49,646,555	264,597	1,610,493	51,521,645

	Non-current debts		
	Debts to group companies and associates (note 21)	Other	Total
	31.12.18	31.12.18	31.12.18
Categories			
Accounts payable	21,635,889	355,715	21,991,604
	21,635,889	355,715	21,991,604

	Current debts		
	Debts to group companies and associates	Other	Total
	31.12.18	31.12.18	31.12.18
Categories			
Accounts payable	43,485,691	143,944	43,629,635
Creditors (note 16)	-	1,364,115	1,364,115
	43,485,691	1,508,059	44,993,750

The detail of “Bank borrowings” at 31 December 2019 is as follows:

Company	Date	Amount	Maturity	Interest	Amortised cost
Sabadell	26/07/2019	2,900,000	60 months	1.60%	2,841,951
Sabadell	02/08/2019	700,000	60 months	1.60%	686,853
Sabadell	02/08/2019	20,466,000	60 months	1.60%	20,115,279
Sabadell	30/07/2019	2,500,000	60 months	1.60%	2,445,824
Sabadell	15/07/2019	5,700,000	60 months	1.60%	5,602,383
Sabadell	02/08/2019	4,100,000	60 months	1.60%	4,017,799
Sabadell	02/08/2019	3,500,000	60 months	1.60%	3,435,741
Sabadell	15/07/2019	5,100,000	60 months	1.60%	5,014,599
Abanca	30/04/2015	1,000,000	120 months	Euribor + 3,55%	597,448
Deutsch Bank	21/02/2007	4,500,000	480 months	Euribor + 0,9%	3,991,522
Sabadell	31/07/2019	3,200,000	48 months	1.60%	3,139,359
		53,666,000			**51,888,758**

At 31 December 2019, the Group had received a total of 48,166,000 euros in loans from Banco Sabadell, the amortised cost of which was 47,299,788 euros. These loans were negotiated in July and August 2019 to finance the acquisition of the land and buildings of the real estate developments of Manzana Arganda, San Diego, Ana de Austria, Aligustre, Doctor Castelo, Villaverde, San Carlos, Maldonado 24, and Estrella Polar 2, which were mortgaged as collateral for them and that have a net book value of 74,373,151 euros at 31 December 2019. These loans have grace periods of 12 to 24 months and maturities of 48 to 60 months. As of the date of the consolidated annual financial statements, the Group was in compliance with the terms of the loan agreements. The loans have an interest rate of 1.60%.

Furthermore, there is also a 2015 mortgage from Abanca with the asset in Alcobendas as collateral and with a net book value of 18,313,397 euros at closing, and a 2007 mortgage from Deutsche Bank en 2007 with a property in Parla as collateral that has a net book value of 6,465,236 euros at 31 December 2019.

The mortgages from Abanca and Deutsche Bank both have clauses that set floor and cap interest rates. In the case of Abanca, there is a cap of 8% and a floor of 0.7%, and in the case of DB a floor of 2.85%. The directors have classified these as implicit derivatives, which makes them hybrid financial instruments. However, the implicit derivative does not meet the requirements for being separated from the underlying mortgage agreement, because both the cap and the floor were not respectively below and above market interest when the agreement was signed. Therefore, the directors presented both of the implicit derivatives together with the underlying mortgage.

The details of the annual due dates for the bank borrowings are as follows:

(euros)	31.12.2019	31.12.2018
2020	264,597	-
2021	690,946	-
2022	1,167,964	-
2023	1,176,594	-
2024 and after	48,588,657	-
	51,888,758	**-**

The financial interest accrued in 2019 amounted to 586,615 euros, 118,266 euros of which was capitalised as increased value on investment properties (see note 8) and 468,349 euros were recorded on the consolidated income statement.

The mortgage policies signed with Banco Sabadell establish a series of conditions in which the bank may fully terminate the loan and demand payment of the outstanding amounts, provided that the Company breaches any of the usual requirements in this type of financing, such as a failure to pay back the capital or the interest of the guaranteed amount for more than three months. The bank may also call in the mortgage by selling the mortgaged property out of court pursuant to section 1,858 of the Spanish Civil Code [*Código Civil*] and section 129 of the Spanish Mortgage Act [*Ley Hipotecaria*].

If at any time during the life of the mortgage, AEREF’s stake drops below 50%, the Company must notify the Bank, and if so demanded by the Bank, the Company must repay all of the outstanding sums on the loan, and cancel it within ten days. The breach will empower the Bank to terminate the mortgage early and to demand immediate repayment of all the loan's outstanding capital and its interest and fees. This will not apply if AEREF directly or indirectly holds less than 50% of it, but it is directly managed by AEREF or by a vehicle controlled or managed by AEREF.

The Group has guaranteed Banco Sabadell payment of the payments of the mortgages signed in the year, by authorising the bank to apply the sums of the leases of the Manzana Arganda, San Diego, Ana de Austria, Aligustre, Doctor Castelo, Villaverde, San Carlos, Maldonado 24, and Estrella Polar 2 buildings to the payment up to the agreed repayment amounts. If the amounts of the leases are higher than the mortgage payments, the Group may, after subtracting the monthly mortgage payments, and within the monthly mortgage payment, drawdown the remaining amount within what remains of the month. Under its mortgages from Banco Sabadell and with regard to any leases that may be signed for the properties they refer to, the Group is required to assign the bank any collection rights it may come to hold against future tenants. This concession was provided to supersede the security interests.

The mortgage from Abanca specifies that the bank may fully terminate the entire mortgage and demand repayment of what is owed if the Company fails to make payments on at least three complete monthly due dates without satisfying its payment obligations or its number of payments, such that the debtor would be in breach of its payment obligation for a period of at least three months, or due to the borrower having a lack of asset solvency.

The mortgage with Deutsche Bank provides a series of requirements whereby the bank may full terminate the entire mortgage and demand payment of what is owed if the Company is in breach due to failing to pay any of the specified interest, fee and repayment settlements.

At 31 December 2019, a sum of 5,000,000 euros was recorded under “debts and other non-current payables” in the “Other” category, mainly for a loan from the former owners of the subsidiary Compañía Europea de Arrendamientos Urbanos S.L.U., corresponding to the deferred payment of the sale of the subsidiary by the parent company, the maturity of which is stipulated on 5 July 2021.

b) Classification by due date

The list of the various financial liabilities by maturity with determined or determinable maturities is as follows at the close of 2019:

	2020	2021	2022	2023	Resto	Total
Debts:						
Debts to group companies and associates (note 21)	49.646.555	-	-	-	61.523.537	111.170.092
Accounts payable	264.597	690.946	1.167.964	1.176.594	48.588.657	51.888.758
Creditors (note 16)	1.147.412	-	-	-	-	1.147.412
Total	51.058.563	690.946	1.167.964	1.176.594	110.112.194	164.206.261

The list of the various financial liabilities by maturity with determined or determinable maturities is as follows at the close of 2018:

	2019	2020	2021	2022	Resto	Total
Debts:						
Debts to group companies and associates (note 21)	43.485.691	-	-	-	21.635.889	65.121.580
Accounts payable	143.944	355.715	-	-	-	499.659
Creditors (note 16)	1.364.115	-	-	-	-	1.364.115
Total	44.993.750	355.715	-	-	21.635.889	66.985.354

16. Trade and other payables

The breakdown of trade payables and other payables under current liabilities is as follows:

