



**VBARE Iberian Properties SOCIMI, S.A.
and subsidiaries**

Report on limited review of condensed consolidated interim
financial statements for the three-month period ended
31 March 2019 prepared in accordance with
International Financial Reporting Standards as adopted by
the European Union (IFRS-EU)



This version of our report is a free translation from 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 of information, views or opinions, the original language version of our report takes precedence over this translation.

REPORT ON LIMITED REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of VBARE Iberian Properties SOCIMI, S.A. at the request of the Board of Directors,

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of VBARE Iberian Properties SOCIMI, S.A. (hereinafter, "the parent company") and its subsidiaries (hereinafter, "the group"), which comprise the statement of financial position as at 31 March 2019, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all interim condensed and consolidated, for the three months period then ended. The parent company's directors are responsible for the preparation of these interim condensed financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial information. Our responsibility is to express a conclusion on these 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 conducted in accordance with legislation governing the audit practice in Spain 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 on these interim condensed financial statements.

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 interim financial statements for the three months period ended 31 March 2019 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements.

Emphasis of Matter

We draw attention to Note 2 of the accompanying interim condensed financial statements, in which it is mentioned that these interim condensed financial statements do not include all the information required of complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, therefore the accompanying interim condensed financial statements should be read together with the consolidated financial statements of the group for the year ended 31 December 2018. This matter does not modify our conclusion.

PricewaterhouseCoopers Auditores, S.L.

Gonzalo Sanjurjo Pose

14 May 2019

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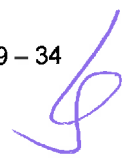


VBARE Iberian Properties SOCIMI, S.A. and subsidiaries

Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU)

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Consolidated Statement of Financial Position as at 31 March 2019 and 31 December 2018

(€ Thousand unless otherwise stated)

Assets	Notes	31 March 2019	31 December 2018
Non- Current Assets		57,514	50,205
Property plant and equipment		3	3
Investment properties	3	57,384	50,098
Non - Current financial assets	4	127	104
Current Assets		2,211	5,216
Advance payments to suppliers	4	11	33
Trade and other receivables		75	69
Trade debtors	4	43	38
Other receivables from Public Administrations	9	32	31
Other current financial assets	4	2	3
Other receivables group companies and associates	4,12	9	9
Short term accruals		37	43
Cash and cash equivalents	5	2,077	5,059
Total Assets		59,725	55,421

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.



Consolidated Statement of Financial Position as at 31 March 2019 and 31 December 2018

(€ Thousand unless otherwise stated)

Equity and Liabilities	Notes	31 March 2019	31 December 2018
Net Equity		37,832	37,145
Share capital	6	11,949	11,949
Share Premium	6	12,442	12,887
Treasury shares	6	(243)	(247)
Retained earnings	6	13,684	12,556
Non-current Liabilities		19,735	16,470
Non-current financial liabilities		19,735	16,470
Bank Borrowings	4,8	19,481	16,226
Other financial liabilities	4	254	244
Current Liabilities		2,158	1,806
Current financial liabilities		390	347
Bank Borrowings	4,8	390	347
Current financial liabilities group companies	4,12	-	-
Trading creditors and other accounts payable		1,768	1,459
Trade Payables	4	224	165
Trade payables, group companies and associates	4,12	1,453	1,204
Accruals, wages and salaries	4	26	15
Other payables with Tax Administration	9	55	59
Advances from creditors	4	10	16
Equity and Liabilities		59,725	55,421

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.

**Consolidated Income Statement for the three-month period ended 31 March 2019 and 31 March 2018**

(€ Thousand unless otherwise stated)

Continuing operations	Note	31 March 2019	31 March 2018
Gross Rental income		461	307
Property operating expenses	10b	(138)	(118)
Gross profit		323	189
Gain from fair value on investment properties	3,10a	1,615	1,071
Net result from real estate operations		1,938	1,260
General and administrative expenses	10c	(723)	(484)
Operating result		1,215	776
Finance result	10d	(87)	(34)
Profit for the period		1,128	742
Corporate income tax	9	-	-
Profit for the period attributable to the shareholders		1,128	742
Basic and diluted earnings per share (Euro)	6	0.48	0.35

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.



Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2019 and 31 March 2018

(€ Thousand unless otherwise stated)

	Note	31 March 2019	31 March 2018
Profit for the period		1,128	742
Other comprehensive income:			
Items that may subsequently be reclassified to results		-	-
Items that will not be reclassified to results		-	-
Total comprehensive income for the period		1,128	742
Attributable to the Parent Company's shareholders		1,128	742

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.



Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2019 and 31 March 2018

(€ Thousand unless otherwise stated)

	Share Capital	Share Premium	Treasury shares	Retained earnings	Total
OPENING BALANCE AS AT 1 JANUARY 2018	10,748	11,720	(248)	7,755	29,973
Profit for the period	-	-	-	742	742
Transactions with shareholders					
Share Premium distribution	-	(319)	-	-	(319)
Operation with treasury shares	-	-	1	-	1
FINAL BALANCE AS AT 31 MARCH 2018	10,748	11,401	(247)	8,497	30,397
OPENING BALANCE AS AT 1 JANUARY 2019	11,949	12,887	(247)	12,556	37,145
Profit for the period	-	-	-	1,128	1,128
Transactions with shareholders					
Share Premium distribution	-	(445)	-	-	(445)
Operation with treasury shares	-	-	4	-	4
FINAL BALANCE AS AT 31 MARCH 2019	11,949	12,442	(243)	13,684	37,832

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.



Consolidated Statement of Cash Flows for the three-month period ended 31 March 2019 and 31 March 2018

(€ Thousand unless otherwise stated)

	Note	31 March 2019	31 March 2018
CASH FLOW FROM OPERATING ACTIVITIES		(139)	(651)
Profit for the period		1,128	742
Adjustments required to reflect the cash flows from operating activities:		(1,267)	(1,393)
Income and expenses not involving cash flows:		(1,521)	(1,036)
-Gain from fair value on investment properties	3	(1,615)	(1,071)
-Depreciation of Property, Plant and equipment		7	1
-Finance Income	10d	-	-
-Finance Expense	10d	87	34
Changes in operating asset and liability items:		254	(357)
- Trade receivables and other accounts receivables		(6)	(8)
- Trade payables and other accounts payables		260	(349)
CASH FLOW FROM INVESTING ACTIVITIES		(5,672)	(3,168)
- Payments for property, plant and equipment		-	-
- Payments for investment Properties	3	(5,672)	(3,168)
CASH FLOW FROM FINANCING ACTIVITIES		2,829	1,108
- Collections from capital increase (net of issuance costs)	6	4	-
- Payments / Collections on acquisitions of treasury shares	6	-	1
- Distribution of share premium	6	(445)	(319)
-Collections from bank financing	8	3,430	1,491
- Payments for Bank financing	8	(160)	(65)
Net increase in cash & cash equivalents		(2,982)	(2,711)
Cash & cash equivalents at beginning of the period	5	5,059	8,374
Cash & cash equivalents at the end of the period	5	2,077	5,663

Notes 1 to 15 of the attached notes are an integral part of these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

1. General information

VBARE Iberian Properties SOCIMI, S.A. (hereafter the "**Company**" or the "**Parent Company**"), is a private company, which was incorporated on 5 March 2015, in Spain in accordance with the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July ("the Capital Companies Act") by public deed executed before the notary of Madrid, Mr. Antonio Morenés Gilés, with number 267/15 of its protocol, filed in the Madrid Mercantile Registry, volume 33.274, sheet 61, section 8, page M-598783, entry 1. Its registered office is at Calle Almagro, 3, 5º Izq. 28010 - Madrid.

On 21 of April 2015 the Company changed its corporate name from VBA Real Estate Investment Trust 3000, S.A. to VBA Real Estate Investment Trust 3000, SOCIMI, S.A., by public deed executed before the notary and registered in the Mercantile Registry of Madrid.

On the same date, it was publicly registered the minute of the Universal Meeting of Shareholders held on 23 March 2015 where it was agreed to apply the scheme for the Spanish Real Estate Investment Trust Regime (hereafter "**Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario**" or "**SOCIMI**"), regulated by the Law 11/2009 of October 26, also, amended by the Law 16/2012, of 27 December.

Afterwards, on 13 of May 2015, and with retroactive effects from the financial year beginning since its incorporation, on 5 March 2015, the Company formally informed to the Tax Authorities of its tax registered office, the option chosen by its shareholders to be eligible for the SOCIMI special regime regulated by the SOCIMI Law 11/2009, of October 26, amended by the Law 16/2012, of 27 December.

