Calle Tambre, 1, Madrid, 28002 (SPAIN)

www.Iposasocimi.es

INFORMATION DOCUMENT

JULY 31st, 2019

REGISTRATION OF SHARES

FOR NEGOTIATIONS ON EURONEXT ACCESS PARIS

Euronext Access est un marché géré par Euronext. Les sociétés admises sur Euronext Access ne sont pas soumises aux mêmes règles que les sociétés du marché réglementé. Elles sont au contraire soumises à un corps de règles moins étendu adapté aux petites entreprises de croissance. Le risque lié à un investissement sur Euronext Access peut en conséquence être plus élevé que d'investir dans une société du marché réglementé.

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.

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

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

LISTING SPONSOR EURONEXT

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. José Carlos Rodríguez San Pedro y Márquez, president of the Board of Directors, acting for and on behalf of IPOSA PROPERTIES SOCIMI S.A., (hereinafter, the "**Company** "or the "**Issuer**" or "**IPOSA**") hereby declares, after taking all reasonable measures for this purpose and to the best of his knowledge, that the information contained in this Information Document is in accordance with the facts and that the Information Document makes no material omission.

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

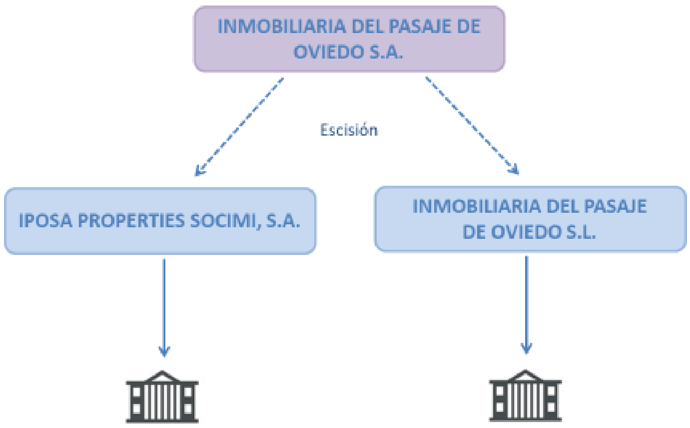
1 SUMMARY

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

1.1 GENERAL DESCRIPTION OF IPOSA PROPERTIES SOCIMI, S.A.

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

The Company was founded on December 28th, 2018 under the corporate name of IPOSA PROPERTIES SOCIMI S.A, from the division of INMOBILIARIA DEL PASAJE DE OVIEDO S.A. (a partnership created in 1982).



On December 28, 2018 the Company's Sole Shareholder did a resolution on requesting the application of the special SOCIMI tax regime.

IPOSA PROPERTIES SOCIMI S.A. has invested in the following real estate investments:

- Calle Milicias Nacionales, 4 located at Oviedo (Spain)
- Calle Milicias Nacionales, 6 located at Oviedo (Spain)
- Calle Milicias Nacionales, 8 located at Oviedo (Spain)
- Calle Pelayo, 11 located at Oviedo (Spain)
- Calle Pelayo, 13 located at Oviedo (Spain)

- Calle Uría, 12 located at Oviedo (Spain)
- Calle Uría, 14 located at Oviedo (Spain)
- Calle Uría, 16 located at Oviedo (Spain)

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

1.2.1 Company name

The Company is named IPOSA PROPERTIES SOCIMI, S.A.

1.2.2 Registered office

Calle Tambre, 1, Madrid, 28002 (Spain).

1.2.3 Data of Registration with the Commercial Registry

Registered at the Madrid Commercial Register.

Date	January 22th, 2019
Book/tomo	38,314
Sheet/folio	149
Section	8
Page	M-681706

1.2.4 Registration for the SOCIMI special tax regime

Before September 30th, 2019 the Company will communicate to the Tax Agency its request to be subject to the SOCIMI special tax regime, established in Law 11/2009.

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

ARTICLE 3.- DURATION, START DATE OF OPERATIONS & FINANCIAL YEAR END

The Company shall have an indefinite duration and its activity shall begin on the day of the execution of the public deed of the Articles of Incorporation.

The corporate financial year shall end on 31st December of each year.

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

ARTICLE 2.- OBJECT

The object of the Company shall consist of the acquisition and development of urban real estate for lease (CNAE 6820) [Spanish acronym – National Classification of Economic Activities]. The activity of development includes the rehabilitation of buildings in the terms established in Act 37/1992, on Value Added Tax.

The holding of shares in the capital of other Listed Companies for Investment in the Real Estate Market (SOCIMIs) or in that of other companies not resident in Spain that have the same main company object as SOCIMIs and that are subject to a regime similar to that established for SOCIMIs in terms of the mandatory profit distribution policy, whether pursuant to the law or to the Articles of Association.

The holding of shares in the capital of other companies, resident in Spain or not, whose main company object is the acquisition of urban real estate for lease and that are subject to the same regime established for SOCIMIs in terms of the mandatory profit distribution policy, whether pursuant to the law or to the Articles of Association, and meet the investment requirements referred to in Article 3 of Act 11/2009, of 26th October, on Listed Public Limited Companies Investing in the Real Estate Market, or the legal provision replacing the latter, as well as the other requirements established in Article 2 of the aforesaid Act.

The holding of shares of Real Estate Collective Investment Institutions regulated in Act/2003, of 4th October, on Collective Investment Institutions. Property Development (CNAE 4110). Construction of both residential buildings (CNAE 41211) and non-residential buildings (CNAE 4122). Buying and selling real estate on own account (CNAE 6810). Renting of own rustic properties (CNAE 6820).

Excluded are all activities for the exercise of which the law demands requirements that cannot be met by this Company.

The activities the make up the Company object may be carried out both in Spain and abroad, and likewise may be carried out, either wholly or partially, indirectly through holding stakes in other companies with an identical or analogous object.

1.5 DIVIDENDS (ARTICLE 38 OF THE ARTICLES OF ASSOCIATION)

Article 38 of the articles of association sets out the requirements for the distribution of profits:

ARTICLE 38.- SPECIAL RULES FOR THE DISTRIBUTION OF DIVIDENDS

1. *The right to receive dividends. Those who appear as legitimated in the accounting records of the "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal" [Iberclear – Spanish acronym]*

at the time determined by the General Meeting of Shareholders or, if applicable, the Board of Directors, as a result of the distribution resolution.

2. *Enforceability of the dividend. Unless otherwise resolved, the dividend shall be due and payable 30 days after the date of the resolution by which the General Meeting of Shareholders or, if applicable, the Board of Directors, has decided its distribution.*

3. *Indemnification. Insofar as the Company is subject to a special 19% tax on the amount of dividends distributed to the shareholders with an interest equal to or greater than the 5% paying dividends at a rate of less than 10%, such shareholders shall indemnify the Company and refund it to an amount equal to 19% of the dividends received. The amount of the compensation to be paid by the shareholders shall be offset against the amount of the dividends to be paid to them, and the Company may retain the amount of the compensation of the net value to be paid as dividends. In the event that the income received by the Company as a result of the compensation is taxed under Corporation Tax at the general tax rate, the amount of the compensation shall be increased to the extent necessary to absorb said tax cost (i.e. an increase to the full amount).*

   The amount of the compensation shall be approved by the Board of Directors prior to the distribution of the dividend.

4. *Right of retention for breach of the Ancillary Obligations. In those cases in which the payment of the dividend is made prior to the periods given for compliance with the Ancillary Obligations, the Company may withhold from those shareholders or holders of economic rights over the Company's shares who have not yet provided the information and documentation required in the preceding Article 7 an amount equivalent to the amount of the indemnity that they would eventually have to pay. Once the Ancillary Obligation has been fulfilled, the Company shall reimburse the amounts retained to the shareholder who is not obliged to indemnify the Company.*

   Likewise, if the Ancillary Obligation is not fulfilled within the stipulated periods, the Company may also withhold the payment of the dividend and compensate the amount retained with the amount of the indemnity, paying the shareholder any positive difference that may exist.

5. *Other rules. In those cases in which the amount of the compensation could cause damage to the Company (for example, that arising from non-compliance with the requirement set out in Act 11/2009 that at least 80% of the income from the tax period shall come from specific sources), the Board of Directors may demand compensation of an amount lower than that calculated in accordance with the provisions of Section 3 of this Article or, alternatively, delay the enforceability of such compensation until a later date.*

1.6 FISCAL YEAR (ARTICLE 36 OF THE ARTICLES OF ASSOCIATION)

ARTICLE 36.- FINANCIAL YEAR & PREPARATION OF THE ANNUAL ACCOUNTS

1. *The financial year shall begin on 1st January every year and end on 31st December.*

2. *Within the first three months of the year, the Board of Directors shall prepare the annual accounts, the management report and the proposal for the application of the result and, where appropriate, the consolidated annual accounts and the consolidated management report. The annual accounts and the management report shall be signed by all the Directors. If one of their signatures is missing, it shall be indicated on each of the documents on which it is missing, with express indication of the cause.*

1.7 ADMINISTRATIVE, MANAGEMENT, AND CONTROLLING BODIES

1.7.1 Board of Directors (ARTICLE 26, 27, 28, 29, 30, 31, 32, 33 AND 34 OF THE ARTICLES OF ASSOCIATION)

Article 26, 27, 28, 29, 30, 31, 32, 33 and 34 of the articles of association sets out the operation of the board of directors:

ARTICLE 26.- BOARD OF DIRECTORS

1. *The Company shall be managed by a Board of Directors.*

2. *The Board of Directors shall be governed by the applicable legal provisions and by these Articles of Association. The Board of Directors may implement and complete such provisions by means of the appropriate Regulations of the Board of Directors, of the approval of which it shall inform the General Meeting of Shareholders.*

ARTICLE 27.- POWERS OF THE BOARD OF DIRECTORS

1. *The Board of Directors shall be entitled to adopt resolutions on all types of matters that are not assigned to the General Meeting of Shareholders by the applicable regulations or these Articles of Association.*

2. *The Board of Directors, which has the broadest powers and authority to manage, direct, administer and represent the Company, as a general rule, shall entrust the day-to-day management of the Company to the delegated management bodies and shall concentrate its activity on the general supervisory functions and on the consideration of those matters that are of particular importance to the Company.*

ARTICLE 28.- COMPOSITION OF THE BOARD OF DIRECTORS

1. *The Board of Directors shall be formed of a number of members not less than (3) nor more than ten (10), which shall be determined by the General Meeting of Shareholders. Directors need not be shareholders.*

2. *The General Meeting of Shareholders shall be responsible for determining the number of Directors. To this effect, it shall proceed directly by fixing this number by express resolution, or indirectly by filling vacancies or appointing new Directors, within the maximum limit established in the previous Section.*

ARTICLE 29.- TERM OF OFFICE

1. *Directors shall hold office for a period of six (6) years, at the end of which they may be re-elected one or more times for periods of the same duration.*

2. *The appointment of the Directors shall expire when, after a term has expired, the next General Meeting of Shareholders has been held or the legal deadline for holding the General Meeting of Shareholders that is to decide on the previous financial year's accounts has elapsed.*

3. *Directors appointed by co-optation shall hold office until the first meeting of the General Meeting of Shareholders held after their appointment.*

ARTICLE 30.- APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS

1. *The Board of Directors shall appoint the Chairperson from among its members and may have one or more Vice-Chairpersons, who, in accordance with the regulations established by the Board, shall replace the Chairperson in the event of vacancy, absence or illness.*

   It shall also appoint the person who holds the office of Secretary. In order to be appointed Chairperson or Vice-Chairperson it shall be necessary for the person designated to be a member of the Board of Directors, a requirement that shall not be necessary for the person designated to hold the position of Secretary, in which case the latter may speak but not vote at meetings.

2. *The Board of Directors may also optionally appoint a Vice-Secretary who need not be a Director.*

ARTICLE 31.- POWERS OF REPRESENTATION

1. *The power of representation of the Company, in and out of Court, corresponds to the Board of Directors, which shall act as a collegiate body.*

2. *The Secretary and, where appropriate, the Vice-Secretary of the Board of Directors, shall have the necessary representative powers to notarise and request the registration of the resolutions of the General Meeting of Shareholders and the Board of Directors.*

3. *The power of representation of the delegated bodies shall be governed by the provisions of the delegation resolution. In the absence of any indication to the contrary, it shall be understood that the power of representation is conferred on an individual basis to the*

Managing Director, if there is one, and, in the event that an Executive Committee be set up, to the Chairperson thereof.

ARTICLE 32.- MEETINGS OF THE BOARD OF DIRECTORS

1. *The Board of Directors shall meet as often as is appropriate for the proper performance of its functions, respecting in all cases the minimum frequency required by law.*

2. *The calling of a meeting, which shall always include the agenda of the meeting and relevant information, shall be made by the Chairperson of the Board of Directors or whoever takes his place by any means that allows for its reception. The notice shall be given at least three days in advance. Directors who constitute at least one third of the members of the Board may call a meeting, indicating the agenda, to be held in the locality where the registered office is located if, after a request being made to the Chairperson, the latter, without just cause, has not called a meeting within one month.*

3. *Without prejudice to the aforesaid, the Board of Directors shall be deemed to be duly constituted without the need to call a meeting if, with all its members being present or represented, they unanimously accept the holding of the meeting and the items of the agenda.*

4. *Likewise, if no Director opposes it, the Board of Directors may vote in writing without a meeting being held.*

5. *The Board of Directors may meet in various places connected by systems that allow the recognition and identification of the attendees, permanent communication between attendees regardless of where they are, as well as the verification and casting of votes, all in real time.*

   Those present at any of the meeting locations shall be considered, for all purposes relating to the Board of Directors, as attending the same and only meeting. The meeting shall be deemed to have been held where the greatest number of directors is located and, in the event of a tie, where the Chairperson of the Board of Directors, or who presides over the meeting in his absence, is located.

ARTICLE 33.-CONDUCT OF MEETINGS

1. *The Board shall be duly constituted when half plus one of its members attend the meeting in person or are represented by another Board member. Representation shall be conferred in writing, necessarily in favour of another Director, and especially for each meeting, communicating this to the Chairperson.*

2. *Resolutions shall be adopted by absolute majority of the Directors present or represented at the meeting, except when the Law, these Articles of Association or, if applicable, the Regulations of the Board of Directors provide for other majorities. In the event of a tie, the Chairperson shall have the casting vote.*

3. *Minutes shall be taken at the end of meetings of the Board of Directors and approved by the Board of Directors itself at the end of the meeting or at a subsequent one and signed by at least the Chairperson and the Secretary or those acting in their place.*

ARTICLE 34.- RENUMERATION OF DIRECTORS

The position of Director shall be remunerated. The remuneration of Directors shall consist of a fixed allocation to be established in each financial year by the General Meeting of Shareholders at the meeting at which the accounts for the previous financial year are to be approved, or at a General Meeting of Shareholders held at any time before the end of the financial year.

In the event that a vacancy should occur that has not been filled during part of the financial year, the non-assigned portion of the allocation shall be distributed amongst the Directors on a pro-rata basis in relation to their individual allocation.

The members of the management body shall be reimbursed the usual and customary expenses of travel, accommodation and maintenance that they may incur as a consequence of their attendance at meetings of the aforesaid management body.

1.7.2 *COMPOSITION OF THE BOARD OF DIRECTORS*

The Board of Directors of the Company is composed by:

Member	Position
Mr. José Carlos Rodríguez San Pedro y Márquez	President
Mr. Ignacio Rodríguez San Pedro y Márquez	Director
Mrs. Eugenia Concepción Heredia Rodríguez San Pedro	Director
Mr. Marcos Sintes Rodríguez San Pedro	Director
Mr. Pablo Rodríguez San Pedro Baselga	Director
Mr. Carlos Luis Rodríguez San Pedro y Martos	Secretary Non-Director

1.7.3 *DIRECTORS' TRAJECTORY*

- **Mr. Jose Carlos Rodríguez San Pedro y Márquez:** Jose Carlos Rodriguez San Pedro studied agricultural engineering at the Complutense University of Madrid. He began his professional career working several years at Banco del Comercio, bank which belonged to BBVA. In the mid 80s Jose Carlos joined the family business and became president of different companies:
  - Lo Heredia S.L., an agricultural company specialised in the citrus sector where different varieties of lemon, tangerine and orange are grown.
  - Villamena S.L. real estate company with investments in Madrid, Bilbao and Murcia

    - Inmobiliaria del Pasaje de Oviedo S.A., real estate company with assets in Oviedo

  Jose Carlos has also dedicated himself to social works. For more than 20 years he has been secretary of the Claune Pontifical Institute. Claune helps monks and nuns, who have dedicated their lives helping other people, when retiring

  He is currently the patron of the Mencía Foundation, a foundation specialising in the study of rare diseases

- **Mr. Ignacio Rodríguez San Pedro y Márquez:** He is 59 years old. Architect (B.A - M.A University of Pensylvania). Member of ADOC Atelier (Arquitectos y Diseñadores).

- **Mrs. Eugenia Heredia Rodríguez San Pedro:** Interior architect and decorator. She has previously worked in the design and implementation of decoration stores under the KA International brand as well as in the implementation of other commercial projects for sale to the public.

  She is currently a co-founder of the H2I STUDIO interior design studio from which she carries out projects for private residences.

- **Mr Marco Sintes Rodríguez San Pedro:** He is 24 years old and last year he finished his Master degree in Biotechnology from Carlos III University. He has done several internships, first in the Institute of Genetic Medicine in Newcastle University and also in the Molecular Biology Center Severo Ochoa. He is currently applying to different positions in Switzerland and Paris.

- **Mr. Pablo Rodríguez San Pedro Baselga:** Partner of Kanda Capital. Pablo has 17 years' experience in Real Estate industry. Prior to joining Kanda Capital in 2018, Pablo was partner of Copernicus Real Estate for 2 years and he was responsible for Acquisitions in Residential Buildings and Hotels across Spain. Prior joining Copernicus, Pablo worked in CBRE Global Investors for 4 years as Acquisition Manager and Asset Manager specialized in Shopping Centres. Before CBRE Global Investors, Pablo was working for CBRE with different roles in different sectors (Offices and Shopping Centres). Pablo holds and Executive MBA from Instituto de Empresa and BA Business Administration from Universidad Complutense, Madrid.