	31.12.2019.	**31.12.2018.**
Payables to suppliers	61,587	555,692
Sundry payables	959,529	604,306
Staff costs (remuneration payable)	126,296	204,117
Current tax liabilities (Note 17)	42,738	20,903
Other government debts (note 17)	127,742	243,274
Total	**1,317,892**	**1,628,292**

Pursuant to Additional Provision Two of Spanish Law 31/2014, of 3 December, which amended the Corporate Enterprises Act, and in accordance with the Resolution of 29 February 2016 of the Accounting and Auditing Institute, below is a detail of the average period of payment to suppliers, the ratio of transactions paid, the ratio of outstanding transactions, the total payments paid and the total outstanding payments:

	2019	2018
	Days	Days
Average period of payment to suppliers	24	8
Ratio of transactions settled	15	5
Ratio of transactions not yet settled	83	23

	2019	2018
	Amount	Amount
Total payments made	16.149.223	2.020.641
Total payments outstanding	921.831	640.712

17. Tax situation

Current tax receivables and payables

The detail of the current tax receivables and payables at 31 December 2019 and 31 December 2018 is as follows:

31-dic-19

	Payables		Receivables
Account	Non-current	Current	Current
Value added tax	-	868.915	20.884
Personal income tax	-	-	95.606
Current tax assets	-	13.833	-
Deferred tax assets	236.121	-	-
Assets from withholdings and payments on account	-	21.547	-
Current tax liabilities	-	-	42.738
Social Security Administrations	-	-	11.252
	236.121	904.295	170.480

	Payables		Receivables
Account	Non-current	Current	Current
Value added tax	-	256.771	196.581
Personal income tax	-	-	42.631
Current tax assets	-	9.568	-
Deferred tax assets	116.493	-	-
Assets from withholdings and payments on account	-	1.234	-
Current tax liabilities	-	-	20.903
Social Security Administrations	-	-	4.062
	116.493	267.573	264.177

The Board of Directors unanimously resolved to have the Group avail itself of the Special Regime for group of companies under sections 163 *quinquies* to 163 *nonies* of Spanish Law 37/1992 of 28 December, on VAT [VAT Act,*Ley 37/1992, del IVA*], and sections 61 *bis* to 61 *sexies* of Royal Decree

1624/1992, effective as of the year beginning 1 January 2019. Therefore any sums payable or receivable for Value Added Tax will be handled as payables to or receivables from Group companies as of that date. For these purposes, the corresponding communication with the above agreements was sent to the Tax Administration as stipulated under section 163 *sexies* five of the Spanish VAT Act on 28 December 2018, thus paying tax under the consolidated declaration regime starting in 2019.

Calculation of income tax

Income tax is calculated on the basis of the accounting profit/loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit/tax loss.

At 31 December 2019, the corporation tax is nil in all of the Group companies that are REITs.

At 31 December 2018, the income tax expense was zero in the companies Iante Investments SOCIMI, S.A.U. and Muflina Investments Socimi, S.A.U., as the income tax rate for REITs was set at 0% (see Note 4.8). The company Pinarcam Vivienda Joven Socimi S.L.U., entered into the REIT tax regime in February, effective 1 January 2019. It thus paid tax under the general regime in 2018.

The Group does not file under the consolidated groups of companies regime provided under Spanish Law 43/1995, and it records the corresponding income tax expenses individually.

The reconciliation between the consolidated book results and the sum of the tax bases of the scope of consolidation from 2019 and 2018 is as follows:

The settlement of the net amount of revenues and expenses from the year with the individual income tax bases (tax result) for the years ended 31 December 2019 and 31 December 2018 was as follows:

2019	Result before taxes	Permanent differences	Tax base	Other differences in temporary allocation of income and expenses. Special Regime	BINS	Tax base	Payment	
Avalon Properties, S.L.	163.075	38.037	201.112	-	-	201.112	50.278	
Pinarcam Vivienda Joven Soimi, S.L.U.	(332.312)	-	(332.312)	-	-	(332.312)	-	
Muflina Investment Socimi , S.L.U	(2.272.592)	-	(2.272.592)	-	-	(2.272.592)	-	
Iante Investment Socimi, S.A.U.	(4.171.353)	-	(4.171.353)	-	-	(4.171.353)	-	
Compañía Europea de Arrendamientos Urbanos S.L.U.	19.951	-	19.951	-	(19.951)	-	-	(*)
Nuciva Investments S.L.U.	(38.097)	-	(38.097)	-	-	(38.097)	-	
Jurisa Investments S.L.U.	(795.719)	-	(795.719)	-	-	(795.719)	-	
Dalandia Investments S.L.U.	(384.474)	-	(384.474)	-	-	(384.474)	-	
Burgo de Buenavista Gestión Socimi S.L.U.	(265.234)	-	(265.234)	-	-	(265.234)	-	
Zonko Investments S.L.U.	(93.119)	-	(93.119)	-	-	(93.119)	-	
						Total	**50.278**	

(*) The amount allocated to the Group, generated since the date of change of control of the subsidiary, amounts to 10,962 for income tax.

2019	Result before taxes	Permanent differences	Tax base	Other differences in temporary allocation of income and expenses. Special	BINS	Tax base	Payment	
Avalon Properties, S.L.	75.893	7.720	83.613	-	-	83.613	20.903	
Pinarcam Vivienda Joven Soimi, S.L.U.	212.751	239	212.990	-	-	212.990	53.247	(*)
Muflina Investment, S.L.U	(2.715.607)	-	(2.715.607)	-	-	(2.715.607)	-	
Iante Investment Socimi, S.A.U.	(566.347)	-	(566.347)	-	-	(566.347)	-	
						Total	**74.151**	

(*) The sum of 53,247 euros at 31 December 2018 corresponds to the income tax payment due reflected in the Company's individual annual financial statements. The amount allocated to the Group, generated since the date of change of control, amounts to 1,751 for income tax.

The amount indicated on the consolidated income statement for the income tax expense owed by the Group is broken down in the following way:

	2019	2018
Current tax	61.240	22.654
Total income tax revenue/expense	61.240	22.654

Deferred tax assets arising as a result of tax loss carryforwards are recognised to the extent that the Company is likely to obtain future taxable profits against which they can be offset.

The detail of the balance of these accounts at the close of 2019 and 2018 is as follows:

	31/12/2019			31/12/2018
	Compañía Europea de Arrendamientos Urbanos, S.L.U.	Pinarcam Vivienda Joven Socimi, S.L.U.	Total	Pinarcam Vivienda Joven Socimi, S.L.U.
Temporary deductible	-	10,391	149,972	10,391

differences				
Tax Credits	119,629	106,100	106,100	106,102
Total	119,629	116,493	256,072	116,493

The details of the tax carryforwards at 31 December 2019 and 31 December 2018, generated before recurring to the REIT regime are as follows:

	31/12/2019	31/12/2018
Tax carryforwards	Pinarcam Vivienda Joven Socimi, S.L.U.	Pinarcam Vivienda Joven Socimi, S.L.U.
2009	73,266	73,266
2012	20,137	20,137
2013	18,754	18,754
2014	141,544	141,544
2015	170,881	170,881
Total	**424,582**	**424,582**

	31/12/2019
Tax carryforwards	Compañía de Arrendamientos Urbanos S.L.U.
2017	202,341
2018	288,573
Total	**490,914**

The directors consider that they will be recovered when the Company's properties are sold.

Tax audits

Under the current law, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four year statute of limitations period has expired.

At the close of 2019, the Group's companies have any years not time barred open to audit. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any liabilities as might arise would not have a material effect on the accompanying financial statements.

