



## KTESIOS REAL ESTATE SOCIMI, S.A.

Calle Gran Vía 17 A, 2º B, 28013 Madrid (Spain)

<https://www.ktesios-socimi.es/>

### INFORMATION DOCUMENT

May 27, 2021

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

## **RESPONSIBLE OF THE INFORMATION DOCUMENT**

Mr. Henry Noel Gallego Grajales, acting as the Chairman and Chief Executive Officer of the Board of Directors of the company “KTESIOS REAL ESTATE SOCIMI, S.A.” and expressly authorised by the board members, after taking all reasonable measures for this purpose and to the best of his knowledge, hereby assumes responsibility for the completeness and consistency with the facts of the data and information contained in the Information Document.

### **Statement of the Responsibility**

*“I declare that, to the best of our knowledge, the information provided in the Information Document is accurate, complete 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. VGM Advisory Partners, S.L.U. urges to read this entire Information carefully, including the risk factors, KTESIOS REAL ESTATE SOCIMI, S.A.'s historical financial statements, the notes to those financial statements, and the valuation of both the assets and the Company.

### 1.1. General description of KTESIOS REAL ESTATE SOCIMI, S.A.

KTESIOS REAL ESTATE SOCIMI, S.A. (hereinafter "KTESIOS" or the "Company") is a Spanish real estate investment company, running under the special tax regime for *Sociedad Cotizada de Inversión en el Mercado Inmobiliario* (hereinafter "SOCIMI"), regulated by Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, equivalent to a Real Estate Investment Trust ("REIT").

The Company was incorporated on March 21<sup>st</sup>, 2019, under the corporate name of "KTESIOS REAL ESTATE, S.L.", and on July 15<sup>th</sup>, 2020, the Ordinary General Shareholder Meeting resolved to transform the company into a *Sociedad Anónima* company, changing its corporate denomination to the current one, "KTESIOS REAL ESTATE SOCIMI, S.A."

KTESIOS's business model is based on investing, at attractive prices, in residential assets located in small municipalities in Spain and Portugal with a favourable economic environment. Such locations must be well connected and with good quality services. KTESIOS aims to professionalize the sector by investing in such locations and by offering quality housing at affordable rents.

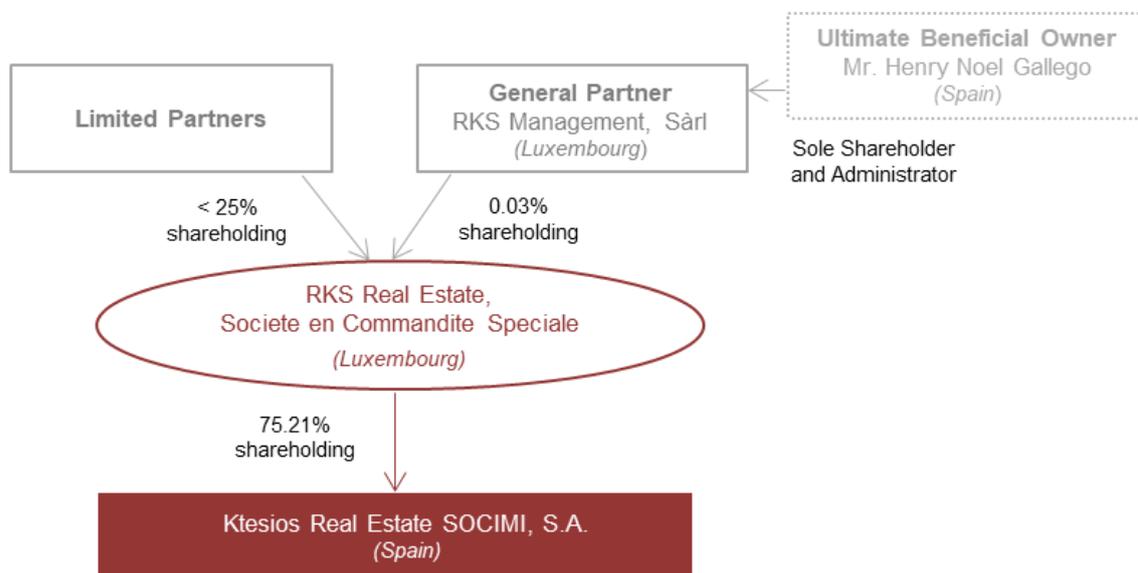
The Company made its first investment on April 1, 2019, and owns, as of the date of this Information Document, a real estate portfolio made up of (i) 229 properties (147 flats within multi-family buildings, 16 semi-detached houses, 1 office, 47 parking spaces, and 18 storage rooms), and (ii) 87.5% of a basement floor (which has 29 parking spaces and 4 storage rooms in total) within a multi-family building. Additionally, it is relevant to note that the portfolio also includes 82 annexes (54 parking spaces and 28 storage rooms) which are inseparable from the above-mentioned properties. The total built area with shared zones of the portfolio is approximately 18,700 sqm.

These properties are distributed among 15 locations in 13 municipalities in (i) the centre of Spain (in Toledo and Ciudad Real provinces, both part of Castilla La Mancha autonomous community), (ii) the south (in Cádiz province, part of Andalucía autonomous community), and (iii) the southeast (in Murcia single-province autonomous community). Its strategy is to continue investing in Spain but also in the future start acquiring assets in Portugal.

As described in section 6.4 of this Information Document, the main shareholder of KTESIOS, with a 75.21% share capital is RKS Real Estate, Societe en Commandite Speciale (hereinafter "RKS REAL ESTATE"), a Luxembourg based special limited partnership (hereinafter "SLP"), registered in Luembourg Trade and Companies Register under the registration number B204650 on 16 March 2016 and with foreigners' identification number in Spain (NIE) N-1181342-E, domiciled in Capellen (Luxembourg), rue Parc D Activities, 2C. SLP is subjected to the law dated August 10, 1915, on

commercial companies, article 320. The purpose of RKS REAL STATE is to invest in real estate rental, exploitation / usufruct rights with a purchase option, in real estate assets, and/or in shares of real estate investment vehicles mainly in Spain.

#### Company ultimate beneficial owner



The legal status of RKS REAL ESTATE implies the existence of 2 types of partners (i) the so called General Partner, who is RKS Management, Sàrl (hereinafter “RKS MANAGEMENT”) with a 0.03% shareholding participation in the SLP as of February 28, 2021, and who, in addition, holds the management of the SLP (in a figure analogous to the Sole Administration), with unlimited liability for the obligations assumed, and (ii) the so-called Limited Partners, who contribute capital but not management and, therefore, are limited in liability to the amount of their contribution. It should be noted that the SLP does not constitute a legal entity distinct from its partners.

Limited Partners have control (political rights) together with the General Partner when their shareholding (contribution to the capital) exceeds 25%. As of the date of this Information Document, no Limited Partner in RKS REAL STATE holds an interest of more than 25%. So, the controlling shareholder of RKS REAL STATE is the General Partner, RKS MANAGEMENT.

RKS MANAGEMENT is a private limited liability company incorporated under the Laws of Grand Duchy of Luxemburg, domiciled in Capellen (Luxembourg), rue Parc D Activities, 2C, and incorporated for an indefinite period at its foundation, by deed executed before the Notary Esch-Sur-Alzette, Ms. Anja Holtz, on 10 March 2016 under protocol number 118. It was registered in the Luxembourg Trade and Companies Register, registration number B204613 on 15 March 2016 and holder of the identification number for foreigners in Spain (NIE) number N1181341G.

Mr. Henry Noel Gallego Grajales is the Sole Administrator and Sole Shareholder of the company RKS MANAGEMENT.

Therefore, the ultimate beneficial owner of KTESIOS, meaning any natural person who ultimately owns or controls the issuer or the natural person on whose behalf a transaction or activity is carried out, is Mr. Henry Gallego Grajales.

## **1.2. Company name, Registered office and Registration for the special tax regime for SOCIMI**

### **1.2.1. Company name**

KTESIOS REAL ESTATE SOCIMI, S.A.

The current corporate name of the Company "KTESIOS REAL ESTATE SOCIMI, S.A." (formerly called "KTESIOS REAL ESTATE, SOCIEDAD LIMITADA") is registered in the Mercantile Register of Madrid (inscription 8) by public deed granted before the illustrious Notary of Madrid Mr. Juan Aznar de la Haza under number 2,591 of his protocol.

Madrid, May 27, 2021

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Mr. Henry Noel Gallego Grajales  
Chairman and Chief Executive Officer

### **1.2.2. Registered office**

Calle Gran Vía 17A, piso 2ºB, 28013 Madrid (Spain).

The current registered office of the Company, located at calle de la Gran Vía 17A, piso 2º, letra B in Madrid - 28013 (previously located at calle Almagro número 22, piso 3º in Madrid) is registered in the Mercantile Register of Madrid (inscription 10) by public deed granted before the illustrious Notary of Madrid, Mr. Juan Aznar de la Haza, under number 4,466 of his protocol.

### **1.2.3. Data of registration with the Commercial Registry**

The Company is registered with the Commercial Registry of Madrid at Volume 38.976, Sheet 30, 8ª Section, Page M-692,614, with tax identification number A-88,346,614 and legal entity identifier number 959800GZMD080SGXMK86.

### **1.2.4. Registration for the SOCIMI special tax regime**

On September 25<sup>th</sup>, 2019, the Company's Shareholders Meeting agreed on requesting for the application of the SOCIMI special tax regime that was notified to the Spanish tax authorities on September 26<sup>th</sup>, 2019.

### 1.3. Company purpose (article 2 of the Articles of Association)

#### **Article 2. Company purpose.**

1. *The Corporate purpose shall be to carry out the following activities:*
  - a) *The acquisition and promotion of real estate of an urban nature for lease.*
  - b) *The holding of shares in the capital of other listed companies that invest in the real estate market ("REIT") or in other entities not resident in Spanish territory that have the same corporate purpose as the former and are subject to a regime similar to that established for REITs with regard to the obligatory legal or statutory policy for the distribution of profits.*
  - c) *The holding of shares in the capital of other entities, resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for the REITs with regard to the obligatory policy, legal or statutory, of distribution of profits and which comply with the investments requirements referred to in Article 3 of Law 11/2009, of 26 October, on Listed Public Limited Companies Investing in the Real Estate Market (the "REIT Law").*
  - d) *The holding of shares or units in Real Estate Collective Investment Undertakings regulated by Law 35/2003, of 4 November, on Collective Investment Undertakings or the law that replaces it in the future.*

*Together with the economic activity derived from the main corporate purpose, the Company may carry out other ancillary activities to be understood as those which, taken as a whole, represent **less than 20% of the Company's income** in each tax period (including, without limitation, real estate operations other than those which are mentioned in paragraphs a) to d) above or those which may be considered ancillary in accordance with the applicable law at any given time).*

2. *All those activities for the exercise of which the Law requires special requirements that cannot be fulfilled by the Company are excluded.*
3. *The activities that make up the corporate purpose may be carried out indirectly, whether totally or partially through the participation in companies with an identical or similar purpose.*

### 1.4. Duration (article 3 of the Articles of Association)

#### **Article 3. Duration of the Company, commencement of operations and financial year.**

*The duration shall be indefinite.*

*The Company commences its operations on the day on which the deed of incorporation is signed.*

### 1.5. Fiscal year (article 34 of the Articles of Association)

#### **Article 34. Fiscal year.**

*The Company's fiscal year will begin on the 1 January and end on 31 December each year.*

## 1.6. Distribution of income (article 37 of the Articles of Association)

### **Article 37. Application of Results.**

1. *The General Meeting shall decide on the appropriation of profits in strict compliance with the legal provisions applicable to the Company at any given moment.*

*In particular, once the corresponding commercial obligations have been fulfilled, the General Meeting shall resolve on the distribution of the Company's profits in accordance with the provisions of the REIT Law, as follows:*

- a) *100% of profits from dividends or shares in profits of REITS or other similar entities.*
- b) *At least 50% of the profits derived from the transfer of real state and shares or holdings in REITs or similar entities, which have been carried out respecting the three-year investing holding period.*

*The rest of these profits must be reinvested in other real estate or holdings used for the Company's corporate purpose within three years from the date of transfer. Otherwise, such profits must be distributed in full together with any profits from the year in which the reinvestment period ends.*

*If the reinvested assets are transferred before the minimum investment holding period, 100% of the profits realized must be distributed together with any profits arising from the year in which the property in question was transferred.*

- c) *At least 80% of the rest of the profits obtained.*
2. *Liquid profits shall be distributed to the shareholders in proportion to their interest in the share capital. The distribution of profits shall be agreed upon within six months of the end of each financial year and paid within one month of the date of the distribution agreement.*
  3. *Special rules for the distribution of dividends*
    - a) *Entitlement to dividends. Those entitled to receive the dividend shall be those who appear in the accounting records of the company in charge of the accounting records, on the day or date determined by the General Meeting which resolves on the distribution.*
    - b) *Collectability of the dividend. Unless otherwise resolved, the dividend shall become due and payable 30 calendar days after the date of the resolution wherein either the General Meeting of Shareholders, or if the case may be, the Governing Body has agreed upon the distribution.*
    - c) *Compensation. In those cases in which the distribution of a dividend gives rise to the obligation for the Company to pay the special tax provided for in article 9.2 of the REIT Law, or the rule that replaces it, the Company's Governing Body may require the shareholders who have caused the accrual of such tax to compensate the Company.*

*The amount of the indemnity shall be equal to the corporate income tax expense arising for the Company from the payment of the dividend which serves as the basis for the calculation of the special levy, increased by the amount which, after deduction of the corporate income tax levied on the total amount of the indemnity, manages to offset the expense arising from the special levy and the corresponding indemnity.*

*The amount of compensation shall be calculated by the Governing Body, without prejudice to the possibility of delegating this calculation to one or more of its members. Unless otherwise agreed upon by the Governing Body, the indemnity shall be payable on the day preceding the payment of the dividend.*

- d) *Right of offset. The indemnity shall be offset against the dividend to be received by the shareholder who has incurred the obligation to pay the special levy.*

## **1.7. Administrative, management and controlling bodies**

### **1.7.1. Board of Directors (articles 25, 30 and 32 of the Articles of Association)**

#### **Article 25. Governing Bodies.**

*The governance of the Company may be entrusted to a Board of Directors, which shall be composed of a minimum of THREE (3) persons or a maximum of SEVEN (7). The members of the Governing Body shall be appointed by the General Meeting of Shareholders.*

#### **Article 30. Powers of the Governing Body.**

*Powers not granted to the General Meeting of Shareholders are vested in the Governing Body.*

#### **Article 32. Power of attorney.**

*Power of attorney, both in and out of court, is the responsibility of the Governing Body.*

*The Managing Director has the necessary powers of representation to notarise and request the registration of the resolutions of the Governing Body and the General Meeting of Shareholders.*

According to the Articles of Association, as of the date hereof, the governance of KTESIOS is entrusted to a Board of Directors, composed of THREE (3) board members appointed by the General Shareholders' Meeting of the Company, on 24 November 2020, executed in a public deed granted before the illustrious Notary Public of Madrid, Mr. Juan Aznar de la Haza, under number 4,466 of his protocol and registered in the Mercantile Registry of Madrid on 23 December 2020 (inscription 10).

Board of Directors is formed, with regards to its internal structure of appointments and positions, as follows

<b>Member</b>	<b>Position</b>
Mr. Henry Noel Gallego Grajales	Chairman and Chief Executive Officer
Mr. Bernhard Schmidt	Director
Mr. Gonzalo Roca Pérez	Director
Mr. Iñigo de Loyola Sánchez del Campo Basagoiti	Secretary Non-Director
Mrs. María García Aguado	Deputy-Secretary Non-Director

Source: KTESIOS.

The Board of Directors' main characteristics and its members' professional profile are described under section 4.2 of this Information Document.

## 2. HISTORY AND KEY FIGURES

### 2.1. History of the Company

The most relevant events in the history of KTESIOS are the following:

- **March 21, 2019.** Incorporation of the Company in Spain under the corporate name of KTESIOS REAL ESTATE, S.L. with a total share capital amounting to €150,000.
- **April 1, 2019.**
  - Acquisition of the following 21 properties, with 8 inseparable annexes, located in Ciudad Real province for a total price of €650,000:

Address	Municipality	Province	Properties				Annexes		Purchase (€)
			Flat	Office	Parking	Storage	Parking	Storage	
C/ Canalejas, 4	Tomelloso	Ciudad Real	9	1	-	-	4	2	450,000
C/ Oriente , 9	Tomelloso	Ciudad Real	3	-	5	3	-	2	200,000
<b>Total</b>			<b>12</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>650,000</b>

- Subscription of a mortgage loan with Liberbank, S.A. (hereinafter “Liberbank”) for an amount of €585,000.
- **June 20, 2019.** Capital increase approved by the Company’s Stakeholders Meeting for an amount of €495,000 and without a share premium. The capital increase was subscribed through monetary contributions.
- **June 21, 2019.**
  - Acquisition of the following 64 properties, with 30 inseparable annexes, located in Toledo and Ciudad Real provinces for a total price of €1,462,390:

Address	Municipality	Province	Properties			Annexes		Purchase (€)
			Flat	House	Parking	Parking	Storage	
C/ Clavel, 14-16	Cazalegas	Toledo	2	-	-	2	2	47,286
C/ Clavel, 23	Cazalegas	Toledo	3	-	-	3	2	51,604
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	12	-	-	10	-	270,000
C/ Ancha , 46	Miguelturra	Ciudad Real	16	-	17	-	-	525,000
C/ Miguel Delibes and C/ Garcilaso de Vega	Rielves	Toledo	-	11	-	11	-	478,500
C/ Castilla La Mancha	Tembleque	Toledo	-	3	-	-	-	90,000
<b>Total</b>			<b>33</b>	<b>14</b>	<b>17</b>	<b>26</b>	<b>4</b>	<b>1,462,390</b>

- Subscription of a mortgage loan with Liberbank for an amount of €1,170,000.

- **September 25, 2019.** The Extraordinary Shareholder Meeting approved a resolution for the SOCIMI special tax regime to be applied to the Company, which was communicated to the Spanish tax authorities on September 26th, 2019.

- **September 30, 2019.**

- Acquisition of the following 24 properties, with 44 inseparable annexes, located in Toledo and Ciudad Real provinces for a total price of €711,000:

Address	Municipality	Province	Properties		Annexes		Purchase (€)
			Flat	House	Parking	Storage	
Av. Marqués Montemayor, 3-5	Villaseca de Sagra	Toledo	9	-	9	9	280,000
C/ San José Obrero, 27-29 with Av. San Crispín, 71	Fuensalida	Toledo	11	-	11	11	300,000
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	2	-	2	-	44,000
C/ Miguel Delibes and C/ Garcilaso de Vega	Rielves	Toledo	-	2	2	-	87,000
<b>Total</b>			<b>22</b>	<b>2</b>	<b>24</b>	<b>20</b>	<b>711,000</b>

- Subscription of a mortgage loan with Liberbank for an amount of €497,700.

- **November 28, 2019.** Capital increase approved by the Company's Shareholders Meeting for an amount of €1,555,000 and without a share premium. The capital increase was subscribed through monetary contributions (€1,115,000) and by credit compensation (€440,000).

- **January 28, 2020.**

- Acquisition of the following 38 properties in Ciudad Real and Toledo provinces for a total price of €506,948:

Address	Municipality	Province	Properties			Purchase (€)
			Flat	Parking	Storage	
C/ Ronda 66	Herencia	Ciudad Real	10	10	-	335,948
C/ Teodoro Sacristan,19	Santa Olalla	Toledo	6	6	6	171,000
<b>Total</b>			<b>16</b>	<b>16</b>	<b>6</b>	<b>506,948</b>

- Subscription of a mortgage loan with Liberbank for an amount of €354,864.

- **June 30, 2020.**

- Acquisition of the following 27 properties in Toledo province for a total price of €269,260:

Address	Municipality	Province	Properties			Purchase (€)
			Flat	Parking	Storage	
C/ Teodoro Sacristan,19	Santa Olalla	Toledo	9	9	9	269,260
<b>Total</b>			<b>9</b>	<b>9</b>	<b>9</b>	<b>269,260</b>

- Subscription of a mortgage loan with Liberbank for an amount of €188,482.

- **July 2, 2020.** The Company signed a deposit agreement for the acquisition of 48 properties (24 flats and 24 parking spaces) in a multi-family building in Benidorm (Alicante province), by virtue of which it paid the seller €330,000 on account of the purchase price and as a deposit. The deadline for the purchase was August 14, 2020. The Company made its best efforts to carry out the purchase, but the seller breached the agreement. This matter has been taken to court, and the Company is claiming from the seller under the deposit agreement the sum of €660,000 (return of double the deposit paid), plus the usual costs associated with a claim process. For further details on this legal dispute, see section 5.3.6 of the Information Document.
- **July 15, 2020.**
  - Transformation of the Company into a Sociedad Anónima (Public Limited Company), changing its corporate denomination to the current one, KTESIOS REAL ESTATE SOCIMI, S.A..
  - The consequence conversion of its stakes into shares.
  - Capital increase approved by the Company's Shareholders Meeting for an amount of €1,914,000 and a share premium of €95,700. The capital increase was subscribed through monetary contributions.
- **November 24, 2020.**
  - The aforementioned transfer of the Company's registered office to the current one.
  - The approval of the revised text of its current Articles of Association.
  - The modification of the structure of the administration body, ceasing to be managed by a Sole Administrator to be represented by a Board of Directors, with the consequent appointment of its members.
  - The modification of the system of representation of its shares by book entries for the application for admission to trading on Euronext Access Lisbon
  - Capital increase approved by the Company's Shareholders Meeting in the Company for an amount of €1,186,000 and a share premium of €118,600. The capital increase was subscribed through monetary contributions.
- **November 30, 2020.** Acquisition of the following 40 properties and 87.5% of a basement floor (which has 29 parking spaces and 4 storage rooms in total) in Toledo and Cádiz provinces for a total price of €1,530,000:

Address	Municipality	Province	Properties		Purchase (€)
			Flat	Basement	
C/ Viñuelas, 2 and C/ Zarza, 6	Mejorada	Toledo	28	0,875	800,000
C/ Teniente Miranda, 121	Algeciras	Cádiz	12	-	730,000
<b>Total</b>			<b>40</b>	<b>0,875</b>	<b>1,530,000</b>

- **March 5, 2021.**

- Acquisition of a building with 15 properties in Murcia province for a total price of €340,000:

Address	Municipality	Province	Properties	Purchase price(€)
			Flat	
C/ San Sebastián, 25 and C/ Poeta F. García Lorca, 2	Alcantarilla	Murcia	15	340,000
<b>Total</b>			<b>15</b>	<b>340,000</b>

- Subscription of a mortgage loan with Bankinter, S.A. (hereinafter "Bankinter") for an amount of €355,000.

## 2.2. Selected financial data

The Company's key figures are presented below:

Selected Data		
Income Statement (€)	2019 <sup>(1)</sup>	2020
Net amount of turnover	40,320	267,913
Operating results	(83,846)	(502,272)
Financial result	(30,948)	(67,337)
Results before taxes	(114,794)	(569,609)
Results of the financial year/period	(114,794)	(569,609)
Balance Sheet (€)	31-12-2019	31-12-2020
Real estate investments	3,309,219	5,905,736
Cash and other equivalent liquid assets	887,407	1,493,727
Equity	2,073,496	4,778,930
Debt with credit institutions	2,121,271	2,486,256

<sup>(1)</sup> From March 21, 2019 to December 31, 2019.

Source: audited financial statements.

More detailed financial information of the Company is provided in section 8 of this Information Document.

The General Shareholders' Meeting held on 15 July 2020, appointed the company "GRANT THORNTON S.L.P.", with registered office at Calle Jose Abascal 56 CP. 28003, Madrid, holder of tax identification number B-08.914.830 and registered in the Official Register of Auditors (ROAC) under number S0231, by public deed executed before the illustrious notary of Madrid, Mr. Juan Aznar de la Hasa, under number 2.591 of his protocol and registered in the Mercantile Register of Madrid on 20 August 2020 (inscription 8).

The Spanish language version of the financial statements for the years 2019 and 2020 has been audited by Grant Thornton, S.L.P..

The financial statements (including the corresponding audit report on such financial years) are attached as Appendix I to this Information Document, and they are also available on the Company's website: <https://www.ktesios-socimi.es/>

### 3. COMPANY ACTIVITY

#### 3.1. Summary of the business

KTESIOS is a real estate investment company (SOCIMI) with the purpose of investing in residential assets for long term letting as the first residence at affordable rents.

Since its inception, the Company has implemented an investment policy focused on properties located in surrounding area of large cities, in small municipalities in Spain and Portugal, which have a favourable economic environment, well connected and good quality services at affordable prices.

#### 3.2. Company investment data

##### Real estate portfolio

As of the date of this Information Memorandum, the Company owns a real estate portfolio in Spain made up of (i) 229 properties (147 flats within multi-family buildings, 16 semi-detached houses, 1 office, 47 parking spaces, and 18 storage rooms), and (ii) 87.5% of a basement floor (which has 29 parking spaces and 4 storage rooms in total) within a multi-family building. Additionally, it is relevant to note that the portfolio also includes 82 annexes (54 parking spaces and 28 storage rooms) which are inseparable from the above-mentioned properties.

Address	Municipality	Province	Properties						Annexes		Purchase price (€)	Net Market Value(€)
			Flat	House	Office	Basement	Parking	Storage	Parking	Storage		
C/ Canalejas, 4	Tomelloso	Ciudad Real	9	-	1	-	-	-	4	2	450,000	638,014
C/ Oriente, 9	Tomelloso	Ciudad Real	3	-	-	-	5	3	-	2	200,000	258,509
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	14	-	-	-	-	-	12	-	314,000	745,149
C/ Ancha, 46	Miguelturra	Ciudad Real	16	-	-	-	17	-	-	-	525,000	1,092,363
C/ Ronda, 66	Herencia	Ciudad Real	10	-	-	-	10	-	-	-	335,948	555,990
C/ Clavel, 14-16	Cazalegas	Toledo	2	-	-	-	-	-	2	2	47,286	127,928
C/ Clavel, 23	Cazalegas	Toledo	3	-	-	-	-	-	3	2	51,604	168,224
C/ Miguel Delibes and C/ Garcilaso de Vega	Rieves	Toledo	-	13	-	-	-	-	13	-	565,500	1,595,825
C/ Castilla La Mancha	Tembleque	Toledo	-	3	-	-	-	-	-	-	90,000	277,206
Av. Marqués Montemayor, 3-5	Villaseca Sagra	Toledo	9	-	-	-	-	-	9	9	280,000	619,954
C/ San José Obrero, 27-29 with Av. San Crispín, 71	Fuensalida	Toledo	11	-	-	-	-	-	11	11	300,000	753,294
C/ Teodoro Sacristán, 19	Santa Olalla	Toledo	15	-	-	-	15	15	-	-	440,260	1,054,742
C/ Viñuelas, 2 and C/ Zarza, 6	Mejorada	Toledo	28	-	-	0.875	-	-	-	-	800,000	1,687,560
C/ Teniente Miranda, 121	Algeciras	Cádiz	12	-	-	-	-	-	-	-	730,000	1,438,159
C/ San Sebastián, 25 and C/ Poeta F. García Lorca, 2	Alcantarilla	Murcia	15	-	-	-	-	-	-	-	340,000	1,387,777
<b>Total</b>			<b>147</b>	<b>16</b>	<b>1</b>	<b>0.875</b>	<b>47</b>	<b>18</b>	<b>54</b>	<b>28</b>	<b>5,469,598</b>	<b>12,400,695</b>

Source: KTESIOS.

These properties are distributed among 15 locations in 13 municipalities in (i) the centre of Spain (in Toledo and Ciudad Real provinces, both part of Castilla La Mancha autonomous community), (ii) the south (in Cádiz province, part of Andalucía autonomous community), and (iii) the southeast (in Murcia single-province autonomous community).

The total purchase price of the assets owned by the Company amounts to €5.47 million, and the Net Market Value is €12.40 million as of December 31, 2020, according to Gesvalt Sociedad de Tasación, S.A. (hereinafter "Gesvalt") asset's valuation report.

It should be noted that in terms of value 50.7% of the assets are located in the province of Toledo, 26.5% in Ciudad Real, 11.6% in Cádiz, and 11.2% in Murcia.

The Company's portfolio has a total built area with shared zones of approximately 18,564 sqm. On February 28, 2021, the properties' occupancy was 62%, the average monthly rental was 327 euros, and 89% of the dwelling leases had a rental payment insurance policy and 11% had a policy covering legal defence in the event of non-payment.

### Financial debt

As of March 31, 2020, KTESIOS has 6 mortgage loans outstanding with Liberbank, S.A. and Bankinter, S.A. for a total amount of €3.03 million (see main terms in the table below).

Borrower	Subscription date	Outstanding <sup>(*)</sup> amount (€)	Interest rate	Maturity date	Mortgage
Liberbank	April 1, 2019	536,830	2.50%	April 1, 2034	Properties acquired on April 1, 2019
Liberbank	June 21, 2019	1,115,896	2.15%	April 1, 2034	Properties acquired on June 21, 2019
Liberbank	September 30, 2019	482,368	2.15%	September 30, 2034	Properties acquired on Sept. 30, 2019
Liberbank	January 28, 2020	351,167	2.00%	January 28, 2035	Properties acquired on Jan. 28, 2019
Liberbank	June 30, 2020	188,482	2.00%	June 30, 2035	Properties acquired on June 30, 2020
Bankinter	March 5, 2021	355.000	first year 2.00% rest Eur 12m (min 0%) + 2%	March 3, 2036	Properties acquired on March 5, 2021
<b>Total</b>		<b>3,029,744</b>			

(\*) As of March 31, 2021.

Source: KTESIOS.

The outstanding loans with Liberbank signed on April 1 and June 21, 2019, are also guaranteed by RKS REAL ESTATE, the Company's main shareholder.

Additionally, in order to ensure the fulfilment of all payment obligations under the loans, KTESIOS (i) has constituted in favour of Liberbank a pledge over the receivables that could derive from the insurance policies covering non-payment of rents on the mortgaged properties, and (ii) has committed to create in favour of Liberbank, if requested, a pledge over the receivables arising from leases entered

into on the mortgaged properties. The Company may dispose of the pledged amounts once it has paid the month's instalments of the loans and there is no outstanding debt.

Considering the Net Market Value of assets (€12.40 million) provided by Gesvalt as of December 31, 2020, the Company's Loan to Value ("LTV") ratio was 24.43%.

### **3.3. Future investments**

The Company's strategy is to continue investing in residential assets and is currently analysing new potential investment opportunities in Spain, both in the areas where it already has a presence and in new regions.

Nevertheless, as of the date of this Information Document, the Company does not have any future relevant investment committed, except the refurbishment work for approximately €341 thousand (plus VAT) that it started in the empty flats of the building located in Alcantarilla (Murcia) after its acquisition on March 5, 2021.

### **3.4. Business model**

The Company's business model is based on investing, at attractive prices, in residential assets located in small municipalities in Spain and Portugal with a favourable economic environment. Such locations must be well connected and with good quality services. KTESIOS aims to professionalize the sector by investing in such locations and by offering quality housing at affordable rents.

Since its inception, KTESIOS has been conceived as an open end investment vehicle with the purpose of generating recurring cash-flow from the income derived from the residential assets in its portfolio. Therefore, the Company is focused on maximizing the shareholders' return by (i) optimizing the income and expenses of its current portfolio and (ii) increasing its size organically through the acquisition of new assets to dilute the existing cost structure.

The management of the Company is entrusted to the Board of Directors, which in turn has appointed and delegated all the powers that may be delegated by law to the Chief Executive Officer, Mr. Henry Noel Gallego Grajales. The newly appointed Board of Directors will meet at least once a quarter and will be duly informed of the daily operations of the Company.

The highest and sovereign governing body of the Company is the General Meeting of Shareholders, which supervises the management body, appointed by it, and takes the decisions which under the Law and the Articles of Association are incumbent upon it.

The Company has no employees, and to develop its business model, it has externalized all management services with RKS ASSET MANAGEMENT, S.L.U. (hereinafter "RKS AM").

RKS AM is a private limited liability company incorporated under the Laws of Spain, with registered office at Calle de la Gran Vía 17A, 2º B in Madrid, registered in the Mercantile Register of Madrid in Volume 34,221, Folio 14, Section 8ª, Register Page M-615,607 and holder of Tax Identification Number

B-87,438,305. This company is the result of the merger of the following THREE (3) companies: (i) "RETURN KAPITAL SOLUTIONS, S.L.U." as absorbing company and (ii) "RK ADVISORS, S.L.U." and "ACTIVE RENTS MANAGEMENT, S.L.U." as absorbed companies.

This merger agreement was notarised by deed executed on 5 February 2021 before the illustrious Notary Public of Madrid, Mr. Juan Aznar de la Haza, under number 399 of his protocol, and registered in the Madrid Mercantile Register on 25 February 2021 (entry 8).

The approved merger entails the dissolution without liquidation of the absorbed companies, which transferred their assets and liabilities *en bloc* to the absorbing company as universal successor, a circumstance that has led to their extinction.

RKS AM, as the management company of KTESIOS, specialized in strategic advice on alternative investment products with a special focus on the real estate sector, which provides comprehensive management services for real estate asset portfolios. Its sole shareholder and sole Administrator is Mr. Henry Noel Gallego Grajales.

It is described below:

- The Asset Management agreement between the Company and RKS AM.
- The Property Management agreement between the Company and RKS AM.
- The main characteristics contained in the dwelling lease agreements used by the Company.

#### 3.4.1. Asset management

On November 6, 2019, KTESIOS signed a contract with Return Kapital Solutions, S.L.U. (currently named RKS ASSET MANAGEMENT, S.L.U., as described above), whose purpose comprises the provision by RKS AM, as the comprehensive manager of the Company, of an extensive list of advisory, management, financial control, and fundraising services that may arise during the ordinary course of the Company's business and assets (hereinafter "Asset Management"). It was modified on January 1, 2020.

The contract has a duration of 10 years. However, it can be automatically extended for 5 year periods if neither party gives the other party THREE (3) months' notice of its intention to withdraw from the contract.

The agreement signed does not constitute any form of exclusivity obligation of RKS AM towards the Company. Notwithstanding the above, RKS AM shall not provide management services such as those covered by the contract to any SOCIMI whose purpose is to invest in properties of the type KTESIOS has invested in.

**Fees and expenses**

RKS AM shall be entitled to the following fees:

- *Fixed Management Fee.* 0.15% of the portfolio Gross Asset Value (hereinafter “GAV”) will be accrued at the end of each quarter. RKS AM will calculate GAV as the sum of the market value of all Company’s assets. The market value of each asset shall be, in order of preference (i) the value according to the price at which the asset is trading on a regulated market or a multilateral trading facility (e.g. for listed shares or listed bonds), (ii) the latest value obtained by an independent valuer (e.g. in the case of real estate assets, a mortgage valuation or a RICS valuation), (iii) the assets’ book value, including any depreciation and amortisation.
- *Success Fee.* 2% of the share capital will be accrued at the time of admission of the shares to a regulated market or a multilateral trading facility.
- *Fee for Capturing Real State Assets.* In the event that RKS AM locates a real estate asset and the Company acquires it, 2% of the purchase price will be accrued, with a minimum amount of €5,000 and a maximum of €20,000. For those cases in which the acquisition is not closed, and this is not in any way attributable to RKS AM, it will be accrued 1% of the purchase price agreed in the last binding deposit or reservation document signed by the Company, with a minimum amount of €3,000 and a maximum of €20,000.
- *Variable Management Fee.* 10% of the Company’s results before income tax will be accrued annually.
- *Accounting Services Fee.* €2,500 will be accrued monthly.
- *Fundraising Fee.* 3% of the total amount raised from investors by RKS AM will be accrued when the funds are deposited in the Company’s account.

Additionally, KTESIOS will assume the expenses of RKS AM related to the performance of its services.

The fees and expenses described above do not include the applicable Value Added Tax or any other tax that may apply at the time when the services are actually rendered.

**Compensation due to early termination of the agreement**

If the agreement is early terminated by the Company due to a situation of non-compliance, but not attributable to and/or not communicated to RKS AM, under the terms of the contract, the Company must pay RKS AM an indemnity equivalent to the annuity paid the previous year for the Fixed Management Fee and the Variable Management Fee multiplied by the remaining years until the end of the contract. In the event that there is no such prior reference to the previous year’s annuity, this is set at EUR 80,000 for the Fixed Management Fee and EUR 20,000 for the Variable Management Fee.

### 3.4.2. Property management

On November 6, 2019, KTESIOS signed a contract with Actives Rents Management, S.L.U. (a company absorbed by RKS ASSET MANAGEMENT, S.L.U. as described above), whose purpose comprises the provision by RKS AM of an extensive list of administration, management, and marketing services to lease (or if requested, sell) the Company's real estate assets in order to maximize its profitability (hereinafter "Property Management"). The Company has empowered RKS AM to developed such services on its behalf.

The contract has a duration of 10 years. However, it can be automatically extended for 5 year periods if neither party gives the other party THREE (3) months' notice of its intention to withdraw from the contract.

RKS AM has the exclusive right to provide Property Management services to the Company's assets. In return, RKS AM will not provide services to any SOCIMI whose investment strategy is the same as KTESIOS'.

#### **Fees and expenses**

RKS AM shall be entitled to the following fees:

- *Integral Management Fee.* 8% of the amount invoiced by the Company as rents or similar, with a minimum of €1,000, will be accrued monthly.
- *Marketing Fee.* A variable amount according to the type of contract signed:
  - Lease agreement: at contract signing, a fee equivalent to one month's rent plus 5% of the first year's rent, with a minimum of €500, will be accrued.
  - Lease agreement with purchase option: at contract signing, a fee equivalent to the sum of (i) one month's rent plus 5% of the first year's rent (with a minimum of €500) and (ii) 5% of the purchase option price (with a minimum of €1,000) will be accrued.
  - Sale agreement: at contract signing, a fee equivalent to 5% of the asset sale price will be accrued.
- *Start-up Fee.* A fee established in the contract will be accrued for management and control services of refurbishment works, which has a fixed component (from €3,550 to €4,300) based on the number of properties to be refurbished and a variable component per property (from €90 to €630) that depends on the cost of the refurbishment. In addition, a fixed amount may be charged for documentary, cadastral, and/or registry regularization services, which varies according to the type of service to be provided (from €90 to €650).
- *Property Administration Fee.* €300 will be accrued for the services to create a homeowners' association. In those properties in which a homeowners' association will not be created, a monthly

fee established in the contract per property will be accrued (from €1,5 to €5 depending on the type of asset) with €100 minimum for all assets located in the same location. For those properties with homeowners' association, the expenses will be attributable to it, but for the representation of the Company in the homeowners' association, a fee of €100 per meeting will be accrued.

Additionally, KTESIOS will assume the expenses of RKS AM related to the performance of its services.

The fees and expenses described above do not include the applicable Value Added Tax or any other tax that may apply at the time when the services are actually rendered.

### Compensation due to early termination of the agreement

If the agreement is early terminated by the Company due to a situation of non-compliance, but not attributable to and/or not communicated to RKS AM, under the terms of the contract, the Company must pay RKS AM an indemnity equal to one quarter of the average Integral Management Fee and the average Marketing Fee for the previous 3 months, multiplied by the number of months remaining under the agreement.

#### 3.4.3. Residential lease agreements

As of February 28, 2021, the Company has signed 93 leases for the following 133 properties (i) 77 flats (together with 30 parking spaces and 10 storage rooms), (ii) 14 semi-detached houses, (iii) 1 office, and (iv) 1 parking. The tenant base is atomized and none of the tenants account for more than 2% of the monthly rental income.

The dwelling leases (flats and houses) are subject to the Residential Leasing Act of 1994 (Spain) and subsequent modifications. A general summary of the main characteristics contained in the standard lease agreement used by the Company is in the table below:

<b>Term</b>	Usually ONE (1) YEAR, extendable for annual periods up to a duration of SEVEN (7) YEARS on an optional basis for the lessee and mandatory for KTESIOS.  FOUR (4) lease contracts of the properties located in Avenida del Marqués Montemayor (Villaseca de la Sagra) have an agreed duration of ONE (1) YEAR, extendable for a further TWO (2) YEARS at the option of the lessee and mandatory for the lessor, in order to comply with the minimum term of THREE (3) YEARS provided for in articles 9 and 10 of the LAU.
<b>Rent</b>	Monthly in advance (within the first 5 days of each month).
<b>Rent indexation</b>	Consumer Price Index ("CPI") rent review annually.
<b>Break options</b>	Any time after a 6 month mandatory term, with a pre notice period of 30 days and subject to a penalty in favour of KTESIOS which will be a proportion of 1 month of rent calculated on the basis of the outstanding months to comply with the year lease term.
<b>Rental Guarantees</b>	<ul style="list-style-type: none"> <li>• Lease deposit of 1 month rent.</li> <li>• Lease payment insurance (paid by tenant).</li> </ul>

<b>Subletting and assignment</b>	Expressly forbidden, unless expressly authorised by KTESIOS.
<b>Expenses and supplies</b>	Property taxes, property insurance premium and common areas expenses will be assumed by the Company.
<b>Maintenance and Capex</b>	<ul style="list-style-type: none"> <li>• Daily and ongoing maintenance costs will be paid by the tenants.</li> <li>• Landlord will assume those works to maintain common spaces and extraordinary Capex to cover enhancement works in the buildings and to comply with regulations.</li> </ul>

The lessees of 2 semi-detached houses have a purchase option on them expiring on 29<sup>th</sup> of October and 4<sup>th</sup> of November 2022 (for further details, see note 5 of the 2020 audited annual accounts).

Additionally to lease agreement described above (at 28/02/2021), the Company has 3 leases corresponding to 3 flats in the building located in Alcantarilla (Murcia), which it acquired on March 5, 2021. These leases continue to be governed by the rules relating to the tenancy contract of the revised text of the 1964 Urban Leases Act, except for the modifications contained in the Second Transitional Provision (2<sup>a</sup>) of Act 29/1994, of 24 November, on Urban Leases. These contracts are very favourable for the tenants, as they have an indefinite duration as long as the tenants are alive, without prejudice to any additional subrogation to which they may be entitled. Furthermore, those contracts have a rent that is far below market conditions at present.

### 3.5. Investment strategy and competitive advantages

#### 3.5.1. Investment strategy

KTESIOS has been conceived since its incorporation as a long-term investment vehicle, based on the generation of recurring cash-flow from the income derived from the residential assets in its portfolio, in order to attract investors looking for stability with recurring profitability.

To achieve this, the Company's strategy focuses on the acquisition of residential properties according to the following criteria:

- Assets should be located in small municipalities in Spain and Portugal with a favourable economic environment. Such locations must be well connected and with good quality services. KTESIOS aims to professionalize the sector by investing in such locations and by offering quality housing at affordable rents.
- Investing at attractive prices, with discounts on market levels.
- Only properties fully terminated with legal occupancy licences, not assuming developer risk.
- Purpose for long term letting as the first residence to the working classes at affordable rents.

Additionally, to maximize the return for the shareholders, KTESIOS' investment strategy contemplates:

- Leverage controlled in time.
- Optimization of the properties' income and costs, mainly based on:
  - High occupancy and low turnover, offering the tenants access to quality housing, close to their workplace, at affordable rents.
  - Rents backed by non-payment insurance.
- Increase the portfolio size, allowing the dilution of the existing cost structure.

So far, the current investments have taken place in Spain. In the future, the Company's strategy is to continue investing in Spain, but also contemplating the possibility of acquiring assets in Portugal.

Therefore, KETESIOS' vision is to become one of the main references for the working class interested in leasing a dwelling as their first residence, while collaborating with the development of the areas where it invests.

### 3.5.2. Competitive advantages

Among the Company's competitive advantages, the following ones stand out:

- Current competition from large-scale real estate funds and companies is not high in the regions where the Company operates, allowing it to buy residential assets at attractive prices.
- Increasing demand for rental of residential assets outside large cities, with more space and outdoor areas.
- Assets' and tenants' diversification.
- Recurring cash flow generation based on affordable leases and backed by rental default payment insurance.
- Nearly all Company's properties were built after the year 2000 and generally are in good state considering the age of the assets.
- The volatility of the residential assets' prices in the areas where the Company has its portfolio is lower than in large cities.
- Controlled leverage, with the Company having an availability of funds to undertake new investments.
- A scalable business model that allows the Company to grow organically.

- A long-term investment strategy by the Company's shareholders.
- Relevant track record and experience of the Company Board of Directors and RKS AM team in the real estate and finance sectors.

### 3.6. Description of real estate assets

As mentioned in section 2.1 of this Information Document, since its inception the Company has acquired residential assets in Spain.

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

Address	Municipality	Province	Properties						Annexes		Surface (sqm)	Occupancy <sup>(*)</sup>	Rent <sup>(*)</sup> month €
			Flat	House	Office	Basement	Parking	Storage	Parking	Storage			
C/ Canalejas, 4	Tomelloso	Ciudad Real	9	-	1	-	-	-	4	2	955	100%	301
C/ Oriente, 9	Tomelloso	Ciudad Real	3	-	-	-	5	3	-	2	462	82%	275
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	14	-	-	-	-	-	12	-	1,484	71%	279
C/ Ancha, 46	Miguelturra	Ciudad Real	16	-	-	-	17	-	-	-	1,665	82%	327
C/ Ronda, 66	Herencia	Ciudad Real	10	-	-	-	10	-	-	-	894	20%	268
C/ Clavel, 14-16	Cazalegas	Toledo	2	-	-	-	-	-	2	2	287	100%	319
C/ Clavel, 23	Cazalegas	Toledo	3	-	-	-	-	-	3	2	301	100%	267
C/ Miguel Delibes and C/ Garcilaso de Vega	Rielves	Toledo	-	13	-	-	-	-	13	-	2,130	85%	446
C/ Castilla La Mancha	Tembleque	Toledo	-	3	-	-	-	-	-	-	386	100%	349
Av. Marqués Montemayor, 3-5	Villaseca Sagra	Toledo	9	-	-	-	-	-	9	9	1,044	100%	247
C/ San José Obrero, 27-29 with Av. San Crispín, 71	Fuensalida	Toledo	11	-	-	-	-	-	11	11	1,188	73%	344
C/ Teodoro Sacristán, 19	Santa Olalla	Toledo	15	-	-	-	15	15	-	-	2,063	76%	334
C/ Viñuelas, 2 and C/ Zarza, 6	Mejorada	Toledo	28	-	-	0.875	-	-	-	-	3,234	4%	340
C/ Teniente Miranda, 121	Algeciras	Cádiz	12	-	-	-	-	-	-	-	1,158	17%	490
C/ San Sebastián, 25 and C/ Poeta F. García Lorca, 2	Alcantarilla	Murcia	15	-	-	-	-	-	-	-	1,313	20%	83
<b>Total</b>			<b>147</b>	<b>16</b>	<b>1</b>	<b>0.875</b>	<b>47</b>	<b>18</b>	<b>54</b>	<b>28</b>	<b>18,564</b>		

(\*) average data as of February 28, 2021 (except in the case of the properties in Alcantarilla (Murcia), whose data is as of March 5, 2021, the date of its acquisition).