- **Mr. Carlos Rodríguez San Pedro Martos:** CEO of Villamena SL for over more than 18 years. Villamena SL is a family owned real estate company that has investments in Spain mainly in Madrid, Bilbao and Murcia. Prior to joining Villamena S.L. Carlos worked for over two years in JPMorgan Chase in the M&A department. Carlos has an MBA from IESE, Universidad de Navarra and has a major in law and a minor in economics from ICADE.

1.7.4 *ASSESMENT OF THE BOARD OF DIRECTORS RELATED TO BANKRUPTCY, LIQUIDATION, AND/OR FRAUD RELATED CONVICTIONS*

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

2 HISTORY AND KEY FIGURES

2.1 HISTORY OF THE COMPANY

- **December 28th, 2018:** The Company was founded from the total split of the mercantile company INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., (a partnership created in 1982) by dividing its assets into two parts and its transfer to two newly created companies named IPOSA PROPERTIES SOCIMI, S.A. and INMOBILIARIA DEL PASAJE DE OVIEDO, S.L.

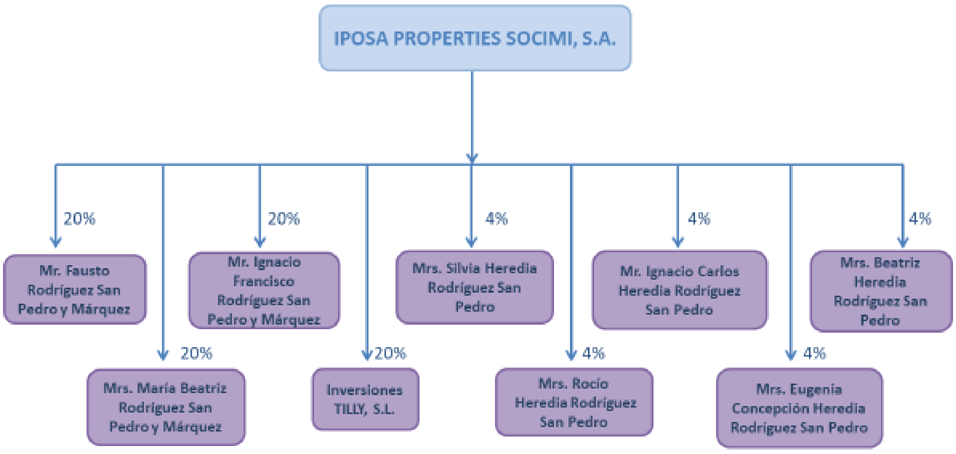
- **December 28th, 2018:** Incorporation in Spain of the Company under the corporate name of IPOSA PROPERTIES SOCIMI S.A. Comprising 10.000 Company shares each with a face value of € 505.881816. The share capital was € 5,058,818.16. More details at section 6.

- **April 5th, 2019:** Share split, split the number of shares of the Company, by reducing its face value of € 505.881816 to € 1.187516 per share, in the proportion of 426 new shares for each old share, without there being any variation in the figure of share capital. The share capital is € 5,058,818.16. More details at section 6.

  As a result of the foregoing, it was unanimously agreed to reassign the shares to the shareholders of the Company based on their percentage in the share capital as follow:

Shareholder	Shares	(€) Shareholding	Shareholding
Mr. Faustino Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Mrs. María Beatriz Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Mr. Ignacio Francisco Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Inversiones Tilly, S.L.	852,000	1,011,763.63	20.00%
Mr. Ignacio Carlos Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Eugenia Concepción Heredia Rodríguez	170,400	202,352.73	4.00%
Mrs. Silvia Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Beatriz Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Rocío Rosario Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Total	**4,260,000**	**5,058,818.16**	**100.00%**

- **June 10th, 2019:** The Company's Sole Shareholder did a resolution on requesting the application of the special tax regime for SOCIMI. In the year 2019 the Company will communicate to the Tax Agency its request to be subject to the SOCIMI special tax regime.



2.2 SELECTED FINANCIAL DATA

The Company's key figures are presented below:

SELECTED DATA	(€) 31/12/2018
(€) PROFIT & LOSS	
Net Business Turnover	2,196,068.34
Operating Results	1,380,516.58
Financial Result	(11,541.83)
Result Before Taxes	1,368,974.75
Tax on Profit	(342,268.82)
Result for the Financial Year	1,026,705.93
(€) BALANCE SHEET	
Property Investments	4,045,948.07
Cash and Equivalents Liquid Assets	108,371.08
Equity	5,304,086.76
Long-term Debts	307,309.49

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

The 2018 Spanish language financial statements have been audited by CROWE SERVICIOS DE AUDITORÍA S.L.P.

The financial statements (including the corresponding audit report on such financial years) are available on the Company's website: http://Iposasocimi.es

3 COMPANY ACTIVITY

3.1 SUMMARY OF THE BUSINESS

IPOSA PROPERTIES SOCIMI S.A. is a real estate investment company (SOCIMI) with its registered office in Madrid, Calle Tambre, 1, and with VAT number A-88276829, with the purpose of investing in real estate intended for lease, mainly in households, offices and commercial properties in the city of Oviedo (Spain), without excluding other retail and/or formats, located in Spain.

The Company has invested in 8 assets acquired in Oviedo (Spain).

3.2 COMPANY INVESTMENTS DATA

- On the date of this Document, the Company has acquired 8 assets in Oviedo with € 81,286,000 market value.

- Geographical concentration of product and market: 100% in Oviedo

- Occupancy:

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

PROPERTY	POPULATION	OCCUPANCY RATE
Calle Milicias Nacionales, 4	Oviedo	99.55%
Calle Milicias Nacionales, 6	Oviedo	13.69%
Calle Milicias Nacionales, 8	Oviedo	56.24%
Calle Pelayo, 11	Oviedo	88.23%
Calle Pelayo, 13	Oviedo	96.34%
Calle Uría, 12	Oviedo	76.99%
Calle Uría, 14	Oviedo	100.00%
Calle Uría, 16	Oviedo	91.46%

- Debt: The level is 0%

- There is a loan with another related company.

PARTIES	DATE AND DURATION	PRICE
Debtor: INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. **Creditor:** IPOSA PROPERTIES SOCIMI, S.A.	**Signature date**: 25/01/2019 **Expiration date:** 31/12/2023	**Amount:** 1,314,794.07 € **Annual Interest:** 1.70%

- Mortgages: There are no mortgages

3.3 PAST AND FUTURE INVESTMENTS

On the date of this Information Document, the Company is focused on maintaining optimal conditions of the real property assets in order to optimize income from rent.

In the past 3 years the Company has finished with the complete remodelling works of the building located in Calle Uría 16 spending almost 2.5 million euros.

During 2020, restoration and remodelling work is projected for the building at Calle Milicias Nacionales 6. The Company is now holding conversations with different construction companies, and has three different quotes that range between 1.5 and 1.8 million euros.

For the years 2023 and 2024, the Company plans to start with equipment and services updates for the building located in Calle Milicias Nacionales 4.

With all these refurbishment works, income is expected to increase year by year.

In the medium-term, the Partnership´s strategy would be acquiring some real estate in Madrid where the Company´s headquarters are located.

3.4 BUSINESS MODEL

The Company´s business consists in renting households, offices and commercial properties in the city center of Oviedo (Asturias).

The Company works for the satisfaction and maintenance of its tenants, adding value through the improvements, restoration and remodelling works on the spaces of the buildings.

On the date of this Information Document, the Company has eight buildings for residential use, though living spaces are combined with offices, leased primarily to law offices, consultancies, and businesses that are well-established in the area. The 8 buildings form together an entire city block.

Currently, the Company has first-rate lessees in its buildings, such as: Grupo Inditex, Lacoste, Lotus, Pandora, Levi´s,…These firms are committed to being located at the Partnership´s buildings, that are in the central pedestrian area with large sidewalks and open spaces that are well-connected.

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

Management

Management of the Company and its properties is done internally through the Board of Directors and Company personnel.

3.5 DESCRIPTION OF REAL ESTATE ASSETS

The Company has acquired property assets directly as mentioned in section 2.1 of this Information Document.

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

- Calle Milicias Nacionales, 4 located at Oviedo (Spain)
- Calle Milicias Nacionales, 6 located at Oviedo (Spain)
- Calle Milicias Nacionales, 8 located at Oviedo (Spain)
- Calle Pelayo, 11 located at Oviedo (Spain)
- Calle Pelayo, 13 located at Oviedo (Spain)
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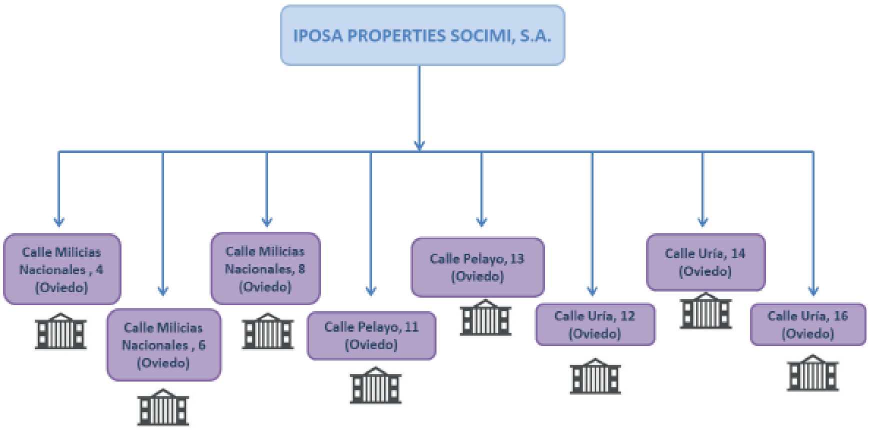


PROPERTY	LOCATION	FOOTPRINT (sqm)
Calle Milicias Nacionales, 4	Oviedo	1,873.61
Calle Milicias Nacionales, 6	Oviedo	1,432.69
Calle Milicias Nacionales, 8	Oviedo	1,746.93
Calle Pelayo, 11	Oviedo	4,049.53
Calle Pelayo, 13	Oviedo	2,247.77
Calle Uría, 12	Oviedo	4,881.80
Calle Uría, 14	Oviedo	2,685.48
Calle Uría,16	Oviedo	2,878.42
	TOTAL	**21,796.23**

Geographic location of IPOSA´s asset portfolio

3.5.1 *Calle Milicias Nacionales, 4 (Oviedo)*

The property is located at the number 4 of Calle Milicias Nacionales, in Oviedo.

The property was designed in 1963 by architect Luis Cuesta, commissioned by Mr. Faustino Rodríguez Sampedro, whose completion was registered, according to Cadastral data, in 1965.

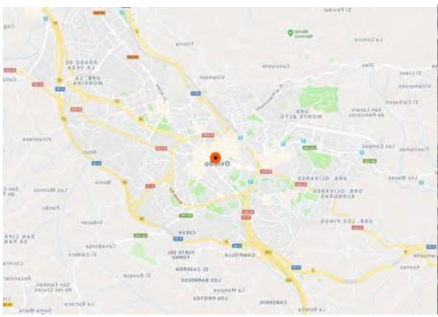
The building, of multi-family typology between party walls, with a rational design under the modernity of the fifties, is developed in a basement, under the portal, ground floor, five floors of apartments, attic floor and floor under the roof. It receives lights from its façade, on the Calle Milicias Nacionales, the central courtyard lights and the backyard, open, in turn, on the adjoining courtyards of the block, all of the same property.

The building floor of the building has a rectangular shape, with its nucleus of stairs in the central axis, illuminated by the interior courtyard, which starts at the second-floor level. It has beam structure and reinforced concrete pillars with unidirectional slabs. The staircase is made of concrete, in three sections that surround the elevator shaft.

Its façade is finished in stone cladding and composed of a single type of rectangular recess, with a three-leaf window, symmetrically arranging four recesses per floor.

The roof is sloped, with a steep slope, covered with slate.

The units making up the property are occupied on a rental basis.




3.5.2 *Calle Milicias Nacionales, 6 (Oviedo)*

The property is located at the number 6 of Calle Milicias Nacionales, in Oviedo.

The property was built in the environment of 1900, designed by architect Juan Miguel de la Guardia in 1894, commissioned by Mr. Santos Rodríguez Valdés, as shown in the municipal town-planning catalog. The original project had a ground floor and three upper floors, a central staircase and an entrance on the left side of the façade. Subsequently, it underwent interior renovations in the 80-90s of the 20th century, with refurbishment of the commercial premises in the ground floor, and the change of the location of the entrance which was moved to the center of the façade, generating a new entrance with a contemporary look and eliminating a staircase draft in the ground floor. Also, at an unknown date, a fourth floor was added, where roofed dwellings were installed.

The building was built back in the day with an eclectic style, according to the typology of apartments buildings of the time, supported on load-bearing walls, with horizontal wooden structure. The façades of the ground floors are finished in stone and its upper floors in loading and paint with stone frames in the hollows of the original floors. It has a sloping roof with corrugated metal panel cover.

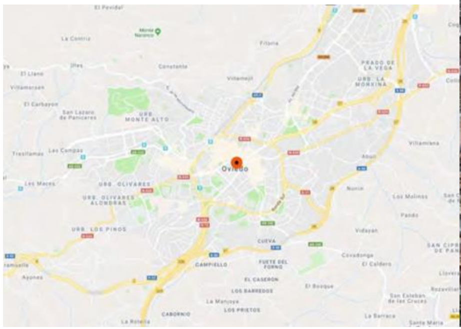
It is, therefore, a multi-family building between party walls, with a façade to Calle Milicias Nacionales and a backyard. It is spread over a basement floor (partial), ground floor, mezzanine (partial), four apartment floors and roofed floor.

The façade is framed by wooden verandahs, except for the fourth floor added. The rest of the façade openings, three in the original floors, seven in the fourth floor, are balcony type, protected with wrought iron railings, flush with the façade.

The building's floor has an almost rectangular shape, with its nucleus of stairs in the center. This staircase is made of wood with wrought iron railing. The rear façade opens to the backyard through a continuous gallery. Open patio, in turn, on the adjoining courtyards of the block, all of the same owner.

The property, except the for the commercial premises, leased and in use, is currently empty of tenants, pending future renovation.

It is included in the town-planning catalog, reference 361, with degree of partial protection 2, such protection is extended to the whole plot, occupying the existing free spaces and carrying out separations is prohibited. The alignment, height and geometry of the roof must be preserved, as well as the composition of the façade and hollow canvases, the chromatic and textural contrast, as well as the combination of façade materials. Carpentry materials and design, the design of the staircase, its handrail and railings, the wooden viewpoints of the façade, as well as the balcony railings, the rear gallery. The typical use is residential, compatible with commercial uses in the semi-basement floor, ground floor and first floor, if they are part of the same premises; offices in any situation; and hotel in semi-basement floor, ground and first floors, or the whole building.



3.5.3 *Calle Milicias Nacionales, 8 (Oviedo)*

The property is located at the number 8 of Calle Milicias Nacionales, in Oviedo.

The property was built around 1900, designed by architect Juan Miguel de la Guardia in 1889, commissioned by Mr. Santos Rodríguez Valdés. The original project, with façades to Calle Milicias Nacionales and Calle Pelayo, had a ground floor and three upper floors, a central staircase and a doorway in the central part of the façade to the Calle National Militias. Subsequently, it underwent interior renovations in the 1970s-1980s of the 20th century, with refurbishment of the commercial premises in the ground floor, and the change of the location of the doorway which was moved to the center of the façade, generating a new entrance with a contemporary look and eliminating a staircase draft in the ground floor. The roofed space is also enabled for dwellings, but there is no project plan of this.

The building was built in its day with an eclectic style, according to the typology of apartments buildings of the time, supported on load-bearing walls, with casting pillars in the base and wooden horizontal structure. The façades of the ground floors are finished in stone. In its upper floors it combines stone decorations (corbels and recessed holes), with loading panels and paint. The roof is sloped with tile covering.

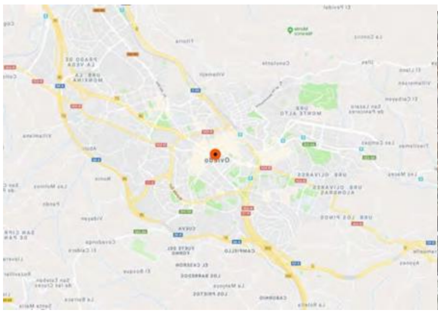
It is a multi-family building with angled corner, its façade faces the Calle Milicias Nacionales, where the access entrance is located, and another façade to Calle Pelayo. It is spread over a ground floor, three apartment floors, and roofed floor.

The corners of both façades are framed with vantage points, there is another viewpoint in the central chamfer, all of them made of wood. The rest of the façade openings are balcony type, protected with wrought iron railings, with an opening that progressively decreases as the floors rise, until being, on the last floor flush with the façade. At the level of the first floor there is a continuous balcony.

The building's floor has a slightly trapezoidal shape, with its nucleus of stairs in the center. This staircase is made of wood, with a wrought iron railing and its central hollow, illuminated by a skylight on the roof, is parallel to the façades and therefore is pentagonal. There is an interior patio in the building, open next to the dividing wall with the adjoining building on Calle Milicias.

The property is in use, with some empty spaces, combining commercial premises, dwellings and offices for rent.

