Offering of 10,000,000 New Shares at an Offering Price of €10 per New Share to raise gross proceeds of €100,000,000 and admission to trading on the Spanish Stock Exchanges

This is an initial offering (the "Offering") of ordinary shares with a nominal value of €6 each in the capital of Balboa Ventures, S.C.R, S.A. ("Balboa Ventures" or the "Company") a *sociedad anónima de capital riesgo* incorporated under the laws of Spain, by the Company. The Company is offering 10,000,000 new Ordinary Shares (the "New Shares") at a price per New Share of €10 (the "Offering Price") to obtain gross sale proceeds of €100,000,000 in the Offering. Nevertheless, the Company may increase the size of the Offering up to €150,000,000 through the publication of a relevant information notice (*comunicación de información relevante*).

The Offering is strictly restricted to (a) investors outside the United States in offshore transactions in accordance with Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")); (b) in the United Kingdom ("UK"), UK Relevant Persons (as defined in this Prospectus); (c) in Spain, to investors which comply with the requirements set out in article 75 of Law 22/2014, of November 12, 2014, on the regulation of private equity entities, other closed-ended collective investment undertakings and the closed-ended investment undertaking managers (*Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital riesgo, otras entidades de inversion colectiva de tipo cerrado y las sociedades gestoras de entidades de inversion colectiva de tipo cerrado*) ("Law 22/2014") and Professional Clients (as defined in article 205 of the restated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of October 23 (*Texto refundido de la Ley del Mercado de Valores aprobado por Real Decreto Legislativo 4/2015, de 23 de octubre*) (the "Securities Market Act"); and (d) in any member state of the European Economic Area (the "EEA" and an "Member State") other than Spain, Qualified Investors (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation")). In addition, investors will need to comply with the relevant internal policies and proceedings (including the assessment of suitability and appropriateness) implemented by each Manager in accordance and compliance with MiFID II and any other equivalent applicable legislation and regulations. You are deemed to have represented, warranted and agreed with and to the Company and the Managers (as defined below) that (i) the New Shares acquired by you in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to any person other than those set out in (a), (b), (c) and (d) above; and (ii) if you are outside the United States, the UK and the EEA, you are a person into whose possession the document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located. No investor other than the above is allowed to participate in the Offering. The ordinary shares of the Company (the "Ordinary Shares") have not been and will not be registered under the U.S. Securities Act. The Offering outside the United States will be made in compliance with Regulation S.

This Prospectus does not constitute an offer to subscribe or the solicitation of an offer to subscribe for the New Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

An investment in the New Shares involves a high degree of risk. See "Risk Factors" for a discussion of certain matters investors should consider prior to making an investment in the New Shares.

The Company will apply to have its Ordinary Shares listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "Spanish Stock Exchanges") and admitted to trading through the Automated Quotation System or "*Mercado Continuo*" of the Spanish Stock Exchanges (the "SIB"). The Company expects that its Ordinary Shares (including the New Shares offered hereby) will be listed on the Spanish Stock Exchanges, which are regulated markets for the purposes of EU Directive 2014/65/EC on markets in financial instruments, as amended ("MiFID II"), and commence trading through the SIB on or about

November 22, 2019 ("Admission") under the ticker symbol "BVVC". The New Shares are expected to be delivered through the book-entry facilities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("Iberclear"), and its participating entities versus payment therefore on or about November 25, 2019.

This document (the "Prospectus") constitutes a prospectus relating to the Company for the purposes of Articles 3 and 4 of the Prospectus Regulation and has been prepared in accordance with, and including the information required by, Annexes 1 and 11 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing the Prospectus Regulation as regards the format, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the "Prospectus Delegated Regulation" and, together with the Prospectus Regulation, the "Prospectus Rules"). This Prospectus has been approved as a prospectus by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV") in its capacity as competent authority under the Prospectus Regulation.

This Prospectus was approved and registered by the CNMV on November 7, 2019. This Prospectus is valid for 12 months following its approval. However, as this Prospectus refers to the offering of the New Shares, its validity will end upon the offering or admission to trading of such New Shares. Once this Prospectus is no longer valid, the Company will have no obligation to supplement this Prospectus in case of significant new factors, material mistakes or material inaccuracies.

Joint Global Coordinators and Bookrunners

JB Capital Markets

Banco Santander

Bookrunner

Arcano Valores, A.V. S.A.U.

Co-lead Managers

AVR Capital

Banco Carregosa

Norbolsa

Octavian

Prospectus dated November 7, 2019

Prior to making any investment decision, prospective investors should carefully consider all the information contained in this Prospectus and, in particular, the Risk Factors described in the section "Risk Factors". Due to the nature and characteristics of the Company, the following three risk factors appear particularly relevant: "It may be difficult and costly for the Company to terminate the Investment Management Agreement, which has an initial term of fifteen years", "Valuation methodologies of the Company's investments can be subject to significant subjectivity" and "A liquid market for the Ordinary Shares may fail to develop" (for further information see "*Risk Factors—Risks inherent to the external management of the Company and the Investment Management Agreement—It may be difficult and costly for the Company to terminate the Investment Management Agreement, which has an initial term of fifteen years*", "Risks specific to the Company's business— *Valuation methodologies of the Company's investments can be subject to significant subjectivity*" and "*Risk Factors—Risks inherent to the external management of the Company and the Investment Management Agreement— A liquid market for the Ordinary Shares may fail to develop*").

Important information

This Prospectus was approved and registered by the CNMV on November 7, 2019. This Prospectus is valid for 12 months after its approval. However, as this Prospectus refers to the admission to trading on the Spanish Securities Market of the New Shares, its validity will end with the admission to trading of such New Shares. The obligation to supplement a prospectus in case of significant new factors, material mistakes or material inaccuracies will not apply when a prospectus is no longer valid.

YOU SHOULD READ THE ENTIRE PROSPECTUS AND, IN PARTICULAR, "RISK FACTORS" OF THIS PROSPECTUS WHEN CONSIDERING AN INVESTMENT IN THE NEW SHARES.

None of JB Capital Markets S.V., S.A.U. ("**JB Capital Markets**") and Banco Santander, S.A. ("**Banco Santander**" and together with JB Capital Markets, the "**Joint Global Coordinators and Bookrunners**") and Arcano Valores, A.V., S.A.U. ("**Arcano Valores**" or the "**Bookrunner**") and AVR Capital SA, Banco L.J. Carregosa, S.A., Norbolsa, Sociedad de Valores, S.A. and Octavian AG (jointly, the "**Co-Lead Managers**", and together with the Joint Global Coordinators and Bookrunners and the Bookrunner, the "**Managers**"), or their respective affiliates makes any representation or warranty, express or implied, nor accepts any responsibility whatsoever with respect to the content of this Prospectus, including the accuracy or completeness or verification of any of the information in this Prospectus and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. This Prospectus should not be considered as a recommendation by any of the Managers that any recipient of this Prospectus should subscribe for the New Shares. Each subscriber of New Shares should determine for itself the relevance of the information contained in this Prospectus, and its subscription of New Shares should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors that may be relevant to such investor in connection with the subscription of the New Shares. The contents of any Company website do not form part of this Prospectus.

This Prospectus does not constitute an offer to the public generally to subscribe or otherwise acquire New Shares. In making an investment decision regarding the New Shares, an investor must rely on its own examination of the Company and the terms of the Offering, including the merits and risks involved. Investors should rely only on the information contained in this Prospectus. Neither the Company, nor any of the Managers has authorized any other person to provide investors with different information. If anyone provides an investor with different or inconsistent information, such investor should not rely on it. Investors should assume that the information appearing in this Prospectus is accurate only as of its date. The Company's business, financial condition, results of operations, financial condition and/or prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

To the extent available, the industry, market and competitive position data contained in this Prospectus has come from third party sources. Such third parties make no representation or warranty, express or implied, nor accept any responsibility whatsoever with respect to the content of this Prospectus.

No person has been authorized to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or the Managers and neither the Company nor the Managers accept any liability with respect to such information or representations. Neither the publication of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in this Prospectus is correct as at any time subsequent to its date.

Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in respect of any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the New Shares and which arises or is noted between the date hereof and the Admission, in accordance with Article 23 of the Prospectus Regulation. However, no obligation is assumed to publish additional information other than as required by the general rules for issuance of supplements to this Prospectus or in compliance with applicable regulation on the dissemination of inside and relevant information notices (*comunicaciones de información privilegiada o relevante*).

Investors should not consider any information in this Prospectus to be investment, legal or tax advice. An investor should consult its own legal counsel, financial advisor, accountant and other advisors for legal, tax, business, financial and related advice regarding the subscription of the New Shares. None of the Company, the Managers or any of their respective affiliates,

makes any representation or warranty to any offeree or subscriber of the New Shares regarding the legality of an investment in the New Shares by such offeree or subscriber under appropriate investment or similar laws.

Each Manager is acting exclusively for the Company and no-one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to its respective clients or for providing advice in relation to the Offering. The Managers will not regard any other person (whether a recipient or not of this Prospectus) as their clients in relation to the Offering. Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Managers under the Securities Market Act and relevant implementing measures in Spain or the regulatory regime established thereunder, none of the Managers accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Company, the Managers or the New Shares or any transaction or arrangement referred to herein.

JB Capital Markets, its affiliates and their respective directors, officers, agents and employees will only carry out marketing activities in respect of the New Shares with, and/or offer the New Shares to, Qualified Investors and Professional Clients (as these terms are defined in the Prospectus Regulation and the Securities Market Act, respectively). None of the Managers shall bear any liability to any extent in connection with any losses, claims or damages (or actions in respect thereof) related to or arising out of the offering of any New Shares by any of the other Managers.

In connection with the Offering, the Managers and any of their respective affiliates or any other investment vehicle, directly or indirectly connected therewith, acting as an investor for its or their own account(s) may take up New Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the New Shares being offered or placed should be read as including any offering or placement of such securities to the Managers or any of their respective affiliates or any other investment vehicle, directly or indirectly connected therewith, acting as an investor for its or their own account(s). In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers or their respective affiliates may from time to time acquire, hold or dispose of New Shares. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Prospectus and the offer of the New Shares in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those set out in the section "*Selling and Transfer Restrictions*". Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they subscribe, purchase, offer or sell New Shares or possess or distribute this Prospectus and must obtain any consent, approval or permission required for their subscription for, purchase, offer or sale of New Shares under the laws and regulations in force in any jurisdiction to which such investors are subject or in which such investors make such subscriptions, purchases, offers or sales. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, or any of the Managers is making an offer to subscribe any New Shares or a solicitation of an offer to subscribe any New Shares to any person in any jurisdiction except in such jurisdictions where an offer or solicitation is permitted or accepts any legal responsibility for any violation of applicable restrictions by any person, whether or not an investor. No action has been, or will be, taken by the Company to permit a public offering of the New Shares in any jurisdiction, or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the New Shares) in any jurisdiction where any action that has not been taken by the Company, may be required for that purpose. For further information with regard to the restrictions on the distribution of this Prospectus and on the Offering and sale of the New Shares please see the section "*Selling and Transfer Restrictions*".

THE NEW SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE AND OTHER SECURITIES LAWS OF THE UNITED STATES. THE NEW SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN, AND IN RELIANCE ON, REGULATION S. THE NEW SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. SEE "*SELLING AND TRANSFER RESTRICTIONS*". THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S.

SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. THE COMPANY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"), AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THAT ACT.

Any person making or intending to make any offer within the EEA of the New Shares should only do so in circumstances in which no obligation arises for the Company or the Managers to produce a prospectus for such offer. None of the Company or the Managers has authorized or authorizes the making of any offer of the New Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of the New Shares contemplated in this Prospectus.

The Company is a private equity company (*sociedad de capital riesgo*). Private equity companies are expressly included in the scope of Law 22/2014, of November 12, 2014, on the regulation of private equity entities, other closed-ended collective investment undertakings and the closed-ended investment undertaking managers (Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital riesgo, otras entidades de inversion colectiva de tipo cerrado y las sociedades gestoras de entidades de inversion colectiva de tipo cerrado) ("Law 22/2014"), implementing Directive 2011/61/EU of the European Parliament and of the Council, of June 8, 2011, on Alternative Investment Fund Managers ("AIFMD"). Consequently, the Company qualifies as an alternative investment fund ("AIF") and is subject to the restrictions applicable to said regime under Spanish law. Accordingly, the New Shares may only be marketed or offered in EEA jurisdictions in compliance with and subject to the terms of such jurisdiction's implementation of the AIFMD, or any available exemption therefrom and any other laws and regulations applicable in such jurisdiction. In Spain, the Offering is strictly restricted to investors which comply with the requirements set out in article 75 of Law 22/2014 and Professional Clients (as defined in article 205 of the Securities Market Act). In addition, investors will need to comply with the relevant internal policies and proceedings (including the assessment of suitability and appropriateness) implemented by each Manager in accordance and compliance with MiFID II and any other equivalent applicable legislation and regulations.

Notwithstanding any other statement in this Prospectus, this Prospectus should also not be made available to any investor domiciled in any Member State unless the Investment Manager has confirmed that it is able to market the New Shares into that Member State under the passport regime in that Member State, in compliance with the AIFMD. Investors domiciled in the EEA that have received this Prospectus in any Member State in respect of which such conditions have not been satisfied should not subscribe for the New Shares (and the Company reserves the right to reject any applications so made, without explanation) unless such investors have received this Prospectus on the basis of an enquiry made at the investor's own initiative. Notwithstanding that the Investment Manager (as the Company's AIFM) may have confirmed that it is able to market the New Shares to professional investors in an Member State, the New Shares may not be marketed to retail investors (as this term is defined in the AIFMD as transposed in the relevant Member State) in that Member State unless the New Shares have been qualified for marketing to retail investors in that Member State in accordance with applicable local laws.

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that such New Shares are: (i) compatible with an end target market of retail investors which meet the requirements for investment in an AIF in accordance with Law 22/2014 and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Shares may decline and investors could lose all or part of their investment; the New Shares offer no guaranteed income and no capital protection; and an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Shares and determining appropriate distribution channels.

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SUMMARY

Prepared in compliance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

1. INTRODUCTION AND WARNINGS

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE NEW SHARES (ISIN CODE ES0107706006) OF BALBOA VENTURES, S.C.R, S.A. ("BALBOA VENTURES" OR THE "COMPANY") SHOULD BE BASED ON A CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTED CAPITAL.

WHERE A CLAIM RELATING TO THE INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THE PROSPECTUS IS BROUGHT BEFORE A COURT THE PLAINTIFF INVESTOR MIGHT, UNDER SPANISH LAW, HAVE TO BEAR THE COSTS OF TRANSLATING THE PROSPECTUS BEFORE THE LEGAL PROCEEDINGS ARE INITIATED.

CIVIL LIABILITY ATTACHES ONLY TO THOSE PERSONS WHO HAVE TABLED THE SUMMARY INCLUDING ANY TRANSLATION THEREOF, BUT ONLY IF THE SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS OR IT DOES NOT PROVIDE, WHEN READ TOGETHER WITH OTHER PARTS OF THE PROSPECTUS, KEY INFORMATION IN ORDER TO AID INVESTORS WHEN CONSIDERING WHETHER OR NOT TO INVEST IN THE SHARES OF BALBOA VENTURES.

The address and phone number of the Company (legal entity identifier code (LEI): 9598000F16A8TL46XS40) are: Balboa Ventures, S.C.R., S.A., Calle de José Ortega y Gasset, 29, floor 4, C.P 28006, Madrid (Spain), and +34 917914773, respectively.

The Prospectus was approved and registered by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "CNMV") on November 7, 2019. Investors may contact the CNMV at the following telephone number +34 900 535 015.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

The legal name of the issuer is Balboa Ventures, S.C.R., S.A. The commercial name of the issuer is Balboa Ventures. Balboa Ventures is a Spanish *sociedad anónima de capital riesgo* incorporated on September 11, 2019, for an indefinite term. It is registered with the Madrid Commercial Registry. Balboa Ventures's registered office is at Calle de José Ortega y Gasset, 29, floor 4, C.P 28006, Madrid (Spain), and holds Spanish tax identification number A-88473491 and its legal entity identifier (LEI) code is 9598000F16A8TL46XS40.

The Company has appointed an experienced Board of Directors and will be externally managed by Arcano Capital S.G.I.I.C., S.A.U. ("Arcano Asset Management" or the "Investment Manager"). The Company has entered into the Investment Management Agreement with Arcano Asset Management on November 7, 2019, pursuant to which the Investment Manager will actively deploy and manage the Company's investments, and will be engaged for its day-to-day management. The Investment Manager has, on an exclusive basis, full right, power and authority to enter into transactions on behalf of and for the account of the Company, provided that the Investment Manager complies with the Company's investment strategy and certain investment restrictions. Arcano Partners has signed the Investment Management Agreement for the purposes of undertaking to cause its affiliates to make available resources for the Investment Manager and the Company as are reasonably required.

Balboa Ventures and the Investment Manager intend to achieve long term capital growth by taking advantage of investment opportunities that may arise in the international venture capital market related to technological businesses. In particular, Balboa Ventures will focus on investing (i) in top venture capital funds typically focused on early stage companies and either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including private funds, fund of funds, co-investment funds, income-oriented funds and other funds), and (ii) to a lesser extent, directly into companies in mature stages in co-investment with other venture capital investors, often the same managers where the Company has invested. The Company will invest its cash position at any time directly or through investment funds in treasuries, corporate bonds and corporate loans, ensuring the assets held at any time have the appropriate liquidity and low volatility.

The Company intends to principally invest minority stakes in venture capital funds by subscribing to new funds through primary commitments, by acquiring secondary investments in existing funds, and secondarily through direct investments by co-investing with other venture capital investor in mature companies. A brief description of the characteristics of each of these investment methodologies is set out below:

- Primary investments: investments are made in newly established venture capital investment vehicles by committing to invest during their fundraising process. The investments to be made by the funds to which the capital is committed are usually unknown at the time of commitment and the timing of draw-downs against commitments is also unknown. Primary investments usually have a contractual duration of between 10 and 15 years, with the capital usually being deployed over a period of between three and six years. Primary investments require a prudent and exhaustive analysis due to the greater dispersion of returns and the difficulty of identifying the best managers for each investment. The average ticket per investment will be approximately of €5 to €10 million.
- Secondary investments: investments in existing venture capital funds that are acquired privately from the original investor, typically after the end of the relevant capital raising period of the fund. Secondary investments usually have a remaining contractual duration of less than 10 years, with typically the majority of the capital already drawn-down and invested. Secondary investments have a higher visibility of the portfolio assets and cash flow than primary investments. Also, companies are in a more mature stage, thus reducing the time to divestment. Secondary

investments also have higher rate of early distributions with relative value creation, potentially generating significant returns in terms of IRR. The type of transaction that could qualify as secondary transactions include: purchase of a single limited partner interests, purchase of a portfolio of limited partners interests, direct secondaries (purchase of the stakes of a fund in a portfolio of companies), general partners-led transactions (transfer of the stakes of a fund into a new fund with old and new entrant investors). The average ticket per investment will be approximately of €2 to €10 million.

- Co-investments: investments made directly in a company together with a manager, focusing primarily on start-ups of the manager's portfolio with a good outlook, high transaction visibility and an attractive return and risk profile. The average ticket per investment will be between €2 and €5 million.

The Company will target mainly investments in the U.S. (between 50% and 70% of its assets), Europe and Israel (between 20% and 40% of its assets), although investment in other regions (such as China and Southeast Asia) will also be actively analyzed, from time to time, preferably through U.S. venture capital managers (between 0% and 15% of its assets). Within the technological businesses, the Company believes that most investment opportunities of the requisite size for the Company fall into the Core Verticals: (i) artificial intelligence, (ii) big data, (iii) sensors and internet of things, and (iv) marketplaces. In carrying out its activity, the Company will aim to focus its investment decisions on venture capital funds and generate value and capital returns for the Company and its shareholders. The Company seeks to diversify risk within its portfolio by not focusing on any Core Vertical and may, additionally, undertake investments in additional verticals also underpinned by technology or innovation. In addition, the Investment Manager and the Company have agreed on the following specific investment limitations: (a) at least 80% of the Company's investment will be made in funds investing primarily in the U.S., Europe and Israel; (b) a maximum of 30% of the Company's investment will be made in direct co-investments in private companies alongside fund managers; and (c) a maximum of 15% of the Company's investment will be made in one particular fund. In addition, when implementing the Company's Investment Strategy, the Investment Manager will comply at all times with the restrictions established under Law 22/2014, of November 12, 2014, on the regulation of private equity entities, other closed-ended collective investment undertakings and the closed-ended investment undertaking managers (*Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital riesgo, otras entidades de inversion colectiva de tipo cerrado y las sociedades gestoras de entidades de inversion colectiva de tipo cerrado*).

The following table sets forth certain information with respect to the beneficial ownership of the Ordinary Shares prior to and after the Offering. These shareholders will have the same voting rights as any other shareholder following the Offering and consequently each share will be entitled to one vote.

Shareholder	Prior to the Offering		After the Offering	
	Number of Ordinary Shares owned	%	Approximate number of Ordinary Shares owned(1) (2)	%
Arcano Asesores Financieros, S.L.	200,000	100	204,000	2
TOTAL	200,000	100	204,000	2

(1) On the basis of a €100,000,000 Offering.

(2) Arcano Asesores Financieros, S.L. has waived any and all preferential subscription rights.

The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company as at, or immediately following, Admission.

As at the date of this Prospectus, the key directors of the Company are the seven members of the Board of Directors: Mr. Rafael Miranda (Chairman), Mr. Álvaro de Remedios, Mr. Jaime Carvajal, Mr. José Luis del Río, Ms. Beatriz González Ordóñez, Ms. Almudena Arpón de Mendívil (Secretary to the Board) and Mr. Ismael Clemente.

Deloitte, S.L. is the appointed auditor of the Company.

2.2. What is the key financial information regarding the issuer?

The Company is newly formed and as of the date of this Prospectus has no assets or liabilities that are material in the context of the Offering. As of the date of this Prospectus, the Company has only undertaken an investment in the fund FJ Labs Coinvest III LP ("**FJ Labs**"), through Arcano Labs SCA SICAV-RAIF (Luxembourg company incorporated exclusively to invest in FJ Labs, "**Arcano Labs**"). As of October 16, 2019, the only entity in which Arcano Labs held an ownership interest was FJ Labs, in which it held a 10.43% interest. FJ Labs is a venture capital fund specialized in marketplaces, one of the Company's Core Verticals. FJ Labs is led by two entrepreneurs with expertise as "company builders" (i.e., identify a market, sector or trend with an interesting potential growth, design a business model that benefits from such growth, attract an entrepreneur with the capabilities to lead it and advise such entrepreneur to build the company by giving him/her the required financial, strategic and technical support). In particular, the managers of FJ Labs are Mr. Fabrice Grinda (founder of OLX, Zingy and Aucland) and Mr. José Marín (founder of IG Expansión and DeRemate). Mr. Grinda and Mr. Marín have jointly successfully invested in start-ups (such as Rappi, Flexport, Uber or Lime) and have advised on the creation of companies that have had a significant growth in recent years (for instance, among others, AdoreMe or Merlin Jobs). Prior to 2015, Mr. Grinda and Mr. Marín invested their personal assets in identified opportunities and since then they have invested together with third parties. Currently, they are in the process of launching FJ Labs, their last fund, in which the management team will maintain a relevant investment stake.

The Company has acquired from Arcano Partners its stake in Arcano Labs for an amount of a $1,031,861 (€937,459 according to the exchange rate at the transaction date), which corresponds to the capital previously deployed by Arcano Partners. The Company has also undertaken an investment commitment in Arcano Labs amounting to $1,478,139 (€1,340,716 according to the exchange rate at October 16, 2019), previously held by from Arcano Partners, which as of the date hereof is undrawn. Arcano Partners invested in Arcano Labs before the Company was incorporated and the transfer price reflects the fair value of such stake, as of the date of its purchase and also as of the date on of the Company's audited interim financial statements. The Company has a limited operating history. Except for matters in connection with the Offering, and the entry into the contracts discussed in this Prospectus, the Company has not engaged in commercial operations since its incorporation.

On the date of this Prospectus, the CNMV has exempted the Company from the obligation to provide financial statements corresponding to the previous three full financial years, pursuant to article 12.2.b) of Spanish Royal Decree 1310/2005, of November 4 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*). The Company's audited interim financial statements for the period between its incorporation date (September 11, 2019) and October 16, 2019, 2019 are included in this Prospectus.

Selected Interim Balance Sheet Information

ASSETS	As at 16 October 2019 (€)
Equity instruments	937,458.89
Non-current financial assets	937,458.89
TOTAL NON-CURRENT ASSETS	937,458.89
Cash and cash equivalents	1,197,971.00
TOTAL CURRENT ASSETS	1,197,971.00
TOTAL ASSETS	2,135,429.89

EQUITY AND LIABILITIES	As at 16 October 2019 (€)
Share capital	1,200,000.00
Reserves	0.00
Loss for the period	(381,182.00)
TOTAL EQUITY	818,818.00
TOTAL NON-CURRENT LIABILITIES	0.00
Accounts payable	379,153.00
Current payables to Group companies and associates	937,458.89
TOTAL CURRENT LIABILITIES	1,316,611.89
TOTAL EQUITY AND LIABILITIES	2,135,429.89

Selected Interim Income Statement Information

	For the period 11 September 2019 to 16 October 2019 (€)
Fee and commission expense	(739.73)
Other operating expenses	(380,442.27)
OPERATING RESULT	(381,182.00)
FINANCIAL RESULT	-
PRE-TAX RESULT	(381,182.00)
Corporate income tax	-
RESULTS FOR THE PERIOD	(381,182.00)

2.3. What are the key risks that are specific to the issuer?

The most material risk factors specific to the issuer are as follows:

- *Risks inherent to investing in a new business*
  1. The past or current performance of the Investment Manager or the Management Team is not a guarantee of the future performance of the Company
  2. There may be delays or difficulties in the deployment of the Net Proceeds of the Offering
- *Risks inherent to the external management of the Company and the Investment Management Agreement*
  3. It may be difficult and costly for the Company to terminate the Investment Management Agreement, which has an initial term of fifteen years
  4. The arrangements between the Company, the Investment Manager and Arcano Partners were negotiated in the context of an affiliated relationship
  5. The Investment Management Agreement may be unilaterally terminated by the Investment Manager in certain circumstances, which include the settlement of a takeover bid launched over the Company
- *Risks specific to the Company's business*
  6. Valuation methodologies of the Company's investments can be subject to significant subjectivity
  7. The funds and companies in which the Company intends to invest, either directly or indirectly, are subject to a higher degree of uncertainty than more established companies
  8. It may be difficult for the Company to access equity investments as a consequence of the Company's status as a public vehicle
  9. There can be no assurance that any target returns will be achieved
  10. The Company may follow an over-commitment strategy when making investments and may borrow money to fund new investments
  11. The Company and the Investment Manager will have no control over the activities of the general manager of the investment funds in which it invests
  12. The Company is subject to risks associated with developments in the technology sector

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

In the context of the Offering, 10,000,000 New Shares of Balboa Ventures with a nominal value of €6 each are expected to be issued, all of the same class and series as Balboa Ventures's shares currently in circulation. The New Shares will be denominated in euro. The New Shares will be ordinary shares

and their owners will be granted the same economic and voting rights as with respect to the Ordinary Shares of Balboa Ventures, which are set forth in the Spanish Companies Act and in Balboa Ventures's Bylaws and other internal regulation of the Company. There are no restrictions on the free transferability of the Company's Ordinary Shares in Balboa Ventures's Bylaws.

The ISIN number assigned to the Ordinary Shares is ES0107706006, allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV.

The Company will not have a formal dividend policy. The Company intends to reinvest any dividends, profits and income that it receives from its investments in venture capital entities and in companies which it has co-invested in. It is not currently envisaged that any income or gains will be distributed by the Company by way of dividend in the near future and at least during the first five years since the date of the Admission. However, the Board of Directors may consider the payment of dividends (or other methods of returning net proceeds to shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of and investment opportunities available to the Company. The ability of the Company to pay dividends in the future to its shareholders, will depend on, amongst other things, the ability of the underlying investment funds to generate net income distributable to their respective holders, achieving sufficient earnings, the level of profitability, cash-flow generation as a result of the sale of underlying investments or application of restrictions on the payment of dividends under applicable laws or contractual arrangement.

3.2. Where will the securities be traded?

The Company will apply to have its Ordinary Shares listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "Spanish Stock Exchanges") and admitted to trading through the Automated Quotation System or "*Mercado Continuo*" of the Spanish Stock Exchanges (the "SIB"). The Company expects that its Ordinary Shares (including the New Shares offered hereby) will be listed on the Spanish Stock Exchanges, which are regulated markets for the purposes of EU Directive 2014/65/EC on markets in financial instruments, as amended and commence trading through the SIB on or about November 22, 2019 ("Admission") under the ticker symbol "BVVC".

3.3. Is there a guarantee attached to the securities?

Not applicable.

3.4. What are the key risks that are specific to the securities?

The most material risk factors specific to the securities are as follows:

- *Risks relating to the Offering and the Ordinary Shares*
  1. A liquid market for the Ordinary Shares may fail to develop
  2. The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and the Company's Ordinary Share price may suffer volatility
  3. The Company does not expect to pay dividends, at least in the first few years since the Admission

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1. Under which conditions and timetable can I invest in this security?

The Offering is expected to raise gross proceeds of €100,000,000, although the Company may increase the size of the Offering up to €150,000,000 through the publication of a relevant information notice (*comunicación de información relevante*). On the basis of a €100,000,000 Offering, the estimated Net Proceeds to the Company are approximately €95,401,500 after the deduction of commissions and other estimated fees and expenses payable by the Company, in an estimated amount of €4,598,500 (which include fees for legal advisors, Agent Bank and auditors, fees and duties for Iberclear, CNMV and the Spanish Stock Exchanges, and other expenses such as marketing and travel costs). The Managers and the Company will agree, no later than November 20, 2019, the final number of New Shares that will constitute the Offering, which together with the final issue size and Net Proceeds, will be announced through the publication of a relevant information notice (*comunicación de información relevante*).

The allocations of New Shares will be determined by the Company following consultation and agreement with the Joint Global Coordinators and Bookrunners. The Company and the Joint Global Coordinators and Bookrunners (acting on behalf of the Managers) expressly reserve the right to modify the Offering (including, without limitation, its timetable, size and settlement) at any time before final allocations of Ordinary Shares to investors are determined. Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in certain circumstances provided for in the Prospectus Regulation.

Arcano Partners, sole shareholder of the Company as of the date hereof, has waived its preemptive subscription rights with respect to the capital increase Offering. Consequently, in case of full subscription of the increase, the Offering will result in the beneficial interest of Arcano Partners in the Company being diluted from 100% to approximately 2% (on the basis of a €100,000,000 Offering).

The Managers will agree, subject to the satisfaction of certain conditions set out in the Placing Agreement to use their reasonable endeavors to procure subscribers for the Placing Shares (i.e., 7,406,000 Ordinary Shares). The Offering is conditional upon the Placing Agreement not having been terminated in accordance with its terms, including the execution of the Sizing Agreement.

In order to expedite the registration and listing of the Ordinary Shares, it is expected that Banco Santander, S.A., in its capacity as prefunding bank (in such capacity, the "Prefunding Bank"), will subscribe and pay for the New Shares that will constitute the Offering, which is expected to take place on or about November 21, 2019 (the "Subscription Date"). Payment for the New Shares by the Prefunding Bank is expected to be made to the Company in

the Company's account and the New Shares will come into existence once registered at the Commercial Registry of Madrid (Registro Mercantil de Madrid) and recorded in book-entry form with Iberclear. The New Shares will be delivered to the Prefunding Bank, following their registration and receipt of evidence thereof by Iberclear on the Subscription Date and thereafter transferred by the Prefunding Bank to final investors. Payment by final investors to the Prefunding Bank shall be made no later than the second Madrid business day after the Subscription Date against delivery of the New Shares to final investors, which is expected to take place on or about November 25, 2019.

The summary timetable set forth below lists certain important dates relating to the Offering:

Event	Date(1)
Signing of the Placing Agreement	November 7, 2019
Registration of this Prospectus with the CNMV	November 7, 2019
Determination and announcement of final number of New Shares. Signing of the Sizing Agreement	November 20, 2019
Allocations of New Shares to investors	November 20, 2019
Subscription Date	November 21, 2019
Execution of the public deed relating to the capital increase before a notary public	November 21, 2019
Registration with the Commercial Registry of the public deed relating to the capital increase	November 21, 2019
Registration of the Ordinary Shares with Iberclear	November 21, 2019
Execution of the special transaction of the transfer of the Placing Shares to final investors	November 21, 2019
Admission	November 22, 2019
Settlement Date (on or about)	November 25, 2019

(1) Each of the times and dates is subject to change without prior notice. Any change, including in particular any lengthening or shortening of the book-building period will be made public, including by filing of a relevant notice (comunicación de información relevante) with the CNMV. Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in certain circumstances provided for in the Prospectus Regulation.

Cornerstone Agreements

In addition to the Arcano Commitment and the Management Team and Board of Directors Commitment (both as defined below), the Company has entered into cornerstone investment agreements with 18 investors, by virtue of which the Company has agreed to allocate, and such investors have agreed to subscribe and pay for, an aggregate of 2,505,000 New Shares at the Offering Price (the "Cornerstone Shares").

Mr. Álvaro de Remedios and Mr. Jose Luis del Río, both Key Managers and members of the Board of Directors of the Company have irrevocably undertaken to invest €200,000 and €100,000 in the Company, respectively which represent 20,000 and 10,000 New Shares, respectively. In addition, Mr. Rafael Miranda and Ms. Almudena Arpón de Mendívil have each irrevocably undertaken to invest €150,000 and €100,000, respectively, in the Company, which represents 15,000 and 10,000 New Shares, respectively (the "Management Team and Board of Directors Commitment" and the "Management and Director Shares", respectively).

Arcano Partners has irrevocably agreed to subscribe and pay for, conditional upon completion of the Offering (which includes that the Placing Agreement having been executed and not having been terminated), and the Company has agreed to allot to Arcano Partners (i) the number of Ordinary Shares in the Offering as may be necessary, in order for Arcano Partners to hold 2% of the share capital of the Company after the completion of the Offering, and (ii) 30,000 Ordinary Shares in the Offering to fund the liquidity contract that the Company will enter into after Admission (the "Arcano Commitment", and the "Arcano Shares", and together with the Cornerstone Shares and the Management and Director Shares, the "Committed Shares") free from any encumbrance at an issue price of €10 each Ordinary Share (to be pre-funded in accordance with the terms of the Placing Agreement). Arcano Partners may, at its sole discretion, assign its rights and obligations under this undertaking to any entity wholly-owned, either directly or indirectly, by Arcano Partners.

4.2. Who is the offeror and/or the person asking for admission to trading?

The offeror of the New Shares is the Issuer (see Section 2 of this Summary in relation to the key information about the Issuer).

4.3. Why is this prospectus being produced?

The Company expects net proceeds from the Offering of approximately €95,401,500 (gross proceeds of approximately €100,000,000 less total expenses in the amount of approximately €3,500,000 comprising the fees payable to the Managers and other expenses related to the Offering in the amount of approximately €1,098,500 (assuming placement of all the New Shares)) (the "Net Proceeds"). The Company's principal use of the Net Proceeds of the Offering will be to invest in a diversified portfolio of venture capital funds investing in technological businesses, as well as to fund the Company's operating expenses consistent with the Investment Strategy of the Company. The Company expects to have fully invested and/or committed the investment of the Net Proceeds of the Offering within 24 months following the Admission.

Following Admission and in addition to using the Net Proceeds of the Offering to make investments, the Company will incur operating expenses that will need to be funded. Initially, the Company expects that these expenses will be principally funded through the Net Proceeds. In addition to the Investment Manager's fees under the Investment Management Agreement, such operating expenses include: (i) investment costs and expenses (such as due diligence costs, legal costs and taxes); (ii) independent Director's remuneration and audit fees; and (iii) other operational costs and expenses.

Except for the Company's investment in the fund FJ Labs, through Arcano Labs, as of the date of this Prospectus, the Company does not own any investment funds and, until the Company is able to deploy the Net Proceeds to be raised in the Offering, it intends to hold them as cash or cash equivalents with one or more banks. The Company may at any time hold overnight or term deposits or, invest in a range of cash equivalent instruments such as government securities or money market funds, either in euro or in currencies other than euro. The Investment Manager may, on behalf of the Company, also utilise (either directly or via investment in a collective investment vehicle) the services of an affiliate of the Investment Manager or a third party to manage this excess cash. There are currently no restrictions on the amount of cash or cash equivalent instruments that the Company may hold.

The Offering is not subject to any underwriting agreement on a firm commitment basis.

Most material conflicts of interest pertaining to the offer or the admission to trading:

Certain of the Managers and their affiliates may from time to time engage in transactions with, and perform services for the Company or the Investment Manager in the ordinary course of their business. In addition, the Managers and their respective affiliates have performed, and may in the future perform, various financial advisory, investment banking, commercial banking or other services for the Company or the Investment Manager, for which they have received and are likely to continue to receive customary fees and expenses. In addition, Arcano Valores, A.V., S.A.U. is a wholly-owned subsidiary of Arcano Partners, which is, in turn, the sole shareholder of the Investment Manager.

Although procedures have been put in place to manage conflicts of interest, there may be circumstances in which members of the Investment Manager or members of the Company's Board of Directors or its affiliates, directly or indirectly, have a material interest in a transaction being considered by the Investment Manager on behalf of Company or a conflict of interest with the Company.

RISK FACTORS

Any investment in the New Shares is subject to a number of risks. Accordingly, prior to making any investment decision, prospective investors should carefully consider all the information contained in this Prospectus and, in particular, the Risk Factors described below.

Investing in and holding the Ordinary Shares involves significant financial risks. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the New Shares and should be used as guidance only. Additional risks and uncertainties not currently known to the Company or which the Company currently deems immaterial may arise or become material in the future and may have an adverse effect on the financial condition, business, prospects or results of operations of the Company. In such case, the market price of Ordinary Shares could decline and shareholders may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the New Shares is suitable for them in light of the information in this Prospectus and their personal circumstances. If any recipient of this Prospectus is in any doubt about any action they should take, they should consult a competent independent professional adviser who specializes in advising on the acquisition of listed securities, to carefully review the risks associated with an investment in and holding of the New Shares.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. See section "Forward-Looking Statements". The actual results of the Company could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus. Save as required by applicable law, the Company is not obliged to, and makes no commitment to, release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Prospectus.

Prospective investors should read this section in conjunction with this entire Prospectus.

Important Note Regarding the Track Record and Performance Data of the Company's Investment Manager

This Prospectus includes information regarding the track record and performance data of the Company's Investment Manager. Such information is not comprehensive, and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. Past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company. The Company will not make the same investments reflected in the track record and performance data included herein. For a variety of reasons, the comparability of the track record and performance data to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company, which may be different in many respects from those that prevailed in the past or prevail at present or in the future, with the result that the performance of investment portfolios originated now or in the future may be significantly different from those originated in the past. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

RISKS INHERENT TO INVESTING IN A NEW BUSINESS

The past or current performance of the Investment Manager or the Management Team is not a guarantee of the future performance of the Company

The Company will be externally managed by the Investment Manager and the Company will thus rely on the Investment Manager, and the experience, skill and judgement of the Management Team in order to successfully carry out the Company's Investment Strategy and create value for the Company's shareholders. This Prospectus includes certain information regarding the past performance of the Investment Manager and the Management Team (see "*Information on the Company—Business strengths—Strong track record of the Investment Manager in alternative assets globally*"). However, none of the historical information contained in this Prospectus in relation to the Investment Manager's or the Management Team's past performance is directly comparable to the Company's business or the returns which the Company may generate and, therefore, past performance of the Investment Manager and/or the Management Team is not indicative, or intended to be indicative, of the future performance or results of the Company. As a consequence, as at Admission, prospective investors in the Company will have limited data to assist them in evaluating the prospective performance of the Investment Manager and the Management Team.

There may be delays or difficulties in the deployment of the Net Proceeds of the Offering

Except for the Initial Portfolio (see "*Information on the Company— The Initial Portfolio and related-party transactions*" for further information), as of the date of this Prospectus, the Company does not own any investment funds and, until the Company is able to deploy the Net Proceeds to be raised in the Offering, it intends to hold them as cash or cash equivalents with one or more banks. The Company does not expect to earn a significant amount of income on these temporary investments. See "*Use of Proceeds*" for further information.

The Company estimates that the Net Proceeds of the Offering will be deployed (i.e., invested and/or committed to venture capital funds and/or directly into companies) approximately within 24 months following Admission. Nevertheless, there can be no guarantee that the Company will be able to apply the Net Proceeds of the Offering in full in accordance with that timeline or that it will be able to make any investments in a timely manner or at all. When deploying the Net Proceeds of the Offering, the Company may face delays and contingencies, in particular, relating to identifying suitable investments, conducting the relevant due diligence in connection with such prospective investments and negotiating the relevant legal documentation, among others. In addition, necessary authorizations or approvals may be rejected, or granted only on onerous terms, and any such rejection, or the imposition of onerous terms, may result in an investment not proceeding at all or according to the timetable originally envisaged or significant costs being incurred by the Company in relation to such investment. Furthermore, market conditions may have a negative impact on the Company's ability to identify and execute suitable investments that generate acceptable returns.

Any failure to deploy the Net Proceeds of the Offering in a timely manner or at all would reduce the ability of the Company to generate shareholder returns and could adversely affect its reputation. Consequently, it could harm its ability to make further investments and to raise additional capital in line with its business strategy, and ultimately, could materially adversely affect the business, liquidity, financial condition, results of operations and/or prospects of the Company.

The Company has been recently formed

The Company was incorporated on September 11, 2019 and has a limited operating history, except for the interim financial statements set out in "*Financial Information*". It is therefore difficult to evaluate the probable future performance of the Company. The Company intends to invest primarily in equity securities and/or equity-like instruments of venture capital funds (through primary commitments and secondary transactions) and to a lesser extent, directly into equity and/or equity-like instruments of companies in co-investment with other venture capital investors. As of the date of this Prospectus, the Company has only entered into one investment opportunity, which is in a very early stage and the Company is not able to assess its prospects (the "Initial Portfolio") (see "*Information on the Company— The Initial Portfolio and related-party transactions*" for further information). Except for the Initial Portfolio, the Company has not entered into any other formal negotiations with respect to any investment opportunities. As a consequence, prior to Admission, prospective investors in the Company will have no opportunity to evaluate the terms of any potential investment opportunities or actual investments or any financial data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Ordinary Shares. Any investment in the Ordinary Shares is, therefore, subject to all of the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objectives, that not all capital will be invested, that the speed of capital deployment is slower than initially anticipated and that the value of any investment of the Company, and of the Ordinary Shares, could substantially decline.

In addition, the Company's performance will be affected by costs associated with potential investments that do not proceed to completion. In particular, identifying, selecting and negotiating the acquisition of suitable investments require significant expenditure prior to consummation of the transactions. In addition to the fees of the Investment Manager (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Fees and expenses*"), the Company will incur in certain third-party costs in connection with the valuation and professional services associated with the sourcing and analysis of opportunities. There can be no guarantee that the Investment Manager will be successful in its negotiations to identify and manage any given prospective investment, and the total cost, including opportunity cost, incurred in connection with potential investments that do not proceed to completion could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

RISKS INHERENT TO THE EXTERNAL MANAGEMENT OF THE COMPANY AND THE INVESTMENT MANAGEMENT AGREEMENT

It may be difficult and costly for the Company to terminate the Investment Management Agreement, which has an initial term of fifteen years

The Investment Management Agreement has an initial term ending fifteen years from the date of the Admission and it shall continue thereafter for consecutive ten year renewal periods until terminated by either party thereof. The Investment Management Agreement may only be terminated by the Company in limited circumstances. For additional information on the limited causes of termination of the Investment Management Agreement, please see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Term and Termination*". Such limited circumstances do not include poor performance of the Company's investments. In addition, pursuant to the Company's Bylaws, the resolutions of the General Shareholders' Meeting to approve the termination of the Investment Management Agreement require the presence in person or by proxy of shareholders representing at least 50% of the voting capital of the Company on first call, and the presence in person or by proxy of shareholders representing at least 25% of the voting capital of the Company on second call. On first call, such resolutions may only be passed upon the vote of shareholders representing at least 70% of the Company's capital present or represented at such meeting. On second call such resolutions may only be passed upon the vote of shareholders representing at least 50% of the Company's capital present or represented at such meeting.

Moreover, termination of the Investment Management Agreement may, in a number of circumstances, entitle the Investment Manager to receive substantial payments, including (i) all fees, expenses incurred and other amounts accrued pursuant to the Investment Management Agreement up to the date of termination; (ii) the Management Fee (as defined herein) accrued up to the date of termination (which shall be calculated on a pro rata basis); (iii) the Incentive Fee accrued up to the date of termination in relation with any investment undertaken by the Company prior to the termination of the Investment Management Agreement and regardless of the Hurdle Rate not being reached, provided that (a) the Investment Manager is not entitled to the Termination Fee, and (b) the termination is not due to the Investment Manager ceasing to have the regulatory approvals necessary to carry out its duties under the Investment Management Agreement or the Investment Manager being in material breach of any of its material obligations under the Investment Management Agreement; and (iv) the Termination Fee, in the event the Investment Manager is entitled to it. These circumstances and the amounts due to the Investment Manager, including examples, are set out in further detail in the sections "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Term and termination–Obligations following termination* and *"Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement–Fees and expenses* ". Even where the Company has cause to terminate the Investment Management Agreement, it is possible that the Board of Directors may determine that the effective cost of removing the Investment Manager is overly burdensome and, therefore, may choose not to exercise its rights to terminate, which may have an adverse impact on the price of the Ordinary Shares.

The arrangements between the Company, the Investment Manager and Arcano Partners were negotiated in the context of an affiliated relationship

The Investment Management Agreement and the Company's internal policies and procedures for dealing with the Investment Manager were negotiated in the context of the Company's formation and the Admission by persons who were, at the time of negotiation, members of the Management Team and affiliates of the Investment Manager. In addition, the only investment opportunity entered into by the Company (see "*Information on the Company— The Initial Portfolio and related-party transactions*" for further information) was acquired from Arcano Partners, its sole shareholder prior to the Admission. Consequently, its terms were negotiated in the context of the Company's formation by persons who were, at the time of negotiation, members of the Management Team.

Given that these arrangements were negotiated by such parties within the context of the Offering, their terms may be less favorable for the Company than what they would have been if the negotiations would have involved independent parties or if such negotiations were to have taken place in a different context to that of the Offering. See *Arcano Partners, Arcano Asset Management and the Investment Management Agreement — Potential Investment Manager and Management Team conflicts of interest*" for further information.

The Investment Management Agreement may be unilaterally terminated by the Investment Manager in certain circumstances, which include the settlement of a takeover bid launched over the Company

The termination of the Investment Management Agreement, for any reason, could have an adverse impact on the ability of the Company to achieve its investment objectives. The Investment Manager will be entitled to terminate the Investment Management Agreement in certain circumstances which include, among others, upon the settlement of a takeover offer launched over the Company pursuant to applicable Spanish law. This termination right may consequently discourage a shareholder or shareholders from increasing their shareholdings in a manner that would require such a takeover offer to be launched. Furthermore, such event would also entitle the Investment Manager to a Termination Fee, calculated in accordance with the terms of the Investment Management Agreement (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Fees and expenses*") and which will include the Incentive Fee accrued up to the date of termination regardless of the Hurdle Rate not having been reached. Any of these circumstances may have a material adverse effect on the Company's financial condition, business, prospects and results of operations. See also "*—Following a potential termination of the Investment Management Agreement, the Company may be unable to contract a replacement investment manager on similar terms to the Investment Management Agreement or at all*".

The Company is reliant on the expertise of the Management Team and the Investment Manager's staff with respect to the Company's performance and the implementation of its Investment Strategy

The Company has entered into an Investment Management Agreement whereby certain functions normally exercised by the Board of Directors or other corporate bodies of listed companies, such as the executive committee, are carried out by the Investment Manager, except where such functions are limited by the Company's Investment Restrictions (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Investment Restrictions*"). Consequently, the development of the Company and its business will depend on the performance of the Investment Manager and, in particular, on its experience, skill and judgement in identifying, selecting and negotiating the acquisition of suitable investments as well as managing and divesting, when applicable, such investments (see "*Information on the Company —Business strengths— Proven ability to provide value added strategies for investors"*).

Furthermore, the Company will be dependent upon the Investment Manager's successful implementation of the Company's Investment Strategy, and ultimately on its ability to create a portfolio capable of generating attractive returns. No assurance can be given that the implementation of the Company's investment objectives by the Investment Manager will be successful under current or future market conditions or that it will be successful in implementing the strategy set by the Company. The approach employed by the Investment Manager may be modified and altered from time to time by way of amendment to the Investment Management Agreement (which would require prior approval by the Board of Directors and/or the General Shareholders' Meeting, as appropriate), so it is possible that the approach adopted by the Investment Manager to achieve the Company's investment objective in the future may be different from that presently expected to be used and disclosed in this Prospectus.

In the event of departure or unavailability of any member(s) of the Management Team, and in particular the departure of a Key Manager, there can be no guarantee that the Investment Manager would be able to find and attract other individuals with similar levels of expertise, which could have an adverse impact on the ability of the Investment Manager to achieve the investment objectives of the Company. If alternative personnel are found, it may take time for the transition of those persons to the Investment Manager and the transition might be costly and ultimately might not be successful. The loss of any member of the Management Team could also result in lost business relationships and damage to the reputation of the Company. For example, if a member of the Management Team were to depart to a competitor, this could have a material adverse effect on the competitive position of the Company.

The Company is also dependent on the Investment Manager's ability to procure and maintain access to suitably skilled and experienced staff to support the Management Team and to retain the services of those support staff. While the Investment Manager has agreed under the terms of the Investment Management Agreement to dedicate specific personnel to the Company, including the Key Managers, and to require that specific personnel allocate a specific amount of time to it, the Company has no direct control over the Management Team or the rest of the personnel of the Investment Manager. If the Investment Manager were unable to allocate the appropriate time or human resources to the Company's investments, or any members of the Management Team, including the Key Managers, the Company may be unable to achieve its Investment Strategy as set out in this Prospectus. In addition, the Company may terminate the Investment Management Agreement,

among others and subject to certain exceptions, in the event that the Board of Directors of the Company rejects with reasonable cause the proposal to appoint a Key Manager in more than one occasion.

Moreover, the Company may be harmed if the Investment Manager's, the Management Team or its personnel's reputation or Director's suffers. In particular, litigation, allegations of misconduct or operational failures by rumors, or other negative publicity and press speculation involving the Investment Manager's, the Management Team or the Company's personnel and Directors, whether or not accurate, may harm the reputation of the Company. Any damage to the reputation of any of the Company, the Investment Manager, the Management Team or its personnel or Directors may have a material adverse effect on the ability of the Company to successfully implement its Investment Strategy and may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

The Company is managed externally by the Investment Manager

The Company has opted to be externally managed according to Spanish regulations on private equity. Such externalization entails that certain functions normally exercised by the Board of Directors or other corporate bodies of listed companies are carried out by the Investment Manager, except where such functions involve any Investment Restrictions (as defined herein) and require the prior approval of the Board of Directors, subject to certain conditions, regarding matters that have to be decided by the Board of Directors under the Investment Management Agreement (e.g., the approval of the business plan or the approval of direct co-invesments) or regarding certain matters which cannot be delegated (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Investment Restrictions*" and "Board of Directors", respectively). However, the delegation of the investment management of the Company in favour of the Investment Manager and the provision of the Services (as defined herein) under the Investment Management Agreement is without prejudice to the obligations of the Board of Directors of the Company under Applicable Laws.