Source: KTESIOS.

The assets are distributed among 15 locations in 13 municipalities in (i) the centre of Spain (in Toledo and Ciudad Real provinces, both part of Castilla La Mancha autonomous community), (ii) the south (in Cádiz province, part of Andalucía autonomous community), and (iii) the southeast (in Murcia single-province autonomous community).

### Geographic location in Spain of KTESIOS' real estate portfolio



#### 3.6.1. Calle Canalejas 4, in Tomelloso (Ciudad Real, Spain)



Since April 1, 2019, the Company owns (i) 9 flats (which have 4 parking spaces and 2 storage rooms as inseparable annexes), and (ii) 1 office, within a multi-family building located at Calle Canalejas 4 in Tomelloso.

Tomelloso is a municipality with 36,168 registered inhabitants in the northeast of Ciudad Real province, about 90 km from the provincial capital.

The building is located in one of the main streets that cross the town, an area with all the necessary services and equipment. It was built up in 2010 and has 3 upper floors (where the flats are situated), a ground floor for offices, and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 955 sqm (flats 784 sqm, office 52 sqm, parking spaces 105 sqm, and storage rooms 15 sqm)

As of February 28, 2021, 9 flats and the office are rented under 10 lease agreements with an average monthly rental of €301.

### 3.6.2. Calle Oriente 9, in Tomelloso (Ciudad Real, Spain)



Since April 1, 2019, the Company owns (i) 3 flats, (ii) 5 parking spaces (which have 2 storage rooms as inseparable annexes), and (iii) 3 storage rooms, within a multi-family building located at Calle Oriente 9 in Tomelloso.

Tomelloso is a municipality with 36,168 registered inhabitants in the northeast of Ciudad Real province, about 90 km from the provincial capital.

The building is located in one of the main streets that cross the town, an area with all the necessary services and equipment. It was built up in 2010 and has 3 upper floors (where the flats are situated), a ground floor, and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 462 sqm (flats 315 sqm, parking spaces 134 sqm, and storage rooms 13 sqm).

As of February 28, 2021, 3 flats (together with 3 parking spaces and 2 storage rooms) and 1 parking are rented under 4 lease agreements with an average monthly rental of €275.

### 3.6.3. Avenida del Santo with C/ El Emigrante and C/ Ferrocarril, in Malagón (Ciudad Real, Spain)



Since June 21 and September 30, 2019, the Company owns 14 flats (which have 12 parking spaces as inseparable annexes), within a multi-family building located at Avenida del Santo 103 (with access from Calle El Emigrante 2 and Calle Ferrocarril 1) in Malagón.

Malagón is a municipality with 7,881 registered inhabitants in the northwest area of Ciudad Real province, about 25 km from the provincial capital.

The building is located in one of the principal town streets, an area with all the necessary basics services. It was built up in 2008 and has a ground floor plus 3 upper floors (where the flats are situated) and 1 underground floor for parking.

The Company's properties have a total built area with shared zones of approximately 1,484 sqm (flats 1,184 sqm and parking spaces 300 sqm).

As of February 28, 2021, 10 flats are rented under 10 lease agreements with an average monthly rental of €279.

#### 3.6.4. Calle Ancha 46, in Miguelturra (Ciudad Real, Spain)



Since June 21, 2019, the Company owns 16 flats and 17 parking spaces, within a multi-family building located at Calle Ancha 46 in Miguelturra.

Miguelturra is a municipality with 15,498 registered inhabitants close to Ciudad Real (the provincial capital). Both form an urban agglomeration of around 100,000 inhabitants.

The building is located in one of the town's secondary streets, an area with all the necessary basics services. It was built up in 2010 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking. It benefits of a communal swimming pool.

The Company's properties have a total built area with shared zones of approximately 1,665 sqm (flats 1,240 sqm and parking spaces 425 sqm).

As of February 28, 2021, 15 flats (together with 12 parking spaces) are rented under 15 lease agreements with an average monthly rental of €327.

#### 3.6.5. Calle Ronda 66, in Herencia (Ciudad Real, Spain)



Since January 28, 2020, the Company owns 10 flats and 10 parking spaces, within a multi-family building located at Calle Ronda 66 in Herencia.

Herencia is a municipality with 8,456 registered inhabitants in the north of Ciudad Real province, about 80 km from the provincial capital.

The building is located in one of the town's secondary streets, an area with all the necessary basics services. It was built up in 2009 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking. It benefits of a communal swimming pool.

The Company's properties have a total built area with shared zones of approximately 894 sqm (flats 644 sqm and parking spaces 250 sqm).

As of February 28, 2021, 2 flats (together with 2 parking spaces) are rented under 2 lease agreements with a monthly rental of €268.

### 3.6.6. Calle Clavel 14-16, in Cazalegas (Toledo, Spain)



Since June 21, 2019, the Company owns 2 flats (which have 2 parking spaces and 2 storage rooms as inseparable annexes), within a multi-family building located at Calle Clavel 14 and 16 in Cazalegas.

Cazalegas is a municipality with 1,725 registered inhabitants in Toledo province, close (17 km) to Talavera de la Reina city.

The building is located on the outskirts of the town, an area with all the necessary basics services, and has Talavera de la Reina nearby for other services. It was built up in 2009 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 287 sqm (flats 218 sqm, parking spaces 50 sqm, and storage rooms 19 sqm).

As of February 28, 2021, 2 flats are rented under 2 lease agreements with an average monthly rental of €319.

### 3.6.7. Calle Clavel 23, in Cazalegas (Toledo, Spain)



Since June 21, 2019, the Company owns 3 flats (which have 3 parking spaces and 2 storage rooms as inseparable annexes), within a multi-family building located at Calle Clavel 23 in Cazalegas.

Cazalegas is a municipality with 1,725 registered inhabitants in Toledo province, close (17 km) to Talavera de la Reina city.

The building is located on the outskirts of the town, an area with all the necessary basics services, and has Talavera de la Reina nearby for other services. It was built up in 2009 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 301 sqm (flats 209 sqm, parking spaces 85 sqm, and storage rooms 7 sqm).

As of February 28, 2021, 3 flats are rented under 3 lease agreements with an average monthly rental of €267.

### 3.6.8. Calle Miguel Delibes and Calle Garcilaso de Vega, in Rielves (Toledo, Spain)



Since June 21 and September 30, 2019, the Company owns 13 semi-detached houses (which have 13 parking spaces as inseparable annexes) located at Calle Garcilaso de Vega (numbers 2, 4, 6, 8, 10, 12, 14) and at Calle Miguel Delibes (numbers 8, 11, 12, 16, 19, 20) in Rielves.

Rielves is a municipality with 741 registered inhabitants in Toledo province, close to Torrijos (10 km) and the provincial capital (20 km).

The properties are situated in an expansion zone of the town next to the railway line, an area with all the necessary basic services, and they have Torrijos and Toledo for other services.

They were built up in 2009 and have 2 floors above ground with a total built area of approximately 2,130 sqm.

As of February 28, 2021, 11 semi-detached houses are rented under 11 lease agreements with an average monthly rental of €446. The lessee of 1 house has a purchase option on it expiring on the 29<sup>th</sup> of October, 2022.

### 3.6.9. Calle Castilla La Mancha, in Tembleque (Toledo, Spain)



Since June 21, 2019, the Company owns 3 semi-detached houses located at Avenida Castilla La Mancha (numbers 69, 71, and 73) in Tembleque.

Tembleque is a municipality with 1,966 registered inhabitants in Toledo province, about 55 km from the provincial capital and 92 km from Madrid.

The properties are situated within the urban area of the town, in the southern zone, an area with all the necessary basic services.

They were built up in 2007 and have 2 floors above ground with a total built area of approximately 386 sqm.

As of February 28, 2021, 3 semi-detached houses are rented under 3 lease agreements with an average monthly rental of €349. The lessee of 1 house has a purchase option on it expiring on the 4<sup>th</sup> of November, 2022.

### 3.6.10. Avenida Marqués Montemayor 3-5, in Villaseca de la Sagra (Toledo, Spain)



Since September 30, 2019, the Company owns 9 flats (which have 9 parking spaces and 9 storage rooms as inseparable annexes), within a multi-family building located at Avenida Marqués de Montemayor 3 and 5 in Villaseca de la Sagra.

Villaseca de la Sagra is a municipality with 1,723 registered inhabitants in Toledo province, about 20 km from the provincial capital and 65 km from Madrid.

The building is located in the urban centre, an area with all the necessary basics services, and has Toledo nearby for other services. It was built up in 2007 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 1,044 sqm (flats 741 sqm, parking spaces 225 sqm, storage rooms 78 sqm).

As of February 28, 2021, 9 flats are rented under 9 lease agreements with an average monthly rental of €247.

### 3.6.11. Calle San José Obrero 27-29 with Avenida San Crispín 71, in Fuensalida (Toledo, Spain)



Since September 30, 2019, the Company owns 11 flats (which have 11 parking spaces and 11 storage rooms as inseparable annexes), within a multi-family building located at Calle San José Obrero 27-29 with Avenida San Crispín 71 in Fuensalida.

Fuensalida is a municipality with 11,655 registered inhabitants in Toledo province, about 31 km from the provincial capital and 73 km from Madrid.

The building is located in the urban centre, an area with all the necessary services. It was built up in 2007 and has 3 upper floors (where the flats are situated), a ground floor, and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 1,188 sqm (flats 882 sqm, parking spaces 275 sqm, storage rooms 31 sqm).

As of February 28, 2021, 8 flats are rented under 8 lease agreements with an average monthly rental of €344.

### 3.6.12. Calle Teodoro Sacristán 19, in Santa Olalla (Toledo, Spain)



Since January 28 and June 30, 2020, the Company owns 15 flats, 15 parking spaces, and 15 storage rooms, within a multi-family building located at Calle Teodoro Sacristán 19 in Santa Olalla.

Santa Olalla is a municipality with 3,217 registered inhabitants in the central area of Toledo province, about 42 km from the provincial capital and 80 km from Madrid.

The building is located in the eastern part of the town centre, an area with all the necessary basics services. It was built up in 2007 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 2,063 sqm (flats 1,594 sqm, parking spaces 375 sqm, and storage rooms 94 sqm).

As of February 28, 2021, 13 flats (together with 13 parking spaces and 8 storages rooms) are rented under 13 lease agreements with an average monthly rental of €334.

### 3.6.13. Calle Viñuelas 2 and Calle Zarza 6, in Mejorada (Toledo, Spain)



Since December 3, 2020, the Company owns (i) 28 flats and (ii) 87.5% of a basement floor (which has 29 parking spaces and 4 storage rooms), within a multi-family building with access from Calle Viñuelas 2 and Calle Zarza 6 in Mejorada.

Mejorada is a municipality with 1,261 registered inhabitants in Toledo province, close (9 km) to Talavera de la Reina city.

The building is located on the northern outskirts of the town centre, an area with all the necessary basics services, and Talavera de la Reina is close by for other services. It was built up in 2009 and has a ground floor plus 2 upper floors (where the flats are situated) and 1 underground floor for parking and storage.

The Company's properties have a total built area with shared zones of approximately 3,234 sqm (i) flats 2,535 sqm, and (ii) 87.5% of basement floor 699 sqm.

On February 28, 2021, 1 flat (together 1 parking space of the basement floor) was rented under 1 lease agreement with a monthly rental of 340 euros.

### 3.6.14. Calle Teniente Miranda 121, in Algeciras (Cádiz, Spain)



Since December 3, 2020, the Company owns 12 flats, within a multi-family building located at Calle Teniente Miranda 121 in Algeciras.

Algeciras is a municipality with 22,529 registered inhabitants in Cádiz province, next to Gibraltar.

The building is located in the historic centre of the town, an area with all the necessary services. It was built up in 2018 and has a ground floor plus 4 upper floors (where the flats are situated) and 1 underground floor.

The Company's properties have a total built area with shared zones of approximately 1,158 sqm.

As of February 28, 2021, 2 flats are rented under 2 lease agreements with an average monthly rental of 490 euros.

### 3.6.15. Calle San Sebastián 25 and Calle Poeta Federico García Lorca 2, in Alcantarilla (Murcia, Spain)



Since March 5, 2021, the Company owns 15 flats, which comprises the entire multi-family building with access from Calle San Sebastián 25 and Calle Poeta Federico García Lorca 2 in Alcantarilla.

Alcantarilla is a municipality with 42,345 registered inhabitants in Murcia province, close to the provincial capital (15 km).

The building is located in the urban centre of the town, an area with all the necessary services. It was constructed in 1975, and has a ground floor and 4 upper floors where the flats are situated.

The Company's properties have a total built area with shared zones of approximately 1,313 sqm.

As of March 5, 2021, 3 flats were rented under 3 lease agreements with an average monthly rental of 83 euros.

Following the building acquisition, the Company has started the necessary refurbishment work of the empty flats and the common areas. Construction work amounts to approximately €341 thousand (plus VAT) and will be completed during 2021.

### 3.7. The Market

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

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

In this section, the information about the Spanish macroeconomic environment has been taken from the last quarterly report on the Spanish Economy (Economic Bulletin 1/2021) published by Banco de España (Spanish national central bank), and the content about the residential market is from Gesvalt's Asset Valuation Report.

#### 3.7.1. Spanish macroeconomic environment

The global economy continued to recover in the final stretch of 2020, albeit at a slower pace than in Q3 owing to the adverse unfolding of the pandemic, and evidenced greater heterogeneity across countries. GDP in 2020 Q4 grew quarter-on-quarter by 1% in the United States and the United Kingdom, and by 2.8% in Japan, which was insufficient to bring these economies back to their pre-pandemic GDP and employment levels. The recovery also continued in the emerging market economies, according to the data for China (2.6% quarter-on-quarter) and Latin America (around 4%). The rise in global GDP in 2020 Q4 was in contrast to the decline observed in the euro area. GDP on the euro area fell by 0.6% in quarterly terms in Q4.

The better evolution of the pandemic over 2021 Q1, the progress made in the vaccination process and the new fiscal stimuli announced, have led to an upward revision of the global growth outlook for the coming months.

#### Main Spanish macroeconomic aggregates <sup>(1)</sup>

(%)	2020	2020				2021 Q1 projection		
		Q1	Q2	Q3	Q4	Mild	Baseline	Severe
Gross domestic product (GDP) <sup>(2)</sup>	-11.0	-5.3	-17.9	16.4	0.4	0.4	-0.4	-0.9
Contribution of national demand	-9.0	-4.5	-15.5	15.1	0.9	0.2	-0.6	-1.1
Contribution of net external demand	-1.9	-0.7	-2.4	1.3	-0.5	0.2	0.2	0.2
Employment: hours worked <sup>(3)</sup>	-10.4	-4.2	-24.9	-6.2	-6.3	-1.6	-2.4	-2.9
Harmonised index of consumer prices (HICP) <sup>(3)</sup>	-0.3	0.7	-0.6	-0.6	-0.8	0.4	0.4	0.4
HICP excluding energy and food	0.5	1.2	0.9	0.1	-0.1	0.2	0.2	0.2

(1) Information available on March 16, 2021. The Q1 2021 figures are Banco de España projections under mild, base, and severe scenarios.

(2) Quarter-on quarter rate of change.

(3) Year-on-year rate of change.

Source: INE and Banco de España.

Spanish GDP grew marginally in 2020 Q4, but remains some way off pre-pandemic levels. Early in the quarter, the worsening of the health crisis prompted a tightening of the measures implemented to contain the pandemic. However, these measures were far more targeted than those deployed in the

spring and were eased again in the latter weeks of December. All this, together with something of a learning process and economic agents adapting to the pandemic, allowed Spanish GDP to rise 0.4% in the quarter as a whole. As a result of this performance, GDP contracted by 11% in 2020 as a whole and at end-2020 stood 9.1% below its end-2019.

The growth differential between Spain and the euro area turned positive again in the final stretch of the year. In any event, the contraction in 2020 in the euro area overall (6.6%) was far less pronounced than that observed in Spain.

In 2020 Q4, Spanish GDP growth was underpinned solely by the increase in government and private consumption. In a climate of heightened uncertainty amid a worsening pandemic and the reintroduction of certain restrictions, investment in housing and in capital goods declined during the quarter. For its part, the contribution to growth made by external demand turned negative owing to a decline in exports (particularly tourism exports) and a moderate increase in imports.

Developments in activity were, again, highly uneven across the productive sectors. Set against the relatively favourable performances recorded in recent quarters by the primary sector, financial and insurance activities, public administration, education and health (with positive year-on-year growth rates), the sharp declines observed in construction, wholesale and retail trade, transportation and hospitality, and arts and recreation services stand out.

In line with forecasts for the euro area as a whole, Spanish GDP might be expected to have fallen off slightly in 2021 Q1. The path of infections, of the subsequent restrictions to mitigate them, and, therefore, of economic activity over the course of 2021 Q1 will have been similar to that of the previous quarter.

The path of improvement in employment weakened in 2021 Q1 owing to the impact of the third wave of the pandemic. Total Social Security registrations declined by -2.1% year-on-year in February, below the rate observed in the preceding three months. This deterioration was mainly observed in market services – where employment saw a year-on-year decline of 4.6% – and, to a lesser extent, in construction. Conversely, employment in non-market services rallied, rising by 3.7% year-on-year.

Inflation has been notably volatile in the early stages of 2021, largely due to the behaviour of energy prices. In January, the HICP rose sharply to 0.4%, 1 pp higher than in December. In February, the inflation fell to -0.1%, correcting somewhat the sharp rise observed in January. In the coming months, the inflation rate is expected to rise above 1%.

Activity should rebound forcefully from the second half of the year. As the vaccination process progressively runs its course, the lifting of restrictions and the reduction in uncertainty should infuse domestic spending with considerable momentum. Private consumption will further be boosted by households' possible recourse to a portion of the saving they have built up since the start of the pandemic. Moreover, the resolution of the health crisis will allow for a gradual recovery in international tourism flows.

### 3.7.2. Residential market in Spain and in the areas where the Company operates

During the last quarter of 2020, in the midst of the scenario that the pandemic has generated worldwide, the price of housing in Spain has maintained the downward trend that has been already observed during the previous two quarters of 2020, and that represents the change in the trend of decelerated growth in recent years. The year-on-year decrease was 1.1%, yielding a sale price of €1,391/sqm. Compared with the maximum price reached during the first quarter of 2008, the current price is 35% below.

The number of residential sales until the end of September 2020 has been 302,381 units, according to *Instituto Nacional de Estadística* of Spain. Comparing this data with the same period in 2019, there is a decrease in the number of sales of 21.4%. To date, May has been the month with the worst month-on-month performance, as during this month the volume of purchases and sales decreased by 52.9% compared to the same month of the last year. From that moment, the volume of purchases and sales has increased slightly month by month, until the end of September with a contraction of only 0.4%.

The following table details the evolution of the sale price and the number of residential sales by autonomous community in Spain, including data for (i) Castilla-La Mancha autonomous community, of which Toledo and Ciudad Real provinces form part, (ii) Andalucía autonomous community, of which Cadiz province forms part, and (iii) Murcia autonomous community, which is a single province with the same name.

Autonomous Community	2020 sale price average (€/sqm)	Y-o-y sale price variation (€/sqm)	2020 sales unit variation (acum.)
Andalucía	1,231	-0.4%	-20.2%
Aragón	1,132	-2.4%	-17.6%
Asturias	1,248	1.8%	-17.8%
Baleares	2,212	-6.6%	-23.5%
Canarias	1,405	0.3%	-22.4%
Cantabria	1,440	0.1%	-14.6%
Castilla y León	995	-1.6%	-18.3%
Castilla La Mancha	854	-1.6%	-18.9%
Cataluña	1,540	-0.2%	-22.5%
Comunidad Valenciana	1,114	-0.9%	-26.7%
Extremadura	839	-1.1%	-15.7%
Galicia	1,101	0.5%	-19.6%
Madrid	2,218	-1.2%	-23.4%
Murcia	993	-0.4%	-13.8%
Navarra	1,231	-0.1%	-23.0%
País Vasco	2,197	0.2%	-14.1%
La Rioja	1,074	1.0%	-17.3%
<b>Spain</b>	<b>1,391</b>	<b>-1.1%</b>	<b>-21.4%</b>

Source: Gesvalt

The letting market in Spain is gaining importance during the last years. The crisis pushed a change in the trend of the Spanish residential market, especially among the younger population. Residential letting has become the main option for younger people (between 16 and 29 years old). If in 2007 only 42% of this age segment rented a house, in 2017 the percentage increased to 74%. The population between 30 and 44 years old renting housing also increased, moving from 26% in 2007 to 36% in 2017.

The increase of the demand for properties to rent, together with a reduced stock of residential units available has produced a steady increase in rents. According to the historic evolution of rent published by Idealista (leading website for the residential market in Spain), the average rent in Spain has grown from October 2013 at a good pace. The average rent published for January 2021 is 11,0 €/sqm, which means an increase of 55%.

Regarding the rent evolution in the locations where the Company's portfolio is situated, it is worth mentioning that:

- In Toledo province, there is a steady increase in rents during the last years. The average rent registered in February 2015 was €4 sqm/month, while the last data published was 5.9 €/m2/month. That means an increase of 47.50%, being y-o-y change +5.1%.
- The increase of rents in Ciudad Real province has been softer than the evolution in Toledo province. In June 2015 the average rent was €4.4 sqm/month, while the last data recorded was €5.10 sqm/month. That means an increase of 15.9%, being y-o-y change +4.2%.
- Looking at Algeciras city, rents have performed positively. The average rent recorded in March 2015 was €5.1 sqm/month, while the last rent achieved was €6.3 sqm/month. That means an increase of 23.5%, although the y-o-y change was -0.2%.
- In the town of Alcantarilla, the rents have performed positively. The average rent recorded in March 2015 was €3.4 sqm/month, while the last rent achieved was €4.9 sqm/month. That means an increase of 44.1%.

### **3.8. Dependence on licences and patents**

To hold and operate its assets, the Company requires having certain licences or certificates depending on their location, among others, the habitability certificate, the occupancy licences, and the energy performance certificates. All properties owned have the relevant licences for their activity.

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

### 3.9. Insurance contracts

The Company has underwritten SIX (6) insurance policies with Mapfre España Compañía de Seguros y Reaseguros, S.A. (hereinafter "MAPFRE ESPAÑA"), and ONE (1) with Caja de Seguros Reunidos Compañía de Seguros y Reaseguros, S.A. (hereinafter "CASER") to insure the repair of or compensation for damage to the building and furnishing of its properties. Find below a summary including the main terms of referred insurance contracts:

<b>Insurer</b>	MAPFRE ESPAÑA
<b>Policy number</b>	073-1980226358
<b>Properties insured</b>	Dwellings acquired on April 1 and June 21, 2019 (see section 2.1 of this Information Document)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€3,178,032), furniture (€180,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From October 1, 2020, to October 1, 2021, annually renewable
<b>Policy number</b>	073-1980232018
<b>Properties insured</b>	Dwellings acquired on September 30, 2019 (see section 2.1 of this Information Document)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€1,051,440), furniture (€72,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From October 1, 2020, to October 1, 2021, annually renewable
<b>Policy number</b>	073-2080039401
<b>Properties insured</b>	Dwellings acquired on January 28, 2020 (see section 2.1 of this Information Document)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€750,048), furniture (€48,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From February 12, 2021, to February 12, 2022, annually renewable
<b>Policy number</b>	073-2080217847
<b>Properties insured</b>	Dwellings acquired on December 3, 2020 located in Mejorada (Toledo)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€1,404,624), furniture (€84,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From December 15, 2020, to December 15, 2021, annually renewable
<b>Policy number</b>	073-2080218582
<b>Properties insured</b>	Dwellings acquired on December 3, 2020 located in Algeciras (Cádiz)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€869,790), furniture (€36,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From December 15, 2020, to December 15, 2021, annually renewable
<b>Policy number</b>	073-2180067498
<b>Properties insured</b>	14 of the dwellings acquired on March 5, 2021 in Alcantarilla (Murcia)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings (€912,362), furniture (€42,000)</li> <li>• Civil liability: €150,260</li> </ul>
<b>Validity period</b>	From March 31, 2021, to March 31, 2022, annually renewable

<b>Insurer</b>	CASER
<b>Policy number</b>	96141450
<b>Properties insured</b>	Dwellings acquired on June 30, 2020 (see section 2.1 of this Information Document)
<b>Main coverage</b>	<ul style="list-style-type: none"> <li>• Damages: dwellings €600,767.50</li> <li>• Civil liability: €300,000</li> </ul>
<b>Validity period</b>	From July 3, 2020, to July 3, 2021, annually renewable

In addition, for each dwelling lease, the Company requires a rental payment insurance policy which mainly covers 12 months of rent and legal defence (maximum €3,000), in the event of non-payment. For leases signed before October 1, 2020, these policies have been entered with ARAG SE (hereinafter "ARAG") and for subsequent leases with Mutua de Propietarios, Seguros y Reaseguros a Prima Fija (hereinafter "MUTUA DE PROPIETARIOS"). For leases where it is not possible to sign a rental payment insurance policy, the Company requires to sign a policy that at least covers legal defence (maximum 6,000) in the event of non-payment, and that until now has been entered with ARAG.

As of 28 February 2021, of the 92 leases in force for flats, semi-detached houses, and the office, 41 leases had an insurance policy covering non-payment of rent underwritten with ARAG and 41 with MUTUA DE PROPIETARIOS. The other 10 leases had an insurance policy with ARAG that at least covers legal defence in case of non-payment. Lessees pay the cost for these insurance policies.

### 3.10. Related party transactions

Set out below is a summary of the transactions carried out by the Company with related parties during the years 2019 and 2020, and the outstanding balances with related parties as of December 31, 2019 and December 31, 2020, as disclosed in the audited financial statements for the year 2019 (note 13.4) and the audited financial statements for the year 2020 (note 14.4).

Services provided (€)	2019 <sup>(1)</sup>	2020
Return Kapital Solutions, S.L.U. (currently RKS AM)	87,428	171,531
Active Rents Management, S.L.U. (currently RKS AM)	82,890	107,126
<b>Total</b>	<b>170,318</b>	<b>278,657</b>

<sup>(1)</sup> From March 21, 2019 to December 31, 2019.

Source: audited financial statements.

Creditors of the companies of the group and associates (€)	31-12-2019	31-12-2020
Return Kapital Solutions, S.L.U. (currently RKS AM)	11,110	25,939
Active Rents Management, S.L.U. (currently RKS AM)	5,619	20,691
<b>Total</b>	<b>16,729</b>	<b>46,630</b>

Source: audited financial statements.

<b>Advance to suppliers (€)</b>	<b>31-12-2019</b>	<b>31-12-2020</b>
Active Rents Management, S.L.U. (currently RKS AM)	-	2,567
<b>Total</b>	<b>-</b>	<b>2,567</b>

Source: audited financial statements.

Return Kapital Solutions, S.L.U. (currently RKS AM) accrued €87,428 during the year 2019 and €171,531 during the year 2020 due to the provision to the Company of Asset Management services, according to the agreement described in section 3.4.1, of which €11,000 were pending payment on December 31, 2019, and €25,939 on December 31, 2020.

Active Rents Management, S.L.U. (currently RKS AM) accrued €82,890 during the year 2019 and €107,126 during the year 2020 due to the provision to the Company of Property Management services, according to the agreement described in section 3.4.2, of which €5,619 were pending payment on December 31, 2019, and €20,691 on December 31, 2020. On the other hand, as of December 31, 2020, the Company advanced €2,567 to Active Rents Management, S.L.U. on account of future Property Management services to provide to the Company.

<b>Other financial liabilities (€)</b>	<b>31-12-2019</b>	<b>31-12-2020</b>
Return Kapital Solutions, S.L.U. (currently RKS AM)	269	76
Mr. Henry Noel Gallego Grajales	-	2,290
RKS Real Estate, Societe en Commandite Speciale	520	-
<b>Total</b>	<b>789</b>	<b>2,366</b>

Source: audited financial statements.

As of December 31, 2019, the Company had an outstanding balance of (i) €520 pending to pay RKS REAL ESTATE, corresponding to erroneous transfers from customers, and (ii) €269 pending payment to Return Kapital Solutions, S.L.U., corresponding to the payment by it of invoices on behalf of KTESIOS.

Besides, as of December 31, 2020, the Company had an outstanding balance of €2,290 and €76 pending to pay Mr. Henry Noel Gallego Grajales and Return Kapital Solutions, S.L.U., respectively, corresponding to the payment by them of invoices on behalf of KTESIOS.

## 4. ORGANIZATION

### 4.1. Company's functional organization

The management of the Company is entrusted to the Board of Directors, which in turn has appointed and delegated all the powers that may be delegated by law to the Chief Executive Officer, Mr. Henry Noel Gallego Grajales. The newly appointed Board of Directors will meet at least once a quarter and will be duly informed of the daily operations of the Company.

The highest and sovereign governing body of the Company is the General Meeting of Shareholders, which supervises the management body, appointed by it, and takes the decisions which under the Law and the Articles of Association are incumbent upon it

The Company has no employees, and in order to develop its business model, it has externalized all Asset and Property Management services to RKS AM.

#### Company's functional organization



### 4.2. Main characteristics of the Board of Directors

#### 4.2.1. Composition of the Board of Directors

The administration and representation of the Company is attributed to a Board of Directors, according to article 25 of the Article of Association. According to the Articles of Association, it will be composed of a minimum number of THREE (3) Directors and a maximum of SEVEN (7).

According to the Articles of Association, as of the date hereof, the governance of KTESIOS is entrusted to a Board of Directors, composed of THREE (3) board members appointed by the General Shareholders' Meeting of the Company, on 24 November 2020, executed in a public deed granted

before the illustrious Notary Public of Madrid, Mr. Juan Aznar de la Haza, under number 4,466 of his protocol and registered in the Mercantile Registry of Madrid on 23 December 2020 (inscription 10).

Board of Directors is formed, with regards to its internal structure of appointments and positions, as follows:

Member	Position
Mr. Henry Noel Gallego Grajales	Chairman and Chief Executive Officer
Mr. Bernhard Schmidt	Director
Mr. Gonzalo Roca Pérez	Director
Mr. Iñigo de Loyola Sánchez del Campo Basagoiti	Secretary Non-Director
Mrs. María García Aguado	Deputy-Secretary Non-Director

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

- **Mr. Henry Noel Gallego Grajales** – *Chairman and Chief Executive Officer.*

Mr. Gallego founded KTESIOS in 2019 and continues since then as a shareholder. Previously, in 2016 he founded RKS REAL STATE, a Luxembourg based special limited partnership that currently is the main shareholder of KTESIOS.

He is also the sole shareholder and sole administrator of RKS AM (asset and property manager of KTESIOS, and property manager of RKS REAL ESTATE), and of RKS MANAGEMENT (General Partner of RKS REAL STATE).

Mr. Gallego has over 20 years of experience in the financial sector, capital markets, and alternative investment. Throughout his career, he has held executive positions in various companies, among others, Strategy and Business Development Advisor at Issuer Solutions, S.L. (2014), Structuring Manager at Bankia, S.A. (2007-2013), Director of Structured Finance Products at Fitch Ratings Limited (2002-2007), and Data Base Administrator at Guy's & St. Thomas' Hospital.

He holds a B.A. Bachelor's Degree in Social Work from Universidad del Valle (Colombia) and has various management and structured finance courses and certifications.

- **Mr. Bernhard Schmidt** – *Director.*

Mr. Schmidt joined RKS AM as an Investor Relations Manager at the end of 2019, and he is also a shareholder of KTESIOS and a Limited Partner of RKS REAL STATE.

Prior to that, Mr. Schmidt has developed strong expertise in capital markets. During the last 20 years, he was Partner at Fellow Funders Group (2018-2019), Managing Partner at Fortuna CP (2007-2018), Managing Director at USC-Resource Consult (2004-2007), and Analyst and Fund Manager at Dr. Jens Ehrhardt Kapital AG (1999-2004).

He holds a Bachelor's Degree and has a Master in Business Administration / Economics from the University of Augsburg (Germany).

- **Mr. Gonzalo Roca Pérez** – *Director*.

Mr. Roca currently holds the position of Debt Advisory Head in Arcano Partners Investment Bank.

He is a professional with 20 years of significant experience in the real estate sector and capital markets. Previously Mr. Roca worked for Servihabitat (2020) and Arcano (2011-2019), where he was Business Development Director and Capital Markets Director respectively. Additionally, he has been Marketing and Sales Director / Operations Manager in the Real Estate Area of Celo XXI Group (2004-2008), and Real Estate Marketing Director at Sánchez Group (2001-2004).

Mr. Roca has a Master in Advanced Finance from IE Business School (Madrid), a Master in Global e-Management from ESADE Business School (Barcelona), and a Master in Management of Real Estate Development Companies from Universidad de Barcelona. Besides, he holds a Bachelor's Degree in Commercial Management and Marketing from ESIC Valencia.

- **Mr. Iñigo de Loyola Sánchez del Campo Basagoiti** – *Secretary Non-Director*.

Mr. Sánchez del Campo joined the law firm Tomás de Carranza in 2004 and is currently a Partner specializing in commercial and real estate law. He has actively participated in developing the firm's Department of Real Estate Legal Management, which he co-manages.

He holds a degree in Law from Universidad Complutense (Madrid). Additionally, he graduated in Economics at CES Villanueva (Madrid) and received a diploma in Administrative/Municipal Law at the Legal Practice School of Universidad Complutense (Madrid).

During his more than 15 years of professional experience, he has always been linked to the business world, focusing his professional activity on issues related to commercial law, corporate law, contractual activity of companies, relations between partners, mergers and acquisitions, due diligence processes, corporate governance, compliance, etc., in very diverse sectors of activity (residential, hotel, renewable energies, supplies, health, transport).

Currently, he provides daily and day-to-day advice to a large number of real estate companies (SIIIs, FIIIs, Socimi's, family assets), participating in the management and resolution of all their disputes, in many cases taking on the secretarial duties of their boards of directors.

- **Mrs. María García Aguado**– *Deputy-Secretary Non-Director*.

Mrs. García is an Associate of the law firm Tomás de Carranza. She joined the firm in 2014, and her trajectory has allowed her to specialize in corporate and real estate law.

She graduated in Law and Business Administration and Bilingual Corporate Management from the Universidad Francisco de Vitoria (Madrid) - Excellens High Performance Programme. Degree in Integral Leadership Program (Integral Leadership Program - ILP) from the Universidad Francisco de Vitoria, in collaboration with the University of Notre Dame (Indiana). Also Mrs. García is a Mediator specialized in Civil and Commercial Mediation by the Spanish Mediation Association. Also Mrs. García is a Mediator specialized in Civil and Commercial Mediation by the Spanish Mediation Association.

She has developed her experience in judicial and extrajudicial advice on the day-to-day management of real estate assets, contracting, purchase and sale transactions, due diligence processes, incorporation processes and structural modifications, secretarial work, corporate operations, etc.. Her trajectory has enabled her to gain first-hand knowledge of the operation of companies operating in regulated sectors, specialising in legal advice to Listed Real Estate Investment Companies (Socimi) and their relationship with the alternative stock markets. She advises various foundations and associations, set up with the aim of giving a voice to civil society.

#### 4.2.2. Capacity and term of office (article 26 and 28 of the Articles of Association)

##### **Article 26. Subjective conditions.**

*To be a board member, it is not necessary to be a shareholder, and both natural persons and legal entities may be members.*

*A board member may be removed from office at any time by resolution of the General Meeting of Shareholders, subject to the quorum established by law.*

*A person who is subject to any of the prohibitions or conflicts of interest established in the legislation in force, and in particular, in any of those provided for in Act 3/2015, of 30 March, regulating the exercise of high ranking positions in the General Administration and in Act 14/1995, of 21 April, on Conflicts of interest of High Ranking of the Community of Madrid, may not be appointed as a board member.*

*The appointment shall take effect upon acceptance.*

##### **Article 28. Term of office**

*The board members' term of office shall be SIX (6) YEARS, and they may be re-elected one or more times for periods of the same duration.*

#### 4.2.3. Directors' compensation (article 29 of the Articles of Association)

##### **Article 29. Remuneration of the Governing Body.**

*The position of Board Member shall be remunerated in accordance with the resolution of the General Meeting of Shareholders. This resolution shall require a qualified majority of two-thirds of the share capital.*

*Board members' remuneration shall consist of a fixed amount, which shall be determined by the General Meeting of Shareholders for each financial year, and a share in the company's profits, which shall also be determined by the General Meeting of Shareholders subject to the limitations established for this purpose by law.*

*Moreover, the Company must take out civil liability insurance for its board members.*

At the Extraordinary Shareholders Meeting held on November 24th, 2020, it was approved that the maximum remuneration of the Board of Directors will be in the amount of 40,000 euros for the financial year, which will be distributed in time and form by agreement of the Board of Directors according to its activity and responsibility.

#### 4.2.4. Functioning of the Board of Directors (article 25.bis of the Articles of Association)

Article 25.bis of the Articles of Association sets out the functioning of the Board of Directors.

With regard to the foregoing, article 25.bis establishes, among others, that the Board of Directors shall elect its own Chairman and, if it deems it appropriate, one or more Vice-Chairmen, establishing in the latter case the order of these Vice-Chairmen. Likewise, the Board shall appoint a Secretary and, if it considers it convenient, one or more Deputy Secretaries, who may not be Board Members, in which case they shall attend the meetings with voice but without a vote. In addition, the Board may appoint one or more Chief Executive Officers from among the Board members, with the applicable legal requirements.

The Board of Directors shall meet as often as it deems appropriate and at least once a quarter, at the request of the Chairman or of the person acting as Chairman, when required by the corporate interest or requested by a quarter of its members.

The Board shall be understood to be validly constituted when half plus one of its members are present at the meeting, and any Director may confer representation on another Director.

For the adoption of resolutions, the favourable vote of the majority of the Directors attending the meeting shall be sufficient, unless the Law or the Articles of Association require a higher majority. In the event of a tie, the Chairman shall have the casting vote.

The discussions and agreements of the Board shall be recorded in the minutes, which shall be signed by the Chairman and the Secretary or by those who have substituted them.

#### 4.2.5. Prohibition to compete (article 31 of the Articles of Association)

##### **Article 31. Prohibition of competition.**

*The Board of Directors, unless expressly authorised by the General Shareholders' Meeting in accordance with the provisions of the Corporate Enterprises Act, must refrain from engaging in activities for its own account or for the account of others that involve effective competition, whether actual or potential, with the Company or that in any other way place it in permanent conflict with the interests of the Company.*

By virtue of the provisions of article 230 of the Enterprises Company Act (*Ley de Sociedades de Capital*), the Extraordinary Shareholders Meeting held on November 24th, 2020, authorized Mr. Henry Noel Gallego Grajales and granted its express dispensation to carry out his functions as sole Administrator of RKS AM as well as to receive the remuneration that corresponds to him for such performance, even though his activity as such may be analogous or complementary to that which constitutes the corporate purpose of the Company, since such actions do not imply any damage to the Company.

#### 4.2.6. 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 are or have been involved in historical (at least in the previous past five years), or on-going, bankruptcy, liquidation or a similar procedure, and also fraud-related convictions or on-going procedures in which any person from the Board and/or the management of the Company have been involved.

## 5. RISK FACTORS

The Company believes that the risks described below represent the main or material risks inherent in investing in its shares. Most of these factors are contingencies that may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

The Company does not guarantee the completeness of the risk factors described below. The risks and uncertainties described in this Information Document may not be the only risks that the Company may face and there may be additional risks and uncertainties currently unknown or considered not to be material, that alone or in conjunction with others (whether identified in this Information Document or not) could potentially have a material adverse effect on the business activity, financial position, and Company's operating results.

### 5.1. RISK ASSOCIATED WITH THE REAL ESTATE SECTOR

#### 5.1.1. Cyclical nature of the sector

Real estate activity globally, and particularly in Spain, is subject to cycles depending on the economic-financial environment. The occupancy levels of the properties, the prices of the rents obtained and, in short, the value of the assets, are influenced, among other factors, by the supply and demand of properties with similar characteristics, interest rates, inflation, the rate of economic growth, legislation, political and economic events, as well as other social and demographic factors.

The Company is unable to predict the trend of the economic cycle in the coming years or whether there will be a recession, which could have significant unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.1.2. Risk of competition

The Spanish real estate sector is very competitive and very fragmented, being characterised by the existence of few entry barriers for new competitors. Although currently, the competition in the regions where the Company operates is not high, the appearance of new players in the sector, which may be of a larger size or have greater financial resources than the Company, could give rise to an excess supply of rental properties or a reduction in prices, and therefore have significant unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.1.3. Risk of illiquidity of real estate investments

Real estate investments are relatively illiquid. Therefore, the Company could have difficulties quickly realizing the effective value of some of its real estate assets or could be obliged to reduce the realization price. The illiquidity of the investments could limit the capacity to adapt the composition of its real estate portfolio to possible changes in circumstances.

## 5.2. OPERATING RISKS

### 5.2.1. Risk of geographic concentration of the real estate portfolio

As explained in section 3.2 of this Information Document, it should be pointed out that in terms of market value as of 31, December, 2020, according to Gesvalt asset's valuation report, 50.7% of the Company's properties are located in the province of Toledo (specifically in the municipalities of Mejorada - 13.6% - and Rielves - 12.9%), 26.5% in Ciudad Real province, 11.6% in Algeciras (Cádiz province), and 11.2% in Alcantarilla (Murcia province). Therefore, the particular economic conditions that these regions present, or specific modifications to the urban plans by the autonomous community or local authorities, could adversely affect the financial situation, results, or valuation of the portfolio of assets.

### 5.2.2. Risk related to the level of occupancy and the rental prices of the assets

As of February 28, 2021, the level of occupancy of the assets of the Company stands at 62% and the average monthly rental is €327. The fluctuation of the demand for rental housing could provoke a decrease in the occupancy rate and/or the rental prices of the properties held by the Company, which could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

### 5.2.3. Risk related to the collection of rents from the assets leased

The lessees could occasionally undergo unfavourable financial circumstances preventing them from duly meeting their payment commitments. In the event of any non-fulfilment by the lessees, the recovery of the property may be delayed until a legal eviction is obtained, and therefore the availability of such property for re-lease may also be delayed. This could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

The rent default rate was 7.4% for the year 2020 and 8.9% from March 13, 2020 (the date on which began the restrictions in Spain to contain the pandemic) to the end of the year. Nevertheless, as explained in section 3.9 of this Information Document, most of the residential lease agreements signed by the Company are covered with a rental payment insurance policy which mainly covers 12 months of rent and legal defence (maximum €3,000) in the event of non-payment.

### 5.2.4. Risk associated with multiple properties

As of the date of this Information Document, the Company's asset portfolio comprises multiple properties in the central, south and south-eastern Spain. In addition, the Company's strategy is to continue investing in other peripheral areas of Spain, and in the future, replicate the business model in Portugal.

The Company is externally managed by RKS-AM with the aim to maximize performance and reduce fixed and recurrent costs. As RKS AM does not have a physical presence in all locations where the Company owns or will own assets, RKS AM subcontracts or will subcontract certain services to third

local providers in order to be able to respond to any potential issues that may arise.

Given the geographical location of the properties that the Company targets, its day-to-day management could be more complex. As such, RKS-AM and/or its subcontractors may fail to meet their commitments, delay deliveries, or experience other difficulties that do not allow them to reach their targets in time. Such failure could have significant unfavorable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.2.5. Risk of COVID-19

As explained in section 3.7.1 of this Information Document, Spain, like other countries, is in the midst of a difficult situation resulting from the COVID-19 outbreak.

On March 14, 2020, a State of Alarm was ordered in Spain to manage the health crisis caused by the COVID-19 pandemic, with restrictions and limitations imposed on economic activity and people's mobility trying to reduce the contagion.

Given this situation, the Company conducted a preliminary analysis based on the best information available to minimize the impact of the crisis. Then it decided to take proactive measures with the most vulnerable tenants going beyond those criteria set out by the government in Royal Decree-Law 11/2020 of March 31, 2020, adopting urgent additional measures in the social and economic sphere to confront COVID-19 (hereinafter "RDL 11/2020"). In this regard, the Company launched a rent moratorium program consisting of the possibility to defer up to 50% of 3 months rents (April, May, June 2020). These deferred amounts would be paid in instalments over up to 6 months, starting September 2020. Only 4 tenants applied for the aid proposed by the Company, and none under RDL 11/2020. For these reason, with these tenants, for greater legal certainty, an addendum was signed with the specific agreed rent payment schedule, which forms an integral part of the signed lease contracts. Of those tenants, 4 are complying with the established rent payment plan, and the other half are in default, but their rents are insured.

With the measures taken by the governments to protect health while maintaining as much as possible economic activity, large numbers of businesses and employees have been affected. Currently, vaccines for the European Union population and other territories appear to be effective, and a return to normality could begin in the second half of 2021. However, the global situation is still uncertain and will continue to hinge on how the pandemic unfolds and on the news concerning the development of the vaccination process to combat COVID-19.

At the date of issue of this document, Spain remains under the State of Alarm agreed in Royal Decree 463/2020 of 14 March, which declares the state of alarm for the management of the health crisis situation caused by COVID-19.

While the pandemic has so far not had significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company, it is not exactly known how long this crisis might last and therefore the extent of the impact it may have on the global economy and ultimately on the Company if the pandemic lasts longer than expected.

#### 5.2.6. Possible conflict of interest due to the fact that certain members of the Board of Directors of the Company have an effective linkage with RKS and/or RKS MANAGEMENT

As of the date of this Information Document, Mr. Henry Noel Gallego Grajales, shareholder, Chairman and Chief Executive Officer of the Company, is (i) sole shareholder and administrator of RKS AM, which is the asset and property manager of the Company, and the property manager of RKS REAL ESTATE, and is also (ii) sole shareholder and administrator of RKS MANAGEMENT, which is the General Partner of RKS REAL ESTATE. Besides, Mr. Bernhard Schmidt, shareholder, and Director of the Company works also as Investor Relations Manager at RKS AM.

Therefore, those members of the Board of Directors have a direct link with RKS AM and/or RKS MANAGEMENT. This situation may cause under certain circumstances conflict of interest when executing actions or assuming responsibilities. The situation of Mr. Henry Noel Gallego Grajales is known to the shareholders of KTESIOS, who, as stated above, granted their express waiver in the exercise of their respective positions and conditions in the aforementioned companies.

Any potential situation of conflict of interest may be mitigated by section 228 of the Enterprises Company Act (*Ley de Sociedades de Capital*) by virtue of which any Director affected by a conflict of interest situation is obliged to refrain from assisting and voting in the relevant corporate decision involving such a situation.