It is included in the town-planning catalog, reference 362, with degree of partial protection 2, such protection is extended to the whole plot, occupying the existing free spaces and carrying out separations is prohibited. The alignment, height and geometry of the roof; the composition of façade and hollow canvases; the chromatic and textural contrast, as well as the combination of façade materials; carpentry material and design; the staircase design, its handrail and railings must be preserved. The wooden viewpoints of the exterior façade must also be preserved replacing those deteriorated elements with others of the same design and material, as well as the balustrades of the balconies; advertising on the top floors of the building must be removed. The typical use is residential, compatible with commercial uses in ground floor and first floor, if they are part of the same premises; offices in any situation; and hotel in ground and first floors, or the whole building. Hospitality in low and first if they are part of the same premises.



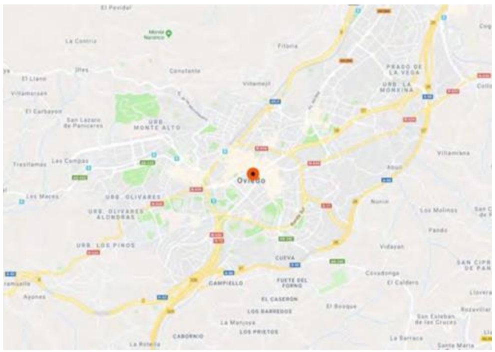

3.5.4 *Calle Pelayo, 11 (Oviedo)*

The property is located at the number 11 of Calle Pelayo, in Oviedo.

The property was constructed, according to the descriptive and graphic consultation of cadastral data, in the year 1941. In the middle of the 20th century, the old passageway was demolished and rebuilt, raising a larger building than the original.

It is a multi-family building between party walls, with façade to Calle Pelayo, having entrance door in the Placido Alvarez-Buylla passageway. It is distributed over a basement floor, ground floor, mezzanine, four floors and three loft floors.

The building floor has a substantially square geometry, and the nucleus of stairs in the center. The commercial premises have access from Calle Pelayo, reserving the entire façade to said street for commercial use, while access to the dwellings is by the lateral passageway that connects Calle Pelayo with Calle Uria.




3.5.5 Calle Pelayo, 13 (Oviedo)

The property is located at the number 13 of Calle Pelayo, in Oviedo.

The property was built, according to the municipal town-planning catalog, in the first or second decade of the 20th century, and authorship is by architect Juan Miguel de la Guardia. It has formal features very similar to those of Milicias Nacionales 6 and 8; Uría 14 and 16, owned by the same owner, all built by Juan Miguel de la Guardia at the beginning of the 20th century and throughout different phases, although they were all designed almost simultaneously. Possibly this building was designed by the same author and is part of the same development.

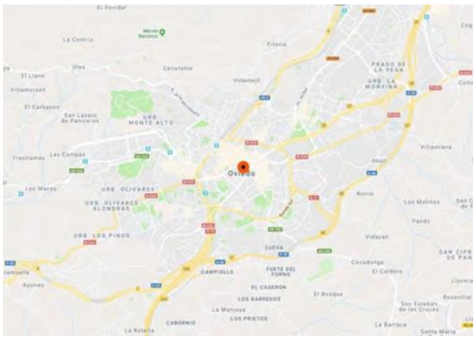
In the middle of the 20th century, the old passageway was demolished and rebuilt, raising over it a building with larger dimensions than the original. During said reconstruction, one side of the building was removed. The remains of this area intervention are currently visible in the fragments of a balcony that have been preserved in the party wall.

In the year 2018 the works for restructuring of the building are were finished. The building has been redistributed in offices from the second to the roofed floor, preserving the façade, and maintaining the commercial premises in the basement, ground and first floors.

The building was built back in the day with an eclectic style, according to the typology of apartments buildings of the time, supported on load-bearing walls, with horizontal wooden structure. In the restructuring, the horizontal structure was made of concrete. The façades of the ground floors are finished in stone. In its upper floors, it combines stone decorations with loading panels and paint. The roof is sloped with tile covering.

It is a multi-family building between party walls, with façade to Calle Pelayo, and the entrance door is located by the Placido Alvarez-Buylla passageway. It is distributed over a basement floor, ground floor, four floors and a roofed floor.

The floor plan of the building has a rectangular geometry with its smaller side to Calle Pelayo, and the nucleus of stairs in the central part of the greater side. The commercial premises have access from Calle Pelayo, reserving the entire façade to said street for commercial use, while access to the offices is by the lateral passageway that connects Calle Pelayo with Calle Uria. In the interior corner of the building, a light shaft opens.



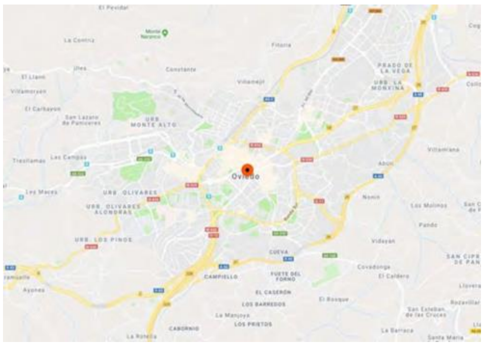
3.5.6 *Calle Uría, 12 (Oviedo)*

The property is located at the number 12 of Calle Uría, in Oviedo.

The property was constructed, according to the descriptive and graphic documents of cadastral data, in the year 1944. In the middle of the 20th century, the old passageway was demolished and rebuilt, raising a larger building than the original.

It is a multi-family building between party walls, with façade to Calle Uría, having entrance door in the Placido Alvarez-Buylla passageway. It is distributed over a basement floor, ground floor, mezzanine, first level, five floors and two penthouse floors.

The floor plan of the building has a substantially rectangular geometry, and the nucleus of stairs is in the center. The commercial premises can be accessed from the Alvarez Buylla passageway and Calle Pelayo, reserving the entire façade to this street for commercial use, while access to the dwellings is through the passageway that connects Calle Pelayo with Calle Uría. It has a second doorway, also in the passageway, from which there is access to a common staircase located on the front of the courtyard, which connects all the floors of the building, being the only entrance for the back offices of the mezzanine floor and the dwellings of the seventh floor.

3.5.7 Calle Uría, 14 (Oviedo)

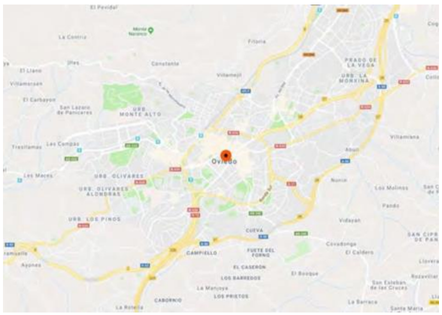
The property is located at the number 14 of Calle Uría, in Oviedo.

The property was built, according to the municipal town-planning catalog, in the year 1889, designed by architect Juan Miguel de la Guardia, for the Count of Rodríguez Sampedro, along with four others belonging to the same owner. In this project the building would have three floors and a larger development than the current design, covering the well-known passageway of Don Santos, currently called Alvarez Buylla and included in a later building. Subsequently the structure had in 1928 an interior remodeling by architect Benigno Rodríguez, where the distribution of the floors was redone, the doorway was removed and one more floor was added to the building. Recently, the restructuring of the building has been completed, being redistributed for a nursing home, preserving the façade.

The building was built back in the day with according to a French eclectic style, sticking to the typology of apartments buildings of the time, supported on load-bearing walls, with horizontal wooden structure. In the restructuring, the horizontal structure was made of concrete. The façades of the ground floors are finished in stone. In its upper floors, it combines stone decorations with loading panels and paint. The roof is sloped with tile covering.

It is a multi-family building with a façade to Calle Uría and the access doorway located in the passageway. It is distributed over a basement floor, ground floor, four apartment floors and a roofed floor.

It has two vantage points corners, both decorated with balustrades. The rest of the façade openings are balcony type, protected with wrought iron railings, with an opening that progressively decreases as the floors rise, until being, on the last floor flush with the façade. At the level of the second floor there is a continuous balcony.



3.5.8 Calle Uría, 16 (Oviedo)

The property is located at the number 16 of Calle Uría, in Oviedo.

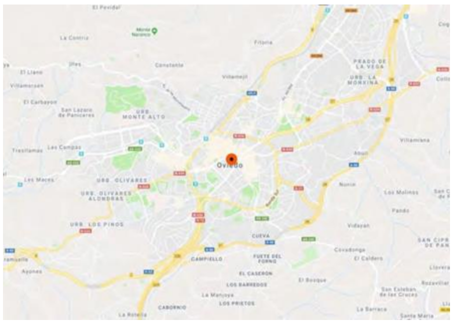
The property was built, according to the municipal town-planning catalog, in the year 1889, designed by architect Juan Miguel de la Guardia, for Count of Rodríguez Sampedro. Subsequently the structure had in 1928 an interior remodeling by architect Benigno Rodríguez, with an interior courtyard opening, it was also equipped with an elevator and the staircase was modified and moved to be shared with the building located at number 14 of the same street. In the year 2017, the building was emptied and restructured, preserving the façade and the staircase.

The building was built back in the day with according to a French eclectic style, sticking to the typology of apartments buildings of the time, supported on load-bearing walls, with horizontal wooden structure. In the restructuring, the horizontal structure was made of concrete. The façades of the ground floors are finished in stone. In its upper floors, it combines stone decorations with loading panels and paint. The roof is sloped with tile covering.

It is a multi-family building with angled corner, its façade faces Calle Uría (where the access entrance is located) and Calle Milicias Nacionales. It is distributed over a basement floor, ground floor, four apartment floors and a roofed floor, finished on the corner with a tower.

The corners of both façades are framed with vantage points, there is another viewpoint in the central chamfer, all of them decorated with balustrades. The rest of the façade openings are balcony type, protected with wrought iron railings, with an opening that progressively decreases as the floors rise, until being, on the last floor flush with the façade. At the level of the first floor there is a continuous balcony.

The floor plan of the building has an almost square geometry, with its nucleus of stairs on the far right of the façade to Calle Uría, attached to the party wall. This staircase, which, as indicated above, has been preserved in the restructuring because it is protected, is of monumental nature, developing in three sections around a large central hollow, paved in marble and with a balustrade. It is illuminated by a skylight on embedded in the roof. The center of the building has a patio-hall, with zenithal light and glass parapets, in which the two elevators with which the building has been equipped disembark, and to which the doors of the apartments open, as well as the one that leads to the staircase. In the interior corner of the building, next to the staircase, a light shaft opens.




3.6 THE MARKET

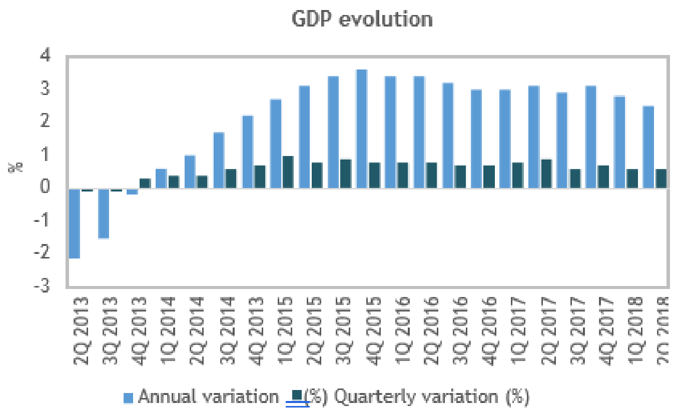
It is considered relevant for the investor to provide current general information on the market in which the Company operates.

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

In this section both the content and the graphics have been taken from Gesvalt Asset's Valuation Report.

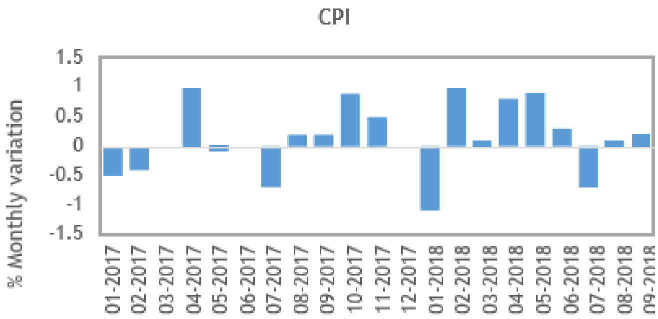
Domestic economic setting

Forecasts of GDP growth are maintained for the Spanish economy at 2.9% by 2018, with a forecast of 2.5% for 2019, produced by a weakening of external demand and the strength of domestic demand, but maintaining a strong GDP growth due to several factors: growth in household consumption and the increase in the contribution of the construction sector. However, a slowdown was observed in the first six months of 2018 in the exports of goods, as well as the investment in machinery and equipment, and the tourism sector showed a downturn in average income per available room due to technological changes, and the different events faced by the sector, such as terrorist attacks or political tensions or the relaunching of competition markets.



According to the BBVA Research report, in this third quarter of 2018, the inflation differential with respect to the euro area remains practically closed. General inflation during the first quarter of 2018 grew strongly, reaching 2.3% in June. It all generated by the increase in oil prices, leading to the rise in energy inflation.

Despite the rebound in inflation caused by the increase in the price of oil, the progress in income establishes a positive evolution of employment. The indefinite hiring supports the recovery of the labor market, producing an increase in Social Security Registration in the second quarter of 2018. The dynamism of the labor market is manifested in the evolution of indefinite hiring, and it is foreseen that if the levels of working population hardly changes, employment creation will result in a decrease of six tenths of the unemployment rate.



Externally, downward risks linked to political uncertainty, protectionism and rising interest rates intensify. Global risk remains subject to negative risks which have been increasing in recent months due to the intensification of the risk of a trade war between the US and China, which could affect confidence and increase market risk aversion. In addition, political risks have intensified in Europe due to Italy and Germany, together with the uncertainties produced by the Brexit negotiation process between the EU and the United Kingdom. All this together with a weak performance of trade flows in the short term, since in the year's second quarter total exports have decreased marginally, mainly due to the increase in the price of oil and weak European demand.

In the domestic environment, the effects of uncertainty on economic policy are reduced, yet they do not disappear, since domestic demand continues to be the basis for growth of the Spanish economy in the short term. Consumer spending has increased, producing a strong progress in machinery and equipment investment, and maintaining the recovery of both residential and other constructions investments. However, the recent change in government and the political climate in Catalonia have produced an increase in uncertainty regarding economic policy. In this sense, the ability to generate consensus on the necessary measures to consolidate the recovery of the economic activity and the creation of stable and productive employment will be essential.

Residential market

The Spanish residential market advances with clear signs of consolidation in 2018. This is confirmed by the sustained growth experienced by the main indicators that measure the progress of the sector.

Consumer confidence in the political and economic situation, the employment and the evolution of corporate turnover are three of the environmental variables that condition the purchase and investment decisions of agents acting in the residential market.

The dynamics of investment in residential construction, the reduction of unemployment and the reasonable macroeconomic context are encouraging initiated housing projects to go upward and are setting an expansive cycle. Concerning the development of primary residence, greater activity is perceived in largely populated areas, especially in Madrid, Barcelona, Malaga, Valencia and Seville. The holiday home market continues to increase its activity without altering the traditionally chosen areas, namely the Mediterranean coast (from north to south) and the two archipelagos. As for the houses finished in 2018, they respond to the expansionary cycle and the intensity of the projects initiated in 2016 and in the following months. These projects are growing this year thanks to the favorable prospects, the increase in prices and profitability.

Factors that contribute to the boosting demand:

1. The creation of jobs at a good pace, greater confidence, expectations for the future and new incomes, are generating a greater demand for housing acquisition.

2. Financial institutions grant mortgage loans moderately, within the prudence required by the process of cleaning and reduction of delinquency.

3. The demand for investment in real estate remains active, with a very dynamic rental market that generates higher returns than other alternative investments.

Taking into account the INE (National Institute of Statistics of Spain) housing price indicator, the Community of Madrid, Catalonia and the Balearic Islands grew above the Spanish average in 2017. The Balearic Islands, the Community of Madrid and the Basque Country are the communities that will experience a higher median value of purchases in 2018 (MFOM and appraisals).

Finally, mention that 22% of the transactions of primary residence and 27% of holiday residence are made by foreign buyers. Seven autonomous communities account for 93% of home purchases made by foreigners: Catalonia, the Community of Madrid, the Balearic Islands, the Canary Islands, Andalusia, Murcia and the Valencian Community.

Retail market

Although year-on-year traffic in Spain fell by 2.3% in July, retailers recorded a large month-on-month rise of 16.1%, according to the Shoppertrak affluence index.

Retailers hope that the intense tourism visits of the summer season retains its momentum during autumn and the following months. Prime income of street premises and shopping malls continue to rise with year-on-year increases of 5%. Commercial plazas lead such income increases growing at a rate of 5.6% in the last year.

After a period of yields compression, the prime returns of retail assets remain stable. Investments in Retail assets remains strong in the third quarter and is around € 800 million.

Cumulative volume in the first nine months of the year exceeds € 2,500 million, with investment in shopping malls representing 46% of the total volume.

The most important operation in the third quarter was the sale of Unibail Rodamco with a portfolio of four shopping malls to Castellana Properties, for an approximate volume of € 460 million.

Office market

The discussion about the office market focuses on its determining factors, in the context of the characteristics that have been common over time and, especially, its cyclical nature. On the demand side, we look at the employment sectors used by spaces and, specifically, at the factors related to costs and capital availability.

The factors affecting the value and profitability of office buildings are mainly three:

- Synchronization.
- Location.
- Project design.

Time is a very important determining factor. The office market is characterized by large fluctuations in both marginal demand and supply and, as such, is highly cyclical. Fluctuations in this market is a common characteristic of the different international markets, as shown in the chart of variations in market availability.

In general, it can be said that this market is characterized by prolonged endogenous cycles with different periodicity and wide extent, generated by the synergy of the factors of adjustment of demand, supply and real estate developers, which reinforce and amplify the effect of external shocks, showing the inefficiency of the office market.

Among these adjustment factors we find the repeated and unexpected crises of demand, caused by changes in the national and international economy. As well as the vacancy rate and the terms of the leases, in addition to the delays in the adjustment of the supply, as a consequence of the delay in decision-making, and the execution terms of new properties -which are inherently long. We should not forget, the elastic entries of new buildings at high prices, due in part to myopic expectations on the part of real estate developers, of which, a good example is the development of the Cuatro Torres in Madrid.