The income tax rate for REITs is 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to a tax rate lower than 10%, the REIT will be subject to a special charge of 19%, which will be considered to be the income tax charge, on the amount of the dividend distributed to these shareholders. If deemed applicable, this special charge must be paid by the REIT within two months after the dividend distribution date.

18. Revenues and expenses

18.1. Revenue.

The revenue from services provided during 2018 were all obtained in Spain, mainly from the leases of developments, with the following breakdown:

	31.12.2019	31.12.2018
Muflina Investments Socimi, S.L.U.	1.435.823	226.299
Pinarcam Vivienda Joven Socimi, S.L.U.	132.838	4.981
Compañía Europea de Arrendamientos Urbanos S.L.U.	355.953	-
Jurisa Investments S.L.U.	4.544	-
Dalandia Investments S.L.U.	233.982	-
Burgo de Buenavista Gestión Socimi S.L.U.	226.098	-
	2.389.238	231.280

18.2. Personnel costs

The breakdown is as follows:

	31.12.2019.	31.12.2018.
Wages, salaries and similar expenses		
Wages and salaries	(1,044,375)	(403,197)
Social security		
Social Security	(142,445)	(27,503)
	(1,186,820)	(430,700)

18.1. Other operating expenses

The breakdown is as follows:

	31.12.19	31.12.18
Rentals and leases	156,082	24,167
Repairs and conservation	482,330	30,038
Independent professional services	2,188,126	538,484
Insurance premiums	77,959	810
Bank services	39,695	6,341
Utilities and other services	82,672	154,566
Other services	403,918	23,431
Tax	206,695	361,414
Other current management expenses	-	4,012
	3,671,283	1,143,264

18.2. Depreciation and amortisation

The detail of "Depreciation and amortisation charge" is as follows:

	2019	2018
Goodwill from consolidation (Note 5)	24,800	10,667
Intangible assets (Note 6)	204	23
Property, plant and equipment (Note 7)	20,378	1633
Real estate investments (Note 8)	1,254,330	127,628
	1,299,712	**139,951**

19. Financial profit/(loss)

19.1 Financial costs

The breakdown is as follows:

	31.12.19	31.12.18
Interest on group company debts (note 21)	5,075,471	964,353
Interest on bank borrowings (note 15)	468,349	-
Other financial expenses (notes 10 and 15)	44,411	999,468
	5,588,231	1,963,821

The financial expenses derived from the adjustment of the debts described in Note 10 were recorded under the heading "Other financial expenses" at 31 December 2018.

19.2 Finance income

The breakdown is as follows:

	31.12.19	31.12.18
Otros ingresos financieros (Nota 10)	460.140	153.865
	460.140	153.865

The financial income derived from the adjustment of the debts described in Note 10 was recorded under the heading "Other financial income" at 31 December 2019 and 2018.

19.3 Detail of consolidated profit/(loss)

Each company in the consolidation perimeter made the following contribution to the consolidated profit/(loss) on the year, expressed in euros:

2019

Company	Profit/(loss)	Attributable to minority interests	Attributable to the parent company
Iante Investments Socimi, S.A.U.	(3.732.906)	--	(3.732.906)
Muflina Investments Socimi , S.L.U.	(1.755.272)	--	(1.755.272)
Pinarcam Vivienda Joven Socimi, S.L.U.	(333.546)	--	(333.546)
Avalon Properties, S.L.U.	(1.485.522)	56.286	(1.541.808)
Burgo de Buenavista Gestión Socimi S.L.U.	(234.970)	--	(234.970)
Dalandia Investments S.L.U.	(219.075)	--	(219.075)
Zonko Investments S.L.U.	(40.210)	--	(40.210)
Compañía Europea de Arrendamientos Urbanos S.L.U.	(226.763)	--	(226.763)
Jurisa Investments S.L.U.	(827.040)	--	(827.040)
Nuciva Investments S.L.U.	(18.862)	--	(18.862)
Total	(8.874.166)	56.286	(8.930.452)

2018

Company	Profit/(loss)	Attributable to minority interests	Attributable to the parent company
Iante Investments Socimi, S.A.U	(550.110)	--	(550.110)
Muflina Investments, S.L.U.	(2.172.090)	--	(2.172.090)
Pinarcam Vivienda Joven Socimi, S.L.U.	722.233	--	722.233
Avalon Properties, S.L.	(566.412)	27.440	(593.852)
Total	(2.566.379)	27.440	(2.593.819)

20. Other profit/(losses)

The details of the other profit/(loss) as of 31 December 2018 were as follows:

	31.12.19	31.12.18
Expenses		
Other	(4,833)	(5,448)
Revenue		
Other	-	744,095
	(4,833)	738,647

The revenues recorded in 2018 under "Other profit/(loss)" for a sum of 744,095 euros corresponded to the profits from the assignment to the Parent Company (Iante Investments Socimi S.A.U) of part of the debt taken out by Pinarcam Vivienda Joven Socimi S.L.U., from the Sareb.

21. Related-party transactions

In 2019 the following related party transactions were performed:

Company	Type of relation
AEREF V Iberian Residential Holdings, S.A.R.L.	Parent company
Board Members	Other related parties
Duron Properties, S.L.U.	Other related parties
Gunile Investments, S.L.U.	Other related parties

The detail of the transactions with Group, multigroup and associated companies in 2019 and 2018 is as follows:

	2019 Revenue/(expense)	2018 Revenue/(expense)
Concept	Interest accrued	Interest accrued
Parent company	(5.075.471)	(964.353)
Other related parties		
Total group companies and associates	(5.075.471)	(964.353)

The detail of the related party balances in 2019 and 2018 is as follows:

	2019 Assets (Liabilities)		
	Payables	Receivables	
Concept	Credits	Loans	Interest
Parent company	-	(104.517.600)	(6.652.491)
Other related parties	41.356	-	-
Total group companies and associates	41.356	(104.517.600)	(6.652.491)

Concept	2018 Assets (Liabilities) Payables Credits	Receivables Loans	Interest
Parent company	-	(64,157,641)	(963,940)
Other related parties	39,752	-	-
Total group companies and associates	39,752	(64,157,641)	(963,940)

The details of the principal on the debts to AEREF V Iberian Residential Holdings, S.A.R.L., without the outstanding interest, are as follows:

	Balances at 31.12.19				
	Non-Current Debts		Current Debts		
Concept	Amount	Rate	Amount	Rate	
Iante Investment SOCIMI, SAU	56,276,288	7%	13,185,484	5% - 7%	(*)
Muflina Investments Socimi , S.L.U	--	--	11,466,760	5%	
Dalandia Investments, S.LU.	417,249	7%	1,391,820	5%	
Nuciva Investments, S.L.U.	4,830,000	7%	--	5%	
Jurisa Investments, S.L.U.	--	--	16,950,000	5%	
Total empresas grupo y asociadas	61,523,537		42,994,064		

	Balances at 31.12.18			
	Non-Current Debts		Current Debts	
Concept	Amount	Rate	Amount	Rate
Iante Investment SOCIMI, SAU	21,635,889	7%	3,786,000	7%
Muflina Investments, S.L.U	--	--	38,735,760	5%
Total empresas grupo y asociadas	21,635,889		42,521,760	

(*) The parent company Iante Investments Socimi, S.A.U., has modified the interest rates applied to the loans with current maturities to 5%, effective as of 1 October 2019.

