



AREF THALASSA SOCIMI, S.A.U.

Paseo de la Castellana 93, 6th floor, Madrid (Spain)

www.arefthalassasocimi.com

INFORMATION DOCUMENT

16 November 2022

ADMISSION TO TRADING OF SHARES ON EURONEXT ACCESS PARIS

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.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

Copies of this Information Document are available free of charge on AREF THALASSA SOCIMI, S.A.U.'s website (www.arefthalassasocimi.com).

The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). This document was therefore not endorsed by the AMF.



TABLE OF CONTENTS

1	SUMMARY	7
1.1	GENERAL DESCRIPTION OF THE GROUP	7
1.2	PERSONS IN CHARGE OF THE INFORMATION DOCUMENT	9
1.3	CORPORATE NAME, REGISTERED OFFICE AND REGISTRATION IN SPECIAL TAX REGIME FOR SOCIMI	11
2	HISTORY AND KEY FIGURES	12
2.1	HISTORY OF THE GROUP	12
2.2	SELECTED FINANCIAL DATA	13
3	GROUP'S ACTIVITY	14
3.1	SUMMARY OF ACTIVITY	14
3.2	BUSINESS MODEL	14
3.3	INVESTMENT STRATEGY AND SWOT ANALYSIS	17
3.4	GROUP'S INVESTMENTS DATA	19
3.5	PAST AND FUTURE INVESTMENTS.....	21
3.6	DESCRIPTION OF REAL ESTATE ASSETS.....	21
3.7	THE MARKET.....	31
3.8	DEPENDENCE ON LICENCES AND PATENTS	32
3.9	INSURANCE CONTRACTS	32
3.10	RELATED-PARTY TRANSACTIONS.....	33
4	ORGANIZATION.....	34
4.1	GROUP'S FUNCTIONAL ORGANISATION CHART.....	34
5	GOVERNANCE AND SHARE CAPITAL	35
5.1	BOARD OF DIRECTORS	35
6	RISK FACTORS	37
6.1	RISKS ASSOCIATED WITH THE REAL ESTATE BUSINESS	37
6.2	OPERATING RISKS	38
6.3	FINANCIAL RISKS.....	40
6.4	LEGAL AND REGULATORY RISKS	42
7	INFORMATION CONCERNING THE OPERATION.....	45
7.1	REGISTRATION WITH EURONEXT ACCESS.....	45
7.2	OBJECTIVES OF THE LISTING PROCESS	45
7.3	COMPANY'S SHARE CAPITAL.....	46
7.4	MAIN CHARACTERISTICS OF THE SHARES.....	46
8	GROUP'S VALUATION	50

8.1	BUSINESS PLAN.....	50
8.2	COMPANY’S FINANCIAL RESOURCES FOR AT LEAST TWELVE MONTHS AFTER THE FIRST DAY OF TRADING.....	53
8.3	GROUP’S VALUATION	54
8.4	REAL ESTATE VALUATION	56
9	FINANCIAL INFORMATION CORRESPONDING TO THE YEAR 2022 - INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022	57
9.1	CONSOLIDATED INTERIM BALANCE SHEET CORRESPONDING TO THE YEAR 2022 - INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022	57
9.2	INCOME STATEMENT CORRESPONDING TO THE YEAR 2022 - INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022	59
9.3	PRINCIPLES, RULES AND ACCOUNTING METHODS	59
9.4	SCHEDULED DATE FOR FIRST SHAREHOLDERS’ GENERAL MEETING, AND FIRST PUBLICATION OF EARNINGS FIGURES	60
	APPENDIX I: CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE YEAR 2022 FROM 27 JANUARY TO 30 APRIL 2022, ACCOMPANYING NOTES, MANAGEMENT REPORT, AND AUDIT REPORT	61
	APPENDIX II: ARTICLES OF ASSOCIATION OF THE COMPANY	62

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.

GLOSSARY

“**AMF**”: Autorité des Marchés Financiers.

“**AREF THALASSA**”: AREF THALASSA SOCIMI, S.A.U., the Company requesting admission of its equity securities. Also referred as the “Company” or the “Issuer”.

“**ARMANEXT**”: Armanext Asesores, S.L., the Euronext’s Listing Sponsor appointed by AREF THALASSA SOCIMI, S.A.U.

“**Asset Manager**”: AXA REAL ESTATE INVESTMENT MANAGERS IBERICA S.A.

“**Auditor**”: PRICEWATERHOUSECOOPERS AUDITORES, S.L. “PwC”.

“**CAGR**”: Compound Annual Growth Rate.

“**CAPEX**”: Capital Expenditure. Money used by the Company and/or its subsidiary to acquire or upgrade fixed physical assets.

“**Company**”: the Spanish holding company requesting admission of its equity securities on Euronext Access Paris. The Company shall also be referred to the “Issuer” or “AREF THALASSA”.

“**CPI**”: the Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by consumers for a market basket of consumer goods and services.

“**ERV**”: Expected Rental Value: opinion of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

“**Euroclear France**”: the Central Securities Depository or “CSD”. It is the CSD appointed by the Company for the registration of financial instruments admitted to trading on Euronext Access Paris, the name of which is Euroclear France SA. Euroclear France is a public limited company registered in France with the Trade and Companies Register (RCS) of Paris under number B 542 058 086, and with corporate address 66 Rue de la Victoire 75009 Paris, France.

It is the entity allowing (i) the Company’s equity securities to be admitted to trading in dematerialized or electronic form (book-entries) and, (ii) that proprietorship of the shares can be easily transferred without the need of physical certificates of transferability.

“**Euronext**”: with presence in Amsterdam, Brussels, Dublin, Lisbon, Milan, Oslo and near 2,000 listed firms with over €6 trillion in market capitalization, it is the largest pan-European stock exchange. Created in 2,000, it has the largest concentration of liquidity in Europe.

“**Euronext Access Paris**”: a Euronext’s Multilateral Trading Facility (MTF) where the Company is requesting admission of its equity securities.

“**GLA**”: Gross Leasable Area. Aggregate of the real estate property area intended for lease.

“**Group**”: the Company and its subsidiary, jointly referred.

“**Interest Rate Cover**”: a widely used metric to measure how well a given company can honour its interest on outstanding debt. In this case, and given the Company’s subsidiary shall maintain an IRC $\leq 175\%$ as per the facility agreement’s covenants, it shall abide by the lender’s definition: “means, at any date, actual net rental income for the last four rental quarters ending immediately prior to that date as a percentage of the actual finance costs for the last four interest periods ending on or immediately prior to that date”

“**ISIN**”: International Securities Identification Number. It is used to identify securities and financial instruments. It is a code that univocally identifies tradable securities at an international level and has been adopted eagerly in all the world's leading markets that have incorporated it into their settlement and custody processes.

“**Issuer**”: the Spanish holding company requesting admission of its equity securities on Euronext Access Paris. The Issuer shall also be referred to as the “Company”, or “AREF THALASSA” throughout the Information Document.

“**JLL**”: JLL Valoraciones, S.A., the expert appraisal company, valuing both; the Company’s assets and the value of its equity securities.

“**LEI**”: Legal Entity Identifier. It is a unique global identifier of legal entities participating in financial transactions. These can be individuals, companies, or government entities that participate in financial transactions.

“**LTV**”: “Loan-to-Value”. A widely used metric to measure a given’s Company Leverage. In this case, and given the Company’s subsidiary shall maintain a LTV $\leq 60\%$ as per the facility agreement’s covenants, it shall abide by the lender’s definition: “means, at any time, total debt as a percentage of the aggregate market value of the borrower’s interests in the properties at that time determined in accordance with the most recent valuation”.

“**Multilateral Trading Facility**”: according to article 4.1.(22) of the MIFID 2, means a multilateral system, operated by an Investment Firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments –in the system and following non-discretionary rules– in a way that results in a contract in accordance with Title II of the MIFID 2.

“**Property Manager**”: MEDASIL DESARROLLOS, S.L.

“**RICS**”: The Royal Institution of Chartered Surveyors (RICS) is a global professional organization that establishes and enforces standards for valuing, operating, and developing assorted types of real estate and property.

“**Sole Shareholder**”: AREF Holding, S.C.A.

“**SOCIMI**”: “Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario”, a Spanish special tax regime equivalent to a “REIT” regime to which the Company and its subsidiary are subject to.

“**Spanish TIN**”: Spanish Tax Identification Number.

“**THETHYS**”: AREF THETHYS SOCIMI, S.L.U., the Company’s subsidiary/investee.

“**UBO**”: Ultimate Beneficiary Owner. In this case, and in compliance with article 4 of Law 10/2010, of April 28, 2010, on anti-money laundering and counter-terrorist financing, in relation to the company “AREF THALASSA SOCIMI, S.A.U.”, there is no natural person who ultimately holds or controls, directly or indirectly, more than 25% of the capital or voting rights, or who otherwise exercises control, directly or indirectly, over the management of same. When this happens, it is the Board of Directors which acts as UBO.

“**Working Capital**”: It is the capital required by the Company to carry out its daily activities. It is the difference between the Company's current assets and liabilities.

1 SUMMARY

The following is a summary of some of the information contained in this Information Document (hereinafter the “**Information Document**”). We urge to read this entire Information Document carefully, including the risk factors, AREF THALASSA SOCIMI S.A.’s financial statements, the notes to those financial statements, and the valuation of both the assets and the Group.

1.1 GENERAL DESCRIPTION OF THE GROUP

AREF THALASSA SOCIMI, S.A.U., (hereinafter, the “**Company**”, the “**Issuer**” or “**AREF THALASSA**”) with Spanish tax identification number (*número de identificación fiscal*) (“**Spanish TIN**”) A09675307 is a Spanish company running under the special tax regime applicable to Spanish listed real estate property investment companies (*sociedades cotizadas de inversión en el mercado inmobiliario* –“**SOCIMI**” or “**SOCIMIS**”–), the Spanish equivalent to other real estate investment trusts (“**REIT**”) existing in other jurisdictions.

AREF THALASSA SOCIMI, S.A.U. has its registered office at Paseo de la Castellana 93, 6th floor, Madrid, Spain.

The Company was incorporated on 27 January 2022 under the corporate name of EDELTON INVEST, S.A. and later took the corresponding corporate decisions and made the relevant communications to the Spanish tax authorities required under the SOCIMI special tax regime, hence changing its name to the current one. This is further described in section 1.3.5. below.

As shown in the graph below, AREF THALASSA is the sole shareholder of its only subsidiary, AREF THETHYS SOCIMI, S.L.U. (hereinafter “**THETHYS**”) which, on its turn invest in real estate assets in Spain.

The shareholder of AREF THALASSA is AREF Holding S.C.A., a company validly established and in existence under the laws of Grand Duchy of Luxembourg, with registered address at boulevard Grand-Duchesse Charlotte 21, 1331 Luxembourg, registered at the Luxembourg’ Commercial Registry under number B239369 and Spanish Tax Identification Number N0237827A.



1.2 PERSONS IN CHARGE OF THE INFORMATION DOCUMENT

1.2.1 *Responsible of the Information Document*

AREF THALASSA SOCIMI, S.A.U., declares that, each one of the members of the Board of Directors are authorised to represent the Company jointly and severally and grants them the powers to prepare any documentation in relation to the admission to listing and trading. In this sense, the Board hereby states the following:

“We declare that, to the best of our knowledge, the information provided in the Information Document is fair and 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”.

Madrid, Spain

16 November 2022

Mr. Eduardo Herranz

Secretary and Board Member

1.2.2 Auditor

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Paseo de la Castellana 259B

+34 915 68 44 00

<http://www.pwc.es>

1.2.3 Listing Sponsor

ARMANEXT ASESORES, S.L.

Paseo de la Castellana 56, Bajo Derecha, 28046 (Madrid)

+34 911 592 402

<http://www.armanext.com>

ARMANEXT ASESORES, S.L. declares 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.

1.3 CORPORATE NAME, REGISTERED OFFICE AND REGISTRATION IN SPECIAL TAX REGIME FOR SOCIMI

1.3.1 *Legal name, residence and legal form, legislation under which the issuer operates, registered office and website*

Legal name: AREF THALASSA SOCIMI, S.A.U.

Country of residence: Spain

Registered office: Paseo de la Castellana 93, 6th floor, Madrid, Spain.

Legal form: Sociedad Anónima or S.A.

Legislation under which the Issuer operates: Spanish Law

Website: <http://www.arefthalassasocimi.com>

1.3.2 *Company Registration and LEI Code*

Registered at the Madrid Commercial Registry

Date	3 February 2022
Book	43052
Sheet	10
Inscription	1
Page	M-7606865

LEI Code: 959800EL6AQL0P3AUR03

1.3.3 *Registration for the SOCIMI special tax regime*

On 29 March 2022, the Company's sole shareholder resolved to apply the SOCIMI special tax regime established in Law 11/2009¹, of 26 October, on Listed Real Estate Property Investment Companies, as amended by Law 16/2012², of 27 December (hereinafter "**SOCIMI Law**" – referred to as "REIT Act" in the Articles of Association –). This resolution was communicated to the Tax Authorities on 31 March 2022.

¹ Ley 11/2009, de 26 de octubre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario.

² Ley 16/2012, de 27 de diciembre, por la que se adoptan diversas medidas tributarias dirigidas a la consolidación de las finanzas públicas y al impulso de la actividad económica.

2 HISTORY AND KEY FIGURES

2.1 HISTORY OF THE GROUP

- **27 January 2022**

- The Company is set up and registered under the name EDELTON INVEST, S.A. by public deed granted before the Notary of Madrid, Spain. The initial number of participations on this date was 60,000 with a nominal value of €1 each.
- The Company's shareholding structure on this date was the following:

SHAREHOLDER	SHARES	SHAREHOLDING
TMF PARTICIPATIONS HOLDINGS (SPAIN), S.L.	30,000	50.00%
TMF SOCIEDAD DE PARTICIPACIÓN, S.L.	30,000	50.00%
TOTAL	60,000	100.00%

- **21 March 2022**

- ACEF Holding, S.C.A. acquires all 60,000 shares of the Company and becomes its sole shareholder.

SHAREHOLDER	SHARES	SHAREHOLDING
ACEF Holding, S.C.A.	60,000	100.00%
TOTAL	60,000	100.00%

- **29 March 2022**

- EDELTON INVEST, S.A. changes its denomination to the current one, AREF THALASSA SOCIMI, S.A.U.

- **5 April 2022**

- The Company's sole shareholder resolves to increase the share capital by issuing 5,000,000 shares at a nominal value of €1 correlatively numbered from 60,001 to 5,060,000.

The new shares were issued with a total share premium of €46.067.887, or €9,2135774 for new share issued. As a result of the above, the final shareholding structure is that shown below:

SHAREHOLDER	SHARES	SHAREHOLDING
ACEF Holding, S.C.A.	5,060,000	100.00%
TOTAL	5,060,000	100.00%

- **8 April 2022**

- The Company acquired owns five residential portfolios in Madrid (Spain), comprised by 326 dwellings, 619 parking spaces and 335 storage room – see section 3.6 “Description of real estate assets” for further information.

2.2 SELECTED FINANCIAL DATA

More detailed financial information of the Group is provided in section 9 of this Information Document: “Financial information for the year 2022 – interim closing from 27 January to 30 April 2022”.

The financial statements as of 30 April 2022 are attached as **Appendix I** and are available at the Company's website: www.arefthallasasocimi.com.

Key figures are presented below:

SELECTED DATA	27/01/22 to 30/04/22*
INCOME STATEMENT (€ Thousand)	
Net business turnover	404
Other operating expenses	(376)
Operating income	214
Consolidated profit	19
BALANCE SHEET (€ Thousand)	
Investment property	165,840
Total non-current assets	168,919
Total current assets	2,439
Capital	5,060
Issue premium	46,068
Total net equity	51,146
Total non-current liabilities	119,472
Total current liabilities	740

*Subject to limited review

3 GROUP'S ACTIVITY

3.1 SUMMARY OF ACTIVITY

The Company was incorporated in January 2022 as described in section 2.1 of this Information Document with the purpose of investing in real estate through the acquisition of 100% of the shares in its currently owned subsidiary, AREF THETHYS SOCIMI, S.L.U. THETHYS owns five residential portfolios in Madrid, comprised by 326 dwellings, 619 parking spaces and 335 storage room.

3.2 BUSINESS MODEL

The Group's business involves investing in real estate assets in Spain, allocated for long-term leases to obtain revenues. The Group's objective is to maximize rental income by exploiting the potential of the assets' portfolios it currently owns. As mentioned throughout this Information Document, THETHYS – and thus the Company indirectly – owns various residential buildings in Madrid, comprised by dwellings, storage rooms, parking spaces as well as some retail units.

The Group's business model consists of investing in residential properties assets (main/permanent home and not holiday rental given the nature of its fund – residential fund) intended for long-term leases to obtain revenues and improve values. Any potential future investment could either come from the existing subsidiary, or from incorporating/acquiring a new investee.

Neither the Company, nor its investee have any employees, and thus the widest powers rest upon the Board of Directors of the former, except for matters out of its purview, in which case would be the sole shareholder.

All the strategic, management and most relevant decision impacting the business plan, the activity or the assets are taken by the Board of Directors. The Group's day-to-day activity – including property and asset management – is externally managed and ultimately overseen by the Board of Directors. Therefore, Group relies on the reputable experience of its external advisers to effectively manage its existing portfolio and maximize income rent – further details on the experience of the advisers can be seen below.

The Company has either directly or indirectly – through its wholly-owned subsidiaries or through its asset manager, entered into various service agreements. The main characteristics of these agreements shall be detailed below:

Asset Management: AXA REAL ESTATE INVESTMENT MANAGERS IBERICA S.A.

A framework agreement for the provision of real estate asset management services was entered into on 31 January 2022 by the following parties:

1. AXA Residential Europe Fund S.C.A., SICAV-SIF and its subsidiaries referred to as the “**General Partner**”.
2. Certain AXA Real Estate investment Managers entities referred to as the “**Asset Manager**” or the “**Appointed Entity**”, in this case, AXA Reim Scandinavia.
3. AXA Real Estate Investment Managers, referred to as the “**Manager**”.

A brief summary of the services to be undertaken by the Appointed Entity is shown below:

- Purchase of assets
 - Deal sourcing and introduction of investment proposals
 - Due diligence of the investment proposals
- Asset management services
 - Take over and management of the assets the Appointed Entity
 - Selection and monitoring of the property manager
 - Rental marketing and management of the assets
 - Monitoring capital expenditure works on the assets
 - Management of the external valuation of the assets
 - Asset disposals
 - Litigation
 - Data management, assistance to the Apointing Entity’s accounting, tax and corporate secretary and reporting
 - Health and safety
 - Anti-Money Laundering
 - Manage other providers/consultants

As stated above, the service agreement is a framework agreement entered into between the parties. Under the terms of the agreement, any entity which becomes directly or indirectly an “Affiliate of the Fund” – as the case of the Company and its investee – shall enter into a deed of adherence. This is precisely what AXA Residential Europe Fund, S.C.A. SICAV-SIF and its subsidiaries – namely the Company – did on 8 April 2022. Thus, the parties adhering to the framework agreement are the following:

THETHYS., as the “**Subsidiary**” or “**Appointing Entity**”, AXA REAL ESTATE INVESTMENT MANAGERS IBERICA S.A., as the “**Appointed Entity**” and AXA REAL ESTATE INVESTMENT MANAGERS SGP as the “**Manager**”.

The services to be undertaken by the Appointed Entity would be those included in the original framework agreement, and to which the above stated parties become bounded by means of the deed of adherence.

AXA REAL ESTATE INVESTMENT MANAGERS IBERICA S.A. – a world-class asset manager

“Courage, Integrity, One AXA and Customer First are the four core values adopted by AXA Group since 2016, and followed by everyone at AXA IM. The strength of our company culture and its outstanding managerial continuity over more than 40 years can also be seen in the proximity of its values across the various periods.

We are committed to helping our clients achieve their investment goals, whether they are seeking returns in a low-yield environment; long-term growth through equities or fixed income; diversification of your portfolio to mitigate risks; or a 360-degree approach to investing in real assets.

Our conviction-driven approach enables us to uncover what we believe to be the best investment opportunities globally across equities, fixed income, multi-assets and alternative assets. Our clients have already entrusted us with more than €869,000 million in assets.

As part of the AXA Group, a world leader in financial protection, our team of more than 2,500 professionals around the world combines a series of specialized knowledge and experience to optimally serve the needs of our clients.”

Property Management: MEDASIL DESARROLLOS, S.L

A Master Services Agreement for the provision of property management services was entered into on 1 July 2020 by the following parties:

1. AXA Real Estate Investment Managers Ibérica S.A., referred to as the “**AXA IM-REAL ASSETS**”.
2. MEDASIL DESARROLLOS, S.L., (B CAPITAL PARTNERS) referred to as the “**Property Manager**”.

The purpose of the Master Service Agreement is to define the terms and conditions under which a Client – may be any company managed, structured, or advised by AXA IM-REAL ASSETS in the framework of its portfolio management activities and AXA IM-REAL ASSETS – may engage the Property Manager.

Upon completion of an adherence agreement, the Property Manager services shall deem to have activated with the Client. The services to be offered shall consist of all or part of the services included in the Master Service Agreement, and which are the following:

- Rental management of the properties
- Assisting with the sale of properties
- Technical management and in particular the maintenance and conservation of the properties
- Prepare and follow up the budget presentation in relation to the properties
- All obligations of the owner in terms of health and safety, environment, and action against illegal activity
- Control and assist the client in the administrative procedures to obtain permits and license when required
- Promotion of sustainable development
- Tenant management
- Capex management

In order for the Property Manager to provide its services to THETHYS, and in accordance with the Master Service Agreement described above, a deed of adherence was entered into between the mentioned subsidiary of the Company and MEDASIL DESARROLLOS, S.L. on 8 July 2022. The agreement shall continue in force until 31 December 2022 and shall be automatically renewed for periods of 12 months unless terminated by either party under the terms of the Adherence Agreement.

MEDASIL DESARROLLOS, S.L., a reputable Property manager

“360-degree tailored proposals for our clients”

- *“Comprehensive marketing service: We take care of marketing, advertising, visits, negotiation, and the closing of contracts.*
- *Rental and sale management: we accompany you throughout the process.*
- *Insurance and tax management:*
- *Management of property utility services and maintenance services: we make it easy for you.*
- *Resolution of all kinds of incidents or claims of the lessee or buyer*

- *Services offering to the tenants*
- *Management of all necessary refurbishments and adaptations*

We have clients across the whole Spanish' territory:

84,000 sqm of GLA under management

+1,200 dwellings

+10 years of experience

40 residential buildings under management''

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

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

3.3 INVESTMENT STRATEGY AND SWOT ANALYSIS

3.3.1 Investment strategy

AREF THALASSA is a recently incorporated firm, incorporated for the purpose of accommodating a residential investment in the Spanish market through its existing investee company.

Investment decisions are made by investment committee of AXA Real Estate Investment Managers SGP "AXA REIM SGP", the Alternative Investment Fund Manager of AXA Residential Europe Fund, S.C.S., SICAV-SIF – please refer to the Group's corporate structure in section 1.1. "General Description of the Group".

AXA REIM SGP – a regulated entity of AXA Investment Managers, and a public limited company –, is a portfolio management company specializing in the management of predominantly real estate assets.

Following decisions made by AXA REIM SGP, the portfolio management company must seek approval from AXA Residential Europe Fund, S.C.S., SICAV-SIF, and also from the governing bodies of the Issuer and its subsidiary company.

It should be noted that the Group is not limited by an investment horizon. The Group's business plan considers to maintain the property assets currently owned for the next 10 years, although extending the timespan of the asset in its portfolio remains a possibility if future circumstances do not provide for an attractive divestment opportunity.

In general, the Group has the following investment restrictions:

1. Assets shall necessarily be of a residential nature – although they may have a commercial component – such as commercial premises on the premises ground floors.
2. Permanent/main residence only to be consider – not holiday rental.
3. Investment shall be made only in Spain, and in prime areas of cities with the highest economic activity, where at least some offer/demand disparity is found (preferably in Madrid’s prime areas).
4. Diversification of tenants: The Group has the policy of diversifying its tenants in order to ensure issues are minimized in case one of its tenants decides to change location.
5. Restrictions derived from the application of the SOCIMI special tax regime – in line with the Group’s corporate purpose.
6. No investments will be made in the form of financial leasing.
7. The Group 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.

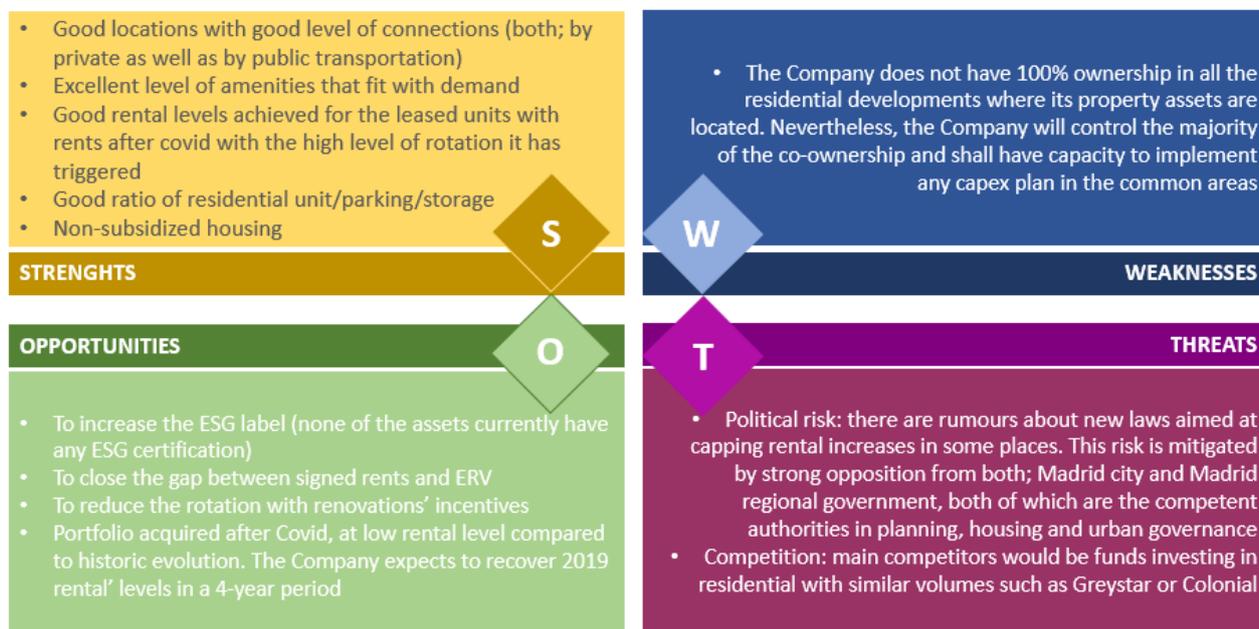
Leverage criteria

The Group’s leverage meets the requirements set by its lender regarding the facility agreement’s financial covenants. Were the Company and/or its subsidiaries – as in this case – borrow additional funds either from the current lender or third parties, it must ensure that the current lender is well aware, and it accepts to amend the terms of the original agreement so that the additional borrowing does not constitute an event of default.

The current percentages of LTV and Interest cover is shown below along with that maximum indebtedness level as required by the lender under the terms of the facility agreement – see section “Group’s Investment data” of this Information Document for further details:

	Current level	Maximum allowed
Interest Rate Cover	562.9%	175%
LTV	39.55%	60%

3.3.2 SWOT analysis



3.4 GROUP'S INVESTMENTS DATA

On the date of this Document, the Group owns five residential portfolios with a total market value of €167,440,000.

Below, a table will show the assets' occupancy rate level and location:

PROPERTY ASSET	OCCUPANCY RATE
Complex "Pinar del Mayorazgo" located at Calle Junta Castilla y León 8, Boadilla del Monte, Madrid (Spain)	93.9%*
"Edificio Hispanidad" located at Calle Galeón 2, Hispanidad, Madrid (Spain)	95.3%
"Los Valles" located at Calle Doctor Pérez Gallardo numbers 1, 3,5 and 7, Majadahonda, Madrid (Spain)	92.4%
"Atrium Complex" located at Avenida Francisco Pi y Margall 17-47, Sanchinarro, Madrid (Spain)	96.4%
Residential development located at Calle Beatriz Galindo, San Sebastián de los Reyes, Madrid (Spain)	94.2%

* The occupancy rate measures the occupancy of the properties owned by the Group.

- **Geographic Concentration:** 100% in Madrid (Spain)
- **Property Typology:** Residential

• **Financing:**

- AREF THETHYS as “**Borrower**” and entered a “Facility agreement” in Madrid on 8 April 2022 with Credit Agricole Corporate and Investment Bank, Sucursal en España as “**Arranger**”, “**Green structuring advisor**”, “**Sole bookrunner**”, “**Agent**”, “**Security Agent**” and “**Original Lender**” for an amount of up to €66,213,059.00 in order to finance “Project Capital”, the name given to the residential portfolios indirectly acquired by the Company.

Applicable Rate	Market rate
Commencement Date	8 April 2022
Facility Amount	Up to €66,213,059
Interest Payment Date	Last date of every quarter until Maturity Date
Maturity Date	8 April 2027

The Group received €66,213,059; an amount made available under the terms of the agreement on commencement date.

Financial covenants:

The facility agreement requires the Borrower to fulfil certain conditions throughout the life of the loan. The main financial covenants are those shown below:

- Interest Cover: at least 175% at all times
- LTV: must not exceed, at any time, 60%
- AREF Holding, S.C.A as “**Lender**” and THETHYS as “**Borrower**” entered into an “Interest bearing Loan Facility Agreement” (shareholder loan) on 4 April 2022 for a maximum amount of up to €55,000,000 for the purpose of financing certain investments and/or payments to be made by the Borrower on the following terms:

Applicable Rate	Market rate
Commencement Date	4 April 2022
Facility Amount	€55,000,000.00
Maturity Date	10 years from the Effective Date – 4 April 2022, that is, on 4 April 2032 or the following business day if it falls on non-working day.

The Group received €52,945,342.25 under the terms of the agreement on commencement date.

3.5 PAST AND FUTURE INVESTMENTS

Past investments

On the date of this Document, the Group owns five residential portfolios in Madrid, Spain – see section 3.6 “Description of real estate assets” for further information.