From the point of view of the user, the office space is a production contribution required by the companies, whose amount depends on the nature of their operations and the expected growth. In addition, the demand for space by a company must be conditioned by the current lease rates.

Therefore, the market demand for office space is mainly determined by four main factors: the employee who works in offices, space requirements per employee, rental income and expectations. In this context, accurate assessment and forecasting of prospects for demand for space in the market require an understanding of how basic forces drive their movements over time.

3.7 INVESTMENT STRATEGY AND COMPETITIVE ADVANTAGES

3.7.1 Investment Strategy

The investment strategy the Company is primarily focused on maintaining optimal conditions of the real property assets in order to optimize income from rent.

Currently, partial improvements are being carried out for the buildings at Calle Pelayo, 11 and Calle Uría, 12. During 2010, restoration and remodeling work is projected for the buildings at Calle Milicias Nacionales, 6, and throughout 2013 for the building at Calle Milicias Nacionales, 8, with all this work income is expected to increase year by year.

The Company has the following investment restrictions:

Types of assets

The Company is focused on residential and office buildings, that can include commercial spaces.

Investment restrictions

1. Diversification of tenants: The Company has the policy of diversifying its tenants in order to ensure no problems in case one of its tenants decides to change location.

2. No investments will be made in the form of financial leasing.

3. The investments will be located in Oviedo and Madrid.

4. Considering the geographical scope, all investments will be made in euros.

5. Restrictions derived from the special tax regime of SOCIMI: Any restriction on investments, derived from the application of the SOCIMI regime.

6. The Company will not make discounted investments in (i) loans in default (distressed loans), loans, debt (neither individual nor debt portfolios), with underlying real estate assets; nor in (ii) securitized mortgage assets (commercial mortgage-backed securities - CMBS), or securities representing real rights, leading to acquire an asset.

Leverage criteria

At the date of the Information Document, the Company doesn't have any leverage. In case the Company enter in a credit contract with a financial entity, it must has seek to optimize the leverage structure in order to maximize the returns of the investors. The level of leverage shall not exceed 30%, calculated as the total value of debt divided by the value of the real estate assets.

3.7.2 Competitive Advantages

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

1. Central location with the possibility of walking to the main areas of interest.
2. First commercial line where the main brands and franchises with high pedestrian traffic during daytime are settled.
3. Communications through good public transport. Nocturnal tranquility for homes.
4. The Company selects customers with economic solvency and long-term income visibility.
5. Tenant diversification.
6. Vocation of long-term investment strategy by the Company's shareholders.
7. Internal management, eliminating the risks arising from outsourcing the management of the property portfolio by a nonshareholder third party.
8. Economies of scale in property management, being complete buildings, all in the same block.
9. No leverage, and maximum leverage of 30 %, as established in the investment policy.
10. Proven ability to manage real estate assets, with a track record of success, even during the economic crisis of the years 2008-2012.

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 various insurance policies for its various assets with Catalana de Occidente.

Insurance Company	Catalana de Occidente
Modality	Common Areas
Cover	Drops and filters location and repair pipes without damage, unblock without damage, real estate civil responsibility, drops and filtrations civil responsibility, legal protection assistance in the community 24 hours pest control service franq, water damage.
Validity period	From March 25th, 2017, annually renewed

Insured Property	(€) Amount Continente	(€) Amount Civil Liability and Damage
Calle Milicias Nacionales, 4 located at Oviedo (Spain)	1,509,600	600,000
Calle Milicias Nacionales, 6 located at Oviedo (Spain)	1,142,400	600,000
Calle Milicias Nacionales, 8 located at Oviedo (Spain)	1,728,900	600,000
Calle Pelayo,11 located at Oviedo (Spain)	3,417,000	600,000
Calle Pelayo, 13 located at Oviedo (Spain)	1,224,000	600,000
Calle Uría, 12 located at Oviedo (Spain)	4,518,600	600,000
Calle Uría, 14 located at Oviedo (Spain)	2,040,000	1,000,000
Calle Uría, 16 located at Oviedo (Spain)	2,072,640	600,000
Total	**17,652,740**	**5,200,000**

3.10 RELATED-PARTY TRANSACTIONS

The Company has related-party transactions.

Nowadays, the Company is carrying out transactions with related parties consisting of an office renting in Madrid. This lease is essential for the Company due to the office is the registered office of IPOSA.

PARTIES	DATE AND DURATION	PRICE	OFFICE LOCATED
Landlord: INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. **Tenant:** IPOSA PROPERTIES SOCIMI, S.A.	**Signature date**: 01/04/2019 **Expiration date:** 01/04/2024 **Annual tacit renewals:** from 01/04/2024 until 01/04/2029	**Monthly payment**: 4,000 € + VAT	Calle Tambre, Nº 1, 3RD Floor 28002 Madrid

In addition, there is a loan with another related company. The figures are:

PARTIES	DATE AND DURATION	PRICE
Debtor: INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. **Creditor:** IPOSA PROPERTIES SOCIMI, S.A.	**Signature date**: 25/01/2019 **Expiration date:** 31/12/2023	**Amount:** 1,314,794.07 € **Annual Interest**: 1.70%

4 ORGANIZATION

4.1 COMPANY'S FUNCTIONAL ORGANISATION CHART

Iposa´s management is done internally through the Board of Directors and Company personnel. Iposa´s management is detailed in section 3.4.

The investment and disinvestment decisions are agreed and approved by a four-member Investment Committee:

- Mr. Jose Carlos Rodríguez San Pedro Márquez
- Ms Eugenia Heredia Rodríguez San Pedro
- Mr. Pablo Rodríguez San Pedro Baselga
- Mr. Ignacio Rodríguez San Pedro Márquez

Additionally, the Company managment is run internally, and the responsibles are:

- Carlos Rodríguez San Pedro: Management Director
- Rubén Benito Merino: Controller
- Noelia Cristóbal Valle: Sales and Property Management

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 Cyclical sector

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

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

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

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, GESVALT SOCIEDAD DE TASACIÓN, S.A. (hereinafter, the "**GESVALT**") made certain assumptions, among others, concerning 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 Geographical concentration of product and market

Currently the company has invested exclusively in Oviedo, therefore there is a very large exposure to the city. However, as a mitigating factor we can highlight the fact that Oviedo 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.

5.3 LEGAL AND REGULATORY RISKS

5.3.1 Risks related to regulatory changes

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

A significant change to these legal and regulatory provisions or a change affecting the way in which these legal and regulatory provisions are applied, interpreted or met, may force the

Company to change its plans, projections or even properties and, therefore, assume additional costs, which could negatively impact the Company's financial situation, profit or valuation.

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

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

(i) The creation of new taxes or

(ii) The increase of the tax rates in Spain or in any other country of the existing ones could have an adverse effect on the activities of the Company, its financial conditions, its forecasts or results of operations.

As regards, specifically, the Law of SOCIMI, the non-compliance with the requirements established in this Law would determine the loss of the special fiscal regime applicable to IPOSA (except in those cases in which the regulations allow its correction within the next immediate exercise).

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

5.3.3 Application of special tax regime

It should be noted that IPOSA 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 these partners, are tax 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 the Company in an amount equivalent to the Corporate Income Tax expense that arises for the Company regarding the payment of the dividend that serves as a basis for the calculation of the aforementioned special tax.

5.3.4 Loss of the SOCIMI tax regime

On June 10, 2019, the Company's Sole Shareholder did a resolution on requesting the application of the special tax regime for SOCIMI. Before September 30, 2019 the Company will communicate to the Tax Agency its request to be subject to the SOCIMI special tax regime. The application of said special tax regime is subject to compliance with the requirements set out in Law 11/2009 modified by Law 16/2012. Lack of compliance with any of said requirements would mean that the Company would be taxed under the general corporation tax regime for the year in which said non-compliance occurred, with the Company being required to enter, where appropriate, the difference between the fee for this tax resulting from the application of the general regime and the amount paid that resulted from the application of the special tax regime in subsequent tax periods, without prejudice to late payment interest, surcharges and penalties that may be appropriate, as the case may be. The loss of said SOCIMI special tax regime could negatively affect the Company’s financial situation, operating results, cash flows or valuation.

5.3.5 Litigation risk

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

5.3.6 Lack of liquidity for the payment of dividends

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

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

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

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: ES0105417002

Euronext Ticker: MLIPO

Number of shares to be listed: 4,260,000 shares

Nominal price per share: € 1.187516

Reference price per share: € 18.74

Market capitalisation: € 79,832,400

Initial listing and trading date: August 5th, 2019

Listing Sponsor: ARMANEXT ASESORES S.L.

Financial service: BNP Paribas Securities Services

Central Securities Depositary: EUROCLEAR FRANCE

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 is fixed at the figure of FIVE MILLION FIFTY-EIGHT THOUSAND EIGHT HUNDRED AND EIGHTEEN EUROS WITH SIXTEEN CENTS (€ 5,058,818.16), fully assumed and disbursed, divided into FOUR MILLION TWO HUNDRED SIXTY THOUSAND (4,260,000) registered shares of 1,187516 Euros of face value each, indivisible and cumulative, numbered from 1 to 4,260,000, both inclusive, belonging to a single class and series. All the shares are fully subscribed and paid and grant their holders the same rights.

A share confers to its lawful holder the status of partner, and implies the acceptance on the part of the holder thereof of these Articles of Association and of the resolutions validly adopted by the governing bodies of the Company, whilst entitling partners to exercise the rights inherent to their status, pursuant to these Articles of Association and to the relevant provisions.

6.4 EVOLUTION OF THE SHARE CAPITAL, INCREASES AND REDUCTIONS

The Company was incorporated on December 28, 2018 with share capital of € 5,058,818.16. Subsequently, it has increased the share capital on several occasions:

- **December 28th, 2018:** The share capital was € 5,058,818.16, divided into 10.000 Company shares with a face value of € 505.881816 each.

  The Company´s shareholding structure was:

Shareholder	Shares	Share Capital Following increase	(€) Shareholding	(%) Shareholding
Mr. Faustino Rodríguez San Pedro y Márquez	2,000	505.881816	€ 1,011,763.63	20,00%
Mrs. María Beatriz Rodríguez San Pedro y Márquez	2,000	505.881816	€ 1,011,763.63	20,00%
Mr. Ignacio Francisco Rodríguez San Pedro y Márquez	2,000	505.881816	€ 1,011,763.63	20,00%
Inversiones Tilly, S.L.	2,000	505.881816	€ 1,011,763.63	20,00%
Mr. Ignacio Carlos Heredia Rodríguez San Pedro	400	505.881816	€ 202,352.73	4,00%
Mrs. Eugenia Concepción Heredia Rodríguez	400	505.881816	€ 202,352.73	4,00%
Mrs. Silvia Heredia Rodríguez San Pedro	400	505.881816	€ 202,352.73	4,00%
Mrs. Beatriz Heredia Rodríguez San Pedro	400	505.881816	€ 202,352.73	4,00%
Mrs. Rocío Rosario Heredia Rodríguez San Pedro	400	505.881816	€ 202,352.73	4,00%
Total	**10,000**	**4,552.936344**	**€ 5,058,818.16**	**100,00%**

- **April 5 th, 2019:** Share split, split the number of shares of the Company, by reducing its face value of € 505.881816 to € 1.187516 per share, in the proportion of 426 new shares for each old share, without there being any variation in the figure of share capital. The share capital is € 5,058,818.16.

  As a result of the foregoing, it was unanimously agreed to reassign the shares to the shareholders of the Company based on their percentage in the share capital as follows:

Shareholder	Shares	(€) Shareholding	Shareholding
Mr. Faustino Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Mrs. María Beatriz Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Mr. Ignacio Francisco Rodríguez San Pedro y Márquez	852,000	1,011,763.63	20.00%
Inversiones Tilly, S.L.	852,000	1,011,763.63	20.00%
Mr. Ignacio Carlos Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Eugenia Concepción Heredia Rodríguez	170,400	202,352.73	4.00%
Mrs. Silvia Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Beatriz Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Mrs. Rocío Rosario Heredia Rodríguez San Pedro	170,400	202,352.73	4.00%
Total	**4,260,000**	**5,058,818.16**	**100.00%**

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

6.5 MAIN CHARACTERISTICS OF THE SHARES (ARTICLE 6, 7 AND 8 OF THE ARTICLES OF ASSOCIATION)

The shares are numbered consecutively from 1 to 4,260,000 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.- REPRESENTATION OF SHARES

1. *Shares are represented by means of book entries and are constituted as such by virtue of their inscription in the corresponding accounting records. They shall be governed by the rules applicable to the stock markets.*

2. *Legitimation for the exercise of shareholder rights is obtained through inscription in the accounting records, which presumes lawful ownership and entitles registered owners to demand that the Company recognises them as shareholders.*

   The aforesaid legitimation may be evidenced by the display of appropriate certificates, issued by the company in charge of charge of maintaining the corresponding accounting records.

3. *If the Company provides any benefit to a person who appears to be the holder in accordance with the accounting records, the Company shall be relieved of the*

corresponding obligation, even if the person is not the real shareholder, as long as the Company performs it in good faith and without gross negligence.

4. *In the event that a person who appears legitimated in the entries of the accounting records has the aforesaid legitimation by virtue of being a trustee or through the person's status as a financial intermediary acting on behalf of that person's clients or through another title or status of analogous significance, the Company may require such person to reveal the identity of the beneficial shareholders, as well as the acts of conveyance and encumbrance affecting such shares.*

ARTICLE 7.- ANCILLARY SERVICES

The shares of the Company involve the performance and fulfilment of the accessory services described below. These services, which shall not entail any remuneration from the Company to the shareholder in any case, are as follows:

1. Shareholders with significant stakes:

a) *In general, shareholders shall be obliged to communicate to the Company the acquisition of shares, by any title and whether direct or indirect, which determine that their total stakes reach, exceed or fall below 5% of the share capital and successive multiples. If the shareholder is a director or executive of the Company, the aforesaid obligation to communicate shall refer to a percentage of 1% of the share capital and successive multiples. Communications shall be made to the Board of Directors of the Company and within a maximum period of five (5) calendar days following the date on which the event giving rise to the communicate took place.*

b) *Shareholders that (i) are the holder of shares of the Company in an percentage equal to or greater than 5% of the share capital or the percentage of holding set out in Article 9.2 of the SOCIMIs Act, or the legal provision that replaces it, for the accrual by the Company of the special corporation tax rate (hereinafter the "Qualifying Holding"), or (ii) acquire shares that, with those that they already held, represent a Qualifying Holding in the capital of the Company, shall communicate these circumstances to the Board of Directors within a period of five (5) calendar days from the day in which the event determining the communication concurred.*

c) *Likewise, any shareholder that has reached a Qualifying Holding shall communicate any potential acquisition to the Board of Directors, irrespective of the number of acquired shares.*

d) *The same declarations to those indicated in the preceding Paragraphs shall also be made by any person that holds economic rights over shares of the Company which represent a percentage equal to or greater than five percent (5%) of the share capital or the percentage of shares which, for the accrual by the Company of the special corporation tax rate, the legislation in force provides at any given time, in substitution or amendment of Article 9.2 of the SOCIMIs Act, including in any case those indirectly holding shares of* *the Company through financial intermediaries who appear to be formally legitimated as shareholders by virtue of the accounting records, but who act on behalf of the indicated holders.*

e) *In addition to the communications indicated in the preceding Paragraphs, shareholders or holders of the aforesaid economic rights shall provide the Board of Directors of the Company the following:*

(i) A certificate of residence for the purposes of the relevant personal income tax issued by the competent authorities of their country of residence. In cases where shareholders reside in a country with which Spain has signed a convention to avoid double taxation of income taxes, the certificate of residence shall meet the characteristics set out in the relevant agreement for the application of the benefits thereof.

(ii) A certificate issued by the tax authorities of the country of residence, if different from Spain, evidencing the tax rate to which the dividend distributed by the Company is subject for a shareholder, together with a declaration from the shareholder indicating that the shareholder is the beneficiary of such dividend. In the absence of the aforesaid certificate, shareholders shall provide a declaration that they are subject to a taxation of no less than 10% on the dividends received from the Company, with an indication of the normative precept supporting the aforesaid declaration, specifying the Article and description of the applicable legal provisions that allows its identification.

The obliged shareholder or economic rights holder shall deliver to the Company the documentation referred to in the previous two paragraphs within ten (10) calendar days of the date on which the General Meeting of Shareholders or, as the case may be, the Board of Directors resolves to distribute any dividend or any analogous amount (reserves, etc.).

f) *If the party obliged to report fails to comply with the obligation of information set out in the preceding paragraphs, the Board of Directors may presume that the dividend is exempt or that it is taxed at a lower rate than that stated in Article 9.2 of the SOCIMIs Act, or the legal provision replacing it.*

In the case that the dividend payment or analogous amount is carried out before the deadlines given for the fulfilment of an ancillary service, as well as in the case of non-compliance, the Company may withhold payment of the amounts to be distributed corresponding to the shareholder or the economic rights holder concerned, under the terms of Article 37 of these Articles of Association.

g) *The conveyance of the shares of the Company is hereby authorised (including, accordingly, this ancillary service) by acts inter vivos or mortis causa to all effects.*

h) The percentage of shares equal to or greater than 5% of the share capital to which Paragraph a) refers shall be (i) automatically amended if the percentage stated in Article 9.2 of the SOCIMIs Act, or the legal provision that replaces it, is changed. As a result, it shall be (ii) replaced by the percentage that is contained at any given time in the aforesaid legislation.