On 7 September 2016, the General Shareholders' Meeting of the Company resolved to change its corporate name to the current one (VBARE Iberian Properties SOCIMI, S.A.). These resolutions were formalized into public deed before notary public on 21 September 2016 and registered with the Mercantile Registry of Madrid on 28 September 2016 and 6 October 2016.

All the shares of VBARE Iberian Properties SOCIMI, S.A. are listed since 23 December 2016, and they are traded on the alternative stock market (MAB) being part of the SOCIMIs segment.

The Company's main activity is the acquisition, development and management of real estate investment properties in Spain for leases purposes under the Law 11/2009 of October 26, also, amended by the Law 16/2012, of 27 December regulating the Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario) (the "**SOCIMI**" Law).

Its corporate objects according to its bylaws consist in:

- a. The acquisition and refurbishment and development of urban properties for leasing purposes. Development activity includes the rehabilitation of buildings in the terms established by Law 37/1992 of 28 December, of the Value Added Tax.
- b. The ownership of interests in the share capital of other Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMIs) or other companies not resident in Spain with a corporate object identical to that of the former and that are subject to a regime similar to that established for the SOCIMI in relation to the mandatory, legal or statutory profit distribution policy.
- c. The ownership of interests in the share capital of other companies, resident or not in Spain, which its main corporate object is the acquisition of urban properties for leasing purposes, that are subject to a regime similar to that established for the SOCIMI in relation to the mandatory, legal or statutory profit distribution policy and meet the investment requirements regulating the SOCIMIs.
- d. The ownership of shares or ownership interests in property Collective Investment Undertakings ("Instituciones de Inversión Colectiva Inmobiliaria") governed by the Collective Investment Undertakings Law 35/2003, of 4 November. The Company is regulated in accordance with the Capital Companies Act.
- e. Any other activities ancillary to those referred to above, meaning any activities generating, in the aggregate, less than 20% of the income of the Company for each tax period or otherwise deemed ancillary in accordance with applicable laws from time to time.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

SOCIMI Regime

VBARE Iberian Properties SOCIMI, S.A. is regulated in accordance with the Law 11/2009, of October 26, also, amended by the Law 16/2012, of 27 December, governing Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario. On the Articles 3 to 6 of the mentioned law it is stated the main requirements and obligations to be complied with by this kind of companies:

Investment requirements (Art. 3)

1. The SOCIMI must have invested at least 80% of the value of their assets in urban properties for leasing purposes, in land to develop properties to be earmarked for that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies referred to in Article 2.1 of above mentioned Law 11/2009, of October 26.

The mentioned percentage will be calculated on the consolidated balance sheet in the event that the Parent Company of a group according to the criteria set out in Article 42 of the Code of Commerce, regardless of the residence and the obligation to prepare Interim Condensed Consolidated Financial Statements. The group will be composed exclusively by the SOCIMI and the other entities that paragraph 1 of Article 2 of the Law that regulates concerns.

The asset value is determined by the average of the quarterly individual balance sheets of each financial year. The Company can choose to calculate that value by substituting the book value by the market value of the elements of such balances sheets, which apply to all balances sheet for the financial year.

2. At least, 80% of the income for the fiscal year corresponding to each year, excluded those arising from the transfer of the shares and investment properties used by the Company to achieve its main corporate object, once the retention period referred to below has been elapsed, should arise from the lease of investment properties or from dividends or profit on shares coming from the aforementioned investments.

This percentage will be calculated on the consolidated result in the event that the Company is the parent of a group according to the criteria set out in Article 42 of the Code of Commerce, regardless of the residence and the obligation to prepare Interim Condensed Consolidated Financial Statements. The group will be composed exclusively by the SOCIMI and the other entities that paragraph 1 of Article 2 of the Law that regulates concerns.

The Company is the parent company of the VBARE Group, accordingly, the requirements as explained above will be calculated based on the consolidated figures of the Group.

3. The investment properties included in the Company's assets should remain leased for at least three years. The time during which the properties have been made available for lease will be included in calculating this term, with a maximum of one year.

In this sense, the period shall begin:

- a) Regarding real estate assets owned by the Company before having opted for the Socimi Regime, the period would be computed from the initial date of its first tax period in which the special tax regime set out in the act, provided that at such date the property were leased or offered for lease.
- b) Regarding real estate assets subsequently acquired or promoted by the Company, from the date on which they were leased or offered for lease for the first time.

Regarding shares in entities as specified in paragraph 1 of Article 2 of the act, they shall be maintained by the Company for at least three years from its acquisition or, if applicable, from the beginning of the first tax period in which the special tax regime set out in the act is applied.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Obligation of being listed on a regulated market or in a multilateral trading system (Art. 4)

The shares of the SOCIMI must be admitted to trading on a Spanish regulated market or a multilateral system Spanish negotiation or any other Member State of the European Union or the European Economic Area or in a regulated market of any country or territory with in which there is an effective exchange of tax information, continuously throughout the whole tax period. The shares must be nominative.

Minimum capital required (Art. 5)

The minimum share capital figure is set at Euro 5 Million.

Distribution Obligation Results (Art. 6)

The Company must distribute as dividends, after fulfilling the mercantile requirements:

- 100% of profits from dividends by entities as stated in paragraph 1 of Article 2 of the Law 11/2009.
- At least 50% of the profits derived from the transfer of the investment properties and shares as stated in paragraph 1 of Article 2 of the Law 11/2009, made after expiry of the minimum holding periods, affected to its main corporate object. The rest of these benefits must be reinvested in other investment properties or shares affecting the attainment of that objective, within the three years following the date of transmission.
- At least 80% of the rest of the profits obtained. When the dividend distribution is made out of reserves from profits of a year in which has been applied the special tax regime, the distribution will necessarily be taken as previously described.

The agreement for the distribution of dividends must be agreed within six months following the end of each financial year and paid within the month following the date of the distribution agreement.

The obligation to distribute dividends described above will be according to regulations in force and will only work if the Company records profits under Spanish accounting principles.

However, the company intends to propose the distribution of a dividend (including the share premium, in case the Company does not generate profits in accordance with Spanish accounting principles) equivalent to 3% of the opening balance of the Consolidated Net Equity according to IFRS - EU. This annual amount will be paid in two instalments corresponding to 1.5% each, the first during the third quarter and the second after the approval of the annual accounts of the Company. For this purpose, the General Shareholders' Meeting of the Parent Company held on 12 December 2017, at the proposal of the Board of Directors of the Parent Company, approved the execution of a distribution of share premium among the shareholders in proportion to their stake in the share capital figure of the Parent Company. It has been delegated to the Board of Directors the execution of said agreement as well as for the determination of the date of payment and amount to be distributed.

On December 20, 2017, the Board of Directors agreed to distribute the issue premium by virtue of the delegation made by the General Shareholders' Meeting. The amount to be distributed amounted to 319 thousand euros (0.15 euros per share), and the payment was made on December 27, 2017.

Likewise, following the formulation of the annual accounts for the year ended on December 31, 2017 of the Parent Company, on March 15, 2018, the Board of Directors of the Company approved the distribution of a supplementary share premium amounting to 319 thousand euros (0.15 euros per share), which became effective on March 20, 2018 among the shareholders in proportion to their participation in the capital of the Parent Company.

On July 26, 2018, the Board of Directors agreed to distribute a share premium amounting 450 thousand euros (0.19 euros per share), which became effective on August 14, 2018 among the shareholders in proportion to their participation in the capital of the Parent Company.

Additionally, on March 4, 2019, the Board of Directors of the Parent Company agreed to distribute a complementary share premium amounting 445 thousand euros (0.188 euros per share), which will become effective on March 15, 2019 among the shareholders in proportion to their participation in the capital of the Parent Company.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

As established the first Transitional Provision of the Law 11/2009 of October 26, amended by Law 16/2012, of 27 December, the SOCIMI can opt for the application of the special tax regime under the terms established in Article 8 of that Law, even if the requirements are not completed, but such requirements are met within two years from the date since the Company opted for the SOCIMI regime.

As of 31 December 2018, the Company met all the requirements of the SOCIMI regime according to the Parent Company's Directors.

The failure to comply with any of the above conditions means that the Company will be taxed under the general corporate income tax regime, from the tax period in which such failure arises, unless it would be restored in the following year. In addition, the Company will be obligated to pay the quote of the currently tax period, and also the difference between the amount that the tax resulting from applying the general corporate income tax regime and the tax paid resulting from applying the SOCIMI regime in previous tax periods, subject to corresponding interest, recharges and penalties, if any, may be applicable.