#### 5.2.7. The real estate activity of the Company is managed externally and, therefore, depends on the experience, the skill, and the judgment of RKS AM

The Company and its portfolio of assets are managed externally by RKS AM. Consequently, the progress of the Company and its business will depend on the performance of RKS AM and some of its executives.

Therefore, the absence of the same for any reason could have a negative impact on the results of the actions that should be carried out if they were made by different people.

More specifically, the Company depends on the ability of RKS AM to define a strategy for successful investment and, ultimately, its ability to create a real estate investment portfolio capable of generating attractive returns. In this sense, it cannot be ensured that RKS AM will satisfactorily comply with the investment objectives set by the Company. In addition, any error, total or partial, at the time of identifying, selecting, negotiating, executing, and managing investments by RKS AM could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

The appointment of a Board of Directors, which includes among its members the appointment of an external and independent board member to the aforementioned companies linked to KTESIOS (Mr. Gonzalo Roca Pérez), seeks to mitigate this risk.

#### 5.2.8. Risk deriving from an early termination of Asset Management or Property Management agreements

As explained in section 3.4.1 and 3.4.2 of this Information Document, in the event that the Asset Management agreement or the Property Management agreement is early terminated by the Company due to a situation of non-compliance, but not attributable to and/or not communicated to RKS AM, under the terms of the corresponding contract, the Company must pay RKS AM an indemnity that could be relevant and could have significant, unfavourable effects on the operations, financial situation, forecasts and results of the Company.

#### 5.2.9. Risk deriving from the delay or, where applicable, failure to obtain or renew the necessary licences for the properties

The Company is obliged to obtain the necessary licenses to use the properties depending on their location. In addition, it may be obligatory, in certain circumstances, to renew or update existing licenses.

Since the granting of such licenses by the authorities may take a long time or may not even be carried out, the Company may be restricted or prevented from exploiting the properties. This could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.2.10. Possible liability of the Company due to the actions of contractors and sub-contractors

The Company may contract, or sub-contract, renovation and reform work with third parties. The subcontractors might not meet their commitments, delay deliveries, or undergo financial difficulties not allowing them to execute what has been agreed, meaning the Company has to devote additional resources in order to meet their commitments.

#### 5.2.11. Risk of damages to the properties

The properties of the Company are exposed, among others, to damage from possible fires, flooding, accidents, or other natural disasters. Should any such damage not be insured or involve an amount greater than that covered, the Company would have to face this, along with any loss related to the investment made and income forecasted, which could have significant unfavourable effects on the operations, financial situation, forecasts and results of the Company.

Furthermore, as a result of the exercise of asset-related activity by the Company, the risk exists of claims being made against the Company due to possible defects in the technical characteristics and the construction materials of the properties leased out.

#### 5.2.12. Risk associated with the valuation of assets

At the time of valuing the real estate assets, Gesvalt made certain assumptions, among others, concerning the cash flow projections for the assets, the exit yields, and the discount rate used, with

which a potential investor may not agree with. If said subjective elements were to evolve negatively, the valuation of the assets would be lower and could consequently affect the Company's financial situation, profit, or valuation.

Besides, in its report, Gesvalt points out that, as of the valuation date, they can attribute less weight to previous market evidence for comparison purposes to inform opinion of value. Indeed, the current response to COVID-19 means that they are faced with an unprecedented set of circumstances on which to base a judgment. Therefore, Gesvalt's opinion should be contextualized based on the "uncertainty in the valuation" according to VPS 3 and VPGA 10 included in the Red Book. This situation should be taken into account when considering the valuation, and a greater degree of caution should be applied than in a normal scenario.

#### 5.2.13. Risk of non-execution of income statement and the cash flow projections

As described in section 7.3 of this Information Document, the Company has included income statement and cash flow projections for the financial years 2021 and 2022 which, due to their nature, are uncertain and subject to being met or not in the future. Therefore, they should not be taken as a guarantee of future results and should be completed with a reading of the risk factors contained in this Information Document.

### 5.3. LEGAL AND REGULATORY RISKS

#### 5.3.1. 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.

#### 5.3.2. Changes in tax legislation (including changes in the SOCIMI tax regime)

The Company opted for the SOCIMI special tax regime on September 25, 2019, and therefore, among others, will be taxed under Corporate Income Tax at 0% for any profit arising from its activity and may have certain regional tax exemptions, providing it meets the requirements of such regime. Therefore, any change (including changes of interpretation) in the REIT Law (Spanish Law 11/2009, of 26 October, amended by Law 16/2012 - *Ley de 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 or (ii) the increase of the tax rates in Spain or in any other country of the existing ones, could have an adverse effect on the activities of the Company, its financial conditions, its forecasts or results of operations.

### 5.3.3. Application of special tax regime

It should be noted that KTESIOS will be subject to a special tax of 19% on the full amount of the dividends or profit sharing distributed to the shareholders 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. According to article 37 of the Company's Article of Association, shareholders who cause the accrual of the special tax of 19% shall indemnify to the Company in an amount equal to the corporate income tax expense arising for the Company from the payment of the dividend which serves as the basis for the calculation of the special levy, increased by the amount which, after deduction of the corporate income tax levied on the total amount of the indemnity, manages to offset the expense arising from the special levy and the corresponding indemnity.

### 5.3.4. Loss of special tax regime

The Company may lose the special tax regime established under the REIT Law, consequently changing to be taxed under the general Corporate Income Tax regime, in the actual tax period in which any of the circumstances occurs:

- Exclusion from trading on regulated markets or a multilateral trading system.
- The substantial non-fulfilment of the information obligations referred to by Article 11 of the SOCIMI Act, unless the report for the immediately following financial year remedies such non-fulfilment.
- Any lack of distribution agreement or total or partial payment of the dividends in the terms and periods referred to by Article 6 of the SOCIMI Act. In this case, taxation under the general regime will take place during the tax period corresponding to the financial year from the profit of which such dividends would have derived.
- A de-registration of the special tax regime established in the REIT Law.
- The waiver of the application of this special tax regime.
- The non-fulfilment of any other of the requisites required under the REIT Law so that the Company might apply the special tax regime, unless the reason for the non-fulfilment is remedied within the immediately following financial year. However, the non-fulfilment of the period for maintaining the investments (properties or shares of certain entities) referred to by Article 3.3 of the REIT Law will not involve the loss of the special tax regime.

The loss of the special tax regime established in the REIT Law will mean its application may not be accepted again for at least three years since the conclusion of the last tax period in which such regime applied. The loss of the special tax regime and subsequent eligibility for tax under the Corporate Income Tax general regime in the financial year in which said loss takes place would mean that the Company would be obliged to pay, if applicable, the difference between the tax quota owed under the general regime and the quota paid under the special tax regime in financial years prior to the breach, notwithstanding any default interest, surcharges and penalties that may be imposed.

#### 5.3.5. Risk deriving from a potential inspection by the Tax Authorities

Pursuant to prevailing legislation, no taxes may be considered to have been definitively settled until the declarations have been inspected by the tax authorities, or until a statute of limitations period of four years has elapsed. As of the date of this Informational Document, the Company has subjected to inspection all the taxes applicable to it corresponding to the period commencing from its incorporation (March 21, 2019).

#### 5.3.6. Litigation risk

There is currently no ongoing litigation that could have an adverse impact on the Company's results. On the contrary, there is an ongoing litigation that could have a relevant positive impact on the Company should it be resolved favourably.

This litigation is about the Deposit Agreement signed by the Company and the company Benidorm Europa, S.A.U. (hereinafter the "Seller") on July 2, 2020, for 24 dwellings and 24 parking spaces, all located at Calle Esperanto 23 in Benidorm (Alicante province). By signing the Deposit Agreement, the Company paid to the Seller, on account of the purchase price of the properties and, as a deposit, the sum of €330,000 (hereinafter the "Deposit").

On July 3, 2020, the Benidorm Land Property Registry nº 3, where the properties are registered, received an annotation of prohibition of disposal issued by the Central Court of Instruction nº 6 of Madrid. This prohibition not only prevented the Company from executing the acquisition of the properties, but also implied a serious and essential breach by Seller of the Deposit Agreement since, contrary to what was expressly stated, declared, and guaranteed by the Seller in the Deposit Agreement, on the day on which the Deposit Agreement was signed (2/07/2020), not only was there a judicial proceeding that could affect the right of ownership of the properties, but also, as of today, the properties are expressly unavailable to the Seller by order of the Central Court of Instruction nº 6 of Madrid.

On October 29, 2020, the Company filed an application for precautionary measures requesting the preventive seizure of the assets of the Seller, of the company Tonisa Inmuebles, S.L. (Seller's sole shareholder), and of the owners and administrators of these companies, the spouses, Ms. Isabel Centeno Cepa and Mr. Antonio Genaro Rius Mora, in an amount sufficient to cover the sum of €660,000 (return of the duplicate Deposit paid), as well as the sum of €54,030.39 for interest, costs and fees of the future proceedings, that is, a total of €714,030.39 (hereinafter the "Proceedings for Preventive Measures").

The Proceedings for Preventive Measures have been processed in Madrid Court of First Instance nº 10 under case nº 1457/2020, finalized by Order nº 85/2021 in which it was agreed to estimate the preventive measures requested by the Company. On March 9, 2021, a preventive seizure of all the defendants' assets was requested by the Company.

On 31 March 2021, a lawsuit was filed in ordinary proceedings against the aforementioned companies and their directors in which THREE (3) actions were brought: (i) a claim for payment for breach of contract, (ii) an individual action for liability of directors and (iii) an action to "lift the veil" also against the aforementioned company managers and the related companies referred to above. The amount requested in the application for the sum of SEVEN HUNDRED AND THIRTY-EIGHT THOUSAND THREE HUNDRED AND ONE EURO AND SIXTY-THREE CENTS (€738,301.63).

Despite the ongoing litigation on this matter, the Company has recognised a loss equal to the Deposit amount (€330,000) in the Income Statement for the year 2020 under the heading "Other results" (see note 12.5 of the 2020 audited financial statements), as the Company considers it unlikely to recover any amount related to the aforementioned litigation.

## **5.4. FINANCIAL RISKS**

### **5.4.1. Risks relating to debt management**

On March 31, 2021, the Company had a gross financial debt with banks of €3.03 million, through 6 mortgage loans with Liberbank and Bankinter. In the Net Asset Valuation provided by Gesvalt as of December 31, 2020 the Company's LTV was 24.43%.

The failure to comply with the obligations assumed by the Company with Liberbank and Bankinter could lead to the early expiration of the corresponding financing agreements, as well as the cross-maturity of other debts, and, therefore, the fact that said financial entity demand in advance the payment of the principal of the debt and its interests and, in this case, would execute the guarantees that could be granted in their favour, which could negatively affect the activities, financial situation and the results of the Company.

Concerning interest rates, the loan with Bankinter (with an outstanding balance as of March 31, 2021, amounting to €355,000) is referenced to a variable interest rate, which cannot be less than 2%. This loan represents 11.7% of the total outstanding Company's gross financial debt. Therefore, KTESIOS is exposed to interest fluctuations and an increase in interest rates that could result in higher financing costs, which could negatively affect the activities, financial situation, and the results of the Company.

### **5.4.2. Risks associated with the financing of the new investments**

The investment strategy of the Company contemplates the financing of investments through equity and/or through bank debt.

If KTESIOS does not have access to financing, or if it does not obtain it in adequate terms, or if there are delays in obtaining such financing, KTESIOS may be impaired in its ability to undertake investments or even be forced to give up investments already foreseen, which could adversely affect its investment strategy and cause negative consequences in the results of its commercial operations and, ultimately, in its business.

#### 5.4.3. Lack of liquidity for the payment of dividends

All dividends and other distributions payable by the Company will depend on the existence of available profits for distribution and sufficient cash. Moreover, there is a risk that the Company may generate profits but has insufficient cash to meet the dividend distribution requirements of the SOCIMI regime in monetary terms. If the Company has insufficient cash, the Company could be obliged to pay dividends in kind or implement a system to reinvest the dividends in new shares.

As an alternative, the Company could apply for additional financing, which would increase its financial costs and reduce its capacity to seek financing for new investments, which could have a material adverse effect on the Company's business, financial conditions, results, and expectations.

## 6. INFORMATION CONCERNING THE OPERATION

### 6.1. Admission on Euronext Access

At the Extraordinary Shareholders Meeting held on November 24th, 2020, KTESIOS' shareholders approved the admission of the Company's shares on Euronext Access Lisbon.

**Admission procedure:** Admission to trading of ordinary shares on Euronext Access Lisbon through technical admission.

**ISIN:** ES0105536009

**Euronext Ticker:** MLKTS

**Number of shares to be listed:** 530,000 ordinary shares

**Nominal price per share:** €10.00

**Reference price per share:** €12.00

**Market capitalization:** €6,360,000

**Market Relations Representative:** Henry Noel Gallego Grajales

**Initial listing and trading date:** 01-06-2021

**Listing Sponsor:** VGM Advisory Partners, S.L.U.

### 6.2. 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 Lisbon S.A., through a technical admission of the shares.

The proposed transaction does not require approval from the Comissão do Mercado de Valores Mobiliários (CMVM). The registration on the Euronext Access Market should provide more visibility to the Company, and at the same time, allow it to consolidate its structure while familiarizing itself with the financial markets.

Finally, to keep the special tax regime for SOCIMI, the Company needs to be listed on a stock exchange in Europe.

### 6.3. 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. Corporate capital

The share capital is **FIVE MILLION THREE HUNDRED THOUSAND EUROS (5,300,000)**. It is divided into 530,000 registered shares of the same class and series, each with a nominal value of TEN EUROS (€10.00). All shares are fully subscribed and paid up and give their holders the same rights.

### 6.4. Evolution of the share capital, increases, and reductions

The Company was incorporated on March 21st, 2019, with a share capital of €150,000. Subsequently, it has increased the share capital on several occasions.

- **March 21, 2019.** Incorporation of the Company with a total share capital amount of €150,000 divided into 15,000 shares with a face value of €10 each.

The Company's shareholding structure was:

Shareholder	(€) Share capital	Shareholding
RKS Real Estate, Societe en Commandite Speciale	142,500	95.00%
RKS Asset Management, S.L.U.	3,750	2.50%
Mr. Henry Noel Gallego Grajales	3,750	2.50%
<b>Total</b>	<b>150,000</b>	<b>100.00%</b>

- **June 20, 2019.** Capital increase approved by the Company's Shareholders Meeting for an amount of €495,000 and without a share premium, issuing 49,500 shares with a face value of €10 each, which was notarized by virtue of the public deed granted on June 21, 2019, before the public notary of Madrid, Mr. Juan Aznar de la Haza, under number 2,688 of his files. Such capital increase was subscribed through monetary contributions.

As a result of the foregoing, the distribution of the share capital following the increase is as follows:

Shareholder	(€) Share capital	Shareholding
RKS Real Estate, Societe en Commandite Speciale	612,500	95.00%
Mr. Henry Noel Gallego Grajales	18,750	2.91%
RKS Asset Management, S.L.U.	13,750	2.13%
<b>Total</b>	<b>645,000</b>	<b>100.00%</b>

- **November 28, 2019.** Capital increase approved by the Company's Shareholders Meeting for an amount of €1,555,000 and without a share premium, issuing 155,500 shares with a face value of €10 each, which was notarized by virtue of the public deed granted on November 28, 2019, before the public notary of Madrid, Mr. Juan Aznar de la Haza, under number 5,182 of his files. Such

capital increase was subscribed through monetary contributions (€1,115,000) and by credit compensation (€440,000).

As a result of the foregoing, the distribution of the share capital following the increase is as follows:

Shareholder	(€) Share capital	Shareholding
RKS Real Estate, Societe en Commandite Speciale	1,695,000	77.05%
RKS Asset Management, S.L.U.	66,000	3.00%
Mr. Henry Noel Gallego Grajales	49,000	2.23%
Mr. Bernhard Schmidt	25,000	1.14%
Other 8 minority shareholders	365,000	16.59%
<b>Total</b>	<b>2,200,000</b>	<b>100.00%</b>

- July 15, 2020.** Capital increase approved by the Company's Shareholders Meeting for an amount of €1,914,000 and a share premium of €95,700, issuing 191,400 shares with a face value of €10 and a share premium of €0,50 each, which was notarized by virtue of the public deed granted on July 23, 2020, before the public notary of Madrid, Mr. Juan Aznar de la Haza, under number 2,609 of his files. Such capital increase was subscribed through monetary contributions.

As a result of the foregoing, the distribution of the share capital following the increase is as follows:

Shareholder	(€) Share capital	Shareholding
RKS Real Estate, Societe en Commandite Speciale	3,054,200	74.24%
Mr. Henry Noel Gallego Grajales	163,290	3.97%
RKS Asset Management, S.L.U.	66,000	1.60%
Mr. Bernhard Schmidt	39,300	0.96%
Other 12 minority shareholders	791,210	19.23%
<b>Total</b>	<b>4,114,000</b>	<b>100.00%</b>

- November 24, 2020.** Capital increase approved by the Company's Shareholders Meeting for an amount of €1,186,000 and a share premium of €118,600, issuing 118,600 shares with a face value of €10 and a share premium of €1 each, which was notarized by virtue of the public deed granted on November 30, 2020, before the public notary of Madrid, Mr. Juan Aznar de la Haza, under number 4.466 of his files. Such capital increase was subscribed through monetary contributions.

Therefore, as of the date of this Information Document, the Company's share capital is €5,300,000, and the Company has 19 shareholders.

The distribution of the share capital is as follows:

Shareholder	(€) Share capital	Shareholding
RKS Real Estate, Societe en Commandite Speciale <sup>(1)</sup>	3,986,200	75.21%
RKS Asset Management, S.L.U. <sup>(2)</sup>	102,370	1.93%
Mr. Henry Noel Gallego Grajales (Chairman and CEO)	163,290	3.08%
Mr. Bernhard Schmidt (Director)	48,400	0.91%
Other 15 minority shareholders <sup>(3)</sup>	999,740	18.86%
<b>Total</b>	<b>5,300,000</b>	<b>100.00%</b>

(1) Its General Partner is RKS Management, Sàrl (whose sole shareholder is Mr. Henry Noel Gallego Grajales), with a 0.03% stake as of February 28, 2021. In addition, Mr. Bernhard Schmidt is a Limited Partner, with a 1.73% shareholding as of February 28, 2021.

(2) Sole shareholder is Mr. Henry Noel Gallego Grajales.

(3) "Other minority shareholders" are 15 shareholders holding stakes between 0.09% and 6.43% each. There is only 1 shareholder in this group who holds a stake of more than 5%.

Therefore, the Board members who have a direct or indirect shareholding in the Company are as follows:

- Mr. Henry Noel Gallego Grajales (Chairman and Chief Executive Officer), who holds:
  - ⇒ Directly, 1.93% of the shares.
  - ⇒ Indirectly, a shareholding (i) through RKS Asset Management, S.L.U. (which owns 1.93% of the Company's shares) and where he is the sole shareholder, and (ii) through RKS REAL STATE (which owns 75.21% of the Company's share) and whose General Partner with a 0.03% stake as of February 28, 2021 is RKS Management, Sàrl, where he is the sole shareholder.
- Mr. Bernhard Schmidt (Director), who holds:
  - ⇒ Directly, 0.91% of the shares.
  - ⇒ Indirectly, a shareholding through RKS REAL ESTATE (which owns 75.21% of the Company's shares), where he is a Limited Partner with a 1.73% stake as of February 28, 2021.

It must be noted that, to this date, the Company has not implemented a share-based incentive scheme neither for its Directors, nor its employees (currently it has no employees).

Additionally, at the Extraordinary Shareholders Meeting held on November 24th, 2020, the shareholders agreed to empower the Board of Directors of the Company, as broadly as may be required by law, so that by virtue of Article 297.1 b) of the Enterprises Companies Act, without previous consultation to the Shareholders Meeting, may increase the capital of the Company in a single time or in several partial and successive times, at any time within the period of 5 years, that is until November 24, 2025, up to the amount of 2,057,000 euros. This delegation to increase capital has not been executed as of the date of issue of this Document.

The new shares issued as a result of the capital increase or increases agreed under this

delegation shall be ordinary shares with the same rights as the existing ones. The counter value of the new shares to be issued shall necessarily consist of monetary contributions. The delegation shall extend to the setting of all the terms and conditions of the capital increase.

## 6.5. Main characteristics of the shares

### 6.5.1. Shares representation and accounting records (article 6 of the Articles of Association)

#### **Article 6. Representation of shares**

*The shares are represented by registered book-entries and are constituted as such by virtue of their registration in the corresponding accounting register designated by the Company and governed by the applicable securities market regulation.*

*The entitlement to exercise the shareholder's rights is obtained by registration in the accounting register, which presumes legitimate ownership and entitles the registered holder to demand that the company recognise him or her as a shareholder. This authentication may be accredited by means of the relevant certificates issued by the entity responsible for keeping the corresponding accounting register.*

*If the Company renders any benefit to the person shown in the accounting records as the holder, it shall be discharged from the corresponding obligation even if that person is not the actual holder of the share.*

*If the person appearing in the book-entries has such authority by virtue of a fiduciary title or in his capacity as a financial intermediary acting on behalf of its clients or by virtue of another similar title or status, the Company may require him to disclose the identity of the beneficial owners of the shares, as well as the transfers and encumbrances on the shares.*

The General Meeting of Shareholders held on 24 November 2020 resolved to appoint INTERBOLSA - SOCIEDADE GESTORA DE SISTEMAS DE LIQUIDAÇÃO E DE SISTEMAS CENTRALIZADOS DE VALORES MOBILIÁRIOS, S.A. ("INTERBOLSA") an entity registered at Avenida de Boavista, n.º 3433, 4100- 138, Parish Aldoar, in Oporto, registered in the Commercial Register of Oporto ("Conservatória do Registo Comercial do Porto"), with tax number 502.962.275, to keep the book-entry accounting register, so the shares traded on Euronext Access Lisbon will be registered on INTERBOLSA, and for all the settlement related services of the shares listed on that market, INTERBOLSA will be used.

### 6.5.2. Transferability of the shares (articles 7, 8 and 43 of the Articles of Association)

Articles 7, 8 and 43 of Articles of Association covers the transferability of the shares.

#### **Article 7. Transfer of shares**

*The shares and the financial rights deriving therefrom, including pre-emptive subscription and free allotment rights, are transferable by all legally admissible means and shall be governed in accordance with the provisions of Articles 120 et seq. of the Corporate Enterprises Act (CEA). Individuals or legal*

entities may at any time subscribe for or acquire shares in the Company subject to the terms and conditions set out in the Corporate Enterprises Act.

**Article 8. Co-ownership, usufruct, pledge and seizure of shares**

1. *Co-ownership, usufruct, pledge and seizure of shares shall be governed by the provisions of this Article and additionally by the regulations which are applicable an any given time.*
2. *In the case of a usufruct of shares, the bare owner shall be considered a shareholder and the usufructuary shall be entitled to receive the dividends distributed by the Company during the usufruct. The relationship between the usufructuary and the bare owner and the rest of the usufruct conditions shall be governed by the provisions set out in the instrument in which the usufruct is executed and, in the absence thereof, by the provisions of the Corporate Enterprises Act or those that may replace it in the future.*
3. *In the case of a pledge of shares, the pledgee shall have economic and voting rights as soon as the pledgor and the Company are notified by notary of the existence of a default on the secured obligation and the pledgee expressly states that he wishes to exercise the voting and/or financial rights. Pending such notification, the economic and voting rights shall remain vested in the pledging debtor shareholder.*
4. *In the event of seizure and compulsory execution of the shares, the Company shall be entitled to acquire the shares itself at their fair value at the time the seizure was requested in accordance with the provisions for the derivative acquisition of treasury shares in article 146 CEA. Fair value shall be understood to be that which reflects the stock market price of the Company's shares, unless the shares are not admitted to trading, in which case fair value shall be understood to be determined by an auditor other than the Company's auditor who, at the request of any interested party, is appointed for this purpose by the Company's directors. The fair value determination made shall be binding on all parties.*
5. *Since the shares are indivisible, joint holders of shares and joint holders of other rights thereon must designate a single person to exercise the corresponding rights and notify the Company of their identity in a reliable manner.*

**Article 43. Delisting**

*From the moment the Company's shares are admitted to trading on any secondary market or multilateral trading system, in the event that the General Shareholders' Meeting adopts a resolution to delist its shares from such market that is not supported by all shareholders, the Company shall be obliged to offer the shareholders who have not voted in favour the acquisition of theirs shares at the price resulting from the regulations governing takeover bids for delisting.*

*The Company shall not be subject to the foregoing obligation when, simultaneously with its delisting, it agrees to admit its shares to trading on any other secondary market or multilateral trading system in Spain or in any other Member State of the European Union or the European Economic Area, or on a regulated market of any country or territory with which there is an effective exchange of tax information with Spain, on an uninterrupted basis throughout the tax period.*

### 6.5.3. Rights for shareholders (article 9 of the Articles of Association)

#### **Article 9. Membership. Rights inherent to its status**

*Unless otherwise provided by law, all shares confer on their holders the same rights for all intends and purposes.*

*Each share confers on its holders the right to:*

- a. Attend and vote at Ordinary and Extraordinary General Shareholders' Meetings (each share having the right to one vote), provided that the share is registered in favour of its holder in the Book of Registered Shares at least FIVE (5) calendar days prior to the date of the General Shareholders' Meeting in question.*
- b. Participate in the distribution on company profits and;*
- c. Participate in the distribution of any surplus or quota resulting from the liquidation.*

According to article 14 of the Articles of Association, in general, corporate resolutions will be adopted by a simple majority of the votes of the shareholders present or represented at the Shareholder's Meeting of the Company. However, for the adoption of the resolutions indicated below, a reinforced majority of at least two-thirds of the votes corresponding to the shares into which the capital of the Company is divided will be necessary:

- a. The matters expressly contemplated in sections a) and b) of article 199 of the Corporate Enterprises Act.*
- b. The modification of the corporate purpose.*
- c. The removal, modification or creation of ancillary obligations.*
- d. Changes in the transfer regime.*
- e. Amendment of the system of majorities provided for in the Articles of Association for decision-making by the Board of Directors.*
- f. Approval or modification of the dividend policy, as well as resolution on the distribution of dividends or any other similar act involving the distribution of the Company's own funds.*
- g. The acquisition, disposal or contribution of essential assets, understood as those described in Article 160 f) of the Corporates Enterprises Act.*
- h. Exit and exclusion of shareholders.*
- i. The appointment and removal of directors and liquidators, as well as the exercise of corporate action against them.*
- j. The authorization to create charged or encumbrances or any right of option on the Company's shares.*
- k. The modification of the Matters Subject to Reinforced Majorities.*

#### 6.5.4. Ancillary obligations of the shares (article 10 of the Articles of Association)

##### **Article 10. Ancillary Obligations**

The Company's shares entail the performance and fulfilment of the ancillary obligations described below. These benefits, which shall not entail any remuneration by the Company to the shareholder in each case concerned, are as follows:

- Shareholders owning significant shareholdings:
  - a. Any shareholder who:
    - Holds shares in the Company with a percentage equal to or greater than 5% of the share capital or that percentage of shareholding provide for in Article 9.2. of the REIT Law or the regulation that replaces it, for the accrual by the Company of the special corporate income tax charge, or;
    - Acquires shares which, together with those already held, would result in an interest in the share capital of the Company equivalent to the foregoing,

The Company's Governing Body must be notified of this circumstance within **FIVE (5) NATURAL DAYS** of becoming the holder of the aforementioned percentages of share capital.

Hereinafter, any shareholder meeting these requirements shall be referred to as a "**Significant Shareholder**".

- b. The ancillary obligations referred to in section a) above shall also apply to indirect shareholders of shares in the Company through financial intermediaries who are recorded as formally authenticated as shareholders by virtue of the accounting records but who act on behalf of a Significant Shareholder. Hereinafter, they will be referred to as a the "**Significant Financial Rights Holder**".
- c. Together with the notification provide for in the preceding paragraphs, the Significant Shareholder or the Significant Financial Rights Holder must provide the Company's Governing Body with the following documents:
  - The certificate of residence for personal income tax purposes issued by the competent authority of your country of residence. In those cases in which the Significant Shareholder or the Significant Financial Rights Holder resides in a country with which Spain has signed an agreement to avoid double taxation on taxes levied on income the certificate of residence must meet the characteristics provided for in the corresponding agreement for the application of its benefits.
  - A certificate issued by a person with sufficient power of attorney attesting to the rate of taxation to which the dividend distributed by the Company is subject to for the Significant Shareholder or the Significant Financial Rights Holder, together with a declaration that the Significant Shareholder or the Significant Financial Rights Holder is the holder and beneficial owner of such dividends.

This certificate must be provided within **TEN (10) NATURAL DAYS** following the date on which the General Shareholder's Meeting or, as the case may be, the

*Governing Body, resolves to distribute any dividend or any similar amount (reserves, etc...).*

- d. *In the event of non-compliance with any of the disclosure obligations referred to in sections a) to d) above, the Governing Body shall be entitled to presume that the dividend is exempt or taxed at a lower rate than that provided for in article 9.2 of the REIT Law or the regulation which replaces it where applicable.*

*Alternatively, the Governing Body may request a legal report, against the amount (dividend or equivalent) corresponding to the shares of the Significant Shareholder or the Significant Financial Rights Holder, from a law firm of recognised standing in the country in which the Significant Shareholder or the Significant Financial Rights Holder resides, in order to obtain a ruling on the taxable nature of the amounts (dividends or equivalent) distributed by the Company. The expense incurred by the Company shall be due and payable on the day before the payment of the dividend or equivalent entitlement in respect of the shares of the Substantial Shareholder or the Significant Financial Rights Holder and shall be offset against them.*

*In any case, if the payment of the dividend or equivalent right is made before the ancillary obligations are fulfilled, as well in the event of non-compliance with the ancillary obligations, the Company may, upon notice to the Significant Shareholder or Significant Financial Rights Holder, withhold payment of the amount to be distributed (dividend or equivalent) to the Significant Shareholder or Significant Financial Rights Holder until the reason for non-compliance is resolved.*

- Shareholders with special situations:

- a. *Any shareholder who is subject in his home jurisdiction to any kind of special legal regime for pension funds or benefit plans shall inform the Governing Body of this fact.*
- b. *Likewise, any shareholder in the situation described in paragraph a) above must notify the Governing Body of any subsequent acquisition or transfer of shares, regardless of the number of shares transferred, within **FIVE (5) NATURAL DAYS** from the date of transfer.*
- c. *The declaration referred to in a) and b) above shall also apply to those indirect holders of the Company's shares (whatever their percentage) through financial intermediaries who are recorded as formally authenticated as shareholders by virtue of the accounting records but who act on behalf of such holders.*
- d. *The shareholders and financial rights holders referred to in a), b), c) above must provide a written response within **TEN (10) NATURAL DAYS** to any request for information made to them by the Company (accompanied, if so required by the Company, by a formal statement or such documents as may be necessary) for the purpose of determining whether such shareholders or financial rights holders are likely to be in the situation described in a) above.*

## 7. COMPANY VALUATION AND FINANCIAL FORECASTS

### 7.1. Company valuation

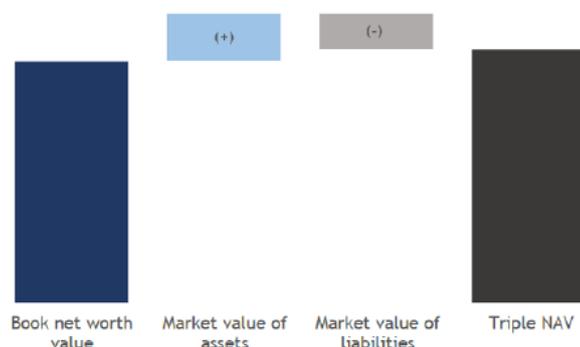
The Company has engaged Gesvalt Sociedad de Tasación, S.A. to provide an independent expert opinion on the Company’s fair value as of December 31, 2020.

This valuation is understood to have been carried out in accordance with internationally recognised criteria, with the ultimate purpose to determine the Company’s fair value understood as “*The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date*”. Gesvalt has also considered the directives set out in the RICS (“Royal Institution of Chartered Surveyors”) Red Book.

#### Methodology used

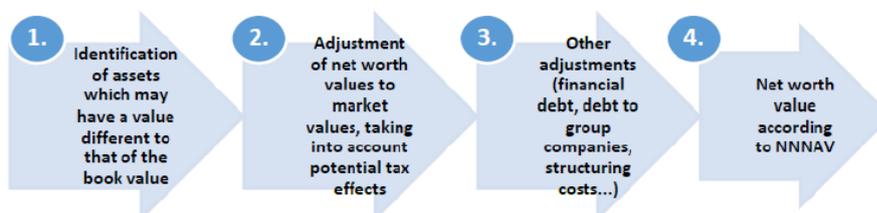
Based on the fact that the Company is a SOCIMI, according to Gesvalt’s criteria, the most appropriate method to value the Company is the Triple-NAV.

The following is a graphic representation of the Triple-NAV method, using the book value as a basis, and adding the market value of the Company’s assets, before subtracting the market value of the liabilities in order to obtain the value of the Company.



#### Valuation process

The valuation is carried out based on the following sequence:



As mentioned above, the valuation has been carried out as of December 31, 2020.

Identification of relevant assets

According to Gesvalt, the noteworthy elements within the Company's assets are the following:

⇒ Real estate investments.

This is a section containing assets subject to independent valuation, which is analysed in a more specific section below.

⇒ Other balance sheet items.

Aside from the items mentioned above, according to Gesvalt, there are amounts under other sections, which, due to both their nature and the information provided, are likely to have a market value similar to the book value at the time of valuation.

Market value adjustments

Gesvalt has only proceeded to assess the valuation of elements contained under real estate investments. In this respect, an independent valuation has been carried out by Gesvalt (see section 7.2 of this Information Document) which determines the market value to be considered in this analysis.

To apply the adjusted net worth procedure, it is important to pick out those assets that have a different market value than the one shown in the balance sheet (nominal value).

The Company's properties, their book and market values, and the gross difference (gain/loss) arising therefrom as of December 31, 2020 are listed below:

Asset's address	Market value (€)	Book value (€)	Capital gains (€)
C/ Canalejas, 4 (Tomelloso)	638,014.00	600,641.81	37,372.19
C/ Oriente, 9 (Tomelloso)	258,509.00	221,821.42	36,687.58
Av. Santo with C/ Emigrante and C/ Ferrocarril (Malagón)	745,149.00	439,143.69	306,005.31
C/ Ancha, 46 (Miguelturra)	1,092,363.00	587,460.40	504,902.60
C/ Ronda, 66 (Herencia)	555,990.00	376,497.70	179,492.30
C/ Clavel, 14-16 (Cazalegas)	127,928.00	54,485.67	73,442.33
C/ Clavel, 23 (Cazalegas)	168,224.00	70,922.03	97,301.97
C/ Miguel Delibes and C/ Garcilaso de Vega (Rielves)	1,595,825.00	605,312.38	990,512.62
C/ Castilla La Mancha (Tembleque)	277,206.00	110,714.29	166,491.71
Av. Marqués Montemayor, 3-5 (Villaseca de la Sagra)	619,954.00	290,309.36	329,644.64
C/ San José Obrero, 27-29 with Av. San Crispín (Fuensalida)	753,294.00	337,869.04	415,424.96
C/ Teodoro Sacristán, 19 (Santa Olalla)	1,054,742.00	512,201.28	542,540.72
C/ Viñuelas 2 and C/ Zarza, 6 (Mejorada)	1,687,560.00	868,664.87	818,895.13
C/ Teniente Miranda, 121 (Algeciras)	1,438,159.00	803,049.87	635,109.13
<b>Total</b>	<b>11,012,917.00</b>	<b>5,879,093.81</b>	<b>5,133,823.19</b>

Source: Gesvalt.

In order to provide a range of capital gains, Gesvalt has calculated a high and a low range based on the variation of +/- 1.00% the Internal Rate of Return ("IRR") for the properties:

Real estate investment (€)	Low range	Mid range	High range
Book value	5,879,093.81	5,879,093.81	5,879,093.81
Market value	10,212,563.63	11,012,917.89	11,907,815.12
Capital gains	4,333,469.82	5,133.824.08	6,028,721.31

Source: Gesvalt.

### Tax treatments

The consideration of any tacit capital gain in a commercial transaction will inevitably incur tax charges or a tax contribution obligation on behalf of the party carrying out the transaction. With this in mind, any capital gains should not be taken into account without first analysing their impact on the taxes imposed on the Company as a result. However, the contribution rate imposed by the regime to which the Company is subscribed gives rise to different interpretations as follows:

⇒ Generally, the corporate tax rate will be 0% providing the following requisites are met:

- ✓ Minimum capital stock of 5 million euros.
- ✓ At least 80% of the consolidated market value of the assets must be eligible.
- ✓ There are no restrictions on debt levels.
- ✓ At least 80% of returns must come from assets deemed eligible.
- ✓ Dividend distribution obligation.

⇒ Additionally, there will be a 19% rate applied on dividends and shares in profits distributed to shareholders with significant stockholding (equal to or greater than 5%) whose contribution rate is less than 10%, unless this is another company subscribed to the regime or a REIT.

⇒ In exceptional circumstances, the transitional regime described by the General Tax Administration comes into use, which specifies the possibility of adapting to the nonessential requisites (such as those established for certain taxation rates) within a period of 2 years.

This in mind and assuming that the Company complies with all the requirements established to subscribe to the 0% rate, and that in any case the tax policy on capital gains should be carried out from the point of view of dividends and not corporate tax, Gesvalt has chosen to consider capital gains with a negligible tax impact in both cases.

It should be noted that the Company has acquired the assets to subscribe to the SOCIMI regime.

In any case, Gesvalt understands that this task should be subject to analysis by the investor on the one hand, while at the same time, it is more linked to the revenues derived in the case of disposal than

to the revenues to be generated by the Company, given that it is subscribed to a special tax regime. Furthermore, once the requirements for the subscription to such a regime have been confirmed, the non-application of a tax rate in these cases is a common practice in similar market analyses.

### Other adjustments

⇒ Structuring costs.

For the NNNAV calculation, the structuring costs provided by the Company correspond to certain costs for the management of its real estate portfolio, such as listing, audit, legal advice, agent bank, and valuation costs.

Management costs have been considered in the valuation of the real estate assets, so no adjustments have been included to reflect their impact.

The following assumptions have been employed by Gesvalt for the calculation of the structuring costs:

Total structuring costs	€641,795.88
Perpetual growth rate ("G")	1.00%
Discount rate ("K")	5.54%

Source: Gesvalt.

Gesvalt has taken into account that the restructuring costs forecasted for the year 2021 are €106,788.00, and in subsequent years, until the year 2025, these expenses remain constant. In the following years, it is assumed costs increase at a perpetual growth rate ("G") of 1%, similar to the Consumer Price Index ("CPI"). The applicable discount rate ("K") has been calculated as the weighted average of discount rates applicable to the real estate assets in the portfolio.

Therefore, the restructuring costs forecast is as follows:

	2021	2022	2023	2024	2025	N+1
Costs (€)	106,788.00	106,788.00	106,788.00	106,788.00	106,788.00	107,855.88
Discount factor	0.9475	0.8978	0.8507	0.8061	0.7638	
Actualised costs (€)	101,186.60	95,879.01	90,849.82	86,084.44	81,569.01	1,816,355.56
Accumulated actualised costs (€)	101,186.60	197,065.61	287,915.43	373,999.87	455,568.88	2,271,924.44

Source: Gesvalt.

In order to provide a range of values for the structuring costs, Gesvalt has calculated a low and high range based on:

- The variation of +/-1% in the K.
- The variation of +/-1% in the G.

Structuring costs (€)	Perpetual growth rate ("G")			
		1.25%	1.00%	0.75%
Discount rate ("K")	4.54%	3,104,444.92	2,912,004.30	2,744,980.37
	5.54%	2,382,636.70	2,271,924.44	2,172,779.12
	6.54%	1,933,868.88	1,863,041.00	1,798,334.05

Source: Gesvalt.

⇒ Financial Debt.

Following the analysis carried out on financial debt, in light of its characteristics, Gesvalt believes that the interest rates applied according to the credit quality of the issuer are in line with market parameters. As a result, Gesvalt has taken the book value as an equivalent reference for its current market value.

### Valuation result

Based on the information provided, the valuation carried out, and the valuation process described above, Gesvalt concluded that the valuation of KTESIOS as of December 31, 2020, will be determined as follows:

Company value at 31-12-2020 (€)	Low range	Mid range	High range
Previous equity	4,778,929.68	4,778,929.68	4,778,929.68
Real estate investment capital gains	4,333,469.82	5,133,824.08	6,028,721.31
Capital gains tax (0%)	0.00	0.00	0.00
Structuring costs	(1,798,334.05)	(2,271,924.44)	(3,104,444.92)
<b>Adjusted Equity (NNNAV)</b>	<b>7,314,065.45</b>	<b>7,640,829.33</b>	<b>7,703,206.07</b>

Source: Gesvalt.

In addition, there is a relevant event that has taken place in the Company after December 31, 2020, which has an impact on the equity value according to Gesvalt.

This event is the capital gain arising from the acquisition of the assets located in Calle San Sebastián, 25 and Calle Poeta Federico García Lorca, 2 in the municipality of Alcantarilla (Murcia) on March 5, 2021. This capital gain results from the difference between the total acquisition cost (€356,020) and the market value determined by Gesvalt for those properties (€1,387,777).

See below the adjustments related to these events:

Company value at 05-03-2021 (€)	Low range	Mid range	High range
Adjusted Equity (NNNAV) at 31-12-2020	7,314,065.45	7,640,829.33	7,703,206.07
(+) Capital gain on C/ San Sebastián 25 and C/ Poeta F. García Lorca, 2 (Alcantarilla) acquisition	898,004.13	1,031,757.31	1,179,365.29
<b>Adjusted NNNAV after subsequent events</b>	<b>8,212,069.57</b>	<b>8,672,586.64</b>	<b>8,882,571.36</b>

Source: Gesvalt.

The adjusted NNNAV after subsequent events has been determined by Gesvalt under the assumption that there have been no changes in equity other than those reflected in the adjustments.

Taking into consideration the adjusted NNNAV of the Company after subsequent events, on April 21, 2021, KTESIOS's Board of Directors established a reference price of €12.00 per share, which implies a total value for the Company of €6,360,000. This value of the Company is below the range of values determined by Gesvalt for the adjusted NNNAV after subsequent events as the Board of Directors considers that KTESIOS is an asset-holding company and following the strategic line adopted by the company since its incorporation and followed in the capital increases carried out, it has opted to assume a more conservative range and listing price than those offered by the market.

The Company, is a classic real estate company taking a non-speculative long-term management approach focuses on income-producing assets with a highly diversified portfolio, looking to have stable performance. As such, the Company decided to apply a market reference price in line with the latest capital increase done in November 2020, in which the shares were priced at 11 euros. The valuation provided by Gesvalt has been taking into consideration to reinforce the Company's strategy to be prudent and to define the reference price.

## **7.2. Real estate assets valuation**

On April 20, 2021, Gesvalt issued a valuation report regarding the Company assets, being the valuation date December 31, 2020.

The valuation carried out is in line with the current Edition of the RICS Valuation – Global Standards (the “Red Book”), issued in November 2019 and effective from January 2020.

The purpose of the valuation report is to obtain the Market Value of the properties, which is defined by the RICS as *“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”*

In order to arrive to the Market Value for the assets, the Discounted Cash Flow approach has been considered the most appropriate, as regards of the current passing rent and the possibility of a market rent review at lease expiry.

The Discounted Cash Flow valuation method consists of projecting future net income flows, then discounting them at a given rate (representative of the rate of return a potential investor would expect on the property) to arrive at a Net Present Value.

The net income flow is made up of (i) gross rental income plus property's exit value (value at re-sale at the end of the cash flow), minus (ii) operational charges, capital expenditures, acquisition, and disposal costs. Indexation and market growth are both reflected in the cash flow.

Gesvalt has used a 10 year period and the following main assumptions based on forecasts, experience, and market knowledge:

- Lease terms.

Gesvalt has considered that the existing leases finish after the 7-year term, then there will be a vacant period of 2 months until the new letting. For the vacancy units, they have established a vacancy period of 3 months for the buildings that are occupied over 65%. In the case of complete vacant buildings, they have assumed letting periods between 3 to 7 months. For the 3 leases under the Residential Leasing Act of 1964, as they have an indefinite duration as long as the tenants are alive, without prejudice to any additional subrogation to which they may be entitled, Gesvalt has estimated that they will end on December 31, 2050.

- Non-recoverable costs.

The following non-recoverable costs have been discounted from the gross income to get to the net operation income:

- ⇒ Marketing costs.
- ⇒ Management costs.
- ⇒ Real Estate Tax.
- ⇒ Service charge.
- ⇒ Housing insurance.

- Indexation and rental growth.

For the next 10 years, Gesvalt has considered the following Spanish CPI estimation, according to which the rents are index yearly, and the following rental growth:

Year	CPI	Rental growth
1	0.50%	0.00%
2	1.50%	0.00%
3	1.50%	1.00%
4	2.00%	2.00%
5	2.00%	2.00%
6	2.00%	1.00%
7	2.00%	1.00%
8	2.00%	1.00%
9	2.00%	1.00%
10	2.00%	1.00%

Source: Gesvalt.

- Acquisition costs.

Costs of 2.5% of the obtained gross market value have been considered, corresponding to the expenses incurred in the purchase of the asset, such as Stamp duty, agent fees, and legal fees.

- Discount rate and exist capitalization yield.

As detailed in the table below, discount rates (“IRR”) and exit capitalization yields applied by Gesvalt vary depending on the properties location:

Asset's address	Municipality	Province	Discount rate	Exit yield
C/ Canalejas, 4	Tomelloso	Ciudad Real	5.50%	4.50%
C/ Oriente, 9	Tomelloso	Ciudad Real	5.50%	4.50%
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	5.50%	4.50%
C/ Ancha, 46	Miguelturra	Ciudad Real	5.50%	4.50%
C/ Ronda, 66	Herencia	Ciudad Real	5.75%	4.75%
C/ Clavel, 14-16	Cazalegas	Toledo	5.50%	4.50%
C/ Clavel, 23	Cazalegas	Toledo	5.50%	4.50%
C/ Miguel Delibes and C/ Garcilaso de Vega	Rielves	Toledo	5.50%	4.50%
C/ Castilla La Mancha	Tembleque	Toledo	5.50%	4.50%
Av. Marqués Montemayor, 3-5	Villaseca Sagra	Toledo	5.50%	4.50%
C/ San José Obrero, 27-29 with Av. San Crispín, 71	Fuensalida	Toledo	5.50%	4.50%
C/ Teodoro Sacristan, 19	Santa Olalla	Toledo	5.75%	4.75%
C/ Viñuelas, 2 y C/ Zarza, 6	Mejorada	Toledo	6.00%	4.50%
C/ Teniente Miranda, 121	Algeciras	Cádiz	5.00%	3.50%
C/ San Sebastián, 25 and C/ F. García Lorca, 2	Alcantarilla	Murcia	5.75%	4.75%

Source: Gesvalt.

