Agartha

REAL ESTATE

Calle Piamonte, 23, Madrid (SPAIN)

www.agartharealestate.com

INFORMATION DOCUMENT

JULY 2019

REGISTRATION OF SHARES

FOR NEGOTIATIONS ON EURONEXT ACCESS PARIS

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Euronext Access is a market operated by Euronext. Companies on Euronext Access are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Access may therefore be higher than investing in a company on a Regulated Market.

Un exemplaire du présent document d'information sont disponibles sans frais au siège de la société AGARTHA REAL ESTATE SOCIMI, S.A.U. Ce document peut également être consulté sur le site internet AGARTHA REAL ESTATE SOCIMI, S.A.U. (www.agartharealestate.com). / A copie of this Information Document is available free of charge from AGARTHA REAL ESTATE SOCIMI, S.A.U. This document is also available on AGARTHA REAL ESTATE SOCIMI, S.A.U. website (www.agartharealestate.com)

L'opération proposée ne nécessite pas de visa de l'Autorité des Marchés Financiers (AMF). Ce document n'a donc pas été visé par l'AMF. / The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). This document was therefore not endorsed by the AMF.

ARMANEXT

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Content

The articles of association included in this Information Document have been translated into English from 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.

COMPANY REPRESENTATIVE FOR INFORMATION DOCUMENT

Mr. Juan Portilla Sebastian de Erice, Director of the Board of Directors, acting for and on behalf of AGARTHA REAL ESTATE SOCIMI, S.A.U., (hereinafter, the "**Company**" or the "**Issuer**") hereby declares, after taking all reasonable measures for this purpose and to the best of his knowledge, that the information contained in this Information Document is in accordance with the facts and that the Information Document makes no material omission.

ARMANEXT ASESORES, S.L. (hereinafter, "**Armanext**") declare that, to the best of our knowledge, the information provided in the Information Document is accurate and that, to the best of our knowledge, the Information Document is not subject to any (material) omissions, and that all relevant information is included in the Information Document.

1 SUMMARY

The following is a summary of some of the information contained in this Information Document. Armanext urges to read this entire Information Document carefully, including the risk factors, AGARTHA REAL ESTATE SOCIMI, S.A.U.'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 AGARTHA REAL ESTATE, S.A.U.

AGARTHA REAL ESTATE SOCIMI, S.A.U. is a Spanish company, running under the special tax regime of Sociedad Cotizada de Inversión en el Mercado Inmobiliario (hereinafter "**SOCIMI**"), equivalent to a Real Estate Investment Trust (hereinafter, "**REIT**").

The Company was founded on September 18, 2018 under the name of KOWO REAL ESTATE SOCIMI, S.A. On November 26, 2018 the Company changed its name to AGARTHA COWORKING & COLIVING SOCIMI, S.A.U. and on March 14, 2019 changed its denomination to the current one, which is AGARTHA REAL ESTATE SOCIMI, S.A.U.

The Company is fully owned by INVECAP INVERSIONES INMOBILIARIAS, S.L.U., a company controlled by Miguel Ángel Capriles, the Chairman of AGARTHA REAL ESTATE SOCIMI, S.A.U. The Issuer is a real estate investment company with a core business on coliving and coworking real estate assets located in Madrid, investing through subsidiaries, which are SOCIMI as well, fully owned by the Company (hereinafter the "**Subsidiaries**").

The Subsidiaries and the corresponding real estate investments are:

- Inversiones Inmobiliarias Calle Piamonte 23, S.L.U.: a coworking real estate asset located in Calle Piamonte 23, Madrid (hereinafter, "**Piamonte 23**" or "**Impact Hub Piamonte**").

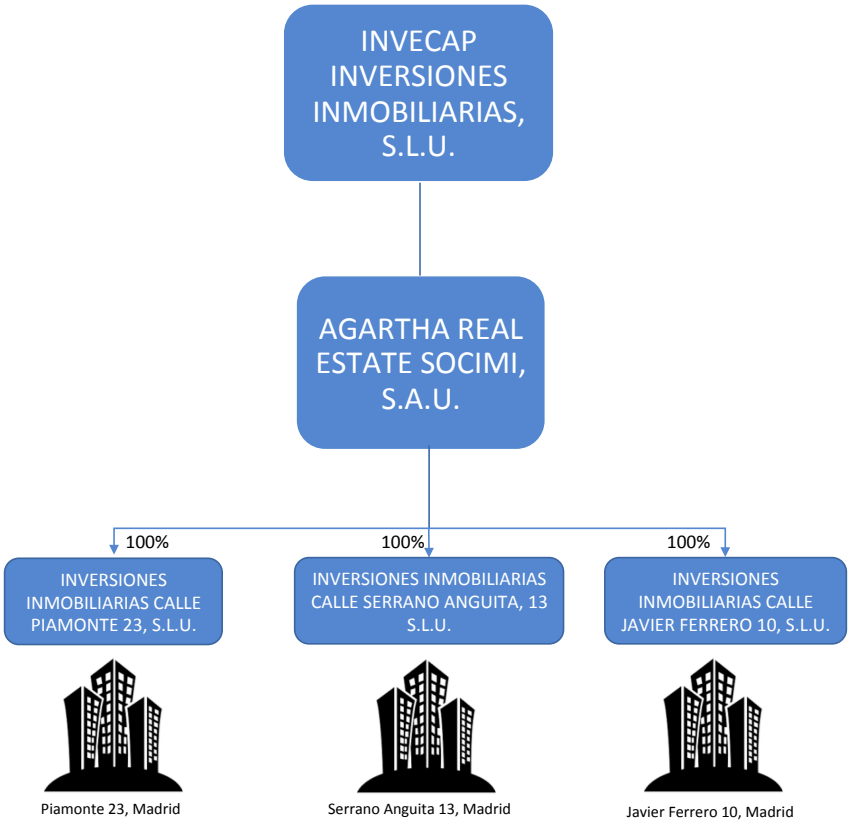
- Inversiones Inmobiliarias Calle Serrano Anguita 13, S.L.U: a coworking real estate asset located in Calle Serrano Anguita 13, Madrid (hereinafter, "**Serrano Anguita 13**" or "**Impact Hub Barceló**").

- Inversiones Inmobiliarias Calle Javier Ferrero 10, S.L.U.: a coworking real estate asset located in Calle Javier Ferrero 10, Madrid (hereinafter, "**Javier Ferrero 10**" or "**Impact Hub Javier Ferrero**")

The Company strategy is focused on holding of its existing assets to put them towards the best and most profitable uses at any given time. Furthermore, the implementation of the strategic plans in the medium term is to acquire new real estate assets and lease them as coworking or coliving.

The Company indirectly owns three coworking real estate assets that have a total surface area of 6,919 G.L.A. (sqm). The total gross market value of the three assets amounts to € 28,045,000.

Its investments are focused on coworking and coliving. The activity of coworking is accepted in Madrid through a license for Office use. At section 3.4 of the Information Document, the Company´s asset portfolio is described. At section 3.6 of the Information Document, the Company´s strategy and competitive advantages are described.



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

1.2.1 Company name

AGARTHA REAL ESTATE SOCIMI, S.A.U.

1.2.2 Registered office

Calle Piamonte, 23, 28004 Madrid.

1.2.3 Data of Registration with the Commercial Registry

Registered with the Madrid Commercial Register on September 18, 2018, at Volume 38,213, Page 105, Section 8, and Sheet M-679,977.

1.2.4 Registration for the SOCIMI special tax regime

On September 27, 2018 the Company communicated to the Tax Agency its request to be subject to the SOCIMI special tax regime, established in Law 11/2009. This was registered by the State Tax Administration on September 27, 2018.

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

Article 2.- PURPOSE

1. The Company's main purpose shall be:

i. The acquisition and promotion of real estate urban assets for its leasing.

ii. To hold shares in the share capital of other listed companies of the real estate market ("SOCIMI") or in the share capital of other entities non-resident in Spain that have the same corporate purpose and that are subject to similar SOCIMI regulations with respect the mandatory policy, either legal or statutory, for the distribution of profits.

iii. To hold shares in the share capital of other companies, resident or non-resident in Spain, whose main corporate purpose is the acquisition of real estate urban assets for its lease, and that are subject to similar SOCIMI regulations with respect the mandatory policy, either legal or statutory, for the distribution of profits and that comply with the investment requirements foreseen in the Law 11/2009.

iv. To hold shares in the share capital of collective investment institutions incorporated according to Law 35/2003, 4 November, on Collective Investment Schemes (RCIS).

In addition, the Company may carry out any other complementary activities, meaning those activities where the incomes jointly represent less than 20% of the incomes of the Company on every taxable year (including but not limited to, real estate transactions other than those mentioned in letters i) to iv) above), of those that shall be considered as complementary according to the regulations applicable to SOCIMIs from time to time.

2. This excludes any activities whose performance is governed by pre-requisites established by law, which the Company cannot meet. If legal provisions require a certain professional qualification, prior administrative authorisation, registration in a public register, or any other requirement, for the exercise of any of the activities included in the company purpose, these activities cannot commence until the professional or administrative requirements have been met.

3. The activities comprised in the company purpose may be fully or partially performed indirectly, by holding interests in other companies with identical or comparable purposes.

1.4 DURATION (*ARTICLE 3 OF THE ARTICLES OF ASSOCIATION*)

Article 3.- DURATION, COMMENCEMENT OF OPERATIONS

The Company is established for an unlimited period of time, and operations shall begin on the date of granting of its incorporation deed.

1.5 FISCAL YEAR (*ARTICLE 24 OF THE ARTICLES OF ASSOCIATION*)

Article 24.- FINANCIAL YEAR

The financial year shall begin on the first day of January and end on the thirty-first day of December of each year. As an exception, the first financial year shall begin on the date indicated in article 3 herein above.

1.6 DIVIDENDS (*ARTICLE 27 OF THE ARTICLES OF ASSOCIATION*)

Article 27.- OBLIGATION TO PAY OUT DIVIDENDS

Once the Company has met the pertinent commercial obligations, it shall share out dividends as follows:

(i) 100 percent of the profits from dividends or profit-sharing paid by the entities referred to in paragraph 1 of article 2 herein above.

(ii) At least 50 percent of the profits resulting from conveyance of real estate and shares or share units linked to the achievement of the main company purpose referred to in paragraph 1 of article 2 herein above. The remaining profits may be reinvested in other real estate properties linked to the achievement of this purpose within three years after the conveyance date or, in absence of this, they must be fully paid out together with any profits that may have been earned during the financial year in which the deadline for reinvestment elapses. If the items subject to reinvestment are transferred before the end of the three-year period following the date on which they were leased or put up for lease for the first time (in the case of real estate), or following the date of acquisition (in the case of shares or share units), these profits must be paid out in their entirety, along with any profits earned during the financial year in which the transfer took place.

(iii) At least 80 percent of any other profits earned.

Dividend payments must be approved within six months after the end of each financial year and the dividend must be paid within one month following the payment resolution date.

The legal reserve cannot exceed twenty percent (20%) of the share capital. No restricted reserves other than the legal reserve may be set up.

1.7 ADMINISTRATIVE, MANAGEMENT, AND CONTROLLING BODIES

1.7.1 Board of Directors (ARTICLES 21, 22, 23 AND 25 OF THE ARTICLES OF ASSOCIATION)

The Board of Directors of the Company is composed by:

Member	Position
Mr. Miguel Ángel Capriles López	Chairman
Mr. Emanuele Boni	Director
Mr. Juan Portilla Sebastián de Erice	Director
Mr. Javier Mateos	Secretary Non-director

Article 21.- GOVERNING BODY

Without prejudice to the powers entrusted to the General Meeting by law or in accordance with these Articles of Association, the company can be represented, run and managed, alternatively and with no need to amend the Articles of Association, by:

- *One Sole Director (who shall represent the Company).*
- *Two Directors who represent the Company jointly.*
- *Or a Board of Directors, composed of at least three and up to five members (who shall act collectively, based on the majority).*

The General Meeting shall choose the type of Governing Body, members of which may or may not be Company shareholders. Members of the Governing Body shall hold office for a term of six (6) years, the same term applying for all of them, and they may be re-elected one or more times for equal terms of office.

Individuals that fall under the categories set forth in article 213 of the Spanish Companies Act, Law 3/2015, of 30 March, which regulates the positions of Senior members of the Public Authorities, or any other applicable legislation of a national or regional nature, are not eligible to act as directors.

Article 22.- BOARD OF DIRECTORS

The Board of Directors shall operate under the following rules:

a. *Directors shall be elected by the General Shareholders' Meeting.*

b. *The Directors shall choose one of their members to act as Chairman, and they shall also elect a Secretary, who may or may not be a member of the Board. In the latter case, the Secretary may attend meetings with speaking but not voting rights.*

c. *If a position becomes vacant during the term for which the Directors were appointed, and there are no deputies, the Board of Directors may appoint the parties to hold such offices from amongst the shareholders until the next General Meeting is held.*

d. *The Board shall regulate its own functioning, and shall accept the resignation of its Members.*

e. *The Chairman or the party acting in the former's stead shall call Board of Directors' Meetings. Directors representing at least one third of the members of the Board may also call meetings, indicating the meeting agenda, to be held in the city of the company's registered address if, having previously requested the Chairman to do so, such party declines to call the meeting within one month without a justified reason. The Board of Directors meeting notice shall outline the meeting agenda in sufficient detail, indicating the items to be discussed during the session. A written notice must be sent to each of the Directors by registered post with recorded delivery, or by telegram, fax or email, or any other written procedure that ensures that all the Directors have received it at the address on record held by the Company secretary, or the email address furnished by the Directors.*

f. *Meetings shall be called seven (7) days in advance of the scheduled meeting date, except in urgent cases, in which three (3) days' advance notice shall suffice.*

g. *Directors can be represented by another Member of the Board at meetings if the party being represented issues a signed written statement specifically for each session.*

h. *Board of Directors' meetings can be held by video conference, teleconference or other remote means of communication, and the resolutions adopted shall be valid as long as none of the Directors objects to this procedure, they have the required resources to ensure proper communication amongst the attendees, and mutually recognise each other, all of which must be stated in the Meeting minutes and in the certificate issued of such resolutions. In this case, the Board of Directors meeting is deemed as a single act held at the company's registered address.*

i. *The Board of Directors will be quorate when half plus one of its members are either present or represented at the meetings.*

j. *As a general rule, resolutions of the Board of Directors shall be adopted by an absolute majority of the participants, unless an exception is called for by law.*

k. *The discussions and resolutions of the Board of Directors will be recorded in a Book of Minutes, which will be signed by the Chairman and the Secretary.*

As proof of the resolutions of the Board of Directors, certificates signed by the Secretary with the Chairman's approval shall be issued.

Article 23.- REPRESENTATION POWER

The Governing Body appointed at any given time shall be entitled to use the Company signature, manage corporate affairs and represent the Company in and out of court in relation to any matters of business or trade, and it shall have the broadest possible powers to manage, run and arrange any and all kinds of issues, rights or assets, including real estate.

Article 25.- REMUNERATION OF DIRECTOR

The office of Director shall be an unpaid position, although Members of the Board of Directors shall be entitled to reimbursement for the expenses incurred in the performance of their duties.

1.7.1.1 Directors' trajectory

- **Mr. Miguel Ángel Capriles López:** is Chairman of Inversiones Capriles since 1998. He is also member of the boards of Mercantil Servicios Financieros, Seguros Mercantil, Mercantil Bank Holding Corp and Cerámicas Carabobo S.A. and is Managing Partner of Invecap Inversiones Inmobiliarias S.L. and Gran Roque Capital S.L. He was previously Chairman and CEO of media group Cadena Capriles, Director of C.A. La Electricidad de Caracas (ELECAR), Director (2003-2004) and Chairman of Board of Mantex S.A. and a member of the Board and Advisory Committee of the Institute of Advanced Studies in Administration (IESA) in Caracas. Miguel Angel holds a degree in Business Administration from Universidad Metropolitana in Caracas.

- **Mr. Juan Portilla Sebastián de Erice:** is a professional with extensive experience in the financial and real estate sector with a strong international focus. He has spent a large part of his professional career at Santander Real Estate, S.A., S.G.I.I.C., where he was CEO and Chairman. He has also served as Chairman of Santander Private Real Estate Advisory, S.A. and as Director of Institutional and Investor Relations at Santander Global Property, S.L. He was previously an Associate at A.T. Kearney. He completed a Real Estate Management Program at Harvard Business School and holds an International MBA from IE Business School. He also holds a degree in Sociology and Economics from the University of Delaware. Juan is currently an Associate Professor lecturing on Real Estate Investments on the Master in Real Estate Development at IE School of Architecture and Design.

- **Mr. Emanuele Boni:** is Chairman of Riva Asset Management and Founding Partner and Director of Avere Asset Management. He was previously a Partner at Jargonnant Partners in Munich, CEO of E-Loft and worked as a lawyer with Simmons & Simmons in London. He has extensive international experience in the real estate sector. He holds a

degree in Law from the University of Oxford and studied International Economics and Finance at Bocconi University, Milan.

- **Mr. Javier Mateos:** is Director of the Transactions area at PwC Tax & Legal services and is specialized in stock exchange flotations, public M&A and corporate governance. He specializes in capital markets (stock exchange flotations, issuance and placement of securities, IPOs and FPOs) mergers and acquisitions (both public M&A-IPOs and defence of FPOs-and private) property (SOCIMIs), company restructuring at national and international level, company law and commercial contracts. Mr. Mateos joined PwC in September 2014 after spending over fourteen years working with a number of domestic and international law firms. He holds a Degree in Law from Comilla Pontifical University (ICADE) and also holds a Diploma in Political Science from Complutense University of Madrid.

2 HISTORY AND KEY FIGURES

2.1 HISTORY OF THE COMPANY

- **September 18, 2018:** Incorporation in Spain of the Company under the name KOWO REAL ESTATE SOCIMI, S.A., comprising 60,000 company shares each with a nominal value of € 1.
- **September 27, 2018:** Communication to the corresponding Tax Agency of the special tax regime of SOCIMI.
- **September 28, 2018:** The Company acquired two coworking assets located in Calle Piamonte 23 and in Calle Serrano Anguita 13. Both are in Madrid. More information regarding the assets provided at section 3.4.
- **October 10, 2018:** The Company indirectly acquired a coworking asset located in Calle Javier Ferrero, 10, Madrid. More information regarding the assets is provided in section 3.4.
- **November 26, 2018:** Capital increase of € 9,210,728 total amount. More details are provided in section 6.4. Change of the Company´s name from KOWO REAL ESTATE SOCIMI, S.A. to AGARTHA COWORKING & COLIVING SOCIMI, S.A.U.
- **March 14, 2019:** Change of the Company´s corporate name from AGARTHA COWORKING & COLIVING SOCIMI, S.A.U. to its current one, AGARTHA REAL ESTATE SOCIMI, S.A.U.

The shares representing 100% of the share capital of the Company are owned by INVECAP INVERSIONES INMOBILIARIAS, S.L.U., as sole shareholder.

2.2 SELECTED FINANCIAL DATA

The Company's key figures are presented below:

SELECTED DATA	(€) 12/31/2018
(€) PROFIT & LOSS	
Revenue	366,832
Operating Profit	-458,579
Finance Cost	-139,704
Profit before tax	-598,283
Profit for the year	-598,283
(€) BALANCE SHEET	
Investment Properties	19,700,732
Cash and cash equivalents	689,578
Equity	8,529,509
Non-current liabilities	11,242,445
Current liabilities	1,352,885

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

The 2018 Spanish language individual and consolidated financial statements have been audited by ERNST & YOUNG, S.L.

The individual and consolidated financial statements (including the corresponding audit report on such financial years) are available on the Company's website: http://www.agartharealestate.com.

3 COMPANY ACTIVITY

3.1 SUMMARY OF THE BUSINESS

AGARTHA REAL ESTATE SOCIMI, S.A.U. is a real estate investment company or SOCIMI with its registered office in Madrid, Calle Piamonte, 23, and with Tax Identification Number (NIF) A-88193958, with the purpose of investing in real estate assets intended for lease, mainly in coworking and coliving, located in Spain and Portugal.

The Company has invested in a portfolio comprising three office buildings, as coworking space buildings in Madrid. Each of them has been acquired indirectly through a subsidiary, fully owned by the Company. Those properties cover a gross leasable area of 6,919 G.L.A. (sqm). See more details on the table below:

ASSETS OF AGARTHA REAL ESTATE SOCIMI, S.A.U.							
LOCATION	ASSET CLASS	ACQUISITION DATE	G.L.A. (sqm)	FIXED GROSS ANUAL RENT	FAIR VALUE	EXIT YIELD	DISCOUNT RATE
Calle Piamonte 23, Madrid	Coworking	September 28, 2018	2,250	€ 33,333	€ 11,982,000	4.75%	6.75%
Calle Serrano Anguita 13, Madrid	Coworking	September 28, 2018	2,347	€ 33,333	€ 11,049,000	5.00%	7.00%
Calle Javier Ferrero 10, Madrid.	Coworking	October 10, 2018	2,322	€ 37,500	€ 5,014,000	5.50%	7.25%
			6,919		€ 28,045,000		

Each of these assets are rented for a fixed and variable annual rent. The main terms and conditions of the lease contracts are detailed in section 7.4.

3.2 COMPANY INVESTMENTS DATA

- On the date of this Document, the Company has invested in a portfolio comprising three office buildings, as coworking space buildings in Madrid with € 28,045,000 market value.
- Geographical concentration of product and market: 100% in Madrid
- Occupancy:

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

PROPERTY	LOCATION	OCCUPANCY RATE
Piamonte 23	Calle Piamonte 23, Madrid	100 %
Serrano Anguita 13	Calle Serrano Anguita 13, Madrid	100 %
Javier Ferrero 10	Calle Javier Ferrero 10, Madrid	100 %

The building located at Calle Javier Ferrero 10 is being refurbishing, with the expectation to become operating by the end of 2019 or beginning of 2020. On April 4, 2019 has been signed a lease contract on this building with Hub Madrid, S.L., and it will be occupied at the end of the refurbishing works.