The tax rate of the SOCIMI in the Corporate Income Tax is set at 0%. However, if the dividends that SOCIMI distribute to its shareholders with a holding percentage higher than 5% are exempt or taxed at a rate lower than 10%, the SOCIMI is subject to a special tax rate of 19%, which will be considered as corporate income tax on the amount of dividend distributed to such shareholders. To be applicable, this special rate must be satisfied by the SOCIMI within two months from the date of the dividend distribution.

The Company is the parent of a group of companies, and presents its Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS - EU). As at 31 March 2019, VBARE Iberian Properties SOCIMI, S.A. is the parent company of the VBARE Group. There have been no changes in the consolidation perimeter of the Group with respect to the one presented as of December 31, 2018.

1.2 Management Agreement

The following information highlights the most relevant points of certain management agreements originally signed in English language.

On 15 April 2015 the Company and VBA Real Estate Asset Management 3000, S.L., a private Spanish company, (the "**Management Company**") signed a management agreement (as amended) (hereafter the "**Management Agreement**") which determines the relationship between the parties. The Management Agreement describes the main services that the Management Company will be rendering to the Company on an exclusive basis. A description of some of these services is the following:

- 1) Management of the acquisitions or sales of the assets, refurbishments, maintenance, insurance, rental of the properties, IT platform, overseeing of the property management, and coordination with the Company's legal advisor and with the origination companies to validate opportunities and present such to the Board of Directors, as well as to acquire, lease, sell, transfer or otherwise exchange or dispose of real estate properties on behalf of the Company and to enter and execute any agreement, contract, or arrangement in relation with the purchase, acquisition, holding, lease, exchange, transfer, sell or disposal of any property or property related investment, among other.
- 2) Provide the Company with services of Key Executive.
- 3) Provide the Company with strategic services, including formulating the general investment policy of the Company, assistance in locating investment opportunities, raising of capital and other funds by the Company and assistance in locating and contracting with service providers, as well as entering into financing agreements and ancillary agreements or documents on behalf of the Company.

The Management Agreement took effect on 2 July 2015, the date on which initial funds were raised by the Company. According to the Management Agreement, all of the following definitions and calculations are made in accordance and over the consolidated financial statements under IFRS-EU.

- a) "**Management fee**": The Management Company shall be entitled to receive a Management Fee which will be calculated quarterly (as defined in the Management Agreement), starting as of the calendar quarter on which the Company has made its first real estate investment. The Management Fee for the Relevant Quarter (as defined in the Management Agreement) will be



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

the result of multiplying 0.25 in the Relevant Management Fee Percentage and in the FS Asset (as defined in the Management Agreement).

In any case, VAT shall be added to all payments made in accordance with this section.

- b) **"Relevant Management Fee Percentage"** means, the percentage set forth in the table below, with respect to the FS Asset:

The FS Asset (Euro Million)	Progressive Management Fee as a Percentage of the FS Asset
0 to 60	1%
60.01 to 120	0.9%
120.01 to 250	0.8%
250.01 to 500	0.7%
Above 500	0.6%

- c) **"Success fee"**: The Company shall pay the Management Company a Success Fee at a rate of 16% multiplied by (1+ applicable VAT rate) of the profit obtained by the Company resulting from its consolidated financial statements prepared under IFRS-EU. The Success Fee shall be subject to a Catch Up Mechanism (including Catch Up for previous years with respect to which the Accrued Catch Up Amount was not fully paid) and shall only be paid after and subject to meeting the minimum Hurdle Rate Amount (at a rate of 8% calculated severally for each annum, based on the formula set forth in the Management Agreement), and subject to a high water mark mechanism (applied on an annual basis), it being clarified that the Success Fee shall be calculated severally for each annum (as defined in the Management Agreement).

The Company shall pay to the Management Company the Success Fee on the following dates:

- (a) For any Relevant Annum, within 7 Business Days of the execution date of the Company's audited annual consolidated financial statements for such Relevant Annum;
- (b) To the extent the Company is liquidated during a Relevant Annum – on the date of the Company's liquidation.

The Management Company shall have the option, by providing the Company with written notice no later than 31 December of each Relevant Annum to receive all or a part of the Success Fee for such Relevant Annum in listed and tradable shares of the Company. The amount of shares to be issued to the Management Company shall be the result of dividing the Success Fee (excluding VAT) by the quoted price per share of the Company based on the average trading price during the 30 trading days prior to the exercise and consummation of such option. VAT shall be paid in immediately available funds, even if the Success Fee is paid in Company shares, as provided in this clause.

- d) **Expenses**: Except for the Management Company Costs and Expenses (as defined in the Management Agreement), the Company shall bear all the costs and expenses related to its business activity. The Company shall bear all costs and expenses relating to its establishment, including all costs relating to the registration and incorporation of the Company; costs relating to the Initial Offering, agent fees and so forth.
- e) **Term of the Management Agreement**. The Management Agreement shall be subject to an initial term of five years (the "Initial Period") and neither party may terminate this agreement during the Initial Period except in the circumstances set out in the Management Agreement. After the Initial Period shall have elapsed, this Management Agreement shall continue to be in force for consecutive three years renewal periods without any actions required by either of the Parties, except that at any time, after the end of the Initial Period, each of the Management Company and the Company (by resolution of the shareholders of the Company passed by a majority of at least 75% of the Company's voting rights), shall have a right to terminate the Management Agreement, by giving the other party a 180 days prior notice.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

2. Basis of preparation of the Interim Condensed Consolidated Financial Statements

2.1 Regulatory framework

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019, that were obtained from the accounting records of the parent company and its subsidiary as of 31 March 2019, have been prepared by the Parent Company's Directors in accordance with IAS 34 "Interim financial reporting", and should be read in conjunction with the Group's Consolidated Financial Statements as of 31 December 2018. The Group's accounting policies and methods remain unchanged compared to 31 December 2018.

These Interim Condensed Consolidated Financial Statements are presented in accordance with the International Financial Report Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) adopted by the European Union (together, IFRS-EU), pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council and successive amendments.

During the three-month period ended 31 March 2019 there was no significant changes in the estimates made at the end of the previous period. The preparation of these Interim Condensed Consolidated Financial Statements, although this does not coincide with the fiscal year of the Group and subsidiary forming such Group (as the end of the fiscal year is established on 31 December of each year), is not due to compliance with legal or statutory requirements.

VBARE Iberian Properties SOCIMI, S.A.'s Stand Alone Annual Accounts and Consolidated Financial Statements for the year 2018, have been drawn-up by its Directors, and have been approved by the General Shareholders Meeting held on 9 April 2019.

The Directors of the Parent Company have prepared these Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019 on a going -concern basis.

The presentation currency of the Interim Condensed Consolidated Financial Statements is the Euro, which is the Group's functional currency.

The figures stated in these Interim Condensed Consolidated Financial Statements are expressed in Euro Thousand, unless otherwise stated.

New IFRS - EU standards, amendments and IFRIC interpretations issued

a) Standards, amendments and interpretations which have not yet come into effect but which can be early adopted:

- IFRS 3 (Modification) "Definition of a Business"
- IAS 1 (Modification)
- IAS 8 (Modification) "Definition of material"

The Administrators of the Parent Company are analysing the impacts that the new regulations could have on its consolidated financial statements on subsequent years.

b) Standards, amendments and interpretations applied to existing standards may not be adopted early or have not been adopted to date by the European Union at the date these Consolidated Financial Statements were approved by the Board of Directors.

- IFRS 10 (Modification) and IAS 28 (Modification) "Sale or contribution of assets between an investor and its associates or joint ventures"
- IFRS 17 " Insurance Contracts"

The Directors of the Parent Company are analysing the impacts that the new regulations could have on its Consolidated Financial Statements.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

2.2 Comparative figures

According to the International Financial Reporting Standards as adopted by the European Union, the information included in these Condensed Interim Consolidated Financial Statements for the three-month period ended 31 March 2019 is presented with comparative figures with the information for the three-month period ended 31 March 2018 for the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and for the year ended 31 December 2018 for the Consolidated Statement of Financial Position.

2.3 Seasonality of operations

Considering the type of operations involved, revenues and operating results on these Interim Condensed Consolidated Financial Statements are not affected by seasonality.

2.4 Operating segment information

Information on operating segments is reported on the basis of the internal information supplied to the ultimate decision-making body, the Board of Directors, which have been identified as the highest decision-making authority, being responsible for allocating resources and assessing the performance of operating segments

The members of the Board of Directors have established that the Group has only one activity segment as at the date of these Interim Condensed Consolidated Financial Statements.

2.5 Responsibility of the information and use of estimates

The information included in these Interim Condensed Consolidated Financial Statements is responsibility of the Parent Company's Directors.