The Parent Company IANTE Investments SOCIMI, S.A.U. made a total of 69,461,772 in drawdowns in the year under the two credit facility agreements it signed with the parent company

AEREF V Iberian Residential Holdings, S.A.R.L. On one hand, it has drawn down 56,276,288 euros under the "Interest Bearing Credit Facility Agreement", which it signed with the parent company on 22 February 2019 and effective as of 27 June 2018. The loan is stipulated to mature in 2028 and it accrues 7% interest per annum, with 2,768,587 euros in accrued expenses recorded in the year. The outstanding interest recorded in the short term at the close of the year amounted to 3,173,737 euros. On the other hand, it drew down 13,185,484 euros under the "Interest Bearing Bridge Facility Agreement" signed on 27 July 2018 and effective as of that date, which matures in one year and that accrues 7% interest per annum. That agreement was modified on 20 February 2020 effective 1 October 2019, providing an annual interest rate of 5%, with a maturity date of 31 March 2020. The interest accrued in the year from the "Interest Bearing Bridge Facility Agreement" amounted to 635,504 euros. The outstanding interest recorded in the short term at the close of the year amounted to 659,711 euros.

The subsidiary Nuciva Investments, S.L.U has signed two loan agreements with the company AEREF V Iberian Residential Holdings, S.A.R.L. On one hand, on 21 February 2020 it signed the "Interest Bearing Credit Facility Agreement", effective since 19 July 2019, from which it drew down 4,830,000 euros in 2019. The loan matures in 2029, with interest accrued at an annual rate of 7%, and with a sum of 28,175 euros recorded in the year as increased value of turnkey assets (see note 8). As of the close of the year, these were not paid and are thus recorded under current liabilities on the consolidated balance sheet. On the other hand, on 27 November 2019 the subsidiary signed the "Interest Bearing Bridge Facility Agreement", effective since 30 September 2019, with a maturity of one year and an annual interest rate of 5%. No amounts were drawn down on this loan in 2019.

In 2019, the subsidiary Dalandia Investments, S.L.U. signed two loan agreements with the company AEREF V Iberian Residential Holdings, S.A.R.L. On one hand, on 21 February 2020 it signed the "Interest Bearing Credit Facility Agreement", effective since 19 July 2019, from which it drew down 417,248 euros in 2019. The loan matures in 2020, with interest accrued at an annual rate of 7%, and with a sum of 5,841 euros capitalised in the year as an expense for increased value of turnkey assets (see note 8). As of the close of the year, these were not paid and are thus recorded under current liabilities on the consolidated balance sheet. On the other hand, on 27 November 2019 the subsidiary signed the "Interest Bearing Bridge Facility Agreement", effective since 30 September 2019, with a maturity of one year and an annual interest rate of 5%. Similarly, the subsidiary drew down 1,391,320 euros in the year and accrued a total of 118,794 euros in finance expenses, 7,260 euros of which were recorded as increased value of turnkey assets (see note 8), which were not paid at the close of the year and have been recorded as current liabilities.

The subsidiary Muflina Investments Socimi, S.L.U. received 11,466,760 in drawdowns under the loan agreement signed on 27 November 2019 and effective 28 May 2018, with the company AEREF V Iberian Residential Holdings, S.A.R.L. These drawdowns have a maturity of one year, and they accrue 5% interest per annum, with 1,844,236 euros accrued in the year, 564,535 euros of which was capitalised as increased value on investment properties (see note 8) and 1,279,701 euros were recorded on the consolidated income statement. The outstanding interest recorded at the close of the year amounted to 2,386,086 euros.

The subsidiary JURISA INVESTMENTS, S.L.U. received 16,950,000 in drawdowns under the loan agreement signed on 27 November 2019 and effective 10 July 2019, with the company AEREF V Iberian Residential Holdings, S.A.R.L. These drawdowns mature in 2020, and they accrue interest at an annual rate of 5%, with a sum of 280,146 euros accrued in the year, which was not paid in the year and that is recorded under current liabilities on the consolidated balance sheet.

In addition, a loan granted by one of the shareholders of Avalon Propertiress S.L, (Duron Properties, S.L.U.) for a sum of 39,680 euros dated 24 September 2018 and maturing on 24

September 2020 (see Note 21). The loan accrues the legal interest rate of money. The interest accrued in 2019 amounted to EUR 1,190. The accrued interest payable recorded as current at the close of the year amounted to 1,262 euros.

As detailed in Note 1.2 of these consolidated notes, Iante Investmets Socimi, S.A.U. Avalon Properties, S.L., and Durón Properties S.L. signed a shareholders agreement on 27 July 2018. On that same date, 27 July 2018, AEREF IBERIAN RESIDENTIAL HOLDING, SARL and Durón Properties, S.L. that details the commercial covenants between them, which was amended together with the shareholders agreement in 2019, specifically on 20 December 2019. That Framework Agreement specifies that Avalon Properties, S.L. is the company that will direct the operations and investments to be performed, and that to do this Avalon Properties, S.L. and the subsidiaries must sign a Management Agreement on the structure created in Spain (as described in Note 21). Under the Framework Agreement, Durón Properties S.L. must also give Aeref V Iberian Residential Holding, S.a.r.l an option to buy 49.90% of the shares in Avalon Properties, S.L. that Aeref V Iberian Residential Holding, S.a.r.l may exercise if Durón Properties, S.L. breaches any of its obligations, at a price of 1 euro, with the difference between the fair value of the shares and the one euro price being the penalty for breach. At the same time, Durón Properties, S.L. also provided Aeref V Iberian Residential Holding, S.a.r.l a sell option to sell its shares in Avalon to Durón Properties, S.L. for 1 euro per share or the net book value of the shares, whichever is greater. However, if the CEO commits a breach as defined in the Framework Agreement (Key Man Event), the exercise price will be the shares' fair market value.

On 20 December 2019, amendments to both agreements were signed to eliminate certain obligations of Durón Properties, S.L. that have been replaced with the commitment to have Durón Properties S.L. invest one million euros by buying shares in Iante Investments Socimi S.A.U. before the Company's initial listing on the Alternative Securities Market.

On the same date, 20 December 2019, Durón Properties S.L. signed an agreement to sell 300 shares in Avalon Properties S.L to Iante Investments Socimi S.A.U., which represent 5% of its share capital. The price for the shares is set at 670,000 thousand euros, i.e., 2,233.33 euros per share. However, Durón Properties S.L. and Iante Investments Socimi S.A.U. agreed that Durón Propeties is entitled to an additional payment or a higher price depending on the future evolution of Avalon Properties S.L.

This sale was pending completion as at the date of these consolidated annual financial statements.

Avalon Properties, S.L. bills for independent professional services based on a services agreement signed with Iante Investments Socimi S.A.U. on 27 July 2018 for the provision of asset management and investment services, property management and supervision services and other services.

The business consists of establishing a platform in Spain to:

(i) acquire, renovate and lease residential buildings in selected neighbourhoods of downtown Madrid within the M-30 highway, and some specific areas outside of the M-30 highway.
(ii) opportunely acquire individual units that may be sold after renovation at prices in excess of 1,000,000 euros.

The fees billed by Avalon Properties S.L. consist of:

- **Base quarterly management fee**, which is broken down as follows:
  An annual management commission consisting of:

- 0.6% of the assets' purchase price plus CAPEX invested, provided that the aforementioned principal is less than €100,000,000 and subject to a minimum of 300,000 euros during the first three years; or
- 0.4% of the assets' purchase price plus CAPEX invested, provided it is greater than €100,000,000.

For future assets purchased, the Base Management Fee will be:

- 0.3% of the assets' purchase price plus CAPEX; or
- 0.2% if the assets' purchase price plus CAPEX is greater than 100,000,000 euros, to be paid between the exchange and the finalisation.