- On December 31, 2018 the Company has total bank borrowings of € 10,300,000 (non-current payables and current payables), equating to a Loan To Value (LTV) of 37%.

- On the date of December 31, 2018, the Issuer holds three secured mortgage loans with different entities for a total loan amount of € 10,300,000 as of December 31, 2018 at a fixed rate of 1.90% and 1.95%, as described below:

Borrower	Secured asset	Pending Amount	Interest rate	Subscription date	Maturity date
Banco de Castilla-La Mancha, S.A.	Piamonte 23	€ 4,500,000	1.95%	December 22, 2017	December 22, 2032
Banco Santander, S.A.	Serrano Anguita 13	€ 3,800,000	1.95%	January 15, 2018	January 31, 2021
Liberbank, S.A.	Javier Ferrero 10	€ 2,000,000	1.90%	July 25, 2018	July 25, 2033
		€ 10,300,000			

3.3 FUTURE INVESTMENTS

On the date of this Information Document, the Company has no future investment commitments.

3.4 BUSINESS MODEL

The Company's business model focuses on the investment in property assets intended for lease, focusing particularly on the development of coworking and coliving activities, located in Spain and Portugal.

The Company currently operates in Spain with a pan-European vision and aspires to become a leader in retailers and institutional investments.

On the date of this Information Document, the Company is open to analyse possible investment opportunities in other markets and property assets.

The Company externalises all management services, which are:

3.4.1 Administration Services and Asset Management Agreement

The Company has entered into an asset management agreement with Agartha Capital S.L. (hereinafter the "**Manager**") for the provision of administration and management services over the Company´s property assets and its Subsidiaries included.

3.4.1.1 Services included

The Services to be rendered by the Manager to the Company include all of the professional services required to monitor and coordinate the corporate management of the respective investments and divestments.

In addition, for its part, the Manager is entitled to outsource part of the Services to third parties, such as lawyers, auditors and technical specialists, among others, if, in the Manager's opinion it requires external advice in the best interest of the Company and its Subsidiaries.

The Services may include:

(i) Business plan and commercial strategy

Prepare and present the Business Plan to the Company's Board of Directors. Prepare the financial model to support the agreed Business Plan. Manage the process of searching for operators and tenants. Negotiate the terms and conditions of the purchase, sale or lease agreements for the different properties. Coordinate the administrative management of the purchase, sale or rental process, including organized processes, contracts, obtaining signatures, searching for and negotiating with external advisers.

(ii) Investment and disinvestment process

Source, identify and select potential investment opportunities. Analyse and structure investments. Negotiate with buyers, sellers or tenants the terms of the purchase, sale or lease of the Properties. Assist in the due diligence process, closing the operation. Monitor and track investments.

(iii) Sourcing and securing financing

Coordinate and manage, directly or through specialized companies, the processing of sourcing and securing public or private financing. Prepare a viability plan and financial model. Negotiate and analyse the terms and conditions of the financing. Coordinate and assist in the financial entities' due diligence processes. Coordinate the process of listing the Company on the Multilateral Trade Facility, including relations with the competent regulators.

(iv) Management Coordination

Coordinate and, where necessary, manage the real estate operators. Monitor the management of the Properties' common areas by the property manager. Assist in the fulfilment of accounting, tax and registration obligations of the Company and its Subsidiaries vis-à-vis the different Properties. Assist in the fulfilment of commercial obligations. Supervise and control the services and supplies purchased by the Company and its Subsidiaries.

(v) Services related to the listing of the Company´s stock on Euronext Access

- Annual reporting system includes filing the audited annual accounts and directors' report with Euronext Access. Reporting certain aspects related to shareholders' agreements, business and financial operations, forecasts and numeric estimates and other relevant information. Legal information that may need to be disclosed. Services consist of managing, monitoring and controlling compliance with internal codes of conduct.

- Services consist of managing, monitoring and controlling compliance with internal codes of conduct, taking the steps required to ensure compliance with all of the provisions contained therein and reporting to the Market accordingly.

- The Manager undertakes to forward to the designated Listing Sponsor all information, all reports requested analyse events that could affect the level of fulfilment of the obligations assumed by the Company and its Subsidiaries when they jointed Euronext Access as well as the mechanisms that can be implemented to avoid such situations.

(vi) Investment Budget and type of real estate assets

The Company and its Subsidiaries intend to expand their portfolio of Properties. To that end, the investment policy of the Company and its Subsidiaries shall be to invest in, develop or renovate new Properties. In particular, the types of assets the Company intends to invest in are properties to be used for non-residential purposes that can be operated by the respective tenants as coworking or coliving spaces at prices close to replacement value and comparatively affordable rent levels.

3.4.2 Honoraria and expenses considerations

The Manager shall be entitled to a management fee (hereinafter "**Management Fee**") and a success fee (hereinafter "**Success Fee**") both referred to jointly as the "Fees" or "Consideration".

The Consideration does not include the applicable Value Added Tax or any other tax that may apply at the time when the Services are actually rendered.

3.4.2.1 Management fee

The Manager shall be entitled to receive an annual Management Fee equal to 1% of the value of the Gross Asset Value (hereinafter, "**GAV**").

The value of portfolio shall be calculated as the aggregate gross asset value of the properties owned directly by the Subsidiaries of the Company and indirectly by the Company, according to the appraisal carried out by a highly reputable independent expert (hereinafter, the "**Independent Expert**"). Such Independent Expert shall issue a single annual valuation report in the month of December of each calendar year.

3.4.2.2 Success fee

The Manager shall be entitled to receive a Success Fee from the Company which shall be linked to the capital gains earned on each sale of each Real Estate Asset.

For the purposes of this:

(i) "Divested Asset" means a Real Estate Asset that is divested.

(ii) "Divestment" means the sale of a Real Estate Asset to a third party.

(iii) "IRR", the internal rate of return, which is a discount rate that makes the net present value (NPV) of all cash flows from a particular project (positive and negative) equal to zero.

The Manager shall be entitled to receive the Success Fee as long as each and every one of the following conditions is met (hereinafter, "**Conditions for Success Fee**"):

(i) That, in the context of a Divestment, the Company is able to recover the full cost of the investment made in the Divested Assets with an IRR of eight (8) percent.

(ii) That a third party makes a binding and irrevocable purchase offer to the Company or the Manager that ensures the IRR thresholds set forth in the previous paragraph (i).

If the Conditions for Success Fee stipulated above are met, the Company shall be obligated to pay and the Manager shall be entitled to receive a Success Fee which calculated as twenty (20) percent of the net sale price of the Divested Asset, after deducting the transaction costs and the applicable taxes.

If the Divestment is authorized by the General Meeting, the Company shall pay the Success Fee on the same day as the execution of the public deed of sale memorializing the transfer of the Divested Asset.

If the Divestment is rejected by the General Meeting or if the Divestment does not require approval by the General Meeting, the Success Fee will be paid by the Company no later than thirty calendar days.

The Success Fee is a one-time commission on the transmission of each Real Estate Asset negotiated by the Manager on behalf of the Company or its Subsidiaries.

3.5 DESCRIPTION OF REAL ESTATE ASSETS

The Company owns a portfolio comprising three office buildings as a coworking spaces. These properties have a total surface area of 6,919 G.L.A. (sqm) with a total GAV of € 28,045,000. All assets are located in Madrid but in different districts.

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

- Impact Hub Javier Ferrero, located at Calle Javier Ferrero 10, Madrid in the district of Prosperidad.
- Impact Hub Barceló, located at Calle Serrano Anguita 13, Madrid in the district of Justicia.
- Impact Hub Piamonte, located at Calle Piamonte 23, Madrid in the district of Justicia.

All assets described above operate as coworking spaces. Coworking activity is normally admitted in Madrid under the activity licenses for office use.

The tenants of the assets are subsidiaries of Impact Hub Network, a company of coworking spaces. Impact Hub Network was founded in 2015 in UK and is one of the main companies in terms of Start-up supporting in collaborative spaces, multi-disciplinary employees and trainee services. The owner of Impact Hub Network is INVECAP INVERSIONES INMOBILIARIAS, S.L.U.

3.5.1 Impact Hub located on Calle Javier Ferrero 10, Madrid. Coworking

The property is located in Calle Javier Ferrero 10, in the district of Prosperidad in Madrid.

The area is known as a medium residential zone. The surroundings of the asset are composed by residential blocks, different industrial assets, offices and hotels.

The area is full consolidated with a lot of services and amenities in the proximity of the asset as: supermarkets, hospitals, gym, parks and others.

This location is well communicated by transport and directly communicated with the M-30 ringway. The Asset counts with one tube stop (Alfonso XIII) 5 minutes walking distance. The property is located just twenty five minutes to the airport by private transport.

The asset has a total built area of 2,322.23 sqm. The building was built in 1985, but the whole area of the asset will be refurbished in 2019.

The property has a good and marketable title. It can also be confirmed that, according to the Land registry excerpt, there are no matters which could adversely affect the valuation.

Currently, the asset is under construction with the expectation to become operating in the second half of 2019.


Estadio Santiago Bernabéu
Hospital San Rafael
Santiago Bernabéu
Av. de Concha Espina
Restos del Muro de Berlín
Avenida de la Paz
Dirección Provincial INSS Madrid
Google Madrid
Lateral Castellana 89
Concha Espina
Parque de Berlín
IEAF
EL VISO
Calle Javier Ferrero, 14
12 min en coche - trabajo
SAN JUAN BAUTISTA
Santuario de Santa Gema
Parque Infantil Kangaroo's
Alfonso XIII
Ibermutua
El Corte Inglés
Nuevos Ministerios
B12 Madrid
Auditorio Nacional de Música
IES Clara del Rey
Fuente de los Delfines
Hermandad Nacional de la División Azul
Cruz del Rayo
PROSPERIDAD
Republica Argentina
Museo Nacional de Ciencias Naturales
Centro Médico-Quirúrgico de...
Hotel Puerta America Madrid
Gas Natural Fenosa
Tanatorio M30
M-30 Lateral

3.5.2 Impact Hub Barceló located on Calle Serrano Anguita 13, Madrid. Coworking

The property is located in Calle Serrano Anguita 13 in the district of Justicia in Madrid. The area of Justicia is considered as one of the trendiest areas of Madrid.

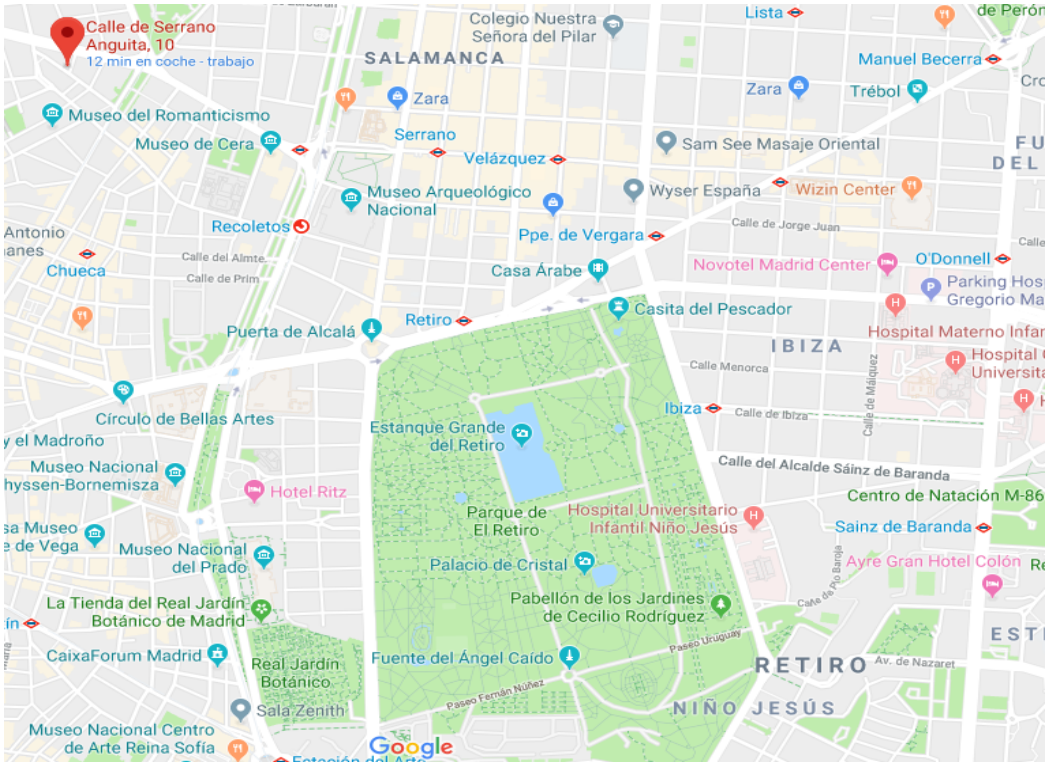
The area is consolidated with a lot of services as restaurants, markets, night pubs, and others. There are several emblematic monuments close to the area, as “Colón”, “Plaza del dos de Mayo” or “Puerta del Sol”.

The asset is very well located in the city centre. There are many benefits of the wide public transport. Lines 21, 3 and N23 connects the area with Paseo de la Castellana and with Moncloa district.

Impact Hub Barceló has a total constructed surface of 2,346.76 sqm. The building was constructed in the XIX Century. The total asset was refurbished in 2018 and reopened on November 2018.

The asset has two entrances, one by Calle Serrano Anguita and the other by Calle de Mejía Lequerica.

The property presented a good and marketable title. According to the Land registry excerpt there are no matters which would adversely affect the valuation.


Calle de Serrano Anguita, 10
12 min en coche - trabajo
SALAMANCA
Colegio Nuestra Señora del Pilar
Lista
Manuel Becerra
Trébol
Zara
Museo del Romanticismo
Museo de Cera
Serrano
Velázquez
Sam See Masaje Oriental
Museo Arqueológico Nacional
Wyser España
Wizin Center
Recoletos
Ppe. de Vergara
Calle de Jorge Juan
Chueca
Calle del Almte.
Calle de Prim
Casa Árabe
Novotel Madrid Center
O'Donnell
Casita del Pescador
Puerta de Alcalá
Retiro
IBIZA
Calle Menorca
Hospital Materno Infar
Círculo de Bellas Artes
Estanque Grande del Retiro
Ibiza
Calle de Ibiza
Calle del Alcalde Sáinz de Baranda
Museo Nacional Thyssen-Bornemisza
Hotel Ritz
Centro de Natación M-86
Parque de El Retiro
Hospital Universitario Infantil Niño Jesús
Sainz de Baranda
Museo Nacional del Prado
Palacio de Cristal
Ayre Gran Hotel Colón
La Tienda del Real Jardín Botánico de Madrid
Pabellón de los Jardines de Cecilio Rodríguez
CaixaForum Madrid
Real Jardín Botánico
Fuente del Ángel Caído
Paseo Uruguay
RETIRO
Av. de Nazaret
Sala Zenith
Paseo Fernán Núñez
NIÑO JESÚS
Museo Nacional Centro de Arte Reina Sofía
Google

3.5.3 Impact Hub Piamonte located on Calle Piamonte, 23, Madrid. Coworking

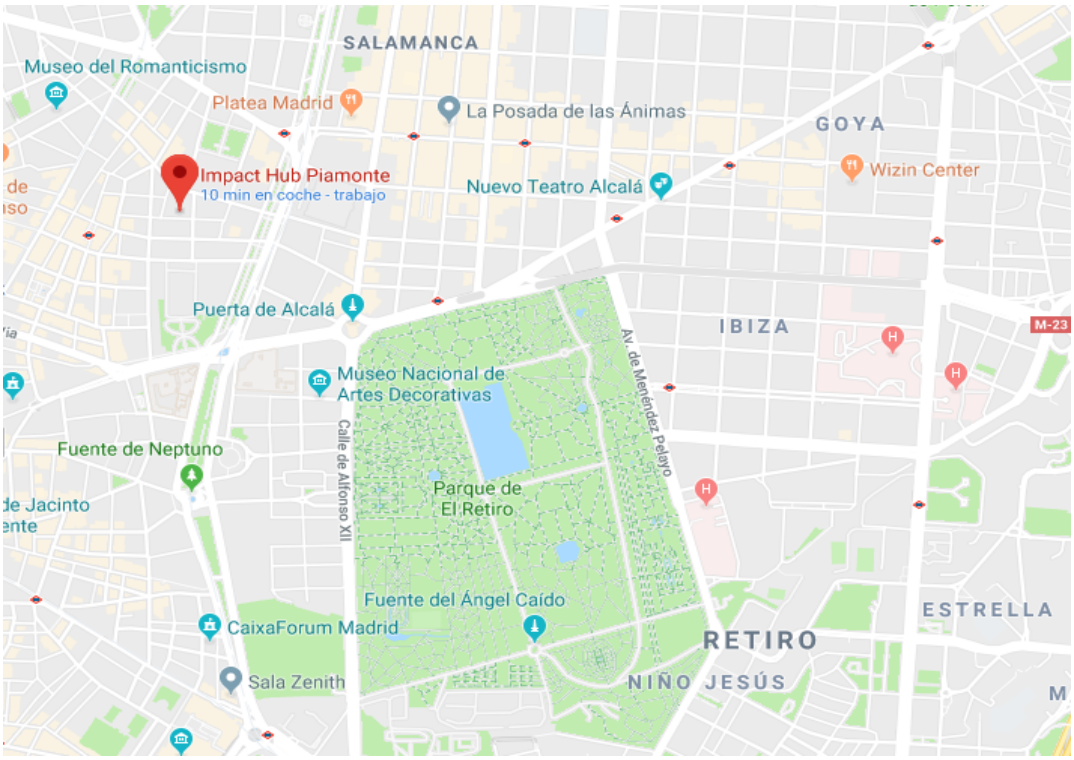
The property is located in Calle Piamonte, 23 in the district of Justicia in Madrid, which belongs to Centro District.

The Central District is full consolidated area with all services as restaurants, markets, supermarkets and others available. There are several emblematic monuments close to the area, as the “National Archaeological Museum”.

Impact Hub Piamonte has access to a wide public transport of the area. The asset is just five minutes walking distance to Paseo de la Castellana and Plaza de Colón.

The asset is located in a residential area but the main use, based on the cadastral information, is office.

The property was constructed in 1985, but the whole surface has been refurbished in November 2018. The total surface of the Asset is 2,250.5 sqm.


SALAMANCA
Museo del Romanticismo
Platea Madrid
La Posada de las Ánimas
GOYA
Impact Hub Piamonte
10 min en coche - trabajo
Nuevo Teatro Alcalá
Wizin Center
Puerta de Alcalá
IBIZA
M-23
Museo Nacional de
Artes Decorativas
Av. de Menéndez Pelayo
Calle de Alfonso XII
Fuente de Neptuno
Parque de
El Retiro
Fuente del Ángel Caído
ESTRELLA
CaixaForum Madrid
RETIRO
Sala Zenith
NIÑO JESÚS

3.6 THE MARKET

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

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

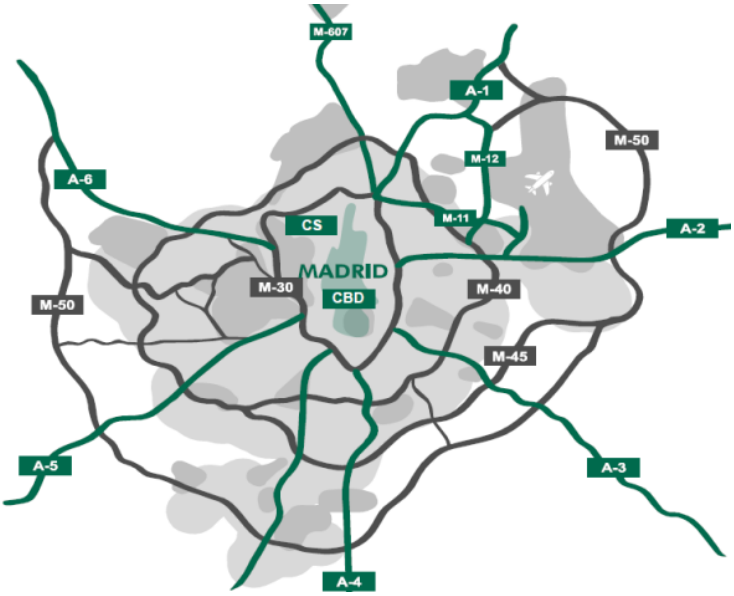
This section content has been taken from CBRE Valuation Advisory, S.A. (hereinafter "**CBRE**") Company's Valuation Report, and from CBRE's reports published into its website.

3.6.1 Madrid`s traditional office market

The Madrid office market is segmented into six main areas: Central Business District (hereinafter "**CBD**"), Central Secondary (hereinafter "**CS**"), the northern motorway office areas A-6, A-1, A-2,

and the Madrid periphery (hereinafter, "**P**"). The map below describes the main office segments in the Madrid region:

Madrid Office Market by Zone



Source: CBRE

Madrid´s office take-up stood at circa 146,000 sqm for the fourth quarter (hereinafter, "**Q**"), taking the total figure for the year to 541,000 sqm. This figure represents the best Q4 for ten years.

The vacancy rate remained almost unchanged on the previous quarter, at 10.3%.

There is currently over 300,000 sqm of space under construction and/or undergoing refurbishment.

The prime rent continues to climb as in previous quarters, reaching € 34/sqm/month at the end of the Q4, up 9% year-on-year.

The prime yields remain stable around 3.75% in the CBD while in the more consolidated areas outside the M-30, they are around 5.25%.