The preparation of the Interim Condensed Consolidated Financial Statements according to IFRS- EU requires the Directors of the Parent Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Board of Directors reviews these estimates on a continuous basis. However, given the uncertainty inherent to these estimates, there is a significant risk that significant adjustments could arise in the future regarding the value of the associated assets and liabilities and significant changes in the assumptions, events and circumstances on which they are based.

In preparing these Interim Condensed Consolidated Financial Statements, the significant judgments made by the Parent Company's Directors in applying the group's accounting policies and the key sources of estimation uncertainty are as follows:

- a) Fair value of Investment property
- b) Corporate Income Tax and the compliance with the requirements of the SOCIMIs
- c) The management of the financial risk and especially the liquidity risk

2.6 Relevant information and materiality

When determining the information to be disclosed in the Interim Condensed Consolidated Financial Statements or other subjects, the Group, in accordance with IAS 34, has considered the relevant information and materiality in relation with the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019.

3. Investment property

Investment properties comprise: apartments, penthouses, buildings, scattered apartments, storage rooms, parking spaces and retail assets owned by the Group for rent on a long-term basis and not occupied by the Group.

Set out below is a breakdown of and movements in the accounts recorded under investment properties for the three-month period ended 31 March 2019:



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

	Euro Thousand	
	Investment Properties	Total
Balance at 1 January 2018	28,542	28,542
Acquisitions	14,112	14,112
Transaction cost capitalised	530	530
Subsequent disbursements capitalised	353	353
Others	(2)	(2)
Gain from fair value adjustments	6,563	6,563
Balance at 31 December 2018	50,098	50,098
Acquisitions	5,264	5,264
Transaction cost capitalised	238	238
Subsequent disbursements capitalised	181	181
Others	(12)	(12)
Gain from fair value adjustments	1,615	1,615
Balance at 31 March 2019	57,384	57,384

Between January 1, 2019 and March 31, 2019, the following transactions have been completed:

- On January 8, 2019, the Group formalized the purchase of a building of 27 dwellings and 2 commercial premises located in a building located on Vallehermoso street in the city of Madrid. The purchase price has amounted 5,264 thousand euros plus transaction costs.

Under "Others" caption the Group records the letting fees incurred for the commercialisation of the properties. These are capitalised within the carrying amount of the leased assets and are recognised as an expense during the minimum lease term, on the same basis as the lease derived therefrom, as established in IAS 40 and IAS 17.

The identification of qualified assets included under this note in accordance with the Article 11 of SOCIMI Law and is included in Appendix 1 to the Interim Condensed Consolidated Financial Statements.

Valuation Process

Investment properties are recognized at fair value, according to IAS 40. The fair value of the Group's investment properties is calculated on the basis of independent appraisers' reports not related to the Group.

Below is the cost and fair value of investment properties at 31 March 2019 and 31 December 2018:

	Euro Thousand			
	31 March 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
Investment properties	38,384	57,384	32,712	50,098

Gains recognized in the consolidated income statement on measuring investment property at fair value as of 31 March 2019 amount to Euro 1,615 Thousand (as of 31 March 2018: Euro 1,071 Thousand). According to IFRS 13, some situations may arise where transaction prices may not represent the fair value of an asset at initial recognition.

These investments have been valued following a market value approach, and these valuations have been performed by Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U., an independent expert firm in accordance with the provisions of the RICS Appraisal and Valuation Manual (the "Red Book") published by The Royal Institution of Chartered Surveyors based in England.

The market value is defined as the estimated amount for which an asset can be sold on a given market at the date of valuation between a seller and a willing buyer, being both reasonably knowledgeable about the



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

asset, prudently, free of undue pressure to trade and assuming a reasonable time is given for completing the transaction.

Investment properties measured after initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1:** Measurements derived from (unadjusted) quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** Measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (non-observable inputs).

The investment properties measured at fair value as of 31 March 2019 and 31 December 2018 are as follows:

	Level 1	Level 2	Level 3
Investment properties	-	-	57,384
Total 31.03.2019	-	-	57,384
Investment properties	-	-	50,098
Total 31.12.2018	-	-	50,098

Methodology:

a) Discounted cash flows method:

The valuation methodology adopted in terms of determining fair value of currently rented properties is the discounted cash flows method with projected net operating income at 5 years and capitalizing the 6th year at an exit yield between 3% and 6.5% and using an Internal Rate of Return for discounting cash flows obtained between 4.5% and 7.5%.

The discounted cash flow method is based on predictions of the probable net income that will be generated by assets over a specific time period, taking into account the assets' residual value at the end of that period. Cash flows are discounted at an internal rate of return in order to arrive at the present net value. That internal rate of return is adjusted to reflect the risk associated with the investment and assumptions adopted.

Key variables are therefore net income, approximate residual value and internal rate of return.

Sensitivity analysis

Based on the simulations performed, the impact over fair value of investment properties of a 1% change in the internal rate of return would produce the following impacts as of 31 March 2019 and 31 December 2018:

	Euro thousand			
	Theoretical value			
	31 March 2019		31 December 2018	
	-1%	+1%	-1%	+1%
Valued using discounted cash flows method	54,897	59,990	47,971	52,271
Valued using comparable method	-	-	-	-
Fair value of investment properties	54,897	59,990	47,971	52,271



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Commitments

The Group has no contractual commitments for the acquisition, construction or development of investment properties or in relation to repairs, maintenance or insurance.

Mortgages

Certain assets include under the caption Investment Properties, whose whole fair value amounts to Euro 57,249 Thousand (Euro 49,954 Thousand as of 31 December 2018) serves as guarantee of the compliance with the obligations arranged as a result of the financing obtained by the Group (Note 8)

4. Analysis of financial instruments

4.1 Analysis by categories

The carrying amount of each category of financial instruments stipulated in the standard "Financial instruments" is as follows:

a) Financial assets:

Euro thousand				
Non-current assets				
Debt and equity securities		Loans, derivatives and other		
31/03/2019	31/12/2018	31/03/2019	31/12/2018	
Credits and other receivables	-	127	104	
	-	127	104	
Current assets				
Debt and equity securities		Loans, derivatives and other		
31/03/2019	31/12/2018	31/03/2019	31/12/2018	
Credits and other receivables	-	2,142	5,142	
	-	2,142	5,142	
Total financial assets	-	2,269	5,246	

Under the category of non-current financial assets, the Group recognizes the amount related to the deposits made in the corresponding public bodies derived from leases.

b) Financial liabilities:

Euro thousand				
Non-current liabilities				
Borrowings		Loans, derivatives and other		
31/03/2019	31/12/2018	31/03/2019	31/12/2018	
Loans and payables	19,481	254	244	
	19,481	254	244	



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

	Current liabilities			
	Borrowings		Loans, derivatives and other	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
Loans and payables	390	347	1,713	1,400
	390	347	1,713	1,400
Total financial liabilities	19,871	16,573	1,967	1,644

Under non-current financial liabilities, they are recognised the deposits to be returned to the tenants. These deposits will be withheld if the lease rents payable by the tenants to the Group are not paid or there is a breach in the lease contract. Also, under this caption are recorded the loan agreements arranged by the Group (Note 8).

Under Current financial liabilities it is recognised the part of the aforementioned loan agreements with maturity in the short term (Note 8).

4.2 Analysis by maturity

The maturity of the financial liabilities as per the Consolidated Statement of Financial Position as at 31 March 2019 is presented in the following table:

						Euro thousand
	31/03/2020	31/03/2021	31/03/2022	31/03/2023	Next Years	Total
Bank borrowings	390	496	577	648	18,036	20,147
Other financial liabilities	-	254	-	-	-	254
Trade payables	224	-	-	-	-	224
Trade payables, group companies and associates	1,453	-	-	-	-	1,453
Accruals, wages and salaries	26	-	-	-	-	26
Advances from clients	10	-	-	-	-	10
Total financial liabilities	2,103	750	577	648	1,036	22,114

The total amount does not match with the analysis by categories because the loans that the Group formalized with the different financial entities were accounted at each moment at amortized cost, resulting all the costs incurred in arranging such financing and paid in full, are netting the outstanding debt and they will be amortized during the life of each loan. The amount pending to be amortized as of March 31, 2019 amounts to 276 thousand euros.

The maturity of the financial assets as per the Consolidated Statement of Financial Position as at 31 March 2019 is presented in the following table:

						Euro thousand
	31/03/2020	31/03/2021	31/03/2022	31/03/2023	Next Years	Total
Advance payments to suppliers	11	-	-	-	-	11
Trade debtors	43	-	-	-	-	43
Other financial assets	2	127	-	-	-	129
Other receivables group companies and associates	9	-	-	-	-	9
Cash and cash equivalents	2,077	-	-	-	-	2,077
Total financial assets	2,142	127	-	-	-	2,269



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Non-current assets and liabilities relate to deposits linked to lease contracts. Its maturity is conditioned to the maturity of these contracts. It is the Group estimation that the average maturity of leasing contracts will range from two to three years.