Future investments

The Group is currently focused on closing the gap between existing rents and ERV, an objective that, along with improving the building’s efficiency – and obtaining the relevant ESG certifications (such as BREEAM or LEED) will allow it to maximize income rent.

There are mainly three basic reasons as to explain why the Group would improve the energy efficiency of its property assets:

- 1- If greater energy efficiency is achieved, the property asset becomes more profitable.
- 2- Improving energy efficiency would lead to a decrease in operating expenditures, and hence the valuation of the property asset increases.
- 3- It is expected that improving the efficiency of the property assets will lead to:
 - a. Rent increases
 - b. Lower tenant turnover
 - c. Properties being leased faster

The improvement in the efficiency of the property assets may include but not be limited to the following:

- installation of centralized solar on the building’s roof
- Install/replace gas boilers with other highly efficient ones
- Installation of a thermal break in windows
- Inject insulation material on the building’s façade to improve insulation

As of the date of this Information Document, and at any time during the life of the real estate assets in the Group’s portfolio – see section 3.3. of this document for further details – the Group could consider carrying out further investments should opportunities matching the Group’s investment strategy present.

3.6 DESCRIPTION OF REAL ESTATE ASSETS

As detailed throughout this Information Document, the Company has directly invested in various residential property portfolios, all located in Madrid, Spain:

- Complex “Pinar del Mayorazgo” located at Calle Junta Castilla y León 8, Boadilla del Monte, Madrid (Spain).
 - Boadilla del Monte is a municipality belonging to the Community Autonomous of Madrid, its total surface area is over 47 km², and it has a population of nearly 60,000 inhabitants. The municipality has one of the highest rent per capita in Madrid.
 - The property asset has diverse services including golf course “Forus Golf las Rejas”, and private school “Highland School los Fresnos”. The complex is located 7-minute drive to “Hospital Universitario Puerta del Hierro”. Madrid city centre is 25-minute by car.
- “Edificio Hispanidad” located at Calle Galeón 2, Hispanidad, Madrid (Spain).
 - The property asset is located less than 3 km away from the international airport of “Adolfo Suarez Madrid-Barajas”, and about the same distance from a 160-hectare park, “Parque Juan Carlos I”. In the local area, “Plenilunio” shopping center is within walking distance (2km), located in between two different metro stations – el Capricho and Alemda de Osuna (both line 5). Madrid’s city centre is around 16 km away, or around 30-minute drive, or 45-minute by public transport.
- “Los Valles” located at Calle Doctor Pérez Gallardo numbers 1, 3,5 and 7, Majadahonda, Madrid (Spain).
 - Majadahonda is a municipality belonging to the Community Autonomous of Madrid, its total surface area is over 38 km², and it has a population of over 72,000 inhabitants. The municipality has one of the highest rent per capita in Madrid.

A broad range of services and amenities can be found in the local area, and within walking distance, including: “Hospital Universitario Puerta del Hierro”, “Centro Oeste” shopping center and shopping and leisure center “Equinoccio Park”. Madrid’s city centre can be reached by car in a 20-minute drive.
- “Atrium Complex” located at Avenida Francisco Pi y Margall 17-47, Sanchinarro, Madrid (Spain).
 - The property asset is located at the Madrid’s neighborhood of “Las Tablas”, a newly developed area mostly residential, but where global companies such as Telefónica, Grupo Mediaset España or BBVA have their headquarters.

Madrid’s city centre is a 20-minute drive from Las Tablas. In the local area, and within walking distance, the department store “El Corte Inglés”, as well as cinemas, and metro and rail stations.

- Residential development located at Calle Beatriz Galindo, San Sebastián de los Reyes, Madrid (Spain).
 - The Residential development is located 15-minute walk from Infanta Sofia’s Hospital, and from the metro station with this same name. Further, shopping centers “The Style Outlets” and “Alegra Parque Comercial y Ocio” are located around 6-minute drive.

San Sebastián de los Reyes is a municipality belonging to the Community Autonomous of Madrid, its total surface area is 59.26 km², and a population of over 90,000 inhabitants. Madrid’s city centre can be reached by car in a 30-minute drive.

Lease agreements – general comment

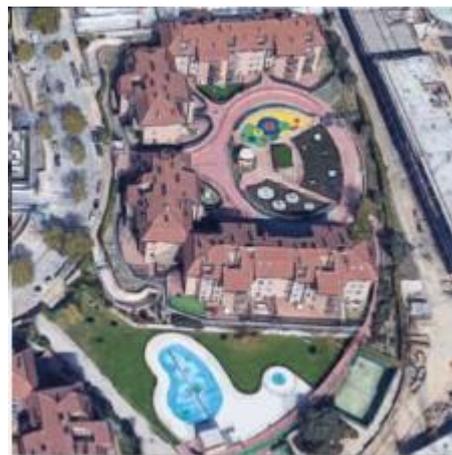
	Residential
Lease term	7 years
CPI Indexation (YES/NO)	Yes*

*In accordance with applicable national legislation, the Group is considered to be a "large property owner". Given its status, the lessor must offer lease agreements with a minimum duration of 7 years – although the lessee may end it before the 7-year period for as long a notice is provided in accordance with the terms of each individual agreement. During this 7-year period, the Group will not be able to update rents beyond official CPI data. Nonetheless, and given current and expected inflation levels, the National Government approved a Royal Decree on 29 March 2022 which limits rents' updates to 2% for the time being – see risk 6.1.2. "Inflation" for further details.

3.6.1 “Pinar del Mayorazgo” – description of the portfolio

- 70 dwellings with their corresponding storage rooms – 70.
- 140 parking spaces.

Not all the units comprising the complex are owned by the Group – there are properties owned by third party owners. The acquisition of the portfolio comprised the above stated properties – two blocks –, whereas the complex is comprised of four blocks with 147 dwellings with their corresponding storage rooms as well as 295 parking spaces. The complex is also comprised of common areas (green areas, swimming pools, paddle-tennis court, etc.).



The complex was developed on a land plot with an area of 22,489 sqm of which 5,183.40 sqm are occupied by the construction, which was completed in 2008 (phase 1 – block 1 and 2) and 2012 (Phase 2 – block 3 and 4: owned by THETHYS), and 10,333 sqm corresponds to the total GLA of the properties.

Each of the residential blocks consists of four floors (ground floor, first, second and third floors) as well as a floor below ground level (intended for the use of parking spaces, storage rooms and common services and facilities).

All the four blocks making up the complex have open terraces, most of them facing south.

3.6.1.1 Lease agreements – occupancy rate

According to the most recent information provided, the occupancy rate is 93.9%, thus it can be considered fully occupied.

The sample of housing leases analyzed are very similar to each other, being possible to distinguish different templates depending on their signature date (2018, 2019 and 2020).

3.6.2 “Edificio Hispanidad” – description of the portfolio

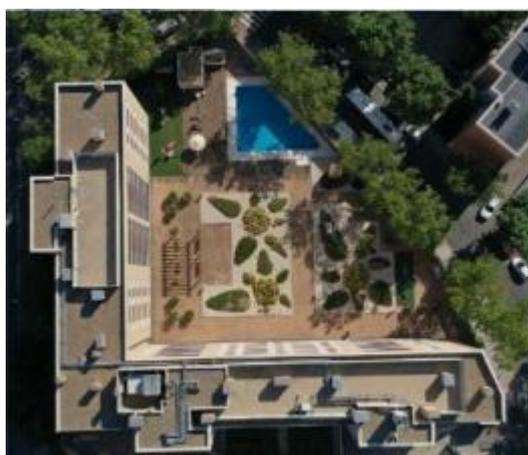
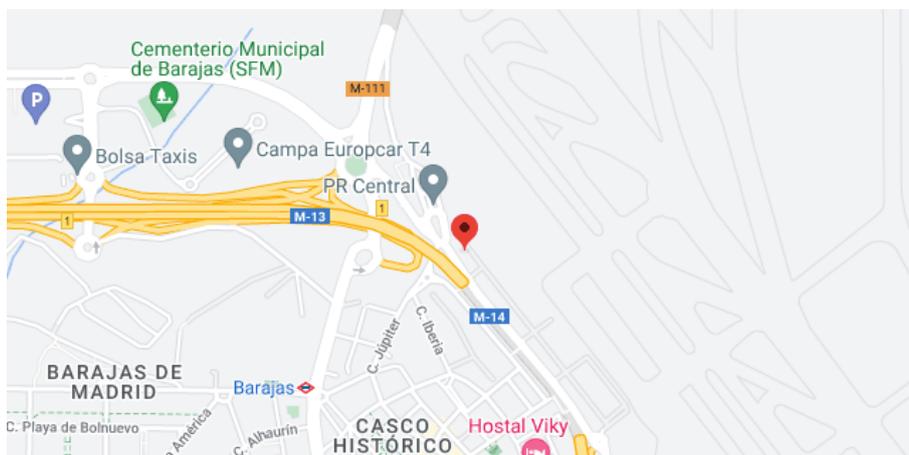
The residential development was completed in 2004 and has approximately 12,680 sqm built in total with a 6,296 sqm GLA, which comprises:

- (i) An above-ground building consisting of seven floors divided into three modules or portal housing with a total of 92 dwellings. The building is “L-shaped” and consists of 3 building blocks – physically united but functionally independent:

Floor	Total surface (sqm)
Ground floor	91.84
1	896.79
2	896.79
3	896.79
4	896.79
5	896.79
6	896.79
7	905.32
Roof	143.41

- (ii) A basement floor (below ground level) with a total of 146 parking spaces
- (iii) Other common facilities

Out of the 238 properties, 236 are owned by the Group (91 dwellings and 145 parking spaces), which represent just over 99% of the property share of the residential development.



3.6.2.1 Lease agreements – occupancy rate

All lease agreements have been entered into in 2017, 2018 and 2019. All leases analyzed provide for a minimum term of 1 year, binding for both parties, and two successive extensions of 1 year each are provided unless otherwise notified by the lessee one month in advance.

The Group’s legal advisors have analyzed a sample of 6 registered properties, four of which have expired, and no evidence of their renewal have been provided.

The occupancy rate as the date of writing is 95.3%.

3.6.3 “Los Valles” – description of the portfolio

Developed in 2005, the residential development has a total area of 14,662.54 sqm, of which 5,327.81 sqm are below ground level and 9,334.73 sqm above ground level, and consists of a total of 115 dwellings, 115 parking spaces and 115 storage rooms.

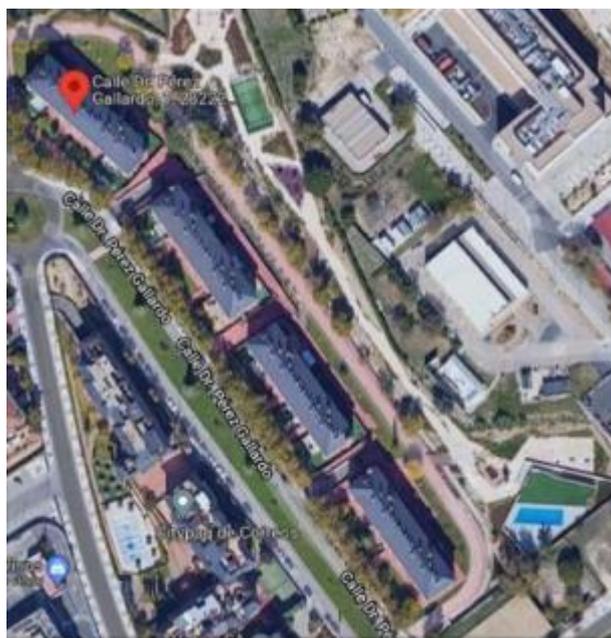
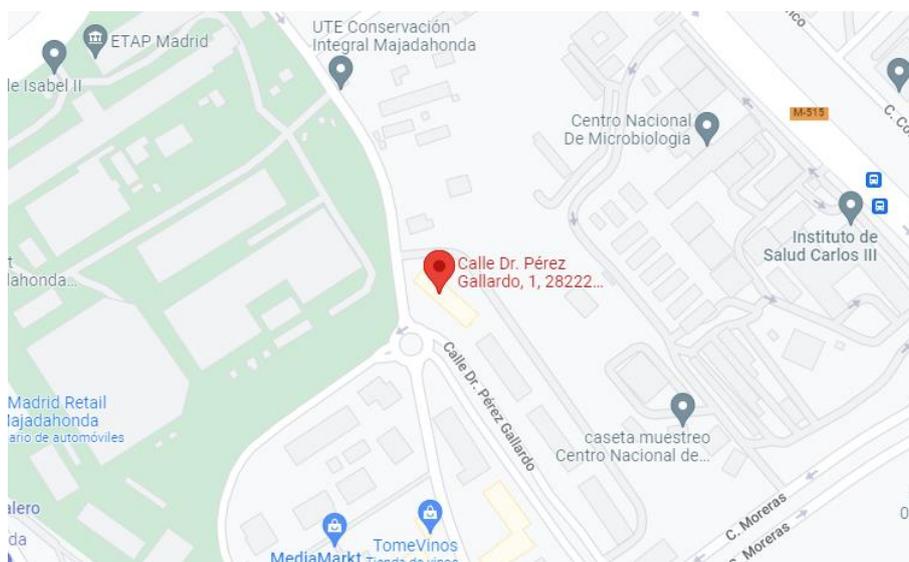
The group of buildings that make up the residential block consists of 4 blocks, corresponding to numbers 1,3,5 and 7 of Calle Pérez Gallardo, divided in turn into two stairways with 5 floors: one of them in the basement – below groundfloor – for parking and storage rooms.

Not all blocks that make up the residential complex are owned by the Company’s subsidiary. Instead, only the block at number 5 – with a total GLA of 5,567 sqm – of the mentioned street is owned. The owned properties assets at the residential development comprises 66 dwellings, 66 storage rooms and 66 parking spaces.

- Basement
 - Contains parking spaces and storage rooms for the dwellings, as well as access ramps, garbage rooms, ventilation, etc.
- First floor
 - Includes the access portals to each staircase, service rooms and the arrival of the emergency staircase from the basement
- Second, third and fourth floors
 - Each divided into two stairwells per block, with 4 dwellings per floor

The main characteristics of each floor are shown below:

Floor	Total surface (sqm)	Nº dwellings
1	1,965.10	24
2	2,490.67	31
3	2,439.82	30
4	2,439.14	30



3.6.3.1 Lease agreements – occupancy rate

All 4 lease agreements analyzed have been entered into in 2017 and 2019 and provide a minimum term of 1 year from signing date for both parties. Two successive extensions of one year are provided unless otherwise notified by the lessee. The lease agreement entered into in 2017 has expired and the legal advisor have not been provided with evidence of renewal.

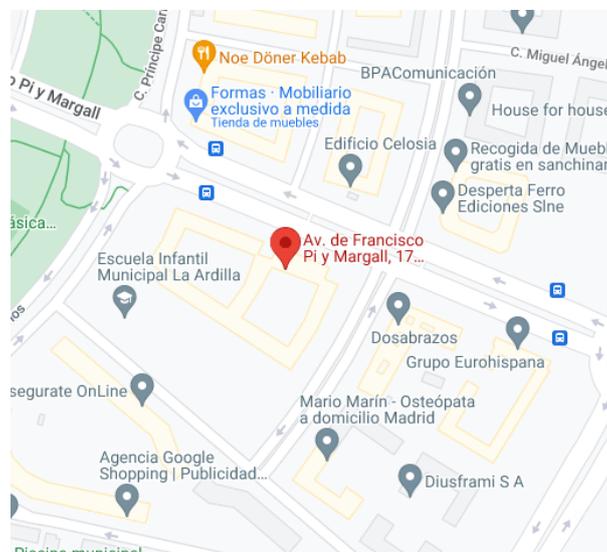
The occupancy rate as of the time of writing is 92.4%.

3.6.4 “Atrium Complex” – description of the portfolio

The “Atrium Complex” or “Sanchinarro Complex” was developed in three different phases in 2003, 2004 and 2005. It is made up of four independent blocks.

The complex occupies a surface area of 5,698.84 sqm on the ground floor, and the built-up area is 44,590.98 sqm. The Complex has a total of 16 access portals to the buildings.

The Company’s subsidiary owns a number of properties at the residential complex. In particular, as part of the acquisition carried out, it acquired ownership of 181 dwellings with 180 associated parking spaces, 24 additional and independent parking spaces, as well as 181 storage rooms associated with the dwellings. The total GLA of the owned properties is 14,752 sqm.



The main characteristics of the complex are shown below:

- Phase I
 - The part of the plot occupied by phase I is 2,668 sqm
 - Constructions:

- Commercial premises: single above-ground level with a built surface area of 1,082.80 sqm and two below-ground levels devoted to parking with a built surface area of 1,079.40 sqm each.
 - Residential buildings: made up of 6 entrances with numbers 6, 7, 8, 9, 10 and 11 with the main entrance at Avenida Francisco Pi y Margall, with six floors above ground intended for 128 dwellings and two floors below ground intended for 125 parking spaces and 128 storage rooms
- Phase II
 - The part of the plot occupied by phase II is 1,185.72 sqm
 - Constructions:
 - Residential buildings: made up of 4 entrances with numbers 4, 5, 12 and 13 with the main entrance at Avenida Francisco Pi y Margall, with six floors above ground intended for 84 dwellings and two floors below ground intended for 102 parking spaces and 84 storage rooms
 - Phase III
 - The part of the plot occupied by phase III is 6,863.72 sqm
 - Constructions:
 - Residential buildings: made up of 6 entrances with numbers 1, 2, 3, 14, 15 and 16 with the main entrance at Avenida Francisco Pi y Margall, with six floors above ground intended for 144 dwellings and two floors below ground intended for 154 parking spaces and 144 storage rooms

3.6.4.1 Lease agreements – occupancy rate

The lease agreements' sample analyzed by the legal advisor (7) comprehend agreements signed between 2016 and 2019.

All lease agreements provide for a minimum term of 1 year from signing date, binding for both parties, and two successive extensions of 1 year each are provided unless otherwise notified by the lessee one month in advance.

All lease agreements analyzed have expired and no evidence of renewal has been provided.

In addition, the Group has entered into two lease agreements with companies as lessees, the use of which is for the lessee's employee's dwelling and office respectively, and which contracts may deviate in some respects from the terms offered to natural persons.

The occupancy rate of the portfolio as of the time of writing is 96.4%.

3.6.5 Residential development located at Calle Beatriz Galindo, San Sebastián de los Reyes – description of the portfolio

The residential development was completed in 2006 on plots 27 and 28 of the Industrial Estate Z.O. 60 UE 4 with a total joint surface of 3,432 sqm.

It comprises a total of 84 dwellings spread across two buildings of 42 dwellings each, as well as parking spaces and storage rooms linked to the dwellings, and 46 additional and independent parking spaces in one of the buildings.

Through its subsidiary, the Company acquired ownership of 71 dwellings with 71 associated parking spaces, 28 additional and independent parking spaces, as well as 71 storage rooms associated with the dwellings. The total GLA of the owned properties is 7,061 sqm.

The main characteristics of the complex are shown below:

- Plot no. 27 and 28 have a total surface area of 1,716 sqm each
- Construction:
 - Plot 27
 - Basement floor (-1): parking spaces and other facilities have a total area of 1,256.09 sqm whereas the total area intended for storage room is 391.91 sqm
 - Ground floor: it is where the 4 entrances are located, as well as: common services and facilities, 11 dwellings.
 - First floor: it has a total surface area of 1,534.69 sqm and 16 dwellings
 - Second floor: it has a total surface area of 1,416.12 sqm and 15 dwellings
 - Plot 28
 - Basement floor (-2): parking spaces with a total surface area of 1,620.76 sqm
 - Basement floor (-1): for storage rooms and parking spaces and other facilities. The total surface area of the parking spaces is 1,277.12 sqm, whereas it is 428.12 sqm for the storage rooms
 - Ground floor: it is where the 4 entrances are located, as well as: common services and facilities, 11 dwellings.
 - First floor: it has a total surface area of 1,534.69 sqm and 16 dwellings

- Second floor: it has a total surface area of 1,416.12 sqm and 15 dwellings and common spaces and 100.77 sqm of terraces



3.6.5.1 Lease agreements – occupancy rate

The lease agreement analyzed by the legal advisor was signed in 2019.

All lease agreements provide for a minimum term of 1 year from signing date, binding for both parties, and six successive extensions of 1 year each are provided unless otherwise notified by the lessee one month in advance.

The occupancy rate of the portfolio as of the time of writing is 94.2%.

3.7 THE MARKET

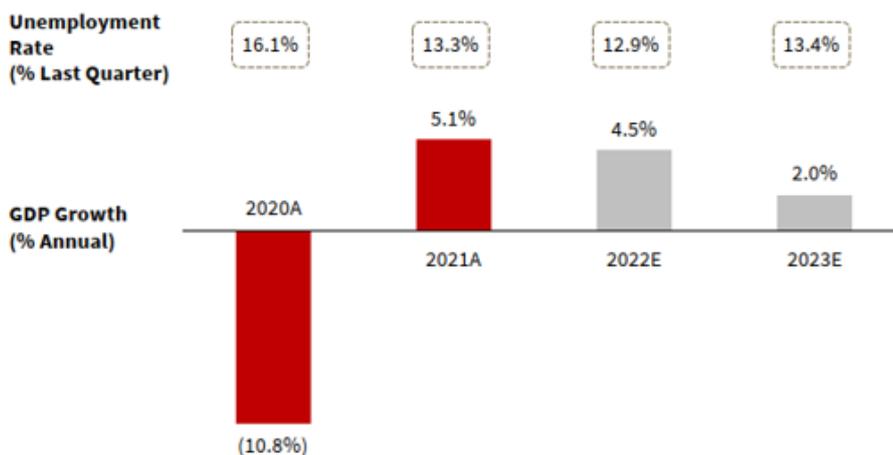
It is considered relevant for the investor to provide current general information on the market in which the Group operates.

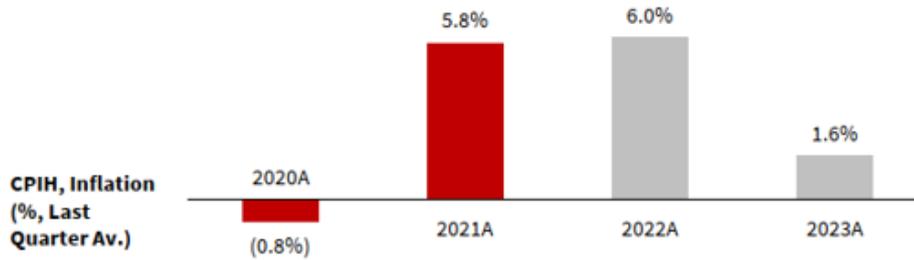
The main variables and factors to be considered are presented to properly understand the macro-economic environment and the business itself more specifically.

The content of this section has been transposed from the Group’s valuation report issued by Jones Lang Lasalle España, S.A. (hereinafter “JLL”) as well as additional information provided by JLL.

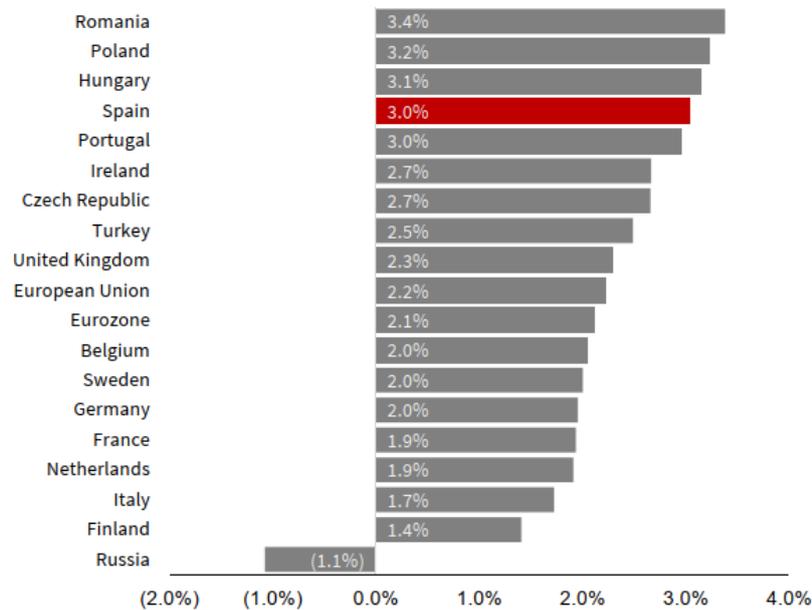
Spanish Macroeconomic overview

Selected Macroeconomic Variables Forecast, Spain





Gross Domestic Product Forecast by Market 2022 – 2025



Residential sector – overview

Socio-demographic environment and demand

Over the past five years, Spain’s population growth has been one of the strongest in Europe. Meanwhile, the economic recovery has been a factor in the continuing rise in the number of households, even if their average size has decreased. This means that the Spanish market is characterised by a higher proportion of single-person households and the increasing appeal of urban areas that offer better economic opportunities.

Ageing is also one of Spain’s notable demographic trends, and this has increased over the years. Currently, people aged over 64 represent 19.9% of the Spanish population. Meanwhile, life expectancy has also risen continuously over recent years, with the current average of 82.33 among the world’s highest. By 2040 it is even estimated that Spain could become the longest-lived country in the world, surpassing Japan, Switzerland, and Singapore, with a life expectancy of 85.8 years.

Nevertheless, INE data shows that Spain’s birth rate has continued to decline in recent decades, down to its current level of 7.19%. This poses a risk to the sustainability of the pension system, among others, although the number of foreign nationals has continued to rise and is already four times larger than 20 years ago.

The rural population has fallen by 6% over the past 20 years due to increasing urbanisation. The 31% decline since 1960 has been stark. Currently, 81% of the population lives in urban areas, as compared to 57% 60 years ago.

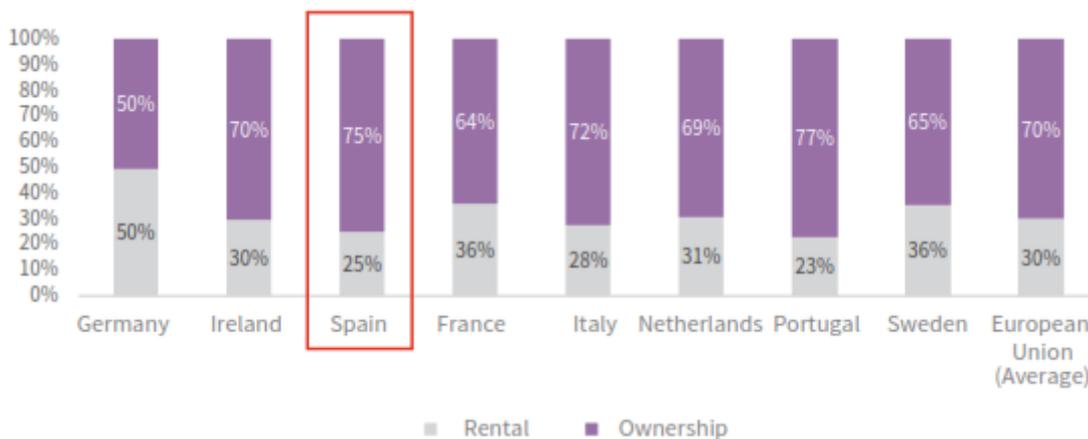
However, since the outbreak of COVID-19 some population groups have chosen to move to rural areas or the outskirts of cities in search of open spaces and green areas. People’s preferences are changing. This is particularly true for families, which, now have more interest in larger homes in areas further from urban centres with gardens, terraces, etc.

Meanwhile, JLL studies show that most young people still prefer to live in the centre of large cities like Madrid, Barcelona, Valencia and Seville, among others, due to the employment and training opportunities, as well as better connections, access to transport and the variety of services.

In Spain, 24.8% of households live in rented or other tenure status, while the vast majority (75.2%) live in their own homes. Thus, Spain has traditionally been seen as a homeowners’ market by comparison with its European counterparts.

In recent years, a clear trend towards renting has also been notable among younger people, foreigners and temporary workers. JLL’s estimates, based on INE data, suggest that between 30% and 35% of households may be renting by 2035.

Housing tenure status in Europe

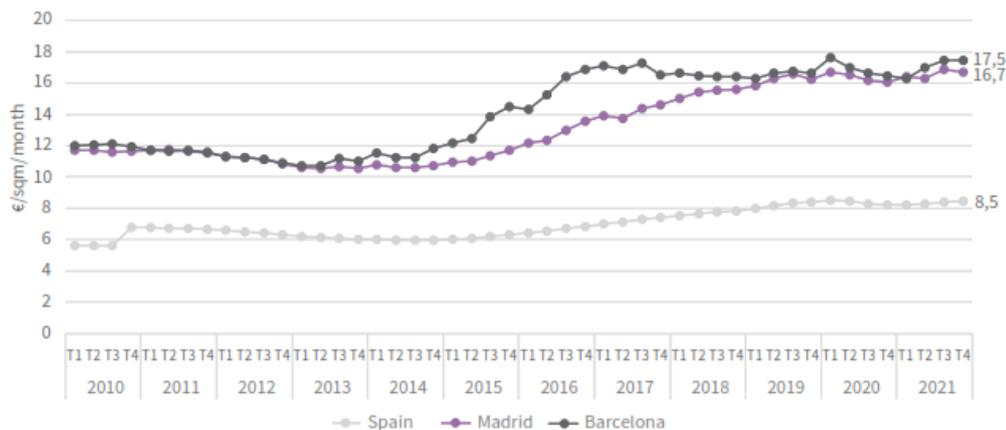


Rental prices and regulation in Spain

Rental prices have been rising in Spain since 2014, particularly in the provinces of Madrid and Barcelona, as well as in coastal areas like Málaga, Valencia, Alicante and the Balearic and Canary Islands. The provinces of Madrid and Barcelona, along with Guipúzcoa, Vizcaya and the Balearic Islands, are the areas with the highest rental prices (above €10/sqm/month). The most notable price rises do not directly correspond to the areas with highest rents.

The initial impact of the pandemic halted the upward trend in rental prices, which fell in most Spanish cities in 2020 and 2021. Among other factors, this was influenced by increased offer entering the market, as a large proportion of short-term rents were converted to long-term in pursuit of new demand given the restrictions on mobility and decline in tourism. In Barcelona rental prices fell sharply (up to -7.3% in the first quarter of 2021), but the decrease in Madrid was less notable (up to -1.6%). Price drops in Seville in the first quarter of 2021 were comparable to those seen in Barcelona (up to -7.7%), while in Valencia, Alicante, Málaga and Bilbao the decreases were more moderate (between 2.7% and 3.3% in the first three months of 2021).