2. Shareholders subject to special regimes:

a) Shareholders who, as investors, are subject in their jurisdiction of origin to any kind of special legal regime regarding pension funds or benefit plans, shall communicate this circumstance to the Board of Directors.

b) Likewise, any shareholder who is in the situation referred to in Paragraph a) above shall communicate to the Board of Directors any acquisition or potential conveyance, irrespective of the number of shares acquired or conveyed.

c) The same declaration to those indicated in preceding Paragraphs a) and b) shall also be made by any person that holds economic rights over shares of the Company, including in any case those indirectly holding shares of the Company through financial intermediaries who appear to be formally legitimated as shareholders by virtue of the accounting records, but who act on behalf of the indicated beneficial owners.

d) The Company may demand by written notification (an "Information Request") that shareholders or any other persons with a known or apparent interest in shares of the Company to provide in writing the information that the Company may require and of which such shareholder or other person is aware, in relation to the beneficial ownership of the shares in question or the interest therein, (accompanied by an affidavit or notarial declaration and/or by independent evidence, if the Company so demands), including (without prejudice to the generality of the preceding) any information that the Company deems necessary or appropriate for the purpose of determining whether such shareholders or persons are likely to be in the situation described in Paragraph a) above.

The Company may make an Information Request at any time and may send one or more Information Requests to the same shareholder or to another person regarding the same shares or interests in the same shares.

e) Without prejudice to the obligations regulated in this Article, the Company shall supervise the acquisitions and conveyances of shares carried out, and shall adopt the measures that may be appropriate to avoid any damages that may arise to the Company itself or to its shareholders as a result of the application of current regulations on pension funds or benefit plans that may affect them within their respective jurisdictions.

f) The conveyance of the Company's shares (including, therefore, this ancillary benefit) by inter vivos or mortis causa acts is hereby authorised for all purposes whatsoever.

3. Communication of shareholders' resolutions:

Shareholders who participate in, or are aware of, the subscription, modification, extension or extinction of any resolution that restricts the transmissibility of the shares they own or that affects the voting rights inherent to said shares shall make the same notification as that set out in Section a).

The Company shall publish such communications in accordance with the rules of the "Mercado Alternativo Bursátil" (Alternative Stock Market).

ARTICLE 8.- SHAREHOLDER STATUS

Each share confers on its legitimate holder the status of shareholder, and confers upon him the rights recognised in the applicable corporate regulations and those expressed in these Articles of Association and other corporate governance documentation of IPOSA PROPERTIES SOCIMI, S.A.

6.6 CONDITIONS FOR THE TRANSFER OF SHARES

6.6.1 Transferability of the shares (ARTICLE 9, 10 AND 42 OF THE ARTICLES OF ASSOCIATION)

Articles 9, 10 and 42 of the articles of association covers the transferability of the shares.

ARTICLE 9.- Conveyance of shares

1. *Free conveyance of shares.*

   The shares and the economic rights derived therefrom, including the pre-emptive subscription right, are freely conveyable by all means permitted by Law.

2. *Conveyance in the event of a change of control*

Notwithstanding the aforesaid, a shareholder who wishes to acquire a shareholding of more than 50% of the share capital shall, at the same time, make a purchase offer addressed, under the same conditions, to all shareholders.

A shareholder who receives from another shareholder or from a third party an offer to purchase his shares that, in view of the conditions of formulation, characteristics of the acquiring party and other concurrent circumstances, may lead him reasonably to deduce that the purpose of the offer is to attribute to the acquirer a shareholding of more than 50% of the share capital, may only convey shares that determine that the acquiring party exceeds the aforesaid percentage if the potential acquirer proves that he has offered all the shareholders the purchase of his shares under the same conditions.

ARTICLE 10. - CO-OWNERSHIP AND RIGHTS IN REM OVER THE SHARES

Co-owners of shares, and the co-owners of other rights over them, shall appoint a single person to exercise shareholder rights, and shall be jointly and severally liable to IPOSA PROPERTIES SOCIMI, S.A. for all obligations arising from the status of shareholder.

The system of co-ownership, usufruct, pledge and seizure of the shares of IPOSA PROPERTIES SOCIMI, S.A shall be determined within the applicable corporate regulations.

ARTICLE 42. - DELISTING OF SHARES

As soon as the Company's shares are admitted to trading on EURONEXT ACCESS PARIS, in the event that the General Meeting adopts a resolution to delist its shares from the aforesaid market that is not supported by all the shareholders, the Company shall be obliged to offer to the shareholders who have not voted in favour the acquisition of their shares at the price resulting from the regulations on public takeover bids in the circumstance of delisting of shares from EURONEXT ACCESS PARIS.

7 COMPANY VALUATION

7.1 BUSINESS PLAN

Below is the Profit and Loss forecast for the years ending 2019, 2020 and 2021, which have been prepared using criteria comparable to those used in the preparation of the Company's Financial Statements.

The Profit and Loss forecast for 2019-2021 considering the assumptions explained below is the Following:

€ Thousand	2018	2019E	2020E	2021E
Rents Revenue	**2,197,138**	**2,537,848**	**2,657,848**	**2,727,848**
Wages	**(57,680)**	**(106,256)**	**(107,319)**	**(108,392)**
Independent professionals	**(324,681)**	**(200,000)**	**(180,000)**	**(180,000)**
Other Operating Expenses	**(351,556)**	**(378,869)**	**(378,869)**	**(378,869)**
EBITDA	**1,463,222**	**1,852,722**	**1,991,660**	**2,060,587**
Depreciation expense	(82,706)	(82,706)	(82,706)	)82,706)
EBIT	**1,380,517**	**1,770,017**	**1,908,954**	**1,977,881**
Financial Expense	(11,542)	-	(100,000)	(100,000)
EBT	**1,368,975**	**1,770,017**	**1,808,954**	**1,877,881**
Tax Expense	(342,269)	(442,504)	-	-
EARNINGS	**1,026,706**	**1,327,513**	**1,808,954**	**1,877,881**

The information of these starting hypothesis is detailed below:

<u>Rents Revenue</u>

- The Company currently owns eight buildings for residential use, though living spaces are combined with offices. The rents revenue is growing year by year because the Company is renting many of the rental space that the Company has available.
- Currently, partial improvements are being carried out for the buildings at Calle Pelayo, 11 and Calle Uría, 12. During 2020, restoration and remodelling work is projected for the buildings at Calle Milicias Nacionales 6, and throughout 2023 for the building at Calle Milicias Nacionales, 8, with all this work income is expected to increase year by year.

<u>Wages</u>

- The planned expenditure has considered the salaries and wages of the 4 current employees. In 2019 wages have increased since the Company has hired a new worker that was before an independent professional for us.
- In 2019 and onwards the independent professional figures have decreased not only because one of the independent professionals in now part of the Company but also many of the costs made in order to create the SOCIMI have now disappeared.

Other operating expenses

- It includes structure expenses; expenses related to maintenance costs, insurance premiums, banking services, supplies, independent professionals services (mainly, management services, lawyers, accounting and tax services, auditor and Listing Sponsor, banking services, etc.), the incorporation of the Company's equity instruments into Euronext Access.

Depreciation of fixed assets

- The Company depreciation policy is the straight-line method

Financial revenues

- The Company has no debt at the moment but in 2020 the Company is planning to make new refurbishments in the building at calle Milicias Nacionales 6 that will be done using a mixture of cash and debt

Taxes

- In 2019 the tax has increase due to the increase in EBIT.

- From 2020 onwards the corresponding income from corporate tax derived from the incurred tax credits has not been considered as it has been estimated that all the provisions of the SOCIMI Law have been complied and, therefore, the effective rate applicable to the Company is 0%.

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

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

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

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

The main assumptions and factors, which could substantially affect the fulfilment of the forecasts or estimates, are detailed in point 5 of this Informational Document. In addition to those mentioned in the section indicated above, a series of factors are listed below which, although not including all possible factors are those which could substantially affect the fulfilment of the forecasts

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

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

Cash Inflow	Jul-19	Agu-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Rental Income	211,487.33	211,487.33	211,487.33	211,487.33	211,487.33	211,487.33	221,487.33	221,487.33	221,487.33	221,487.33	221,487.33	221,487.33
Total Cash Inflows	**211,487.33**	**211,487.33**	**211,487.33**	**211,487.33**	**211,487.33**	**211,487.33**	**221,487.33**	**221,487.33**	**221,487.33**	**221,487.33**	**221,487.33**	**221,487.33**
Cash Outflows	**Jul-19**	**Agu-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Apr-20**	**May-20**	**Jun-20**
Wages	(7,589.74)	(7,589.74)	(7,589.74)	(7,589.74)	(7,589.74)	(15,179.48)	(7,665.63)	(7,665.63)	(7,665.63)	(7,665.63)	(7,665.63)	(15,331.27)
Maintenance costs	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)	(5,319.25)
Independent professionals	(16,666.67)	(16,666.67)	(16,666.67)	(16,666.67)	(16,666.67)	(16,666.67)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)
Financial expenses	-	-	-	-	-	-	(8,333.33)	(8,333.33)	(8,333.33)	(8,333.33)	(8,333.33)	(8,333.33)
Other expenses	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)	(31,572.45)
Total Cash Outflows	**(61,148.11)**	**(61,148.11)**	**(61,148.11)**	**(61,148.11)**	**(61,148.11)**	**(68,737.84)**	**(67,890.67)**	**(67,890.67)**	**(67,890.67)**	**(67,890.67)**	**(67,890.67)**	**(75,556.30)**
Tax expense	(36,875.35)	(36,875.35)	(36,875.35)	(36,875.35)	(36,875.35)	(36,875.35)	-	-	-	-	-	-
Net Cash Flow	**113,463.88**	**113,463.88**	**113,463.88**	**113,463.88**	**113,463.88**	**105,874.14**	**153,596.66**	**153,596.66**	**153,596.66**	**153,596.66**	**153,596.66**	**145,931.03**

7.3 COMPANY VALUATION

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

The purpose of this Company valuation is to provide independent expert opinion as tod the fair value of the Company with regard to its situation according to the most recent available Company.

This valuation understood to have been carried out in accordance with internationally recognised criteria, the ultimate purpose of which is to determine the Company´s fair value, defined as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

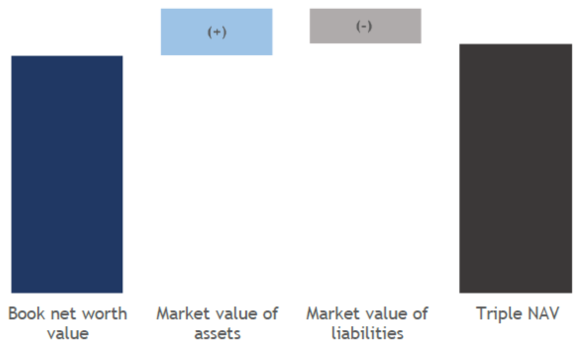
Gesvalt will also take into account the applicable standards contained in the Red book de RICS (Royal Institution of Chartered Surveyors).

The Company is a SOCIMI and as such, its activity revolves around leasing its real estate assets. Given these circumstances, the most appropriate process to be used is what is referred to as the Triple Net Asset Value approach, which assumes the adjusted value of the Company´s equity.

In respect to the deferred assets or liabilities which originate from any differences between book and market values, it makes senses to assume that either a tax liability or credit would be generated according to whether there exists capital gain or depreciation, once the Company becomes a SOCIMI, deferred tax assets or liabilities would not need to be recognised, given that once this occurs, the Company would be taxed at 0%.

In this specific case, it is worth noting that analysing the asset portfolio track record and the business model of the Company plus the statements of its management board, the portfolio is not expected to go through into rotation or asset stripping.

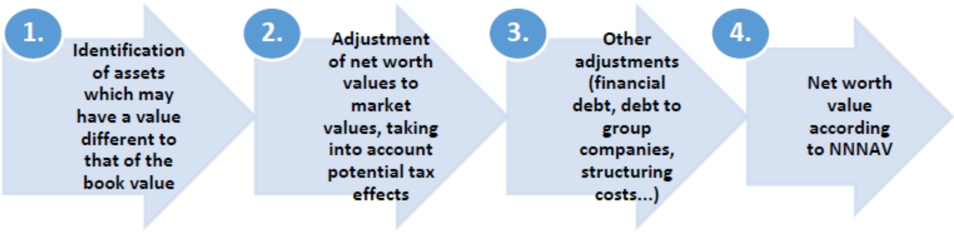
Therefore, according to Gesvalt´s criteria, the Triple-NAV method has been used to value the Company subject to this analysis. The following is a graphic representation of the approach:



This graphic represents the result of applying the chosen valuation criteria, using the book net worth value as a basis, and adding the market value of the Company's assets, before subtracting the market value of the liabilities in order to obtain the value of the Company.

Valuation Process

The valuation is carried out based on the following sequence:



As mentioned above, the valuation will be carried out as of December 31st, 2018.

1. **Identification of relevant assets**

   The following are the Company's most notable assets:

   - <u>Real Estate Investments</u>

     This is a heading containing assets subject to independent valuation, which will be analysed in a more specific section (linked with the RICS valuation report for each element as carried out by Gesvalt, see section 7.4).

   - <u>Long-Term financial Investments</u>

     The book value has been adopted given the nature and materiality of the headings corresponding to this type of investment.

   - <u>Tangible fixed assets</u>

     The assets which fall under this heading are constructions underway which are included within assets recorded under real estate investments. The breakdown of this element would be as follows:

ITEM	(€) NET BOOK VALUE 31/12/2018
Pasaje Álvarez Biylla 11 4º	17,926.27
Pasaje Álvarez Biylla 11 6º	19,569.52
Pelayo 13 Offices C. Fomsha Astur	195,233.11
Pelayo 13 Offices 2º C. Fomsha Astur	79,797.90

Regarding Pasaje Álvarez Biylla 11 4º and 6º, these correspond to the asset Pelayo 11 recorded under real estate investments. In the same way, Pelayo13 Offices C Fomsha Astur and Pelayo 13 Offices 2º C Fomsha Astur correspond to the real estate investment, Pelayo 13.

As such, the market value of these assets would be reflected in the valuation carried out for the assets making up the real estate investment heading.

- Remaining headings on the balance sheet

  Aside from the headings mentioned above, there are amounts under other headings, which, due to both their nature and the information provided, will have a market value like the book value at the time of valuation.

2. Market value adjustments

As set out above, Gesvalt will only proceed to assess the valuation of elements contained under real estate investments. In this respect, independent valuations have been carried out by Gesvalt which determine the market value to be considered in this analysis.

In order to provide a range of market values for the properties, Gesvalt has calculated a higher range and a lower range based on the following assumption:

- Variation of +/- 5.00 % in market values.

Gesvalt takes the following checks as objective data on which to base your opinion, and Gesvalt assumes that both the procedures and the results they have produced are appropriate for the demands placed on them.

Likewise, Gesvalt has completed the following analytical process:

- Verification of the application method.
- Verification of the location and description of each element.
- Identification of the variables applied.
- Understanding of the calculations obtained.

These valuations have been completed in accordance with the Red Book “RICS Professional Valuation Standards”, published in 2017.

The definition of Market Value is set out in VPS 4 Valuation Practice Statement, as follows: “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.” (IVSC 2013).

- Real Estate Investments Portfolio at 31/12/2018

  In order to apply the net worth procedure adjusted for the market value of the investments held, it’s important to isolate those assets which have a market value different to that which appears on the balance sheet (nominal value). In this case, this refers to investments in tangible fixed assets held at December 31st, 2018.

Below are a list of the Company's properties, their book and market values, as well as the gross difference (capital gains/loss) derived from them:

PROPERTY	POPULATION	(€) BOOK VALUE	(€) MARKET VALUE	DIFFERENCE
Calle Milicias Nacionales, 4	Oviedo	26,175.01	6,579,293.30	6,320,755.68
Calle Milicias Nacionales, 6	Oviedo	45,380.54	5,107,315.45	4,801,412.73
Calle Milicias Nacionales, 8	Oviedo	40,364.79	6,449,073.04	4,117,157.38
Calle Pelayo, 11	Oviedo	1,002,537.00	13,215,996.13	13,189,821.12
Calle Pelayo, 13	Oviedo	35,134.72	8,311,755.37	8,266,374.83
Calle Uría, 12	Oviedo	258,537.62	13,123,168.36	13,082,803.57
Calle Uría, 14	Oviedo	305,902.72	14,286,610.20	13,284,073.20
Calle Uría,16	Oviedo	2,331,915.66	14,213,375.68	14,178,240.96
		4,045,948.07	81,286,587.53	77,240,639.46

The aggregate book value of the properties is € 4,045,948.07, while the aggregate market value obtained via the valuation reports compiled by Gesvalt reaches € 81,286,587.53. These two values give a gross difference (capital gains) of € 77,240,639.46.

For tax purposes, Gesvalt assumes that the Company will meet the requirements to adhere and comply with the special regime of SOCIMI. Besides, analysing the portfolio of assets track record and, the business model of the Company and the statements of its management board, this portfolio is considered strategic of the firm and does not contemplate to go through into rotation or asset stripping.

In order to provide a range of market values for the properties, Gesvalt has calculated a higher range and a lower range based on the following assumption:

- Variation of +/- 5.00 % in market values:

CAPITAL GAINS REAL ESTATE INVESTMENT	(€) LOW RANGE	(€) MID RANGE	(€) HIGH RANGE
Book Value	4,045,948.07	4,045,948.07	4,045,948.07
Market Value	77,222,258.15	81,286,587.53	85,350,916.91
Capital Gains	73,176,310.08	77,240,639.46	81,304,968.84

3. Tax Treatment

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

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

  a. Minimum capital stock of 5 million euros

  b. At least 80% of the consolidated market value of the assets must be eligible

c. There are no restrictions on debt levels

d. At least 80% of returns must come from assets deemed eligible

e. Dividend distribution obligation

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

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

This in mind and assuming that the Company meets all the requisites established in order to subscribe to the 0% rate, and that in any case the taxation policy on capital gains should be carried out from the point of view of dividends and not with regard to corporate tax, the capital gain has been chosen whit zero tax effect in both scenarios due to the track record of the asset portfolio, the Company's business model and the statements of the management board as above mentioned.

