CONSOLIDATED FINANCIAL STATEMENT

FINANCIAL YEAR 2018

GRUPO WHITENI RCAJAL - MTOVAR

PARENT COMPANY

WHITENI RCAJAL SOCIMI, S.A.

GROUP COMPANIES

WHITENI MTOVAR SOCIMI, S.L.

Group companies

1.1. Parent Company

WHITENI RCAJAL SOCIMI, S.A., Parent Company, is the parent of the group WHITENI RCAJAL - MTOVAR with registered office and tax residence at CL MARIA DE MOLINA Nº 5 - 2º door.: LEFT, and which operates at the same address

The company's corporate purpose is:

a) The acquisition and development of property of an urban nature for leasing.

b) Possess holdings in the share capital of other SOCIMIs or other entities not resident on Spanish territory which have the same corporate purpose and which are subject to a regime similar to that established for SOCIMIs in terms of mandatory policies, both legal or statutory, and profit distribution.

c) Possess holdings in the share capital of other entities, resident or not on Spanish territory which have the corporate purpose of acquiring property of an urban nature for leasing, and which are subject to the same regime established for SOCIMIs in terms of mandatory policies, both legal or statutory, and profit distribution, and which comply with the investment requirements referred to in article 3 of the SOCIMIS Act.

d) Possess shares or holdings in Collective Investment Property Institutions regulated by Act 35/2003 of November 4, for Collective Investment Institutions, or any future replacing laws.

e) Along with the economic activities deriving from their main corporate purpose, the SOCIMI may develop other secondary activities, in other words, activities whose revenue represents less than 20% of the company's income during each tax year or those that may be considered secondary by governing laws.

Its main activities are:

- PROPERTY DEVELOPMENT OF BUILD
- LEASING OF INDUSTRIAL PREMISES

Business activity began on January 24, 2018, and on April 5, 2018, in accordance with articles 8 and seq. of Act 11/2009, of October 26, regulating Listed Investment Companies on the Property Market, the AEAT was informed of the willingness of the entity to benefit from the special SOCIMI regime, having made an agreement for this purpose in a Shareholders General Meeting held on January 23, 2018.

The company was founded in Madrid on December 05, 2017 before the Notary of Madrid Mr. Jaime Recarte Casanova, in a public deed with protocol number 6.880. Registered in the Mercantile Registry of Madrid on December 26, 2017 with the registration data: Volume 36.941, Section 8, page 10 and registration sheet number M660628., inscription 1.

The accompanying consolidated financial statements include the financial statements of the companies controlled by the Parent, Associated and jointly controlled companies, directly and indirectly, on December 31 of each financial year. Control is considered to be held by the Parent Company when it has the power to establish the financial and operating policies of its affiliated companies.

WHITENI RCAJAL - MTOVAR has its residence in Madrid and files its consolidated financial statements with the Mercantile Registry of Madrid. No consolidated financial statements have ever been presented, the group start date is July 13, 2018 and began with the acquisition of the subsidiary.

1.2. Subsidiaries

The financial results of the affiliated companies acquired or alienated during the year are included in the consolidated results from the effective date in which control was gained until loss of control, as appropriate.

When necessary, if the accounting principles and valuation criteria applied in the preparation of the accompanying consolidated financial statements differ from those used by some of the integrated companies, the necessary adjustments and reclassifications are introduced during the consolidation process to standardise the latter and adapt them to the General Accounting Plan implemented by the parent company.

The information of the subsidiaries under the terms provided in article 42 of the Commercial Code is as follows:

SOCIEDADES DEPENDIENTES	Euros			Valor neto en libros	Dividendos recibidos el 2018	% participación	
	Capital Suscrito	Reservas	Rtdo.del Ejercicio			Directo	Indirecto
WHITENI MTOVAR 43 SOCIMI, S.L.	3.000	0	2018	-98.946,07	0	100	

- The parent company directly owns 100% of the subsidiary's partitions, and 100% of the voting rights.
- Financial year 2018, with closing date December 31, the subsidiary has never presented financial statements since it was founded in 2018.
- There are no significant restrictions on the ability of the subsidiary to transfer funds to the parent company in the form of cash dividends or to repay loans.
- There are NO subsidiaries classified as held for sale.

NO subsidiaries are excluded from the consolidation scope, because of a lack of importance in creating the true and fair view that consolidated financial statements must convey, for instance:

The consolidation method applicable to these companies has been that of Global Integration. Since the direct or indirect participation exceeds 50%, with effective control.

There are no significant investments in the group whose functional currency differs from the local currency used to present their financial statements.

The classification of consolidated reserves in 'Consolidated companies by global and proportional integration' and 'Equity-accounted companies' has been carried out according to the consolidation method applied to each consolidated company or subgroup.

In the accompanying consolidated financial statements, all relevant balances and transactions between the companies of the WHITENI RCAJAL - MTOVAR group, as well as the amount of holdings held by them, have been eliminated.

The equity of minority shareholders represents the part of the shareholders' equity and of the results to them attributable (as of December 31, 2018), of the companies that are consolidated through the global integration method, and are recorded in the 'Equity' section of the attached consolidated balance sheet and in the paragraph on 'Income attributed to minority interests' in the accompanying consolidated profit and loss statement, respectively.

The SUBSIDIARY company IS: WHITENI MTOVAR SOCIMI S.L.U., with C.I.F. B 88135785, with registered office and tax residence at CL MARIA DE MOLINA Nº 5 - 2º door.: LEFT, and which operates at the same address

The company's corporate purpose is:

a) The acquisition and development of property of an urban nature for leasing.

b) Possess holdings in the share capital of other SOCIMIs or other entities not resident on Spanish territory which have the same corporate purpose and which are subject to a regime similar to that established for SOCIMIs in terms of mandatory policies, both legal or statutory, and profit distribution.

c) Possess holdings in the share capital of other entities, resident or not on Spanish territory which have the corporate purpose of acquiring property of an urban nature for leasing, and which are subject to the same regime established for SOCIMIs in terms of mandatory policies, both legal or statutory, and profit distribution, and which comply with the investment requirements referred to in article 3 of the SOCIMIS Act.

d) Possess shares or holdings in Collective Investment Property Institutions regulated by Act 35/2003 of November 4, for Collective Investment Institutions, or any future replacing laws.

e) Along with the economic activities deriving from their main corporate purpose, the SOCIMI may develop other secondary activities, in other words, activities whose revenue represents less than 20% of the company's income during each tax year or those that may be considered secondary by governing laws.

The company was founded in Madrid on June 20, 2018 before the Notary Mr. Jaime Recarte Casanova, in a public deed with protocol number 3.545, and registered in the Mercantile Registry of Madrid on June 26, 2018 with the registration data: Volume 37.805, Section 8, page 197, and registration sheet number M673456 and inscription 1.

Its main activities are:

- PROPERTY DEVELOPMENT OF BUILD
- LEASING OF INDUSTRIAL PREMISES

2. SOCIMI Regime

The parent company, on January 23, 2018, the Board of Shareholders made an agreement to sign up to the special SOCIMI regime, which the AEAT was informed of on April 5, 2018.
Listed Investment Companies on the Property Market must fulfill the following obligations, amongst others, for said regime to be applied:

- A SOCIMI's main corporate purpose must be that of acquiring and developing property of an urban nature for leasing and/or possess holdings in the share capital of other SOCIMIs or other entities not resident on Spanish territory which have the same corporate purpose and which are subject to a similar regime
- SOCIMIs must have at least 80% of their assets invested in property of an urban nature intended for leasing, in land for the development of property, as well as in holdings in the capital or equity of other SOCIMIs or similar entities.
- Likewise, at least 80% of the income for each year -excluding income derived from the transfer of shares and property related to its main activity- must come from the lease of PP&E and/or dividends or holdings in profits from other SOCIMIs or similar entities
- PP&E which are integrated into the assets of the company must be leased for at least three years
- The SOCIMI shares must be submitted for trading on a regulated market or a multilateral trading system, such as the MAB
- SOCIMIs need to have a minimum share capital of 5 million euros

- Non-monetary contributions for the constitution or extension of the capital that are made in the form of property must be assessed at the time of their contribution by an independent expert appointed by the Commercial Registrar
- SOCIMIs are obliged to distribute the profits obtained in each financial year in the form of dividends to their shareholders in the following manner:
    - 100% of the profits originating from dividends or holdings are distributed in other entities
    - At least 50% of the profits derived from the transfer of PP&E, shares and holdings are distributed in other entities
    - At least 80% of the remaining obtained profits, like those deriving from leases, for example.
- Reporting Obligation. The SOCIMI must include the information set forth in Article 11 of Law 11/2009 in its financial statements.

The company can opt to apply the special tax regime in the terms established in Article 8 of the Law, even if the requirements stipulated in it have not yet been met, provided that such requirements are met within two years following the date on which the company opts to apply said regime.

In March 2019 the entity began trading on the EURONEXT stock market.

3. Presentation standards for the consolidated financial statements.

3.1. True and fair view.

The accompanying Consolidated Financial Statements for the 2018 financial year have been made by the Directors of the Parent Company at a meeting of its Board of Directors held on March 25, 2019 based on the accounting records of WHITENI RCAJAL SOCIMI, S.A. and subsidiaries as of December 31, 2018 to which the accounting principles and valuation criteria set forth in Royal Decree 1514/2007, used to approve the General Accounting Plan, and Real Decree 1159/2010, of September 17, used to approve the Standards for writing the Consolidated Financial Statements and other legal provisions governing accounting, were applied, and show a fair and true image of the consolidated equity and financial situation of the group as of December 31, 2018 and the consolidated financial results of their activities, carried out by the group in the financial year which ended on that date.

There are no exceptional reasons why, to show a fair image, legal provisions relating to accounting shouldn't be applied.

The accompanying Consolidated Financial Statements will be submitted for approval to the Shareholders of the Parent Company in their General Meeting, and they are expected to be approved without any modifications.

3.2. Non-compulsory accounting principles applied.

No non-compulsory accounting principles were applied.

3.3. Critical aspects of the valuation and estimation, uncertainty and relevant judgements in applying accounting policies.

The group has prepared its financial statements under a going concern basis. There are no significant risks that could lead to significant changes in the value of the assets or liabilities in the following year.

The preparation of the financial statements requires the Parent Company's Management to make relevant accounting estimates, judgments, estimates and hypotheses that could affect the accounting policies adopted and the amounts of the assets, liabilities, profits, losses and related breakdowns.

Estimates and assumptions are based, among other aspects, on past experience or other events deemed reasonable in view of the facts on the closing date, the result of which forms the basis for estimating the book value of assets and liabilities that cannot be immediately calculated in any other manner.

Actual results may differ from the estimates. These estimates and judgments are under constant review.

Accounting estimates are considered to be significant if the nature of the estimates and judgments is material and if their impact on the Group's financial position or operating returns is material.

Though these estimates were made by the Management of the Parent Company with the best information available to them at the end of the financial year, by making their best assumptions and with their knowledge of the market, it is possible that future events may force the Parent Company to modify them in future financial years. In accordance with current legislation, the effects of the estimate changes in the results statement will be reflected prospectively.

The main estimates and judgments made by the Parent Company are detailed below:

- Useful life of the tangible fixed assets and intangible assets
- The estimates made to determine future payment commitments
- The occurrence probability and the amount of the indeterminate or contingent liabilities,
- Warranty claims
- Provisions for litigation
- Recoverability of activated tax credits
- Impairment of balances of accounts receivable and financial assets
- Revenue recognition
- Impairment of holdings in other companies
- Exchange rates in light of possible devaluations

3.4. Information comparison.

The financial statements do not feature comparative figures with respect to the previous financial year, due to the fact that the group was founded in this financial year (2018).

3.5. Grouping of items.

The consolidated financial statements do not have any items that have been grouped in the balance, the profit and loss statement, in the statement of changes in equity or in the consolidated cash flow statement.

3.6. Elements gathered in various items.

No equity elements were recorded in two or more items of the consolidated balance.

3.7. Changes in accounting criteria.

No changes to the consolidated financial statements for the 2018 financial year have been made during the year because of changes in the accounting criteria.