Any disruption to the services or operations of the Investment Manager (whether due to termination of the Investment Manager Agreement or otherwise) could cause a significant disruption to the Company's operations until a suitable replacement is found, if available. Any such disruption could have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

The Company is reliant on the Investment Manager for the day-to-day management of the Company's affairs

Except for the matters that cannot be legally delegated by the Board of Directors (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Investment Restrictions*"), the Investment Manager is also responsible for carrying out the day-to-day management and general administration of the Company's affairs, including the provision or to procure the provision of various accounting, administrative, registration, reporting (including the provision of assistance and cooperation for reporting by the Company to the CNMV), record keeping and other services to the Company (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Scope of appointment* "). The Investment Manager may either carry out such functions directly or by drawing on the resources of any of its affiliates (remaining jointly and severally (*solidariamente*) liable to the Company for the performance of its obligations under the Investment Management Agreement and remaining responsible for the acts and omissions of any of its affiliates). Therefore, any disruption to the services or operations of the Investment Manager (whether due to termination of the Investment Management Agreement or otherwise) or the relevant affiliate could cause a significant disruption to the Company's operations until a suitable replacement is found, if available. Any such disruption could have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

Following a potential termination of the Investment Management Agreement, the Company may be unable to contract a replacement investment manager on similar terms to the Investment Management Agreement or at all

The termination of the Investment Management Agreement, for any reason, could have an adverse impact on the ability of the Company to achieve its investment objectives. Upon expiry or termination (whether in accordance with its terms or otherwise) of the Investment Management Agreement, there is no assurance that an agreement with a new investment manager of comparable expertise and caliber or with similar relationships with local market participants could be entered into on similar terms, on a timely basis or at all.

In addition, any transition to a replacement investment manager could result in significant costs being incurred by the Company and material disruptions to the investment activities, operations and marketing of the Company. In particular, the management

and personnel of any such replacement investment manager will, following such transition, no longer be involved in the management and operation of the Company and there can be no assurance that the management and personnel of a replacement investment manager will have equivalent skills, experience and knowledge and with similar relationships with local market participants. Further, even when the managers and personnel of a replacement investment manager have equivalent skills, experience and knowledge, they will still need a period of adaptation, more or less lengthy, to get in-depth knowledge of the Company, familiarize themselves with their new responsibilities and fully assume their faculties.

Any or all of these factors may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

The Company is reliant on the performance, reputation and retention of the members of its Board of Directors

The Company will rely on the expertise and experience of the members of the Board of Directors to supervise the management of the Company's affairs and investments (see "*Information on the Company —Business strengths—The governance of the Company is led by a highly experienced Board of Directors*"). Although, pursuant to the Investment Management Agreement, the Investment Manager will manage the Company's investments, certain reserved matters require the prior written consent from the Company's Board of Directors (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Investment Restrictions*" and "*Board of Directors*"). The expertise and performance of the Directors and their retention on the Board are, therefore, significant factors in the Company's ability to achieve its investment objectives. However, the Directors' involvement with the Company will be on a part time, not a full time basis, and if there is any material disruption to the Investment Manager's performance of its services, the Directors are unlikely to have sufficient time or experience to manage the Company's business until a new investment manager is appointed. In addition, there can be no assurance as to the continued service of such individuals as Directors of the Company. In fact, the departure of any of the Directors from the Company without timely and adequate replacement may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, the Board may be exposed to reputational risks. In particular, litigation, allegations of misconduct or operational failures by, or other negative publicity and press speculation involving any of the Directors, whether or not accurate, may harm the reputation of the relevant Director. Any damage to the reputation of any of the Directors may have a material adverse effect on the ability of the Company to successfully pursue its investment strategy and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Investment Manager's insurance may not be sufficient to cover any claims the Company might have against it

Although the Investment Manager has agreed under the terms of the Investment Management Agreement to have insurance to cover potential claims the Company might have against it, such insurance could be subject to customary deductibles and coverage limits and may not be sufficient to recoup all of the losses claimed by the Company. Therefore, the Company could suffer losses arising from non-compliance of the Investment Management Agreement which may not be fully compensated for by the referred insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature (such as war, acts of terror, insufficient preparation in the event of natural disasters or extreme weather events, such as floods), that may be uninsurable, or are not economically beneficial to insure. Any material losses uninsured under the Investment Management Agreement may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. For further information see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Insurance*".

There may be circumstances where members of the Investment Manager or its affiliates or members of the Board of Directors have a conflict of interest with the Company

Although procedures have been put in place to manage conflicts of interest, there may be circumstances in which members of the Investment Manager or members of the Company's Board of Directors or its affiliates, directly or indirectly, have a material interest in a transaction being considered by the Investment Manager on behalf of Company or a conflict of interest with the Company. Any of the members of the Investment Manager or of the Company's Board of Directors or any person connected with them may, from time to time, act as director, manager, investor or be otherwise involved in other investment vehicles (including investment vehicles that have investment strategies similar to the Company).

Moreover, the Investment Manager currently manages other funds and portfolios, which investment strategy, objectives and/or approaches of overlap to a greater or lesser extent with, or are complementary to, the Investment Strategy, objectives and/or

approaches pursued by the Company. Subject to the exclusivity and priority rights granted by the Investment Manager to the Company in the Investment Management Agreement, the Investment Management Agreement does not restrict the Investment Manager to act as manager, sponsor, investment manager, broker, administrator, investment adviser or dealer in funds or companies that have comparable investment strategy, objectives and/or approaches as the Company.

Any such current and future activities of the Investment Manager and, including establishing, managing or advising other investment funds, may involve substantial time and resources and may give rise to conflicts of interest, which could, in turn, have a material adverse effect on the Company's financial condition, business, prospects and results of operations. In addition, if the Investment Manager and the Company do not adequately manage a conflict of interest affecting a member of the Investment Manager or a member of the Company's Board of Directors or their connected persons, it may fail to act in the best interest of the shareholders of the Company, and therefore, the business, financial condition, results of operations and profits of the Company could be adversely affected.

RISKS SPECIFIC TO THE COMPANY'S BUSINESS

Valuation methodologies of the Company's investments can be subject to significant subjectivity

Asset valuations, and in particular valuations of investments for which market quotations are not readily available, as most of the Company's intended investments will be inherently uncertain, may fluctuate over short periods of time and are likely to be based on estimates. In addition, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Further, such valuations cannot by their nature be exact and are liable to change.

The Company is thus dependent upon the managers of venture capital funds and of direct co-investments to supply the information necessary for the Company to calculate its Net Asset Value and the Company must rely on the accuracy of such information. In any case, the Company will request the managers of venture capital funds and of direct co-investments, each semester, to provide confirmation on the existence of potential facts or contingent events in their participated companies and which have not been included in their valuations. In such case, the Company will provide a reference to this in the notes to their financial statements, and/or will adjust their valuation of the investment. In case no confirmation is obtained before the publication of their interim financial statements, the Company will carry out independent procedures to confirm the existence of any potential facts or contingent events in their participated companies and which have not been included in their valuations.

Such valuation estimates will be audited only once a year. The Investment Manager may base the valuations that it uses in calculating the Company's Net Asset Value upon pricing information and valuations furnished to the Investment Manager by third parties. To the extent that the net asset value information of an investment or that of a material part of an investment's own underlying investment is not available in a timely manner, the Net Asset Value will be published based on estimated values of the investment and on the basis of the information available to the Investment Manager at the time.

The value at which investments of the Company can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by the manager of such investments. The Company's share price could be adversely affected if the values of investments that the Company records are materially higher or lower than the values that are ultimately realized upon the disposal of the investments, and changes in values attributed to investments from quarter to quarter may result in volatility in the Net Asset Value and results of operations that the Company reports from period to period, which could may materially adversely affect the market price of the Ordinary Shares.

It may be difficult for the Company to access equity investments as a consequence of the Company's status as a public vehicle

The Investment Manager seeks to maintain strong relationships with venture capital sponsors in order to invest in them, source equity co-investment opportunities as well as to create targeted new relationships. However, venture capital fund managers frequently seek to limit or prohibit the public dissemination of information regarding their investments. Upon Admission, the Company will be a publicly listed and traded investment vehicle with certain ongoing public reporting obligations, particularly with respect to its investment portfolio, and the Company may be excluded from certain investment opportunities if venture capital sponsors are not prepared to permit disclosure of information required to meet such reporting obligations.

There can be no assurance that any target returns will be achieved

The long-term blended target internal rate of return ("IRR") of the Company's shareholders set out in this Prospectus for the Company's investments, which amounts to a range between 15 and 20%, is a target only and, for the avoidance of doubt, is

not a profit forecast. There can be no guarantee that the Company's investments will ultimately be realized for an amount exceeding the amount invested by the Company (in fact, given the nature of venture capital investments, it is likely that a number of investments may yield a negative return, including the total loss of any number of such investments). On such basis, there can be no assurance that the Company's investments will meet the aforementioned target IRR or any other level of return, or that the Company will achieve or successfully implement its Investment Strategy. In fact, such IRR will not be achieved in the first few years of the Company's existence given the dynamics of the venture capital industry. The existence of a long-term target IRR of the Company's shareholders should not be interpreted as an assurance or guarantee that such level of return can or will be met by any of the Company's investments.

The long-term target IRR of the Company's shareholders is based on the Company's assessment of appropriate expectations for returns on the nature of the investments that the Company intends to make and the ability of the Investment Manager to enhance the return generated by those investments over the long run. There can be no assurance that these assessments and assumptions will be proved correct and failure to achieve any or all of them may materially adversely impact any or all investments from achieving the long-term target IRR of the Company's shareholders.

As a result, an investment in the Company should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the Investment Manager provide no assurance of future success. Potential investors should decide for themselves whether or not the long-term target IRR is reasonable or achievable and consider the factors that could affect the returns achievable by the Company and the value of the Ordinary Shares in deciding whether to invest in the Company.

The Company may follow an over-commitment strategy when making investments and may borrow money to fund new investments

The return cash flow from distributions by venture capital funds in which the Company intends to invest and commit to invest a significant proportion of the Company's capital typically results in net cash invested at any time being less than total commitments of the Company into such funds. In order for the Company to maximize the percentage of its amount actually invested in venture capital funds at any given period of time, the Investment Manager may follow an over-commitment strategy which may result in the Company's investment commitments exceeding the expected cash available for investment (see "*Information on the Company—Investment Strategy—Over-commitment strategy*").

When this over-commitment approach is followed, the aggregate amount of unfunded capital commitments by the Company in the underlying funds may exceed the aggregate amount of equity capital available for immediate investment. In such circumstances, the Company may make borrowings to cover any shortfalls and fund new investments. Also, the Investment Manager may need to dispose of investments at unfavorable prices or at times when the holding of the investments would be more advantageous in order to fund capital calls that are made by entire capital funds to which the Company committed. Under such circumstances, legal, practical, contractual or other restrictions may limit the Investment Manager's flexibility in selecting investments for disposal.

If for any reason the Investment Manager is unable to fulfil the Company's capital commitments to one or more of the venture capital funds in which the Company invests, the Company may be subject to claims and suffer significant penalties in its investment in such venture capital funds, may not be able to achieve its investment objectives, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Investments of the Company will not have immediate liquidity

A majority of the Company's investment commitments and, consequently, investments will be primarily in equity securities and/or equity-like instruments of venture capital funds (through primary commitments and secondary transactions) and to a lesser extent, directly into equity and/or equity-like instruments of companies in co-investment with other venture capital investors that will require a long-term commitment of capital (see "*Information on the Company —Investment Strategy—Investment objective"*). Venture capital funds commitments typically have partnership terms of ten years, with customary extension periods at the discretion of the fund's general partner and, as a result, holding periods with respect to venture capital fund limited partnership interests are generally significantly long. The illiquidity of the Company's investments may make it difficult to sell them if the need arises or if the Company or the Investment Manager, as appropriate, determines such sale would be in the Company's best interest. In addition, if the Company were to be required to liquidate all or a portion of an investment in a short period of time, the Company may realize significantly less than the value at which the investment was previously recorded, which could result in a decrease in the Net Asset Value.

Likewise, as a limited partner in said venture capital funds, the Company will not have discretion on the timing or manner of sale of the investments made by the venture capital fund. The ability of venture capital funds to dispose of investments may be heavily dependent on the public equity markets, inasmuch as the ability to realize any value from an investment may depend upon the ability to complete an initial public offering of the portfolio company in which the Company has invested. Furthermore, large holdings, even of publicly traded equity securities, can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movements in market prices and/or economic cycles during the holding period.

In addition, distributions of the proceeds from the sale of venture capital investments of the Company are unlikely to be made until the later years of the Company and there can be no guarantee that an investment will ultimately be realized for an amount exceeding the amount invested by the Company. In fact, given the nature of venture capital investments, it is likely that a number of investments may yield a negative return, including the total loss of any number of such investments. Some or all of the Company's investment may be difficult to realize in a timely manner, or at an appropriate price, or at all. If the Company is unable to realize value from its investments, this could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The funds and companies in which the Company intends to invest, either directly or indirectly, are subject to a higher degree of uncertainty than more established companies

The Company intends to use the Net Proceeds of the Offering to invest primarily in equity securities and/or equity-like instruments of venture capital funds (through primary commitments and secondary transactions) and to a lesser extent, directly into equity and/or equity-like instruments of companies in co-investment with other venture capital investors (see "*Information on the Company —Investment Strategy—Investment objective"*). The Company aims to provide with capital to early stage technology businesses and, to a lesser extent, companies in somewhat more mature stages, and believes that most investment opportunities will fall into one of the following four core verticals: (i) artificial intelligence, (ii) big data, (iii) sensors and internet of things, and (iv) marketplaces (the "Core Verticals"), although the Company may undertake investments in other verticals also underpinned by technology or innovation. The success of the Company's investments will thus depend in large part upon the success of the investment strategy and portfolio of said venture capital funds and of the companies in which the Company directly co-invests. Investments in such portfolio companies (either directly or through a venture capital fund) may involve greater risks than are generally associated with investments in more established companies. The venture capital investments in which the Company invests are subject to significant risks, depending on the nature of such investment.

In addition, there is no certainty that any of the businesses will reach the stage where economic benefits resulting from expenditure on research activities become probable or generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the Company) or that the Company will be able to secure a profitable exit from its investment. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The materialization of one or more of these risks in the co-invested companies as well as the underlying companies of the venture capital funds where the Company will invest could cause any or all of the Company's investments to underperform or fail, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company and the Investment Manager will have no control over the activities of the general manager of the investment funds in which it invests

The Company will usually invest, directly or indirectly, in minority equity positions alongside venture capital sponsors, and as a result, will not have the rights of a majority owner or the ability to make key strategic, financing or business decisions. Instead, the Company and the Investment Manager will place a significant or complete reliance on venture capital sponsors and management teams to create and drive value in the underlying investments, but there is no assurance that such venture capital sponsors and management teams will conduct their business, operations and investment strategy in a manner consistent with their offering documents and applicable laws. Investing in minority equity positions involves risks that may not exist when investments as a majority stakeholder (such as, having conflicting interests with those of the majority stakeholders,). For further information see "*Information on the Company —Investment Strategy—Investment strategies".*

As a co-investor, the Company may have interests or objectives that are inconsistent with those of the lead venture capital investors that generally will have a greater degree of control over such investments. In this event, the Company or the Investment Manager would have very little control over the Company's investment (including the timing and conditions of a potential divestment) and may be adversely affected by actions taken by such venture capital general partner or manager with respect to the Company's investment and the Company's direct or indirect investment in it. The Company or the Investment Manager may not have the opportunity to participate in structuring investments or divestments or to determine the terms under which such investments or divestments will be made.

The Company is subject to risks associated with developments in the technology sector

The success of the Company will be heavily dependent on the ability to successfully identify funds that will invest in companies or invest directly in companies that will take to market viable products in the technology sector. The Company cannot be certain that such a successful outcome is possible. The entities in which the Company will invest, directly or indirectly, will be operating in the technology sector and, as such, will be exposed to the risks of rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. The Company's investee companies may encounter unforeseen operational, managerial, technological and other challenges. See "*Industry Overview*" for further information.

Investors will be subject to additional expenses because of the Company's structure as a "manager of managers"

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to payment by the Company of the expense reimbursements, the Management Fee and, when applicable an Incentive Fee and a Termination Fee. In addition to these direct expenses to be paid to the Investment Manager, the nature of the Company's investments will result in the Company being subject to varying levels of indirect costs that would not be incurred in case the Company solely made direct investments into companies. Specifically, the managers of the venture capital funds in which the Company intends to invest will be entitled to management fees, reimbursement of management and administrative expenses and performance fees. Management fees applied to venture capital funds, direct investments and other similar illiquid investments typically range from 2.0% to 2.5% per annum on the amounts committed and/or invested and incentive fees range from 20% of the growth in assets, such incentive fees generally subject to approximately an 8% rate of return to investors before any incentive fees are payable to the manager. Whether a fund or company managers is entitled to incentive fees or performance allocations will not depend on the performance of the managers of other funds or companies. Accordingly, a fund or company manager with positive performance may receive compensation from the Company, even if the Company's total returns are negative because of the poor performance of other funds and companies. Because of these multiple layers of expenses, the net return realized by the Company from an investment will always be less than the gross return realized by the Company from its investments.

On the other hand, given that the Investment Manager's Incentive Fee is predicated on obtaining positive investment returns over the Hurdle Rate (as defined in "*Arcano Partner, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreements—Fees and expenses—Incentive Fee*"), these fees may create an incentive for the Investment Manager to make riskier or more speculative investments than it would otherwise make in the absence of such fee.

The Company operates in a highly competitive environment for investors and investment opportunities

The Company operates in a highly competitive market for investment opportunities. The execution of the Company's Investment Strategy is dependent primarily on the ability of the Investment Manager to identify opportunities for the Company to invest in venture capital funds on the secondary market, to make commitments to newly-formed venture capital funds and to directly co-invest in individual companies alongside venture capital sponsors.

The Company will encounter competition for investments from, among others, other venture capital investors, public and private pension funds, investment partnerships, limited liability companies and trusts, as well as from individuals, corporations, banks and insurance company investment accounts, foreign investors and other entities engaged in investment activities. Many of the Company's competitors may be substantially larger and have considerably greater financial resources than the Company does. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Company. In addition, some of the Company's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. The Company may lose investment opportunities and incur in costs if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive

pressures will not have a material adverse effect on its ability to identify and execute suitable investments that generate acceptable returns and on its business, financial condition and/or results of operations and/ or the market price of the Ordinary Shares.

In addition, the increased amount of capital available for venture capital investments has led to increased competition among such funds for suitable investments. Additionally, new funds or investment vehicles with investment objectives similar to the Company's may be formed in the future. No assurance can be given that the Investment Manager or venture capital fund managers will be able to locate further suitable equity investment opportunities that satisfy the Company's objectives.

The due diligence process that the Investment Manager will take in connection with each of the investments may be insufficient

Before making investments, the Investment Manager intends to conduct due diligence to the extent it deems reasonable and appropriate based on the facts and circumstances applicable to each investment (see "*Information on the Company — Investment Strategy—Investment process steps"*). When conducting due diligence and making an assessment regarding an investment, the Investment Manager will be required to rely on resources available to them, including public information, information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process will be in part subjective, especially with respect to, but not limited to, early stage companies for which only limited information is available. Accordingly, there can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

In addition, when selecting investments for the Company, the Investment Manager will request information from each fund manager regarding that manager's historical performance and investment strategy. The Investment Manager will also request detailed portfolio information on a continuing basis from each fund manager. However, the Investment Manager may not always be provided with such information because certain of this information, among other things, may be considered proprietary information by the particular manager.

Any failure by the Investment Manager or by the investment funds to identify relevant facts through the due diligence process or the lack of information may prevent the Company from achieving its investment objectives and may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

LEGAL AND REGULATORY RISKS

The Company is an Alternative Investment Fund under the laws of the European Economic Area and the Investment Manager is an authorized Alternative Investment Fund Manager by the CNMV

The Company is a newly-incorporated private equity company (*sociedad de capital riesgo*). Private equity companies (*sociedades de capital riesgo*) are expressly included in the scope of Law 22/2014.

The Company qualifies as an AIF and is therefore subject to the restrictions applicable to this regime under Spanish law. As the Company is an AIF, the Investment Manager is an authorised AIFM required to comply with various organizational requirements and conduct of business rules, to adopt and implement a program of activities and various policies and procedures addressing areas (such as risk management, liquidity management, portfolio management, conflicts of interest, valuations, compliance, internal audit and remuneration), and to comply with on-going capital, reporting and transparency obligations.

Should the Investment Manager fail to remain authorised as an AIFM by the CNMV, the Investment Manager will not be permitted to continue to manage the Company and a successor investment manager duly authorised as an AIFM would need to be appointed to perform these functions. There is no guarantee that a suitably qualified successor investment manager could be found or could be engaged on terms comparable to those applicable to the Investment Manager. In addition, any transition to a successor investment manager could result in significant costs being incurred by the Company and material disruptions to the investment activities, operations and marketing of the Company. In particular, key management and personnel within the Investment Manager may, following the transition to the new investment manager, no longer be involved in the management and operation of the Company (see "*—The Company is reliant on the expertise of the Management Team and the Investment Manager's staff with respect to the Company's performance and the implementation of its Investment* Strategy, and "*—The Company is reliant on the performance, reputation and retention of the members of its Board of*

Directors"). Any or all of these factors may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, the New Shares may only be marketed or offered in EEA jurisdictions in compliance with and subject to the terms of such jurisdiction's implementation of the AIFMD, or any available exemption therefrom and any other laws and regulations applicable in such jurisdiction. Furthermore, if the Company were to be found in breach of the AIFMD, the Company would be subject to, among other matters, fines, administrative sanctions as well as future limitations on any placement of its Ordinary Shares.

Changes in laws and regulations governing the Company's or the Investment Manager's operations may adversely affect its business

Legal and regulatory changes could occur that may adversely affect the Company or the Investment Manager. The regulatory environment for investment funds is evolving, and changes in the regulation of investment funds may adversely affect the value of investments or committed investment of the Company and the ability of the Investment Manager to successfully pursue the Company's Investment Strategy. The effect of any such future regulatory change on the Company could be substantial, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company and its shareholders are potentially exposed to specific risks relating to the special tax regime for private-equity entities.

Spanish private-equity entities regulated under Law 22/2014 may be entitled to benefit from a special Spanish tax regime established in article 50 to the Spanish Corporate Income Tax Law (Law 27/2014, of November 27, related to Corporate Tax) ("CIT Law") that provides tax benefits in connection with both income obtained by private equity entities from dividends and capital gains derived from the transfer of shares in certain entities and specific income-tax benefits applicable to its shareholders who are CIT-payers and NRIT-payers (see "*Taxation–Spanish Tax Corporate Resident Shareholders*" and "Taxation–Shareholders Who are not Resident for Tax Purposes in Spain" for further information). Prospective investors should note that there is no guarantee that the Company or the shareholders may apply those benefits, whether by reason of failure to satisfy the conditions set out in CIT Law or otherwise.

Furthermore, there may be changes subsequently introduced (including a change in interpretation) to the requirements for entitlement to the tax benefits of the special tax regime—or in the applicable tax legislation more generally—either in Spain or in any other country in which the Company may operate in the future, including, but not limited to, the imposition of new taxes or changes in the special tax regime or other applicable tax rates in Spain or elsewhere (including a partial limitation of the Spanish participation exemption) that may adversely affect the Company or its shareholders. In such a case, if the Company or its shareholders are unable to benefit from the current special tax regime, the resulting consequences may have a materially adverse effect on the business, financial condition, results of operations and prospects and could adversely impact the marketability and liquidity of the Ordinary Shares and their value.

The Company and the Investment Manager are subject to regulation dealing with bribery, corruption and money laundering which may expose the Company and the Investment Manager to the risk of substantial costs and liabilities if any of them are unable to prevent or detect any violations of such regulations

The operations of the Company and of the Investment Manager are subject to various domestic and international anti-corruption and anti-bribery laws, including but not limited to Spanish Law 10/2010, of April 28, on prevention of money laundering and terrorist financing act (*Ley 10/2010, de 28 de abril, de prevención del blanqueo de capitales y de la financiación del terrorismo*). As part of its business operations, the Company and/or the Investment Manager may enter into transactions with states and state-owned entities that are also subject to such legislation. The Company and/or the Investment Manager will draw up internal regulations and guidelines, and provide training to its employees in order to facilitate compliance with such legislation. Nevertheless, there is a risk that the Company and/or the Investment Manager will be unable to effectively detect and deter violations of applicable legislation and regulations, or instances of fraud, bribery and corruption. Consequently, it may become subject to sanctions or reputational harm, which may, in turn, have a materially adverse effect on the business, financial condition, results of operations and/or prospects of the Company.

RISKS RELATING TO THE ECONOMIC AND POLITICAL SITUATION

The Company's Investment Strategy may be negatively affected by global capital markets volatility, disruption and instability

Global capital markets may experience extreme volatility and disruption which result in a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market, the failure of major financial institutions and downgrades to sovereign credit ratings and debt defaults. These events may contribute to worsening general economic conditions that could materially and adversely affect the broader financial and credit markets and reduce the availability of debt and equity capital. Such financial market disruptions may have a negative effect on the valuations of the Company's investments, or the ability to restructure investments, and on the potential for liquidity events involving its investments. In the event of sustained market improvement, the Company may have access to only a limited number of potential investment opportunities, which also would result in limited returns to shareholders.

In addition, the financial situation and political instability in the EU, geopolitical tensions in the Middle East, trade tensions between the U.S. and China, growth of anti-EU political parties as well as emerging political forces in member states of the EU with alternative economic policies and priorities, political instability in Spain and military and terrorist actions in Europe and elsewhere in the world could affect the global economic situation, and could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and cash flows. The Company will also face the risk of political and economic uncertainty derived from separatist movements within the EU and Spain, in particular the United Kingdom's departure from the EU.

The materialization of one or more of these risks could result in greater volatility in the value of the Company's investments and consequently its net asset value, which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may be exposed to risks associated with fluctuations in foreign exchange

The Company does not currently intend to enter into any hedging arrangements to mitigate its exposure to fluctuations in exchange rates. The Ordinary Shares will be quoted in euros, the accounts of the Company will be reported in euros and the majority of the Net Proceeds the Company receives from the Offering will be in euros. However, the Company intends to make a significant portion of its future investments in other currencies other than euros, mostly in U.S. dollars, and in companies that use other currencies as their functional currency. Accordingly, changes in exchange rates may have an adverse effect on the valuations and/or revenues of the Company's investments, and on its investments' ability to make debt payments, pay dividends or make other distributions to direct or indirect investors such as the Company.

The Company may be exposed to risks associated with movements in interest rates

The Company and any of its investments may incur debt with floating interest rates. Interest rates are highly sensitive to many factors beyond the control of the Company, including central bank policies, international and domestic economic and political conditions. Interest rates can fluctuate due to, among other things, inflationary pressures, disruption to financial markets and the availability of bank credit. In recent years, interest rates have stayed at historically low levels and it is unlikely that such levels will be sustained over time. If interest rates rise, as expected, the Company and any of its investments will be required to use a greater proportion of its revenues to pay interest expenses on its floating rate debt, which may affect the ability of the Company to achieve the targeted levels of return. Increased exposure to adverse interest rate movements through floating rate debt may have a material adverse effect on the business, financial condition, results of operations and profits of the Company.

RISKS RELATING TO THE OFFERING AND THE ORDINARY SHARES

A liquid market for the Ordinary Shares may fail to develop

Prior to Admission, there has been no public market for the Ordinary Shares and there can be no guarantee that an active trading market will develop. Therefore, the market of the New Shares may be illiquid. In addition, investors may dispose of their Ordinary Shares at their discretion, but given the investment horizon of the Company many investors in the Offering may choose to hold their Ordinary Shares for an extended period, therefore accentuating the illiquidity of the market of the New Shares.

The Ordinary Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the share price may be subject to greater fluctuation than might otherwise be the case. Following the Offering, the value of the Ordinary Shares could fluctuate significantly and may result in investors being unable to sell New Shares at or above the Offering Price or at all.

The Offering is limited to: (a) investors outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act (both as defined herein); (b) in the United Kingdom, UK Relevant Persons (as defined herein); (c) in Spain, investors which comply with the requirements set out in article 75 of Law 22/2014 (as defined herein) and Professional Clients as defined in article 205 of the restated text of the Securities Market Act (as defined herein); and (d) in any member state of the European Economic Area other than Spain, Qualified Investors as defined in the Prospectus Regulation (as defined herein). Retail Clients (as defined herein) that have executed cornerstone investment agreements are generally high net-worth investors with financial expertise.

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and the Company's Ordinary Share price may suffer volatility

There is no guarantee that the Offering Price will be indicative of the future share price of the Ordinary Shares. Following the Offering, the market price of the Ordinary Shares may not always accurately reflect the value of the underlying investments of the Company. Therefore, the price and value of the Ordinary Shares may decrease as well as increase (and investors may lose money on their investment), in response to many factors, including, among other things: variations in the Company's operating results and valuation of the underlying investments, additional issuances or future sales of the Company's Ordinary Shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of Board members, replacement of or change in the Investment Manager or the Management Team, divergence in financial results from stock market expectations, technological disruptions, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and, in general, the materialization of any of the risks set out in this Prospectus or other events and factors within or outside the Company's control.

In addition, stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying net asset value. There can be no assurance, express or implied, that shareholders will receive back the amount of their investment in the Ordinary Shares.

The Company does not expect to pay dividends, at least in the first few years since the Admission

The Company does not intend to pay any dividends to shareholders in the near future and at least during the first five years since the date of the Admission (see "*Dividend Policy*"). In general, the payment of dividends by the Company to shareholders in the future will be highly dependent upon any dividends, profits and income that it receives from its investments in venture capital funds and in companies which it has co-invested in. The ability of the Company to pay dividends in the future to its shareholders, will depend on, amongst other things, the ability of the underlying investment funds to generate net income distributable to their respective holders, achieving sufficient earnings, the level of profitability, cash-flow generation as a result of the sale of underlying investments or application of restrictions on the payment of dividends under applicable laws or contractual arrangements (including the fulfillment of any relevant Spanish Companies Act requirements). Any limitation on the ability of the underlying venture capital investments to pay dividends, may adversely affect the ability of the Company to pay the dividends to its shareholders.

The market price of the Ordinary Shares and their trading volume may be affected by research or reports about the Company's business

The trading market for the Ordinary Shares may be influenced by the research and reports that industry or securities analysts publish (if any) about the Company or its businesses. If any of the analysts that cover the Company or its business have a negative perspective on the Company or its business, the market price of the Ordinary Shares may decline. If analysts cease coverage of the Company or fail to cover it or to publish reports on it, the Company could lose visibility in the financial markets, which in turn would cause the market price of the Ordinary Shares and their trading volume to decline.

The Company may in the future issue new Ordinary Shares, which may dilute investors' interest in the Company

In the future, the Company may seek to raise additional capital through further offerings of equity securities or equity-like instruments (if made on a non-preemptive basis or, if made on a preemptive basis, where shareholders elect not to take up their preferential subscription rights) that could dilute the interests of the Company's shareholders (including upon the conversion of any convertible securities it may issue) and could have an adverse effect on the market price of the Company's Ordinary Shares as a whole.

Additionally, in the case of certain increases in the Company's issued share capital, existing shareholders are generally entitled to preemptive rights to subscribe for such shares, unless shareholders waive such rights through a resolution at a shareholders' meeting. However, shareholders outside of Spain may be excluded from exercising any such preemptive rights and such shareholders could therefore dilute their interest in the Company's.

As at the date of this Prospectus, the Board of Directors has been authorised by its sole shareholder (Arcano Partners) to issue new Ordinary Shares and securities convertible or exchangeable into Ordinary Shares, in both cases up to 50% of the Company's share capital immediately following the Offering. The Board of Directors is also authorized to exclude preemptive rights in connection with the Ordinary Shares and convertible securities that may be issued pursuant to the aforementioned authorization, in both cases up to 20% of the share capital of the Company immediately following the Offering and provided that such exclusion is in the corporate interest of the Company and all other legal requirements are met.

Any delay in the admission to listing and trading of the New Shares would affect their liquidity and could prevent or delay their sale

The issuance of the New Shares is subject to the registration of the capital increase deed with the Commercial Registry of Madrid (*Registro Mercantil de Madrid*). Although the deed is scheduled to be registered promptly with the Commercial Registry once it has been granted, such registration may, despite the Company's best efforts and for reasons beyond its control, not take place in time to enable the New Shares to be admitted to listing on the Spanish Stock Exchanges or to trading on the SIB on the expected date (currently, November 22, 2019). Any postponement of the Admission of the New Shares due to a delay in the registration of the capital increase deed with the Commercial Registry or for any other reason would affect the liquidity of the New Shares and would make it more difficult for an investor to sell such New Shares until they are admitted to listing and trading.

It may be difficult for shareholders outside Spain to serve process on or enforce foreign judgments against the Company or the Directors

The Company is a public limited liability company (a *sociedad anónima* or S.A.) incorporated in Spain. The rights of the shareholders are governed by Spanish law and by the Bylaws (as defined herein) and these rights may differ from the rights of shareholders in non-Spanish companies. The Bylaws provide that disputes between the Company and its shareholders with respect to corporate matters are expressly submitted to the jurisdiction of the courts of the Company's registered address, except in those cases where applicable law requires otherwise. As a result, it may be difficult for shareholders outside of Spain to serve process on or enforce foreign judgments against the Company or the Directors based on civil liabilities under their country's securities laws. In addition, Spanish or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or its Directors or executive officers in a court of competent jurisdiction in Spain or other countries.

PRESENTATION OF INFORMATION AND OTHER IMPORTANT NOTICES

Forward-Looking Statements

This Prospectus includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the intentions of the Company, beliefs or current expectations concerning, among other things, the results of operations, financial position, prospects, growth, target return rates, investment strategy, financing strategies, prospects for relationships with co-investors, liquidity of the Company's investment funds and expectations for the Spanish financial markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Company's operations and the development of the markets and the industry, in which the Company operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Company's results of operations, financial position and growth, and the development of the markets and the industry in which the Company operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Company to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, Spanish financial market conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes, the availability and cost of capital, currency fluctuations, political and economic uncertainty and other factors discussed under section "*Risk Factors*". The Company undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this Prospectus, except where required by applicable law. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Prospectus.

Market, Economic and Industry Data

This Prospectus includes certain market, economic and industry data, which were obtained by the Company from industry publications, data, and reports compiled by professional organizations and analysts, data from other external sources and internal surveys conducted by or on behalf of the Investment Manager. As far as the Company is aware and is able to ascertain from the information provided to it by third parties, market, economic and industry data sourced from third parties used to prepare the disclosures in this Prospectus have been accurately reproduced, and no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect.

Some of the aforementioned third-party sources may state that the information they contain has been obtained from sources believed to be reliable. However, such third-party sources may also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, statistical information and economic indicators contained in these third-party sources, the Company is unable to verify such information.

Currencies

Unless otherwise indicated, all references in this Prospectus to euro and € are to the lawful single currency of member states of the EU that adopt or have adopted the euro as their currency in accordance with the legislation of the EU relating to European Monetary Union. The Company intends to prepare its annual accounts in euro.

Presentation of Financial Information

The Company is newly formed and as of the date of this Prospectus has no assets or liabilities that are material in the context of the Offering. As long as the Company does not have any subsidiaries and does not prepare consolidated financial statements, the Company's financial statements will be prepared in accordance with generally accepted accounting principles in Spain ("Spanish GAAP"). If the Company has to consolidate future entities it controls and meets the requirements for the

preparation and presentation of consolidated financial statements, these will be prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU").

On the date of this Prospectus, the CNMV has exempted the Company from the obligation to provide financial statements corresponding to the previous three full financial years, pursuant to article 12.2.b) of Spanish Royal Decree 1310/2005, of November 4 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*). The Company's audited interim financial statements for the period between its incorporation date (September 11, 2019) and October 16, 2019 which have been prepared according to Spanish GAAP and their corresponding English translation are included in this Prospectus (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es and on the Company's website, www.balboaventures.com).

Rounding

Some financial information in this Prospectus has been rounded. As a result of this rounding, figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Legislation

This Prospectus refers to various statutes, directives and other legislation and regulations. Unless the contrary is specified, all such references are to the laws of Spain.

Important Note Regarding the Track Record and Performance Data of the Investment Manager

This Prospectus includes information regarding the track record and performance data of the Investment Manager. Such information is not comprehensive, and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. Past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company. The Company will not make the same investments reflected in the track record and performance data included herein. For a variety of reasons, the comparability of the track record and performance data to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company, which may be different in many respects from those that prevailed in the past or prevail at present or in the future, with the result that the performance of investment portfolios originated now or in the future may be significantly different from those originated in the past. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

Investment Considerations

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Ordinary Shares, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Investors should consult their financial advisor before making an investment in the Company.

The Ordinary Shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and any income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting or regulatory matters, investment decisions or any other matter. Prospective investors must rely upon their own representatives, including their own legal advisors and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein. An investment in the Company should be regarded as a long-term investment. There can be no guarantee that the Company's investment objectives will be achieved. It should be remembered that the price of the Ordinary Shares, and the income from the Ordinary Shares (if any), can go down as well as up.

NOTICE TO INVESTORS IN THE UNITED STATES

THE NEW SHARES HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. THE NEW SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S AND MAY NOT BE OFFERED OR SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AT ANY TIME, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE AND OTHER SECURITIES LAWS OF THE UNITED STATES.

THE NEW SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF SECTION 10 OF THE U.S. SECURITIES ACT.

THE NEW SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. SEE "SELLING AND TRANSFER RESTRICTIONS".

THE COMPANY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THAT ACT.

THE INFORMATION CONTAINED IN THIS PROSPECTUS HAS BEEN PROVIDED BY THE COMPANY AND THE OTHER SOURCES IDENTIFIED HEREIN. DISTRIBUTION OF THIS PROSPECTUS TO ANY PERSON OTHER THAN THE OFFEREE SPECIFIED BY THE COMPANY AND THOSE PERSONS, IF ANY, RETAINED TO ADVISE SUCH OFFEREE WITH RESPECT THERETO, IS UNAUTHORIZED, AND ANY DISCLOSURE OF ITS CONTENTS, WITHOUT PRIOR CONSENT OF THE COMPANY, IS PROHIBITED. ANY REPRODUCTION OR DISTRIBUTION OF THIS PROSPECTUS IN THE UNITED STATES, IN WHOLE OR IN PART, AND ANY DISCLOSURE OF ITS CONTENTS TO ANY OTHER PERSON IS PROHIBITED.

NOTICE TO INVESTORS IN THE EEA

This Prospectus has been prepared on the basis that all offers of the New Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the New Shares. Accordingly, any person making or intending to make any offer of the New Shares within the EEA should only do so in circumstances in which no obligation arises for the Company, the Managers or any other person to produce a prospectus for such offer. The Company, the Managers have not authorized, nor do they authorize, the making of any offer of the New Shares through any financial intermediary other than offers made by the Managers, which constitute the final placement of the New Shares contemplated in this Prospectus.

In relation to each member state of the EEA (each, a "Member State") no New Shares have been offered or will be pursuant to the Offering offered to the public in that Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, provided that no such offer of New Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of

the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, and except that offers of New Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation: (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); (c) to investors who acquire securities for a total consideration of at least €100,000 per investor or (d) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this notice to investors in the EEA, the expression an "offer of the New Shares to the public" in relation to the New Shares in any Member State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the New Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the New Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. This definition also applies to the placing of securities through financial intermediaries.

Each subscriber of New Shares in the Offering located within a Member State (other than Spain) will be deemed to have represented, acknowledged and agreed that it is a qualified investor as defined in the Prospectus Regulation. The Company, the Managers, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is for distribution only to, and is directed at, persons in the United Kingdom who are "qualified investors" (as defined in the Prospectus Regulation) who are also: (i) persons falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005, as amended (the "FSMA Order"); (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the FSMA Order; or (iii) persons to whom it may otherwise be lawful to distribute it (all such persons together being referred to as "UK Relevant Persons").

In the United Kingdom, this Prospectus is directed only at UK Relevant Persons and must not be acted on or relied on by anyone who is not a UK Relevant Persons. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to UK Relevant Persons and any invitiation, offer or agreement to purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with the UK Relevant Persons. Any person in the United Kingdom who is not a UK Relevant Person should not act or rely on this document or any of its contents.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any New Shares will be communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Company.

All applicable provisions of the FSMA with respect to anything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom have been, and will be, complied with.

NOTICE TO PROSPECTIVE INVESTORS IN CERTAIN OTHER COUNTRIES

For information to investors in certain other countries, see the section "*Selling and Transfer Restrictions*".

RESPONSIBILITY STATEMENT AND COMPETENT AUTHORITY

Responsibility statement

This Prospectus, including the financial information included herein, complies with the Prospectus Rules for providing information with regard to the Company and the New Shares.

Mr. Álvaro de Remedios, acting in the name and on behalf of the Company, as duly empowered representative of the Company, accepts responsibility for the information contained in this Prospectus. To the best of his knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omissions likely to affect its import.

Competent authority

a) This Prospectus has been approved by the CNMV, as competent authority under the Prospectus Regulation on November 7, 2019.

b) The CNMV only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

c) Such approval should not be considered as an endorsement of the Company and the quality of the New Shares that are the subject of this Prospectus.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFERING STATISTICS

Expected timetable of principal events

Event	Date[1]
Signing of the Placing Agreement	November 7, 2019
Registration of this Prospectus with the CNMV	November 7, 2019
Determination and announcement of final number of New Shares. Signing of the Sizing Agreement	November 20, 2019
Allocations of New Shares to investors	November 20, 2019
Subscription Date	November 21, 2019
Execution of the public deed relating to the capital increase before a notary public	November 21, 2019
Registration with the Commercial Registry of the public deed relating to the capital increase	November 21, 2019
Registration of the Ordinary Shares with Iberclear	November 21, 2019
Execution of the special transaction of the transfer of the Placing Shares to final investors	November 21, 2019
Admission	November 22, 2019
Settlement Date (on or about)	November 25, 2019

(1) Each of the times and dates is subject to change without prior notice. Any change, including in particular any lengthening or shortening of the book-building period will be made public, including by filing of a relevant information notice (*comunicación de información relevante*) with the CNMV. Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in certain circumstances provided for in the Prospectus Regulation.

Offering statistics

Offering Price (per New Share)	€10
Estimated total number of New Shares[1]	10,000,000
Estimated gross proceeds of the Offering	€100,000,000
Estimated Net Proceeds of the Offering[2]	c.€ 95,401,500
The Company's expected market capitalization following completion of the Offering[1][3]	€112,000,000
Managers' commissions	€3,500,000
Fees for legal advisors, Agent Bank, auditors and other expenses (granting of public deeds, Commercial Registry, publicity, etc)	c.€1,000,000
CNMV fee[3]	€25,000
Iberclear fee[3]	€50,000
Spanish Stock Exchanges fee[3]	€23,500

(1) The final number of New Shares to be issued in the Offering is expected to be determined and announced through the publication of a relevant information notice (*comunicación de información relevante*) on November 20, 2019 once the Offering is concluded. The Company may increase the size of the Offering up to €150,000,000 through the publication of a relevant information notice (*comunicación de información relevante*).

(2) The Net Proceeds are expected to be determined and announced through the publication of a relevant information notice (*comunicación de información relevante*) on November 20, 2019 once the Offering is concluded.

(3) Based on the issued share capital of the Company immediately following Admission and the Offering Price of €10 per Share.

Introduction

Balboa Ventures is a newly created Spanish public limited liability company (*sociedad anónima* or S.A.) incorporated as a private equity company (*sociedad de capital riesgo*). The Company will apply to have its Ordinary Shares listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and admitted to trading through the Automated Quotation System or "Mercado Continuo" of the Spanish Stock Exchanges.

The Company is mainly regulated by (i) the restated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "Spanish Companies Act"), which is the principal legislation under which the Company operates, (ii) special legislation due to its status as a private equity company (*sociedad de capital riesgo*), which are primarily governed by Law 22/2014, and (iii) applicable regulation to Spanish listed companies upon the Admission.

The Company has appointed an experienced Board of Directors and will be externally managed by Arcano Capital S.G.I.I.C., S.A.U. ("Arcano Asset Management" or the "Investment Manager"). Arcano Asset Management is the wholly-owned asset management subsidiary of Arcano Asesores Financieros, S.L. ("Arcano Partners"). The Company has entered into the Investment Management Agreement (as defined herein) with Arcano Asset Management on November 7, 2019, pursuant to which the Investment Manager will actively deploy and manage the Company's investments. Arcano Partners has signed the Investment Management Agreement for the purposes of undertaking to cause its affiliates to make available resources for the Investment Manager and the Company as are reasonably required.

As the Company does not expect to have any employees, the Investment Manager has also been engaged by the Company under the Investment Management Agreement for its day-to-day management. Three portfolio managers (the "Key Managers") will lead the Management Team. As of the date hereof, the Key Managers are Mr. Álvaro de Remedios (founder and Executive Chairman of Arcano Partners), Mr. Jaime Carvajal (CEO of Arcano Partners) and Mr. José Luis del Río (co-CEO of Arcano Asset Management), all of which will personally benefit from the success of the Company provided that they do not cease to be Key Managers. In addition, Mr. Álvaro de Remedios and Mr. Jose Luis del Río have irrevocably undertaken to acquire New Shares in the Offering (for additional information, see the section "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement*" and "*Material Contracts— Management Team and Board of Directors Commitment*").

The Company intends to raise gross proceeds of approximately €100,000,000 in the Offering and will apply for the Ordinary Shares to be listed on the Spanish Stock Exchanges for trading through the SIB (*Sistema de Interconexión Bursátil or Mercado Continuo*) of the Spanish Stock Exchanges. The Company believes it will benefit from its position as the only pure listed private equity company in Spain. In addition, the Company expects to take advantage of both Arcano Partners' and Arcano Asset Management's investment track record.

The Company and the Investment Manager intend to achieve long term capital growth by taking advantage of investment opportunities that may arise in the international venture capital market related to technological businesses and, in particular, by creating a high-quality portfolio of underlying funds and direct co-investments able to generate capital gains from divestments and value for shareholders through valuation updates of the portfolio. At Admission, the Company will have only entered into one investment opportunity (see "*—The Initial Portfolio and related-party transactions*" for further information). The Company has a limited operating history (see the section "*Historical financial information*"). Except for matters in connection with the Offering, the Placing and the entry into the contracts discussed in the section "*Material contracts*", the Company has not engaged in commercial operations since its incorporation.

Business strengths

The Company believes that it can leverage on the existing market intelligence and relationships of Arcano Partners with regard to venture capital funds, backed by an experienced Investment Manager such as Arcano Asset Management through which the Company will have access to the management functions of a leading alternative asset management company. In addition, throughout the investment process, the Company will have access to the Investment Manager's management and administration function, which addresses certain operational matters, including the provision of various accounting, administrative, registration, reporting and record keeping services. The Investment Manager may carry out such functions

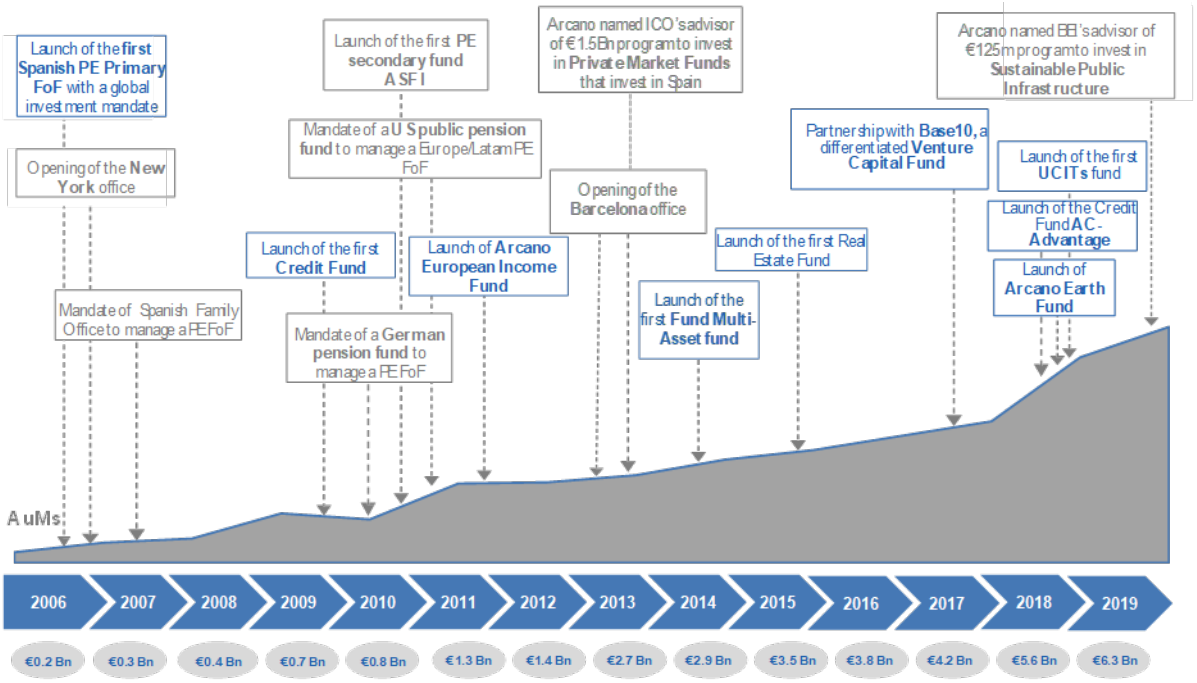
either directly or by drawing on the resources of any of its affiliates. Thus, the Management Team will be able to seize investment opportunities in a timely manner without having to build a large internal structure.

The Company believes that the management of its investments and administrative matters in general by the Investment Manager will involve the following key business strengths:

Strong track record of the Investment Manager in alternative assets globally

The Investment Manager is one of Spain's most recognizable alternative asset managers with €6,300 million in assets under management ("AUMs") as of September 30, 2019, and advisory in alternative investment on private equity, venture capital entities, credit, real estate and renewable funds. Investments managed are diversified and, as of the date of this Prospectus, approximately, 50% is invested in private equity globally, 34% in European credit facilities, 6% in venture capital globally, 5% in value-added Spanish real estate assets and 5% in sustainable infrastructure globally.

The key milestones reached by the Investment Manager to achieve €6,300 million in AUMs are the following:



Note: AuM since inception
(1) Excludes the advisory mandate of Fond-ICO Global which was in force from June 2013 to June 2019

2

- Arcano Asset Management was established in 2006, with professionals based in New York, Los Angeles and Madrid. Arcano Asset Management started to invest in private equity in 2006 with their first fund, a global primary fund of funds and since then, Arcano Asset Management has committed capital to U.S., European, Latin American and African private equity funds both on a primary and secondary basis.
- The first managed accounts came from a Spanish family office in 2007, the second and third one from a U.S. and German pension funds in 2010. Since then, several managed accounts have been raised, mainly from Spanish family-offices.
- On secondary investments, Arcano Asset Management started to invest in 2009 and launched its first secondary private equity vehicle in 2010. Additionally, Arcano was selected in 2013 as the exclusive advisor to ICO (Spanish state-owned bank) in the €1.5bn (which was increased to €2bn in the following years) Fund of Funds investment program Fond-ICO Global to invest in Spain focused funds.
- Separately, Arcano Asset Management manages €1.3bn in credit funds. The business line was established in 2009 through a credit fund focused on European leveraged loans. Since then, the Arcano Asset Management credit team has launched four additional funds (Arcano European Income Fund in 2011, Arcano Senior Secured Loan Fund in 2016, Arcano Low Volatility European Income Fund in 2018 and AC Advantage Credit Strategies in 2018).
- In addition to private equity and credit, Arcano Asset Management manages two real estate funds, Arcano Spanish Opportunity Real Estate Fund which was launched in 2015 and Arcano Valued Added Fund that is currently

fundraising. Finally, the real estate team received the mandate from the European Investment Bank in 2019 to invest in sustainable infrastructure in Andalucia through the program called JESSICA.

- Finally, in 2017, Arcano Asset Management launched Arcano Ventures, FCR ("Arcano Ventures") (see "*— Privileged access to investment opportunities, through differentiating deal flow sourcing*" below for further information) its first venture capital fund and in 2018 the first sustainable infrastructure fund of funds, Arcano Earth, a fund mainly focused on renewable energies funds.