Madrid Office Market KPI´s as at Q4 2018

Area	Stock (sqm)	Take-up (sqm)	Vacancy (%)	Future supply (sqm)*	Prime rent (€/sqm/month)
CBD	3,474,785	36,044	5.4%	96,267	33.75
Secondary Centre	2,502,500	49,109	3.5%	33,968	21.50
A1 Motorway	2,480,252	27,459	17.8%	32,000	15.50
A2 Motorway	2,474,128	22,874	14.0%	135,499	15.75
A6 Motorway	1,142,000	4,314	9.4%	6,000	14.00
Periphery	545,184	5,672	22.9%	0	8.00
Madrid Overall	12,618,849	145,472	10.3%	303,733	33.75

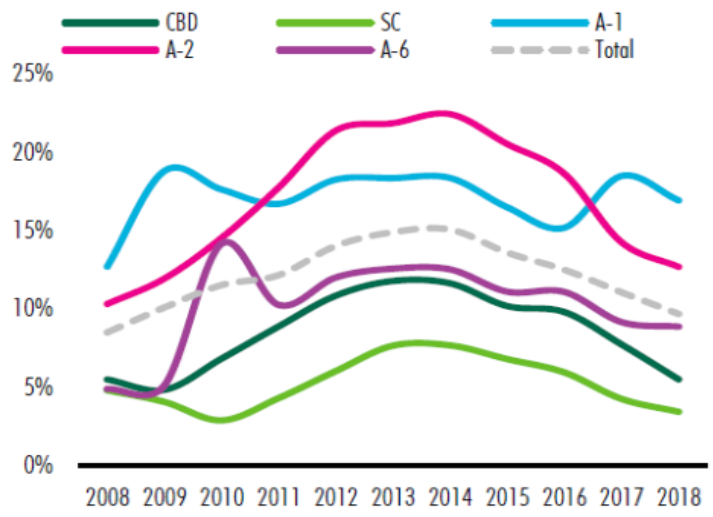
Source: CBRE

3.6.1.1 Supply side

At the end of Q4, available space stood at 1.29 million sqm placing the vacancy rate at 10.3% of total stock. This figure is down 8% year-on-year, although the new supply coming onto the market in Q4 nudged the vacancy rate up slightly compared to Q2 and Q3, when it remained below 10%.

More than 50% of lettings were signed within the M-30, with the CBD and SC areas, therefore, remaining the submarkets to register the sharpest declines in supply. Outside of the M-30, the A-2 submarket is where supply has dropped the most:

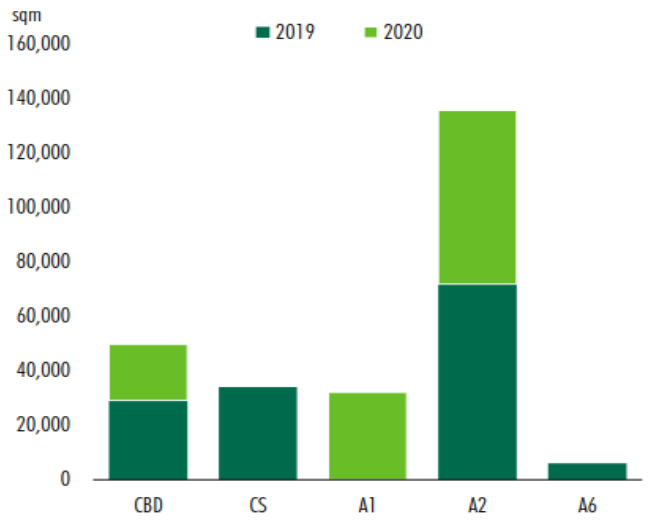
Vacancy Rate by Submarket



Source: CBRE

At the close of 2018, CBRE´s records show that there were over 304,000 sqm of office space under development. Approximately 60% of the total surface relates to new-build offices, in contrast with two years ago, when virtually all projects were refurbishments. This is proof that new supply is gaining traction.

Future Supply Madrid (Refurbishment + New Building)

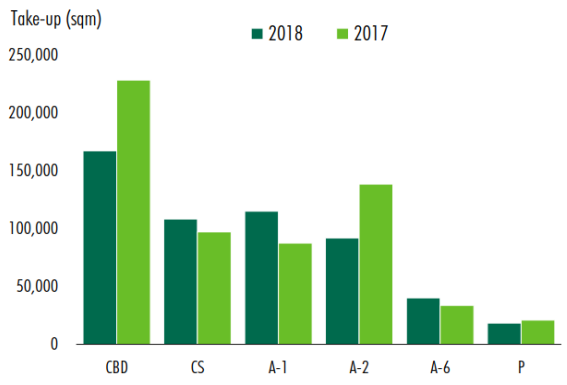


Source: CBRE

3.6.1.2 Demand side

Take-up came in the Madrid office market reached close to 146,000 sqm during Q4 2018, taking the year´s total figure up to circa 541,000 sqm. Although down compared to 2017 (-10.8%), a year that finished on an incredible high note thanks to various major public sector transactions (over 110,000 sqm vs. just 15,000 sqm in 2018), this is the second-highest annual take-up recorded since 2008.

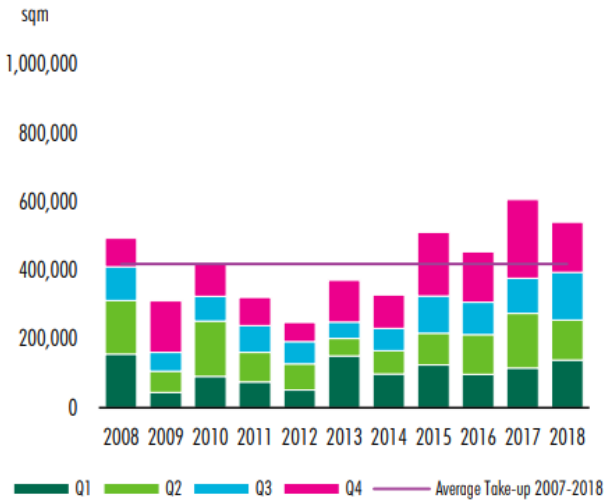
Gross Take-up



Source: CBRE

A total of 134 lettings were signed during Q4 2018, proof the good healthy level of demand. As well as the CBD, which continues to top the leader board as far as take-up is concerned, the Secondary Centre and A-1 submarkets also performed remarkably well. In both cases, take-up reached its highest level since 2009. However, as in previous quarters, the lack of the quality product – especially within the M-30 – could start to affect take-up if companies are unable to find the space they are looking for.

Take-up by Quarter

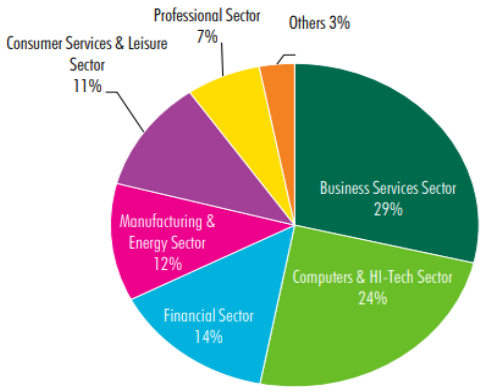


Source: CBRE

Only three deals over 5,000 sqm were signed in Q4 2018. The largest was Catalana Occident´s purchase of a 21,500 sqm property in Méndez Álvaro for its own occupation.

The most active sectors in Madrid´s office market during the Q4 were the Tech and Business Service sectors. Flexible office space take-up also performed well in 2018, accounting for 9% of total take-up.

Lettings by Sector

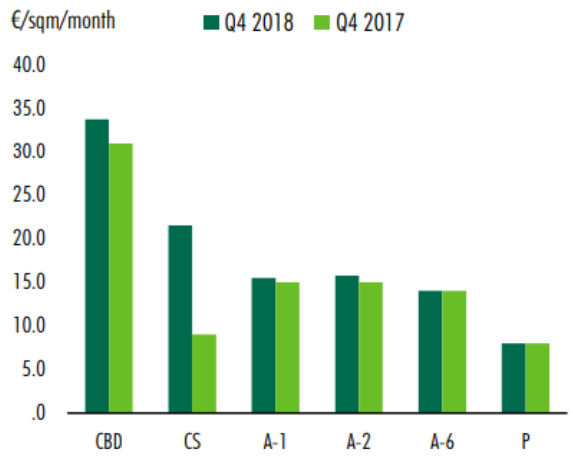


Source: CBRE

3.6.1.3 Rental levels

The prime rent continued to tick up in Q4 2018, closing the year at €33.75 per sqm/month, up 9% year-on-year. This equates to a 38% increase since the prime rent bottomed out at €24.50 per sqm/month at the end of 2013.

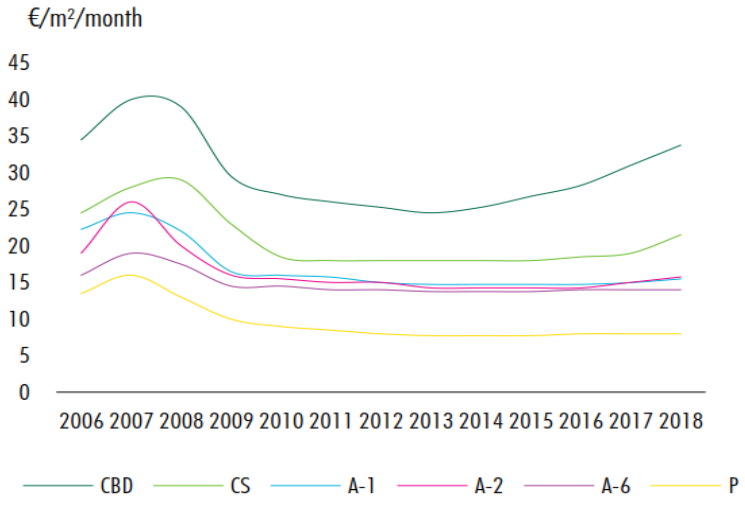
Prime rents by submarket



Source: CBRE

During 2018, strong demand and exacting quality standards, combined with the lack of quality spaces put upward pressure on the maximum rents for the best prime CBD properties, particularly for new-build and refurbished buildings.

Variation in Prime Rents by Submarket



Source: CBRE

Average rents are rising across all submarkets, where there have been increases of more than 30% for buildings within the M-30 (CBD and SC) and between 15-20% in the A-1 and A-2 hubs, compared to the lowest point of the previous cycle.

The almost non-existent supply of quality properties in SC submarket poses an obstacle to rental growth in the area. CBRE´s believe that this submarket has considerable growth potential, although new projects are required in order to get the right supply for the market.

After favouring occupiers for many years, the market tide is gradually turning and starting to favour owners. Asking rents are ticking up, with a handful of properties registering asking prices of more than €40 per sqm/month in the prime CBD.

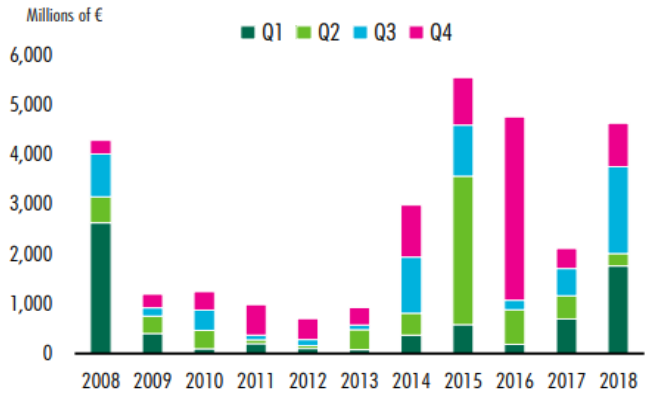
According to the CBRE´s forecast, Madrid ranks second in Europe, behind Berlin, in terms of greatest projected rental increase over the next five years, with and average annual increase of over 4% forecast. These forecasts are based on the expected growth of companies demanding office space, as well as GDP growth, which despite being more moderate compared to previous years, will continue to create employment.

3.6.1.4 Investment

During Q4 2018, investments in Spain´s real estate sector amounted to €6,120 million, taking the total for 2018 up to a record €20,071 million, up 56% from 2017.

Office investments amounted to € 4,633 million in Q4 2018, equating to a year-on-year increase of 119%. Of this figure, more than €3,538 went to the office market in Madrid, 164% more than in 2017 and registering a total of €603 million in the last quarter alone.

Office investment (€ million). Total for Spain

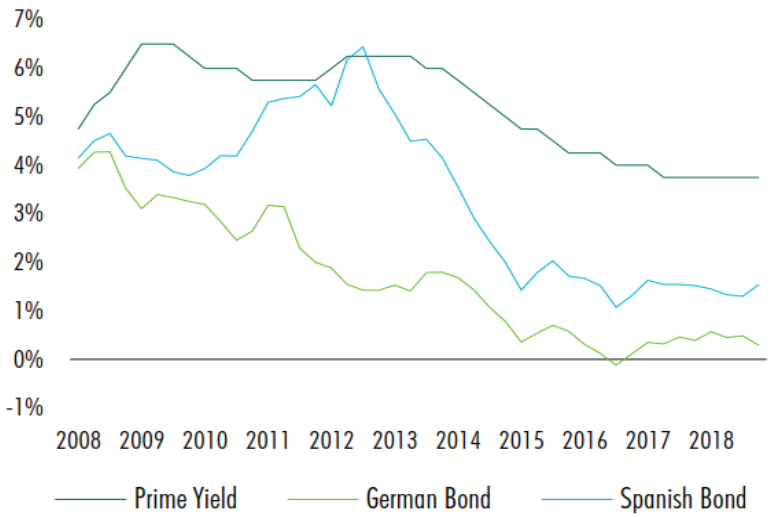


Source: CBRE

The Madrid office market accounted for an impressive €3,538 million, that is 164% more than in 2017, and registering a total of €603 million in the last quarter alone.

With rents forecast to keep trending upwards, investor interest in Madrid offices remains at a record high. Almost five years after the market began to recover, the outlook remains upbeat. Investors are prepared to enter into both forward-purchase and forward-funding projects, due to the lack of investment opportunities in existing properties. Achievable prime yields in the CBD remain at an all-time low of 3,75%, while they have now dipped below 5% in the SC, and stand at circa 5% in all other consolidated areas.

Prime Office Yield (gross). Madrid vs German and Spanish Bonds



Source: CBRE

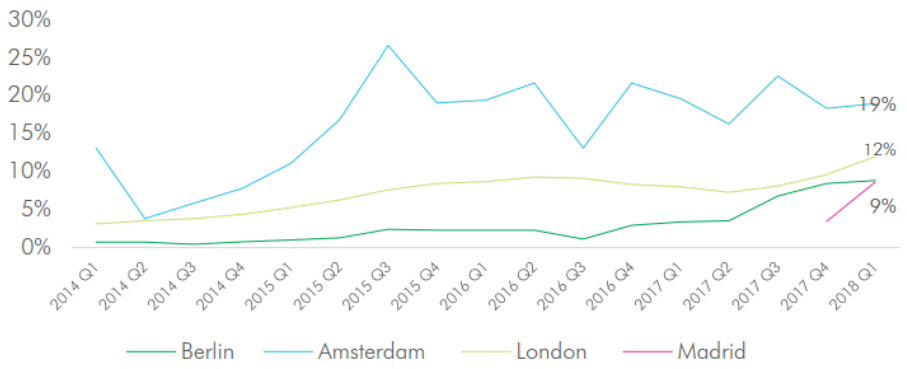
3.6.1.5 Flexible spaces

The term "flexible" space is widely used today but it does not have the same definition for all. The term "flexible" can refer to the duration of the lease of the intrinsic characteristics of the building. A "flexible" space can be defined as a building built with the ability to vary from one use to another in a short period of time.

The underlying philosophy is to adopt to the environment and offer more than one service; such space should be able to adapt to the different needs of different tenants. These needs can range from the punctual use of workspaces, to the secretarial service for a small or medium-sized company. The ability to adapt allows owner to reach all types of tenants who demand workspaces for short periods of time. Therefore, in a flexible or hybrid space, professionals from different activities coexist at the same time to create a collaborative environment enhancing synergies.

The comparison between Madrid and the most important European cities clearly shows the market trend. Amsterdam is ahead of the curve with 19% of the take-up corresponding to flexible spaces while the ratio stands at 12% for London. Madrid still has room for growth since the ratio is currently around 9%.

Flex take-up as percentage of total take-up (rolling 12 months)



Source: CBRE

3.6.1.6 The workplace of the future

In the past, traditional office building was focused mainly on the landlord and it often created an imbalance during negotiations; qualities and amenities were not as important. Today, this market dynamic has completely changed; tenants have gained more bargaining power and it has significantly increased the quality of the office space.

Companies have come to understand that the positive relationship that exist between work efficiency and quality of office spaces and landlords the one that exists between quality of office space and asset attractiveness. The interest of both owners and tenants, are going to the same direction and matching them has allowed to generate additional value in the market.

To stay ahead of the curve, organizations are focused on creating spaces that speak with millennials' desires, while fostering productivity, efficiency, connectivity and community. Services, Amenities, Flexible Spaces, etc. have become the standard for and office building and even the most traditional companies are morphing towards offering a 360º service to tenants. As a matter of example, Regus and Colonial have now invested in such companies.

3.6.1.7 The new future workforce

The Office Market has been subject to a clear cultural shift during the last years. Millennials are one of the key demographics and are set to lead the transformation of the Office Market in Madrid.

Millennials have been at the forefront of the transformation of the global economy and the office market is no different; they represent the new future workforce. According to research, millennials projected to make up more than half the workforce in two years, and roughly 75% by 2025, employers looking to attract and retain top-notch talent need to better understand what motivates the generation born between 1980 and 2000.

As such, they have significantly changed attitudes in societies about ownership and collaborative consumption. Every sector in the economy is now fuelled by technology and apps that allow

people to rapidly match supply and demand – person to person. It is expected that by 2030 it will have impacted or changed almost every industry.

3.6.2 Macroeconomics

3.6.2.1 International Outlook

During 2018, the global economy grew 3.0%, similar to 2017, it was 3.1%. The projections for 2019 are very similar, which is 2.9%. Although, in several years, the projections for United State and Eurozone will register lower levels of 2.5% and 1.6% respectively.

According to the World Bank, global growth is moderating. Economic growth in the United States (hereinafter, "**US**") has remained strong, the fiscal stimulus boosts the Gross Domestic Product (hereinafter, "**GDP**") to a 2.9%. The Euro zone experienced a GDP growth registered a 1.9% vs 2.4% in 2017, showing a weaker trend justified by slowing net exports.

As a summary, global growth is expected is expected to have a downward trend, justified by a slowdown in global trade.

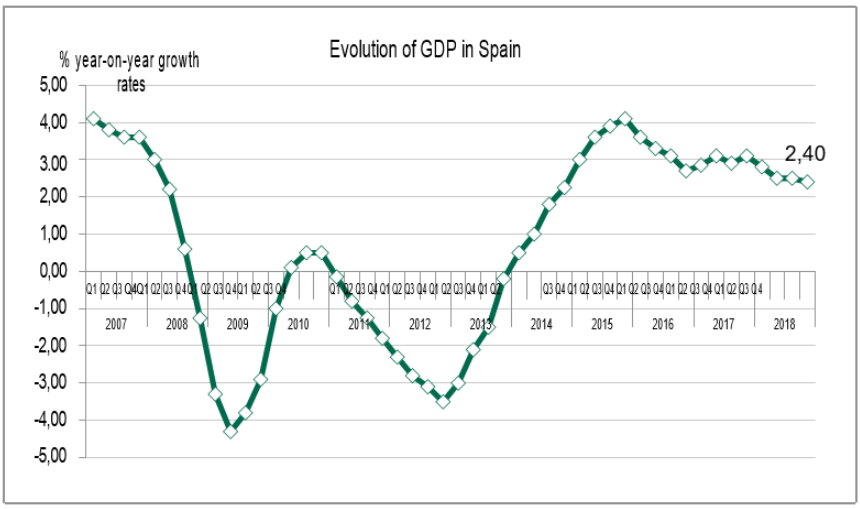
In December 2018, the European Central Bank (hereinafter "**ECB**") announced the end of crisis-era stimulus that started in 2015 with the quantitative easing. The purpose of this program was to increase the money supply and therefore boosts the economy.

3.6.2.2 Spanish economy

In Q4 the Spanish economy grew by 2.4%. The stability of economic growth in Spain throughout 2018 was a contrast with the situation in the rest of the Eurozone, where there was a slowdown as economic activity dropped in comparison to 2017.

Looking forward, GDP growth is expected to gradually slowdown, as demand policies become less expansive. After growing by 2.4% in 2018, CBRE forecasts growth to 2% and 1.3% in the next two years.

During the last couple of years, GDP growth has been around 3%. The figure recorded at year end was slightly below the figure of Q3, standing at 2.5%.

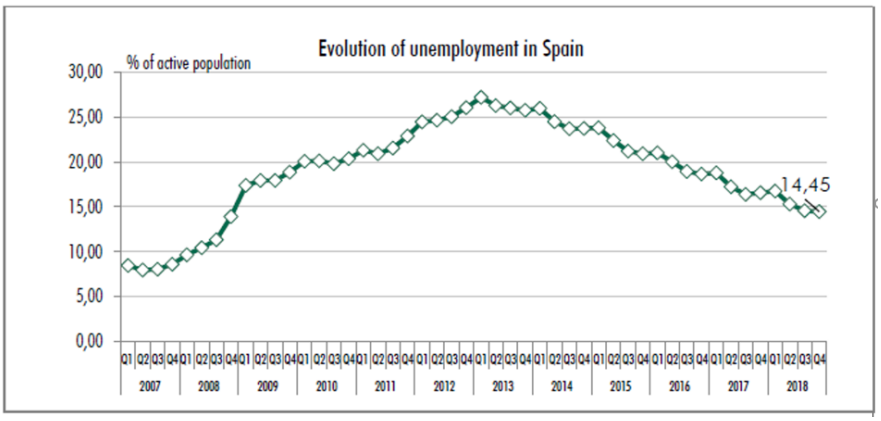


Source: Instituto Nacional de Estadística

3.6.2.3 Unemployment

The number of people employed grew over 450,000 in 2017, due to the performance of the private sector, given that only 88,600 created by the public sector. At the end of the year, the unemployment rate at 14.45%.

The labour market continued to create new jobs throughout 2018. According to the Bank of Spain, the figures confirms the positive trend since 2013, when the unemployment rate went up to 27%.