It is worth noting that the Company has acquired the assets in order subscribe to the SOCIMI regime.

In any case and as mentioned above, Gesvalt understands that this task should be subject to analysis by the investor on the one hand, while at the same time, it is more linked to derivatives from revenues in the case of disposal than to the revenues to be generated by the Company, given the fact it is subscribed to a special tax system. Furthermore, having confirmed the requisites of subscribing to said system, not applying a taxation rate in these cases is a commonly used practice in similar market analyses.

4. Other Adjustments

- <u>Structuring Cost</u>

  In order to calculate NNNAV, the Company must take on certain structuring costs for the management of the portfolio of properties. Other than listing expenses, all other costs have been included in the valuation of the real estate assets and as such Gesvalt has not included an adjustment to this effect with the exception of that already set out.

  These expenses correspond to costs associated with the incorporation and maintenance of the shares on the EURONEXT and have been provided by the Company. A terminal value has been estimated for the end of the period on the basis of the Company as a going concern.

  The following hypotheses have been made in the calculation:

Structuring Costs	€ 135,715.00
G	1.00%
K	4.09%

In subsequent years, these expenses fall, leaving costs of € 83,763.65 for 2020 and € 83,843.09 increasing at a rate similar to the CPI in the following years. The applicable discount rate has been calculated as the weighted average of discount rates applicable to the real estate assets in the portfolio.

The structuring costs forecast is as follows:

	2019	2020	2021	2022	2023	N+1
(€) Structuring Costs	135,715.00	83,763.65	83,843.09	84,681.52	85,528.34	86,382.62
Discount rate	0.960748341	0.923037375	0.886806626	0.85199799	0.81855566	
(€) Updated costs	130,387.96	77,316.98	74,352.61	72,148.49	70,009.70	2,291,658.38
(€) Accumulated added value	130,387.96	207,704.94	282,057.55	354,206.03	424,215.74	2,715,874.12

As mentioned above, in order to provide a range of values, Gesvalt has calculated a lower and a higher range for the structuring costs based on the following assumptions:

- Variation of +/- 1.00% in the discount rate applied to the assets.
- Variation of +/- 0.25% in the perpetual growth rate (g).

The result is as follows:

		G		
		1.25%	1.00%	0.75%
Discount Rate	3.09%	**€ 4,498,085.42**	€ 3,985,212.11	€ 3,581,927.12
	4.09%	€ 2,932,469.41	**€ 2,712,018.22**	€ 2,524,568.71
	5.09%	€ 2,182,017.75	€ 2,061,172.39	**€ 1,954,249.31**

- Financial Debt

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

Valuation Result

Based on the information provided, the valuations carried out and the valuation process described in the previous sections, Gesvalt concludes that the value of the Company IPOSA will be determined as follows:

COMPANY VALUE AT 31/12/2018	(€) LOW RANGE	(€) MID RANGE	(€) HIGH RANGE
Previous Net Worth	€ 5,304,086.76	€ 5,304,086.76	€ 5,304,086.76
REAL ESTATE INVESTMENT Capital Gains	€ 73,176,310.08	€ 77,240,639.46	€ 81,304,968.84
Capital Gains Tax (0%)	-	-	-
Structuring Costs	€ (4,498,085.42)	€ (2,712,018.22)	€ (1,954,249.31)
Adjusted Net Worth (NNNAV)	**€ 73,982,311.42**	**€ 79,832,708.00**	**€ 84,654,806.29**

Taking into consideration the valuation report of the Company issued by Gesvalt dated of December 31st, 2018, the Board of Directors of the Company on July 4th,2018 established a reference price of € 18.74 per share, which It implies a total value for the Company of € 79,832,400. This valuation of the Company is included in the valuation range established by Gesvalt.

7.4 REAL ESTATE ASSETS VALUATION

The Issuer has entrusted Gesvalt with an independent valuation of its shares dated of September 30th, 2018. In accordance with this mandate, Gesvalt has issued a valuation report on the Company's business with a valuation date of September 30th, 2018.

The Issuer has entrusted Gesvalt with an independent valuation of its assets. Complying with said mandate, Gesvalt issues a valuation report for the Company's business with the valuation date being September 30th, 2018.

To arrive at the real estate market value, Gesvalt has used the following methods: The Discounted Cash Flows Method to value the units rented and the comparison method to establish a sale once the rental period ends and a reasonable vacancy period with the consequent capex in each case.

Comparison method

In order to get purchase sales values by comparison, to perform the valuation of the property, Gesvalt uses comparison to calculate potential sales.

This includes an evaluation of the value of the property based on the analysis of comparable data and market information with current prices in unit value per built square meter. It is the main valuation technique for the valuation of residential property.

All valuations reflect the price that is expected to appear in the purchase agreement and therefore ignore any additional expense.

The comparison (or market) method is based on the comparison of the property subject to valuation with another of similar characteristics, recently sold or currently on sale in the market, making a comparative analysis of them and taking into account, naturally, factors that may produce differences, such as age, status, certain conditions, etc.

The process of valuation using the comparison method implies an analysis of the prices and transactions or purchase transactions recently made in the market, based on a previous research to obtain the necessary information that serves as the basis for elaborating on a value.

The aforementioned method is divided into the following phases:

1. Definition of the features of the property influencing its value.

2. Analysis of the segment of the real estate market of comparable properties, based on specific information on real transactions and firm offers appropriately corrected, if any, to obtain current cash purchase prices for said properties.

3. Select among the prices obtained after the analysis foreseen in the previous section, a representative sample of comparables, to proceed subsequently to apply the required homogenization. In turn, it is necessary to previously check abnormal prices in order to identify and remove them from transactions and offers that do not meet the conditions required to define the Market Value of the affected assets.

4. Perform the homogenization of comparables with the criteria, rates and/or weights appropriate for the property in question.

5. Assign the value of the property, net of marketing expenses, based on the homogenized prices, after deducting its easements and restrictions on title and that have not been taken into account when applying the above rules.

This methodology is applied for the valuation of warehouses, premises, storage rooms, parking lots and non-regulated dwellings. The latter are represented by those that are freely available to the property and there are no legal obstacles to their placing on the market, and, in addition, they have no obligations or economic burdens for their owner.

Discounted Cash Flows (DCF)

The Discounted Cash Flows Method consists of projecting future net income flows and then discounting them at a certain rate (representative of the return rate that a potential investor would expect from this property) to arrive to a net present value. (NPV).

The net income stream consists of:

- Gross rental income
- Property's output value (= rental value at the end of the stream)

Less:

- Operating costs
- CAPEX or investments
- Acquisition costs

Indexation and market growth are reflected in the cash flows. It should be noted that the assumptions about these two elements are the appraiser's own estimates based on forecasts, experience and knowledge of the market.

Discounted Cash Flows (DCF) Method

The Discounted Cash Flow Method is the most used in valuations of private capitals involved in operations, due to its mathematical austerity and analytical capacity. One of its main advantages is that it allows examining the factors that create value for the Company and explicitly recognize the temporary value of the flow of funds generated by the operation itself.

The estimated value will be determined by the current value of all future net cash flows generated by the activity. It is done using the following formula:

$$VE = \sum_{i=1}^{i=n} \frac{FC_i}{(1+r)^i} + \frac{VC_n}{(1+r)^n}$$

FCi = Amount of free cash flow during the year "i"
r = Discount rate for updates
n = Number of years of the period considered
VCn = Terminal value

The Terminal Value (TV) is the value attributed to the business in operation as of the last projection period or explicit forecasts, and its calculation is based on the update of permanent income, which is estimated to be generated by the Company as of that moment.

$$VC_n = \frac{FC_n}{r_s}$$

VCn = Value of continuity
N = Number of years of the forecasted period for explicit forecasts
FCn = Free cash flow of the last forecasted period
rs = Discount rate applied to the last period of the exit yield projection

The discount rate "r" is determined as follows:

r = risk-free rate + risk premium

The positive differential applied to the average risk-free return responds to the specific property type: Type of building, location, execution period, liquidity and the volume of the investment. Acceptable discount rates are determined for various types of investments. This general consensus, together with market forecasts, forms the basis for choosing the appropriate discount rate in each case.

The rates used are before taxes and financing, in accordance with the usual practice of real estate valuation. These rates take into account the growth of market rents, if any, and the inflation rate contemplated in the calculation assumptions.

An evaluation of the DCF is usually carried out in a 10-year investment horizon in line with the general practice of the market. The revenue stream is developed during the cash flow period on an annual basis.

In relation to the acceptable discount rates, Gesvalt comment that Gesvalt are continually having conversations with the institutions to determine their attitude towards the discount rates for different styles of investments. This general consensus, together with the market forecasts and movements in the interest rate, constitutes the basis for choosing the appropriate discount rate in each instance. In this case, Gesvalt have applied one discount rate for residential, retail and another for office (similar to residential).

PROPERTY	LOCATION	TYPOLOGY	(€) MARKET VALUE	% s/ TOTAL MARKET VALUE
Calle Milicias Nacionales, 4	Oviedo	Building	6,579,293.30	8%
Calle Milicias Nacionales, 6	Oviedo	Building	5,107,315.45	6%
Calle Milicias Nacionales, 8	Oviedo	Building	6,449,073.04	8%
Calle Pelayo, 11	Oviedo	Building	13,215,996.13	16%
Calle Pelayo, 13	Oviedo	Building	8,311,755.37	10%
Calle Uría, 12	Oviedo	Building	13,123,168.36	16%
Calle Uría, 14	Oviedo	Building	14,286,610.20	18%
Calle Uría,16	Oviedo	Building	14,213,375.68	17%
			81,286,587.53	**100%**

Gesvalt carried out the valuation of the properties on September 30th, 2018 and considers that these valuations have not changed from this date to December 31st, 2018.

8 FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31ST, 2018

The financial statements set out in this Information Document have been prepared in accordance with accounting principles referred to in section 8.4, and the selected financial data included have been derived from the Spanish language audited financial statements for the financial year ended 31 December 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 financial statements have been audited by CROWE SERVICIOS DE AUDITORÍA S.L.P.

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

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

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

8.1 CONSOLIDATED BALANCE SHEET AT DECEMBER 31st, 2018

ASSETS	(€) 31/12/2018
NON-CURRENT ASSETS	5,684,764.43
Tangible Fixed Assets	312,526.46
Property Investments	4,045,948.07
Investments in Group Companies and Affiliates	1,314,794.08
Long-term Financial Investments	11,495.82
CURRENT ASSETS	334,539.67
Trade Receivable and other Accounts Receivable	130,267.31
Customer Receivables for Sales and Services	115,032.26
Other Debtors	15,235.05
Short-term Financial Investments	95,901.28
Cash and Equivalents Liquid Assets	108,371.08
TOTAL ASSETS	**6,019,304.10**

EQUITY AND LIABILITIES	(€) 31/12/2018
EQUITY	**5,304,086.76**
Shareholders´s Equity	**5,304,086.76**
Capital	5,058,818.16
Authorised Share	5,058,818.16
Reserves	(781,437.33)
Result for the Financial Year	1,026,705.93
NON-CURRENT LIABILITIES	**307,309.49**
Long-term Debts	**307,309.49**
Other Long-term Debts	307,309.49
CURRENT LIABILITIES	**407,907.85**
Trade Payables and other Accounts Payables	**407,907.85**
Suppliers	14,951.14
Other Creditors	392,956.71
TOTAL EQUITY AND LIABILITIES	**6,019,304.10**

8.2 INCOME STATEMENT AT DECEMBER 31st, 2018

Below is the consolidated income statement for the Company corresponding to the year ending on December 31st.

PROFIT AND LOSS	(€) 31/12/2018
Net Business Turnover	**2,196,068.34**
Other Operating Revenue	**1,069.96**
Personnel Expenses	**(57,679.53)**
Other Operating Expenses	**(706,690.58)**
Depreciation of Fixed Assets	**(82,705.48)**
Impairment, Profit/Loss from Disposal of Fixed Assets and Extraord. Income	**30,453.87**
OPERATING RESULTS	**1,380,516.58**
Financial Revenue	**645.36**
Change in the Fair Value of financial Instruments	**(12,187.19)**
FINANCIAL RESULT	**(11,541.83)**
RESULT BEFORE TAXES	**1,368,974.75**
Tax on Profits	(342,268.82)
RESULT FOR THE FINANCIAL YEAR	**1,026,705.93**

8.3 PRINCIPLES, RULES AND ACCOUNTING METHODS

The financial statements are prepared using the accounting records of IPOSA.

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

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

The scheduled date for the first Shareholder's General Meeting will be in May, 2020, and publication of the Company's earnings figures following the listing admission will be in June 30th, 2020.

9 LISTING SPONSOR

ARMANEXT ASESORES, S.L.

Paseo de la Castellana 54, Bajo Derecha, 28046 (Madrid)

Phone number: +34 910 563 580

www.armanext.com

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

IPOSA PROPERTIES SOCIMI, S.A.

Audit Report, Annual Accounts to the period ended December, 31st 2018

Crowe

Crowe Servicios de Auditoría, S.L.P.
Member Crowe Global

Paseo de la Castellana, 130, Planta 7ª
28046 Madrid (España)
Teléfono: +34 91 451 70 30
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INDEPENDENT AUDITOR'S REPORT OF ANNUAL ACCOUNTS

To the Shareholders of **IPOSA PROPERTIES SOCIMI, S.A.**

Report of the annual accounts

Opinion

We have audited the abbreviated annual accounts of **IPOSA PROPERTIES SOCIMI, S.A.**, which comprises the abbreviated balance sheet at December 31, 2018, the abbreviated profit and loss account and the abbreviated annual report correspondent to the year then ended.

In our opinion, the accompanying abbreviated annual accounts present fairly, in all material respects, the view of the equity and the financial position of the Company as at December 31, 2018, and its earnings for the year then ended, in accordance with the financial reporting framework applicable (identified in the Note 2), and, particularly, with the generally accepted accounting principles and standards applicable contained in the framework.

Basis for opinion

We conducted our audit in accordance with the audit regulation and standards in force in Spain. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Abbreviated Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the annual accounts according to the auditing regulatory legislation in Spain. In that sense, we have not provided any other services than the audit of the annual accounts, and no situations or circumstances have occurred that, in accordance with the Spanish standards above mentioned, may have affected to the required independence so that it has been committed.

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

Most relevant matters of the audit

The most relevant matters of the audit are those that, according to our professional judgement, were of most significance in our annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Valuation of Property Investments. Evaluation of possible impairment losses.</u>

The Company is the result of the total split of the mercantile company INMOBILIARIA DEL PASAJE DE OVIEDO, S.A. through the division of its assets in two parts and its transfer to two newly created companies called INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. and IPOSA PROPERTIES SOCIMI, S.A.

At the time of the split an independent expert made an assessment of the non-monetary assets of INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., determining the market value of the property investments managed by IPOSA PROPERTIES SOCIMI, S.A. These property investments are of an urban nature and located in Spain. IPOSA PROPERTIES SOCIMI, S.A. value these assets at their cost, whether by their purchase price or production cost, recording impairment if their market value is lower. At December 31, 2018, property investments portfolio is recorded in the abbreviated balance for a net book value of 4,045,948.07 euros, which represents 67% of its total assets.

We have considered that the estimation of the value and possible impairment losses of the Property Investments represent the most relevant aspect of the audit, due to the significance of the amounts and the relevance and uncertainty associated with the judgments and estimates made.

Our audit procedures to address this aspect included, among others:

- The review of the design and implementation of the relevant controls that mitigate the risks associated with the valuation process of the Property Investments. In particular, we have tested those by which the directors supervise and approve the hiring and the work done by the experts hired for this purpose, as well as that there is no pressure on the result of the work carried out by these experts.

- The evaluation of the facts and circumstances examined to consider the existence of signs of impairment on this type of assets.

- The evaluation of the competence, independence and integrity of the external evaluator.

- The verification of the reasonableness of the procedures and methodology and the performance of selective tests of verification of technical data used and verification of the technical hypotheses used, taking into account the circumstances of the market.

- Finally, we have reviewed the breakdowns made in relation to these aspects, which are included in Note 5 of the enclosed abbreviate annual report, contain the necessary information required by the applicable financial reporting framework in relation to this issue.

Responsibilities of the directors for the abbreviated annual accounts

The directors are responsible for the preparation of these abbreviated annual accounts, so that they express the fair view of the equity, of the financial position and the earnings of the Company, in accordance with the framework of financial information applicable to the entity in Spain, and for such internal control as management deems necessary to enable the preparation of the abbreviated annual accounts that are free of material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the abbreviated annual accounts

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Spanish Law and Standards on Audit will always detect a material misstatement when it exists.

Misstatements can arise from a 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 abbreviated annual accounts.

As a part of an audit in accordance with Spanish Law and Standards on Auditing, we exercise professional judgement and maintain a professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the abbreviated annual accounts, 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 entity'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 management's use of the going concern basis of accounting in the preparation of the abbreviated annual accounts, and to conclude, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we would mention in our audit report that adequate disclosure is made in the abbreviated annual accounts or, if there were not the right disclosures, we would express a modified opinion. Our conclusions are based on the audit evidence obtained until the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Crowe

We communicate with the directors of the entity 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.

Among the significant risks that have been communicated to the Company's directors, we determine those that have been relevant in the audit of the current abbreviated annual accounts and which are, consequently, the most relevant risks.

We describe those risks in our audit report unless legal or statutory requirements prohibit revealing publicly the issue.

Madrid, June, 7th 2019

Crowe Servicios de Auditoría, S.L.P.
Pedro Rodríguez Fernández
Partner
ROAC: 14.249

(Signed in the original version)

Note: This special report is a translation of the special report dated on June, 7th 2019 that was issued in Spanish. Where there is any doubt, the Spanish special report version shall prevail.

IPOSA PROPERTIES SOCIMI, S.A.