Arcano Asset Management is an independent investment manager, with strong capabilities to analyze, execute and manage investments. The Investment Manager has a long and successful track record of creating value for investors by promoting the creation of alternative investment funds for its investor base. With over 13 years of experience in private equity fund investments (including venture capital investments), Arcano Asset Management has returned a Multiple on Capital Invested ("MOIC") of 1.6x in private equity fund investments and a consolidated internal rate of return ("IRR") of 12% through the 11 private equity vehicles that has launched since inception, including primary, secondary and co-investment strategies. The first vehicle was incorporated in 2006, focused on primary investments, and the last one was incorporated in 2019, combining the aforementioned three strategies. The Investment Manager has also promoted the creation of three investment companies in Spain, currently managing 14 private equity funds in total

With over six years of experience in venture capital fund investments, the Investment Manager has over €600 million in AUMs and advisory through four venture capital vehicles. Part of the €600 million in AUMs come from Fond-ICO Global. As of June 30, 2019, venture capital investments managed by Arcano Asset Management have delivered a MOIC of 1.9x and a consolidated IRR of 38%.

Since 2013, Arcano Asset Management has been the sole advisor of Fond-ICO Global, a €2 billion fund of funds (Fond-ICO Global mandate is currently under review). Fond-ICO Global has invested so far in more than 80 funds as of May 31, 2019 of which 29 are venture capital managers representing commitments of over €310 million.

The investments undertaken in venture capital, as of March 31, 2019, by Fond-ICO are shown below (source: Arcano Partners):

Rounds	Managers	Funds	Description
1st	Adara Ventures Partners II Sàrl	*Adara Ventures II SCA, SICAR*	*Seed stage investment in advanced technology*
1st	Ambar Capital y Expansión SGECR, SA	*Reemprende Empresa y Crecimiento, FCR DE RS*	*Early-stage investment in technology sectors and subsectors*
1st	Suma Capital SGECR	*Green Buildings Equity Fund I, FCR ("GBEF I")*	*The firm focuses on investing in companies within the business process outsourcing, engineering, training and software sectors.*
2nd	Axon Capital e Inversiones S.G.E.C.R, S.A.	*Axon ICT III, F.C.R.*	*Specializes in seed, startups, expansion, growth capital and buyout investments.*
2nd	Caixa Capital Risc, SGECR, SA	*Caixa Capital TIC II FCR*	*The firm invests in the early-stage startups operating in the life sciences, technology and manufacturing sectors across Spain.*
2nd	Forbion III Management, B.V.	*Forbion Capital Fund III, CV*	*Investment firm that prefers to invest in the healthcare, life sciences, oncology and manufacturing sectors.*
2nd	Seaya Capital Gestión SGECR, SA	*Seaya Ventures FCR, de régimen simplificado*	*Seed, early stage and expansion investments in the technology sector*
3rd	Cabiedes & Partners IV SCR de Régimen Simplificado, S.A.	*Cabiedes and Partners IV, SCR autogestionada*	*Firm that specializes in seed, early and later stage investments.*
3rd	Inveready Asset Management S.G.E.C.R., S.A.	*Inveready First Capital II SCR SA*	*The firm seeks to invest in the technology, biotechnology, clean-tech, information technology, and healthcare sectors*
4th	Bullnet Gestión SGECR SA	*Bullnet Capital III SCR*	*Inversiones en fases tempranas en sector tecnológico*
5th	Cygnus Asset Management SGIIC, SA	*Kibo Ventures Innvierte Futuro Abierto SCR*	*Inversiones en los sectores SaaS, AI, machine learning, IoT, ciberseguridad y videojuegos*
5th	Onza Venture Capital Investments SCR SA	*Onza Venture Capital Investments SCR de régimen común SA*	*Early stage investments in the technology sector*
6th	Samaipata Capital Partners SGEIC S.A.	*Samaipata I FCR PYME*	*Early stage investments in the technology sector*
7th	JME Venture Capital SGEIC, S.A.	*Fomento para Innovación y Desarrollo IV, FCR*	*Seed, early stage, and growth investments*
8th	Seaya Capital Gestión SGEIC SA	*Seaya Ventures II FCR*	*Seed, early stage, and growth investments in the technology sector*
8th	Suma Capital SGEIC SA	*SC Efficiency & Environment Fund II*	*The firm focuses on investing in companies within the business process outsourcing, engineering, training and software sectors.*
9th	Alma Mundi Ventures, SGEIC, S.A.	*Alma Mundi Fund II, FCRE*	*Technology, cyber security, fintech and big data sectors investments*
9th	Altamar Private Equity S.G.I.I.C., S.A.U.	*Alta Life Sciences Spain I, F.C.R.*	*Life science investments*
9th	Swanlaab Venture Factory, S.G.E.I.C., S.A.	*Swanlaab Giza Innvierte I, FCR*	*Early stage investments within the internet, IT, software, cloud, cyber security, hardware and telecommunication sectors*
9th	Cardumen Capital SGEIC, S.A.	*Cardumen Fund FCRE*	*The firm seeks to invest in the AI, cyber security, hardware, IoT, big data, healthcare, augmented and virtual reality and imaging sectors.*
10th	Inveready Asset Management SGEIC, SA	*Inveready Biotech III SCR*	*The firm seeks to invest in the technology, biotechnology, clean-tech, information technology, and healthcare sectors.*
10th	Nauta Capital VC Partners, S.G.E.I.C., S.A.	*Nauta Capital Sidecar Fund*	*Early stage investments in the software sector*
	Total committed capital: *€ 313,250,000*		

Global Focus

Since its inception in 2006, Arcano Asset Management has maintained its geographical focus within the North American and European private market ecosystems, resulting in a broad network and strong relationships with placement agents, intermediaries, investment managers and investors globally, providing a solid base for investment opportunities.

Arcano Asset Management is well positioned in these geographies, through its offices strategically located in Madrid, Barcelona and New York, with a long-standing track record and proven capacity to successfully source, analyze and execute transactions in these markets generating attractive returns to its investors.

Access to a valuable and highly experienced fund investment platform

Through the Investment Manager, the Company will have access to Arcano Partners, the Management Team and its professionals. The members of the Management Team are well known within the private equity and venture capital markets and have established relationships with all of its main stakeholders, including managers, investors, intermediaries, placement agents, founders, management teams, legal advisors among others.

Arcano Asset Management has been investing in private assets since 2006 when it launched its first investment program focused on private equity fund investments. Since then, Arcano Asset Management has developed the skills to become a leading private equity and venture capital investor:

- In-house technology to identify top managers globally: since its inception, Arcano Asset Management has invested directly or indirectly through Fond-ICO Global in more than 160 funds globally with a clear focus on the U.S. and Europe.
- Access to the secondary market: since 2009, Arcano Asset Management has been a very active investor in the secondary market, having invested over €1,000 million in secondary opportunities. Arcano Asset Management

has built strong relationships with investors, intermediaries, brokers, buyers among others, which has positioned the firm as a great originator of opportunities in private investments.

- Active co-investor: since 2011, Arcano Asset Management has been actively co-investing with its portfolio managers. In the last 24 months, Arcano Asset Management has closed seven co-investments.

These relationships and knowledge have enabled members of the Management Team to access unique investment opportunities. The Company believes that the Management Team's relationships and experience will provide the Company with the access and ability to generate attractive investment opportunities meeting the Company's investment criteria. Additionally, the Company believes that the Management Team's distinct knowledge of, and competence within, the private equity and venture capital markets will make the Company well placed to capitalize on the opportunities presented by current and expected market conditions.

In addition, the Company will have access to Arcano Partners' multidisciplinary investment platform comprising approximately 75 professionals, including, among others, more than 30 investment professionals. Through this strong and tested investment platform, the Company believes the Investment Manager has the necessary expertise to carry out detailed assessments of suitable investments on behalf of the Company and then to execute and manage such investments efficiently.

The Investment Manager will provide the Company with the opportunity to invest with priority in certain assets within the parameters of the Investment Strategy

Under the Investment Management Agreement, the Investment Manager has agreed to grant the Company preference in all investment opportunities that are within the parameters of its Investment Strategy (although in some circumstances the Company may co-invest together with other investment vehicles managed by the Investment Manager) (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Potential Investment Manager and Management Team conflicts of interest—Exclusivity and Right of First Offer*"). The Company believes that these agreements will allow the Company to benefit from the transaction flow of the Investment Manager and the Management Team, as well as to ensure the time and dedication of the members of the Management Team, thereby mitigating any possible conflicts of interest.

Strong and differentiated culture

Arcano Asset Management is a private market investor specialist with a global perspective to approach private opportunities with historical insight and cultural sensitivity. The Investment Manager's aim is to establish close and collaborative, mutually beneficial relationships with both investors and the managers of the funds in which it invests.

Arcano Asset Management is committed to providing clients with flexible and solution-oriented investment vehicles and strategies that capitalize on the strengths of their investment professionals and their unique ability to create and capture value in niche markets. It strives to be an innovative thought leader within their niche markets.

The Investment Manager insists on favorable terms and conditions, structures that align financial interests, and strong fund governance and reporting frameworks. Among other things, these include striving for compliance with ILPA Private Equity Principles, EVCA reporting guidelines and International Private Equity and Venture Capital Valuation Guidelines. Arcano Asset Management was a pioneer among global private market firms in adopting standards of sustainability and social responsibility. Arcano Asset Management's investment products are managed in accordance with this commitment.

Privileged access to investment opportunities, through differentiating deal flow sourcing

Arcano Asset Management maintains active deal flow from a variety of strategic relationships through its offices located in Madrid, Barcelona, and New York, which help to enhance sourcing capabilities in its target geographies. This has resulted in a broad network and strong relationships with managers, intermediaries, placement agents and LPs globally, providing a solid base for investment opportunities.

Additionally, the Investment Manager has helped to develop the Spanish venture capital ecosystem through Fond-ICO Global. The Investment Manager has been acting as the sole advisor of Fond-ICO Global, a €2,000 million fund of funds, since 2013. Fond-ICO Global has invested so far in more than 80 funds as of May 31, 2019 of which 29 are venture capital managers representing commitments of over €310 million. Fond-ICO is considered as one of the largest venture capital investors in Europe. This mandate has positioned the Investment Manager as one of the key players of the Spanish venture capital ecosystem, enabling Arcano Asset Management to build relationships with local and international managers interested in investing in Spain.

Finally, Arcano Asset Management partnership with Base10 Partners Capital Management, LLC ("Base10") —a venture capital firm specialized in non-controlling, minority investments in early and venture stage technology companies— provides the Company access to the Silicon Valley ecosystem and a credential as a highly valuable partner for other venture capital firms.

Base10 was founded in 2017 by Mr. Adeyemi Ajao and Mr. TJ Nahigian. In January 2017, the company partnered with Arcano Asset Management, as it was launching a differentiated venture capital fund with a focus on Artificial intelligence (AI).

Arcano Partners got to know Mr. Ajao back in 2010 when Arcano Partners advised Tuenti's shareholders on the sale to Telefónica (Mr. Ajao was one of the founders of Tuenti and its CEO at the time of the transaction). In 2016 Arcano Asset Management approached Mr. Ajao when looking to implement a venture capital strategy through a venture capital fund that could complement the strategies they already had in place and found in Base10 the appropriate partner to successfully implement such venture capital strategy. In parallel, Mr. Ajao was planning to launch an institutional venture capital fund and was analyzing the possibility of incorporating a strategic partner and in that context, Arcano Asset Management became an anchor investor to the fund.

Base10, together with Arcano Asset Management through its fund Arcano Ventures, raised $135 million in commitments for investing across many sectors with an emphasis on early and growth stage companies that are working towards the automation of the real economy (including transport, commercial and consumer logistics, retail, construction and financial services.

Arcano Ventures is currently valued at a gross MOIC of 1.61x and a Gross IRR of over 70%. The value of the companies which comprise the portfolio of Arcano Ventures as of June 2019 is the following:

Company	Cost	Fair Market Value	MOIC	Company	Cost	Fair Market Value	MOIC
1	$6,649,093	$14,276,661	2.15x	12	$1.577.210	$1,577,210	1.00x
2	$4,170,551	$10,838,012	2.60x	13	$565.282	$1,570,235	2.78x
3	$3,517,331	$9,848,527	2.80x	14	$1.004.952	$1,004,952	1.00x
4	$2,081,847	$8,248,544	3.96x	15	$988.549	$988,549	1.00x
5	$4,990,926	$6,616,717	1.33x	16	$854.209	$891,892	1.04x
6	$5,737,282	$6,358,517	1.11x	17	$754.970	$774,546	1.03x
7	$2,994,599	$5,029,801	1.68x	18	$703.467	$703,467	1.00x
8	$4,990,924	$4,990,924	1.00x	19	$703.467	$703,467	1.00x
9	$4,314,528	$4,314,469	1.00x	20	$502.476	$502,476	1.00x
10	$2,495,462	$2,495,462	1.00x	21	$502.475	$502,475	1.00x
11	$2,009,905	$2,009,905	1.00x	22	$401.981	$401,981	1.00x
TOTAL	$52,511,483	$84,648,786	1.61x				

All investments are classified as "Assets available-for-sale" for accounting purposes, according to the Circular 04/2015, of October 28, of the CNMV.

In addition, see below details of the portfolio as of June 30, 2019 (source: Arcano Partners):

Company	Description	Round	Co-investors
ethos	Financial entity focused on underwriting mortgages by automating the original process	Series A	Meritech khosla ventures nyca Fifth Wall
maven	App for companies whose main service is the management of marketing strategies.	Seed	matrix
Reflektive	Platform that improves and automates the process of evaluating workers in real time	Series B	Lightspeed
Wonolo	Platform that automates shipping processes for carriers, operators and intermediaries	Series B/C	BainCapital Ventures Sequoia
SHIPWELL	Platform designed for logistics companies wishing to monitor their shipments	Seed	Fifth Wall
	Online trading company that improves and automates birth control	Series A	VMG G/
RoadSync	Payment management platform for the logistics industry	Seed	BainCapital Ventures Hyde Park
YELLOW	Micro mobility platform (bicycles and electric motorcycles with free parking)	Seed / Series A	GGVCAPITAL
grin	Micro mobility platform (bicycles and electric motorcycles with free parking)	Seed/Series B	GGVCAPITAL
TOKENSOFT	SaaS platform that uses blockchain technology to install the necessary infrastructure for companies to issue, manage and monitor tokens.	Series A	e.ventures
Lime	Leading micro-mobility platform in the United States	Series C	TVP G/ Andreessen Horowitz
VKC	Network of virtual kitchens in the United States	Seed/Series A	Base10
FABER	Human Resources' Marketplace for the construction sector	Seed	
carta	Central repository for companies and investment funds in the asset management area	Series C/D	Meritech Tribe Andreessen Horowitz Lightspeed
NOWPORTS	Platform that provides visibility and control over the entire supply chain, facilitating the import process and increasing its security and transparency	Seed	
Pangaea	Platform that creates premium brands by eliminating part of the supply chain, focusing on e-commerce markets with higher growth rates and lower acquisition costs	Seed/Series A	
ManyChat	Chatbot that allows companies to automatically interact with their Facebook followers, answer questions, send mass notifications, provide answers and increase the number of followers	Post Series A	Bessemer Venture Partners Flint Capital
KEEP TRUCKIN	Electronic registration app that allows the electronic management of fleets of workers and transporters	Series D	G/ TVP Index Ventures
wetravel	SaaS solution for travel agencies and tour operators that make tours of more than two nights to accept digital payments and manage their tours.	Series A	
cali	Platform that manages the delivery of groceries and daily essentials directly from producers and eliminating intermediaries	Seed	
MASON	They create hardware devices that facilitate the use of company-specific hardware	Series A	COATUE GGVCAPITAL
tend	World's first dental wellness brand, re-engineering the dental experience for urban professionals	Series A	
Total FMV(1)	€84.6m	Gross MOIC(2)	1.61x

Note: Arcano Ventures investments as of of 30 June 2019

(1) Fair Market Value (2) Goss MOIC = (FMV + distributed capital) / capital invested in the assets

The fund has invested together with some of the most reputed venture capital firms in Silicon Valley such as Sequoia, Lightspeed, Andreesen Horowitz or Khosla among others.

The partnership with Base10 has enabled Arcano Asset Management to establish relationships with these managers and build a strong network of other managers and venture capital investors in general. Additionally, over the last years Arcano Asset Management has been developing a strong network of relationships in the venture capital sector which has led to identifying some attractive emerging managers operating in the target geographies in which the Company could potentially invest.

(1) Sources: "Consistent performing venture capital fund managers", Preqin 2018; "Venture capital power rankings", CB Insights 2016; The Midas list 2019; The Midas list Europe 2018

In 2019, Arcano Asset Management has analysed approximately 100 venture capital fund. In addition, since June 2016, Arcano Asset Management has analysed over 600 venture capital funds in the secondary market in the framework of its two last private equity fund of funds, including names such as the following:

Additionally, since June 2016, Arcano Asset Management has identified over 3,500 secondary opportunities, of which approximately 370 were subject of a preliminary analysis by an investment committee. Of such opportunities, a due diligence exercise was carried out in relation to 125 opportunities, in relation to which Arcano Asset Management only signed 50 binding offers and a final commitment was entered into in respect of 45.

All in all, through the knowledge, exposition and relationships of the Investment Manager, the Company will be able to offer investors the exposure to investment opportunities which may otherwise not be open to them, given the typically high minimum investment requirements and difficult access. In addition, Arcano Asset Management's fund investment experience will be applied to the Company in order to build a well-diversified portfolio by identifying top venture capital managers.

Proven ability to provide value added strategies for investors

The Company believes the Investment Manager has a proven track-record of identifying new investment themes, discovering attractive investment opportunities and dealing with complexity, as well as investments across different asset classes and

cycles. As such, Arcano Asset Management leverages on its skills at sourcing, executing, implementing and exiting its investments.

Moreover, Arcano Asset Management through a flexible and proactive approach has built well-diversified portfolios by country, manager, sector and type of transactions (primaries, early and late secondaries, GP/fund restructurings, stapled deals, co-investments).

Finally, Arcano Asset Management has been, throughout its more than 13 years of experience in private equity, a manager which has also proven great flexibility toward its clients, having offered several investment solutions in order to adapt itself to their needs through an offer of different alternatives, such as comingled funds, managed/separate accounts (with more specific strategies), co-investments and advisory accounts.

The governance of the Company is led by a highly experienced Board of Directors

The Company's Board of Directors, led by Mr. Rafael Miranda as Chairman, is comprised of Directors who have considerable experience in the governance of publicly listed companies. The majority of the Company's Directors are independent of the Investment Manager. The Company believes that this will help provide oversight of the Investment Manager's implementation of the Investment Management Agreement and, in particular, the Investment Strategy and protect the interests of the Shareholders.

Investment Strategy

Investment principle

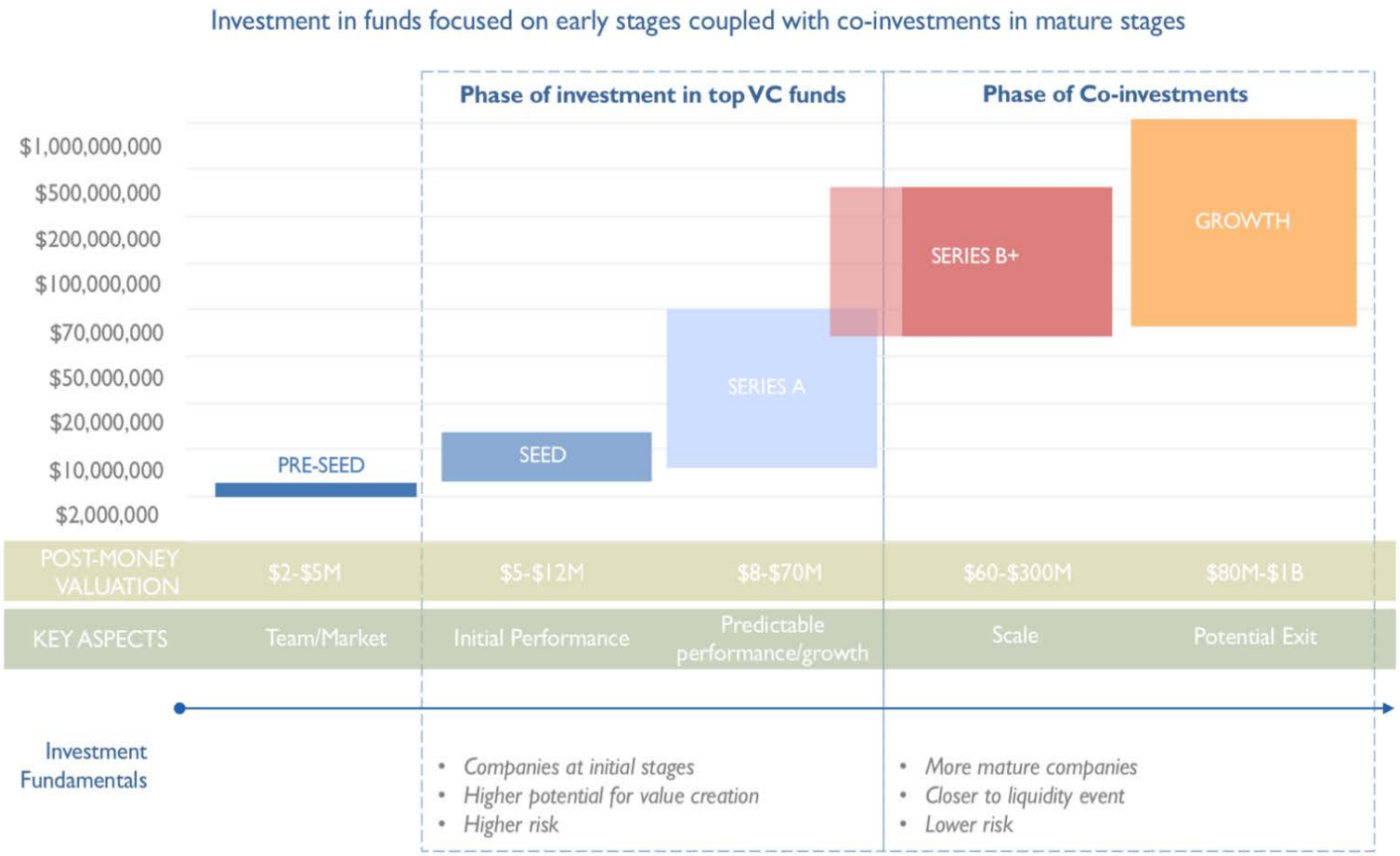
The Company will focus on investing (i) in top venture capital funds typically focused on early stage companies and either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including private funds, fund of funds, co-investment funds, income-oriented funds and other funds), and (ii) to a lesser extent, directly into companies in mature stages in co-investment with other venture capital investors, often the same managers where the Company has invested. The Company will invest its cash position at any time directly or through investment funds in treasuries, corporate bonds and corporate loans, ensuring the assets held at any time have the appropriate liquidity and low volatility.

Investment objective

The objective of the Company will be to achieve long term capital gains through investments in a diversified portfolio of venture capital funds and companies, investing in technological businesses. By giving investors access to the best opportunities in technology through a portfolio of funds and companies, the Company aims to achieve a blended long term target IRR in the range of 15% to 20%.

The Company intends to principally invest minority stakes in venture capital funds through primary commitments and secondary transactions, and secondarily (a maximum of 30%) through direct investments by co-investing in mature companies.

The following graph shows the Company's investment objective in venture capital funds and direct co-investments into companies in different maturity stages (source: Arcano Partners):



From a geographic perspective, the Company will target mainly investments in the U.S., Europe and Israel, although investment in other regions (such as China and Southeast Asia) will also be actively analyzed, from time to time, preferably through U.S. venture capital managers.

In particular, in the long run, the Company intends to invest approximately between 50% and 70% of its assets in the U.S., approximately between 20% and 40% in Europe and Israel and approximately between 0% and 15% in other regions.

Investment verticals

The Company will provide early stage technology businesses and, to a lesser extent, companies in somewhat more mature stages, with capital to accelerate their growth and development and enhance their value over the long term.

The Company believes that most investment opportunities of the requisite size for the Company fall into the Core Verticals: (i) artificial intelligence, (ii) big data, (iii) sensors and internet of things, and (iv) marketplaces. The Company may undertake investments in other verticals also underpinned by technology or innovation.

A brief description of the Core Verticals is included below (for further information see "*Industry overview*".

- Artificial intelligence

Artificial intelligence is the technology that enables computers to autonomously learn, deduce and act. Systems with artificial intelligence and machine learning collect and store massive amounts of data and make decisions based on probability and statistical analysis. Applications of artificial intelligence and machine learning include speech recognition, computer vision, robotic control and accelerating processes in the empirical sciences. Artificial intelligence is poised to have a transformative effect on consumer, enterprise, and government markets around the world. It has use cases and applications in almost every industry and promises to significantly change existing business models while simultaneously creating new ones. It is forecasted that annual worldwide artificial intelligence revenue will grow from $643.7 million in 2016 to $36,800 million by 2025 (source:

Tractica). There are 27 verticals that are employing artificial intelligence technologies today or soon will be, which include financial services, healthcare, defense, consumer retail, advertising, and media and entertainment, among others.

- Big data

Big data refers to data sets that are too large or complex for traditional data-processing application software to adequately deal with. Over 2.5 quintillion bytes of data are created every day, and by 2020, it is estimated that 1.7MB of data will be created every second for every person on Earth (source: Domo). 90% of the world's data has been created in the last two years. Worldwide Big data market revenues for software and services are projected to increase from $42,000 million in 2018 to $103,000 million in 2027, attaining a Compound Annual Growth Rate ("CAGR") of 10.48% (source: Wikibon and Statista).

- Sensors and internet of things

Internet of things ("IoT") describes the interconnectivity, by means of sensors, transmitters and other computing devices, of everyday objects and machines, creating one large, interconnected network where data can be shared, analyzed and managed, something which has been made possible by the cheaper sensors and improved internet accessibility. The number of IoT devices that are active is expected to grow to 10,000 million by 2020 and 22,000 million by 2025. This number of IoT devices includes all active connections and does not take into consideration devices that were bought in the past but are not used anymore. The current global IoT market of $151,000 million is expected to grow to $1,567,000 million by 2025 (source: IoT Analytics 2018).

- Marketplaces

An online marketplace is a website or app that facilitates shopping from many different sources. The operator of the marketplace does not own any inventory, its business is to present other people's inventory to a user and facilitate a transaction. Revenues for marketplace platform providers across the globe are predicted to more than double from $18,700 million in 2017 to $40,100 million in 2022 (the Americas are expected to represent 57%) (source: Coresight Research and Juniper Research).

The Company will procure entrepreneurs across all the Core Verticals and will seek to diversify risk within its portfolio by not focusing on any of them. Additionally, the Company may undertake investments in other verticals also underpinned by technology or innovation.

Investment strategies

The Company's investments will be made across different levels of the capital structure of investee entities. The Company may make its investments in venture capital funds typically focused on early stage companies, either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including private funds, fund of funds, co-investment funds, income-oriented funds and other funds) and, to a lesser extent, in companies in mature stages.

Investment in such entities will be made by subscribing to new funds through primary commitments, by acquiring secondary investments in existing funds or by co-investing directly in companies with other venture capital investor. A brief description of the characteristics of each of these investment methodologies is set out below:

- Primary investments: investments are made in newly established venture capital investment vehicles by committing to invest during their fundraising process. The investments to be made by the funds to which the capital is committed are usually unknown at the time of commitment and the timing of draw-downs against commitments is also unknown. Primary investments usually have a contractual duration of between 10 and 15 years, with the capital usually being deployed over a period of between three and six years. Primary investments require a prudent and exhaustive analysis due to the greater dispersion of returns and the difficulty of identifying the best managers for each investment. The average ticket per investment will be approximately of €5 to €10 million.
- Secondary investments: investments in existing venture capital funds that are acquired privately from the original investor, typically after the end of the relevant capital raising period of the fund. Secondary investments usually have a remaining contractual duration of less than 10 years, with typically the majority of the capital already drawn-down and invested. Secondary investments have a higher visibility of the portfolio assets and cash flow than primary investments. Also, companies are in a more mature stage, thus reducing the time to divestment. Secondary investments also have higher rate of early distributions with relative value creation, potentially generating significant returns in terms of IRR. The type of transaction that could qualify as secondary transactions include: purchase of a single limited partner interests, purchase of a portfolio of limited partners interests, direct secondaries (purchase of the stakes of a fund in a portfolio of companies), general partners-led transactions

(transfer of the stakes of a fund into a new fund with old and new entrant investors). The average ticket per investment will be approximately of €2 to €10 million.

- Co-investments: investments made directly in a company together with a manager, focusing primarily on start-ups of the manager's portfolio with a good outlook, high transaction visibility and an attractive return and risk profile. The average ticket per investment will be between €2 and €5 million.

Investment criteria

In carrying out their functions under the Investment Management Agreement, the Investment Manager and the members of the Management Team must follow certain investment criteria, with the aim to focus their investment decisions on venture capital funds and generate value and capital returns for the Company and its shareholders. The Company seeks to diversify risk within its portfolio by not focusing on any Core Vertical and may, additionally, undertake investments in additional verticals also underpinned by technology or innovation.

The specific investment limitations agreed between the Company and the Investment Manager are set forth below:

At least 80% of the Company's investment will be made in funds investing primarily in the U.S., Europe and Israel.

A maximum of 30% of the Company's investment will be made in direct co-investments in private companies alongside fund managers.

A maximum of 15% of the Company's investment will be made in one particular fund.

In addition, when implementing the Company's Investment Strategy, the Investment Manager will comply at all times with the restrictions established under Law 22/2014 (see "*Regulation*").

Investment process steps

The Investment Manager will follow a systematic, disciplined investment process, which can vary, as may be appropriate, for each of its investment methodology.

Primary opportunities

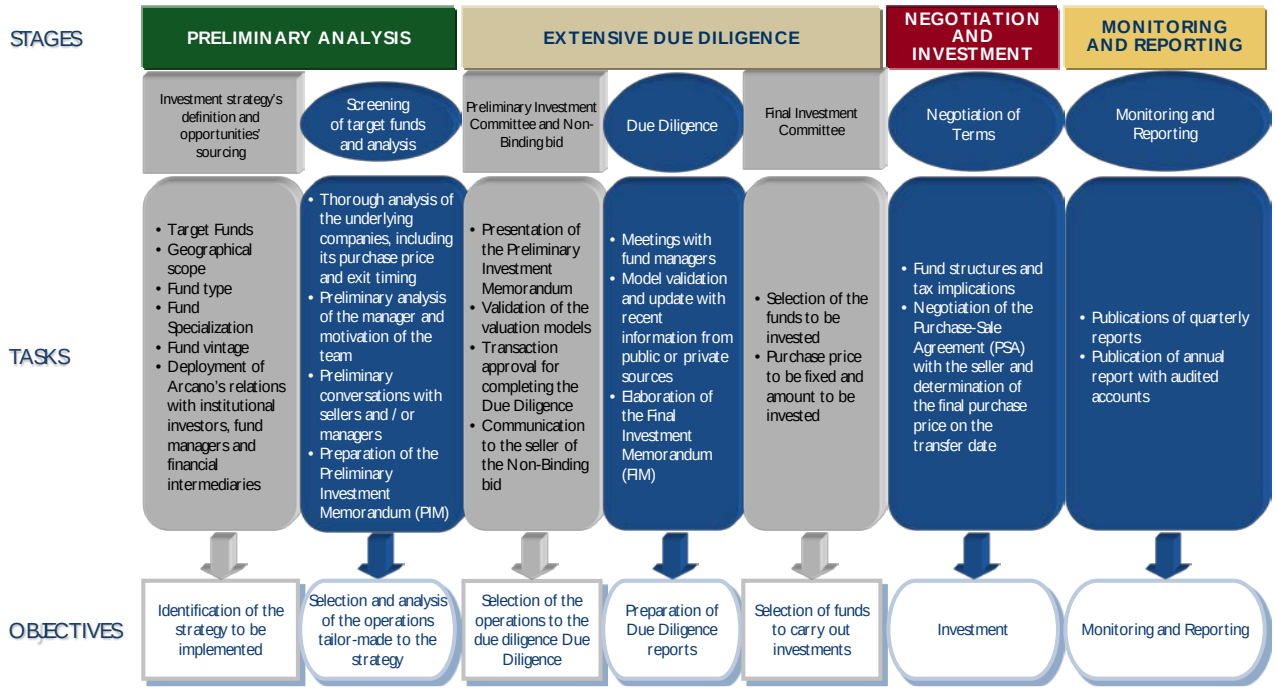
- Sourcing and preliminary analysis. Arcano Asset Management maintains active deal flow from a variety of strategic relationships through its offices located in Madrid, Barcelona, and New York which help to enhance sourcing capabilities in its target geographies. This has resulted in a broad network and strong relationships with general partners and limited partners globally, providing a solid base for investment opportunities.
  - Arcano Asset Management seeks to ensure strong relationships with general partners by actively meeting with them well in advance their fundraising periods start and organizing update calls and on-site visits onwards.
  - Arcano Asset Management screens investments based on certain quantitative and qualitative features of the underlying managers. During the preliminary analysis phase, the Investment Team's objective is to select the most attractive investment opportunities by identifying managers with strong track records, long-standing teams and consistent investment strategies, amongst other characteristics. The best investment candidates are then identified for further due diligence. The Investment Manager's team compiles all findings in its proprietary database.
  - Additionally, Arcano Asset Management strongly promotes responsible investing and takes environmental, social and governance ("ESG") matters very seriously, considering them a crucial aspect of successful investing. As part of the due diligence undertaken for any potential fund investment, ESG management issues will be reviewed and discussed. In the conduct of its investment activities, the Investment Manager will take a proactive approach and seek to formalize ESG management commitments when structuring investment terms, legal obligations and reporting requirements (e.g., compliance with the International Finance Corporation Performance Standards and the associated World Bank / International Finance Corporation Environmental, Health and Safety Guidelines for investments in high risk industries).
- Extensive due diligence: further analysis of a potential investment is conducted, which in the primary market primarily focuses on:
  - Fund strategy and investment objective of the previous funds managed by the general partner, by assessing the general partners' strategy as it relates to the economic environment, its consistency with previous funds and the value that the general partner can add to investments.
  - General partner review by analyzing the profile of the most relevant investment professionals, their individual track records and experience with previous funds. The compositions of such fund's investment committee and its decision-making process. Additionally, the Investment Manager analyzes the fund's team

and its capacity, while looking at its turnover ratio and its rationale, how carried interest is distributed and the alignment of interest between the general partner and the limited partners.

- Detailed analysis of the returns from the previous funds managed by the general partner and comparing them to its peers. The Investment Manager performs a sensitivity analysis to determine the consistency of the returns. Additionally, the Investment Manager looks at the portfolio valuation, capital distributed in previous funds and a detail analysis of the companies sold or with a market value below cost.
- Review of the limited partners' base, terms and conditions and legal documentation.
- Reference calls with investors, previous employees, executives, team members and management team of the different portfolio companies are one of the ways that the Investment Manager uses to validate the information.

- Negotiation and investing. Once the due diligence exercise is finalized with satisfactory results, the terms of the investment are negotiated, and relevant legal documentation is drafted and entered into.
- Monitoring and reporting. Following the execution of the investment, the Investment Manager monitors the investment and reports to the investors. For such purpose, after the investment is completed, the Investment Manager is highly active in the monitoring of underlying investments. The Investment Team monitors the performance of the investments through regular updates and meetings with the underlying general partners. This includes update calls, in-person meetings and general meetings attendance. This is also a critical part of secondary investment sourcing strategy. Furthermore, the Investment Manager keeps a database which is updated bi-annually of those companies underperforming. In addition, from the finance and operations team perspective, the monitoring process is a continuous screening of the funds manager's reporting statements, at both the fund and portfolio company levels, including information on capital accounts, distribution and capital call notices, tax information, new investments and divestments reports, and other relevant activities and new events analysis.
- The net asset value of the underlying funds is normally evaluated according with the International Financial Reporting Standards (IFRS), International Private Equity Venture Capital Valuation Guidelines and/or the standards of the European Private Equity and Venture Capital Association.
- The underlying funds will report on a quarterly basis to the Investment Managers with a reporting and capital account within 60 to 90 days after closing of each relevant period. Arcano´s quarterly reporting will include an executive summary of the main figures of the fund (capital committed, called, distributed, returns, number of funds and companies in the portfolio, etc.) and financial information (financial statements and net asset value).

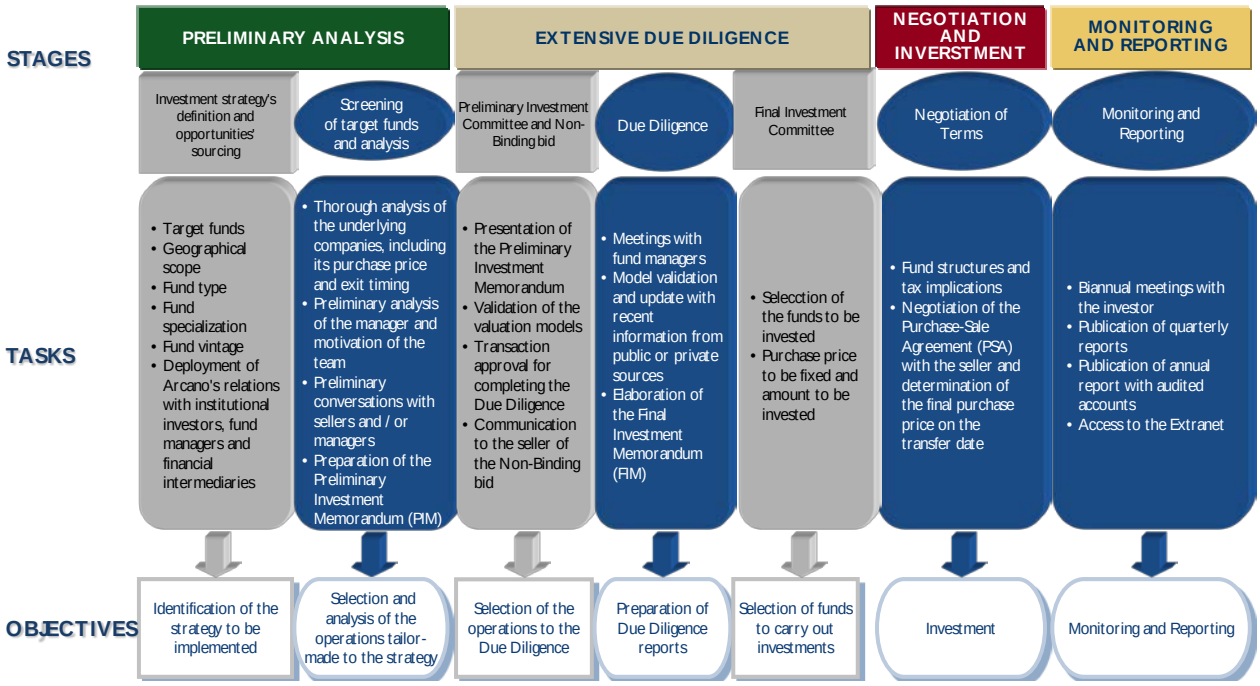
The different stages of the analysis of and investment in a primary opportunity are shown in the graph hereunder.



Secondary opportunities

- Sourcing and preliminary analysis. With regards to secondary transactions, given that Arcano Asset Management currently focuses on small-to-mid size transactions, Arcano Asset Management has the opportunity to access a wide range of opportunities outside the scope of large secondary buyers, resulting in reduced competition.
- In addition, Arcano Asset Management size enables it to participate alongside the larger funds in unique fund restructurings and direct secondaries, given its size does not threaten the capacity of the larger funds and help the general partners diversify their limited partners' base.
    - Over the years, Arcano Asset Management has built a reputation as a desirable partner in large secondary syndicate deals as evidenced in the deals done to-date. Arcano Asset Management has developed key relationships with other, mostly larger, secondary players which enables it to access to unique deal flow in out-of-the-box deals such as fund restructurings. Finally, given the evolution and professionalization of the secondary market, Arcano Asset Management has developed strong relationships with limited partners (i.e., potential sellers) and secondary brokers through its Madrid, Barcelona and New York offices, allowing it to properly cover its funds' target geographies. It is important to remark that one of the benefits of the secondary market is gaining access to some funds which might not otherwise be accessible and allowing the Company to start relationships with new managers and potentially committing in its subsequent funds.
    - If a potential deal fits the Company's investment strategy and criteria and the Investment Manager's initial criteria (preliminary pricing expectations, return expectations and underlying fund quality / strategy), the Investment Manager will reach out to obtain all necessary information, including complete, in-depth financials of the underlying companies. Given the Investment Manager's status as a well-respected limited partner on the primary side, often times it will meet with the underlying general partners to obtain information and gauge their expectations on the portfolio.
- Extensive due diligence: further analysis of a potential investment in the secondary market follows the below steps:
    - Thorough analysis of the fund characteristics including accounting issues such as balance sheet items which may affect the net asset value, terms, fees and structure amongst other things.
    - Thorough analysis of the underlying investments/companies of each fund.
    - An estimate of the evolution of each underlying company, including potential exit price as well as the possible timing of the exit.
    - Once all sales and potential investments in each fund are considered, an estimate of the evolution of the fund before and after fees and expenses is prepared to ultimately generate return estimations.
    - Prior to the closing of any transaction, the overall portfolio of the company will be taken into consideration, in order to analyze risks such as concentration by country, sector, strategy, etc.
    - In order to perform each stage of this analysis, considerable knowledge of the manager, of the fund's situation and of each one of the underlying investments is required. Managing a secondaries portfolio is not only about qualitative features (knowledge of managers, of their stability as a managing team, of their track record, of their capacity of achieving the predefined strategy, of their capacity to invest within the pre-specified period and of their ability to exit investments), but also quantitative matters (expertise in analyzing the underlying companies in each fund, understanding their business models, knowledge of the sector and the industry in which they operate, etc.).
- Negotiation and investing. Once the due diligence exercise is finalized with satisfactory results, the terms of the investment are negotiated and relevant legal documentation is drafted and entered into.
- Monitoring and reporting. Following the execution of the investment, Arcano Asset Management monitors the investment and reports to the investors with a similar service and structure to what is shown above for primary investments.

The different stages of the analysis of and investment in a secondary opportunity are shown in the graph hereunder.



Co-investment opportunities

The co-investment process consists of three phases: (i) deal sourcing, (ii) deal evaluation and (iii) deal execution. The process generally followed through each of these phases is outlined below:

Over-commitment strategy

The venture capital funds in which the Company intends to invest and commit to invest a significant proportion of its capital are typically structured as limited partnerships in which limited partners commit to fund a defined level of capital over a period of time. Said funds typically deploy capital over multiple years and thus limited partners in said funds are required to make unfunded commitments throughout the years. The return cash flow from distributions by venture capital funds typically results in net cash invested at any time being less than total commitments of the Company into such funds.

In addition, as the Company intends to make a significant portion of its future investments in currencies other than euros, mostly in U.S. dollars, and in companies that use other currencies as their functional currency, changes in exchange rates may

vary the ammounts committed to be deployed by the Company. Consequently, the over-commitment strategy will allow the Company to comply with its commitments if such circumstance occurs.

In order for the Company to maximize the percentage of its amount actually invested in venture capital funds at any given period of time, the Investment Manager may follow an over-commitment strategy which may result in the Company's investment commitments exceeding the expected cash available for investment.

In particular, the Investment Manager, on behalf of the Company, may make commitments in venture capital funds for a maximum amount of 120% of the following formula:

$$\frac{\text{Unfunded and committed capital of the venture capital funds}}{\text{CCE} - [2*(12\text{MF} + \text{AE})] - \text{CI} - \text{IF}}$$

Where:

- CCE: cash and cash equivalents
- 12MF: Management Fee of the preceding 12-month.
- AE: accrued general expenses of the Company to be paid or reimbursed to the Investment Manager pursuant to the Investment Management Agreement.
- CI: consolidated indebtedness incurred by the Company.
- IF: Incentive Fee provisioned in the financial statements of the Company.

Financing Strategy

Proceeds of the Offering

See "*Reasons for the offering and use of proceeds*".

Leverage criteria

The Company expects to seek additional funding and therefore will make use of a combination of different sources, including additional equity capital markets transactions and potential raisings of bank and capital markets debt.

In order to achieve the Company's cash management objectives, the Investment Manager does not intend to have aggregate leverage outstanding at any time in excess of 25% of the Company's gross asset value (for the purpose herein, gross asset value means the sum of all venture capital investments actually made, other assets and investments held in the investment portfolio plus cash and cash equivalents, the "GAV").

The Company's group

As of the date of this Prospectus, the Company has no subsidiaries.

The Initial Portfolio and related-party transactions

As of the date of this prospectus, the Company has only undertaken an investment in the fund FJ Labs Coinvest III LP ("FJ Labs"), through Arcano Labs SCA SICAV-RAIF (Luxembourg company incorporated exclusively to invest in FJ Labs, "Arcano Labs"). As of October 16, 2019, the only entity in which Arcano Labs held an ownership interest was FJ Labs, in which it held a 10.43% interest.

FJ Labs is a venture capital fund specialized in marketplaces, one of the Company's Core Verticals. FJ Labs is led by two entrepreneurs with expertise as "company builders" (i.e., identify a market, sector or trend with an interesting potential growth, design a business model that benefits from such growth, attract an entrepreneur with the capabilities to lead it and advise such entrepreneur to build the company by giving him/her the required financial, strategic and technical support).

In particular, the managers of FJ Labs are Mr. Fabrice Grinda (founder of OLX, Zingy and Aucland) and Mr. José Marín (founder of IG Expansión and DeRemate). Mr. Grinda and Mr. Marín have jointly successfully invested in start-ups (such as Rappi, Flexport, Uber or Lime) and have advised on the creation of companies that have had a significant growth in recent years (for instance, among others, AdoreMe or Merlin Jobs).

Prior to 2015, Mr. Grinda and Mr. Marín invested their personal assets in identified opportunities and since then they have invested together with third parties. Currently, they are in the process of launching FJ Labs, their last fund, in which the management team will maintain a relevant investment stake.

The Company has acquired from Arcano Partners its stake in Arcano Labs for an amount of a $1,031,861 (€937,459 according to the exchange rate at the transaction date), which corresponds to the capital previously deployed by Arcano Partners. The Company has also undertaken an investment commitment in Arcano Labs amounting to $1,478,139 (€1,340,716 according to the exchange rate at October 16, 2019), previously held by from Arcano Partners, which as of the date hereof is undrawn. Arcano Partners invested in Arcano Labs before the Company was incorporated and the transfer price reflects the fair value of such stake, as of the date of its purchase and also as of the date on of the Company's audited interim financial statements. The Company has a limited operating history. Except for matters in connection with the Offering, and the entry into the contracts discussed in this Prospectus, the Company has not engaged in commercial operations since its incorporation.

The Initial Portfolio transaction constitutes a related-party transaction. The Board of Directors ratified the Initial Portfolio transaction at its meeting held on November 4, 2019.

ARCANO PARTNERS, ARCANO ASSET MANAGEMENT AND THE INVESTMENT MANAGEMENT AGREEMENT

Arcano Partners and the Management Team

Introduction

The Company will, pursuant to the Investment Management Agreement, be managed by Arcano Asset Management The Investment Manager is registered with the CNMV since 2015 as a manager of collective investment schemes (*Sociedad Gestora de Instituciones de Inversión Colectiva*) with number 240.

The Management Team, who will manage the Company through the Investment Manager consists of private equity investment professionals who have extensive experience in fund of funds and venture capital investments and a notable track record of creating value for shareholders. The Company believes that the extensive experience of the Management Team, which is one of the most experienced asset management teams in Spain, and the Investment Manager's management professionals, will provide the Company with investment opportunities within its Investment Strategy.

The Company also intends to capitalize on the Investment Manager's track record for seizing opportunities in a timely manner. The Management Team has a track record of securing private equity and venture capital investments and believes it is well placed to secure investments which meet the Company's investment objective due to its established network to source off-market deals and as a result of the high visibility that the Company will achieve as a listed vehicle.

Arcano Partners' overview

Arcano Partners is the parent company of a group of companies, which is comprised of 16 entities, including Arcano Asset Management.

Arcano Partners is a Spanish investment management and advisory group with offices in Madrid, Barcelona and New York and a fully committed team of over 160 professionals. Arcano Partners was founded in 2003 by Mr. Álvaro de Remedios. Mr. Jaime Carvajal joined in 2005 as CEO, while Mr. José Luis del Río was appointed as co-CEO of the asset management division in 2013. Arcano Partners' sole focus is to deliver value-added investment solutions to clients.

Arcano Asset Management is one of the Spanish largest alternative asset managers with €6,300 million of assets under management and advisory as of September 30, 2019.

Arcano Asset Management is a highly respected and strongly performing private markets manager, prominent in global primary and secondary private equity, real estate, venture capital, renewables funds and the European private debt sector. Arcano Asset Management also co-invests along with fund managers.

Arcano Partners' business

Arcano Partners is one of the leading financial advisors in the Iberian market and divides its business in three major areas: (i) investment banking, (ii) alternative asset management and (iii) wealth management.

Investment banking

The investment banking area offers financial advisory services, along with equity and debt capital market products, to medium-sized market companies and private equities in Spain and Portugal. Within this area, Arcano Partners' specialist sectors are real estate, financial institutions, health, retail, consumer, infrastructure, Internet, transportation and industry.

Within this area, Arcano Partners offers a wide range of services, including, among others, advisory services on equity and debt capital markets, macro-economic research reports and financial advisory services on corporate transactions (including M&A, corporate strategies, debt restructuring, corporate bond issuance and private placements).

Arcano Partners has over 60 professionals in the investment banking area in Spain, with valuable experience at some of the world's largest investment banks previous to their incorporation to Arcano Partners. In addition, Arcano Partners has a strategic partnership with Jefferies, a leading North American investment bank which provides wide broad local and sectorial knowledge as well as a global platform for execution and distribution.

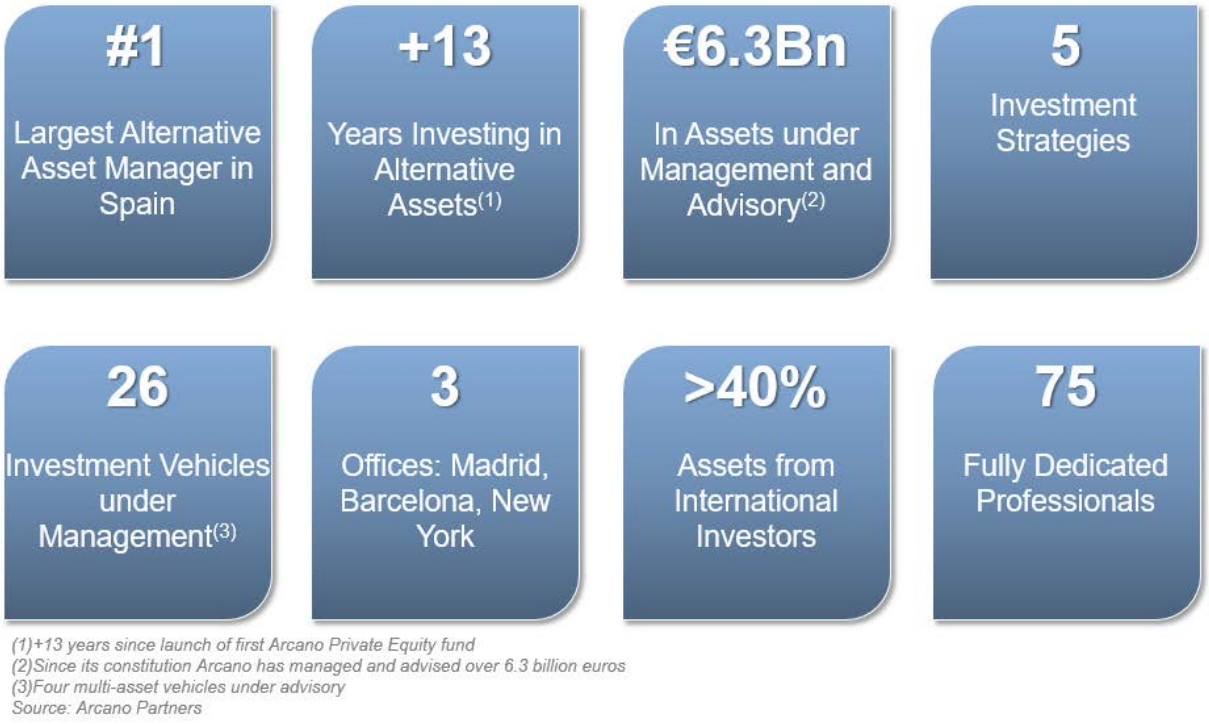
Alternative asset management

The alternative asset management area was founded in 2006 and it offers institutional investors, family offices and private banking clients specialized investment vehicles focused on private equity, venture capital, renewable energy infrastructure,

European corporate debt and value-added investments in the Spanish real estate market. The investment base is primarily comprised of endowments and foundations, pension funds, insurance companies, family offices and private banking customers, mainly from Europe, the U.S. and Latin America.