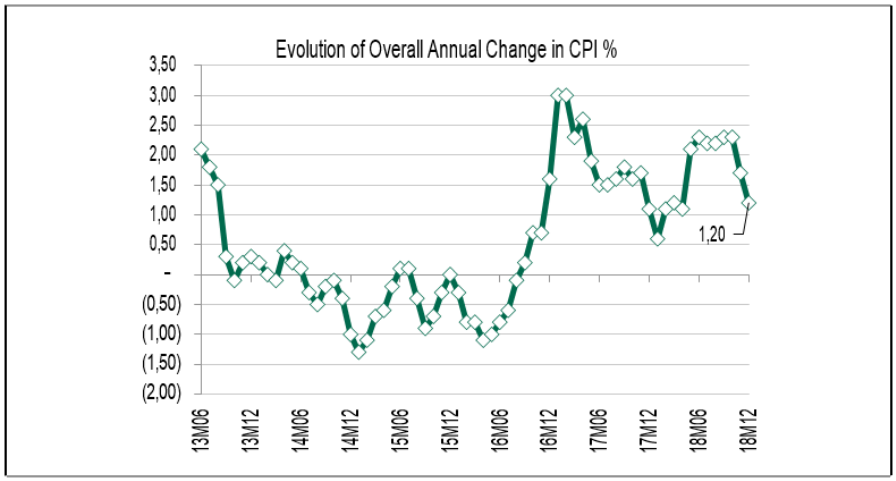


Source: Instituto Nacional de Estadística

3.6.2.4 Consumer Prices Index

Consumer prices rose during 2018. One of the key drives was the cost of energy. Nevertheless, from Q3 CBRE´s report marked a slowdown, in line with recent trends in crude oil prices, which have dropped. In December, the CPI closed at 1.2%, down from 1.7% in November. The average annual inflation rate came in at 1.7% in 2018.

The following table shows the annual change in Consumer Price Index or CPI, during the last 5 years.



Source: Instituto Nacional de Estadística

3.6.2.5 Financing

Spain remains in demand as investor and lenders try to estimate how much longer the current economic cycle will finish. Manu fundamentals reflect peak pricing, they are supported by continued strong growth in GDP, employment and house prices, strong absorption and rental growth, especially in the office and logistic sectors.

Foreign investors continue to invest heavily and aggressively in Spain. That demonstrate their belief in the market conditions. Most investors do not seem to be too concerned about the end-of-cycle signals coming from the United States and United Kingdom.

Development loans for alternative assets such as student housing, seniors housing and multifamily/rental are particular areas of opportunity for debt funds. Bridge loans are also become more common in the market.

All that said, Spanish banks continue to finance a large share of the small and medium-size transactions, dominating the financing market. Strong market dynamics and greater competition drive margins lower and spark interest in a greater variety of assets.

On the other hand, most lenders believe that a market correction is likely to occur. Many will not stray beyond certain Loan To Value (hereinafter "**LTV**") levels. Spanish banks are well-known for the high levels of amortization they require.

On the whole, financing terms remain generally conservative. Only now are banks beginning to consider requests to add mezzanine debt behind their 55-65% LTV senior loans. In addition, lenders are cognizant of upcoming Basil IV requirements, which it will start to be applied in 2022.

Lender appetite is very strong across almost all asset classes, with the possible exception of retail shopping centres, which are under negative pressure due to the rise of e-commerce and society changes.

3.7 INVESTMENT STRATEGY AND COMPETITIVE ADVANTAGES

The Company's objective is to provide attractive total returns using proprietary research to achieve superior asset selection and asset management.

The Company invests in Spanish real estate assets with possible expansions into other markets such as Portugal, France, Italy, Germany, and the United Kingdom.

3.7.1 Investment Strategy

The Company´s strategy focus on the management and acquisition of real estate assets allocated to co-working and co-living, two alternative investments with significant potential growth, that in the coming years will revolutionize the traditional real estate sector, placing the assets towards the best and most profitable uses at any given time.

The Company´s strategy was developed and is implemented by the Management Company, according to the Management contract.

As of today, the Company operates three coworking assets, nevertheless it might acquire new assets, adding them to the existing portfolio. The acquisition target will be value-added assets, assets that require a new positioning and refurbishment works, nonetheless it can also target other asset classes. All of this is done within a moderate risk profile and prioritizing investments in those assets located in urban areas, allowing for the implementation and development of coworking and coliving models.

3.7.1.1 Investment Strategy criteria

(i) Investment targets:

- Value-added assets: Assets to be acquired and refurbished in order to reposition these assets into coworking and coliving buildings in the market.

- Core assets: Assets already operating, with a long-term contract with a renowned tenant and established rents.

- Asset contribution: Investors that held assets individually and contribute the assets into the Company in exchange of shares. These assets may already be operating or requiring some refurbishment capex.

(ii) Geography of the investments:

- Focus on the Spanish and Portuguese market (Madrid, Barcelona, Valencia, Málaga, Lisbon, etc.) with possible expansions into other markets such as France, Italy, Germany, and the United Kingdom.

(iii) Restrictions of the investments:

- Maximum level of Leverage 60% per subsidiary.

(iv) Size of the investments:

- Acquisition price between € 5 million to € 50 million. These is approximately.
- Assets with more than 2,000 sqm of gross leasable area.

(v) Key results of the investments:

- IRR between 10% and 12% and an equity multiple between 1.8x and 2.0x.

3.7.2 Competitive Advantages

The Company's competitive advantages are the following:

1 The Team: The experience and know-how of the Company Partners, headed by Miguel Ángel Capriles and Emanuele Boni, as well by the executive team, led by Juan Portilla, Santiago Ramón y Cajal and Pedro Pinheiro.

2 Experience: Deep knowledge of the European real estate market and the financial market obtained through several years of work and in several geographies.

3 Multidisciplinary: Different backgrounds and different nationalities (i.e. Venezuelan, Italian, Spanish and Portuguese) enable new ways of thinking and different approaches.

4 Unique investment: Investment in a unique real estate class as coworking and coliving, two alternative investments that will revolutionize the traditional real estate market.

5 Structure: Investments through subsidiaries enables a simpler and more effective structure, enabling also individual analysis and risk-fencing between subsidiaries.

6 Market opportunity:

- New market trends regarding working and living in community are increasing enabling substantial growth opportunities;
- Substantial capital stock in the market to be placed in yield generating products.

7 Current Portfolio: The Company indirectly holds three existing coworking assets in Madrid, that combined amount to circa 7,000 sqm of gross leasable area. Two of them are already operating with long-term rental contracts with a top coworking operator.

8 Advisors: Advised by world-class advisors and leading experts in their professional fields, such as EY, PWC, CBRE, BNP Paribas, Armanext and Spencer Stuart.

3.8 DEPENDENCE ON LICENCES AND PATENTS

The Company is not dependent on any trademark, patent or intellectual property right that affects its business. All properties owned have the relevant licences for their activity.

3.9 INSURANCE CONTRACTS

The Company has entered into certain insurance policies related to the assets located in Calle Piamonte 23, Calle Serrano Anguita 13 and Calle Javier Ferrero 10. The details of such insurance policies are:

Assets	Piamonte 23	Serrano Anguita 13
Insurer	Reale Seguros Generales, S.A.	Mapfre España, Cía Seguros y Reaseguros, S.A.
Maximum guaranteed amount	€ 2,500,000	€ 2,000,000
Insured risks	Civil Liability and Risk Insurance	Civil Liability and Risk Insurance
Events guaranteed	- Fires and complementary damages; - Robbery; - Damage and robbery to the property; - Breakdown of machinery and electronic equipment; - Civil liability; - Assistance in industry; - Damage claims.	- Fires and complementary damages; - Robbery; - Damage and robbery to the property; - Breakdown of machinery and electronic equipment; - Civil liability; - Assistance in industry; - Damage claims.
Validity period	March 1, 2020	November 14, 2019

Assets	Javier Ferrero 10
Insurer	Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, S.A. Caser.
Maximum guaranteed amount	€ 1,010,000
Insured risks	Civil Liability and Risk Insurance
Events guaranteed	Coverage of the Asset (Fire, Robbery, Breakdown of machinery and electronic equipment, etc.) and Civil liability derived from damages to third parties.
Validity period	July 25, 2019

3.10 RELATED-PARTY TRANSACTIONS

Transactions between companies belonging to the same group are recognized as per the general rules, independently of the degree of the relationship between them.

The items exchanged in the transactions carried out are initially recognized at the fair value of the consideration delivered or received. The difference between this value and the amount agreed upon is recognized in accordance with the transaction.

On December 31, 2018, the Company has the following related-party transactions:

- Other borrowings: € 56,143
- Trade receivables: € 348,333
- Current investments with related companies: € 29,755

The current other borrowings mainly record the expenses relating to the refurbishment work being carried out at Piamonte 23 and Serrano Anguita 13, as well as fees accrued for the professional services rendered in connection with starting up the Company´s business and management of audit, consulting, and advisory services.

The trade receivables recognized correspond to the invoices pending issue by Piamonte 23 and Serrano Anguita 13 for the rental income accrued by the leased buildings, amounting to 285 thousand euros and 63 thousand euros, respectively.

The current investments with related parties correspond from a part of a VAT Consolidation Group with INVECAP INVERSIONES INMOBILIARIAS, S.L.U.

4 ORGANIZATION

4.1 COMPANY'S FUNCTIONAL ORGANISATION

AGARTHA REAL ESTATE SOCIMI, S.A.U. is internally managed by its Board of Directors, and AGARTHA CAPITAL, S.L., which provides some corporate services detailed in section 3.3.

The Company's Governance structure is the one as follows:

- Miguel Ángel Capriles as Chairman of the Board;
- Emanuele Boni as Member of the Board;
- Juan Portilla as Member of the Board;
- Javier Mateos as Secretary non-director.

Nevertheless, as agreed in the Management Contract, the management of the business is carried out by the Agartha Capital, S.L., which has the following functional structure:

- Miguel Ángel Capriles as President;
- Emanuele Boni as Partner;
- Federico Rosales as Partner;
- Filippo Buffa as Partner;

The persons above mentioned are actively involved in the business management.

And,

- Juan Portilla as Chief Executive Officer;
- Pedro Pinheiro as Business Development Manager;
- Santiago Ramón y Cajal as Business Manager;
- Andrea Guevara as Business Analyst.

5 RISK FACTORS

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

5.1 RISKS ASSOCIATED WITH THE REAL ESTATE BUSINESS

5.1.1 Macroeconomic risks and cyclical sector

Investment in real estate is subject to certain macroeconomic risks as well as intrinsic risks to the real estate sector.

The real estate sector and the current housing rental sector is very sensitive to the phases of economic cycles and, therefore, to the economic-financial environment exists in each moment.

The income obtained by the Company from its real estate assets, as well as the value of the assets can be unfavorably affected in a substantial way by several factors determined by the macroeconomic circumstances:

- Lower demand.
- Relative illiquidity of the assets.
- Substantial decreases in rental income.
- The counterparty risk of the tenants, including breaches on their rent leases obligations, the impossibility of collecting rents, unfavourable renegotiation of lease or the resolution of the contracts.
- Litigations, including judicial or extrajudicial claims related to actions or omissions of the Company and even of third parties contracted (such as architects, engineers and construction contractors or subcontractors).
- Substantial expenses related to the rehabilitation and re-rental of a property or a portfolio of properties, including the provision of financial incentives to new tenants, such as rent-free periods.
- Limited access to financing.
- Increase in operating expenses, increase of cash needs without a corresponding increase in billing or reimbursement from tenants. For example, increases in the inflation rate above the growth of the rent of the tenants, taxes on real estate or mandatory charges or premiums for insurance, costs related to the unoccupied properties and unforeseen disbursements that affect the properties and that cannot be recovered from the tenants.

- Inability to recover operating costs (such as local taxes and services charges) of vacant properties.

- Increase in taxes and fees on real estate (such as Tax on real estate or the Garbage Tax) as well as other costs and expenses related to the ownership of the real estate asset (such as insurance and expenses of community).

- Regulatory changes that require extraordinary actions by the owners of the real estate asset or that involve expenses or additional costs (such as It may be the obligation to obtain energy certificates on real estate in order to proceed to its lease).

If the income that the Company obtains from its tenants, or the value of the real estate assets are adversely affected by any of the above factors (or by other factors), this could have a significant adverse effect on the business or the financial and patrimonial situation of the Company.

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

The Company leases its properties to various clients, where contractual relationships are documented and signed by both parties. In the event that these clients decide not to renew their contracts or insist on renegotiating rent prices downwards, this would have a negative impact on the financial situation, profits or valuation of the Company.

5.1.3 Degree of liquidity of investments

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

5.1.4 Risk of lack of occupation or activity licence

For the operation of real estate assets, the Company must obtain the necessary municipal occupation licences. Given that the obtainment of such licences is usually subject to a long administrative procedure, the Company may be prevented from using the property within the period initially set which could cause a substantial adverse effect on the activities, profits and financial situation of the Company.

5.2 OPERATING RISKS

5.2.1 Risks associated with the valuation of assets

At the time of valuing the real estate assets, CBRE made certain assumptions concerning, among others, the occupancy rate of the assets, the future updating of the rents, the estimated

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

5.2.2 Risk of property damage

The Company's properties are exposed to damage from possible fires, floods, accidents or other natural disasters. If any of this damage is not insured or represents an amount greater than the coverage taken out, the Company will have to cover the same as well as the loss related to the investment made and the income expected, with the consequent impact on the Company's financial situation, profit and valuation.

5.2.3 The interests and actions of the Manager with other clients other than the SOCIMI may affect the Company´s shareholders´ interests

The Manager currently not manages other companies and investment vehicles whose assets are overlap to a greater or lesser extent with, or are complementary to, the assets in which it will focus the Company's investment strategy.

Any of the present and future management activities and / or investment advice provided by the Manager, including the constitution of, and / or advice to, other funds of investment, can involve substantial time and resources, and can lead to conflicts of interest. Interest, which, in turn, could have a significant adverse effect on the business, results or the financial and patrimonial situation of the Company.

However, it is estimated that the possible situations of conflict of interest between the Company and the vehicles will be very limited to the extent of:

(i) the investment policies of the vehicles will not always coincide with the policy of the Company's investment (for example, the type of assets subject to investment, and / or investment criteria);

(ii) the investment and divestment periods of the Company and of the vehicles will not necessarily coincide over time.

5.2.4 Possible conflict of interest due to the fact that last shareholders of the Company are also shareholders of the Manager

The controlling shareholder of the Company has a relevant stake in the share capital of the Manager and participates in the administration bodies of both companies. This situation could trigger possible situations of conflict of interest that are mitigated by means of an Internal Code of Conduct regulating the procedures to be followed in case of conflict of interest.

Likewise, it should be understood that this situation of co-investment, in which the shareholders of the Manager also participate in the social capital of the Company, it is usually articulated as a mechanism to avoid these possible conflicts of interest, to the extent that part of their Equity is

also invested in the managed Company. The "alignment of interests" is a frequent practice in the sector, also achieving a link in the medium and long term.

5.2.5 Effective linkage between members of the Board of Directors of the Company and the Manager

As of the date of submission of this Information Document, the members of the Board of AGARTHA REAL ESTATE SOMICI S.A.U. have a direct link with the Manager for being members of its Board of Directors. Therefore, there is an effective management control of the Manager over the Company, through its Board of Directors.

As in the previous section, the effective linkage of certain members of the Board of Directors Administration of the Company and the Manager, although it may cause under certain circumstances conflict of interest when executing actions or assuming responsibilities, should also be understood as a way to align interests between both parties through the impact on part of its personal assets of the results and evolution of the Company long term.

Additionally, any potential situation of conflict of interest may be mitigated by section 228 of the Spanish Companies Act by virtue of which any director affected by a conflict of interest situation is obliged to refrain to assist and vote in the relevant corporate decision involving such situation.

5.2.6 The real estate activity of the Company is managed externally and, therefore, depends of the experience, the skill and the judgment of the Manager and, in particular, of the Key Persons within the Manager

The portfolio of assets of the Company is managed externally by Agartha Capital for delegation and on behalf of the Company. Consequently, the progress of the Company and of his business will depend on the performance of the Manager and some of its directors, specifically Mr. Miguel Ángel Capriles and Mr. Juan Portilla (hereinafter, "**Key Persons**") and, more specifically, of their experience, skill and judgment when identifying, selecting, negotiating, executing and managing adequate investments.

Regarding the Key Persons of the Manager, it can be assumed that the absence of the same for any reason could have a negative impact on the results of the actions that these should be carried out if they are made by different people. There is no clause in the management contracts of the Company that limit in a nominal manner these Key Persons and the actions or situations that could occur if these were no longer linked to the Manager. The only detail that is expressed in said contract explicitly is the time dedicate some executives and / or shareholders of the Manager.

The Company depends on the ability of the Manager to define a strategy for successful investment in the terms provided for in the Management Agreement and, ultimately, its ability to create a real estate investment portfolio capable of generating returns attractive. In this sense, it cannot be ensured that the Manager will satisfactorily comply the investment objectives set by the Company. In addition, any error, total or partial, to the time to identify,

select, negotiate, execute and manage investments by the Manager (or any other management Company that may replace it in the future) could have an effect negative impact on the business, the results or the financial and equity situation of the Society.

5.2.7 Geographic concentration of the business

Currently the company has invested exclusively in Madrid, therefore there is a very large exposure to the city. However, as a mitigating factor we can highlight the fact that Madrid is a stable international city and within the European Union and is not exposed, in general, to great risks.

In case of specific urban modifications of the autonomous community or local authorities, or due to economic conditions that this geographical area presents, the financial situation, results or valuation of the Company could be negatively affected.

5.2.8 Development risks

Due to the fact that the Company performs development actions there are several risks linked to this kind of activities. Among other the following ones:

a) Land exploitation risk: the risks mainly related to environmental issues.

b) Planning permit risk: the risk that no usable planning permit is received or that this process takes longer than expected. This risk also applies to other municipal approvals/permits, such as commercial licenses. Whether or not grants are obtained is also included in this risk.

c) Construction risk: this regards pricing, design, quality and possible delays.

d) Revenue risk: there are many factors that influence revenues. These include yields, rent levels, sales price levels, inflation and interest rate levels, demand and supply

e) Duration risk: the duration is a consequence of other risks. It can impact interest costs, but can also cause other problems, such as claims from tenants if the agreed opening date of a certain project is not met. A delay could also mean that the project has to face adverse market circumstances.

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 Application of special tax regime

It should be noted that AGARTHA REAL ESTATE SOCIMI, S.A.U. will be subject to a special tax of 19% on the full amount of the dividends or profit sharing distributed to the partners whose participation in the share capital of the entity is equal to or greater than 5% when this Dividends, at the headquarters of its partners, are exempt or taxed at a rate of less than 10%.

This tax will be considered as a Tax on Companies fee. The shareholders that cause the accrual of the special tax of 19% shall indemnify to the Company in an amount equivalent to the Corporate Income Tax expense that arises for the Company the payment of the dividend that serves as a basis for the calculation of the special tax.

5.3.3 Loss of the SOCIMI tax regime

On September 27, 2018, the Company's Sole Shareholder decided to request the application of the special tax regime for SOCIMI. The mandatory communication to the Tax Agency took place on September 27, 2018 meaning that said regime applies to the Company as from January 1, 2018 going forward.

Likewise, the Subsidiaries fully owned by the Company, by means of a decision of the Company in its condition of sole shareholder, decided to request the application of the special SOCIMI tax regime and communicated such decision to the Tax Agency (i) on September 28, 2018 (with respect to Inversiones Inmobiliarias Calle Piamonte 23, S.L.U. and Inversiones Inmobiliarias Serrano Anguita 13, S.L.U.) effective as from January 1, 2018, and (ii) on November 13, 2018 (with respect to Inversiones Inmobiliarias Javier Ferrero 10, S.L.U.).

The application of said special tax regime by the Company and the Subsidiaries is subject to compliance with the requirements set out under Law 11/2009, of October 26 in relation to SOCIMI, as amended by Law 16/2012 of December 27 (hereinafter, the "Law 11/2009"), having a two-year period from the election date to fully comply with such requirements. Lack of compliance of any of said requirements within such two-year grace period would mean that the Company would be taxed under the general corporation tax regime for the year in which said non-compliance occurred (the Company being required to enter, where appropriate, the difference between the tax rate resulting from the application of the general regime and the tax rate resulting from the application of the special tax regime in subsequent tax periods, without prejudice to late payment interest, surcharges and penalties that may be appropriate, as the

case may be). The loss of said SOCIMI special tax regime could negatively affect the Company's financial situation, operating results, cash flows or valuation.

In accordance with the shareholders agreements relating to Hub Madrid Piamonte, S.A., Hub Madrid Serrano Anguita, S.A. and Hub Madrid, S.L. (i.e. all companies are the lessees of asset Piamonte 23, asset Serrano Anguita 13 and asset Javier Ferrero 10, respectively), the approval of certain matters by the relevant general shareholders meetings and boards of directors are subject to the favorable vote of a shareholder company controlled by Miguel Ángel Capriles –in the case of the general shareholders meeting– or a person designated by Miguel Ángel Capriles –in the case of the board of directors–.

This situation triggers that in order to carry out the ordinary activity of both companies it is needed to count on the favorable vote of Miguel Ángel Capriles or entities or persons controlled or designated by Miguel Ángel Capriles

To the extent that the current sole shareholder of the Company is Invecap Inversiones Inmobiliarias, S.L., a company controlled by Miguel Ángel Capriles, the Tax Authorities, the auditor or potential investors may consider that a relationship of control between the owner/lessor and the operator/lessee of the real estate assets exists and, therefore, this situation may have certain implications on the application of the special tax regime of SOCIMI in respect of the Company and its subsidiaries.

According to section 3.2 of Law 11/2009, the rentals resulting from the properties leased to companies belonging to the same group are not viewed as qualified lease rentals and do not take into account for the compliance with the rental test set out in such article 3.2 (i.e. at least 80% of the incomes must originate from the leasing of real estate or the dividends or profit shares).

Nonetheless, this risk for the Company and its subsidiaries may be removed if, during and no later than the 2 year grace period, Invecap Inversiones Inmobiliaria, S.L. –company currently controlled by Miguel Ángel Capriles– decreases its shareholding in the Company below 50%, in order to avoid any kind of doubt regarding the consideration of the rentals resulting from the real estate assets as qualified lease rentals.