Evolution of the average rental price in Spain vs the cities of Madrid and Barcelona

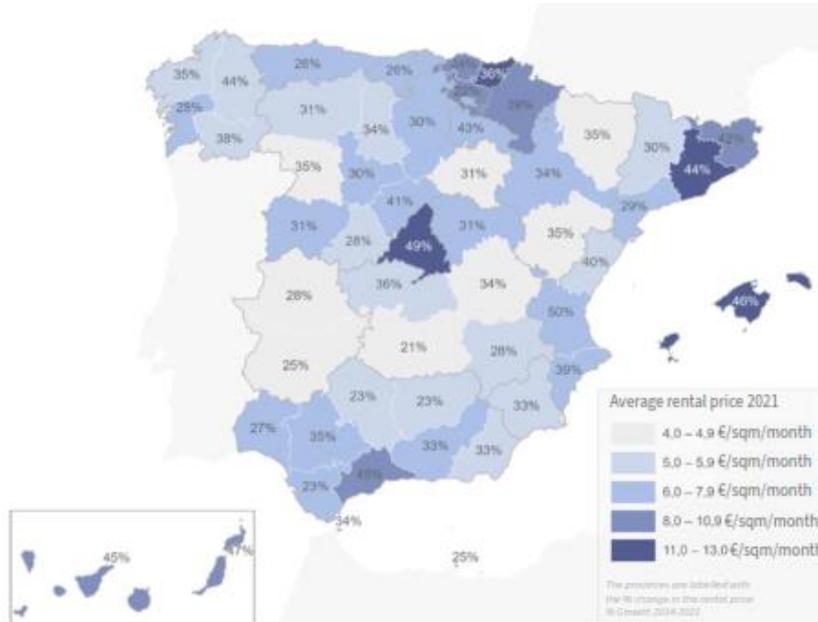


Source: JLL CMQ, February 2022

Rental prices in Spain began to regain the positive trend seen prior to the pandemic from the third quarter of 2021 onwards, and they have continued moving in that direction in early 2022.

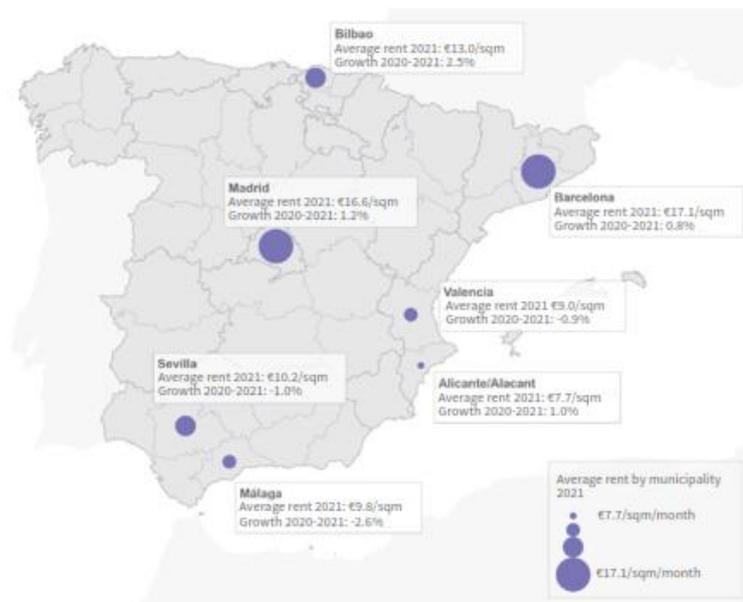
Some municipalities and large cities in Spain are already reaching preCOVID levels, for example, Madrid, Barcelona, Seville and Valencia. It is estimated that rental prices may grow slightly faster in Madrid than in Barcelona, with average year-on-year growth of 4.8% and 4.2%, respectively, over the next five years. In terms of prime rents, stronger growth is forecast in Madrid than in Barcelona.

Average rental prices by province and growth 2014-2021



Source: JLL CMQ, February 2022

Average rental prices by municipality and growth 2020-2021

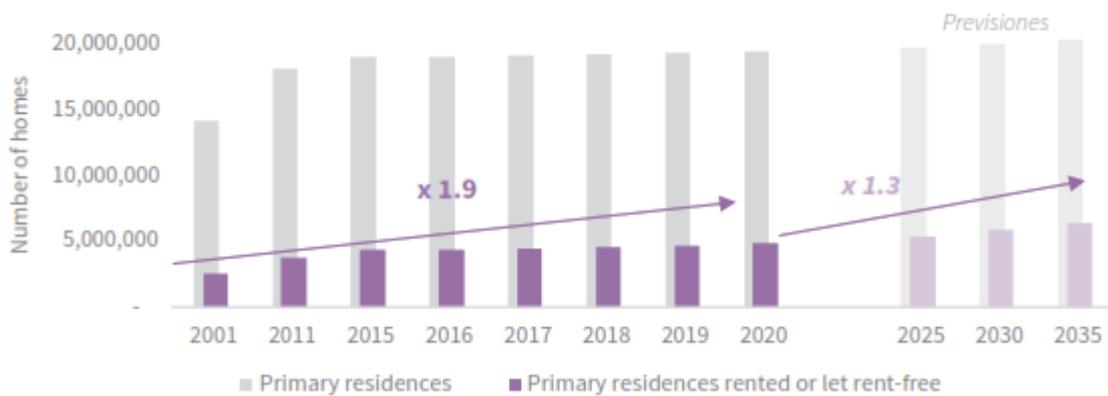


Source: JLL CMQ, February 2022

Rental Housing Stock

Of the primary housing stock, which amounts to about 19.4 million dwellings, around 4.8 million were rented or let rent-free in 2020 (latest data available), or 25% of the total. Between 2001 and 2020, the primary residence stock rented or let rent-free increased by 91%, and it is estimated that it may reach between 5.3 and 6.4 million homes between 2025 and 2035. Of that total, 81.5% are in the hands of private landlords and only 9.3% controlled by specialised companies. The housing stock is highly atomised and outdated, with 76% of rental properties over 20 years old.

Evolution of the stock of primary residences vs. primary residences rented or let rent-free



Source: JLL, based on data from the INE and the Ministry of Development, December 2021

3.8 DEPENDENCE ON LICENSES AND PATENTS

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

3.9 INSURANCE CONTRACTS

The Company has indirectly – through its wholly-owned subsidiary –, underwritten an insurance policy for the portfolio owned by the PropCo. The detail of the insurance policy is shown below:

Insurer	XL Insurance Company SE
Policy Holder	AXA Real Estate Investment Managers Ibérica, S.A.
Beneficiary	THETHYS
Insured Asset	<ul style="list-style-type: none"> - Calle Beatriz Galindo 6-9, 28702, San Sebastián de los Reyes, Madrid (portfolio 1) - Calle Junta de Castilla y León 8, 28660, Boadilla del Monte, Madrid (portfolio 2) - Calle Dr. Pérez Gallardo 1,3,5,7, 28222, Majadahonda, Madrid (portfolio 3) - Avenida Francisco Pi y Margall 17-47, 28050, Sanchinarro, Madrid (portfolio 4) - Calle Galeón 2, 28042, Hispanidad, Madrid (portfolio 5)
Maximum Liability	€300,000,000 per occurrence all damages costs, expenses and liabilities combined
Main Covers	<ul style="list-style-type: none"> - Fire, Explosion extended coverage - Water damage - Theft, vandalism - Glass breakage - Machinery breakdown - Natural events - Earthquake - Loss of rent (36 months) - Terrorism - Public liability/Property owner's liability - Rights of recovery of neighbours and third parties (for countries under Napoleonic code only) - Miscellaneous costs and expenses
Validity Period	8 April 2022 to 31 December 2022

The insured amount for the portfolios is as follows:

- Portfolio 1: €19,964,305 (€17,174,344 as reinstatement value and €2,789,961 as loss of rent).
- Portfolio 2: €21,865,456 (€17,233,405 as reinstatement value and €4,642,051 as loss of rent).
- Portfolio 3: €23,171,521 (€20,268,565 as reinstatement value and €2,902,956 as loss of rent).
- Portfolio 4: €55,794,396 (€47,906,191 as reinstatement value and €7,888,205 as loss of rent).
- Portfolio 5: €17,008,285 (€13,800,771 as reinstatement value and €3,207,514 as loss of rent).

3.10 RELATED-PARTY TRANSACTIONS

The Group has entered into in related-party transactions.

As stated under section 3.4 of this Information Document, THETHYS as “Borrower” entered into an Interest Bearing Loan Facility Agreement dated 4 April 2022 – with commencement date on this same date – with AREF Holding S.C.A. as “Lender”.

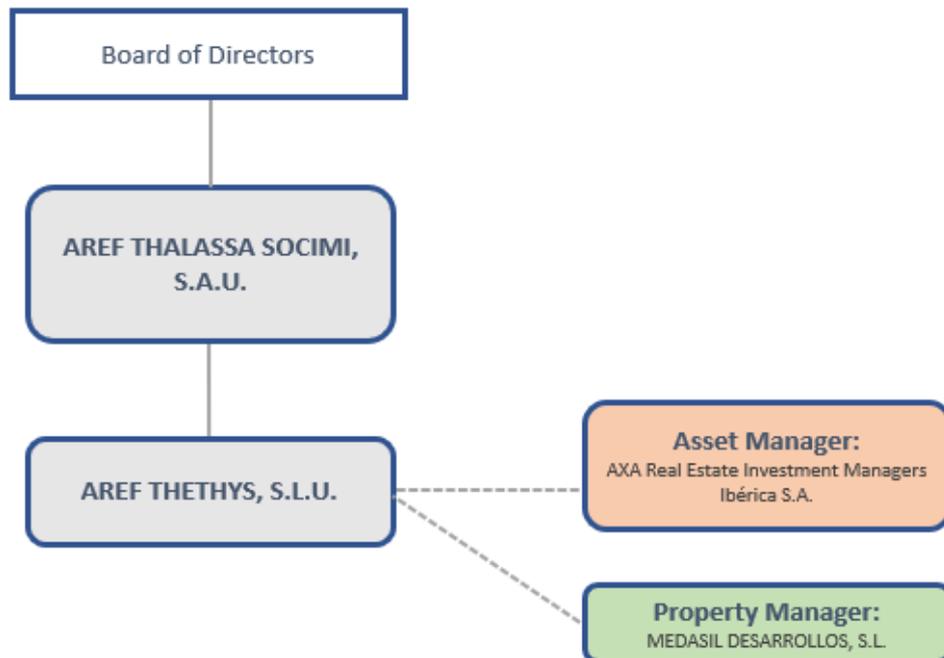
The purpose of this interest-bearing loan was to finance the investments carried out by THETHYS – acquisition of the residential portfolios.

The Issuer is of the opinion that the interest rate is equivalent to market rate. The interest rate was determined following a transfer pricing study carried out by Alter Domus Transfer Pricing S.á.r.l., with the analysis date being 23 February 2022 (before the loan had been granted) and issue date on 23 June 2022.

4 ORGANIZATION

4.1 GROUP'S FUNCTIONAL ORGANISATION CHART

All the strategic, management and most relevant decision impacting the business plan, the activity or the assets are taken by the Board of Directors. The Group does not have any employees and thus, all day-to-day functions have been externalized. For further details on role played by both; asset manager and property manager, please refer to section 3.2. above.



5 GOVERNANCE

5.1 BOARD OF DIRECTORS

5.1.1 Composition of the Board of Directors

The Board of Directors of the Company is composed by:

Member	Position
Mr. Germán Fernández-Montenegro Klindworth	Chairman
Mr. Antoine Andre Herve Aubry	Board Member
Mr. Eduardo Herranz Rodríguez	Secretary and Board Member

5.1.2 Directors' trajectory

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

Mr. Germán Fernández-Montenegro Klindworth

Germán joined AXA IM in 2006 and with over 20 years' experience in real estate, he is currently the CEO of AXA's Real Assets Iberica and Italy.

Prior to joining AXA IM Real Assets, Germán held several positions at different well-known Real Estate firms.

Germán holds a degree from the University of Hamburg, and a master's degree from Instituto de Empresa (IE).

Germán speaks English, German and Spanish.

Mr. Antoine Andre Herve Aubry

Lead Fund Manager, Co-head of Core Strategies.

Antoine joined AXA IM in 2006 and has more than 20 years' experience in real estate.

Before joining AXA IM Real Assets, Antoine hold several positions at Société Générale Corporate and Investment Bank (SGCIB) in Mergers and Acquisitions, in Equity Capital Markets and finally as Relationship Banker in charge of the coverage of both SGCIB's European clients investing in real estate and the real estate interests of corporate and financial institutions.

Antoine is graduated from ESSEC Business School in 2007 with a Master in Real Estate Management and from the University of Caen with a Master in Financial Engineering and Business Law.

Antoine speaks French, English and Italian

Mr. Eduardo Herranz Rodríguez

Financial Controller

Eduardo joined AXA IM in 2005 and has more than 17 years' experience in real estate financial controlling, where he has held different directorship positions.

Before joining AXA IM Real Assets, Eduardo held several positions at Kent industries and Cardinal Health as deputy finance.

Eduardo studied Economics at UCM, and later obtained a masters degree in Financial Management, and another in Real Estate Management before being certified Financial Controller by the Global Chartered Controller Institute (GCCCI) in 2022.

Eduardo speaks English and Spanish.

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

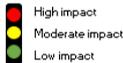
The Board of Directors declares that neither the Group nor its directors, nor its executives are or have been involved in historical (at least in the previous past five years), or on-going, bankruptcy, liquidation, or similar procedure and also fraud related convictions or on-going procedures in which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

6 RISK FACTORS

Set forth below the Group has considered the risks that could have an adverse material effect on its future financial results.

The Group has done its best to carefully consider all risks it faces, although it acknowledges that there may be additional risks currently unknown or considered not to be material that either on standalone basis or in conjunction could cause a material adverse effect on its business activity, financial position, or operating results.

Type of risk	Description	Impact ¹	Risk management
Economic scenario and other risks associated with the real estate business	Cyclical sector	●	Further diversifying across regions could be a possibility
	Inflation	●	Conservative projections
	Demand fluctuation and decrease in rental prices	●	Adaptability to changing economic landscapes
	Liquidity of investments	●	Investments/divestments term flexibility
	Vacant or occupied properties	●	Experienced property manager to market vacant properties
	Decision-making capacity	●	
	Collection of rents	●	Experienced property manager to deal with such events
Operating risks	Competition	●	Leveraging tenant's feedback to maintain itself well-positioned
	Management risk	●	The Company relies on reputable and experienced advisers
	Valuation of assets	●	Real assets are expected to increase in value in the short/medium term
	Property damage	●	Insurance policies are underwritten
	Industry, geographic concentration	●	Further diversifying country risk
	Sole Shareholder	●	
Financial risks	Covid-19	●	
	Lack of capacity to obtain financing	●	Quality access to bank financing
	Debt management and interest rates	●	High-flexibility from lender (no covenants), and interest rate hedging
Legal, regulatory and economic risks	Forward-looking statements	●	Backed by expert valuer
	Regulatory risks	●	Establishing compliance controls
	SOCIMI regime	●	
	Litigation	●	Establishing compliance controls. No opened litigation procedures
Risks associated with the stock market	Lack of liquidity to distribute dividends	●	Dividends could be distributed in kind, or financing requested
	Volatility and liquidity	●	Non-existent share volatility/liquidity - Sole Shareholder
	Probability of losses	●	Conservative guidance by management



 ● High impact
 ● Moderate impact
 ● Low impact

6.1 ECONOMIC SCENARIO AND OTHER RISKS ASSOCIATED WITH THE REAL ESTATE BUSINESS

6.1.1 Cyclical sector

The 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 Group'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 Group.

6.1.2 Inflation

The interannual Consumer Price Index (CPI) in Spain stood at 10.8% according to preliminary data provided by the Spanish National Institute of Statistics (INE) in July 2022, the highest in the country since September 1984, becoming one of the main challenges to the Spanish' economy.

Inflation forecasts from the main national and international bodies and banking institutions remain high for the year (OECD: 8.1%, Bank of Spain: 7.5%, or Caixabank: 8%).

Whilst the European Central Bank has started increasing interest rates with the purpose of bringing down inflation to more reasonable levels, and the national government is also implementing measures – for example by negotiating an exception to the Iberian Peninsula with the EU and agreeing on a gas price cap with the purpose of bringing down the price consumers and businesses pay for their utility bills, or subsidizing petrol, transportation, etc. it is yet to be seen (i) how effective these measures will be, (ii) how long will it take for inflation to decrease, and (iii) whether increasing interest rates may cause the economy to decelerate or even to go into recession.

In addition, and with the purpose of taming inflation and protecting the general public, the Spanish' government passed a Royal Decree on 29 March 2022, where it will limit rent updates to a maximum of 2% until 30 June 2022, and later extended it until 31 December 2022. In this manner, and depending on who is the household's owner, who is the tenant, and which is the property type, tenants will not see their rent increase beyond 2% whatever the CPI is.

Should the above-mentioned Royal Decree remain in force beyond 31 December 2022, the Group could realize lower profits. Nonetheless, and given the Group has drafted conservative projections, rent forecasts have not been projected with increases greater than 2%.

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

The Group 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 renegotiation rent prices downwards, this would have a negative impact on the financial situation, profits, or valuation of the Group. The Group does nonetheless believe that in the event some of the tenants decided not to renew their lease agreements, properties would not take long to be leased again, and, additionally, monthly rents would be renewed upward to new tenants.

6.1.4 Degree of liquidity of investments

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

6.1.5 Risk of properties becoming vacant or occupied

Tenants could occasionally decide not to renew their leases or to break their lease agreement before end date – for as long as their lease agreement contemplate a break option. Although the Group owns a single residential development, which includes some commercial premises on the outer groundfloor of the complex, the real estate asset is divided into multiple units, hence diversifying vacancy and occupation risk. Moreover, given the high number of lessees, the adverse effect that a given tenant or a few tenants would have on the Group’s activity, profits or financial position is considered to be very low.

6.1.6 Risk of decision-making capacity at owned real estate assets

The authority of the Group to take decisions or implement actions within the real estate assets may be affected. Particularly, the risk would arise from the lack of capacity to implement changes to common elements of the building complexes where it does not have sufficient majority.

As a general rule, any action affecting the common elements shall be decided by the co-owners who vote within a General Assembly. In order to adopt the relevant decisions, the residential development’s by-laws may regulate different majorities, and if no agreement is foreseen, the rules provided for in the Horizontal Property Law apply.

The Horizontal Property Law provides, for instance:

- Works which do not require voting (e.g: works which are necessary for the proper maintenance and compliance and the duty of conservation of the building and its common services and installations)
- Loss of the right to vote by co-owners with debts
- Different majorities (including double majorities) depending on the subject matter

The matters corresponding to the General Assembly are essentially the following:

- (i) Designation and removal of the members of the owners’ association’s governing body;
- (ii) Approval of the accounts and the income and expenses plan;
- (iii) Approval of the budget and of all repair works of the building;
- (iv) Approval of the internal regulations of the owners’ association; and
- (v) Taking decisions related with any other matter of general interest for the owners’ association

Real estate asset	Full decision-making capacity
Boadilla	Yes
Hispanidad	Yes
Majadahonda	In some cases*
Sanchinarro	In some cases*
San Sebastián de los Reyes	Yes

*The Group may not have capacity to adopt decisions where more than a simple majority is required.

6.1.7 Risks related to the collection of rents from the assets

Tenants could occasionally undergo unfavorable financial circumstances preventing them from duly meeting their payment commitments. In the event of any non-fulfilment by the tenants, the recovery of the property may be delayed until a legal eviction is obtained, and therefore the availability of such property for re-lease may also be delayed. This could have significant, unfavorable effects on the operations, financial situation, forecasts, and results of the Group. The Group considers however, that the probability of occurrence – many tenants being subject to unfortunate financial situation at once or consequently – is low given the profile of the property assets, as well as the tenants to which the properties are aimed to (medium to medium-high income tenants).

6.1.8 Competition

The Group's activity takes place in a fragmented and competitive sector in which other national and international SOCIMI, as well as small property owners – those with ten or less owned properties, and which currently own over 90% of all residential properties in Spain – coexist. The Spanish housing market does not really have entry barriers – other than the availability of funding. And it is precisely the availability of funding what may have started to decrease, particularly to natural persons and small and medium enterprises given current uncertain economic circumstances, and the recent tax on interests and banking fees approved by the Spanish' Government to the banking sector.

The Group's size and positioning when it comes to accessing financing, should provide with a certain advantage. In the event that firms with which the Group competes, or new firms, which the Group could begin to compete with, or small savers destined more of their savings towards real estate investments, a threat would arise, and their business opportunities could consequently be reduced, hence affecting its business, results, financial structure and/or equity valuation.

6.2 OPERATING RISKS

6.2.1 Management risk

It is usually common for small to medium size real estate companies subject to the SOCIMI regime to externalize some or all their day-to-day management to third party, typically engaging in service agreements with property managers and asset managers. This is precisely the case for the Group – see section 3.2. “Business Model” for more information on the services and role played by the different advisors appointed by the Group.

As a result, the Group’s affairs and its business will depend on the actions of the manager and, more specifically, its experience, skills and judgement when identifying, selecting, negotiating, executing and managing appropriate investments.

Therefore, the Group’s results will depend on the manager’s ability so that said investment strategy is successful under the terms set out in the management contract and, finally, will depend on the manager’s ability to (i) create a property investment portfolio able to generate attractive returns; and (ii) manage the sale of the property according to the terms set out in the investment strategy.

In this sense, it cannot be guaranteed that the manager will satisfactorily meet the investment objectives set out by the Group. In addition, any error, total or partial, concerning identifying, selecting, negotiating, executing, and managing investments by the manager (or any other manager that may replace them in the future) may have a significant negative impact on the Group’s business, profits or financial and equity situation.

6.2.2 Risks associated with the valuation of assets

At the time of valuing the real estate assets, JLL made certain assumptions, among others, concerning the future occupancy rate of the assets, the future rents’ estimates, the estimated profitability or the discount rate used, with which a potential investor may not agree. If said subjective elements were to evolve negatively, the valuation of the Group’s assets would be lower and could consequently affect the Group’s financial situation, profit, or valuation.

6.2.3 Risk of property damage

The Group’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 Group 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 Group’s financial situation, profit, and valuation.

The Group has, however, underwritten an insurance policy with XL Insurance Company SE through its subsidiary to cover the risks of property damage – including those stated above. Please refer to section 3.9. “Insurance Contracts” of this Information Document for further information.

6.2.4 Degree of concentration – industry, geographic

The Company is a SOCIMI, and as such, its activities must abide by its corporate purpose. Currently, the Issuer has invested in Madrid only, thus giving place to a large exposure to the Spanish' capital. Therefore, if there were any specific changes regarding urban development in the corresponding municipality or the autonomous community or changes due to specific economic conditions that arise in this region, the Group's financial position, results or valuation may be adversely affected.

Madrid is however the Spanish city with the highest economic activity, the fifth autonomous community with the lowest unemployment, and the one with the highest GDP per capita. In addition, Madrid is the second autonomous community where housing prices have increased the most in 2021 (12%), and although at a slower pace due to current global economic uncertainties, the positive trend is expected to continue.

The Spanish capital' macroeconomic outlook remains strong, and therefore it is not thought the concentration of the portfolio in Madrid would make the Group face greater risks that it could otherwise face had its investments be carried out in a more geographically diversified fashion.

6.2.5 Sole Shareholder

The Company is owned by a Sole Shareholder, AREF Holding, S.C.A., and as such, it could decide to change the Company's business model, its corporate strategy, or withdraw from the SOCIMI regime to which it is currently subject to just to mention a few. It should however be highlighted that even though the Company is owned by a Sole Shareholder, the latter is at the same time owned by AXA Residential Europe Fund, S.C.S., SICAV-SIF, a regulated instrument, – see section 1.1. "General description of the Group" – a regulated instrument which groups together a large investor's base, and thus must act in accordance with the interest of those it represents. Additionally, should there be any material change, this shall be communicated to the market in accordance with the terms set out in the Euronext Access Rule Book.

6.2.6 Risk arising from the effect of COVID-19

The pneumonia of unknown cause detected in Wuhan (China) was first reported to the World Health Organization (WHO) on 31 December 2019. The outbreak was declared a Public Health Emergency by the WHO on 30 January 2020 and later became known as COVID-19. Since then, the virus has spread across most world's countries, being Spain one of the worst affected. This led the Spanish Government to implement a state of alarm on 13 March 2020 and put the country under a strict lockdown aimed at containing the spread of the virus.

The Government delegated on to regional authorities the need to apply the measures according to the needs and particularities of each region, and these remained in place in some way or another until the end of summer of 2021.

At the time of writing, wearing face mask is only compulsory on public transport, in hospitals, nursing homes and chemists. All measures aimed at keeping social distancing have been phased out, and in line with most

EU countries' policies, will not go back into force unless circumstances changed drastically and some of the most sought-after indicators deteriorated (rapid increase in the number of COVID patients being admitted in hospitals, high percentage of intensive care beds being used by COVID patients, etc.).

It is to this date unknown if new virus waves could force Spanish businesses to temporarily stop their activity again, although this scenario is seen as unlikely. However, should circumstances turn sour, it could lead to unfavorable economic performance, employment, consumption and the state of the economy in general.

The above mentioned could have an adverse material effect in the Group, its financial results, the balance sheet and the Group's working capital which to this date, is difficult to estimate, as it will depend largely on the extent and duration of the outbreak and the level of economic damage it causes. The Group continues to monitor the situation on an ongoing basis as of the time of writing, and has, to this date, not experienced any material impact.

6.3 FINANCIAL RISKS

6.3.1 Risks associated with the financing of the new investments

The investment strategy of the Group contemplates the financing of investments through equity and/or through bank loans.

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

6.3.2 Debt management and the associated interest rate

According to the most recent financial data available (see section 3.3, 3.4, and 9) the Group has a net financial debt position. The non-compliance with interest debt payments or with associated covenants could negatively affect the financial position of the Group, financial results or valuation.

Moreover, the financial debt of the Group is subject to interest rate risk, which would have an adverse effect on the Group's financial results and cash flows. Notwithstanding, as a mitigating factor, the Group entered a derivative contract with Credit Agricole, to hedge against a rise in interest rates.

As detailed in sections 3.3. and 3.4 of this Information Document, the Group holds two interest-bearing/loan facilities:

- (i) Intragroup loan with AREF Holding, S.C.A., for an amount of up to €55,000,000.00 maturing in 2032

- (ii) Facility agreement with Credit Agricole Corporate and Investment Bank, Sucursal en España for an amount of up to €66,213,059.00 maturing in 2027

The financial conditions/covenants to be fulfilled by the Group are the following:

- Interest cover: at least 175% at all times
- LTV: must not exceed, at any time, 60%

As of the time of writing, the Group considers that all conditions set by its lender are being met, and that they will continue to be met for the duration of the loan. In the event the Group fails to comply with these conditions, but they are cured in accordance with the conditions set in the agreement, it shall not be an event of default, although should this event not be remedied, the lender could indeed class it as a default loan and demand its full repayment.

Derivatives

Interest of the facility agreement is variable (EURIBOR + margin), and thus potential upward variations in the interest rates could result, in an increase in financial costs for the subsidiary, and hence, the Group, which may in turn cause a substantial adverse effect on the business, profit, and financial situation of the Issuer.

To mitigate the risk derived from rising interest rates, the Company's subsidiary has entered, as required by the conditions of the facility agreement itself, an interest rate cap. The detail of this derivative contract is shown below:

ITEM	THETHYS
AGREEMENT DATE	8 April 2022
DERIVATIVE TYPE	Rate Cap
NOTIONAL	€66,213,059.00
FAIR VALUE AS OF 30 APRIL 2022	€2,639,300.00
EXPIRY DATE	8 April 2027

6.3.3 Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation

to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

6.4 LEGAL AND REGULATORY RISKS

6.4.1 Regulatory risks

The Group'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 operation by the Group. In addition, if the non-compliance is significant, the fines or sanctions may have a negative impact on the Group'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 Group to change its plans, projections or even properties and, therefore, assume additional costs, which could negatively impact the Group's financial situation, profit or valuation.

6.4.2 Risks related to the application of the SOCIMI regime, changes in tax legislation (including changes in the tax regime of SOCIMI) and loss of the SOCIMI regime

On 29 March 2022 the Company's Sole Shareholder resolved for the application of 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.

Following AREF THALASSA SOCIMI, S.A.U., application to the SOCIMI tax regime, the Company shall be subject to a special tax of 19% on the full amount of the dividends or profit sharing distributed to the partners whose participation in the share capital of the entity is equal to or greater than 5% when the dividends paid out to these shareholders are either tax exempt or taxed at a rate lower than 10%.

This tax will be considered as a Corporate Income Tax quote. Shareholders who cause the accrual of the special tax of 19% shall indemnify the Company, and indirectly, the other shareholders as such expense will impact all the shareholders pro-rata to their participation in the share capital of the Company, in an amount equivalent to the damaged caused to the Company in the form of Corporate Income Tax quote described before.

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 implementation of new taxes or

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

Regarding the Law of SOCIMI, the non-compliance with the requirements established in this Law would determine the loss of the special tax regime applicable to AREF THALASSA (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 AREF THALASSA, 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 AREF THALASSA 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 investments in the Company.

6.4.3 Litigation risk

Although the Issuer is not currently party (either as a claimant or as a defendant) to neither material nor non-material litigation, it may be subject to such litigation in the future. In addition, the Issuer may be subject to other disputes, claims and complaints, including adversarial actions, by customers, suppliers, insurers and others in the ordinary course of business. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from the Issuer's operations and may result in the Issuer having to pay monetary damages, any of which could have a material adverse effect on the Issuer's financial condition, business, prospectus and results of operations. In addition, adverse publicity or substantial litigation against the Issuer could negatively impact its reputation, even if the Issuer is not found liable, which could have a material adverse effect on the Issuer's business and financial condition.

6.4.4 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.

6.5 RISKS ASSOCIATED WITH THE STOCK MARKET

6.5.1 Share price volatility and liquidity

Euronext Access is a multi-lateral trading facility designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Regulated Market or some other stock exchanges. Following admission, there can be no assurance that an active or liquid trading market for the shares will develop or, if developed, that it will be maintained. The shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on Euronext Access carries a higher risk than those listed on the Regulated Market.