As of the date of this Prospectus, Arcano Asset Management has €6,300 million under management and advisory in alternative investments.

Arcano Asset Management has more than 75 professionals in the alternative asset management area and carries out its services from the Madrid, Barcelona and New York offices.



(1)+13 years since launch of first Arcano Private Equity fund
(2)Since its constitution Arcano has managed and advised over 6.3 billion euros
(3)Four multi-asset vehicles under advisory
Source: Arcano Partners

Wealth Management

The Wealth Management area has offered for over 12 years advisory services to private clients and family offices in seven countries. Within this area, Arcano Partners advises and manages its clients' wealth, procuring to secure sustainability over time and maximizing returns. Additionally, since 2010, Arcano Partners has been one of the pioneers in transferring private investors to a portfolio construction model based on risk diversification.

Workforce

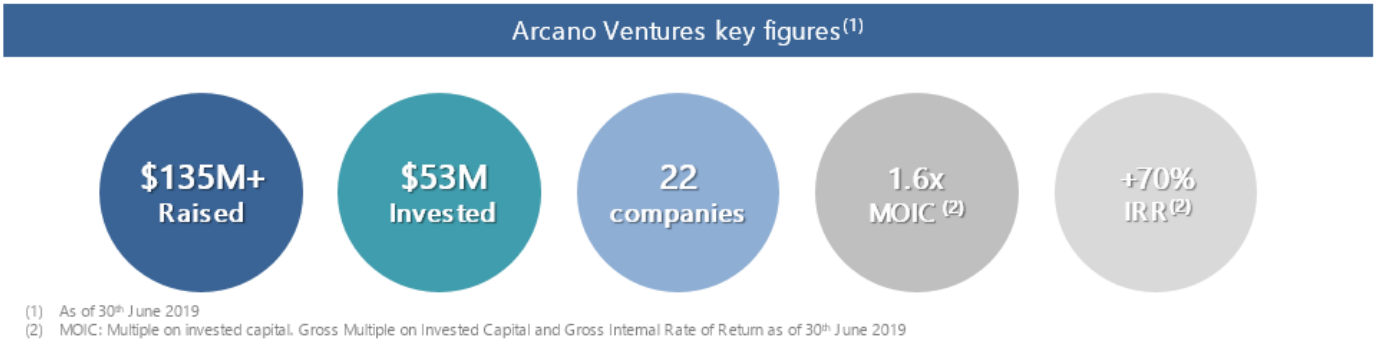
Arcano Partners employs over 160 people of 15 different nationalities, distributed through its offices in Madrid, Barcelona and New York. The team members of Arcano Partners characterize for sharing the following values: internal cohesion, confidence, continuous improvement, permanent innovation and independence. These values are the principles that guide Arcano Partners and its team in everything they do and the cornerstone of the "Arcano way of doing business".

Strategic partnerships

In January 2017, Arcano Partners entered into a partnership agreement with Base10 and created Arcano Ventures. Arcano Ventures is a private equity public limited liability company (*sociedad anónima de capital riesgo* or S.C.R., S.A.), incorporated under the laws of Spain. Arcano Ventures is registered with the CNMV since May 12, 2017 as a private equity company (*sociedad de capital riesgo*) with number 214 and it is managed by the Investment Manager.

Base10 and Arcano Partners joined forces more than two years ago and have raised together $135 million from a diverse investor base of which 90% are institutional investors and 41% are international investors, through three vehicles managed by Arcano Asset Management and other vehicles managed by Base10. As of June 30, 2019, Arcano Ventures has invested $53 million in 22 companies and has all available funds committed.

See below the key figures of Arcano Ventures (source: Arcano Partners):



Arcano Ventures invests directly into start-up companies through several vehicles and has a differentiated strategy of investing in the automation of the real economy. It targets early stage to growth investments with a sector agnostic approach in companies that use artificial intelligence as one of their main competitive advantages.

Currently, Arcano Ventures has committed to invest 100% of its available funds and it does not intend to raise any further funds. Consequently, the creation of the Company does not imply a prejudice to Arcano Ventures' investors. In addition, the Company's investment strategy differs from that of Arcano Ventures (direct co-investment in U.S. companies), as Balboa Ventures will have a more diversified portfolio with broader geographic alternatives and technologically focused.

The alliance was a strategic move for Arcano Partners as it was the first step into the Silicon Valley ecosystem through an insider fund. Leveraging this alliance, Arcano Asset Management has built a strong network of fund managers, business founders and entrepreneurs, venture capital investors and other relevant agents. In addition, Arcano Asset Management will opportunistically co-invest with Base10 benefiting from their access to investment rounds of their past and current portfolios. Finally, Base10 provides technological know-how to Arcano Asset Management, by giving access to their research process and their network of advisors and by providing their views in fields where they have strong expertise (such as, data analytics, mobility and human resources) which will be a highly valuable insight for some co-investments and secondary opportunities.

The Management Team

The Management Team is composed by the members of the Investment Committee and the members of the Investment Team (the "**Management Team**").

The composition of the Management Team may change from time to time but should maintain the same level of experience and competencies as of the date hereof. The Management Team is composed by members of the Investment Manager and, consequently, such persons do not have an employment contract with the Company.

The Investment Committee

The Investment Committee is composed, as of the date hereof, by the Key Managers (i.e., Mr. Álvaro de Remedios, Mr. Jaime Carvajal and Mr. José Luis del Río) and one member not belonging to Arcano Partners (Mr. Tom Costin, the "**External Advisor**") (the Key Managers and the External Advisor, the "**Investment Committee**"). The External Advisor has entered into a long-term service agreement with the Investment Manager, which prohibits him from providing advice, directly or indirectly, to any fund similar to the Company so long during the term of the agreement.

In the event that any Key Manager intends to resign or cease to be member of the Management Team, the Investment Manager shall be entitled to propose to the Board of Directors, as soon as reasonably practicable and in any event during the three-month period following such resignation or cease (or such other period as agreed between the Company and the Investment

Manager), any person for its appointment as Key Manager. The Key Managers shall supervise the provision by the Investment Manager of the services (as defined in "*—Investment Management Agreement—Scope of appointment*") and shall provide leadership and oversight to the Management Team.

The Investment Committee will be proactively involved throughout the investment process and which also stay closely engaged during the monitoring of portfolio funds. It is comprised of individuals whose experiences provide a rich blend of perspectives and expertise in different markets as well as fund of funds and direct investing. This combination provides optimal executive-level decision making. The Investment Committee shall meet at least monthly and at any time at the request of the Investment Manager. Notwithstanding the foregoing, the Investment Committee may provide itself with its own rules of organization and operations.

The transaction due diligence as well as the transaction negotiation process is led by the Investment Team. However, it is the Investment Committee who makes the final decision on each investment after the Investment Team completes its exhaustive due diligence process. The Investment Committee approves all investments and divestments and takes decisions by majority of its members and, where appropriate, discusses and assesses those decisions to be submitted for approval to the Board of Directors of the Company (see "*Board of Directors*").

Biographical information for each of the members of the Investment Committee, including a brief description of each member's business experience, is presented below:

Mr. Álvaro de Remedios:

Mr. Remedios, Chairman of Arcano Partners, founded Arcano Partners in 2003. Prior to founding Arcano, he worked at Deutsche Bank as Managing Director and Head of the Global Investment Banking Division for Spain, and from 1998 to 2000 he was Head of the bank's Mergers and Acquisitions department for Spain and Portugal at Deutsche Bank/Bankers Trust. Prior to that, he worked at Santander Investment in the M&A department. He started his professional career working at County NatWest in the Corporate Finance Department in London.

Mr. Remedios received a B.S. in International Business Administration from Universidad Pontificia Comillas (ICADE) in 1990 and an MBA from The Kellogg School of Management, Northwestern University in 1994.

Mr. Jaime Carvajal

Mr. Carvajal, CEO of Arcano Partners, worked at the Sabadell Bank Group for over three years, as head of BS Capital (the Group's capital investment division) and as Managing Director of Sabadell Private Bank. Previously, he worked at the World Bank, where he was Assistant to the President and Head of the Alternative Investment Group of the bank's pension fund, among others. He began his professional career in the M&A division at Lehman Brothers in New York.

Mr. Carvajal received a B.S. degree in Physics from Princeton University in 1987 and an MA in International Relations from Instituto Ortega y Gasset in 1997.

Mr. José Luis del Río

Mr. del Río, co-CEO of Arcano Asset Management, holds over 29 years of professional experience in the financial sector, both in Investment Banking as well as in Asset Management. In 2013 he joined as CEO of Arcano Asset Management. Prior to joining Arcano Asset Management, Mr. del Río was the CEO of tudespensa.com an e-commerce grocery business. Prior to that, he was Chairman and CEO of N+1 Patrimonios, Apeiron Gestion Alternativa and N+1 Real Estate. He also spent more than one year in UBS as directors of entrepeneurs team. He started his professional career in AB Asesores, assuming the position of Director in ECM once it was acquired by Morgan Stanley.

Mr. del Río received a B.A. in Law and Business Administration from Universidad Pontificia Comillas (ICADE: E-3).

Mr. Tom Costin

Mr. Costin is Managing Partner of Owl Ventures. Throughout his career, Mr. Costin has held numerous investment, management and advisory roles. He was Managing Director of SoleTech, a leading supplier of materials and products for the footwear and orthopaedic industries. As an M.B.A. Scholar, Mr. Costin worked with the founding team of Castlight Health (NYSE: CSLT), where he helped create the company's business plan and built revenue models. Prior to joining the business school, he worked as an Associate at FLAG Capital and as a Senior Associate at Cambridge Associates.

Mr. Costin holds a bachelor's degree from Bowdoin College and an MBA from Stanford Graduate School of Business.

The Investment Team

The Investment Team will be at all times comprised of dedicated professionals of Arcano Asset Management with experience in the private equity and venture capital markets. As of the date of this Prospectus, the Investment Team is comprised by Mr. Luis Lladó, Mr. Derek Bunting and Mr. Adrián Rubio (the "Investment Team").

The Investment Team will lead the transaction due diligence as well as the transaction negotiation process, and will be responsible for preparing and submitting to the Investment Committee each investment proposal. When conducting its business, the Investment Team will rely on the workforce of Arcano Asset Management (including the finance and fund administration, human resources and compliance and legal department of Arcano Asset Management) and it may hire a couple of analysts and/or associates in the coming months to assist them.

Biographical information for each of the members of the Investment Team, including a brief description of each member's business experience, is presented below:

Mr. Luis Lladó

Mr. Lladó, Analyst of the Venture Capital team, joined Arcano Asset Management in 2019 and has experience in Alternative Investments and Investment Banking. Prior to joining Arcano Asset Management, Luis performed a 6-month co-op as an analyst in the TMT Investment Banking M&A team at Alantra. During 2017, he performed a 6-month co-op in Arcano Asset Management where he worked in Corporate Development, Private Equity, and assisted the Base10 Venture Capital team. In 2016 he also performed a 6-month co-op as an analyst at GMO, an investment management firm based in Boston.

Mr. Lladó has a Bachelor's degree in Business Administration from Northeastern University in Boston.

Mr. Derek Bunting

Mr. Bunting, Investment Officer of the Private Equity team, currently co-leads Arcano Asset Management investments in North America division. Derek joined Arcano Asset Management in 2010 and has experience in Alternative Investments. Prior to joining Arcano Asset Management, Derek worked as an analyst in the credit risk department of Bank of America Merrill Lynch.

Mr. Bunting has a Bachelor's degree in Business Administration from the Universidad Pontificia de Comillas (ICADE) and Northeastern University in Boston.

Mr. Adrián Rubio

Mr. Rubio, responsible for Corporate and Business Development, holds 9 years of professional experience in Alternative Investments and Corporate and Business Development. He will support the investment team during the first months after the Admission. He joined Arcano Asset Management in 2010 and is part of the Asset Management team. Prior to joining Arcano Asset Management, Mr. Rubio worked at E&Y in their Madrid office and did several summer internships with Veolia in the U.S. and France.

Mr. Rubio holds a Bachelor's degree in Law from Universidad Complutense de Madrid as well as in Business Administration from Colegio Universitario de Estudios Financieros (CUNEF).

Venture Advisors

Two Venture Advisors have been appointed to support the Investment Committee and Investment Team throughout the investment process, mainly with regards to sourcing and evaluating primary and secondary opportunities in Venture Capital funds. Both Venture Advisors have entered into a long-term service agreement with the Investment Manager, which prohibits them from providing advice, directly or indirectly, to any fund similar to the Company so long during the term of the agreement.

Biographical information for each of the members of the venture advisors, including a brief description of their business experience, is presented below:

Mr. Adeyemi Ajao

Mr. Ajao ("Ade") is co-founder and Managing Partner at Base10. Prior to Base10, Mr. Ajao had a successful career as an entrepreneur and investor. Mr. Ajao was the co-founder and CEO of Tuenti (the "Spanish Facebook" which was acquired by Telefónica in 2010 for $100 million), co-founder and CEO of Identified ("AI for HR" acquired by Workday in 2014) and a founding

investor of Cabify (the largest ridesharing company in Latin America currently valued at over $1,000 million). While at Workday, Mr. Ajao led the launch to Workday Ventures, the first fund focused on applied artificial intelligence for enterprise software and was VP of Technology Strategy.

He holds an MBA from Stanford's Graduate School of Business. Mr. Ajao also holds a J.D. in Law and a M.S in Economics from Universidad Pontificia Comillas (ICADE) and completed a certificate on Machine Learning at Stanford.

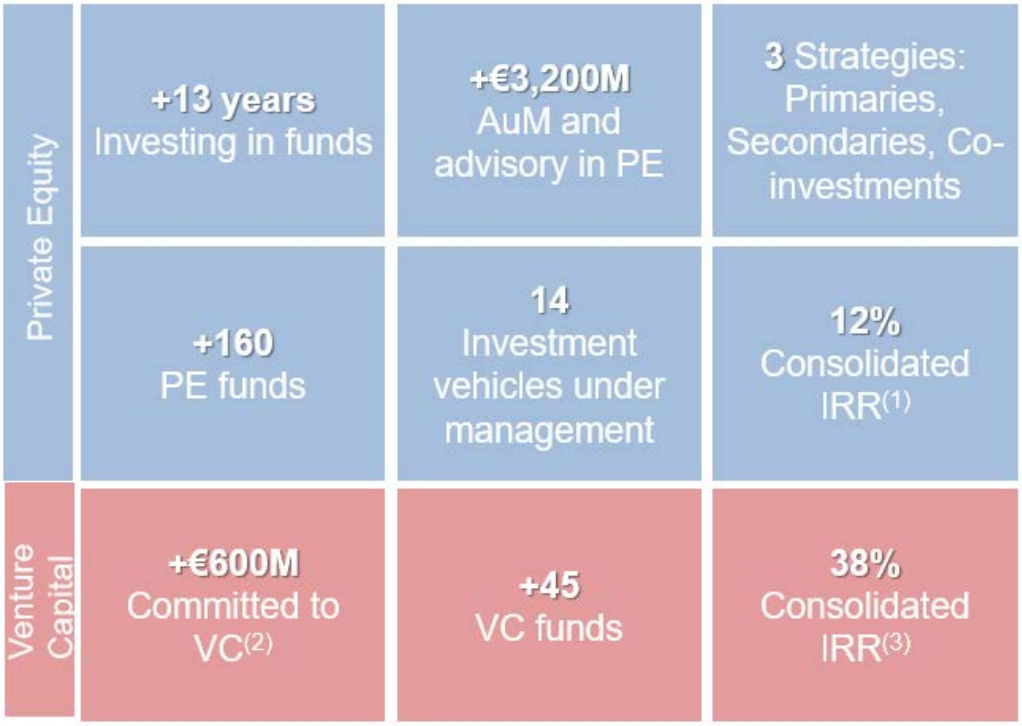
Mr. Harry Stebbings

Mr. Stebbings is the founder and Managing Partner at Stride.VC, a seed-stage, UK-focused emerging fund, started in 2017 together with veteran venture capitalist Fred Destin. Mr. Stebbings is also the founder of The Twenty Minute VC, the world's largest independent venture capital podcast with over 30 million downloads and listeners in 202 countries, over 2,500 episodes and partnerships with Mattermark and ProductHunt and guests from over 200 VCs including the likes of Accel, Kleiner, Y Combinator, Benchmark and Index. He is also a contributor for TechCrunch covering all things startups and VC funding and has recently joined Jason Lemkin at Saastr to build out the platform and expand into new verticals. Their first project, The Official Saastr Podcast, broke all records on release and has featured consistently in Apple's Top 10 Business Podcasts, New & Noteworthy and What's Hot sections.

Arcano Asset Management historical performance

The Company believes that the extensive experience of the Management Team will allow it to identify and secure investment opportunities across all of its targeted markets in a timely and efficient manner. The Management Team has experience in funds in investments through primary, secondaries and co-investment opportunities globally. The Management Team will use the in-house fund investment technology for the Company and will leverage on the origination channels already in place for accessing for the investment opportunities. This experience is expected to allow the Management Team to rapidly identify potential business opportunities. Additionally, the expertise of the Management Team in structuring complex secondary transactions is expected to allow the Company to access opportunities in potential off market transactions.

Arcano Asset Management has been investing in private funds since 2006. See below the main figures of the fund investment experience of the Investment Manager in Private Equity and Venture Capital (source: Arcano Asset Management):



Source: Arcano
(1) Calculated as weighted average of Private Equity funds managed by Arcano, as of 30 June 2019
(2) Includes funds managed and advised by Arcano
(3) Includes only funds managed by Arcano as of 30 June 2019
Note: The IRR refers to the Internal Rate of Return or effective annual return calculated with cash flows and valuation. The figures refer to the past and that past performance is not a reliable indicator of future results.

Investment Management Agreement

Pursuant to the agreement executed between the Company and the Investment Manager dated November 7, 2019 (the "Investment Management Agreement"), the Investment Manager will, among others, identify, source, evaluate and monitor possible venture capital investment opportunities by reference to the Company's Investment Strategy.

Scope of appointment

The Investment Manager has, on an exclusive basis, full right, power and authority to enter into transactions on behalf of and for the account of the Company, provided that the Investment Manager complies with the Investment Strategy and the Investment Restrictions (as defined herein). Additionally, the Investment Manager has been appointed to, among others, take all necessary steps to acquire, manage and dispose, on behalf of and for the account of the Company and using the Company's cash assets, interests in investment opportunities and, generally, to provide any service needed for the daily management of the Company, always in accordance with the Investment Strategy and the Investment Restrictions (the "Services").

The Investment Manager is required to provide the Services at all times and in all respects faithfully serve the interests of the Company and the shareholders and act in accordance with, and in furtherance of, the Investment Strategy and subject to the Investment Restrictions in a diligent, efficient, and professional manner with a view to maximizing value for shareholders. The delegation of the investment management of the Company in favour of the Investment Manager and the provision of the Services is without prejudice to the obligations of the Board of Directors of the Company under Applicable Laws.

The Investment Manager is entitled to delegate the performance of certain of the Services, in compliance with applicable law, to the extent the Investment Manager deems reasonably necessary or advisable in order to properly render the delegated Services, always provided that the Investment Manager: (i) exercises reasonable care and diligence in relation to the selection and appointment of the delegate, (ii) supervises the provision of the Services by the delegate, (iii) bears all cost of the delegation, unless otherwise provided for in the Investment Management Agreement or as agreed in writing with the Company, and (iv) enters into any such contract, agreement or other arrangement on arm's length market terms. The Investment Manager shall be responsible for the acts and omissions of such delegate as if they were its own.

Additionally, at its discretion, the Investment Manager is entitled to draw on and use any and all resources of Arcano Partners, including any persons employed by any of the Arcano Partners' affiliates, in providing the Services provided under the Investment Management Agreement and delegate any of its duties to any of its affiliates. In such circumstances, the Investment Manager will continue to be held primarily liable to the Company for the provision of these Services in accordance with the Investment Management Agreement. In addition, Arcano Partners has undertaken to make available such resources (and those of its affiliates) to the Investment Manager and the Company as are reasonably required to provide the Services, subject only to compliance with applicable law and any contractual arrangements by which any such Arcano Partners' affiliate is bound as of the date of the Investment Management Agreement.

Investment Restrictions

The Company shall seek the prior written consent of the Board of Directors if such services or transactions involve any of the following (each of them, a "Investment Restrictions"): (i) any new financing or refinancing, including associated hedging arrangements, entered into by the Company or the Company's Affiliates (if any) where the amount of the facility to be entered into in respect of such arrangements is in excess of 25% of the Company's GAV, or any material amendments thereof; (ii) related-party transactions and situations which may give rise to a significant conflict of interest situation in connection with the Investment Manager and the Management Team including any transaction with third parties pursuant to which the Investment Manager is entitled to receive any compensation, fee or commission; and (iii) any investment that could be regarded as conflicting with the Investment Strategy or the Investment Restrictions.

Notwithstanding the foregoing, the Investment Manager shall be entitled to perform such activities and enter into transactions involving any of the above without seeking prior written consent from the Board of Directors, provided that such services or transactions are required to be performed by the Investment Manager (i) as a matter of law or (ii) in order to respond to a *bona fide* emergency where time is of the essence. In any event, the Investment Manager shall give notice in writing to the Board of Directors as soon as reasonably possible upon the Investment Manager becoming aware of such requirement or emergency.

Business Plan

The Investment Manager is required to prepare the Company's business plan covering a period of three to five years beginning on the commencement of the business of the Company and, pursuant to the Investment Management Agreement, every six months (or more frequently upon reasonable request of the Board of Directors) it must prepare investment reports and supporting documentation for the Board of Directors in relation to the execution of the business plan and the Services provided. The business plan will be of an indicative nature and with potential significant variations to the actual results, as the nature of the Company's business is highly dependent on external variables that cannot be controlled by the Company or the Investment Manager (timing and amount of the commitments, timing and amount of the disbursements requested by the underlying funds, timing and amount of the distributions to be received by such funds, valuation of the underlying portfolio, among others).

The business plan will include an annual budget in respect of professional fees likely to be incurred by the Investment Manager in respect of the Company's investments and/or the Company's management, provided that the budget is not likely to be materially exceeded by the Investment Manager in the period to which the business plan relates.

In the event the Investment Manager considers necessary to make any amendments to the business plan in force, it shall submit a proposal to the Board of Directors for its approval. In addition, upon request by the Board of Directors, the Investment Manager will update the business plan. The Board of Directors shall review each proposed business plan and may make any modifications as it deems necessary or appropriate. Once any draft business plan prepared or revised by the Investment Manager is in a form acceptable to, and approved in writing by, the Board of Directors it shall become the business plan in force for the three to five years period in question. Discretion and the final decision on the business plan shall always remain with the Board of Directors.

Access to Information

The records maintained by the Investment Manager (or any agent acting on its behalf) on the Company's behalf shall at all times during normal business hours and subject to receipt of reasonable advance written notice (which shall be at least five Business Days) be open for inspection by any member of the Board of Directors and any other person authorised by the Board of Directors (the "Appointee"). The Investment Manager has undertaken to allow the Company's auditors, or other financial or legal advisers to the Company such access to the Investment Manager's records and, if necessary, provide certificates from

time to time in respect of such transactions, holdings, books, records and systems as the Company or its auditors or advisers may reasonably require in connection with the discharge of their services to the Company.

In addition, the Investment Manager shall provide all co-operation and assistance to the Company in conducting any inspection to allow the performance by the directors of the Company of their duties and will provide the Board of Directors of the Company with any information within the possession of the Investment Manager that the Board of Directors may request, in relation to the Company and the performance of the Services, which include for the avoidance of doubt any information regarding investments within those Services.

Director designation rights

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to require the Board of Directors to propose to the General Shareholders' Meeting the appointment of three candidates for appointment to the Board of Directors, subject to applicable law and regulations and the Bylaws, and subject to (a) any proposed nominee being appropriately qualified to act as member of the Board of Directors, (b) his/her identity having been approved by the Remuneration and Nomination Committee of the Company (such approval not to be unreasonably withheld, conditioned or delayed) and (c) without prejudice of the fiduciary duties of the directors.

No director nominated by the Investment Manager will be paid any fee or remuneration by the Company for his or her services as a director.

Discontinuation

The Investment Manager has undertaken to, at the request of the Board of Directors, assist the Company and its financial advisers to carry out a strategic review to consider alternative options for the Company (which may include, among other, a sale or merger of the business or liquidation of the Company's assets and return of capital) in order to deliver value and liquidity to the Company's shareholders in the event the General Shareholders' Meeting of the Company passes, with the required majority, a resolution at or following the fifth anniversary of the Investment Management Agreement requiring the Board of Directors and/or the Company to discontinue the Investment Strategy for the Company and any amendments thereto published in accordance with the applicable Spanish securities market regulations.

The discontinuation of the Investment Strategy in accordance with the proceeding described in the preceding paragraph will not automatically trigger the right of the Invesment Manager to receive the Termination Fee.

Insurance

The Investment Manager is required under the terms of the Investment Management Agreement to maintain, at its own cost, appropriate insurance coverage in relation to potential claims derived from its professional services as an investment manager in an aggregate amount of not less than €1,500,000 until at least two years following termination of the Investment Management Agreement.

Indemnities

The Company has agreed to indemnify and hold harmless the Investment Manager, its directors, officers and employees against any and all damages and properly incurred costs or expenses (including non-recoverable VAT and excluding consequential or indirect loss or damage) incurred by the Investment Manager in the performance of its obligations under the Investment Management Agreement or arising from any claim which is made against the Investment Manager in its capacity as the investment manager of the Company. However, the Company shall not indemnify the Investment Manager to the extent that such liabilities, costs or expenses have arisen as a result of the Investment Manager acting outside the scope of its authority (other than with the written consent of the Company) under the Investment Management Agreement, or as a result of its fraud, negligence, wilful default or breach in the performance of its obligations thereunder.

The Investment Manager has agreed to indemnify and hold harmless the Company, its directors, officers and employees against any and all damages and properly incurred costs or expenses (including non-recoverable VAT and excluding

consequential or indirect loss or damage) arising as a result of the Investment Manager's fraud, negligence, wilful default or breach by the Investment Manager in the performance of its obligations under the Investment Management Agreement.

Fees and expenses

In consideration of the Investment Manager's agreement to provide the Services pursuant to the terms of the Investment Management Agreement, the Investment Manager is entitled to receive from the Company a management fee (the "Management Fee") and an incentive fee (the "Incentive Fee"), to the extent it becomes payable in accordance with the Investment Management Agreement. The Investment Manager is also entitled to additional fees to be agreed in writing with the Company in respect of the provision of any additional agreed services and, in certain early termination events, to a termination fee (the "Termination Fee"). Within the responsibilities of the Audit and Control Committee regarding the overseeing of the effectiveness of internal control, risk management systems, and that the direction of the Company's internal audit services seeks for the proper functioning of the information and internal control systems, regarding the process of full preparation of the financial information related to the Company, the Audit and Control Committee will oversee the fees received by the Investment Manager pursuant to the Investment Management Agreement.

Management fee

The Investment Manager is entitled to receive from the Company, as consideration for its management and representation services, a Management Fee calculated by the Investment Manager and payable by the Company, which, notwithstanding the reductions and adjustments provided for in the Investment Management Agreement, shall be calculated by multiplying the Net Asset Value (as defined herein) of the investment portfolio and the relevant percentage fee according to the following table:

Term	Percentage fee
From the Admission Date to first anniversary	0.75%
From first anniversary to second anniversary	1.00%
From second anniversary onwards	1.25%

The Management Fee will be calculated and accrued on a quarterly basis, and will be paid quarterly in cash and in advance.

Incentive Fee

The Investment Manager shall be entitled to receive from the Company an Incentive Fee designed to incentivize and reward the Investment Manager. The Incentive Fee will be paid by the Company to the Investment Manager out of the Return on Investments (as defined below) received by the Company in connection with the investments undertaken by the Company during each Investment Period (as defined below) and will amount to a portion of such Return on Investments to be determined as follows:

(a) Firstly, the Return on Investments will be retained by the Company up to an amount equal to (i) all the amounts the Company has effectively disbursed in all the investments undertaken during the relevant Investment Period, (ii) all taxes and expenses directly incurred by the Company as a consequence of such investments, (iii) general expenses allocated to such investments (such allocation being made proportional to the Net Asset Value of the investments undertaken during the relevant Investment Period until liquidation of those investments, including any taxes and expenses derived from such liquidation), and (iv) the proportional part of Management Fees paid associated with such investments (the "Break-even Amount").

(b) Secondly, any amount of Return on Investments exceeding the Break-even Amount will also be retained by the Company, until the Company has obtained a profitability equal to the Hurdle Rate in connection with the investments undertaken during the relevant Investment Period (such amount, the "Hurdle Rate Amount").

(c) Once the Break-even Amount and Hurdle Rate Amount have been retained by the Company, a catch-up mechanism will be activated, by virtue of which the Investment Manager will receive from the Company any Return on Investments exceeding the aggregate of the Break-even Amount and Hurdle Rate Amount, up to an amount equivalent to ten percent of the Accumulated Capital Gains associated to such investments existing at that moment in time (the "Catch-up Amount").

(d) Any additional Return on Investments after the payment of the Catch-up Amount will be retained by the Company and paid by the Company to the Investment Manager in a 90%/10% proportion, respectively (such 10% together with the Catch-up, the "Incentive Fee").

Where:

(a) "Accumulated Capital Gains" means an amount equal to the Return on Investments at the time of the Catch-up Amount is calculated minus the Break-even Amount.

(b) "Hurdle Rate" means an annual rate of return of 8% of the relevant investments undertaken by the Company, calculated daily on the basis of a 365-day year.

(c) "Investment Period" means the 2-year investment period starting from the Admission Date and each subsequent 2-year investment period, as appropriate.

(d) "Return on Investments" means all cash payments or distributions received by the Company from all the investments undertaken by the Company during an Investment Period.

The Incentive Fee will accrue and be calculated by the Investment Manager on an ongoing basis with the receipt by the Company of any Return on Investments corresponding to each Investment Period. Once determined, the Investment Manager shall issue the corresponding invoice and the Incentive Fee shall be paid to the Investment Manager in cash by wire transfer within 15 Business Days. Such payment will be on account of the final amount of Incentive Fees corresponding to an Investment Period (the "Definitive Incentive Fee") to be calculated at the time of liquidation or divestment of all the investments undertaken in such Investment Period taking into consideration the aggregate Return on Investments received by the Company.

In the event that at the time of liquidation or divestment of all the investments undertaken by the Company in a relevant Investment Period, the Incentive Fees already received by the Investment Manager were higher than the amount of the Definitive Incentive Fee, the Investment Manager will return such excess to the Company.

For such purposes, 5% of the amounts paid to the Investment Manager as Incentive Fees will be deposited in an Investment Manager's escrow account, the balance of which shall remain unavailable until the liquidation of the Definitive Incentive Fee.

For information purposes only, an example illustrating the calculation of the Incentive Fee in three different scenarios is set forth below:

Example A

				Incentive Fee		
			Break-even and Hurdle Rate	Catch-up		
Momentum (*)	1	2	3	4	5	6
(values in €m)						
Investments	**100.0**	**-**	**-**	**-**	**-**	**-**
Return on Investments		**8.0**	**108.0**	**18.0**	**5.0**	**10.0**
IRR on Investments			*8.0%*	*15.3%*	*16.8%*	*19.2%*
Total Accumulated Capital Gains			*16.0*	*34.0*	*39.0*	*49.0*
Cash Flows for the Investment Manager - Incentive Fee				**3.4**	**0.5**	**1.0**
% of Cash flows				*18.9%*	*10.0%*	*10.0%*
Cash Flows for the Company	**-100.0**	**8.0**	**108.0**	**14.6**	**4.5**	**9.0**
% of Cash flows	*100.0%*	*100.0%*	*100.0%*	*81.1%*	*90.0%*	*90.0%*
IRR for the Company			*8.0%*	*14.0%*	*15.4%*	*17.7%*

Incentive Fee	10%

Total Investment	-100
Gross Accumulated Distributions	149
Gross Acc. Capital Gains for the Company	49
Gross Multiple	1.49x

Total Investment	-100
Net Accumulated Distributions (for the Company)	144
Net Acc. Capital Gains for the Company	44
% of the Total	*90%*
Net Acc. Incentive Fee	4.9
% of the Total	*10%*
Net Multiple	1.44x

(*) For the purpose of facilitating the understanding of the calculations above, the example has been prepared under the assumption that each Momentum coincides with a 365-day period (which may not be the case).

According to Example A above, the Incentive Fee the Investment Manager shall be entitled to receive from the Company should be calculated as follows:

(i) Firstly, the Company will retain the Break-even Amount. The Break-even Amount comprises the Return on Investments in an amount equal to (i) all the amounts the Company has effectively disbursed in all the investments undertaken by the Company during an Investment Period, (ii) all taxes and expenses directly incurred by the Company as a consequence of such investments, (iii) general expenses allocated to such investments (such allocation being made proportional to the Net Asset Value of the investments undertaken during the relevant Investment Period until liquidation of those investments, including any taxes and expenses derived from such liquidation), and (iv) the proportional part of Management Fees paid associated with such investments.

In Example A, the Company has deployed a total investment of €100,000,000 in Momentum 1 and totally recovers such amount in Momentum 3, reaching the Break-even Amount.

(ii) Secondly, the Company retains an amount of Return on Investments exceeding the Break-even Amount until it has obtained the Hurdle Rate Amount (i.e., a profitability equal to an annual rate of return of 8% of the relevant investments undertaken by the Company during the relevant Investment Period, calculated daily on the basis of a 365-day year).

In Example A, the Hurdle Rate Amount is reached in Momentum 3 after the Company retains in Momentum 2 and Momentum 3 Return on Investments in an amount of €8,000,000 and €108,000,000, respectively, as shown under item "Cash Flows for the Company".

(iii) Once the Break-even Amount and Hurdle Rate Amount have been retained by the Company, the catch-up mechanism will be activated, which on Example A occurs in Momentum 4:

- The Investment Manager is entitled to receive from the Company the Catch-up Amount, which comprises any Return on Investments exceeding the aggregate of the Break-even Amount and Hurdle Rate Amount, up to an amount equivalent to ten percent of the Accumulated Capital Gains associated to investments existing at that moment in time.
  In Example A, the Catch-up Amount is €3,400,000, which corresponds to 10% of the Accumulated Capital Gains (€134,000,000 Return on Investments minus €100,000,000 of total investment).
- The remaining amount of Accumulated Capital Gains available in Momentum 4 (€14,600,000) are retained by the Company.

(iv) Lastly, from Momentum 5 onward, after the payment of the Catch-up Amount, 90% of the remaining Return on Investments will be retained by the Company and 10% will be distributed to the Investment Manager.

In Example A, €9,000,000 is retained by the Company and €1,000,000 distributed to the Investment Manager in Momentums 5 and € 6.

Example B

			Incentive Fee			
			Break Even, Hurdle Rate & Catch up			
Momentum (*)	1	2	3	4	5	6
(values in €m)						
Investments	**100.0**	**-**	**-**	**-**	**-**	**-**
Return on Investments		**8.0**	**120.0**	**5.0**	**7.0**	**10.0**
IRR on Investments			*13.6%*	*15.6%*	*17.8%*	*20.2%*
Total Accumulated Capital Gains			*28.0*	*33.0*	*40.0*	*50.0*
Cash Flows for the Investment Manager - Incentive Fee			**2.8**	**0.5**	**0.7**	**1.0**
% of Cash flows			*2.3%*	*10.0%*	*10.0%*	*10.0%*
Cash Flows for the Company	**-100.0**	**8.0**	**117.2**	**4.5**	**6.3**	**9.0**
% of Cash flows	*100.0%*	*100.0%*	*97.7%*	*90.0%*	*90.0%*	*90.0%*
IRR for the Company			*12.3%*	*14.1%*	*16.2%*	*18.5%*

Incentive Fee	10%

Total Investment	-100
Gross Accumulated Distributions	150
Gross Acc. Capital Gains for the Company	50
Gross Multiple	1.50x

Total Investment	-100
Net Accumulated Distributions (for the Company)	145
Net Acc. Capital Gains for the Company	45
% of the Total	*90%*
Net Acc. Incentive Fee	5.0
% of the Total	*10%*
Net Multiple	1.45x

→ 100 Total Investment
8 Remaining amount to reach 8% Hurdle Rate
+ 9.2 Remaining amount after Catch-up
117.2

(*) For the purpose of facilitating the understanding of the calculations above, the example has been prepared under the assumption that each Momentum coincides with a 365-day period (which may not be the case).

According to Example B above, the Incentive Fee the Investment Manager shall be entitled to receive from the Company should be calculated as follows:

(i) Firstly, the Company will retain the Break-even Amount. The Break-even Amount comprises the Return on Investments in an amount equal to (i) all the amounts the Company has effectively disbursed in all the investments undertaken by the Company during an Investment Period, (ii) all taxes and expenses directly incurred by the Company as a consequence of such investments, (iii) general expenses allocated to such investments (such allocation being made proportional to the Net Asset Value of the investments undertaken during the relevant Investment Period until liquidation of those investments, including any taxes and expenses derived from such liquidation), and (iv) the proportional part of Management Fees paid associated with such investments.

In Example B, the Company has deployed a total investment of €100,000,000 in Momentum 1 and totally recovers such amount in Momentum 3, reaching the Break-even Amount.

(ii) Secondly, the Company retains an amount of Return on Investments exceeding the Break-even Amount until it has obtained the Hurdle Rate Amount (i.e., a profitability equal to an annual rate of return of 8% of the relevant investments undertaken by the Company during the relevant Investment Period, calculated daily on the basis of a 365-day year).

In Example B, the Hurdle Rate Amount is reached in Momentum 3 after the Company retains in Momentum 2 and Momentum 3 Return on Investments in an amount of €8,000,000 and €120,000,000, respectively, as shown under item "Cash Flows for the Company".

(iii) Once the Break-even Amount and Hurdle Rate Amount have been retained by the Company, the catch-up mechanism will be activated, which on Example B occurs in Momentum 3:

- The Investment Manager is entitled to receive from the Company the Catch-up Amount, which comprises any Return on Investments exceeding the aggregate of the Break-even Amount and Hurdle Rate Amount, up to an amount equivalent to ten percent of the Accumulated Capital Gains associated to investments existing at that moment in time.

In Example B, the Catch-up Amount is €2,800,000, which corresponds to 10% of the Accumulated Capital Gains (€128,000,000 Return on Investments minus €100,000,000 of total investment).

- The remaining amount of Accumulated Capital Gains available in Momentum 3 (€9,200,000) are retained by to the Company.

(iv) Lastly, from Momentum 4 onward, after the payment of the Catch-up Amount, 90% of the remaining Return on Investments will be retained by the Company and 10% will be distributed to the Investment Manager.
In Example B, €4,500,000 is retained by the Company and €500,000 distributed to the Investment Manager in Momentum 4; €6,300,000 is retained by the Company and €700,000 distributed to the Investment Manager in Momentum 5; and €9,000,000 is retained by the Company and €1,000,000 distributed to the Investment Manager in Momentum 6.

Example C

					Incentive fee	
			Break-even		Hurdle Rate & Catch-up	
Momentum (*)	1	2	3	4	5	6
(values in €m)						
Investments	**100.0**	-	-	-	-	-
Return on Investments		**8.0**	**100.0**	**8.0**	**3.0**	**10.0**
IRR on Investments			*4.1%*	*7.7%*	*8.9%*	*12.1%*
Total Accumulated Capital Gains			*8.0*	*16.0*	*19.0*	*29.0*
Cash Flows for the Investment Manager - Incentive Fee					**1.9**	**1.0**
% of Cash flows					*63.3%*	*10.0%*
Cash Flows for the Company	**-100.0**	**8.0**	**100.0**	**8.0**	**1.1**	**9.0**
% of Cash flows	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*36.7%*	*90.0%*
IRR for the Company			*4.1%*	*7.7%*	*8.2%*	*11.1%*

Incentive Fee	10%

Total Investment	-100
Gross Accumulated Distributions	129
Gross Acc. Capital Gains for the Company	29
Gross Multiple	1.29x

Total Investment	-100
Net Accumulated Distributions (for the Company)	126
Net Acc. Capital Gains for the Company	26
% of the Total	*90%*
Net Acc. Incentive Fee	2.9
% of the Total	*10%*
Net Multiple	1.26x

(*) For the purpose of facilitating the understanding of the calculations above, the example has been prepared under the assumption that each Momentum coincides with a 365-day period (which may not be the case).

According to Example C above, the Incentive Fee the Investment Manager shall be entitled to receive from the Company should be calculated as follows:

(i) Firstly, the Company will retain the Break-even Amount. The Break-even Amount comprises the Return on Investments in an amount equal to (i) all the amounts the Company has effectively disbursed in all the investments undertaken by the Company during an Investment Period, (ii) all taxes and expenses directly incurred by the Company as a consequence of such investments, (iii) general expenses allocated to such investments (such allocation being made proportional to the Net Asset Value of the investments undertaken during the relevant Investment Period until liquidation of those investments, including any taxes and expenses derived from such liquidation), and (iv) the proportional part of Management Fees paid associated with such investments.
In Example C, the Company deploys a total investment of €100,000,000 in Momentum 1 and totally recovers such amount in Momentum 3, reaching the Break-even Amount.

(ii) Secondly, the Company retains an amount of Return on Investments exceeding the Break-even Amount until it has obtained the Hurdle Rate Amount (i.e., a profitability equal to an annual rate of return of 8% of the relevant

investments undertaken by the Company during the relevant Investment Period, calculated daily on the basis of a 365-day year).

In Example C, the Hurdle Rate Amount is reached in Momentum 5 after the Company retains in Momentum 2, Momentum 3 and Momentum 4, Return on Investments in an amount of €8,000,000, €100,000,000 and €8,000,000, respectively, as shown under item "Cash Flows for the Company".

(iii) Once the Break-even Amount and Hurdle Rate Amount have been retained by the Company, the catch-up mechanism will be activated, which on Example C occurs on Momentum 5:

- The Investment Manager is entitled to receive from the Company the Catch-up Amount, which comprises any Return on Investments exceeding the aggregate of the Break-even Amount and Hurdle Rate Amount, up to an amount equivalent to ten percent of the Accumulated Capital Gains associated to investments existing at that moment in time.

  In Example C, the Catch-up Amount is €1,900,000, which corresponds to 10% of the Accumulated Capital Gains (€119,000,000 Return on Investments minus €100,000,000 of total investment).
- The remaining amount of Accumulated Capital Gains available in Momentum 5 (€1,100,000) a will be retained by the Company.

(iv) Lastly, from Momentum 6 onward, after the payment of the Catch-up Amount, 90% of the remaining Return on Investments will be retained by the Company and 10% will be distributed to the Investment Manager.

In Example C, €9,000,000 is retained by the Company and €1,000,000 distributed to the Investment Manager in Momentum 6.

Termination Fee

The Investment Manager shall be entitled to a Termination Fee in the following cases:

- where the General Shareholders' Meeting approves a resolution to remove or replace a Board of Directors member nominated by the Investment Manager, provided that (i) the removal or replacement is not due to a reasonable cause (such as, among others, a breach of his/her duties as a director of the Company in accordance with applicable law or the breach of the Company's internal regulation) and (ii) the Investment Manager has not requested such removal or replacement.
- where the Company is in breach of any payment of fees due to the Investment Manager, in which case the Investment Manager shall be entitled not only to terminate the Investment Management Agreement, but also to receive from the Company a compensation for losses and damages (*daños y perjuicios*) incurred, provided that the fees due had not been paid within 30 days of the notification submitted by the Investment Manager to the Company.
- where the settlement of a takeover offer launched over the Company takes place.

where the Company is in material breach of any of its material obligations under the Investment Management Agreement, which breach is either (a) incapable of remedy or (b) has not been remedied to the reasonable satisfaction of the Investment Manager within 30 days of the Company giving written notice to the Investment Manager specifying the breach.

Termination Fee shall mean an amount, equal to:

(i) the Incentive Fee that the Investment Manager would have been entitled to, assuming for these purposes that, on the Business Day immediately preceding the day on which the relevant early termination notice (the "Early Termination Notice") was sent by the Company or the Investment Manager (the "Early Termination Notice Date") the investments had been fully disposed at the latest available Net Asset Value, and

(ii) an amount equal to the lesser of (i) three times the Management Fee due and payable by the Investment Manager on the 12 months preceding the Early Termination Notice Date, or (ii) the Management Fee due and payable by the Investment Manager on the 12 months preceding the Early Termination Notice Date multiplied by the years outstanding until the termination of the Investment Management Agreement or the relevant renewal period.

Expenses

The Company shall pay or reimburse the Investment Manager (against submission by the Investment Manager of appropriate evidence of payment thereof) all reasonable fees, costs and expenses incurred by the Investment Manager (or any of the Investment Manager's affiliates) under or in connection with the performance of its obligations under the Investment Management Agreement and the provision by the Investment Manager of the Services, regardless, in the case of any particular fee, cost or expense, of whether the fee, cost or expense in question has been invoiced to the Investment Manager (or any of the Investment Manager's affiliates) instead of to the Company.

The Company shall not be liable to reimburse the Investment Manager (or the Investment Manager's affiliates) for: (i) the Investment Manager's (or the Investment Manager's affiliates) general overheads, including salaries, wages, bonuses and other employee benefits of the Investment Manager's (or the Investment Manager's affiliates') employees, postage, telephone, telecopying, faxing and cable and travel (save for travels related to sourcing or marketing purposes which shall be reimbursable); (ii) any advisory fees or remuneration payable to persons to whom the Investment Manager has delegated any of its duties or obligations under the Investment Management Agreement, provided that, for the avoidance of doubt, these do not qualify as fees, costs or expenses of any delegate engaged; (iii) any office facilities, office or executive staff or office equipment of the Investment Manager (or the Investment Manager's affiliates); and (iv) any general legal, accounting and tax fees relating to the organisation and running of the Investment Manager and the Investment Manager's affiliates.

VAT

All charges and fees referred to in the Investment Management Agreement (including, for the avoidance of doubt, the Management Fee, the Incentive Fee and the Termination Fee) are expressed to be exclusive of VAT. If the Services provided by the Investment Manager constitute a supply of services subject to VAT, accordingly the Company shall, against delivery of an appropriate invoice, in addition to making payment of any such charge or fee, pay to the Investment Manager an amount equal to the applicable VAT at the rate from time to time prescribed by applicable law at the same time as the relevant charge or fee is paid by the Company.

Net Asset Value Calculation

For the purposes of the Investment Management Agreement, "Net Asset Value" is the net asset value of the Company evaluated according to Spanish GAAP, and in accordance with the International Financial Reporting Standards (IFRS), International Private Equity Venture Capital Valuation Guidelines and the standards of the European Private Equity and Venture Capital Association.

The "Net Asset Value" of the Company will calculated as follows:

Net Asset Value = (UF + FMV + CEE) – CI - IF

Where :

- UF: net asset value of the underlying funds, in the case of primary and secondary fund investments, provided by the underlying funds at the closure date of the quarter immediately prior to the quarter which the calculation is being made. Should there be, due to any circumstances, no net asset value at the closure date of the quarter immediately before, the value to be taken as a basis shall be the last published net asset value of the underlying funds at the closure date of the quarter that is most recently available, adjusted by all real facts known by the Investment Manager, such as additional capital calls and distributions.
- FMV: the fair market value of the Company´s stake in the companies, in the case of direct co-investments, which will be equal to valuation at their last round of financing, unless there has been an evident deterioration in the activity, companies or their respective sectors which has an impact on their valuation.
- CCE: the Company's cash and cash equivalents.
- CI: consolidated indebtedness incurred by the Company.
- IF: Incentive Fee provisioned in the financial statements of the Company.

Pursuant to Law 22/2014, the Investment Manager will periodically calculate the Net Asset Value of the Company's Shares, in accordance with article 64 of Spanish Law 22/2014 and Circular 11/2008, of December 30, of the CNMV, on accounting standards, annual accounts and reserved information statements of private capital entities, and the provisions that may modify or replace them at any time.

Resolution of disputes

Pursuant to the Investment Management Agreement, if the Company disagrees with the amount of any fee calculation (including, the Management Fee, the Incentive Fee and the Termination Fee) or certain expenses payable to the Investment Manager), the Company may serve notice to that effect on the Investment Manager within 10 Business Days after the date that the calculation is received by the Company and payment for such fee or expenses shall be suspended until the Company and the Investment Manager agree on a new calculation.

If within 10 Business Days after service of the notice the Parties have been unable to agree on the calculation, the Company and the Investment Manager shall as soon as reasonably practicable, appoint an independent expert for final determination. In the event the Company and the Investment Manager are unable to agree on the identity of the independent expert within 10 Business Days, such decision shall be made by a draw between one of the "big four" accounting and professional services firms (provided such firm does not have a conflict of interest in respect of the Company or the Investment Manager).

Term and termination

Term

The Investment Management Agreement has an initial term of fifteen years from the date on which the Ordinary Shares are admitted to trading on the Spanish Stock Exchanges and with effect from the expiry of the fifteen-year period it shall continue thereafter for consecutive ten year renewal periods until terminated by either the Company or the Investment Manager.

Automatic termination

The Investment Management Agreement shall be terminated automatically in the following circumstances:

(i) the occurrence of any change in any law to which the Company or the Investment Manager are subject and which has the effect of making unlawful or materially preventing the provision by the Investment Manager of the Services to the Company;

(ii) the Investment Manager ceasing to have the regulatory approvals necessary to carry out its duties under the Investment Management Agreement;

(iii) admission to listing and trading on the Spanish Stock Exchanges of the Ordinary Shares not having occurred during the period ending 90 days from the date of the Investment Management Agreement; and

(iv) such other circumstance as may be agreed in writing between the Company or the Investment Manager.

Termination by either the Company or the Investment Manager

Any of the Company or the Investment Manager (the "Non-Defaulting Party") may terminate the Investment Management Agreement immediately on written notice to the other if such other party (the "Defaulting Party"):

(i) is wound-up or suffers a winding-up event or an insolvency protection event; or

(ii) is in material breach of any of its material obligations under the Investment Management Agreement, which breach is either (a) incapable of remedy or (b) has not been remedied to the reasonable satisfaction of the Non-Defaulting Party within 30 days of the Defaulting Party giving written notice to the Non-Defaulting Party specifying the breach.

Termination by the Company

The Company may terminate the Investment Management Agreement immediately on written notice to the Investment Manager in the event that the Board of Directors of the Company rejects with reasonable cause the proposal to appoint a Key Manager, submitted for approval in accordance to the provisions of the Investment Management Agreement, in more than one occasion.

Termination by the Investment Manager

The Investment Manager may terminate the Investment Management Agreement immediately on written notice to the Company in the following circumstances during the period ending 30 days from its occurrence:

(i) where the General Shareholders' Meeting approves a resolution to remove or replace a Board of Directors member nominated by the Investment Manager, provided that the Investment Manager has not requested such removal.

(ii) where the Company is in breach of any payment of fees due to the Investment Manager, in which case the Investment Manager shall be entitled not only to terminate the Agreement, but also to receive from the Company a compensation for losses and damages (*daños y perjuicios*) incurred, provided that the fees due had not been paid within 30 days of the notification submitted by the Investment Manager to the Company.

(iii) where the settlement of a takeover offer launched over the Company takes place.

save that within five Business Days from receipt of such notice, the Company shall be entitled to request, and the Investment Manager shall agree, that the Investment Manager continues to provide the Services under the Investment Management Agreement for a period of no more than three months following the occurrence of any of the matters set out in sub-paragraphs (i), (ii) and (iii) above in order to assist with the orderly transition to a new

investment manager or the internalisation of the Company's management, in which case the Investment Management Agreement shall terminate on the last day of such period.