5.3.4 Litigation risk

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

5.4 FINANCIAL RISKS

5.4.1 Risk relating to debt management and the associated interest rate

On the date of December 31, 2018, the Issuer holds three secured mortgage loans with different entities for a total loan amount of € 10,300,000 as of December 31, 2018 at a fixed rate of 1.90% and 1.95%, as described below:

Borrower	Secured asset	Pending Amount	Interest rate	Subscription date	Maturity date
Banco de Castilla-La Mancha, S.A.	Piamonte 23	€ 4,500,000	1.95%	December 22, 2017	December 22, 2032
Banco Santander, S.A.	Serrano Anguita 13	€ 3,800,000	1.95%	January 15, 2018	January 31, 2021
Liberbank, S.A.	Javier Ferrero 10	€ 2,000,000	1.90%	July 25, 2018	July 25, 2033
		€ 10,300,000			

The Company is going to carry out a construction project that requires an important level of investment. In order to finance the construction of both the residential and office units, the Company will use bank loans and financing mortgage.

In case of not having access to financing, or in case of not obtaining it in the best conditions, the possibility of growth of AGARTHA REAL ESTATE S.A.U. could be limited, which would have negative consequences on the results of its business operations. On the other hand, a high level of debt or variations in interest rates could mean an increase in financial costs, as well as greater exposure to fluctuations in interest rates in the credit markets. To minimize the interest rate risk the Company may use hedging instruments. All the above could cause a substantial adverse impact on the activities, results and financial situation of the Company.

The possible risks associated with these debts with financial institutions can be classified as risk associated with a possible non-payment of the principal or interest.

Under certain adverse circumstances, the Company may find itself in a situation of not being able to cover part or all of the payment of interest accrued and / or the return of the principal of the committed debt. In this case, the Company would be obliged to take certain economic and financial measures aimed at remedying this situation, among which are foreseen (i) possible capital increases; (ii) partner loans; and / or (iii) alienation of a property. This situation could have a negative impact both on the valuation of the Company and on your quoteThere is no risks related to compliance with certain ratios.

5.4.2 Lack of liquidity for the payment of dividends

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

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

Shareholders would be obliged to assume the fiscal costs of paying the dividend. In addition, the payment of dividends in kind (or the implementation of equivalent systems such as the

reinvestment of the dividend right in new shares) may give rise to the dilution of the shareholding of some shareholders who receive the dividend monetarily.

6 INFORMATION CONCERNING THE OPERATION

6.1 REGISTRATION WITH EURONEXT ACCESS

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

ISIN: ES0105422002

Euronext Ticker: MLAGA

Number of shares to be listed: 9,270,728 shares of € 1.56 each.

Nominal price per share: € 1

Reference price per share: € 1.56

Market capitalisation: € 14,462,335.68

Initial listing and trading date: July 22nd, 2019**.**

Listing Sponsor: ARMANEXT ASESORES S.L.

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 Paris S.A., through technical admission. The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF).

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

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

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.-SHARE CAPITAL

The share capital amounts to 9,270,728 EUROS, divided into 9,270,728 cumulative and indivisible registered shares with a par value of EUR 1.00 each, numbered consecutively from 1 to 9,270,728, both inclusive, all of which are of the same class and grant the holders thereof the same rights and obligations.

The shares are fully subscribed and paid in.

6.4 EVOLUTION OF THE SHARE CAPITAL, INCREASES AND REDUCTIONS

The Company was incorporated on September 18, 2018 with share capital of € 60,000. Subsequently, it has increased the share capital on several occasions:

- **September 18, 2018:** Incorporation of the Company. Incorporation in Spain of the Company under the corporate name of KOWO REAL ESTATE SOCIMI, S.A. with share capital of € 60,000. The sole shareholder of the Company is INVECAP INVERSIONES INMOBILIARIAS, S.L.U.

- **November 26, 2018:** Capital increase of a total amount of € 9,210,728 issuing 9,210,728 new shares of nominal value of € 1. The Company has a share capital of € 9,270,728 with 9,270,728 shares issued, each at nominal value of € 1. The Capital increase was paid out via debt offset of Agartha´s liabilities accrued in favour of INVECAP INVERSIONES INMOBILIARIAS S.L.U. See below the details of the debt offset.

Shareholder paying out	Details of credit compensation	Total amount of the credit compensation	New shares issued	Nominal value of shares issued
Invecap Inversiones Inmobiliarias	Deferred price for the 100% of shares of Dos Mosquises Inversiones, S.L.U. (currently Inversiones Inmobiliarias Calle Javier Ferrero 10, S.L.U.)	€ 406,730.00	406,730 shares numered from 60,001 to 466,730, both inclusive	€ 406,73
	Deferred price for the 100% of shares of Sakisaki Inversiones, S.L.U. (currently Inversiones Inmobiliarias Calle Serrano Anguita 13, S.LU.)	€ 3,000.00	3,000 shares numered from 466,731 to 469,730, both inclusive	€ 3,00
	Deferred price for the 100% of shares of Bequeve Inversiones, S.L.U. (currently Inversiones Inmobiliarias Calle Piamonte 23, S.L.U.)	€ 1,000,000.00	1,000,000 shares numered from 469,731 to 1,469,730, both inclusive	€ 1,000,000
	Deferred price in consideration for the assignment of credits initially granted by Invecap in favour of Inversiones Inmobiliarias Calle Piamonte 23, S.L.U. and Inversiones Inmobiliarias Calle Serrano Anguita 13 S.L.U.	€ 7,800,998.00	7,800,998 shares numered from 1,469,731 to 9,270,728, both inclusive	€ 1,000,000
TOTAL		**€ 9,210,728.00**	**9,210,728 shares numered from 60,001 to 9,270,728, both inclusive**	**€ 9,210,728**

As show in section 2.1, the current Company´s shareholding structure is:

Shareholder	Shareholding
INVECAP INVERSIONES INMOBILIARIAS S.L.U.	100 %

6.5 MAIN CHARACTERISTICS OF THE SHARES (*ARTICLES 6, 7, AND 9 OF THE ARTICLES OF ASSOCIATION*)

The shares are numbered consecutively from 1 to 9,270,728 inclusive, belonging to a single class and series. All shares are fully subscribed and paid-up and grant their holders the same rights.

Article 6.- SHARE REPRESENTATION

The shares are nominative and represented by book entries, deemed as such upon registration in the relevant accounting records.

Legal standing to exercise a shareholder's rights, including conveyance, where applicable, is obtained by means of registration in the accounting records, which presumes legitimate ownership and authorises the registered owner to demand that the Company recognise such party as a shareholder. Said legitimation may be accredited by furnishing the relevant certificates, issued by the entity in charge of the keeping the relevant accounting records.

Article 7.- ACCOUNTING RECORDS

An entity shall be appointed by the Company to keep the accounting records of the shares represented by the book entries from among the authorised investment service companies and credit institutions, unless the applicable regulations or the rules governing the market in which the Company trades its shares stipulate which entity must be entrusted with keeping the records. Said entity shall notify the Company of transactions involving its shares.

The Company may keep its own records, and to such end, may at any time ask the company entrusted with record-keeping to furnish the list of the Company's shareholders and the number of shares held by each one.

The Board of Directors shall be the competent body to choose, if applicable, the entity entrusted with keeping the accounting records.

Article 9.- ANCILLARY OBLIGATIONS

The shares are linked to the performance of and compliance with the ancillary obligations described below, which shall not entail any remuneration by the Company to any affected shareholder:

(a) Shareholders that own significant shareholdings:

*Any shareholder that (i) owns a percentage of the Company's shares that is equal to or greater than five percent (5%) of the share capital, or the shareholding percentage established at any time for the Company to accrue the special levy on corporate income tax pursuant to regulations in force that replace or amend article 9.2 of Law 11/2009, of 26 October, which regulates Spanish Real Estate Investment Trusts (the SOCIMI Law) (the "**Significant Shareholding**") or (ii) acquires shares in such a number so as to reach, together with the shares already owned, a Significant Shareholding in the Company's capital (in both cases referred to as a "**Substantial Shareholder**") must notify the Board of Directors of such circumstance within four (4) business days of becoming the owner of said percentage of the share capital.*

Similarly, any Substantial Shareholder that has reached this Significant Shareholding in the Company's share capital must inform the Governing Body of any subsequent purchases, regardless of the number of shares acquired.

*The notification outlined in the preceding two paragraphs must also be furnished by anyone who holds economic rights over Company shares representing interests that are equal to or greater than five percent (5%) of the share capital, or the shareholding percentage established at any time for the Company to accrue the special levy on corporate income tax pursuant to regulations in force that replace or amend article 9.2 of the SOCIMI Law, including any and all indirect owners of Company shares acting through financial intermediaries that, in form, appear as the legitimate shareholders according to the accounting records but act on behalf of said owners (referred to herein, for all intents and purposes, as "**Owners of Substantial Economic Rights**"); in addition to the notification stipulated in the preceding sections, Substantial Shareholders and/or the relevant Owners of Substantial Economic Rights must also furnish the Company's Governing Body with:*

(i) A certificate of residence issued by the competent authorities in such party's country of residence, for the purposes of the corresponding personal income tax. If the Substantial Shareholder or the Owner of Substantial Economic Rights resides in a country with which Spain has entered into a treaty to avoid double taxation on income tax, the certificate of residence must meet the requirements set forth in said treaty for its benefits to apply.

(ii) A certificate issued by a person with sufficient authority, accrediting the tax rate applicable to the Substantial Shareholder or the Owner of Substantial Economic Rights on the dividend paid out by the Company, along with a statement asserting that the Substantial Shareholder or the Owner of Substantial Economic Rights is the actual beneficiary of such dividend.

The Substantial Shareholder or the Owner of Substantial Economic Rights must deliver the aforementioned certificates to the Company within ten (10) calendar days after the date on which the General Shareholders' Meeting or, where applicable, the Governing Body, has resolved to pay out any dividend or any comparable amount (reserves, etc.).

Should the required party fail to fulfil this obligation, the Governing Body of the Company may assume that the amount to be paid out (dividend or similar) is exempt, or is subject to tax at a

tax rate that is lower than that stipulated in article 9.2 of the SOCIMI Law, or any rule that may supersede it.

As an alternative, the Governing Body of the Company may ask a highly reputable law firm in the country in which the Substantial Shareholder or the Owner of Substantial Economic Rights resides to issue a legal report outlining its opinion on the tax rate that should apply to the amounts to be paid out by the Company, expenses for which shall be charged against the amounts to be paid out (dividends or similar) on such party's shares. The expenses incurred by the Company shall be payable on the day before the dividend payment or comparable amount corresponding to the shares owned by the Shareholder or the Owner of Substantial Economic Rights, and may be offset by such amounts. If the payment of a dividend gives rise to an obligation by the Company to pay the special levy set forth in article 9.2 of the SOCIMI Law, the Governing Body of the Company shall be entitled to compel the shareholders that caused such levy to accrue to compensate the Company or, alternatively, such body may deduct the compensation amount - which must be calculated in accordance with the rules contained herein below - from the amount payable for the dividend.

The compensation sum shall be equal to the corporate income tax expense accrued by the Company on the dividend payment taken as the basis for calculating the special levy, compounded by an amount that, after deducting the corporate income tax accrued on the total compensation amount, fully compensates for the expense deriving from the special levy and the corresponding compensation.

The compensation amount shall be calculated by the Governing Body, although it is allowed to delegate this calculation to one or more directors or third parties. Unless the Governing Body resolves otherwise, the compensation shall be payable on the day prior to the dividend payment. Any compensation owed shall be offset against the dividend payable to the shareholder that gave rise to the obligation to pay the special levy provided for in article 9.2 of the SOCIMI Law.

The ownership interest equal to or greater than 5% of the capital referred to in section (a) herein shall be deemed: (i) automatically amended if the percentage indicated in article 9.2 of the SOCIMI Law, or any rule superseding it in the future, is amended and thus, (ii) replaced by the percentage indicated in said regulation at any given time.

(b) Shareholders subject to special regimes:

Any shareholders that are subject to any kind of special legal regime in terms of pension funds or benefits plans (such as ERISA) in their jurisdiction of origin must notify the Governing Body:

(i) of this circumstance; and

(ii) of any subsequent acquisition or conveyance of shares, regardless of the number of shares acquired or transferred.

The notification outlined in paragraphs (i) and (ii) above must also be furnished by anyone who holds economic rights over Company shares, including any and all indirect owners of Company

shares (regardless of their ownership percentage) acting through financial intermediaries that, in form, appear as the legitimate shareholders according to the accounting records but act on behalf of said owners.

*Within ten (10) calendar days following the date of any written notification in this regard that may be issued by the Company (a "**Summons for Information**"), the aforementioned shareholders and owners of economic rights must furnish the information demanded by the Company in writing, to the best of the shareholder's or economic rights owner's knowledge (accompanied, if the Company so requires, by a formal or notarised document and/or independent proof), including (without prejudice to the general nature of the foregoing) any information that the Company deems necessary or advisable for the purposes of determining whether the situation described above could possibly apply to said shareholders or owners of economic rights.*

The Company may issue a Summons for Information at any time and may send one or more Summons for Information to the same shareholder or owner of economic rights in relation to the same shares or interests over the same shares.

Notwithstanding the obligations regulated herein, the Governing Body shall supervise acquisitions and transfers of shares made, and shall take appropriate measures to prevent any damage to the Company or its shareholders that could arise as a result of application of the regulations in force on pension funds or benefit plans that could affect them in their respective jurisdictions.

*Should the required party fail to fulfil the reporting obligations outlined in any of the foregoing paragraphs of section (b) herein, the Governing Body may at any time afterwards resolve to compel the shareholder in breach to pay a penalty equal to the underlying book value of the relevant shares affected by said breach (the "**Shares in Breach**") according to the Company's latest audited and published balance sheet, which shall not substitute the compensation for loss and damages that may arise from said breach. This penalty and, where applicable, the compensation for loss and damage incurred, shall be payable from the date on which the Governing Body issues a resolution in this regard. The penalty amount, as well as any compensation for loss and damage incurred, may be offset against the dividends or comparable amounts that may be paid out on the Shares in Breach in the future.*

For all intents and purposes, unrestricted transfers of Company shares (including these ancillary obligations) through inter vivos or causa mortis acts are authorised, pursuant to the terms of article 8.

6.6 CONDITIONS FOR THE TRANSFER OF SHARES

6.6.1 Transferability of the Shares (ARTICLE 8 OF THE ARTICLES OF ASSOCIATION)

Article 8 of the articles of association covers the transferability of the shares.

Article 8.-TRANSFER OF SHARES

The shares can be freely transferred, pursuant to the terms of the Spanish Companies Act.

6.6.2 Co-ownership, Usufruct, Pledges of Shares (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

Article 10.-CO-OWNERSHIP, USUFRUCT, PLEDGES OF SHARES

In the event of co-ownership, usufruct or pledges of shares, the terms of the Spanish Companies Act shall apply.

7 COMPANY VALUATION

7.1 BUSINESS PLAN

Below is the Profit and Loss forecast for the years ending 2019 to 2023, which have been prepared using criteria comparable to those used in the preparation of the Company's Financial Statements (or Consolidated Financial Statements, in case).

The Profit and Loss forecast for 2019-2023 considering the assumptions explained below is the following:

Profit & Loss (€000)	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Total Rental income	€ 259.90	€ 1,094.40	€ 1,698.30	€ 1,512.90	€ 1,542.40
Asset operating expenses	(€ 93.70)	(€ 159.00)	(€ 166.90)	(€ 169.00)	(€ 171.10)
Structure operating expenses	(€ 455.20)	(€ 502.10)	(€ 504.50)	(€ 506.90)	(€ 509.40)
EBITDA	**(€ 289.00)**	**€ 433.30**	**€ 1,026.90**	**€ 837.00**	**€ 861.90**
Depreciation and amortization	(€ 138.20)	(€ 186.90)	(€ 186.90)	(€ 186.90)	(€ 186.90)
EBIT	**(€ 427.70)**	**€ 246.40**	**€ 840.10**	**€ 650.10**	**€ 675.10**
Financial expenses	(€ 199.70)	(€ 198.50)	(€ 196.90)	(€ 195.30)	(€ 193.30)
EBT	**(€ 627.50)**	**€ 47.90**	**€ 643.20**	**€ 454.80**	**€ 481.80**
Income Tax	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
PROFIT/(LOSS) FOR THE PERIOD/YEAR	**(€ 627.50)**	**€ 47.90**	**€ 643.20**	**€ 454.80**	**€ 481.80**

a) General Hypotheses:

- The Company holds three assets in Madrid which are allocated to coworking. They have total gross leasable area of circa 7.000 sqm. Currently, Piamonte 23 and Serrano Anguita 13 are operating, whereas refurbishment works are being done in Javier Ferrero 10, with the expectation to become operating by the end of 2019/beginning of 2020.

- Therefore, when the three assets will be fully operating, the company will present an EBITDA of €1.0 million and a Net Income of €0.6 million. Nevertheless, in 2020, the Company will present a positive EBITDA of €0.4M and an positive Net income of €50.000.

- Regarding the financial structure, as of today, the Company has an LTV of 37%.

b) Rental Income.

- All three assets have a rental agreement signed with a top coworking operator. Both Piamonte 23 and Serrano Anguita 13 assets have a 20-year contract whereas Javier Ferrero has a 10-year contract.

- The increase in 2020, refers to the start of Javier Ferrero operation, and therefore having all three assets operating. Regarding the increase in 2021, it refers to the refund of the rent discount granted to the tenant in 2020 for Serrano Anguita 13.

c) Asset operating expenses:

- This caption includes all cost directed allocated to the building and their operation, namely building insurance, maintenance, property tax, among others. In the long run, these costs are estimated to be circa of 10% of the rents.

d) Structure operating expenses.

- This section refers to costs incurred in running the SOCIMI, such as auditing and reporting costs, legal support, agent bank fees, management fees, among others.

e) Depreciation and amortization.

- It was assumed that 70% of the value of each asset refers to Land value, and therefore is not depreciated. For the remaining 30%, it was assumed a useful life of 50 years (2% rate).

f) Taxes.

- The Company was incorporated as a SOCIMI, and therefore has a special tax framework, exempting the Company to pay any Income tax.

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 Consolidated Financial Statements, described in section 8 of this Informational Document.

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

The main assumptions and factors which could substantially affect the fulfilment of the forecasts or estimates are detailed in section 7.5 of this Informational Document. In addition to those detailed in the section indicated above, a series of factors are listed below which, although not including all possible factors are those which could substantially affect the fulfilment of the forecasts:

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

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

Cash Flow (€000)	08/01/2019	09/01/2019	10/01/2019	11/01/2019	12/01/2019	01/01/2020
Rents	€ 23.6	€ 23.6	€ 23.6	€ 47.3	€ 47.3	€ 47.8
Loans obtained	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Equity	€ 442.9	€ 442.9	€ 442.9	€ 442.9	€ 442.9	€ 0.0
Cash-flow in	**€ 466.5**	**€ 466.5**	**€ 466.5**	**€ 490.2**	**€ 490.2**	**€ 47.8**
Asset operating expenses	(€ 7.8)	(€ 7.8)	(€ 7.8)	(€ 7.8)	(€ 7.8)	(€ 7.9)
Structure operating expenses	(€ 15.7)	(€ 15.7)	(€ 90.1)	(€ 15.7)	(€ 15.7)	(€ 93.2)
Asset acquisition	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
CAPEX	(€ 442.9)	(€ 442.9)	(€ 442.9)	(€ 442.9)	(€ 442.9)	€ 0.0
Maintenance CAPEX	(€ 11.5)	(€ 11.5)	(€ 11.5)	(€ 11.5)	(€ 11.5)	(€ 15.5)
Loans payments	(€ 3.2)	(€ 3.2)	(€ 3.2)	(€ 3.2)	(€ 6.9)	(€ 6.9)
Interests	(€ 16.6)	(€16.6)	(€16.6)	(€16.6)	(€16.6)	(€16.6)
Bank fees	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Cash-flow out	**(€ 497.7)**	**(€ 497.7)**	**(€ 572.2)**	**(€ 497.6)**	**(€ 501.4)**	**(€ 140.3)**
Net cash-flow	**(€ 31.2)**	**(€ 31.2)**	**(€ 105.7)**	**(€ 7.5)**	**(€ 11.3)**	**(€ 17.8)**
Opening balance	**€ 500.0**	**€ 468.8**	**€ 437.6**	**€ 331.9**	**€ 324.4**	**€ 313.1**
Ending balance	**€ 468.8**	**€ 437.6**	**€ 331.9**	**€ 324.4**	**€ 313.1**	**€ 295.3**

Cash Flow (€000)	02/01/2020	03/01/2020	04/01/2020	05/01/2020	06/01/2020	07/01/2020
Rents	€ 47.8	€ 47.8	€ 136.6	€ 68.2	€ 68.2	€ 94.8
Loans obtained	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Equity	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Cash-flow in	**€ 47.8**	**€ 47.8**	**€ 136.6**	**€ 68.2**	**€ 68.2**	**€ 94.8**
Asset operating expenses	(€ 13.7)	(€ 13.7)	(€ 13.7)	(€ 13.7)	(€ 13.7)	(€ 13.7)
Structure operating expenses	(€ 15.9)	(€ 15.9)	(€ 93.6)	(€ 15.9)	(€ 15.9)	(€ 93.6)
Asset acquisition	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
CAPEX	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Maintenance CAPEX	(€ 15.5)	(€ 15.5)	(€ 15.5)	(€ 15.5)	(€ 15.6)	(€ 15.5)
Loans payments	(€ 6.9)	(€ 6.9)	(€ 6.9)	(€ 6.9)	(€ 8.6)	(€ 8.5)
Interests	(€ 16.6)	(€ 16.6)	(€ 16.6)	(€ 16.6)	(€ 16.5)	(€ 16.5)
Bank fees	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0	€ 0.0
Cash-flow out	**(€ 68.7)**	**(€ 68.7)**	**(€ 146.5)**	**(€ 70.3)**	**(€ 70.3)**	**(€ 148.1)**
Net cash-flow	**(€ 20.8)**	**(€ 20.8)**	**(€ 10.0)**	**(€ 0.4)**	**(€ 2.1)**	**(€ 53.3)**
Opening balance	**€ 295.3**	**€ 274.5**	**€ 253.6**	**€ 243.7**	**€ 243.2**	**€ 241.2**
Ending balance	**€ 274.5**	**€ 253.6**	**€ 243.7**	**€ 243.2**	**€ 241.2**	**€ 187.8**

7.3 COMPANY VALUATION

The Issuer has entrusted on CBRE with an independent valuation of its shares dated of December 31, 2018. In accordance with this mandate, CBRE has issued a valuation report on the Company's business with a valuation date of March 30, 2019.