3.8. Error correction.

The consolidated financial statements for the 2018 financial year do not include adjustments made as a result of mistakes detected during the financial year.

3.9. Transactions between companies of the perimeter of consolidation

There have been no significant transaction between companies of the perimeter of consolidation, when the financial year of one of them ends no more than three months after the date of the consolidated statements' closure.

3.10. Relative Importance

When determining the information to be disclosed in the present report on the different items of the financial statements or other matters, the Parent Company and consolidated entities, in accordance with the Conceptual Framework of the General Accounting Plan, have taken into account relative importance in relation with the consolidated financial statements for the 2018 financial year.

4. Registration and valuation standards

4.1. Homogenization

Consistency of time.

The accompanying consolidated financial statements were constituted on the same date and period as the financial statements of the company which was compelled to consolidate.

All group companies close their financial year on the same date as the consolidated financial statements.

Consistency in valuation.

The elements of assets and liabilities, profits and losses, and other items in the financial statements of the group companies are valued following standard methods and in accordance with the valuation principles and standards established in the Commercial Code, a consolidated text of the Capital Companies Law and the General Accounting Plan and specifically applicable legislation.

If any elements of the assets or liabilities or any income or expense, or item of the financial statements was valued using a different criteria from that applied in the consolidation, said element is valued again, for the sole purpose of consolidation, in accordance with said criteria, by making the necessary adjustments, unless the new valuation generates interest that is not significant in creating a true and fair view of the group.

However, if the group carries out several activities, meaning that some are subject to general accounting standards (General Accounting Plan) and others to the standard applicable in Spain to certain entities in the financial sector, or to accounting entities, they must respect the specific regulations and explain the criteria used in detail, without prejudice to the fact that, for the criteria that presents options, the necessary homogenization must be carried out, keeping in mind the objective of creating a fair view, which will encourage the homogenization of operations by taking into account the criterion applied in the individual statements of the company whose relevance within the group is greatest in relation to the aforementioned operation.

When the specific regulations do not contain options, the criteria applied by the entity in its individual accounts must be kept in place.

Consistency of internal operations.

When in the group companies' financial statements the amounts of the items derived from internal operations do not coincide, or there is a pending item to be recorded, the appropriate adjustments are made in order to carry out the corresponding eliminations.

Consistency for aggregation.

The necessary reclassifications are made in the structure of the group company's financial statements so that it matches with that of the consolidated financial statements.

4.2. Consolidation goodwill and negative differences in consolidation

There are NO differences between the acquisition price of the consolidated Subsidiary's shares and their theoretical book value as of the date of the subsidiary's incorporation into the consolidation perimeter, therefore no Consolidation Goodwill nor Negative Consolidation Differences have been generated

4.3. Transactions between companies included in the perimeter of consolidation

Elimination of intra-group elements

Intra-group elements are completely eliminated from the consolidated financial statements once the necessary adjustments have been made in accordance with consistency.
"Intra-group elements" refers to the credits and debts, income and expenses, and cash flows between group companies.

Elimination of internal operation results.

Internal operations are those carried out between two companies of the group from the moment in which both companies became part of it. 'Results' refers to both those in the profit and loss statement as well as income and expenses charged directly to the equity, in accordance with the provisions of the General Accounting Plan.

The total results generated by internal transactions are eliminated and deferred until they materialise before third parties outside the group. Both the results from the current and previous financial years (since the date of acquisition) are deferred.

However, losses in internal transactions may indicate the existence of impairment, in which case it should be reflected in the consolidated financial statements. Likewise, the profit made in internal transactions may indicate the existence of a recovery in the impairment of the asset which was the subject of the transaction that had previously been recorded. Where appropriate, both concepts are recorded in the consolidated financial statements as per their nature.

All of the above applies in cases where a third party acts in its own name and on behalf of a group company.

The imputation of results in the consolidated profit and loss statement or, if applicable, in the consolidated statements of recognised income and expenses, will be displayed, when made to third parties, as a greater or lesser amount in their corresponding items.

If any item of the equity is subject, for the purposes of the formulation of the consolidated financial statements, to an adjustment in value, amortization, impairment and alienation or derecognition in the balance, it is calculated, in the consolidated financial statements, at its adjusted value.

Impairment losses corresponding to asset elements which have been subject to elimination from the results, as they are the result of internal transactions, are eliminated from the consolidated financial statements. Provisions deriving from guarantees (or similar) granted to other group companies are also eliminated. Both eliminations will result in the corresponding adjustments to the results.

The elimination of results from internal transactions carried out during the year affects the consolidated results figure, or the total amount of income and expenses charged directly to the equity, whereas the elimination of results from internal transactions in prior years modifies the net equity amount, thus affecting reserves, adjustments for changes in value or grants, donations and legacies received, which are pending to be charged to the consolidated profit and loss account.

The adjustments made to the results of the profits and losses directly imputed to the equity, and to other elements of the net equity, affect the company who alienates the asset or provides the service, and therefore, the amount assigned to the external partners of said company.

The classification of equity elements, income, expenses and cash flows is done from the group's point of view, and they are not modified by internal transactions. In the event that the internal transaction coincides with a change in the impact from the group's point of view, this change in the impact is reflected in the consolidated financial statements in accordance with the rules established for this purpose in the General Accounting Plan.

4.4. Intangible assets.

Intangible assets are calculated based on their cost, namely the price of acquisition or manufacturing cost. The cost of intangible assets acquired through business combinations is their fair value at the acquisition date.

After initial recognition, intangible assets are valued based on their cost, minus accumulated amortization and, if applicable, the accumulated amount of the impairment corrections that have been made.

Intangible assets are assets with a finite useful life, and, therefore, they are systematically amortized based on their estimated useful life and residual value. The amortization methods and periods applied are reviewed at each year-end and, if applicable, adjusted prospectively. At least once at the end of the year, the existence of signs of impairment are evaluated, in which case the recoverable amounts are estimated, and the corresponding valuation adjustments are made, as established in section i of this section.

The elements of the intangible assets are amortized on a straight-line during their estimated useful life, in line with the following useful life years:

Descripción	Años	% Anual
Desarrollo		
Concesiones		
Patentes, licencias, marcas y similares		
Aplicaciones informáticas	4	25%
Otro inmovilizado intangible		

When the useful life of these assets cannot be estimated reliably, they will be amortized over a period of ten years, subject to the terms established in the specific rules on intangible assets.

The Parent Company and the consolidated entities include in the cost of intangible assets that they require a period of time greater than one year to be ready for use, operated or sold, the financial expenses related to the specific or generic financing, directly attributable to the acquisition, construction or manufacturing.

a) Research and development

The research expenses are capitalised from the moment in which the following conditions are fulfilled (if you choose to capitalise them):

a) They are specifically itemised by project and their cost is clearly established so that it can be distributed over time.
b) A strict relationship can be established between research "project" and pursued and obtained objectives. The assessment of this requirement is generically made for each set of activities linked by a common objective.

The development expenses for the financial year are capitalised from the moment in which all the following conditions are met:

a) Existence of a specific and individualised project which allows to reliably evaluate the disbursement attributable to carrying out the project.
b) The allocation, imputation and temporary distribution of the costs of each project have been clearly established.
c) At every turn there are well-founded reasons for believing in the technical success of the project, both in cases where the intention is that of direct exploitation, and for cases involving the sale of the resulting project to a third party once completed, if there is a market.
d) The economic and commercial profitability of the project is reasonably certain.
e) The financing of the different projects for their completion is reasonably certain. The availability of adequate technical resources or other resources to complete the project and to use or sell the intangible asset is also guaranteed.
f) There is intent to complete the intangible asset in question, in order to use it or sell it.

The fulfillment of all the previous conditions is verified during all financial years in which the project is carried out, the amount to be capitalised being that which is generated from the moment in which said conditions are fulfilled. The amount capitalised in this financial year totalled 0. euros.

In no case will the company capitalise the disbursements initially recognised as losses for the financial year and which have subsequently fulfilled the aforementioned conditions for their capitalisation.

Research and development projects assigned to other businesses or institutions are valued based on their acquisition cost.

The projects carried out with the Group's own resources are valued at their production cost, which include all directly attributable costs and ones which are necessary to create, produce and prepare the asset so that it can operate as planned.

The imputation of the results of the capitalised losses is carried out according to the following criteria:

a) Research costs included in assets are amortized, from the moment in which they are capitalised, over their useful lives, within a maximum period of five years, unless there are reasonable doubts as to the technical success or economic-commercial profitability of the project, in which case they are directly charged to losses for the year. The amortization charged to the results for the financial year totalled 0. euros.

b) The development costs featured in the assets are depreciated over a maximum of five years, beginning on the project's completion date. (If the useful life is greater than five years, justify)

c) Concessions

The costs incurred to obtain the concession of 0 -are amortized on a straight-line basis over the concession period. In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is completely written off in order to write off its net carrying amount.

d) Patents, licences, trademarks and similar

Industrial property is valued at the costs incurred in obtaining the property or the right to use or grant the use of it in its various forms, provided that, depending on the economic conditions that derive from the contract, they must be inventoried. These include, but are not limited to, invention patents, utility model protection certificates, industrial design and introductory patents.

The rights of the industrial property are valued based on their acquisition price or manufacturing costs. The carrying value of the development expenses capitalised when the corresponding or similar patent is obtained, including the cost of registering and regulating the industrial property, is recorded in this section, provided that the necessary legal conditions for its registration in the corresponding registry are fulfilled, and without prejudice to the amounts that may also be recorded by reason of acquisition of the corresponding rights from third parties. Research expenses follow their amortization pattern and are not incorporated into the industrial property's book value.

Patents can be used for 10 years, so they are amortized on a straight-line basis over said period.

e) Industrial Property

Industrial property is valued at the costs incurred to obtain the property or the right to use or to grant its use in its various forms, provided that, depending on the economic conditions that derive from the contract, they must be inventoried by the acquiring company. Invention patents, utility model protection certificates, the industrial design and manufacturing patents are included, inter alia.

The rights of the industrial property are valued at the acquisition or manufacturing cost, including the carrying value of development expenses capitalised when the corresponding patent or similar was obtained, including registration and regulation costs of the industrial property.

f) Goodwill

Its value has been revealed as the result of an onerous acquisition in the context of a business combination.

The goodwill amount is the excess of the business combination costs over the corresponding fair value of the identifiable assets acquired minus liabilities incurred.

The goodwill can only appear in the assets of the balance sheet when acquired for valuable consideration as a result of the positive consolidation difference.

After initial recognition, the goodwill is valued based on its cost, minus accumulated amortization and, if applicable, the accumulated amount of the impairment corrections that have been made.

The goodwill is amortized over its useful life, estimated at 10 years (unless proven otherwise), its recovery being on a straight-line basis. Said useful life has been determined separately for each cash generating unit to which goodwill has been assigned.

At least once a year, cash generating units to which goodwill has been assigned, are subject to an analysis in order to determine if there are signs of impairment, and, if there are any, to the verification of value impairment, in which case the impairment value corrections will be recorded. In the 2018 financial year, no impairment value corrections were recorded.

Adjustments made because of goodwill impairment may not be subsequently reversed in future financial years.

g) Computer applications

These are valued at their acquisition or production cost. Expenses related to website development should also be included in this paragraph *(provided that they are expected to be in use for several years)*. The useful life of these elements is estimated at 4 years

The expenses of the personnel that has worked on the development of the computer applications are included as a higher expenditure, and credited under the heading "Work carried out by the group for its assets" in the consolidated profit and loss account.

Repairs which do not extend the useful life and maintenance costs are charged to the consolidated profit and loss account for the financial year in which they were generated.

h) Conveyance

This corresponds to the amount paid for the right/concession to use (specify). The initial recognition corresponds to its acquisition price and it is then amortized over X years, which is the estimated period in which it will contribute to generating income, except if the duration of the contract is shorter, in which case they are amortized over said time period.

i) Impairment of the value of intangible assets

At the end of the year, or whenever there are indications of impairment, the Parent Company and consolidated entities review the book values of their intangible assets to determine if there are indications that these assets have suffered impairment. If there are any clues to suggest so, the recoverable value of the asset is estimated in order to determine the extent of the eventual loss by impairment (if applicable). If the asset does not generate cash flows which are independent to other assets, the Parent Company calculates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the largest of the fair values minus the sale cost and the value-in-use.