Subject to the assumptions of the report and based on individual assets valuation, Gesvalt is of the opinion that the Market Value of the freehold interest of the subject properties, as of December 31, 2020, is as follows:

Asset's address	Municipality	Province	Net Market Value 31-12-2020 (€)
C/ Canalejas, 4	Tomelloso	Ciudad Real	638,014
C/ Oriente, 9	Tomelloso	Ciudad Real	258,509
Av. Santo with C/ Emigrante and C/ Ferrocarril	Malagón	Ciudad Real	745,149
C/ Ancha, 46	Miguelturra	Ciudad Real	1,092,363
C/ Ronda, 66	Herencia	Ciudad Real	555,990
C/ Clavel, 14-16	Cazalegas	Toledo	127,928
C/ Clavel, 23	Cazalegas	Toledo	168,224
C/ Miguel Delibes and C/ Garcilaso de Vega	Rielves	Toledo	1,595,825
C/ Castilla La Mancha	Tembleque	Toledo	277,206
Av. Marqués Montemayor, 3-5	Villaseca Sagra	Toledo	619,954
C/ San José Obrero, 27-29 with Av. San Crispín, 71	Fuensalida	Toledo	753,294
C/ Teodoro Sacristan, 19	Santa Olalla	Toledo	1,054,742

C/ Viñuelas, 2 y C/ Zarza, 6	Mejorada	Toledo	1,687,560
C/ Teniente Miranda, 121	Algeciras	Cádiz	1,438,159
C/ San Sebastián, 25 and C/ F. García Lorca, 2	Alcantarilla	Murcia	1,387,777
<b>Total</b>			<b>12,400,695</b>

Source: Gesvalt.

As of the valuation date, Gesvalt considers that they can attach less weight to previous market evidence for comparison purposes to inform opinion of value. Indeed, the current response to COVID-19 means that they are faced with an unprecedented set of circumstances on which to base a judgment. Therefore, Gesvalt's opinion should be contextualized based on the "uncertainty in the valuation" according to VPS 3 and VPGA 10 included in the Red Book. This situation should be taken into account when considering the valuation, and it should apply a greater degree of caution than in a normal scenario.

### 7.3. Business plan

The forecast of the Company's Income Statement for the years ending 2021, 2022 and 2023, which has not been subject to any type of assurance by the auditor, is as follows:

Income Statement (€)	2021e <sup>(1)</sup>	2022e <sup>(1)</sup>	2023e <sup>(*)</sup>
Net turnover	809,085	2.848,372	5,469,613
Operating expenses	(1,158,365)	(1,990,732)	(3,114,029)
Depreciations and amortisations	(111,340)	(353,621)	(650,653)
<b>Operating Result</b>	<b>(460,620)</b>	<b>504,019</b>	<b>1,704,931</b>
Net Finance Results	(215,705)	(638.671)	(1.042.971)
<b>Results before Income tax</b>	<b>(676.325)</b>	<b>(134.652)</b>	<b>661.960</b>
Taxes on profits	-	-	-
<b>Result for the Period</b>	<b>(676.325)</b>	<b>(134.652)</b>	<b>661.960</b>

<sup>(1)</sup> Non audited.

Source: KTESIOS.

The income statements presented above have been prepared in consideration of the current COVID-19 pandemic and its foreseeable impact in Spanish real estate sector.

The main hypothesis and assumptions considered by the Company for the preparation of the income statements for the years 2021, 2022 and 2023 are as follows:

#### Net turnover

The increase in sales income year on year is due to rent the real estates and to the acquisition of additional real estates to be rented few months after their acquisition.

### Operating expenses

This includes both all real estate operating related expenses and all corporate and managerial expenses. The increase year on year is due to the growth of the Company's assets.

### Depreciations and amortisations

Construction elements amortisation is on a 1%/y straight-line basis.

### Financial expenses

The finance expenses are increasing as the company's debt. This allows the Company acquiring real estates faster.

### Tax

The Company is a SOCIMI and as such, is subject to 0% tax rate for corporate tax.

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.

All the risks detailed in section 5 of this Information Document could substantially affect the fulfilment of the Company's consolidated estimates. However, in the Company's opinion, the main risk factors in the assumptions considered for the projections are the following:

- 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.

## 7.4. Company's financial resources for at least twelve months after the first day of trading

Based on the Company's business plan described above, the forecast of the monthly cash flow for the period ending May 2022 is as follows:

Euros	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Sales income	40.264	46.622	54.392	62.409	72.263	84.307	99.432	113.147	130.290	144.918	159.410	178.732	188.442	207.287
Equity	-	-	4.107.000	-	-	-	-	-	-	10.440.000	-	-	-	-
Additional bank loans	-	-	4.071.000	1.734.500	1.745.500	1.756.500	1.430.000	1.439.000	1.448.000	1.794.500	1.974.250	1.986.250	1.829.500	2.009.250
<b>Cash inflows</b>	<b>40.264</b>	<b>46.622</b>	<b>8.232.392</b>	<b>1.796.909</b>	<b>1.817.763</b>	<b>1.840.807</b>	<b>1.529.432</b>	<b>1.552.147</b>	<b>1.578.290</b>	<b>12.379.418</b>	<b>2.133.660</b>	<b>2.164.982</b>	<b>2.017.942</b>	<b>2.216.537</b>
Asset operating expenses	(22.627)	(26.200)	(30.567)	(38.883)	(45.705)	(51.845)	(55.537)	(60.165)	(69.421)	(87.738)	(100.899)	(103.824)	(97.067)	(98.537)
Structure operating expenses	(29.047)	(35.502)	(258.198)	(44.259)	(46.334)	(47.717)	(45.943)	(47.357)	(48.063)	(51.183)	(52.758)	(53.545)	(52.745)	(53.544)
Asset acquisition	-	-	(4.800.000)	(2.000.000)	(2.000.000)	(2.000.000)	(1.600.000)	(1.600.000)	(1.600.000)	(2.000.000)	(2.200.000)	(2.200.000)	(2.000.000)	(2.200.000)
CAPEX	-	-	(600.000)	(250.000)	(250.000)	(250.000)	(200.000)	(200.000)	(200.000)	(250.000)	(275.000)	(275.000)	(250.000)	(275.000)
Loans payments	(20.795)	(20.794)	(47.231)	(58.246)	(69.261)	(80.276)	(89.088)	(97.900)	(106.712)	(117.727)	(129.844)	(141.960)	(152.961)	(165.077)
<b>Cash outflows</b>	<b>(72.469)</b>	<b>(82.497)</b>	<b>(5.735.996)</b>	<b>(2.391.388)</b>	<b>(2.411.300)</b>	<b>(2.429.837)</b>	<b>(1.990.568)</b>	<b>(2.005.422)</b>	<b>(2.024.197)</b>	<b>(2.506.649)</b>	<b>(2.758.501)</b>	<b>(2.774.330)</b>	<b>(2.552.772)</b>	<b>(2.792.158)</b>
<b>Net cash flow</b>	<b>(32.205)</b>	<b>(35.875)</b>	<b>2.496.396</b>	<b>(594.479)</b>	<b>(593.536)</b>	<b>(589.030)</b>	<b>(461.136)</b>	<b>(453.275)</b>	<b>(445.906)</b>	<b>9.872.769</b>	<b>(624.841)</b>	<b>(609.347)</b>	<b>(534.830)</b>	<b>(575.621)</b>
<b>Cash beginning month</b>	<b>1.215.378</b>	<b>1.183.173</b>	<b>1.147.298</b>	<b>3.643.694</b>	<b>3.049.215</b>	<b>2.455.679</b>	<b>1.866.648</b>	<b>1.405.513</b>	<b>952.238</b>	<b>506.331</b>	<b>10.379.101</b>	<b>9.754.260</b>	<b>9.144.912</b>	<b>8.610.082</b>
<b>Cash end month</b>	<b>1.183.173</b>	<b>1.147.298</b>	<b>3.643.694</b>	<b>3.049.215</b>	<b>2.455.679</b>	<b>1.866.648</b>	<b>1.405.513</b>	<b>952.238</b>	<b>506.331</b>	<b>10.379.101</b>	<b>9.754.260</b>	<b>9.144.912</b>	<b>8.610.082</b>	<b>8.034.461</b>

(\*) Available cash as of April 1, 2021

Source: KTESIOS.

The Company's Board of Directors declared at the meeting held on April 20, 2021, that the Company has sufficient resources to meet all its short-term liabilities for the 12-month period following its admission to trading on Euronext Access Lisbon.

## 8. FINANCIAL INFORMATION FOR THE FISCAL YEARS 2019 AND 2020

The financial statements set out in this Information Document have been prepared in accordance with accounting principles referred to in section 8.3, and the selected financial data included has been derived from the audited financial statements for the years ended on December 31, 2019, and on December 31, 2020, contained in the respective annual financial reports, so they should be read in conjunction with the financial statements and notes included therein.

The Spanish language version of the financial statements has been audited by Grant Thornton, S.L.P., Sociedad Unipersonal. The financial statements (including the audit report on such years) are attached as Appendix I to this Information Document, and they are also available on the Company's website: <https://www.ktesios-socimi.es/>

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

### 8.1. Balance Sheets as of December 31, 2019, and December 31, 2020

Assets (€)	31-12-2019	31-12-2020
<b>Non-Current Assets</b>	<b>3,319,499</b>	<b>5,914,128</b>
<b>Real estate investments</b>	<b>3,309,219</b>	<b>5,905,736</b>
Plots of Land	811,659	1,388,448
Constructions	2,228,678	3,969,560
Construction in progress	265,195	521,086
Technical facilities and other fixed assets	3,687	26,642
<b>Long term financial investments</b>	<b>-</b>	<b>3,700</b>
Other financial assets	-	3,700
<b>Non-current trade debtors</b>	<b>10,280</b>	<b>4,692</b>
Clients for sales and provisions of services	10,280	4,692
<b>Current Assets</b>	<b>1,029,918</b>	<b>1,654,254</b>
<b>Inventory</b>	<b>-</b>	<b>2,947</b>
Advances to suppliers	-	2,947
<b>Trade debtors and other accounts receivable</b>	<b>113,347</b>	<b>118,015</b>
Clients for sales and provision of services	7,170	13,682
Sundry debtors	106,177	104,333
<b>Long term financial investments</b>	<b>11,235</b>	<b>15,020</b>
Other financial assets	11,235	15,020
<b>Short term accruals</b>	<b>17,929</b>	<b>28,245</b>
<b>Cash and other equivalent liquid assets</b>	<b>887,407</b>	<b>1,493,727</b>
Treasury	887,407	1,493,727
<b>Total Assets</b>	<b>4,349,417</b>	<b>7,568,382</b>

Source: audited financial statements

Equity and Liabilities (€)	31-12-2019	31-12-2020
<b>Equity</b>	2,073,496	4,778,930
<b>Own Funds</b>	<b>2,073,496</b>	<b>4,778,930</b>
<b>Capital</b>	<b>2,200,000</b>	<b>5,300,000</b>
Issued capital	2,200,000	5,300,000
<b>Issue premium</b>	-	<b>214,300</b>
<b>Reserves</b>	<b>(11,710)</b>	<b>(50,967)</b>
Other reserves	(11,710)	(50,967)
<b>Profits from past financial years</b>	-	<b>(114,794)</b>
<b>Result of the financial year/period</b>	<b>(114,794)</b>	<b>(569,609)</b>
<b>Non-Current Liabilities</b>	<b>2,121,271</b>	<b>2,507,106</b>
<b>Long term debts</b>	<b>2,121,271</b>	<b>2,507,106</b>
Debt owed to credit institutions	2,121,271	2,486,256
Other financial liabilities	-	20,850
<b>Current Liabilities</b>	<b>154,650</b>	<b>282,346</b>
<b>Short term debts</b>	<b>85,620</b>	<b>175,910</b>
Debts with credit institutions	70,756	159,104
Other financial liabilities	14,864	16,806
<b>Trade creditors and other accounts payable</b>	<b>69,030</b>	<b>106,436</b>
Sundry creditors	46,504	54,315
Creditors of the companies of the group and partners	16,729	46,630
Other debts with Public Administrations	5,264	1,994
Client advances	533	3,497
<b>Total Equity and Liabilities</b>	<b>4,349,417</b>	<b>7,568,382</b>

Source: audited financial statements

## 8.2. Income Statements corresponding to the year ending on December 31, 2019 and December 31, 2020

Income Statement (€)	2019 <sup>(*)</sup>	2020
<b>Net amount turnover</b>	<b>40,320</b>	<b>267,913</b>
Provision of services	40,320	267,913
<b>Other operating expenses</b>	<b>(139,465)</b>	<b>(433,313)</b>
External services	(133,144)	(386,689)
Taxes	(857)	(21,367)
Losses, impairment, and variation of inventory due to commercial operations	(5,464)	(25,257)
<b>Amortization of real estate investments</b>	<b>(6,498)</b>	<b>(31,764)</b>
<b>Other results</b>	<b>21,796</b>	<b>(305,108)</b>
<b>Operating Results</b>	<b>(83,846)</b>	<b>(502,272)</b>
<b>Finance income</b>	<b>102</b>	<b>502</b>

Of marketable securities and credits of fixed assets	102	504
<b>Financial expenses</b>	<b>(31,050)</b>	<b>(67,841)</b>
For debt with third parties	(31,050)	(67,841)
<b>Financial Result</b>	<b>(30,948)</b>	<b>(67,337)</b>
<b>Results before Taxes</b>	<b>(114,794)</b>	<b>(569,609)</b>
<b>Taxes on profit</b>	<b>-</b>	<b>-</b>
<b>Result for the Financial Year / Period</b>	<b>(114,794)</b>	<b>(569,609)</b>

<sup>(1)</sup> From March 21, 2019 to December 31, 2019

Source: audited financial statements

### 8.3. Principle, rules, and accounting methods

The attached financial statements have been prepared in accordance with the financial reporting framework applicable to the Company, which is laid out in:

- The Commerce Code and other company legislation.
- The General Accounting Plan approved by Royal Decree 1514/2007, with applicable modifications introduced by Royal Decree 1159/2010 and Royal Decree 602/2016 and the sectoral adaptation for real estate companies.
- The mandatory rules approved by the Accounting and Auditing Institute in the development of the General Accounting Plan and its additional rules.
- Law 11/2009, of the 26<sup>th</sup> of October, amended by Law 1672012, of the 27<sup>th</sup> of December, regulating Spanish Real Estate Investment Trusts (REIT) and the reporting obligations to be listed in these financial statements.
- The rest of the Spanish accounting regulations to which it is applicable.

### 8.4. Schedule date for the first Shareholder's General Meeting, and the first publication of earning figures

The scheduled date for the first Shareholder's General Meeting as a listed company will be in May or June 2021.

The Company will publish within four months of the end of the first half of each year a half-yearly financial report covering the first 6 months of each year. This half-yearly information shall be equivalent to interim financial statements for the Company and shall be submitted, at least, to a limited review by its auditor and must cover the important events that took place in the half-year.

Besides, the Company will, as soon as possible and not later than four months following the close of the financial year, publish the audited annual accounts.

## **9. MARKET RELATIONS REPRESENTATIVE**

The Company's representative for contact with Euronext Access Lisbon and market relations shall be Mr. Henry Noel Gallego Grajales.

For the exercise of his functions, the email, telephone number, and address of the Market Relations Representative are as follows:

Email: hgallego@rks-am.com

Phone number: +34 910 638 011

Address: Calle Gran Vía 17A – 2B, 28013 Madrid (Spain)

## **LISTING SPONSOR**

VGM Advisory Partners S.L.U.

Calle Serrano 68, 2º Derecha, 28001 Madrid (Spain)

Phone number: +34 91 772 91 63

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**APPENDIX I: FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDING ON DECEMBER 31, 2019, AND ON DECEMBER 31, 2020, WITH THE AUDITOR'S REPORT**



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0N9364408

David Bernal Sánchez  
Traductor-Intérprete Jurado  
de Inglés nº 3469



I, David BERNAL SÁNCHEZ, sworn translator of English, certified by the Spanish Ministry of Foreign Affairs, European Union and Cooperation with the assigned number TIJ-3469 do hereby certify that the following is a true and faithful translation of a document written in the Spanish language.

## Ktesios Real Estate SOCIMI, S.A.

Annual Accounts and Management Report the 2020 financial year

Includes Auditors' Report on the Annual Accounts

[Page 2]

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### AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of Ktesios Real Estate SOCIMI, S.A.:

#### Opinion

We have audited the financial statements of Ktesios Real Estate SOCIMI, S.A. (the Company), which comprise the balance sheet at 31 December 2020, the income statement, the statement of changes in equity, the cash flow statement and the notes thereto for the period ended 31 December 2020.

In our opinion, the accompanying financial statements give a true and fair view in all material respects of the equity and financial position of the Company at 31 December 2020 and of financial performance and its cash flows for the year then ended, in accordance with the applicable financial reporting framework (identified in note 2 to the notes to the financial statements) and, specifically, the accounting principles and policies contained therein.

#### Basis for opinion

We conducted our audit in accordance with the current standards on auditing in Spain. Our responsibilities under those standards are described below in the section on the *Auditor's responsibilities in connection with the audit of the financial statements* section of our report.



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We are independent of the Company in accordance with ethical requirements, including independence requirements, which are applicable to our audit of financial statements in Spain as required by the regulations governing auditing. In this regard, we have not provided services other than those relating to the auditing of accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulatory regulations, have affected the necessary independence in such a way that it has been compromised.

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

#### Emphasis paragraph

We draw attention to Note 1.g of the Notes to the annual accounts which describes the situation regarding results and the effects that the COVID 19 crisis situation has had on the Company's future operations. Our opinion is unchanged on this issue.

#### Key audit matters

Key audit matters are those which, in our professional judgement, are the areas of higher assessed risk of material misstatement in our audit of the financial statements for the current period. These risks have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these risks.

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Grant Thornton, S.L.P. (Sole-Shareholder Company) Paseo de la Castellana, 81, 11ª - 28046 Madrid, [Spanish] Tax Identification Code B-08914830, registered in the Commercial Registry of Madrid, Volume 36652, Folio 159, Page M-657409, entry 36 and in the Official Registry of Account Auditors no. 50231.

[Page 3]

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#### Recognition and measurement of real estate investments

At 31 December 2020, investment property amounted to 5,906,000 euros, representing 78% of the Company's total assets.

In accordance with the applicable financial reporting framework, investment property is measured at the time of acquisition at either cost or production cost. They are subsequently valued at the acquisition price less accumulated depreciation and impairment losses. At least by the end of the fiscal



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year, the Company must assess whether there is any indication of impairment, which is taken to be the higher of fair value less costs to sell and value in use, making any necessary corrections.

The relevance of the amounts recorded by the Company in 2020 under the heading of investment property, as well as the weight that this heading has over total assets at the end of the year means that we have considered the recording and valuation of investment property as the most relevant aspect of our audit.

The relevance of the real estate investments heading over the total assets of the Company makes this a more relevant aspect of the audit, having applied the following procedures:

- Obtaining the supporting documentation relating to the acquisition cost of the properties held by the Company, verification of the distribution between land and projection carried out by the Company and recalculation of their net book value at the date of the financial statements.
- We have verified that the Company directors have applied the requirements established in the applicable financial information framework regarding the realization of the estimates of useful lives.
- Obtaining and reviewing the valuation report of the real estate investments made by the independent expert and used by the Company for the close at 31 December 2020.
- Verification of the competence, capacity and independence of the expert by obtaining confirmation and verification of his recognised prestige in the market, as well as discussion of the main aspects of the valuation through meetings with the Company's management.
- Carrying out selective tests to compare the data used in the assessment, using the supporting information provided by the Company.
- Verification of the impairment test performed by the Company.

Checking that the information disclosed in the financial statements is sufficient and appropriate in accordance with the applicable financial reporting framework.

#### Other issues

As indicated in note 1 to the annual accounts, the Company intends to include the attached annual accounts in the Information Document for listing on the Euronext Access Lisbon market.



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#### Other information: Management report

Other information refers exclusively to the management report for fiscal year 2020, the preparation of which is the responsibility of the Company's directors and is not an integral part of the annual accounts.

Our auditor's opinion on the financial statements does not cover the management report. Our responsibility for the management report, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the concordance of the management report with the financial statements, based on the knowledge of the entity obtained in the performance of the auditing of said accounts and to evaluate and report on whether the content and presentation of the management report are in accordance with the applicable regulations. If, on the basis of the work we have carried out, we conclude that there are material defects, we are obliged to report them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that of the financial statements for 2020 and its content and presentation are in accordance with the applicable regulations.

#### Directors' Responsibility for Annual Accounts

The directors are responsible for the preparation of the attached annual accounts in such a way as to give a true and fair view of the net worth, financial position and results of the Company in accordance with the regulatory framework for financial information applicable to the entity in Spain, and such internal control as they deem necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

As part of the preparation of annual accounts, directors are responsible for assessing the Company's ability to continue as a going concern, and as appropriate, should disclose matters relating to a going concern and using the going concern basis unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance that the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit carried out in accordance with the current regulations on account auditing in Spain will always detect a material error when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.



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We exercise professional judgement and maintain professional scepticism throughout the audit in accordance with the current regulations governing the activity of auditing accounts in Spain. Additionally:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining sufficient and appropriate audit evidence 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 circumvention of internal control.

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- We obtain an understanding of the 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 entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

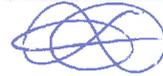


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Among the significant risks that have been the subject of communication to the directors of the entity, we determine those that have been of the greatest significance in the audit of the annual accounts for the current period and that are, consequently, the risks considered to be the most significant.

We describe these risks in our audit report unless disclosure is prohibited by law or regulation.

Grant Thornton, S.L.P., Sole-Shareholder Company

Official Registry of Account Auditors no. S0231

*[Illegible signature]*

David Calzada Criado

Official Registry of Account Auditors No. 22193

16 April 2021

[Logo] AUDITORS  
SPANISH INSTITUTE OF CHARTERED  
ACCOUNTANTS

GRANT THORNTON, S.L.P.

2021 No. 01/21/ 01832

CORPORATE SEAL 96.00 EUR  
Audit report on accounts subject to  
auditing regulations

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This translation appears on 6 pages, each of which bears my signature and seal. Witness my hand and seal, this 22<sup>nd</sup> of April two thousand and twenty-one.

Esta traducción consta de 6 páginas, cada una de las cuales lleva mi firma y sello.

Don David BERNAL SÁNCHEZ, Traductor-Intérprete Jurado de inglés nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.

En Sevilla, a 22 de abril de 2021.

Firmado: David BERNAL SÁNCHEZ  
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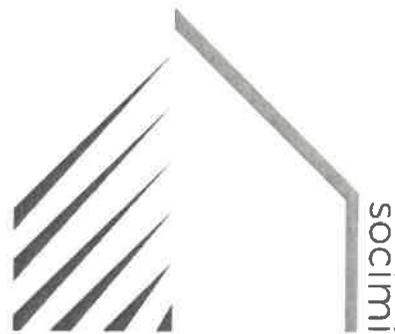
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I, David BERNAL SÁNCHEZ, sworn translator of English, certified by the Spanish Ministry of Foreign Affairs, European Union and Cooperation with the assigned number TIJ-3469 do hereby certify that the following is a true and faithful translation of a document written in the Spanish language.

*[All the pages of the original document appear signed]*

## KTESIOS REAL ESTATE SOCIMI, S.A.

Annual Accounts for the financial year that ended  
on 31 December 2020



ktesios



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de Inglés nº 3469

**KTESIOS REAL ESTATE SOCIMI, S.A.**

**A.A. INDEX 2020**

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DECEMBER 2020 OF KTESIOS REAL ESTATE SOCIMI, S.A.**

BALANCE SHEET AS OF 31 DECEMBER 2020

PROFITAND LOSS ACCOUNT FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

B) TOTAL STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

REPORT FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

KTESIOS REAL ESTATE SOCIMI, S.A. FINANCIAL  
STATEMENTS FOR THE 2020 FINANCIAL YEAR

**KTESIOS REAL ESTATE SOCIMI, S.A.**

**BALANCE SHEET AS OF 31 DECEMBER 2020**  
(In Euro)

ASSETS	Notes	31/12/2020	31/12/2019	EQUITY AND LIABILITIES	Notes	31/12/2020	31/12/2019
<b>NON-CURRENT ASSETS</b>				<b>EQUITY</b>			
Real estate investments	5	5,914,128	3,319,499	<b>OWN FUNDS</b>	10	4,778,930	2,073,496
Plots of land		1,388,448	811,659	Capital		4,778,930	2,073,496
Constructions		3,969,560	2,228,678	Issued capital		5,300,000	2,200,000
Constructions in progress		521,086	265,195	Issue premium		5,300,000	2,200,000
Technical facilities and another fixed assets		26,642	3,687	Reserves		214,300	-
<b>Long term financial investments</b>	7	<b>3,700</b>	-	Other reserves		(50,967)	(11,710)
Other financial assets		3,700	-	Results of past financial years		(50,967)	(11,710)
<b>Non-current trade debtors</b>	7	<b>4,692</b>	<b>10,280</b>	Result of the financial year/period	3	(114,794)	-
Clients for sales and provision of services		4,692	10,280			(569,609)	(114,794)
<b>CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Inventory	8	2,947	1,029,918	Long term debts		2,507,106	2,121,271
Advances to suppliers		2,947	-	Debt with credit institutions	11.3	2,507,106	2,121,271
<b>Trade debtors and other accounts receivable</b>		<b>118,015</b>	<b>113,347</b>	Other financial liabilities	11	2,486,256	2,121,271
Clients for sales and provision of services	7	13,682	7,170			20,850	-
Sundry debtors	7	104,333	106,177	<b>CURRENT LIABILITIES</b>			
<b>Long term financial investments</b>		<b>11,320</b>	<b>11,235</b>	Short term debts		282,346	154,650
Other financial assets	7	11,320	11,235	Debts with credit institutions	11.3	175,910	85,620
<b>Short term accruals</b>		<b>28,245</b>	<b>17,929</b>	Other financial liabilities	11, 14.4	159,104	70,756
Cash and other equivalent liquid assets	9	1,493,727	887,407	Trade creditors and other accounts payable		16,806	14,864
Treasury		1,493,727	887,407	Sundry creditors	11	106,436	69,030
				Creditors of the companies of the group and partners	14.4	54,315	46,504
				Other debts with Public Administrations	13	46,630	16,729
				Client advances		1,994	5,264
						3,497	533
<b>TOTAL ASSETS</b>		<b>7,568,382</b>	<b>4,349,417</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,568,382</b>	<b>4,349,417</b>

Notes 1 to 15 and Annex I of the attached report are an integral part of these Annual Accounts

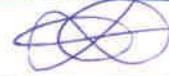


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ON9364416

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ON9364417

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Traductor-Intérprete Jurado  
de Inglés nº 3469

CLASE 8.<sup>a</sup>

KTESIOS REAL ESTATE SOCIMI, S.A.  
FINANCIAL STATEMENTS FOR THE

## KTESIOS REAL ESTATE SOCIMI, S.A.

### PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

(In Euro)

	Notes	2020	2019
<b>ONGOING OPERATIONS</b>			
<b>Net amount of turnover</b>	12.1	267,913	40,320
Provision of services		267,913	40,320
<b>Other operating expenses</b>	12.2	(433,313)	(139,465)
External services		(386,689)	(133,144)
Taxes		(21,367)	(857)
Losses, impairment and variation of inventory due to commercial operations		(25,257)	(5,464)
<b>Amortization of real estate investments</b>	5	(31,764)	(6,498)
<b>Other results</b>	12.5	(305,108)	21,796
<b>OPERATING RESULTS</b>		(502,272)	(83,846)
<b>Financial income</b>		504	102
Of marketable securities and credits of fixed assets		504	102
<b>Financial expenses</b>	11.3, 12.4	(67,841)	(31,050)
For debts with third parties		(67,841)	(31,050)
<b>FINANCIAL RESULT</b>		(67,337)	(30,948)
<b>RESULT BEFORE TAXES</b>		(569,609)	(114,794)
<b>Taxes on profit</b>			
<b>RESULT OF THE FINANCIAL YEAR/PERIOD</b>	3	(569,609)	(114,794)

Notes 1 to 15 and Annex I of the attached report are an integral part of these Annual Accounts



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0N9364418

David Bernal Sánchez  
Traductor-Intérprete Jurado  
de Inglés nº 3469



KTESIOS REAL ESTATE SOCIMI, S.A.  
FINANCIAL STATEMENTS FOR THE

## KTESIOS REAL ESTATE SOCIMI, S.A.

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020

#### A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

(In Euro)

	Notes	2020	2019
RESULT OF THE PROFIT AND LOSS ACCOUNT	3	(569,609)	(114,794)
TOTAL RECOGNISED INCOME AND EXPENSES		(569,609)	(114,794)

Notes 1 to 15 and Annex I of the attached report are an integral part of these Annual Accounts

**KTESIOS REAL ESTATE SOCIMI, S.A.**

**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020**

**B) TOTAL STATEMENT OF CHANGES IN EQUITY**

(In Euro)

	Capital	Issue premium	Reserves	Result of past financial years	Result of the financial year/period	TOTAL
<b>INITIAL BALANCE AS OF 21 MARCH 2019</b>						
Total recognised income and expenses	2,200,000	-	(11,710)		(114,794)	(114,794)
Transactions with shareholders or owners	150,000	-	(1,140)	-	-	2,188,290
Incorporation (Note 10)	2,050,000	-	(10,570)	-	-	148,860
Capital increases (Note 10)						2,039,430
<b>CLOSING BALANCE AS OF 31 DECEMBER 2019</b>	<b>2,200,000</b>		<b>(11,710)</b>		<b>(114,794)</b>	<b>2,073,496</b>
Total recognised income and expenses	-	-	-	-	(569,609)	(569,609)
Profit distribution of the previous financial year	-	-	-	(114,794)	114,794	
Transactions with shareholders or owners	3,100,000	214,300	(39,257)	-	-	3,275,043
Capital increases (Note 10)	3,100,000	214,300	(39,257)	-	-	3,275,043
<b>CLOSING BALANCE AS OF 31 December 2020</b>	<b>5,300,000</b>	<b>214,300</b>	<b>(50,967)</b>	<b>(114,794)</b>	<b>(569,609)</b>	<b>4,778,930</b>

Notes 1 to 15 and Annex I of the attached report are an integral part of these Annual Accounts



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0N9364419

David Bernal Sánchez  
 Traductor-Intérprete Jurado  
 de Inglés nº 3469

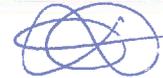




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KTESIOS REAL ESTATE SOCIMI, S.A.  
FINANCIAL STATEMENTS FOR THE 2020 FINANCIAL YEAR

## KTESIOS REAL ESTATE SOCIMI, S.A.

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR THAT ENDED ON 31 DECEMBER 2020 (In Euro)

	Notes	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>		<b>(489,990)</b>	<b>(244,005)</b>
Result of the financial year before taxes		(569,609)	(114,794)
<b>Adjustments to the result:</b>		<b>66,417</b>	<b>(60,314)</b>
Amortization of real estate investments (+)	5	31,764	6,498
Variation of inventory (+/-)		25,257	(11,710)
Financial expenses (+)		9,900	5,594
Financial income (-)		(504)	(60,696)
<b>Changes in current capital:</b>		<b>22,598</b>	<b>(68,897)</b>
Inventory (+/-)	8	(2,947)	
Debtors and other accounts receivable (+/-)		(29,925)	(123,627)
Other current assets (+/-)		(10,316)	(29,164)
Creditors and other accounts payable (+/-)		37,406	69,030
Other current liabilities (+/-)		1,942	14,864
Other non-current assets and liabilities (+/-)		26,438	
<b>Other cash flows from operating activities:</b>		<b>(9,396)</b>	
Interest payments (-)		(9,900)	
Interest collections (+)		504	
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES (II)</b>		<b>(2,632,066)</b>	<b>(3,315,717)</b>
<b>Investment payments:</b>		<b>(2,632,066)</b>	<b>(3,315,717)</b>
Real estate investments (-)	5	(2,628,281)	(3,315,717)
Other assets (-)		(3,785)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>		<b>3,728,376</b>	<b>4,447,129</b>
<b>Collections and payments for equity instruments:</b>		<b>3,275,043</b>	<b>2,200,000</b>
Issuance of equity instruments (+)		3,275,043	2,200,000
<b>Collections and payments for financial liability instruments:</b>		<b>453,333</b>	<b>2,247,129</b>
Issuance of debts with credit institutions (+)		543,346	2,252,700
Repayment and amortization of debts with credit institutions (-)		(90,013)	(5,571)
<b>EFFECT OF CHANGES IN EXCHANGE RATES (IV)</b>			
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)</b>		<b>606,320</b>	<b>887,407</b>
Cash or equivalents at the start of the financial year		887,407	
Cash or equivalents at the end of the financial year	9	1,493,727	887,407

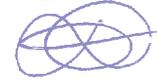
Notes 1 to 15 and Annex I of the attached report are an integral part of these Annual Accounts.



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## **KTESIOS REAL ESTATE SOCIMI, S.A.**

Report for the financial year that ended on 31  
December 2020



# ktesios



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**KTESIOS REAL ESTATE SOCIMI, S.A.**  
**REPORT FOR THE 2020**  
**(In Euro)**

*[This inscription appears at the beginning of each page until page 46]*

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## 1. General information

KTESIOS REAL ESTATE SOCIMI, S.A. (previously called KTESIOS REAL ESTATE, S.L., as explained in Note 1.d; hereinafter, the "Company" or "Ktesios") was incorporated in Madrid on 21 March 2019 in accordance with the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "Capital Companies Act") by means of a public deed executed before the notary of Madrid, Mr. Juan Aznar de la Haza. It is registered in the Madrid Mercantile Registry, Volume 38,976, Folio 30, Section 8, Page M-692,614, 1st Inscription.

On July 15, 2020, the Universal Ordinary General Meeting agreed: i) the corporate transformation from a limited company to a public limited company, changing its corporate name to the current "KTESIOS REAL ESTATE SOCIMI, S.A." and ii) the consequent transformation of its shareholdings into registered shares. These agreements were made public by deed granted before the Notary of Madrid Mr. Juan Aznar de la Haza with the number 2,591 of his protocol and registered in the Mercantile Registry of Madrid on 20 August 2020, 8th inscription.

Its registered office and tax address as of 31 December 2020 is at C/ Gran Vía, 17A, 2ºB, 28013 Madrid, after it was changed from C/Almagro, 22, 3º, 28010 Madrid at the Extraordinary General Shareholders' Meeting on 24 November 2020, made public by deed granted before the Notary of Madrid Mr. Juan Aznar de la Haza with the number 4,466 of his protocol and registered in the Mercantile Registry of Madrid on 23 December 2020, 10th inscription.

The main activity of the Company is the acquisition and promotion of urban real estate for lease, and is governed by Act 11/2009, of 26 October, amended by Act 16/2012, of 27 December, that regulates Listed Investment Companies in the Real Estate Market ("SOCIMI Act" or "Act 11/2009").

The corporate purpose of the Company in compliance with Article 2, according to the current wording of the text of the Company Articles of Association consolidated at the Extraordinary General Shareholders' Meeting on 24 November 2020 is the following:

- The acquisition and promotion of urban real estate for its lease.
- Having shareholdings in the capital of other publicly traded investment companies in the real estate market ("SOCIMIs", in Spanish) or in that of other entities that are not based in Spanish territory and have the same corporate purpose and that are subject to a similar regime to that established for SOCIMIs regarding the mandatory policy (whether it be legal or statutory) of profit distribution.
- Having shareholding in the capital of other entities, (whether based or not in the Spanish territory), the main corporate purpose of which is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs regarding the mandatory policy (whether it be legal or statutory) of profit distribution and meet the investment requirements referred to in Article 3 of the SOCIMI Act.
- Holding shares or shareholdings in Real Estate Collective Investment Institutions regulated by Act 35/2003, of 4 November, on Collective Investment Institutions or the regulation that replaces it in the future.

Along with the financial activity derived from the main corporate purpose, the Company may develop other accessory activities, understood as those that, as a whole, represent an income that is under 20 percent of the Company's income in each tax period (including, without limitation, real estate operations other than those mentioned in the previous sections or those that may be considered as accessory in compliance with applicable legislation at all times).

All activities for which the legislation requires special requirements that cannot be met by the Company are excluded.

The activities that make up the corporate purpose may be carried out in whole or in part indirectly, through shareholdings in other companies with the same or similar purpose.



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a) **SOCIMI regime**

On 25 September 2019, the General Shareholders' Meeting agreed to approve the incorporation of the Company to the special regime of publicly traded investment companies in the real estate market (hereinafter, "SOCIMI"), regulated by Act 11/2009. Consequently, on 26 September 2019 and retroactively from the financial year beginning from its constitution (21/03/2019), the Company formally notified the Delegation of the State Tax Administration Agency (AEAT, in Spanish) of its tax residence (Madrid) of the option adopted by its partners to benefit from the special tax regime of SOCIMIs.

The Company is regulated by Act 11/2009, of 26 October, modified by Act 16/2012, of 27 December, which regulates Publicly Traded Investment Companies in the Real Estate Market. Articles 3 to 6 of the aforementioned SOCIMI Act establish the main requirements and obligations that need to be complied with by this type of company:

Investment requirements (Art. 3)

1. SOCIMIs shall invest, at least, 80 percent of the asset value in urban real estate destined for leasing, in plots of land for the development of real estate that will be used for this purpose provided that the development begins within three years after its acquisition, as well as in shareholdings in the capital or equity of other entities referred to in section 1 of article 2 of the SOCIMI Act.

This percentage will be calculated based on the consolidated balance sheet in the event that the Company is the parent of a group of companies according to the criteria established in article 42 of the Commercial Code, regardless of where the company is based and the obligation to formulate consolidated annual accounts. Said group will be exclusively made up of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Act.

The value of the assets will be determined according to the average of the individual balance sheets or, where appropriate, the consolidated quarterly balance sheets for the financial year. The Company may choose to calculate said value by substituting the book value for the market value of the elements that make up such balance sheets, which would apply to all balance sheets for the financial year.

2. Likewise, at least 80 percent of the income for the tax period corresponding to each financial year, excluding the income derived from the transfer of shareholdings and real estate, both of which are subject to the fulfilment of the main corporate purpose, once the maintenance period referred to in the following section has elapsed, shall come from the leasing of real estate or dividends or shares in profits from said shares.

This percentage will be calculated based on the consolidated result in the event that the Company is the parent of a group of companies according to the criteria established in article 42 of the Commercial Code, regardless of where the company is based and the obligation to formulate consolidated annual accounts. Said group will be exclusively made up of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Act.

3. The real estate that make up the assets of the Company shall be leased for at least three years. For the purposes of the calculation, the time that the properties have been offered for lease will be added, with a maximum of one year.

In this sense, the term will be calculated:

- a) In the case of real estate that appears in the Company's equity before adhering to the regime, from the start date of the first tax period in which the special tax regime established in this Act is applied, provided that the asset is either leased or offered for lease on said date. Otherwise, the following provisions will apply.
- b) In the case of real estate subsequently developed or acquired by the Company, from the date on which they were leased or offered for lease for the first time.

In the case of shares or shareholdings in entities referred to in section 1 of article 2 of the SOCIMI Act, they shall be part of the assets of the Company for at least three years from their acquisition or,

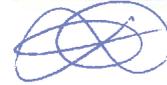


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where appropriate, from the beginning of the first tax period in which the special tax regime established in said Act applies.

The Company has no subsidiaries as of 31 December 2020.

Obligation to negotiate in a regulated market or multilateral trading system (Art. 4)

The shares of the SOCIMI must be admitted to trading in a Spanish regulated market or in a Spanish multilateral trading system or in any other member state of the European Union or the European Economic Area, or in a regulated market of any other country or territory with which there is an effective exchange of tax information without interruption throughout the tax period. The shares shall be registered.

Minimum capital required (Art. 5)

The minimum share capital is set at €5 million.

Obligation to distribute results (Art. 6)

Once the commercial requirements have been met, the Company shall distribute the following as dividends:

- 100% of the profits from dividends or shareholdings in profits distributed by the entities referred to in section 1 of article 2 of the SOCIMI Act.
- At least 50% of the profits derived from the transfer of properties and shares or shareholdings referred to in section 1 of article 2 of the SOCIMI Act, made once the minimum holding periods have elapsed, subject to the fulfilment of their main corporate purpose. The rest of these profits shall be reinvested in other properties or shareholdings related to the fulfilment of said purpose, within three years after the date of the transmission.
- At least 80% of the rest of the profits obtained. When the dividends distribution is covered by the reserves from profits of a year in which the special tax regime has been applied, their distribution will be obligatorily adopted in the manner described above.

The agreement for the distribution of dividends shall take place within six months of the end of each financial year and paid within one month of the date of the distribution agreement.

As set forth in the first transitory provision of Act 11/2009, of 26 October, modified by Act 16/2012, of 27 December, which regulates Publicly Traded Investment Companies in the Real Estate Market, the company may opt for the application of the special tax regime in the terms established in article 8 of said Act, even when the requirements set forth therein are not met, provided that such requirements are met within two years of the date of the option to adhere to said regime.

Failure to comply with any of the above conditions will mean that the Company will be taxed under the general Corporation Tax regime from the tax period in which said non-compliance appears, unless it is remedied during the following financial year. In addition, together with the fee for said tax period, the Company will be obliged to pay the difference between the fee for said tax that results from applying the general regime and the paid fee that resulted from applying the special tax regime in the previous tax periods, notwithstanding late payment interest, surcharges and penalties, where appropriate.

The tax rate for SOCIMIs in Corporation Tax is set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with a shareholding percentage greater than 5% are exempt or taxed at a rate lower than 10%, the SOCIMI will be subject to a special tax of 19%, which will be considered Corporation Tax, on the amount of the dividend distributed to said partners. If applicable, this special tax shall be paid by the SOCIMI within two months of the date the dividends are distributed.

The Company has included the mandatory policy of results distribution in its Articles of Association, in compliance with the obligations of article 6 of the SOCIMI Act.



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2-year period to comply with all the requirements of the SOCIMI Act (1st TP)

As established in the first transitory provision of the SOCIMI Act, the company may opt for the application of the special tax regime in the terms established in article 8 of said Act, even when the requirements set forth therein are not met, provided that such requirements are met within two years of the date of the option to adhere to said regime.

Currently, the Company is within the two-year period after adhering to special tax regime and, therefore, does not have to comply with all the requirements. Although, as of 31 December 2020, the Company does not comply with all the requirements established in the aforementioned act, the Company's Board of Directors estimates that said requirements will be met within the terms and conditions provided for that purpose.

Discount on the Tax on Equity Transmissions and Documented Legal Acts (2nd FP. Two)

SOCIMI benefit from a 95 percent discount on the Tax on Equity Transmissions and Documented Legal Acts for the acquisition of housing units for lease and for the acquisition of land for the development of housing units for rental, provided that both cases meet the specific maintenance requirement set forth in section 3 of article 3 of Act 11/2009.

**b) Agreement for the provision of administration, management and marketing services of real estate assets**

On 6 November 2019, the Company signed an agreement with the company "Active Rents Management, S.L.U." (hereinafter, "ARM Gestión") for Property Management. The term of the agreement is 10 years and can be automatically extended for periods of 5 years in the event that there is no complaint from either party.

The services provided by ARM Gestión, as well as the fees they charge for said services, are the following:

- Servicing: It has a fixed fee depending on the size of the development, as well as a variable component depending on the cost of adapting the property. In addition, they may bill fixed fees for other document management services, such as newsletters and certificates.
- Comprehensive Property Management (Vertical Management): 8% of the amounts invoiced will be invoiced as rent or similar. It is monthly and there is a minimum fee of €1,000.
- Property Management (Horizontal Management): For properties with a community of owners, the expenses will be attributable to said properties. However, for those where there is no need to create a community and have to be managed, fixed fees according to the quantity and type of properties will be invoiced. Also for the representation of the property in owners' meetings.
- Marketing: a variable amount will be invoiced according to the characteristics of the agreement signed.

As stated in Note 15, this essential supplier has been absorbed through a merger by the company "RKS Asset Management, S.L.U." (previously called Return Kapital Solutions, S.L.U.) by means of an agreement adopted on 22 December 2020 by the sole partner of the companies participating in the merger. Notwithstanding the foregoing, for accounting purposes, the operations are carried out on behalf of the absorbing company, RKS Asset Management, S.L.U., as of the date on which the deed to register the merger agreements was granted, which was 5 February 2021.

**c) Agreement for the provision of advisory, management and financial control services**

On 6 November 2019, the Company signed an agreement with RKS Asset Management, S.L.U. (hereinafter, "RKS") for Asset Management. Said contract was modified on 1 January 2020 to include and specify some of the services to be provided by RKS. The term of the agreement is 10 years and can be automatically extended for periods of 5 years if there is no complaint from either party.

The fees RKS charges for the services they provide are as follows:



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- **Fixed Management Commission:** A quarterly commission of 0.15% of GAV will accrue, calculated as the sum of the market value of all assets on the Company's balance sheet. The market value of each asset will be, in order of preference: i) the value according to the price at which the asset is being exchanged in a regulated market or multilateral trading system; which applies, for example, in the case of listed shares or listed bonds; ii) the last value provided by an independent valuator; for example, in the case of real estate assets, the last appraisal to be carried out, whether it be an appraisal for mortgage purposes or an assessment according to RICS; iii) the book value of the asset, including any amortizations and depreciations that may have occurred.
- **Success Commission:** A commission of 2% of the share capital will accrue when the shares enter a regulated market or a multilateral trading system.
- **Real Estate Asset Acquisition Commission:** 2% of the global value of each purchase transaction will accrue with a minimum of €5,000. For potential operations that are not carried out for reasons not attributable to RKS, 1% of the amounts paid up to then will accrue covered by the purchase price (reserve, deposit, etc.) agreed in the last deposit document or binding reservation signed by Ktesios with a maximum of €20,000 and a minimum of €3,000.
- **Variable Management Commission:** 10% of the Company's profit before tax will accrue annually if it is positive.
- **Accounting Services Commission:** The amount of €2,500 will accrue monthly.
- **Fund Raising Commission:** 3% of the total amount disbursed by investors that come from RKS will accrue.

As stated in Note 15, this essential supplier has absorbed the company "Active Rents Management, S.L.U." by means of an agreement adopted on 22 December 2020 by the sole partner of the companies participating in the merger process. Notwithstanding the foregoing, for accounting purposes, the operations are carried out on behalf of the absorbing company, RKS Asset Management, S.L.U., as of the date on which the deed to register the merger agreements was granted, which was 5 February 2021.