ABRIDGED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

ASSETS

		Financial Year 2018
A) NON-CURRENT ASSETS		**5,684,764.43**
II. Tangible Fixed Assets	5	312,526.46
III. Property Investments	5	4,045,948.07
IV. Investments in Group Companies and Affiliates	7	1,314,794.08
V. Long-term Financial Investments	7	11,495.82
B) CURRENT ASSETS		**334,539.67**
II. Trade Receivables and other Accounts Receivable		130,267.31
1. Customer Receivables for Sales and Services	7	115,032.26
3. Other Debtors	9	15,235.05
IV. Short-term Financial Investments		95,901.28
VI. Cash and other Equivalent Liquid Assets		108,371.08
TOTAL ASSETS (A+B)		**6,019,304.10**

EQUITY AND LIABILITIES

		Financial Year 2018
A) EQUITY		**5,304,086.76**
A-1) Shareholders' Equity		5,304,086.76
I. Capital	6	5,058,818.16
1. Authorised Capital	6	5,058,818.16
III. Reserves		(781,437.33)
VII. Results for the Financial Year	3	1,026,705.93
B) NON-CURRENT LIABILITIES	**8**	**307,309.49**
II. Long-term Debts	8	307,309.49
3. Other Long-term Debts	8	307,309.49
C) CURRENT LIABILITIES		**407,907.85**
IV. Trade Payables and other Accounts Payable		407,907.85
1. Suppliers	8	14,951.14
2. Other Creditors		392,956.71
TOTAL EQUITY AND LIABILITIES (A+B+C)		**6,019,304.10**

PROFIT AND LOSS

		Financial Year 2018
OPERATIONS		
1. Net Business Turnover	11.1	2,196,068.34
5. Other Operating Revenue		1,069.96
6. Personnel Expenses	11.2	(57,679.53)
7. Other Operating Expenses	11.3	(706,690.58)
8. Depreciation of Fixed Assets		(82,705.48)
11. Impairment, Profit/Loss from Disposal of Fixed Assets and Extraord. Income		30,453.87
A) OPERATING RESULTS		**1,380,516.58**
12. Financial Revenue	11.4	645.36
14. Change in the Fair Value of Financial Instruments		(12,187.19)
B) FINANCIAL RESULTS		**(11,541.83)**
C) RESULT BEFORE TAXES (A+B)		**1,368,974.75**
17. Tax on Profits	10	(342,268.82)
D) RESULT FOR THE FINANCIAL YEAR (C+17)		**1,026,705.93**

ABRIDGED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

1. GENERAL INFORMATION

IPOSA PROPERTIES SOCIMI, S.A. (hereinafter, the Company), was incorporated as a public limited company [*Sociedad Anónima*] in Spain on 28 December 2018 via a public document drawn up before the Notary of Madrid, Mr Iñigo Casla Uriarte, with the company name IPOSA PROPERTIES SOCIMI, S.A.

The Company is registered in the Commercial Registry of Madrid in volume 38.314, page 149, section 8 and sheet M-681706, with the Tax Identification Number being A-88276829.

The Company is the result of the total splitting up of the Commercial Company INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., by dividing its assets into two parts and transferring them to two newly-created companies named IPOSA PROPERTIES SOCIMI, S.A. and INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. For accounting purposes, the operations of the Company that were split up are regarded as being carried out by the beneficiary Companies, as of 1 January 2018. This will be the date when control was acquired pursuant to that established in paragraph 2.2.2 of regulation 21 of the General Accounting Plan.

The current registered office is located at Calle Tambre, número 1, (28002 Madrid), with its activity and corporate purpose being as follows:

- The acquisition and development of urban properties for lease. The development activity includes renovation of buildings under the terms set forth in Law 37/1992 of 28 December, on Value Added Tax.

All activities for which the law demands requirements that cannot be met by this Company are excluded.

Activities that are part of the corporate purpose may be carried out both in Spain and abroad.

The Company does not have stakes in other Companies with which a group or affiliate relationship may be established, in accordance with the requirements set forth in Art. 42 of the Code of Commerce and Regulations 13 and 15 of the Third Part of Royal Decree 1514/2007, which approved the General Accounting Plan, regarding the requirement to draw up Consolidated Annual Accounts.

The functional currency with which the Company operates is the euro. The criteria established in the General Accounting Plan have been followed in order to draw up the annual accounts in euros.

1.2. SOCIMI Regime

The regime on Spanish Real Estate Investment Trusts (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, SOCIMI) is subject to Law 11/2009, of 26 October, with amendments incorporated into the latter by Law 16/2012, of 27 December, which regulates SOCIMIs. Article 3 sets forth certain requirements for this type of company, as follows:

a) They must have invested at least 80% of the value of their assets in urban real estate that is intended to be leased, in land for the development of real estate that will be assigned to that purpose provided that the development begins within three years of acquisition, as well as in the capital stock or equity interests of other entities referred to in paragraph 1 of Article 2 of this Law.

b) At least 80% of the income from the tax period corresponding to each financial year - excluding that arising from the transfer of the equity interests and properties related to the Company's fulfilment of its main corporate purpose, and once the maintenance period mentioned in the next paragraph has passed - must come from the lease of properties and from dividends or equity interests in profits linked to the above-mentioned investments.

c) The properties of which the Company's assets consist must remain leased for at least three years. For the purposes of the calculation, the amount of time the properties have been offered for lease shall be added, with a maximum of one year.

The First Transitory Provision of the SOCIMI Law permits the application of the SOCIMI Tax Regime in the terms set out in Article 8 of the SOCIMI Law, even if the requirements demanded therein are not met as of the date of incorporation, provided that such requirements are met within two years after the date that such Regime is chosen. In the opinion of the Company's Directors, the above-mentioned requirements will be fully met in time.

The Company's shares, as of the date when these abridged annual accounts are drawn up, are not listed in any regulated market.

2. BASES OF PRESENTATION

2.1 True picture

The abridged annual accounts have been prepared based on the Company's accounting records and are presented in accordance with current commercial legislation and with the regulations set forth in the General Accounting Plan approved by Royal Decree 1514/2007, and the amendments introduced into it by Royal Decree 1159/2010 and Royal Decree 602/2016, in order to show a true picture of the Company's equity, financial position and results.

2.2 Operating Company

As may be seen from the abridged balance sheet as of 31 December 2018, the Company is not subject to dissolution under article 363 of the Capital Companies Law.

2.3 Non-mandatory accounting principles

No non-mandatory accounting principles have been applied. Additionally, the Directors have drawn up these abridged annual accounts taking into consideration all mandatory accounting principles and regulations that have a significant effect on the above-mentioned abridged annual accounts. There is no mandatory accounting principle that has not been applied.

2.4 Critical aspects of valuation and estimation of uncertainty

The preparation of abridged annual accounts requires the Company to use certain estimates and judgements about the future that are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, will rarely match the corresponding actual results.

As of the end of the 2018 financial year, the Company's Directors are not aware of the existence of any uncertainties regarding events or conditions that may give rise to significant doubts about the possibility of the Company continuing to operate normally.

2.5 Comparison of information

According to commercial legislation, for comparison purposes, each item of the abridged balance sheet, the abridged profit and loss account and the abridged statement of changes in net equity must show not only the figures for the 2018 financial year, but also those for the 2017 financial year; however, since the company was incorporated in 2018, this comparison does not apply.

2.6 Grouping of items

In order to facilitate understanding of the abridged balance sheet, the abridged profit and loss account and the abridged statement of changes in net equity, these statements are shown grouped, with the necessary analyses being shown in the corresponding notes to the financial statements.

3. DISTRIBUTION OF RESULTS

The proposed distribution of the results for the year ending on 31 December 2018, drawn up by the Directors and pending approval by the Shareholders, is as follows:

	Euros
DISTRIBUTION BASIS	**2018**
Result for the financial year	1,026,705.93
Total	**1,026,705.93**
DISTRIBUTION	
Legal reserve	102,670.59
Voluntary reserve	924,035.34
Total	**1,026,705.93**

Article 6 of Law 11/2009, of 26 October, with the amendments incorporated into the latter by Law 16/2012, of 27 December, which regulate SOCIMIs, sets out the obligations for distributing results. The method for distributing dividends to their shareholders is as follows:

- 100% of the profits arising from dividends or equity interests in profits distributed by the entities referred to in Article 2 paragraph 1 of Law 11/2009 of 26 October, with the amendments incorporated into the latter by Law 16/2012, of 27 December.

- At least 50% of the profits arising from the transfer of properties and shares/equity interests referred to in Article 2 paragraph 1 of Law 11/2009 of 26 October, with the amendments incorporated into the latter by Law 16/2012, of 27 December.

- At least 80% of all other profits obtained.

4. ACCOUNTING CRITERIA

The main valuation standards used by the Company in drawing up its abridged annual accounts, as established by the General Accounting Plan, have been as follows:

4.1 Tangible fixed assets and property investments

These are valued at their cost, either the purchase price or production cost including, but not limited to, the amount invoiced after deducting any discounts or rebates in the price, all additional and directly related expenses incurred until the assets start operation, such as levelling and demolition, transport, insurance, installation, assembly and other similar expenses.

The Company includes in the cost [sic] that requires a period of time longer than one year to be ready for use, operation or sale, any financial expenses related to specific or generic financing, directly attributable to acquisition, construction or production.

The value also includes the initial estimate of the current value of the obligations assumed from dismantling or disposal and other obligations associated with the asset, such as renovation costs, when these obligations result in the recording of provisions, as well as the best estimate of the current value of the contingent amount; however, contingent payments that depend on amounts related to the carrying out of the activity are accounted for as an expense in the profit and loss account as they are incurred.

The Company does not have any dismantling, disposal or renovation commitments for its assets. Therefore, amounts for the coverage of such future obligations have not been accounted for in assets.

A loss for impairment in the value of an item is recorded when its net book value exceeds its recoverable amount, with the latter being understood as the larger of its fair value minus sale costs, and its value in use, or its market value.

The Company's Board of Directors believes that the book value of the assets does not exceed their recoverable value, nor their market value.

Expenses incurred during the financial year for works and jobs performed by the Company will be charged to the relevant expenditure accounts. Extension or improvement costs that lead to increased production capacity or longer useful life of assets are incorporated into them as a higher value. The accounts of tangible fixed assets under construction are charged for the amount of those costs, with a credit to the revenue item that records the works performed by the Company for itself.

Costs related to major repairs of items are recognised as a replacement at the time they are incurred and depreciated during the period between then and the next repair, writing off any amount associated with the repair that may remain in the book value of the above-mentioned fixed asset.

The depreciation of items is carried out, from the time they are available to be put into operation, by using the straight-line method over their estimated useful life, estimating a residual value of zero, depending on their years of useful life.

The Company evaluates at least at the close of each financial year whether there is evidence of impairment losses which reduce the recoverable value or market value of such assets to an amount lower than their book value. If there is any such indication, the recoverable value or market value of the asset is estimated to determine the extent of any impairment loss. If the asset does not generate cash flows that are independent of other assets or asset groups, the Company will calculate the recoverable value of the cash generating unit (CGU) to which the asset belongs.

The recoverable value of assets is the greater of their fair value minus selling costs and their value in use. The determination of value in use is based on expected future cash flows that will be derived from the use of the asset, expectations of possible variations in the amount or temporal distribution of the flows, the price that must be paid to bear the asset-related uncertainty, and other factors that participants in the market would consider when assessing future cash flows related to the asset.

If the recoverable amount or estimated market value is less than the net book value of the asset, the corresponding impairment loss is recorded against the profit and loss account, reducing the book value of the asset to its recoverable amount.

Once the correction for impairment in value or its reversal is acknowledged, the depreciations of the following financial years are adjusted considering the new accounting value.

Notwithstanding the foregoing, if the specific circumstances of the assets show an irreversible loss, this is recognised directly in losses from the profit and loss account.

In the 2018 financial year, the Company has not recorded impairment losses for tangible fixed assets that are not property investments.

4.2 Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable collections that are not traded on an active market. These are included in current assets, except for maturities greater than 12 months from the balance sheet date, which are classified as non-current assets.

These financial assets are initially valued at their fair value, including transaction costs that are directly chargeable to them, and subsequently at amortised cost, recognising interest accrued based on their effective interest rate, which is understood as the adjusted rate that matches the book value of the financial instrument with all of its estimated cash flows until maturity. However, credits for commercial operations with maturities not exceeding one year are valued, both at initial recognition and subsequently, at their nominal value provided that the effect of not updating the flows is not significant.

At least at the end of the financial year, the necessary value impairment corrections are made if there is objective evidence that not all amounts due will be collected.

The amount of the impairment loss is the difference between the book value of the asset and the current value of estimated future cash flows, discounted at the effective interest rate at initial recognition. Value corrections, as well as their reversal, are recognised in the profit and loss account.

Financial assets are written off in the abridged balance sheet when all risks and benefits inherent to ownership of the asset are substantially transferred. In the particular case of accounts receivable, it is understood that this fact occurs in general if the risks of insolvency and delay have been transferred.

The Company's cash does not have any restriction of availability of any kind.

4.3 Equity

The capital stock is represented by ordinary shares.

The costs of issuing new shares are presented directly against net equity, as lower reserves.

In the case of purchase of shares owned by the Company, the consideration paid, including any directly attributable incremental costs, is deducted from net equity until such shares are paid for, re-issued or sold. When these shares are sold or are subsequently re-issued, any amount received, net of any directly attributable incremental costs of the transaction, is included in net equity.

The shares of the Company are not traded on any regulated market. Dated 31 December 2018.

As part of the requirements to be included under the SOCIMI regime, the Company's shares must be accepted for trading in a regulated market or in a multilateral Spanish trading system in any other country where there exists an exchange of tax information. Similarly, due to the demands of the above-mentioned regime, the Company's shares have become nominative.

4.4 Financial Liabilities

This category includes debits for non-commercial operations. These loans from third parties are classified as current liabilities unless the Company has an unconditional right to defer their payment for at least 12 months after the balance sheet date.

These debts are initially recognised at fair value adjusted by the directly chargeable transaction costs, being subsequently recorded at amortised cost using the effective interest rate method. This effective interest rate is the adjusted rate that matches the book value of the financial instrument with the expected flow of future payments until the liability matures.

Notwithstanding the above, debits for commercial operations with maturities not exceeding one year and which do not have a contractual interest rate are valued, both at the baseline and subsequently, at nominal value when the effect of not updating cash flows is not significant.

If there is any renegotiation of existing debts, the view is taken that there are no substantial changes in the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the current value of the cash flows, including net fees, does not differ by more than 10% from the current value of the outstanding cash flows of the original liability calculated using that same method.

4.5 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation, whether legal or implicit, as a result of past events, it is likely that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are valued at the current value of the disbursements expected to be necessary to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of the money and the specific risks of the obligation. Adjustments to the provision based on updates are recognised as a financial expense as they accrue.

Provisions with a maturity less than or equal to one year, with a non-significant financial effect, are not discounted.

When some of the disbursement required to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as an independent asset, provided that it is practically certain to be received.

For their part, contingent liabilities are defined as possible liabilities arising from past events, whose materialisation is conditional upon whether or not one or more future events outside the Company's control will occur. Such contingent liabilities are not subject to accounting record by presenting details thereof in the financial statements.

4.6 Tax on profits

4.6.1 General regime

Expenditure or revenue from profit tax comprises the portion relating to expenditure or revenue from current tax and the portion relating to expenditure or revenue from deferred tax.

Current tax is the amount that the Company pays as a result of payments of Profit Tax for any financial year. Deductions and other tax benefits regarding the amount of tax, excluding withholdings and payments on account, as well as tax loss carry-forwards from previous financial years effectively applied in this one, result in a lower amount of current tax.

Current tax assets and liabilities will be valued at the amounts expected to be paid or recovered from the tax authorities, in accordance with current regulations or those regulations which have been approved and are pending publication on the closing date of the financial year.

Deferred tax expenditure or revenue correspond to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable from differences between the book values of assets and liabilities and their tax value, as well as tax loss carry-forwards awaiting compensation and credits for tax deductions not applied through tax. These amounts are recorded by applying to the relevant temporary difference or credit the tax rate at which they are expected to be recovered or paid.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from initial recognition of goodwill or other assets and liabilities in an operation that does not affect either the tax result or the accounting result and is not a business combination.

For their part, deferred tax assets are only recognised to the extent that the Company is likely to have future taxable gains against which they may be offset.

Deferred tax assets and liabilities arising from transactions with direct charges or payments in shareholders' equity are also accounted for with an offsetting entry in net equity.

Deferred tax is determined by applying the regulation and tax rates approved or about to be approved at the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is paid.

4.6.2 SOCIMI Regime

Under Law 11/2009, of 26 October, with the amendments incorporated into the latter by Law 16/2012, of 27 December, which regulate Spanish Real Estate Investment Trusts (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, SOCIMI), entities that meet the requirements defined in the regulation and opt for the application of the special tax regime set forth in the above-mentioned Law will be taxed at a rate of 0% in the Corporation Tax. If carry-forward tax losses are generated, article 25 of the Consolidated Text of the Corporation Tax Law will not apply. In addition, the scheme of deductions and rebates set forth in Chapters II, III and IV of that regulation shall not be applicable. For everything else not established in the SOCIMI Law, the provisions of the Consolidated Text of the Corporation Tax Law shall be applicable in a supplementary sense.

The entity shall be subject to a special tax rate of 19% on the full amount of dividends or shares in profits distributed to partners whose stake in the entity's capital stock is equal to or greater than 5%, when such dividends, for such partners, are exempt or pay tax at a rate of less than 10%. This tax rate will be regarded as the Corporation Tax payment.

4.7 Classification of assets and liabilities between current and non-current

Assets and liabilities are presented in the abridged balance classified as either current or non-current. For these purposes, assets and liabilities are classified as current when they are linked to the normal operating cycle of the Company and are expected to be sold, consumed, realised or settled in the course of that cycle; they are different from the above and their expiry, disposal or realisation is expected to take place within one year. They are held for trading purposes, or they are cash and other equivalent liquid assets whose use is not restricted for a period longer than one year.