To estimate the value-in-use, the Parent Company and consolidated entities prepare forecasts of future cash flows before taxes from the most recent budgets approved by the Board of Directors of the Parent Company and consolidated entities. These budgets include the best estimates available for profits and losses of cash generating units, determined by using past experience and future expectations. These forecasts cover the next X years and estimate the flows for future years by applying reasonable growth rates that, in no case increase nor surpass the growth rates of the previous years.

When assessing value-in-use, estimated future cash flows are discounted to their actual value by using a risk-free market interest rate, adjusted for the specific risks of the asset which have not been taken into account when estimating future cash flows.

The Parent Company and consolidated entities have NOT defined basic cash-generating units.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than its carrying amount, the asset's (cash-generating unit) carrying amount is reduced to its recoverable amount. The amount of the impairment loss is recognised as an expense and distributed amongst the assets that make up the unit, starting with the reduction of the goodwill, if applicable, and, subsequently, the remaining assets of the unit are prorated based on their carrying values.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased up to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

In the 2018 financial year, the Parent Company and consolidated entities did not record any losses by impairment of the intangible assets.

j) Intellectual property

Intellectual property consists of personal and patrimonial rights, which grant the author full command over and the exclusive right to exploit their work, with no restrictions other than those established by the law. All original literary, artistic or scientific creations expressed in any manner or medium, whether tangible or intangible, presently known or which may be invented in the future are the subject matter of intellectual property. The title of a work, when original, is protected under said Law.

Two types of rights correspond to the intellectual property's author: the moral right, inalienable in character, and, the right to exploit his/her work, which covers the rights to, among others, duplicate and distribute their work.

For elements of intellectual property, in general, the same principles and valuation criteria indicated for industrial property will be used. They will be recorded in a specific item.

4.5. Tangible fixed assets.

They are valued at their acquisition or production cost which, as well as the invoiced amount after deducting any discounts or reduction of the price, will include all additional costs and ones which are directly related, which are generated up until the asset is ready for operation, such as excavation, demolition and transportation costs, as well as insurance, installation, assembly and other similar costs. The Company and the consolidated entities include in the cost of intangible assets that they require a period of time greater than one year to be ready for use, operated or sold, the financial expenses related to the specific or generic financing, directly attributable to the acquisition, construction or manufacturing. Also included in the value of property, plant and equipment is the initial estimate of the actual value of the obligations originated as a result of dismantling or retirement and other obligations associated with the asset, such as renovation costs, when these obligations give rise to the recognition of provisions. The best estimate of the present value of the contingent amount is also included, however, contingent payments that depend on the activity's scale of development are recorded as an expense in the profit and loss statement as they are incurred.

Amounts delivered on account of future acquisitions of property, plant and equipment are recorded in the assets as they are incurred, and adjustments arising from updating the value of the asset associated with the advance give rise to the recognition of financial income. For this purpose, the initially existing incremental interest rate of the supplier is used, i.e. the interest rate at which the supplier could be financed under conditions equivalent to those resulting from the amount received, which will not be subject to modification in subsequent years. For advances with a due date that is no longer than a year and whose financial effects are not that significant, no updates will be necessary.

The capitalisation of major repairs, retirement and renovation costs is not applicable.

The group has no plans for the dismantling, removal or restoration of its property, plant and equipment. As a result, no securities have been included in the assets to cover this type of future obligation.

After initial recognition, the reversion of the financial discount related to the provision is recorded in the profit and loss account, and the value of the liability is adjusted according to the type of interest applied in the initial recognition, or on the date of the last review. On the other hand, the initial valuation of the fixed assets may be altered by changes in accounting estimates that would result in modifications of the amount of the provision associated with the costs of dismantling and restoration, once the reversal of the discount is recognised, and which may be caused by:

- A change in the timing or amount of estimated cash flows needed to settle the obligation associated with dismantling or renovating.
- The type of discount used by the Group to determine the present value of the provision that, in principle, is the risk-free interest rate, unless the risk associated with compliance with the obligation was not taken into account when estimating cash flows.

The Board of Directors of the Parent Company and consolidated entities believe that the book value of the assets does not exceed their recoverable amount

An impairment loss of an element of the fixed assets is recorded when its net carrying value exceeds its recoverable amount, which is equivalent to the highest amount of its fair value minus sale costs and its value-in-use.

The expenses incurred during the financial year for work carried out by the Group will be debited from the corresponding expense accounts. Expansion or improvement costs that lead to an increase in the productive capacity or to a lengthening of the useful life of the assets, are incorporated into the asset at a higher value. The accounts for fixed assets in the course of construction are debited for the amount of said expenses, and credited to the profits statement item for work carried out by the Group for themselves.

The costs related to major repairs of the tangible fixed assets are recorded as substitutions at the time they are incurred and amortized over the period lasting until the next repair. Any amount associated with the repair that could remain in the carrying amount of the aforementioned assets is derecognised

Under finance leases, the asset is recorded based on type, and a financial liability for the same amount, which is the lowest of the fair value of the leased asset and the current value at the commencement of the lease of the agreed minimum payments.

Fixed assets are amortized on a straight-line basis over the course of their estimated useful life, from the moment in which they become available for operation, by estimating a residual value of zero, based on the following useful life years:

Descripción	Años	% Anual
Construcciones	50	2
Instalaciones Técnicas		
Maquinaria		
Utillaje		
Otras Instalaciones		
Mobiliario		
Equipos Procesos de Información	4	25
Elementos de Transporte		
Otro Inmovilizado		

At least at the end of each year, the Group assesses whether there are indications of impairment losses on its PP&E that reduce the recoverable amount of these assets to an amount lower than their carrying amount. If there are any clues that suggest so, the recoverable value of the asset is estimated in order to determine the extent of the eventual loss by impairment. If the asset does not generate cash flows which are independent to other assets or groups of assets, the Parent Company calculates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

The recoverable value of the assets is the greatest amongst the fair values minus the sale costs and value-in-use. The value-in-use is determined based on expected future cash flows deriving from the use of the asset, the expected possible variations in the amount or temporary distribution of the flows, the temporary value of the money, the price to pay to withstand the uncertainty related to the asset and other factors that market participants would consider in the valuation of future cash flows related to the asset.

If the estimated recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognised with a charge to the consolidated profit and loss statement, and the asset's carrying amount is reduced to its recoverable amount.

Once the valuation adjustment for impairment or reversal has been recognised, the amortization of subsequent years is adjusted to the new carrying amount.

Notwithstanding the foregoing, if the specific circumstances of the assets give rise to an irreversible loss, this loss is recognised directly in losses on non-current assets in the consolidated profit and loss statement.

In the 2018 financial year the Group has not recorded losses for impairment of tangible assets.

4.6. Investment Property.

The Group classifies as investment property any non-current assets that are property and that it holds in order to obtain income, surplus-value, or both, rather than for their use in the production or supply of goods or services, for administrative purposes, or its sale in the ordinary course of operations. Land and buildings whose future uses are yet to be determined upon being incorporated into the Group's equity are also included.

For the valuation of investment property, the following tangible asset criteria for land and construction, is used:

- Unbuilt lots are valued at their purchase price plus the costs of refurbishment, such as ones for closures, earthworks, sewage and drainage works, demolition of buildings when necessary to build new constructions, inspection costs and the drawing up of plans when done prior to the acquisition, as well as the initial estimate of the present value of the present obligations derived from the costs of refurbishment of the site.
- Constructions are valued at their purchase price or production cost, including amenities and elements of a permanent nature, fees inherent to the construction, and optional fees for project and construction management

4.7. Leases.

Assets leased to third parties under finance leasing contracts are presented according to their nature, resulting from the application of the accounting principles developed in the tangible and intangible fixed assets sections. Revenue from operating leases, net of incentives granted, is recognised as income on a straight-line basis over the lease term, unless another systematic basis of distribution is deemed better suited because it reflects the time pattern of consumption of the profits arising from the use of the leased asset more appropriately.

For assets leased to the Group.

Liabilities acquired through financial leases are recorded according to their nature, at the asset's lowest fair value and the actual value of the minimum agreed payments at the commencement of the lease, a financial liability is thus recorded in the statements for that same amount. Lease payments are distributed between financial losses and reduction of liabilities. The same amortization, impairment and derecognition criteria is applied to these assets as to other assets of this kind.

Operating lease payments are recorded as losses in the consolidated profit and loss statement once accrued.

For properties that the Group leases to third parties:

Profits deriving from operating lease payments are recorded as losses in the consolidated profit and loss statement when accrued. Direct costs attributable to the contract are included as an increase in the value of the leased asset and are recognised as an expense over the term of the contract, using the same method as for the recognition of lease income.

4.8. Exchanges.

In commercial exchanges, the property, plant and equipment received is valued at the asset's fair value, plus any monetary consideration given in exchange, unless there is clearer evidence of the fair value of the asset received.

A commercial exchange has taken place when:

– The risk, timing and amount of the cash flows of the PP&E received differs from the configuration of the cash flows of the asset delivered; or
– The present value of the cash flows after taxes of the Group's activities affected by the exchange changes as a result of said exchange.

When the exchange is not commercial in nature, or when a reliable estimate of the fair value of the items involved in the transaction cannot be obtained, the property, plant and equipment received is measured at the carrying amount of the surrendered asset plus, where appropriate, the monetary consideration that would have been paid in exchange, up to the limit, when available, of the fair value of the asset received, if said value is lower.

4.9. Financial instruments.

In the chapter on financial instruments, the Parent Company and consolidated entities have a record of the contracts that give rise to a financial asset in a company and, simultaneously, to a financial liability or an equity instrument in another company. Therefore, this standard is applicable to the following financial instruments:

a) Financial assets:

– Cash and other equivalent liquid assets.
– Credit for commercial operations: various creditors and debtors
– Credit to third parties: such as loans and financial credit granted, including credit generated by the sale of noncurrent assets;
– Debt elements of other acquired companies: such as securities, bonds and promissory notes;
– Other companies' equity instruments acquired: shares in collective investment institutions and other equity instruments;
– Derivatives which are favourable for the group: futures, options, financial exchanges and the forward purchase and sale of foreign currency, and
– Other financial assets: such as deposits in credit institutions, advances and credit to personnel, guarantees and deposits, dividends receivable and disbursements on equity instruments.

b) Financial liabilities (except Public Administrations):

– Debts for commercial operations: various suppliers and creditors;
– Debt with credit institutions;
– Securities and other negotiable securities: such as bonds and promissory notes;
– Derivatives which are unfavourable for the group: futures, options, financial exchanges and the forward purchase and sale of foreign currency;
– Debts with special characteristics, and
– Other financial liabilities: debts with third parties, such as financial loans and financial credits received from persons or companies other than credit institutions, including those arising from the purchase of noncurrent assets, guarantees and deposits received and disbursements required by third parties on holdings.

c) Own equity instruments: all of the financial instruments which are included in the equity, such as issued ordinary shares.

4.9.1. Long-term and short-term financial investments

Loans and accounts receivable: they are recorded at their amortised cost, corresponding to the cash given, minus principal repayments made, plus uncollected accrued interest (in the case of loans), and the present value of the consideration made (in the case of accounts receivable). The Group recognises the related impairment losses at the difference between the recoverable amount of the receivables and the carrying amount at which they are recorded.

Investments held until maturity: securities representing debt, with a fixed due date, charges of a determined or determinable amount, which are traded in an active market and which the Group intends to and has the capacity to hold until maturity. They are recorded their amortized cost.

Financial assets recorded at fair value with changes in results

The Group classifies financial assets and liabilities at fair value with changes in results in the consolidated profit and loss account when they are initially recognised only if:

- this eliminates or significantly reduces the uncorrelatedness between financial assets and financial liabilities, or
- the return of a group of financial assets, financial liabilities or both is managed and evaluated on a fair value basis, in accordance with the Group's documented investment or risk management strategy.