Obligations following termination

In the event of termination of the Investment Management Agreement in accordance with its terms, the Investment Manager shall be entitled to (an example illustrating the calculation is set forth below):

(A) all fees, expenses incurred and other amounts accrued pursuant to the Investment Management Agreement up to the date of termination;

(B) the Management Fee accrued up to the date of termination (which shall be calculated on a *pro rata* basis). The Investment Manager will retain the Management Fee paid in advance in the amount accrued up to the date of termination (which shall be calculated on a *pro rata* basis) and will return to the Company the outstanding amount;

(C) the Incentive Fee accrued up to the date of termination in relation with any investment undertaken by the Company prior to the termination of the Investment Management Agreement and regardless of the Hurdle Rate not being reached (an example illustrating the calculation of this Incentive Fee is set forth below), provided that (a) the Investment Manager is not entitled to the Termination Fee, and (b) the termination is not due to the Investment Manager ceasing to have the regulatory approvals necessary to carry out its duties under the Investment Management Agreement or the Investment Manager being in material breach of any of its material obligations under the Investment Management Agreement; and

(D) the Termination Fee, in the event the Investment Manager is entitled to it (see in this section –*Termination Fee*).

For information purposes only, an example illustrating the calculation of the Incentive Fee in case of termination of the Investment Management Agreement and regardless of the Hurdle Rate not being reached is set forth below:

Momentum (*)	1	2	Termination 3
(values in €m)			
Investments	**100.0**	**-**	**-**
Return on Investments		**8.0**	**8.0**
IRR on Investments			*-67.4%*
Total Accumulated Capital Gains			*0.0*
NAV			**120**
Total Accumulated Capital Gains(including NAV)			*36.0*
Cash Flows for the Old Investment Manager - Incentive Fee			**3.6**
% of Cash flows			*45.0%*
Cash Flows for the Company	**-100.0**	**8.0**	**4.4**
% of Cash flows	*100.0%*	*100.0%*	*55.0%*
IRR for the Company			*-74.6%*

Incentive Fee	10%

Total Investment	-100
Gross Accumulated Distributions	16
Gross Acc. Capital Gains for the Company	36
Gross Multiple	1.52x

Total Investment	-100
Net Accumulated Distributions (for the Company)	12
Net Acc. Capital Gains for the Company	32
% of the Total	*90%*
Net Acc. Incentive Fee Old IM	3.6
% of the Total	*10%*
Net Multiple	1.45x

(*) For the purpose of facilitating the understanding of the calculations above, the example has been prepared under the assumption that each Momentum coincides with a 365-day period (which may not be the case).

According to the example above, in the event of termination of the Investment Management Agreement the Investment Manager will be entitled to receive from the Company the Incentive Fee accrued up to the date of termination in relation with any investment undertaken by the Company prior to the termination of the Investment Management Agreement, and regardless of the Hurdle Rate not having been reached, which should be calculated as follows:

(i) The Company deploys a total investment of €100 million in Momentum 1(*).

(ii) The Net Asset Value of these investments over time has increased to €120 million in Momentum 3, when the termination event occurs.

(iii) The Company has received as of Momentum 3, €16 million in distributions.

If the Investment Management Agreement is terminated in Momentum 3, the Investment Manager will be entitled to receive at 10% of the Accumulated Capital Gains in Momentum 3 (taking into account the accumulated capital distributed to the Company, which is €16 million, and the Net Asset Value at that moment, which is €120 million), regardless of the 8% Hurdle Rate not being reached. In this Example, the Incentive Fee would amount to €3.6 million. This would result from 10% of €36 million (Net Asset Value of €120 million plus the accumulated capital distributed to the Company of €16 million, less the total investment of €100 million).

For information purposes only, an example illustrating the calculation of the fees the Investment Manager will be entitled to receive in case of termination of the Investment Management Agreement is set forth below. In this example it is assumed that the termination takes places within the third and twelfth year after the signing date of the Investment Management Agreement.

					Termination
Momentum (*)	1	1	1	1	2
	Q1	Q2	Q3	Q4	Q1
(values in €m)					
NAV	**100,0**	**102,0**	**110,0**	**112,0**	**120,0**
Management Fee - 1,25% annual	**0,31**	**0,32**	**0,34**	**0,35**	**0,38**

Management Fee (1.25% / 4)	0,3%

Total Managements Fee adjusted generated in the previous 12 months prior to termination	1,4
Termination Fee - 3 x Total MF generated in the previous 12 months prior to termination	4,2

(*) For the purpose of facilitating the understanding of the calculations above, the example has been prepared under the assumption that each Momentum coincides with a 365-day period (which may not be the case).

In aggregate, according to the Investment Management Agreement, in case the termination occurs at the end of the first quarter of Momentum 2, the Investment Manager shall be entitled to:

(a) all fees, expenses incurred and other amounts accrued pursuant to the Investment Management Agreement up to the date of termination which are normally reimbursable expenses related to "sourcing costs" (travels, hotels, transportation, etc.) related to the investment teams while they are reviewing investments. For the purposes of this illustrative example, such amounts have not been considered as they are not material;

(b) the Management Fee accrued up to the date of termination. As the Management Fee is paid in advance on a quarterly basis, given that the termination occurs at the end of the first quarter of Momentum 2, the Investment Manager would have accrued the complete Management Fee in relation to that quarter, amounting to €0.38 million, and will retain the complete amount; and

(c) the Incentive Fee or Termination Fee (the latter in the event the Investment Manager is entitled to it), which would amount to an amount equal to the Incentive Fee (as calculated above), plus an amount equal to three times the Management Fee generated by the Investment Manager on the 12 months preceding the Early Termination Notice Date (3 times €1.4 million), which in this example amounts to €4.2 million.

In the event the termination is consequence of the Company's breach of any payment of fees due to the Investment Manager, the Investment Manager shall be entitled, in addition to the above and in accordance to the Investment Management Agreement, to receive from the Company a compensation for losses and damages (*daños y perjuicios*) incurred.

Governing law and arbitration

The Investment Management Agreement and any non-contractual obligations arising out of or in connection therewith are governed by the common Laws of the Kingdom of Spain (*legislación común española*).

Any dispute (including claims for set-off and counterclaims) which may arise out of or in connection with (i) the creation, validity, effect, interpretation performance or non-performance of, or the legal relationships established by, the Investment Management Agreement and (ii) any non-contractual obligations arising out of, or in connection with, the Investment Management Agreement shall be resolved in accordance with the Civil and Mercantile Court of Arbitration (CIMA) Arbitration Rules by three arbitrators appointed in accordance with these rules. The arbitral court shall apply Spanish law to the merits of the case. The language of the arbitration shall be Spanish and the place of arbitration shall be Madrid, Spain.

Potential Investment Manager and Management Team conflicts of interest

Exclusivity and Right of First Offer

The Investment Manager will, during the term of the Investment Management Agreement, submit to the Investment Committee any opportunity identified by the Investment Manager that falls within the Investment Strategy for consideration as a potential investment of the Company (the "Right of First Offer") providing a written notice which shall describe in sufficient detail the opportunity (the "Right of First Offer Notice") and will inform the Board of Directors where appropriate (see "*—The Investment Management Agreement Investment Restrictions*"). The Investment Manager has agreed that during the 10 business days following receipt of the Right of First Offer Notice by the Investment Committee, it will not, and it will procure that none of the Investment Manager's affiliates will invest or commit to invest (on its own behalf or on behalf of a third party), in the potential investment opportunity to which the Right of First Offer Notice refers to.

Additionally, the Investment Manager will only pursue such opportunity (on its own behalf or on behalf of a third party) provided that the Board of Directors informs the Investment Manager in writing of its decision to decline to pursue such opportunity or to partially pursue such opportunity and authorises the Investment Manager to pursue such opportunity.

Pursuant to the Investment Management Agreement, the Investment Manager may however act as investment manager or investment adviser for other persons or companies, provide investment management services or other services for other clients and acquire a stake or invest in investment opportunities (on its own behalf or on behalf of a third party) within the scope of the Investment Strategy, in any investments or management agreements entered into by the Investment Manager, or to which the Investment Manager has already formally committed to invest, prior to the date the Investment Management Agreement was entered into, or following the passage of a resolution of the General Shareholders' Meeting of the Company to (i) discontinue the Investment Strategy of the Company, (ii) cease the business and operations of the Company, or (iii) sell, liquidate or otherwise dispose of all or substantially all of the investments of the Company.

Co-Investment

The Company and the Investment Manager have agreed that the Investment Manager may acquire a stake or invest (on its own behalf or on behalf of a third party) in an investment opportunity in which the Investment Committee has already authorized the Investment Manager to proceed on behalf of and for the account of the Company, provided that it shall not prevent the Company from undertaking such investment (partially or in full) and the Board of Directors authorises such investment (the "Co-Investment"). In such cases, expenses incurred by the Investment Manager in connection with the Co-Investment that are attributable to both the Company and the entity promoted, managed or advised by the Investment Manager, will be allotted to each one of them following an objective imputation criteria (such as, *pro rata* of the commitments assumed or investments effectively undertaken by each).

Conflicts of Interest

Pursuant to the Investment Management Agreement, the Investment Manager has undertaken to disclose (in good faith) in writing to the Board of Directors any actual or potential conflicts of interests which it, Arcano Partners, any Arcano Partners' affiliate or the Management Team members have or may have between the Investment Manager's duties and obligations under the Investment Management Agreement and the Investment Manager's, Arcano Partners', any Arcano Partners affiliate's or the Management Team's other interests from time to time, within 10 Business Days from becoming aware of any such conflict.

Other Directorships and Partnerships

The following table sets out all entities in which the members of the Management Team have been appointed as members of the administrative, management or supervisory bodies or in which they have held shareholdings at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of such bodies or holds any shares in any such entities, except for directorships in companies of the Investment Manager group:

Management Team member	Company	Position/Title	In office	Shareholding
Mr. Álvaro de Remedios	Gevalresa	Sole director	Yes	Yes
	Los Altos de Escarrilla	Director and Secretary	Yes	Yes

Mr. Jaime Carvajal	Evo Banco	Non-executive Chairman of the Board of Directors	No	No
	AllFunds Bank	Director and Chairman of the Audit Committee and the remunerations and nominations committee	Yes	No
	Logista Holdings	Support manager	Yes	Yes
Mr. José Luis del Río	Tudespensa.com	Director	No	No
Mr. Tom Costin	Owl Ventures	Manager	Yes	Yes
Mr. Adrián Rubio	Inderhabs Investments SCR, SA	Director	Yes	No
	Thalassa SCR, SA	Director	Yes	No

No convictions and other negative statements

To the best of the Company's knowledge, none of the members of the Management Team have, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offences; (ii) acted as directors of entities affected by bankruptcy, receivership or liquidation, (iii) been publicly incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

BOARD OF DIRECTORS

Spanish corporate law is mainly regulated by the restated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "Spanish Companies Act"), which is the principal legislation under which the Company operates. The Company is also subject to special legislation due to its status as a private equity company (*sociedad de capital riesgo*), which are governed by Law 22/2014.

In order to adapt the Company to the provisions of the Spanish Companies Act applicable to issuers of shares listed on the Spanish Stock Exchanges, to Spanish Corporate Governance Code and to the best practices of listed companies, the Board of Directors (the "Board of Directors"), at its meeting held on October 16, 2019, approved the regulations that govern the Board of Directors (the "Board of Directors Regulations") and the Internal Code of Conduct in the Securities Markets (*Reglamento Interno de Conducta en los Mercados de Valores*) (the "Internal Code of Conduct in the Securities Markets"), which will become effective upon Admission. Additionally, on October 15, 2019, the sole shareholder of the Company approved (a) the bylaws in force (*estatutos sociales*) (the "Bylaws"), and (b) the regulations that will govern the General Shareholders' Meeting (the "General Shareholders' Meeting Regulations"), which will become effective upon Admission. Likewise, on October 17, 2019, the sole shareholder of the Company acknowledged the approval of the Board of Directors Regulations, as well as the Internal Code of Conduct in the Securities Markets approved by the Board of Directors.

Board of Directors

Spanish corporate law provides that the board of directors of a Spanish incorporated company is responsible for the management, administration and representation of the company in all matters concerning its business, subject to the provisions of such company's bylaws, except for those matters expressly reserved for the General Shareholders' Meetings.

The Bylaws and the Board of Directors Regulations provide for a Board of Directors consisting of between three and nine members (each, a "Director"). As of the date of this Prospectus, there are seven Directors on the Board of Directors in accordance with the resolution passed by the sole shareholder of the Company on November 4, 2019, all of whom are non-executive Directors.

According to the Bylaws and the Board of Directors Regulations, the Directors are elected by the General Shareholders' Meeting to serve for a maximum term of four years and may be reelected to serve for an unlimited number of terms of the same duration bearing in mind that independent directors serving as such for more than 12 consecutive years may no longer be considered as independent. In the event that Directors vacate their office during the term for which they were appointed (i.e. for any cause other than the expiry of the term for which the director was appointed), the Board of Directors may provisionally designate —the so-called co-optation (*cooptación*)— another director until the shareholders, at the earliest subsequent General Shareholders' Meeting, either ratify or revoke this appointment. Likewise, under Spanish law, shareholders who voluntarily pool their voting shares, so that the capital stock so pooled is equal to or greater than the result of dividing the total capital stock by the number of directors, have the right (*derecho de representación proporcional*) to appoint a corresponding proportion of the members of the board of directors (disregarding fractions) provided that there are vacancies available or that any directors are standing for re-election at the General Shareholders' Meeting.

Any natural or legal person, other than those specifically prohibited or declared ineligible by applicable law, the Bylaws or the Board of Directors Regulations, may serve on the Board of Directors. A Director may be removed from office by the shareholders at a General Shareholders' Meeting, even if such removal is not included on the agenda for that General Shareholders' Meeting.

Pursuant to the Board of Directors Regulations, Directors must tender their resignation to the Board of Directors and the Board of Directors may accept such resignation, at its discretion, under, among others, the following circumstances: (a) when the participation of such Director on the Board of Directors is contrary to applicable law for reasons of ineligibility or incompatibility; (b) in the event of Directors appointed by a specific shareholder, when such shareholder disposes all its shareholding in the Company or reduces it to such a level that requires a reduction in the number of Directors of the Company; and, (c) when the Board of Directors, with a majority of two-thirds, requests it due to an infringement of the Director's duties, subject to a previous favorable report of the Appointments and Remuneration Committee, or when the continued participation of that Director on the Board of Directors may, in the opinion of the Board of Directors, damage the value of the Company's equity or reputation.

According to Spanish law, the Board of Directors Regulations and the Bylaws, the Chairman of the Board of Directors and, where appropriate, the Vice-Chairman, who acts as Chairman in the event of the absence or incapacity of the Chairman, shall be elected by the Board of Directors from among its members, following a report by the Appointments and Remuneration Committee (as defined below). Pursuant to Article 529 *septies* of the Spanish Companies Act, applicable upon Admission, and to the Board of Directors Regulations, if the Chairman is an executive director, a coordinating director shall be appointed from among the independent directors. The coordinating director shall have the power (i) to chair the Board of Directors in the absence of the Chairman or Vice-Chairmen, as the case may be, (ii) to echo the concerns of Non-Executive Directors of the Board of Directors, (iii) to be in contact with company shareholders and institutional investors to hear their opinions, in particular with reference to corporate governance, (iv) to coordinate the Chairman's succession plan, (v) to request the call of the meetings of the Board of Directors, (vi) to include new items on the agenda of the meetings, (vii) to coordinate Non-Executive Directors and (viii) to lead, if necessary, the regular evaluation of the Chairman of the Board of Directors. The Secretary and, where appropriate, the Vice-Secretary of the Board of Directors do not need to be directors, in which case they will have right to voice their views but not the right to vote decisions at the meetings of the Board of Directors.

The Board of Directors of the Company is responsible for the management and establishes the strategic, accounting, organizational and financing policies of the Company. The Board of Directors is also responsible for the determination of the investment policy of the Company and have overall responsibility for overseeing the performance of the Investment Manager and the Company's activities. The Company has entered into an Investment Management Agreement with the Investment Manager, pursuant to which, among other things, the Investment Manager is required to produce a business plan covering a period of three to five years for the Company setting forth the Investment Manager's strategy for the provision of its services under the Investment Management Agreement. The Investment Manager has full discretionary authority to execute any agreements for and on behalf of the Company subject to certain matters which require the consent of the Board of Directors (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Investment Restrictions*" for further information).

Without prejudice to the above, the following matters cannot be delegated under any circumstances by the Board of Directors: (i) supervising the effective operation of any committees it may have established or the performance of any delegated bodies or managers it may have nominated; (ii) determining the Company's general policies and strategies; (iii) authorizing or waiving the obligations arising from the duty of loyalty in accordance with the provisions of Article 230 of the Spanish Companies Act; (iv) its own organization and functioning; (v) drafting the individual and consolidated financial statements and the proposed allocation of profits (losses) and presenting them to the general shareholders' meeting; (vi) drafting any type of report required from the board by law, assuming that the operation to which the report refers cannot be delegated; (vii); appointing or removing our executive directors or establishing the conditions of their contracts; (viii) appointing directors by co-optation and presenting to the general shareholders' meeting proposals on the appointment, or renewal of directors (in the case of independent directors, proposals will be made by the Appointments and Remuneration Committee (as defined below)) as well as on the removal of directors; (ix) resolving on directors' remuneration, within the statutory framework and, when relevant, to the remuneration policy approved by the General Shareholders' Meeting; (x) appointing or removing managers who report directly to the Board of Directors or to any of its members, as well as establishing the basic conditions of their contracts, including remuneration; (xi) calling the shareholders' General Shareholders' Meeting and preparing the agenda and resolution proposals; (xii) implementing the policy relating to treasury stock; (xiii) nominating its Chairperson, Vice-Chairpersons, Secretary and Vice-Secretaries as well as those of any Board committees; (xiv) evaluating its own functioning and that of its committees once a year and proposing a plan to address any identified deficiency; (xv) modifying and approving the Board of Directors Regulations; and (xvi) any powers that the General Shareholders' Meeting has vested to the Board of Directors, unless the Board of Directors has been explicitly authorized to sub-delegate such powers.

In addition, listed companies' boards of directors cannot delegate decisions on the following specific matters:

- approval of the strategic or business plan, annual management objectives and budget, investment and finance policies, corporate social responsibility policy and the dividends policy;
- establishment of the risk control and management policy, including tax risks, and supervision of internal information and control systems;
- establishment of the company and group's corporate governance policy, its organization and functioning and, in particular, the approval and amendment of its own regulations;
- approval of the financial information that, as a listed company, it must periodically make public;

- definition of the structure of the group of companies of which the company is the parent entity;
- approval of all types of investments and transactions that, due to their high quantity or special characteristics, are of a strategic nature or have special tax risk, unless their approval falls under the general shareholders' meeting's authority;
- approval of the creation or acquisition of shares in special purpose entities or those registered in countries or territories considered tax havens, in addition to any other transactions or dealings of a similar nature that, due to their complexity, may undermine our transparency and of our Group;
- approval, subject to a report from the Audit Committee (as defined below), of any transactions the Company or companies in the Group perform with directors, pursuant to Articles 229 and 230 of the Spanish Companies Act, or with shareholders owning, either individually or jointly with others, a significant shareholding, including shareholders represented by proxy on the board of directors of the company or other companies that form part of the same Group, or with related persons. Directors concerned or who represent or are related to shareholders concerned, must abstain from participating in deliberations and voting on the relevant resolutions. Transactions may only be exempt from this approval if they meet all three of the following requirements:
- they are performed under contracts whose conditions are standard and applied en masse to a large number of clients;
- they are performed at prices or rates generally established by the supplier of the relevant goods or services; and
- their quantity does not exceed one percent of the company's annual revenues;
- establishing the company's tax strategy; and
- supervise the process of preparing and presenting the financial information and the management report, which will include, where appropriate, mandatory non-financial information, and submit recommendations or proposals to the administrative body, aimed at safeguarding their integrity.

Under urgent and duly justified circumstances, decisions relating to the above matters may be adopted by the delegated bodies or persons pursuant to the applicable laws, which must be ratified at the first Board of Directors' meeting held after the decision is adopted.

The Bylaws and the Board of Directors Regulations provide that the Board of Directors meets as frequently as necessary to effectively execute its duties and whenever its Chairman considers such a meeting necessary or suitable. The Chairman of the Board of Directors is also required to call a meeting at the request of three Directors or, provided that such number represents more than one third of the Directors, by Directors representing at least one third of its members or, where applicable, at the request of the coordinating independent director. According to the Bylaws and the Board of Directors Regulations, the Board of Directors shall meet at least once a quarter, in compliance with the Spanish Companies Act. The Bylaws provide that the majority (half plus one) of the members of the Board of Directors (represented in person or by proxy by another member of the Board of Directors) shall be present or represented in order to constitute a quorum. Except otherwise provided by law or specified in the Bylaws, resolutions of the Board of Directors shall be passed by an absolute majority of the Directors attending a meeting, whether personally or by proxy. In the event of a tie, the Chairman of the Board of Directors will have a casting vote.

According to the Spanish Companies Act, Directors may contest resolutions passed by the Board of Directors or by any other management body, within 30 days of their adoption. Similarly, such agreements may be contested by any shareholder or shareholders who, in the case of listed companies, represent 0.1% of the share capital, within 30 days of becoming aware of said resolutions and provided not more than one year has elapsed since their adoption. The causes, processing and effects of these challenges shall be subject to the same as established for challenges to resolutions passed at General Shareholders' Meetings except that, in this case, they shall also be processed for breach of the Board of Directors Regulations.

Directors will be given full and timely access to the information necessary to assist them in the performance of their duties. As a general rule, an agenda and Board of Directors papers are circulated to the Directors in advance of Board of Directors meetings to allow them an adequate opportunity for review and preparation for the meetings of the Board of Directors. The Secretary of the Board of Directors will be responsible for ensuring that Board of Directors procedures are followed and all Directors will have access to his advice and services. Where they deem it appropriate, all Directors shall have access to independent professional advice at the expense of the Company.

In the performance of its duties, the Board of Directors is committed to maintain a good understanding of the views of shareholders and considerable importance will be given to communicate with shareholders. Regular contact will be kept with

institutional investors. In no case the Company will disclose to institutional shareholders any information that may place them in a privileged or advantageous situation vis-à-vis the other shareholders.

Directors are expected to attend all Board of Directors meetings and the General Shareholders' Meeting.

Directors

The Board of Directors is currently composed of seven directors.

The Directors have substantive expertise in private equity investment, management, accounting, finance, mergers and acquisitions and regulation. The following table sets forth, as of the date of this Prospectus, the current composition of the Board of Directors, and is followed by a summary of professional background of each such member:

Name	Title	Member of Board of Directors since	Term Expires	Category/status
Mr. Rafael Miranda	Chairman	November 4, 2019	November 4, 2023	Independent[2]
Mr. Álvaro de Remedios	Vicechairman	September 11, 2019	September 11, 2023	Other external[1]
Mr. Jaime Carvajal	Director	September 11, 2019	September 11, 2023	Other external[1]
Mr. José Luis del Río	Director	September 11, 2019	September 11, 2023	Other external[1]
Ms. Beatriz González Ordóñez	Director	November 4, 2019	November 4, 2023	Independent[2]
Ms. Almudena Arpón de Mendívil	Director and Secretary	November 4, 2019	November 4, 2023	Independent[2]
Mr. Ismael Clemente	Director	November 4, 2019	November 4, 2023	Independent[2]

[1] Mr. Álvaro de Remedios, Mr. Jaime Carvajal and Mr. José Luis del Río are members of the Management Team. They are considered ''other external'' as, in accordance with applicable regulation, they do not fulfill the requirements to be considered a proprietary director (as they do not represent a significant shareholder of the Company), an executive director (as they are not employees of the Company) or independent directors (as they are affiliated to the Investment Manager).

[2] As of the date of this Prospectus, the inscription of the independent directors as Directors in the Commercial Registry is still pending.

As of the date of this Prospectus, all the Directors have accepted their appointment, which is immediately effective and has been registered with the Commercial Registry. All members of the Board of Directors have designated the registered address of the Company as their professional address for the purpose of this Prospectus.

Since the Company's incorporation and until the date of this Prospectus, the Board of Directors has met on 3 occasions.

Biographical information

Brief biographical details of the Directors are as follows, except for those Directors whose biographical details are included elsewhere in this Prospectus (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Arcano Partners and the Management Team—The Management Team—The Investment Committee*"):

Mr. Rafael Miranda

Mr. Miranda is Chairman of Acerinox, Honorary Chairman of the Asociation for the Progress of Management and Honorary Chairman of Eurelectric. He is also a member of the board of directors of several companies and advisor of many foundations and institutions, being the more relevants: Brookfield Asset Management, Saica S.A., Parkia S.A. and Comillas University. Throughout his career, Mr. Miranda has held several different positions, the most holding the position of Chief Executive Officer of Endesa S.A. Mr. Miranda has played a crucial role in the modernization of the Spanish electrical sector, being considered as one of the most respected voices in the business community at a Spanish and European level. Mr. Mirando also holds the following medals: Gran Cruz del Mérito Civil, Gran Cruz de Isabel La Católica and Comendador de la Orden de Bernardo O´Higgins (Chile).

Mr. Miranda graduated in Superior Industrial Engineering by ICAI.

Ms. Beatriz González Ordóñez

Ms. González, is the founder and Managing Partner of Seaya Ventures and she sits on the Board of Directors of Cabify, Glovo, Spotahome, Bewe and Movo. In addition, she is a member of the Board of Directors of Endeavor Spain. Prior to founding Seaya, Ms. González worked at Morgan Stanley, Excel Partners and Darby Investments and was Chairman of the Venture Capital Committee of ASCRI and a board member of ILPA.

Ms. González graduated in Finance from CUNEF and holds an MBA from Columbia Business School.

Ms. Almudena Arpón de Mendívil

Ms. Arpón de Mendívil, joined the Spanish Law firm Gómez-Acebo & Pombo in 1987, was appointed partner in 1994 and she is the head of the Technology, Media and Telecommunications (TMT) Group within the Corporate Department. Her expertise is diverse, with an emphasis on corporate, M&A, private equity, venture capital and joint ventures. Arpón de Mendívil has been appointed as the General Secretary of the International Bar Association for the period between 2019 and 2020. She was a member of the board of directors of the Spanish satellite company Hispasat and a member of both its executive commission and its appointments and remunerations commission between 2013 and 2018. Additionally, she is the General Secretary of Círculo Fortuny and a member of the executive board of the European Cultural and Creative Industries Alliance since 2011. Since 2003, she is also a member of the Executive Committee and of the Advisory Board of the Southwestern Institute for International and Comparative Law at the Center for American and International Law.

Ms. Arpón de Mendívil graduated in Law from ICADE (Universidad Pontificia Comillas) in 1985 and holds a Master's Degree in Community Law from the College of Europe in Bruges (1986) and a PiL from Harvard Law School (1990).

Mr. Ismael Clemente

Mr. Clemente is the CEO of Merlin Properties. He has over 20 years of experience as a real estate professional. He has worked at Garrigues, Bankers Trust REIB and Deutsche Bank Group, as Managing Director. Mr. Clemente has participated in transactions with an aggregate volume of approximately €5 billion across all property sectors. These include the sale and leaseback of Tree Portfolio, the largest real estate transaction executed in Europe in 2009. Since Merlin started listing its shares in the Spanish Stock Exchanges, Mr. Clemente has lead two of the most important real estate market deals in Spain such as Testa's acquisition and Metrovacesa's integration. These transactions reinforced Merlin Properties as the leading listed real estate company in the country with a portfolio of assets with over 10 billion euros of gross asset value and annual gross rents of 465 million euros.

Mr. Clemente graduated in Law and Business Administration, with a specialisation in Finance, from Universidad Pontificia Comillas (ICADE: E-3). He is also a lecturer of the MRE programme at IE Business School and member of the Spanish Council of the Urban Land Institute (ULI).

Remuneration arrangements

According to the provisions of the Company's bylaws, all of the Directors will be entitled to receive remuneration in their capacity as members of the Board of Directors, which will consist of a fixed annual monetary amount. The annual maximum amount to be distributed among the Directors as remuneration for their service on the Board of Directors shall not exceed the amount determined by the shareholders at the General Shareholders' Meeting, which as of the date of this Prospectus is €250,000.

The remuneration policy for the directors is approved by the General Shareholders' Meeting at least every three years, prior proposal from the Board of Directors that is supported by a specific report from the Appointments and Remuneration Committee. On October 25, 2019, the sole shareholder of the Company approved the remuneration policy for the Directors for the years 2019, 2020, 2021 and 2022, including the contents required by the Spanish Companies Act.

Additionally, the Board of Directors determines the specific amount to be received by each of its eligible members as remuneration for each financial year, being able to adjust the amounts received by each of them depending on whether they are members of any of the committees of the Board of Directors, the positions held on the Board of Directors, and, in general, any other circumstance that is considered substantial. The remuneration policy for the directors of the Company intends to maintain a balance between market competitiveness and internal fairness. Also, the remuneration policy states that only independent Directors will be entitled to receive remuneration in their capacity as members of the Board of Directors. Therefore, no Director appointed as a nominee of the Investment Manager to the Board of Directors is entitled to receive any fee or remuneration by the Company for his or her services as a non-executive Director.

On October 25, 2019, the Board of Directors decided that the annual remuneration of the independent Directors will amount to €40,000 and the annual remuneration of the Chairman of the Board of Directors will amount to €60,000. Additionally, Directors will receive the corresponding compensation for any travel expenses in which they may incur to attend the meeting of the Board of Directors and the committees of the Board of Directors to which they belong.

Other Directorships and Partnerships

The following table sets out all entities in which the members of the Board of Directors (except for those Directors whose information is included elsewhere in this Prospectus) have been appointed as members of administrative, management or supervisory bodies, or in which they have held partnership positions at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still a member of any such bodies or holds any shares in any such entities.

Director	Company	Position/Title	In office	Shareholding
Mr. Rafael Miranda	Acerinox S.A.	Chairman of the Board of Directors	Yes	Yes
	Hispania Activos Inmobiliarios S.A.	Chairman of the Board of Directors	No	No
	Brookfield Asset Management	Director	Yes	Yes
	Saica S.A.	Director	Yes	No
	Parkia S.A.	Director	Yes	No
	Nicolas Correa S.A.	Director	Yes	No
Ms. Beatriz González Ordóñez	Cabify (Portfolio company of Seaya Ventures)	Director	Yes	Yes
	Bewe (Portfolio company of Seaya Venturas}	Director	Yes	Yes
	Glovo (Portfolio company of Seaya Venturas)	Director	Yes	Yes
	Hundredrooms (Portfolio Company of Seaya Ventures)(*)	Director	No	Yes
	Spotahome (Portfolio Company of Seaya Ventures)	Director	Yes	Yes
	Percentil (Portfolio company of Seaya Ventures)	Director	No	Yes
	Coverfy (Portfolio company of Seaya Ventures)	Director	Yes	Yes
	Movo (Portfolio company of Seaya Ventures)	Director	Yes	Yes
	Relevan! Traffic (Portfolio company of Seaya Ventures)	Director	No	Yes
	Sin Delantal (Portfolio Company of SeayaVentures)	Director	No	Yes
	Restaurantes.com (Portfolio company of Seaya Ventures)	Director	No	Yes
	Yogome (Portfolio company of Seaya Ventures)	Director	Yes	Yes
	Ecoalf	Director	No	Yes
	Bejo Ventures (Parent Company of Seaya Capital Gestión)	Shareholder and director	Yes	Yes
	Gómez-Acebo & Pombo	Partner, Head of Tech., Media and	Yes	Yes

		Telecoms within the corporate department		
Ms. Almudena Arpón de Mendívil	Hispasat, S.A	Director	No	No
	International Bar Association	Director at Management Board	Yes	No
Mr. Ismael Clemente	Merlin Properties Socimi, S.A.	CEO	Yes	Yes
	Tree Inversiones Inmobiliarias Socimi, S.A.U.	Joint Director	Yes	No
	Merlin Retail, S.L.U.	Joint Director	Yes	No
	Merlin Oficinas, S.L.U.	Joint Director	Yes	No
	Merlin Logística, S.L.U.	Joint Director	Yes	No
	Obraser, S.A.U.	Joint Director	No	No
	La Vital Centro Comercial y De Ocio, S.L.	Joint Director	Yes	No
	Varitelia Distribuciones, S.L.U.	Joint Director	Yes	No
	Metroparque, S.A.U.	Joint Director	Yes	No
	Holding Jaureguizahar 2002, S.A.U.	Joint Director	Yes	No
	Servisur Logistica, S.A.U.	Joint Director	Yes	No
	The Exhibitions Company, S.A.	Joint Director	Yes	No
	Magic Real Estate, S.L.	Joint Director	Yes	Yes
	Magic Real Estate, S.L. y Cía. Sociedad Regular Colectiva	Joint Director	Yes	Yes
	Magic Kingdom, S.L.	Joint Director	Yes	Yes
	MPEP - Properties Escritórios Portugal, S.A.	Director	Yes	No
	MPCVI Compra e Venda Inmobiliária, S.A. Portugal	Director	Yes	No
	VFX Logistica, S.A.	Director	Yes	No
	MP Torre A, S.A.	Director	Yes	No
	MP Monumental, S.A.	Director	Yes	No
	Praça de Marques Servicios Auxiliares, S.A.	Director	Yes	No
	Promosete Investimentos Inmobiliários, S.A.	Director	Yes	No

(*) Ms. Beatriz González Ordóñez was a member of the Board of Directors of Hundredrooms (portfolio company of Seaya Ventures) at the moment of its bankruptcy in 2019

Board of Directors' Committees

In compliance with the Bylaws and the Board of Directors Regulations, the Board of Directors at its meeting held on November 4, 2019, approved the creation of an Audit and Control Committee (the "**Audit and Control Committee**"), and an Appointments and Remuneration Committee (the "**Appointments and Remuneration Committee**") which are governed by the Bylaws and the Board of Directors Regulations. The following is a brief description of the principal characteristics of the committees of the Board of Directors.

In fulfilling their duties, the committees of the Board of Directors are entitled to (i) access any corporate records they consider necessary; (ii) seek the cooperation and advice of members of the Directors; and (iii) retain the services of external professionals when the committee considers such services necessary to obtain advice or independent counsel which may not be adequately obtained internally.

The following is a brief description of the principal characteristics of the committees of the Board of Directors, which conforms to the Bylaws and the Board of Directors Regulations.

Audit and Control Committee

The composition, responsibilities and rules of the Audit and Control Committee are governed by the Bylaws and the Board of Directors Regulations.

The Audit and Control Committee shall have between three and five members appointed by the Board of Directors among its members, following proposals from the Appointments and Remuneration Committee, all of whom must be external Directors and the majority of whom must be independent Directors. Members of the Audit and Control Committee serve for a term of up to four years and may be re-elected to serve for an unlimited number of terms of the same duration. One of its members shall be appointed taking into account its knowledge or experience in accountancy and/or auditing standards. Directors who are members of the Audit and Control Committee will carry out their role while they still hold the position of Director, unless otherwise agreed by the Board of Directors.

The Chairman of the Audit and Control Committee, who must be an independent Director, can serve for a maximum term of four years, and may only be reelected as Chairman at least one year after his or her removal, without prejudice to his or her continuation as member of the Audit and Control Committee.

In accordance with the resolutions passed by the Board of Directors on November 4, 2019, the members of the Audit and Control Committee following Admission will be as follows:

Name	Date of appointment	Category Title
Mr. Rafael Miranda (Chairman)	November 4, 2019	Independent
Ms. Beatriz González Ordóñez	November 4, 2019	Independent
Mr. José Luis del Río	November 4, 2019	Other external

The Secretary of the Audit and Control Committee will be Mr. Pablo Fernández Cortijo, with no voting rights.

The Audit and Control Committee will be responsible for the following matters (together with any others that may be attributed to the Audit and Control Committee by law, the Bylaws and the Board of Directors Regulations):

- responding to any questions that shareholders may raise at the General Shareholders' Meeting in relation to matters attributed to the Audit and Control Committee;
- with regard to the external auditor:
    - making proposals to the Board of Directors for submission to the General Shareholders' Meeting, regarding the selection, appointment, reelection and replacement of the external auditor (who will need to be a reputable international auditing firm), as well as the conditions of its engagement;
    - regularly receiving information from the external auditor on the audit plan and the results of its execution;
    - ensuring the independence of the external auditor and, to this effect, ensuring that the Company informs the CNMV of the change of auditor as a relevant information notice (*comunicación de información relevante*), and encloses it to a declaration on the eventual existence of disagreements with the outgoing auditor;
    - the Audit and Control Committee shall liaise with the auditors in order to become aware of any factor which may affect the auditor's independence, so that they are examined by the Audit and Control Committee, as well as any other factors arising out of the audit process, and any other communications with the auditors required by law or by relevant regulations. In any case, the Audit and Control Committee shall receive from the auditors, on an annual basis, written confirmation of their independence vis-à-vis the Company or related-parties, as well as information on additional services of any kind provided to the Company or said related-parties by the auditors, or by the persons or parties related to them pursuant to the Spanish Law 22/2015 on Accounts Audit (*Ley 22/2015, de 20 de julio, de Auditoría de Cuentas*);
    - in the case of the resignation of an external auditor, to examine the circumstances that may have caused it;

    - ensuring that the remuneration of the external auditor is appropriate for its dedication, but without compromising its independence;
    - ensuring that the external auditor holds an annual meeting with the full Board of Directors to brief it on the work done and on the situation of our accounts and risks; and
    - ensuring that the Company and the external auditor follow the applicable regulations on the provision of services other than audit services, the limits on the concentration of the auditor's business and other regulation on auditor´s independence.
- issuing on an annual basis, prior to the issuance of the auditor's report, a report setting out the committee's views on the auditor's independence. This report shall in any case comment on the provision of additional services referred to in paragraph (iii) above;
- overseeing the effectiveness of internal control, risk management systems, where applicable, and that the direction of the Company's internal audit services seeks for the proper functioning of the information and internal control systems, in particular with regards to the process of full preparation of the financial information related to the Company and, where applicable, to its group, including overseeing the fees received by the Investment Manager pursuant to the Investment Management Agreement (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Fees and expenses*");
- ensuring that employees have methods to report, confidentially, potentially important irregularities, particularly of a financial and accounting nature, within the Company;
- informing the Board of Directors in advance with regards to:
    - the financial information that, given its listed character, the Company shall make public periodically, overseeing the process of preparation and the filing of said information;
    - the creation or acquisition of a stake in entities with a special corporate purpose or domiciled in countries or territories considered as tax havens, as well as any other transaction or operation of similar nature which, due to its complexity, could undermine the group's transparency; and
    - related-party transactions, use by Directors and members of the management team of corporate assets and business opportunities;
- ensuring compliance with the internal codes of conduct and corporate governance rules;
- supervising the strategy and corporate social responsibility practices and evaluating their compliance;
- supervising and evaluating processes associated with different interest groups; and,
- evaluating all matters relating to non-financial risks of the Company, including operational, technological, legal, social, environmental, political and reputational.

In accordance with the Bylaws and the Board of Directors Regulations, the Audit and Control Committee shall meet on a quarterly basis to review the periodic financial information that must be submitted to the relevant stock market authorities and the information the Board of Directors must approve and include in its annual public documentation. In addition, the Audit and Control Committee shall meet at the request of any of its members, and every time its Chairman considers it necessary. In any case, the Audit Committee's Chairman will call a meeting whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal. Meetings of the Audit and Control Committee shall be duly convened when a majority of the members attend in person or by proxy. The resolutions of the Audit and Control Committee shall be adopted by the majority of its members attending in person or by proxy.

All the resolutions adopted by the Audit and Control Committee shall be drawn-up in the minutes, which the entire Board of Directors shall be informed of, and a copy of the minutes shall be forwarded or submitted to all the members of the Board of Directors.

Appointments and Remuneration Committee

The composition, responsibilities and rules of the Appointments and Remuneration Committee are governed by the Bylaws and the Board of Directors Regulations.

The Appointment and Remuneration Committee shall have between three and five members, all of whom must be external directors and at least two of them must be independent directors. Directors who are members of the Appointment and Remuneration Committee will carry out their role while they still hold the position of Director, unless otherwise agreed by the Board of Directors.

The Chairman of the Appointments and Remuneration Committee must be selected by the Board of Directors from among the independent members of the Committee. In accordance with the resolution passed by the Board of Directors on November 4, 2019, the members of the Appointments and Remuneration Committee following Admission will be as follows:

Name	Date of appointment	Category Title
Ms. Almudena Arpón de Mendívil (Chairwoman)	November 4, 2019	Independent
Mr. Ismael Clemente	November 4, 2019	Independent
Mr. Álvaro de Remedios	November 4, 2019	Other external

The Secretary of the Appointment and Remuneration Committee will be Mr. Pablo Fernández Cortijo, with no voting rights.

The primary purpose of this committee is to assist, inform and put proposals to the Board of Directors in relation to the matters attributed to it by law, the Bylaws, or the Board of Directors. In particular, the Appointments and Remuneration Committee will be responsible for the following matters:

- assessing the skills, knowledge and experience required on the Board of Directors. For this purpose, it shall define the functions and skills required of candidates that should fill each vacancy and shall assess the time and commitment required of them so that he or she can perform his or her function adequately;
- setting a target for the representation of the gender that is less well represented on the Board of Directors and develop guidelines on how to achieve that target;
- making recommendations to the Board of Directors for the appointment of independent directors, whether through co-optation by the Board or for submission to the General Shareholders' Meeting, and for the re-election or removal of such directors by the General Shareholders' Meeting;
- reporting on proposals for the appointment of the other directors, whether through co-option by the Board or for submission to the General Shareholders' Meeting, and on proposals for the re-election or removal of such other directors by the General Shareholders' Meeting;
- making proposals to the Board of Directors regarding the appointment of the members of the Audit and Control Committee; examining and organizing the succession of the Chairman of the Board of Directors and the first executive of the Company and, where applicable, making recommendations to the Board of Directors so that such succession is conducted in an orderly and planned manner;
- receiving the information Directors need to provide regarding the professional duties they have besides the Company and taking care of the questions the Directors need to pose to the Appointment and Remuneration Committee before accepting any management post or position in the management bodies of any other company or entity;
- reporting to the Board of Directors on proposals for the appointment or dismissal of managerial employees and the basic terms of their contracts;
- making proposals to the Board of Directors for the policy on the remuneration of Directors, executive officers (or managerial employees who report directly to the Board), executive committee or Chief Executive Officer, as well as the individual remuneration and other contractual terms of executive officer, ensuring and monitoring compliance;
- ensuring the observance of the remuneration policy of the Company;
- periodically reviewing the remuneration policy for Directors and management team, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and members of the management team of the Company;
- ensuring that no conflict of interest jeopardizes the quality or independence of any external advice the committee engages;
- verifying the information about remuneration of Directors and members of the management team contained in the corporate documents, including the annual report on remuneration of directors; and
- controlling the fulfillment by the Directors of their duties, in particular with regards to situations of conflict of interest and related-party transactions.

In accordance with the Bylaws and the Board of Directors Regulations, the Appointment and Remuneration Committee shall meet on a quarterly basis or, at least, four times a year. In any case, the Chairman of the Appointment and Remuneration

Committee will call a meeting of the Appointments and Remuneration Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal.

Meetings of the Appointment and Remuneration Committee shall be duly convened when a majority of the members attend in person or by proxy. The resolutions of the Appointment and Remuneration Committee shall be adopted by the majority of its members attending in person or by proxy. In the event of a tie, the Chairman of the Appointment and Remuneration Committee shall have a casting vote.

Internal Code of Conduct in the Securities Markets

On October 16, 2019, the Company's Board of Directors adopted the Internal Code of Conduct in the Securities Markets (*Reglamento Interno de Conducta en los Mercados de Valores*) (the "Internal Code of Conduct in Securities Markets"), to be effective upon Admission. The Internal Code of Conduct in Securities Markets regulates, among other things, the Company's directors' and managers' conduct with regard to the treatment, use and disclosure of the Company's material non-public information. The Internal Code of Conduct in Securities Markets applies to, among other persons, all members of the Board of Directors, senior management and employees who have regular access to inside information and to any other person that the Company may decide on a case-by-case basis.

The Internal Code of Conduct in Securities Markets, among other things:

- establishes the restrictions on, and conditions for, the purchase or sale of the Company's securities or other financial instruments by persons subject to the Internal Code of Conduct in Securities Markets and by those who possess inside information;
- provides that persons subject to the Internal Code of Conduct in Securities Markets shall not operate on the basis of inside information, illegally communicate it to third parties or engage in market manipulation with respect to the Company's securities or other financial instruments; and
- regulates dealings by the Company in its own shares.

The Investment Manager will supervise the compliance with the Internal Code of Conduct in the Securities Markets of the Company and may, without prejudice to its possible liability, delegate the performance of such services in any individual who renders his/her services in Arcano Partners or its affiliates, all in compliance with the Investment Management Agreement and applicable law (see "*Arcano Partners, Arcano Asset Management and the Investment Management Agreement—Investment Management Agreement—Scope of appointment*)). Notwithstanding this, the ultimate responsibility of supervising the compliance of Internal Code of Conduct in the Securities Markets belongs to the Audit and Control Commission.

Corporate Governance Recommendations

The Spanish Companies Act sets out certain legal provisions related to corporate governance mandatorily applicable to Spanish companies listed on the Spanish Stock Exchanges. The Company believes that it complies with the requirements of the Spanish Companies Act.

Additionally, the Spanish Corporate Governance Code sets out certain recommendations on corporate governance to be considered (on a "comply or explain" basis) by the companies listed on the Spanish Stock Exchanges.

The Company believes that it substantially complies with the recommendations of the Spanish Corporate Governance Code. In particular, as of the date of this Prospectus, the Company complies with recommendations 1, 8, 11, 13, 15, 16, 17, 22, 25, 29, 30, 31, 33, 34, 35, 37, 38, 39, 42, 43, 46, 47, 49, 50, 51, 53 and 56. Upon Admission, the Company will comply with recommendation 18. The Company is committed to follow strict corporate governance policies and it intends to adapt the practices of the Company to all the recommendations contained in the Spanish Corporate Governance Code, as soon as possible after Admission, in a consistent manner. However, as of the date of this Prospectus, the corporate governance practices depart from these recommendations in the following aspects:

- Recommendation 4 provides that listed companies should define and approve a policy regarding communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and grants equitable treatment to shareholders in the same position. As of the date of this Prospectus, the Company has not defined and approved a communication policy.
- Recommendation 14 provides that the Board of Directors should approve a director selection policy. As of the date of this Prospectus, the Board of Directors has not approved a director selection policy.

- Recommendation 40 and 41 provide that listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit and Control Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board of Directors' non-executive chairman or the chairman of the Audit and Control Committee. In addition, they provide that the person responsible for the internal audit function presents to the Audit and Control Committee its annual plan of work, directly informs of any issues which may arise in relation to its execution and prepares a report on its activities at the end of each financial year. As of the date of this Prospectus, the Company has not created an internal audit unit nor appointed a person responsible of its internal audit function.
- Recommendation 45 provides that the Board of Directors should approve a risk control and management policy. As of the date of this Prospectus, the Board of Directors has not approved a risk control and management policy.
- Recommendation 54 provides that the corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups. As of the date of this Prospectus, the Board of Directors has not approved a corporate social responsibility policy.

Moreover, as of the date of this Prospectus, recommendations 2, 3, 5, 6, 7, 9, 10, 12, 19, 20, 21, 23, 24, 26, 27, 28, 32, 36, 44, 48, 52, 55, 57, 58, 59, 60, 61, 62, 63 and 64 are not applicable to the Company.

The Board of Directors will prepare an annual corporate governance report and such report will be submitted to the shareholders for information purposes. The report will be announced through the publication by the Company of a relevant information notice (*comunicación de información relevante*) and will be reproduced in the management reports (*Informe de Gestión*) of the unconsolidated and consolidated, if applicable, audited annual accounts of the Company.

The Company is committed to following strict corporate governance policies.

Conflicts of Interest

The Spanish Companies Act and the Board of Directors Regulations generally prohibit Directors from voting at Board of Directors meetings or meetings of committees of the Board on any resolution concerning a matter in which they have a direct or indirect interest which conflicts or may conflict with the interests of the Company. Directors may not be counted in the quorum in relation to resolutions on which they are not entitled to vote. The Directors are independent in connection with the Company.

Therefore, the Directors are required to avoid situations which could give rise to a conflict between their duties to the Company and their private or other interests, unless they have obtained the Company's consent.

In particular, pursuant to articles 228 and 229 of the Spanish Companies Act, the directors (and related parties to directors) should abstain from:

- carrying out transactions with the Company, excluding ordinary transactions, of limited amount and undertaken in standard conditions applicable to all customers;
- using the name of the Company or its capacity as director to unduly influence private transactions;
- using corporate assets, including confidential information on the Company, for private purposes;
- taking advantage of business opportunities of the Company;
- obtaining advantages or compensations from third parties other than the Company associated with their post unless they are a mere compliment; and
- carrying out activities, on their own or on behalf of third parties, which may compete with the Company or which could put the director in a permanent conflict with the interest of the Company.

Each member of the Board of Directors is required to report to the Board of Directors any circumstances that may give rise to a conflict of interest, direct or indirect, with the Company. It will be considered that there is a conflict of interest in those situations in which the interest of the Company, or of the companies integrated in its group (if applicable), collide, directly or indirectly, with the interest of the director. There will be an interest of a director when, among others, (i) a matter affects him/her or a person related to him/her, (ii) with regards to a proprietary director, the shareholder or shareholders who nominated or appointed him/her or a related persons, directly or indirectly, with such shareholder(s), or (iii) with regards to directors with a connection with the Investment Manager, the Investment Manager or a related person, directly or indirectly, to the Investment Manager.

Members of the Board of Directors should abstain from engaging in commercial or professional transactions which may give rise to a conflict of interest, without having first informed and received approval from the Board of Directors, which shall request a report from the Audit and Control Committee. Such authorization shall not be necessary for transactions entered into with the Company if all of the following conditions are met in respect of the relevant transactions: a) the transaction is entered into

pursuant to an agreement with standard conditions applied to a wide range of clients; b) the transaction is entered into for a price generally applied by the party acting as supplier; and c) the transaction does not exceed 1% of the Company's annual turnover. Such authorization shall be granted by the General Shareholders' Meeting when the size of the relevant exceeds from 10% of the Company's assets.

All conflicts of interest involving directors will be disclosed in the financial statements.

In any event, each member of the Board of Directors must recuse him or herself from attending discussions and casting its vote (including by way of proxy vote) regarding matters in which they (or a related party, as defined in applicable law) have a direct or indirect conflict of interest.

In event that a situation of conflict of interest may reasonably create a structural and permanent conflict between the involved director and the Company or its subsidiaries (if any), such director will then lack the required suitability and capacity to remain in office and shall therefore resign from office.

Without prejudice to the above, and although procedures have been put in place to manage conflicts of interest, there may be circumstances in which members of the Investment Manager or members of the Company's Board of Directors or its affiliates, directly or indirectly, have a material interest in a transaction being considered by the Investment Manager on behalf of Company or a conflict of interest with the Company.

No convictions and other negative statements

To the best of the Company's knowledge, none of the members of the Board of Directors have, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offences; (ii) acted as directors of entities affected by bankruptcy (except for Ms. Beatriz González Ordóñez, who was a member of the Board of Directors of Hundredrooms (a company within the portfolio of Seaya Ventures) at the moment of its bankruptcy in 2019), receivership or liquidation, (iii) been publicly incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer. There are no family relationship between any of the members of the Board of Directors.