CBRE consider the best corporate valuations methodology to calculate the Fair Value of the Company´s shares would be the Adjusted Value of Company´s Equity. CBRE believe it is the methodology which best reflects the market value of the companies with real estate activity.

7.3.1 Adjusted Value of Company´s Equity

The Group´s real estate assets have been valued following the methodology of the Royal Institution of Chartered Surveyors ("**RICS**") and according to the International Valuations Standards.

The Group records its real estate assets using Spanish GAAP with the method of acquisition price, which is the net of allowance and amortization also known as Net Book Value ("**NBV**"). CBRE adjust the value of the Group´s equity according to the following table as at December 31, 2018:

EUROS	NET BOOK VALUE	MARKET VALUE	CAPITAL GAIN
Real Estate Investments	€ 19,700,732	€ 28,045,000	€ 8,344,268

In order to calculate the value range, a sensitivity analysis varying the exit yield and the discount rate has been using in the valuation of each real estate asset. The valuation has a range of +-0.25% of the exist yield and the discount rate. The result of this sensitivity analysis is as follows:

EUROS	NET BOOK VALUE AT 31/12/2018	MARKET VALUE 31/12/2018	CAPITAL GAIN
Lower Range	€ 19,700,732	€ 26,529,000	€ 6,828,268
Central Range	€ 19,700,732	€ 28,045,000	€ 8,344,268
Higher Range	€ 19,700,732	€ 29,721,000	€ 10,020,268

CBRE has also been analysed liabilities remaining assets and liabilities. After this analysis, the adjustments to be included in the corporate valuation.

EUROS	LOWER RANGE	CENTRAL RANGE	HIGHER RANGE
Debt adjustment	(€ 11,800)	(€ 11,800)	(€ 11,800)

The debt adjustment is due to adding their costs of formalizing the debt, which sum a total amount of € 11,800.

The advance cost payment of the works has not been considered in the valuation of the real estate assets and must be take into account for the corporate valuation.

EUROS	LOWER RANGE	CENTRAL RANGE	HIGHER RANGE
Advance cost payment of the works	€ 457,820	€ 457,820	€ 457,820

The total amount of this adjustment is recorded in the balance sheet on "Non-current accruals" (€ 434,038) and "Current accruals" (€ 23,782).

The adjustments of the structure cost are not considered in the valuation of the real estate assets but must be considered in the corporate valuation. Normalized structural costs per year and their present value has been calculated by discounting the cash flows of 10-year costs. A sensitivity analysis was carried out varying the discount rate by +/- 50 basis points.

EUROS	LOWER RANGE	CENTRAL RANGE	HIGHER RANGE
Structure Costs Adjustment	(€ 3,031,000)	(€ 2,839,000)	(€ 2,669,000)

The CBRE´s work concludes with the fair value of the Group shareholder´s equity as at December 31, 2018 as it follows:

EQUITY VALUATION	LOWER RANGE	CENTRAL RANGE	HIGHER RANGE
Shareholder´s Equity	€ 8,529,509	€ 8,529,509	€ 8,529,509
Market Value Real Estate Investments	€ 26,529,000	€ 28,045,000	€ 29,721,000
Net Book Value Real Estate Investments	(€ 19,700,732)	(€ 19,700,732)	(€ 19,700,732)
Real Estate Inv. Capital Gains	€ 6,828,268	€ 8,344,268	€ 10,020,268
Adjusted Net Worth	€ 15,357,777	€ 16,873,777	€ 18,549,777
Debt Adjustment	(€ 11,800)	(€ 11,800)	(€ 11,800)
Advance cost payment of the works	€ 457,820	€ 457,820	€ 457,820
Higher Range	(€ 3,031,000)	(€ 2,839,000)	(€ 2,669,000)
Equity Value	€ 12,772,797	€ 14,480,797	€ 16,326,797
Equity Rounded Value	€ 12,773,000	€ 14,481,000	€ 16,327,000

7.3.2 Methodology of Company´s Equity

The valuation was based on the consolidated financial statements as at December 31, 2018, provided by the Company and audited by EY with an unqualified opinion.

Considering the type of activity, CBRE´s believe that the best corporate valuation methodology would be the Adjusted Value of Company´s Equity. The detail and scope of the phases applicable are:

- Calculation of the Gross Asset Value of the real estate assets using the RICS Valuation Advisory.
- Analysis of the assets and liabilities
- Calculation of the (implicit) fiscal impact of the adjustment to market value.

- Calculation of the range of the value of the Group´s adjusted equity net of fiscal impact

With this methodology, a range of value is obtained at a specific date. The valuation methodology usually accepted in transactions between independent parties for real estate companies.

Taking into consideration the valuation report of the Company issued by CBRE dated of December 31, 2018, the Board of Directors of the Company on May 24, 2019 established a reference price of € 1.56 per share, which It implies a total value for the Company of € 14,462,335.68. This valuation of the Company is included in the valuation range established by CBRE.

7.4 REAL ESTATE ASSETS VALUATION

The Issuer has entrusted CBRE with an independent valuation of its assets. Complying with said mandate, CBRE issues a valuation report for the Company's business with the valuation date being April 10, 2019.

CBRE has carried out an individual evaluation of all of the assets that the Company possesses. CBRE has valuated all assets in the same valuation report.

All three assets have a fixed rent and a variable rent according to the performance of the year. All assets valuated are located in Madrid. One of them at Calle Piamonte 23, other at Calle Serrano Anguita 13, and the last one at Calle Javier Ferrero 10.

ASSETS OF AGARTHA REAL ESTATE SOCIMI, S.A.U.							
LOCATION	ASSET CLASS	ACQUISITION DATE	G.L.A (sqm)	FIXED GROSS ANUAL RENT	FAIR VALUE	EXIT YIELD	DISCOUNT RATE
Calle Piamonte 23, Madrid	Coworking	September 28, 2018	2,250	€ 33,333	€ 11,982,000	4,75%	6,75%
Calle Serrano Anguita 13, Madrid	Coworking	September 28, 2018	2,347	€ 33,333	€ 11,049,000	5,00%	7,00%
Calle Javier Ferrero 10, Madrid.	Coworking	October 10, 2018	2,322	€ 37,500	€ 5,014,000	5,50%	7,25%
			6,919		€ 28,045,000		

According to the tenant contract, both assets located at Calle Piamonte 23, and Calle Serrano Anguita 13, have a variable rent in tranches according to the performance of the assets:

	31/12/2018
INCOME FROM LEASE	ANNUAL VARIABLE AMOUNT
Buildings at Calle Piamonte 23 and Calle Serrano Anguita 13	a) 3% if the gross annual result of the lessee is among € 800,000 and € 1,200,000.
	b) 5% if the gross annual result of the lessee is among € 1,200,001 and € 1,500,000.
	c) 6% if the gross annual result of the lessee is higher than € 1,500,001.

The asset located at Calle Javier Ferrero, 10, has a variable rent tranche according to the performance of the assets:

	31/12/2018
INCOME FROM LEASE	**ANNUAL VARIABLE AMOUNT DURING THE SECOND YEAR**
Building at Calle Javier Ferrero 10, Madrid	a) 3% if the gross annual result of the lessee is between € 800,000 and € 1,200,000.
	b) 4% if the gross annual result of the lessee is between € 1,200,001 and € 1,500,000.
	c) 7% if the gross annual result of the lessee is higher than € 1,500,001.

8 FINANCIAL INFORMATION FOR THE FISCAL YEARS ENDED 2018

The financial statements set out in this Information Document have been prepared in accordance with accounting principles of Spanish GAAP (General Accounting Plan, PGC), and the selected financial data included have been derived from the audited consolidated financial statements for the financial years ended in December 31, 2018, 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 consolidated financial statements have been audited by EY.

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

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

The financial statements at December 31, 2018 together with the auditors' report are attached as Appendix I.

8.1 BALANCE SHEETS FOR THE FISCAL YEAR OF DECEMBER 31, 2018

ASSETS	(€) 12/31/2018
NON-CURRENT ASSETS	**19,888,280**
Investment properties	**19,700,732**
Financial investments	**187,548**
CURRENT ASSETS	**1,236,559**
Trade and other receivables	**365,324**
Trade receivables	353,253
Other receivables from public administrations	12,071
Investment in related companies	**29,755**
Financial investments	**4,749**
Accruals	**147,153**
Cash and Cash equivalents	**689,578**
TOTAL ASSETS	**21,124,839**

EQUITY AND LIABILITIES	(€) 12/31/2018
EQUITY	**8,529,509**
Capital and reserves	**8,529,509**
Share capital	9,270,728
Reserves in consolidated companies	-142,936
Profit for the year	-598,283
NON-CURRENT LIABILITIES	**11,242,445**
Borrowings	**10,808,407**
Bank borrowings	10,075,074
Other borrowings	733,333
Accruals	**434,038**
CURRENT LIABILITIES	**1,352,885**
Bank borrowings	**214,834**
Other borrowings	**56,654**
Trade and other payables	**1,042,496**
Payables to public administrations	**15,119**
Accruals	**23,782**
TOTAL EQUITY AND LIABILITIES	**21,124,839**

8.2 INCOME STATEMENT AT DECEMBER 31, 2018

PROFIT AND LOSS	(€) 12/31/2018
Revenue	**366,832**
Employee benefits expenses	**-18,595**
Other operating expenses	**-697,663**
Amortization and depreciation of assets	**-111,120**
Other gains (losses)	**1,967**
OPERATING PROFITS	**-458,579**
Finance costs	**-139,704**
FINANCE COST	**-139,704**
PROFIT BEFORE TAX	**-598,283**
Income tax	**-**
PROFIT FOR THE YEAR	**-598,283**

8.3 PRINCIPLES, RULES AND ACCOUNTING METHODS

The consolidated annual accounts are prepared using the accounting records of Spanish GAAP (General Accounting Plan, PGC) and the subsidiaries and include the adjustments and reclassifications required for temporary and evaluative homogenisation with the accounting criteria set out by the group.

These accounts are presented in accordance with current commercial legislation, set out in the reformed Commercial Code in accordance with Law 16/2007 of 4 July, 2007 concerning the reform and adaptation of the commercial legislation in terms of accounting for its international harmonisation based on European Union legislation, Royal Decree 1514/2007 of November 16, 2007 approving the General Accounting Plan, and Royal Decree 1159/2010 of September 17, 2010 approving the standards for the preparation of annual accounts, in all that does not expressly oppose that set out in the commercial reform mentioned with the aim of presenting a true image of the equity, financial situation and results of the group as well as the accuracy of the cash flows included in the cash flow statement.

8.4 SCHEDULED DATE FOR FIRST PUBLICATION OF EARNINGS FIGURES

The scheduled date for the first publication of the Company's earnings figures following the listing admission will be June 30, 2020.

9 LISTING SPONSOR

ARMANEXT ASESORES, S.L.

Paseo de la Castellana 56, Bajo Derecha, 28006 (Madrid)

Phone number: +34 910 563 580

www.armanext.com

APPENDIX I FINANCIAL STATEMENTS AT DECEMBER 31, 2018, AND AUDITORS' REPORT

Audit Report on the Consolidated Financial Statements
issued by an Independent Auditor

AGARTHA REAL ESTATE SOCIMI, S.A.U.
(previously "KOWO REAL ESTATE SOCIMI, S.A.")
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2018

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 15)

To the sole shareholder of AGARTHA REAL ESTATE SOCIMI, S.A.U.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AGARTHA REAL ESTATE SOCIMI, S.A.U. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2018, the consolidated income statement, the consolidated statement of recognized income and expense, the consolidated statement of changes in equity, the consolidated cash flow statement, and the explanatory notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2018 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 of the accompanying consolidated financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

The most relevant audit issues are those that, in our professional judgment, were the most significant assessed risks of material misstatement in our audit of the consolidated financial statements of the current period. These risks were treated within the context of our audit of the consolidated financial statements overall, and when forming our audit opinion; we have not expressed a separate opinion on these risks.

Measurement of investment properties

Description

The Group's consolidated balance sheet shows investment properties at December 31, 2018 with a net value of 19,700,732 euros corresponding to rental buildings owned by the Group. The relevant disclosures pertaining to these assets can be found in Note 4 to the accompanying consolidated financial statements.

As explained in Note 3.2 to the accompanying consolidated financial statements, the parent company's directors periodically determine the fair value of the investment properties based on appraisals by independent experts, setting aside the relevant impairment provisions when the market value of the asset is less than the carrying amount. These appraisals were carried out by an independent expert and are disclosed in Note 4.1.1. The risk that these assets may be impaired and the materiality of the amounts involved led us to determine the measurement of property investments to be a relevant audit issue.

Our response

In this regard, our audit procedures included:

- Reviewing the property investment contribution agreements as well as the analysis, on a sample basis, of costs capitalized as an increase in investment properties.
- Reviewing appraisals carried out by the independent expert at December 31, 2018.
- Verifying the disclosures included in the notes to the consolidated financial statements in accordance with the applicable reporting framework.

Compliance with the SOCIMI tax regime

Description

As of September 18, 2018 (formation date), the parent company availed itself of the special tax regime applicable to Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario "SOCIMI" (Spanish REIT). Group companies have likewise opted to apply the special regime as of January 1, 2018.

As explained in Note 1.2 to the accompanying consolidated financial statements, under the prevailing regulations, companies availing themselves of the special regime are required to meet certain requirements.

We determined this matter to be a relevant audit issue due to the significance of applying this special regime, in view of its impact on corporate structure, operating activities, legal and regulatory compliance of the Group, and the shareholder remuneration policy of the parent company. Failure to apply the regime correctly could have a significant impact on the Group's consolidated financial statements.

Our response In this regard, our audit procedures included:

- Understanding, from a tax viewpoint, the Group's corporate structure, as well as its operating activities and the measures necessary to maintain the special regime.
- Verifying the disclosures included in the notes to the consolidated financial statements in accordance with the applicable financial and tax reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2018 consolidated management report, the preparation of which is the responsibility of the parent company's Directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the management report with the consolidated financial statements based on the knowledge of the Group we obtained while auditing the consolidated financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the consolidated management report is consistent with that provided in the 2018 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

Director's responsibilities for the consolidated financial statements

The Directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with Spanish GAAP, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

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

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

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

From the matters communicated with the Directors of the Parent company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant audit issues.

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

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(signed in the original version)

Fernando González Cuervo
(Registered in the Official Register of Auditors under No. 21268)

May 3, 2019

AGARTHA REAL ESTATE SOCIMI, S.A.U.

(previously KOWO REAL ESTATE SOCIMI, S.A.U.)

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT AT DECEMBER 31, 2018

CONTENTS

Consolidated balance sheet at December 31, 2018

Euros	Notes	2018
NON-CURRENT ASSETS		**19,888,280**
Investment properties	4	19,700,732
Financial investments	5.1	187,548
CURRENT ASSETS		**1,236,559**
Trade and other receivables		365,324
Trade receivables	5.2	353,253
Other receivables from public administrations	9	12,071
Investments in related companies	5.2	29,755
Financial investments	5.2	4,749
Accruals		147,153
Cash and cash equivalents	6	689,578
TOTAL ASSETS		**21,124,839**

Euros	Notes	2018
EQUITY		**8,529,509**
Capital and reserves		8,529,509
Share capital	7.1	9,270,728
Reserves in consolidated companies		(142,936)
Profit for the year		(598,283)
NON-CURRENT LIABILITIES		**11,242,445**
Borrowings		10,808,407
Bank borrowings	8.1	10,075,074
Other borrowings	8.1	733,333
Accruals		434,038
CURRENT LIABILITIES		**1,352,885**
Bank borrowings	8.1	214,834
Other borrowings	8.2	56,654
Trade and other payables	8.2	1,042,496
Payables to public administrations	9	15,119
Accruals		23,782
TOTAL EQUITY AND LIABILITIES		**21,124,839**

Notes 1 to 15 form an integral part of the consolidated balance sheet for the year ended December 31, 2018.

Consolidated income statement for the year ended December 31, 2018

Euros	Notes	2018
Revenue	10.1	366,832
Employee benefits expenses	10.2	(18,595)
Other operating expenses	10.3	(697,663)
Amortization and depreciation of assets	4	(111,120)
Other gains (losses)		1,967
OPERATING PROFIT		**(458,579)**
Finance costs	10.4	(139,704)
FINANCE COST		**(139,704)**
PROFIT BEFORE TAX		**(598,283)**
Income tax		-
PROFIT FOR THE YEAR		**(598,283)**

Notes 1 to 15 form an integral part of the consolidated income statement for the year ended December 31, 2018.

Consolidated statement of recognized income and expense at December 31, 2018

	Notes	2018
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**(598,283)**
INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY		-
TOTAL CONSOLIDATED RECOGNIZED INCOME AND EXPENSE		**(598,283)**

Notes 1 to 15 form an integral part of the consolidated statement of recognized income and expense for the year ended December 31, 2018.

Consolidated statement of changes in equity for the year ended December 31, 2018

Euros	Share capital	Reserves at consolidated companies	Profit for the year	Total
Balance at incorporation on September 18, 2018	**60,000**	**-**	**-**	**60,000**
Total recognized income and expense	**-**	**-**	**(598,283)**	**(598,283)**
Other changes in equity	**9,210,728**	**(142,936)**	**-**	**9,067,792**
Transactions with partners and owners (Note 7)	9,210,728	-	-	9,210,728
Other changes	-	(142,936)	-	(142,936)
Balance at December 31, 2018	**9,270,728**	**(142,936)**	**(598,283)**	**8,529,509**

Notes 1 to 15 form an integral part of the consolidated statement of changes in equity for the year ended December 31, 2018.

Consolidated cash flow statement for the year ended December 31, 2018

CASH FLOW STATEMENT	Notes	31 December 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		**(598,283)**
Adjustments to profit		**250,825**
Depreciation and amortization (+)	4	111,120
Finance costs (+)	10.4	139,705
Change in working capital		**1,603,662**
(Increase)/decrease in trade and other receivables		(512,477)
(Increase)/decrease in other current assets		(271,171)
(Increase)/decrease in trade and other payables		1,796,156
(Increase)/decrease in other current liabilities		457,821
Other non-current assets and liabilities (+/-)		133,333
Other cash flows from operating activities		**(70,719)**
Interest paid (-)	10.4	(139,705)
Other payments (receipts) (-/+)		68,986
Cash flows from operating activities		**1,185,485**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on investments (-)		**(6,940,749)**
Investment properties	4	(6,936,000)
Other assets		(4,749)
Cash flows from (used in) investing activities		**(6,940,749)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from and payments of financial liabilities		**6,444,842**
Issues		6,444,842
Bank borrowings (+)		5,788,188
Payables to group companies and associates (+)	8.1	56,654
Other borrowings (+)	8.1	600,000
Cash flows from financing activities		**6,444,842**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**689,578**
Cash and cash equivalents at December 31		**689,578**

EXPLANATORY NOTES

1. COMPANY ACTIVITY

1.1 Incorporation

AGARTHA REAL ESTATE SOCIMI, S.A.U. (previously KOWO REAL ESTATE SOCIMI, S.A.U. and subsequently renamed as AGARTHA COWORKING & COLIVING SOCIMI, S.A.U. on November 26, 2018) ("the Company" or "Agartha") and subsidiaries ("the Group" or "the Agartha Group") make up a consolidated group of companies whose main activities are disclosed in Note 1.2 below.

The Parent of the Group is AGARTHA REAL ESTATE SOCIMI, S.A.U. ("the Parent" or "Agartha"), incorporated as a private limited company in Madrid on September 18, 2018 before Madrid Notary Mr. Francisco Javier Barreiros Fernández, with protocol number 2634/18, for an indefinite period. Its registered address is located at calle Piamonte, 23 in Madrid. The Company is inscribed in the Mercantile Register of Madrid in Tome 38,213, Folio 105, Page M-679.977. Its tax ID (NIF) is A88193958. Subsequently, as indicated in Note 14 to the accompanying consolidated financial statements, on March 14, 2019 the Parent changed its name to the current version.

The following corporate transactions were carried out during 2018:

- On September 28, 2018 the Parent acquired 100% of the share capital of INVERSIONES INMOBILIARIAS CALLE PIAMONTE 23, S.L.U. ("Piamonte 23") (previously named BEQUEVE INVERSIONES INMOBILIARIAS, S.L.U.) for an amount of 1,000,000 euros.

- On September 28, 2018 the Parent acquired 100% of the participation units of INVERSIONES INMOBILIARIAS SERRANO ANGUITA 13, S.L.U. ("Serrano Anguita") (previously named SAKISAKI INVERSIONES INMOBILIARIAS, S.L.U.) for an amount of 3,000 euros.

- On October 10, 2018 the Parent acquired 100% of the participation units of INVERSIONES INMOBILIARIAS JAVIER FERRERO 10, S.L.U. ("Javier Ferrero") (previously named DOS MOSQUISES INVERSIONES INMOBILIARIAS, S.L.U.) for an amount of 406,730 euros.

Agartha acquired all three companies from INVECAP INVERSIONES INMOBILIARIAS, S.L.U. ("Invecap"), which until the aforementioned dates was sole shareholder of said companies.

In accordance with the economic substance of these transactions, with no consideration involved, they were considered as a business combination amongst Group companies as defined in article 40 of the NOFCAC (the Rules for Preparation of Annual Consolidated Financial Statements). Consequently, the assets and liabilities acquired were recognized at the carrying amounts recorded by the three companies as there was consolidation on a higher level.