This category also includes financial assets and liabilities with embedded derivatives, which are treated as hybrid financial instruments, either because they have been designated as such by the Group or because the component of the derivative cannot be measured reliably at the acquisition date or at a later date. Financial assets and liabilities at fair value with changes in the consolidated profit and loss account are valued by using following the criteria established for financial assets and liabilities held for trading.

Investments available for sale: all of those that do not belong in the three previous categories. These investments are included in the consolidated balance sheet at their market value on the closing date. In the case of holdings in unlisted companies, this value is obtained through alternative methods such as comparison with similar transactions or discounting of expected cash flows. Changes in this market value are recorded and charged or credited to 'Adjustments for changes in value' of the net consolidated equity. When the alienation of these investments takes place, the value accumulated in these reserves is recognised in full in the consolidated profit and loss account.

Investments in the share capital of unlisted companies whose market value cannot be measured reliably are measured at their purchase price.

Interest and dividends received from financial assets-

Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the consolidated profit and loss account. Interest is recognised by using the effective interest method, and dividend income from investments in equity instruments is recognised when the Group receives it.

In the initial valuation of financial assets, the amount of explicit interest accrued and not yet due at that time, as well as the amount of dividends agreed by the competent authority at the time of acquisition, are recorded separately according to their maturity.

Derecognition of financial assets-

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the corresponding financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred. In the specific case of accounts receivable, this is generally understood to occur if the risks of insolvency and default have been transferred.

When the financial asset is derecognised, the difference between the net consideration received from the associated transaction costs and the carrying amount of the asset, plus any cumulative amounts directly recognised in the consolidated equity, determine the profit or loss arising from the derecognition of the asset, which forms part of the results for the consolidated year in which the derecognition occurs.

4.9.2. Cash and other liquid equivalents

Recorded in this section of the accompanying consolidated balance sheet are: cash in hand and in bank, sight deposits, and other highly-liquid shot-term investments with a due date of less than three months which can be done quickly with cash and are not subject to a risk of changes in value.

4.9.3. Financial liabilities

Loans, securities and similar are initially recorded at the amount received, net of the costs incurred in the transaction. Financial expenses, including premiums payable on settlement or reimbursement and transaction costs, are entered in the consolidated profit and loss statement on an accrual basis using the effective interest method. The accrued and unpaid amount is added to the carrying amount of the instrument inasmuch as they are not settled in the period in which they occur.

Accounts payable are initially recorded at their market cost and subsequently they are valued at the amortized cost by using the effective interest method.

Guarantees provided

The deposits or guarantees provided as collateral for various obligations are valued at the actual amount paid, which does not differ significantly from their fair value.

Fair value

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between interested and duly informed parties, who carry out an arm's length transaction.

In general, when valuating financial instruments valued at fair value, the Group calculates this by using a reliable market value as a reference, the quoted price in an active market being the best reference for said fair value. For those instruments for which there is no active market, the fair value is obtained, where appropriate, through the application of valuation techniques and models.

It is assumed that the book value of credits and debits for commercial operations is approximately the same as their fair value.

4.9.4. Derivative financial instruments and hedge accounting

The Group is subject to the fluctuations that occur in the exchange rates of the various countries where it operates. In order to mitigate this risk, risk hedging contracts are formalised, on the basis of its forecasts and budgets, for variations of the exchange rate when prospects for market development so indicate.

It is also exposed to the exchange rate due to potential variations in the different currencies in which it holds debt with financial institutions, and therefore, when market prospects so advise, hedging contracts are entered into for this type of transaction.

On the other hand, by maintaining all its debt with financial institutions at variable interest rates, it is exposed to variations in interest rate curves. In this regard, the Group enters into interest-rate hedging contracts, or in other words, contracts with structures that ensure the maximum interest rate possible.

At the end of the financial year, the current contracts were valued by comparing, for each individual contract considered, the price agreed with the quotation of each currency and, where appropriate, with the reference interest rate at closing date, changes in their value were recorded in the results statement.

4.9.5. Compound financial instruments

The Group's issuance of bonds exchangeable meets the necessary requirements set forth in the General Accounting Plan in order for them to be considered financial liabilities. For this reason, the amount corresponding to the liability element of the consolidated equity component, which represents the fair value of the embedded option of this instrument, has been differentiated from the net amount received since the bonds were issued.

4.9.6. Investments recorded by applying the equity method

Holdings valued using the equity method are shown in the consolidated balance sheet at the value of the fraction of the company's net equity which they represent, increased by the value of the goodwill that subsists at the closing date. The results of these holdings, obtained as a fraction of the net results of the financial year are shown in the consolidated profit and loss account.

4.10. Hedge accounting.

For fair value hedges, changes in the value of the hedging instrument and the hedged item attributable to the hedged risk are recorded in the consolidated profit and loss statement.

The part of the profit or loss of the cash flows hedging instrument is temporarily recorded in the consolidated equity. It is charged to the consolidated profit and loss statement in the financial year or years in which the foreseen hedged transaction affects the result, unless the coverage corresponds to a projected transaction that ends in the recognition of a non-financial asset or liability, in which case the amounts recorded in the consolidated net equity are included in the cost of the asset or liability when it is acquired or incurred.

Hedging operations of net investments in business overseas are treated as fair value hedges because of the foreign currency component.

4.11. Inventories.

They are valued at their acquisition or manufacturing cost. The acquisition price is the amount invoiced by the supplier, minus discounts and interest added to the nominal debits plus additional expenses for the inventory to be stored for sale: transport, tariffs, insurance and other costs attributable to the acquisition. As for production costs, inventories are valued by adding to the acquisition costs of raw materials and other consumables any costs which are directly and indirectly attributable to the products.

The FIFO method has been adopted by the Group as it was deemed the most suitable for its management.

Indirect taxes levied on inventories are only included in the acquisition price or production cost when they are not directly recoverable from the Public Treasury.

As for inventories which require more than a year to be sold, they are included in the financial losses in accordance with the provisions of the regulations on fixed assets

Advances to suppliers on account of future supplies of inventories are valued at their cost.

Obsolete, faulty or slow-moving inventories are restated at their possible realisable value.

When the net realisable value of the inventories is lower than acquisition or production cost, the appropriate valuation corrections are made and recorded as an expense in the consolidated profit and loss account.

If the circumstances that caused the correction of the value of the inventories cease to exist, the amount of the correction is subject to reversion and therefore recorded as a profit in the consolidated profit and loss account.

4.12. Foreign currency transactions.

Operations carried out in foreign currencies are recorded in the functional currency of the Group (euros) according to the exchange rate in force at the time when the transaction takes place. During the financial year, differences between the recorded exchange rate and that which is in force upon receiving or paying are recorded as financial results in the consolidated results statement. The Group has not changed its functional currency, the euro, during the financial year.

On the 31st of December of each year, balances receivable or payable in a foreign currency are converted with the year-end exchange rate. Any valuation results are recorded as financial results in the consolidated results account.

The conversion into euros of the balances in foreign currencies is carried out in two consecutive phases:

1) Conversion of the balances in foreign currency to the functional currency of the subsidiaries.

Foreign currency transactions performed by the consolidated entities are initially recognised in their respective financial statements at the equivalent value in their functional currencies, translated using the exchange rates prevailing at the transaction date.

Subsequently, for the purpose of their presentation in the individual financial statements, the consolidated companies translate the balances in foreign currencies to their functional currencies by using the exchange rates prevailing at the balance sheet date. Exchange differences are recorded, charged or credited to the profit and loss account of the annual individual financial statements.

2) Conversion to euros of the financial statements of subsidiaries who do not use the euro as their functional currency.

The balances of the financial statements of the consolidated entities whose functional currency is not the euro are converted to euros as follows:

 Assets and liabilities: at the exchange rate at year-end.

 Profits and expenses and cash flows: by applying the average rates of exchange for the year.

 The equity: at historical exchange rates.

Differences which arose in the exchange process are recorded in the section on 'Exchange difference' of the consolidated equity.

The goodwill and fair value adjustments of the assets and liabilities of foreign entities, emerged when acquired, are treated as foreign currency assets / liabilities of said entities and translated at year-end.

The average and year-end exchange rates used for the translation into euros of the balances held in the main foreign currencies were the following:

4.13. Taxes on profits.

Consolidated income tax is determined by adding current tax and deferred tax. Current tax expenses are determined by applying the tax rate in force to the taxable income, and by reducing the result obtained to the amount after discounts and general deductions applied during the year.

Deferred tax assets and liabilities arise from temporary differences defined as amounts expected to be payable or recoverable in the future, and from the difference between the carrying amount of assets and liabilities and their tax base. These amounts are measured by applying the tax rates that are expected to apply in the period when the asset is recovered or settled to the temporary difference.

Deferred tax assets also arise as a result of tax loss carryforwards and tax credit carryforwards generated but not applied.

Deferred tax liabilities are recognised for all taxable temporary differences which will become taxable in the future. Deferred tax assets are only recognised when it is considered likely that, in the future, the consolidated entities will have sufficient taxable income to which they can be applied.

Furthermore, tax credits (tax loss and tax credit carryforwards) are only recorded if it is considered likely that in the future, the consolidated entities will have enough taxable income to which they can be applied.

Deferred tax assets and liabilities include temporary differences that are expected to be recoverable or payable, arising from differences between the carrying amounts of assets and liabilities and their tax bases, as well as credit for tax losses not yet offset and for tax deductions not yet applied. These amounts are measured at the tax rates that are expected to apply in the period when the asset is recovered or settled.

At each year-end, the recorded deferred taxes are reviewed (both assets and liabilities) with the aim of verifying that they are still in force, the appropriate corrections are made according to the results of the analyses that were carried out.

4.14. Income and expenses.

Income and expenses are recorded on an accruals basis, regardless of when the resulting monetary or financial flow arises.

Nevertheless, the Group companies only record profits at the year-end, whereas foreseeable liabilities and potential losses are booked as soon as they become known.

Income from the sale of goods or services is recorded at the fair value of the offsetting entry received or to be received from them. Cash discounts for prompt payments, volume discounts, and any other discounts, as well as the interest added to the nominal amount of the consideration, are recognised as a reduction therein. Nevertheless, the Group includes the interest included in commercial loans with a maturity date not exceeding one year which do not have a contractual interest rate, when the effect of not updating the cash flows is not significant.

Discounts granted to customers are recorded as a reduction of sales revenue when it is likely that the conditions which determine its granting are met.

Advances on account of future sales are measured at the amount received.

4.15. Provisions and contingencies.

Debentures existing at the date of the consolidated balance sheet, arising as a result of past events which could adversely affect the Group's equity, and whose amount and date of cancellation are undetermined, are recorded in the consolidated balance sheet as provisions, at the current value of the most likely amount the Group estimates it will have to pay in order to cancel the debenture.

The compensation to be received from a third party for settling the obligation does not imply a reduction in the amount of the debt, without prejudice to the recognition in the Group's assets of the corresponding right to charge, provided that there is no doubt that said refund will be received, this asset is recorded for an amount no higher than the recorded obligation.

4.16. Equity elements that are environmental in nature.

The administration confirms that the Parent Company and the consolidated entities have no environmental responsibilities, expenses, assets, provisions nor contingencies that could be significant in relation to their equity, the financial situation and results.

4.17. Criteria used to record and calculate personnel costs.

As for defined benefit payments, the contributions to be made generate a long-term liability for payments to personnel when at year-end there are accrued unpaid contributions.

The amount of a provision for long-term payments to personnel is equivalent to the difference between the actual value of the remunerations that the company is responsible for and the fair value of the plan assets which will be used to settle the obligations.

Except in the event of a justified cause, companies must make indemnity payments to their employees when they are dismissed.

In view of the lack of any foreseeable need for abnormal terminations, and given that employees who retire or resign do not receive indemnity payments, when severance payments arise they are recorded as an expense when the related decision to dismiss the employee is made.

4.18. Share-based payments.

The Group makes share-based payments in the form of capital and liquidated instruments in cash to some employees. Share-based payments in the form of capital instruments are calculated at fair value on the date of the concession. The fair value of share-based payments in the form of capital instruments determined on the concession date is recorded in the results with a straight-line method throughout the vesting period, based on the estimate made by the Group with regard to the assets that will be accrued, and credited to the 'Other reserves' account.