The Base Management Fee will be reduced by 25% (i.e., to 0.225% or 0.15%, depending on the case) if the period stipulated in the future purchase agreements for transferring the assets is greater than 24 months.

- **Acquisition fee:** an acquisition commission of 0.5% of the purchase price (excluding CAPEX) of any new asset purchased by the companies, after the purchase of the corresponding asset has been notarised, and to be paid at the end of each quarter based on the net distributable cash flows.
- **Incentive fee**: based on the financial performance of the Spanish companies and assets, which will be based on the net distributable cash flow calculated after the taxes due in Spain and Luxembourg for IANTE and GUNILE. These amounts will only be cumulative when the last asset is sold and transferred.

- **Exit fees:** 1% of the capital invested by Ares in the Spanish companies, with a limit of 800,000 euros. Once Ares has received distributions that provide it an IRR of 5% or the net distributable cash flows calculated after the taxes due in Spain and Luxembourg for the Spanish companies. The exit fees will be deducted from the incentive fee, if one is paid.

The agreement mentions fixed remuneration for the CEO guaranteed for three years.

The acquisition fee, the exit fees and the incentive fee are non-refundable.

The sums Avalon Properties S.L. billed Iante Invetsments Socimi S.A.U., have been eliminated from the consolidation process because the latter company is fully integrated.

The sums accrued by Board members in 2019 and 2018 for performing their functions as directors in the Company amounted to 443,640 euros (260,938 euros in 2018, 150,000 euros of which is still outstanding).
The Group has not provided any loans and advances to the members of its board, and it has no contractual pension and life insurance obligations.

Board members and their related parties pursuant to section 231 of the Corporate Enterprises Act have not incurred in any conflicts of interest under section 229 of the revised text of the Corporate Enterprises Act.

22. Other information

22.1. Staff

The average number of staff employed by the Group, distributed by category, is as follows:

	2019		
	Men	Women	Total
Directors	1	,	1
Other managers	3	,	3
Administrative	1	1	2
Reception and maintenance	-	1	1
Total	**5**	**2**	**7**

	2018		
	Men	Women	Total
Directors	1	-	1
Other managers	3	-	3
Administrative	-	1	1
Reception and maintenance	-	1	1
Total	**4**	**2**	**6**

The number of persons employed by the Group at the close of 2019 and 2018, is as follows:

	2019		
	Men	Women	Total
Directors	1	-	1
Other managers	4	1	5
Administrative	1	2	3
Reception and maintenance	-	1	1
Total	**6**	**4**	**10**

	2018		
	Men	Women	Total
Directors	1	-	1
Other managers	3	1	4
Reception and maintenance	-	1	1
Total	**4**	**2**	**6**

No one employed during the year had a disability of 33% or higher.

23. Segmented information

The Parent Company's board of directors has the final say on operational decisions.

Management has determined the operational segments based on the information the body reviews to allocate the Group's resources and assess its performance.

Management has identified two segments that need to be reported: Residential leasing and Corporate.

The residential leasing segment focuses its activity on leasing the properties held by the Group and described in Note 8, all of which are located in the Community of Madrid.

The Corporate segment focuses on administrative activities and on supporting the other segments.

The total asset and liability figures provided to the Parent Company's board of directors are assessed based on uniform criteria. These assets and liabilities are allocated based on the activities of the segment as shown in the following table:

	Euros (2019)		
Assets	Leases	Corporate	Consolidated
NON-CURRENT ASSETS			
Intangible assets	-	1.813	1.813
Property, plant and equipment	155.532	60.182	215.715
Investment properties	153.691.828	-	153.691.828
Non-current financial investments	108.497	22.831	131.328
Deferred tax assets	236.121	-	236.121
Goodwill	-	212.530	212.530
TOTAL NON-CURRENT ASSETS	**154.191.979**	**297.356**	**154.489.335**
CURRENT ASSETS			
Inventory	489.138	870	490.008
Trade and other receivables	1.114.616	10.084	1.124.700
Non-current financial investments	17.970.227	58.729	18.028.956
Periodificaciones a corto plazo	16.762	-	16.762
Cash and cash equivalents	1.574.232	681.586	2.255.818
TOTAL CURRENT ASSETS	**21.164.975**	**751.269**	**21.916.244**
TOTAL ASSETS	**175.356.954**	**1.048.625**	**176.405.579**

	Euros (2019)		
LIABILITIES	Leases	Corporate	Consolidated
NET LIABILITIES			
Share capital	15,000	-	15,000
Other equity items	5,931,882	334,723	6,266,605
TOTAL EQUITY	**5,946,882**	**334,723**	**6,281,605**
CURRENT LIABILITIES			
Non-current debts	56,767,150	-	56,767,150
Debts to group companies and associates	61,523,537	-	61,523,537
TOTAL NON-CURRENT LIABILITIES	**118,290,687**	**-**	**118,290,687**
CURRENT LIABILITIES			
Current debts	863,851	-	863,851
Current debts to group companies and associat	49,646,555	-	49,646,555
Trade and other payables	1,065,926	251,965	1,317,891
Current accruals	4,991	-	4,991
TOTAL CURRENT LIABILITIES	**40,776,631**	**276,895**	**51,833,287**
TOTAL EQUITY AND LIABILITIES	**165,014,200**	**611,618**	**176,405,579**

	Euros (2018)		
Assets	Leases	Corporate	Consolidated
NON-CURRENT ASSETS			
Intangible assets	-	2,017	2,017
Property, plant and equipment	-	50,190	50,190
Investment properties	53,412,483	-	53,412,483
Non-current financial investments	15,209,594	62,583	15,272,177
Deferred tax assets	116,493	-	116,493
Goodwill	-	237,329	237,329
TOTAL NON-CURRENT ASSETS	**68,738,570**	**347,306**	**69,090,689**
CURRENT ASSETS			
Inventory	-	2,636	2,636
Trade and other receivables	377,864	5,242	383,106
Non-current financial investments	554,554	16,873	571,427
Periodificaciones a corto plazo	2,015	-	2,015
Cash and cash equivalents	1,922,794	191,315	2,114,109
TOTAL CURRENT ASSETS	**2,857,227**	**216,066**	**3,073,293**
TOTAL ASSETS	**71,595,797**	**563,372**	**72,163,982**

The business information provided to the Parent Company's board of directors on the consolidated earning statement for the year is as follows:

LIABILITIES	Euros (2018) Leases	Corporate	Consolidated
NET LIABILITIES			
Share capital	15.000	-	15.000
Other equity items	4.617.334	278.437	4.895.771
TOTAL EQUITY	**4.632.334**	**278.437**	**4.910.771**
CURRENT LIABILITIES			
Non-current debts	355.715	-	355.715
Debts to group companies and associates	21.635.889	-	21.635.889
TOTAL NON-CURRENT LIABILITIES	**26.199.685**	**-**	**21.991.604**
CURRENT LIABILITIES			
Current debts	143.944	-	143.944
Current debts to group companies and associates	43.485.691	-	43.485.691
Trade and other payables	1.351.396	276.895	1.628.292
Current accruals	3.680	-	3.680
TOTAL CURRENT LIABILITIES	**40.776.631**	**276.895**	**45.261.607**
TOTAL EQUITY AND LIABILITIES	**71.608.650**	**555.332**	**72.163.981**

The business information provided to the Parent Company's board of directors on the consolidated earnings statement for the year is as follows:

	Euros (2019)		
	Leases	**Corporate**	**Consolidated**
Net turnover	2.389.237	-	2.389.237
Personnel expenses	(42.058)	(1.144.762)	(1.186.820)
Other operating expenses	(3.374.678)	(296.604)	(3.671.282)
Amortisation of investment properties	(1.265.642)	(34.070)	(1.299.712)
Other results	45.138	38.604	83.742
OPERATING LOSS	**(2.248.004)**	**(1.436.831)**	**(3.684.835)**
Financial revenue	458.850	1.290	460.140
Financial expenses	(5.588.231)	-	(5.588.231)
FINANCIAL LOSS	**(5.129.381)**	**1.290**	**(1.809.956)**
LOSS BEFORE TAXES	**(7.377.385)**	**(1.435.541)**	**(8.812.926)**
Income tax	(10.962)	(50.278)	(61.240)
CONSOLIDATED LOSS ON YEAR	**(7.388.347)**	**(1.485.819)**	**(8.874.166)**

	Euros (2018)		
	Leases	**Corporate**	**Consolidated**
Net turnover	231.280	-	231.280
Other operating revenue	-	10.220	10.220
Personnel expenses	-	(430.700)	(430.700)
Other operating expenses	(1.036.116)	(107.148)	(1.143.264)
Amortisation of investment properties	(127.627)	(12.324)	(139.951)
Other results	744.094	(5.447)	738.647
OPERATING LOSS	**(188.370)**	**(545.399)**	**(733.768)**
Financial revenue	153.733	133	153.865
Financial expenses	(1.963.821)	-	(1.963.821)
FINANCIAL LOSS	**(1.810.088)**	**133**	**(1.809.956)**
LOSS BEFORE TAXES	**(1.998.458)**	**(545.266)**	**(2.543.724)**
Income tax	(1.751)	(20.903)	(22.654)
CONSOLIDATED LOSS ON YEAR	**(2.000.209)**	**(566.169)**	**(2.566.378)**

24. Surety Bonds and Guarantees

At 31 December 2019, the Company has the following surety bonds and guarantees:

24.1 Surety Bonds

The Group has provided 5 million euros in surety bonds that correspond to the security provided in the sale described in note 15, for the debt to the former owners of the subsidiary Compañía Europea de Arrendamientos Urbanos S.L.U.

On 31 December 2019, the Company also provided the sellers the surety bonds for the turnkey contracts described in note 8 for a total sum of 43 million euros with the bank Bankinter.

24.2. Guarantees:

a) Security interests provided:

The Group has provided 2.3 million euros in guarantees corresponding to the amounts withheld in relation to the mortgages taken out from Banco Sabadell (see note 15). These sums will only be released when the loan has been repaid.

25. Environmental information

The Group companies have no assets nor have they incurred any expenses aimed at minimising their environmental impact and protecting and improving the environment. There are also no provisions for risks and expenses or contingencies related to protecting and improving the environment.

26. Fees paid to auditors

The fees Grant Thornton S.L. accrued during the year for audit services and other services are shown below:

	2019	2018
For auditing	61,000	54,000
For other services	101,000	-
	162,000	54,000

27. Subsequent Events

Acquisitions of new properties by Group companies

On 10 February 2020, a private contract signed by the subsidiary Pinarcam Vivienda Joven Socimi, S.L.U., was executed and notarised that established an option to sell over 14 dwellings. The procedure is subject to satisfaction of certain conditions established in it.

Turnkey contracts signed by Group companies

On 29 January, an addendum was made to the purchase agreement for the property of the Valdebebas development that specifies that the new purchase price is estimated to be 114,463,798 euros.

Other transactions

On 3 February 2020, the sole shareholder of the Company, AEREF V Iberian Residential Holdings, S.à.R.L. resolved to disburse the unpaid contributions pending distribution, which amount to 75% of the share capital, for a total of forty-five thousand euros (€45,000). Therefore, in that act, the Company's share capital was fully paid out and taken up by the Sole Shareholder. The decision was also made on that same date to increase the Company's capital, currently set at sixty thousand euros (€60,000), fully paid and taken up, by four million nine hundred and forty thousand euros (€4,940,000), i.e. up to five million euros (€5,000,000), by issuing and putting into circulation four million nine hundred and forty thousand (4,940,000) new ordinary shares to be included in the

Company's single series and class. These shares, which will each have a par value of one euro (€1) and will be numbered in order from 60,001 to 5,000,000 (both inclusive), will be issued out of the Company's available reserves listed on its latest balance sheet signed off on by the Sole Shareholder. The Sole Shareholder has been allocated shares 60,001 to 5,000,000 (both inclusive). The new shares have been allocated as described above and will have the same economic and political rights as those currently in circulation, and they will participate in the corporate results. This capital increase was recorded in the Commercial Register on 5 March 2020.

On 11 March 2020, the Company publicly recorded the resolution of its General Meeting of 26 February 2020 in which the Company established the provision for its future admission to the Real Estate Investment Trust segment of the Alternative Exchange Market (MAB). It was therefore required to amend its Articles of Association, specifically Article 5, which specifies that the share capital is fully paid and taken up for a sum of 5,000,000 euros divided into 5,000,000 shares with a par value of one euro each, represented by book entries, all from the same class and series. Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and the companies participating in it are responsible for keeping the books of the shares.

Afterwards, on April 27th, 2020 the Sole Shareholder of the parent company agrees to revoke the agreement dated February 26th, 2020 in relation to admision of share capital of IANTE at the Mercado Alternativo Bursatil (MAB), revoke the appointment of Iberclear and request the listing of all the shares at the French market Euronext Access, appointing Euroclear France, S.A. (Euroclear) as custodian bank. It is also agreed to ammend bylaws of the company to reflect these new agreements. On the same date, April 27th, 2020 the Board of Directors of Iante Investments Socimi, S.A.U. helds a meeting to revoke those agreements reached in their meeting of February 26th, 2020 and agrees to perform all required actions to complete Parent company's Sole Shareholder's arrangements. On the date of formulation of consolidated financial accounts the dominant company has not yet notarised these agreements.

Transformation into an REIT

On 16 January 2020, the company Burgo de Buenavista Gestión, S.L., decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under REIT Act 2009, and to change its name to Burgo de Buenavista Gestión Socimi, S.L. on 5 February 2020. The name change was registered in the commercial register on the date the consolidated annual financial statements were filed.

On 22 October 2019, the company Compañía Europea de Arrendamientos Urbanos, S.L, decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under REIT Act 2009, and to change its name to Compañía Europea de Arrendamientos Urbanos Socimi, S.L.U., on 15 April 2020. The name change was registered in the commercial register on the date the consolidated annual financial statements were filed.

Adherence to Residential Lease Company regime

On 16 January 2020, the company Jurisa Investments, S.L.U., availed itself of the regime for residential lease companies effective 1 January 2020.

On 16 January 2020, the company Dalandia Investments, S.L.U., availed itself of the regime for residential lease companies effective 1 January 2020.

Other relevant facts

At the time these consolidated annual financial statements were filed, Spain and other countries was immersed in a difficult situation due to the coronavirus (COVID-19). Since news arose of the first case of coronavirus COVID-19 infection in the city of Wuhan, China in late December 2019, the outbreak expanded rapidly to a large number of that country's cities and thence around the world, including Spain.

According to the financial reporting regulatory framework applicable to the Group, and in relation to the consolidated annual financial statements for the year closed 31 December 2019, the consequences deriving from COVID-19 are considered an event after reporting that does not require an adjustment to the 2019 consolidated annual financial statements because no circumstances were detected that already existed at the close of the year, although they may be reported in the notes depending on their significance.