Prospective investors should be aware that the value of an investment in the Issuer may go down as well as up, and that the market price of the shares may not reflect the underlying value of the Group. There can be no guarantee that the value of an investment in the Issuer will increase. Potential investors may therefore realise less than, or lose all of, their original investment. The share price of the Issuer is expected to be illiquid for the time being. The price at which the shares are quoted and the price which potential investors may realise for their shares may be influenced by many factors, some of which are general or market specific, others which are sector specific and others which are specific to the Issuer and its operations. These factors include, without limitation, (i) the performance of the overall stock market; (ii) large purchases or sales of shares by other investors; (iii) financial and operational results of the Issuer; (iv) changes in analysts' recommendations and any failure by the Issuer to meet the expectations of the research analysts; (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions; and (vi) other factors which are outside the control of the Issuer.

6.5.2 Probability of making losses on investment

Shareholders in companies such as the Issuer must remain wary of the fact that markets such as Euronext Access are designed for growing small and medium enterprises with future prospects, and, as such, shareholders assume greater risks compared to investments in large capitalization companies trading on regulated markets. Investors in Euronext Access should be adequately advised by an investment professional and should read this Information Document adequately and entirely prior to investing.

7 INFORMATION CONCERNING THE OPERATION

7.1 REGISTRATION WITH EURONEXT ACCESS

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

ISIN: ES0105661005

Euronext Ticker: MLARE

Number of shares to be listed: 5,060,000 shares

Nominal price per share: €1

Reference price per share: €8.75

Market capitalisation: €44,275,000

First listing and trading date: 18/11/2022

Listing Sponsor: ARMANEXT ASESORES S.L.

Agent Bank: BNP SECURITIES SERVICES, S.A.

Central Securities Depository: EUROCLEAR FRANCE

7.2 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, in order to keep the SOCIMI's special tax regime, the Company must be listed in a European Market or in a Market of any other country that has entered into a treaty with Spain including an exchange of information clause.

7.3 COMPANY'S SHARE CAPITAL

The Company's registered share capital amounts to FIVE MILLION THOUSAND EUROS (€5,060,000), represented by and divided up into FIVE MILLION SIXTY THOUSAND (5,060,000) nominative, cumulative and indivisible registered book-entry shares denominated in Euros, each with a par value of ONE EURO (€1), such shares being fully subscribed and paid up.

All the shares are of the same class and award their holders the same rights.

SHAREHOLDER	SHARES	SHAREHOLDING
AREF Holding, S.C.A. ³	5,060,000	100%
TOTAL	5,060,000	100,00%

7.4 MAIN CHARACTERISTICS OF THE SHARES

The legal regime applicable to AREF THALASSA's shares is that envisaged in Spanish law, the provisions included in (i) the restated text of the Spanish Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital, aprobado por Real Decreto Legislativo 1/2010, de 2 de julio*), and (ii) the restated text of the Spanish Securities Market Law, approved by Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), and in any other regulations which develop, implement, amend or replace those laws and by all other relevant law.

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

7.4.1 Voting Rights

The Company's share capital is represented by 5,060,000 shares.

³ In compliance with article 4 of Law 10/2010, of April 28, 2010, on anti-money laundering and counter-terrorist financing, in relation to the company "AREF THALASSA SOCIMI, S.A.U.", there is no natural person who ultimately holds or controls, directly or indirectly, more than 25% of the capital or voting rights, or who otherwise exercises control, directly or indirectly, over the management of same.

7.4.2 Transfer of shares

The shares and any economic rights attached to them, including preemptive subscription rights and rights to bonus shares, may be transferred freely by any means admitted in law, without prior authorization by the Board of Directors or the Shareholders' Meeting being necessary.

7.4.4 Dividends

Distribution of dividends

The Company shall be under the obligation to distribute the income obtained in the fiscal year to its shareholders in the form of dividends, once the corresponding obligations under commercial legislation have been met. The resolution to make such distribution must be adopted within the six months following the end of each year, in the following manner:

- a) 100% of the income from dividends or shares in profits distributed by the entities referred to in article 2 of these Bylaws (and Article 2 (1) of Law 11/2009).
- b) At least 50% of income from the transfer of real property assets and shares or ownership interests referred to in article 2 of these Bylaws, linked to the fulfillment of the Company's corporate purpose, executed in the terms envisaged in this respect in Law 11/2009.

Undistributed income shall be reinvested in other real property assets or shareholdings linked to realization of the corporate purpose, within a period of three years following the transfer date. Failing this, income shall be required to be distributed in its entirety. If the reinvested items are transferred before the holding period laid down in Article 3(3) of Law 11/2009, those profits must be distributed in full together with the profits, if any, arising from the year in which they were transferred.

- c) At least 80% of the rest of the income obtained.

The dividend shall be paid within thirty (30) days of the date of the resolution to make the distribution.

Special rules on dividend distributions

1. Persons named as shareholders of record in the share register shall be entitled to receive the dividend within the period stipulated by the Shareholders' Meeting which has resolved to make the distribution.
2. Unless resolved otherwise, the dividend shall become claimable and payable thirty (30) days after the date of the resolution adopted by the Shareholders' Meeting, although an express payment date before the end of that period may be agreed upon. In all cases, the Company shall deduct any withholding tax that might be applicable from time to time.

3. The Shareholders' Meeting may resolve to have the dividend paid wholly or partly in kind (including, in particular but without limitation, dividends consisting of accounts receivables or collection rights held by the Company), provided that the assets, rights or securities being distributed:
- i. are all of the same kind;
 - ii. are admitted to trading on a regulated market or multilateral trading facility - at the point in time at which the resolution takes effect - or suitable mechanisms have been established to facilitate the liquidity thereof within a maximum of one year; and
 - iii. they are not distributed at a value that is lower than that for which they are recorded in the Company's balance sheet.

Compliance with the conditions envisaged in subarticles (i) to (iii) above shall not be necessary when all the Company's shareholders, in a "universal" Meeting or a Meeting called for this purpose, which they have all attended, have resolved unanimously in favor of the distribution of dividends in kind.

4. In cases in which the distribution of a dividend triggers the obligation for the Company to pay the special levy envisaged in article 9.2 of Law 11/2009, or any law superseding it, the Company's managing body may require that the shareholders who have triggered the accrual of such levy indemnify the Company.

The amount of the indemnity shall be equal to the Corporate Income Tax expense that arises for the Company from paying the dividend that serves as the basis for calculating the special levy, plus the amount which, after deducting the Corporate Income Tax that is levied on the total amount of the indemnity, is required to offset the expense arising from the special levy and from the relevant indemnity.

The amount of the indemnity shall be calculated by the managing body, although such calculation may be delegated to one or more directors. Unless resolved otherwise by the Company's managing body, the indemnity shall fall due on the day before the dividend is paid.

For illustration purposes, included as a Schedule to these Bylaws is a sample calculation of the indemnity in two different cases, in order to show how the effect of the indemnity on the Company's income statement is nil in both cases.

To the extent possible, the indemnity shall be offset against the dividend to be received by the shareholder triggering the obligation to pay the special levy. Nevertheless, where this is not possible, because the dividend is paid partially or fully in kind, the Company may resolve to deliver assets or securities for a value equivalent to the net result after discounting the amount of the indemnity from the full dividend distributable to that shareholder.

Alternatively, the shareholder could choose to pay the indemnification in cash, in which case the assets or securities received would relate to the full value of the dividend distributable to that shareholder.

5. In cases where the dividend is paid before the time limits granted for fulfillment of the complementary obligation, the Company may withhold from those shareholders or holders of economic rights over the shares of the Company who have yet to provide the information and documentation required under article 11 of these Bylaws, an amount equal to the amount of the indemnity that must, if applicable, be paid.
6. Once the complementary obligation has been fulfilled, the Company shall return the amounts withheld from any shareholder who is not obliged to indemnify the Company. In addition, if the complementary obligation is not fulfilled within the stipulated periods, the Company may also withhold the payment of the dividend and offset the withheld amount against the amount of the indemnity, paying the shareholder any positive difference.
7. In cases where the total amount of the indemnity may be detrimental to the Company, the managing body may seek an amount that is lower than the amount calculated pursuant to the provisions of this article.
8. The Shareholders' Meeting may resolve to have the dividend paid wholly or partly in kind, provided that the assets or securities being distributed are of the same kind, are admitted to trading on an official market or multilateral trading facility at the point at which the resolution takes effect, or it is duly guaranteed by the Company that liquidity will be obtained within not more than one (1) year, and they are not distributed at a value that is lower than that recorded on the balance sheet.

7.4.5 Dissolution and liquidation

The Company shall be dissolved by a resolution of the Shareholders' Meeting adopted at any time, subject to the requirements established, and on the other grounds provided for in the applicable legislation.

Once the dissolution of the Company has been resolved upon, the Shareholders' Meeting shall appoint the liquidators.

The liquidators shall hold the powers indicated in the CCL and any other powers vested in them by the Shareholders' Meeting when resolving to appoint them.

In the process of liquidating the Company, the rules established in the applicable legislation shall be followed, as well as any rules that supplement but do not contradict them and that may have been approved by the Shareholders' Meeting that adopted the dissolution resolution.

7.4.6 Exclusion from Listing

In the event that the General Meeting of Shareholders resolved to delist its equity securities admitted to trading on Euronext Access or in any other Multilateral Trading Facility, and such exclusion agreement was

not backed by all shareholders, the Company shall be obliged to offer, to the shareholders who did not vote in favour of the delisting, the acquisition of their shares at a justified price.

The Company shall not be obliged to the aforementioned obligation whenever it agrees the admission to listing of its shares on a different Multilateral Trading Facility simultaneously with its exclusion from trading on the Market where its shares are currently admitted to trading.

8 GROUP'S VALUATION

8.1 BUSINESS PLAN

Below, the income statement forecast for the business year 2022, 2023 and 2024 is shown. Forecast has been prepared using criteria comparable to that used in the preparation of the Group's financial statements – in this case, consolidated interim financial statements.

The income statement forecast for the 2022-2024 period considering the assumptions explained below is the following:

(€ Thousand)	31/12/2022	31/12/2023	31/12/2024	Var. 23/22	Var. 24/23	
CONTINUING OPERATIONS						
Revenue	7,144	7,358	7,579	3%	3%	A
Other operating expenses	(2,788)	(2,866)	(2,945)	3%	3%	
External services	(2,717)	(2,793)	(2,871)	3%	3%	B
Losses, impairment and charges in trade provisions	(71)	(73)	(74)	3%	1%	
Amortization and depreciation	(1,651)	(1,651)	(1,651)	0%	0%	C
RESULTS FROM OPERATING ACTIVITIES	2,705	2,841	2,983			
Finance expenses	(2,952)	(2,928)	(2,907)	(1%)	(1%)	D
NET FINANCE INCOME (EXPENSE)	(2,952)	(2,928)	(2,907)	(1%)	(1%)	
PROFIT/(LOSS) BEFORE INCOME TAX	(247)	(87)	76			
income Tax	-	-	-			E
PROFIT/(LOSS) FOR THE YEAR	(247)	(87)	76			

General hypothesis

- Size of the Group: €170 million
 - Leverage: 40% LTV (LTV is measured at both (i) the Group's level and at the subsidiary's level, and in relation to the market value of the properties.
- A.** Income hypothesis – the income growth factors on the occupancy and increase in rents.
- As regard to occupancy: 97%
 - As regard to income growth: increase of circa 3% per year

Forecast occupancy should remain in line with current trend given high demand for properties of this type in the area, the increase in Madrid's population (+1.3% CAGR for the last 20 years, and +3.3% in the portfolio's location). Moreover, given tightening towards retail lending (mortgages) from the banking sector, where individuals may face difficulties saving up for a deposit (20-30% of the property's price), makes renting more attractive.

The above has led to a significant increase in rental units (+52%) versus owned units (+10%) has slightly increased the rent/owned units ration in Spain.

Income growth forecast is conservative, (+ circa 3% per year) keeping in mind that tenancy agreement shall be renewed in line with indexation.

B. External services – this section includes direct and structure expenses, including the following concepts:

- Operating costs: including property tax and IAE (“Impuesto de Actividades Económicas” – exempt for the first two years)
- Asset and property management
- Other general expenses

Circa 2.8%-year increase is expected.

C. Amortization and depreciation: depreciation used is straight-line method, and the asset will be depreciating at 1.72% over its expected life (100 years).

D. Finance expenses

- External loan interest
- Interest rate CAP amortization
- Intragroup loan interest

E. Income Tax: (i.e.: 0%) given the SOCIMI regime to which the Group is subject to

The income statement forecast presented above has not been subject to 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 section 6 of this Information Document. In addition to those risks 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 increase in third-party costs (marketing, insurers, utilities and professional services suppliers)
- Risk of increase in the estimated CapEx and OpEx levels

8.2 GROUP'S FINANCIAL RESOURCES FOR AT LEAST TWELVE MONTHS AFTER THE FIRST DAY OF TRADING

Cash Flow (€ Thousand)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Total GRI (100% occupied)	1,828	1,833	1,838	1,843	1,849	1,858	1,867	1,876
Total Opex (incl. VAT)	(259)	(259)	(259)	(259)	(264)	(264)	(264)	(264)
Total Vacancy + Structural vacancy cost	(49)	(49)	(49)	(50)	(50)	(50)	(50)	(50)
Net Operating Income	1,520	1,525	1,530	1,534	1,535	1,544	1,553	1,562
Tis (Rent free)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
Rotation costs	(54)	(54)	(54)	(54)	(55)	(55)	(55)	(55)
Bad debt (only resi)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
PM Fee	(71)	(71)	(72)	(72)	(72)	(72)	(73)	(73)
Leasing fees	(25)	(25)	(25)	(26)	(26)	(26)	(26)	(27)
VAT - other non-capitalized costs	(20)	(20)	(20)	(20)	(21)	(21)	(21)	(21)
Net Rental Income	1,319	1,324	1,328	1,331	1,330	1,339	1,347	1,355
Capex of refurbishment	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)
Capex pocket	-	-	-	-	(22)	(22)	(22)	(22)
Capex of rotations	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)
ESG Capex	-	-	-	-	(345)	(345)	(345)	(345)
DD capex	-	(102)	(102)	(102)	(102)	-	-	-
VAT on Capex	(18)	(39)	(39)	(39)	(117)	(95)	(95)	(95)
Total Capex (incl. VAT)	(104)	(227)	(227)	(227)	(672)	(548)	(548)	(548)
Ext. Financing - Costs	(223)	(223)	(223)	(223)	(223)	(223)	(223)	(223)
External Financing Cash Flow	(223)							
SPV Expenses	(41)	(41)	(41)	(41)	(42)	(42)	(42)	(42)
AXA IM - Real Assets Fees	(151)	(153)	(155)	(156)	(158)	(160)	(162)	(164)
VAT - SPV + AXA fees expenses	(40)	(41)	(41)	(42)	(42)	(42)	(43)	(43)
CIT expense (19 %)	-	-	-	(444)	-	-	-	(445)
Corporate costs	(232)	(235)	(237)	(683)	(242)	(244)	(247)	(694)
Net Corporate Cash Flow	760	639	641	198	193	324	329	(110)

The Board of Directors declared at their Board of Directors' meeting held on 5 September 2022 at the Company's registered office, that the Group has sufficient capital to meet all its short-term liabilities for the 12-month following its admission to listing on Euronext Access Paris.

As a general comment with regard to the above approved 12-month cash flow forecast, the Company states the forecast was prepared on the following basis:

- No capital increase/decrease is planned in the next twelve months following admission to listing on Euronext Access
- Cash distributions will be made in accordance with SOCIMI law
- CPI indexation is planned at 1.4% until 31 December 2022, and 1.8% from 1 January 2023
- ESG CAPEX plan has been defined in order to pass BREEAM residential certification

Despite uncertain market conditions, the Company does not expect, for the time being, a bad debt increase or churn

8.3 GROUP'S VALUATION

The Issuer has entrusted JLL with an independent valuation of 100% of its shares. The report establishes a range of values as of 30 April 2022.

The purpose of this Group's valuation is to provide an independent opinion on the fair value of the shares of the Company regarding its situation according to the most recent available information.

The fair value of AREF THALASSA's shares has been calculated using the Adjusted Net Asset Value "Adjusted NAV". More precisely, the indirect method of calculation has been used, and consists of the following:

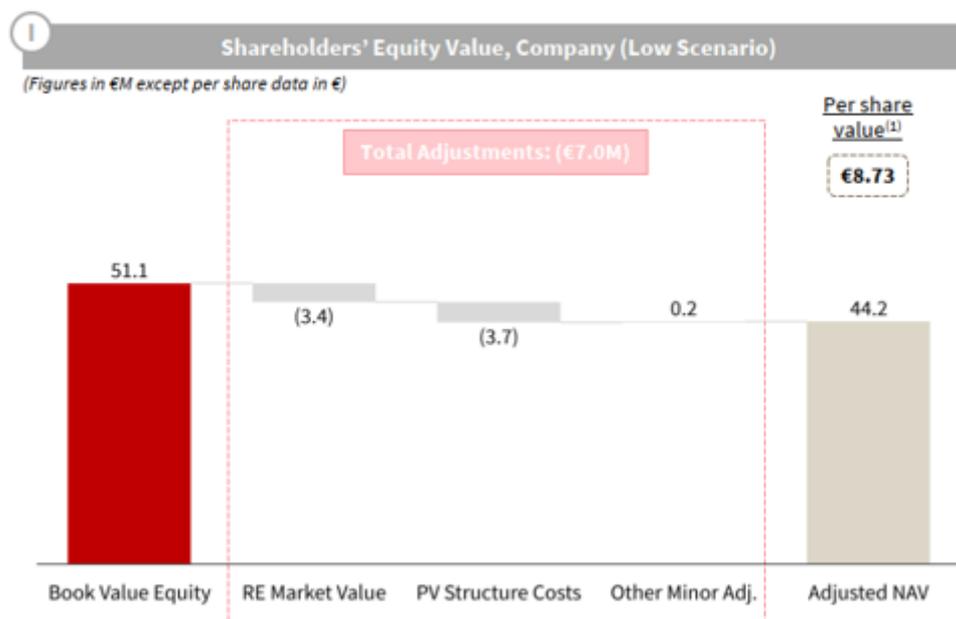
1. Start with the book value of shareholders' equity as per the consolidated interim financial statement as of 30 April 2022
2. Account for certain adjustments made to the Group's assets and liabilities to reflect market value. In particular, the adjustments made by JLL were the following:
 - a. Market value of real estate assets and sensitivity analysis

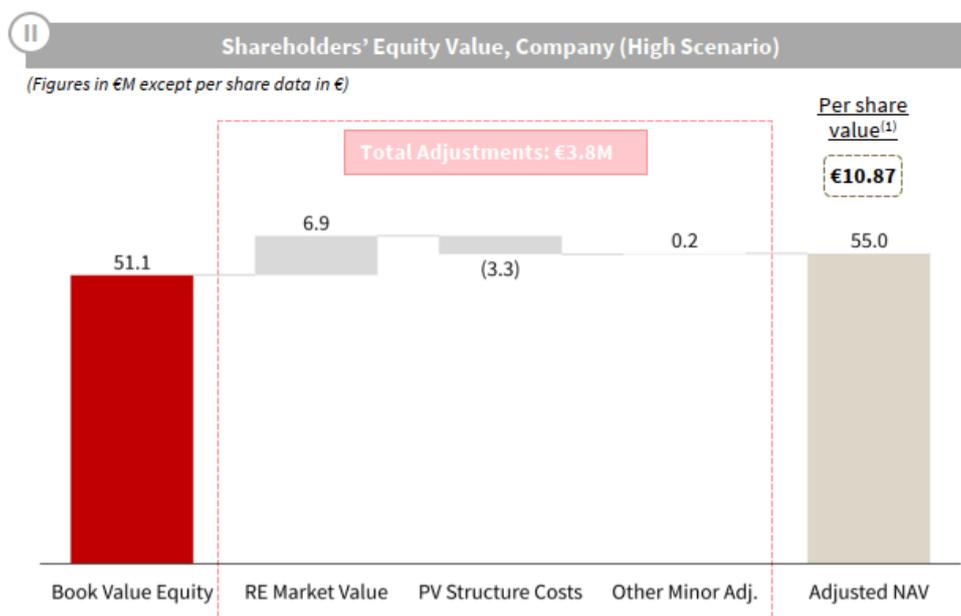
- b. Analysis of value of financial debt
- c. Structure costs
- d. Other minor adjustments

Valuation Conclusion

JLL derived a range of values for 100% share capital of the Group, based on a sensitivity analysis performed to the following variables:

1. +/- 20 bps over the discount rate and +/- 10 bps to the exit yield used to value the real estate assets
2. +/- 20 bps over the discount rate and the perpetuity growth rate applied to the Group’s structure costs





JLL is of the opinion that the value of 100% of the Company's shares ranges:

From **€44,200,000** to **€55,000,000**

or

From **€8.73/share** to **€10.87/share**

Taking into consideration the valuation report issued by JLL, the Board of Directors of the Company, in the board meeting held on 5 September 2022, established a reference price of €8.75 per share, which it implies a total value for 100% of the Company's shares of €42,275,000.

8.4 REAL ESTATE VALUATION

The Issuer has entrusted JLL with an independent valuation of its assets. Complying with said mandate, JLL has issued a valuation of the Company's indirectly owned assets, with valuation date 30 April 2022.

Valuation Methodology

In arriving at the opinion of market value for the subject properties, JLL has applied a DCF approach having regard to the rental income over a 10-year projected period under RICS methodology, using discount rates and exit yields to account for the risk of the different assets.

Sensitivity Analysis

- +/- 20 bps variation to the discount rate used in the DCF.
- +/- 10 bps variation to the exit yield used to calculate the terminal value of each of the property assets

ASSET	GLA (sqm)	DISCOUNT RATE	EXIT YIELD	MARKET VALUE
"Pinar del Mayorazgo"	10,333	4.75%	3.15%	€32,770,000
"Edificio Hispanidad"	6,296	4.85%	3.25%	€24,700,000
"Los Valles"	5,567	4.85%	3.25%	€23,330,000
"Atrium Complex"	14,752	4.75%	3.15%	€65,740,000
San Seb. De los Reyes	7,061	5%	3.40%	€20,900,000
TOTAL MARKET VALUE OF REAL ESTATE ASSETS				€167,440,000

9 CONSOLIDATED FINANCIAL INFORMATION CORRESPONDING TO THE YEAR 2022 – INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022

The financial statements set out in this Information Document have been prepared in accordance with accounting principles referred to in section 9.3.

The selected financial data included in section 2.2 derives from the consolidated interim financial statements of AREF THALASSA from 27 January to 30 April 2022.

The financial data included in this Information Document has been translated into English for information purposes only. In case of any discrepancies, the original Spanish version of the financial statements shall prevail.

The financial statements are available on the Company's website: www.arefthalassasocimi.com

The above-mentioned consolidated interim closing as of 30 April 2022, related notes, management report and limited review report is attached as **Appendix I**.

9.1 CONSOLIDATED INTERIM BALANCE SHEET CORRESPONDING TO THE YEAR 2022 – INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022

Below, the consolidated interim balance sheet of the Group as of 30 April 2022 is shown:

ASSETS (€ THOUSANDS)	27/01/22 to 30/04/22*
I. Investment property	165,840
1. Land	101,156
2. Buildings	64,684
II. Long term financial investments	3,079
1. Derivatives	2,639
2. Other financial assets	440
TOTAL NON-CURRENT ASSETS	168,919
I. Trade debtors and other accounts receivable	45
1. Other credits with Public Administrations	45
II. Cash and equivalents	2,394
1. Treasury	2,394
TOTAL CURRENT ASSETS	2,439
TOTAL ASSETS	171,358

* Subject to limited review

NET EQUITY AND LIABILITIES (€ THOUSANDS)	27/01/22 to 30/04/22*
I. Capital	5,060
II. Issue premium	46,068
III. Reserves	(1)
1. Other reserves	(1)
2. Reserves in companies consolidated by global integration	-
IV. Consolidated profit for the period	19
Total shareholders' equity	51,146
TOTAL NET EQUITY	51,146
I. Long term debts	66,527
1. Debt with credit institutions	65,852
2. Other financial liabilities	675
II. Long term debt with group companies and associates	52,945
TOTAL NON CURRENT LIABILITIES	119,472
I. Short term debts	366
1. Debt with credit institutions	47
2. Other financial liabilities	319
II. Short term debt with group companies and associates	146
1. Other debt	146
III. Trade creditors and other accounts payable	228
1. Miscellaneous creditors	208
2. Other debt with Public Administrations	3
3. Customer prepayments	17
TOTAL CURRENT LIABILITIES	740
TOTAL NET EQUITY AND LIABILITIES	171,358

* Subject to limited review

9.2 CONSOLIDATED INTERIM INCOME STATEMENT CORRESPONDING TO THE YEAR 2022 – INTERIM CLOSING FROM 27 JANUARY TO 30 APRIL 2022

Below, the consolidated income statement of the Group as of 30 April 2022 – interim closing – is shown:

INCOME STATEMENT (€ THOUSANDS)	27/01/22 to 30/04/22*
I. Net business turnover	404
II. Other operating income	252
Non-core and other current operating revenues	252
III. Other operating expenses	(376)
Third party services	(133)
Taxes	(243)
IV. Depreciation	(66)
OPERATING INCOME	214
V. Financial expenses	(195)
From third party debt	(195)
FINANCIAL INCOME	(195)
PROFIT BEFORE TAX	19
Taxes on profit	-
CONSOLIDATED PROFIT FOR THE PERIOD	19
Profit attributed to Parent Company	19

* Subject to limited review

Notes:

- The Group has two sources of revenues:
 - i. income rent
 - ii. Rebilling for services: in some cases, the Group rebills services such as community of owners, cleaning, electricity, maintenance of common areas, real estate tax or insurance. This income is considered non-core and thus it is included under the accounting entry “non-core and other operating revenue”
- Third-party services:
 - These are services the Group requests to different advisors, mainly are legal or tax

advise at high level. These costs are higher during the first year of operations based on the fact that the Group needs such advice to properly implement the investment. On a regular basis, this cost is very limited

- Taxes:
 - (i) Local taxes: corresponds to the local real estate tax. In real estate companies, is an important amount that could, from one year to the next, either remain stable or have 5% increases based on the fact that the local authorities (townhall) can review the cadastral value, which is used as the base for calculation, or the applicable rate

9.3 PRINCIPLES, RULES AND ACCOUNTING METHODS

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

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 with the following regulatory framework:

- a) General Chart of Accounts approved by the Royal Decree 1514/2007 and amendments added thereto by Royal Decree 1159/2010, Royal Decree 602/2016 and Royal Decree 1/2021, as well as sectorial adaptations thereof for real estate companies
- b) The mandatory rules approved by the Spanish Accounting and Account Auditing Institute implementing the General Chart of Accounts and supplementary rules
- c) Law 11/2009, of 26 October, modified by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (SOCIMI) in relation to the obligatory information to report in the consolidated report
- d) The remaining Spanish accounting regulations of application

9.4 SCHEDULED DATE FOR FIRST SOLE SHAREHOLDER RESOLUTIONS, AND PUBLICATION OF EARNINGS FIGURES

The first sole shareholder resolutions and publication of the Company's earnings figures following the admission to listing and trading on Euronext Access Paris shall take place on 30 June 2023.

**APPENDIX I: CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CORRESPONDING TO THE YEAR 2022 FROM 27 JANUARY 2022
TO 30 APRIL 2022 SUBJECT TO LIMITED REVIEW, RELATED
NOTES AND MANAGEMENT REPORT**

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation, views or opinions, the original language version of our report takes precedence over this translation

AREF Thalassa SOCIMI, S.A.
(Unipersonal Company)
and its subsidiaries

Report on review of

Consolidated Interim Financial Statements corresponding
to the period between 27 January 2022 and 30 April 2022



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation, views or opinions, the original language version of our report takes precedence over this translation

Report on review of consolidated interim financial statements

To the sole shareholder of AREF Thalassa SOCIMI, S.A. (Unipersonal Company):

Introduction

We have reviewed the accompanying consolidated interim financial statements of AREF Thalassa SOCIMI, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 30 April 2022, and the income statement, statement of changes in equity, cash flow statement and related notes, all consolidated, corresponding to the period between 27 January 2022 and 30 April 2022. The Parent company's directors are responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting framework applicable to the Group (as identified in note 2 of the related notes) and, in particular, with the accounting principles and criteria included therein. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 April 2022, and its financial performance and its cash flows for the period between 27 January 2022 and 30 April 2022, in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

Emphasis of matter

We draw attention to note 1 to the interim consolidated financial statements, which explains that the interim consolidated financial statements have not been prepared pursuant to legal requirements and have been prepared for inclusion in the information required in order to list Euronext Access on the stock market. Our opinion has not been modified for this matter.

*PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es*



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation, views or opinions, the original language version of our report takes precedence over this translation

Other matters

The accompanying interim consolidated financial statements have not been prepared in accordance with regulatory requirements and therefore this report may under no circumstances be considered an audit report in the terms envisaged in prevailing audit legislation in Spain.

PricewaterhouseCoopers Auditores, S.L.