#### d) **Corporate transformation**

The Company began the 2020 financial year as a limited company. Within its plan to fulfil its objectives, in particular, complying with all the requirements of the SOCIMI Law, one of the actions carried out successfully during this financial year was transforming the Company into a public limited company.

On 24 June 2020, a favourable report was obtained from the independent expert appointed by the Mercantile Registry of Madrid regarding the value of the Company. Subsequently, on 15 July 2020, the General Meeting approved, among other items, the transformation of the Company from a limited company to a public limited company, changing its name to: KTESIOS REAL ESTATE SOCIMI, S.A. Shortly after, on 22 July 2020, said agreement was made public in protocol number 2,591 of the Notary Public of the Association of Madrid Mr. Juan Aznar de la Haza. Finally, the transformation, along with other agreements, was registered in the Mercantile Registry of Madrid on 20 August 2020.

#### e) **Modification of the management body**

The Company began 2020 financial year with RKS as Sole Director. One of the actions that was successfully carried out during this year was the modification of the Company's management body to a Board of Directors.

On 24 November 2020, the General Shareholders' Meeting approved, among other items, changing the Company's management body from a Sole Director to a Board of Directors, after the resignation of the Sole Administrator at the time. Shortly after, on 30 November 2020, said agreement was made public in protocol number 4,466 of the Notary Public of the Association of Madrid Mr. Juan Aznar de la Haza. Finally, the modification of the management body, along with other agreements, was registered in the Mercantile Registry of Madrid on 16 December 2020.

The appointed Board of Directors is integrated by Mr. Henry Noel Gallego Grajales, Mr. Bernhard Schmidt and Mr. Gonzalo Vicente Roca Pérez. All of them expressly accepted the position at the General Meeting of



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24 November 2020. In addition, at the first meeting of the Board of Directors, on 24 November 2020, it was agreed to appoint Mr. Henry Noel Gallego Grajales as President of the Board of Directors, Mr. Íñigo de Loyola Sánchez del Campo Basagoiti as Non-Director Secretary, Ms. María García Aguado as Non-Director Vice-secretary and Mr. Henry Noel Gallego Grajales as CEO.

**f) Admission of the Company's shares to trade in a multilateral trading system**

At the Extraordinary General Shareholders' Meeting of 24 November 2020, it was agreed to request the admission to trading of all the Company's shares in EURONEXT ACCESS in Lisbon. The intention is that its shares start to be traded in said multilateral trading system before 25 September 2021, in order to comply with the obligations of article 4 of the SOCIMI Act.

These annual accounts for the financial year that ended on 31 December 2020 will be included in the Informative Document of incorporation into trading in said multilateral trading system.

**g) Impact of COVID-19**

In December 2019, a cluster of pneumonia cases were registered in the city of Wuhan (China). On 7 January 2020, the Chinese authorities identified a new virus from the *Coronaviridae* family as the causing agent of the outbreak, which was later named SARS-CoV-2. The disease caused by this new virus has been called COVID-19 by international consensus (in this document, any reference to "coronavirus", even in lower case, refers specifically to COVID-19). In February 2020, cases began to be reported in several European countries, including Spain. Since then, more and more cases have been detected. The WHO recognised it as a global pandemic on 11 March 2020.

One of the complications of COVID-19 is difficulty breathing. Therefore, the use of an artificial respirator and intensive care may be necessary. Given that the capacity to adequately care for patients with these symptoms is limited, the Government of Spain and the governments of the different regions of Spain have been proposing several restrictions on the activities of citizens that seek to reduce the spread of the disease so that the cases do not collapse the health system and to hinder economic activity as little as possible. However, given the situation at the start of the spread of COVID-19, on 13 March 2020, the State of Alarm was ordered in Spain to manage the health crisis caused by COVID-19. This was accompanied by a limitation on leaving their homes for the entire population (we will refer to this concept, with some discretion, as "lockdown"). This lockdown had very specific exceptions, including only a minority of economic activities.

In this case, the service provided by the Company becomes especially important. As it was possible, all the main service providers of the Company continued to provide the services necessary for the Company to continue to operate normally enough. In this way, the Company's clients notice hardly any changes to the service provided.

The management body carried out a preliminary analysis of the situation in accordance with the best information available to limit and minimise the impact of the coronavirus crisis on the Company's activity, also constantly supervising the evolution of the situation, to successfully address the possible impacts, both financial and non-financial, that could take place. In this sense, the Company took proactive measures with the most vulnerable tenants that go beyond the provisions in Royal Decree 11/2020 of 31 March ("RDL 11/2020") in relation to the Economic Measures regarding Leasing of Housing Units due to COVID-19. The extraordinary moratorium programme on rent payments launched by the Company consisted of the possibility of deferring up to 50% of the rent amount up to a maximum of 3 months (April, May and June 2020). These deferred amounts would be subsequently divided to be paid within up to 6 months, starting in September 2020. To make procedures easier, applicant tenants had to submit, first, a responsible statement specifying their situation, having a month to submit the documentation proving their vulnerable situation, which is less restrictive than the criteria established by RDL 11/2020.

Of the more than 90 lease contracts that the Company had signed with different parties at some point during the lockdown, only 4 requested to adhere to the aid programme proposed by the Company. None of the tenants requested assistance within the framework of RDL 11/2020. Of those, half are complying with the established rent payment plan and the other half are not. No impairment has yet been provisioned for this



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tenant aid programme. In addition, it should be noted that these rentals have non-payment insurance with the insurance company ARAG, which notified the Company its support and coverage for possible non-payments, even in cases where moratoriums are granted and tenants fail to comply with the agreement.

The default rate from 13 March 2020 to the end of the year has been 8.9%. More information on the default rate can be found in Notes 7 and 11.4.

With the political measures taken to protect the health of the population but maintaining economic activity as much as possible —an arduous balance—, many people whose livelihood came from certain sectors of the economy have found themselves in fatal distress. Many companies have also been forced to stop their activity or their usual income flow is reduced, and they are in danger of ceasing their activity and having to close, which directly means the destruction of productive capacity.

Apparently effective vaccines are currently being supplied to the population in the European Union and other territories. It is expected that, by the end of summer 2021, the European Union will achieve what they call herd immunity. A financial assistance programme called NextGenerationEU has also been established for States, which is known as the European Recovery Fund. This programme includes €750,000 million and will be financed through the access of the European Commission to the capital markets. Thus, for the second half of 2021, it is expected that we will regain a certain level of normality:

- social normality, by being able to restart social interactions without the need for restrictions or fear of collapsing health systems; and
- financial normality, as long as the productive capacity has been maintained or transformed.

The consequences for the industry are sustained sale and lease prices of real estate, which makes it possible to avoid a latent loss of value in the Company's assets (Note 5 comments on how COVID-19 is affecting the values of the Company's assets) and maintain the expected level of income flow from rentals according to the business plan. Additionally, the recovery of full mobility facilitates moves, which is favourable for the Company as means new tenants for real estate acquisitions.

## 2. Basis of presentation of the Annual Account

### a) Applicable financial reporting framework

These annual accounts have been prepared by the Board of Directors of the Company in accordance with the regulatory financial reporting framework that is applicable to the Company, which is set forth in:

- The Spanish Commercial Code and other mercantile legislation.
- The General Accounting Plan approved by Royal Decree 1514/2007, applicable amendments introduced by Royal Decree 1159/2010 and Royal Decree 602/2016 and the industry adaptation for real estate companies.
- The mandatory regulations approved by the Accounting and Auditing Institute in the development of the General Accounting Plan and its complementary rules.
- Act 11/2009, of 26 October, amended by Act 16/2012, of 27 December, which regulates publicly traded investment companies in the real estate market (SOCIMI, in Spanish) and the disclosure obligations to be detailed in these annual accounts.
- All other applicable Spanish accounting regulations.

### b) True and fair view

The annual accounts have been prepared based on the Company's accounting records and are presented in compliance with current mercantile legislation and the rules set forth in the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments made thereto by Royal Decree 1159/2010 and Royal Decree 602/2016, in order to give a true and fair view of the Company's equity, financial position and results, as well as the veracity of the cash flows included in the cash flow statement.



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**c) Non-mandatory accounting principles**

These annual accounts have been prepared in accordance with the accounting policies and valuation rules described in Note 4. There are no mandatory accounting policies that have a material effect on the preparation of the annual accounts and have not been applied.

**d) Critical aspects of the assessment and estimation of uncertainty**

In preparing these annual accounts, estimates were made by the Company's management to measure certain assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to:

- The assessment of the existence of impairment in investment property (see Notes 4.2 and 5).
- The useful life of investment property (see Note 4.1).
- Corporate income tax: the Company has opted to adhere to the tax regime for SOCIMIs, which means that the corporate income tax rate is 0% provided that the requirements established in the SOCIMI Act are met (see Note 1). The Board of Directors supervises compliance with the legal requirements to benefit from the tax benefits provided. The Company's Board of Directors considers that these requirements will be met within the terms and conditions set forth in the SOCIMI Act.
- The calculation of variable remuneration for Asset Management services (see Note 1.c) and other providers that also have a similar form of remuneration.

Despite these estimates have been made based on the best information available as of 31 December 2020, it is possible that future events may make it necessary to change these estimates (upwards or downwards) in the coming financial years, which would be done prospectively, if necessary, recognising the effects of the change in estimate in accordance with the accounting regulations in force.

**e) Comparative information**

In accordance with commercial legislation, in addition to the figures for the 2020 financial year, the figures for the previous financial year are presented for comparative purposes for each item in the balance sheet, profit and loss account, statement of changes in equity and statement of cash flow.

Quantitative information for the previous financial year is also included in the report of the annual accounts, except where an accounting standard specifically states that this is not required.

However, it should be noted that the current financial year started on 1 January 2020 and ended on 31 December 2020, but the previous financial year started on 21 March 2019 and ended on 31 December 2019, i.e., it was not a financial year of the same duration, so some figures are not comparable.

**f) Grouping of items**

Certain items in the balance sheet, profit and loss account, statement of changes in equity and statement of cash flow are grouped to make them easier to understand, although, to the extent that it is significant, the disaggregated information has been included in the corresponding notes of the report.

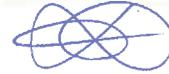
**g) Changes in accounting policies**

There have been no significant changes in accounting policies during the 2020 financial year compared to the policies applied in 2019.



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#### h) **Environmental impact**

Given the Company's activity, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that could be material regarding its equity, financial position and results.

For this reason, no disclosures regarding environmental matters are made in these annual accounts.

### 3. **Application of the results**

The proposed distribution of the result of the 2020 financial year, formulated by the Board of Directors and expected to be approved by the Annual General Meeting of Shareholders, is as follows:

	2020	2019
Basis of the distribution:		
Result of the financial year (losses)	(569,609)	(114,794)
Application:		
Negative results of past financial years	(569,609)	(114,794)

On 15 July 2020, the General Shareholders' Meeting approved the distribution of the result for the 2019 financial year of €114,794 of loss to be covered by the negative results of previous financial years.

### 4. **Registration and valuation standards**

#### 4.1 **Real estate investments**

The section Real estate investments in the balance sheet includes the values of plots of land, buildings and other constructions that are maintained, either to exploit them for lease or to obtain a capital gain on their sale because of the increases of their market prices that occur in the future.

##### Initial assessment

Real estate investments are initially valued at their acquisition cost, plus the amount of additional or complementary investments, and is subsequently reduced by the corresponding accumulated amortization and impairment losses, if any, in accordance with the criteria described in this note.

Repairs that do not represent an extension of the useful life and maintenance costs are charged to the profit and loss account in the financial year in which they occur. The costs of extensions or improvements that result in an increase in the productive capacity or an extension of the useful life of the assets are added to the asset as a higher value.

Real estate investments were valued at the date of contribution at their fair value and the costs of extension, refurbishment or improvement of the assets included under this heading are added as a higher value of the asset only when they involve an increase in their capacity, productivity or lengthening of the assets' useful life, and whenever it is possible to know or estimate the book value of the items that are removed from the inventory due to having been replaced.

The real estate investments section includes technical installations and furniture for the main corporate purpose of the Company, exploitation through operating lease.

The Company has not capitalized financial interest as a higher cost of its real estate investments during the financial years that ended on 31 December 2020 and 2019.

##### Amortization

The amortization of real estate investments is calculated on a linear basis, based on the estimated years of useful life of the assets. The annual amortization percentages applied to the relevant cost values, where appropriate, as well as the estimated years of useful life, are as follows:



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	Annual Percentage	Estimated Years of Useful Life
Linear amortization system:		
Buildings	1.00%	100
Furniture (according to the type)		
- Washing machines	10.00%	10
- Dishwashers	9.09%	11
- Heaters	5.00%	20
- Fridges	8.33%	

#### 4.2 Impairment of real estate investments

Whenever there are loss values in real estate investments, the Company proceeds to estimate, by means of the so-called "Impairment Test," the possible existence of investments of value that reduce the recoverable value of said assets to an amount less than of their book value.

The recoverable amount is determined as the greater of the fair value less costs to sell and the value in use.

To determine the market value of its real estate investments, the Company has used the appraisals carried out on the real estate by different independent appraisers for different purposes: appraisal for mortgage purposes. Appraisal for the assessment of the Company to comply with the requirements of the Mercantile Registry for the transformation of the Company from a corporation to a limited company and also appraisal for the valuation of the Company in order to comply with the participation requirements in a multilateral trading system for the Company's shares. These valuations have been carried out in accordance with Order ECO / 805/2003 of 27 march, on real estate valuation standards and certain rights for certain financial purposes, Order EHA / 3011/2007 and Order EHA / 564/2008 , for the purpose of mortgaging it and of valuation for the corporate transformation described in Note 1.d; or with the appraisal and valuation standards issued by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom and by the International Valuation Standards (IVS) annulled by the International Valuation Standards Committee (IVSC), to the valuation of the company for the purposes of the admission to negotiation of the shares of the Company in a multilateral system of negotiation, as described in Note 1.f.

Valuation corrections for impairment and their reversal are recorded in the loss and liability account and are reversed when the circumstances that caused them to cease to exist. The limit of the reversal of impairment is the book value of the asset that would appear in the balance sheet if the corresponding impairment had not been previously recognized.

In the opinion of the Board of Directors of the Company and based on the assessments of available independent experts, there have been no signs of impairment in the movable investments as of December 31, 2020 and 2019, and therefore there has been no record of any impairment.

#### 4.3 Leases

##### Financial leasing

Leases are classified as financial leases as long as the conditions of these leases show that the risks and benefits inherent to the ownership of the asset object of the agreement are substantially transferred to the tenant. As of 31 December 2020 and 2019, the Company has no financial lease agreements.

The other leases are classified as operating leases.

##### Operating lease

If the Company acts as lessor, the income and expenses derived from the operating lease agreements are covered by the profit and loss account in the year in which they accrue. Likewise, the acquisition cost of the leased asset is included in the balance sheet according to its nature, increased by the amount of the agreement costs that are directly attributable, which are recognised as an expense in the term of the agreement applying the same criteria used for the recognition of rental income.

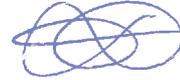


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Any collection or payment that may take place when contracting an operating lease will be treated as an advance collection or payment that will be covered by the results throughout the lease period, as the benefits of the leased asset are transferred or received on a linear basis.

#### 4.4 Financial assets

##### *Classification*

The financial assets owned by the Company are classified into the following categories:

- a) Loans and receivables: financial assets that derive from the sale of goods or in the provision of services for the company's traffic operations, or those that do not have a commercial origin, are not equity instruments or derivatives, the collections of which are of a fixed or determinable amount and are not traded in an active market.
- b) Paid bonds and deposits: amounts paid in relation to the Company's operating leases.
- c) Cash and other equivalent liquid assets: they include both cash and bank demand deposits and investments made the maturity of which does not exceed three months and are not subject to a significant risk of changes in value.

##### *Initial assessment*

Financial assets are initially recorded, generally, at the fair value of the consideration paid plus the transaction costs that are directly attributable.

##### *Subsequent valuation*

Paid bonds and deposits are valued at the amount disbursed since the difference between the amount disbursed and the fair value is not significant.

Items receivable are valued at their amortised cost.

The Company removes financial assets when they expire or the rights to the cash flows corresponding to financial assets have been transferred and the risks and benefits inherent to their ownership have been substantially transferred.

#### 4.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts and deposits with credit institutions and highly liquid investments, including short-term highly liquid deposits, which are easily convertible into specified cash amounts, being subject to a low risk of changes in its value.

#### 4.6 Equity

The share capita is represented by ordinary registered shares.

The costs of issuing new shares or options are included directly against equity, as lower reserves.

For the acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from the equity until it is cancelled, reissued or sold. When said shares are subsequently sold or reissued, any net amount received of any directly attributable incremental transaction costs is included in the equity.



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#### 4.7 Financial liabilities

##### Debits and payable items

This category includes debits for commercial operations and for non-commercial operations. These borrowings are classified as current liabilities, unless the Company has an unconditional right to defer their settlement for at least 12 months after the date of the balance sheet.

These debts are initially recognized at their fair value adjusted by directly attributable transaction costs and are subsequently recorded at their amortised cost using the effective interest rate method. Said effective interest is the discount rate that equals the book value of the instrument with the expected flow of future payments foreseen until the maturity of the liability.

Notwithstanding the foregoing, debits for commercial operations with a maturity of a maximum of one year and that do not have a contractual interest rate are valued, both initially and subsequently, at their nominal value when the effect of not updating the cash flows is not significant.

In the event of existing debt renegotiations, it is considered that there are no substantial modifications of the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the present value of the cash flows, including net commissions, does not differ by more than 10% from the present value of the cash flows pending payment of the original liability calculated using the same method.

Financial liabilities are removed when the obligations that generated them are extinguished.

#### 4.8 Current and deferred taxes

##### General regime:

The income tax expense or income includes both current tax and deferred tax. Both current and deferred tax income or expense are recorded in the profit and loss account. However, the tax effect related to items that are recorded directly in equity is recognised in equity.

The current tax expense is calculated based on the approved legislation or legislation that is about to be approved on the balance sheet date in the countries in which the Company operates and in which they generate positive tax bases. The management body periodically evaluates the positions taken in the tax returns regarding the situations in which the applicable tax regulation is subject to interpretation, and, if necessary, establishes provisions based on the amounts expected to be paid to tax authorities.

Deferred taxes are recognised for the temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts in the annual accounts. However, deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction, other than a business combination, which does not affect the result of the account or tax profit or loss at the time of the transaction. Deferred tax is determined using tax rates (and legislation) that are approved or are about to be approved on the balance sheet date and which are expected to apply when the corresponding deferred tax asset is effective or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future tax benefits will be available with which to offset temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences associated with investments in subsidiaries, partners and joint arrangements, except for deferred tax liabilities for which the Company can control the date on which the temporary differences will reverse and it is probable that they will not reverse in the foreseeable future. Generally, the Company is not able to control the reversal of temporary differences for partners. It is only not recognised when there is an agreement that enables the Company to control the reversal of the temporary difference.

Deferred tax assets are recognised for deductible temporary differences arising from investments in subsidiaries, partners and joint arrangements only to the extent that it is probable that the



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time difference will revert in the future and it is expected to produce sufficient tax profit against which to use the time difference.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally recognised right to offset current tax assets with current tax liabilities and when deferred tax assets and deferred tax liabilities are derived from income tax corresponding to the same tax authority, which fall on the same entity or tax subject, or different entities or tax subjects, that seek to settle current tax assets and liabilities for their net amount.

At the end of each financial year, the deferred tax assets recorded are reconsidered, making the appropriate corrections to the extent that there are doubts about their future recovery. Likewise, at the end of each financial year, deferred tax assets not recorded in the statement of financial position are evaluated and they are recognised to the extent that their recovery with future tax benefits becomes probable.

### SOCIMI tax regime:

On 26 September 2019, the Company informed the corresponding tax authorities (Delegation of the Spanish Tax Administration Agency) the option adopted on 25 September 2019 by the General Meeting of Partners of the Company to adhere to the special SOCIMI tax regime (Note 1.a). The application had retroactive effect from the fiscal year beginning on the date of its constitution, 21 March 2019, being subject to Act 11/2009, of 26 October, with the modifications incorporated therein by Act 16/2012, of 27 December, which regulate SOCIMIs.

Under the SOCIMI tax regime, the Company is subject to Corporation Tax at a 0% rate as long as the requirements described in Note 1.a of this report are met.

Failure to comply with the requirement of the minimum period for holding eligible assets set forth in Note 1.a above will determine: (i) in the case of suitable properties, the taxation of all the income they generate in all the tax periods in which the special SOCIMI tax regime applies, in accordance with the general regime and the general rate on Corporation Tax; and (ii) in the case of eligible shareholdings, the taxation of the part of the income generated on the occasion of the transfer in accordance with the general regime and the general type of corporate income tax.

As established in article 9.2 of Act 11/2009, the Company will be subject to a special tax of 19% on the full amount of dividends or shareholdings in profits distributed to partners whose participation in the capital stock of the Company is equal or greater than 5%, when, at the headquarters of their partners, said dividends are exempt or taxed at a tax rate of less than 10% (for this purpose, the amount owed by virtue of the Non-Resident Income Tax Act will be taken into consideration).

However, this special tax will not be applicable when dividends or profit shareholdings are received by entities the purpose of which is to hold shares in the capital of other SOCIMIs or in that of other entities that are not based in Spanish territory and have the same corporate purpose and are subject to a similar regime to that established for SOCIMIs regarding the mandatory policy (whether it be legal or statutory) of profit distribution, with respect to partners who have a stake that is equal to or greater than 5% in the capital stock of those companies and are taxed on said dividends or profit shares, at least, a tax rate of 10%.

### Other taxes:

Given that the Company mainly leases residential housing units to individuals, paid VAT cannot be deducted in general. The Company applies a general pro rata.

Additionally, SOCIMIs benefit from the application of a 95% discount on the share of the Tax on Equity Transmissions and Documented Legal Acts as set forth in Note 1.a, as long as the minimum asset holding period is complied with.

## 4.9 Provisions and contingent liabilities

Provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using a rate before tax that reflects current market assessments of the

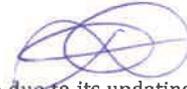


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time value of money and the specific risks of the obligation. Adjustments in the provision due to its updating are recognised as a financial expense as they accrue.

Provisions with a maturity of up to one year and with a minimal financial effect are not discounted. When part of the disbursement necessary to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as an independent asset, provided that its receipt is practically certain.

For its part, the provisions for taxes correspond to the estimated amount of the possible tax obligations with the Tax Administrations.

#### 4.10 Revenue recognition

Income is recorded at the fair value of the consideration to be received and represents the amounts receivable for services provided in the regular course of the Company's activities, minus returns, markdowns, discounts and value added tax.

##### *Rental income*

Rental income is recorded on an accrual basis and the benefits from incentives and the initial costs of the lease contracts are distributed linearly. In the event that a lease agreement is terminated earlier than expected, the record of the lack of rent or pending bonus will be recorded in the last period before the end of the agreement.

#### 4.11 Functional and presentation currency

These annual accounts are presented in Euro, which is the presentation and functional currency of the Company.

#### 4.12 Statement of cash flows

The statement of cash flows has been prepared using the indirect method, and it uses the following expressions with the meaning stated below:

- Operating activities: activities that constitute the ordinary income of the company, as well as other activities that cannot be classified as investment or financing activities.
- Investment activities: acquisition, sale or disposal activities by other means of long-term assets and other investments not included in cash and its equivalents.
- Financing activities: activities that change the size and composition of equity and liabilities that are not part of operating activities.

#### 4.13 Transactions among related parties

In general, transactions among related parties are initially accounted for at their fair value. Where applicable, if the agreed price differs from its fair value, the difference is recorded taking into account the economic reality of the operation. The subsequent valuation is carried out in compliance with the provisions of relevant regulations.

### 5. Real estate investments

The movement of the section "Real Estate Investments" during the financial year that ended on 31 December 2020 is as follows:



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	Amount in Euro			Balance as of 31/12/2020
	Balance as of 31/12/2019	Additions	Transfers	
<b>Cost:</b>				
Furniture	3,754	24,500	-	28,254
Plots of land	811,659	576,789	-	1,388,448
Buildings	2,235,109	1,505,906	265,195	4,006,210
Constructions in progress	265,195	521,086	-265,195	521,086
<b>Total cost</b>	<b>3,315,717</b>	<b>2,628,281</b>	<b>-</b>	<b>5,943,998</b>
<b>Accrued amortisation:</b>				
Furniture	-67	-1,545	-	-1,612
Buildings	-6,431	-30,219	-	-36,650
<b>Total accrued amortisation</b>	<b>-6,498</b>	<b>-31,764</b>	<b>-</b>	<b>-38,262</b>
<b>Net real estate investments</b>	<b>3,309,219</b>	<b>2,596,517</b>	<b>-</b>	<b>5,905,736</b>

For the financial year that ended on 31 December 2019:

	Amount in Euro	
	Additions	Balance as of 31/12/2019
<b>Cost:</b>		
Furniture	3,754	3,754
Plots of land	811,659	811,659
Buildings	2,235,109	2,235,109
Constructions in progress	265,195	265,195
<b>Total cost</b>	<b>3,315,717</b>	<b>3,315,717</b>
<b>Accrued amortisation:</b>		
Furniture	-67	-67
Buildings	-6,431	-6,431
<b>Total accrued amortisation</b>	<b>-6,498</b>	<b>-6,498</b>
<b>Net real estate investments</b>	<b>3,309,219</b>	<b>3,309,219</b>

During the 2019 financial, the Company formalised the purchase of three residential property lots with 83 housing units, 1 office, 22 garages and 3 storage rooms in 9 buildings or groups of housing units in the towns of Cazalegas, Rielves, Tembleque, Villaseca de la Sagra and Fuensalida in the province of Toledo, and in Tomelloso, Malagón and Miguelturra in the province of Ciudad Real. The total price of the operation was €3,350,373, of which €38,410 have been added during 2020.

During the 2020 financial year, the Company has completed the following transactions:

- On 28 January 2020, the Company formalised the purchase of 16 housing units, 16 garages and 6 storage rooms in 2 buildings in the towns of Herencia, in the province of Ciudad Real and in Santa Olalla, in the province of Toledo. The total price of the transaction was made up of €506,948 for the purchase, €22,917 for transaction costs and €44,599 for the adaptation. The properties were valued during the previous weeks following the provisions of Order ECO/805/2003, of 27 March, on real estate valuation standards and certain rights for certain financial purposes (hereinafter, "ECO valuation"), reaching a value of €957,427.
- On 30 June 2020, the Company formalised the purchase of 9 housing units, 9 garages and 9 storage rooms in the same building in Santa Olalla, in the province of Toledo, where properties were acquired on 28 January 2020. The total price of the transaction was made up of €269,260 for the purchase, €21,205 for transaction costs and €28,502 for the adaptation. The properties were valued during the previous weeks following the ECO valuation, reaching a value of €567,630.
- On 3 December 2020, the Company formalised the purchase of 40 housing units and an undivided 87.5% stake in a premises (basement) intended for parking spaces and storage rooms where Ktesios has 27 garages and 2 storage rooms assigned in 2 buildings in the towns of Algeciras, in the province of Cádiz, and Mejorada, in the province of Toledo. The total price of the transaction was made up of €1,530,000 for the purchase, €55,838 for transaction costs and €86,102 for the adaptation, although some costs were not applied as of 31 December 2020, as they were concluded during 2021. The properties have been appraised after their acquisition, reaching a value of €3,125,719.

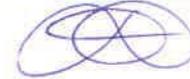


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Additionally, in 2020, furniture for the housing units was purchased for €24,500 (€3,754 in 2019).

During the 2019 financial year, the Company has not sold any assets.

As of 31 December 2020, all of the Company's properties, except those acquired on 3 December 2020, have a mortgage charge (see Note 11).

Annex I of this report includes the unit detail of the real estate investments owned by the Company.

#### Fully amortised assets

There are no fully amortised items as of 31 December 2020.

#### Sales commitments

As of 31 December 2020 and 31 December 2019, there are no sales commitments on the Company's real estate investment portfolio.

As of 31 December 2020, two of the Company's properties hold purchase options with their respective tenants. The Board of Directors considers that the execution of said options is not guaranteed at the end of this year, nor have the risks and benefits of the property been transferred.

On 30 October 2019, a purchase option agreement was signed for the property located at Calle Miguel Delibes nº 12 in Rielves (Toledo), the expiration date of which has been set on 29 October 2022, when the tenant may can exercise the purchase option. The total price of the sale, in the event that it is carried out, has been set at €72,250. The tenant has paid a non-refundable premium to be able to access the purchase. The agreed payment for the purchase option premium amounts to €12,750, of which €1,500 were paid upon signing the agreement, deferring the rest of the outstanding amount until the end of the contract in monthly instalments. In 2020, the tenant/opting party has defaulted on the payments due.

On 05 November 2019, a purchase option agreement was signed for the property located at Calle Castilla la Mancha no. 71 in Tembleque (Toledo), the expiration date of which has been set on 4 November 2022, when the tenant may can exercise the purchase option. The total price of the sale, in the event that it is carried out, has been set at €49,300. The tenant has paid a non-refundable premium to be able to access the purchase. The agreed payment for the purchase option premium amounts to €8,700, of which €2,900 were paid upon signing the agreement, deferring the rest of the outstanding amount until the end of the contract in monthly instalments.

The premium paid by the tenants is not contractually considered a deduction to the future sale price but is an option to access the possible purchase of said properties without the amounts already paid being deducted from the purchase price that is already agreed in any case. In case of withdrawal, the tenant will not have the right be reimbursed for any of the amounts that have been paid as a premium or additional payment in relation to the purchase option.

#### Insurance

The Company has taken out insurance policies to cover the risks to which real estate investments are subject. In the opinion of the Company's Board of Directors, these policies are considered sufficient to cover the book value of the insured assets.

#### Valuation procedures

As of 31 December 2020 and 2019, real estate investments are recorded at acquisition cost.

At the end of the financial year, the fair value of the Company's real estate investments is calculated based on reports prepared by independent valuers in accordance with the Valuation Standards of the Royal Institution of Chartered Surveyors of the United Kingdom (RICS).



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The following is a report on the book value and fair value of real estate investments as of 31 December 2020 at the development level.

Development	Book value	Fair value	Valuation date	Discount rate
C/ Canalejas, 4, Tomelloso (Ciudad Real)	600,642	638,014	31/12/2020	5.50%
C/ Oriente, 9, Tomelloso (Ciudad Real)	221,821	258,509	31/12/2020	5.50%
C/ Clavel, 14-16, Cazalegas (Toledo)	54,486	127,928	31/12/2020	5.50%
C/ Clavel, 23, Cazalegas (Toledo)	70,923	168,224	31/12/2020	5.50%
C/ Castilla La Mancha, Tembleque (Toledo)	110,714	277,206	31/12/2020	5.50%
C/ Miguel Delibes and C/ Garcilaso de la Vega, Rielves (Toledo)	605,312	1,595,825	31/12/2020	5.50%
Av. del Santo con vuelta C/ Emigrante con C/ Ferrocarril, Malagón (Ciudad Real)	439,144	745,149	31/12/2020	5.50%
C/ Ancha, 46, Miguelturra (Ciudad Real)	587,460	1,092,363	31/12/2020	5.50%
Av. Marqués de Montemayor, 3-5, Villaseca de la Sagra (Toledo)	290,309	619,954	31/12/2020	5.50%
C/ San José Obrero, 27-29 con Av. San Crispín, 71, Fuensalida (Toledo)	337,869	753,294	31/12/2020	5.50%
C/ Teodoro Sacristán, 19, Santa Olalla (Toledo)	512,201	1,054,742	31/12/2020	5.75%
C/ Ronda, 66, Herencia (Ciudad Real)	376,498	555,990	31/12/2020	5.75%
C/ Teniente Miranda, 121, Algeciras (Cádiz)	803,050	1,438,159	31/12/2020	5.00%
C/ Viñuelas, 2 y C/ Zarza, 6, Mejorada (Toledo)	868,665	1,687,560	31/12/2020	6.00%
	<b>5,879,094</b>	<b>11,012,917</b>		

During the year, no impairment adjustments have been recognised or reversed for any real estate investment.

The Board of Directors has been continuously monitoring the evolution of the value of the real estate assets owned by the Company. This monitoring has been intensified due to COVID-19. From the result of this monitoring, it is concluded that at the national level of real estate value is decreasing. However, the real estate markets are fundamentally local and in the towns where the Company owns real estate, no significant decrease in value is expected.

## 6. Leases

The Company acts as lessor in certain operating leasing agreements, the minimum lease payments of which, in accordance with current agreements in force, without taking into account the impact of common expenses, future variations by CPI or future updates of contractually agreed rents, are the following:

Minimum fees	Euro	
	2020	2019
Less than one year	190,110	92,139
<b>Total</b>	<b>190,110</b>	<b>92,139</b>

The lease agreements signed in 2020 have an initial term of one year with the option of extending it up to seven years at the option of the tenant. Regardless of the maximum duration and for the purposes of this note, the following 12 months after the formalisation of the agreement are considered as future minimum collections.

## 7. Financial assets

### 7.1 Analysis by categories

As of 31 December 2020 and 2019, financial assets are broken down as follows:

<b>Euro</b>
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	31/12/2020	31/12/2019
<b>Non-current financial assets</b>	<b>8,392</b>	<b>10,280</b>
<b>Long term financial investments</b>	<b>3,700</b>	-
Other financial assets	3,700	-
<b>Non-current trade debtors</b>	<b>4,692</b>	<b>10,280</b>
Clients for sales and provision of services	4,692	10,280
<b>Current financial assets</b>	<b>129,335</b>	<b>124,582</b>
<b>Trade debtors and other accounts receivable</b>	<b>118,015</b>	<b>113,347</b>
Clients for sales and provision of services	13,682	7,170
Sundry debtors	104,333	106,177
<b>Long term financial investments</b>	<b>11,320</b>	<b>11,235</b>
Other financial assets	11,320	11,235
<b>Total</b>	<b>137,727</b>	<b>134,862</b>

The section "Clients for sales and provision of services" in "Current financial assets" includes the agreements with the tenants to facilitate compliance with the contractual conditions in the context of COVID-19 (Note 1.g). The affected amount is €1,060.

The section "Sundry debtors" includes compensation pending as of 31 December 2020 from the non-payment insurance policies for €9,033. In addition, there is a balance pending repayment by the Junta de Castilla-La Mancha amounting to €94,434. This is because the settlements made for Tax on Equity Transmissions and Documented Legal Acts of the Company's first two purchases of assets on 1 April 2019 and 21 June 2019 did not benefit from a discount (Note 1.a). After the Company informed of its option to adhere to the SOCIMI regime on 25 September 2019, it proceeded to claim the reimbursement of the surplus. It also includes an amount of €866 corresponding to an excess payment of fees to the Provincial Council of Toledo.

The segment "Other financial assets", for both non-current and current financial assets, includes the deposits paid to the corresponding public entities derived from leases.

**7.2 Analysis by maturity**

As of 31 December 2020 and 2019, financial assets classified by year of maturity are broken down as follows:

31 December 2020

	Financial assets		
	2021	2022	Total
<b>Deposited bonds</b>	11,320	3,700	15,020
<b>Trade debtors and other accounts receivable</b>	118,015	4,775	122,790
<b>Total</b>	<b>129,335</b>	<b>8,475</b>	<b>137,810</b>

31 December 2019

	Financial assets			
	2020	2021	2022	Total
<b>Deposited bonds</b>	11,235	-	-	11,235
<b>Trade debtors and other accounts receivable</b>	113,347	5,892	4,775	124,014
<b>Total</b>	<b>124,582</b>	<b>5,892</b>	<b>4,775</b>	<b>135,249</b>

The total amount does not match the analysis by categories because the payment of the premium for the purchase options mentioned in Note 5 extends beyond one year. None of the agreements set forth an interest for this deferral in payment. The payment of the premium for the purchase options has been accounted for by applying the effective interest rate method.



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**Movement of provisions for commercial operations**

The breakdown of the movement of the provision corresponding to the years that ended on 31 December 2020 and 2019 is as follows:

	2020	2019
<b>Initial balance</b>	<b>(5,464)</b>	-
Provision for impairment of accounts receivable	(25,257)	(5,464)
Reversal of provisions for impairment of accounts receivable	13,532	-
<b>Final balance</b>	<b>(17,189)</b>	<b>(5,464)</b>

Provisions for doubtful income collections are €25,257.

**8. Inventory**

As of 31 December 2020, the Company has an amount of €2,947 corresponding to lesser amounts for advanced payments of invoices to various suppliers, highlighting an amount of €2,567 to Active Rents Management, S.L.U. (Note 14.4)

**9. Cash and other equivalent liquid assets**

The section "Cash and other equivalent liquid assets" includes the Company's treasury.

	Euro	
	31/12/2020	31/12/2019
<b>Cash and other equivalent liquid assets</b>	<b>1,493,727</b>	<b>887,407</b>
Treasury	1,493,727	887,407
<b>Total</b>	<b>1,493,727</b>	<b>887,407</b>

As of 31 December 2020, the balance of the section "Cash and other equivalent liquid assets" is freely available.

As of 31 December 2020, the payment of deposits for the amount of €16,135 to the corresponding public bodies is pending.

**10. Equity Issued****capital**

On 21 March 2019, the Company was incorporated by issuing 15,000 shareholdings with a par value of €10 each, all of the same class.

On 20 June 2019, the Company carried out its first capital increase with the issue of 49,500 shareholdings with a par value of €10 each.

On 28 November 2019, it made its second increase with the issuance of 155,500 shareholdings with a par value of €10 each. Of the 155,500 new shareholdings issued, 44,000 were subscribed for offsetting credits and 111,500 for monetary contributions. The credits that were offset in this capital increase were capital contributions made covered by this capital increase but were contributed more than two months before.

On 25 July 2020 and following the agreement to transform the limited company into a public limited company (Note 1.d), the Company carried out its third capital increase with the issuance of 191,400 shares at a par value of €10 and issue premium of €0.50 each. All 191,400 new shares issued were subscribed by cash contribution.

On 24 November 2020, it made its fourth capital increase with the issuance of 118,600 shares with a par value of €10 and issue premium of €1 each. All 118,600 new shares issued were subscribed by cash contribution. The capital increase was registered in the Mercantile Registry of Madrid



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on 26 December 2020.

As of 31 December 2020, the capital of the Company amounts to €5,300,000, represented by 530,000 shares with a par value of €10 each. As of 31 December 2019, the capital amounted to €2,200,000 represented in 220,000 shares with a nominal value of €10 each (for more information on the change from shareholdings to shares, see Note 1.d).

As of 31 December 2020 and 2019, the shareholders who participate in the share capital in a percentage equal to or greater than 5% are the following:

As of 31 December 2020:

	DIRECT		INDIRECT		TOTAL	
	% shareholding	No. of shares	% shareholding	No. of shares	% shareholding	No. of shares
RKS REAL ESTATE SOCIETE EN COMMANDITE SPECIALE	75.2113%	398,620	-	-	75.2113%	398,620
CORINPAT S.A.	6.4323%	34,091	-	-	6.4323%	34,091
HENRY NOEL GALLEGO	3.0809%	16,329	1.9315%	10,237	5.0125%	26,566
<b>Total</b>	<b>84.7245%</b>	<b>449,040</b>	<b>1.9315%</b>	<b>10,237</b>	<b>86.6560%</b>	<b>459,277</b>

As of 31 December 2019:

	DIRECT		INDIRECT		TOTAL	
	% shareholding	No. of shareholdings	% shareholding	No. of shareholdings	% shareholding	No. of shareholdings
RKS REAL ESTATE SOCIETE EN COMMANDITE SPECIALE	77.0455%	169,500	-	-	77.0455%	169,500
CORINPAT S.A.	5.6818%	12,500	-	-	5.6818%	12,500
HENRY NOEL GALLEGO	2.2273%	4,900	3.0000%	6,600	5.2273%	11,500
<b>Total</b>	<b>84.9545%</b>	<b>186,900</b>	<b>3.0000%</b>	<b>6,600</b>	<b>87.9545%</b>	<b>193,500</b>

**Issue premium**

On 15 July 2020, the Ordinary General Shareholders' Meeting approved a capital increase with the issuance of 191,400 new shares of this unique existing series and class, with a par value of €10 each and a premium issue of €0.50 each. In total, this capital increase resulted in a share capital increase of €1,914,000 and the share premium in the Company's equity increased by €95,700.

On 24 November 2020, the Extraordinary General Shareholders' Meeting approved a capital increase with the issuance of 118,600 new shares of the same unique existing series and class, with a par value of €10 each and a premium issue of €1 each. In total, this capital increase resulted in a share capital increase of €1,186,000 and the share premium in the Company's equity increased by €118,600.

There was no issue premium in the issues of new shares (previously shareholdings) prior to the 2020 fiscal year.

**Legal reserve**

In accordance with the Capital Companies Act, an amount equal to 10% of the profit for the financial year shall be allocated to the legal reserve until it reaches at least 20% of the share capital. The legal reserve may be used to increase capital in the part of its balance that exceeds 10% of the already increased capital. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital and taking into account the



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limitations established by the special SOCIMI regime, this reserve may only be used to offset losses and provided that there are no other sufficient reserves available for this purpose.

According to the special SOCIMI tax regime, the legal reserve may not exceed 20% of the capital stock.

As of 31 December 2020 and 2019, the Company has not constituted any amount as a legal reserve.

#### **Voluntary reserve**

The balance of the section as of 31 December 2020 and 2019 corresponds to the expenses associated with the incorporation and capital increases that occurred during the life of the Company.

#### **Result of past financial years**

The General Shareholders' Meeting of the Company held on 15 July 2020 approved the application of the results for the 2019 financial year, with a loss of €114,794, to the section of "Negative results of past financial years".

#### **Dividend distribution and capital management**

SOCIMIs are regulated by the special tax regime set forth in Act 11/2009, of 26 October, modified by Act 16/2012, of 27 December, which regulates Publicly Traded Investment Companies in the Real Estate Market. These companies will be obliged to distribute the profit obtained in the financial year to their shareholders in the form of dividends, once the corresponding commercial obligations have been fulfilled, and this distribution shall be agreed within six months after the end of each year, as follows:

- (i) 100% of the profits from dividends or shareholdings in profits distributed by shareholdings held in other SOCIMIs or other shareholdings the main corporate purpose of which is the acquisition of urban real estate.
- (ii) At least 50% of the profits derived from the transfer of properties and shares or shareholdings referred to in section 1 of article 2 of Act 11/2009, made after the deadlines referred to in section 3 of article 3 of said Act, subject to the fulfilment of their main corporate purpose. The rest of these profits shall be reinvested in other properties or shareholdings related to the fulfilment of said purpose, within three years after the date of the transmission. Failing that, said benefits shall be distributed in their entirety together with the benefits, where appropriate, from the financial year in which the reinvestment period ends. If the items subject to reinvestment are transferred before the maintenance period, those benefits shall be distributed in their entirety together with the benefits, where appropriate, from the financial year in which they were transferred. The obligation to distribute does not extend, where appropriate, to the part of the profits that is attributable to financial years in which the Company was not taxed based on the special tax regime established in said Act.

- (iii) At least 80% of the rest of the profits obtained.

When the dividends distribution is covered by the reserves from profits of a year in which the special tax regime has been applied, their distribution will be obligatorily adopted with the agreement referred to in the previous section.

The legal reserve of the companies that have opted for the application of the special tax regime set forth in said Act may not exceed 20 percent of the capital stock. The statutes of these companies may not establish any other unavailable reserve other than the previous one.

The Company has the statutory obligation to distribute dividends in compliance with the provisions of the SOCIMI Act.



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## 11. Financial liabilities

### 11.1 Analysis by categories

As of 31 December 2020 and 2019, amounts of financial liabilities are broken down as follows:

	Euro	
	31/12/2020	31/12/2019
<b>Non-current financial liabilities</b>	<b>2,507,106</b>	<b>2,121,271</b>
<b>Long term debts</b>	<b>2,507,106</b>	<b>2,121,271</b>
Long-term debts with credit institutions (Note 11.3)	2,486,256	2,121,271
Other financial liabilities	20,850	-
<b>Current financial liabilities</b>	<b>276,855</b>	<b>148,853</b>
<b>Short term debts</b>	<b>175,910</b>	<b>85,620</b>
Short-term debts with credit institutions (Note 11.3)	159,104	70,756
Other financial liabilities	16,806	14,864
<b>Trade creditors and other accounts payable</b>	<b>100,945</b>	<b>63,233</b>
<b>Total</b>	<b>2,783,961</b>	<b>2,270,124</b>

The section "Other financial liabilities", both non-current and current liabilities, includes the deposits and bonds provided by the tenants to the Company.

During 2020 and 2019 financial years, the movement of deposits and bonds is broken down as follows:

	2020		2019	
	Deposits	Bonds	Deposits	Bonds
<b>Initial balance</b>	<b>11,750</b>	<b>2,325</b>	-	-
Additions	22,445	2,200	11,750	2,325
Removals	3,040	390		
<b>Final balance</b>	<b>31,155</b>	<b>4,135</b>	<b>11,750</b>	<b>2,325</b>

In addition, the section "Trade creditors and other accounts payable" includes debts with related parties arising from payments on behalf of the Company (Note 14.4).

### 11.2 Analysis by maturity

As 31 December 2020 and 2019, the amounts of financial liabilities classified by year of maturity are as follows:

As of 31 December 2020:

	Financial liabilities						Late r Years	Total
	2021	2022	2023	2024	2025			
<b>Debts with credit institutions</b>	164,957	176,443	180,404	184,321	188,594	1,818,294	2,713,013	
<b>Other financial liabilities</b>	16,806	20,850	-	-	-	-	37,656	
<b>Trade creditors and other accounts payable</b>	100,945	-	-	-	-	-	100,945	
<b>Total</b>	<b>282,708</b>	<b>197,293</b>	<b>180,404</b>	<b>184,321</b>	<b>188,594</b>	<b>1,818,294</b>	<b>2,851,614</b>	



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As of 31 December 2019:

	Financial liabilities						Late r Years	Total
	2020	2021	2022	2023	2024			
Debts with credit institutions	77,461	138,813	141,995	145,251	148,473	1,595,136	2,247,129	
Other financial liabilities	14,864	-	-	-	-	-	14,864	
Trade creditors and other accounts payable	63,233	-	-	-	-	-	63,233	
<b>Total</b>	<b>155,558</b>	<b>138,813</b>	<b>141,995</b>	<b>145,251</b>	<b>148,473</b>	<b>1,595,136</b>	<b>2,325,226</b>	

The total amount does not match the analysis by categories because the loans that the Company has were always recorded at amortised cost, so all costs incurred in obtaining said financing and that were paid when they were granted are netting the outstanding debt and are being amortised over the life of each loan. The amount pending amortisation of said expenses as of 31 December 2020 amounts to €70,769.