4.19. Grants, donations and legacies.

Non-refundable capital grants are valued at the amount granted, initially recorded as income directly attributed to the consolidated equity and charged to results in proportion to the depreciation experienced during the period in which the assets are financed by said subsidies, except in the case of non-depreciable assets in which case they will be charged to the results of the year in which the alienation or disposal takes place.

Although they are refundable grants, they are recorded as long-term debt transformable in grants.

When subsidies are granted to finance specific expenses, they will be recorded as income in the year in which the expenses that are being financed are accrued.

4.20. Business combinations.

The identifiable assets acquired and the liabilities assumed will be recorded at the date of acquisition, generally, at their fair value, provided that said fair value can be measured with sufficient reliability.

A business combination took place through the incorporation of the subsidiary in this financial year. WHIteni MTOVAR SOCIMI, S.L. founded on June 20, 2018

4.21. Joint ventures.

The Group records in its balance sheet and in its consolidated profit and loss account the proportional part which based on the percentage of holdings, assets, liabilities, expenses and income incurred in the joint venture they are entitled to.

Also included in the consolidated statement of changes in equity and in the consolidated cash flow statement is the proportional part of the joint venture items that corresponds to them based on share percentage.

Unrealised gains or losses on transactions with joint ventures have been eliminated in proportion to the Group's shares. Similarly, the amounts corresponding to reciprocal assets, liabilities, income, losses and cash flows have been eliminated.

4.22. Criteria applied to related party transactions.

If in existence, transactions between companies of the same group, regardless of the degree of connection, are accounted for in accordance with the general rules. The transaction elements will be initially recorded in the statements at fair value. The subsequent valuation is made in accordance with the provisions of the specific rules governing the corresponding accounts.

This valuation rule affects the related parties that are specified in Rule 13 on the preparation of financial statements of the General Accounting Plan. In this respect:

a) A company will be understood as being part of the group when they are linked by a relationship of direct or indirect control, as provided for in article 42 of the Commercial Code, or when the companies are controlled by any means by one or more legal persons that act jointly, or are placed under single management through agreements or statutory clauses.

b) A company is considered to be an associate when, although it is not a group company in the aforementioned sense, the company or its Directors, exercise significant influence over that associated company, as described in detail in the above mentioned Rule 13 for the Preparation of the Financial Statements.

c) A party is considered to be related to another when one of them exercises, or has the possibility of exercising, directly or indirectly, or by virtue of pacts or agreements between shareholders or participants, control over the other or significantly influence the financial and operating decision-making of the other, as detailed in Rule 15 on the preparation of financial statements.

Besides group companies, associate companies and jointly controlled entities, a Parent Company's related parties can also be individual people who possess a direct or indirect participation in the Parent Company's voting rights, which allows them to have significant influence, as well as their close relatives, the Parent Company's key personnel (people with authority and responsibility over planning, management and control of the business' activitites, whether that be directly or indirectly), which includes Managers and Directors, as well as their close relatives and entities over which the aforementioned persons can exercise significant influence. Likewise, companies that share a director or executive with the Parent Company are considered to be related parties, except when said persons do not exercise a significant influence over the financial and operating policies of both, and, where appropriate, the close relatives of the Director, or of a legal entity, of the Parent Company.

The Companies that make up the Group carry out all their operations with associated companies by using market values (fair value). The transaction elements are initially recorded in the statements at fair value. The subsequent valuation is made in accordance with the provisions of the specific rules governing the corresponding accounts.

Also, transfer prices are appropriately supported, therefore the Company's directors do not believe that there are any significant risks that could give rise to significant material liabilities in the future.

The transfer pricing policy within the Group is based on the application of the arm's length principle. In accordance with general policy, if it can be applied, the arm's-length price (market value) is sought out by comparing the conditions of the transactions between related companies to the conditions of similar operations carried out by the Group's Companies with parties that they are not related to. In the event that there are no similar operations that have been carried out between the Group Companies and unrelated third parties, the comparison is sought in operations carried out between unconnected parties based on the criteria of relevance and the ability to use the information fairly.

Broadly speaking, in order to determine the quantification of the operation or operations, depending on the specific characteristics of the operation, one of the following methods is applied: Comparable uncontrolled price, cost-plus or resale price.

4.23. Noncurrent assets held for sale.

All of the assets whose book value will be recovered, mainly through their sale, will be recorded in this section, provided that they meet the following requirements:

- The asset must be available for immediate sale in its present condition, and
- Its sale must be highly probable, either because there is a plan in place to sell the asset and the company has started looking for a buyer, the sale of the asset must be negotiated at an appropriate price in relation to its current fair value, and the expected sale should take place within a year. It is unlikely that this will undergo significant changes or that it will be retired

They are valued at the time of their classification in this category, at the lowest of their their book values and their fair value minus the costs of the sale.

4.24. Interrupted operations.

The Group defines as such the components that have been alienated or classified as held for sale and possess any of the following characteristics:

d) They represent a line of business or geographical area of operations.
e) They form part of an individualised and coordinated sale plan.
f) It is a subsidiary business acquired with the sole purpose of selling it.

The profits and losses related to the aforementioned operations will be valued and recorded according to the nature of each of the aforementioned profits and losses, classified separately in the consolidated profit and loss statement.

4.25. Greenhouse gas emission allowances

These allowances are recorded at their acquisition price. When dealing with rights acquired without consideration or for an amount that is substantially lower than their market value, an income directly attributed to equity is recorded at the beginning of the financial year to which they correspond, and is subject to transfer to the profit and loss account under expenses for the emissions associated with rights received without consideration.

Emission allowances are not amortized. They are subject to the necessary impairment valuation corrections.

Costs related to greenhouse gas emissions call for recording an expense and the corresponding provision in the year's profit and loss account, given that at year-end, their exact amount is unknown. This expense amounted to 0 euros in this financial year. The provision will be maintained until the moment in which the obligation is cancelled through the submission of the corresponding rights.

5. Business combinations

5.1. Consolidation of subsidiaries.

The acquisition by the Parent Company (acquiring company) of the control of a subsidiary (acquired business) constitutes a business combination by which the Parent Company has acquired the control of all the equity elements of the subsidiary.

The business combinations that have been carried out during the financial year are the following:

Nombre y descrip-ción de la empresa o negocios que se combinen	Fecha de adquisi-ción	Forma jurídica empleada (fusión, escisión, etc)	Coste de la combinación, desagregado por categorías de elementos en: Efectivo	Otros activos materia-les	Otros activos intangi-bles	Pagos contingen-tes	Instrumen-tos de deuda	Participa-ción en el patrimonio del adquirente	Nºde instrumen-tos de patrimonio emitidos o a emitir	Participac. previas en patrimonio de la empresa adquirida (2)	Total
Whiteni MTOVA	19/06/2018	constitucion	3000								3000

(1) La información de este apartado se revelará de forma agregada para las combinaciones de negocios que individualmente carezcan de importancia relativa.

A business combination took place through the incorporation of the subsidiary in this financial year

6. Goodwill

6.1. Consolidation goodwill.

There is no consolidation goodwill.

The Group has not made any corrections in the valuation of the goodwill generated through various business combinations.

7. Negative differences

7.1. Negative differences in consolidation.

There are no items under 'Negative difference in business combinations' in the consolidated profit and loss account.

8. External partners

The amount of external partners in the subsidiary on the date of acquisition is 0

9. Joint ventures

The group has no joint ventures.

10. Holdings in companies consolidated by equity method

There are no holdings in companies consolidated by equity method.

11. Tangible assets

A) Estados de movimientos del INMOVILIZADO MATERIAL

	Terrenos y construcciones	Instalaciones técnicas y otro inmovilizado material	Inmovilizado en curso y anticipos	Total
A) SALDO INICIAL BRUTO, EJERCICIO 2017				
(+) Adquisiciones mediante combinaciones de negocios				
(+) Aportaciones no dinerarias				
(+) Ampliaciones y mejoras				
(+) Resto de entradas				
(-) Salidas, bajas o reducciones				
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas				
(- / +) Traspasos a / de otras partidas				
B) SALDO FINAL BRUTO, EJERCICIO 2017				
C) SALDO INICIAL BRUTO, EJERCICIO 2018				
(+) Adquisiciones mediante combinaciones de negocios				
(+) Aportaciones no dinerarias				
(+) Ampliaciones y mejoras				
(+) Resto de entradas		525		525
(-) Salidas, bajas o reducciones				
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas				
(- / +) Traspasos a / de otras partidas				
D) SALDO FINAL BRUTO, EJERCICIO 2018		525		525
E) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2017				
(+) Dotación a la amortización del ejercicio 2017				
(+) Aumentos por adquisiciones o traspasos				
(-) Disminuciones por salidas, bajas, reducciones o traspasos				
F) AMORTIZACION ACUMULADA, SALDO FINAL EJERCICIO 2017				
G) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2018				
(+) Dotación a la amortización del ejercicio 2018		93,15		93,15
(+) Aumentos por adquisiciones o traspasos				
(-) Disminuciones por salidas, bajas, reducciones o traspasos				
H) AMORTIZACIÓN ACUMULADA, SALDO FINAL EJERCICIO 2018		93,15		93,15
I) CORRECCIOINES DE VALOR POR DETERIORO, SALDO INICIAL EJERCICIO 2017				
(+) Correcciones valorativas por deterioro reconocidas en el periodo				
(-) Reversión de correcciones valorativas por deterioro				
(-) Disminuciones por salidas, bajas, reducciones o traspasos				
J) CORRECCIONES DE VALOR POR DETERIORO, SALDO FINAL EJERCICIO 2017				
K) CORRECCIONES DE VALOR POR DETERIORO, SALDO INICIAL EJERCICIO 2018				
(+) Correcciones valorativas por deterioro reconocidas en el periodo				
(-) Reversión de correcciones valorativas por deterioro				
(-) Disminuciones por salidas, bajas, reducciones o traspasos				
L) CORRECCIONES DE VALOR POR DETERIORO, SALDO FINAL EJERCICIO 2018				
M) VALOR NETO CONTABLE FINAL EJERCICIO 2018		431,85		431,85

.

The estimated costs of dismantlement, removal or restoration, included as the highest amount of the assets are estimated at 0 euros,

No circumstances that have had a significant impact on the current financial year have arisen, or ones that could affect the estimated costs of dismantling, retirement or rehabilitation, useful lives and amortization methods in future years

Investment property outside the national territory amounts to a net value of 0 euros. The amount of the valuation corrections of these assets since they were acquired amounts to 0 euros.

The financial losses capitalised in the financial year amount to 0 euros.

No valuation adjustments have been made to the fixed assets.

There are NO other losses and reversals due to aggregate impairment for which the information has not already been disclosed in the previous point.

As a result of the need to record impairment losses, which would have otherwise been derecognised before the end of their estimated useful life, the Group has made agreements for compensations equivalent to 0 euros.

The breakdown of the tangible assets not in operation as of December 31 is as follows:

As of December 31, there are no fully amortized fixed assets according to the following breakdown:

There are NO assets subject to guarantee and reversion.

There are NO grants, donations or legacies received which are related to tangible fixed assets.

As of December 31, 2018 no firm commitments have been made for the purchase of assets.

There are no firm commitments to sell assets.

There are NO other significant circumstances that affect tangible fixed assets.