In accordance with the relevant accounting regulations and taking into account that: the aforementioned article 40 of the NOFCAC does not indicate a date for accounting purposes on which the transaction must be considered as realized, considering the arbitrary nature of such a date as the transaction involves companies under joint control, and that the consolidation process is similar to that applicable for a merger; the directors of the Parent applied the provisions established in RVR 21 of Spanish GAAP for mergers in so far as retroactive accounting is concerned. Consequently, the accompanying consolidated income statement includes the transactions performed by the companies comprising the Group from January 1, 2018.

The breakdown of the companies included in the consolidation scope at December 31, 2018 and their main characteristics are as follows:

Company	Registered business address	Activity	Direct	Indirect	Auditor	Consolidation method	Functional currency
INVERSIONES INMOBILIARIAS PIAMONTE CALLE 23, S.L.U.	Calle Marqués de la Ensenada 4, 5ª planta, Madrid	(*)	100%	-	EY	Global	Euro
INVERSIONES INMOBILIARIAS SERRANO ANGUITA 13, S.L.U.	Calle Marqués de la Ensenada 4, 5ª planta, Madrid	(*)	100%	-	EY	Global	Euro
INVERSIONES INMOBILIARIAS JAVIER FERRERO 10, S.L.U.	Calle Marqués de la Ensenada 4, 5ª planta, Madrid	(*)	100%	-	EY	Global	Euro

(*) Acquisition and promotion of urban investment properties for leasing activities

1.2 Activity

The Group's corporate purpose consists in the performance of the following activities:

a) The acquisition and promotion of urban investment properties for leasing;

b) The holding of stakes in the capital of other Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI"- Spanish REIT) or in the capital of other non-resident companies which have the same corporate purpose as the SOCIMIs and are subject to a regime similar to the one established for SOCIMIs as far as legally required or bylaw-stipulated policies regarding distribution of profits are concerned;

c) The holding of stakes in the capital of other resident or non-resident entities in Spain whose main corporate purpose is the acquisition of urban properties for their leasing, and which are subject to the same regime as the SOCIMIs as far as legally required or bylaw-stipulated policies regarding distribution of profits are concerned, and which fulfill the investment requirements established for the SOCIMIs in prevailing legislation;

d) The holding of shares or participation units in Collective Property Investment Institutions as required by Law 35/2003 of November 4 on Collective Investment Institutions or the regulations which replace said law in the future.

Together with the economic activity arising from the main corporate purpose, the Group can also pursue other accessory activities, understood as those which taken together generate less than 20% of Company revenue for each tax period and which can be considered accessory activities in accordance with prevailing legislation at any given moment.

These business activities are carried out exclusively in Spain.

Given the activities performed by the Group, it has no environmental expenses, assets, provisions or contingencies that could be material in respect of its equity, financial position or performance. Thus, environmental disclosures are not provided in the accompanying consolidated financial statements.

On September 27, 2018, the Parent availed itself of the SOCIMI Tax Regime, applicable from January 1, 2018 (Note 3.6). On September 28, 2018 Serrano Anguita and Piamonte 23 availed themselves of the SOCIMI Tax Regime, applicable from January 1, 2018, and on November 13, 2018 Javier Ferrero similarly availed itself of the SOCIMI Tax Regime, applicable from January 1, 2018 (Note 3.6).

1.3 Functional currency

These consolidated financial statements are presented in euros as this is the currency of the primary economic area in which the Group operates.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Regulatory framework

The consolidated financial statements were prepared in accordance with Spanish GAAP enacted by Royal Decree 1514/2007 of November 16, modified in 2016 by Royal Decree 602/2016 of December 2, and in accordance with the Standards for the Preparation of Consolidated Annual Financial Statements approved by Royal Decree 1159/2010 of September 17, as well as the rest of prevailing mercantile law.

2.2 True and fair view

The directors of the Parent prepared the accompanying consolidated financial statements at December 31, 2018 from the accounting records of the companies included in the consolidation scope. These consolidated financial statements are presented in keeping with the prevailing applicable financial reporting framework and, specifically, the accounting principles and criteria contained therein, to present fairly the Group's equity, financial position, and performance for the reporting period. The consolidated cash flow statement was prepared to present fairly the origin and use of the consolidated Group's monetary assets, representing cash and cash equivalents.

b) Non-mandatory accounting policies

The Parent did not apply any non-mandatory accounting policies. Consequently, the directors of the Parent prepared these consolidated financial statements taking into account all the mandatory accounting principles and standards which had a significant effect on them. All mandatory accounting policies have been applied.

2.4 Critical issues concerning the assessment of uncertainty

The preparation of the accompanying consolidated financial statements occasionally required estimates to be made by the Parent's directors to measure some of the assets, liabilities, income, and expenses recognized therein. Basically, these estimates are as follows:

- Measurement and impairment of investment properties (Note 3.2)
- Compliance with the SOCIMI Tax Regime by the Group companies (Note 3.6)

Although these estimates were made on the basis of the best information available at the date of authorizing these consolidated financial statements for issue regarding the facts analyzed, future events could make it necessary to revise these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the corresponding future income statements.

2.5 Comparison of information

In accordance with the prevailing accounting regulations, since this is the first year for which the Parent presents consolidated financial statements, no comparative information was included (Note 1).

2.6 Principle of going concern

At December 31, 2018 the Group has negative working capital amounting to 116 thousand euros. Nonetheless, the Parent’s directors consider that cash flows generated by the business in the short term and credit lines granted by its sole shareholder will allow it to cover current liabilities.

Consequently, the directors prepared the accompanying consolidated financial statements on a going-concern basis.

2.7 Proposed appropriation of the Parent's profits

The proposed appropriation of losses for the year ended December 31, 2018, prepared by the directors of the Parent and expected to be approved by the Sole Shareholder, consists in appropriating all losses to the heading for prior year losses.

3. RECOGNITION AND MEASUREMENT

The main recognition and measurement standards utilized by the Group when preparing the present consolidated financial statements at December 31, 2018 and corresponding to the applicable regulatory framework are as follows:

3.1 Consolidation principles

The main consolidation and measurement standards used by the Group to prepare these consolidated financial statements are summarized below:

a) The consolidated financial statements were prepared on the basis of the auxiliary accounting records of the Parent and each of the companies it controls. Control by the Parent is considered to exist when it has effective control as per point (e) below;

b) The results of the period generated by subsidiaries are included in the consolidated results from January 1, 2018 onwards;

c) All accounts receivable and payable as well as other transactions between consolidated companies were eliminated upon consolidation;

d) When necessary, the short-form financial statements of the subsidiaries are adjusted in order to ensure standardized accounting policies in line with those applied by the Parent of the Group;

e) Below are the criteria applied by the Group to determine the consolidation method applicable for each of its companies:

Full consolidation method:

- Subsidiaries are consolidated under the full consolidation method and are understood to include all entities over which the Group has the power to govern the financial and operating policies, generally accompanied by a shareholding of more than half the voting rights. When assessing whether the Group controls another entity, the existence and effect of potential voting rights that are exercisable or convertible at the closing date is taken into account.

- The accounting of subsidiaries is performed using the acquisition method. Acquisition cost is the fair value of the assets given up, the equity instruments issued, and the liabilities incurred or assumed at the exchange date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date, regardless of the non-controlling interests. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair values of the identifiable net assets acquired, the difference is recognized directly in the consolidated statement of comprehensive income of the corresponding year.

At December 31, 2018, all subsidiaries are consolidated using the full consolidation method. Likewise, all financial statements of the companies that make up the consolidated Group refer to the same closing date.

Subsidiaries

All companies included in the consolidation scope over which the Parent has or may exert direct or indirect control are considered subsidiaries. An entity is considered to have control over others when it has the power to determine the financial and operating policies of a business to obtain economic benefits from its activities.

When the direct or indirect ownership interest of the Parent in other companies is more than 50% or, if less, it has the majority of voting rights or exercises control over their financial and operating polices, the Parent fully consolidates these companies.

At December 31, 2018 the subsidiaries held no shares issued by the Parent.

3.2 Investment properties

The heading for "Investment properties" in the accompanying consolidated balance sheet reflects the values of land, buildings and other structures held either to earn rentals or for capital appreciation upon disposal due to future increases in their respective market prices.

The costs of expansion, modernization, or improvements which increase productivity, capacity or efficiency, or lengthen the useful lives of assets, are capitalized as a higher cost of the corresponding assets, while conservation and maintenance expenses are charged to the income statement of the year in which they are incurred.

With respect to the projects in progress, only execution costs and finance expenses are capitalized, provided that said finance expenses are incurred before the corresponding asset is readied for use and that the duration of the work being performed exceeds one year.

The Group depreciates its investment properties using the straight-line method over the estimated useful lives of the assets, as follows:

Assets	Rate	Useful life
Buildings	2%	50 years
Plant	10%	10 years
Other installations	5%	20 years
Machinery	12%	8 years
Furniture	10%	10 years

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses recognized.

The Group reviews the residual values, useful lives, and depreciation methods for investment properties at each year end, adjusting them prospectively where applicable. The Company periodically compares the net carrying amounts of the different investment properties with the market values obtained from appraisals carried out by independent experts, and the corresponding impairment allowances are recognized for the investment properties when the market value is less than the carrying amount.

3.3 Leases

Leases are classified as finance leases when, based on the economic terms of the arrangement, all the risks and rewards incidental to ownership of the leased item are substantially transferred to the lessee. All other leases are classified as operating leases. At December 31, 2018 all the Group's lease arrangements are treated as operating leases.

Operating leases

Income and expenses arising from operating lease agreements are taken to the income statement of the year in which they accrue. In addition, the acquisition cost of a leased asset is classified in the balance sheet in accordance with its nature, increased by directly attributable contract expenses, which are subsequently expensed throughout the life of the lease arrangement following the same criteria used to recognize lease income.

Any collection or payment that might be made when arranging an operating lease will be treated as advance collection or payment, and is recognized in the income statement over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

3.4 Financial assets and liabilities

3.4.1 Financial assets

The Group determines the classification of financial assets under each category at the moment of initial recognition based on the reason they arose or the purpose for which they were acquired, subsequently reviewing said classification at each closing date.

Thus, the Group classifies its current and non-current financial assets under the following categories:

a) Loans and receivables:

This category includes financial assets from the sale of goods and rendering of services corresponding to trade transactions as well as those that do not have a commercial origin, are not equity instruments or derivatives, but are associated with fixed or determinable payments, and are not quoted on active markets.

They are initially recognized at the fair value of the consideration delivered plus directly attributable transaction costs. Subsequently, they are measured at amortized cost, with the related interest accrued recognized based on their effective interest rate. Nevertheless, trade receivables which mature within less than one year are carried at nominal value both at initial and subsequent recognition when the effect of not discounting cash flows is insignificant.

At least at year end the Group tests its financial assets not measured at fair value for impairment. Objective evidence of impairment is deemed to exist when the recoverable value of a financial asset is less than its carrying amount.

When impairment occurs, it is recognized in the income statement. Specifically, with respect to impairment losses relating to trade and other receivables, the criteria used to calculate the corresponding adjustments, if any, is to impair the balances of a certain age or those for which circumstances justify their classification as doubtful debts.

The Group derecognizes financial assets, or parts of financial assets, when the contractual rights to receive cash flows from the assets have expired or been assigned to another entity, provided that all the risks and rewards relating to the assets have been substantially transferred.

3.4.2 Financial liabilities

The Company classifies its current and non-current financial liabilities under the following categories:

a) Trade and other payables (including bank borrowings):

This category includes financial liabilities generated by the purchase of goods and services arising from trade transactions, or non-trade payables which cannot be considered as financial derivative instruments.

They are initially measured at the fair value of the consideration received less directly attributable transaction costs. Subsequently, said liabilities are measured at amortized cost, applying the effective interest rate method. Nevertheless, trade payables which mature within 12 months and do not have a contractual interest rate, are carried at nominal value both at initial and subsequent measurement when the effect of not discounting cash flows is not significant.

The Group derecognizes a financial liability, or a part of the financial liability, as soon as the obligations relating to the corresponding contract have either expired or been fulfilled or canceled.

3.4.3 Classification of current and non-current financial assets and liabilities

The Group classifies assets and liabilities in the balance sheet as current and non-current.

Assets are classified as current when they are expected to be realized or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for trading, they are expected to be realized within twelve months from the reporting date, or are cash or cash equivalents, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting date or the Company does not have the unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

3.5 Cash and cash equivalents

This heading includes cash in hand and at banks, sight deposits, and other highly liquid short-term investments that can be readily converted into cash and are not exposed to the risk of changes in value.

3.6 Corporate income tax

The Parent decided to apply, from September 27, 2018, the special tax regime applicable to SOCIMIs. As indicated in Note 1.2 to the accompanying consolidated financial statements, all Agartha Group companies are subject to the SOCIMI Tax Regime.

The SOCIMIs, similar to European real estate investment trusts (REITs) are entities dedicated to the acquisition, refurbishment, and promotion of real estate properties of an urban nature for arranging leases that last at least three years. They are also allowed to hold interests in other real estate investment entities (such as other SOCIMIs, real estate investment funds, real estate investment companies, foreign real estate funds, etc.). They are obliged to distribute the majority of revenue obtained in the form of dividends.

The legal regime for the SOCIMIs is contained in Law 11/2009 of October 26, as per the redaction provided by Law 16/2012 of December 27 (Law of SOCIMIs).

The most relevant matters regarding regulation of SOCIMIs are described below:

a) Corporate elements. The SOCIMIs must: (i) be incorporated as a private limited company, (ii) have share capital totaling 5 million euros, and (iii) have only one class of registered shares.

b) Obligatory activity. The main activity of the SOCIMIs must be the acquisition, promotion or refurbishment of urban real estate for leasing purposes, either directly or via interest held in other SOCIMIs, REITs, Collective Property Investment Institutions, and other real estate investment entities under certain circumstances.

c) Permitted activities. The SOCIMIs must invest at least 80% of their assets in: (i) urban real estate dedicated to leasing (in Spain or in a country with which Spain has signed an agreement for actual exchange of tax information) or land for the promotion of such real estate provided that the promotion is initiated within the three years following acquisition (Qualifying Properties); or (ii) stakes in the capital or equity of another non-resident SOCIMI or REIT, unlisted SOCIMIs, non-resident unlisted entities entirely held by SOCIMIs or REITs, Collective Real Estate Investment institutions or other entities, both resident and non-resident in Spain, whose main corporate purpose is the acquisition of urban real estate for leasing and which are subject to the same regime established for SOCIMIs as far as obligatory, legally or bylaw-stipulated policy with respect to the distribution of profits and investment requirements (all of them, Qualifying Stakes, and together with the Qualifying Properties, the Qualifying Assets). Only 20% of their assets may be comprised of equity items which do not meet these requirements.

d) Origin of revenue. In accordance with the above requirement, 80% of income generated by the SOCIMIs during the tax period corresponding to each financial year, excluding the income arising from the transfer of Qualifying Assets once the holding period referred to in section (e) below has elapsed, must necessarily arise from the leasing of Qualifying Properties and/or dividends or profit-sharing from Qualifying Stakes.

e) Period during which assets are held. The Qualifying Properties acquired or promoted by the SOCIMIs must remain under leases for at least three years. For purposes of calculation, the time periods for which the properties have been offered for leasing will be added, up to a maximum of one year. This three-year holding period also applies to Qualifying Stakes.

f) Distribution policy. Each year the SOCIMIs are obliged to distribute the following to their shareholders: (i) 100% of the profit obtained from dividends or profit-sharing with respect to Qualifying Stakes; (ii) at least 50% of the profit obtained from the transfer of Qualifying Assets carried out once the holding period described in section (e) above has elapsed (in this case having to reinvest the remaining profit in Qualifying Assets within the three following years or, by default, distribute them once the aforementioned reinvestment period has elapsed); and (iii) at least 80% of the remaining profit obtained.

g) Admission to trading. The shares of SOCIMIs must be listed on a regulated market or on a multilateral Spanish trading system or similar system in another EU country or the European Economic Area, or a regulated market in any other country with which there is an agreement for actual exchange of tax information with Spanish authorities.

h) Tax regime. The SOCIMIs file their corporate income tax returns at a 0% rate. However, should the profits distributed to a shareholder who owns at least 5% of capital be exempt or subjected to a tax rate below 10%, the SOCIMI shall be subjected to a special 19% rate over the total amount of dividends or profit-sharing distributed to said shareholder.

Furthermore, failure to comply with the minimum period required for holding the Qualifying Assets described in section (e) above will determine: (i) in the case of Qualifying Properties, the taxation on all revenue generated by them during all taxation periods for which the special SOCIMI tax regime was applicable, in accordance with the general regime and the general tax rate for corporate income tax; and (ii) in the case of Qualifying Stakes, the taxation of that portion of revenue generated by the transfer in accordance with the general regime and the general corporate income tax rate.

In addition, the SOCIMIs benefit from application of tax relief amounting to 95% of the tax payable with regard to Transfer Tax and Stamp Duty (Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados) accrued as a consequence of acquiring the buildings used for leasing (or land for promotion of buildings to be leased), provided that, in both cases, the minimum period established for holding said assets referred to in section (e) above is fulfilled.

As established in the first transitory provision of Law 11/2009 which regulates the SOCIMIs, they can opt for application of the special tax regime under the terms established in article 8 of said Law, even when not all requirements established therein have been met, provided that said requirements are fulfilled within the two years following the decision to opt for application of said regime.

The Parent forms a part of the SOCIMI Tax Group, of which it is also the parent. In accordance with the available information, the Parent only partially fulfills the requirements stipulated in the previous Law at the closing date of the accompanying consolidated financial statements. However, in the opinion of the directors the necessary processes have been initiated to ensure compliance with all requirements before the maximum period established for this purpose has elapsed.

3.7 Income and expense

Income and expenses are recorded based on the principle of accrual, regardless of when actual payment or collection occurs.

Nevertheless, only realized income is recorded by the Group at the balance sheet date while foreseeable risks and potential losses are recorded when known.

Revenue from the sale of goods and the rendering of services is recognized at the fair value of the consideration received or receivable. Discounts granted for prompt payment, volume purchases or other considerations and any interest income arising from financing a sale are deducted from the amount of revenue recognized. However, interest on trade receivables which mature within less than one year with no contractual interest rate can be included when the effect of not discounting cash flows is not significant.

3.8 Related-party disclosures

Transactions between companies belonging to the same group are recognized as per the general rules, independently of the degree of relationship between them.

The items exchanged in the transactions carried out are initially recognized at the fair value of the consideration delivered or received. The difference between this value and the amount agreed upon is recognized in accordance with the underlying economic substance of the transaction.

The Group conducts all related-party transactions on an arm’s length basis.

3.9 Consolidated cash flow statement (indirect method)

The following terms are used in the consolidated cash flow statement with the meanings indicated below:

- Cash flows: inflows and outflows of cash and equivalent financial assets, with the latter corresponding to current investments which are highly liquid and subject to insignificant risk of changes in value;

- Operating activities: the principal revenue-producing activities and other activities that cannot be classified as investments or financing;

- Investing activities: the acquisition, sale or other disposal of non-current assets and other investments not included in cash and cash equivalents;

- Financing activities: activities resulting in changes in the size and composition of equity and liabilities that do not form part of operating activities.

3.10 Segment information

Segment reporting is structured by the Group’s various business areas. Said business lines were established based on the Group's organizational structure at December 31, 2018.

The Group's activities are focused on investing in buildings, and as this is the only segment in which it is active, it is the only one the Company considers when analyzing financial performance.

All of the Group's business activities are conducted in Spain.

4. INVESTMENT PROPERTIES

The breakdown and movements in the items composing "Investment properties" are as follows:

(Thousands of euros)	Beginning Balance	Additions due to inclusion of companies	Additions	Derecognitions	Transfers	December 31, 2018
Cost						
Land	-	9,439	2,481	-	-	11,920
Construction in progress	-	3,437	2,465	-	(228)	5,674
Machinery	-	-	25	-	22	47
Other installations	-	-	1,348	-	197	1,545
Furniture	-	-	617	-	9	626
	-	12,876	6,936	-	-	19,812
Accumulated depreciation						
Buildings	-	-	(46)	-	-	(46)
Machinery	-	-	(2)	-	-	(2)
Other installations	-	-	(34)	-	-	(34)
Furniture	-	-	(29)	-	-	(29)
	-	-	(111)	-	-	(111)
Net carrying amount	**-**	**12,876**	**6,825**	**-**	**-**	**19,701**

4.1 Significant movements

The additions due to inclusion of companies correspond to the contributions described in Note 1 to the accompanying consolidated financial statements.

The other additions during the year correspond to the purchase, including related expenses, of the three buildings located in Madrid, with a view to leasing them in the short term and in which co-working and co-living activities can be performed. The breakdown of these assets at December 31, 2018 is as follows:

- The company Serrano Anguita acquired a building located at calle Serrano Anguita 13, Madrid on June 23, 2015. During 2018 the investments made for improvements finalized, with delivery certified in November 2018. Thus, at the date of authorization of the present consolidated financial statements the building was functional and being utilized, accruing the corresponding rental payments from said date.

- The company Piamonte 23 acquired a building located at calle Piamonte 23, Madrid on April 18, 2016. During 2018 the investments made for improvements finalized, with delivery certified in April 2018. Thus, at the date of authorization of the present consolidated financial statements the building was functional and being utilized, accruing the corresponding rental payments from said date.

- The company Javier Ferrero acquired a building located at calle Javier Ferrero 10, Madrid on July 25, 2018. At the date of authorization of the accompanying consolidated financial statements the Group expects to formalize a leasing agreement in the short term.

4.1.1. Impairment

For purposes of impairment testing, which Management performs annually, the fair value of investment properties is determined by using the appraisals carried out by independent experts as reference values at the date of preparation of the accompanying consolidated financial statements (CBRE Valuation Advisory S.A. in this case), so that at the closing of each period the fair value reflects the market conditions of the investment properties at said date. The valuation reports issued by the independent experts only contain the usual caveats and/or qualifications regarding the scope of the results obtained from the appraisals performed, which refer to acceptance that the information

provided by the Company is complete and correct, and that the appraisal was carried out in accordance with the Professional Valuation Standards of the Royal Institute of Chartered Surveyors.