The directors of the parent company have assessed the described facts and their impact on the Group. In this regard, the impacts on the main areas that would be affected have been analysed, which are as follows:

-Debt commitments: The Group is not expected to be affected because its debts to financial institutions are not subject to clauses of compliance with covenants, and there are also no significant upcoming payments. With regard to the debt to the Sole Shareholder, there are plans to convert part of it into equity, and the Group is in the process of an initial public offering on a secondary market.

-Valuation of real estate assets: While there may be some tension in a specific asset if the state of alarm drags on, it is not expected to have a material impact, in view of the latest appraisals of the assets conducted by an independent expert.

-Impact of the housing and rental measures passed by the Government: While the Government has passed certain measures that may impact the Group's turnover (deferrals, halting of evictions, lines of credit...), the assessment of them shows they will not have a significant impact on the Group.

-Impact on revenue generation and collectability: While there is uncertainty on how the crisis will affect tenants and their savings and employment levels if the situation of alarm is prolonged, no significant impacts were identified at the date of the annual financial statements. The marketing of homes in launch phase is delayed, but the rate is expected to recover once the lockdown ends.

-Impact on turnkey contracts in progress: Since the restrictions on construction have had a limited period, no delays in delivering current turnkey projects are expected.

In view of the above mentioned, and although there are uncertainties due to possible future events that cannot be seen at the current date, the Parent Company's directors consider that the current and potential impacts will not adversely affect the Group's ability to continue as a going concern.

28. Disclosure requirements arising from REIT status, (REIT Act 2009)

The disclosure requirements under section 11 of REIT Act 2009 are covered in the Parent Company's and the subsidiaries' abridged annual financial statements.

There is no other information deemed relevant that might facilitate the comprehension of the financial statements subject to filing, with the goal that they should reflect the true and fair view of the Group's equity, financial situation and results.

The Group's directors believe that the information provided here sufficiently reflects the true and fair view of the equity, financial situation and results.

CONSOLIDATED DIRECTORS’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

IANTE INVESTMENTS SOCIMI, S.A.U.
Consolidated Directors' Report for the year ended
31 December 2019

This report includes notes on the evolution of the consolidated annual accounts of Iante Investments Socimi, S.A.U., and its subsidiaries (the "Group") and other notable events.

1. Situation of the Group

1.1. Situation of the Group

The Group is fully performing its economic activities, the volume and characteristics of which can be seen from its acquisition of all of the assets primarily held as residential leases in the Community of Madrid.

1.2. Composition of the Consolidated Balance Sheet

Certain information is provided below to clarify the Group's situation based on the various items in the consolidated annual financial statements.

First, there is a table representing the economic and financial structure of the Group's balance sheet at the close of the year:

ASSETS	31.12.2019
TOTAL NON-CURRENT ASSETS	154,489,335
TOTAL CURRENT ASSETS	21,916,244
TOTAL ASSETS	176,405,579

LIABILITIES	31.12.2019
TOTAL EQUITY	6,281,605
TOTAL NON-CURRENT LIABILITIES	118,290,687
TOTAL CURRENT LIABILITIES	51,833,287
TOTAL EQUITY AND LIABILITIES	176,405,579

1.3. Debt

The Group has a total debt of 168,801,092 euros divided into 50,510,405 in current payables and 118,290,687 euros in non-current payables.

1.4. Capital payments outstanding

Iante Investments Socimi, S.A.'s share capital is 60,000 euros, 45,000 euros of which is pending disbursal.

	31/12/2018	
Partners	**Number of shares**	**Stake %**
AEREF V IBERIAN RESIDENTIAL HOLDINGS s.à.r.l	60,000	100%
Total	**60,000**	**100%**

2. Business performance

2.1. Business performance

In 2019, the Group acquired, through its subsidiaries, seven properties in the Community of Madrid for a sum of 85.3 million euros. These acquisition represent the addition of 624 homes to the Group, nearly 258 of which were rented at the time of acquisition. IANTE is currently in the process of assessing investment plans to reposition and improve these assets, which is expected to be implemented in 2020.

Along these same lines, 11 turnkey contracts were signed in 2019 to acquire a total of 1.406 homes in the Community of Madrid. These assets are expected to become operational in 2022 and 2023, and once the attain a stable occupancy rate.

The IANTE concluded the 2019 year with a total of 2.462 homes under management, including the turnkey projects. In 2019, 163 new leases were signed and the year was concluded with an occupancy rate of 37%.

At the close of 2019, IANTE had invested 1.7 million euros in the period on repositioning and improving assets.

IANTE's residential rental portfolio performed very solidly in the year with regard to the existing demand, that was reflected in the Group's ability to substantially improve the occupancy of its operational assets.

3. Outlook for the Group

3.1. Turnover

The Group's turnover is expected to increase in 2020 because of the addition of new operational residential rentals from new assets that will be required, and from existing assets in the remodelling phase that will be completed in this period. Moreover, its turnover is also expected to increase due to the signing of new leases for the existing homes with leases that expire.

3.2. Investments

The Group is currently analysing various opportunities for adding new assets to its portfolio in 2020. The Group expects to expand its presence in the metropolitan areas of Madrid by acquiring operational assets and assets under remodelling, and by signing turnkey contracts to buy assets in the future.

The Grupo is currently assessing various plans to reposition and remodel various assets in its portfolio. Some of these plans will be implemented and completed in 2020, while others will begin in the second and third quarters of 2020, with an estimated execution period of approximately 12 months.

3.3. Consolidated profit/(loss)

The profit margin is expected to increase due to the increased occupancy and higher rents after the relevant CapEx investments in the investment properties. Its margins are also expected to improve due to various measures that the company is analysing to reduce the operational costs associated with its assets under management.

3.4. Financial situation

In the immediate future, the financial situation is expected to remain at similar levels as the current year, which may be classified as acceptable.

4. Research and development

The Group conducted no research and development activities in 2019.

5. Information on payment periods to suppliers in commercial transactions

The details of the required disclosures on average payment periods to suppliers in commercial transactions under Spanish Law 15/2010, of 5 July, and the amendments of Spanish Law 31/2014, of 3 December and the Resolution of the Spanish Institute of Accountants and Auditors of 29 January 2016, are as follows:

	2019	2018
	Days	Days
Average period of payment to suppl	24	8
Ratio of transactions settled	15	5
Ratio of transactions not yet settled	83	23

	2019	2018
	Amount	Amount
Total payments made	16,149,223	2,020,641
Total payments outstanding	921,831	640,712

6. Significant events after the reporting period

Acquisitions of new properties by Group companies

On 10 February 2020, a private contract signed by the subsidiary Pinarcam Vivienda Joven Socimi, S.L.U., was executed and notarised that established an option to sell over 14 dwellings. The procedure is subject to satisfaction of certain conditions established in the contract.

Turnkey contracts signed by Group companies

On 29 January, an addendum was made to the purchase agreement for the property of the Valdebebas development that specifies that the new purchase price is estimated to be 114,463,798 euros.