4.8 Revenue and expenditure

Revenue and expenditure are allocated based on the accrual method, i.e., when the actual flow of goods and services that they represent takes place, regardless of the time when the monetary or financial flow arising from them takes place.

Revenues are recorded at the fair value of the consideration to be received and represent the amounts to be collected for the goods delivered and services rendered in the ordinary course of the Company's activities, minus returns, rebates, discounts and value added tax.

4.9 Transactions between related parties

Transactions between group companies and related ones are generally accounted for at baseline at fair value. Where applicable, if the agreed price differs from fair value, the difference is recorded by taking into consideration the economic reality of the transaction. Subsequent valuation is performed as established in the respective regulations.

5. Tangible fixed assets and property investments

The change during the financial year of each of these balance sheet items and their corresponding accumulated depreciations and accumulated adjustments in value for impairment is as follows:

5.1 Tangible fixed assets

	Land and buildings	Plant and other Tangible Fixed Assets	Property under construction and advances	Total
A) GROSS BALANCE START OF FINANCIAL YEAR 2018	-	-	-	-
(+) Other incomings	-	-	312,526.46	312,526.46
B) GROSS BALANCE END OF FINANCIAL YEAR 2018	-	-	312,526.46	312,526.46
D) ACCUMULATED DEPRECIATION, BALANCE END OF FINANCIAL YEAR 2018	-	-	-	-
D) ACCUMULATED DEPRECIATION, BALANCE END OF FINANCIAL YEAR 2018	-	-	-	-
E) IMPAIRMENT VALUE CORRECTIONS, BALANCE START OF FINANCIAL YEAR 2018	-	-	-	-
F) IMPAIRMENT VALUE CORRECTIONS, BALANCE END OF FINANCIAL YEAR 2018	-	-	-	-
NBV	-	-	**312,526.46**	**312,526.46**

5.2 Property investments

	Land and buildings	Plant and other Tangible Fixed Assets	Total
A) GROSS BALANCE START OF FINANCIAL YEAR 2018	-	-	-
(+) Acquisitions	328,152.61	5,379,677.84	5,707,830.45
(-) Write-downs	-	(497,164.35)	(497,164.35)
B) GROSS BALANCE END OF FINANCIAL YEAR 2018	**328,152.61**	**4,882,513.49**	**5,210,666.10**
D) ACCUMULATED DEPRECIATION, BALANCE END OF FINANCIAL YEAR 2018	-	-	-
(+) Incomings	-	(1,165,079.90)	(1,165,079.90)
Outgoings	-	361.87	361.87
D) ACCUMULATED DEPRECIATION, BALANCE END OF FINANCIAL YEAR 2018	-	(1,164,718.03)	(1,164,718.03)
E) IMPAIRMENT OF LAND AND NATURAL ASSETS, BALANCE START OF FINANCIAL YEAR 2018	-	-	-
F) IMPAIRMENT OF LAND AND NATURAL ASSETS, BALANCE END OF FINANCIAL YEAR 2018	-	-	-
NBV	-	-	**4,045,948.07**

List of properties allocated to leasing referred to in paragraph 1 of article 2 of Law 11/2009, amended by Law 16/2012

ACQUISITION DATE	ASSET NAME	ADDRESS	TOWN	TYPE OF ASSET
19/10/1982	C/ Uria 12	C/ Uria 12	Oviedo	PROPERTY INV
19/10/1982	C/ Uria 14	C/ Uria 14	Oviedo	PROPERTY INV
19/10/1982	C/ Uria 16	C/ Uria 16	Oviedo	PROPERTY INV
19/10/1982	C/ Milicias Nacionales 4	C/ Milicias Nacionales 4	Oviedo	PROPERTY INV
19/10/1982	C/ Milicias Nacionales 6	C/ Milicias Nacionales 6	Oviedo	PROPERTY INV
19/10/1982	C/ Milicias Nacionales 8	C/ Milicias Nacionales 8	Oviedo	PROPERTY INV
19/10/1982	C/ Pelayo 15	C/ Pelayo 15	Oviedo	PROPERTY INV
19/10/1982	C/ Pelayo 13	C/ Pelayo 13	Oviedo	PROPERTY INV
19/10/1982	C/ Pelayo 11	C/ Pelayo 11	Oviedo	PROPERTY INV

6. SHAREHOLDERS' EQUITY

6.1 Capital Stock

On 28 December 2018, the Company was incorporated with a capital stock of 5,058,818,16 euros, represented by 10,000 shares each with a nominal value of 505,881,816 euros, numbered successively 1 to 10,000 inclusive, which were fully subscribed and paid in.

According to Title I, Chapter III of the Capital Companies Law, the Company has been registered in the Commercial Registry as a public limited company [*sociedad anónima*].

6.2 Legal Reserve

As of 31 December 2018, the legal reserve has not been allocated pursuant to Section 274 of the Capital Companies Law.

The Company is obliged to allocate 10% of the profits of the financial year to establish the legal reserve, until this reaches at least 20% of the capital stock. Until it exceeds the above-mentioned limit, it can only be used to compensate for losses, if there are no other reserves available for such purposes, and it must be replenished with future profits.

Once the requirements established in the Law or the by-laws have been covered, dividends may only be distributed and charged to the profit for the financial year, or to freely-available reserves, if the value of net equity is not or, as a result of the distribution, does not become less than the capital stock. For these purposes, profits allocated directly to net equity cannot be distributed, whether directly or indirectly. If there are any losses from previous financial years that would make that value of the Company's net equity less than the figure for the capital stock, the profit will be allocated to offsetting these losses.

6.3 Dividends

The company has not distributed dividends or approved dividends on account during the financial year 2018.

7. Financial assets

	Long-term financial instruments		Short-term financial instruments		
2018	Equity instruments	Other derivative credits	Equity instruments	Other derivative credits	**Total**
Assets at fair value with changes in profit and loss	11,495.82	-	5,901.28	-	**17,397.10**
Investments held until maturity	-	-	90,000.00	-	**90,000.00**
Loans and accounts receivable	-	1,314,794.08	-	115,032.26	**1,429,826.34**
Total	**11,495.82**	**1,314,794.08**	**95,901.28**	**115,032.26**	**1,537,223.44**

8. Financial liabilities

	Long-term financial instruments	Short-term financial instruments	
2018	Other Derivatives	Other Derivatives	**Total**
Debits and accounts payable	-	16,944.28	**16,944.28**
Other	307,309.49	-	**307,309.48**
Total	**307,309.49**	**16,944.28**	**324,253.77**

The detail of the long-term financial instruments, corresponding to the deposits, is broken down below:

MILICIAS NACIONALES, 4 33003 OVIEDO	
Address	Deposit
Premises 1	12,000.00
1st left	1,300.00
2nd left	540.00
2nd right	521.00
6th left	650.00

MILICIAS NACIONALES, 6 33003 OVIEDO	
Address	Deposit
Premises 1	9,000.00

MILICIAS NACIONALES, 8 33003 OVIEDO	
Address	Deposit
Premises 1	8,594.48
Premises 2	10,000.00
Premises 3	9,000.00
1st left	1,800.00

PELAYO, 11 33003 OVIEDO	
Address	Deposit
Premises 1	30,000.00
1st right	1,800.00
2nd left	1,600.00
3rd left	1,600.00
6th left	1,000.00
6th right	1,200.00

PELAYO, 13-15 33003 OVIEDO	
Address	Deposit
Premises 1	14,000.00
Premises 2	10,000.00
Premises 3	23,000.00
Office A	1,100.00
Office C	900.00

URIA, 12 33003 OVIEDO	
Address	Deposit
Premises 1	1,200.00
Premises 3	6,000.00
Premises 6	7,200.00
Mezzanine 1	3,000.00
Mezzanine 3	400.00
Principal	2,200.00
Mezzanine right	700.00
Mezzanine left	700.00
1st, 2nd, 3rd floor	4,800.00
7th left	650.00

URIA, 14 33003 OVIEDO	
Address	Deposit
Premises 1	24,000.00
Premises 3	24,000.00
Premises 2, 1st, 2ns, 3rd and 4th floor	24,000.00

URIA, 16 33003 OVIEDO	
Address	Deposit
Premises 2	28,000.00
Premises 3	24,000.00
2nd office 1	1,150.00
2nd office 2	1,160.00
2nd office 3	2,000.00
2nd office 4	1,000.00
2nd office 5	2,000.00
3rd A	750.00
3rd B	750.00
3rd C	450.00
3rd D	550.00
4th A	1,900.00
4th G	550.00
4th H	650.00
5th I	450.00
5th J	754.00
5th K	650.00

8.1 Information about the nature and level of risk from financial instruments

The following information, both qualitative and quantitative, is detailed in relation to the different types of risk:

- Market risk: the Company is not exposed to market risks for non-financial assets.
- Exchange rate risk: the Company does not operate internationally and is therefore not exposed to exchange rate risk from operations in foreign currencies. Exchange rate risk arises from recognised assets and liabilities and net investments in foreign businesses.
- Credit risk: The Company's financial assets are comprised primarily of credit to related companies. The Company estimates that it has no significant credit risk on its financial assets.
- Liquidity risk: the Company undertakes prudent liquidity risk management, based on holding sufficient cash and the availability of financing via a sufficient amount of committed credit facilities and sufficient capacity to liquidate market positions.
- Interest rate risk in cash flows and fair value: the Company's interest rate risk arises from short and long-term loans from third parties. Loans from third parties issued at variable rates expose the Company to the interest rate risk of cash flows.

9. Public Administrations

As a result of various legal obligations, the Company has relations with the Public Administration, from which will arise debtor and creditor positions vis-a-vis government agencies, as detailed below:

	31/12/2018
- Inland Revenue VAT payable	15,235.05
- Inland Revenue VAT credit	(106,584.50)
- Inland Revenue Income Tax credit	(2,888.90)
- Inland Revenue Corporation Tax credit	(153,107.97)
- Bodies of the creditor companies	(1,780.00)
Total	**(249,126.32)**

10. Tax position

The reconciliation between the net amount of revenue and expenditure in the financial year and the tax base for profit tax as follows:

	31/12/2018
Result before taxes	1,368,974.75
Permanent differences	100.54
Temporary differences	-
Tax base (tax result)	**1,369,075.29**
Corporation tax	**342,268.82**

Current legislation states that taxes cannot be considered as definitively settled until the statements submitted have been inspected by the tax authorities, or the four-year prescription period has passed. The directors of the Company do not expect additional liabilities to be accrued for the Company as a result of any possible inspection.

As a result, amongst others, of different possible interpretations of current tax law, additional liabilities may arise from an inspection. In any case, the Directors consider that such liabilities, if any, would not significantly affect the abridged annual accounts.

The Company is awaiting inspection by the tax authorities of the main taxes that have applied to it since its incorporation (2018) and whose payment period has passed.

In compliance with Article 11 of Law 11/2009, the required information is detailed in the Annex to these abridged annual accounts, amended by Law 16/2012 of 27 December.

11. Revenue and expenditure

11.1 Revenue

The Company had the following revenue for the period ending on 31 December 2018:

	31/12/2018
Revenue from business premises	1,962,667.67
Revenue from housing	233,400.67
Revenue from miscellaneous services	1,069.96
Extraordinary revenue	30,554.41
	2,227,692.71

11.2 Personnel Expenses

The Company has had employees during the period ending on 31 December 2018, and it has therefore incurred the following expenses on personnel:

	31/12/2018
Wages and salaries	43,347.66
Social Security	13,911.87
Other	420.00
	57,679.53

11.3 Other operating expenses

The detail of this item of the profit and loss account as of 31 December 2018 is as follows:

	31/12/2018
Repair and maintenance	66,971.62
Professional Services	324,680.54
Insurance premiums	10,541.77
Banking and similar services	5,229.23
Supplies	108,373.94
Other expenses	2,113.85
Communications	1,540.10
Community expenses	3,572.30
Restaurant	457.33
Cleaning	9,478.02
Other taxes	160,940.21
Negative adjustments in non-current VAT assets	8,543.61
Negative adjustments in investment VAT	4,248.06
	706,690.58

11.4 Financial result

	31/12/2018
Financial Expenses	-
Financial Revenue	645.36
	645.36

12. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

12.1 Compensation to members of the Board of Directors

In the financial year ended on 31 December 2018, the Company's Directors have not received any remuneration by way of salaries, daily expenses or remuneration for shares in profits or premiums. Nor have they received shares or options on shares during the financial year, nor have they exercised options, nor do they have options to be exercised.

Likewise, no contributions by way of pension funds or plans to the directors have been made.

12.2 Conflict of interest situations of Directors

In accordance with their duty to avoid situations of conflict with the Company's interests, during the financial year, the directors who have held positions on the Board of Directors have complied with the obligations under Article 228 of the consolidated text of the Capital Companies Law. In addition, both they and their related persons have refrained from falling into the categories of conflicts of interest established in Article 229 of that law, except in cases where the corresponding authorisation has been obtained.

13. OPERATIONS WITH RELATED PARTIES:

Balances and transactions with related parties are as follows:

	31/12/2018
Investments in group companies and affiliates	
– Crédito IPOSA S.L.	1,314,794.08

Investments in Group Companies and Affiliates

INMOBILIARIA DEL PASAJE DE OVIEDO, S.L., as represented above, expressly and irrevocably acknowledges that it owes IPOSA PROPERTIES SOCIMI, S.A. the total amount of €1,314,794.07, with this amount being liquid, overdue and fully enforceable.

INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. shall pay the above-mentioned amount to IPOSA PROPERTIES SOCIMI, S.A. within five (5) years of the date of the Agreement, i.e. before 31 December 2023.

The contract will accrue a fixed interest rate calculated at the rate of 1.70% per annum from the date of the document until the expiry of the Contract and/or its early termination. The interest will be payable and enforceable annually; and must be paid by INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. on 31 December each year until full amortisation of the debt.

14. ENVIRONMENTAL INFORMATION

Given the Company's business activities, it does not have any responsibilities, expenditure, assets, provisions nor contingencies of an environmental nature that may be significant for its equity, financial status and earnings.

15. OTHER INFORMATION

The average number of people employed during the financial year is the following:

2018	MEN	WOMEN
PERMANENT	1	1
TEMPORARY	1	-

The nature and purpose of the company's business as per its by-laws, when these are not specified in the balance sheet and regarding which no information is included in any other note to the financial statements, provided that this information is significant and helpful in determining the company's financial position.

16. AVERAGE PAYMENT PERIOD

	2018
Average supplier payment period	79.02

17. SUBSEQUENT FACTS

No significant subsequent facts have occurred at the end of the financial year.

[signature]
José Carlos Rodríguez San Pedro y Márquez
Chairman

[signature]
Carlos Luís Rodriguez San Pedro y Martos
Non-Board-member Secretary

Madrid, 25 March 2019

ANNEX

Information requirements arising from SOCIMI status, Law 11/2009, amended by Law 16/2012:

Description	31/12/18
a) Reserves from financial years prior to the application of the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December.	Not applicable
b) Reserves from each financial year in which the special tax regime established in that law has applied • Profits from income subject to the general tax rate • Profits from income subject to the 19% tax rate • Profits from income subject to the 0% tax rate	Not applicable
c) Distributed dividends charged to profits of each financial year in which the tax regime set forth in this Law applies • Dividends from income subject to the general tax rate • Dividends from income subject to the 18% (2009) and 19% (2010 to 2012) tax rate • Dividends from income subject to the 0% tax rate	Not applicable
d) Distributed dividends charged to reserves • Distribution charged to reserves subject to the general tax rate. • Distribution charged to reserves subject to the 19% tax rate • Distribution charged to reserves subject to the 0% tax rate	Not applicable
e) Date of dividend distribution agreement referred to in letters c) and d) above	Not applicable
f) Date of purchase of lease properties that produce income under this special regime	Note 5
g) Date of purchase of shareholdings in the capital of entities referred to in paragraph 1 of article 2 of this Law.	Not applicable
h) Identification of the asset that is considered as within the 80 per cent referred to by paragraph 1 of article 3 of this Law	Note 5
i) Reserves arising from financial years in which the special tax regime set forth in this Law is applicable, which have been disposed of in the tax period, other than for distribution or to offset losses. The financial year from which these reserves arise must be identified.	Not applicable

Mr CARLOS LUIS RODRÍGUEZ SAN PEDRO Y MARTOS, WITH DNI [*Documento Nacional de Identidad* (National ID Document)] 33442480- J, AS NON-BOARD-MEMBER SECRETARY OF THE BOARD OF DIRECTORS OF THE COMPANY IPOSA PROPERTIES SOCIMI, S.A., DOMICILED IN MADRID, CALLE TAMBRE, NÚMERO 1, AND CIF [*Código de Identificación Fiscal* (Tax ID Code)] A88276829

I CERTIFY

That the text of the abridged annual accounts for the 2018 financial year of the Company IPOSA PROPERTIES SOCIMI, S.A. which has been drawn up by the Board of Directors at its meeting today, 25 March 2019, is that contained in the official documents of the abridged Balance Sheet and Profit and Loss Account, and on the above sheets of paper on one side only, regarding the abridged Annual Report, and in witness whereof they have been certified by my signature and that of the Chairman of the Board of Directors.

The undersigned Directors hereby ratify them in compliance with the provisions of Article 253 of the Capital Companies Law.

SIGNATORIES

[signature]
Mr José Carlos Rodríguez San Pedro y Márquez

[signature]
Mr Pablo Rodríguez San Pedro Baselga

[signature]
Mr Ignacio Rodriguez San Pedro y Marquez

[signature]
Ms Eugenia Concepción Heredia Rodríguez San Pedro

[signature]
Mr Marcos Sintes Rodríguez San Pedro

[signature]
Mr Carlos Rodriguez San Pedro y Martos

DISCLAIMER

The Accounts of the Company has been signed in the Spanish version.

In the event of discrepation between the Spanish version and the English version, the Spanish version prevails.