### 11.3 Debts with credit institutions

The debts contracted with the banks are due to 5 mortgage loans, each corresponds to a purchase of assets. They are summarised in the following table:

Incorporation date	Expiration date	Yearly interest rate	Amount financed	Long term debt	Short term debt	Unpaid accrued interest	Financial expense for the financial	Paid interest
				Principal	Principal			
01/04/2019	01/04/2034	Fixed 2.5%	585,000	510,666	34,837	1,136	16,018	14,263
21/06/2019	21/06/2034	Fixed 2.15%	1,170,000	1,061,032	73,063	677	29,225	25,390
30/09/2019	30/09/2034	Fixed 2.15%	497,700	459,157	30,912	29	12,073	10,865
28/01/2020	28/01/2035	Fixed 2.0%	354,864	334,566	20,298	1,262	8,111	6,663
30/06/2020	30/06/2035	Fixed 2.0%	188,482	182,635	5,847	11	2,402	1,927
			<b>2,796,046</b>	<b>2,548,056</b>	<b>164,957</b>	<b>3,115</b>	<b>67,841</b>	<b>57,941</b>

The difference between the debts with credit institutions registered in the balance sheet and the outstanding nominal as of 31 December 2020 shown in the table above corresponds to the effect of the amortised cost. This amounts to €70,769 at the end of the 2020 financial year.

The loan constituted on 1 April 2019 is guaranteed with all the properties acquired on 1 April 2019 (Note 5 and Annex I). The lender is Liberbank, S.A. RKS Real Estate Société en Commandite Spéciale is the guarantor on this loan. The lease income that originates from these properties and the insurance compensations for non-payment of rent contracted for the lease agreements that originate from these properties are pledged for the sole purpose of meeting the obligations of the Company in this loan.

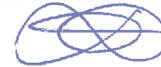
The loan constituted on 21 June 2019 is guaranteed with all the properties acquired on 21 June 2019 (Note 5 and Annex I). The lender is Liberbank, S.A. RKS Real Estate Société en Commandite Spéciale is the guarantor on this loan. The lease income that originates from these properties and the insurance compensations for non-payment of rent contracted for the lease agreements that originate from these properties are pledged for the sole purpose of meeting the obligations of the Company in this loan.

The loan constituted on 30 September 2019 is guaranteed with all the properties acquired on 30 September 2019 (Note 5 and Annex I). The lender is Liberbank, S.A. The lease income that originates from these properties and the insurance compensations for non-payment of rent contracted for the lease agreements that originate from these properties are pledged for the sole purpose of meeting the obligations of the Company in this loan.



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The loan constituted on 28 January 2020 is guaranteed with all the properties acquired on 28 January 2020 (Note 5 and Annex I). The lender is Liberbank, S.A. The lease income that originates from these properties and the insurance compensations for non-payment of rent contracted for the lease agreements that originate from these properties are pledged for the sole purpose of meeting the obligations of the Company in this loan.

The loan constituted on 30 June 2020 is guaranteed with all the properties acquired on 30 June 2020 (Note 5 and Annex I). The lender is Liberbank, S.A. The lease income that originates from these properties and the insurance compensations for non-payment of rent contracted for the lease agreements that originate from these properties are pledged for the sole purpose of meeting the obligations of the Company in this loan.

For all loans constituted with Liberbank, S.A., there is an agreement to the obligation of the Company to have the properties insured against certain basic risks and to use bank accounts of this entity for the collection of the rent of the mortgaged properties. There are no restrictions, limitations or other obligations such as the need to meet certain financial ratios.

As of 31 December 2020, in the opinion of the Board of Directors of the Company, it fully complies with all the terms, conditions, agreements and provisions of the financing agreements in force.

#### 11.4 Information on the nature and level of risk of financial instruments

The Company has implemented the necessary measures to control exposure to variations in interest rates, as well as credit and liquidity risks. The main financial risks that impact the Company are listed below:

##### Credit risk

Credit risk represents the losses the Company would suffer if any counterparty breaches its contractual payment obligations with the Company.

In relation to its clients, it is the Company's policy to request a month's rent as a deposit, as well as to contract insurance that covers the possible risk of non-payment with any of the tenants. 87.4% of the lease agreements in force on 31 December 2020 are covered for the risk of non-payment by a non-payment insurance policy, compared to 71.4% on 31 December 2019. In 2020 and as a result of COVID-19 (Note 1.g), the non-payment insurance company with which the Company had been working, ARAG, decided that it could not continue providing the service under the agreed terms and proposed an increase of the premium for new non-payment of rent insurance policies. The premium base was 3% of the annual rent of each insured agreement. For this reason, as of 1 October 2020, no more non-payment of rent insurance policies are taken out with ARAG. From that date, they are taken out with Mutua de Propietarios. It has been agreed with this insurance company that the premium to be applied to the non-payment of rent insurance contracted by the Company is 3.5% of the annual income of each insured agreement. In general, the cost associated with the non-payment of rent premium is charged to the tenant.

The default rate as of 31 December 2020 of the tenant portfolio has a higher level than expected, amounting to 7.4% (it was 15.8% as of 31 December 2019; the default referred to in Note 1.g is the one from the beginning of the lockdown, while this data is for the whole of the 2020 financial year). However, the rental contracts are covered by a rent non-payment insurance policy that covers 12 months of rent, the costs of eviction (with a maximum of €3,000) and up to €3,000 for vandalism. Therefore, €9,033 in compensation are pending from the insurance company for rent non-payment.

Regarding financial positions, the Company's policy is to keep its treasury in renowned financial institutions (see Note 9).

##### Liquidity risk

This risk reflects the possible difficulty of the Company to access liquid funds, or not being able to access them in a sufficient amount and at the appropriate cost, so that it may meet its payment obligations at all times.



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To ensure liquidity and be able to meet all payment commitments derived from its activity, the Company has the treasury shown its balance.

#### Interest rate risk

The Company has mitigated the interest rate risk by contracting financing at a fixed rate.

#### Exchange rate risk

The Company is not exposed to the risk of possible fluctuations in exchange rates since it carries out its operations in Euro, which is its operational and presentation currency.

#### Tax risk

As mentioned in Note 1, the Company adhered of the special SOCIMI tax regime in 2019. According to the provisions of Article 6 of Act 11/2009, companies that have opted for said regime are obliged, once the relevant commercial obligations have been fulfilled, to distribute the profit obtained during the year, and its distribution shall be agreed within six months of the end of each financial year and paid within a month after the date of the distribution agreement.

In the event that the partners do not approve the distribution of dividends proposed by the Board of Directors, calculated following the requirements set forth in the aforementioned Act, the Company would not be complying with it, and therefore shall be taxed under the general tax regime and not the one applicable to SOCIMIs. However, this results distribution, in line with what is required by the SOCIMI Act, is the Company's policy to the extent that it is included in the Company Articles of Association.

In the opinion of the administration body, the Company has mitigated the risks of non-compliance for taxation in the special SOCIMI regime to acceptable levels.

#### 11.5 Trade creditors and other accounts payable

The detail of the balance of the section "Trade creditors and other accounts payable" as of 31 December 2020 and 2019 is:

	Euro	
	31/12/2020	31/12/2019
Sundry creditors	54,315	46,504
Creditors of the companies of the group and partners (Note	46,630	16,729
Other debts with Public Administrations (Note 13.1)	1,994	5,264
Client advances	3,497	533
<b>Total</b>	<b>106,436</b>	<b>69,030</b>

#### 12. Income and expenses

##### 12.1 Net amount of turnover

The distribution of the net amount of the Company's turnover is as follows:

	2020	2019
<b>Provisions of services</b>	<b>267,913</b>	<b>40,320</b>
Rental income	251,754	36,425
Income from the impact of expenses related to the lease agreement	16,159	3,895
<b>TOTAL</b>	<b>267,913</b>	<b>40,320</b>

The entire revenue figure for the financial year that ended on 31 December 2020 and 2019



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has been made in the national territory.

## 12.2 Other operating expenses

The detail of other operating expenses is as follows:

	2020	2019
Real estate operating expenses	49,957	11,869
Services of independent professionals	258,780	74,351
Insurance premiums	16,015	2,605
Bank services	2,925	113
Homeowner community fees	56,875	41,976
Other expenses	2,137	2,230
Taxes	21,367	857
Losses, impairment and variation of inventory due to commercial operations (Note 7)	25,257	5,464
<b>TOTAL</b>	<b>433,313</b>	<b>139,465</b>

The section "Real estate operating expenses" includes the expenses for repairs, maintenance and those related to the utilities of the properties.

The section "Independent professional services" includes the fees related to the management agreement signed with Active Rents Management, S.L.U. for an amount of €64,679 (in comparison to €14,991 accrued during the financial year that ended on 31 December 2019) and those related to the agreement signed with RKS Asset Management, S.L.U. for an amount of €106,080 (in comparison to €27,570 accrued during the financial year that ended on 31 December 2019), both agreements described in Note 1.b and 1.c respectively. Additional information on the agreements with these two companies can be found in Note 14.4.

There are €7,976 for home insurance policies under the section "Insurance premiums" (€1,546 in 2019 financial year). The rest, €8,039, is for non-payment of rent insurance policies (€1,059 in 2019).

Included in the section "Other expenses" are those related to communication, travel expenses, courier and similar expenses.

The section "Taxes" includes the amounts of Real Estate Tax for 2020.

The fees accrued during the financial year that ended on 31 December 2020 by Grant Thornton, S.L.P., a Sole-Shareholder Company for annual accounts auditing services have amounted to €12,000 (€8,500 for the audit for the financial year that ended on 31 December 2019).

## 12.3 Staff expenses

The Company does not hire any staff since it uses external services for the management of the Company, for the administrative department and for managing the leasing of the properties.

## 12.4 Financial expenses

During the 2020 financial year, €67,841 have been accrued for financial expenses, €67,829 belong to the expenses accrued for mortgage loans. In turn, €3,115 of these are pending payment as of 31 December 2020 (Note 11.3). The remaining €12 correspond to late payment interest in the payment of bank loan instalments.

## 12.5 Other results

On 2 July 2020, the Company signed a penitential deposit agreement to acquire 48 specific properties (24 housing units and 24 garages) in Benidorm (Alicante) from a third party. Therefore, the amount of €330,000 was delivered as a deposit. The deadline to execute the purchase operation was 14 August 2020.



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The Company made the best efforts to carry out the purchase in compliance with the terms and conditions of the signed agreement, but the other party breached the conditions and did not carry out the sale. On 29 October 2020, a request for precautionary measures was filed by Ktesios urging the preventive seizure of the assets of the entity that signed the agreement with Ktesios and of its owners and administrators, in an amount sufficient to cover the amount of €660,000 (refund of duplicate deposits), as well as the amount of €54,030.39 for interest, costs and fee for the future process, that is, a total amount of €714,030.39. Included in "Other results" is a loss of €330,000 corresponding to the breach by the Company's counterpart of the deposit agreement since, despite claiming what is estimated the Company is entitled to, it is believed unlikely to get anything back on this matter.

Also included here are the compensation accrued during the 2020 financial year for the insurance contracted by the Company for €24,765.

Additionally, there are €2,052 accrued in income from contractual penalties in leasing agreement resolutions. These penalties are accrued when the tenant breaches certain terms of the lease, such as a period of notice before terminating the contract or a minimum period of validity of the agreement.

### 13. Tax situation

#### 13.1 Current balances with Public Administrations

The detail of the balances related to tax liabilities with Public Administrations as of 31 December 2020 and 2019 is as follows:

	31/12/2020	31/12/2019
Public Treasury creditor for VAT	21	-
Public Treasury creditor for Income Tax	1,973	5,264
<b>Total</b>	<b>1,994</b>	<b>5,264</b>

According to current legal provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations has elapsed, which is currently set at four years.

#### 13.2 Reconciliation between the accounting result and the tax base

The following is the reconciliation between the accounting result and the corporate income tax base for the year that ended on 31 December 2020 and 2019:

	2020	2019
<b>Accounting result before tax</b>	<b>(569,609)</b>	<b>(114,794)</b>
<b>Expenses charged directly to Equity</b>	<b>(39,257)</b>	<b>(11,710)</b>
<b>Permanent differences</b>	<b>357,561</b>	-
Increases	357,561	-
Decreases	-	-
<b>Time differences</b>	-	-
Increases	-	-
Decreases	-	-
<b>Tax base</b>	<b>(251,305)</b>	<b>(126,504)</b>

The Company does not have deferred tax assets that are not recorded in accounting. According to the SOCIMI Act, the current Corporation Tax is the result of applying a 0% rate to the tax base. No deduction is applicable in the 2020 fiscal year, neither withholdings nor payments on account.

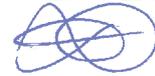
#### 13.3 Years pending verification and inspection actions

As established by current legislation, taxes cannot be considered definitively settled until



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the presentations have been inspected by the tax authorities or the statute of limitations of four years has elapsed. As of 31 December 2020, the Company has all taxes that have been applicable since its incorporation open for inspection. The Company's Board of Directors considers that the settlements of the aforementioned taxes have been adequately practised. Therefore, even if discrepancies arise in the current regulatory interpretation due to the tax treatment granted to operations, the possible resulting liabilities, if they materialise, would not significantly affect these annual accounts.

#### 13.4 Information requirements derived from the status of SOCIMI, Act 11/2009, modified by Act 16/2012

The information required by article 11 of the SOCIMI Act is detailed below:

- a) Reserves from financial years prior to the application of the tax regime set forth in Act 11/2009, modified by Act 16/2012.

It is not applicable.

- b) Reserves from financial years in which the tax regime set forth in Act 11/2009, modified by Act 16/2012, has been applied.

It is not applicable.

- c) Dividends distributed covered by the profits of each financial year in which the tax regime set forth in this Act has been applicable, differentiating the part from income subject to the tax rate of 0% or 19%, regarding those that, where appropriate, have been taxed at the general tax rate.

It is not applicable.

- d) In the case of distribution covered by reserves, designation of the financial year the applied reserve comes from and if they have been taxed at the tax rate of 0%, 19% or the general rate.

It is not applicable.

- e) Date of the agreement to distribute the dividends referred to in section c) and d) above. It is not applicable.

- f) Date of acquisition of the properties intended for lease and of the shareholdings in the capital of entities referred to in section 1 of article 2 of the SOCIMI Act.

See Annex I.

There are no shareholdings in the capital of entities referred to in section 1 of article 2 of the SOCIMI Act.

- g) Identification of the asset that counts within the 80% referred to in section 1 of article 3 of the SOCIMI Act.

All real estate investments registered by the Company are found within this section. See Annex I.

- h) Reserves from financial years in which the applicable tax regime in this Act was applicable, which have been used in the tax period, other than for distribution or to offset losses, identifying the financial year said reserves come from.

It is not applicable.



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#### 14. Other information

##### 14.1 Information on compliance with article 229 of the Capital Companies Act

In accordance with the provisions of article 229 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, with the modifications introduced by Act 31/2014, of 3 December, by which The Capital Companies Act is modified to improve corporate governance, administrators shall report any situation of conflict, whether it is direct or indirect, that they may have with the interest of the Company. In the financial year that ended on 31 December 2019, several contracts were signed with essential suppliers (Notes 1.b and 1.c) in which these conflict situations could arise, a fact that is evident in the agreements themselves to treat and monitor with special scrupulousness during their term. These agreements have remained in force, even with some modification, in the financial year that ended on 31 December 2020.

Clarifications:

- RKS Asset Management, S.L.U. and Ktesios have an Agreement for the provision of advisory services, management and financial control; Mr. Henry Noel Gallego Grajales has a 100% shareholding in RKS Asset Management, S.L.U. and is its Sole Director (Note 1.c);
- Mr. Henry Noel Gallego Grajales has a 100% shareholding and is the Sole Director in Active Rents Management, SLU, with which Ktesios has the Agreement for the provision of administration, management and marketing services for real estate assets (Note 1. B);
- Mr. Henry Noel Gallego Grajales has effective control of the votes of RKS Real Estate Société en Commandite Spéciale, which is the largest shareholder of Ktesios with 75.2113% of the shares (Note 10);
- The activity of RKS Real Estate Société en Commandite Spéciale, although it has a similar investment strategy, is complementary to the activity of Ktesios;
- RKS Asset Management, S.L.U. has also signed a service agreement with RKS Real Estate Société en Commandite Spéciale, mainly in the real estate industry; and
- Active Rents Management, S.L.U. has also signed an agreement for the provision of real estate management services with RKS Real Estate Société en Commandite Spéciale.
- Mr. Henry Noel Gallego Grajales, as an individual, has a 3.0809% shareholding in Ktesios (Note 10).
- RKS Asset Management, S.L.U. has a 1.9315% shareholding in Ktesios (Note 10).

##### 14.2 Remuneration and other benefits to administrators and senior management

During the financial years that ended on 31 December 2020 and 2019, no remuneration has been accrued to administrators. However, at the General Shareholders' Meeting on 24 November 2020, a maximum annual remuneration to the Board of Directors of €40,000 was agreed. The Company does not have senior management employees.

Moreover, the Company has not granted loans or advances or guarantees of any kind, nor has it acquired any commitment to the administrators regarding pensions and life or liability insurance.

Similarly, there have been no agreements between the Company and its administrators for operations outside the ordinary business of the Company or that have not been carried out under normal conditions.

As of 31 December 2020, the Board of Directors is made up of 3 men. As of 31 December 2019, the Sole Director was a company.

As of 31 December 2020, the Company has no employees, nor has it had any since its incorporation.



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#### 14.3 Guarantees committed to third parties and other commitments.

As of 31 December 2020 and 2019, the Company had not granted bank guarantees.

As of 31 December 2020, the Company has secured all the properties it owns with a mortgage guarantee, except those acquired on 3 December 2020. It also has a pledge of the income generated by the mortgaged properties, as well as compensation for non-payment of rent insurance of these properties (Note 11).

#### 14.4 Operations with related parties

The detail of the operations carried out with related parties during the 2020 and 2019 financial years is as follows:

	Euro	
	2020	2019
Services provided	278,657	170,318
- RKS Asset Management, S.L.U.	171,531	87,428
- Active Rents Management, S.L.U.	107,126	82,890

The balances with related parties as of 31 December 2020 and 2019 are as follows:

	Euro	
	31/12/2020	31/12/2019
Advances to suppliers	2,567	-
- Active Rents Management, S.L.	2,567	-

	Euro	
	31/12/2020	31/12/2019
Creditors of the companies of the group and	46,630	16,729
- Active Rents Management, S.L.U.	20,691	5,619
- RKS Asset Management, S.L.U.	25,939	11,110

	Euro	
	31/12/2020	31/12/2019
Other financial liabilities	2,366	789
- RKS Asset Management, S.L.U.	76	269
- Mr. Henry Noel Gallego Grajales	2,290	-
- RKS Real Estate	-	520

In addition, related parties participated in the capital increases in 2020 as stated in the following table (Note 10):

	Shares subscribed in capital increase agreed on		Total shares subscribed in 2020 in capital increases
	15 July 2020	24 November 2020	
- RKS Real Estate	135,920	93,200	229,120
- Mr. Henry Noel Gallego Grajales	11,429	-	11,429
- RKS Asset Management, S.L.U.	-	3,637	3,637

#### 14.5 Information on the average period of payment to suppliers Third additional disposition "Duty of disclosure" of Act 15/2010, of 5 July

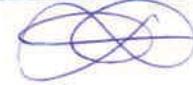
Detailed below is the information required by the third additional provision of Act 15/2010, of 5 July (modified through the second final provision of Act 31/2014, of 3 December) prepared in accordance with the Resolution of the ICAC of 29 January 2016, on the information to be included in the Annual Accounts Report in relation to the average period of payment to suppliers in commercial operations.



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	2020	2019
	Days	Days
Average period of payment to suppliers	10	11
Ratio of paid operations	10	11
Ratio of operations pending payment	12	5
	Euro	Euro
Total payments made	718,305	566,584
Total payments pending	47,028	60,875

## 15. Subsequent events

To date, the Company has carried out its activity without any noteworthy novelty, within the context already discussed in detail in Note 1.g. Thus, it has continued to formalise new lease agreements and receive the income from the signed agreements. The properties purchased on 3 December 2020 have already been adapted and are all on the market or already have tenants.

The Company was notified of the merger of two of its essential suppliers at the end of February. Specifically, Return Kapital Solutions, S.L.U., which provides advisory, management and financial control services (Note 1.c), has absorbed the administration, management and marketing services provider for the Company's real estate assets, Active Rents Management, S.L.U. (Note 1.b). The name of the new provider has also changed to RKS Asset Management, S.L.U. The agreement was adopted on 22 December 2020 by the sole partner of the companies participating in the merger. Notwithstanding the foregoing, for accounting purposes, the operations are carried out on behalf of the absorbing company, RKS Asset Management, S.L.U., as of the date on which the deed to register the merger agreements was granted, which was 5 February 2021. The agreements, rights and duties of Active Rents Management, S.L.U. with the Company they have been transferred to RKS Asset Management, S.L.U., which continues to provide the services of said agreements. The terms of the agreements between the parties remain unchanged. The Board of Directors considers that this modification does not have a significant impact on the service the Company is to receive, nor does it imply modifications to the previous situation in terms of conflicts of interest and related transactions.

At the beginning of March 2021, there was the hearing of precautionary measures regarding the breach of the deposit agreement mentioned in Note 12.5, with an estimate of the measures requested, signifying a small success in this matter. In addition, on 31 March 2021, an ordinary procedure claim was filed against the entity that signed the deposit contract with Ktesios and its owners and administrators, in which three actions have been formulated: i) the claim of the amount for breach of agreement, ii) the individual liability action of the administrators and iii) the action to lift the veil also against said administrators and related companies. The amount requested in the lawsuit is €738,301.63.

On 5 March 2021, an operation was formalised whereby the Company has acquired a building with 15 new housing units on Calle San Sebastián 25 in the town of Alcantarilla (Murcia). The price of the acquisition was €340,000. The valuation according to RICS criteria of these properties is €1,301,844. Adaptation works have begun immediately for an estimated amount of €341,000 (excluding VAT) to renovate the housing units and put them on the market for their lease. The first properties are expected to be ready by the summer. Mortgage financing has been provided by Bankinter S.A. for an amount of €355,000. The term is 15 years and the variable interest rate of 12 months Euribor plus a differential of 2%. In addition, the financing has a 12-month grace period.

### Monitoring the Coronavirus Crisis

Continuing with what is stated in Note 1.g, the Company is careful monitoring the evolution of the economy and the social changes that are taking place at a general level and, in particular, the manner and degree in which they may affect the Company. Thus, although at a general level everything is viewed with concern about the destruction of productive capacity and increased debt, it is true that at the Company level the situation is much calmer as a result of the Company's strategy. The location of the properties and the rent prices at which they need to be offered to achieve the desired profitability suggest that the Company has deliberately acquired a natural resistance to this type of crisis.



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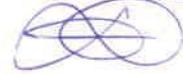
The political or legislative changes that could proliferate would hardly have the capacity to impact on the Company, exactly for the same reasons, the location and the income of the real estate.  
In addition to the foregoing, in the opinion of the Company's Board of Directors, there have been no significant events after the close of the 2020 financial year that could have a significant impact on these Annual Accounts.



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## Annex I: List of properties owned by Ktesios Real Estate SOCIMI, S.A.

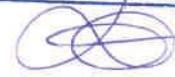
Address	Registration	Registered Property	Asset Type	Purchase Date
C/ Oriente, 9, Planta -1, Garaje 1, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,308	GARAGE	01/04/2019
C/ Oriente, 9, Planta -1, Garaje 4, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,311	GARAGE	01/04/2019
C/ Oriente, 9, Planta -1, Garaje 5, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,312	GARAGE	01/04/2019
C/ Oriente, 9, Planta -1, Garaje 8, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,315	GARAGE	01/04/2019
C/ Oriente, 9, Planta -1, Garaje 11, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,318	GARAGE	01/04/2019
C/ Oriente, 9, Planta -1, Trastero 3, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,320	STORAGE	01/04/2019
C/ Oriente, 9, Planta -1, Trastero 4, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,321	STORAGE	01/04/2019
C/ Oriente, 9, Planta -1, Trastero 8, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,322	STORAGE	01/04/2019
C/ Oriente, 9, 1º B, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,325	HOUSING	01/04/2019
C/ Oriente, 9, 2º A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,327	HOUSING	01/04/2019
C/ Oriente, 9, 3º A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	52,330	HOUSING	01/04/2019
C/ Canalejas, 4, 3º A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,202	HOUSING	01/04/2019
C/ Canalejas, 4, 1º A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,196	HOUSING	01/04/2019
C/ Canalejas, 4, 1º B, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,197	HOUSING	01/04/2019
C/ Canalejas, 4, 2º A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,199	HOUSING	01/04/2019
C/ Canalejas, 4, Bajo B, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,195	OFFICE	01/04/2019
C/ Canalejas, 4, 3º B, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,203	HOUSING	01/04/2019
C/ Canalejas, 4, 2º C, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,201	HOUSING	01/04/2019
C/ Canalejas, 4, Bajo A, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,194	HOUSING	01/04/2019
C/ Canalejas, 4, 1º C, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,198	HOUSING	01/04/2019
C/ Canalejas, 4, 2º B, 13700 Tomelloso (Ciudad Real)	P.R. Tomelloso	47,200	HOUSING	01/04/2019
C/ Clavel, 16, Esc. 1, 2º B, 45683 Cazalegas (Toledo)	P.R. Talavera de la Reina 2	6,355	HOUSING	21/06/2019
C/ Clavel, 14, Esc. 2, 1º C, 45683 Cazalegas (Toledo)	P.R. Talavera de la Reina 2	6,358	HOUSING	21/06/2019
C/ Clavel, 23, Baño A, 45683 Cazalegas (Toledo)	P.R. Talavera de la Reina 2	6,329	HOUSING	21/06/2019
C/ Clavel, 23, Baño E, 45683 Cazalegas (Toledo)	P.R. Talavera de la Reina 2	6,333	HOUSING	21/06/2019
C/ Clavel, 23, 2º F, 45683 Cazalegas (Toledo)	P.R. Talavera de la Reina 2	6,346	HOUSING	21/06/2019
C/ Castilla La Mancha, 69, 45780 Tembleque (Toledo)	P.R. Lillo	21,530	HOUSING	21/06/2019
C/ Castilla La Mancha, 71, 45780 Tembleque (Toledo)	P.R. Lillo	21,531	HOUSING	21/06/2019
C/ Castilla La Mancha, 73, 45780 Tembleque (Toledo)	P.R. Lillo	21,532	HOUSING	21/06/2019
C/ Miguel Delibes, 12, 45524 Rielves (Toledo)	P.R. Torrijos	3,426	HOUSING	21/06/2019
C/ Miguel Delibes, 16, 45524 Rielves (Toledo)	P.R. Torrijos	3,428	HOUSING	21/06/2019
C/ Miguel Delibes, 20, 45524 Rielves (Toledo)	P.R. Torrijos	3,430	HOUSING	21/06/2019
C/ Miguel Delibes, 19, 45524 Rielves (Toledo)	P.R. Torrijos	3,436	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 2, 45524 Rielves (Toledo)	P.R. Torrijos	3,442	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 4, 45524 Rielves (Toledo)	P.R. Torrijos	3,443	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 6, 45524 Rielves (Toledo)	P.R. Torrijos	3,444	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 8, 45524 Rielves (Toledo)	P.R. Torrijos	3,445	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 10, 45524 Rielves (Toledo)	P.R. Torrijos	3,446	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 12, 45524 Rielves (Toledo)	P.R. Torrijos	3,447	HOUSING	21/06/2019
C/ Garcilaso de la Vega, 14, 45524 Rielves (Toledo)	P.R. Torrijos	3,448	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 1º D, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,026	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 1º E, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,027	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 2º C, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,030	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 2º D, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,031	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 2º E, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,032	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 2, 3º C, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,035	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, 1º C, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,006	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, 1º D, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,007	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, 2º E, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,013	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, 3º C, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,016	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, Bajo D, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,002	HOUSING	21/06/2019
Av. del Santo, 103, Esc. 1, Bajo E, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,003	HOUSING	21/06/2019
C/ Ancha, 46, Bajo A, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,979	HOUSING	21/06/2019
C/ Ancha, 46, Bajo C, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,981	HOUSING	21/06/2019
C/ Ancha, 46, Bajo D, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,982	HOUSING	21/06/2019
C/ Ancha, 46, Bajo E, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,983	HOUSING	21/06/2019
C/ Ancha, 46, Bajo F, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,984	HOUSING	21/06/2019
C/ Ancha, 46, Bajo G, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,985	HOUSING	21/06/2019
C/ Ancha, 46, Bajo H, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,986	HOUSING	21/06/2019
C/ Ancha, 46, Bajo I, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,987	HOUSING	21/06/2019
C/ Ancha, 46, 1º B, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,989	HOUSING	21/06/2019
C/ Ancha, 46, 1º C, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,990	HOUSING	21/06/2019
C/ Ancha, 46, 1º D, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,991	HOUSING	21/06/2019
C/ Ancha, 46, 1º E, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,992	HOUSING	21/06/2019
C/ Ancha, 46, 1º F, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,993	HOUSING	21/06/2019
C/ Ancha, 46, 1º G, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,994	HOUSING	21/06/2019
C/ Ancha, 46, 1º H, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,995	HOUSING	21/06/2019
C/ Ancha, 46, 1º J, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,997	HOUSING	21/06/2019



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Address	Registration Data	Registered Property	Asset Type	Purchase Date
C/ Ancha, 46, Planta -1, Garaje 1, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,955	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 2, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,956	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 4, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,958	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 5, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,959	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 6, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,960	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 7, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,961	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 8, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,962	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 10, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,964	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 11, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,965	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 12, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,966	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 13, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,967	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 14, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,968	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 15, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,969	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 16, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,970	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 17, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,972	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 18, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,973	GARAGE	21/06/2019
C/ Ancha, 46, Planta -1, Garaje 19, 13170 Miguelturra (Ciudad Real)	P.R. Ciudad Real 2	19,974	GARAGE	21/06/2019
Av. del Santo, 103, Esc. 1, 2º D, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,012	HOUSING	30/09/2019
Av. del Santo, 103, Esc. 1, 2º C, 13420 Malagón (Ciudad Real)	P.R. Ciudad Real 2	18,011	HOUSING	30/09/2019
C/ Miguel Delibes, 8, 45524 Rielves (Toledo)	P.R. Torrijos	3,091	HOUSING	30/09/2019
C/ Miguel Delibes, 11, 45524 Rielves (Toledo)	P.R. Torrijos	3,092	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, Bajo B, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,872	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, Bajo C, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,873	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, 1º B, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,875	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, 2º A, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,877	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, 2º B, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,878	HOUSING	30/09/2019
Av. Marqués de Montemayor, 5, Bajo B, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,881	HOUSING	30/09/2019
Av. Marqués de Montemayor, 5, 2º A, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,889	HOUSING	30/09/2019
Av. Marqués de Montemayor, 5, 2º B, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,890	HOUSING	30/09/2019
Av. Marqués de Montemayor, 3, 2º C, 45260 Villaseca de la Sagra (Toledo)	P.R. Illescas 3	4,879	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 1, 1º A, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,241	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 1, 2º A, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,243	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 1, 2º B, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,244	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 1º A, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,245	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 1º B, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,246	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 1º C, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,247	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 2º A, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,249	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 2º B, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,250	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 2º C, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,251	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 2º D, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,252	HOUSING	30/09/2019
Av. San Crispín, 71, Esc. 2, 3º B, 45510 Fuensalida (Toledo)	P.R. Torrijos	22,254	HOUSING	30/09/2019
C/ Teodoro Sacristán, 19, Esc. 8, Bajo B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,722	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 5, 1º A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,732	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 8, 1º A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,738	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 8, 1º C, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,740	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 5, 2º B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,750	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 8, 2º C, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,757	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 9, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,766	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 12, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,769	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 13, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,770	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 19, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,776	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 22, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,779	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 26, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,783	STORAGE ROOM	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 2, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,809	GARAGE	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 28, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,835	GARAGE	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 33, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,840	GARAGE	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 34, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,841	GARAGE	28/01/2020



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David Bernal Sánchez  
Traductor-Intérprete Jurado  
de Inglés nº 3469

CLASE 8.ª



Address	Registration Data	Registered Property	Asset Type	Purchase Date
C/ Teodoro Sacristán, 19, Planta -1, Garaje 37, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,844	GARAGE	28/01/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 42, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,849	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 1, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,181	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 2, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,182	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 3, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,183	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 5, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,185	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 11, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,191	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 12, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,192	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 13, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,193	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 15, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,195	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 16, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,196	GARAGE	28/01/2020
C/ Ronda, 66, Planta -1, Garaje 17, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,197	GARAGE	28/01/2020
C/ Ronda, 66, Bajo B, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,199	HOUSING	28/01/2020
C/ Ronda, 66, Bajo D, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,201	HOUSING	28/01/2020
C/ Ronda, 66, Bajo E, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,202	HOUSING	28/01/2020
C/ Ronda, 66, 1ª D, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,207	HOUSING	28/01/2020
C/ Ronda, 66, 1ª E, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,208	HOUSING	28/01/2020
C/ Ronda, 66, 2ª A, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,210	HOUSING	28/01/2020
C/ Ronda, 66, 2ª B, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,211	HOUSING	28/01/2020
C/ Ronda, 66, 2ª C, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,212	HOUSING	28/01/2020
C/ Ronda, 66, 2ª E, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,214	HOUSING	28/01/2020
C/ Ronda, 66, 2ª F, 13640 Herencia (Ciudad Real)	P.R. Alcazar de San Juan 2	26,215	HOUSING	28/01/2020
C/ Teodoro Sacristán, 19, Esc. 4, Bajo A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,713	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 4, Bajo B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,714	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 3, 1ª A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,728	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 4, 1ª A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,730	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 4, 1ª B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,731	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 2, 2ª A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,743	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 3, 2ª B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,746	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 4, 2ª A, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,747	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Esc. 4, 2ª B, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,748	HOUSING	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 4, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,811	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 25, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,832	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 41, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,848	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 5, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,812	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 35, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,842	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 8, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,815	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 6, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,813	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 21, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,828	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Garaje 27, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,834	GARAGE	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 15, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,772	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 14, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,771	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 17, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,774	STORAGE ROOM	30/06/2020



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David Bernal Sánchez  
Traductor-Intérprete Jurado  
de Inglés nº 3469

CLASE 8.ª



Address	Registration Data	Registered Property	Asset Type	Purchase Date
C/ Teodoro Sacristán, 19, Planta -1, Trastero 16, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,773	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 21, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,778	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 20, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,777	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 18, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,775	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 11, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,768	STORAGE ROOM	30/06/2020
C/ Teodoro Sacristán, 19, Planta -1, Trastero 45, 45530 Santa Olalla (Toledo)	P.R. Escalona	11,802	STORAGE ROOM	30/06/2020
C/ Teniente Miranda, 121, Esc. 1, 1ª A, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,326	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 1ª B, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,328	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 2ª B, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,332	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 3ª A, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,334	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 3ª B, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,336	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 4ª A, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,338	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 1, 4ª B, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,340	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 2, Bajo D, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,344	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 2, 1º D, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,348	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 2, 2º D, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,352	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 2, 3º D, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,356	HOUSING	03/12/2020
C/ Teniente Miranda, 121, Esc. 2, 4º D, 11201 Algeciras (Cádiz)	P.R. Algeciras 2	81,360	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, Bajo A, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,195	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, Bajo B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,196	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, Bajo C, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,197	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, Bajo D, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,198	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 1ª A, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,204	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 1ª B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,205	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 1ª C, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,206	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 1ª D, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,207	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 1ª E, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,208	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 2ª A, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,215	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 2ª B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,216	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 2ª C, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,217	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 2ª D, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,218	HOUSING	03/12/2020
C/ Viñuelas, 2, Esc. 1, 2ª E, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,219	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª A, 45622 Fuensalida (Toledo)	P.R. Talavera de la Reina 2	3,199	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, Bajo B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,200	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, Bajo C, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,201	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, Bajo D, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,202	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, Bajo E, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,203	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª A, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,209	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,210	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª C, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,211	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª D, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,212	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 1ª F, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,214	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 2ª A, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,220	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 2ª B, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,221	HOUSING	03/12/2020



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CLASE 8.ª

Address	Registration	Registered	Asset Type	Purchase Date
C/ Zarza, 6, Esc. 2, 2º E, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,224	HOUSING	03/12/2020
C/ Zarza, 6, Esc. 2, 2º F, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,225	HOUSING	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 1, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 3, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 5, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 7, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 9, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 11, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 13, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 15, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 17, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 19, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 21, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 25, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 27, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 29, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 2, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 4, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 6, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 8, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 10, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 12, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 14, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 16, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 18, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 20, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 22, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 28, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
C/ Viñuelas, 2, Planta -1, Garaje 30, 45622 Mejorada (Toledo)	P.R. Talavera de la Reina 2	3,194	GARAGE	03/12/2020
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## KTESIOS REAL ESTATE SOCIMI, S.A.

Management report for the financial year that  
ended on 31 December 2020



# ktesios



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[From this page on until page 53 of the original, this inscription appears:]  
**KTESIOS REAL ESTATE SOCIMI, S.A.**  
**MANAGEMENT REPORT FOR THE 2020**  
**(In Euro)**

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## 1. Organizational structure and operation

Ktesios Real Estate SOCIMI, S.A. (hereinafter the "Company" or "Ktesios") was incorporated in Spain on 21 March 2019 in accordance with the Capital Companies Act.

On 25 September 2019, the Company communicated to the Tax Agency its option to apply the Regime of Listed Investment Companies in the Real Estate Market retroactively from its constitution on 21 March 2019.

The Ktesios Board of Directors, made up of three directors, carries out its activity in compliance with the corporate governance standards set forth mainly in the Articles of Association and in compliance with well-known principles of good business practices.

On 6 November 2019, the Company signed an agreement with Active Rents Management, S.L.U. (hereinafter, "ARM Gestión") for Property Management. The term of the agreement is 10 years and can be automatically extended for periods of 5 years if there is no complaint from either party (see note 1.b of the Annual Accounts Report).

On 6 November 2019, the Company signed an agreement with RKS Asset Management, S.L.U. (formerly Return Kapital Solutions, S.L.U.; hereinafter, "RKS") for Asset Management. The agreement was modified on 1 January 2020 to detail the scope of the services provided. The term of the agreement is 10 years and can be automatically extended for periods of 5 years if there is no complaint from either party (see note 1.c of the Annual Accounts Report).

At the Extraordinary General Shareholders' Meeting of 24 November 2020, it was agreed to request the admission to trading of all the Company's shares in EURONEXT ACCESS in Lisbon. The intention is that its shares start to be traded in said multilateral trading system prior to 25 September 2021, to comply with the obligations of Article 4 of Act 11/2009, of 26 October, modified by Act 16/2012, of 27 December, which regulates Listed Investment Companies in the Real Estate Market.

## 2. Evolution and business results

On 1 April 2019, the Company formalised the purchase of 12 housing units, 1 office, 5 garages and 3 storage rooms in two buildings in the town of Tomelloso in the province of Ciudad Real. The purchase price amounted to €650,000 plus transaction costs.

On 21 June 2019, the Company formalised the purchase of 47 housing units and 17 garages in 5 buildings or a group of housing units in the towns of Cazalegas, Rielves and Tembleque in the province of Toledo, and in Malagón and Miguelturra in the province of Ciudad Real. The purchase price amounted to €1,462,000 plus transaction costs.

On 30 September 2019, the Company formalised the purchase of 24 housing units in 4 buildings or a group of housing units in the towns of Rielves, Villaseca de la Sagra and Fuensalida in the province of Toledo, and in Malagón in the province of Ciudad Real. The purchase price amounted to €711,000 plus transaction costs.

On 28 January 2020, the Company formalised the purchase of 16 housing units, 16 garages and 6 storage rooms in 2 buildings in the towns of Herencia, in the province of Ciudad Real and in Santa Olalla, in the province of Toledo. The purchase price amounted to €506,948 plus transaction costs.

On 30 June 2020, the Company formalised the purchase of 9 housing units, 9 garages and 9 storage rooms in the same building in Santa Olalla, in the province of Toledo, where properties were acquired on 28 January 2020. The purchase price amounted to €269,260 plus transaction costs.

On 3 December 2020, the Company formalised the purchase of 40 housing units and an undivided 87.5% stake in a premises (basement) intended for parking spaces and storage rooms where Ktesios has 27 garages and 2 storage rooms assigned in 2 buildings in the towns of Algeciras, in the province of Cádiz, and Mejorada, in the province of Toledo. The purchase price amounted to €1,530,000 plus transaction costs.

As of 31 December 2020, the amount of real estate investments amounted to €5,905,736 (€3,309,219 as of 31 December 2019). The value of the properties, as assessed by an independent expert following the RICS criteria, is €11,012,917.



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The fully disbursed share capital amounts to €5,300,000 (€2,200,000 as of 31 December 2019), with an issue premium of €214,300 (without issue premium as of 31 December 2019).

On 1 April 2019, the Company formalised a mortgage loan for €585,000, for a term of 15 years at a fixed interest rate of 2.5% and a 12-month grace period.

On 21 June 2019, the Company formalised a mortgage loan for €1,170,000, for a term of 15 years at a fixed interest rate of 2.15% and a 12-month grace period.

Then, on 30 September 2019, the Company formalised a mortgage loan for €497,700, for a term of 15 years at a fixed interest rate of 2.15% and a 12-month grace period.

On 28 January 2020, the Company formalised a mortgage loan for €354,864, for a term of 15 years at a fixed interest rate of 2.0% and a 12-month grace period.

Finally, on 30 June 2020, the Company formalised a mortgage loan for €354,864, for a term of 15 years at a fixed interest rate of 2.0% and a 12-month grace period.

As of 31 December 2020, the nominal value of the loans amounts to €2,713,013 (€2,247,129 as of 31 December 2019), with the carrying amount of the amortised cost of €2,645,360 (€2,192,027 as of 31 December 2019), which includes accrued interest pending payment amounting to €3,115 (€1,936 as of 31 December 2019).

The net amount of the turnover for the 2020 financial year amounts to €267,913 (€40,320 in the 2019 financial year). The result for the 2020 financial year is €569,609 of losses (€114,794 of losses in the 2019 financial year).

The evolution of the Company involves a strategy based on:

- Future growth through the acquisition of new real estate lots. These acquisitions will be paid for with resources from capital increases and mortgage financing.
- Exploitation of rental properties.

### 3. Risks

The Company has implemented the necessary measures to control exposure to credit and liquidity risks. The main financial risks that impact the Company are listed below:

#### Credit risk

Credit risk represents the losses the Company would suffer if any counterparty breached its contractual payment obligations with the Company.

The default rate as of 31 December 2020 of the tenant portfolio has a higher level than expected, amounting to 7.4% (it was 15.8% as of 31 December 2019). However, the rental contracts are covered by a rent non-payment insurance policy that covers 12 months of rent, the costs of eviction (with a maximum of €3,000) and up to €3,000 for vandalism. Therefore, various compensation amounts are pending from the insurance company for rent non-payment.

Regarding financial positions, the Company's policy is to keep its treasury in renowned financial institutions (see Note 9 of the Annual Accounts Report).

#### Liquidity risk

This risk reflects the possible difficulty of the Company to access liquid funds, or not being able to access them in a sufficient amount and at the appropriate cost, so that it may always meet its payment obligations.

To ensure liquidity and be able to meet all payment commitments derived from its activity, the Company has the treasury shown its balance.



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#### Interest rate risk

The Company has mitigated the interest rate risk by contracting financing at a fixed rate. Exchange rate risk

The Company is not exposed to the risk of possible fluctuations in exchange rates since it carries out its operations in Euro, which is its operational and presentation currency.

#### Tax risk

As mentioned in Note 1, the Company has adhered of the special SOCIMI tax regime in 2019. According to the provisions of Article 6 of Act 11/2009, companies that have opted for said regime are obliged, once the relevant commercial obligations have been fulfilled, to distribute the profit obtained during the year, and its distribution shall be agreed within six months of the end of each financial year and paid within a month after the date of the distribution agreement.

If the partners do not approve the distribution of dividends proposed by the sole director, calculated following the requirements set forth in the aforementioned Act, the Company would not be complying with it, and therefore shall be taxed under the general tax regime and not the one applicable to SOCIMIs. However, this results distribution, in line with what is required by the SOCIMI Act, is the Company's policy to the extent that it is included in the Company Articles of Association.

In the opinion of the Board of Directors, the Company has mitigated the risks of non-compliance for taxation in the special SOCIMIs regime to acceptable levels.

#### **4. Investigation and development**

The Company has not executed Research and Development activities during the financial year.

#### **5. Own actions**

The Company does not have treasury shares as of 31 December 2020. During the 2020 financial year, it has not owned own shares. The situation was the same in 2019.

#### **6. Average period of payment to suppliers**

Detailed below is the information required by the third additional provision of Act 15/2010, of 5 July (modified through the second final provision of Act 31/2014, of 3 December) prepared in accordance with the Resolution of the ICAC of 29 January 2016, on the information to be included in the Annual Accounts Report in relation to the average payment period to suppliers in commercial operations.

	2020	2019
	Days	Days
Average period of payment to suppliers	10	11
Ratio of paid operations	10	11
Ratio of operations pending payment	12	5
	Euro	Euro
Total payments made	718,305	566,584
Total payments pending	47,028	60,875

#### **7. Subsequent events**

To date, the Company has carried out its activity without any noteworthy novelty, within the context of a pandemic and a state of alarm caused by COVID-19. Thus, it has continued to formalise new lease agreements and receive the income from the signed agreements. The properties purchased on 3



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December 2020 have already been adapted and are all on the market or already have tenants.

The Company was notified of the merger of two of its essential suppliers at the end of February. Specifically, Return Kapital Solutions, S.L.U., which provides advisory, management and financial control services, has absorbed the administration, management and marketing services provider for the Company's real estate assets, Active Rents Management, S.L.U. The name of the new provider has also changed to RKS Asset Management, S.L.U. The agreement was adopted on 22 December 2020 by the sole partner of the companies participating in the merger. Notwithstanding the foregoing, for accounting purposes, the operations are carried out on behalf of the absorbing company, RKS Asset Management, S.L.U., as of the date on which the deed to register the merger agreements was granted, which was 5 February 2021. The agreements, rights and duties of Active Rents Management, S.L.U. with the Company they have been transferred to RKS Asset Management, S.L.U., which continues to provide the services of said agreements. The terms of the agreements between the parties remain unchanged. The Board of Directors considers that this modification does not have a significant impact on the service the Company is to receive nor does it imply modifications to the previous situation in terms of conflicts of interest and related transactions.