12. Investment property

The company is in possession of investment property, consisting in three immovable properties located in Madrid, calle MANUEL TOVAR 45 - 47 and Manueul Tovar 47 - 49, purchased on the 04/04/2018, and another at Manuel Tovar 43 purchased on June 31, 2018

MANUEL TOVAR 49 – 51 Acquisition cost 3,720,000.00 - Land 2,768,807.05 - Construction951,192.95
MANUEL TOVAR 45 – 47 Acquisition cost 4,000,000.00 Land 2,758,684.82 - Construction1,241,315.18

MANUEL TOVAR 43 Acquisition cost 5,450,000.00 - Land 3,417,573.00 – Construction 2,032,427.00

The changes in this chapter of the accompanying consolidated balance are as follows:

A) Estados de movimientos de las INVERSIONES INMOBILIARIAS

	Terrenos	Construcciones	Total
A) SALDO INICIAL BRUTO, EJERCICIO 2017			
(+) Adquisiciones mediante combinaciones de negocios			
(+) Aportaciones no dinerarias			
(+) Ampliaciones y mejoras			
(+) Resto de entradas			
(-) Salidas, bajas o reducciones			
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas			
(- / +) Traspasos a / de otras partidas			
B) SALDO FINAL BRUTO, EJERCICIO 2017			
C) SALDO INICIAL BRUTO, EJERCICIO 2018			
(+) Adquisiciones mediante combinaciones de negocios	3.417.573,00	2.133.361,86	5.550.934,86
(+) Aportaciones no dinerarias			
(+) Ampliaciones y mejoras			
(+) Resto de entradas	5.527.491,87	2.251.844,50	7.779.336,37
(-) Salidas, bajas o reducciones			
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas			
(- / +) Traspasos a / de otras partidas			
D) SALDO FINAL BRUTO, EJERCICIO 2018	8.945.064,87	4.385.206,36	13.330.271,23
E) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2017			
(+) Dotación a la amortización del ejercicio 2017			
(+) Aumentos por adquisiciones o traspasos			
(-) Disminuciones por salidas, bajas, reducciones o traspasos			
F) AMORTIZACION ACUMULADA, SALDO FINAL EJERCICIO 2017			
G) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2018			
(+) Dotación a la amortización del ejercicio 2018		52.893,08	52.893,08
(+) Aumentos por adquisiciones o traspasos			
(-) Disminuciones por salidas, bajas, reducciones o traspasos			
H) AMORTIZACIÓN ACUMULADA, SALDO FINAL EJERCICIO 2018		52.893,08	52.893,08
EJERCICIO 2017			
periodo			
(-) Reversión de correcciones valorativas por deterioro			
(-) Disminuciones por salidas, bajas, reducciones o traspasos			
EJERCICIO 2017			
EJERCICIO 2018			
periodo			
(-) Reversión de correcciones valorativas por deterioro			

The investment property consists in offices and their intended use is that of leasing.

The profits as well as the losses for operating the property are quantified in euros.

Ejercicio 2018	Inversiones que generan ingresos	Inversiones que no generan ingresos	Total
Ingresos provenientes de inversiones inmobiliarias	713.920,84		
Gastos para la explotación de inversiones inmobiliarias	-565.937,06		

Ejercicio 2017	Inversiones que generan ingresos	Inversiones que no generan ingresos	Total
Ingresos provenientes de inversiones inmobiliarias			
Gastos para la explotación de inversiones inmobiliarias			

Investment property outside the national territory is equal to a net value of 0 Euros. No valuation corrections have had to be made to said assets since they were acquired.

There are no restrictions for making investments, the collection of income deriving from these or the resources obtained through their alienation or disposal by other means.

No valuation adjustments have been made to the fixed assets.

There are no other aggregate impairment losses and reversals for which the information has not already been disclosed in the foregoing information.

The financial losses capitalised in the financial year amount to 0 euros.

There are no fully amortized investment properties.

There are no grants, donations or legacies received that are related to investment property.

There are no contractual obligations for the acquisition, building or development of investment properties, nor for repairs, maintenance and improvements.

13. Intangible assets

The breakdown of changes in this chapter of the accompanying consolidated balance is as follows:

	Desarrollo	Concesiones	Patentes, licencias, marcas y similares	Aplicaciones informáticas	Otro inmovilizado intangible	Total
A) SALDO INICIAL BRUTO, EJERCICIO 2017						
(+) Adquisiciones mediante combinaciones de negocios						
(+) Aportaciones no dinerarias						
(+) Ampliaciones y mejoras						
(+) Resto de entradas						
(-) Salidas, bajas o reducciones						
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas						
(- / +) Traspasos a / de otras partidas						
B) SALDO FINAL BRUTO, EJERCICIO 2017						
C) SALDO INICIAL BRUTO, EJERCICIO 2018						
(+) Adquisiciones mediante combinaciones de negocios						
(+) Aportaciones no dinerarias						
(+) Ampliaciones y mejoras						
(+) Resto de entradas				270,4		270,4
(-) Salidas, bajas o reducciones						
(- / +) Traspasos a / de activos no corrientes mantenidos para la venta u operaciones interrumpidas						
(- / +) Traspasos a / de otras partidas						
D) SALDO FINAL BRUTO, EJERCICIO 2018				270,4		270,4
E) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2017						
(+) Dotación a la amortización del ejercicio 2017						
(+) Aumentos por adquisiciones o traspasos						
(-) Disminuciones por salidas, bajas, reducciones o traspasos						
F) AMORTIZACION ACUMULADA, SALDO FINAL EJERCICIO 2017						
G) AMORTIZACIÓN ACUMULADA, SALDO INICIAL EJERCICIO 2018						
(+) Dotación a la amortización del ejercicio 2018				89,42		89,42
(+) Aumentos por adquisiciones o traspasos						
(-) Disminuciones por salidas, bajas, reducciones o traspasos						
H) AMORTIZACIÓN ACUMULADA, SALDO FINAL EJERCICIO 2018				89,42		89,42
I) CORRECCIOINES DE VALOR POR DETERIORO, SALDO INICIAL EJERCICIO 2017						
(+) Correcciones valorativas por deterioro reconocidas en el periodo						
(-) Reversión de correcciones valorativas por deterioro						
(-) Disminuciones por salidas, bajas, reducciones o traspasos						
J) CORRECCIONES DE VALOR POR DETERIORO, SALDO FINAL EJERCICIO 2017						
K) CORRECCIONES DE VALOR POR DETERIORO, SALDO INICIAL EJERCICIO 2018						
(+) Correcciones valorativas por deterioro reconocidas en el periodo						
(-) Reversión de correcciones valorativas por deterioro						
(-) Disminuciones por salidas, bajas, reducciones o traspasos						
L) CORRECCIONES DE VALOR POR DETERIORO, SALDO FINAL EJERCICIO 2018						
M) VALOR NETO CONTABLE FINAL EJERCICIO 2018				180,98		180,98

No circumstances that have had a significant impact on the current financial year have arisen, or ones that could affect the residual values, useful lives and depreciation methods of future years.

Regarding the information for comparison with the previous year, of the amount of intangible assets acquired outside of Spain and not affected by exploitation, it is as follows: there are no intangible assets outside Spanish territory.

There are no assets that are not in use.

The financial losses capitalised in the financial year amount to 0 euros.

As of December 31, there are no fully depreciated intangible assets according to the following breakdown:

There are NO assets subject to guarantee and reversion.

There are no grants, donations or legacies received that are related to intangible assets.

The aggregate amount of disbursements for research and development recorded this year is of 0 euros.

The Group has not made any valuation corrections to the intangible assets.

There are NO assets which have been affected by impairment losses and the main groups of assets affected by impairment reversals for which the information has not already been disclosed.

There are NO intangible assets included in a cash generating unit

As of December 31, 2018 no firm commitments have been made for the purchase of intangible assets.

The Group has not alienated intangible assets during the financial year

There are no firm commitments to sell intangible assets.

There are no intangible assets whose useful life cannot be reliably determined.

The above information cannot be compared to that of the previous year as the latter it is not available.

14. Leases and other similar transactions

14.1 Finance leases

There are no finance leases that the Group leases to third parties.

There are NO finance leases in which the Group is the lessee.

14.2 Operating leases

The information about operating leases that the Group leases is as follows:

The operating leases that the group leases consist of all the properties included under investment properties. They consist in 3 buildings located on calle Manuel Tovar, numbers 43, 45 and 49. They are offices and parking spaces. The rental income for each of the properties being:

75200000 INCOME MANUEL TOVAR RENT 49 -53: 330,850.67

75200002 INCOME MANUEL TOVAR RENT 45 - 47: 261,545.97

75200003 INCOME M TOVAR RENT 43: 121,524.20

Arrendamientos operativos: Información del arrendador	Ejercicio 2018	Ejercicio 2017
Importe de los cobros futuros mínimos por arrendamientos operativos no cancelables	1.160.000	
_ Hasta un año	1.160.000	

The estimated duration of these leases is greater than 5 years. Governing CPI will be applied each year.

Financial instruments

14.1 General considerations

The information required in the following sections shall apply to the financial instruments included in the scope of the 9th standard for recording and valuation of the General Accounting Plan.
For the purpose of presenting the information in the report, some information must be entered by financial instrument class. These will be defined by taking into account the nature of the financial instruments and the categories established in the aforementioned registration and valuation standard 9. The classes defined must be reported according to the criteria applied in the consolidation process.

14.2 Information on the relevance of the financial instruments in the financial situation and results of the group

14.2.1. Information related to the consolidated balance

a) Categories of financial assets and financial liabilities

The carrying value of each of the categories of financial assets and liabilities indicated in the ninth recording and valuation rule, according to the following structure.

a. 1) Financial assets, except investments in the equity of partner companies.

Long-term financial assets:

They are classified as 'loans and items receivable-credit, derivatives and other', the guarantees received for the rent on the properties Manuel Tovar 45- 47 and Manuel Tovar 49-51, which have been deposited with the IVIMA for the amount of €101,786.98

Short-term financial assets:

- Clients from sales and provision of services: -9,685.54
- Other financial assets: 300,075.00

Said assets are classified in the same category as long-term ones ('loans and items payable- credit, derivatives and other').

The information relating to **cash and other equivalent liquid assets**, is as follows:

	Ejercicio 2018	Ejercicio 2017
Tesorería	304.725,31	
Otros activos líquidos equivalentes		

a.2) Financial liabilities.

Short-term financial liabilities of the Group's consolidated balance:

They are classified in the following categories:

- Debts and items payable - debts credit institutions: 9,648,540.62

There are two long-term bank loans with real guarantees:

WITH BANKINTER

NAME/ FILE	*LIMIT*	*BALANCE*	*Maturity date*
LOAN	*2,600,000.00*	*2,604,465.00*	*31/07/2033*

BANKIA
Drawn balance (Debtor in credit account) 4,800,000.00
Limit/Granted amount 4,800,000.00
Balance 4,800,000.00
Maturity date 03/04/2032

A personal loan, granted by the business INCUS CAPITAL. FOR THE AMOUNT OF 2,500,000, MATURITY DATE: 31/07/2020

- Debt and items payable -derivatives and other amount to: 117,753.*98 (long-term deposits from lease contracts on properties)*

Short-term financial liabilities:

- Debts and items payable - debts credit institutions: 202,152.87

Debt and items payable -derivatives and other amount to: 99,941.21 euros

d) Classification by maturity

Classifications by maturity of the Group's financial assets, of the amounts that mature in each of the following years at year-end and until their last due date, are detailed in the following table:

Maturity dates in years						
1	2	3	4	5	More than 5	TOTAL

Investments in Group and associated companies							
Credit to companies							
Debt securities							
Derivatives							
Other financial assets							
Other investments							
Financial investments	**299,472.00**	**0.00**	**0.00**	**0.00**	**0.00**	**101,786.99**	**401,258.99**
Credit to third parties							
Debt securities							
Derivatives							
Other financial assets	299,472.00					101,786.99	401,258.99
Other investments							
Noncurrent commercial debt							
Advances to suppliers							
Commercial debtors and other accouunts receivable	**-9,685.54**						**-9,685.54**
Clients from sales and provision of services	-9,685.54						-9,685.54
Clients, group businesses and associated companies							
Various debtors							
Personnel							
Shareholders (partners) for called up share capital							
TOTAL	**289,786.46**	**0.00**	**0.00**	**0.00**	**0.00**	**101,786.99**	**391,573.45**

Classifications by maturity of the Group's financial assets, of the amounts that mature in each of the following years at year-end and until their last due date, are detailed in the following table:

	Maturity dates in years						
	1	2	3	4	5	More than 5	TOTAL
Debts	**313,443.43**	**9,648,540.62**					**9,961,984.05**
Securities and other negotiable securities							
Debt with credit institutions	202152.87	9648540.62					**9,850,693.49**
Creditors for finance leases							
Derivatives							
Other financial liabilities	111290.56					117753.98	**229,044.54**
Debts with group buis. and associated							
Noncurrent commerical creditors							
Commercial creditors and other accounts payable	**-11,349.45**						**-11,349.45**
Suppliers							
Suppliers, group businesses and associated companies							
Various creditors	-11,349.45						
Personnel							
Advances from customers							
Debt with special characteristics							
TOTAL	**302,093.98**	**9,648,540.62**	**0.00**				**9,950,634.60**

14.2.3 Further information

14.4 Equity

On December 31, 2018 the share capital is of €4,050,450 and is represented by:

- Number of shares 4,050,450.
  Nominal value of the share: €1
- It is 100% disbursed

As of December 31, 2018, the breakdown of the Companies that own more than 10% of shares in the Share Capital of the Parent Company is as follows:

Sociedad	**% participación**
whiteni RE socimi,	30,86%
TOTAL	

At the beginning of the financial year, the capital was of €60,000. During the financial year, four capital increases were generated:

- 24/01/2018. Increase of €326,000 through issuance of 326,000 shares at €1 each

- 27/04/2018: Increase of €3,045,000 through issuance of 3,045,000 shares at €1 each
- 12/09/2018: Increase of €275,000 through issuance of 275,000 shares at €1 each, increase through credit compensation.
- 21/08/2018: Increase of €344,450 through issuance of 344,450 shares at €1 each.