5. Cash and cash equivalents

The heading "Cash and cash equivalents" includes cash (cash in hand and sight bank deposits) and cash equivalents (ie highly liquid short-term investments, easily convertible into certain amounts of cash within a maximum period of time of three months and whose value is subject to a negligible exchange rate risk.) The carrying amount of these assets is equal to their fair value.

As of 31 March 2019, the balance of "Cash and cash equivalents" is not restricted, except for a total amount of Euro 366 Thousand (Euro 361 Thousand as of 31 December 2018) whose management have been entrusted to the liquidity provider (Renta 4 Banco, S.A.).

6. Net Equity

Share Capital and share premium

	Number of shares	Share capital	Share Premium	Advances in Capital	Euro thousand Total
Balance as at 1 January 2018	2,149,264	10,746	-	11,720	-
Capital Increase	240,457	1,203	1,996	-	3,199
Issuance costs	-	-	(60)	-	(60)
Distribution of share premium	-	-	(769)	-	(769)
Balance as at 31 December 2018	2,389,721 (*)	11,949	-	12,887	-
Distribution of share premium	-	-	(445)	-	(445)
Balance as at 31 March 2019	2,389,721(*)	11,949	12,442	-	24,391

(*) This figure includes 19,706 treasury shares as of 31 March 2019 (20,080 treasury shares as of 31 December 2018).

The Board of Directors of the Parent Company, agreed in the meeting held on 23 March 2018, to make a capital increase of the Company up to a maximum of 14,125,836.90 euros, through the issuance of up to a maximum of 1,062,093 ordinary shares with a nominal value of 5 euros plus a share premium of 8.30 euros per share, resulting an issuing price of 13.30 euros per share. The decision was taken in exercise of the delegation of authority granted by the Shareholders at Extraordinary Universal Shareholders Meeting held on 12 December 2017, which authorized the Board of Directors to increase the capital of the Company pursuant to the provisions of Article 297 b) 1 of the Companies Act (Ley de Sociedades de Capital).

The capital increase took place by public deed on 15 June 2018 before the notary of Madrid Mr. Vicente de Prada Guaita, amounting to Euro 1,203 Thousand through the creation and issuance of 240,457 new shares with a nominal value of Euro 5 each, numbered from 2,149,265 a 2,389,721 fully subscribed and paid. These new shares were issued with a total share premium of Euro 1,996 Thousand. The cash consideration received by the Parent Company from the shareholders in respect of the capital increase and share premium totalled Euro 3,199 Thousand.

As of 31 March 2019, the share capital of VBARE Iberian Properties SOCIMI, S.A. amounts to Euro 11,949 Thousand represented by 2,389,721 nominative ordinary shares represented by book entries with a nominal value of 5 Euro each, granting the same rights to their owners.

All the shares of VBARE Iberian Properties SOCIMI, S.A. are listed since 23 December 2016, and they are traded on the alternative stock market (MAB) being part of the SOCIMIs segment.

The share capital and the share premium, including the shares and the share premium that derived from the advances on share capital and share premium, which are totally paid, is as follows:



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

	31 March 2019	31 December 2018
Number of shares	2,389,721	2,389,721
Par value (Euro)	5	5
Share capital (Euro Thousand)	11,949	11,949
Share Premium (Euro Thousand)	13,048	13,493
	24,997	25,442
Issuance Cost Deducted (Euro Thousand)	(606)	(606)
	24,391	24,836

Issuance costs have been deducted according to IAS 32.

Share premium distribution

The General Shareholders' Meeting of the Parent Company held on December 12, 2017, at the proposal of the Board of Directors of the Company, approved the distribution of the share premium among the shareholders in proportion to their participation in the share capital of the Company. The Parent Company has delegated to the Board of Directors the execution of said agreement as well as for the determination of the date of payment and premium amount of the issue to be distributed.

On March 15, 2018, the Board of Directors of the Company approved the distribution of a share premium amounting to 319 thousand euros (0.15 euros per share), which became effective on March 20, 2018 among the shareholders in proportion to their participation in the capital of the Parent Company.

On July 26, 2018, the Board of Directors agreed to distribute a share premium amounting 450 thousand euros (0.19 euros per share), which became effective on August 14, 2018 among the shareholders in proportion to their participation in the capital of the Parent Company.

On March 4, 2019, the Board of Directors of the Parent Company agreed to distribute a complementary share premium amounting 445 thousand euros (0.188 euros per share), which will become effective on March 15, 2019 among the shareholders in proportion to their participation in the capital of the Parent Company.

Treasury shares

The movement under this caption during the first quarter of 2019 and the year 2018 is the following:

	Euro thousand	
	Number of shares	Value
Balance at 31 December 2017	20,243	248
Increases / Acquisitions	1,336	18
Decreases / Disposals	(1,499)	(19)
Balance at 31 December 2018	20,080	247
Increases / Acquisitions	-	-
Decreases / Disposals	(374)	(4)
Balance at 31 March 2019	19,706	243

Treasury shares of the Parent Company as of 31 March 2019 represent 0.82% (0.84% at December 31, 2018) of the share capital figure totalling 19,706 shares with an average price of acquisition of 12.34 Euro per share (20,080 shares with an average purchase price of 12.34 euros per share as of December 31, 2018).



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

On 7 September 2016 the General Shareholders Meeting of the Parent Company agreed to authorise the Board of Director to acquire Company's treasury shares by way of sale, exchange or payment in kind, in one or several transactions, provided that the acquired shares shall not exceed 20% of the Company's share capital. The price or consideration for such shares shall range from a minimum equal to their nominal value to a maximum of (i) in case that the Company's shares have not been admitted to listing on any regulated market or multilateral trading facility, 25 euros per share (ii) in case that the Company's shares are listed on the Alternative Stock Market - SOCIMIs Segment ("MAB-SOCIMIs"), 120% of the listed price for the shares in the Company at the time of the acquisition. This authorisation is in force for a five-year period after the date of the agreement.

Legal reserves and other reserves

In accordance with the Spanish Companies Act, private companies have to transfer an amount equal to 10% of the profit for the year to the legal reserve until this reserve reaches at least 20% of capital. The legal reserve can be used to increase capital in the part of the balance exceeding 10% of the increased capital. Except as mentioned above, while not exceeding 20% of the capital and considering the limitations set forth under the SOCIMI regime, the legal reserve can only be used to offset losses, provided that sufficient other reserves available for this purpose.

In accordance to Law 11/2009, for which SOCIMI are regulated, the legal reserve of the companies that have opted to apply the SOCIMI tax regime, may not exceed 20% of the share capital figure. The bylaws of these companies may not establish any other statutory reserve unavailable different from the legal reserve.

As of 31 March 2019, and 31 December 2018 the Parent Company's legal reserve is not constituted.

Shareholders

The main shareholders of the Parent Company as of 31 March 2019 and 31 December 2018, with a percentage higher than 5% of the share capital of the Parent Company, directly or indirectly, are as follows:

<u>Shareholder</u>	% Number of Shares		
	31 March 2019		
	Direct	Indirect	Total
Meitav Dash Provident Funds and Pension Ltd.	12.55%	-	12.55%
Value Base Ltd.	7.38%	4.92%	12.30%
Dan Rimoni	8.98%	-	8.98%
M. Wertheim (holdings) Ltd.	8.37%	-	8.37%
Ido Nouberger (*)	5.12%	-	5.12%

<u>Shareholder</u>	% Number of Shares		
	31 December 2018		
	Direct	Indirect	Total
Meitav Dash Provident Funds and Pension Ltd.	12.55%	-	12.55%
Value Base Ltd.	7.38%	4.92%	12.30%
M. Wertheim (holdings) Ltd.	8.37%	-	8.37%
Dan Rimoni	8.13%	-	8.13%
Ido Nouberger (*)	5.12%	-	5.12%

(*) Ido Nouberger also holds 20.075% in Value Base Ltd.

Earnings per share

a) Basic earnings per share:

Basic earnings per share are calculated by dividing the profit / (loss) for the period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares throughout the period, excluding the weighted average number of treasury shares held shares throughout the year or period.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Details of the calculation of earnings/(losses) per share are as follows:

	31 March 2019	31 March 2018
Net profit for the period attributable to equity holders of the Parent Company (Euro Thousand)	1,128	742
Number of the weighted average shares	2,369,716	2,129,185
Earnings per share (Euro)	0.48	0.35

b) Diluted earnings per share:

Diluted earnings per share are calculated by dividing net profit/(loss) of the period attributable to the owners of the Parent Company by the weighted average number of ordinary shares in the period, plus the weighted average number of shares which would be issued when converting all potentially diluting instruments.