At the beginning of March 2021, there was the hearing of precautionary measures regarding the breach of the deposit agreement mentioned in Note 12.5 of the Annual Accounts Report, with an estimate of the measures requested, signifying a small success in this matter. In addition, on 31 March 2021, an ordinary procedure claim was filed against the entity that signed the deposit contract with Ktesios and its owners and directors, in which three actions have been formulated: i) the claim of the amount for breach of agreement, ii) the individual liability action of the directors and iii) the action to lift the veil also against said directors and related companies. The amount requested in the lawsuit is €738,301.63.

On 5 March 2021, an operation was formalised whereby the Company has acquired a building with 15 new housing units on Calle San Sebastián 25 in the town of Alcantarilla (Murcia). The price of the acquisition was €340,000. The valuation according to RICS criteria of these properties is €1,301,844. Adaptation works have begun immediately for an estimated amount of €341,000 (excluding VAT) to renovate the housing units and put them on the market for their lease. The first properties are expected to be ready by the summer. Mortgage financing has been provided by Bankinter S.A. for an amount of €355,000. The term is 15 years and the variable interest rate of 12 months Euribor plus a differential of 2%. In addition, the financing has a 12-month grace period.

## 8. Outlook for the 2021 financial year

### Monitoring the COVID-19 crisis and subsequent financial, social and political upheavals

In accordance with the foregoing, the Company is carefully monitoring the evolution of the economy and the social changes that are taking place at a general level and, in particular, the manner and degree in which they may affect the Company. Thus, although at a general level everything is viewed with concern about the destruction of productive capacity and increased debt, it is true that at the Company level, the situation is much calmer because of the Company's strategy. The location of the properties and the rent prices at which they need to be offered to achieve the desired profitability suggest that the Company has deliberately acquired a natural resistance to this type of crisis.

The political or legislative changes that could proliferate would hardly have the capacity to impact on the Company, exactly for the same reasons, the location and the income of the real estate. Ktesios' properties are in areas with little or no price tension, which makes it reasonable to assume that its freedom to set prices would not be affected by the imposition of a legal or regulatory limit system.

### Persistence of the previous context regarding the fundamentals of the need covered by Ktesios

The needs the Ktesios offer previously covered for its customers are still fully valid. Increased, if anything, by the main aspect of the moment, which is COVID-19. Many people have difficulties accessing housing. Therefore, the real estate product that Ktesios brings to the market is ideal to cover this deficiency. The variation in prices in the places where the Company focuses its activity has not been significant despite COVID-19, nor is it really expected to be. Of course, and now with more reason, there are still no professional competitors with an interest in exploiting the properties in the local markets where Ktesios operates.



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No appreciable changes are expected in the prices of the properties acquired, nor in their current or future rental prices.

Continuing with Ktesios' investment strategy, the Company plans to continue acquiring new property lots as it has done up to 7 times to purchase 163 housing units.



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**KTESIOS REAL ESTATE SOCIMI, S.A.  
FORMULATION OF THE ANNUAL ACCOUNTS FOR THE YEAR 2020**

**FORMULATION OF THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR THAT  
ENDED ON 31 DECEMBER 2020**

On 31 March 2021, the Board of Directors of Ktesios Real Estate SOCIMI, S.A., in compliance with the requirements set forth in Article 253 of the Capital Companies Act and Article 37 of the Commercial Code, proceeds to formulate the Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Statement of Cash Flows and Report, together with the Management Report) for the financial year that ended on 31 December 2020, which are made up of the attached documents that precede this document.

*[Signature]*

Mr. Henry Noel Gallego Grajales  
Schmidt President of the Board of Directors

*[Signature]*

MR. Bernhard  
Director

*[Signature]*

Mr. Gonzalo Vicente Roca  
Pérez Director

**This translation appears on 54 pages, each of which bears my signature and seal. Witness my hand and seal, this 22<sup>nd</sup> of April two thousand and twenty-one.**

**Esta traducción consta de 54 páginas, cada una de las cuales lleva mi firma y sello.**

**Don David BERNAL SÁNCHEZ, Traductor-Intérprete Jurado de inglés nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.**

**En Sevilla, a 22 de abril de 2021.**

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BERNAL SANCHEZ DAVID -  
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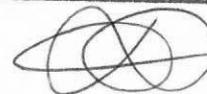


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I, David BERNAL SÁNCHEZ, sworn translator of English, certified by the Spanish Ministry of Foreign Affairs, European Union and Cooperation with the assigned number TIJ-3469 do hereby certify that the following is a true and faithful translation of a document written in the Spanish language.

### **KTESIOS REAL ESTATE, S.L.**

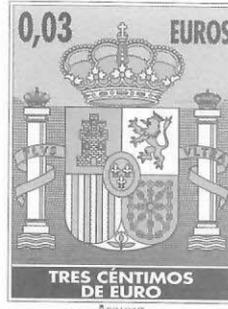
Financial statements for the year from 21 March 2019 to 31  
December 2019 and management report for the year 2019  
Includes audit report

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**ktesios**

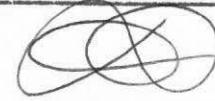


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**AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

To the partners of Ktesios Real Estate, S.L. on behalf of the sole director:

**Opinion**

We have audited the financial statements of Ktesios Real Estate, S.L. (the Company), which comprise the balance sheet at 31 December 2019, the income statement, the statement of changes in equity, the cash flow statement and the notes thereto for the period comprised of 21 March 2019 to 31 December 2019.

In our opinion, the accompanying financial statements give a true and fair view in all material respects of the equity and financial position of the Company at 31 December 2019 and of financial performance and its cash flows for the year then ended, in accordance with the applicable financial reporting framework (identified in note 2 to the notes to the financial statements) and, specifically, the accounting principles and policies contained therein.

**Basis for opinion**

We conducted our audit in accordance with the current standards on auditing in Spain. Our responsibilities under those standards are described below in the section on the Auditor's responsibilities in connection with the audit of the financial statements section of our report.

We are independent of the Company in accordance with ethical requirements, including independence requirements, which are applicable to our audit of financial statements in Spain as required by the regulations governing auditing. In this regard, we have not provided services other than those relating to the auditing of accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulatory regulations, have affected the necessary independence in such a way that it has been compromised.

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

**Key audit matters**

Key audit matters are those which, in our professional judgement, are the areas of higher assessed risk of material misstatement in our audit of the financial statements for the current period. These risks have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these risks.



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### *Recognition and measurement of real estate investments*

At 31 December 2019, investment property amounted to 3,309,000 euros, representing 76% of the Company's total assets.

In accordance with the applicable financial reporting framework, investment property is measured at the time of acquisition at either cost or production cost. They are subsequently valued at the acquisition price less accumulated depreciation and impairment losses. At least by the end of

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the fiscal year, the Company must assess whether there is any indication of impairment, which is taken to be the higher of fair value less costs to sell and value in use, making any necessary corrections.

The relevance of the amounts recorded by the Company in 2019 under the heading of investment property, as well as the weight that this heading has over total assets at the end of the year means that we have considered the recording and valuation of investment property as the most relevant aspect of our audit.

The relevance of the real estate investments heading over the total assets of the Company makes this a more relevant aspect of the audit, having applied the following procedures:

- Obtaining the supporting documentation relating to the acquisition cost of the properties held by the Company, verification of the distribution between land and projection carried out by the Company and recalculation of their net book value at the date of the financial statements.
- We have verified that the Company's management has applied the requirements established in the applicable financial information framework regarding the realization of the estimates of useful lives.
- Obtaining and reviewing the valuation report of the real estate investments made by the independent expert and used by the Company at 31 December 2019.
- Verification of the competence, capacity and independence of the expert by obtaining confirmation and verification of his recognized prestige in the market, as well as discussion of the main aspects of the valuation through meetings with the Company's management.
- Carrying out selective tests to compare the data used in the assessment, using the supporting information provided by the Company.
- Verification of the adequacy of the valuation methodology and the assumptions used, taking into account market conditions and the impairment test performed by the Company.

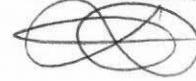
Checking that the information disclosed in the financial statements is sufficient and appropriate in accordance with the applicable financial reporting framework.



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### Emphasis paragraph

We draw attention to Note 14 to the accompanying financial statements which describes the situation regarding results and the effects that the crisis situation of COVID 19 could have on the Company's future operations. Our opinion is unchanged on this issue.

### Other information: Management report

Other information refers exclusively to the management report for fiscal year 2019, the preparation of which is the responsibility of the Company's sole director and is not an integral part of the financial statements.

Our auditor's opinion on the financial statements does not cover the management report. Our responsibility for the management report, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the concordance of the management report with the financial statements based on the knowledge of the entity obtained in the performance of the audit of said accounts and without including information other than that obtained as evidence during the same. It is also our responsibility to assess and report on whether the content and presentation of the management report are in compliance with the

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applicable regulations. If, on the basis of the work we have carried out, we conclude that there are material defects, we are obliged to report them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that of the financial statements for 2019 and its content and presentation are in accordance with the applicable regulations.

### Responsibilities of the Sole Director for the financial statements

The sole director is responsible for the preparation of the attached financial statements in such a way as to give a true and fair view of the net worth, financial position and results of the Company in accordance with the regulatory framework for financial information applicable to the entity in Spain, and such internal control as he deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Sole Director is responsible for assessing the Company's ability to continue as a going concern, and as appropriate, should disclose matters relating to a going concern and using the going concern basis unless the Sole Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit carried out in accordance with the current regulations on account auditing in Spain will always detect a material error when it exists. Misstatements may be due to fraud or error and are



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considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit, in accordance with the current regulations governing the activity of auditing accounts in Spain. Additionally:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining sufficient and appropriate audit evidence 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 circumvention of internal control.
- We obtain an understanding of the 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 entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Sole Director.
- We conclude on the appropriateness of the Sole Director'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 Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the relevant information

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disclosed in the financial statements or, if such disclosures are not appropriate, that we express a modified 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 Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's Sole Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during the audit.

Among the significant risks that have been the subject of communication to the Sole Director of the entity, we determine those that have been of the greatest significance in the audit of the financial statements for the current period and that are, consequently, the risks considered to be the most significant.



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We describe these risks in our audit report unless disclosure is prohibited by law or regulation.

Grant Thornton, S.L.P., Sole-Shareholder Company  
Official Registry of Account Auditors No. S0231

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David Calzada Criado  
Official Registry of Account Auditors No. 22193  
14 July 2020

*This report corresponds  
to the distinctive stamp*

*no. 01/20/14793*

*issued by the Spanish  
Institute of Chartered  
Accountants*



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FINANCIAL STATEMENTS 2019

KTESIOS REAL ESTATE, S.L.

BALANCE SHEET FOR THE FINANCIAL YEAR FROM 21 MARCH 2019 TO 31 DECEMBER 2019

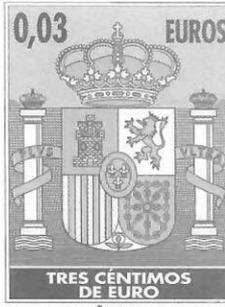
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ASSETS		Notes	31/12/2019	(In euros)		Notes	31/12/2019
NON-CURRENT ASSETS				NET EQUITY AND LIABILITIES			
Investment property		5	3,319,500	NET ASSETS		9	2,073,496
Land			3,319,500	SHAREHOLDER'S EQUITY			2,073,496
Structures			811,659	Capital			2,200,000
Construction in progress			2,232,366	Registered capital			2,200,000
Trade and other receivables			265,195	Reserves			(11,710)
Trade receivables for sales and services		7	10,280	Other reserves			(11,710)
			10,280	Profit for the year/period			(114,794)
				NON-CURRENT LIABILITIES			
				Non-current debt			2,121,271
				Debts owed to credit institutions			2,121,271
							2,121,271
CURRENT ASSETS				CURRENT LIABILITIES			
Trade and other receivables			1,029,918	Current debt			154,650
Trade receivables for sales and services		7	113,347	Debts owed to credit institutions			85,619
Other receivables		7	7,170	Other financial liabilities			70,756
Current financial investments			106,177	Trade and other payables			14,864
Other financial assets		7	11,235	Other payables			69,030
Current accruals			11,235	Creditor group companies and associates			46,504
Cash and cash equivalents		8	17,929	Public entities, other			16,729
Cash in hand			887,407	Advances to customers			5,264
			887,407				533
TOTAL ASSETS			4,349,418	TOTAL EQUITY AND LIABILITIES			4,349,418

The accompanying Notes 1 to 14 and Appendix I are an integral part of these financial statements.

Ktesios Real Estate. Tax Identification Code: B- 888346614 - C/Almagro 22, 3 - 28010 - Madrid, Registered in the Commercial Registry of Madrid in Volume 38.976, Folio 30, Section 1, Page M- 9974.

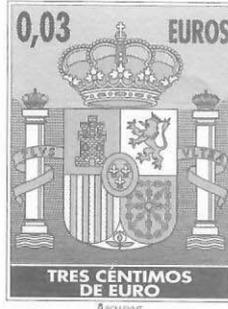
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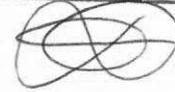
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FINANCIAL STATEMENTS 2019

KTESIOS REAL ESTATE, S.L.  
INCOME STATEMENT FOR THE YEAR FROM 21 MARCH 2019 TO 31  
DECEMBER 2019

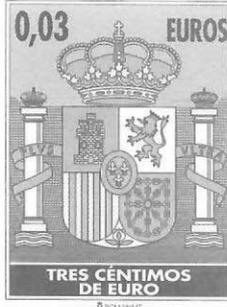
(In euros)

	Notes	2019
<b>CONTINUING OPERATIONS</b>		
Net turnover	11.1	40,320
Services rendered		40,320
Other operating expenses	11.2	(139,465)
External services		(133,144)
Taxes		(857)
Losses, impairment and changes in trade provisions	7	(5,464)
Depreciation of fixed assets and investment property	5	(6,498)
Other results		21,796
<b>OPERATING PROFIT</b>		<b>(83,846)</b>
Finance income		102
Marketable securities and other financial instruments		102
Financial expenses	10.3, 11.3	(31,050)
Other		(31,050)
<b>NET FINANCE RESULTS</b>		<b>(30,948)</b>
<b>RESULTS BEFORE INCOME TAX</b>		<b>(114,794)</b>
Taxes on profits		
<b>RESULTS FOR THE PERIOD</b>		<b>(114,794)</b>

The accompanying Notes 1 to 14 and Appendix I are an integral part of these financial statements.

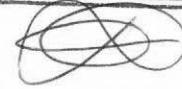
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FINANCIAL STATEMENTS 2019

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KTESIOS REAL ESTATE, S.L.  
STATEMENT OF CHANGES IN EQUITY FROM 21 MARCH 2019 TO 31 DECEMBER 2019

(In euros)

	Capital	Reserves	Profit for the year/period	TOTAL
OPENING BALANCE 21 MARCH 2019	-	-	-	-
Operations with partners or owners	2-200,000	(11,710)	-	2,188,290
Incorporation (Note 9)	150,000	(1,140)	-	148,860
Capital increases (Note 9)	2,050,000	(10,570)	-	2,039,430
Total recognised income and expense	-	-	(114,794)	(114,794)
GROSS FINAL BALANCE AT 31 DECEMBER 2019	2,200,000	(11,710)	(114,794)	2,073,496

The accompanying Notes 1 to 14 and Appendix I are an integral part of these financial statements.

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FINANCIAL STATEMENTS 2019

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KTESIOS REAL ESTATE, S.L.  
STATEMENT OF CHANGES IN EQUITY FROM 21 MARCH 2019 TO 31 DECEMBER 2019

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(In euros)

	Notes	2019
RESULT OF THE INCOME STATEMENT	3	(114,794)
TOTAL RECOGNISED INCOME AND EXPENSE		(114,794)

The accompanying Notes 1 to 14 and Appendix I are an integral part of these financial statements.

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**Ktesios Real Estate.** Tax Identification Code: B- B88346614 - C/Almagro 22, 3 - 28010 - Madrid, Registered in the Commercial Registry of Madrid in Volume 38.976, Folio 30, Section 1, Page M-692614.  
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FINANCIAL STATEMENTS 2019

KTESIOS REAL ESTATE, S.L.

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CASH FLOW STATEMENT FOR THE YEAR ENDED BETWEEN 21 MARCH 2019 AND 31 DECEMBER 2019

(In euros)

	Notes	2019
<b>CASH FLOWS FROM/USED IN OPERATING ACTIVITIES (I)</b>		
Result for the financial year before tax		(244,005)
Adjustments for:		(114,794)
Depreciation in real estate investment	5	(60,314)
Variation in provisions		6,498
Financial expenses		(11,710)
Other income and expenses		5,594
Changes in operating assets and liabilities:		(60,696)
Trade and other receivables	7	(68,897)
Other current assets	7	(123,627)
Trade and other payables	10	(29,164)
Other current liabilities	10	69,030
		14,864
<b>CASH FLOWS FROM/USED IN INVESTING ACTIVITIES (II)</b>		
Payments for investments:		(3,315,717)
Investment property	5	(3,315,717)
		(3,315,717)
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>		
Proceeds from and payments for equity instrument:		4,447,129
Issuance of equity instruments	9	2,200,000
Proceeds from and payments for financial liability instruments:		2,200,000
Issuance of debts with financial institutions	10	2,247,129
Repayment and depreciation of debts with credit institutions		2,252,700
		(5,571)
<b>EFFECT OF CHANGES IN EXCHANGE RATES (IV)</b>		
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>		
		887,407
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	8	887,407

The accompanying Notes 1 to 14 and Appendix I are an integral part of these financial statements.

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**Ktesios Real Estate.** Tax Identification Code: B- B88346614 - C/Almagro 22, 3 - 28010 - Madrid, Registered in the Commercial Registry of Madrid in Volume 38.976, Folio 30, Section 1, Page M-692614.

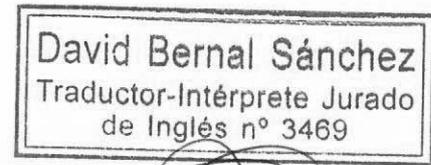
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**Ktesios Real Estate, S.L.**

## **NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

### 1. General Information

KTESIOS REAL ESTATE, S.L. (hereinafter, the "Company") was incorporated in Madrid on 21 March 2019 in accordance with the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July ("the Corporate Enterprises Act") by means of a public deed granted before Mr. JUAN AZNAR DE LA HAZA, notary of Madrid. It is registered in the Commercial Registry of Madrid in volume 38976, Folio 30, Section 8, Page M-692614, Entry 1.

Its registered office and fiscal address is C/ Almagro 12, 3<sup>º</sup>, Madrid, 28010 Madrid.

The Company's main activity is the acquisition and development of urban real estate for lease, and is governed by Law 11/2009 of 26 October, which regulates Spanish Real Estate Investment Trusts (the "REIT Law" or "Law 11/2009").

The corporate purpose of the Company in accordance with its Articles of Association (Article 2) is as follows:

- The acquisition and promotion of real estate of an urban nature for lease.
- The holding of shares in the capital of other listed companies that invest in the real estate market ("REIT") or in other entities not resident in Spanish territory that have the same corporate purpose as the former and are subject to a regime similar to that established for the REITs with regard to the obligatory legal or statutory policy for the distribution of profits.
- The holding of shares in the capital of other entities, resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for the REITs with regard to the obligatory policy, legal or statutory, of distribution of profits and which comply with the investment requirements referred to in Article 3 of the REIT Law.
- The holding of shares or units in Real Estate Collective Investment Undertakings regulated by Law 35/2003, of 4 November, on Collective Investment Undertakings or the law that replaces it in the future.

In addition, the Company may carry out other ancillary activities, which are understood to be those whose income represents, in the aggregate, less than 20% of the income of the company in each tax period or those that may be considered as ancillary in accordance with the law applicable at any given time.

All those activities for the exercise of which Law requires special requirements that are not fulfilled by this Company are excluded from the corporate purpose.

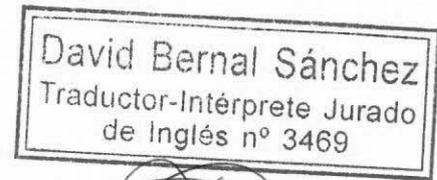
a) REIT system



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On 25 September 2019, the Company notified the tax authorities of its option to apply the system for Spanish Real Estate Investment Trusts retroactively from its incorporation on 21 March 2019.

The Company is regulated by Law 11/2009 of 26 October, amended by Law 6/2012 of 27 December, which regulates Spanish Real Estate Investment Trusts. Articles 3 to 6 of the above-mentioned REIT Law set out the main requirements and obligations to be met by this type of company:

Investment requirements (Art. 3)

1. The REITs must have invested at least 80 percent of the value of the assets in urban real estate intended for renting, in land for the promotion of real estate to be used for this purpose provided that the promotion begins within three years of its acquisition, and in shares in the capital or assets of other entities referred to in Article 2.1 of the REIT Law.

This percentage will be calculated on the consolidated balance sheet if the Company is the parent of a group of companies in accordance with the criteria established in Article 42 of the Commerce Code, regardless of residence and the obligation to prepare consolidated financial statements. This group

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**Ktesios Real Estate, S.L.**

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

shall be made up exclusively of the REIT and the other entities referred to in Article 2(1) of the REIT Law.

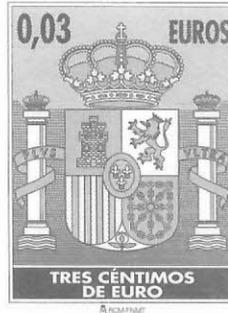
The value of the assets will be determined according to the average of the individual balance sheets or, if applicable, the consolidated quarterly balance sheets for the financial year.

2. Likewise, at least 80 percent of the income for the tax period corresponding to each financial year, excluding that derived from the transfer of the shares and the real estate both of which are used to fulfil the main corporate purpose, once the maintenance period referred to in the following section has elapsed, must come from the rental of real estate or from dividends or shares in profits from said shares.

This percentage will be calculated on the basis of the consolidated profit if the Company is the parent of a group of companies in accordance with the criteria established in Article 42 of the Commerce Code, regardless of residence and the obligation to prepare consolidated financial statements. This group shall be composed exclusively of the REITs and the other entities referred to in Article 2(1) of the REIT Law.



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3. The real estate that is part of the Company's assets must remain leased for at least three years. For the purposes of the calculation, the time that the properties have been offered for rent will be added, with a maximum of one year. In this respect, the time limit will count:

a) In the case of real estate property included in the Company's assets before the date of application of the regime, from the date of commencement of the first tax period in which the special tax regime established in this Law is applied, provided that on that date the property was leased or offered for lease. Otherwise, the following point shall apply.

b) In the case of real estate promoted or subsequently acquired by the Company from the date on which it was first leased or offered for lease.

In the case of shares or holdings in entities referred to in section 1 of Article 2 of the REIT Law, they must be kept in the Company's assets for at least three years from their acquisition or, where appropriate, from the beginning of the first tax period in which the special tax regime established in that Law is applied.

The Company has no subsidiaries as at 31 December 2019.

*Obligation to trade on a regulated market or multilateral trading system (Art. 4)*

The shares of the REITs must be admitted to trading on a Spanish regulated market or in a Spanish multilateral trading system or in that of any other Member State of the European Union or the European Economic Area, or on a regulated market in any other country or territory with which there is an effective exchange of tax information, without interruption throughout the tax period. Shares must be registered.

*Minimum capital required (Art. 5)*

The minimum share capital is set at 5 million euros.

*Obligation to distribute results (Art 6)*

Once the commercial requirements have been met, the Company must distribute the following as dividends:

- 100% of the profits from dividends or shares in profits distributed by the entities referred to in Article 2.1 of the REIT Law.

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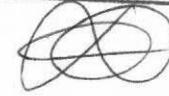
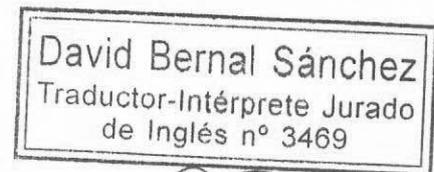
NOTES TO THE FINANCIAL STATEMENTS 2019



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(In euros)

- At least 50% of the profits derived from the transfer of real estate and shares or holdings referred to in Article 2.1 of the REIT Law, carried out after the minimum holding period has elapsed, in order to comply with its main corporate purpose. The rest of these profits must be reinvested in other real estate or holdings for the fulfilment of this purpose within three years from the date of transfer.
- At least 80% of the rest of the profits obtained. When dividends are distributed from reserves arising from the profits of a financial year in which the special tax regime has been applied, they must be distributed in the manner described above.

The agreement for the distribution of dividends must be agreed upon within six months of the end of each financial year and paid within one month of the date of the distribution agreement.

As established in the Temporary Provision One of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, which regulates Spanish Real Estate Investment Trusts, the option to apply the special tax regime may be exercised under the terms established in Article 8 of that Law, even if the requirements set out therein are not met, provided that such requirements are met within two years following the date of the option to apply the regime.

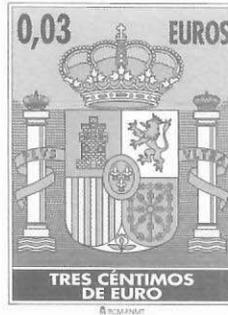
Failure to comply with any of the foregoing conditions will result in the Company being taxed under the general corporate income tax regime as from the tax period in which such non-compliance occurs, unless it is remedied in the following year. In addition, the Company will be obliged to pay, together with the tax liability for that tax period, the difference between the tax liability resulting from the application of the general system and the tax liability resulting from the application of the special tax system in previous tax periods, without prejudice to any interest on arrears, surcharges and penalties that may be applicable.

The tax rate of the REIT in the Corporate Tax is set at 0%. However, when the dividends that the REIT distributes to its shareholders with a participation percentage higher than 5% are exempt or taxed at a rate lower than 10%, the REIT will be subject to a special tax of 19%, which will be considered as a tax on the amount of the dividend distributed to those shareholders. If applicable, this special tax must be paid by the REIT within two months from the date of distribution of the dividend.

*Period of 2 years to comply with all the requirements of the REIT Law (First Temporary Provision)*

As established in the First Temporary Provision of Law 1/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Spanish Real Estate Investment Trusts, it is possible to opt for the application of the special tax regime under the terms established in Article 8 of that Law, even if the requirements set out therein are not met, provided that such requirements are met within the two years following the date of the option to apply such regime.

The Company is currently within those two years following the option to apply for the scheme and therefore does not need to comply with all the requirements. Although, as at 31 December



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2019, the Company does not meet all the requirements established by law, the Company's sole director estimates that these requirements will be fully met within the seventeen month period from 31 December 2019.

Discount on the Capital Transfer Tax and Documented Legal Acts (Second Final Disposition Two)

The REITs enjoy a 95 per cent rebate of the tax payable on the Capital Transfer and Documented Legal Acts Tax for the acquisition of housing intended for renting and for the acquisition of land for the promotion of housing intended for renting, provided that

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Ktesios Real Estate, S.L.

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

in both cases they comply with the specific maintenance requirement established in section 3.3 of Law 11/2009.

b) Contract for the provision of administration, management and marketing services for real estate assets

On 6 November 2019 the Company signed a contract with Active Rents Management, S.L.U. (hereinafter referred to as "ARM Management") under the concept of *Property Management*. The contract has a duration of 10 years and can be automatically extended for periods of 5 years in the event that there is no complaint from either party.

The functions of ARM Management as well as their fees are as follows:

- On-site Start up: it has a fixed fee according to the size of the promotion, as well as a variable component according to the cost of adjustment of the property. In addition, it can charge fixed fees for other document management services, such as newsletters and certificates.
- Integral Management of the Properties (Vertical Management): 8% of the amounts invoiced will be billed as rent or similar. It is monthly and has a minimum of 1,000 euros.
- Property Administration (Horizontal Management): for those properties with a homeowners' association, the expenses will be attributable to them. However, in those in which an association will not be created nor managed, it will issue invoices at fixed prices according to quantity and type of real estate.



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- **Marketing:** a variable amount will be invoiced according to the characteristics of the signed contract.

c) Contract for the provision of financial management and control services

On 6 November 2019 the Company signed a contract with Return Capital Solutions, S.L.U. (hereinafter referred to as "RKS") under the concept of Asset Management. The contract has a duration of 10 years and can be automatically extended for periods of 5 years in the event that there is no complaint from either party.

The RKS fees are as follows:

- **Fixed Management Fee:** a quarterly fee of 0.15% of a pseudo-GAV calculated on an ad hoc basis will be accrued.
- **Success Fee:** a fee of 2% of the share capital will be accrued at the time of admission of the shares to a regulated market or a multilateral trading system.
- **Commission for capturing real estate assets:** 2% of the total value of each purchase and sale transaction will be accrued with a minimum of 5,000 euros and a maximum of 20,000 euros.
- **Variable Management Fee:** 10% of the Company's Unpaid Loans Registry will be accrued annually.

2. Basis of presentation of the financial statements

a) Applicable financial reporting policy framework

These financial statements have been prepared by the sole director of the Company in accordance with the financial reporting framework applicable to the Company, which is that set out in:

- The Commerce Code and other company legislation.

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

- The General Accounting Plan approved by Royal Decree 1514/2007, applicable modifications introduced by Royal Decree 1159/2010 and Royal Decree 602/2016 and the sectoral adaptation for real estate companies.
- The mandatory rules approved by the Accounting and Auditing Institute in development of the General Accounting Plan and its additional rules.

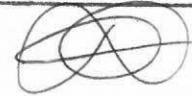


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- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Spanish Real Estate Investment Trusts (REIT) and the reporting obligations to be listed in these financial statements.
- The rest of the Spanish accounting regulations to which it is applicable.

#### b) Fair presentation

The annual financial statements have been prepared from the Company's accounting records and are presented in accordance with current companies' legislation and with the standards established in the General Accounting Plan approved by Royal Decree 14/2007 and the amendments incorporated therein by Royal Decree 602/2016, in order to show a true and fair view of the Company's net worth, financial position and results, as well as the veracity of the cash flows included in the cash flow statement.

#### c) Non-mandatory accounting principles

The accounting principles and valuation rules described in Note 4 were applied in the preparation of these financial statements. All mandatory legal provision or accounting principle whose effect on the preparation of the financial statements is significant have been applied.

#### d) Critical issues regarding the measurement and estimation of uncertainties.

In preparing the accompanying financial statements, estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. Essentially, these estimates refer to:

- The assessment of the existence of impairment in certain assets (see Notes 4.2 and 5).
- The useful life of investment property (see Note 4.1).
- Corporate tax: the Company has opted to apply the REIT tax regime, which means that the tax rate for corporate income tax is 0% provided that the requirements established in the REIT Law are met (see Note 1). The governing body monitors compliance with the legal requirements to take advantage of the tax benefits provided. The Company's sole director estimates that these requirements will be met in full within the seventeen-month period from 31 December 2019.
- The calculation of variable remuneration for Asset Management services (see Note 1.c).

Although these estimates were made on the basis of the best information available at 31 December 2019, future events may make it necessary to modify them (upwards or downwards) in coming years, which would be done prospectively if appropriate, recognising the effects of the change in estimates in accordance with current accounting regulations.

#### e) Comparative information



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As indicated in Note 1, these financial statements are for the year in which the company was incorporated and, accordingly, do not reflect comparative figures. Only 2019 figures are presented as this is the incorporation financial year.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

### f) Aggregation of items

Certain items in the balance sheet, income statement, statement of changes in equity and cash flow statement are presented together for ease of understanding, although, to the extent material, the information has been disclosed in the related notes to the financial statements.

### g) Changes in accounting policies.

The Company was incorporated in 2019, so there are no previous criteria for changes in accounting criteria.

### h) Environmental impact

In view of the business activity carried on by the Company, it has no environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results.

For this reason, these financial statements do not provide any information on this subject.

## 3. Application of Results

The proposed distribution of the 2019 profit, formulated by the sole director and expected to be approved by the Ordinary General Meeting of Shareholders, is as follows:

	2019
Distribution of profit/application of losses	
Results for the year (losses)	(114,794)
Distribution	
Prior periods' losses	(114,794)

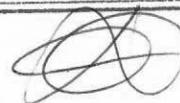
## 4. Recognition and measurement standards

### 4.1 Investment property



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The balance sheet heading "Investment Property" includes the value of land, buildings and other structures held either to earn rentals or for capital appreciation on their sale as a result of future increases in their respective market prices.

Initial assessment

Investment property is initially measured at acquisition cost, to which is added the amount of any additional or complementary investments made, and subsequently reduced by the related accumulated depreciation and any impairment losses, in accordance with the criteria described in this Note.

Repairs that do not represent an extension of the useful life and maintenance costs are charged to the profit and loss account in the year in which they occur. The costs of expansion or improvement leading to an increase in production capacity or a lengthening of the useful life of the assets are included in the assets as an increase in their value.

The investment property was valued at the date of contribution at its fair value and the extension, modernisation and improvement costs of property, plant and equipment are added to the asset under this heading as an increase in the value of the asset only when they result in an increase in its capacity, productivity or useful life, and whenever it is possible to know or estimate the carrying amount of the items derecognised because they have been replaced.

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

(In euros)

The Company has not capitalised any financial interests as an increase in the cost of its investment property during the year ended 31 December 2019.

Depreciation

Depreciation of investment property is calculated on a straight-line basis over the years of estimated useful life of the assets. The annual depreciation rates applied to the respective cost values, where applicable, and the estimated years of useful life are as follows:

	Annual Percentage	Estimated Years of Useful Life
Linear depreciation system:		
Structures	1%	100



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Furnishing(s)		
- Washing machines	10%	10
- Radiators	5%	21
- Refrigerators	8.33%	12

**4.2 Decrease in value of investment property**

Whenever there is evidence of impairment of investment property, the Company estimates, using the impairment test, the possible existence of losses that reduce the recoverable amount of these assets to an amount lower than their carrying amount.

The recoverable amount is determined as the greater of fair value less costs to sell and value in use.

In order to determine the market value of its investment property, the Company used the valuations performed for the mortgages arranged during the year by an independent expert to value its entire property portfolio. This valuation has been carried out in accordance with the rules of valuation and appraisal in accordance with Order ECO 805/2003 of 27 March, on rules for the valuation of real estate and determines two rights for certain financial purposes EHA/3011/20017 and HA/564/2008.

Valuation adjustments for impairment and their reversal are recorded in the income statement and reversed when the circumstances that gave rise to them cease to exist. The reversal of the impairment is limited to the carrying amount of the asset that would appear in the balance sheet if the corresponding impairment had not been previously recognised.

In the opinion of the Company's sole director, there were no indications of impairment of investment property at 31 December 2019 and, therefore, no impairment was recognised.

**4.3 Leases**

Financial leasing

Leases are classified as finance leases whenever it is clear from the terms of the lease that substantially all the risks and rewards incidental to ownership of the asset covered by the lease are transferred to the lessee. As at 31 December 2019 the Company has no finance lease agreements.

All other leases are classified as operating leases.



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**(In euros)**

Operating lease:

If the Company acts as lessor, income and expenses arising from operating lease agreements are charged to the income statement in the year in which they accrue. Also, the acquisition cost of the leased asset is presented in the balance sheet in accordance with its nature, increased by the amount of the directly attributable contract costs, which are recognised as an expense over the term of the contract using the same method as that used to recognise the lease income.

Any collection or payment that may be made under an operating lease shall be treated as a collection or prepayment to be charged to income over the lease term as the proceeds of the leased asset are transferred or received on a straight-line basis.

4.4 Financial assets

*Classification*

Financial assets belonging to the Company have been classified into the following categories:

- a) Loans and receivables: financial assets originated from the sale of goods or the provision of services for the company's business operations, or those which, having no commercial origin, are not equity instruments or derivatives and whose collections are of a fixed or determinable amount and are not traded in an active market.
- b) Deposits and guarantees provided: amounts provided in relation to operating leases held by the Company.
- c) Cash and other equivalent liquid assets: they are comprised of cash and bank deposits with the visa and investments made whose maturity does not exceed three months and are not subject to a relevant risk of changes in value.

*Initial assessment*

Financial assets are generally recognised initially at the fair value of the consideration given plus any directly attributable transaction costs.

*Subsequent valuation*

The guarantees and deposits provided are valued at the amount disbursed since the difference between the amount disbursed and the fair value is not significant.

Items receivable are valued at their amortised cost.



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The Company derecognises financial assets when the rights to the cash flows relating to the financial assets expire or have been transferred and the risks and rewards of ownership have been substantially transferred.

#### 4.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank accounts and deposits with credit institutions and highly liquid investments, including short-term, highly liquid deposits, which are easily convertible into determined amounts of cash and are subject to insignificant risk of changes in value.

#### 4.6 Net worth

The share capital is represented by nominal shares.

The costs of issuing new shares are presented directly against equity as minor reserves.

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### NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

#### 4.7 Financial liabilities

##### Debts and items payable:

This category includes trade payables and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

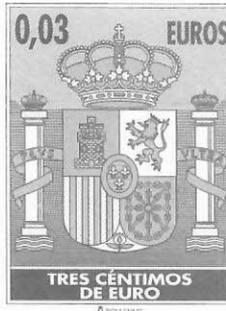
These debts are initially recognised at fair value adjusted by the directly allocable transaction costs and are subsequently recognised at amortised cost using the effective interest method. The effective interest rate is the discount rate that equals the carrying amount of the instrument with the expected current of future payments until the liability matures.

Notwithstanding the foregoing, debits for commercial transactions maturing in no more than one year and which do not have a contractual interest rate are valued, both initially and subsequently, at their nominal value when the effect of not discounting the cash flows is not significant.

In the case of renegotiation of existing debts, it is considered that there is no substantial modification of the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the present value of the cash flows, including net commissions, does

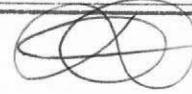


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not differ by more than 10% from the present value of the cash flows pending payment of the original liability calculated under the same method.

Financial liabilities are derecognised when the obligations that generated them are extinguished.

#### 4.8 Current and deferred taxes

##### General regime

The income tax expense or income comprises both current and deferred tax. Both the current and the deferred tax expense or income is recorded in the income statement. However, the tax effect related to items that are recorded directly in equity is recognised in equity.

The current tax expense is calculated on the basis of the laws passed or about to be passed at the balance sheet date in the countries in which the Company operates and in which they generate taxable profits. The governing body periodically evaluates the positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation, and, if necessary, establishes provisions based on the amounts expected to be paid to the tax authorities.

Deferred taxes are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that are approved or about to be approved at the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except for those deferred tax liabilities for which the Company can control the date on which the temporary differences reverse and it is probable that the temporary differences will not reverse in the foreseeable future. Generally, the Company is not able to control the reversal of temporary differences for associates. Only when there is an agreement that gives the Company the ability to control the reversal of the temporary difference is it not recognized.

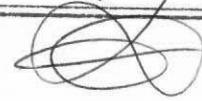
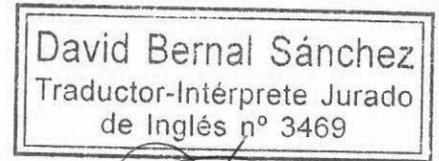
Deferred tax assets are recognised for deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable that the



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## **NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

temporary difference will reverse in the future and it is expected that there will be sufficient taxable income against which to use the temporary difference.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities arise from income taxes levied by the same taxation authority on the same or different taxable entities or subjects that intend to settle current tax assets and liabilities on a net basis.

At each accounting close, the deferred tax assets recorded are reviewed and the appropriate corrections are made to the extent that there are doubts as to their future recovery. Also, at each close, deferred tax assets not recorded in the statement of financial position are assessed and recognized to the extent that their recovery with future tax benefits becomes probable.

### REIT tax regime:

On 25 September 2019 (see Note 1.a) the Company notified the relevant tax authorities (State Tax Administration Office) of the option adopted by the Company's Shareholders' Meeting to apply the special REIT tax regime. The application had retroactive effect from the fiscal year that began on the date of its constitution, March 21, 2019, being subject to Law 11/2009, of October 16, with the modifications incorporated to the same by Law 16/2012, of December 27, which regulates REITs.

In accordance with the REITs tax regime, the Company is subject to corporate income tax at a rate of 0% provided that the requirements described in Note 1.a to these financial statements are met.

Non-compliance with the minimum holding period requirement for qualifying assets set out in Note 1.a above will determine: (i) in the case of qualifying properties, the taxation of all the income generated by them in all the tax periods in which the special REIT tax regime would have been applicable, in accordance with the general regime and the general rate of corporation tax; and (ii) in the case of qualifying holdings, the taxation of that part of the income generated on the occasion of the transfer in accordance with the general regime and the general rate of corporation tax.

As established in Article 9.2 of Law 11/2009, the Company will be subject to a special tax of 19% on the full amount of the dividends or shares in profits distributed to shareholders whose share in the capital of the Company is equal to or greater than 5%, when said dividends, at the headquarters of its shareholders, are exempt or taxed at a rate of less than 10% (for this purpose, the tax due under the Non-Resident Income Tax Law would be taken into consideration).



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However, this special tax does not apply when dividends or profit shares are received by entities whose purpose is to hold shares in the capital of other REITs or in the capital of other entities not resident in Spanish territory that have the same corporate purpose as the former and that are subject to a regime similar to that established for the REITs with regard to the mandatory policy, the Company's legal or statutory profit distribution policy applies to shareholders who hold 5% or more of the share capital of the Company and pay tax on such dividends or shares in profits at least at the tax rate of 1096.

Since the Company is mainly engaged in the rental of residential housing to private individuals, input VAT cannot generally be deducted.

In addition, the REITs benefit from the application of a 95% rebate on the tax liability for Capital Transfer and Documented Legal Acts Tax as discussed in Note 1.a, provided that the minimum period for holding assets is complied with.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

### 4.9 Provisions and contingent liabilities

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Adjustments to the provision as a result of its updating are recognised as a financial expense as they accrue.

Provisions maturing in one year or less with a non-significant financial effect are not discounted. When part of the disbursement required to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is virtually certain.

Provisions for taxes correspond to the estimated amount of possible tax obligations to the tax authorities.

### 4.10 Revenue recognition

Revenue is recognised at the fair value of the consideration receivable and represents the amounts receivable for services provided in the ordinary course of the Company's business, less returns, rebates, discounts and value added tax.

Rental income



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Rental income is recorded on an accrual basis, with the incentive benefits and the initial costs of the lease contracts being distributed on a straight-line basis. In the event that a lease contract is terminated earlier than expected, the registration of the outstanding rent deficiency or bonus will be recorded in the last period before the end of the contract.

#### 4.11 Functional and presentation currency

These financial statements are presented in euros, which is the Company's presentation and functional currency.

#### 4.12 Cash Flow Statement

The cash flow statement has been prepared using the indirect method and the following expressions are used with the meanings given below:

- Operating activities: activities that constitute the ordinary income of the company, as well as other activities that cannot be classified as investment or financing activities.
- Investing activities: activities of acquisition, disposal of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not part of operating activities.

#### 4.13 Transactions between related parties

In general, operations between related parties are initially recorded at fair value. In this case, if the agreed price differs from its fair value, the difference is recorded on the basis of the economic reality of the transaction. The subsequent valuation is carried out in accordance with the relevant rules.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

## 5. Investment property

The changes in "Investment Property" in the year ended 31 December 2019 were as follows:

	Amount in Euros	
	Additions	Balance at 31/12/17
Cost		
Furnishings	3,754	3,754
Land	811,659	811,659
Structures	2,235,109	2,235,109
Construction in progress	265,195	265,195
Total cost	3,315,717	3,315,717
Accumulated depreciation		
Furnishings	(67)	(67)
Structures	(6,431)	(6,431)
Total accumulated depreciation	(6,498)	(6,498)
Net investment property	3,309,220	3,309,220

During the year 2019, the Company completed the following transactions:

- On 1 April 2019, the Company executed the purchase of 12 dwellings, 1 office, 5 garages and 3 storage rooms in two buildings in the town of Tomelloso in the province of Ciudad Real. The total price of the operation was 650,000 euros for purchase, 30,404 euros in transaction costs and 155,668 euros for adaptation. The properties were appraised in the previous weeks in accordance with the provisions of Order ECO/805/2003, of 27 March, on rules for the valuation of real estate and of certain rights for certain financial purposes (hereinafter "ECO appraisal"), with a value of 874,000 euros.
- On 21 June 2019, the Company executed the purchase of 47 dwellings and 17 garages in 5 buildings or group of homes in the towns of Cazalegas, Rielves and Tembleque in the province of Toledo, and in Malagón and Miguelturra in the province of Ciudad Real. The total price of the transaction was 1,461,390 euros for purchase, 89,288 euros in transaction costs and 145,708 euros for adaptation. The properties were based on the weeks prior to acquisition following ECO valuations, for a value of 2,913,000 euros.
- On 30 September 2019, the Company executed the purchase of 24 dwellings in 4 buildings or group of homes in the towns of Rielves, Villaseca de la Sagra and Fuensalida in the province of Toledo, and in Malagón in the province of Ciudad Real. The total price of the operation was 711,000 euros for purchase, 35,596 euros in transaction costs and



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51,139 euros for adjustment. The properties were appraised in the weeks prior to the acquisition following ECO appraisals, for a value of 1,411,000 euros.

During the year 2019, the Company did not sell any assets.

At 31 December 2019 all the Company's properties were mortgaged (see Note 10).

Appendix I to these notes to the financial statements contains the list of the investment property owned by the Company.

#### Fully Depreciated Assets

There are no fully depreciated items at 31 December 2019.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

### Sales commitments

At 31 December 2019 there were no sales commitments on the investment property portfolio owned by the Company.

At 31 December 2019, two of the Company's properties have purchase options with their respective tenants, and the sole director considers that the execution of these options is not insured at the end of the year and that the risks and benefits of the property have not been communicated.

On 30 October 2019 a contract was signed with an option to buy the property located at Calle Miguel Delibes no. 12 in Rieves (Toledo), which has been set to expire on 29 October 2022, from which time the tenant may exercise the purchase option. The total price of the sale and purchase, in the event that it is carried out, has been set at 72,250 euros, the lessee having paid a non-refundable premium to be able to access the purchase of the same. The agreed payment for the purchase option premium is 12,750 euros, of which 1,500 euros were paid upon signing the contract, with the remaining amount pending being deferred until the end of the contract in monthly instalments.

On 5 November 2019, a purchase option contract was signed for the property located in Castilla la Mancha no. 71 in Tembleque (Toledo), which expires on 4 November 2022, at which time the tenant may exercise the purchase option. The total price of the sale and purchase, in the event that it is carried out, has been set at 49,300 euros, the lessee having paid a non-refundable premium to be able to access the purchase of the same. The agreed payment for the purchase option premium is 8,700 euros, of which 2,900 euros were paid upon signing the contract, with



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the remaining amount pending being deferred until the end of the contract in monthly instalments.

This premium paid by the tenants is not considered contractually as a deduction in the future sale price, but is an option to access the possible purchase of such property without in any case the amounts already paid being able to be deducted from the purchase price already agreed upon. In case of withdrawal, the lessee has no right to return on the amounts paid as a premium and additional payment in relation to the purchase option.