Originally signed in spanish by Fernando Chamosa Valín

28 September 2022

**AREF THALASSA SOCIMI, S.A. (Unipersonal Company) and
its subsidiaries**

Consolidated Interim Financial Statements corresponding to the period between 27
January 2022 and 30 April 2022

This version is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation, views or opinions, the original language version takes precedence over this translation

INDEX

1. Consolidated balance sheet at 30 April 2022.
2. Consolidated Income Statement corresponding to the period between 27 January 2022 and 30 April 2022.
3. Consolidated Statement of Changes in Equity corresponding to the period between 27 January 2022 and 30 April 2022.
4. Consolidated Cash Flow Statement corresponding to the period between 27 January 2022 and 30 April 2022.
5. Related notes to the consolidated interim financial statements corresponding to the period between 27 January 2022 and 30 April 2022.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 30 APRIL 2022

(In thousands of Euros)

ASSETS	Note	30/04/2022(*)
I. Investment property	6	165,840
1. Land		101,156
2. Buildings		64,684
II. Long term financial investments	8	3,079
1. Derivatives		2,639
2. Other financial assets		440
TOTAL NON CURRENT ASSETS		168,919
I. Trade debtors and other accounts receivable	12	45
1. Other credits with Public Administrations		45
II. Cash and equivalents	9	2,394
1. Treasury		2,394
TOTAL CURRENT ASSETS		2,439
TOTAL ASSETS		171,358

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 30 APRIL 2022

(In thousands of Euros)

NET EQUITY AND LIABILITIES	Note	30/04/2022(*)
I. Capital	11	5,060
II. Issue premium	11	46,068
III. Reserves	11	(1)
1. Other reserves		(1)
2. Reserves in companies consolidated by global integration		-
IV. Consolidated profit corresponding to the period		19
Total shareholders' equity		51,146
TOTAL NET EQUITY		51,146
I. Long term debts	10	66,527
1. Debt with credit institutions		65,852
2. Other financial liabilities		675
II. Long term debt with group companies and associates	10 and 14	52,945
TOTAL NON CURRENT LIABILITIES		119,472
I. Short term debts	10	366
1. Debt with credit institutions		47
2. Other financial liabilities		319
II. Short term debt with group companies and associates	10 and 14	146
1. Other debt		146
III. Trade creditors and other accounts payable		228
1. Miscellaneous creditors	10	208
2. Other debt with Public Administrations	12	3
3. Customer prepayments	10	17
TOTAL CURRENT LIABILITIES		740
TOTAL NET EQUITY AND LIABILITIES		171,358

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

	Note	27/01/22 to 30/04/22 (*)
I. Net business turnover	13.a	404
II. Other operating income		252
Non-core and other current operating revenues		252
III. Other operating expenses	13.b	(376)
Third party services		(133)
Taxes		(243)
IV. Depreciation	6 and 13.c	(66)
OPERATING INCOME		214
V. Financial expenses	13.d	(195)
From third party debt		(195)
FINANCIAL INCOME		(195)
PROFIT BEFORE TAX		19
Taxes on profit	12	-
CONSOLIDATED PROFIT CORRESPONDING TO THE PERIOD		19
Profit attributed to Parent Company		19

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

A) CONSOLIDATED INCOME STATEMENT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

	Note	27/01/22 to 30/04/22 (*)
Consolidated Profit corresponding to the period	3	19
Total income and expenses recognised directly in net equity		-
Total transfers to consolidated income statement		-
TOTAL CONSOLIDATED INCOME AND EXPENSES		19
Total income and expenses attributed to Parent Company		19

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

B) TOTAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

	Capital (Note 11)	Issue premium (Note 11)	Previous years' reserves and profit or loss (Note 11)	Reserves in consolidated companies	Profit for the period attributed to Parent Company	TOTAL (*)
OPENING BALANCE ON 27 JANUARY 2022 (*)	60	-	(1)	-	-	59
I. Total consolidated recognised income and expenses	-	-	-	-	19	19
II. Transactions with shareholders or owners	5,000	46,068	-	-	-	51,068
1. Capital increase	5,000	46,068	-	-	-	51,068
III. Other changes in equity	-	-	-	-	-	-
CLOSING BALANCE, 30 APRIL 2022	5,060	46,068	(1)	-	19	51,146

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

(**) The balance presented on 27 January 2022 corresponding to the incorporation of the Parent Company, which has been considered as the opening balance in the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement (Note 11).

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

	Note	27/01/2022 to 30/04/2022(*)
OPERATING CASH FLOWS		
1. Pre-tax profit corresponding to the period		19
2. Adjustments to profit:		261
- Investment property amortisation (+)	6 and 13	66
- Financial expenses (+)	13	195
3. Changes in working capital		737
- Debtors and other accounts receivable (+/-)	8 and 12	(45)
- Creditors and other accounts payable (+/-)	10 and 12	211
- Customer prepayments (+/-)	10	17
- Other current assets and liabilities (+/-)	10	319
- Other non current assets and liabilities (+/-)	8 and 10	235
4. Other operating cash flow		(2)
Interest payment	13	(2)
A) OPERATING CASH FLOW (1+2+3+4)		1.01
INVESTMENT CASH FLOW		
6. Payments for investments (-)		(165,906)
- Investment property	6	(165,906)
B) INVESTMENT CASH FLOW (6)		(165,906)
FINANCIAL TRANSACTIONS CASH FLOW (III)		
9. Receipts and payments from equity instruments		51,068
- Issue of equity instruments (+)	11	51,068
10. Receipts and payments from liability instruments		116,158
a) Issue (+)		116,158
- Issue of debts with group companies and associates (+)	10 and 14	52,945
- Issue of debt with credit institutions (+)	8 and 10	63,213
b) Repayment and amortisation (-)		-
- Repayment and amortisation of other debts (-)		-
C) FINANCIAL TRANSACTIONS CASH FLOW (9+10)		167,226
E) NET INCREASE/REDUCTION OF CASH AND EQUIVALENTS (A+/-B+/-C+/-D)		2,335
Cash and equivalents at start of period (**)		59
Cash and equivalents at end of period	9	2,394

Notes 1 to 17 form an integral part of these Consolidated Interim Financial Statements.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements for the Group have been prepared. Figures not audited (Note 2)

(**) The balance presented on 27 January 2022 corresponding to the incorporation of the Parent Company, which has been considered as the opening balance in the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement (Note 11).

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

1. COMPANY ACTIVITY

AREF Thalassa Socimi S.A. (Unipersonal Company), hereinafter the Parent Company or the Company, was incorporated on 27 January 2022 under the name Eddelton Invest, S.A. On 29 March 2022 its name was changed to the current one. This is a company incorporated in Spain in accordance with the Capital Companies Law.

On 8 April 2022, the then shareholders, TMF Participations Holdings (Spain) S.L. and TMF Sociedad de Participación, S.L. of the Company sold all of their shares to the company AREF Holding S.C.A. the latter hence becoming the Sole Shareholder of the Parent Company. On 11 April 2022 there was a modification of the Management Body, from Joint and Several Directors to a Board of Directors, with the previous business address, previously in Madrid, calle Príncipe de Vergara number 112, having been changed to Madrid, Paseo de la Castellana, number 93, 6th floor.

The Parent Company owns 100% of the shares of the company AREF Théthys, S.L. (Unipersonal Company), pursuant to the deed that was notarised on 29 March 2022, at which point the Group is incorporated, with this company as its only subsidiary during the period from 27 January 2022 to 30 April 2022. The transactions included in the period from 27 January 2022 and 29 March 2022 pertain to the Parent Company.

The corporate purpose of the Parent Company and its subsidiary (collectively, "the Group"), in accordance with its bylaws, is:

- a) The acquisition and development of urban real estate for lease.
- b) The holding of shares in the capital of other Real Estate Investment Trusts ("SOCIMI") or in that of other entities not resident in Spanish territory with the same corporate purpose thereof or subject to the similar regime to that established for SOCIMIs in terms of mandatory, legal or statutory profit distribution policy.
- c) The holding of shares in the capital of other entities, whether or not they are resident in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing purposes and are subject to the same regime to that established for SOCIMIs in terms of mandatory, legal or statutory profit distribution policy and which meet the investment criteria set forth in article 3 of Law 11/2009 of 26 October, on real estate investment trusts.
- d) The holding of stocks or shares in Real Estate Collective Investment Undertakings regulated by Law 35/2003 of 4 November, on Collective Investment Undertakings.

Any activities that should legally meet special criteria not met by the Parent Company are excluded.

For a correct interpretation of the Consolidated Interim Financial Statements, the sole shareholder of the Parent Company must be considered to be AREF Holding, S.C.A., which forms part of the Grupo AXA Residential Europe Fund, whose parent company is AXA Residential Europe Fund, S.C.A, SICAV-SIF. The ultimate parent company of the group is AXA Investments Managers, based in Paris, France.

These Consolidated Interim Financial Statements have not been prepared pursuant to any legal requirement. The Board of Directors of the Parent Company has voluntarily decided to prepare the Consolidated Interim Financial Statements, which have been prepared to be added to the information required for its entry into the Euronext Access market.

SOCIMI tax regime

On 29 March 2022, the Tax Authority was asked to include the Company under the special tax regime for Real Estate Investment Trusts regulated by Law 11/2009 of 26 October, modified by Law 16/2012 of 27 December, regulating Real Estate Investment Trusts, effective as of its date of incorporation.

Law 11/2009 sets forth the following investment requirements in article 3:

1. SOCIMIs must have at least 80 per cent of the assets must be leasable urban properties, land for development of leasable urban properties provided the development commences within three years of acquisition, as well as shares in the capital or equity of other entities as set forth in paragraph 1 of article 2 of said Law.

7

() The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)*

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The value of the assets will be determined on the basis of the average of the individual quarterly balance sheets for the period, and to calculate this value the Company may elect between replacing the carrying value with the market value of the items in the balance sheets, which would be applied to all balance sheets in the period. To this end, any money or receivables resulting from the transfer made in that same period or previous periods of said real estate or shares, if any, will not be included in the calculation, provided that, in the latter case, the reinvestment period mentioned in article 6 of this Law has not elapsed.

2. In addition, at least 80 per cent of the earnings of the tax period in each tax year, excluding any income arising from the sale of the shares and real estate forming part of the main corporate purpose, once the maintenance period referred to in the next paragraph has elapsed, must come from the lease of real estate and dividends or profit from such shares.

This percentage must be calculated on the consolidated profit in the event that the Company is the parent of a group according to the criteria set forth in article 42 of the Commercial Code, irrespective of residence and the obligation to submit consolidated financial statements. This group shall be exclusively made up of SOCIMIs and the rest of entities mentioned in paragraph 1 of article 2 of the regulating Law.

3. Real estate assets that make up the Group's assets must remain leased for at least three years. For calculation purposes, the time that the real estate has been offered for lease, up to one year, will be added. The period shall be calculated:
 - a) In the event of real estate belonging to the equity of the Group prior to becoming subject to the regime, as of the start of the first tax period to which the special tax regime set forth in this Law applies, provided that the asset is leased or offered for lease at that time. Otherwise, what is set forth in the next paragraph shall apply.
 - b) In the event of real estate developed or acquired after by the Company, as of the date that these were leased or offered for lease for the first time.

In the event of company shares mentioned in paragraph 1 of article 2 of this Law, these must remain as Group assets for at least three years since its acquisition or, as the case may be, since the start of the first tax period to which the special tax regime established in this Law is applied.

Moreover, the SOCIMI regime calls for other requirements such as the minimum share capital being 5,000 thousand euros and that the shares are admitted for trading on a regulated market or a multi-lateral trading system.

In addition, the Parent Company must pay out in the form of dividends to its shareholders, once all applicable business obligations have been met, the profit earned in the year, agreeing on its distribution within a period of six months following the end of each financial year, and paid out during the month following the date of distribution agreement.

As set forth by the First transitory provision of Law 11/2009 of 26 October, modified by Law 16/2012 of 27 December, regulating Real Estate Investment Trusts, the application of the special tax regime under the terms set forth in article 8 of said Law may be invoked, even if the criteria set forth therein are not met, provided these are met within a period of two years as of the date of the decision to apply said regime.

In the event of failure to meet any of these conditions, the Company would pay tax under the general regime unless it should remedy said failure during the year following that of non-compliance.

The Board of Directors of the Parent Company believes that the requirements for the regime will be met within the period set forth in the law and, for this reason, it has not recognised any impact relating to corporate income tax.

At 30 April 2022, the Parent Company has a share capital of 5,060 thousand euros.

The figures included in these Consolidated Interim Financial Statements are expressed in thousands of euros, unless indicated otherwise.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

2. BASIS OF PRESENTATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Regulatory framework for financial information reporting applicable to the Group

These Consolidated Interim Financial Statements have been prepared by the directors of the Parent Company in accordance with the regulatory framework for financial information reporting applicable to the Group, which is that set forth in the:

- a) General Chart of Accounts approved by Royal Decree 1514/2007 and amendments added thereto by Royal Decree 1159/2010, Royal Decree 602/2016 and Royal Decree 1/2021, as well as sectorial adaptations thereof for real estate companies.
- b) The mandatory rules approved by the Spanish Accounting and Account Auditing Institute implementing the General Chart of Accounts and supplementary rules.
- c) Law 11/2009, of 26 October, modified by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (SOCIMI) in relation to the obligatory information to report in this consolidated report.
- d) The remaining Spanish accounting regulations of application.

2.2 True and fair view

These Consolidated Interim Financial Statements have been obtained from the accounting records of the Parent Company and its subsidiaries included within the scope of consolidation and include the adjustments and reclassifications required for consistency in timing and valuation of the accounting criteria established by the Group.

These Consolidated Interim Financial Statements are presented in accordance with Royal Decree 1514/2007 of 20 November, approving the General Chart of Accounts, and subsequent modifications, as well as Royal Decree 1159/2020 of 17 September, the Rules of Adaptation of the General Chart of Accounts to Real Estate Companies (Order 28 December 1994) for the purpose of presenting a true and fair view of the equity, consolidated financial situation and profits of the Group, as well as the veracity of the cash flows shown in the consolidated cash flow statement. These Consolidated Interim Financial Statements have been prepared by the Board of Directors of the Parent Company on 29 July 2022.

2.3 Information comparison and non-obligatory accounting principles applied

For the correct interpretation of these Consolidated Interim Financial Statements, the fact that the Parent Company was incorporated on 27 January 2022 must be taken into consideration. Its only subsidiary was incorporated on 9 February 2022 and acquired by the Parent Company on 29 March 2022, when the Group itself was incorporated.

Therefore, the Consolidated Interim Financial Statements, as well as its related notes, show information corresponding to the period from 27 January 2022 to 30 April 2022.

Since this is a newly created consolidation, the changes in the scope of consolidation are those concerning the subsidiary (Note 1).

No non-obligatory accounting principles have been applied. In addition, the Directors of the Parent Company have prepared these Consolidated Interim Financial Statements taking into consideration all of the accounting principles and standards of mandatory application that have a significant effect on said Consolidated Interim Financial Statements. There are no mandatory accounting principles that have not been applied.

2.4 Critical aspects of the valuation and estimation of uncertainty

When preparing the Group's Consolidated Interim Financial Statements, the Parent Company's Directors have made estimates to determine the carrying value of some of the assets, liabilities, income and expenses and items in contingent liabilities. These estimates have been made on the basis of the best available information at the close of the period. Nevertheless, given the uncertainty inherent thereto, future events may occur that might require these to be changed in the coming years, which shall be done, if necessary, prospectively.

() The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)*

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The Parent Company carries out a continuous review of its estimations.

The most significant estimates and assessments are explained below:

2.4.1 - Useful lives of the real estate investment assets

The Directors determine the estimated useful lives and pertaining depreciation costs for their real estate investments and for assets subject to amortisation. Useful lives are estimated on the basis of the period over which the investments will be generating economic profit and taking its residual value into consideration. At each year end the Group reviews the useful lives and, if the estimates differ from those previously made, the effect of the change is accounted for prospectively as of the financial year in which the change has occurred.

2.4.2 - Valuation of real estate investments

The best evidence of the fair value of real estate investments that is used by the Directors to identify potential indicators of impairment, as stated in Note 6, are the prices of similar assets in an active market. In the absence of such information given the current market situation, the Group determines fair value on the basis of fair value intervals. When making this assessment, the Group uses a number of sources, including:

- a) Current prices in an active market of properties of a different nature, condition or location, adjusted to reflect any differences compared to the assets owned by the Group.
- b) Recent property prices in other less active markets, adjusted to reflect changes in the economic conditions since the transaction date.
- c) Discounted cash flows based on estimates arising from both current and projected lease agreement terms and, if possible, based on market prices of similar properties in the same location, using discount rates that reflect the uncertainty of the time factor.

To this end, during the period 2022, the Group arranged for an expert appraiser to carry out the independent valuation of its assets. The method used has been explained in Note 4.2 of this consolidated report.

Despite such estimates having been made on the basis of the best information available at 30 April 2022, it is possible that events taking place in the future might require these to be modified (upwards or downwards) in coming years, which would be done, if applicable, on a prospective basis, recognising the effects of the change in the estimate in the pertaining consolidated income statements.

2.4.3 – Income Tax

The Parent Company and its subsidiary are subject to the regime set forth in Law 11/2009 of 26 October, regulating Real Estate Investment Trusts (SOCIMI), which in practice means that assuming certain requirements are met, the Parent Company qualifies for a Corporate Income Tax rate of 19% (Note1).

The Board of Directors of the Parent Company monitors compliance with the requirements set forth in the legislation, in order to retain the tax advantages established therein. In this regard, the Board of Directors expects such requirements to be met in a correct and timely manner, not having to post any result connected with Corporate Income Tax.

Notwithstanding the fact that the estimation criteria are based on rational assessments that are based on objective analysis criteria, it is possible that events taking place in the future may require its modification (upwards or downwards) in the coming periods; if necessary, and in accordance with IAS 8, this will be done through the prospective recognition of the change in estimate in the consolidated income statement.

2.5 Grouping of items

For the purposes of easing comprehension of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement, these statements are presented in grouped form, although, insofar as it may be significant, the itemised information has been included in the pertaining notes to the consolidated interim financial statements.

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

2.6 Elements included in several items

The attached Consolidated Interim Financial Statements do not include any elements which, given its similar amount or nature, are recognised in two or more items of the consolidated Balance Sheet.

2.7 Correction of errors

Given that the Group companies began its activity in financial year 2022, there has been no correction of previous errors.

2.8 Events caused by the pandemic

On 11 March 2020 the World Health Organisations raised the public health emergency situation caused by the coronavirus outbreak (COVID-19) to the level of international pandemic. The development of events, both on a national and international scale, led to an unprecedented health crisis that has impacted the macroeconomic environment and the development of business.

During 2020 a number of measures were put in place to tackle the economic and social impact generated by this situation which, among other aspects, led to restrictions on people's mobility. In particular, and among other measures, the Spanish Government declared the state of alarm by enacting Royal Decree 463/2020 of 14 March, which was lifted on 1 July 2020, and approved a number of extraordinary and urgent measures to address the economic and social impact of COVID-19, by enacting, among other legislation, Royal Decree Law 8/2020 of 17 March. The state of alarm declared by the Spanish Government via Royal Decree 926/2020 of 25 October, initially approved until 9 November 2020, and subsequently extended to 9 May 2021 by Royal Decree 956/2020 of 3 November.

At the date of preparation of these Consolidated Interim Financial Statements, the coronavirus outbreak (COVID-19) continues to cause significant interruptions in businesses and business activities. The uncertainty regarding the propagation of COVID-19, now in its "sixth wave", and that regarding the efficacy and speed of the population vaccination campaign are causing volatility in the market on a global scale.

The Directors of the Parent Company are monitoring the situation and considering the effect it might have on FY 2022 currently in progress, although it is expected to be of little significance.

2.9 Events caused by the invasion of Ukraine

On 24 February 2022 the Russian army began its invasion of Ukraine.

At this date, the Directors of the Parent Company have carried out a preliminary evaluation based on the best possible estimation, having concluded that its effects, both on the evolution of demand and on the prices of the various consumptions, will not be significant and will largely depend on the evolution of the conflict, including the potential direct involvement of third countries.

3. APPLICATION OF PROFIT

Given that the Parent Company began its activity in financial year 2022, there has been no proposed application of profit.

In the period from 27 January 2022 and 30 April 2022, the Group has earned a profit of 19 thousand Euros.

4. ACCOUNTING AND MEASUREMENT RULES

The main accounting and measurement criteria used by the Group in the preparation of these Consolidated Interim Financial Statements are:

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

4.1. Subsidiaries

4.1.1. Acquisition of control

The acquisitions made by the Parent Company (or other companies in the Group) of the control of a subsidiary constitutes a business combination that is measured in accordance with the acquisition method. This method requires the measurement by the acquiring company on the date of acquisition of the identifiable assets acquired and liabilities assumed in a business combination, in addition to, as the case may be, the pertaining goodwill or negative difference. Subsidiaries are consolidated as of the date on which the control is transferred to the Group, and excluded from the consolidation when the control ceases to exist.

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

The expenses related to the issue of equity instruments or the financial liabilities delivered do not form part of the cost of the business combination, being recognised in accordance with the rules applicable to financial instruments. Fees paid to legal advisers and other professionals involved in the business combination are recognised as expenses as these are incurred. Any expenses generated internally by such items, or those, if any, incurred by the acquiree, are equally not included in the cost of the combination.

Any surplus, on the acquisition date, of the cost of the business combination over the proportional share of the value of the identifiable assets acquired, minus that of liabilities assumed, representing the share in the capital of the acquired company, is recognised as goodwill. In the exceptional case that this amount were higher than the cost of the business combination, the surplus will be recognised as income in the consolidated income statement.

4.1.1. Consolidation method

The assets, liabilities, income, expenses, cash flows and other items of the Group are added to the Consolidated Interim Financial Statements of the Group by the global integration method. This method requires the following:

- Consistency in timing. The Financial Statements are established on the same date and period as those used for the Consolidated Interim Financial Statements.
- Consistency in valuation. The assets, liabilities, income and expenses and other items in the Consolidated Interim Financial Statements of the Group companies have been valued using uniform methods. Any assets or liabilities, or any items of income or expenses that may have been valued according to non-uniform criteria with respect to those applied in the consolidation are valued anew, making any necessary adjustments, solely for consolidation purposes.
- Aggregation. The various items of the individual financial statements that had been previously standardised are aggregated according to its nature.
- Elimination of investment-net equity. Carrying values of the equity instruments of the subsidiary that are held, directly or indirectly, by the Parent Company, are offset against the proportional share of the equity items of said subsidiary attributable to such instruments, generally on the basis of the values resulting from applying the acquisition method described above. In consolidations subsequent to the year in which the control was acquired, any excess or shortfall of equity generated by the subsidiary since the acquisition date that is attributable to the Parent Company shall be presented in the consolidated balance sheet under reserves or value change adjustments, according to its nature.
- Intra-group item estimates. Credits and debits, income and expenses and cash flows between Group companies are eliminated in full. Similarly, all of the results generated from internal transactions are eliminated and deferred until carried out with third parties outside of the Group. In addition, and as a result of the internal transactions that generate expenses in the heading of investment property, these have been eliminated as part of this process.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

- External shareholdings. The valuation of external shareholders is carried out according to their actual share of the equity of the subsidiary once the previous adjustments have been made. Consolidation goodwill is not attributed to external shareholders. The difference between losses attributable to the external shareholders of a subsidiary and the share of the equity that proportionally belong to them is attributed to them, even if this generated a debit in said item.

4.2. Investment property

The investment property heading of the consolidated Balance Sheet includes the value of land, buildings and other constructions that are held either for lease or to obtain capital gains through sale as a result of increments happening in the future in its respective market prices.

The assets included under the heading of investment property are initially valued at cost, which is its acquisition price. In addition to the amount billed by the vendor after deducting any discount or reduction in the price, the acquisition price includes all additional and directly related expenses that are incurred until the asset is put in operating condition.

Subsequently, said investment property items are valued at acquisition price minus the accumulated amortisation and, as the case may be, the accumulated amount of recognised impairment value adjustments.

The amortisation of these assets is carried out in a systematic and rational manner according to the useful life of the assets and its residual value, taking into account the depreciation usually resulting from use, operation and enjoyment, notwithstanding the consideration of technical or commercial obsolescence that might also affect them.

In particular, for investment property included in the assets of the consolidated Balance Sheet, the Group considers a useful life of 100 years for items classified as constructions, since land is not amortised.

Any changes that, as the case may be, could affect the residual value, the useful life and the amortisation method of an asset would be recognised as changes in accounting estimates, unless it is an error.

The maintenance or repair expenses of investment property that do not improve future cash flows of the cash generating unit they belong to, or its useful life, are debited to expense accounts included in the consolidated Income Statement of the year in which these are incurred. On the other hand, any amounts invested in improvements that help increase capacity or efficiency or to extend the useful life of such assets are recognised at the higher value thereof.

The assets subject to amortisation are tested for impairment when an event or change in circumstances indicates that the carrying value is non-recoverable.

An impairment loss is recognised as the different between the asset's carrying value and its recoverable value, the latter understood as the fair value of the asset minus costs of sale or value in use, whichever is higher.

The carrying value of the Group's investment property is corrected at the end of each financial year, recognising the pertaining impairment loss in order to adjust it to the recoverable amount when its fair value minus costs of sale is lower than its carrying value.

When an impairment loss is subsequently reversed, the carrying value of the asset is increased up to the adjusted estimation of its recoverable value, although the increased carrying value must not exceed the carrying value that would have been calculated had the impairment loss of previous years not been recognised, that is to say, that the reversal of impairment is limited to the carrying value of the asset that would have been recognised if the impairment loss had not been previously recognised. The reversal of an impairment loss is recognised in the consolidated Income Statement when the circumstances that led to such an impairment no longer exist.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

4.3. Financial instruments

4.3.1. Financial Assets

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

Financial assets at amortised cost:

Includes financial assets, including those admitted to trading on an organised market, which are held by the Group companies in order to receive the cash flows arising from the execution of the trade, and the contractual conditions of the assets generate, on scheduled dates, cash flows which solely consist of receipts of principal and interest on the outstanding principal amount.

Contractual cash flows which are solely receipts of principal and interest on the outstanding principal amount are inherent to an agreement in the form of an ordinary or common loan, notwithstanding the fact that the trade has been agreed at a zero interest or below market rate.

This category includes trade and non-trade receivables:

- a) Trade receivables: arising from the sale of goods or provision of services from deferred receipt business operations, and
- b) Non-trade receivables: financial assets which, not being equity instruments nor derivatives, have no trade origin and whose receivables are of a determined or determinable amount, arising from loans granted by the company.

Initial valuation

Financial assets classified in this category will be initially valued at fair value which, unless evidence to the contrary, will be the price of the transaction, which shall be equal to the fair value of the consideration received, plus any directly attributable transaction costs.

However, trade receivables maturing under one year which do not have an explicit contractual interest rate, as well as loans granted to personnel, dividends receivable and calls on shares, expected to be received in the short term, are valued at face value when the effect of not discounting the cash flows is deemed not significant.

Subsequent valuation

Financial assets included in this category shall be valued at amortised cost. Accrued interest is recognised in the income statement, by applying the effective interest rate method.

However, loans maturing under one year, as set forth in the previous paragraph, are initially valued at face value, and will continued to be valued in this way unless there has been impairment.

When the contractual cash flows of a financial asset are modified due to financial difficulties of the issuer, the company analyses whether a value impairment loss should be recognised.

Value impairment

The necessary valuation adjustments are made, at least at year end and when there is objective evidence that the value of a financial asset, or group of financial assets with similar risk characteristics that have been collectively valued, has been impaired as a result of one or more events that have occurred after initial recognition and which cause a reduction or delay in future estimated cash flows, which may be due to the debtor's insolvency.

Generally speaking, impairment loss of such financial assets is the difference between its carrying value and the present value of future cash flows, including, as the case may be, those arising from the execution of personal and *in rem* guarantees, that are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at variable interest rate, the effective interest rate that pertains to the closing date of the Consolidated Interim Financial Statements in accordance with contractual conditions is used.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

Impairment value adjustments, as well as reversal when the amount of such a loss should drop for reasons connected to a subsequent event, are recognised as income or expenses, respectively, in the consolidated Income Statement. Impairment reversal is limited to the carrying value of the asset that would be recognised on the reversal date if the value impairment had not been recognised.

Financial assets at cost

In any event, the following are included in this valuation category:

- a) Hybrid financial assets whose fair value cannot be reliably estimated, unless the criteria for recognition at amortised cost are met.
- b) Contributions made as a result of a joint account contract and similar.
- c) Participative loans whose interest is of a contingent nature (either because the parties agree on a fixed interest rate or a variable rate subject to the borrower company meeting a milestone, such as, for example, the generation of profit), or else because the interest is exclusively calculated on the basis of the performance of said company.
- d) Any other financial asset that initially should be classified in the fair value portfolio with changes in the income statement when an initial valuation cannot be obtained.

Initial valuation

Investments included in this category will be initially valued at cost, which is equal to the fair value of the consideration paid plus any directly attributable transaction costs, the latter not being included in the cost of investments in Group companies.

Pre-emption rights and similar rights that may have been acquired form part of the initial valuation.

Subsequent valuation

In the event of sale of pre-emption rights and similar rights or segregation thereof to exercise them, the amount of the cost of the rights reduces the carrying value of the respective assets.

The contributions made as a result of a joint account or similar contract will be valued at cost, increased or reduced by the profit or loss, respectively, pertaining to the company as a non-managing participant, minus - if applicable - the accumulated amount of any impairment value adjustments.

This same criterion is applied to participative loans with interest of a contingent nature, either because a fixed rate or variable interest rate subject to fulfilment of a milestone by the borrower company (such as earning of profit) is agreed, or else because the interest is exclusively calculated on the basis of said company's performance. If in addition to contingent interest, an irrevocable fixed interest rate is agreed, the latter is recognised as financial income as it is accrued. Transaction costs are recognised in the income statement on a straight line basis over the life of the participative loan.

Value impairment

At least at the close of the period, any necessary value corrections are made provided there is objective evidence that the carrying value of an investment shall not be recoverable. The amount of the value correction is the difference between its carrying value and the recoverable amount, the latter understood as the higher amount between its fair value minus the costs of sale and the present value of future cash flows arising from the investment.

Impairment value adjustments and, as the case may be, its reversal, are recognised an income or expense, respectively, in the income statement. The reversal of impairment is limited to the carrying value of the investment that would be recognised on the reversal date had the impairment not been recognised.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

4.3.2. Financial liabilities

Financial liabilities assumed or incurred by the Group are classified into the following valuation categories:

Financial liabilities at amortised cost

This category generally includes trade and non-trade payables:

- a) Trade payables: financial liabilities arising from the purchase of goods and services as part of the company's ordinary operations with deferred payment, and
- b) Non-trade payables: financial liabilities which, not being equity instruments nor derivatives, have no trade origin but arise from loans granted to the company.

Participative loans that have the characteristics of an ordinary or common loan are also included in this category (notwithstanding the zero or below market interest rate agreed).

Initial valuation

Financial liabilities classified in this category will be initially valued at fair value which, unless evidence to the contrary, will be the price of the transaction, which shall be equal to the fair value of the consideration received, plus any directly attributable transaction costs.

However, trade payables maturing under one year which do not have an explicit contractual interest rate, as well as third party calls on shares, expected to be paid in the short term, are valued at face value when the effect of not discounting the cash flows is deemed not significant.

Subsequent valuation

Financial liabilities included in this category shall be valued at amortised cost. Accrued interest is recognised in the income statement, by applying the effective interest rate method.