15. Taxes

15.1 Taxes on profits

Deferred tax assets

As of December 31, 2018, the Group has recorded in its accounts the tax credit deriving from negative taxable bases and ones pending compensation for the amount of 33,982.02 euros from the subsidiary.

	Financial Year 2018	Financial Year 2017
Deductions and bonuses pending application	0.00	0.00
Credit for losses to be compensated for the year	33,982.02	0.00
TOTAL	**33,982.02**	**0.00**

The parent company is part of the SOCIMI tax regime

15.2 Other taxes

There are no significant circumstances relating to other taxes.

15.2 Profits and losses

Breakdown of the consolidated profit and loss account	Financial Year 2018	Financial Year 2017
1. Consumption of goods		
a) Purchases, net of discounts and any discounts, of which:		
- national		
- intra-community acquisitions		
- imports		
b) Inventory variation		
2. Consumption of raw materials and other consumables		
a) Purchases, net of discounts and any discounts, of which:		
- national		
- intra-community acquisitions		

- imports		
b) Inventory variation		
3. Social contributions:		
a) Social Security paid by the company	-5130.19	
b) Contributions and provisions for pensions		
c) Other social contributions		
4. Sale of goods and provision of services involving the exchange of non-monetary goods and services		
5. Results originated outside of the group's normal activities included in 'other results'	920.79	
6. Expenses relating to restructuring:		
a) Personnel costs		
b) Other operating costs		
c) Losses and result on alienation of assets		
d) Other results linked to restructuring		

16. Transactions with payments based on equity instruments

The types of agreements based on equity elements throughout the financial year are:

12/09/2018: Increase of €275,000 through issuance of 275,000 shares at €1 each, increase through credit compensation.

17. Events after the reporting period

During the month of March 2019 the entity began trading on the EURONEXT stock market

18. Related party transactions

We carry out related party transactions, namely with White Gestión CB, who provides us with administrative and managerial services for all the assets that make up the company's equity, especially property, as well as general representation. Invoicing volume with said company amounted to 151,870.55 euros, and advance payments for 63,605.72 have been made, said loan still being in place as of December 31.

19. Further information

The distribution of the personnel by gender, at the end of the financial year, of the companies consolidated through global integration, broken down into a sufficient number of categories and levels is as follows:

Distribución del personal de la sociedad al término del ejercicio, por categorías y sexo						
	Hombres		Mujeres		Total	
	Ejerc. 2018	Ejerc. 2017	Ejerc. 2018	Ejerc. 2017	Ejerc. 2018	Ejerc. 2017
Consejeros (1)						
Altos directivos (no consejeros)						
Resto de personal de dirección de las empresas						
Técnicos y profesionales científicos e intelectuales y de apoyo						
Empleados de tipo administrativo						
Comerciales, vendedores y similares						
Resto de personal cualificado	1		1		2	
Trabajadores no cualificados						
Total personal al término del ejercicio						

(1) Se deben incluir todos los miembros del Consejo de Administración trabajadores

The average number of people employed in the course of the year by the companies consolidated through global integration, expressed by category is as follows:

	Total	
	Ejerc. 2018	Ejerc. 2017
Consejeros (1)		
Altos directivos (no consejeros)		
Resto de personal de dirección de las empresas		
Técnicos y profesionales científicos e intelectuales y de apoyo		
Empleados de tipo administrativo		
Comerciales, vendedores y similares		
Resto de personal cualificado	0,83	
Trabajadores no cualificados		
Total personal medio del ejercicio		

(1) Se deben incluir todos los miembros trabajadores del Consejo de Admón.

The fees received by the auditors of the consolidated and individual accounts of the companies included in the consolidation and those corresponding to any company of the same group to which the auditor of the accounts belongs, or to any other company with which the auditor is bound by control, common ownership or management, amounted to 3,328.11 euros, according to the following breakdown:

Honorarios de los auditores de las cuentas anuales consolidadas e individuales	Ejercicio 2018	Ejercicio 2017
Honorarios cargados por auditoria de cuentas anuales consolidadas e individuales	3.328,11	
Honorarios cargados por otros servicios de verificación		
Honorarios cargados por servicios de asesoramiento fiscal		
Otros honorarios por servicios prestados		
Total		

20. SOCIMI reporting obligation. (Article 11 Law 11/2009.

a) Upon applying the tax regime established in this Law, there are NO reserves from previous financial years.

b) There are no reserves deriving from the years in which the special tax regime established by this Law has been applicable. The parts originating from leases subject to a 0 or 19 per cent tax rate are differentiated from ones that, where appropriate, have been taxed at the general tax rate.

c) No dividends have been distributed from the profits of the years in which the special tax regime established by this Law has been applicable. The parts originating from leases subject to a 0 or 19 per cent tax rate are differentiated from ones that, where appropriate, have been taxed at the general tax rate.

d) Financial years with profits are yet to be completed, thus no dividends have been distributed from reserves.

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e) Date of acquisition of the property for leasing and shares in the capital of entities which section 1 of article 2 of this Law refers to.

- The company is in possession of investment property, consisting in three immovable properties located in Madrid, calle MANUEL TOVAR 45 - 47 and Manueul Tovar 47 - 49, purchased on the 04/04/2018, and another at Manuel Tovar 43 purchased on June 31, 2018

f) Identification of the asset that computes within the 80 percent referred to in section 1 of article 3 of this Law:

- MANUEL TOVAR 49 – 51 Acquisition cost 3,720,000.00 - Land 2,768,807.05 - Construction951,192.95
- MANUEL TOVAR 45 – 47 Acquisition cost 4,000,000.00 - Land 2,758,684.82 - Construction1,241,315.18.
- MANUEL TOVAR 43 Acquisition cost 5,450,000.00 - Land 3,417,573.00 – Construction 2,032,427.00

Total assets	14,020,155.28
Inv Property	13,277,378.:
Percentage	95%

g) There are NO reserves from previous financial years to which the special tax regime established by this Law has been applied, or that have been drawn down in the tax period, except for their distribution or to offset losses. The financial year from which said reserves derived is identified.

21. Information about the average payment period to suppliers. Third additional provision. "Duty to inform" of Act 15/2010, of July 5

The information relating to the average payment time to suppliers in commercial operations is as follows:

	2018	2017
	Días	Días
Periodo medio de pago a proveedores	30	
Ratio de operaciones pagadas		
Ratio de operaciones pendientes de pago		
	Importe (euros)	Importe (euros)
Total pagos realizados		
Total pagos pendientes		

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the financial year which ended on December 31, 2018 of the Company Whiteni RCAJAL SOCIMI, S.A. and Group Companies which make up the Whiteni RCAJAL - MTOVAR Group, which has formed the Board of Directors of the Parent Company, on MARCH 25, 2019, is the content of the preceding XX pages on plain paper, on one side only, including the Consolidated Balance, Consolidated Profit and Loss Statement, Statement of Changes in Equity, Consolidated Cash Flow Statement, Consolidated Financial Statement Report and Consolidated Management Result.

The members of the Board of Directors, in compliance with the provisions of article 253 of the Consolidated Text of the Capital Companies Law, hereby ratify these documents.

GRUPO WHITENI RCAJAL SOCIMI S.A. / Whiteni MTOVAR SOCIMI, S.L.

ABRIDGED BALANCE

Period from 01/01/2018 to 31/12/2018

Financial Year: *Date: 18/02/2019*

Asset	2018
A) NONCURRENT ASSETS	13.413.360,12
I. Intangible assets	**180,98**
20600001 COMPUTER APP OFFICE HOME LICENSING	220,00
20600002 LICENSING OFFICE 365 MICROSOFT	50,40
28060001 AC AMORT OFFICE LICENSING	-39,02
28060002 AC AMOR OFFICE 365 LICENSING	-50,40
II. Tangible fixed assets	**431,85**
21700001 HP 250 G6 (POLARIS) COMPUTER	525,00
28170001 AC AMORT HP 250G6 COMPUTER	-93,15
III. Investment property	**13.277.378,29**
22000001 MANUEL TOVAR 49 - 53 LAND	2.768.807,05
22000002 MANUIEL TOVAR 45 LAND	2.758.684,82
22100001 MANUEL TOVAR 49 - 51	951.192,95
22100002 MANUEL TOVAR 45 - 47	1.241.315,18
22000003 MANUEL TOVAR 43 LAND	3.417.573,00
22100003 MANUEL TOVAR 43	2.032.427,00
22100004 INV PROP LOSSES ACQUSITION OF PROPERTIES MT 43	111.439,96
22100005 INV PROP LOSSES ACQ FOR PROP MT 45 AND 49	48.831,41
28210001 AC AMORT MANUEL TOVAR 49 - 51	-14.176,69
28210002 AC AMORT MANUEL TOVAR 45 - 47	-18.500,73
28210003 AC AMORT INV PRO MANUEL TOVAR 43	-17.818,54
28210004 AC AMORT INV PRO LOSSES FOR ACQUISITION PROPERTY	-1.027,84
28210005 AC AMORT INV PRO LOSSES ACQ MT 45 AND 49	-1.369,28
V. Long-term financial investments	**101.386,98**
26000002 DEPOSIT WITH IVIMA SECURITY DEPOSIT BIOMERIEUX MT	51.361,20
26000003 DEPOSIT WITH IVIMA FOR SECURITY DEPOSIT PRAGSIS TECH MT	13.164,18
26000004 DEPOSIT GUARANTEE IVIMA INSPIRALIA ALR MT 45	36.061,60
26000005 DEP WITH IVIMA OF SECURITY DEPOSIT RENT STORAGE ROOM MT 49	800,00
VI. Deferred Tax Assets	**33.982,02**
47450018 DEFERRED TAX CREDIT FOR LOSSES 2018	33.982,02
VII. Noncurrent commercial debtors	**0,00**
B) CURRENT ASSETS	606.795,26
I. Noncurrent assets held for sale	**0,00**
II. Inventories	**0,00**