The income accrued for the year from 21 March 2019 to 31 December 2019 from the purchase option premium on the above contracts is 20,491 euros, which was recorded under other gains in the income statement.

#### Insurance

The Company has taken out various insurance policies to cover the risks to which its investment properties are subject. In the opinion of the Company's sole director, these policies are considered sufficient to cover the book value of the insured assets.

#### Procedures for appraisal

At 31 December 2019, investment property was recorded at purchase price.

The methodology used to calculate the market value of investment property was the comparison method, except for certain assets where the cost method was used.

The comparison method is based on the principle of substitution, which means that the asset is compared with others whose values are known, the main variables that influence and affect the market, such as its relative weight, have to be determined. This may be done directly or by using regression analysis with the application of models.

To obtain a reliable comparable, the first stage is the standardisation of the unit market prices obtained (comparable) on the basis of a series of parameters such as surface area, asset situation, quality/specification of the asset, etc., and in the second stage the values are calculated, normalised by the degree of similarity between the assets being compared. These are considered the main factors or variables that determine the variations of the specific market as its adequate weight.

The cost method is used in combination with the comparison method and consists of calculating the replacement cost of the property to be appraised.

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NOTES TO THE FINANCIAL STATEMENTS 2019



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**(In euros)**

There were no valuation adjustments recognised or reversed for any investment property during the financial year.

## 6. Leases

The Company acts as a lessor in certain operating leases, the minimum lease payments of which, in accordance with the current contracts in force, do not take into account the impact of common expenses, future increases in CPI or future updates of contractually agreed rents, are as follows:

	Euros
Minimum fees	2019
Less than one year	92,139
Total	92,139

Leases signed for 2019 have an initial duration of one year with an option to extend up to seven years at the lessee's option. Regardless of the maximum duration and for the purposes of this note, the following 12 months after the contract is signed are considered as minimum future collections.

## 7. Financial assets

## 7.1 Analysis by categories

At 31 December 2019, the financial assets break down as follows:

	Euros
	31/12/2019
Non-current financial assets	10,280
Trade and other receivables	10,280
Trade receivables for sales and services	10,280
Current financial assets	124,582
Trade and other receivables	113,347
Trade receivables for sales and services	7,170
Other receivables	106,177
Current financial investments	11,235
Other financial assets	11,235
Total	134,862

The heading "*Trade receivables for sales and services*" includes the impairment of trade receivables amounting to 5,464 euros.

The heading "*Other receivables*" includes indemnities outstanding at 31 December 2019 from insurance policies for non-payment. In addition, there is a balance pending repayment of 87,308



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euros by the Castilla-La Mancha Regional Government. This is due to the fact that the liquidations made for Capital Transfer and Documented Legal Acts Tax of the first two purchases of assets made on 1 April 2019 and 21 June 2019 were made without a discount (see Note 1.a). Following the Company's communication of its option to apply the REITs regime on 25 September 2019, the surplus was claimed and is pending return on 31 December 2019. It also includes an amount of 17,563 euros corresponding to provisions made to various recurring suppliers and which at 31 December 2019 is pending repayment.

The "Other financial assets" caption includes guarantee deposits made with the relevant public agencies in connection with leases.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

## 7.2 Maturity analysis

At 31 December 2019, financial assets classified by year of maturity are broken down as follows:

31 December 2019

	Financial assets			Total
	2020	2021	2022	
Surety bonds deposited	11,235			11,235
Trade and other receivables	113,347	5,892	4,775	124,014
Total	124,582	5,892	4,775	135,249

The total amount does not coincide with the analysis by category because the payment of the premium for the purchase options mentioned in Note 5 extends beyond one year. None of the contracts provides for interest on this deferral of payment. The payment of the call option premium has been accounted for using the effective interest rate method.

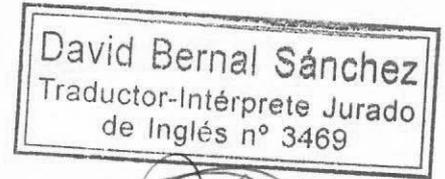
Movement in provisions for commercial transactions

The breakdown of the movement in the provision for the years ended 31 December 2019 is as follows:

	2019
Opening balance	-
Provision/Reversal for value impairment of receivables	(5,464)
Final balance	(5,464)



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## 8. Cash and cash equivalents

The heading "Cash and cash equivalents" includes the Company's cash on hand

	Euros
	31/12/2019
Cash and cash equivalents	887,407
Cash in hand	887,407
Total	887,407

At 31 December 2019, the balance of the heading "Cash and cash equivalents" is freely available.

## 9. Net Assets

Registered capital

On 21 March 2019, the Company was incorporated through the issue of 15,000 shares with a par value of 10 euros each, all of the same class.

On 21 June 2019, the Company carried out its first capital increase with the issue of 49,500 shares with a par value of 10 euros each.

On 28 November 2019, it carried out its second increase with the issue of 155,500 shares at

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

10 euros face value each. Of the 155,500 new shares issued, 44,000 were subscribed by credit offsetting and 111,500 by cash contribution. The loans that were offset in this capital increase were capital injections made on account of this capital increase but were contributed more than two months earlier.

At 31 December 2019, the Company's capital amounted to 2,200,000 euros, represented by 220,000 shares with a par value of 10 euros each.

As at 31 December 2019, the following shareholders hold 5% or more of the share capital:

	DIRECT		INDIRECT		TOTAL	
	Share %	No. of shares	Share %	No. of shares	Share %	No. of shares
RKS REAL ESTATE SOCIETE EN COMMANDITE SPECIALE	77.0455%	169,500	-	-	77.0455%	169,500



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CORINPAT S.A	5.6818%	12,500			5.6818%	12,500
HENRY NOEL GALLEGO GRAJALES	2.2273%	4,900	3.0000%	6,600	5.2273%	11,500

#### Assumed premium

There was no assumed premium on the issues of new shares in 2019.

#### Legal reserve

Under the Corporate Enterprises Act, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. This reserve may also be used to increase the share capital in respect of the portion exceeding 10% of the capital already increased. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital and taking into account the limitations established by the special regime for REITs, this reserve may only be used to offset losses and provided that no other sufficient reserves are available for this purpose.

In accordance with the special tax regime for REITs, the legal reserve may not exceed 20% of the share capital.

At 31 December 2019 the Company has not set aside any amount as a legal reserve.

#### Voluntary reserves

The balance of the heading at 31 December 2019 corresponds to the expenses associated with the incorporation and capital increases that took place during the year.

#### Results from previous years

The Company does not present results for years prior to 2019 as this was its year of incorporation.

#### Dividend distribution and capital management

The REITs are regulated by the special tax regime established in Law 11/2009, of 26 October, modified by Law 16/2012, of 27 December, which regulates Spanish Real Estate Investment Trusts. They shall be obliged to distribute the profit obtained in the year in the form of dividends to their shareholders once the corresponding commercial obligations have been fulfilled, and they must agree to do so within six months of the end of each financial year, in the following manner:

- (i) 100 per cent of the profits from dividends or shares in profits distributed by holdings in other REITs or other holdings whose main corporate purpose is the acquisition of urban real estate.



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NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

(ii) At least 50 per cent of the profits derived from the transfer of real estate and shares or holdings referred to in article 2.1 of Law 11/2009, carried out after the periods referred to in article 3.3 of said Law have elapsed, which are intended to fulfil the main corporate purpose. The rest of these profits must be reinvested in other real estate or holdings for the fulfilment of this purpose, within three years from the date of transfer. Otherwise, such profits must be distributed in full together with any profits from the year in which the reinvestment period ends. If the items to be reinvested are transferred before the maintenance period, those profits must be distributed in full together with the profits, if any, from the year in which they were transferred. The obligation to distribute does not extend to the portion of these profits attributable to years in which the Company was not taxed under the special tax regime established in the aforementioned Law.

(iii) At least 80 percent of the remaining profits obtained.

When the distribution of dividends is made with a charge to reserves from the profits of a financial year in which the special tax regime has been applied, the distribution of dividends must be made in accordance with the agreement referred to in the previous section.

The legal reserve of companies that have opted for the application of the special tax regime established in said Law may not exceed 20 percent of the share capital. The statutes of these companies may not establish any other reserve of an unavailable nature different from the above.

The Company has the statutory obligation to make dividend distributions within the provisions of the REIT Law.

10. Financial liabilities

10.1 Analysis by categories

At 31 December 2019, the amounts of financial liabilities are broken down as follows:

	Euros
	31/12/2019
Non-current financial liabilities	2,121,271
Non-current bank borrowings (Note 10.3)	2,121,271
Current financial liabilities	148,852



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Current bank borrowings (Note 10.3)	70,756
Current debt	14,864
Other financial liabilities	14,864
Debits and other payables	63,233
Total	2,270,124

The "Other financial liabilities" heading includes the guarantees and deposits provided by tenants to the Company.

In 2019, the movement in guarantees and deposits is broken down as follows:

	2019	
	Surety bonds	Deposits
Opening balance	-	-
Registrations	11,750	2,325
Final balance	11,750	2,325

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

In addition, "Other Financial Liabilities" includes debts to related parties arising from payments on behalf of the Company (see Note 13.4).

## 10.2 Maturity analysis

At 31 December 2019, the amounts of financial liabilities classified by year of maturity are as follows:

	Financial liabilities						Total
	2020	2021	2022	2023	2024	Subsequent Years	
Debts owed to credit institutions	77,461	138,813	141,995	145,251	148,473	1,595,136	2,247,129
Other financial liabilities	14,864						14,864
Trade and other payables	63,233						63,233
Total	155,558	138,813	141,995	145,251	148,473	1,595,136	2,325,226

The total amount does not coincide with the analysis by category because the loans held by the Company were recorded at each time at amortized cost and, therefore, all the costs incurred in obtaining this financing and which were paid at the time they were granted are netting out the



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outstanding debt and are being amortized over the life of each loan. The amount pending depreciation of these expenses at December 31, 2019, was 55,102 euros.

### 10.3 Debt with financial institutions

The debt contracted with the banks is due to 3 mortgage loans, each corresponding to each purchase of assets. They are summarized in the following table:

Constitution date	Expiration date	Annual interest rate	Amount financed	Non-current debt	Current debt	Unpaid accrued interest	Financial expenditure for the period	Interest paid
				Principal	Principal			
01/04/2019	01/04/2034	Fixed 2.5%	585,000	545,503	33,926	1,207	12,459	9,907
21/06/2019	21/06/2034	Fixed 2.15%	1,170,000	1,134,096	35,904	699	15,499	12,787
30/09/2019	30/09/2034	Fixed 2.15%	497,700	490,069	7,631	30	3,035	2,705
			2,252,700	2,169,668	77,461	1,936	30,993	25,399

The difference between the debts to credit institutions recorded on the balance sheet and the nominal amount outstanding at 31 December 2019 shown in the table above corresponds to the effect of the depreciated cost. This amount is 55,102 euros at the end of the 2019 financial year.

The loan granted on 1 April 2019 is secured by all the properties acquired on 1 April 2019 (Note 5).

The loan granted on 21 June 2019 is secured by all the properties acquired on 21 June 2019 (Note 5).

The loan granted on 30 September 2019 is secured by all the properties acquired on 30 September 2019 (Note 5).

At 31 December 2019, in the opinion of the Company's sole director, the Company fully complies with all the terms, conditions, agreements and provisions of the financing agreements in force.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

### 10.4 Information on the nature and level of risk of financial instruments



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The Company has established the necessary mechanisms to control exposure to changes in interest rates and credit and liquidity risks. The main financial risks affecting the Company are as follows:

Credit risk

Credit risk represents the losses that the Company would suffer in the event that a counterparty failed to meet its contractual payment obligations to the Company.

With regard to its customers, it is the Company's policy to request one monthly rent as a deposit, as well as to contract insurance to cover the possible risk of non-payment with any of the tenants. 71.4% of the leases in force at 31 December 2019 have covered the risk of non-payment through a non-payment insurance policy.

The current default rate of the tenant portfolio has a higher level than expected, at 15.8%. However, the rental contracts have a default insurance with the company ARAG, which covers 12 months of rent, eviction costs and up to 3,000 euros for vandalism. As a result, a number of claims are pending from the income default insurance company.

With respect to financial positions, the Company's policy is to hold its cash at financial institutions of recognized prestige (see Note 8).

Liquidity risk

This risk reflects the possible difficulty that the Company may not have, or may not be able to access, sufficient liquid funds at an appropriate cost to enable it to meet its payment obligations at all times.

In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Company has cash at its disposal as shown on its balance sheet.

Interest rate risk

The Company mitigates interest rate risk by arranging fixed-rate financing.

Currency risk

The Company is not exposed to the risk of possible fluctuations in exchange rates as it carries out its operations in the Euro, its functional and presentation currency.

Tax risk

As mentioned in Note 1, in 2019 the Company availed itself of the special REIT tax regime. In accordance with Article 6 of Law 11/2009, companies that have opted for this system are obliged, once the corresponding commercial obligations have been fulfilled, to distribute the profit obtained in the financial year, and the distribution must be agreed within six months of the end of each financial year and paid within one month of the date of the distribution agreement.



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In the event that the shareholders do not approve the distribution of dividends proposed by the Board of Directors, which has been calculated according to the requirements set forth in the aforementioned Law, they would not be complying with it, and therefore would be liable to pay taxes under the general tax regime and not the one applicable to the REITs. However, this distribution of results, in accordance with the requirements of the REIT Law, is a policy of the Company to the extent that it is included in the Articles of Association.

In the opinion of the governing body, the Company has mitigated the risks of non-compliance for taxation in the special regime of REITs to acceptable levels.

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NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

10.5 Trade and other payables

The detail of the balance sheet heading "Trade and other payables" is as follows:

	Euros
	31/12/2019
Other payables	46,504
Creditor group companies and associates (Note 13.4)	16,729
Public entities, other (Note 12.1)	5,264
Advances from customers	533
Total	69,030

11. Income and expenses

11.1 Net turnover

The distribution of the Company's net turnover is as follows:

	2019
Services rendered	40,320
Income from rentals	40,320
TOTAL	40,320

The entire revenue figure for the year ended 31 December 2019 was generated in Spain.

11.2 Other operating expenses



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The other operating expenses are as follows:

	2019
Operating costs of buildings	11,869
Independent professional services	74,351
Insurance premiums, banking services and others	46,924
Taxes	857
Losses, impairment and changes in trade provisions (note 7)	5,464
<b>TOTAL</b>	<b>139,465</b>

The heading "Independent Professional Services" includes the fees relating to the management contract signed with ACTIVE RENTS MANAGEMENT, S.L.U. for 14,991 euros and those relating to the contract signed with RETURN CAPITAL SOLUTIONS, S.L.U. for 27,570 euros. Both contracts are described in Note 1.b and 1.c respectively.

The fees accrued during the year ended 31 December 2019 by Grant Thornton, S.L.P., Sole-Shareholder Company for audit services of annual accounts is 8,500 euros.

### 11.3 Financial expenses

During the year 2019, 31,050 euros were accrued for financial expenses. 30,993 euros pertain to the expenses accrued for mortgage loans. Of this amount, 1,936 euros were pending payment at 31 December 2019 (see Note 10). The remaining 57 euros relates to interest on late payment of taxes to public authorities.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

### 12. Tax Situation

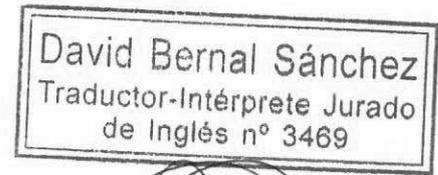
#### 12.1 Current balances with Public Authorities

The detail of the balances relating to tax liabilities to public authorities at 31 December 2019 is as follows:

	31/12/2019
Taxation authorities, Personal income tax creditor	5,264
<b>Total</b>	<b>5,264</b>



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CLASE 8.<sup>a</sup>

Under current tax legislation, tax assessments cannot be considered definitive until they have been inspected by the tax authorities or the four-year limitation period has elapsed.

### 12.2 Conciliation between accounting profit and taxable income

The reconciliation between the accounting profit and the taxable profit for income tax purposes for the year ended 31 December 2019 is as follows:

	2019
Results before income tax	(114,794)
Expenses charged directly to equity	(11,710)
Permanent differences	
Increases	-
Decreases	-
Temporary differences	
Increases	-
Decreases	-
Taxable income	(126,504)

The Company does not have any deferred tax assets that are not recorded in the accounts. In accordance with the REIT Law, the current corporate tax is the result of applying the 0% rate to the taxable base. No deduction is applicable in the financial year 2019, neither withholdings nor payments on account.

### 12.3 Exercises to be checked and inspections to be carried out

Under current tax legislation, taxes cannot be considered definitive until declarations have been inspected by the tax authorities or the four-year limitation period has elapsed. As of 31 December 2019 the Company makes available all taxes applicable to it since its incorporation. The Company's Board of Directors considers that the aforementioned taxes have been properly settled and, therefore, even if discrepancies arise in the interpretation of current regulations regarding the tax treatment of the transactions, any resulting liabilities, if any, would not materially affect these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

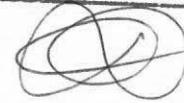
### 12.4 Information requirements arising from the status of REIT, Law 11/2009, modified by Law 16/2011

The information required by Article 11 of the REIT Law is detailed below:



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a) Reserves from previous years to the application of the tax regime established in Law 11/2009, modified by Law 16/2012.

Not applicable.

b) Reserves from years in which the tax regime established in Law 11/2009, as amended by Law 16/2012, has been applied.

Not applicable.

c) Dividends distributed against profits for each year in which the tax regime established in this Law has been applicable, differentiating the part that comes from income subject to the tax rate of 0% or 19%, from those that, if applicable, have been taxed at the general tax rate.

Not applicable.

d) In the case of distribution from reserves, designation of the financial year from which the reserve was applied and whether the reserves were taxed at the rate of 0%, of 19% or the general rate.

Not applicable.

e) Date of the agreement to distribute the dividends referred to in c) and d) above.

Not applicable.

f) Date of acquisition of the property to be rented and of the shares in the capital of the entities referred to in Article 2.1 of the REIT Law.

See Annex I.

There are no holdings in the capital of entities referred to in Article 2.1 of the REIT Law.

g) Identification of the asset that counts towards the 80% referred to in Article 3.1 of the REIT Law.

All the real estate investments registered by the Company are included in this section. See Annex I.

h) Reserves arising from the years in which the tax regime applicable under this Law was applicable, which were set aside during the tax period, other than for distribution or to offset losses, identifying the year from which the reserves arise.

Not applicable.

13. Other Information

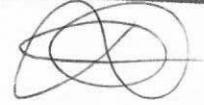


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13.1 Information on compliance with Article 219 of the Corporate Enterprises Act  
In accordance with the provisions of Article 229 of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, as amended by Law 31/2014 of 3 December, which amends the Corporate Enterprises Act to improve corporate governance, the sole director must report any situation of conflict, direct or indirect, that they may have with the interest of the Company. In the year ended 31 December 2019, several contracts were signed with key suppliers (see Note 1.b and 1.c) in which these conflicts could arise, and the contracts themselves provide for the treatment and monitoring of these conflicts with particular scrupulousness.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

It is noted:

- That the sole director of the Company Return Kapital Solutions, S.L.U. has a contract with the Company for the provision of consulting, management and financial control services (Note 1.c);
- That the individual representative of the sole director, Mr. Henry Noel Gallego Grajales, has a 100% share in Return Kapital Solutiuous, S.L.U.;
- That the individual representative of the sole director, Mr Henry Noel Gallego Grajales, has an ownership interest in Active Rents Management, S.L.U., with which the Company has an agreement to provide property management and marketing services (see Note 1-b);
- That the individual representative of the sole director, Mr. Henry Noel Gallego Grajales, has effective control of the votes of RKS Real Estate Société en Commandite Spéciale, which is the largest shareholder of the Company with 77.0455% of the shares;
- That the activity of RKS Real Estate Société en Commandite Spéciale, although it has a similar investment strategy, is complementary to the activity of the Company;
- That Return Kapital Solutions, S.L.U. has signed a contract to provide services mainly in the real estate sector; and
- That Active Rents Management, S.L.U. has signed a contract for the provision of real estate management services.
- That Mr. Henry Noel Gallego Grajales as a natural person has a participation in the Company of 2.22%.
- That Return Capital Solutions, S.L.U. has a 3.0% interest in the Company.



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13.2 Remuneration and other benefits for the sole director and senior management

During the financial year from 21 March 2019 to 31 December 2019, the Company did not accrue any remuneration to the sole director.

Similarly, there have been no contracts between the Company and the sole director for operations outside the ordinary course of business of the Company or which have not been carried out under normal conditions.

At 31 December 2019, the Company did not have any personnel considered to be Senior Executives. These tasks fall to the sole director.

At 31 December 2019 the Company had no employees.

13.3 Guarantees committed to third parties and other commitments undertaken.

At 31 December 2019 the Company had not provided any bank guarantees.

At 31 December 2019, the Company has mortgages out on all the properties it owns. It also has a pledge on the income generated by these properties, as well as on insurance indemnities for non-payment of income from these properties (see Note 10).

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NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

13.4 Transactions with related parties

Balances with related parties at December 31, 2019 are as follows:

	Euros
	31/12/1019
Creditor group companies and associates	16,729
- Active Renta Management S.L.	5,619
- Return Capital Solutions, S.L.	11,100

	Euros
	31/12/1019
Other financial liabilities	789
- Return Capital Solutions, S.L.	269
- RKS Real Estate	520



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On 6 November 2019 the Company signed a contract with Return Capital Solutions, S.L.U. for the provision of consulting, management and financial control services described in Note 1.c to these financial statements. During the year 2019, 87,428 euros have been accrued for fees related to the contract, of which 11,110 euros are pending payment at 31 December 2019. In addition, 269 euros are pending for the payment of invoices on behalf of Ktesios Real Estate.

On 6 November 2019, the Company signed a contract with Active Rents Management, S.L.U. for the provision of property asset administration, management and marketing services described in Note 1.b to these financial statements. During the year 2019, 82,890 euros have been accrued for fees related to the contract, of which 5,619 euros are pending payment at 31 December 2019.

On 31 December it has an outstanding balance of 520 euros with RKS Real Estate Société en commandite spéciale corresponding to erroneous transfers from customers.

13.5 Information on the average period of payment to suppliers. Third additional provision. "Duty of disclosure" under Law 15/2010 of 5 July.

The information required by the third additional provision of Law 15/2010 of July 5 (modified by the Second Final Provision of Law 31/2014 of December 3) prepared in accordance with the ICAC Resolution of January 29, 2016, on the information to be included in the financial statements report regarding the average period for payment to suppliers in commercial transactions, is detailed below.

	2019
	Days
Average payment period to suppliers	11
Paid Transaction Ratio	11
Outstanding transactions ratio	5
	Euros
Total payments made	566,584
Total outstanding payments	60,875

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NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

14. Subsequent events.

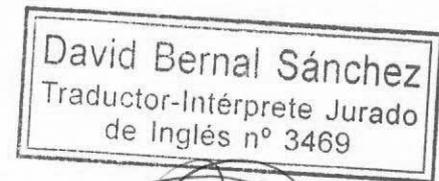
On 28 January 2020, the Company executed the purchase of 10 homes and 10 garages in 1 building in Herencia, province of Ciudad Real and also, the purchase of 6 dwellings, 6 storage rooms and 6 garages in 1 building in Santa Olalla, province of Toledo. The purchase price was 335,948 euros plus transaction costs for the assets in Herencia and 171,000 euros plus transaction costs for the assets in Santa Olalla. The properties were valued in the previous



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weeks following ECO valuations at a value of 639,387 euros and 430,323 euros, respectively. These purchases have been financed partly with own funds and partly with bank financing.

On that date, the Company took out a mortgage loan for 354,864 euros, maturing in 15 years at a fixed interest rate of 2.0% and with a 12-month grace period.

On 30 June 2020, the Company executed the purchase of 9 dwellings, 9 garages and 9 storage rooms in 1 building in Santa Olalla, province of Toledo. The purchase price was 269,260 euros plus transaction costs. The properties were appraised in the previous weeks following ECO appraisals at a value of 567,630 euros. These purchases have been financed partly with own funds and partly with bank financing.

On that date, the Company took out a mortgage loan in the amount of 188,482 euros, maturing in 15 years at a fixed interest rate of 2.0% and with a 12-month grace period.

#### Effects of the Coronavirus Crisis

The appearance of the COVID-19 Coronavirus in China and its global expansion has led the World Health Organization to classify the outbreak as a pandemic since March 11.

In this regard, although there has not been a significant drop in the Company's activity during the first months of 2020, the financial markets and the real estate sector have been affected, as has the economy in general. At the date of preparation of these accounts, it is not possible to assess precisely whether this situation will continue in the coming months or to what extent it could evolve in the future.

However, the sole director has carried out a preliminary analysis of the current situation in accordance with the best information available in order to limit and minimize the impact generated by the coronavirus crisis on its activity, also carrying out constant monitoring of the evolution of the situation, in order to successfully deal with any possible impacts, both financial and non-financial, that may occur.

In this regard, the Company took proactive measures with the most vulnerable tenants that go beyond those established in Royal Decree 11/2020 of March 31 (the "RDL 11/2020") in relation to the Economic Measures on Housing Leases in the face of COVID-19. The extraordinary moratorium programme on the payment of rent launched by the Company consisted of the possibility of deferring up to fifty percent (50%) of the amount of the rent for a maximum of three (3) months (April, May and June 2020). These deferred amounts would then be paid in instalments over a period of up to six (6) months, starting in September 2020.

In order to facilitate the procedures, the applicant tenants firstly must submit a responsible statement specifying their situation, and they must submit documentation within one month accrediting their situation of vulnerability, which is less restrictive than the criteria established by RDL 11/2020.

In addition, it should be noted that the rents are covered by a rental default insurance through the ARAG insurance company which has conveyed to us its support and coverage for possible



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non-payment, even in cases where a moratorium is granted and the tenants do not comply with the agreement.

In addition to the foregoing, in the opinion of the Company's sole director, no significant events have occurred after the end of 2019 that could have a significant effect on these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

Annex I

Internal Code	Address	Type of Asset	Acquisition Date
7109	C/ ORIENTE, n. 9, 1-1 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7110	C/ ORIENTE, n. 9, 1-4 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7111	C/ ORIENTE, n. 9, 1-5 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7112	C/ ORIENTE, n. 9, 1-8 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7113	C/ ORIENTE, n. 9, 1-11 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7114	C/ ORIENTE, n. 9, 1-3 - 13700 TOMELLOSO (CIUDAD REAL)	GARAGE	01/04/2019
7115	C/ ORIENTE, n. 9, 1-4 - 13700 TOMELLOSO (CIUDAD REAL)	STOREROOM	01/04/2019
7116	C/ ORIENTE, n. 9, 1-8 - 13700 TOMELLOSO (CIUDAD REAL)	STOREROOM	01/04/2019
7117	C/ ORIENTE, n. 9, 1-B - 13700 TOMELLOSO (CIUDAD REAL)	STOREROOM	01/04/2019
7118	C/ ORIENTE, n. 9, 2-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7119	C/ ORIENTE, n. 9, 3-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7120	C/ CANALEJAS, n. 4, 3-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7121	C/ CANALEJAS, n. 4, 1-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7122	C/ CANALEJAS, n. 4, 1-B - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7123	C/ CANALEJAS, n. 4, 2-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7124	C/ CANALEJAS, n. 4, BAJO B-LOCAL 1 - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7125	C/ CANALEJAS, n. 4, 3-B - 13700 TOMELLOSO (CIUDAD REAL)	OFFICE	01/04/2019
7126	C/ CANALEJAS, n. 4, 2-C - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7127	C/ CANALEJAS, n. 4, B-A - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7128	C/ CANALEJAS, n. 4, 1-C - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7129	C/ CANALEJAS, n. 4, 2-B - 13700 TOMELLOSO (CIUDAD REAL)	DWELLING	01/04/2019
7130	C/ CLAVEL 14-16, ESC-1, 2-B - 45683 CAZALEGAS (TOLEDO)	DWELLING	01/04/2019
7131	C/ CLAVEL 14-16, ESC-2, 1-C - 45683 CAZALEGAS (TOLEDO)	DWELLING	21/06/2019
7132	C/ CLAVEL 23, ESC-1, BJ-A - 45683 CAZALEGAS (TOLEDO)	DWELLING	21/06/2019
7133	C/ CLAVEL 23, ESC-1, BJ-E - 45683 CAZALEGAS (TOLEDO)	DWELLING	21/06/2019
7134	C/ CLAVEL 23, 2 F/Q - 45683 CAZALEGAS (TOLEDO)	DWELLING	21/06/2019
7135	C/ CASTILLA LA MANCHA 69 - 45780 TEMBLEQUE (TOLEDO)	DWELLING	21/06/2019
7136	C/ CASTILLA LA MANCHA 71 - 45780 TEMBLEQUE (TOLEDO)	DWELLING	21/06/2019
7137	C/ CASTILLA LA MANCHA 73 - 45780 TEMBLEQUE (TOLEDO)	DWELLING	21/06/2019
7138	C/ MIGUEL DELIBES 12 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7139	C/ MIGUEL DELIBES 16 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7140	C/ MIGUEL DELIBES 20 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7141	C/ MIGUEL DELIBES 19 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7142	C/ GARSILASO VEGA 2 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7143	C/ GARSILASO VEGA 4 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7144	C/ GARSILASO VEGA 6 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7145	C/ GARSILASO VEGA 8 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7146	C/ GARSILASO VEGA 10 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7147	C/ GARSILASO VEGA 12 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019
7148	C/ GARSILASO VEGA 14 - 45524 RIELVES (TOLEDO)	DWELLING	21/06/2019



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Traductor-Intérprete Jurado  
de Inglés nº 3469

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7149	C/ EMIGRANTE, 2 1 D - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7150	C/ EMIGRANTE, 2 1 E - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7151	C/ EMIGRANTE, 2 2 C - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7152	C/ EMIGRANTE, 2 2 D - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7153	C/ EMIGRANTE, 2 2 E - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7154	C/ EMIGRANTE, 2 AT C - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7155	C/ FERROCARRIL, 1 1 C - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7156	C/ FERROCARRIL, 1 1 D - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7157	C/ FERROCARRIL, 1 2 E - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7158	C/ FERROCARRIL, 1 At C - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7159	C/ FERROCARRIL, 1 B D - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7160	C/ FERROCARRIL, 1 B E - 13420 MALAGON (CIUDAD REAL)	DWELLING	21/06/2019
7161	C/ ANCHA 46, ESC. 1 BAJO A - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7162	C/ ANCHA 46, ESC. 1 BAJO C - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7163	C/ ANCHA 46, ESC. 1 BAJO D - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7164	C/ ANCHA 46, ESC. 1 BAJO E - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7165	C/ ANCHA 46, ESC. 1 BAJO F - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7166	C/ ANCHA 46, ESC. 1 BAJO G - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7167	C/ ANCHA 46, ESC. 1 BAJO H - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7168	C/ ANCHA 46, ESC. 1 BAJO I - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7169	C/ ANCHA 46, ESC. 1 1 B - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7170	C/ ANCHA 46, ESC. 1 1 C - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7171	C/ ANCHA 46, ESC. 1 1 D - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7172	C/ ANCHA 46, ESC. 1 1 E - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7173	C/ ANCHA 46, ESC. 1 1 F - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7174	C/ ANCHA 46, ESC. 1 1 G - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7175	C/ ANCHA 46, ESC. 1 1 H - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019
7176	C/ ANCHA 46, ESC. 1 1 J - 13170 MIGUELTURRA (CIUDAD REAL)	DWELLING	21/06/2019

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Ktesios Real Estate, S.L.

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## NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

Internal Code	Address	Type of Asset	Acquisition Date
7177	C/ ANCHA SS, 1 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7178	C/ ANCHA SS, 2 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7179	C/ ANCHA SS, GARAGE 4 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7180	C/ ANCHA SS, 5 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7181	C/ ANCHA SS, 6 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7182	C/ ANCHA SS, 7 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7183	C/ ANCHA SS, 8 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7184	C/ ANCHA SS, 10 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7185	C/ ANCHA SS, 11 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7186	C/ ANCHA SS, 12 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7187	C/ ANCHA SS, 13 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7188	C/ ANCHA SS, 14 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7189	C/ ANCHA SS, 15 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7190	C/ ANCHA SS, 16 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7191	C/ ANCHA SS, 17 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7192	C/ ANCHA SS, 18 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7193	C/ ANCHA SS, 19 - 13170 MIGUELTURRA (CIUDAD REAL)	GARAGE	21/06/2019
7194	C/ FERROCARRIL, NO. 1, 2-D - 13420 MALAGON (CIUDAD REAL)	DWELLING	30/09/2019
7195	C/ FERROCARRIL, 1, 2-C - 13420 MALAGON (CIUDAD REAL)	DWELLING	30/09/2019



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7196	C/ MIGUEL DELIBES, NO. 8 - 45524 RIELVES (TOLEDO)	DWELLING	30/09/2019
7197	C/ MIGUEL DELIBES, 11 - 45524 RIELVES (TOLEDO)	DWELLING	30/09/2019
7198	AV. MARQUES MONTEMAYOR, 3, BJ-B - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7199	AV. MARQUES MONTEMAYOR, 3, BJ-C - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7200	AV. MARQUES MONTEMAYOR, 3, 1-B - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7201	AV. MARQUES MONTEMAYOR, 3, 2-A - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7202	AV. MARQUES MONTEMAYOR, 3, 2-B - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7203	AV. MARQUES MONTEMAYOR, 5, BJ-B - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7204	AV. MARQUES MONTEMAYOR, 5, 2-A - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7205	AV. MARQUES MONTEMAYOR, 5, 2-B - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7206	AV. MARQUES MONTEMAYOR, 3, 2-C - 45260 VILLASECA DE LA SAGRA (TOLEDO)	DWELLING	30/09/2019
7207	AV. SAN CRISPIN 71, PORTAL 1, 1-A - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7208	AV. SAN CRISPIN 71, PORTAL 1, 2-A - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7209	AV. SAN CRISPIN 71, PORTAL 1, 2-B - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7210	AV. SAN CRISPIN 71, PORTAL 2, 1-A - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7211	AV. SAN CRISPIN 71, PORTAL 2, 1-B - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7212	AV. SAN CRISPIN 71, PORTAL 2, 1-C - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7213	AV. SAN CRISPIN 71, PORTAL 2, 2-A - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7214	AV. SAN CRISPIN 71, PORTAL 2, 2-B - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7215	AV. SAN CRISPIN 71, PORTAL 2, 2-C - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7216	AV. SAN CRISPIN 71, PORTAL 2, 2-D - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019
7217	AV. SAN CRISPIN 71, PORTAL 2, 3-B - 45510 FUENSALIDA (TOLEDO)	DWELLING	30/09/2019

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Ktesios Real Estate, S.L.

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NOTES TO THE FINANCIAL STATEMENTS 2019

(In euros)

2019 Financial Management Report.

Organizational structure and operation

Ktesios Real Estate, S.L. (hereinafter the "Company" or "Ktesios") was incorporated in Spain on 21 March 2019, in accordance with the Spanish Corporate Enterprises Act.

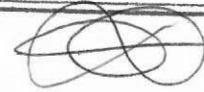
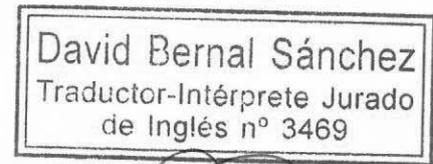
On 25 September 2019, the Company notified the tax authorities of its option to apply the system for Spanish Real Estate Investment Trusts retroactively from its incorporation on 21 March 2019.



CLASE 8.<sup>a</sup>



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The Sole Director of Ktesios carries out its activity in accordance with the rules of corporate governance mainly contained in the Articles of Association and in accordance with the well-known principles of good business practice.

On 6 November 2019 the Company signed a contract with Active Rents Management, S.L.U. (hereinafter referred to as "ARM Management") under the concept of Property Management. The contract is for 10 years and may be automatically extended for further periods of 5 years if it is not terminated by either party (see note 1.b to the financial statements).

On 6 November 2019 the Company signed a contract with Return Kapital Solutions, S.L.U. (hereinafter "RKS") under the concept of Asset Management. The contract is for 10 years and may be automatically extended for further periods of 5 years if it is not terminated by either party (see note 1.c to the financial statements).

#### Business performance and results

On 1 April 2019, the Company executed the purchase of 12 dwellings, 1 office, 5 garages and 3 storage rooms in two buildings in the town of Tomelloso in the province of Ciudad Real. The purchase price was 650,000 euros plus transaction costs. The properties were appraised in the previous weeks in accordance with the provisions of Order ECO/805/2003, of 27 March, on rules for the valuation of real estate and of certain rights for certain financial purposes (hereinafter "ECO appraisal"), with a value of 874,000 euros.

On 21 June 2019, the Company executed the purchase of 47 dwellings and 17 garages in 5 buildings or groups of homes in the towns of Cazalegas, Rielves and Tembleque in the province of Toledo, and in Malagón and Miguelturra in the province of Ciudad Real. The purchase price was 1,462,000 euros plus transaction costs. The properties were appraised in the previous weeks following ECO appraisals at a value of 2,913,000 euros.

On 30 September 2019, the Company executed the purchase of 24 dwellings in 4 buildings or group of homes in the towns of Rielves, Villaseca de la Sagra and Fuensalida in the province of Toledo, and in Malagón in the province of Ciudad Real. The purchase price was 711,000 euros plus transaction costs. The properties were appraised in the previous weeks following ECO valuations at a value of 1,411,000 thousand euros.

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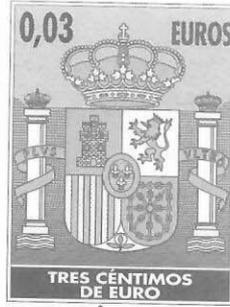
**NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

At 31 December 2019, the amount of investment property was 3,309,220 euros.

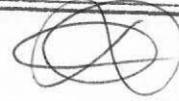


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de Inglés nº 3469



The share capital, fully paid up, is 2,200,000 euros at 31 December 2019, without any share premium.

On 1 April 2019, the Company took out a mortgage loan in the amount of 585.000, maturing in 15 years at a fixed interest rate of 2.5% and with a 12-month grace period.

On 21 June 2019, the Company arranged a mortgage loan for 1,170,000 euros, maturing in 15 years at a fixed interest rate of 2.15% and with a 12-month grace period.

Finally, on 30 September 2019, the Company arranged a mortgage loan of 497,700 euros, maturing in 15 years at a fixed interest rate of 2.15% and with a 12-month grace period.

At 31 December 2019, the nominal value of the loans was 2,247,129 euros, with a book value of the amortised cost of 2,192,027 euros, which includes accrued interest pending payment of 1,936 euros.

In 2019, net turnover amounted to 40,320 euros. The result for 2019 is a loss of 114,794 euros.

The evolution of the Company is based on a strategy based on:

- Future growth through the acquisition of new property lots. These acquisitions will be financed with resources from capital increases and mortgage financing.
- Use of the properties for rent.

#### Risk

The Company has established the necessary mechanisms to control exposure to credit and liquidity risks. The main financial risks affecting the Company are as follows:

#### Credit risk

Credit risk represents the losses that the Company would suffer in the event that a counterparty failed to meet its contractual payment obligations to the Company.

The current default rate of the tenant portfolio has a higher level than expected, at 15.8%. However, the rental contracts have a default insurance with the company ARAG, which covers 12 months of rent, eviction costs and up to 3,000 euros for vandalism. As a result, a number of claims are pending from the income default insurance company.

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NOTES TO THE FINANCIAL STATEMENTS 2019



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**(In euros)**

With respect to financial positions, the Company's policy is to hold its cash at financial institutions of recognized prestige (see Note 9 to the Financial Statements).

Liquidity risk

This risk reflects the possible difficulty that the Company may not have, or may not be able to access, sufficient liquid funds at an appropriate cost to enable it to meet its payment obligations at all times.

In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Company has cash at its disposal as shown on its balance sheet.

Interest rate risk

The Company mitigates interest rate risk by arranging fixed-rate financing.

Currency risk

The Company is not exposed to exchange rate risk since it carries out its operations in the Euro, which is its functional and presentation currency.

Tax risk

As mentioned in Note 1, in 2019 the Company availed itself of the special REIT tax regime. In accordance with Article 6 of Law 11/2009, companies that have opted for this system are obliged, once the corresponding commercial obligations have been fulfilled, to distribute the profit obtained in the financial year, and the distribution must be agreed within six months of the end of each financial year and paid within one month of the date of the distribution agreement.

In the event that the shareholders do not approve the distribution of dividends proposed by the Board of Directors, which has been calculated according to the requirements set forth in the aforementioned Law, they would not be complying with it, and therefore would be liable to pay taxes under the general tax regime and not the one applicable to the REITs. However, this distribution of results, in accordance with the requirements of the REIT Law, is a policy of the Company to the extent that it is included in the Articles of Association.

In the opinion of the sole director, the Company has mitigated the risks of non-compliance for taxation in the special regime of REITs to acceptable levels.

Research and Development

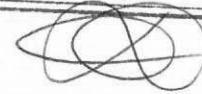
The Company did not carry out research and development activities during the year.

Own shares



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The company does not possess any own shares as at 31 December 2019.

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

(In euros)

Average payment period to suppliers

The information required by the Third Additional Provision of Law 15/2010 of July 5 (modified by the Second Final Provision of Law 31/2014 of December 3) prepared in accordance with the ICAC Resolution of January 29, 2016, regarding the average period for payment to suppliers in commercial transactions is detailed below.

	2019
	Days
Average payment period to suppliers	11
Paid Transaction Ratio	11
Outstanding transactions ratio	5
	Euros
Total payments made	566,584
Total outstanding payments	60,875

Subsequent events

On 28 January 2020, the Company executed the purchase of 10 homes and 10 garages in 1 building in Herencia, province of Ciudad Real and also, the purchase of 6 dwellings, 6 storage rooms and 6 garages in 1 building in Santa Olalla, province of Toledo. The purchase price was 335,948 euros plus transaction costs for the assets in Herencia and 171,000 euros plus transaction costs for the assets in Santa Olalla. The properties were valued in the previous weeks following ECO valuations at a value of 639,387 euros and 430,323 euros, respectively. These purchases have been financed partly with own funds and partly with bank financing.

On that date, the Company took out a mortgage loan for 354,864 euros, maturing in 15 years at a fixed interest rate of 2.0% and with a 12-month grace period.

On 30 June 2020, the Company executed the purchase of 9 dwellings, 9 garages and 9 storage rooms in 1 building in Santa Olalla, province of Toledo. The purchase price was 269,260 euros plus transaction costs. The properties were appraised in the previous weeks following ECO appraisals at a value of 567,630 euros. These purchases have been financed partly with own funds and partly with bank financing.



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On that date, the Company took out a mortgage loan for 188,482 euros, maturing in 15 years at a fixed interest rate of 2.0% and with a 12-month grace period.

#### Effects of the Coronavirus Crisis

The appearance of the COVID-19 Coronavirus in China and its global expansion has led the World Health Organization to classify the outbreak as a pandemic since March 11.

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**Ktesios Real Estate, S.L.**

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#### **NOTES TO THE FINANCIAL STATEMENTS 2019**

**(In euros)**

In this regard, although there has not been a significant drop in the Company's activity during the first months of 2020, the financial markets and the real estate sector have been affected, as has the economy in general. At the date of preparation of these accounts, it is not possible to assess precisely whether this situation will continue in the coming months or to what extent it could evolve in the future.

However, the sole director has carried out a preliminary analysis of the current situation in accordance with the best information available in order to limit and minimize the impact generated by the coronavirus crisis on its activity, also carrying out constant monitoring of the evolution of the situation, in order to successfully deal with any possible impacts, both financial and non-financial, that may occur.

In this regard, the Company took proactive measures with the most vulnerable tenants that go beyond those established in Royal Decree 11/2020 of March 31 (the "RDL 11/2020") in relation to the Economic Measures on Housing Leases in the face of COVID-19. The extraordinary moratorium programme on the payment of rent launched by the Company consisted of the possibility of deferring up to fifty percent (50%) of the amount of the rent for a maximum of three (3) months (April, May and June 2020). These deferred amounts would then be paid in instalments over a period of up to six (6) months, starting in September 2020.

In order to facilitate the procedures, the applicant tenants firstly must submit a responsible statement specifying their situation, and they must submit documentation within one month accrediting their situation of vulnerability, which is less restrictive than the criteria established by RDL 11/2020.

In addition, it should be noted that the rents are covered by a rental default insurance through the ARAG insurance company which has conveyed to us its support and coverage for possible non-payment, even in cases where a moratorium is granted and the tenants do not comply with the agreement.

Outlook for 2020

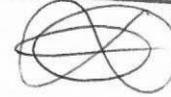


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de Inglés nº 3469



The fact that from 2008 onwards financial institutions are financing the purchase and sale of homes by individuals as a percentage of cost less than 100% is making it difficult for many people to access housing and it is expected that this will continue. Therefore, the real estate product that Ktesios brings to the market is ideal to cover this deficiency. The variation in prices in the places where the Company focuses its activity has not been significant. This is because these are local markets with no professional competitors, or if there are professionals, they lack interest in the area.

No appreciable changes are expected in the prices of the properties acquired, nor in the rents they have or could have.

In line with Ktesios' investment strategy, it is planned to continue acquiring new sets of properties. In general, these will be unoccupied and part of the implementation is to get them occupied with solvent tenants and backed by rental default insurance.

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Ktesios Real Estate, S.L.

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**NOTES TO THE FINANCIAL STATEMENTS 2019**

(In euros)

**PREPARATION OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 21 MARCH 2019 TO 31 DECEMBER 2019**

On 14 July 2020, the Sole Director of Ktesios Real Estate, S.L., in compliance with the requirements established in Article 253 of the Corporate Enterprises Act and Article 37 of the Spanish Commerce Code, proceeds to prepare the financial statements (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and Annual Report, together with the Management Report) for the financial year from 21 March 2019 to 31 December 2019, which are made up of the documents attached hereto.

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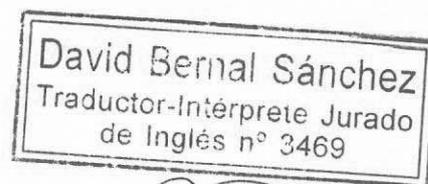
Return Kapital Solutions, S.L.U.  
By proxy Mr. Henry Noel Gallego Grajales



CLASE 8.<sup>a</sup>



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This translation appears on 56 pages, each of which bears my signature and seal. Witness my hand and seal, this 7<sup>th</sup> of August two thousand and twenty.

Esta traducción consta de 56 páginas, cada una de las cuales lleva mi firma y sello.

Don David BERNAL SÁNCHEZ, Traductor-Intérprete Jurado de inglés nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.

En Sevilla, a 7 de agosto de 2020.

Firmado: David BERNAL SÁNCHEZ  
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1<sup>a</sup> planta, letra I  
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