However, debts maturing under one year that have been initially valued at face value, will continue to be valued as such.

4.3.3. Derivative financial instruments

Financial derivatives are valued, both at initial and subsequent valuations, at fair value. The method for recognising resulting gains or losses depends on whether or not the derivative has been designated as a hedge instrument and, if so, the type of hedge.

Cash flow hedging

The share of the profit or loss of the hedge instrument deemed to be an effective hedge is directly recognised in equity. Thus, the equity component arising as a result of the hedge is adjusted to ensure it is equal, in absolute terms, to the lower of the two following values:

- 1) The accumulated profit or loss of the hedge instruments since the start of the hedge.
- 2) The accumulated change in the fair value of the hedged item (that is, the accumulated present value of the expected future cash flows that have been hedged) since the start of the hedge.

Any gains or losses resulting from the hedge instrument or any gains or losses required to offset the change in cash flow hedge adjustments calculated as described in the previous paragraph, represent a hedge ineffectiveness that is recognised in the year's profit or loss.

If a hedge transaction deemed to be highly likely should result in the recognition of a non-financial asset or a non-financial liability, or a hedged transaction on a non-financial asset or non-financial liability should become a firm commitment subject to fair value hedge accounting, the amount of the cash flow hedge adjustments is eliminated and directly included in the initial cost or other carrying value of the asset or liability. This same criterion is applied in interest rate hedges used in the acquisition of an investment in a group, multi-group or associate company.

16

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

In all other cases, the adjustment recognised in equity is transferred to the income statement to the extent that the hedged expected future cash flows affect the profit for the year.

However, if the adjustment recognised in equity is a loss and part or all thereof is expected not to be recovered over one or more future years, this amount not expected to be recovered is immediately reclassified in the profit for the year.

4.4. Corporate Income Tax

4.4.1. General regime

The income or expense from Corporate Income Tax includes the share of the income or expense from current tax and the share of the income or expense from deferred tax.

Current tax is the amount paid by the Group as a result of tax payable on profit in a financial year. Deductions and other tax credits in the tax payable, excluding withholdings and payments on account, as well as tax loss carryforwards applied in this year, result in a lower amount of current tax payable.

Deferred tax income or expense pertains to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences, that are identified as the amounts that are expected to be payable or recoverable arising from the differences between the carrying values of assets and liabilities and its tax value, as well as any carryforward losses to be offset and tax credits not applied. These amounts are recognised by applying the to the pertaining temporary difference or credit the tax rate at which these are expected to be recovered or paid.

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

On the other hand, deferred tax assets are only recognised to the extent that it is deemed likely that the companies will have future tax gains against which to apply them.

Deferred tax assets and liabilities, arising from operations with direct debits or credits in equity, are also recognised in equity.

At each closing date, any deferred tax assets are reconsidered, making any appropriate adjustments if there are doubts as to its future recovery. Similarly, at each closing deferred tax assets not recognised in the balance sheet are valued and recognised to the extent that its recovery with future tax credits becomes likely.

At 30 April 2022 the Group does not form part of any tax consolidation group.

4.4.2. SOCIMI tax regime

On 29 March 2022, and effective as of tax year 2022 and following, the Parent Company informed the Office of the Spanish Inland Revenue Department corresponding to its address of the choice made by the Sole Shareholder to become subject to the special SOCIMI tax regime. In addition, its subsidiary also belongs to the SOCIMI regime as of tax year 2022.

In accordance with Law 11/2009 of 26 October, regulating Real Estate Investment Trusts (SOCIMI), entities that meet the criteria defined in the regulations and elect to be subject to the application of the special tax regime set forth in said Law, will qualify for a 0% Corporate Income Tax rate. In the event of tax loss carryforwards, article 25 of the Consolidated Text of the Corporate Income Tax Law shall not be of application. Likewise, the system of deductions and credits established in Chapters II, III and IV of said law shall not be applicable. In all other matters not considered in the SOCIMI law, what is set forth in the Consolidated Text of the Corporate Income Tax Law shall apply.

Moreover, as set forth in the modifications added to the Law 11/2021 of 9 July, the entity will be subject to a special rate of 15% on the amount of profit earned during the year that is not subject to distribution, regarding the share thereof not arising from income that have not paid tax under the general Corporate Income Tax rate, or concerning income subject to the reinvestment period regulated in letter b) of paragraph 1 of article 6 of this Law. This rate shall be considered the tax payable under Corporate Income Tax.

17

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The Parent Company and its subsidiaries are subject to a special rate of 19% on the full amount of dividends or share of profits payable to shareholders whose holding in the share capital of the company is equal to or above 5%, when such dividends, payable to their Sole Shareholders, are exempt or pay tax at a rate below 10%. This rate shall be considered the tax payable under Corporate Income Tax.

The Directors of the Parent Company monitor compliance with the requirements set forth in the legislation, in order to retain the tax advantages established therein. In this regard, the Directors expect such requirements to be met in a correct and timely manner, not having to post any result connected with Corporate Income Tax.

4.5. Income and expenses

Income and expenses are recognised according to the accrual criterion, that is, when the actual flow of goods and services they represent actually takes place, irrespective of the time of generation of the monetary or financial flow arising therefrom.

Income is recognised when the control of the goods or services is transferred to the customers. At that time the income is recognised as the amount of consideration expected to receive for the transfer of the goods and services set out in agreements with customers, as well as other income not arising from customer contracts that constitute the ordinary activity of the Company. The recognised amount is calculated by deducting from the amount of the consideration for the transfer of goods or services agreed with customers and other income from the Company's ordinary activities, the amount of the discounts, rebates, price reductions, incentives or rights delivered to the customers, as well as value added tax and other taxes directly related thereto that must be output.

When the price agreed in customer contracts includes a variable consideration amount, the price to be recognised includes the best estimate of the variable consideration to the extent that it is highly likely that no significant reversal of the recognised income amount will take place when the uncertainty associated with the variable consideration is resolved. The Parent Company bases its estimates on historical information, taking into account the type of customer, the type of transaction and the specific terms of each agreement.

The Group companies recognise income when the amount thereof can be reliably valued, it is likely that future economic profit will be earned by the Parent Company and the specific conditions for each of the activities performed are met. Income is not considered to be reliably valued until all contingencies related to the sale have been resolved.

The Group provides leasing services. The leases in which the lessor retains a significant share of the risks and benefits inherent to ownership are classified as operating leases.

When a Group company is the lessor under an operating lease, the asset is added to the consolidated balance sheet according to its nature. Income arising from leases is recognised on a straight line basis over the term of the lease.

Operating lease (the Group is the lessor)

When investment property is leased under an operating lease, the asset is added to the consolidated balance sheet according to its nature. Income arising from leases is recognised on a straight line basis over the term of the lease.

The cost of acquisition of the leased asset is presented in the consolidated Balance Sheet according to its nature, along with any directly attributable costs of the contract, which are recognised as an expense over the term of the lease, applying the same criterion as that used for the recognition of lease income.

Any receipt or payment or incentive that may take place when entering into an operating lease shall be treated as a pre-receipt or pre-payment to be recognised in profit over the term of the lease, as the benefits of the leased asset are assigned or received.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

4.6. Provisions and contingencies

The directors of the Parent Company, when preparing the Consolidated Interim Financial Statements, distinguishes between:

- a) Provisions: credit balances that cover current obligations stemming from past events, whose cancellation is likely to generate an outflow of funds, but the amount thereof and/or time of cancellation are indeterminate.
- b) Contingent liabilities: possible obligations arising from past events, whose future materialisation is subject to the occurrence, or not, of one or more future events that are outside of the control of the Company.

The Consolidated Interim Financial Statements contain all the provisions regarding which the likelihood of having to meet the obligation is greater than the opposite. Contingent liabilities are not recognised in the Consolidated Interim Financial Statements; instead, these are reported in the notes of the consolidated report, insofar as they are not deemed to be remote.

Provisions are valued at the present value of the best possible estimate of the amount required to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and recognising any adjustments to be made due to present valuing such provisions as a financial expense as this is accrued.

The consideration to be received from a third party when settling the obligation, provided there are no doubts as to receiving this amount, is recognised as an asset, except in the event that there is a legal reason for having outsourced part of the risk, for which the Parent Company is not held responsible; in this situation, the consideration shall be taken into account to estimate the amount, as the case may be, for the provision will be recognised.

At 30 April 2022, the Group has not made provisions and does not require breakdowns of contingent liabilities.

4.7 Equity

The share capital is represented by ordinary shares.

Costs directly attributable to the issue of new shares or options are subtracted from the equity, with reduction of reserves.

When the Parent Company acquires treasury shares, the consideration paid, including any directly attributable incremental cost, is deducted from the equity attributable to the shareholders of the Parent Company until their cancellation, reissue or disposal. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable incremental cost of the transaction and the pertaining effects of corporate income tax, is included in equity attributable to the shares of the Parent Company.

4.8. Functional and presentation currency

The Consolidated Interim Financial Statements are presented in thousands of euros, which is the Group's presentation and functional currency.

4.9. Related party transactions

The Group carries all its related party transactions on an arm's length basis. Related party transactions are generally recognised at the fair value of the consideration paid or received. The difference between this value and the agreed amount is recognised in accordance with the underlying economic item.

The prices of related party transactions are properly supported, and therefore the Directors of the Parent Company do not consider that there are any risks of generating significant tax liabilities.

4.10. Assets of an environmental nature

Assets of an environmental nature are those that are used in a lasting manner in the Group's activity, whose main purpose is the minimisation of the environmental impact and the protection and improvement of the environment, including the reduction or elimination of future contamination.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

Given the nature of the Group's activity, it has no significant environmental impact.

4.11 Classification of balances between current and non current

Assets and liabilities are presented in the consolidated Balance Sheet classified into current and non current. To this end, assets and liabilities are classified as current when they are related to the normal operating cycle of the Group companies and are expected to be sold, consumed, realised or liquidated during the course thereof; they are different to the previous ones and its maturity, disposal or realisation is expected to take place within one year. They are held for trading or as cash and equivalents whose use is not restricted for a period of over one year.

4.12 Cash and equivalents

Cash and equivalents include the cash available and sight deposits in credit institutions, other short term highly liquid investments with an original maturity of three months or less and bank overdrafts. In the Consolidated Balance Sheet, bank overdrafts are classified as third party funds in current liabilities.

4.13 Business combinations

Mergers, spin-offs and non-monetary contribution operations between group companies are recognised in accordance with what is set forth for related party transactions.

Any merger, spin-off and non-monetary operations other than those above and business combinations arising from the acquisition of the entire equity of a company or of a part thereof constituting one or more businesses, are recognised according to the acquisition method.

4.14 Cash Flow Statement

The following expressions with the following meanings are used in the consolidated cash flow statement, prepared according to the indirect method:

- Cash flows; inflows and outflows of cash and equivalents, understood as the alterations in value of short term high liquidity investments.
- Operating activities: activities typical of the company, along with other activities that cannot be classified as investment or financing.
- Investment activities: those involving the acquisition, sale or disposal by any other means of long term assets and other investments not included in cash and equivalents.
- Financing activities: activities that cause changes in the size and composition of the consolidated equity and liabilities that do not form part of the operating activities.

4.15 Financial information by segment

The information by segment is presented in accordance with the internal information provided to the Board of Directors of the Parent Company, responsible for allocating resources and assessing the performance of the operating segments, also responsible for making strategic decisions. The only segment of Group activity is that of residential lease, entirely within Spanish territory, which is why segmented information is not presented.

5. FINANCIAL RISK MANAGEMENT

5.1. Financial risk factors

The Group's activities are exposed to a number of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the uncertainty of the financial markets and seeks to minimise potential adverse effects thereof on its financial performance.

Risk management is controlled by the Board of Directors of the Parent Company, responsible for identifying, assessing and hedging against financial risks in accordance with the policies approved.

20

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The Board of Directors of the Parent Company provides global risk management policies, as well as policies for specific areas such as currency risk, interest rate risk, credit risk and liquidity risk.

5.1.1. Market risk

Currency risk

The Group does not operate in currencies other than Euro, and is therefore not exposed to currency risk in its operations.

Interest rate risk in cash flows and fair value

Interest rate risk of the Group arises from financial debt. Borrowings at variable rates expose the Group to interest rate risk, in cash flows, partially offset by the cash held at variable risks. Borrowings at fixed interest rate expose the Group to risk of fair value.

The debt held by the Group with credit institutions exposes it to interest rate fluctuations, the impact of which can be mitigated via the use of hedge derivatives. The Board of Directors of the Parent Company is responsible for managing this risk, using non-speculative hedge criteria.

5.1.2. Credit risk

Credit risk is mainly attributable to lease debts, and is considered to be low by the Board of Directors of the Parent Company, since rentals are usually paid in advance and are covered by guarantees or sureties requested from the tenants.

5.1.3. Liquidity risk

A prudent management of liquidity risk implies keeping sufficient cash and negotiable instruments, having sufficient funding available through credit facilities on hand and having the capacity to close out market positions. Given the dynamic nature of the underlying business, the Board of Directors of the Parent Company aims to maintain financing flexibility by having credit facilities in place.

The Directors monitor the Group's forecast liquidity reserves (which includes available credit and cash and equivalents) according to expected cash flows.

Most receivables pertaining to customers for the lease of investment property. Monthly payments are made as of the start of the contract. It is usual practice for the Group to charge a penalty on amounts payable by customers in the event of default.

For the purpose of meeting credit requirements and as a preliminary step before acquiring any investment property, the Group generally has bank and group loans. In such agreements, the Group pays interest on such funding. In all cases the Group assumes liability for the validity of the receivables.

5.1.4. Tax Risk

As mentioned in Note 1, the Parent Company and its subsidiary are subject to the special tax regime for Real Estate Investment Trusts (SOCIMI). As set forth in article 6 of Law 11/2009 of 26 October, modified by Law 16/2012 of 27 December, companies who have elected to qualify for this regime are obliged to pay out the profit earned in the year by way of dividends to its Sole Shareholder, once the pertaining mercantile obligations have been met, having to agree on the pay out within six months as of the close of each year and paid out within one month of the date on which the pay out was agreed.

In the event that the Sole Shareholder of such companies should not approve the dividend pay out proposed by the Board of Directors, calculated as set out in said law, they would not be complying with the law and would therefore have to pay tax under the general regime instead of the special SOCIMI tax regime.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

5.2. Capital management

The goals of the Group when managing capital are to protect its capacity to continue as a going concern and thus generate profit for the Sole Shareholder and maintain an optimal capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid out to the Sole Shareholder, return capital, issue new shares or sell assets to reduce debt.

The Group monitors the capital in accordance with the following ratios:

- The Leverage Ratio, calculated as the financial debt, shown below, divided by equity. The debt is calculated as total debt held with both financial entities and related parties.
- The ratio between net treasury and equity is also determined.

	Balance at 30/04/2022 (*)
Related party debt	(53,091)
Debt with credit institutions	(65,899)
Financial debt	(118,990)
Cash	2,394
Net treasury position	(116,596)
Net equity	51,146
% Debt/Equity	233%
% Net treasury position/Equity	228%

Both ratios falls within the ranges that the Directors of the Parent Company consider to be acceptable.

6. INVESTMENT PROPERTY

The movement that has taken place over the period ending on 30 April 2022 in the items comprising investment property is as follows (in thousands of Euros):

	Balance at 27/01/2022	Additions	Balance on 30/04/2022 (*)
<u>Cost</u>			
Land	-	101,156	101,156
Buildings	-	64,750	64,750
Total cost	-	165,906	165,906
<u>Accumulated amortisation</u>			
Buildings	-	(66)	(66)
Total accumulated amortisation	-	(66)	(66)
Net carrying value	-	165,840	165,840

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

All of the assets qualified as investment property consist of the following properties:

- Boadilla: located in Calle Junta de Castilla y León 8, in Boadilla del Monte. Acquired on 8 April 2022 for Euros 32,710 thousand.
- Majadahonda: located in Calle Doctor Pérez Gallardo 1, 3, 5, 7, in Majadahonda. Acquired on 8 April 2022 for Euros 22,890 thousand.
- Hispanidad: located in Calle Galeón 2, Hispanidad, Madrid. Acquired on 8 April 2022 for Euros 24,620 thousand.
- Sanchinarro: located in Avenida Francisco Pi y Margall 17-47, Sanchinarro, Madrid. Acquired on 8 April 2022 for Euros 65,670 thousand.
- San Sebastián de los Reyes: located in Calle Beatriz Galindo 6 & 9, San Sebastián de los Reyes. Acquired on 8 April 2022 for Euros 19,643 thousand.

In addition, during the period ending on 30 April 2022, a series of expenses related to assets amounting to Euros 373 thousand have been recognised as investment property.

Investment property is leased to third parties via operating leases. The income arising from such leases at 30 April 2022 amounted to Euros 404 thousand and are recognised under the heading "Net business turnover" in the attached interim consolidated Income Statement.

a) Investment property located abroad

At 30 April 2022 the Group has no investment property located abroad.

b) Fully amortised assets

At 30 April 2022 the Group does not have fully amortised investment property items.

c) Insurance

The Group's policy is to take out all insurance policies deemed necessary to cover against potential risks that might affect the investment property.

d) Obligations

The investment properties are used as guarantee for the mortgage loan received from Crédit Agricole Corporate and Investment Bank on 12 April 2022, amounting to Euros 66,213 thousand (Note 10).

e) Potential impairment losses

At 30 April 2022, the Group has not recognised impairment losses.

In reference to Valuation Standard number 2 of the General Chart of Accounts and Resolution of 18 September 2013, of the Spanish Accounting and Accounts Auditing Institute, the Group, at least at the close of each period, reviews the fair value, useful life and valuation methods of the properties it owns.

When the market value or an asset or any other item is lower than the amortised value, value corrections are carried out, with the pertaining provision for impairment being made.

"Market Value" is defined as the estimated amount at which an asset can be exchanged on the valuation date between a seller and a buyer by mutual agreement, after a reasonable sale period, where both parties have acted with knowledge, prudence and with no coercion whatsoever, minus the costs of the transaction.

The Group entrusts the determination of the value of all its investment property at the close of the period to independent experts, Jones Lang Lasalle, JLL. These valuations are carried out in accordance with the Professional

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

Valuation Standards 2019 issued by the Royal Institution of Chartered Surveyors (RICS) in July 2018 in "The Red Book".

In order to calculate the value of investment property, the amount that the Group expects to recover via leasing is taken into consideration. To this end, a ten year discount on the cash flow projections generated on the best estimate of lease payments is used, based on the outlook for each asset and taking into account any uncertainty that might cause a reduction in cash flow or the discount rate and the capitalisation at year eleven with an exit yield, applying an Internal Rate of Return (IRR) for the discount of cash flows obtained.

The estimated yields and discount rates depend on the type and age of the building and its location. Properties have been valued individually, considering each of the foreseeable lease agreements, based on current market rentals in different areas, backed by comparables and transactions carried out for its calculation.

The value in use of real estate need not be identical to its fair value insofar as the former is due to specific factors of the entity, mainly the capacity to set prices above or below market levels due to assuming various risks or reducing costs of construction or sale, in investment property in progress; reforms, maintenance, etc. other than those connected with the companies in the sector in general.

The estimated yields depend on the type and age of the building and its location. The main assumptions used by the expert appraiser in the last valuation carried out prior to the date of preparation of these Consolidated Interim Financial Statements on 30 January 2022 are:

	Exit Yield / Capitalisation rate	Discount Rate	Net Initial Yield	Gross Initial Yield	Rev. Yield
Sanchinarro	3.15%	4.75%	3.08%	3.94%	3.71%
Hispanidad	3.25%	4.85%	3.20%	4.35%	4.02%
San Sebastián	3.40%	5.00%	3.61%	4.64%	4.26%
Boadilla	3.15%	4.75%	3.15%	4.13%	4.02%
Majadahonda	3.25%	4.85%	3.31%	4.25%	4.09%
Valuation method	Discounted cash flow				

As a result of this recoverability analysis, based on the external independent expert's valuation, as well as subsequent internal valuations, no impairment whatsoever has been recognised at 30 April 2022.

The hierarchical level for classifying an asset or liability (Level 1, Level 2 or Level 3) is determined on the basis of the lowest input data used in the valuation within the fair value hierarchy. In the event that the input data used to measure the fair value of an asset or a liability can be classified within the various levels, the measurement of fair value is wholly classified at the same fair value hierarchical level as the lowest input information that is significant for measuring value.

- Level 1: Prices traded (no adjustment) on active markets for assets or liabilities that are identical to those that the entity may access on the valuation date.
- Level 2: Distinguishable data in prices traded included in Level 1 that are observable for assets or liabilities, directly or indirectly, via valuation techniques using observable market data.
- Level 3: Input not observable in the market for the asset or liability.

The valuation carried out on investment property pertains entirely to the abovementioned Level 3 at 30 April 2022.

During the period from 27 January 2022 and 30 April 2022 no transfers of levels have taken place.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

7. LEASES

At 30 April 2022 the Group has agreed with tenants the following minimal operating lease payments, in accordance with current contracts in force, without taking into consideration common expenses, future CPI increments or future reviews of contractually agreed rentals (in thousands of Euros):

	Thousands of Euros
Up to one year	4.881
Between one and five years	22.382
Over five years	5.758

During the period from 27 January 2022 and 30 April 2022, the consolidated income statement has included the following income from rentals of investment property (in thousands of Euros):

Thousands of Euros	30/04/2022(*)
Sanchinarro	147
Hispanidad	57
San Sebastián	50
Boadilla	78
Majadahonda	72
/Total	404

During the period from 27 January 2022 to 30 April 2022, the consolidated income statement has included the following taxes from rentals of investment property (in thousands of Euros):

Thousands of Euros	30/04/2022(*)
Sanchinarro	(87)
Hispanidad	(45)
San Sebastián	(32)
Boadilla	(50)
Majadahonda	(29)
Total	(243)

8. FINANCIAL ASSETS

a) Analysis by category

The carrying value of each of the categories of financial assets established in the recognition and measurement standards for "Financial Instruments" in thousands of Euros is as follows:

Categories	Class				Total (*)
	Long term financial instruments		Short term financial instruments		
	Equity instruments	Credits and other	Equity instruments	Credits and other	
	30/04/2022	30/04/2022	30/04/2022	30/04/2022	
Financial assets at fair value	-	2,639	-	-	2,639
Financial assets at amortised cost	-	440	-	-	440
TOTAL FINANCIAL ASSETS	-	3,079	-	-	3,079

25

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

b) Analysis by maturity

At 30 April 2022, the amounts of financial assets with a determined or determinable maturity classified by year of maturity, in thousands of Euros, are as follows:

	Financial assets						Subsequent years	Total (*)
	2023	2024	2025	2026	2027			
Financial investments								
Derivatives	-	-	-	-	2,639	-	2,639	
Other financial assets	-	-	-	-	-	440	440	
TOTAL FINANCIAL ASSETS	-	-	-	-	2,639	440	3,079	

c) Breakdown of financial assets

The breakdown of financial assets at 30 April 2022, in thousands of Euros, is as follows:

	30/04/2022(*)
Non current	
Financial investments	
Derivatives	2,639
Other financial assets	440
TOTAL NON CURRENT	3,079
TOTAL CURRENT	-
TOTAL FINANCIAL ASSETS	3,079

d) Derivatives

On 8 April 2022, the Group acquired a derivative to hedge the interest rate of the debt with financial institutions, as follows:

Thousands of Euros	CAP
Institution	Credit Agricole Corporate & Investment Bank
Notional amount	66,213
Transaction date	08/04/2022
Effective date	08/04/2022
Expiration date	08/04/2027
Fixed interest rate	1%
Payment schedule	Quarterly

During the period between 27 January 2022 and 30 April 2022 the fair value of the abovementioned hedge instrument remained stable at Euros 2,639 thousand, thus not having any impact on the Net Equity of the Group or a tax effect that might result in an increase or reduction in the Corporate Income Tax calculation.

9. CASH AND EQUIVALENTS

The composition of the heading "Cash and equivalents" at 30 April 2022 is as follows (in thousands of Euros):

Thousands of Euros	30/04/2022(*)
Treasury	2,394
Total	2,394

The Group has current accounts with financial institutions of recognised solvency like Banco Santander and Crédit Agricole and there are no drawdown limits thereon.

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

10. FINANCIAL LIABILITIES

a) Analysis by category

The carrying value of each of the categories of financial liabilities established in the recognition and measurement standards for "Financial Instruments" in thousands of Euros is as follows:

Categories	Class						Total (*)
	Long term financial instruments			Short term financial instruments			
	Debt with credit institutions	Related party debt	Derivatives and Other	Debt with credit institutions	Related party debt	Derivatives and Other	
	30/04/2022	30/04/2022	30/04/2022	30/04/2022	30/04/2022	30/04/2022	
Financial liabilities at amortised cost	65,852	52,945	675	47	146	544	120,209
TOTAL FINANCIAL LIABILITIES	65,852	52,945	675	47	146	544	120,209

b) Analysis by maturity

At 30 April 2022, the amounts of financial liabilities, without interest and considering the debt at nominal value, with a determined or determinable maturity and classified by year of maturity, in thousands of Euros, are as follows:

	Financial Liabilities						Subsequent years	Total (*)
	2023	2024	2025	2026	2027			
Financial debt								-
Debt with credit institutions	47	-	-	-	65,852	-	-	65,899
Other financial liabilities	319	-	-	-	-	675	-	994
Debt with group companies	146	-	-	-	-	52,945	-	53,091
Trade creditors								
Miscellaneous creditors	208	-	-	-	-	-	-	208
Customer prepayments	17	-	-	-	-	-	-	17
TOTAL FINANCIAL LIABILITIES	737	-	-	-	65,852	53,620	-	120,209

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

c) Breakdown of financial liabilities

The breakdown of financial liabilities at 30 April 2022, in thousands of Euros, is as follows:

	30/04/2022 (*)
Long term debts	
Debt with credit institutions	65,852
Other financial liabilities	675
Debts with group companies and associates	
Long term debts with group	52,945
TOTAL NON CURRENT LIABILITIES	119,472
Short term debts	
Debt with credit institutions	47
Other financial liabilities	319
Debts with group companies and associates	
Short term debts with group	146
Trade creditors	
Miscellaneous creditors	208
Customer prepayments	17
TOTAL CURRENT LIABILITIES	737
TOTAL FINANCIAL LIABILITIES	120,209

The heading "Long Term debt with credit institutions" includes a bank loan from the institution CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK dated 12 April 2022, maturing in April 2027 at an interest rate of 1.1% + EURIBOR, amounting to Euros 66,213 thousand and an arrangement fee of Euros 366 thousand. The difference between the principal granted and the amount recognised at 30 April 2022 pertains to amortised cost. During the period between 27 January and 30 April 2022, interest amounting to Euros 47 thousand has been accrued, payable and outstanding in full on 30 April 2022.

This debt is protected by a hedge instrument (CAP) at 1% for a term of 5 years since its acquisition (Note 8).

The heading "Long term debts with group companies and associates" shows a loan with the group company AREF Holdings, S.C.A. granted on 4 April 2022, for a term of 2032 years and an interest rate of 3.66% for a total amount of Euros 55,000 thousand, of which Euros 52,945 thousand have been drawn down. During the period between 27 January and 30 April 2022, interest amounting to Euros 148 thousand has been accrued, of which Euros 146 thousand remain payable and outstanding in full on 30 April 2022.

The carrying value of the short and long term debts does not differ from its fair value, since the discount effect is not significant.

The contract for the aforementioned mortgage loan requires the following ratios to be met:

- Historical interest cover, which must be at least of 175%.
- Loan to Value ratio, which must not exceed 60%.

The Directors of the Parent Company are obliged to present these every quarter, the first falling on 30 June 2022. The Directors of the Parent Company consider that the Group meets these ratios at the date of first presentation and that the Group will be able to meet all contractual obligations arising from the loans in a timely manner.

The financial debt with banking institutions is guaranteed by the mortgage of the property assets listed in Note 6.

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

11. SHAREHOLDERS' EQUITY

a) Share capital and issue premium

The Parent Company was incorporated on 27 January 2022 with a share capital of Euros 60 thousand, divided into 60,000 indivisible and cumulative shares each of 1 Euro of nominal value, consecutively numbered 1 to 60,000, both included. This amount constitutes the opening balance in the Consolidated Statement of changes in equity and the Consolidated cash flow statement.

On 21 March 2022, the then Shareholders TMF Sociedad de Participación, S.L. and TMF Participations Holdings (Spain), S.L. sold 100% of their shares to AREF Holding, S.C.A.

On 5 April 2022, the Sole Shareholder carried out a capital increase amounting to Euros 5,000 thousand, divided into 5,000,000 indivisible and cumulative shares, each of a nominal value of 1 Euro, consecutively numbered 60,001 to 5,060,000, both included, and the issue premium amounted to Euros 46,068 thousand, equal to Euros 9.2135773 per every new share issued.

This means that, on 30 April 2022, the Share Capital of the Parent Company amounted to Euros 5,060 thousand, represented by 5,060,000 shares each of a nominal value of 1 euro, all of the same class, fully subscribed and paid up.

b) Legal reserve

In accordance with the Capital Companies Law, a public limited company must earmark an amount equal to 10% of the year's profit for legal reserve until this reaches, at least, 20% of the share capital. The legal reserve can only be used to increase the share capital and, except for the purpose mentioned above, this reserve may only be used to offset losses when there are no other unrestricted reserves that suffice for this purpose.

In accordance with Law 11/2009 regulating real estate investment trusts (SOCIMI), the legal reserve for companies opting for the application of the special tax regime set forth in this law may not exceed 20% of the share capital. The company bylaws cannot establish any restricted reserve other than the one mentioned above.

At 30 April 2022 the legal reserve has not been created.

c) Voluntary reserves

In accordance with the General Chart of Accounts, the incorporation and capital increase costs of the Parent Company are recognised in the voluntary reserve account net of taxes.

At 30 April, the amount of these negative reserves is Euros 1 thousand.

12. TAX SITUATION

a) Current balances with Public Administrations

The composition of the current balances with Public Administrations at 30 April 2022 is as follows:

Credit balances

Thousands of Euros	30/04/2022 (*)
Public Treasury - Personal income tax payable	3
Total	3

Debit balances

Thousands of Euros	30/04/2022 (*)
VAT Tax receivables	45
Total	45

29

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

b) Reconciliation of carrying result and taxable base

Having met the requirements set forth in Law 11/2009, modified by Law 16/2012, the Group has opted to qualify for the special SOCIMI tax regime, paying corporate income tax at a rate of 0% (Note 4.4).