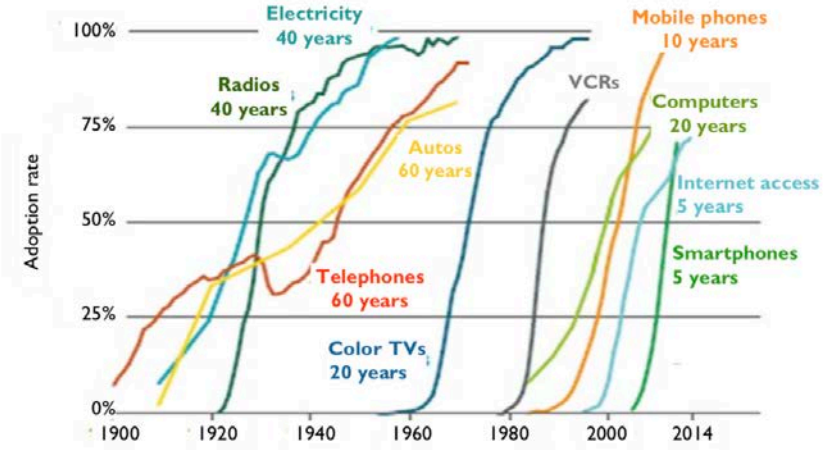
Technology Sector

Overview

By the end of 2018, seven out of the eight largest companies by market capitalization in the world were tech businesses – barely ten years ago, there was only one amongst the top 25 (source: Statista, The 100 largest companies in the world by market value in 2019 (in billion U.S. dollars), 2019; and FT Global 500, 2009). Four out of the seven wealthiest individuals in the world are founders of technological companies. The value of one internet-based advertising company alone, such as Google or Facebook, is more than 30 times that of the U.S. most important broadcasting network, CBS (source: Bloomberg, 8th October 2019). The market capitalization of the e-commerce giant Amazon more than doubles that of WalMart, and is c.30,650,-fold that of Sears, another big retailer (source: Bloomberg, October 8, 2019). New disruptive technological companies are being set up every day; some of them reach valuations of more than $1,000 million at record-breaking speed. These are known as 'unicorns'. At present, there are already 325 of these unicorns worldwide whose aggregated value amounts to $1,074,000 million (source: CB Insights, January 2019). One of these unicorns is Airbnb, the flat sharing company founded 11 years ago whose valuation is above that of the hotels giant Marriot, with more than 90 years of history. In 2017 SoftBank launched the 'Vision Fund', a venture capital fund for those wanting to invest in the technological revolution, and with almost $100,000 million, it was probably the largest private capital fund ever launched (source: Axios, October 2019). SoftBank has recently announced its second mega fund of about $108,000 million to invest into technology start-ups around the world. Prominent corporations that are expected to participate in Vision Fund 2 include: Apple, Microsoft, iPhone assembler Foxconn, Standard Chartered Bank, Japanese financial giants Mizuho Bank, Sumitomo Mitsui Banking Corporations and MUFG Bank (source: CNBC, July 25, 2019).

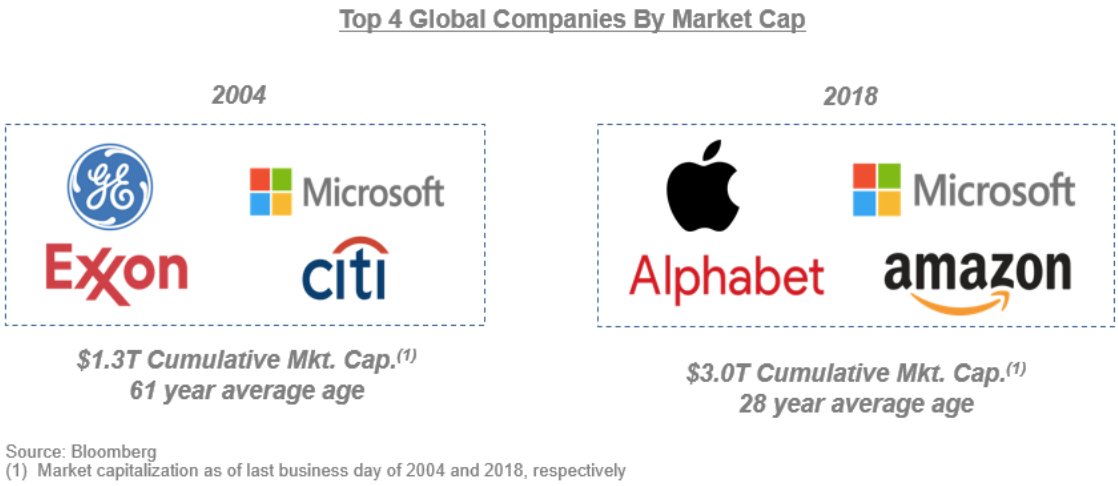
The combination of increasing capacity and advanced algorithms to process, treat and analyze data is accelerating technological disruption. The Apollo Guidance Computer, which made possible the great feat that was the moon landing, had approximately 12,300 transistors; the iPhone 7 has over 3.3 billion. The internet has gained popularity at incredible speeds, it is already accessible by almost half of the world's population and its cost has been sharply reduced. Smartphones have also become affordable to most people; entry-level smartphones can cost under $30 and are available all over the world, permitting anyone access to more information than that the U.S. President had in 1990. Moreover, modern sensors can connect virtually any machine to the internet, accumulating huge amounts of data. All this constitutes the breeding ground for technological disruption, a process, which is referred to as 'the fourth industrial revolution'. This revolution is disrupting almost every industry in every country and creating massive change in a non-linear way at unprecedented speed (source: Forbes, August 2018).

The adoption rate of disruptive technologies in the U.S. has sped up exponentially over the last century, as shown in the chart below (source: "Interpreting innovation, impact on productivity, inflation and investing", BlackRock 2014).



The technology sector is evolving at a very fast pace and it is starting to dominate both economies and stock markets worldwide.

The technological revolution is driving massive value creation and today the largest companies in the world by market capitalization are tech companies (source: Bloomberg, 2019).



The drop in technological costs has given rise to a digital revolution that is transforming the world in two main aspects:

a. Acceleration in information processing – increased capacity to process data using advanced algorithms that allow tech companies to offer better services and become more competitive.
b. Technological penetration – technology has already reached final consumers, enabling tech companies to offer new services directly to the end user.

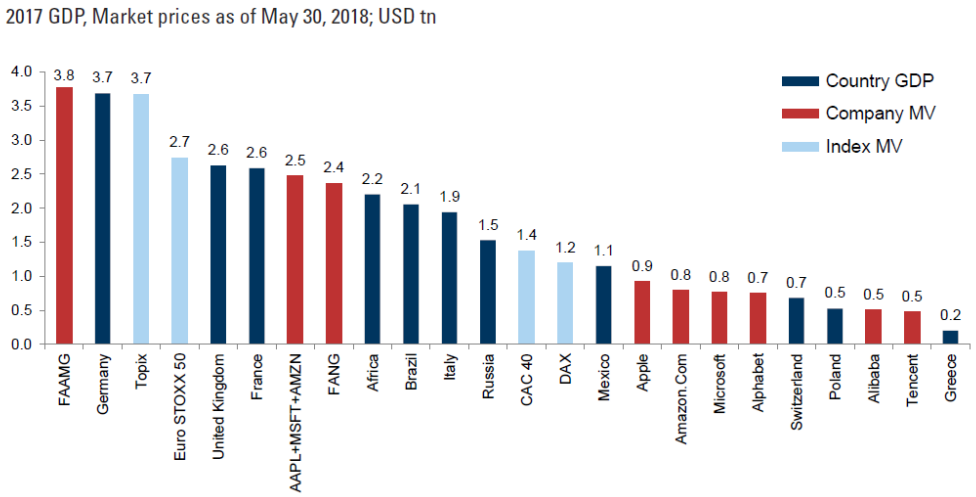
Tech companies have shifted the paradigm in conducting business, from being service providers to becoming a considerable threat to traditional businesses. For example:

- Facebook, the most popular media owner, creates no content.
- Amazon and Alibaba, the most valuable retailers, have no inventory.
- Airbnb, the largest accommodation provider, owns no real estate.
- Uber and DiDi, the largest urban mobility companies, own no vehicles.

The impact of technology becomes even more evident when the largest technology companies globally are compared to the gross domestic product ("GDP") of some of the major European economies. Even though these items may not be totally comparable, since a company's value is normally calculated as the net present value of future expected cash flows whereas the size of GDP is an annual snapshot of an economy.

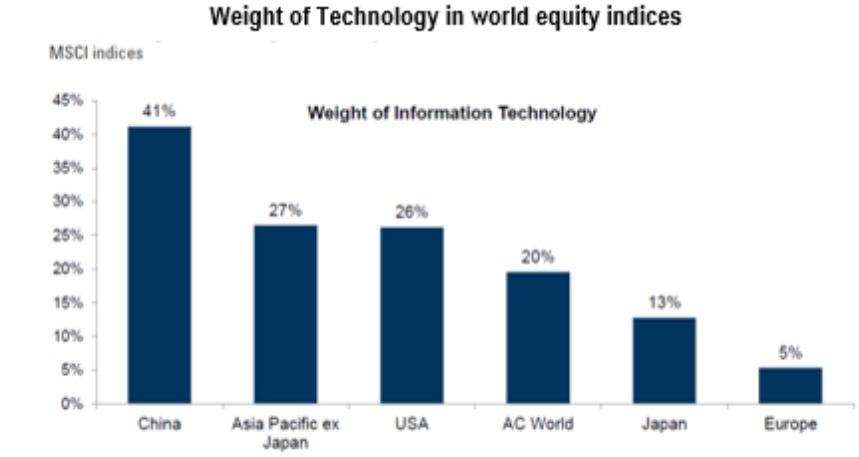
The five top-performing technology company's stocks in the world: Facebook, Amazon, Apple, Microsoft and Alphabet's Google ("FAAMG") (largest companies by market capitalization) have a combined market capitalization higher than Germany and United Kingdom's GDP or the market value of the 50 companies considered in the EurStoxx 50.

Comparison of GDP and market value of various countries, indices and technology companies (source: IMF, FactSet, DataStream, Goldman Sachs Global Investment Research, as of June 2018).



Geographic dominance

The pace of growth of technology as a sector has not been evenly spread across all geographies. Some countries have been able to successfully generate and/or attract larger technology companies than others. For example, in the U.S., the weight of technology companies in the U.S. stock market is 26% while in China this figure is now over 40% of the China stock market. On the other hand, in Europe technology companies represent only 5% of the total market capitalization, of which approximately 50% is comprised of just two companies: SAP SE and ASMLHolding NV (source: IMF, FactSet, DataStream, Goldman Sachs Global Investment Research, as of June 2018).

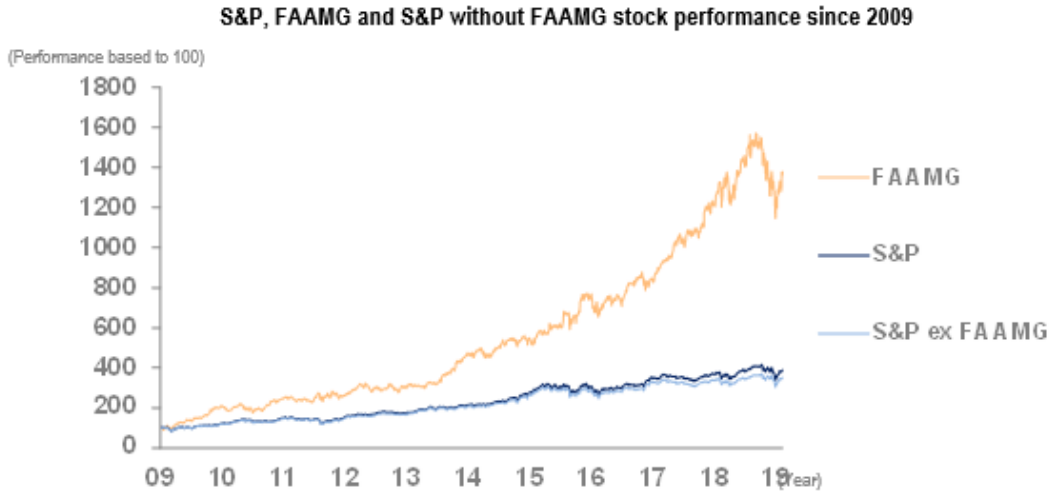


Source: MSCI, FactSet, Goldman Sachs Global Investment Research. As of June 2018.

These aggregates depend on the classification of “technology” companies that may not be defined as such in some indices. For example, in the U.S., Amazon is considered an internet retail company. If it was considered a “technology” company, the “technology” total weight in the U.S. would rise to roughly 30%. Moreover, if biotech was included, the weight would be approximately one third of the U.S. stock market.

Following the same reasoning, this premise also applies for other geographical markets. Particularly in Japan, where the MorganStanley Capital International market index classification of “info tech” does not include many technology related companies (such as Sony, Panasonic and Nidec) and, consequently, the 13% figure also understates the exposure of the index to the tech sector.

Particularly in the U.S., the performance of the S&P 500 index was driven by the strong outperformance of FAAMG in comparison to other companies since 2009 (source: Bloomberg, February 2019).



Source: Bloomberg as of February 2019.

Selected technology verticals

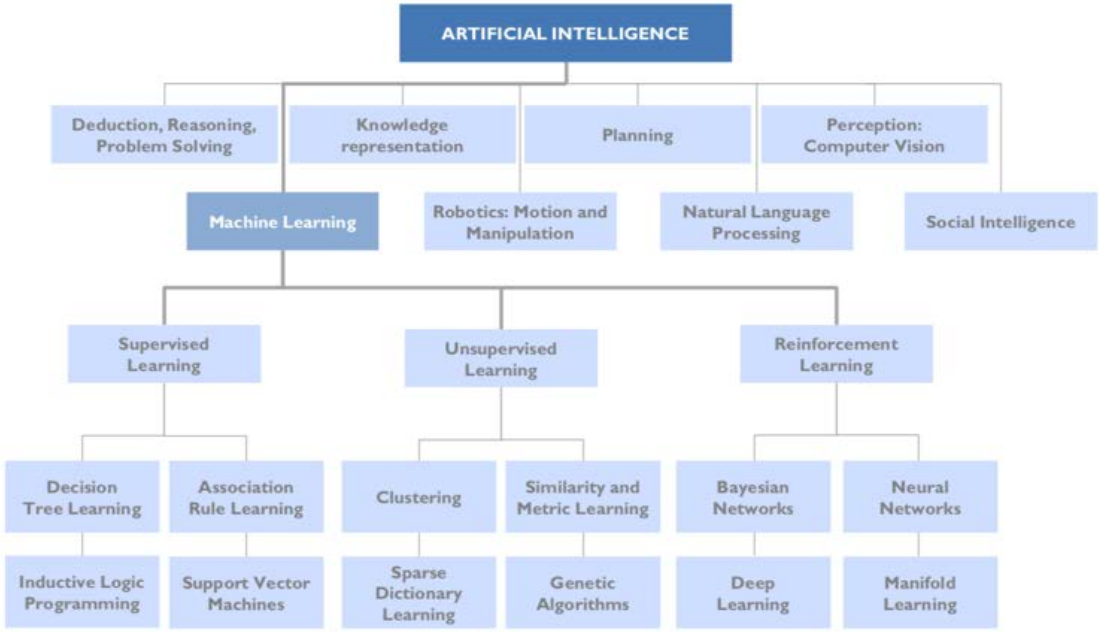
The ongoing fourth industrial revolution is illustrated, in part, by the Core Verticals: (i) artificial intelligence, (ii) big data, (iii) sensors and internet of things and (iv) marketplaces.

Artificial intelligence

Stanford researcher John McCarthy coined the term artificial intelligence in 1956 during what is now called The Dartmouth Conference, where the core mission of the artificial intelligence field was defined. Artificial intelligence is the technology that enables computers to autonomously learn, deduce and act. Systems with artificial intelligence and machine learning collect and store massive amounts of data and make decisions based on probability and statistical analysis. Applications of artificial intelligence and machine learning include speech recognition, computer vision, robotic control and accelerating processes in the empirical sciences (source: Pitchbook, 3Q 2017). Examples of artificial intelligence include IBM's Deep Blue computer, which beat the world chess champion Gary Kasparov in 1996, as well as their more updated Watson artificial intelligence, and Google's DeepMind, whose AlphaGo application beat the world's best Go player in 2016 – the Chinese board game Go is considered to be the most tactical and complex game in the world, with more move possibilities than atoms in the universe. Both of these examples show artificial intelligence's potential, but this technology is also present whenever anyone makes an online purchase; Amazon's artificial intelligence-based product offering takes into account previous purchases and internet search history.

It is important to note the division in the area between 'general artificial intelligence', which looks to wholly replicate human intelligence and response, which it is still some way off of optimizing, and 'narrow artificial intelligence', which focuses on the optimization of a simple, specific daily task for a machine. Artificial Superintelligence refers to the time when computers will surpass human intelligence through reasoning and complex problem solving. DeepMind and NEIL (Never Ending Image Learner) are two of the best examples of general artificial intelligence, with incredible capabilities; and yet general artificial intelligence is still some years off of being of true use, whilst narrow artificial intelligence is currently being applied, with great results (source: "Technological disruption is already here", Arcano 2017).

Different types of AI, with a focus on ML (source: "AI: our savior or humanity's final invention?", Robeco 2016)



Computers are able to learn retrospectively, that is, they analyze the past to spot mistakes by means of computational algorithms and use probability distributions to make assumptions, known as machine learning. Feeding off of 'big data', i.e. an extremely expansive quantity of data, not processable by basic software, these computers formulate adequate responses using this known past data. An example of which are Facebook Messenger's 'chatbots', developed by numerous companies, with Facebook's support and an artificial intelligence platform, which enable automated customer assistance tasks, such as providing information or booking a table at a restaurant without human interaction, an idea known as conversational ecommerce. Similarly, virtual assistants such as Siri (Apple) and Alexa (Google) are able to perform a variety of tasks upon spoken request, such as perform online orders or supply information.

Cognitive learning is an advanced method that is not directly a subcategory of machine learning, although it does use many techniques associated with it. It is a process that allows the machine to make judgements and handle knowledge, and therefore, make decisions for the future by imitating human thinking and considering uncertainties, through its analysis of big data. IBM Watson is devoted to the development of cognitive technologies in several sectors that range from medicine to trade, with the aim of enhancing business and professional decision-making.

Deep Learning, a method that combines machine learning and neural networks, has been around since the 1970s, but has recently developed rapidly as the capacity to process data, and the abundance of data, increases. It allows learning without supervision; self-driving vehicles, for example, are gradually learning to identify and approach/avoid risks and obstacles (the system used to identify that a car must stop at a red light is relatively simple, but to acknowledge a cable that seems to be about to fall is much more complicated and requires reasoning). In order to achieve this reasoning, robots must 'learn' from unstructured knowledge, relating images and consequences, a project that scientists at Carnegie Mellon University are approaching through their NEIL robot, which is exposed to a continuous stream of images to foment association. NEIL 'knows' that cars have wheels, that zebras can be found in the savannah and that the word Columbia can refer to a university or a movie studio among others.

Although robots could replace humans in many simple manual tasks, others, which may seem simple to us, such as taking keys out of a pocket, would be too complex for any existing robot, and philosophical thinking (metathinking) would be far too complex for them. However, robots can perform tasks involving massive amounts of data much better than us humans, such as voice or facial recognition and analysis of large documents. Robots do not have emotions, though, paradoxically; there are systems that can better judge human emotions than other humans, judging accurately for example whether a smile is false or genuine. There is also an app that can judge the vocal patterns of a bipolar person speaking on the phone to tell whether the person is having an 'episode', enabling them to find help if necessary, or to avoid doing certain things.

The implementation of artificial intelligence to mobile technological devices, such as smartphones is called AMI (Automated Mobile Intelligence). For example, a shop assistant may rely on intelligent software in his or her mobile to analyze the purchasing patterns of customers and offer them products that match their preferences with a high rate of success.

The massive collection of data available today enables analysis and processing by means of artificial intelligence, facilitating decision making. Artificial intelligence utilizes several different methods to process this big data. The combination of big data and processing power supplies the necessary tools for artificial intelligence and predictive analytics; and with their progression, so too will artificial intelligence advance. Artificial intelligence has at times, jokingly, been referred to as 'everything that robots are not capable of doing today'.

Natural language processing has applications such a as voice recognition systems which are able to provide instructions, do translations, etc. Simple examples of this are Siri or Alexa, which are able to respond to spoken language and formulate responses, regularly using internet searches. Processing usually has very specific uses, such as analyzing the customers' opinions on a particular product or service, managing automated call centers, automatically searching for information in civil litigation or government enquiries, as well as drafting reports on corporate results or sports.

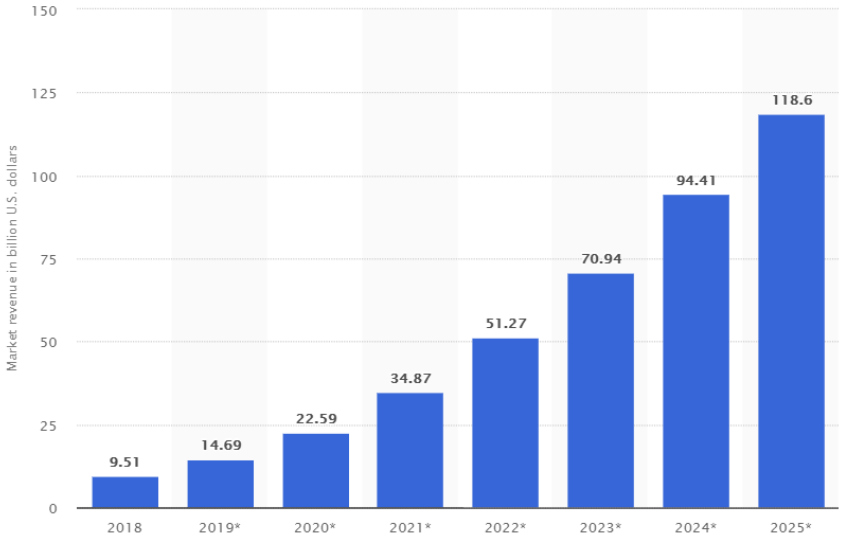
Computer vision has many uses, namely, medical image analysis to improve diagnosis and disease treatment (for example Microsoft's HoloLens, mixed reality goggles, create holograms which can permit doctors to better visualize bodies and organs before an operation, or provide a hands-free display whilst a surgeon operates); facial recognition to automatically identify individuals in pictures, an example of which is the brand-new iPhone X, or to estimate life expectancy; arrest suspects during security and surveillance operations; and images of products taken by the customers themselves for an enhanced buying experience. Augmented reality-driven devices must be highlighted. General Electric's technicians use augmented reality glasses which display videos, images and texts in their line of sight to guide them when they are working on wind turbines' control panels. As a result, performance has improved by 34%.

Machine Learning has a wide range of applications. It has the potential to improve virtually any activity involving large sets of data that have to be analyzed and used as primary raw material for predictive models. The result is a faster, controlled and comprehensive data analysis. The financial services industry is making use of artificial intelligence related applications in its effort to control fraud and money laundering, customer knowledge and investment management. However, new technologies are spreading to other sectors and they are now being used for sales projections, stock management, oil and gas exploration, and public health – in the latter case it contributes to researching new and improved medicines.

Nevertheless, artificial intelligence and robotics have not been widely adopted yet. However, they will have a gradual impact on the economy as traditional sectors are encouraged to automate all kinds of tasks, both at office and factory level. Over the next few decades, approximately 25% of U.S. employment will have experienced high exposure to automation. More than 70% of current task content will be at risk of substitution and automation, meaning a strong disruption for many sectors (source: "Automation and Artificial Intelligence, How machines are affecting people and places", Mark Muro, Robert Maxim and Jacob Whiton, with contributions from Ian Hathaway, January 2019).

Artificial intelligence is poised to have a transformative effect on consumer, enterprise, and government markets around the world. It can be applied in almost every industry and it is likely to have a significant impact in existing business models while simultaneously creating new ones. It is forecasted that revenues from the artificial intelligence software market worldwide will grow from $9.51 million in 2018 to $118.6 million in 2025 (source: Statista, August 2019). There are 27 verticals that use artificial intelligence technologies today or soon will be doing so. These include consumer goods, energy, financial services, healthcare, manufacturing, media, among others (source: Forbes, April 2018).

Revenues from the artificial intelligence (AI) software market worldwide from 2018 to 2025 (in billion U.S. dollars)



Big data

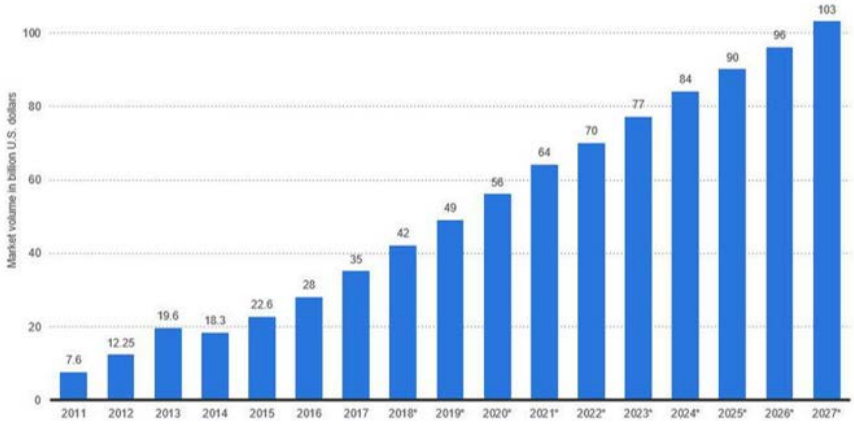
Big data refers to data sets that are too large or complex for traditional data-processing application software to adequately deal with (source: Pitchbook). It includes structured and unstructured data and it is characterized with 4-Vs: Volume, Variety, Velocity and Veracity (source: Techstartups)

Over 2.5 quintillion bytes of data are created every day, and by 2020, it is estimated that 1.7MB of data will be created every second for every person on Earth. 90% of the world's data has been created in the last two years (source: Data never sleeps 6.0., Domo, May 2018).

The accessibility of data has provided a new generation of technology and has shifted the business focus towards data-driven decision making (source: Dataversity). The key to Amazon's and Google's revenue success is data, as well as the reason for Facebook's social media empire and Spotify's upending of the music streaming business. All of these companies have managed to leverage the vast amounts of information they get from their multitude of users - whether from their search habits, the posts they share, the products they buy, or the music they listen to - into major revenue streams. It is not just the fact that these companies have been able to gather data on millions (or billions, in the case of some of these companies); it is that those companies have managed to effectively use that data to better understand and market to their users. All of these companies are using artificial intelligence (or, more accurately, deep learning) to do this (source: Inc.).

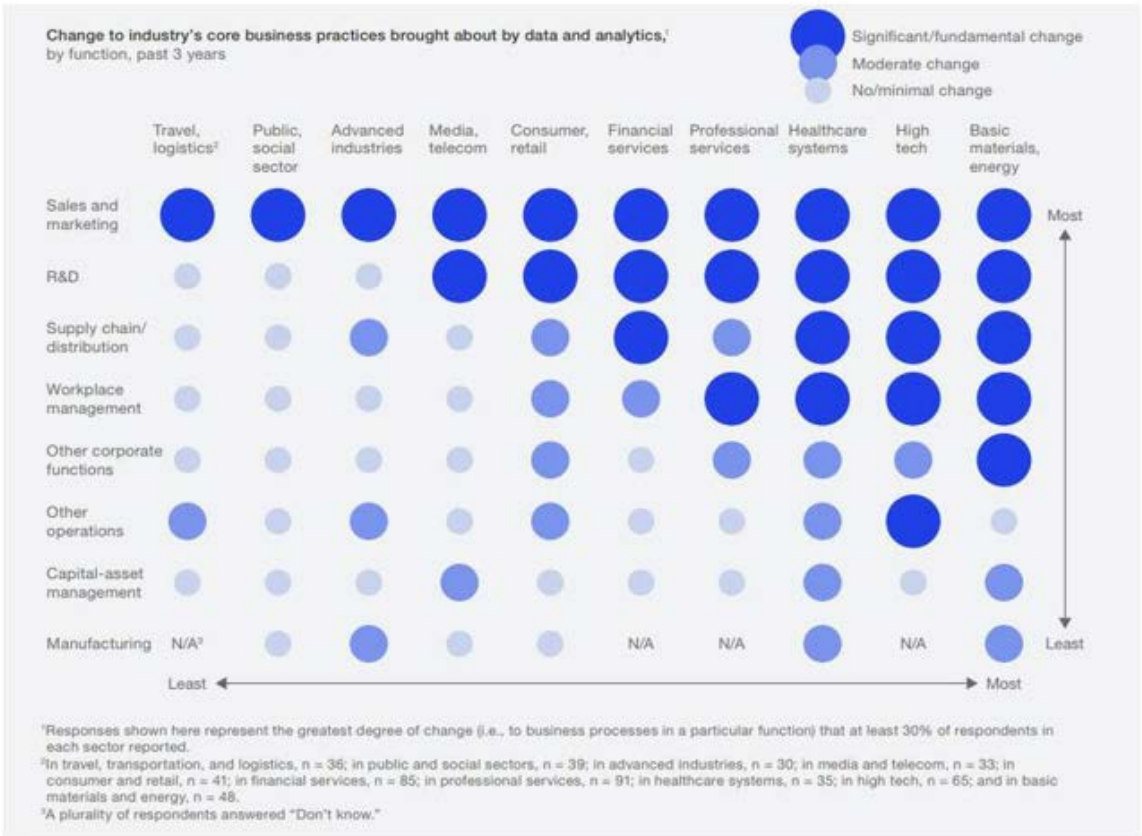
Worldwide Big data market revenues for software and services are projected to increase from $42,000 million in 2018 to $103,000 million in 2027, attaining a Compound Annual Growth Rate ("CAGR") of 10.48% (sources: Wikibon, February 2018, and Statista, August 2019).

Big data market size revenue forecast worldwide from 2011 to 2027, in billion U.S. dollars (source: Statista)



Sales and Marketing, Research & Development (R&D), Supply Chain Management (SCM) including distribution, Workplace Management and Operations are where advanced analytics including big data are making the greatest contributions to revenue growth today. Nearly 50% of respondents to a recent McKinsey Analytics survey say analytics and big data have fundamentally changed business practices in their sales and marketing functions. Also, more than 30% say the same about R&D across industries, with respondents in High Tech and Basic Materials & Energy report the greatest number of functions being transformed by analytics and big data (source: “Analytics comes of age”, McKinsey 2018).

Change to industry’s core business practices brought about by data and analytics (source: McKinsey)



New big data concepts and technologies are constantly appearing on the market, and older technologies fade away, or get used in new ways. There are several expected big data trends for 2019 (source: Dataversity):

- More and more businesses will treat computation in terms of data flows rather than data that is just processed and landed in a database. These data flows capture key business events and mirror business structure. A unified data fabric will be the foundation for building these large-scale flow-based systems
- Artificial intelligence platforms will gain in popularity to process big data
- Many organizations will find the position of data curator has become a new necessity. The data curator's role will combine responsibility for managing the organizations metadata, as well as data protection, data governance, and data quality
- The U.S. government could make an effort to imitate the GDPR and hold businesses accountable for how they handle privacy and personal data
- Hybrid clouds which combine organizations' private clouds with the rental of public clouds will gain popularity.

Sensors and internet of things

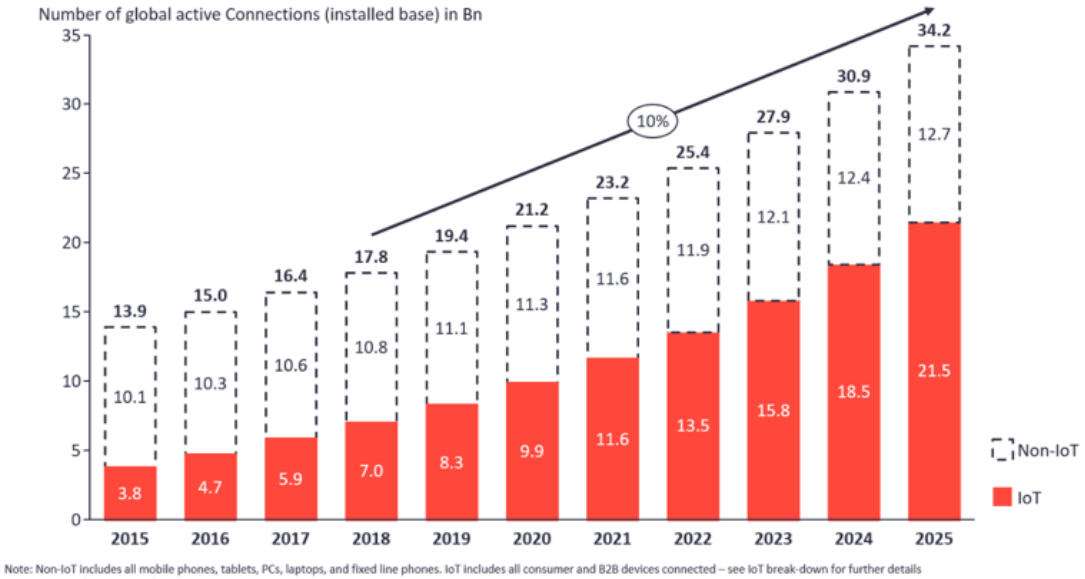
Kevin Ashton from MIT coined the expression the Internet of Things ("IoT") in 1999 to describe the interconnectivity, by means of sensors, transmitters and other computing devices, of everyday objects and machines, creating one large, interconnected network where data can be shared, analyzed and managed, something which has been made possible by the cheaper sensors and improved internet accessibility. The physical state and actions of the connected objects can be easily monitored, providing the ability to efficiently manage and learn from the data collected. An example of this is 'domotics', or home automation; a smart automated home can, for example, warm up those rooms where it detects human presence, and learn the family's behavioral patterns to heat or cool places depending on their use rate, ultimately, improving energy efficiency (source: "Technological disruption is already here", Arcano 2017).

Uses of IoT (source: "Technological disruption is already here", Arcano 2017).

Sector	Uses
Homes and offices	Connected thermostats, smart conditioning, safety and lighting. Productivity improvements derived from task optimisation in offices as 'things' are able to identify inefficiencies
Transport	Early diagnosis of failures in vehicles, information about navigation, routes and safety
Retail stores	Optimisation of inventories, cross-sales, promotional products based on personal profiles
Personal mobile apps	Smart watches which provide information on heartbeats, disease detection, sleep quality etc.
Industrial Internet	Real-time analysis of processes for sustained improvement, factory automation and supply chain systems
Cities	Traffic lights, smart parking and ticket machines, meter boxes, traffic management, safety, etc.

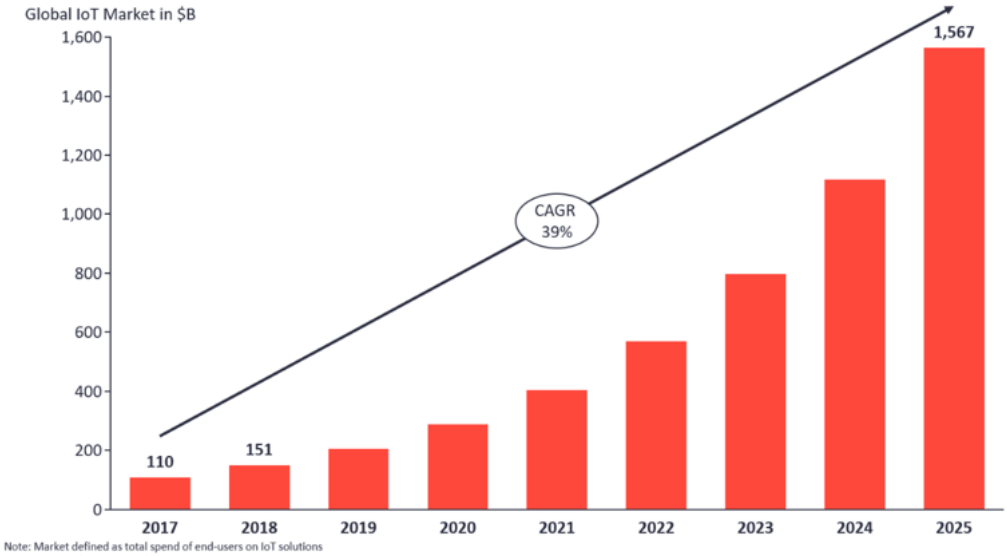
The market for IoT accelerated in Q1/Q2 2018. The number of connected devices that are in use worldwide now exceeds 17,000 million, with the number of IoT devices at 7,000 million (that number does not include smartphones, tablets, laptops or fixed line phones). Growth in global connection is mainly driven by IoT devices – both on the consumer side (e.g., Smart Home) as well as on the enterprise/B2B side (e.g., connected machinery). The number of IoT devices that are active is expected to grow to 10,000 million by 2020 and 22,000 million by 2025. This number of IoT devices includes all active connections and does not take into consideration devices that were bought in the past but are not used anymore (Source: IoT Analytics 2018).

Total number of active device connections worldwide (source: IoT Analytics, 2018)



The current market sentiment and short-term outlook is extremely positive. Software and platforms are expected to continue to drive the market as more data is moved to the cloud, new IoT applications get brought to market, and analytics continue to gain in importance. The current global IoT market of $151,000 million is expected to grow to $1,567,000 million by 2025 (Source: IoT Analytics 2018).

Global IoT market forecast (source: IoT Analytics, 2018)



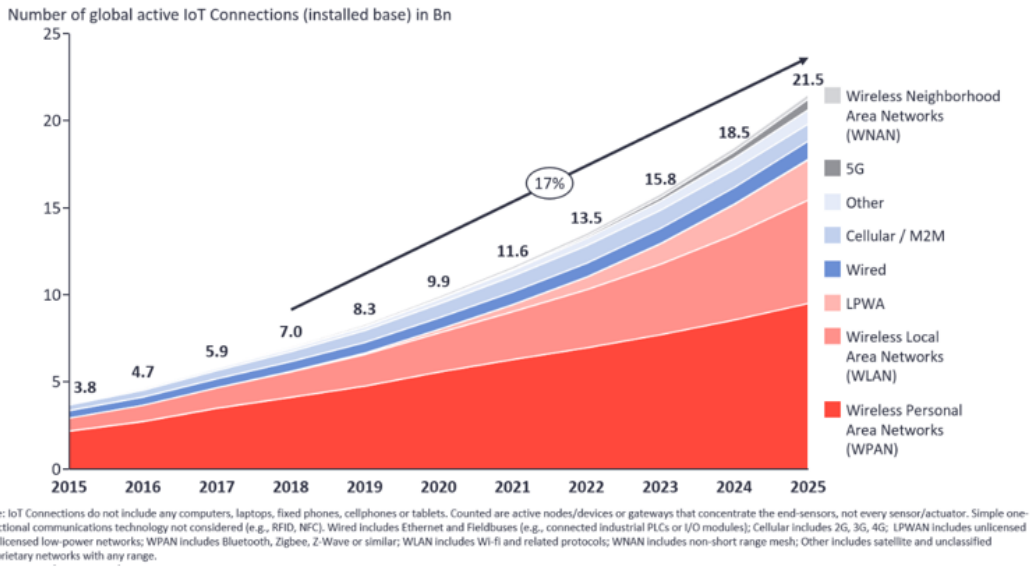
From a device connectivity point of view the dynamics vary extremely:

- Wireless Personal Networks (WPAN): The highest number of IoT devices are connected through short-range technology (WPAN) that typically does not exceed 100 million in maximum range. These include Bluetooth-connected devices such as headsets but also Zigbee and Z-wave connected devices that can mostly be found in smart homes e.g., for connecting smoke alarms or thermostats.
- Wireless Local Area Networks (WLAN): Another large category is Wireless Local Area Networks that cover connectivity of up to one kilometer. Wi-Fi is the most common standard in this category and seeing great growth, mostly through the use of home assistants, smart TVs, and smart speakers but also increasingly through use in

industrial settings such as factories (although it continues to play a minor role in those settings compared to other technologies).

- Low-power Wide Area Networks (LPWAN): A large chunk of the future growth in the number of IoT devices is expected to come from low-power wide area networks. By 2025, it is expected that more than 2,000 million devices will be connected through LPWAN. The technology, which promises extremely high battery life and a maximum communication range of over 20 kilometers is used by three main competing standards, Sigfox, Lora, and NB-IoT, which are currently being rolled-out worldwide with more than 25 million devices already connected now, the majority of which are smart meters.
- Wired: Few people think of wired connections when they think of IoT. However, in many settings a wired device connection is still the cheapest and most reliable options. Particularly in industrial settings, fieldbuses and ethernet technologies use wired connections to a large extent and are expected to remain doing so in the next years.
- Cellular / M2M: 2G, 3G, and 4G technology had for a long time been the only option for remote device connectivity. As LPWA and also 5G gain momentum, it is expected that these legacy cellular standards will lose share to the new technologies as they present a more lucrative opportunity to many end-users.
- 5G: 5G technology provides massive bandwidth with extremely low latency. The roll out of 5G networks is underway. Deutsche Bank's primary research shows U.S. smartphone users are relatively ambivalent and 5G's biggest effects could be outside smartphones. It will enable predictive maintenance on cars, virtual reality films, autonomous cars, and other smart city applications. And that is before considering the industrial Smart Factory applications that are already being built (source: "How 5G will change your life", Deutsche Bank, July 2019).
- Wireless Neighborhood Area Networks (WNAN): Wireless Neighborhood Area Networks (WNAN) sit in between WLAN and long-range technologies such as cellular in terms of communication range. Typical proponents of this technology include mesh networks such as Wi-Sun, or JupiterMesh. In some cases, the technology is used as an alternative for LPWA/Cellular (e.g., in Utilities Field Area Networks) and in other cases as a complimentary element (e.g., for metering deep in-door where nothing else reaches).
- Other: Other technologies, such as satellite and unclassified proprietary networks will continue to play a role in the Internet of Things, although minor compared to the other technologies. (source: IoT Analytics Research 2018)

Global number of connected IoT devices, by type of connectivity (source: IoT Analytics Research 2018)



Note: IoT Connections do not include any computers, laptops, fixed phones, cellphones or tablets. Counted are active nodes/devices or gateways that concentrate the end-sensors, not every sensor/actuator. Simple one-directional communications technology not considered (e.g., RFID, NFC). Wired includes Ethernet and Fieldbuses (e.g., connected industrial PLCs or I/O modules); Cellular includes 2G, 3G, 4G; LPWAN includes unlicensed and licensed low-power networks; WPAN includes Bluetooth, Zigbee, Z-Wave or similar; WLAN includes Wi-fi and related protocols; WNAN includes non-short range mesh; Other includes satellite and unclassified proprietary networks with any range.

Marketplaces

An online marketplace is a website or app that facilitates shopping from many different sources. The operator of the marketplace does not own any inventory, its business is to present other people's inventory to a user and facilitate a transaction (source: Forbes).

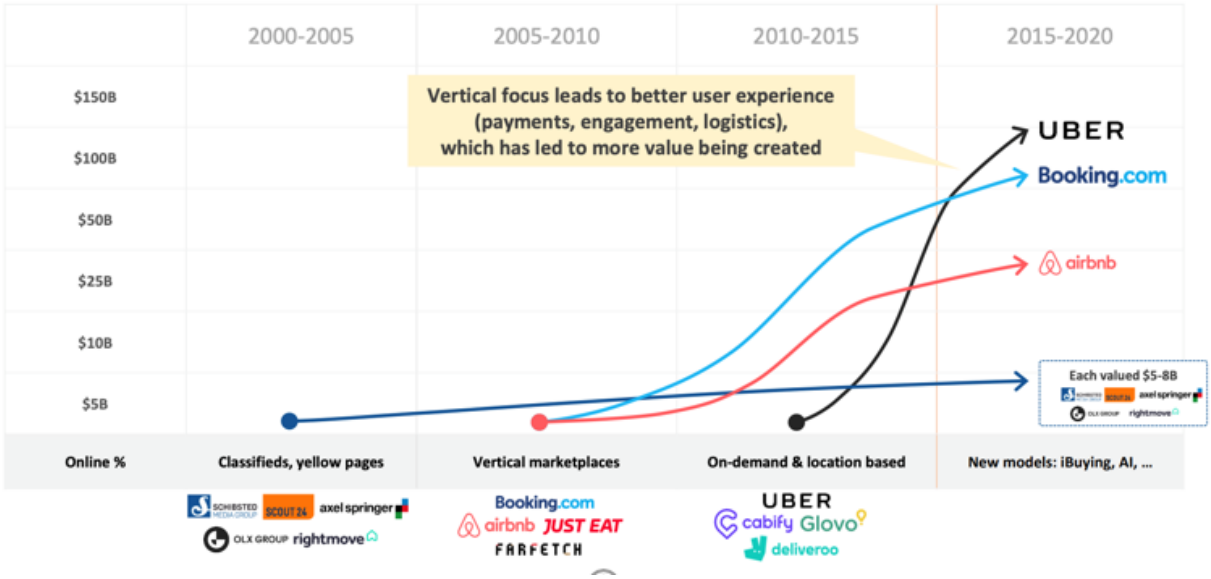
The initial wave of marketplaces from the 2000s such as Leboncoin, Marktplaats, Rightmove tended to be supply-driven (e.g. aggregating an existing supply of second-hand goods to increase transparency), asset-light and with a classified listing fee business model. Annual spending on classifieds ads in Europe is a $8,000 million market and still growing at about 5% per year, according to IAB.

The second wave of marketplaces enabled the transaction to take place on the platform and also facilitated payments. An example is the transition from yellow pages (listing fees) to Just Eat (commission).

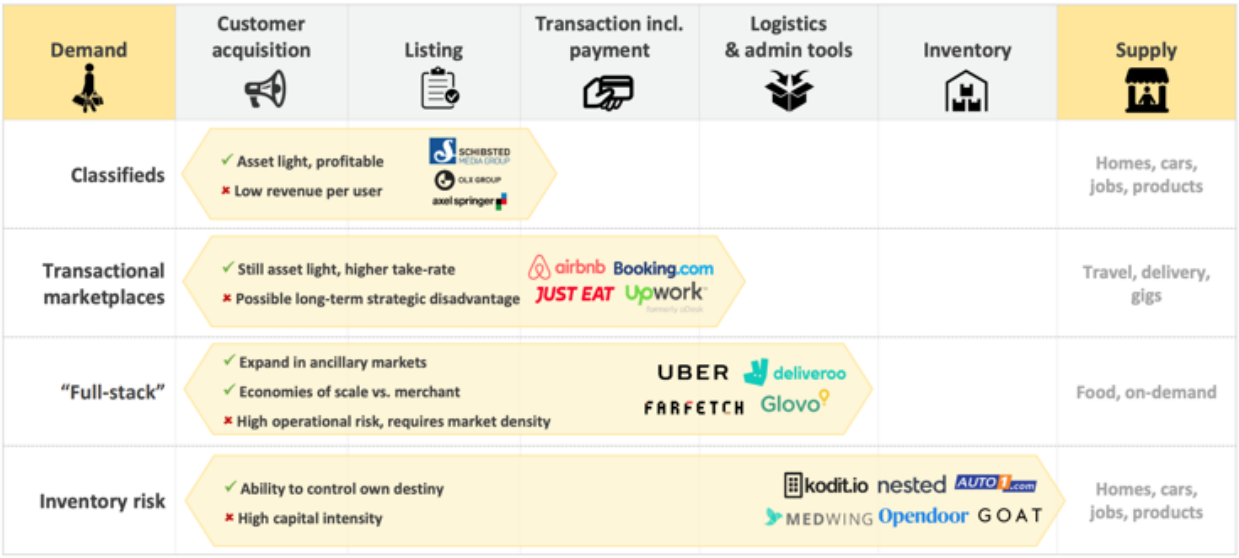
The third wave of marketplaces also added logistical processes to form a full-stack marketplace. A good example is the evolution from Just Eat (processing orders, but restaurants have to do delivery themselves) to Deliveroo or Glovo (own riders do delivery). Each step involved greater ownership of the transaction, needed to unlock new markets.

This trend continues as the next generation marketplaces are often even taking inventory supply from the seller (so called iBuying). The prime iBuying example is Auto1 Group which buys used cars directly from consumers, using its own balance sheet, and sells the car at a small mark-up, usually to a dealer network. For the consumer this creates some assurances that the price is sold both fast and at a fair price, without having to negotiate. This creates an entirely new experience for consumers. The model is of course complex, and requires scale, capital, years of market experience (some others have failed). In real estate, this same model is gaining traction: Opendoor (U.S.) buys homes directly from consumers, refurbishes them and puts them on the market. Variations of the model have since emerged. Kodit (Finland) also buys real estate directly from consumers, but uses a pool of investors, and so keeps its own balance sheet light. A big difference between real estate and cars is that almost every home is unique, whereas cars are somewhat standardized (miles, make, model, etc.) (source: “The future of online marketplaces”, Dealroom 2018).

Evolution of global marketplaces since 2000 (source: “The future of online marketplaces”, Dealroom 2018)



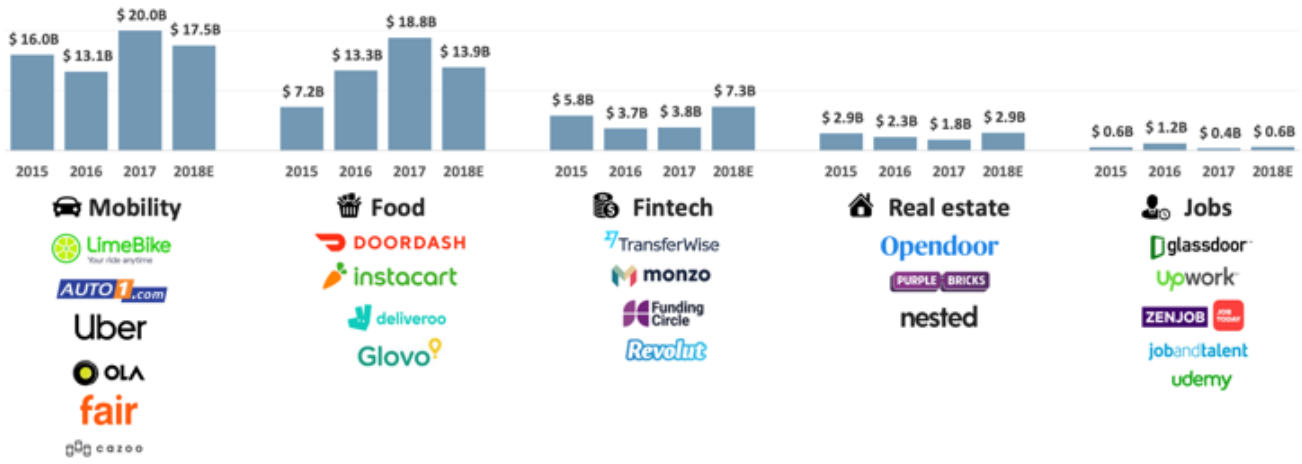
Evolution of transaction ownership of global marketplaces (source: "The future of online marketplaces", Dealroom 2018)



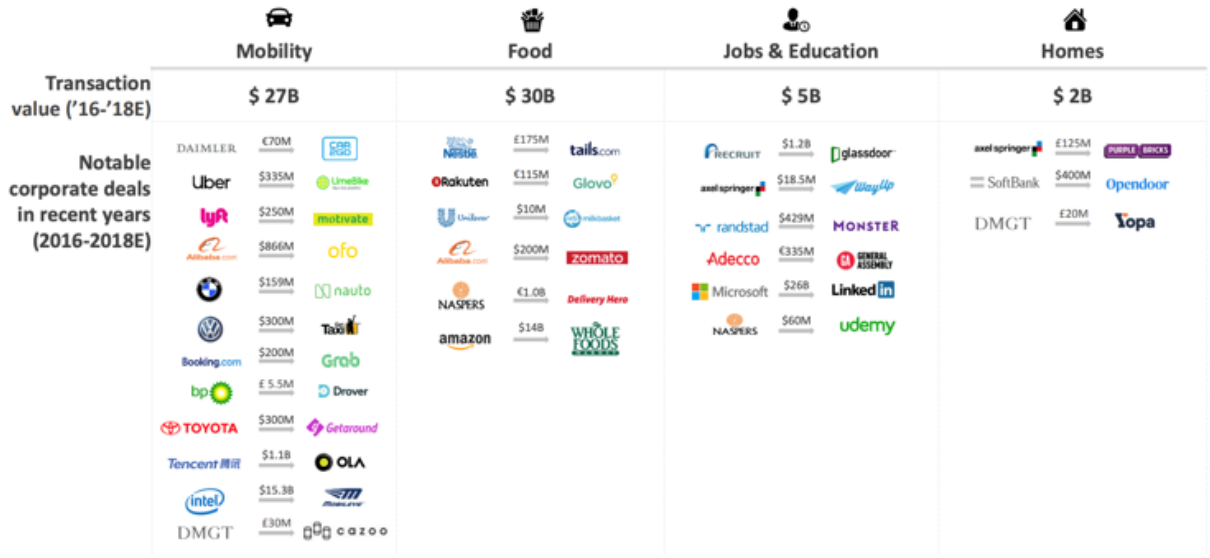
As shown above, marketplaces have been incorporating more stages in between supply and demand. The initial wave of marketplaces started with classifieds ads where the main goal was to raise brand awareness and list products. Secondly, we evolved to traditional marketplaces that not only show the product available but also include payments. Thirdly, full-stack marketplaces incorporated a logistic process and administrative tools. In here, marketplaces not only show the product and receive payments but also deliver it. Finally, the next generation of marketplaces is taking inventory from consumers, meaning that, it acquires the products from customers before placing them on the market.