Other transactions

On 3 February 2020, the sole shareholder of the Company, AEREF V Iberian Residential Holdings, S.à.R.L. resolved to disburse the unpaid contributions pending distribution, which amount to 75% of the share capital, for a total of forty-five thousand euros (€45,000). Therefore, in that act, the Company’s share capital was fully paid out and taken up by the Sole Shareholder. The decision was also made on that same date to increase the Company's capital, currently set at sixty thousand euros (€60,000), fully paid and taken up, by four million nine hundred and forty thousand euros (€4,940,000), i.e. up to five million euros (€5,000,000), by issuing and putting into circulation four million nine hundred and forty thousand (4,940,000) new ordinary shares to be included in the Company's single series and class. These shares, which will each have a par value of one euro (€1) and will be numbered in order from 60,001 to 5,000,000 (both inclusive), will be issued out of the Company’s available reserves listed on its latest balance sheet signed off on by the Sole Shareholder. The Sole Shareholder has been allocated shares 60,001 to 5,000,000 (both inclusive). The new shares have been allocated as described above and will have the same economic and political rights as those currently in circulation, and they will participate in the corporate results. This capital increase was recorded in the Commercial Register on 5 March 2020.

On 11 March 2020, the Company publicly recorded the resolution of its General Meeting of 26 February 2020 in which the Company established the provision for its future admission to the Real Estate Investment Trust segment of the Alternative Exchange Market (MAB). It was therefore required to amend its Articles of Association, specifically Article 5, which specifies that the share capital is fully paid and taken up for a sum of 5,000,000 euros divided into 5,000,000 shares with a par value of one euro each, represented by book entries, all from the same class and series. Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and the companies participating in it are responsible for keeping the books of the shares.

Afterwards, on April 27th, 2020 the Sole Shareholder of the parent company agrees to revoke the agreement dated February 26th, 2020 in relation to admision of share capital of IANTE at the Mercado Alternativo Bursatil (MAB), revoke the appointment of Iberclear and request the listing of all the shares at the French market Euronext Access, appointing Euroclear France, S.A. (Euroclear) as custodian bank. It is also agreed to ammend bylaws of the company to reflect these new agreements. On the same date, April 27th, 2020 the Board of Directors of Iante Investments Socimi, S.A.U. helds a meeting to revoke those agreements reached in their meeting of February 26th, 2020 and agrees to perform all required actions to complete Parent company’s Sole Shareholder’s arrangements. On the date of formulation of consolidated financial accounts the dominant company has not yet notarised these agreements.

Transformation into an REIT

On 16 January 2020, the company Burgo de Buenavista Gestión, S.L., decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under REIT Act 2009, and to change its name to Burgo de Buenavista Gestión Socimi, S.L. on 5 February 2020. The name change was registered in the commercial register on the date the consolidated annual financial statements were filed.

On 22 October 2019, the company Compañía Europea de Arrendamientos Urbanos, S.L, decided to adhere to the legal and tax regime of Listed Real Estate Investment Trusts regulated under REIT Act 2009, and to change its name to Compañía Europea de Arrendamientos Urbanos Socimi, S.L.U., on 15 April 2020. The name change was registered in the commercial register on the date the consolidated annual financial statements were filed.

Adherence to Residential Lease Company regime

On 16 January 2020, the company Jurisa Investments, S.L.U., availed itself of the regime for residential lease companies effective 1 January 2020.

On 16 January 2020, the company Dalandia Investments, S.L.U., availed itself of the regime for residential lease companies effective 1 January 2020.

Other relevant facts

At the time these consolidated annual financial statements were filed, Spain and other countries was immersed in a difficult situation due to the coronavirus (COVID-19). Since news arose of the first case of coronavirus COVID-19 infection in the city of Wuhan, China in late December 2019, the outbreak expanded rapidly to a large number of that country’s cities and thence around the world, including Spain.

According to the financial reporting regulatory framework applicable to the Group, and in relation to the consolidated annual financial statements for the year closed 31 December 2019, the consequences deriving from COVID-19 are considered an event after reporting that does not require an adjustment to the 2019 consolidated annual financial statements because no circumstances were detected that already existed at the close of the year, although they may be reported in the notes depending on their significance.

The directors of the parent company have assessed the described facts and their impact on the Group. In this regard, the impacts on the main areas that would be affected have been analysed, which are as follows:

-Debt commitments: The Group is not expected to be affected because its debts to financial institutions are not subject to clauses of compliance with covenants, and there are also no significant upcoming payments. With regard to the debt to the Sole Shareholder, there are plans to convert part of it into equity, and the Group is in the process of an initial public offering on a secondary market.

-Valuation of real estate assets: While there may be some tension in a specific asset if the state of alarm drags on, it is not expected to have a material impact, in view of the latest appraisals of the assets conducted by an independent expert.

-Impact of the housing and rental measures passed by the Government: While the Government has passed certain measures that may impact the Group's turnover (deferrals, halting of evictions, lines of credit...), the assessment of them shows they will not have a significant impact on the Group.

-Impact on revenue generation and collectability: While there is uncertainty on how the crisis will affect tenants and their savings and employment levels if the situation of alarm is prolonged, no significant impacts were identified at the date of the annual financial statements. The marketing of homes in launch phase is delayed, but the rate is expected to recover once the lockdown ends.

-Impact on turnkey contracts in progress: Since the restrictions on construction have had a limited period, no delays in delivering current turnkey projects are expected.

In view of the above mentioned, and although there are uncertainties due to possible future events that cannot be seen at the current date, the Parent Company's directors consider that the current and potential impacts will not adversely affect the Group's ability to continue as a going concern.

7. Treasury shares

7.1. Treasury shares at the start of the year

No treasury shares were held in the portfolio at the start of the year.

7.2. Share buybacks

During the year referred to in this consolidated directors' report, the Parent Company did not buy back any of its own shares.

7.3. Disposals of treasury shares

No treasury shares were disposed of during the year referred to in this report.

7.4. Amortisation of treasury shares

No capital reductions were conducted during the financial year to pay off treasury shares held in the portfolio.

7.5. Treasury shares at the end of the year

No treasury shares were held in the portfolio at year's end.

8. Financial instruments

The Group's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate fluctuations and credit and liquidity risk.

The main financial risks affecting the Group are as follows:

8.1. Credit factors

The Group does not have any material credit risk concentration. The Group has policies to ensure that sales are made to clients with adequate credit records. Cash transactions are only conducted with financial institutions with high credit ratings. The Group has policies to limit the amount of risk with any financial institution.

The valuative adjustment for client default entails intense judgement by Management and review of individual balances based on clients' credit worthiness, current market trends and an historical analysis of insolvencies on an aggregate level. In relation to the valuative adjustment derived from the aggregate analysis of the historical experience of delinquencies, a reduction in balance volumes implies a reduction in valuative adjustments and vice versa.

8.2. Liquidity risk

The Group manages liquidity risk on a prudent basis, the purpose of which is to maintain sufficient cash.

The financing received on 31 December 2019 was taken out from the ultimate Parent Company and from credit institutions.

8.3. Interest rate risk

Because of the current situation in the real estate sector and in order to mitigate any negative impacts that this may cause, the Group has specific measures to minimise the impacts on its financial situation.

These measures are applied based on the strategy and forecasts defined by the Group.

The financial debt is exposed to interest rate risk in its cash flows, which may have an adverse effect on the financial results and cash flows.

9. Environment

Because of their nature, the Group's business activities do not have a significant environmental impact.

10. Staff

At 31 December 2019, the Group has seven employees.

AUTHORISATION OF ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT BY THE BOARD OF DIRECTORS

Under the current, the directors of Iante Investments Socimi, S.A.U. authorised for issue the Group's consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated notes to the financial statements) and Directors Report for the year ended 31 December 2019.

The directors affix their signatures to the aforementioned documents, signing this page attached to the notes to the accompanying financial statements and directors' report.

Madrid, 27 April 2020

Mr Kevin Jeremiah Cahill Chair	Mr Pablo Paramio García Board Member

Ms Mª Lorena Salamanca Cuevas
Non-Board Member Secretary