The reconciliation between the net income and expenses in the period from 27 January 2022 and 30 April 2022 and the Corporate Income Tax taxable base is as follows (in thousands of Euros):

	Consolidated income statement	Income and expenses recognised directly in net equity
Income and expenses for the period	19	-
Corporate Income Tax	-	-
Income and expenses for the period before Corporate Income Tax	19	-
Temporary differences	-	-
Permanent differences	-	-
Taxable base (tax result)	19	-
Tax payable (0%)	-	-
Taxable base deductions	-	-
Withholdings and payments on account	-	-
Corporate Income tax payable/receivable to Public Treasury	-	-

c) Financial years pending verification and inspections performed

According to the legal provisions in force, the payment of taxes cannot be considered definitive until inspected by tax authorities or once the statute of limitations, currently set at four years, has elapsed. At 30 April 2022 the Parent Company and its subsidiary have all taxes of application since its incorporation pending tax inspection.

As a consequence, among others, of the different potential interpretations of the current tax legislation in force, additional liabilities as a result of an inspection might arise. In any event, the Directors of the Parent Company consider that such liabilities, should they arise, would not significantly affect the Consolidated Interim Financial Statements.

As a consequence of the Companies having been incorporated during financial year 2022, at 30 April 2022 it has no inspections outstanding.

d) Reporting requirements due to SOCIMI status, Law 11/2009

On 29 March 2022, the Directors, acting in the name and behalf of the Parent Company, agreed to apply for the SOCIMI legal and tax regime, through a public deed executed by a notary. On 5 April 2022 the AEAT (Spanish Tax Authority) was informed of its qualification under such a regime.

The information required by the legislation in force is included in the Schedules attached to this consolidated report of which it forms part.

13. INCOME AND EXPENSES

a) Net business turnover:

The breakdown of the business turnover recognised in the Consolidated Income Statement at 30 April 2022, in thousands of Euros, is as follows:

Thousands of Euros	30/04/2022 (*)
Net business turnover (Note 7)	404
Total	404

(*) The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The Group has various operating lease agreements for the buildings included in the heading of Investment Property (Note 6) for which it has received rental income during the period from 27 January 2022 to 30 April 2022 amounting to Euros 404 thousand.

The total net business turnover of financial year 2022 has been generated in national territory.

b) Other operating expenses

The breakdown of "Other operating expenses" recognised in the Consolidated Income Statement at 30 April 2022, in thousands of Euros, is as follows:

Thousands of Euros	30/04/2022 (*)
Professional services	(133)
Taxes and other duties	(243)
Total	(376)

c) Investment property amortisation

The breakdown of amortisation expenses recognised in the Consolidated Income Statement at 30 April 2022, in thousands of Euros, is as follows:

Thousands of Euros	30/04/2022 (*)
Expenses due to investment property amortisation (Note 6)	(66)
Total	(66)

d) Financial profit

The financial profit corresponding to the period from 27 January 2022 to 30 April 2022 is broken down as follows:

Thousands of Euros	30/04/2022 (*)
Interest accrued from related parties (Note 10)	(47)
Interest accrued from related parties (Notes 10 and 14)	(148)
Total	(195)

At 30 April 2022, the heading "Financial Expenses" in the consolidated income statement amounts to a total of Euros 195 thousand, which all pertain to the interest accrued by the Sole Shareholder loan and the bank loan (Notes 10 and 14).

14. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties with whom the Group has carried out transactions during the period from 27 January 2022 to 30 April 2022, as well as the nature of the relationship, is as follows:

Related party	Nature of relationship
AREF Holdings, S.C.A.	Sole Shareholder

a) Related party transactions

During the period ended on 30 April 2022, financial interest from the loan granted by the Sole Shareholder of the Parent Company has been accrued in the amount of Euros 148 thousand, recognised in the heading "Financial Expenses" of the attached consolidated income statement.

In addition, there are no debts with related parties that are additional to the abovementioned financial expenses.

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

b) Related party balances

In the heading "Long term debt with group companies" (Note 10) the Group recognises a loan received for the acquisition of buildings shown in the Investment Property heading (Note 6) for an amount of Euros 52,945 thousand granted by the Sole Shareholder on 4 April 2022 and for a term of 10 years and a rate of 3.66%.

Under the heading "Short term debts with group companies" (Note 10) the Group recognises accrued financial interest from the loan received by AREF Holding, S.C.A. for a total of Euros 148 thousand, of which 146 thousand are still outstanding.

15. ADMINISTRATION BODY AND SENIOR MANAGEMENT

a) Directors' and Senior Management's remuneration

During the period ended on 30 April 2022, the Group has not accrued any amount whatsoever for remuneration payable to the various Directors or the Parent Company by way of salaries, per diems or any other kind of remuneration, all in accordance with what is expressly set forth in the Company bylaws and the legislation in force.

The Directors of the Parent Company, during the period ended on 30 April 2022, have not earned any remuneration by way of salaries, per diems or any other kind, as well as no advances or loans, pension plans, life insurance or civil liability insurance.

At the date of incorporation of the Parent Company the designated joint and several administrators were:

- Ms Belén Garrigues Calderón.
- Mr David Olivares Cantalejo.
- Mr Antonio Rodríguez de Santos.

On 11 April 2022 said administrators left their positions, having appointed the following Board of Directors:

- Mr Germán Fernández-Montenegro Klindworth as chairman of the board.
- Mr Eduardo Herranz Rodríguez as director secretary.
- Mr Antoine André Hervé Aubry as director.

The Companies have no workforce, so the Senior Management functions are performed by the Directors.

16. OTHER INFORMATION

Information on the environment

At 30 April 2022 there are no assets devoted to the protection and improvement of the environment, and no relevant expenses of this nature have been incurred during the period.

Furthermore, no subsidies of an environmental nature have been received during the period.

The Directors of the Parent Company believe there are no significant contingencies related to the protection and improvement of the environment, thus not deeming it necessary to make any provision for risks or expenses of an environmental nature at 30 April 2022.

Auditors' fees

The fees accrued during the period from 27 January 2022 to 30 April 2022 by PricewaterhouseCoopers Auditors, S.L. are shown below:

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

RELATED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

	30/04/2022 (*)
Auditing services	-
Other mandatory compliance services	
Tax services	-
Other services required by the law	-
Other services	20
Final balance	20

No other services have been provided either by the PwC network nor other auditors for the Group during the period from 27 January 2022 to 30 April 2022.

17. SUBSEQUENT EVENTS

On 7 July 2022, the companies changed the supplier of operating services, from Testa Residencial, Socimi S.A., to B Capital Partners, S.L.

There are no other subsequent events that have a significant impact on these Consolidated Interim Financial Statements.

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**SCHEDULE I: RELATED INFORMATION OF AREF THALASSA SOCIMI, S.A.
(UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES**

Description	30/04/2022(*)
1) Reserves from years prior to the application of the tax regime set forth in Law 11/2009, modified by Law 16/2012 of 27 December, modified by Law 11/2021 of 9 July.	Not applicable
2) Reserves of every financial year to which the special tax regime established in that law has been of application.	Not applicable
a) Profit from income subject to general tax rate.	Not applicable
b) Profit from income subject to 19% tax rate.	Not applicable
c) Profit from income subject to 0% tax rate.	Not applicable
3) Dividends paid out from profits in each year in which the special tax regime established in that law has been of application.	Not applicable
a) Dividends from income subject to general tax rate.	Not applicable
b) Dividends from income subject to the 18% 2009 tax rate and that of 19% 2010 to 2012.	Not applicable
c) Dividends from income subject to 0% tax rate.	Not applicable
4) Dividends paid out from reserves.	Not applicable
a) Dividends paid out from reserves subject to the general tax rate.	Not applicable
b) Dividends paid from reserves subject to the 19% tax rate.	Not applicable
c) Dividends paid from reserves subject to the 0% tax rate.	Not applicable
5) Date of agreement of payment of dividends to which letters a, b and c above refer.	Not applicable
6) Date of acquisition of the buildings to be leased that generate the income subject to this special regime	Schedule II
7) Date of shares in the capital of companies referred to in paragraph 1 of article 2 of this Law	29/03/2022
8) Identification of assets included within the 80% referred to in paragraph 1 of article 3 of this Law.	Schedule II
9) Reserves from years in which the special tax regime established in this law has been of application, that have been used during the tax period for purposes other than pay out or offset of losses. The year to which such reserves pertain must be identified.	Not applicable

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SCHEDULE II: IDENTIFICATION OF ASSETS OWNED BY AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

Asset	Location	Date of acquisition
Boadilla	Calle Junta de Castilla y León 8, 28660, Boadilla del Monte, Madrid, Spain	08/04/2022
Majadahonda	Calle Doctor Pérez Gallardo 1, 3, 5 & 7, 28222, Majadahonda, Madrid, Spain	08/04/2022
Hispanidad	Calle Galeón 2, 28042, Hispanidad, Madrid, Spain	08/04/2022
Sanchinarro	Avenida Francisco Pi y Margall 17-47, 28050, Sanchinarro, Madrid, Spain	08/04/2022
San Sebastián de los Reyes	Calle Beatriz Galindo 6 y 9, 28702, San Sebastián de los Reyes, Madrid, Spain	08/04/2022

() The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)*

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

1. True and fair image of the business and main activities

AREF Thalassa Socimi, S.A. (Unipersonal Company) and its subsidiaries, hereinafter, "the Group", form a consolidated Group whose main activity is the management of real estate assets through the rental of residential buildings it owns in Madrid.

No significant changes in the activity of the Group companies have taken place during the period from 27 January 2022 to 30 April 2022.

As for the future outlook for the Group, its strategy is to continue to take positions in the Spanish market, taking advantage of the opportunities that might arise in order to diversify investments, adding more liquidity and profitability to the consolidated equity and increasing its portfolio value, improving and ensuring the occupancy rate of its buildings (curbing unoccupancy, negotiating with tenants instead of renewing their lease agreements), and carrying out any works required to keep assets in good condition.

The Group will also examine potential opportunities offered by the investment market in order to sell mature assets as part of asset management.

The Group is made up of AREF Thalassa Socimi, S.A. (Unipersonal Company) as the Group's Parent Company, and AREF Théthys, S.L. (Unipersonal Company) as the subsidiary.

The consolidation has been performed by applying the global integration method to the subsidiary.

2. Financial figures

The Consolidated Interim Financial Statements at 30 April 2022 of AREF Thalassa Socimi, S.A. (Unipersonal Company) and its subsidiaries have been prepared by the Directors in accordance with the regulatory framework of financial reporting applicable to the Group, as set forth in:

- a) General Chart of Accounts approved by Royal Decree 1514/2007 and amendments added thereto by Royal Decree 1159/2010, Royal Decree 602/2016 and Royal Decree 1/2021, as well as sectorial adaptations thereof for real estate companies.
- b) The mandatory rules approved by the Spanish Accounting and Account Auditing Institute implementing the General Chart of Accounts and supplementary rules.
- c) Law 11/2009, of 26 October, modified by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (SOCIMI) in relation to the obligatory information to report in this consolidated report.
- d) The remaining Spanish accounting regulations of application.

During the period from 27 January 2022 to 30 April 2022, the net business turnover of the consolidated Group has been of Euros 404 thousand.

The consolidated operating profit during the period is Euros 214 thousand.

3. Research and development

Given the Group's business activity, there is and has not been any expense incurred in research and development projects.

4. Acquisition of treasury shares

The Group companies do not hold treasury shares, having had no transactions regarding such shares during the period from 27 January 2022 and 30 April 2022.

AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

5. Financial risk management

The Group's activities are exposed to a number of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the uncertainty of the financial markets and seeks to minimise potential adverse effects thereof on its financial performance.

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Risk management is controlled by the Board of Directors of the Parent Company, responsible for identifying, assessing and hedging against financial risks in accordance with the policies approved by the Board of Directors of the Parent Company.

The Board of Directors of the Parent Company provides global risk management policies, as well as policies for specific areas such as currency risk, interest rate risk, credit risk and liquidity risk and investment of excess liquidity.

As for market risk, the Group does not operate in currencies other than Euro, and is therefore not exposed to currency risk in its operations.

Interest rate risk of the Group arises from financial debt. Borrowings at variable rates expose the Group to interest rate risk, in cash flows, partially offset by the cash held at variable risks. Borrowings at fixed interest rate expose the Group to risk of fair value.

Credit risk is mainly attributable to lease debts, and is considered to be low by the Board of Directors of the Parent Company, since rentals are usually paid in advance and are covered by guarantees or sureties requested from the tenants.

A prudent management of liquidity risk implies keeping sufficient cash and negotiable instruments, having sufficient funding available through credit facilities on hand and having the capacity to close out market positions. Given the dynamic nature of the underlying business, the Treasury Department of the Group aims to maintain financing flexibility by having credit facilities in place.

The Directors monitor the Group's forecast liquidity reserves (which includes available credit and cash and equivalents) according to expected cash flows.

Most receivables pertaining to customers for the lease of investment property. Monthly payments are made as of the start of the contract. It is usual practice for the Group to charge a penalty on amounts payable by customers in the event of default.

For the purpose of meeting credit requirements and as a preliminary step before acquiring any investment property, the Group generally has bank and group loans. In such agreements, the Group pays interest on such funding. In all cases the Group assumes liability for the validity of the receivables.

As for interest rate risk, the debt held by the Group with credit institutions exposes it to interest rate fluctuations, the impact of which can be mitigated via the use of hedge derivatives. The Board of Directors of the Parent Company is responsible for managing this risk, using non-speculative hedge criteria.

As for tax risk, the Parent Company and its subsidiary are subject to the special tax regime for Real Estate Investment Trusts (SOCIMI). As set forth in article 6 of Law 11/2009 of 26 October, modified by Law 16/2012 of 27 December, companies who have elected to qualify for this regime are obliged to pay out the profit earned in the year by way of dividends to its Sole Shareholder, once the pertaining mercantile obligations have been met, having to agree on the pay out within six months as of the close of each year and paid out within one month of the date on which the pay out was agreed.

In the event that the Sole Shareholder of such companies should not approve the dividend pay out proposed by the Board of Directors, calculated as set out in said law, they would not be complying with the law and would therefore have to pay tax under the general regime instead of the special SOCIMI tax regime.

37

() The interim period between 27 January 2022 and 30 April 2022 is the first for which the Consolidated Interim Financial Statements corresponding to the Group have been prepared. Figures not audited (Note 2)*

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AREF THALASSA SOCIMI, S.A. (UNIPERSONAL COMPANY) AND ITS SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

(In thousands of Euros)

6. Personnel

During the period from 27 January 2022 to 30 April 2022, none of the Group companies has had employees, and no expense whatsoever has been accrued in this regard.

7. Information on the environment

The activity carried out by the Group companies is not harmful for the environment. For this reason, the Group has no liabilities, expenses, provisions or contingencies of an environmental nature that may be of significance with regard to the consolidated equity, financial situation or consolidated income of the Group.

For this reason, no specific breakdowns are included in this consolidated report on environmental matters.

8. COVID-19

On 11 March 2020 the World Health Organisation raised the public health emergency situation caused by the coronavirus outbreak (COVID-19) to the level of international pandemic. The development of events, both on a national and international scale, led to an unprecedented health crisis that has impacted the macroeconomic environment and the development of business.

During 2020 a number of measures were put in place to tackle the economic and social impact generated by this situation which, among other aspects, led to restrictions on people's mobility. In particular, and among other measures, the Spanish Government declared the state of alarm by enacting Royal Decree 463/2020 of 14 March, which was lifted on 1 July 2020, and approved a number of extraordinary and urgent measures to address the economic and social impact of COVID-19, by enacting, among other legislation, Royal Decree Law 8/2020 of 17 March. The state of alarm declared by the Spanish Government via Royal Decree 926/2020 of 25 October, initially approved until 9 November 2020, and subsequently extended to 9 May 2021 by Royal Decree 956/2020 of 3 November.

At the date of preparation of these Consolidated Interim Financial Statements, the coronavirus outbreak (COVID-19) continues to cause significant interruptions in businesses and business activities. The uncertainty regarding the propagation of COVID-19, now in its "sixth wave", and that regarding the efficacy and speed of the population vaccination campaign are causing volatility in the market on a global scale.

The Directors of the Parent Company are monitoring the situation and considering the effect it might have on FY 2022 currently in progress, although it is expected to be of little significance.

9. Invasion of the Ukraine

On 24 February 2022 the Russian army began its invasion of the Ukraine.

At this date, the Directors of the Parent Company have carried out a preliminary evaluation based on the best possible estimation, having concluded that its effects, both on the evolution of demand and on the prices of the various consumptions, will not be significant and will largely depend on the evolution of the conflict, including the potential direct involvement of third countries.

10. Subsequent events

On 7 July 2022, the companies changed the supplier of operating services, from Testa Residencial, Socimi S.A., to B Capital Partners, S.L.

There are no other subsequent events that have a significant impact on these Consolidated Interim Financial Statements.

PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND MANAGEMENT REPORT CORRESPONDING TO THE PERIOD BETWEEN 27 JANUARY 2022 AND 30 APRIL 2022

The Board of Directors of the Parent Company has prepared the Consolidated Interim Financial Statements of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) and its subsidiaries and the consolidated Management Report corresponding to the period from 27 January 2022 to 30 April 2022, which comprise the documents attached hereto.

These documents are:

- Consolidated balance sheet at 30 April 2022.
- Consolidated Income Statement corresponding to the period between 27 January 2022 and 30 April 2022.
- Consolidated Statement of Changes in Equity corresponding to the period between 27 January 2022 and 30 April 2022.
- Consolidated Cash Flow Statement corresponding to the period between 27 January 2022 and 30 April 2022.
- Related notes to the consolidated interim financial statements corresponding to the period between 27 January 2022 and 30 April 2022
- Consolidated management report corresponding to the period between 27 January 2022 and 30 April 2022.

Originally signed in Spanish by Mr Eduardo Herranz Rodríguez - Director Secretary

I, as Secretary of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) hereby state that, following the preparation by the Board of Directors, in the meeting held on 29 July 2022, the Consolidated Interim Financial Statements of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) and its subsidiaries, corresponding to the period between 27 January 2022 and 30 April 2022, all of the Directors have signed this document on the last page, as hereby attested in Madrid (Spain) on 29 July 2022.

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- Consolidated management report corresponding to the period between 27 January 2022 and 30 April 2022.

Originally signed in Spanish by Mr Germán Fernández – Montenegro Klindworth - Chairman of the Board

I, as Secretary of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) hereby state that, following the preparation by the Board of Directors, in the meeting held on 29 July 2022, the Consolidated Interim Financial Statements of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) and its subsidiaries, corresponding to the period between 27 January 2022 and 30 April 2022, all of the Directors have signed this document on the last page, as hereby attested in Madrid (Spain) on 29 July 2022.

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- Related notes to the consolidated interim financial statements corresponding to the period between 27 January 2022 and 30 April 2022
- Consolidated management report corresponding to the period between 27 January 2022 and 30 April 2022.

Originally signed in Spanish by Mr Antoine André Hervé Aubry - Director

I, as Secretary of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) hereby state that, following the preparation by the Board of Directors, in the meeting held on 29 July 2022, the Consolidated Interim Financial Statements of AREF Thalassa SOCIMI, S.A. (Unipersonal Company) and its subsidiaries, corresponding to the period between 27 January 2022 and 30 April 2022, all of the Directors have signed this document on the last page, as hereby attested in Madrid (Spain) on 29 July 2022.

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APPENDIX II: ARTICLES OF ASSOCIATION OF THE COMPANY

MADRID COMMERCIAL REGISTER

P.º DE LA CASTELLANA, 44
28046 MADRID

CERTIFICATE

The undersigned registrar of companies hereby certifies:

That at the written request of “J&A Garrigues, S.L.P.”, requesting certification of the articles of association of the company “AREF THALASSA SOCIMI, S.A.”, he has examined the books of the Register, from which, with regard to that company, it appears that

1. The company currently named “AREF THALASSA SOCIMI, S.A.”, Sole-Shareholder Company, with taxpayer identification number A09675307, and EUID: **ES28065.082039449**, is registered at this Registry in volume **43052**, sheet **10 and subsequent**, page **M-760865**, section **8**, and is **in force**.

The **in-force** bylaws of such company are those included in this certificate.

2. There are no subsequent entries modifying the above particulars.

3. There is no record of any special situation.

4. The **journal** does not show any entry relating to an instrument pending registration that affects the points hereby certified.

This certificate is made out on this sheet, and 12 more sheets of stamped paper of this Registry, numbers B0749802 to B0749813, both inclusive.

Madrid, 25 May 2022.

The Commercial Registrar,

[SIGNATURE]

Note: The request has been submitted to the certification journal, entry 232072022.

Fees: S/M.

It is placed on record that the registration status as of the seventeenth of May two thousand twenty-two, after the closure of the Journal from the submission of documents, is certified.

For the purposes of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "GDPR"), you are hereby informed of the following:

– In accordance with the provisions of the application for public disclosure at the registry, the personal data set out therein have been and will be processed and included in the books and files at the Registry, for which the controller is the Registrar. The data will be processed for the express purposes set out and provided for in the registry regulations, which are the legitimate basis for this processing.

– In accordance with art. 6 of the Instruction by the Directorate-General for Registries and the Notarial Profession of February 17, 1998, the data subject is hereby informed that the data will be disclosed in order to satisfy the right of the holder of right(s) registered at the Registry to be informed, at the request of the holder, of the name or business name and address of the individuals or legal entities that have gathered information with respect to the holder's person or property.

– The data will be stored for a period of time determined in accordance with the criteria established in the law governing public registries, the decisions of the Directorate-General for Legal Certainty and Attestation and instructions from the relevant professional associations. In the event of invoicing of services, said storage periods will be determined in accordance with the tax legislation in force at any time. In any event, the Registry may retain the data for longer than stipulated under the aforementioned regulatory criteria where such storage is necessary due to potential liabilities derived from the provision of services.

– The information made available to you is for your exclusive use and is nontransferable and confidential and may only be used for the purpose for which it was requested. The transfer or disclosure of the information by the user to any other person, including for no consideration, is prohibited.

– In accordance with the Instruction by the Directorate-General of Registries and the Notarial Profession on February 17, 1998, the inclusion of the data appearing in the registry information in computer files or databases for individual queries by natural or legal persons, including where the source of the information is stated, is prohibited.

Where compatible with specific legislation applicable to the Registry, data subjects have the rights of access, rectification, erasure, opposition, limitation and portability established in the GDPR and may exercise these rights by sending written notice to the Registry's address. Furthermore, users may file a claim with the Spanish Data Protection Agency (AEPD): www.agpd.es. Notwithstanding the above, data subjects may also contact the Registry's data protection officer at dpo@corpme.es.

Article 1.- Name

The Company is named "AREF THALASSA SOCIMI, S.A." (hereinafter the "**Company**") and is governed by these bylaws ("**Corporate Bylaws**" or "**Bylaws**"), by Legislative Royal Decree 1/2010, of July 2, 2010, approving the revised Capital Companies Law (the "**CCL**"), by Law 11/2009 of October 26, 2009 on listed corporations for investment in the real estate market, or whatever legislation it may be replaced by in the future ("**Law 11/2009**"), and by any other provisions applicable.

Article 2.- Corporate purpose

The main corporate purpose of the Company consists of:

- a) The acquisition and promotion of urban real estate assets for its leasing, including, where appropriate, the activity of refurbishment of buildings under the terms established in Law 37/1992 of 28 December 1992 on Value Added Tax.
- b) The holding of stakes in the capital of other Listed Corporations for Investment in the Real Estate Market ("**SOCIMIs**") or in the share capital of other entities not resident in Spanish territory that have the same corporate purpose and that are subject to similar SOCIMI regulations with respect to the mandatory policy, either legal or statutory, for the distribution of profits.
- c) To hold shares in the share capital of other companies, resident or non-resident in Spain, whose main corporate purpose is the acquisition of real estate urban assets for its lease, and that are subject to similar SOCIMI regulations with respect to the mandatory policy, either legal or statutory, for the distribution of profits and that comply with the investment requirements established in Law 11/2009.
- d) To hold shares in the share capital of collective investment institutions incorporated according to Law 35/2003, of November 4, 2003, on Collective Investment Institutions.

The Company may carry out other complementary activities, meaning those activities where the incomes, in aggregate, represent at least twenty percent (20%) of the Company's revenues for each tax period (including, without limitation, real estate transactions other than those mentioned in subarticles a) through to d) above), or any which may be considered as complimentary pursuant to the law applicable to SOCIMIs at any given time.

The Company shall be able to transfer its assets in the terms and conditions envisaged in Law 11/2009 or whatever legislation it may come to be replaced by in the future.

All activities for the pursuit of which the Law imposes special requirements that cannot be satisfied by the Company are expressly excluded.

The activities that configure the corporate purpose shall be carried out totally or partially, indirectly, in whole or in part, through the ownership of shares in other companies with an identical or analogous corporate purpose.

National Classification of Economic Activities code: 6820.

Article 3.- Duration and commencement of operations

The Company was formed for an indefinite term, its operations commencing on the date of execution of the corresponding incorporation deed.

Article 4.- Registered office and website

1. The Company's registered office is established as being in Paseo de la Castellana 93, 6ª planta, Madrid, Spain.

The managing body may resolve to relocate the registered office to another location in Spain or to create, relocate or close any branches, agencies or representative offices as required or advisable for carrying out the Company's activity.

2. The Company shall have a corporate website, www.arefthalassasocimi.com, in the terms stipulated in the CCL and which shall be registered at the Commercial Registry. It shall publish on this web site the information documents required by Law, by these Bylaws and by any other internal rules, and whatever information it may be deemed advisable to place at the disposal of shareholders and investors by this means.

Competence to change, move or remove the Company's website rests with the managing body.

Article 5.- Share capital and shares

The Company's share capital is established at FIVE MILLION THOUSAND EUROS (€5,060,000), represented by and divided up into FIVE MILLION SIXTY THOUSAND (5,060,000) nominative, cumulative and indivisible registered book-entry shares denominated in Euros, each with a par value of ONE EURO (€1), such shares being fully subscribed and paid up.

All the shares are of the same class and award their holders the same rights.

Article 6.- Representation of the shares

1. The shares shall be represented by registered book entries and are created as such by virtue of their entry in the corresponding accounting register. They shall be regulated by the applicable legislation.
2. Bookkeeping functions in relation to the book-entry shares shall be attributed to an entity designated by the Company, from among those entities which, under the current legislation, are able to carry out this function.

3. Standing to exercise shareholder rights is obtained by registration in the book-entry register, which presupposes legitimate ownership and authorizes the registered holder to require that the Company recognize their shareholder status. This entitlement may be evidenced by exhibiting the appropriate certificates issued by the entity responsible for keeping the book-entry register.
4. If the Company provides any consideration to the person appearing as shareholder according to the book-entry register, it shall be released from the corresponding obligation, even if such person is not the beneficial owner of the share, provided that it has done so in good faith and acted without gross negligence.
5. If the person appearing as shareholder of record in the book-entry register holds such standing as a trustee or financial intermediary acting on behalf of its clients or in any other similar capacity, the Company may require such person to disclose the identity of the beneficial owners of the shares, as well as any acts involving the transfer and encumbrance of the shares.

Article 7.- Shareholder status and rights

Each share confers shareholder status on its legitimate holder and implies acceptance on the part of such holder of these Bylaws and any resolutions validly adopted by the governing bodies of the Company, while empowering the holder to exercise the rights inherent in such status, in accordance with these Bylaws and the applicable legislation.

Article 8.- Transfer of shares

- a) Free transfer of the shares

The shares and any economic rights attached to them, including preemptive subscription rights and rights to bonus shares, may be transferred freely by any means admitted in law, without prior authorization by the Board of Directors or the Shareholders' Meeting being necessary.

- b) Transfers in the event of a change of control

Nonetheless, a person (who may or may not be a shareholder) who is going to acquire a shareholding which will enable them to own or attain a percentage of more than 50% of the Company's capital shall be required to make, at the same time, a purchase offer in the same terms and conditions directed at all the other shareholders of the Company.

Similarly, any shareholder receiving an offer for the purchase of their shares from another shareholder or from a third party, where the conditions in which such offer was made, characteristics of the acquirer and other circumstances reasonably suggest that the purpose of the offer is to bring the acquirer's ownership interest up to above 50% of the share capital, may only transfer shares that would allow the acquirer to exceed said percentage if the potential acquirer demonstrates that it has offered to purchase the shares of all shareholders in the same terms and conditions.

In any event, subarticle b) of this article shall not be applicable in the following

cases (i) the acquisition of a holding of more than 50% of share capital by virtue of a mortis causa transfer or an inter vivos transfer for no consideration; or (ii) acquisitions or other transactions involving a mere redistribution of the ownership of shares belonging to a number of persons who, directly or indirectly, already hold, jointly or in concert, an interest of more than 50% of the share capital of the Company, unless by virtue of such redistribution the control of such interest is attributed to a single person.

Article 9 – Co-ownership, usufruct and pledge of shares

1. Co-ownership, usufruct and pledges over shares shall be governed in accordance with the provisions of the legislation applicable at any given time.
2. Since the shares are indivisible, co-owners of shares and co-holders of other rights over them must designate a single person to exercise the relevant rights and give duly authenticated notice of their identity to the Company, and shall be jointly and severally liable vis-à-vis the Company for all obligations deriving from their shareholder status.

Article 10 - Capital calls

1. Where the shares have not been fully paid in, this circumstance shall be recorded in the related register entry.
2. Capital calls must be satisfied at the time determined by the managing body, within five (5) years of the date of the capital increase resolution. As regards the manner of payment and other circumstances, the provisions of the capital increase resolution shall apply, which may stipulate that payment may be made by means of monetary and nonmonetary contributions.
3. Shareholders in default on the payment of capital calls shall not be able to exercise their right to vote. Nor shall they be entitled to receive dividends or to the preemptive subscription of new shares or convertible bonds.
4. Once the amount of unpaid capital has been paid together with any interest owed, the shareholder may seek the payment of any dividends that have not become statute-barred, but may not exercise the preemptive subscription right if the period for exercising it has already expired.