For these purposes, they are considered dilutive instruments the ordinary shares presented under "advances capital" which have been issued at the close of each period.

The directors of the Parent Company have evaluated the effect of dilution of these potential shares and their potential impact on the calculation of earnings per share, and have concluded that its effect is not significant, and therefore basic and diluted earnings per share do not differ significantly.

Net result distribution

The distribution of results of the Parent Company as of 31 December 2018 according to Spanish General Accepted Accounting Principles as per their stand-alone annual accounts as approved by the General Shareholders' Meeting on 9 April 2019 is as follows:

	Euro Thousand
<u>Basis of distribution</u>	
Profit /(Loss)	(1,895)
<u>Distribution</u>	
Losses from prior years	(1,895)

Dividends distribution policy

The dividend will be paid in cash, and it will be recognized as a liability in the Interim Condensed Consolidated Financial Statements in the period in which the dividends are approved by shareholders of the Parent Company or subsidiaries.

The SOCIMI is required to distribute the profit generated during the year to shareholders as dividends. Once the corresponding mercantile obligations have been fulfilled, said distribution must be agreed as stated in note 1 of the Interim Condensed Consolidated Financial Statements.

During the period from 1 January 2019 to 31 March 2019 and the fiscal year 2018, no dividends have been distributed.

7. Trade payables

The carrying amount of these trade payables is equal to their fair value.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

8. Borrowings

The breakdown of the Group's financial debt as of 31 March 2019 is as follows:

Financial entity	Signing date	Maturity	Interest rate (annual)	Amount financed	Long term debt	Short-term debt		Financial expense	Interest paid
					Principal	Principal	Interest due not paid		
Bankinter	21/04/2016	21/04/2031	Variable Eur12+1,25%	2,100	1,793	75	5	7	6
Bankinter	19/07/2016	19/07/2031	Fixed 1,8%	750	646	27	3	3	3
Bankinter	19/07/2016	19/07/2031	Fixed 1,8%	300	258	11	1	1	1
Sabadell	30/11/2016	31/12/2031	Fixed 1,8%	600	502	39	-	3	3
Sabadell	30/11/2016	31/12/2031	Fixed 1,8%	637	534	41	-	3	3
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	187	155	7	-	-	1
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	1,250	1,175	46	-	1	6
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	250	230	9	-	-	1
Sabadell	10/05/2017	10/05/2032	Fixed 1,8%	508	471	19	-	1	2
Sabadell	31/01/2018	31/03/2030	Fixed 1,8%	324	315	3	1	-	-
Sabadell	31/01/2018	31/03/2030	Fixed 1,8%	492	480	5	2	-	-
B,C,C,	29/01/2018	29/01/2033	Fixed 2%	675	607	25	3	4	3
Sabadell	12/07/2018	30/09/2030	Fixed 1,8%	625	612	3	-	3	3
Sabadell	30/07/2018	30/09/2030	Fixed 1,8%	785	760	4	-	4	4
Sabadell	30/07/2018	30/09/2030	Fixed 1,8%	900	883	5	-	5	4
Sabadell	02/10/2018	30/12/2030	Fixed 1,8%	735	720	4	-	4	3
Banca Puyo	03/10/2018	02/10/2039	Fixed 1,8% (*)	5,250	5,191	30	7	32	32
Sabadell	09/10/2018	30/12/2030	Fixed 1,8%	800	776	4	-	5	4
Banca Puyo	08/01/2019	07/01/2039	Fixed 1,8% (*)	3,430	3,373	11	-	11	10
TOTAL				20,598	19,481	368	22	87	89

(*) The two mortgage loans that the group has with Banca Puyo bear a fixed interest rate during the first 12 years and variable from the 13th year. These mortgage loans for the purposes of the previous table are considered "Fixed rate financial debt"



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

The breakdown of the Group's financial debt as of 31 December 2018 is as follows:

Financial entity	Signing date	Maturity	Interest rate (annual)	Amount financed	Long term debt	Short-term debt		Financial expense	Interest paid
					Principal	Principal	Interest due not paid		
Bankinter	21/04/2016	21/04/2031	Variable Eur12+1,25%	2,100	1,811	75	5	33	25
Bankinter	19/07/2016	19/07/2031	Fixed 1,8%	750	652	27	3	17	13
Bankinter	19/07/2016	19/07/2031	Fixed 1,8%	300	260	11	1	7	5
Sabadell	30/11/2016	31/12/2031	Fixed 1,8%	600	511	39	-	12	11
Sabadell	30/11/2016	31/12/2031	Fixed 1,8%	637	545	41	-	13	11
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	187	157	6	1	5	3
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	1,250	1,188	44	4	33	23
Sabadell	26/04/2017	30/04/2032	Fixed 1,8%	250	232	9	1	6	5
Sabadell	10/05/2017	10/05/2032	Fixed 1,8%	508	477	18	1	11	9
Sabadell	31/01/2018	31/03/2030	Fixed 1,8%	324	316	2	1	2	-
Sabadell	31/01/2018	31/03/2030	Fixed 1,8%	492	481	4	2	2	-
B.C.C.	29/01/2018	29/01/2033	Fixed 2%	675	613	25	3	14	10
Sabadell	12/07/2018	30/09/2030	Fixed 1,8%	625	623	1	-	-	-
Sabadell	30/07/2018	30/09/2030	Fixed 1,8%	785	761	2	-	1	-
Sabadell	30/07/2018	30/09/2030	Fixed 1,8%	900	884	2	-	1	-
Sabadell	02/10/2018	30/12/2030	Fixed 1,8%	735	721	2	-	-	-
Banca Puyo	03/10/2018	02/10/2039	Fixed 1,8% (*)	5,250	5,202	15	-	36	16
Sabadell	09/10/2018	30/12/2030	Fixed 1,8%	800	792	2	-	-	-
TOTAL				17,168	16,226	325	22	193	131

The Group's financial debt is recognised at its amortised cost in the Consolidated Interim Statement of Financial Position

The abovementioned loan agreements contain certain covenants that are customary in the market for facilities of this nature, based on Loan to Value (LTV) and rental incomes over the asset mortgaged. Failure to meet these covenants represents an event of default and may result in, among other things, an acceleration of the loan's maturity and/or may trigger an early amortization event.

As of 31 March 2019, the Group is in full compliance with all terms, conditions, covenants and provisions of the financing agreements in place.

It is the Director's opinion that the abovementioned ratios are fulfilled at 31 March 2019, at the approval of these Interim Condensed Consolidated Financial Statements and that it will be also fulfilled in a year since then.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

9. Tax situation

9.1 Balances with Tax Administration

The main current receivable and payable taxes balances as at 31 March 2019 and 31 December 2018 are as follows:

Euro Thousand				
	31 March 2019		31 December 2018	
	Tax assets	Tax liabilities	Tax assets	Tax liabilities
Withholding tax	-	42	-	52
VAT	32	4	31	-
Payroll tax	-	9	-	7
Other taxes	-	-	-	-
	32	55	31	59

The Group does not maintain long term balances with tax authorities as at 31 March 2019 and 31 December 2018.

9.2 Corporate Income Tax

The reconciliation between the consolidated net result for the period from 1 January 2019 to 31 March 2019 and the taxable base of the Group companies' is set out below:

	Consolidated income statement			Income and expense allocated directly to net equity			Total
	Increase	Reductions	Total	Increases	Reductions	Total	
Balance income and expenses of financial period	1,128	-	1,128	-	-	-	1,128
IFRS and Consolidation Adjustments	-	(1,658)	(1,658)	-	-	-	(1,658)
Corporation Tax	-	-	-	-	-	-	-
Permanent differences	-	-	-	-	-	-	-
Temporary differences:							
originating in the financial year	-	-	-	-	-	-	-
Taxable base			(530)				(530)

The taxable base presented in the previous table is the sum of the taxable bases of the companies that make up the Group, the consolidated result of the period having been adjusted for adjustments and eliminations of consolidation, as well as the conversion adjustments to International Standards of Financial information adopted by the European Union (IFRS-EU).

In accordance with the SOCIMI Law, current Corporate Income Tax is the result of applying 0% to the tax base. No deductions are applicable in the year 2019, nor withholdings or payments in accounts.

9.3 Years open to review and tax inspections

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations has expired. At 31 March 2019, all the taxes applicable for which the Group companies are liable since its incorporation are open to inspection and for which its liquidation have occurred up to 31 March 2019.