The main methodology utilized to determine the market value of the Group's investment properties during 2018 consisted in discounting cash flows, based on the estimated expected future cash flows from the investment properties using an appropriate discount rate to calculate the current value of these cash flows. Said rate takes current market conditions into account and reflects all forecasts and risks relating to the cash flows and the investment. In order to calculate the residual value of the assets for the last year of the forecasts made regarding cash flows, a net exit yield is applied.

The properties were valued individually, taking into account each one of the prevailing leasing agreements at year end. The buildings with surfaces not under leases were valued based on future estimated rental income, discounting a commercialization period.

4.2 Operating leases

Piamonte 23 leased its building to HUB MADRID PIAMONTE, S.L. from June 7, 2017 for a period of 20 years with a fixed annual rent and a variable component referenced to the lessor's gross income. The minimum guaranteed term is three years. Likewise, Serrano Anguita leased its building to HUB MADRID SERRANO ANGUITA, S.L. from May 30, 2018 for a period of 20 years with a fixed annual rent and a variable component referenced to the lessor's gross income.

Both leasing agreements include a twelve month grace period for improving and adapting the installations for the co-working activities which will be performed in the buildings. As far as Javier Ferrero is concerned, negotiations are being conducted for a leasing agreement, conclusion of which is expected in the short term. The leasing income accrued at December 31, 2018 corresponds to the rental income from Piamonte 23 from the date of delivery of the property, which took place on April 1, 2018, and the rental income from Serrano Anguita from the date of delivery of the property, which took place on November 1, 2018.

The breakdown of future minimum payments corresponding to the non-cancelable operating leases at December 31, 2018 (without taking into account future CPI increases or future updates to the rental amounts contractually agreed upon) is as follows:

(Thousands of euros)	**2018**
Within one year	367
Between one and five years	3,200
More than 5 years	12,433
Total	**16,000**

The lessors can unilaterally terminate the leasing agreement once the first three years counting from the lease start date have elapsed, without having to pay any indemnities whatsoever provided that six month notice is provided.

4.3 Other disclosures

All the Group's investment properties are located in Spain.

The insurance policies cover the reconstruction value of investment properties.

The investment properties recognized at a net carrying amount of 19,358 thousand euros were mortgaged at December 31, 2018 as a guarantee for mortgage loans amounting to 10,300 thousand euros (Note 8).

5. FINANCIAL INVESTMENTS

The breakdown of financial investments at December 31, 2018 is as follows:

(Euros)	Loans, derivatives and other December 31, 2018
Non-current financial assets	
Loans and receivables	187,548
	187,548
Current financial assets	
Loans and receivables	387,757
	387,757
Total	**575,305**

These amounts are included in the following consolidated balance sheet headings:

(Euros)	Loans, derivatives, and other December 31, 2018
Non-current financial assets	
Non-current collateral guarantees (Note 5.1)	133,548
Other financial assets (Note 5.1)	54,000
	187,548
Current financial assets	
Trade receivables (Note 5.2)	353,253
Current investments in related companies (Note 5.2)	29,755
Other current financial assets (Note 5.2)	4,749
	387,757
Total	**575,305**

5.1 Non-current financial assets

Guarantees

The amount recognized under this heading mainly reflects the amounts deposited with the corresponding public bodies, relating to the guarantees received with respect to the leasing agreements formalized with Piamonte 23, amounting to 66,666 euros, and Serrano Anguita 13, amounting to 66,666 euros, with balancing entries recognized under the heading for current borrowings (Note 8).

Other non-current financial assets

This heading reflects a time deposit at the Banco de Santander amounting to 54 thousand euros, maturing in 2020 and corresponding to Serrano Anguita.

5.2 Current financial assets

Trade receivables

The balance recognized under this heading mainly corresponds to the invoices pending issue by Piamonte 23 and Serrano Anguita 13 for the rental income accrued by the leased buildings, amounting to 285 thousand euros and 63 thousand euros, respectively.

Current investments in related companies

From their incorporation date, the Group companies form a part of a VAT Consolidation Group with Invecap Inversiones Inmobiliarias, S.L.U. As a consequence, the Group recognized a debit balance amounting to 29 thousand euros.

Other current financial assets

The amount recognized under this heading corresponds to the amounts deposited with public bodies for waste removal, corresponding to Piamonte 23 and Serrano Anguita.

6. CASH AND CASH EQUIVALENTS

Cash is comprised of the liquid balances in hand and at banks.

The current accounts bear interest at market rates.

7. CAPITAL AND RESERVES

7.1 Subscribed capital

The Parent was incorporated on September 18, 2018 with share capital of 60,000 euros, divided into 60,000 shares numbered 1 to 60,000, all held by INVECAP INVERSIONES INMOBILIARIAS, S.L.U.

In the purchase deeds described in Note 1 to the accompanying consolidated financial statements the parties agreed that Agartha would be expressly empowered to settle payments by delivery of new shares of the Parent issued in the context of a capital increase via offsetting credit claims by virtue of article 301 of the Spanish Corporate Enterprises Act.

On October 9, 2018 the Parent manifested its intention to settle the credit claims arising from the transfer by Invecap, and on October 26, 2018 the Parent manifested its intention to settle the credit claims generated in the purchase of the three companies.

As a consequence of the above, on November 23, 2018 a capital increase via offsetting credit claims was agreed upon in the amount of 9,210,728 euros through the issue of 9,210,728 shares at a nominal value of one euro each. Said capital increase became effective on November 26, 2018.

As a consequence of said capital increase, the share capital of the Parent at December 31, 2018 is comprised of 9,270,728 shares at a nominal value of one euro each, representing share capital of 9,270,728 euros.

All the shares are of the same class, bear the same rights, and are not listed.

The Parent does not hold any treasury shares and none are held by any third parties on behalf of the Parent. Further, no treasury shares have been encumbered as collateral guarantees either.

7.2 Appropriation of results and management of capital

The SOCIMIs are regulated by the special tax regime established in Law 11/2009 of October 26, modified by Law 16/2012 of December 27, which regulates SOCIMIs. They are obliged to distribute gains obtained during the year in the form of dividends to their shareholders, once the corresponding mercantile obligations have been fulfilled, and must agree upon the distribution within the six months subsequent to the closing of each reporting period, as follows:

a) 100% of the gains arising from dividends or profit-sharing based on interests held in other SOCIMIs or other interests whose main corporate purpose is the acquisition of urban properties;

b) At least 50% of the gains arising from transfer of properties and shares or participation units to which section 1 of article 2 of this Law refers, once the deadlines have elapsed to which section 3 of article 3 of this Law refers, relating to compliance with the main corporate purpose. The remaining gains must be reinvested in other properties or interests relating to compliance with the corporate purpose, within three years subsequent to the transfer date. In default thereof, said gains must be distributed in their entirety together with the gains, if any, which arise in the year in which the reinvestment period ends. If the items subject to reinvestment are transferred within the holding period, any corresponding gains must be distributed in their entirety together with the gains, if any, which arise from the year in which they were transferred. The obligation to

distribute does not affect the portion of gains attributable to years in which the Company did not file taxes under the special tax regime established in said Law;

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

When the distribution of dividends is performed with a charge against reserves arising from gains obtained during a year in which the special tax regime was applied, the distribution will obligatorily be adopted with the agreement to which the previous section refers.

The legal reserve of the companies which opted for application of the special tax regime established in this Law cannot exceed 20% of share capital. The by-laws of these companies cannot establish any other reserves of a restricted nature different to the above.

7.3 Reserves

Legal reserve

In accordance with the revised text of the Spanish Corporate Enterprises Act, 10% of profit must be transferred to the legal reserve each year until it represents at least 20% of share capital.

The legal reserve can be used to increase capital by the amount exceeding 10% of the increased share capital amount. Except for this purpose, until the legal reserve exceeds the limit of 20% of share capital, it can only be used to offset losses, provided there are no other reserves available.

At December 31, 2018, the Company had not allocated the legal reserve.

Reserves in consolidated companies

Reserves in consolidated companies correspond to the negative results from prior years which the Group companies contributed. The breakdown and movements in this heading at December 31 are as follows:

(Euros)	Additions	Derecognitions	Closing balance
Inversiones Inmobiliarias calle Piamonte 23, S.L.U.	(57,526)	-	(57,526)
Inversiones Inmobiliarias Serrano Anguita 13, S.L.U.	(85,410)	-	(85,410)
Inversiones Inmobiliarias Javier Ferrero 10, S.L.U.	-	-	-
Total	**(142,936)**	**-**	**(142,936)**

8. FINANCIAL LIABILITIES

The breakdown of “Financial liabilities” at December 31, 2018 is as follows:

(Euros)	Bank borrowings	Derivatives and other	Total
Non-current financial liabilities			
Trade and other payables	10,075,074	733,333	10,808,407
	10,075,074	**733,333**	**10,808,407**
Current financial liabilities			
Trade and other payables	214,834	1,099,150	1,313,984
	214,834	**1,099,150**	**1,313,984**
Total	**10,289,908**	**1,832,483**	**12,122,391**

These amounts are included in the following consolidated balance sheet headings:

(Euros)	Bank borrowings	Derivatives and other	Total
Non-current financial liabilities			
Non-current bank borrowings	10,075,074	-	10,075,074
Guarantees	-	133,333	133,333
Other non-current financial liabilities	-	600,000	600,000
	10,075,074	**733,333**	**10,808,407**
Current financial liabilities			
Current bank borrowings	214,834	-	214,834
Current borrowings (Note 8.1)	-	56,654	56,654
Trade and other payables	-	1,042,496	1,042,496
	214,834	**1,099,150**	**1,313,984**
Total	**10,289,908**	**1,832,483**	**12,122,391**

8.1 Non-current financial liabilities

Bank borrowings

The breakdown of this heading at December 31, 2018 is as follows:

December 31, 2018 (Euros)	Current	Non-current						Total
	Less than one year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total non-current	
Bank borrowings:								
Loans to third parties	213,114	314,475	4,130,224	340,036	349,480	4,952,671	10,086,886	10,300,000
Interest from third parties	1,720	-	-	-	-	-	-	1,720
Debt arrangement fees	-	(2,833)	(5,367)	(300)	(300)	(3,012)	(11,812)	(11,812)
Total	214,834	311,642	4,124,857	339,736	349,180	4,949,659	10,075,074	10,289,908

Financial debt corresponds to three credit transactions with the different Group companies for acquisition of its investment properties as described below:

- On December 22, 2017 Piamonte 23 arranged a mortgage loan with a banking entity for an amount of 4,500 thousand euros and a duration of 15 years at a fixed interest rate of 1.95% and an annual effective rate of 2.0%. Amortization is carried out on a monthly basis.

- On January 15, 2018 Serrano Anguita arranged a mortgage loan with a banking entity for an amount of 2,700 thousand euros and a duration of 3 years at a fixed interest rate of 1.25% and an annual effective rate of 3.28%. Complete amortization of this loan is in one single payment at maturity. Subsequently, on November 12, 2018 the loan was increased by 1,100 thousand euros. The duration of the loan remained the same while the annual effective rate of interest changed to 2.05%.

- On July 25, 2018 Javier Ferrero arranged a mortgage loan with a banking entity for an amount of 2,000 thousand euros at a fixed interest rate of 1.90% and an annual effective rate of 1.915%. Amortization is carried out on a monthly basis.

The corresponding finance expenses recognized at December 31, 2018 amounted to 140 thousand euros (Note 10.4).

Guarantees

The items that make up this heading mainly correspond to the guarantees for the leased buildings, totaling 133 thousand euros (Note 5.1). Expiry of these guarantees is aligned with the leasing agreements described in Note 4.2.

Other non-current financial liabilities

The amount recognized under this heading corresponds to two loans which Javier Ferrero was granted in October 2018. One of the loans was granted in the amount of 199,800 euros by P.L.1,

S.A. for a duration of three years and an interest rate of EURIBOR + 1.5%. Liquidation of the loan is in one single payment at the maturity date.

The second loan was granted by Soul 96 Enterprise, S.L. for an amount of 400,200 euros and a duration of three years at an interest rate of EURIBOR +1.5%. Liquidation of the loan is in one single payment at the maturity date.

8.2 Current financial liabilities

Suppliers and creditors

This heading mainly records the expenses relating to the refurbishment work being carried out at Piamonte 23 and Serrano Anguita 13 as well as fees accrued for the professional services rendered in connection with starting up the Parent's business and management of audit, consulting, and advisory services.

9. TAX MATTERS

Corporate income tax for the period is calculated based on taxable profit for the period, which differs from the net profit reported in the consolidated income statement because it excludes revenue and expense items which are taxable or deductible in different years and also excludes items that will never be taxable or deductible. The assets and liabilities of the Group in terms of current taxes are calculated using tax rates approved at the closing date of the consolidated statement of financial position.

The breakdown of balances with public administrations in the accompanying consolidated statement of financial position is as follows:

(Euros)	December 31, 2018
Receivables from public administrations	**12,071**
Payables to public administrations	**15,119**
Personal income tax withholdings	14,136
Social security	983

Under prevailing tax regulations, tax returns cannot be considered final until they have either been inspected by the tax authorities or until the four-year inspection period has prescribed.

The Group companies and Parent have their books open to inspection for all years since incorporation in respect of all applicable taxes. In the opinion of the Parent’s directors and tax advisors there are no material tax contingencies that could arise in the event of an inspection as a result of different interpretations of the tax regulations applicable to its activities.

On September 27, 2018 the Parent notified the Spanish state tax authorities that it would avail itself of the option to apply the special tax regime foreseen in Law 11/2009 of October 26 corresponding to SOCIMIs for the tax period which started on January 1, 2018 and subsequent periods. The directors and tax advisors of the Parent consider that it is in compliance with all the minimum requirements established for application of this special tax regime for the present period. In accordance with the special tax regime for the SOCIMIs, the returns generated by their activities which fulfill the stipulated requirements are exempt.

The reporting requirements for SOCIMIs established in Law 11/2009, modified by Law 16/2012, are described in the financial statements of the Parent, which were authorized at the same date as these consolidated financial statements.

10. INCOME AND EXPENSE

10.1 Rental income

Rental income is entirely generated in Madrid, corresponding to Piamonte 23 and Serrano Anguita during 2018.

10.2 Employee benefits expense

The breakdown of this heading at December 31, 2018 was as follows:

(Euros)	December 31, 2018
Wages and salaries	(13,858)
Social security	(4,737)
Total	**(18,595)**

The breakdown of employees at December 31, 2018 was as follows:

	Number of employees at December 31, 2018				
	Male	Female	Total	Average headcount during the year	Average headcount of employees with disabilities > 33%
Auxiliary staff	2	-	2	2	-
	2	**-**	**2**	**2**	**-**

There were no employees under contract with disabilities greater than or equal to 33% at December 31, 2018.

10.3 External services

The breakdown of "External services" at December 31, 2018 is as follows:

(Euros)	December 31, 2018
Repairs and maintenance	2,184
Independent professional services	530,149
Insurance premiums	3,909
Banking services	631
Utilities	17,018
Other services	53,593
Taxes	90,179
Total	**697,663**

The amount recognized for independent professional services mainly corresponds to the fees accrued for the professional services rendered to start up the business of the Parent and manage audit, consulting, and advisory services.

10.4 Finance costs

Finance costs break down as follows:

(Euros)	December 31, 2018
Bank loans and credit facilities (Note 8)	(139,704)
Total	**(139,704)**

10.5 Results by Company

The contribution made to consolidated results by each company included in the consolidation scope is broken down as follows:

(Euros)	December 31, 2018
INVERSONES INMOBILIARIAS CALLE PIAMONTE 23, S.L.U.	20,648
INVERSIONES INMOBILIARIAS SERRANO ANGUITA 13, S.L.U.	(147,405)
INVERSIONES INMOBILIARIAS JAVIER FERRERO 10, S.L.U.	(152,078)

AGARTHA REAL ESTATE SOCIMI, S.A.U.	(319,448)
Total	**(598,283)**

11. RELATED-PARTY TRANSACTIONS

The breakdown of related parties is as follows:

Company	Nature of the relationship
INVECAP INVERSIONES INMOBILIARIAS, S.L.U.	Sole shareholder
AGARTHA REAL ESTATE SOCIMI, S.A.U.	Parent
INVERSIONES INMOBIL. CALLE PIAMONTE 23, S.L.U.	Group company
INVERS. INMOB. JAVIER FERRERO 10, S.L.U.	Group company
INVERS. INMOB.SERRANO ANGUITA 13, S.L.U.	Group company
HUB MADRID PIAMONTE, S.L.	Associate
HUB MADRID SERRANO ANGUITA, S.L.	Associate

11.1 Balances with related parties

The breakdown of the balances payable to and receivable from related parties at December 31, 2018 is as follows:

(Euros)	**Associates**	**Sole shareholder**
Investments with related companies	-	29,755
Borrowings from related companies	-	56,143
Trade receivables	348,333	-
Total	**-**	**85,898**

11.2 Related-party transactions

The transactions with Group companies are described in Notes 1 and 7 to the accompanying consolidated financial statements. Further, leasing income relating to associates was explained in Note 10.1 to the accompanying consolidated financial statements.

11.3 Transactions with the Administrative Body

On November 26, 2018 the Parent's administrative system changed from that of a sole director to that of a Board of Directors.

The members of the Parent's Board of Directors did not receive any remuneration during the year ended December 31, 2018.
Neither had the Group assumed any obligations with respect to pension plans or life insurance policies for the Board of Directors during the year ended December 31, 2018.

Further, no civil liability insurance premiums were paid during 2018 on behalf of the directors for any damages caused in the exercising of their duties.

For the purposes of article 229 of Spain’s Corporate Enterprises Act, as of December 31, 2018 the directors stated that they were not party to any conflicts of interest with respect to those of the Company.

No advance payments or loans were granted to the Board of Directors.

12. OTHER DISCLOSURES

Fees paid during the year for services rendered by the auditor of accounts amounted to 53 thousand euros at December 31, 2018.

13. RISK MANAGEMENT POLICIES

The risk management policies are established by management of the Parent, subject to prior approval by the directors of the Parent. Based on these policies, the Finance Department has established a series of procedures and controls which make it possible to identify, measure, and manage the risks arising from financial instrument activity. These policies establish, inter alia, that the Company may not engage in speculative derivatives trading.

The use of financial instruments exposes the Company to credit, market, and interest rate risk.

Credit risk

Credit risk relates to the potential loss that the Company would incur if one or more of its counterparties were to breach their contractual obligations, i.e. the possibility that its financial assets will not be recovered at their carrying amount within the established timeframe.

Maximum exposure to credit risk at December 31, 2018 exclusively relates to recovery of the guarantees deposited, collection of balances accrued with clients, and debts pending collection at said date.

Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises interest rate risk, currency risk, and other price risks.

Interest rate risk

Interest rate risk exists when there is potential for loss from variations in the fair value or future cash flows of a financial instrument due to changes in market interest rates. The Group's exposure to interest rate risk is mainly related to non-current variable-rate loans and borrowings. At the date of authorization of the accompanying consolidated financial statements, this risk was considered limited as said borrowings accrued interest at a fixed rate.

14. SUBSEQUENT EVENTS

The significant events that occurred subsequent to December 31, 2018 were as follows:

- On March 14, 2019 the Parent registered its new name at the Mercantile Register, becoming Agartha Real Estate SOCIMI, S.A.U.

15. OTHER MATTERS

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish language prevails.

CONSOLIDATED MANAGEMENT REPORT

Business performance and Group information

The consolidated financial statements for the year were prepared in accordance with prevailing mercantile legislation, the standards established in Spanish GAAP approved by Royal Decree 1514/2007 of November 16, modified in 2016 by Royal Decree 602/2016 of December 2, and Royal Decree 1159/2010 of September 17, approving the standards for preparation of consolidated financial statements.

The consolidated financial statements were prepared by the directors of the Parent and will be submitted for approval by the Sole Shareholder. It is expected that they will be approved without modification.

The Group generated revenue during 2018 amounting to 366,832 euros and operating losses totaling 458,579 euros. The net consolidated results for the year reflect losses of 598,283 euros.

At 31 December 2018 the Group has negative working capital of 116 thousand euros. At December 31, 2018 the cash held by the Group amounted to 689,578 euros.

Research and development activities

The Group did not engage in any R&D activity during 2018.

Use of financial instruments

The Group did not perform any cash flow hedging transactions during 2018.

Description of the main risks and uncertainties facing the Group

The directors of the Parent Company note the existence of certain risks, specifically relating to analysis of the investment projects, managing occupation of the buildings, and the situation in financial markets.

These risk factors, which can affect the Group, are disclosed below, together with the policies applied to mitigate them:

Credit risk

Credit risk relates to the potential loss that the Company would incur if one or more of its counterparties were to breach their contractual obligations, i.e. the possibility that its financial assets will not be recovered at their carrying amount within the established timeframe.

Maximum exposure to credit risk at December 31, 2018 exclusively relates to recovery of the guarantees deposited, collection of balances accrued with clients, and debts pending collection at said date.

Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises interest rate risk, currency risk, and other price risks.

Interest rate risk

Interest rate risk exists when there is potential for loss from variations in the fair value or future cash flows of a financial instrument due to changes in market interest rates.

The Group's exposure to interest rate risk is mainly related to non-current variable-rate loans and borrowings. At the date of authorization of the accompanying consolidated financial statements, this risk was considered limited as said borrowings accrued interest at a fixed rate.

Treasury shares

The Group did not hold any treasury shares or perform any activities with treasury shares during 2018.

Subsequent events

No events occurred subsequent to year end other than those described in the notes to the consolidated financial statements.

APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The present consolidated financial statements of AGARTHA REAL ESTATE SOCIMI, S.A.U. and subsidiaries for the year ended December 31, 2018, authorized by the directors of the Parent, consist of 28 sheets of paper, which include the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognized income and expenses, the consolidated statement of changes in equity, the consolidated cash flow statement, the consolidated notes thereto, and the consolidated management report.

Madrid, March 29, 2019

(Signed on the original in Spanish)

Mr. Miguel Ángel Capriles López

Chairman

(Signed on the original in Spanish)

Mr. Emanuele Boni

Board member

(Signed on the original in Spanish)

Mr. Juan Portilla Sebastián de Erice

Board member