Article 11.- Complementary obligations

The Company shares entail the performance and fulfillment of the complementary obligations described below. These obligations, which do not involve any compensation whatsoever payable by the Company to the shareholder concerned in each case, are as follows:

I) Holders of significant holdings

- a) All shareholders who (i) own Company shares in a percentage greater than or equal to 5% of the share capital, or the percentage holding provided for in

article 9.2 of Law 11/2009, or any legislation superseding it, for the Company to become subject to the special corporate income tax levy (the “**Significant Holding**”); or (ii) acquire shares which, together with the shares they already own, mean they have a Significant Holding in the capital of the Company.

In this case, such circumstances must be notified to the managing body within four (4) business days of becoming the owner of the Significant Holding, unless they have already been notified in accordance with the provisions of article 12 of these Bylaws.

- b) Similarly, all shareholders who have come to own a Significant Holding must notify any subsequent acquisition to the managing body within a period of four (4) business days, regardless of the number of shares acquired, unless this has already been notified in accordance with the provisions of article 12 of these Bylaws.
- c) Any person holding economic rights over the Company’s shares which represent five percent (5%) or more of the share capital, or the ownership percentage provided for at any given point in time in article 9.2 of Law 11/2009, or any legislation superseding it, for the Company to become subject to the special corporate income tax levy, must issue the same notifications as are described in subarticles a) and b) above.
- d) Together with the notification provided for in the preceding subarticles, the shareholder, or holder of the economic rights concerned, must provide the managing body with:
 - (i) A residence certificate, for the purposes of the corresponding personal income tax, issued by the competent authorities in their country of residence.

In cases where a shareholder is resident in a country with which Spain has signed a tax treaty, the residence certificate must have the characteristics provided for in the relevant treaty in order to apply its benefits.

- (ii) A certificate issued by an individual with sufficient powers evidencing the effective tax rate payable by the shareholder on the dividend distributed by the Company, together with a declaration that the shareholder is the beneficial owner of the dividend.

The shareholder or holder of economic rights who is under such obligation must deliver this certificate to the Company within ten (10) calendar days following the date on which the Shareholders’ Meeting or managing body, as the case may be, resolves on the distribution of any dividend or analogous amount (reserves, etc.).

- e) If the party obliged to notify breaches the notification obligation set out in subarticles a) through d) above, the managing body may assume that the dividend is exempt or taxed at a rate lower than that provided for in article

9.2 of Law 11/2009, or any legislation that may supersede it. Alternatively, the Board of Directors may request, with the cost being charged against the dividend corresponding to the shareholder, that a legal report be issued by a reputable law firm in the shareholder's country of residence expressing an opinion on the subjection to taxation and final tax treatment of the dividends distributed by the Company.

The expense incurred by the Company shall be payable on the day before the payment of the dividend or analogous amount corresponding to the shares of the affected shareholder or holder of economic rights, in the terms indicated in these Bylaws. If the dividend or analogous amount is paid before the deadlines established for fulfillment of the complementary obligation, or in the event of default on such obligation, the Company may withhold payment of the amounts distributable corresponding to the shareholder or holder of economic rights affected, in the terms indicated in these Bylaws.

- f) The ownership percentage greater than or equal to 5% of capital referred to in subarticle a) above shall be understood to be (i) automatically modified if there is any change in the figure provided for in article 9.2 of Law 11/2009, or any legislation that may supersede it, and, accordingly, (ii) replaced by the figure stipulated in the aforementioned legislation from time to time.

II) Shareholders subject to special regimes:

- a) All Company shareholders who, as investors, are subject in their jurisdiction of origin to any type of special legal regime regarding pension funds or benefit plans, must notify such circumstance to the managing body.
- b) Equally, any shareholders who are in the circumstances described in paragraph a) above must notify the managing body of any subsequent acquisition or transfer, regardless of the number of shares acquired or transferred.
- c) The same declaration as those under subarticles a) and b) above must be made by any person holding economic rights over Company shares, including in all cases indirect holders of Company shares through financial intermediaries that formally appear as shareholders of record in the share register but act on behalf of such holders.
- d) The Company may request, by serving written notice (a "**Request for Information**"), that shareholders or any other persons with a known or apparent interest in the Company's shares provide the written information requested by the Company and known by the shareholder or other person in relation to the beneficial ownership of the shares in question or the interest therein (accompanied by a formal or notarial statement and/or independent evidence, if so requested by the Company), including (without prejudice to the general nature of the foregoing) any information that the Company deems necessary or appropriate for the purposes of determining whether such shareholders or persons may be subject to the situation described in letter a) above.

The Company may issue a Request for Information at any time and may send one or more Requests for Information to the same shareholder or person with respect to the same shares or interests in the same shares.

- e) Without prejudice to the obligations regulated in this article, the Company shall supervise any share acquisitions or transfers performed and shall take the measures it deems appropriate to prevent any loss arising for the Company or its shareholders from the application of the legislation in force in the area of pension funds or benefit plans that may affect them in their respective jurisdictions.

Article 12. - Notification of significant shareholdings and shareholders' agreements and removal from trading

- a) Significant shareholdings

Shareholders are required to notify the Company of any acquisition or transfer of shares, by means of any instrument, that results in their total direct and indirect holding reaching, exceeding or falling below 5% of share capital or successive multiples thereof.

The notifications must be made to the body or person designated by the Company to that end, within four (4) business days of the date the event triggering the notification requirement occurred.

If the Company's shares are listed on Euronext Access Paris (or any other market, whether regulated or unregulated), it shall publish the notifications described in this article in accordance with the provisions of the legislation applicable to Euronext Access Paris (or to the market in question) at any given time.

- b) Shareholders' Agreements

The Company's shareholders shall also be required to notify the Company of the subscription, amendment, extension or termination of any agreement that places restrictions on the transferability of the shares they own or affects the voting rights attached to such shares.

The notifications must be made to the body or person designated by the Company to that end, within a maximum of four (4) business days from the date the event triggering the notification requirement occurred.

If the Company is listed on Euronext Access Paris (or any other market, whether regulated or unregulated), it shall publish the notifications described in this article in accordance with the provisions of the legislation applicable to Euronext Access Paris (or to the market in question) at any given time.

- c) Removal from trading

In the event that the Company's shares are listed for trading on Euronext Access Paris (or on any other market, whether regulated or unregulated) and the

Shareholders' Meeting resolves to remove them from trading on Euronext Access Paris (or the market in question) but this resolution is not supported by all the shareholders, the Company shall be under the obligation to offer to purchase the dissenting shareholders' shares at the price applicable pursuant to the rules on tender offers in cases of removal from trading.

The Company shall not be subject to the obligation referred to in the previous paragraph when it resolves to seek the listing of its shares on an official secondary market at the same time as the shares are removed from trading on Euronext Access Paris (or the market in question).

Article 13 – Capital increases and reductions and authorized capital

1. Share capital may be increased by means of a resolution adopted by the Shareholders' Meeting, subject to the requirements established in the applicable legislation and in the different forms authorized by such legislation.
2. The Shareholders' Meeting, subject to the requirements established for amendment of the Bylaws and within the limits and subject to the conditions stipulated by the applicable legislation, may authorize the managing body, with powers of subdelegation where appropriate, to resolve to increase capital on one or more occasions. Such increases may in no event be greater than half of the Company's share capital at the time of authorization and shall be carried out by monetary contributions within a maximum period of five (5) years as from the date of the Shareholders' Meeting resolution.
3. The Shareholders' Meeting may also delegate to the managing body, with powers of subdelegation where appropriate, the authority to execute a share capital increase resolution which has already been adopted, within the periods stipulated by the applicable legislation, setting the date or dates of execution and determining the conditions of the increase in all aspects not envisaged by the Shareholders' Meeting.
4. In share capital increases entailing the issue of new shares - whether common or preferred - to be charged to monetary contributions, in accordance with the applicable legislation where appropriate, the Company's shareholders shall be able to exercise, within the period stipulated for this purpose by the managing body, which may not be shorter than the period envisaged in the applicable legislation, the right to subscribe a number of shares proportional to the par value of those they hold at the time.
5. The Shareholders' Meeting may totally or partially exclude this preferential subscription right if required by the corporate interest, in the situations and subject to the conditions envisaged in the applicable legislation.
6. There shall be no preemptive subscription right when the share capital increase is due to the conversion of bonds into shares, or to the absorption of another company or of all or part of the assets and liabilities spun off from another company.
7. In accordance with the legally envisaged procedures, the capital reduction may be carried out by decreasing the par value of the shares, by retiring them or grouping

them for their exchange, and it may, in all cases, be carried out for the purpose of returning contributions, forgiving unpaid capital calls, creating or increasing reserves, or restoring the equilibrium between the capital and the net worth of the Company where it has been decreased as a result of losses.

8. Where capital is reduced in order to return the value of contributions, shareholders may be paid in kind, in whole or in part, provided that the requirements of the applicable legislation and of these Bylaws are met.
9. The Shareholders' Meeting may, in accordance with the provisions of the applicable legislation, resolve to reduce the share capital in order to redeem a particular group of shares, provided that such group is defined on the basis of criteria of a substantive, homogeneous, objective and non-discriminatory nature. In this case, the measure will require the approval of a majority of the shares held by the shareholders pertaining to the affected group, as well as by a majority of the shares of the other shareholders who remain in the Company.

Article 14 - Convertible bonds

1. The Shareholders' Meeting may, in the legally stipulated terms, delegate to the managing body the authority to issue convertible bonds (competence to issue any other bonds shall lie with the managing body). The managing body may exercise the authority thus delegated on one or more occasions and for a maximum period of five (5) years.
2. Similarly, the Shareholders' Meeting may authorize the managing body to determine when the issue resolved upon should take effect, and to establish any other conditions not envisaged in the Shareholders' Meeting resolution.
3. The convertible bonds may be issued with a fixed exchange ratio (determined or determinable) or with a variable or mixed ratio.
4. The issue resolution shall determine whether the power to convert the bonds corresponds to the bondholder and/or to the Company or, where appropriate, whether conversion shall take place compulsorily at a certain point in time.
5. The provisions of article 13 above shall be applicable with respect to the preemptive subscription right of the Company's shareholders and the exclusion thereof in relation to issues of bonds convertible into shares of the Company, insofar as may be applicable.

Article 15.- Shareholders' Meeting

1. The shareholders, assembled to form a Shareholders' Meeting, shall be responsible for deciding, by the majority stipulated in these Bylaws in each case, on matters for which the Shareholders' Meeting is competent by law. Each share confers one voting right.

Any powers not entrusted to the Shareholders' Meeting by law or by the Bylaws are held by the managing body, without prejudice to its powers of delegation.

2. All shareholders, including dissenting shareholders and any who did not participate in the meeting, are subject to the resolutions of the Shareholders' Meeting, without prejudice to any rights and remedies recognized in their favor in the applicable legislation.
3. The Shareholders' Meeting is governed by the provisions of the applicable legislation, of the Bylaws and, where appropriate, of the Shareholders' Meeting Regulations, which complete and expand upon the legal and bylaw provisions in respect of questions relating to the calling, preparation, holding and conducting of Shareholders' Meetings and exercising of the shareholders' rights with regard to information, attendance, representation and voting. The Shareholders' Meeting Regulations must be approved by the Shareholders' Meeting.

Article 16.- Annual and special shareholders' meetings

1. Shareholders' Meetings may be annual or special and must be called by the managing body of the Company.
2. An annual shareholders' meeting must be held, following the corresponding call notice, within the first six (6) months of each fiscal year to examine, where appropriate, the conduct of business, approve, if thought fit, the financial statements for the previous fiscal year, and resolve upon the allocation of results. However, the annual Shareholders' Meeting shall be valid even if it has been called or is held late.
3. All other shareholders' meetings shall be special in nature and shall be held whenever they are called by the Board of Directors, which must do so whenever it considers this appropriate in the corporate interest or whenever so requested by a number of shareholders holding at least five percent (5%) of the share capital, stating in their request the business to be transacted at the meeting, and proceeding in the manner established in the CCL. In this case, the Shareholders' Meeting must be called to be held within the time period stipulated by the applicable legislation.

Article 17.- Calls to Shareholders' Meetings

1. The Shareholders' Meeting shall be called by means of an announcement published in the manner and with the minimum content stipulated in the CCL, at least one (1) month prior to the date for which it has been set to be held, without prejudice to those cases in which the applicable legislation requires there to be a longer period between the call notice and the meeting.
2. If a duly called Shareholders' Meeting is not held at first call and the notice does not specify the date of the second call, notice of the holding thereof, with the same agenda and same publicity requirements as for the first call, must be given within fifteen days following the date of the meeting that was not held and at least ten days in advance of the date set for the meeting. There must, in any event, be at least twenty-four (24) hours between the first and second meetings.
3. Shareholders representing at least 5% of the share capital may, within the period and under the terms stipulated in the applicable legislation, request publication of a supplement to the call notice for the annual Shareholders' Meeting, including one or

more items on the agenda; this must be requested in a notification sent by duly authenticated means which is to be received at the registered office within five (5) days following publication of the call. The Company shall publish the supplement to the call notice in the terms envisaged in the applicable legislation.

4. The managing body shall also be required to call a Shareholders' Meeting if this is requested by shareholders who hold at least 5% of the share capital, indicating in the request the issues to be discussed at the Shareholders' Meeting, which must necessarily be included in the agenda by the managing body. In this case, the Shareholders' Meeting must be called to be held within the time period envisaged in the applicable legislation.
5. The provisions of this Article shall be null and void where a legal provision imposes different requirements for the calling of meetings which are to transact certain kinds of business, in which case the specifically established provisions must be observed.
6. Notwithstanding the provisions of the previous article, the shareholders' meeting shall be validly constituted to transact any business, without the need for a prior call, as a "universal" meeting, where all of the share capital is present in person or by proxy and those present unanimously agree to hold the meeting and approve the meeting agenda. The "universal" meeting may be held at any venue within Spanish territory or abroad.

Article 18.- Right of attendance

1. Holders of at least one share in the Company who are registered as such in the corresponding share register shall have the right to attend the Meeting.
2. Those attending must be in possession of the corresponding document evidencing their shareholder status. This circumstance should be evidenced by means of the appropriate attendance, proxy and remote voting card, certificate of standing or other valid means of accreditation admitted by the Company.
3. Shareholders may also attend meetings remotely, provided that their identity is duly guaranteed in accordance with the provisions of article 20 of these Bylaws. For this, the Company shall propose the use of technological means which provide sufficient assurance as to the identity of the shareholders.
4. In any event, the managing body shall establish in the call to the meeting the means available and shall indicate the time limits applicable and forms and manner in which the shareholders may exercise their rights, as decided by the managing body in order to facilitate the orderly conduct of the meeting. In particular, the managing body may require that any shareholder intending to attend the meeting remotely and wishing to speak or propose a resolution, in accordance with the CCL, submit the speeches or resolutions to the Company prior to the meeting itself.
5. Any shareholder entitled to attend may be represented at the Shareholders' Meeting by another person, even if not a shareholder. Proxies must be appointed in writing or by using means of distance communication that meet the requirements established in the CCL for the exercise of distance voting rights and be designated

specifically for each Meeting.

Special powers of attorney must be submitted to be included in the Company's records, unless they are recorded in a public deed. These provisions do not apply to those cases specifically regulated in the CCL in respect of family-member proxies or proxies holding general powers of attorney.

The proxy may represent more than one shareholder with no limit to the number of shareholders represented. When a proxy represents several shareholders, it may cast differing votes in keeping with the instructions received from each shareholder. In all cases, the number of shares represented will be counted for the valid constitution of the Meeting.

Personal attendance at the Shareholders' Meeting by the shareholder or by their proxy shall constitute the revocation of a vote cast by postal correspondence or other means of distance communication.

6. Entities that appear as shareholders of record in the share register but that act on behalf of several individuals may split the vote and cast differing votes, in accordance with the different voting instructions received, if any. The aforementioned intermediary entities may delegate the vote to each of the indirect holders or to third parties designated by them. The proxy is in all cases revocable. If the party granting the proxy attends the meeting in person, the proxy representation will be automatically revoked.
7. The Chairman of the Shareholders' Meeting may authorize attendance by executives, managers and technical personnel of the Company and any other individuals with an interest in the sound functioning of corporate affairs, and invite any other individuals he/she sees fit.

Article 19.- Venue and presiding panel

1. Shareholders' Meetings shall be held, where appropriate, in the place where the Company has its registered office, without prejudice to the provisions regulating "universal" meetings which, where appropriate, shall be held wherever all of the shareholders are assembled.
2. The Chairman and Secretary of Shareholders' Meetings shall be the Board Chairman and Board Secretary or, failing this, the deputy board chairman and deputy board secretary, if they exist, and in their absence, the persons elected by the Meeting itself.
3. The Meeting can only debate and vote on the matters set out on the agenda, except in the cases envisaged in the law.
4. It falls to the Chairman to moderate debates, allow speakers to take the floor, and determine the length of successive speeches.
5. In all other matters, such as verification of attendees and the shareholders' right to information, the provisions of the applicable legislation shall be observed.

Article 20. - Online-only Shareholders' Meetings

1. Shareholders' Meetings may be called by the managing body to be held exclusively by online means - i.e. without the physical attendance of the shareholders or their proxies - in the manner and under the conditions envisaged in the applicable legislation.
2. In such cases, the Shareholders' Meetings shall be deemed held at the Company's registered office regardless of where the meeting chairman is located.
3. The notice calling the online-only Shareholders' Meeting shall provide information on the formalities and procedures to be followed for registration and the drawing up of the list of attendees, for the exercise by the attendees of their rights, and for the proper reflection in the minutes of the conduct of the Meeting.
4. Under no circumstances may attendance be conditional on registration being carried out more than one (1) hour in advance of the scheduled start of the meeting.
5. Shareholders or their proxies who, while attending by online means, have exercised their right to information during the Shareholders' Meeting shall be responded to during the Meeting itself or in writing within seven (7) days following the end of the Meeting.
6. In all aspects not provided for in this article, online-only Shareholders' Meetings shall be subject to the general rules applicable to face-to-face meetings, adapted where appropriate to the special features deriving from their nature and to whatever legal provisions may be applicable at any given time.

Article 21.- Adoption of resolutions

Shareholders' Meeting resolutions shall be adopted with the favorable vote of a simple majority of the capital present in person or by proxy. This shall not, however, apply in cases for which the applicable legislation or these Bylaws require a different majority.

Article 22.- Minutes and certification

1. The Minutes of the Shareholders' Meeting must be approved in any of the manners provided for in the legislation applicable to the Company at any given time and shall be enforceable as from the date of their approval.
2. The managing body may require the presence of a notary to draw up the minutes of the Shareholders' Meeting, and it shall be under the obligation to do so whenever, five days prior to the date for which the Meeting has been scheduled to be held, this measure is requested by shareholders representing at least 1% of the share capital. In either case, the minutes drawn up by the notary shall not require approval and shall be regarded as the minutes of the Shareholders' Meeting.
3. Minutes certificates shall be issued pursuant to the provisions of the Commercial Registry Regulations.

Article 23. – Managing body: Board of Directors and the composition thereof

1. The management and representation of the Company and the use of the corporate signature shall correspond to a Board of Directors, which shall be made up of a minimum of three (3) and a maximum of twelve (12) directors. The Shareholders' Meeting shall be responsible for setting the exact number of members within these limits.
2. The Board of Directors' representative authority shall extend to all acts included within the corporate purpose, as established in the CCL.
3. It shall not be necessary to be a shareholder to hold the office of director.
4. The Shareholders' Meeting shall be responsible for designating the persons who are to hold office as directors.

Article 24.- Duration

Directors shall hold office for a period of six (6) years, at the end of which they may be reelected, on one or more occasions, for periods of the same duration, without prejudice to the possibility of their removal by the Shareholders' Meeting, in accordance with the provisions of the applicable legislation and these Bylaws.

Article 25. - Directors' compensation.

The Directors shall not receive compensation for holding office as directors.

Article 26.- Composition and functioning of the Board of Directors

1. The Board of Directors shall be composed of not less than three (3) and not more than twelve (12) members, designated by the Shareholders' Meeting, which shall also determine the exact number of members.
2. The Board of Directors shall elect from among its members a Chairman and, if seen fit, a Deputy chairman to replace the Chairman in cases of absence, vacant office and illness, if this has not been done by the Shareholders' Meeting.
3. The Board shall also elect a Secretary, who may or may not be a director, and, if it sees fit, one or more deputy secretaries, who neither would need to be Board Members, in which case they shall be entitled to attend Board Meetings with the right to speak but not to vote.
4. The non-director Secretary may also be designated by the Shareholders' Meeting. They shall all act as such until others are appointed to the office or the Board decides to replace them.
5. The Board of Directors shall meet whenever the interests of the Company so require and at least once every quarter.
6. The Board meeting shall be deemed validly constituted when at least the majority of

its members are present, in person or by proxy, and it must be called by the Chairman or acting chairman, either at their own discretion or whenever so requested by any two of the directors a minimum of three (3) days in advance of the date of the meeting, by means of a written notice sent to each of the directors by electronic mail with confirmation of reading, or by any other written procedure that ensures the receipt of the call notice by all the directors at the addresses registered at the Commercial Registry.

However, where a meeting is required as a matter of urgency, it will be sufficient for the call notice to be made at least twenty-four (24) hours in advance of the date set for the meeting.

7. Without prejudice to the provisions of the preceding paragraph, directors constituting at least one third of the members of the board may call a meeting, setting the agenda, to be held in the place in which the registered office is situated if, after having asked the Chairman to call a meeting, he/she has failed to do so without due cause within a period of one month.
8. The call notice shall include at least the date and time of the meeting and a tentative agenda with the business to be transacted at the meeting, without prejudice to any other items which may be raised by the directors during the course of the meeting.
9. The above notwithstanding, Board meetings shall be validly constituted, without the need for a prior call, when all the members of the Board are present in person or by proxy and unanimously agree to hold a meeting.
10. Resolutions adopted by a meeting of the Board of Directors held by videoconference or conference call shall be valid provided that none of the Board members object to such procedure, they have the necessary means for this purpose, and they recognize each other, with this being expressly recorded in the minutes of the Board meeting and in any certificate issued in respect of such resolutions. In such cases, the Board meeting shall be considered a single meeting held at the registered office. The holding of the Meeting in writing and without an actual session taking place shall also be valid, provided none of the directors object to this procedure.
11. Any Board member may grant a proxy in writing to another Board member.

Article 27.- Adoption of resolutions by the Board Of Directors

1. The Board of Directors shall adopt resolutions by an absolute majority of the Board members attending the meeting, except in those cases for which the applicable legislation or the Bylaws require other majorities.
2. Each Board Member, including the Chairman, shall have one vote, without prejudice to any proxy votes they may hold. The Chairman shall not have a casting vote.
3. The Board's deliberations and resolutions shall be recorded in a minutes book and each set of minutes shall be signed by the meeting Chairman and meeting Secretary.

Article 28.- Evidencing and notarization of corporate resolutions

The formalization in a public instrument of the corporate resolutions falls to the persons who have the power to certify the resolutions.

Any member of the Board of Directors whose appointment remains in force and registered at the Commercial Registry may formalize in a public instrument the decisions of the Company's collegiate decision-making bodies.

Article 29.- Delegated and consultative bodies of the Board of Directors

The Board of Directors may form commissions to which functions of a consultative or advisory nature may be delegated, although in exceptional circumstances they may be attributed decision-making functions, such committees having reporting, supervisory and advisory duties and the authority to make proposals in their respective areas of competence as specified in these Bylaws and as may be established through the corresponding regulations.

Article 30 – Fiscal year

The Company's fiscal year shall commence on the first of January and end on the thirty-first of December of each year, with the exception of its first fiscal year, which commenced on the date of execution of its formation deed and shall end on the thirty-first of December of the same year.

Article 31.- Issue of the financial statements

1. The managing body shall prepare, within the statutory time period, the financial statements, the directors' report and the proposed allocation of results, and, as the case may be, the consolidated financial statements and directors' report, for submission to the Shareholders' Meeting once they have been audited or reported on by the Company's auditors, where necessary.
2. As soon as the Shareholders' Meeting has been called, any shareholder may obtain from the Company, immediately and free of charge, the documents to be submitted to the Meeting for approval and, as the case may be, the directors' report and the auditors' report; mention must be made of this right in the Shareholders' Meeting call notice although the shareholders may examine at the registered office, either by themselves or with an accounting expert, the documents serving as support for and background to the Financial Statements, without this preventing or limiting the right of the minority to appoint an auditor at the Company's expense.

Article 32.- Approval of financial statements

The financial statements, both individual and consolidated, where appropriate, shall be submitted to the Shareholders' Meeting for approval.

Article 33.- Distribution of dividends

The Company shall be under the obligation to distribute the income obtained in the fiscal year to its shareholders in the form of dividends, once the corresponding obligations under commercial legislation have been met. The resolution to make such

distribution must be adopted within the six months following the end of each year, in the following manner:

- a) 100% of the income from dividends or shares in profits distributed by the entities referred to in article 2 of these Bylaws (and Article 2 (1) of Law 11/2009).
- b) At least 50% of income from the transfer of real property assets and shares or ownership interests referred to in article 2 of these Bylaws, linked to the fulfillment of the Company's corporate purpose, executed in the terms envisaged in this respect in Law 11/2009.

Undistributed income shall be reinvested in other real property assets or shareholdings linked to realization of the corporate purpose, within a period of three years following the transfer date. Failing this, income shall be required to be distributed in its entirety. If the reinvested items are transferred before the holding period laid down in Article 3(3) of Law 11/2009, those profits must be distributed in full together with the profits, if any, arising from the year in which they were transferred.

- c) At least 80% of the rest of the income obtained.

The dividend shall be paid within thirty (30) days of the date of the resolution to make the distribution.

Article 34.- Special rules on dividend distributions

1. Persons named as shareholders of record in the share register shall be entitled to receive the dividend within the period stipulated by the Shareholders' Meeting which has resolved to make the distribution.
2. Unless resolved otherwise, the dividend shall become claimable and payable thirty (30) days after the date of the resolution adopted by the Shareholders' Meeting, although an express payment date before the end of that period may be agreed upon. In all cases, the Company shall deduct any withholding tax that might be applicable from time to time.
3. The Shareholders' Meeting may resolve to have the dividend paid wholly or partly in kind (including, in particular but without limitation, dividends consisting of accounts receivables or collection rights held by the Company), provided that the assets, rights or securities being distributed:
 - i. are all of the same kind;
 - ii. are admitted to trading on a regulated market or multilateral trading facility - at the point in time at which the resolution takes effect - or suitable mechanisms have been established to facilitate the liquidity thereof within a maximum of one year; and
 - iii. they are not distributed at a value that is lower than that for which they are recorded in the Company's balance sheet.

Compliance with the conditions envisaged in subarticles (i) to (iii) above shall not be necessary when all the Company's shareholders, in a "universal" Meeting or a Meeting called for this purpose, which they have all attended, have resolved unanimously in favor of the distribution of dividends in kind.

4. In cases in which the distribution of a dividend triggers the obligation for the Company to pay the special levy envisaged in article 9.2 of Law 11/2009, or any law superseding it, the Company's managing body may require that the shareholders who have triggered the accrual of such levy indemnify the Company.

The amount of the indemnity shall be equal to the Corporate Income Tax expense that arises for the Company from paying the dividend that serves as the basis for calculating the special levy, plus the amount which, after deducting the Corporate Income Tax that is levied on the total amount of the indemnity, is required to offset the expense arising from the special levy and from the relevant indemnity.

The amount of the indemnity shall be calculated by the managing body, although such calculation may be delegated to one or more directors. Unless resolved otherwise by the Company's managing body, the indemnity shall fall due on the day before the dividend is paid.

For illustration purposes, included as a **Schedule** to these Bylaws is a sample calculation of the indemnity in two different cases, in order to show how the effect of the indemnity on the Company's income statement is nil in both cases.

To the extent possible, the indemnity shall be offset against the dividend to be received by the shareholder triggering the obligation to pay the special levy. Nevertheless, where this is not possible, because the dividend is paid partially or fully in kind, the Company may resolve to deliver assets or securities for a value equivalent to the net result after discounting the amount of the indemnity from the full dividend distributable to that shareholder.

Alternatively, the shareholder could choose to pay the indemnification in cash, in which case the assets or securities received would relate to the full value of the dividend distributable to that shareholder.

5. In cases where the dividend is paid before the time limits granted for fulfillment of the complementary obligation, the Company may withhold from those shareholders or holders of economic rights over the shares of the Company who have yet to provide the information and documentation required under article 11 of these Bylaws, an amount equal to the amount of the indemnity that must, if applicable, be paid.
6. Once the complementary obligation has been fulfilled, the Company shall return the amounts withheld from any shareholder who is not obliged to indemnify the Company. In addition, if the complementary obligation is not fulfilled within the stipulated periods, the Company may also withhold the payment of the dividend and offset the withheld amount against the amount of the indemnity, paying the shareholder any positive difference.
7. In cases where the total amount of the indemnity may be detrimental to the Company,

the managing body may seek an amount that is lower than the amount calculated pursuant to the provisions of this article.

8. The Shareholders' Meeting may resolve to have the dividend paid wholly or partly in kind, provided that the assets or securities being distributed are of the same kind, are admitted to trading on an official market or multilateral trading facility at the point at which the resolution takes effect, or it is duly guaranteed by the Company that liquidity will be obtained within not more than one (1) year, and they are not distributed at a value that is lower than that recorded on the balance sheet.

Article 35.- Dissolution

The Company shall be dissolved by a resolution of the Shareholders' Meeting adopted at any time, subject to the requirements established, and on the other grounds provided for in the applicable legislation.

Article 36.- Liquidation

1. Once the dissolution of the Company has been resolved upon, the Shareholders' Meeting shall appoint the liquidators.
2. The liquidators shall hold the powers indicated in the CCL and any other powers vested in them by the Shareholders' Meeting when resolving to appoint them.
3. In the process of liquidating the Company, the rules established in the applicable legislation shall be followed, as well as any rules that supplement but do not contradict them and that may have been approved by the Shareholders' Meeting that adopted the dissolution resolution.

Article 37.- Allocation "*in natura*"

Having approved the liquidation of the company, and in light thereof, the Shareholders' Meeting may resolve to allocate the proceeds of its liquidation "*in natura*" to the shareholders, with their unanimous agreement.

Article 38 – Applicable law and jurisdiction

These Bylaws are subject to the (*ordinary*) laws of Spain, and in the event of any disputes or disagreements arising between the Company and the shareholders, both the Company and the shareholders, waiving their own jurisdictions, expressly submit to the jurisdiction corresponding to the registered office of the Company (unless the applicable legislation imposes another jurisdiction).