III. Commercial debtors and other accounts receivable	**-5.518,67**
1. Clients from sales and provision of services	-9.685,54
a) Long-term clients from sales and provision of services	0,00
b) Short-term clients from sales and provision of services	-9.685,54
43000001 LICO INMUEBLES, S.A.	484,00
43000002 LICO LEASING, S.A.	-483,99
43000005 PRAGSIS TECNOLOGIES, S.L.	-0,21
43000003 BIOMERIEUX ESPAÑA, S.A.	-351,02
43000004 TECNOLOGIAS AVANZADAS INSPIRALIA, S.L.	484,00
43000007 PROFESSIONAL BUYING & LOGISTICS SERVICES S.L.	4,11
43000009 TCT MOBILE EUROPA, S.A.S.	-10.173,46
43000011 URBAN LAB MADRID BUSSINESS CENTER, S.L.	351,02
43100001 CLIENT BILLS RECEIVABLE BANKIA	0,01
2. Shareholders (partners) payments due	0,00
3. Other debtors	4.166,87
47100000 SOCIAL SEC BONUSES	108,33
47200021 T.A. INPUT VAT 21%	4.045,01
47300000 TAX AUTHORITIES WITHHOLDINGS AND PAYMENTS ON	13,53
V. Short-term financial investments	**300.075,00**
55100000 ADMINISTRATION PARTNERS ACCOUNT	0,00
55100003 CURRENT ACCOUNT PARTNER WHITENI RE SOCIMI	75,00
56600001 DEPOSIT €882,300,000	300.000,00
VI. Short-term accruals	**7.513,62**
48000001 COSTS INSURANCE POLICY 8075685677 ACCRUAL	900,47
48000001 COSTS INSURANCE BANKINTER TO ACCRUE	3.245,99
48000002 CSTS INSURANCE MAPFRE ACCRUAL	700,44
48000003 ACCRUAL COSTS IPO AEMANEX	2.666,72
48000004 ACCRUAL COSTS IPO GESVALT	0,00
VII. Cash and other equivalent liquid assets	**304.725,31**
57200000 BANKS	-543,56
57200001 BSNCO SANTANDER 1609 6244	348,62
57200002 BANKIA 9240	16.211,15
57200003 BANKIA 0811	200.000,00
57200004 BANKINTER 10.00015337	45.637,97
57200005 BANKINTER 5352 MTOVAR 43 SL	43.014,33
57200006 BANCO SANTANDER M TOVAR 43 SL	56,80
TOTAL ASSETS (A+B)	**14.020.155,38**
A) EQUITY	3.935.566,74
A-1) Equity	**3.935.566,74**
I. Capital	**4.050.450,00**
1. Subscribed share	4.050.450,00
10000000 SHARE CAPITAL	4.050.450,00
2. Uncalled share	0,00
II. Share premium	**0,00**
III. Reserves	**0,00**

1. Capitalisation reserves	0,00
2. Other reserves	0,00
IV. Shares and holdings in own equity	**0,00**
V. Results from previous financial years	**-501,21**
12100017 LOSSES 2017 PERIOD	-501,21
VI. Other contributions by partners	**0,00**
VII. Result of the financial year	**-114.382,05**
VIII. Interim dividend	**0,00**
IX. Other equity instruments	**0,00**
A-2) Adjustments for changes in	**0,00**
A-3) Grants, donations and legacies received	**0,00**
B) NON CURRENT	9.765.894,60
I. Long-term provisions	**0,00**
II. Long-term debt	**9.765.894,60**
1. Debt with credit institutions	9.648.540,62
17000001 BANKIA LOAN 266846 MANUEL TOVAR	4.664.710,49
17000002 BANKINTER LOAN ON M TOVAR 43	2.483.830,13
17000003 PERS LOAN INCUS	2.500.000,00
2. Creditors for finance leases	0,00
3. Other long-term debts	117.353,98
18000001 RECEIVED SEC DEPOSIT RENT STORAGE ROOM LICO INMUEBLES	800,00
18000002 DEPOSIT BIIOMERIEUX RENT MT 45	51.361,20
18000003 DEPOSIT RENT PRAGSIS TECHNOLOGIES MT 45	13.164,18
18000004 DEPOSIT RENT INSPIRALIA MT 45	36.061,60
18000005 SEC DEPOSIT RENT STORAGE ROOM MT 49 PRAGSIS	800,00
18000006 SEC DEPOSIT BIOMERIEUX RENT PARKING MT	1.080,00
18000002 DEPOSIT ELECTRA MEDICAL	300,00
18000004 DEPOSIT BIOMERIEUX	1.080,00
18000005 DEPOSIT MIRIAM BEATRIZ	180,00
18000006 DEPOSIT TCT	12.527,00
III. Long-term debt with group companies	**0,00**
IV. Deferred tax liabilities	**0,00**
V. Long-term accruals	**0,00**
VI. Noncurrent commercial creditors	**0,00**
VII. Long-term debts with special characteristics	**0,00**
C) CURRENT LIABILITIES	**318.693,94**
I. Liabilities linked with ass. assets for sale	**0,00**
II. Short-term provisions	**0,00**
III. Short-term debt	**314.046,43**
1. Debt with credit institutions	202.152,87
52000001 LOAN BANKIA MORT M TOVAR 45 AND M TOVAR 49 SHORT-	135.289,51
52000002 LOAN BANKINTER S/ M TOVAR 43 SHORT-TERM	66.863,36
2. Creditors for finance leases	0,00
3. Other short-term debts	111.893,56

52300002	LICO LEASING, S.A.	693,03
52800001	SHORT-TERM INTEREST GENERATED INCUS 3% quarterly settlement	13.130,64
52800002	SHORT-TERM INTEREST GENERATED INCUS 9% to capitalise	97.466,89
55500000	ITEMS PENDING	603,00
IV. Short-term debt with group companiens and associated		**0,00**
V. Commercial creditors and other accounts payable		**4.647,51**
1. Suppliers		0,00
a) Long-term suppliers		0,00
b) Short-term suppliers		0,00
2. Other creditors		4.647,51
41000000	VARIOUS CREDITORS	-90,75
41000001	MERCANTILE REGISTRY OF MADRID	-683,59
41000005	ARGOS MULTIMEDIA	-84,80
41000007	GESVALT SOCIEDAD DE TASACION, S.A.	9.680,00
41000008	ASDINI CAPITAL & INVESTMENTS, S.L	200,00
41000011	WHITE GESTION, C.B.	-63.605,72
41000012	CANAL DE ISABEL II, S.A.	-641,53
41000013	GRUPO BC DE ASESORIA HIPOTECARIA, S.L	-2.791,38
41000014	GRUPO 6 INSTALACIONES Y MANTENIMIENTO, S.L.L	1.740,68
41000015	IBERDROLA CLIENTES, S.A.	8.303,98
41000016	TELEFONICA DE ESPAÑA, S.A.	-135,18
41000019	PREMIER COMPAÑIA DE SERVICIOS AUXILIARES, S.L	7.132,45
41000021	COMPAÑIA ESPAÑOLA DE PETRÓLEOS, S.A.U	3.389,98
41000022	ASERINTE ASESORIA DE EMPRESAS, S.L.P	16,94
41000025	FERRETERIA Y ELECTRICIDAD J.A.	23,80
41000026	MON SOLAR INGENIEROS, S.L	1.936,00
41000027	CENTRAL MERCANTILE REGISTER	122,71
41000030	DELAMA Y LLORENTE, S.L	176,06
41000033	EIVAR OBRAS E INGENIERIA, S.A.	-124,15
41000034	BRAND ASESORAMIENTO JURIDICO	-3.548,42
41000039	J.T. JUMA, S.L	17,61
41000040	HABITAL ECOLOGICO, S.A.	-9,68
41000041	ARMANEXT, S.L	9.680,00
41000042	AELUZ, S.L.	9,66
41000047	CYO CONSULTORES Y AUDITORES, S.L.P	3.328,11
41000001	MERCANTILE REGISTRY OF MADRID	211,94
41000014	GRUPO 6 INSTALACIONES Y MANTENIMIENTO, S.L.L	689,13
41000015	IBERDROLA CLIENTES, S.A.	6.314,69
41000016	TELEFONICA DE ESPAÑA, S.A.	-205,55
41000019	PREMIER COMPAÑIA DE SERVICIOS AUXILIARES, S.L	2.110,79
41000033	EIVAR OBRAS E INGENIERIA, S.A.	161,54
41000035	GESTION DE COMUNICACIONES ALTERNATIVAS, S.L	-11,11
41000036	SEROUTSOURCING, S.L.U	5.328,69
41000040	IDEALISTA, S.A.U	-354,53
41000045	J.M. ESPITEL, S.L	0,01

41000047	DETECCIÓN TECNOLOGIA Y CONTROL, S.L.	348,48
41000052	PROSEGUR SOLUCIONES INTEGRALES DE SEGURIDAD ESPAÑA	13,69
46500000	ACCRUED WAGES	0,10
47500000	VAT PAYABLE TO TAX AUTHORITIES	12.248,76
47510000	TAX AUTHORITIES, WITHHOLDINGS PAYABLE	2.277,80
47510001	WITHHOLDINGS ON LOANS INTEREST	720,82
47600000	CREDITOR SOCIAL SECURITY BODIES	749,48
VI. Short-term accruals		**0,00**
VII. Short-term debts with special characteristics		**0,00**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**14.020.155,28**

GRUPO WHITENI RCAJAL SOCIMI S.A. / Whiteni MTOVAR SOCIMI, S.L.

ABRIDGED PROFIT AND LOSS ACCOUNT

Period from 01/01/2018 to 31/12/2018

Financial Year:

ITEMS	2018
1. Net value of turnover...	**0,00**
2. Variation in inventories of finished products and ones in the process of being	**0,00**
3. Work carried out by the company for its assets.................................	**0,00**
4. Supplies...	**0,00**
5. Other Operating Income..	**713.920,84**
75200000 INCOME FOR MANUEL TOVAR RENT 49 -53..	330.850,67
75200002 MANUEL TOVAR RENT 45 - 47...	261.545,97
75200003 INCOME FOR M TOVAR RENT 43..	121.524,20
6. Personnel expenses...	**-21.696,89**
64000000 WAGES AND SALARIES..	-16.566,70
64200000 SOCIAL SECURITY PAID BY THE COMPANY..	-5.130,19
7. Other operating costs..	**-571.270,34**
62100001 MANUEL TOVAR OFFICE RENT..	-500,00
62200000 REPAIRS AND MAINTENANCE...	-113.689,38
62300000 SERVICES OF INDEPENDENT PROFESSIONALS......................................	-240.313,65
62500000 INSURANCE PREMIUMS..	-5.883,36
62500001 RISK PREVENTION SERVICES..	-2.775,50
62600000 BANKING SERVICES AND SIMILAR..	-1.250,29
62800001 WATER SUPPLIES...	-3.160,02
62800002 ELECTRICITY SUPPLIES..	-113.690,61
62800003 TELEPHONE SUPPLIES...	-994,84
62800004 FUEL SUPPLIES..	-5.209,20
62900000 OTHER SERVICES..	-28.794,67
63100000 OTHER TAXES..	-55.008,82
8. Amortization of fixed assets..	**-53.075,65**
68060001 AMORT COMPUTER SOFTWARE..	-89,42
68170001 AMORT COMPUTER EQUIPMENT...	-93,15
68210000 AMORT INV PROPERTY...	-52.893,08
9. Imputation of subsidies for non-financial assets and other....................	**0,00**
10. Excess provisions...	**0,00**

11. Losses and result on disposal of fixed assets	**0,00**
12. Negative difference of business combinations	**0,00**
13. Other results	**920,79**
77800000 PROFITS SOCIAL SECURITY BONUSES	920,79
A) OPERATING RESULTS (1+2+3+4+5+6+7+8+9+10+11+12+13)	**68.798,75**
14. Financial profits	**71,24**
Imputation of grants, donations and legacies	71,24
Other financial profits	71,24
76900001 FINANCIAL PROFITS DEPOSITS	71,24
15. Financial Expenses	**-217.234,06**
66230000 LOAN INTEREST	-710,62
66230001 LOAN INTEREST 266846 BANKIA	-63.733,33
66230002 LOAN INTEREST BAKINTER	-22.834,25
66230002 INTEREST INCUS LOAN 3% quarterly settlement	-32.488,97
66230004 INTEREST INCUS LOAN 9% capitalizable	-97.466,89
16. Variation of fair value of financial instruments	**0,00**
17. Exchange losses	**0,00**
18. Losses and result on disposal of financial instruments	**0,00**
19. Other profits and losses of a financial nature	**0,00**
a) Incorporation of financial losses to the assets	0,00
b) Financial profits derived from creditor agreements	0,00
c) Remaining profits and losses	0,00
B) FINANCIAL RESULT (14+15+16+17+18+19)	**-217.162,82**
C) FINANCIAL RESULT BEFORE TAXES (A+B)	**-148.364,07**
20. Taxes on profits	**33.982,02**
D) FINANCIAL RESULT OF THE YEAR	**-114.382,05**