Investment and M&A activity in marketplaces has been abundant across all verticals but been especially spectacular in mobility and food. The market potential there is huge and customer-life-time values are high. But upfront investment requirements are high too, hence requiring billions in investment. Housing, cars, and jobs may soon be next, as new models (iBuying) and tech (AI) are enabling formerly asset-light marketplaces to take greater ownership of transactions even for products that are traditionally difficult to transact online, thus pushing the boundaries as to which markets can be ran as full-stack service. Venture capital investment in marketplaces has been focused on mobility and food between 2015 and 2018. Corporates are betting on fundamental changes in consumer behavior, investing billions in mobility and food, with a focus on new innovative models: frictionless marketplaces, unbundling, full-stack. (source: "The future of online marketplaces", Dealroom 2018).

Global venture capital investment (source: "The future of online marketplaces", Dealroom 2018)



Notable M&A deals between 2016 and 2018 (source: "The future of online marketplaces", Dealroom 2018)



One lesson from recent years is that the overall market size is not a key driver per se. Successful marketplaces have shown that being very efficient in matching supply and demand in a smaller niche can lead to much more value (e.g. Just Eat: online delivery, Airbnb: apartment rentals). In addition, it has become industry best-practice to start with an even smaller initial market in order to break into larger eventual markets. (source: "The future of online marketplaces", Dealroom 2018).

Revenues for marketplace platform providers across the globe are predicted to more than double from $18,700 million in 2017 to $40,100 million in 2022 (the Americas will represent 57%). (source: Coresight Research and Juniper Research, May 2017)

Growth justified by fundamentals

After the dotcom bubble, investors became suspicious concerning tech companies and exponential increases in stock prices. However, unlike what happened during the 90's when valuation expansion was based on beliefs and speculations of potential future returns, the current success of technology companies is explained by strong concrete fundamental growth in revenues and margins.

According to Goldman Sachs, some of the biggest technology stocks are generating sales growth at 5x that of the rest of the market and margins are twice as high (source: Goldman Sachs, Equity Research, Global Strategy Paper NO.29: "Why Technology is not a bubble", June 2018). From 2015 to 2017, FAAMG had realised revenues above 8% while other S&P 500 companies, excluding FAAMG, decreased revenues in 2015 by 6%, had a flat change in 2016 and increased by 5% in 2017. Moreover, regarding net margin FAAMG also had an outstanding performance when compared to the remaining companies of the S&P. While FAAMG improved net margin by over 17% a year from 2015 until 2017, S&P excluding FAAMG raised their net margin by 9% a year. According to Goldman Sachs research, this trend is expected to continue.

Facebook, Apple, Amazon, Microsoft and Google (FAAMG) vs the rest of the S&P 500 sales growth YoY and Net margin analysis (GS – Goldman Sachs)

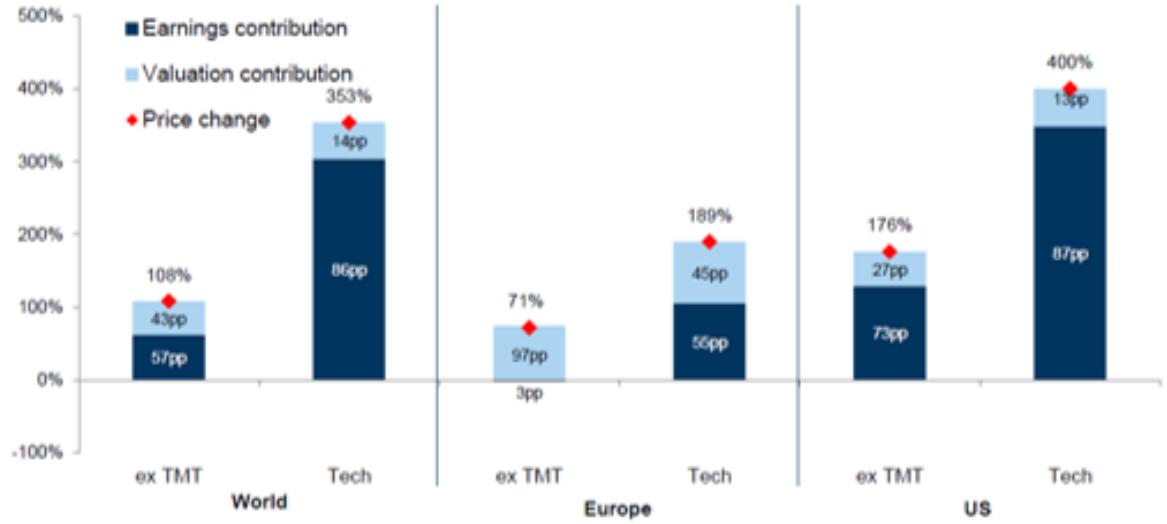
YoY sales growth	Realised			GS forecasts	
	2015	2016	2017	2018	2019
FAAMG	14%	8%	19%	20%	15%
S&P 500 ex FAAMG	-6%	0%	5%	4%	4%

Net margin	Realised			GS forecasts	
	2015	2016	2017	2018	2019
FAAMG	18%	18%	17%	19%	18%
S&P 500 ex FAAMG	9%	9%	9%	10%	10%

Source: Factset, Goldman Sachs Global Investment Research

The rise in margins of FAAMG may explain much of the increase in the overall stock market, at least in the U.S. equity market.

Changes in prices based on valuation and earnings changes since December 2008



Source: Goldman Sachs, Equity Research, Global Strategy Paper NO.29: "Why Technology is not a bubble"

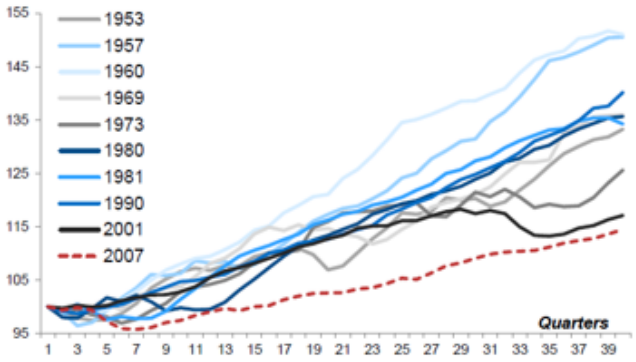
When analyzing changes in prices based on valuation and earnings changes since 2008, it can be concluded that the bulk of the returns in the technology sector have been driven by earnings (86% of the total since 2008 in the global technology sector) (source: Goldman Sachs, Equity Research, Global Strategy Paper NO.29: "Why Technology is not a bubble", June 2018). On the other hand, the market excluding technology companies has actually seen a larger proportion of its returns driven by valuation expansion rather than earnings contribution.

Reasons behind the strong performance of technology companies

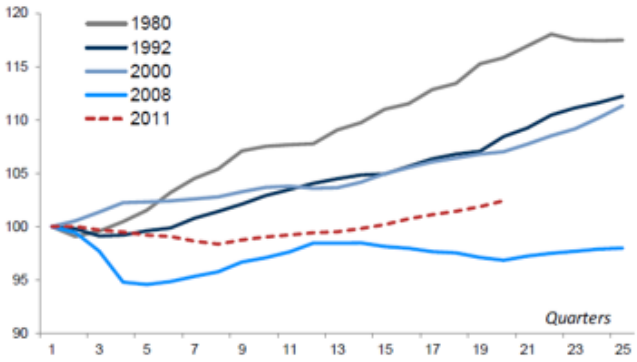
The drop in technology costs was the main driver of the strong performance of the sector. The development of new business models became cheaper and more attractive to both developers and investors. However, there are some additional factors that have dominated the post financial crisis landscape and have helped to boost the performance success of technology companies and drive both growth and value:

1) Growth has been scarce, and the technology sector was a shelter for investors who looked for growth. The post-2007 recession was the weakest economic recovery of the past 60 years (source: Goldman Sachs, Equity Research, Global Strategy Paper NO.29: "Why Technology is not a bubble", June 2018).

US real GDP following recessions



Europe real GDP following recessions



Source: Haver Analytics, Goldman Sachs Global Investment Research

2) Fewer companies generated high top-line growth because of low inflation rates and capital expenditures. As a consequence of the 2007 financial crisis, businesses have seen top management investing less in traditional capex in recent years making those that do reinvest and grow more valuable. The general lack of investment is explained by the economic distress, a preference for spending on technology rather than traditional capex and also the use cash to both strengthen balance sheets and financial liquidity to remunerate debtholders and stockholders. According to Goldman Sachs, worldwide there was a decline on the percentage of companies with high expected top-line growth (source: Goldman Sachs, Equity Research, Global Strategy Paper NO.29: "Why Technology is not a bubble", June 2018). Below, one observes that throughout the years there was a decrease on both the percentage of companies with expected sales growth FY3 over 8% and the percentage of companies with earnings growth over 15%.

Few Companies generate high top-line growth

Few Companies generate high bottom-line growth

Source: Datastream, Goldman Sachs Global Investment Research

3)

4) Moreover, quantitative easing programs implemented both in the U.S. and in Europe have boosted long duration assets. Technology companies are long duration growth companies and usually benefit from falling interest rates. In times of fall in bond yields and expansion of the U.S. Federal Reserve and the European Central Bank balance sheet, investors look for returns in equity markets and technology companies' stock returns have particularly benefitted from this shift. Nowadays, growth remains fairly scarce worldwide in terms of revenues and earnings and valuation dispersion is relatively low. So, with narrower spreads of valuations in the market investors seek out growth areas.

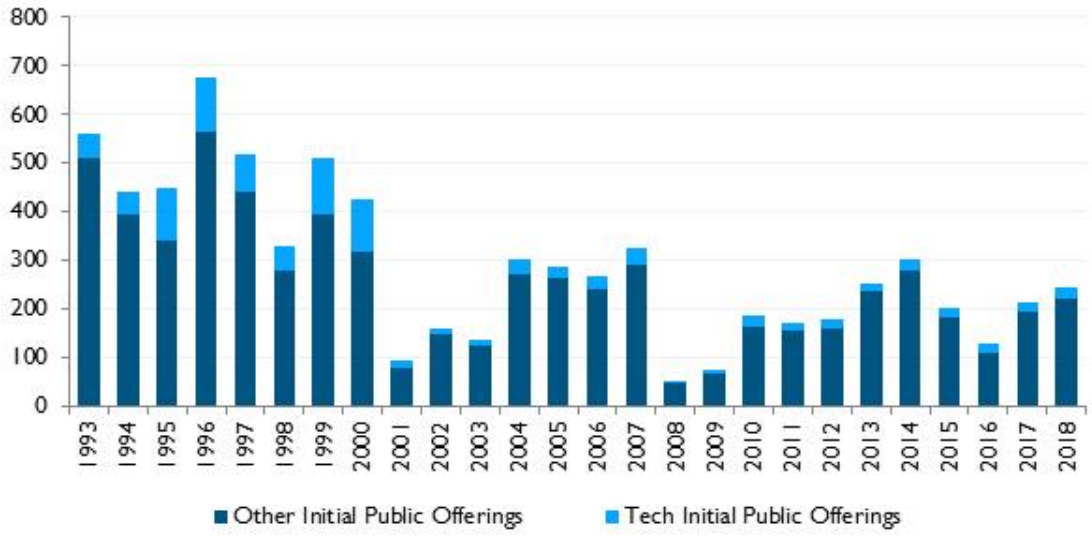
Returns are shifting from public to private investors

Technology returns used to be in public markets, where post-IPO investors were the larger winners and granted greater returns. However, the paradigm has changed. Currently, private investors are capturing returns which have shifted from public to private investors. Investing in public companies is no longer the best option and private investors are increasingly capturing the largest share of value creation. For example, on the one hand, Amazon's (IPOed in 1994) private investors had a return of 65x considering an entry valuation of $10 million, no dilution and inflation adjustments, while public investors had a return of 1,478x. On the other hand, under the same assumptions, Snapchat's (IPOed in 2011) private investors had a return of 2,700x vs 0.85x from public investors (source: Bloomberg data as of July 30, 2019, Crunchbase and Public Information).

Company	Year Founded	Year of Initial Public Offering	Valuation Initial Public Offering* *Inflation adjusted*(1)	Current Valuation**	Private Return***/ Public Return (CoC)	
airbnb	2008	-	-	$38bn(2)	3,800x / -	Pre-Initial Public Offering investors are now the larger winners
UBER	2009	2019	$70bn	$51bn	7,000x/0.72x	
lyft	2012	2019	$24bn	$10bn	2,400x/0.42x	
Spotify	2008	2018	$26bn	$22bn	2,600x/0.85x	
snapchat	2011	2017	$27bn	$23bn	2,700x/0.85x	
facebook	2004	2012	$86bn	$490bn	8,600x/5.70x	
Google	1998	2004	$30bn	$729bn	3,000x/24.3x	
amazon	1994	1997	$652m	$931bn	65x/1,427x	Post-Initial Public Offering investors were the larger winners
Microsoft	1975	1986	$2bn	$992bn	200x/496x	
	1976	1980	$315m(3)	$877bn	32x/2,784x	

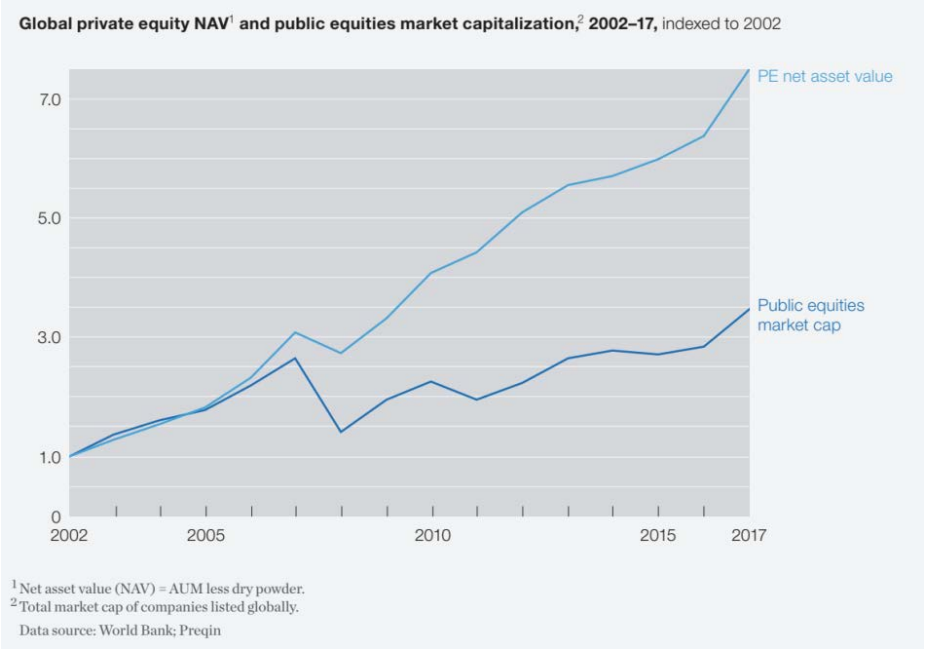
Source: Bloomberg, Crunchbase and Public Information * Valuation as of the market closing at Initial Public Offering date; ** Last valuation available. For public companies, Enterprise Value as of 11/09/2019 (Bloomberg); ***Assuming a $10M entry valuation and no dilution
Notes: (1) Constant 2018 dollars; (2) Forbes as of Apr 2019; (3) Adjusted Enterprise Value as of Dec. 1980 (Initial Public Offering Prospectus)

Private assets under management totaled less than $1 trillion in 2000; they surpassed $5 trillion in 2017. In this climate, many companies no longer need an IPO to raise capital (source: "The death of the IPO", The Atlantic, November 2018). While from 1993 to 2000 there was an average of 489 IPOs per year in the U.S.A. (above $15m), from 2001 to 2018 this number decreased to 199 (source: Bloomberg, October 2019).

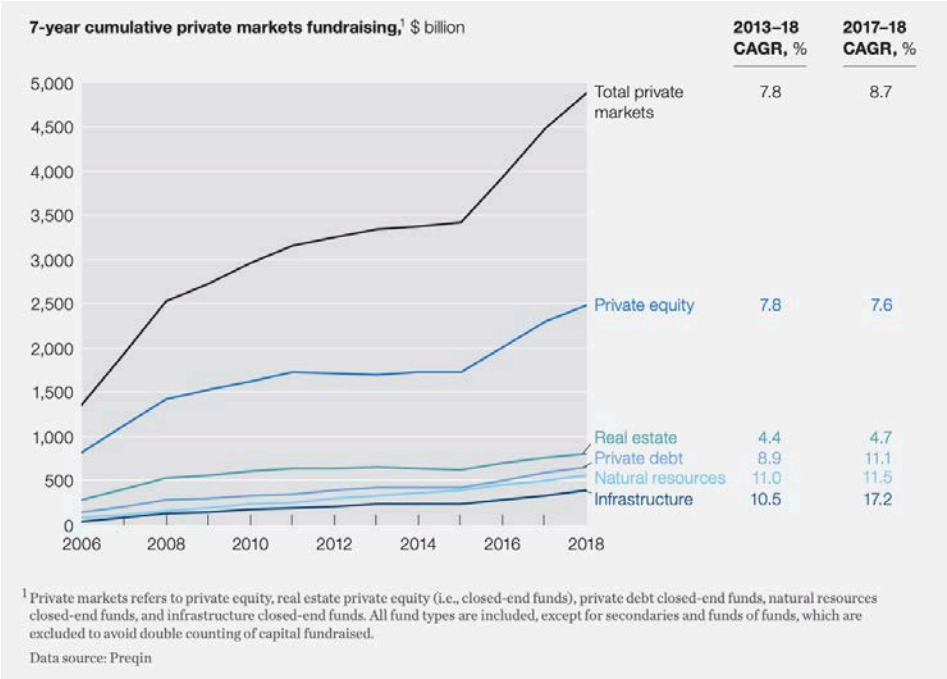


The increased financial resources from venture capital funds are delaying the need to go public and private companies backed by venture capital funds stay private for longer periods. Moreover, the advantages of going public no longer outweigh the considerable disadvantages. “First of all, it’s expensive. Initiating a public offering is an exercise in writing checks to investment bankers and lawyers. Being public then adds several million to a company’s cost structure in the form of higher compensation and the many costs associated with financial reporting. For many leadership teams, managing in a fishbowl is also enervating. Relentless scrutiny from Wall Street, quarterly reporting requirements and the linkage of corporate incentives with short-term performance goals all discourage a long-term perspective on value creation. If the stock price suffers, any number of hostile entities will be ready to swoop in with a massively disruptive takeover bid". (source: “Public vs. Private Assets: The Big Switch”, Bain & Company, February 2019).

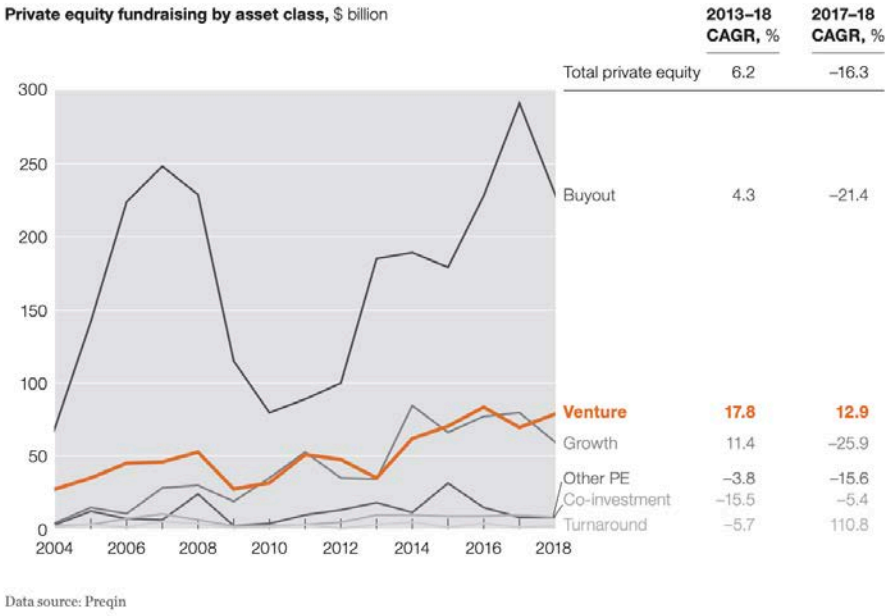
Global Private Equity net asset value has grown more than sevenfold since 2002, outpacing public market equities (source: “Private markets come of age”, McKinsey Global Private Markets Review 2019).



Fundraising by private markets globally was at an all-time high in 2018, mainly led by Private Equity funds (source: “Private markets come of age”, McKinsey Global Private Markets Review 2019).



Venture has grown faster than other Private Equity segments over the past five years. (source: "Private markets come of age", McKinsey Global Private Markets Review 2019).



Venture Capital Dynamics

Overview

Venture capital is usually considered a sub-division of private equity asset class. Private equity, at its most basic, is the use of privately-negotiated transactions to invest in equity of public and/or private companies both in majority and minority equity stakes. In this sense, venture capital is a private equity asset class that represents a minority stake invesment in private companies, namely start up companies and early stage businesses. Moreover, while private equity refers to investments across all industries, venture capital is focused on technology, bio-technology and clean-tech companies. The use of proceeds of venture capital investments is also very specific in the sense that it is mostly applied to product development, engineering, business development, sales and marketing.

Besides venture capital subdivision, private equity is split in the following investment strategies taking into consideration both the company's profitability and life cycle. Please notice that these strategies are not mutually exclusive. For example, later stage venture capital investments may represent early stage capital expansion investments.

- Venture capital. Investment in seed capital or the early stages of developing companies.
- Capital expansion. Investment in companies that need capital to take advantage of expansion opportunities, providing access to new shareholders through a capital increase.
- Buyout. Investment in mature companies where the owners are searching for an exit or an opportunity to capitalize part of their original investment.
- Distressed and turnaround. Investment in companies that are experiencing difficulties or are close to insolvency.

In particular, venture capital is a form of financing provided to start-ups or early stage companies that have high long-term growth potential and lack access to capital markets. Venture capital is perceived as a riskier form of investment nevertheless, the above-average returns are an attractive payoff. Venture capital enables companies to grow and develop, scaling their business models and fostering its growth pace. It improves and allows the development of new technologies and their applications. For this reason, venture capital is a very relevant and consolidated asset class included within the Private Equity alternative assets category.

Venture capital investment stages

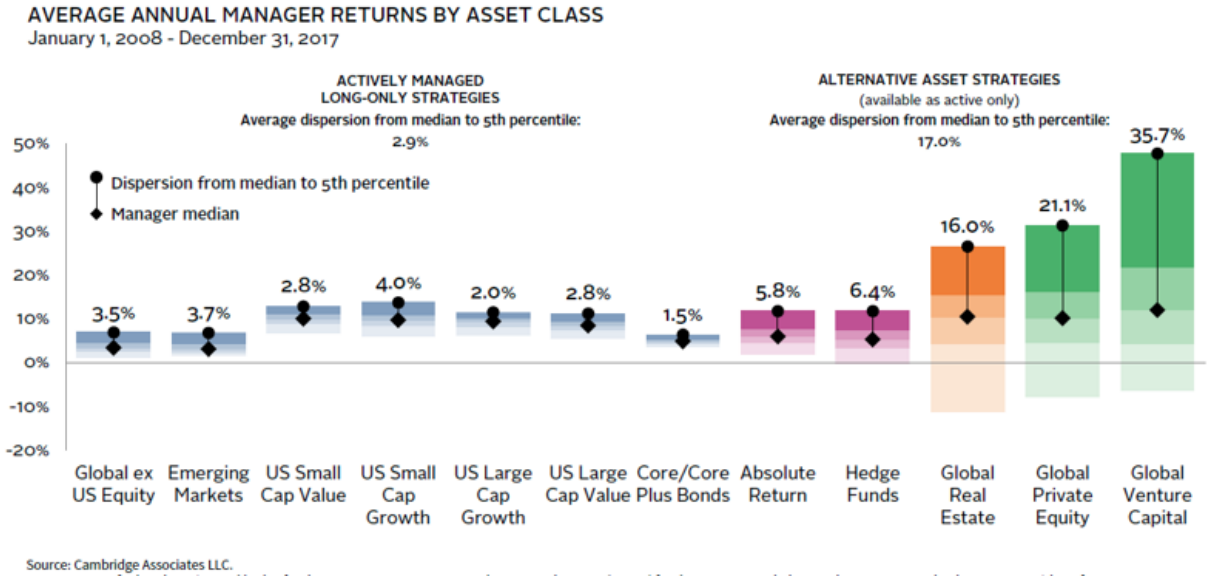
Within venture capital investments, there are different investment strategies that an investor may carry out depending on the development stage of the company. As one moves up in the development stage, investment risk tends to decrease as well as the potential for value creation.

- Seed capital: a form of financing provided to founders of a start-up that does not have yet a minimum viable product, most of the time what they have is an idea and are looking for capital to fund the research and development of their product. This stage differs from early and growth ones because usually there is not any commercial product available. Round sizes are typically small.
- Early stage capital (typically Series A): financing to companies that already have a sample product available (prototype) and have just been organized or have been in business for a short time, and may have or not sold their product. There is a business plan in place and early stage companies need capital to support advertising, marketing and customer acquisition. Early stage funding can also be used for hiring staff, conducting additional research, building facilities, enhancing the technology of the company, etc. Companies at this stage are normally looking for a way to scale business.
- Growth or expansion stage (typically Series B and C): differs from seed and early stages because growth companies already have their product in the market and are producing substantial revenues and sometimes even profits. Growth stage companies require capital because they still do not have the capacity to produce sufficient cash to fund their expansion. Financing in this stage is usually provided for physical plants or capital expansion and/or geographic expansion.
- Late stage/Pre-IPO: financing to more mature companies that are on IPO track. Round sizes are typically large and channelled towards consolidating a growth-oriented team, proper and stable financial statements, good corporate development and positive market sentiments.

As explained above, growth or expansion stage (Series B and C) and late stage/pre-IPO investments already represent later stage venture capital strategies and capital expansion investments.

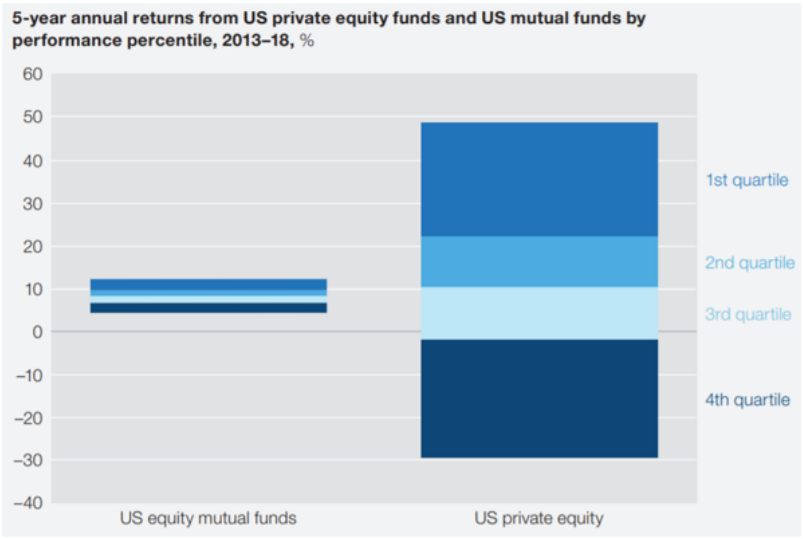
Venture capital investment strategies' returns

Venture capital funds strategies have consistently outperformed their counterparts, providing greater upside potential. Comparing average annual returns by asset class, the profitability for top performers of global venture capital investments from the January 1, 2008 until December 31, 2017 was higher than on global private equity. As shown below, from January 1, 2008 until December 31, 2017, global venture capital investments were the asset class where investors could obtain higher returns. This asset class, in some cases, delivered returns above 30%. Nevertheless, during this period, the dispersion of returns from average median annual returns to 5th percentile (top 5%) was also higher than in any other asset class. The 5th percentile managers had, on average, annual returns 35.7 percentual points above the managers median (source: Cambridge Associates LLC – Private Investments, 2018).



The recent historic path of returns of venture capital drove strong market momentum and is fostering demand for this asset class that has shown a considerable increase in capital raised by venture capital funds since the financial crisis. In 2016 and 2017, venture capital funds have globally raised more than $125,000 million (source: Global Private Equity and Venture Capital 2018, Preqin). Venture capital has proven to be a relevant and consolidated asset class and a strategy to follow for return seekers.

However, venture capital investment strategies have traditionally been affected by strong returns dispersion. The return dispersion is much greater in private equity than in public markets. For example, the dispersion of 5-year annual returns (2013-18) from US private equity funds was c.8,000 basis points while in US mutual funds was lower than 1,000 basis points (source: "Private markets come of age", McKinsey Global Private Markets Review 2019). Dispersion of returns arises because, on private equity, the value creation is skill-based. On most cases, managers actively add value to the companies in which they invest. Also, companies do not have a diversified shareholder base and there are no investible benchmarks. Furthermore, private equity funds are relatively more concentrated than normal equity funds. The investment returns also vary greatly since they target smaller companies with higher risk but also more upside potential.



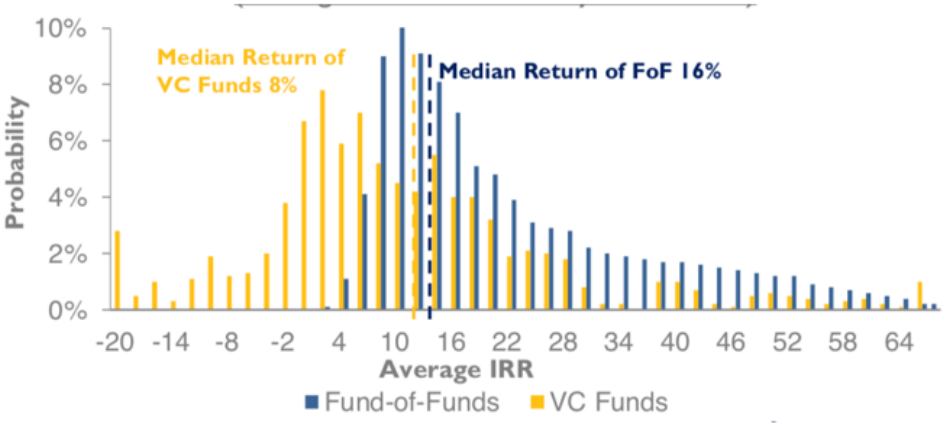
Source:"Private markets come of age". McKinsey Global Private Markets Review 2019

As shown above, US private equity funds' returns dispersion (which includes, among others, venture capital investments) was much higher than that of mutual funds from 2013 until 2018. The dispersion of returns in private markets remains extremely wide. From 2013 until 2018, there were more than 25% US private equity funds delivering negative annual returns. Only top

50% private equity funds delivered returns above 10% on an annual basis. On the other hand, none of the US equity mutual funds had negative annual returns and c.25% of them reached annual returns between 10% and 15%. Nevertheless, when compared to US private equity funds, the top 25% funds had annual returns considerably higher (above 20%).

So, it is fairly obvious that investing in private equity and, implicitly, in venture capital requires an in-depth knowledge to correctly select the fund managers and strategies to follow. Taking all the above into account, a venture fund-of-funds strategy is an optimal solution to mitigate returns dispersion. Funds of funds focused on top tier venture capital managers have proven to be a strategy that creates value compared to direct investments, given the high dispersed nature of direct venture capital funds returns (source: The Risk Profile of Private Equity Fund of Funds, Weidig, T. and Kemmerer A., 2004). When analyzing venture capital funds of funds returns distribution in U.S. considering average IRR and the implicit probability distribution, one observes that this distribution is positively skewed and has a median return of 16% (source: The Risk Profile of Private Equity Fund of Funds, Weidig, T. and Kemmerer A., 2004).

Risk Profile of U.S. VC funds vs. US VC FoFs, Average IRR and Probability Distribution

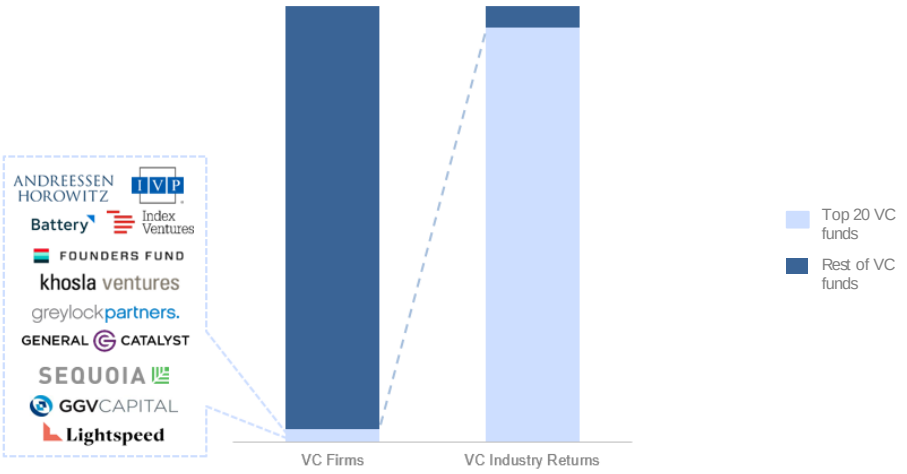


Source: "The Risk Profile of Private Equity Fund of Funds"

Concentration on the venture capital industry

Access to venture capital industry is restricted and returns are concentrated in a small number of firms, mainly in the U.S. but as of recent also in other markets such as China, Israel and Europe.

In the U.S., the venture capital industry functions as an oligopoly where the top 20 venture capital funds (out of approximately 1,000 venture capital firms) concentrate 95% of venture capital returns and are generally closed to new investors (source: Wealthfront Blog, Andy Rachleff (Co-founder, Benchmark Capital and Cambridge Associates), 2014).



Source: Wealthfront Blog, Andy Rachleff (Co-founder, Benchmark Capital and Cambridge Associates), 2014

As shown in the graph above, the top 20 VC firms in the U.S. generate 95% of venture capital returns. This happens because these VC firms, as a consequence of the accumulated experience and tremendous success in transforming startups into top tech companies have created a pole of attraction of talent, where all entrepreneurs are looking to partner with them and become the next success story. For this reason, these firms have the best start-up founders who just want to work with these successful venture capital funds that consequently have access to the best deals. These venture firms succeed, in part, because they have proprietary knowledge of the characteristics of winning companies. Over the years, the knowledge of what it takes to succeed is passed down from partner to partner and becomes part of the firms' institutional memory. Along with, given the high returns provided to investors and their successful track record, these firms are usually oversubscribed and rarely accept new investors and when they do, they demand large investment tickets since they do not lack demand. Overall, this creates a virtuous cycle with significant entry barriers where venture capital funds on one hand have strong demand from investors and on the other hand have the access to the best deals.

REGULATION

The following paragraphs are intended to be a general guide only and constitute a high-level summary of the Company's understanding of the current Spanish legal regime applicable to private equity entities. Spanish private equity entities are regulated under Law 22/2014 (as defined herein), which transposes Directive 2011/61/EU, of June 8, 2011, on Alternative Investment Fund Managers ("AIFMD") into the Spanish legal framework of close-ended investment entities. The information included in this Prospectus is based on the key aspects of Law 22/2014 and of Spanish regulations applicable to the Company.

Purpose of private equity entities

Private equity entities are defined under Law 22/2014 as collective investment entities of a closed-ended type which raise capital from a number of investors through commercial activity that seeks to generate profits or returns for such investors and whose main object is the acquisition of temporary shareholdings in companies (which shall not be real estate or financial companies, subject to certain exceptions) which, at the time of acquisition, are not listed on the primary stock exchange market or other equivalent regulated market in the EU or other member countries of the OECD.

Private equity entities are also entitled to carry out ancillary activities with respect to their portfolio companies, such as providing advice and granting profit-sharing loans (*préstamos participativos*) and other types of financing, in the latter cases only for affiliates which are mandatory included in the mandatory investment ratio of the Company, in compliance with Law 22/2014.

Characteristics of private equity entities and their management companies

Private equity entities may be established as companies or funds. In the first case, private equity entities are established as a company which has a legal personality of its own and which is managed by a board of directors. The company will also manage its investments and risk unless it has delegated such functions to a close-ended management company (*gestora de entidades de inversión colectiva de tipo cerrado*), that will be entrusted with the management of the company's risk and investment decisions. Private equity entities established as a fund will have no legal personality of their own and so will need to appoint a management company which, in addition to managing its investments, will act as its legal representative to all effects. Management companies are subject to prudential supervision and to specific rules of conduct contained in Law 22/2014 which require them to always act in the best interest of the private equity entities under their management and of the ultimate shareholders.

Management companies are allowed to sub-delegate certain of their functions to other entities in accordance with the requirements set out under Law 22/2014. This notwithstanding, management companies will remain liable vis-à-vis the entity and its shareholders for the delegated tasks.

Corporate regime of private equity companies

Private equity companies must take the form of a public limited liability company (*sociedad anónima*), with a minimum share capital of €1.2 million, of which, at least, 50% must be paid up at the time of incorporation. The bylaws, in addition to including the information required by the Spanish Companies Act, shall describe in detail the investment policy of the company and include other information required by Law 22/2014 such as the appointment of a management company. Private equity companies also have to draft a prospectus with certain mandatory information on the company. The transformation, merger, division and other corporate transactions carried out by private equity companies must be previously notified to the CNMV.

Private equity companies investment regime

Mandatory Investment Ratio (coeficiente obligatorio de inversión)

Pursuant to Law 22/2014, private equity entities must have invested, by the end of each fiscal year, at least 60% of their total accountable assets (the "Mandatory Investment Ratio") in the following types of assets:

a) shares (or equivalent securities or financial instruments that could give their holder the right to subscribe or acquire such shares, securities or instruments) and shareholdings in the capital of companies that are within its purpose in accordance with Law 22/2014;

b) profit-sharing loans (*préstamos participativos*) to companies that are within its purpose, whose profitability is totally linked to the profits or losses of the company (consequently, such profits being null if the company has no returns);

c) other profit-sharing loans (*préstamos participativos*) to companies that are within its purpose, up to 30% of the total accountable assets of the entity; and

d) shares or shareholding in other private equity entities.

In addition, the following would also qualify as eligible investments for the Compulsory Investment Ratio: (i) the granting of financing within the limits established under letters (b) and (c) above, (ii) investment in shares and shareholdings in the capital of non-financial companies listed in a second market of a Spanish Stock Exchange, Spanish multilateral trading facilities or equivalent market of other countries and (iii) granting profit-sharing loans (*préstamos participativos*) to such companies; in compliance with the requirements and limitations established in the applicable laws.

Notwithstanding the above, private equity entities may invest up to 100% of their accountable assets in other Spanish private equity entities or equivalent foreign entities without being in breach of the Mandatory Investment Ratio.

The Mandatory Investment Ratio may be breached temporally (a) during the first three years after the registration of the private equity entity with the CNMV, (b) during the 24 month period following a divestment that results in a breach of the Mandatory Investment Ratio (provided that there was no prior breach) and (c) during the three year period following a share capital increase of the private equity entity, (provided that there was no prior breach of the Mandatory Investment Ratio).

Unrestricted investment ratio (coeficiente de libre disposición)

The outstanding accountable assets not subject to the Mandatory Investment Ratio (the "Unrestricted Investment Ratio") may be freely invested in fixed-income securities traded in regulated markets, shareholding in companies outside the purpose of private equity companies, including collective investment schemes, cash, profit-sharing loans (*préstamos participativos*), financing of any type to portfolio companies within their purpose, and, in the case of self-managed companies, up to 20% of its share capital, in the property which is necessary for the development of their activity.

Other investment restrictions

Private equity entities are subject to additional mandatory investment diversification requirements, pursuant to which:

- A maximum of 25% of their total accountable assets may be invested in the same company.
- A maximum of 35% of their total accountable assets may be invested in the same group of companies.
- A maximum of 25% of their total accountable assets may be invested in affiliate companies (or, as the case may be, in affiliates of their management company), subject to certain formal requirements.

Taxation

See the "*Taxation*" section of this Prospectus.

TAXATION

Spanish Tax Considerations

The following section is a general description of certain Spanish tax implications of the acquisition, ownership and disposition of the Company's shares by Spanish and non-Spanish tax resident shareholders. The information provided below is not tax advice, and it does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and its interpretation and application.

This summary does not address all tax considerations that may be relevant to all categories of potential shareholders, some of whom may be subject to special rules. In particular, this tax section does not address the Spanish tax consequences applicable to "look-through" entities (such as trusts or estates) that may be subject to the tax regime applicable to such non-Spanish tax resident entities under the Spanish Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004 of March 5, 2004, as amended (the "NRIT Law"). Furthermore, it does not cover all possible tax consequences applicable to all categories of shareholders, some of which (e.g., financial institutions, undertakings for collective investment in transferable securities, pension funds, cooperatives, etc.) may be subject to special rules. Furthermore, this summary does not take into account the regional special tax regimes in force in the Basque Country and Navarre, or the regulations adopted by the Spanish Autonomous Regions.

The description of Spanish tax laws set forth below is based on law currently in effect in Spain as of the date of this Prospectus, and on the administrative interpretations thereof. As a result, this description is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retroactive effect.

Potential shareholders should consult their own tax advisors concerning the specific Spanish, state and local tax consequences of the acquisition, ownership and disposition of the Company's shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Spanish Tax Resident Individuals

Taxation of dividends

According to the Spanish Personal Income Tax Law (*Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio*) ("PIT Law"), income received by a shareholder who is an individual resident for tax purposes in Spain in the form of dividends, shares in profits, consideration paid for attendance at shareholders' meetings, income from the creation or assignment of rights of use or enjoyment of the Company's shares and any other income received in his or her capacity as shareholder is subject to tax as capital income.

Gross capital income shall be reduced by any administration and custody expenses (not including those incurred in individualised portfolio management) and the net amount shall be included in the relevant Spanish tax resident shareholder's savings taxable base. PIT is levied on net capital income at a flat rate of 19% for the first €6,000, 21% between €6,000.01 and €50,000 and 23% for any amount in excess of €50,000. The payment to Spanish tax resident shareholders of dividends is subject to withholding tax on account of PIT, being the current rate of 19%. Such withholding tax is creditable from the PIT liability; if the amount of PIT withheld exceeds the amount of the PIT liability, the taxpayer is entitled to a refund of the excess withheld in accordance with the PIT Law.

Taxation of capital gains

Gains or losses generated by an individual who is tax resident in Spain as a result of the transfer of the Company's shares qualify for the purposes of the PIT Law as capital gains or losses and, hence, are subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses results from the difference between the shares' acquisition value (plus any fees or costs incurred in the acquisition) and the transfer value, which is the listed value of the shares as of the transfer date or, if higher, the agreed transfer price, less any fees or costs incurred in the transfer.

Where the taxpayer owns other equivalent securities, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Capital gains or losses arising from the transfer of the Company's shares by an individual who is tax resident in Spain are included in such holder's capital income base corresponding to the period when the transfer takes place. Any gain resulting

from the compensation rules applicable to such gains and losses is taxed at a flat rate of 19% for the first €6,000, 21% between €6,000.01 and €50,000 and 23% for any amount in excess of €50,000.

Capital gains realized in the transfer of shares are not subject to withholding tax on account of PIT. Losses arising from the transfer of shares admitted to trading on certain official stock exchanges will not be treated as capital losses if securities of the same kind (*valores homogéneos*) have been acquired during the period between two months before and two months after the date of the transfer which originated the loss. In these cases, the capital losses will be included in the PIT taxable base upon the transfer of the remaining shares of the taxpayer.

Spanish Wealth Tax

Individual shareholders who are resident for tax purposes in Spain are subject to Spanish Wealth Tax on all their assets (such as the Company's shares).

Spanish Wealth Tax Law as amended (*Ley 19/1991, de 6 de junio, del Impuesto sobre el Patrimonio*) provides that the first €700,000 of net wealth owned by an individual Spanish shareholder will be exempt from taxation, while the rest of the net wealth will be taxed at a rate ranging between 0.2% and 2.5%. However, this taxation may vary depending on the autonomous region of residency of the taxpayer. As such, prospective shareholders should consult their tax advisors. A shareholder who is required to file a Wealth Tax return should value the shares at their average trading price in the last quarter of the year. Such average trading price is published on an annual basis by the Spanish Ministry of Finance.

In accordance with article 3 of Royal Decree-Law 27/2018 of December 28, as from year 2020, the full relief (*bonificación del 100%*) on Spanish Wealth Tax would apply, and therefore from year 2020 holders will be released from formal and filing obligations in relation to this Spanish Wealth Tax, unless the derogation of the exemptions is extended again (which cannot be ruled out).

Spanish Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire shares by inheritance or gift will be subject to the Spanish Inheritance and Gift Tax ("IGT") in accordance with the IGT Law (Law 29/1987, of December 18 related to Inheritance and Gifts) ("IGT Law"), without prejudice to the specific legislation applicable in each autonomous region. The applicable tax rate, after applying all relevant factors, ranges from 7.65% to 81.6% depending on the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor. Some tax benefits could reduce the effective tax rate.

Spanish Transfer Tax

The acquisition and transfer of the Company's shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisitions and transfers.

Spanish Tax Corporate Resident Shareholders

Taxation of dividends

Dividends received by a shareholder that is a Spanish tax resident corporation as a consequence of the ownership of shares, less any expenses inherent to holding such shares, are included in the CIT base according to the CIT Law. The general CIT rate is currently 25%.

However, shareholders of Spanish private equity entities, regulated by Law 22/2014, of November 12, that are CIT taxpayers should be entitled to apply the Spanish participation exemption regime for dividends paid by these entities regardless of their percentage of shareholding in the entity and the period during which the shareholding is held, provided that the rest of conditions set out in article 21 of the CIT Law are met.

As a general rule, dividends will be subject to withholding tax on account of the shareholder's final CIT at the current rate of 19%. However, no withholding tax will apply on dividends entitled to apply the Spanish participation exemption regime pursuant to article 21 of the CIT Law.

Taxation of capital gains

The gains arising on transfer of shares or from any other change in net worth relating to such shares are included in the tax base of CIT taxpayers; such gains are taxed generally at a rate of 25% (30% for credit institutions).

However, shareholders of Spanish private equity entities, regulated by Law 22/2014, of November 12, that are CIT taxpayers should be entitled to apply the Spanish participation exemption regime for capital gains derived from the transfer of shares in these entities regardless of their percentage of shareholding in the entity and the period during the shareholding is held, provided that the rest of conditions set out in article 21 of the CIT Law are met.

As to losses resulting from the transfer of shares, the CIT deductibility of the losses may be subject to temporary or permanent restrictions. For instance, losses from the transfer of the Company's shares will not be deductible if the following requirements are met: (i) the shareholding, directly or indirectly, amounts to at least 5% of the share capital of the Company (or the acquisition cost of its shares in that Spanish company exceeds €20 million) and (ii) such participation threshold is held throughout the year prior to the realization of the transfer.

Capital gains deriving from the disposal of shares are not subject to withholding tax on account of CIT.

Spanish Wealth Tax

Spanish tax resident corporations are not subject to Spanish Wealth Tax.

Spanish Inheritance and Gift Tax

In the event of acquisition of shares free of charge by a CIT taxpayer, the income generated for the latter will be taxed according to the CIT rules, the IGT not being applicable.

Spanish Transfer Tax

The acquisition and transfers of the Company's shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisitions and transfers.

Shareholders Who are not Resident for Tax Purposes in Spain

Non-Spanish tax resident shareholders acting through a permanent establishment in Spain

Taxation of dividends

Ownership of the Company's shares by shareholders who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Company's shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such shares should be those set out for legal entities with tax residence in Spain described in the preceding section.

Taxation of capital gains

If the Company's shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to capital gains deriving from such shares should be those set out for legal entities with tax residence in Spain described in the preceding section.

Non-Spanish tax resident shareholders not acting through a permanent establishment in Spain

Taxation of dividends

Dividends paid by a Spanish company to non-Spanish tax resident shareholders not acting through a permanent establishment in Spain are subject to Spanish NRIT, at the general withholding tax rate of 19%.

However, dividends paid by Spanish private equity entities to non-Spanish tax resident shareholders not acting through a permanent establishment are not considered Spanish sourced income unless such dividends are obtained through a country or territory that is defined as a tax haven by Spanish regulations. Therefore, dividends paid by the Company to non-Spanish tax resident shareholders should not be subject to Spanish NRIT unless such dividends are obtained through tax haven country.

According to the Order of the Ministry of Economy, Industry and Competiveness of April 13, 2000, upon distribution of a dividend, the Company or its paying agent will withhold an amount equal to the tax amount required to be withheld according to the general rules set forth above, transferring the resulting net amount to the depositary. For this purpose, the depositary is the financial institution with which the non-Spanish tax resident shareholder has ratified a contract of deposit or management

with respect to the shares held by such shareholders. If the depositary of the non-Spanish tax resident shareholder is resident, domiciled or represented in Spain and it provides timely evidence of the non-Spanish tax resident shareholder's right to obtain the exemption from NRIT in the manner set out in the Order of the Ministry of Economy and Competiveness of April 13, 2000, it will immediately receive the surplus amount withheld, which will be credited to the non-Spanish tax resident shareholder. For these purposes, the non-Spanish tax resident shareholder shall provide the applicable depositary with the relevant certificate of residence stating that the non-Spanish tax resident shareholder is a resident of a country other than Spain (that is not a country or territory that is defined as a tax haven by Spanish regulations) before the tenth day following the end of the month in which the dividends were paid. The tax certificate is generally valid only for a period of one year from the date of issuance and if it refers to a specific period is only valid for such period.

Spanish refund procedure

If this certificate of tax residence is not provided within this time period or if the depositary of the non-Spanish tax resident shareholder is not resident, domiciled or represented in Spain, the non-Spanish tax resident shareholder may subsequently obtain a refund of the amount withheld in excess from the Spanish tax authorities, following the standard refund procedure established by the NRIT Regulation (Royal Decree 1776/2004 of July 31, 2004), and Order EHA/3316/2010, dated December 17, 2010, that approves forms 210, 211 and 213. To pursue the refund claim, the non-Spanish shareholder is required to file:

(i) the corresponding Spanish Tax Form (currently, form 210);
(ii) a valid certificate of tax residence issued by the relevant tax authorities of the shareholder's country of residence stating that the shareholder is a resident of such country;
(iii) a certificate issued by the withholding agent stating that Spanish NRIT was withheld with respect to such non-Spanish tax resident shareholder; and
(iv) documentary evidence of the bank account to which the excess amount withheld should be paid.

For the purposes of the Spanish Refund Procedure, a non-Spanish tax resident shareholder must file the Form 210 (together with the corresponding documentation) during the period from February 1 of the year following the year in which the NRIT was withheld, and ending on the expiration of the four-year period which commenced with the end of the corresponding filing period in which the Company reported and paid such withholding taxes. The Spanish Revenue Office must make the refund within the six months after the filing of the refund claim. If such period elapses without the non-Spanish tax resident shareholder receiving the refund, the non-Spanish tax resident shareholder is entitled to receive interest for late payment on the amount of the refund claimed.

For further details, prospective investors should consult their tax advisors.

Taxation of capital gains

Capital gains obtained by a non-Spanish tax resident shareholder as a consequence of transferring shares in a Spanish company are subject to Spanish NRIT at the current tax rate of 19%. No withholding taxes are imposed on these capital gains.

However, capital gains obtained by a non-Spanish tax resident shareholders not acting through a permanent establishment as a consequence of transferring shares in a Spanish private equity are not considered Spanish sourced income unless such capital gains are obtained through a country or territory that is defined as a tax haven by Spanish regulations. Therefore, capital gains derived from the transfer of shares in the Company by non-Spanish tax resident shareholders should not be subject to Spanish NRIT unless such capital gains are obtained through a tax haven country.