As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional tax liabilities may arise in the event of a tax inspection. In any event, the Directors consider that such liabilities, if ever they arise, will not have a significant effect on the accompanying Interim Condensed Consolidated Financial Statements.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

10. Revenue and expenses

a) Gain from fair value on investment properties

The details of gain from fair value on investment properties are provided in note 3.

b) Property operating expenses

The breakdown of this caption of the consolidated income statement is as follows:

	Euro Thousand	
	31 March	
	2019	2018
Property management	23	12
Supplies	13	16
Insurance	14	10
Recurrence Maintenance	17	20
Condominium expenses	20	17
Property Tax	21	12
Renting brokerage fee	18	11
Losses, deterioration and variation of provisions for business operations	12	20
Total	138	118

c) General and administrative expenses

The breakdown of this caption of the consolidated income statement is as follows:

	Euro Thousand	
	31 March	
	2019	2018
Staff cost and related expenses	96	66
Management fee – see note 1.2(a) and note 12	181	117
Success fee – see note 1.2(c) and note 12	271	178
Professional fees and others	152	122
Other taxes	23	-
Amortization of property, plant and equipment	-	1
Total	723	484

Calculation of the success fee

In the current table it is shown the calculation of the success fee as at 31 March 2019 and 31 March 2018 according to the conditions stated in the Management Agreement as defined in note 1.2

	Euro Thousand	
	31 March	
	2019	2018
Net Equity at the beginning of the period	37,145	29,973
Net investments during the period (prorated)	-	(43)
Result of the relevant period (pre-Success Fee)	1,399	920
Hurdle rate (8%)	733	590
Accrued Catch-up amount	176	142
Carried interest	95	36
Total Success Fee (16% plus VAT)	271	178
Net profit for the Shareholder	1,128	742


Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019
Payroll

	Euro Thousand	
	31 March	
	2019	2018
Wages and salaries	80	54
Social Security	16	12
Total	96	66

d) Finance result

The finance result is as at 31 March 2019 and 2018 is broken-down as follows:

	Euro Thousand	
	31 March	
	2019	2018
Finance income		
Bank interests of current accounts and deposits	-	-
Financial expenses		
Bank interest from borrowings (Note 8)	(87)	(34)
Total	(87)	(34)

e) Contribution to the consolidated profit by Group company

The contribution to the profit for the three-month period ended 31 March 2019 and 31 March 2018 by each company included in the consolidation scope is as follows:

	Euro Thousand	
	31 March	
	2019	2018
VBARE Iberian Properties SOCIMI, S.A.	689	743
VBA SUB 3000, S.L.U.	-	(1)
VBA SUB 2018, S.L.U.	439	-
Total	1,128	742

11. Environmental information

Given the activity in which the Group operates, it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a material impact on its equity, financial position and results of its operations.

Therefore, no specific environmental disclosures have been included in these notes to the Interim Condensed Consolidated Financial Statements.

12. Related-party transactions

Transactions shown below were carried out with related parties as at 31 March 2019 and 2018 is as follows:

	Euro Thousand		
	31 March 2019		
	Success fee	Management fee	Other expenses
VBA Real Estate Asset Management 3000, S.L.	271	181	-
Aura Asset Management, S.L.	-	-	12
	271	181	12



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

	Euro Thousand		
	31 March 2018		
	Success fee	Management fee	Other expenses ¹
VBA Real Estate Asset Management 3000, S.L.	178	117	-
Aura Asset Management, S.L.	-	-	25
	178	117	25

At 31 March 2019 and 31 December 2018, the outstanding balances with the related parties breakdown as follows:

	Euro Thousand	
	Trade and other payables	
	31 March 2019	31 December 2018
VBA Real Estate Asset Management 3000, S.L.	1,453	1,204
Aura Asset Management, S.L.	-	-
Total	1,453	1,204

	Euro Thousand	
	Trade and other receivables	
	31 March 2019	31 December 2018
VBA Real Estate Asset Management 3000, S.L.	9	9
Total	9	9

As mentioned in note 1.2, the Parent Company has several agreements with VBA Real Estate Asset Management 3000, S.L. (the Management Company).

Additionally, Aura Asset Management, S.L. charges a monthly invoice for the premises where the Group has its registered office.

Transfer pricing with related parties are adequately supported, so the Directors of the Parent Company consider that there are no risks that could result in significant tax liabilities.

The transactions described above are considered with related parties as certain members of the Board of Directors of the Parent Company are themselves shareholders of the Management Company (VBA Real Estate Asset Management 3000, S.L.) and the asset manager (Aura Asset Management, S.L.).

13. Provision and contingencies

As of 31 March 2019, and 31 December 2018 the Group has no claims or demands and no provisions and contingencies have arisen.

**Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019****14. Information requirements deriving from Socimi regime. Law 11/2009**

Description	31 March 2019	31 December 2018
a) Reserves from years prior to the application of the tax scheme contained in Law 11/2009, amended by Law 16/2012.	N/A	N/A
b) Reserves from years in which the tax scheme contained in Law 11/2009, amended by Law 16/2012, have been applied.	N/A	N/A
c) Dividends distributed against profits each year in which the tax scheme contained in this Law is applicable, differentiating the part from income subject to tax at 0% or 19% from those where tax has been levied at the general rate.	N/A	N/A
d) For distribution against reserves, identifying the year from which the reserves applied derive and if they have been taxed at 0%, 19% or the general rate.	N/A	N/A
e) Date of the agreement for the distribution of dividends referred to in c) and d) above.	N/A	N/A
f) Date of acquisition of buildings for rent and interests in the capital of companies referred to in Article 2.1. of this Law.	Please see note 6 and Appendix I and II	Please see note 6 and Appendix I and II
g) Identification of assets taken into account in the 80% referred to in Article 3.1 of this Law.	Please see note 6 and Appendix I and II	Please see note 6 and Appendix I and II
h) Reserves from years in which the tax system applicable in this Law was applicable, which were made available in the tax period, not for distribution or offsetting losses, identifying the year from which the reserves derive.	N/A	N/A

15. Events occurring after the reporting period

According to the Parent Company's Directors, no facts or circumstances occurred after the three-month period ended as at 31 March 2019 have come to their attention which may have significant impact on these Interim Condensed Consolidated Financial Statements.



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Appendix I: Investment properties acquired by the Group

Kind of Asset	Location	Acquisition Date
Apartment	Calle Juan Pascual, nº 12-14, Bajo A, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, Bajo B, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, Bajo C, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 1º A, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 1º B, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 1º C, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 1º D, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 2º A, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 2º B, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 2º C, Madrid.	30/07/2015
Apartment	Calle Juan Pascual, nº 12-14, 2º D, Madrid.	30/07/2015
Apartment & Storage	Calle Juan Pascual, nº 12-14, Ático A, Madrid.	30/07/2015
Apartment & Storage	Calle Juan Pascual, nº 12-14, Ático B, Madrid.	30/07/2015
Apartment & Storage	Calle Juan Pascual, nº 12-14, Ático C, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 1, 1, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 1, 2, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 1, 3, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 1, 4, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 5, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 6, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 7, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 8, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 9, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 2, 10, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 11, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 12, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 13, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 14, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 15, Madrid.	30/07/2015
Parking	Calle Juan Pascual, nº 12-14, Sótano 3, 16, Madrid.	30/07/2015
Apartment	Calle Venancio Martín, 50, 3º Izquierda, Madrid.	19/11/2015
Apartment	Calle Uva, 7, 2ºB, Madrid.	19/11/2015
Apartment	Calle Zarzuela, 24, 3º Derecha, Madrid.	19/11/2015
Apartment	Calle Abdón Bordoy, 19, 3ºC, Aranjuez.	19/11/2015
Apartment	Calle Misericordia, 4 BIS, 3º3, Madrid.	19/11/2015
Apartment	Calle San José y Pasaderas, 33, 3ºC, Madrid.	19/11/2015
Apartment	Travesía de Getafe, 7, 5º IZQ, Parla.	19/11/2015
Apartment	Avenida Cerro de los Ángeles, 15, 3ºC, Madrid.	19/11/2015
Apartment	Calle Abedul, 8, 3ºB, Madrid.	19/11/2015
Apartment	Calle Flor De Lis, 13, 3ºD, Madrid.	19/11/2015
Local Premise	Calle Antonia Ruiz Soro, nº 19, Bajo 1, Madrid.	18/05/2016
Apartment & Storage	Calle Antonia Ruiz Soro, nº 19, 1º A, Madrid.	18/05/2016
Apartment & Storage	Calle Antonia Ruiz Soro, nº 19, 1º B, Madrid.	18/05/2016
Apartment & Storage	Calle Antonia Ruiz Soro, nº 19, 2º A, Madrid.	18/05/2016
Apartment & Storage	Calle Antonia Ruiz Soro, nº 19, 2º B, Madrid.	18/05/2016



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Appendix I: Investment properties acquired by the Group (continued)

Kind of Asset	Location	Acquisition Date
Apartment & Storage	Calle Antonia Ruiz Soro, nº 19, Ático A, Madrid.	18/05/2016
Apartment	Av. Doctor Mendiguchía Carriche, nº 2, 4º Dcha, Leganés.	17/12/2015
Apartment	Calle Concepción de la Oliva, nº 21, 5º B, Madrid.	17/12/2015
Apartment	Calle Josue Lillo, nº 8, 4º C, Madrid.	17/12/2015
Apartment	Camino de la Suerte, nº 17, 3º C, Madrid.	17/12/2015
Apartment	Calle Aguja, nº 12, 4º D, Madrid.	17/12/2015
Apartment	Av. Cerro Prieto, nº 16, 4º Centro C, Móstoles.	17/12/2015
Apartment	Calle León XIII, nº 4, 4º B, Parla.	17/12/2015
Apartment	Calle Buena Madre, nº 2, 2º D, Pinto.	17/12/2015
Apartment	Calle Oropéndola, nº 17, Bajo A, Madrid.	17/12/2015
Apartment	Calle Oropéndola, nº 17, 1º A, Madrid.	17/12/2015
Apartment	Calle Oropéndola, nº 17, 1º B, Madrid.	17/12/2015
Apartment	Calle Oropéndola, nº 17, 2º B, Madrid.	17/12/2015
Apartment	Calle Oropéndola, nº 17, Ático B, Madrid.	17/12/2015
Parking	Calle Oropéndola, nº 17, Sótano 1 3, Madrid.	17/12/2015
Storage	Calle Oropéndola, nº 17, Trastero 1	17/12/2015
Storage	Calle Oropéndola, nº 17, Trastero 3	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, Bajo A, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, Bajo B, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, Bajo C, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, 1º A, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, 1º B, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, 1º C, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, 2º B, Madrid.	17/12/2015
Apartment & Storage	Calle Cantueso, nº 43, 2º C, Madrid.	17/12/2015
Apartment	Calle El Huésped del Sevillano, nº 32, 5º Izq, Madrid.	18/12/2015
Apartment	Calle Cedros, nº 5, 3º D, Torrejón de Ardoz.	18/12/2015
Apartment	Calle Ciudad Jardín, nº 25 1, 3º Dcha, Torrejón de Ardoz.	18/12/2015
Apartment	Calle Ernestina Manuel de Villena, nº 4, 2º Izq, Madrid.	18/12/2015
Apartment	Calle Illescas, nº 68, 4º B, Madrid.	18/12/2015
Apartment	Calle Sáhara, nº 46 1, 3º B, Madrid.	18/12/2015
Apartment	Calle Rafaela Ybarra, nº 37, 3º A, Madrid.	18/12/2015
Apartment	Calle Rioconejos, nº 12, 1º Dcha, Madrid.	21/04/2016
Apartment	Calle Alejandro Morán, nº 38, 3º B, Madrid.	21/04/2016
Apartment	Calle Topacio, nº 3 Centro, Bajo Izq, Torrejón de Ardoz.	31/05/2016
Apartment, Parking & Storage	Calle Bariloche, nº 5, Bajo E, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 5, 3º G, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 5, 2º H, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 5, 1º H, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, Bajo E, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, Bajo F, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, 3º G, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, 3º H, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, 2º G, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, 1º G, Madrid.	19/01/2016
Apartment, Parking & Storage	Calle Bariloche, nº 7, 1º H, Madrid.	19/01/2016



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Appendix I: Investment properties acquired by the Group (continued)

Kind of Asset	Location	Acquisition Date
Building	Calle Carnicer, nº 20, Madrid.	04/02/2016
Building	Calle Brihuega 9, Madrid.	14/04/2016
Apartment & Storage	Calle Amor Hermoso, 59, 1ºB, Madrid.	31/05/2016
Apartment	Calle Sanz Raso, 11, 1ºA, Madrid.	31/05/2016
Apartment	Calle Algaba, 22, 1º B, Madrid.	31/05/2016
Apartment	Calle Alfonso XII, 8, 3ºC. Parla.	31/05/2016
Apartment	Calle Santa Julia, 15, Bajo B, Madrid.	31/05/2016
Apartment	Calle Santa Julia, 15, Bajo C, Madrid.	31/05/2016
Apartment	Calle Santa Julia, 15, Bajo D, Madrid.	31/05/2016
Apartment	Calle Santa Julia, 15, 3ºB, Madrid.	31/05/2016
Apartment	Calle Santa Julia, 15, 3ºC, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 1, 1ºC, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 1, 1ºD, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 1, Ático A, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 1, 2ºG, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 1, Ático B, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 2, 5ºG, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 2, Ático A, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 2, Ático B, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 2, Ático F, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 3, 3ºH, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 3, 4ºC, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 3, 5ºH, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 3, Ático F, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 4, Ático A, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 4, Ático B, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 4, 1ºB, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, 2ºD, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, 3ºE, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, 5ºD, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, Ático A, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, Ático B, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 5, Ático F, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, Bajo A, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, Bajo B, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 1ºE, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 1ºD, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 2ºC, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 3ºE, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 4ºE, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 5ºA, Madrid.	31/05/2016
Apartment & Storage	Calle Vicente Carballal, 4, Portal 6, 5ºE, Madrid.	31/05/2016
Building	Calle Margaritas, 15, Madrid.	22/12/2016
Apartment	Calle Carrascales 1, SM, A, Madrid.	28/06/2017



Notes to the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019

Appendix I: Investment properties acquired by the Group (continued)

Kind of Asset	Location	Acquisition Date
Apartment	Calle Carrascales 1, SM, B, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 1, A, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 1, B, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 2, A, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 2, B, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 3, A, Madrid.	28/06/2017
Apartment	Calle Carrascales 1, 3, B, Madrid.	28/06/2017
Apartment	Calle Santa Valentina 28, B, A	20/07/2017
Apartment	Calle Santa Valentina 28, B, B	20/07/2017
Apartment	Calle Santa Valentina 28, 1, A	20/07/2017
Apartment	Calle Santa Valentina 28, 1, B	20/07/2017
Apartment	Calle Santa Valentina 28, 1, C	20/07/2017
Apartment	Calle Santa Valentina 28, 2, A	20/07/2017
Apartment	Calle Santa Valentina 28, 2, B	20/07/2017
Local Premise	Calle Concordia 5, B, A, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, B, 1, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, B, 2, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 1, A, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 1, C, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 2, A, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 2, C, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 3, A, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 3, B, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 3, C, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 4, A, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 4, B, Móstoles.	21/03/2018
Apartment	Calle Concordia 5, 4, C, Móstoles.	21/03/2018
Apartment & Storage	Calle Eugenio Gross 41, 1, A, Málaga.	26/06/2018
Apartment	Calle Eugenio Gross 41, 1, B, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 2, A, Málaga.	26/06/2018
Apartment	Calle Eugenio Gross 41, 2, B, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 3, A, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 3, B, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 4, A, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 4, B, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 5, A, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 5, B, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 6, A, Málaga.	26/06/2018
Apartment & Storage	Calle Eugenio Gross 41, 6, B, Málaga.	26/06/2018
Apartment	Calle Eugenio Gross 41, 7, A, Málaga.	26/06/2018
Apartment	Calle Eugenio Gross 41, 7, B, Málaga.	26/06/2018
Building	Calle Don Quijote 22, Madrid.	24/07/2018
Building	Calle Luchana 20, Madrid	03/10/2018
Building	Calle Vallehermoso 94, Madrid.	08/01/2019



Preparation of the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Directors of the Company have prepared the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which comprise:

- Interim Condensed Consolidated Statement of Financial Position
- Interim Condensed Consolidated Statement of Profit or Loss
- Interim Condensed Consolidated Statement of Comprehensive Income
- Interim Condensed Consolidated Statement of Changes in Equity
- Interim Condensed Consolidated Statement of Cash Flows
- Notes to Interim Condensed Consolidated Financial Statements

Madrid, 14 May 2019

Fernando Ernesto Acuña Ruiz

(Chairman of the Board of Directors)

Yair Ephrati

(Member of the Board of Directors)

Juan Manuel Soldado Huertas

(Deputy Chairman of the Board of Directors)

Ido Nouberger

(Member of the Board of Directors)

Juan José Nieto Bueso

(Member of the Board of Directors)

Yeshayahu Manne

(Member of the Board of Directors)

Iñigo Sánchez del Campo Basagoiti

(Secretary of the Board of Directors)

SECRETARY NON DIRECTORS