Spanish Wealth Tax

Non-Spanish tax resident individuals are subject to the Spanish Wealth Tax on the assets located in Spain. Spanish Wealth Tax Law provides that the first €700,000 of assets owned in Spain by non-Spanish tax resident individuals will be exempt from taxation, while the rest of the wealth located in Spain will be taxed at a rate ranging between 0.2% and 2.5%.

Non-Spanish tax resident individuals who are resident in a Member State of the European Union ("EU") or the European Economic Area ("EEA") are entitled to apply the legislation of the autonomous region of Spain where most of the value of the assets and rights in Spain of the relevant individual is located. Prospective investors should consult their tax advisors.

In accordance with article 3 of Royal Decree-Law 27/2018 of December 28, as from year 2020, the full relief (*bonificación del 100%*) on Spanish Wealth Tax would apply, and therefore from year 2020 holders will be released from formal and filing

obligations in relation to this Spanish Wealth Tax, unless the derogation of the exemptions is extended again (which cannot be ruled out).

Non-Spanish tax resident entities are not subject to Spanish Wealth Tax.

Inheritance and gift tax

Unless otherwise provided under an applicable convention for the avoidance of double taxation ("DTC") in effect between Spain and non-Spanish tax resident's country of tax residence, transfers of shares as a result of the death of the owner or by gift to non-Spanish tax resident individuals are subject to Spanish IGT if such shares are located in Spain at the time of death or gift. The applicable tax rate, after applying all relevant factors ranges from between 7.65% and 81.6% for individuals depending on the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits. These factors may vary depending on the application of the state or the autonomous regions IGT governing laws. As such, prospective shareholders should consult their tax advisors.

Gifts granted to non-Spanish tax resident corporations are not subject to IGT but are subject to NRIT as capital gains as described above.

Spanish Transfer Tax

The acquisition and transfers of the Company's shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisitions and transfers.

Tax Regime Applicable to the Company

Corporate Income Tax (CIT)

According to Law 22/2014, private-equity entities will be subject to taxation under the special regime for private-equity entities set forth in article 50 of CIT Law as well as subject to the general CIT rules in connection with any matters that are not regulated by article 50 (i.e., it will be subject to the general tax rate of 25%). In particular, the benefits of the special tax regime are the following:

Capital gains derived from the transfer of shares. As a general rule, if the conditions required to benefit from the Spanish participation exemption regime under article 21 of CIT Law on any capital gains realized on the transfer of shares are not met, a 99% exemption will apply on the capital gains realized by the Company as a consequence of the transfer of shares of private-equity entities regulated under article 3 of Law 22/2014, provided that the transfer is executed within a period starting from the second year of holding those shares, as from the acquisition or its delisting, to the 15th year (both inclusive). Exceptionally, under the conditions established in applicable regulations, this period may be extended to the 20th year (inclusive).

However, capital gains realized on the transfer of shares in entities described in article 9.2.a) of Law 22/2014 that do not meet the conditions required to benefit from the Spanish participation exemption regime of article 21 of CIT Law may apply a 99% exemption, provided that the real property representing 85% of the total book value of the real property owned by the entities is allocated—uninterruptedly during the holding period—to a business activity within the meaning set out in the PIT Law other than a financial activity (as defined by Law 22/2014).

In the event that the entities held by the private-equity entities are listed on a regulated stock exchange, the 99% exemption will apply to the extent that the private-equity entity transfers its shares in the entity no later than three years since the listing of the entity,

Finally, this exemption will not be applicable if (i) the acquirer is resident in, or the private equity acts through, a tax-haven country or territory (as defined by Spanish regulations); (ii) the acquirer is a related party (pursuant to CIT Law) to the private-equity entity, save where the acquirer is also a private-equity company, in which case the entity will subrogate to the acquisition value and date of the transferor entity; or (iii) the shares transferred had previously been acquired by a person or entity related to the private-equity entity.

Dividends. according to article 50.2 of CIT Law, private-equity companies should be entitled to apply the Spanish participation-exemption regime for dividends paid by such entities regardless of their percentage of shareholding in the entity and the period during which the shareholding is held, provided that all remaining conditions set out in article 21 of CIT Law are met.

Last, it should be taken into consideration that the special tax regime regulated by article 50 of CIT Law will not be applicable to any income obtained through—or with an acquirer tax resident in—a jurisdiction defined as a tax haven in Spanish tax regulations.

Valued Added Tax (VAT)

Pursuant to the VAT Law, the management services of the Company provided by the Investment Manager should be exempt from VAT.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The Company expects net proceeds from the Offering of approximately €95,401,500 (gross proceeds of approximately €100,000,000 less total expenses in the amount of approximately €3,500,000 comprising the fees payable to the Managers and other expenses related to the Offering in the amount of approximately €1,098,500 (assuming placement of all the New Shares)) (the "Net Proceeds").

The Company's principal use of the Net Proceeds of the Offering will be to invest in a diversified portfolio of venture capital funds investing in technological businesses, as well as to fund the Company's operating expenses consistent with the Investment Strategy of the Company. The Company expects to have fully invested and/or committed the investment of the Net Proceeds of the Offering within 24 months following the Admission. Following Admission and in addition to using the Net Proceeds of the Offering to make investments, the Company will incur operating expenses that will need to be funded. Initially, the Company expects that these expenses will be principally funded through the Net Proceeds. In addition to the Investment Manager's fees under the Investment Management Agreement, such operating expenses include: (i) investment costs and expenses (such as due diligence costs, legal costs and taxes); (ii) independent Director's remuneration and audit fees; and (iii) other operational costs and expenses.

Except for the Initial Portfolio (see "*Information on the Company— The Initial Portfolio and related-party transactions*" for further information), as of the date of this Prospectus, the Company does not own any investment funds and, until the Company is able to deploy the Net Proceeds to be raised in the Offering, it intends to hold them as cash or cash equivalents with one or more banks. The Company may at any time hold overnight or term deposits or, invest in a range of cash equivalent instruments such as government securities or money market funds, either in euro or in currencies other than euro. The Investment Manager may, on behalf of the Company, also utilise (either directly or via investment in a collective investment vehicle) the services of an affiliate of the Investment Manager or a third party to manage this excess cash. There are currently no restrictions on the amount of cash or cash equivalent instruments that the Company may hold.

For additional information, see the section "*Information on the Company*".

DIVIDEND POLICY

The Company will not have a formal dividend policy.

The Company intends to reinvest any dividends, profits and income that it receives from its investments in venture capital entities and in companies which it has co-invested in. It is not currently envisaged that any income or gains will be distributed by the Company by way of dividend in the near future and at least during the first five years since the date of the Admission.

However, the Board of Directors may consider the payment of dividends (or other methods of returning net proceeds to shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of and investment opportunities available to the Company. The ability of the Company to pay dividends in the future to its shareholders, will depend on, amongst other things, the ability of the underlying investment funds to generate net income distributable to their respective holders, achieving sufficient earnings, the level of profitability, cash-flow generation as a result of the sale of underlying investments or application of restrictions on the payment of dividends under applicable laws or contractual arrangement.

The conditions under which the Company may declare to distribute dividends in accordance with Spanish law and the Company's bylaws are described under "*Description of Share Capital—Dividend and liquidation rights*".

FINANCIAL INFORMATION

Accountant's report on the historical financial information of the Company

Translation of a report originally issued in Spanish based on the work performed in accordance with the audit regulations in force in Spain and of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITORS' REPORT ON INTERIM FINANCIAL STATEMENTS

To the Sole Shareholder of Balboa Ventures, Sociedad de Capital Riesgo, S.A.,

Opinion

We have audited the interim financial statements of Balboa Ventures, Sociedad de Capital Riesgo, S.A. (the Company), which comprise the balance sheet as at 16 October 2019, and the statement of profit or loss, statement of changes in equity, statement of cash flows and explanatory notes thereto for the period from 11 September 2019 (date of incorporation of the Company) to 16 October 2019 (together, "the interim financial statements").

In our opinion, the accompanying interim financial statements present fairly, in all material respects, the equity and financial position of the Company as at 16 October 2019, and its results and its cash flows for the period from 11 September 2019 (date of incorporation of the Company) to 16 October 2019 in accordance with the regulatory financial reporting framework applicable to the Company (identified in explanatory Note 2-a) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Interim Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the interim financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Most Significant Audit Matters

The most significant audit matters are those matters that, in our professional judgement, were considered to be the most significant risks of material misstatement in our audit of the interim financial statements of the current period. These risks were addressed in the context of our audit of the interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those risks.

Existence and valuation of non-current financial assets	
Description	**Procedures applied in the audit**
As described in accompanying explanatory Note 1, the Company's main object is to invest, directly or indirectly, and on a temporary basis, in mostly recently-created companies in the technology industry. At the closing date of the accompanying interim financial statements, the Company's	Our audit procedures included, among others, requesting confirmation of the equity interests in the venture capital entity from its management company and the Company's custodian, in order to verify their consistency with the Company's records. Also, for the same purpose, we requested confirmation, of the equity

investments comprised equity interests in a single venture capital entity which, as established in accounting legislation (see accompanying explanatory Note 3-e), is valued using as a reference the fair value of the recent transactions of the security itself and contrasting it with the underlying carrying amount of the investments, which is furnished by the managers of the venture capital entities in which the Company invests and which reflects their net asset value. Since the non-current financial assets constitute the only asset of the Company for which it is necessary to estimate a fair value and because they represent a very significant amount of the Company's total assets, we identified the existence and valuation of the non-current financial assets as one of the most significant matters in our audit.

interests held, from the management company of the only venture capital vehicle in which the aforementioned venture capital entity has a direct ownership interest and the Company has an indirect interest.

Additionally, we performed substantive procedures to contrast the fair value used as a reference by the Company at 16 October 2019, which consisted of obtaining the legal documentation available on the recent transactions performed and the latest available (unaudited) financial information furnished by the management company of the only venture capital entity owned by the Company, and by the manager of the only investment vehicle owned by the aforementioned venture capital entity (see accompanying explanatory Note 6); all of the foregoing was obtained in order to validate the reasonableness of the valuation process performed by the Company.

Lastly, we performed procedures to ascertain whether the disclosures relating to the non-current financial assets included in accompanying explanatory Notes 3-a, 6 and 10 are in conformity with the requirements of the regulatory financial reporting framework applicable to the Company.

Emphasis of Matter

We draw attention to accompanying explanatory Note 10, which indicates, among other matters, that the aforementioned investments are of scant liquidity, owing to their holding periods and unlisted nature, and may be difficult to sell at a given point in time.

In addition, as indicated in accompanying explanatory Note 3-a, for the calculation of the fair value of its investments, the Company depends on the financial information, normally not yet audited, that is provided both by the managers of the venture capital funds and vehicles in which it invests and by the entities in which, as the case may be, it may co-invest, and which, in the case of the venture capital funds and vehicles, reflects their net asset value. Also, since in the case of those funds and vehicles the aforementioned financial information might not refer exactly to the closing date of the Company's financial statements, it could be necessary to estimate the corresponding net asset value on the basis of supplementary information available at that date, which in most cases can only be obtained from the managers of the venture capital entities in which the Company invests.

As a result of all the foregoing, and especially of the very nature of the entities making up the investment portfolio (mainly recently created companies in the technology industry –see accompanying explanatory Notes 1 and 10), the value for which investments are ultimately realised may differ significantly from the provisional valuations furnished by the manager of those investments, which are used by the Company as the basis for determining the fair value of its investments as shown in the financial statements. Consequently, the changes in the fair values of the investments may give rise to volatility in the net asset value of the Company and in the results that it reports periodically. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Statements

The directors are responsible for preparing the accompanying interim financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

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

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

A further description of our responsibilities for the audit of the interim financial statements is included in Appendix I to this auditor's report. This description in the aforementioned Appendix I forms part of our auditor's report.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Alberto Torija
Registered in ROAC under no. 20602

5 November 2019

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the interim financial statements.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

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

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

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

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

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the significant risks communicated with the entity's directors, we determine those risks that were of most significance in the audit of the interim financial statements of the current period and are therefore the most significant assessed risks.

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

Translation of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.

BALANCE SHEET AS AT 16 OCTOBER 2019 (NOTES 1 TO 3)

ASSETS	Note	Euros	LIABILITIES AND EQUITY	Note	Euros
CURRENT ASSETS		**1,197,971.00**	**CURRENT LIABILITIES**		**1,316,611.89**
Cash and cash equivalents	**5**	**1,197,971.00**	**Accruals and deferred income**		**-**
Prepayments and accrued income		**-**	**Accounts payable**	**8**	**379,153.00**
Current financial assets		**-**	**Current payables to Group companies and associates**	**6**	**937,458.89**
Equity instruments		-	**Current payables**		**-**
Loans and credits to companies		-	**Short-term provisions**		**-**
Debt securities		-	**Other current liabilities**		**-**
Derivatives		-			
Other financial assets		-	**NON-CURRENT LIABILITIES**		**-**
Current investments in Group companies and associates		**-**	**Accruals and deferred income**		**-**
Accounts receivable		**-**	**Deferred tax liabilities**		**-**
Other current assets		**-**	**Non-current payables to Group companies and associates**		**-**
			Non-current payables		**-**
NON-CURRENT ASSETS		**937,458.89**	**Long-term provisions**		**-**
Deferred tax assets		**-**	**Other non-current liabilities**		**-**
Non-current financial assets		**937,458.89**			
Equity instruments		937,458.89	**TOTAL LIABILITIES**		**1,316,611.89**
Of venture capital investees	**6**	937,458.89			
Of other entities		-	**EQUITY**		**818,818.00**
Loans and credits to companies		-	**Redeemable funds**	**7**	**818,818.00**
Debt securities		-	Share capital		1,200,000.00
Derivatives		-	Registered		*1,200.000.00*
Other financial assets		-	Less: uncalled capital		-
Non-current investments in Group companies and associates		**-**	Unitholders		-
Equity instruments		-	Share premium		-
Of venture capital investees		-	Reserves		-
Of other entities		-	Own equity instruments		-
Loans and credits to companies		-	Prior periods' profits/losses		-
Debt securities		-	Other shareholder contributions		-
Derivatives		-	Loss for the period		(381,182,00)
Other financial assets		-	Interim dividends		-
Property, plant and equipment		**-**	Other equity instruments		-
Intangible assets		**-**	**Valuation adjustments in equity**		**-**
Other non-current assets		**-**	Available-for-sale financial assets		-
			Other		-
			Grants, donations and legacies received		**-**
TOTAL ASSETS		**2,135.429.89**	**TOTAL LIABILITIES AND EQUITY**		**2.135,429.89**

MEMORANDUM ITEMS		
CONTINGENCY AND COMMITMENT ACCOUNTS:		**1,340.715.65**
Guarantees given		-
Guarantees received		-
Commitments to purchase securities		**1,340,715.65**
Of venture capital investees	**6**	1,340,715.65
Of other entities		-
Commitments to sell securities		-
Of venture capital investees		-
Of other entities		-
Other derivatives		-
Commitments to shareholders or unitholders		-
Other contingencies and commitments		-
OTHER MEMORANDUM ITEMS:		**1,581,182.00**
Total committed capital	**7**	1,200,000.00
Uncalled committed capital		-
Written-off assets		-
Tax loss carryforwards	**9**	381,182.00
Unrealised gains (net of tax effect)		-
Impairment of group start-up capital		-
Other memorandum items		-
TOTAL MEMORANDUM ITEMS		**2,921,897.65**

The accompanying Notes 1 to 12 are an integral part of this balance sheet.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD FROM 11 SEPTEMBER 2019 (DATE OF INCORPORATION OF THE COMPANY) TO 16 OCTOBER 2019 (NOTES 1 TO 3)

	Note	Euros
Finance income		**-**
Interest, dividends and similar income		-
Other finance income		-
Finance costs		**-**
Interest expense and similar charges		-
Other finance costs		-
Gains/losses on and changes in fair value of the portfolio of financial assets (net)		**-**
Gains/losses on disposals (net)		-
Equity instruments		-
Debt securities		-
Other financial assets		-
Changes in fair value of financial instruments		-
Impairment and other losses on financial assets		-
Exchange differences (net)		-
Other operating income and expenses		**(739.73)**
Fees and commissions and other income		-
For advisory services provided to venture capital investees		-
Other fees, commissions and income		-
Fee and commission expense		(739.73)
Management fees		-
Other fees, commissions and expenses	**8**	(739.73)
GROSS LOSS		**(739.73)**
Staff costs		**-**
Other operating expenses	**8**	**(380,442.27)**
Depreciation and amortisation charge		**-**
Excessive provisions		**-**
LOSS FROM OPERATIONS		**(381,182.00)**
Impairment and gains or losses on disposals of non-current assets		**-**
Impairment losses on other assets (net)		**-**
Other		**-**
LOSS BEFORE TAX		**(381,182.00)**
Income tax	**9**	-
Loss for the period		**(381,182.00)**

The accompanying Notes 1 to 12 are an integral part of this statement of profit or loss.

Translation of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 11 SEPTEMBER 2019 (DATE OF INCORPORATION OF THE COMPANY) TO 16 OCTOBER 2019 (NOTES 1 TO 3)

A) Statement of recognised income and expense for the period from 11 September 2019 (date of incorporation of the Company) to 16 October 2019:

	Note	Euros
Loss per statement of profit or loss		**(381,182.00)**
Total income and expense recognised directly in equity		**-**
Arising from revaluation of financial instruments		-
Available-for-sale financial assets		-
Other		-
Tax effect		-
Total transfers to profit or loss		**-**
Arising from revaluation of financial instruments		-
Available-for-sale financial assets		-
Other		-
Tax effect		-
Total recognised income and expense		**(381,182.00)**

The accompanying Notes 1 to 12 are an integral part of this statement of changes in equity.

Translation of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 11 SEPTEMBER 2019 (DATE OF INCORPORATION OF THE COMPANY) TO 16 OCTOBER 2019 (NOTES 1 TO 3)

(Euros)

B) Statement of changes in total equity for the period from 11 September 2019 (date of incorporation of the Company) to 16 October 2019:

	Share capital	Share premium	Reserves	(Own equity instruments)	Prior periods' profits/losses	Other shareholder contributions	Loss for the period	Valuation adjustments in equity	Total
Total recognised income and expense	-	-	-	-	-	-	(381,182.00)	-	**(381,182.00)**
Transactions with shareholders									
Capital increases (called capital)	1,200,000.00	-	-	-	-	-	-	-	**1,200,000.00**
Capital reduction	-	-	-	-	-	-	-	-	**-**
Transactions involving own equity instruments (net)	-	-	-	-	-	-	-	-	**-**
Transfers between equity items	-	-	-	-	-	-	-	-	**-**
Other increases (decreases) in equity	-	-	-	-	-	-	-	-	**-**
Other changes in equity	-	-	-	-	-	-	-	-	**-**
Balances at 16 October 2019	**1,200,000.00**	**-**	**-**	**-**	**-**	**-**	**(381,182.00)**	**-**	**818,818.00**

The accompanying Notes 1 to 12 are an integral part of this statement of changes in equity.

Translation of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 11 SEPTEMBER 2019 (DATE OF INCORPORATION OF THE COMPANY) TO 16 OCTOBER 2019 (NOTES 1 TO 3)

	Note	Euros
CASH FLOWS FROM OPERATING ACTIVITIES		**(2,029.00)**
Loss for the period before tax		**(381,182.00)**
Adjustments for-		**379,153.00**
Finance income		-
Finance costs		-
Gains/losses on and changes in fair value of the portfolio of financial assets (net)		-
Changes in fair value of financial instruments		-
Impairment and other losses on financial assets		-
Other income and expenses	**8**	379,153.00
Changes in working capital		**-**
Trade and other receivables		-
Other current assets		-
Trade and other payables		-
Other current liabilities		-
Other non-current assets and liabilities		-
Other cash flows from operating activities		**-**
Interest paid		-
Dividends received		-
Interest received		-
Income tax recovered (paid)		-
Other amounts received (paid)		-
CASH FLOWS FROM INVESTING ACTIVITIES		**-**
Payments due to investment		**-**
Financial assets		-
Proceeds from disposal		**-**
Financial assets		-
CASH FLOWS FROM FINANCING ACTIVITIES		**1,200,000.00**
Proceeds from issue of equity instruments	**7**	**1,200,000.00**
Redemption of equity instruments		**-**
Proceeds from issue of bank borrowings		**-**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**1,197.971.00**
Cash and cash equivalents at beginning of period		**-**
Cash and cash equivalents at end of period	**5**	**1,197,971.00**

The accompanying Notes 1 to 12 are an integral part of this statement of cash flows.

Translation of interim financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

Balboa Ventures, Sociedad de Capital Riesgo, S.A.
Explanatory notes to the interim financial statements
for the period from 11 September 2019 (date of incorporation
of the Company) to 16 October 2019

1. Company description

Balboa Ventures, Sociedad de Capital Riesgo, S.A. ("the Company") was incorporated as a venture capital company on 11 September 2019 for an indefinite period of time under the name of Alcántara Capital, Sociedad de Capital Riesgo, S.A. Subsequently, on 9 October 2019, the Company changed its company name to the current one. The Company, whose registered office is at Calle José Ortega y Gasset no. 29, planta cuarta, Madrid, is subject mainly to Law 22/2014, of 12 November, regulating private equity and venture capital entities, other closed-end collective investment undertakings and the management companies of closed-end collective investment undertakings and amending Collective Investment Undertakings Law 35/2003, of 4 November.

On 20 September 2019, the Company was registered under number 293 in the Administrative Register of Private Equity and Venture Capital Entities of the Spanish National Securities Market Commission (CNMV), with ISIN ES0107706006.

The direction, administration and management of the Company are entrusted to Arcano Capital, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A.U. ("the Management Company"), which is registered under number 240 in the CNMV Register of Collective Investment Undertaking Management Companies. The Management Company has formed an investment committee to be responsible (together with General Management of the Management Company), inter alia, for the management and control of the Company's investments and divestments.

The Company's custodian is BNP Paribas, Securities Services, Sucursal en España, which is registered under number 206 in the Collective Investment Undertaking Custodians Register of the CNMV.

The Company's main object is the direct or indirect acquisition of temporary holdings in the share capital of non-financial and non-property companies which, when the holding is acquired, are not listed on the primary market of any stock exchange or any other equivalent regulated market in the European Union or in the other member countries of the Organisation for Economic Co-Operation and Development (OECD), and the acquisition of holdings in venture capital funds or other venture capital entities whose object includes the direct or indirect acquisition of temporary holdings in the share capital of non-financial and non-property companies in the technology industry which, when the holding is acquired, are not listed on the primary market of any stock exchange or any other equivalent regulated market in the European Union or in the other member countries of the Organisation for Economic Co-Operation and Development (OECD). In order to pursue its main object, the Company may grant participating loans and other forms of financing (the latter only to investees included as part of the obligatory investment ratio, pursuant to the Law regulating private equity and venture capital entities) and may acquire holdings in investees. The Company is aimed at professional investors, as defined in Article 205 of Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Securities Market Law, and qualified investors pursuant to Article 75 of Law 22/2014, of 12 November, regulating private equity and venture capital entities, other closed-end collective investment undertakings and the management companies of closed-end collective investment undertakings.

The Company's investment strategy is to invest, directly or indirectly, in recently created companies in the technology industry (early-stage start-ups) and, to a lesser extent, in more mature or growth-stage companies. Investments will be made mainly in venture capital vehicles in the primary and secondary markets. Also, the Company may foreseeably co-invest directly in companies together with other managers. Investment opportunities will foreseeably fall into one of the following sectors: artificial intelligence, big data, sensors and internet of things, and marketplaces, although the Company may also invest in other technology- or innovation-based industries. The Company's ultimate objective is to hold a diversified portfolio of technology companies from their initial phase until the final potential exit phase. The Company will invest mainly in the US, Europe and Israel and, on an opportunistic

basis, in other geographical areas which the Company or the Management Company may consider attractive (such as China and South East Asia).

Primary market investments will be made in recently formed venture capital vehicles with the Company committing to invest during their fundraising processes. Neither the investments to be made by the venture capital vehicles to which the capital is committed nor the timing of the reimbursement of such commitments are usually known at the time the commitment is made. Primary investments usually have a contractual life of between ten and 15 years, with the capital usually being deployed over a period of between three and six years. Primary investments require a prudent and exhaustive analysis due to the greater dispersion of returns and the difficulty of identifying the best managers for each investment. The average amount per investment will foreseeably be between approximately EUR 5 million and EUR 10 million.

Secondary market investments will be made in existing venture capital vehicles that are acquired privately from the original investor, generally after the end of the relevant fundraising period. Secondary investments usually have a remaining contractual life of less than ten years, with most of the capital already invested. The portfolio assets and the cash flows of secondary investments have a higher visibility than those of primary investments. Also, the companies are at a more mature stage, thus reducing the time to divestment. Secondary investments also have a higher rate of early distributions with relative value creation, potentially generating significant returns in terms of IRR. The type of transaction that could qualify as a secondary transaction includes: the purchase of a single ownership interest from a partner, the purchase of a portfolio of ownership interests from a partner, the purchase of the ownership interests held by a venture capital vehicle in a portfolio of companies and the transfer of ownership interests held by one venture capital vehicle to a new vehicle with old and new initial investors). The average amount per investment will foreseeably be between approximately EUR 2 million and EUR 10 million.

Co-investments will be made directly in a company together with one or several managers, focusing primarily on start-ups of portfolios with a good outlook and an attractive risk/return profile. The average amount per investment will foreseeably be between approximately EUR 2 million and EUR 5 million.

In general, the Company's investments in venture capital vehicles and investees will be held until those vehicles and investees are dissolved, provided this period does not exceed the life of the Company. However, when the Management Company deems it appropriate, it may dispose of the Company's positions at venture capital vehicles and investees prior to their liquidation, even in the investment period, when circumstances make this advisable.

At the date of preparation of these interim financial statements, the Company's directors had initiated the process of preparing the corresponding prospectus with the aim of increasing the Company's capital through the issuance of new shares that will be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Market Interconnection System. Accordingly, these interim financial statements were prepared by the Company's directors for the purpose of being included in the aforementioned prospectus. In this connection, the Company is expected to make most of its investments in the 24 months following the date of admission to trading of its shares.

At 16 October 2019, the Company formed part of the Arcano Partners Group, the parent of which is Arcano Asesores Financieros, S.L. (with registered office at the same address as the Company), which presents consolidated financial statements. The consolidated financial statements for 2018 of the Arcano Partners Group were formally prepared by the directors of Arcano Asesores Financieros, S.L. at the Board of Directors Meeting held on 29 March 2019 and were filed at the Madrid Mercantile Registry. However, the Company belongs to the Arcano Partners Group on a temporary basis, since once the admission to trading of the Company's shares takes place, as described in the preceding paragraph, the percentage ownership interest of the Company's current sole shareholder will foreseeably be reduced significantly.

The Company's accompanying balance sheet as at 16 October 2019 presents a working capital deficiency. However, the Company's directors consider that this situation, which is also temporary, will be remedied by the future capital increases the Company launches and, in any case, the Company's sole shareholder and the group to which it belongs intend to continue to provide it with financial support to enable it to continue to carry on its activities.

In view of the business activity carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to information on environmental issues are included in these notes to the interim financial statements.

2. Basis of presentation of the interim financial statements

a) Regulatory financial reporting framework applicable to the Company

These interim financial statements, which were obtained from the Company's accounting records, were formally prepared in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) CNMV Circular 11/2008, of 30 December, and other mandatory rules approved by the CNMV and, for matters not provided for therein, the Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations.

c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

d) All other applicable Spanish accounting legislation.

b) Fair presentation

These interim financial statements, which were formally prepared by the Company's directors, were obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity and financial position at 16 October 2019 and the results of its operations and its cash flows in the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019.

c) Accounting principles

The interim financial statements were prepared following the accounting principles and measurement bases described in Note 3. All obligatory accounting principles and measurement bases with a significant effect on the interim financial statements were applied in their preparation.

The results and the determination of equity are sensitive to the accounting principles and policies, measurement bases and estimates used by the Company's directors in preparing the interim financial statements.

In the Company's interim financial statements estimates were made by its directors in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the fair value of certain financial instruments. Although these estimates were made on the basis of the best information available at 16 October 2019, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, in accordance with in-force accounting legislation.

In any case, the Company's investments are subject to market fluctuations and other risks inherent to such investments (see Notes 3-a, 6 and 10), which may cause the net asset value of the shares to fluctuate upwards and downwards.

d) Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the interim financial statements.

3. Accounting policies

The following accounting principles and policies and measurement bases were used in preparing the Company's interim financial statements for the period from 11 September 2019 (date of incorporation of the Company -see Note 1-) to 16 October 2019:

a) Financial assets

The Company's financial assets relate to equity instruments. Therefore, they include both listed and unlisted shares and other equity interests. Also, these investments are divided into:

- "Investments in venture capital investees": temporary holdings in the share capital of non-financial non-property companies which, when the holding is acquired, are not listed on the primary market of any stock exchange or any other equivalent regulated market in the European Union or in the other member countries of the Organisation for Economic Co-Operation and Development (OECD). They also include temporary holdings in the share capital of non-financial companies that are listed on the primary market of any stock exchange or any other equivalent regulated market in the European Union or in the other OECD member countries, provided that such companies are delisted within the 12 months following the date of acquisition of the holding.

- "Investments in other entities": all other investments not included in the aforementioned category, such as listed and unlisted shares, investments in collective investment undertakings and other equity instruments.

The only investment in equity instruments at the reporting date (Arcano Labs S.C.A., SICAV-RAIF -see Note 6) is classified, for measurement purposes, as an available-for-sale financial asset. Available-for-sale financial assets are initially recognised at fair value which, if there is no evidence to the contrary, is the fair value of the consideration given plus any directly attributable explicit transaction costs. Subsequent changes in fair value (without deducting such transaction costs as might be incurred on disposal) are recognised, net of their tax effect, directly in equity under "Valuation Adjustments in Equity - Available-for-Sale Financial Assets" until the asset is derecognised or becomes impaired, at which time the amount thus recognised is taken to profit or loss (see Note 3-f.iii). However, any impairment losses and exchange gains or losses on monetary financial assets denominated in foreign currency are recognised under "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Impairment and Other Losses on Financial Assets" and "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Exchange Differences (Net)", respectively, in the statement of profit or loss.

Impairment losses must be recognised whenever there is objective evidence that the value of a financial asset has become impaired as a result of one or more events occurring after its initial recognition that, in the case of investments in equity instruments, mean that their carrying amount may not be recovered. It is presumed that an equity instrument has become impaired:

- If it is unlisted, when there has been a decrease of 40% with respect to the initial value of the asset or when there has been a decrease that has lasted for a period of 18 months.

- If it is listed, when there has been a decrease of 40% in its market price or when there has been a decrease that has lasted for a period of 18 months.

Accumulated losses recognised in equity due to a decrease in fair value are recognised in profit or loss, provided that there is objective evidence of impairment of the asset. If the fair value increases in subsequent years, this increase will be recognised in equity, since the assets are equity instruments.

The fair value of equity instruments of unlisted companies, including venture capital funds and other vehicles, is the value of recent transactions with the security itself carried out between knowledgeable, willing parties on an arm's length basis. Where recent transactions have not occurred, unless there is better evidence, fair value is calculated using the equity method or the underlying carrying amount of the investments in the equity of the entity (or venture capital fund or vehicle), adjusted, where appropriate, by the amount of unrealised gains and losses, net of taxes, still existing on the measurement date.

The information on the equity or underlying carrying amount is obtained by the Company from the latest available financial information, which is provided by the management or governing bodies of its investees or by the managers of the venture capital funds and vehicles in which the Company invests. In the case of venture capital funds and vehicles, that financial information reflects its net asset value reference. If, at the reporting date, the Company does not have updated financial information at that date, it determines the fair value of its investments based on the latest available financial information, which will normally correspond to the most recent quarter, adjusted, where appropriate and after the corresponding analysis, by such cash flows as might have arisen or by other information that the Company's directors might have obtained, either because it is publicly available or, usually, because it has been provided by the investment managers.

Also, the Company receives audited financial information from the companies or venture capital funds and vehicles in which it invests, but only on an annual basis and in most cases this audited financial information is not yet available at the date of authorisation for issue of the Company's financial statements. In any case, any adjustments indicated in the auditor's report for the most recent reporting period available are taken into account if they are not reflected in the subsequent financial statements used to calculate the underlying carrying amount of an investment.

In any of the scenarios, in determining the fair value of these investments, it is important to bear in mind the contingent facts or circumstances that could alter or transform the value of the investments of venture capital entities from the date they arise or are known to exist, including particularly the following:

- A significant decrease or increase in earnings compared with initial forecasts that leads to a permanent decrease or increase in the value.

- The appearance of financial or business-related problems for the issuer, which suggest the need to obtain additional financing or to restructure its business activities or group companies.

- The possible existence of repurchase commitments, rights or agreements at a pre-determined price.

- Other facts or circumstances that are sufficiently important and well documented, which arise or become known after the date on which the investment was made and which give rise to the reliable calculation of a lower or higher valuation of existing unrealised gains.

Therefore, for the calculation of the fair value of its investments at each reporting date, the Company ultimately depends on the financial information, normally not yet audited, provided by both the managers of the venture capital funds and vehicles in which it invests and the entities in which it co-invests and must necessarily rely on the accuracy of that information. Also, if that financial information on the venture capital funds and vehicles (which reflects their net asset value) does not correspond to the reference closing date of the Company's financial statements, it is adjusted, if necessary, thereby giving a net asset value estimated on the basis of the information available to the Company at that time, which in most cases can only be obtained from the managers of the venture capital funds and vehicles in which the Company invests.

As a result of all the foregoing and of the very nature of the entities in which the Company invests (see Notes 1 and 10), the value for which investments are ultimately realised may differ significantly from the provisional valuations furnished by the managers of those investments, which are used by the Company as the basis for determining the fair value of its investments in the financial statements. In addition, the fair value determined by the Company could differ significantly from the fair value that would have been determined had there been a market price. Consequently, the quarterly changes in the fair values of the investments may give rise to volatility in the net asset value of the Company and in the results that it reports periodically, which may impact the market value of the Company's shares.

At 16 October 2019, the Company estimated the fair value of the only investment held by it at that date (Arcano Labs S.C.A., SICAV-RAIF -see Note 6-) taking into account the price paid in the purchase and sale transaction carried out in October between the Company and its sole shareholder (which is also the price for which the Company's sole shareholder had purchased the investment, on 29 April and 28 May 2019, respectively -see Note 6-). Also, the Company verified that the fair value corresponding to said transaction price did not differ significantly from that derived from the latest available (unaudited) financial information of that entity and from the (unaudited) financial information and net asset value furnished by the manager of the only investment vehicle in which the Company has an investment, all as at 30 June 2019. As regards this financial information, Arcano Labs S.C.A., SICAV-RAIF measures its only investee (F&J Labs Coinvest III, LP) at cost less any accumulated

impairment losses, as stipulated in the private placement memorandum, and, in turn, F&J Labs Coinvest III, LP also measures its investments at cost less any accumulated impairment losses, as stipulated in its shareholders agreement. In this regard, at 16 October 2019, the Company's directors updated the fair value reference of the Company's investment in Arcano Labs S.C.A., SICAV-RAIF based on the most recent available (unaudited) information and provided by the managers of the US fund F&J Labs Coinvest III, LP (the only investment of Arcano Labs S.C.A., SICAV-RAIF -see Note 6-) at 30 September 2019, in which it is specified that no impairment loss had arisen on the investment portfolio of the aforementioned US fund additional to that which existed at 30 June 2019.

b) Other financial assets and financial liabilities

i. Other financial assets

The other financial assets are classified, for presentation and measurement purposes, under "Cash and Cash Equivalents", which includes, as the case may be, demand deposits at banks and reverse repurchase agreements maturing in no more than three months, provided that there is no significant risk of a change in value and that they form part of the Company's normal cash management policy. They are classified for measurement purposes as "loans and receivables".

Financial assets classified as "loans and receivables" for measurement purposes are initially recognised at fair value, which, in the absence of evidence to the contrary, is the fair value of the consideration paid plus the directly attributable transaction costs. They are subsequently measured at amortised cost and the accrued interest is recognised under "Finance Income" in the statement of profit or loss using the effective interest method. However, if the effect of not discounting the cash flows is not material, items whose amount is expected to be received within a period of less than a year may be measured at their nominal value. Impairment losses on accounts receivable are calculated taking into account the estimated future cash flows, discounted at the effective interest rate determined on initial recognition. Impairment losses recognised and reversed are recognised as an expense or income, respectively, under "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Impairment and Other Losses on Financial Assets" in the statement of profit or loss.

ii. Financial liabilities

Financial liabilities are classified into the following balance sheet items for presentation purposes:

- Accounts payable: this line item includes payables to suppliers of services and other accounts payable to public authorities.

- Current payables to Group companies and associates: at 16 October 2019 this item included the account payable to the Company's sole shareholder as a result of the acquisition of the investment in the Company's only investee (see Note 6).

Financial liabilities are classified for measurement purposes as "accounts payable".

Financial liabilities classified as "accounts payable" for measurement purposes are initially recognised at fair value, which, in the absence of evidence to the contrary, is the fair value of the items received, adjusted by the directly attributable transaction costs. Subsequently, these liabilities are measured at amortised cost, and accrued interest is recognised under "Finance Costs - Interest Expense and Similar Charges" in the statement of profit or loss using the effective interest method. However, if the effect of not discounting the cash flows is not material, items the amount of which is expected to be paid within a period of less than a year are measured at their nominal value.

c) Derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards of ownership of the transferred assets are transferred to third parties:

1. If substantially all the risks and rewards are transferred to third parties -e.g., firm or unconditional sales or sales of financial assets under an agreement to repurchase them at their fair value on the repurchase date-, the transferred financial asset is derecognised. The difference between the consideration received net of attributable transaction costs, taking into account any new asset obtained less any new liability assumed, and the carrying amount of the financial asset determines the gain or loss arising from the derecognition of this asset, which will be recognised in profit or loss in the year in which it arises.

   Assets suffering marked irreversible impairment after investment are derecognised with a charge to "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Impairment and Other Losses on Financial Assets" in the statement of profit or loss.

2. If substantially all the risks and rewards associated with the transferred financial asset are neither transferred nor retained, the financial asset is derecognised when control thereof is not retained, a circumstance that is determined on the basis of the transferee's ability to sell the asset.

Accordingly, a financial asset, or a part thereof, is only derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

Similarly, financial liabilities are derecognised when the obligations giving rise to them cease to exist. The difference between the carrying amount of the financial liability or of the part thereof that has been derecognised and the consideration paid (including directly attributable transaction costs and any non-cash asset transferred or liability assumed) is recognised in the statement of profit or loss for the year in which derecognition takes place.

d) Accrual accounts

Prepayments and accrued income and accrued expenses and deferred income, if any, relate basically to prepaid expenses and income that will accrue in subsequent periods. These items do not include accrued interest, which is recognised, based on its nature, under the appropriate heading in the balance sheet.

e) Own equity instruments

The Company's own equity instruments are the shares representing its capital. They are recognised under "Share Capital - Registered" in the balance sheet. Any uncalled committed amounts are recognised under "Memorandum Items - Uncalled Committed Capital". "Memorandum Items - Total Committed Capital" includes the amounts committed by the Company's shareholders.

f) Recognition of income and expenses

The most significant criteria used by the Company to recognise its income and expenses are summarised as follows:

i. Interest and dividend income

Interest and dividends from financial assets accrued after the acquisition date are recognised, where appropriate, as income under "Finance Income - Interest, Dividends and Similar Income" in the statement of profit or loss. Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. In the case of floating rate transactions, the rate of return until the next benchmark interest reset date is used for determining the effective interest rate.

ii. Fees and commissions and similar items

Management and deposit fees and other management expenses necessary for the Company's operations are recognised, based on their nature, under "Other Operating Income and Expenses - Fee and Commission Expense" in the statement of profit or loss.

iii. Changes in fair value of financial instruments

Realised gains or losses arising from changes in the fair value of financial assets are recognised under "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Gains/Losses on Disposals (Net)" in the Company's statement of profit or loss, based on the nature of the asset in question (see Note 3-a).

When the income received by the Company from the venture capital entities in which it has interests arises from disinvestments made by those investees and does not correspond to the reimbursement of contributions, it is recognised as income under "Gains/Losses on and Changes in Fair Value of the Portfolio of Financial Assets (Net) - Gains/Losses on Disposals (Net)" in the statement of profit or loss. Dividend revenue received from those investees is recognised under "Finance Income - Interest, Dividends and Similar Income" in the statement of profit or loss.

iv. Non-finance income and expenses

These are recognised for accounting purposes on an accrual basis.

g) Income tax

Income tax is considered an expense to be recognised in the statement of profit or loss and comprises the current tax expense (current tax income) and the deferred tax expense (deferred tax income).

The current income tax expense relates to the amount payable by the Company as a result of income tax settlements, taking into account, where appropriate, tax credits, other tax benefits not yet used and tax loss carryforwards, and excluding tax withholdings and pre-payments.

The deferred tax expense or income, if any, corresponds to the recognition and derecognition of deferred tax liabilities and assets, which relate to the temporary differences arising from the different measurement of assets and liabilities for accounting and tax purposes. Taxable temporary differences give rise to deferred tax liabilities, while deductible temporary differences and tax credits and other tax benefits not yet used give rise to deferred tax assets. For these purposes, temporary differences are considered to be differences arising from changes in value recognised in equity.

If rights to tax loss carryforwards exist, in view of the nature of the vehicle, they do not in any event give rise to the recognition of a deferred tax asset and are only recognised through the offset of the income tax expense when the Company generates profits. Any tax losses that can be carried forward are recognised under "Tax Loss Carryforwards" in the Company's memorandum items.

All deferred tax liabilities, however, are recognised; deferred tax assets are only recognised to the extent that it is probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised. These deferred tax assets and liabilities are quantified by taking into account the tax rates expected to apply in the period when the related temporary differences reverse. Also, the deferred tax assets arise solely from the remeasurement of the Company's financial assets at fair value. Any changes in tax legislation will give rise to the corresponding valuation adjustments. In any case, the Company recognises its deferred tax assets up to the limit of the amount of its deferred tax liabilities. In view of the tax exemptions and tax credits to which the Company is entitled, in no case are its tax assets and liabilities significant.

The Company has availed itself of the tax benefits provided for in Spanish Income Tax Law 27/2014, of 27 November, which can be summarised as follows:

1. Partial exemption for income obtained from the transfer of shares and other equity interests, based on the year in which they are transferred computed from the date of acquisition, if the requirements of Article 21 of Spanish Income Tax Law 27/2014, of 27 November, are not met. This exemption is 99% from the beginning of year 2 until year 15, inclusive. In year 1 and after year 15 no exemption will apply, apart from the exceptions provided for under current tax regulations. If the investee is admitted to listing in a securities market regulated by Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, the exemption will be conditional upon the Company transferring its ownership interest in the share capital of the investee no later than three years from the date on which the investee is admitted to listing.

2. Exemption from domestic double taxation on all domestic dividends or, where applicable, exemption for the avoidance of international double taxation on foreign-source dividends, and, generally, exemption of the share in profits received from companies promoted or sponsored by the venture capital company, regardless of the percentage of ownership or the period during which the shares or other equity interests are held, with the exception of investees located in tax havens.

With the specific features described above, the Company is subject to tax at the standard income tax rate of 25%.

In addition, Spanish Income Tax Law 27/2014, of 27 November, eliminated the time restriction for the offset of tax losses and introduced a quantitative limitation of 70% of the taxable profit prior to the offset; in any case, tax losses of up to EUR 1 million can be offset in a given tax period. Also, Royal Decree-Law 3/2016, of 2 December, adopting various tax measures aimed at consolidating public finances and other urgent social measures, establishes that, for tax periods beginning on or after 1 January 2016, the following limits will apply to taxpayers whose revenue is at least EUR 20 million for the 12 months prior to the date on which the tax period commences:

- 50% when in the aforementioned 12 months revenue amounts to EUR 20 million or more, but less than EUR 60 million.

- 25% when in the aforementioned 12 months revenue amounts to at least EUR 60 million.

h) Foreign currency transactions

The Company's functional currency is the euro. Therefore, all balances and transactions denominated in currencies other than the euro are deemed to be “foreign currency balances and transactions”.

Foreign currency transactions are translated to euros at the spot exchange rate prevailing at the transaction date, which is considered to be the most representative reference market rate at that date or, in the absence thereof, on the last business day prior to that date.

The exchange differences arising on translation of the balances denominated in foreign currency to the functional currency are recognised, in the case of monetary items (i.e., cash, debt securities, participating loans and other types of financing paid or received in a fixed or determinable number of units of currency, and receivables and payables other than those forming part of the portfolio of financial instruments), at their net amount under “Exchange Differences (Net)” in the statement of profit or loss; in the case of other monetary and non-monetary items forming part of the portfolio of financial instruments, exchange differences are recognised in equity or profit or loss together with the revaluation gains and losses. Also, non-monetary items measured at cost are translated to euros by applying the exchange rates ruling at the transaction date, and the measurement-date exchange rates are applied in order to determine any impairment losses.

i) Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within 12 months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

j) Statement of changes in equity

The statement of changes in equity presented in these interim financial statements shows the total changes in equity in the period. This information is in turn presented in two statements: the statement of recognised income and expense and the statement of changes in total equity. The main characteristics of the information contained in the two parts of the statement are explained below:

Statement of recognised income and expense

This part of the statement of changes in equity presents the income and expenses generated by the Company as a result of its business activity in the period, and a distinction is made between the income and expenses recognised in the statement of profit or loss for the period and the other income and expenses recognised, in accordance with current regulations, directly in equity.

Accordingly, this statement presents, as applicable:

a) The bottom line of the statement of profit or loss.

b) The income and expenses which, in accordance with the applicable accounting standards, must be recognised directly in the Company's equity.

c) The transfers made to the statement of profit or loss in accordance with the accounting standards adopted.

d) The tax effect, if any, relating to letters b) and c) above.

e) Total recognised income and expense, calculated as the sum of a) to d) above.

Statement of changes in total equity

This part of the statement of changes in equity presents all the changes in equity, including those, if any, arising from changes in accounting policies and from the correction of errors. Accordingly, this statement presents a reconciliation of the carrying amount at the beginning and end of the period of all the equity items, and the changes are grouped together on the basis of their nature into the following items:

a) Total recognised income and expense: includes, in aggregate form, the total of the aforementioned items recognised in the statement of recognised income and expense.

b) Transactions with shareholders: includes the changes in equity arising from the distribution of dividends, capital increases (reductions), equity-instrument-based payments, etc.

c) Other changes in equity: includes the remaining items recognised in equity, including, inter alia, the appropriation of profit or loss, transactions involving own equity instruments, equity-instrument-based payments, transfers between equity items and any other increases or decreases in equity.

k) Statement of cash flows

The following terms are used in the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value, included under "Cash and Cash Equivalents" in the balance sheet.

- Operating activities: the principal revenue-producing activities of venture capital entities and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

For the purposes of preparing the statement of cash flows, "cash and cash equivalents" were considered to be short-term, highly liquid investments that are subject to an insignificant risk of changes in value. Therefore, the Company treats as cash and cash equivalents the balance of the demand deposits recognised under "Cash and Cash Equivalents" on the asset side of the balance sheet (see Note 5).

l) Provisions and contingencies

When preparing the interim financial statements the Company's directors made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations.

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company's directors.

c) Contingent assets: possible assets that arise from past events and whose existence is conditional on, and will be confirmed only by, the occurrence or non-occurrence of events beyond the control of the Company's directors. Contingent assets are not recognised in the balance sheet or in the statement of profit or loss, but rather are disclosed in the explanatory notes to the interim financial statements, provided that an inflow of resources embodying economic benefits is probable.

The interim financial statements include any material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the interim financial statements but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each reporting period, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced. The amounts reversed, calculated as the positive difference between the provision recognised and the amount required at the reporting date, on the basis of the best information available, or at the date on which the obligation has to be settled, are recognised under "Excessive Provisions" in the statement of profit or loss.

4. Information relating to the Board of Directors

Remuneration and other benefits of directors

In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019, the current and former members of the Company's Board of Directors were not paid and did not earn any salaries, attendance fees or other remuneration.

Additionally, at 16 October 2019, the Company had not granted any loans, advances or guarantees of any kind to the current or former members of the Board of Directors and it did not have any pension or life insurance obligations to them.

In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 the Company did not take out any directors' third-party liability insurance.

At 16 October 2019, the Company's Board of Directors was made up of three men and, subsequently, on 4 November 2019 the Board comprised five men and two women.

Information regarding situations of conflict of interest involving the directors

At 16 October 2019 the Company's directors had not informed the other members of the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the Company.

5. Cash and cash equivalents

The balance of "Cash and Cash Equivalents" on the asset side of the balance sheet as at 16 October 2019 includes the current accounts held by the Company at banks, the detail of which is as follows:

	Euros
Current accounts (in euros):	
CaixaBank, S.A.	259,830.43
	259,830.43
Current accounts (in US dollars):	
CaixaBank, S.A.	938,140.57
	938,140.57
	1,197,971.00

The current accounts held by the Company did not earn any interest in the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019. In addition, "Other Operating Expenses" in the statement of profit or loss includes the bank charges incurred in that period.

6. Non-current financial assets

The breakdown, by classification, nature and currency, of "Non-Current Financial Assets" on the asset side of the balance sheet as at 16 October 2019 is as follows:

	Euros
Classification:	
Available-for-sale financial assets	937,458.89
	937,458.89
Nature:	
Equity instruments	
Listed	-
Unlisted	937,458.89
	937,458.89
Currency:	
Euros	-
Foreign currency (USD)	937,458.89
	937,458.89

At 16 October 2019, the entire balance of this heading on the asset side of the balance sheet related to the amount of the ownership interest held by the Company in Arcano Labs S.C.A., SICAV-RAIF, representing an interest of 25.1% in that investment vehicle that was acquired on 16 October 2019 from its sole shareholder (Arcano Asesores Financieros, S.L. -see Notes 1 and 7) for USD 1,031,861 (EUR 937,458.89 according to the exchange rate at the transaction date). This amount coincides with the amount for which Arcano Asesores Financieros, S.L. acquired the ownership interest on 29 April and 28 May 2019. The Company's directors consider that the amount of the purchase reflects the fair value of the ownership interest on both the purchase date and the date of these interim financial statements (see Note 3-a). At 16 October 2019, this amount was outstanding in full and recognised under "Current Payables to Group Companies and Associates" on the liability side of the balance sheet. The debt had been settled at the date of formal preparation of these interim financial statements. The Company also acquired the investment commitment (not disbursed) in Arcano Labs S.C.A., SICAV-RAIF amounting to USD 1,478,139 (EUR 1,340,715.65 according to the exchange rate at 16 October 2019). In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 the Company did not disburse any additional amounts in Arcano Labs S.C.A., SICAV-RAIF.

Arcano Labs S.C.A., SICAV-RAIF is a Luxembourg alternative investment vehicle incorporated on 19 March 2019, the general partner of which is Arcano Closed-Ended Funds GP, S.à r.l. (an entity wholly owned by Arcano Asesores Financieros, S.L.) and the management company of which is, in turn, the Company's management company (see Note 1). At 16 October 2019, the only entity in which Arcano Labs S.C.A., SICAV-RAIF holds an ownership interest is F&J Labs Coinvest III, LP, in which it holds a 10.43% interest. F&J Labs Coinvest III, LP is a US venture capital fund specialising in marketplaces (one of the main sectors in which the Company plans to invest -see Note 1) and at 30 June 2019 it held investments in 138 companies.

In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 there was no change in the fair value of the Company's investment.

Investment and concentration ratio

Pursuant to Article 13 of Law 22/2014, of 12 November, at least 60% of the Company's eligible assets (understood to be the amount of equity, plus the participating loans received and the unrealised gains net of the related tax effect) must be held in shares and other equity interests in companies that are within the scope of its core activity; participating loans to companies that are within the scope of its core activity, the return on which is tied entirely to the company's profit or loss (and therefore is zero if the company does not obtain a profit); other participating loans to companies that are within the scope of its core activity (up to 30% of the total eligible assets); and shares and other equity interests in venture capital entities. At 16 October 2019, the Company achieved this ratio.

In accordance with Article 16.1 of Law 22/2014, of 12 November, regulating venture capital and private equity entities and their management companies, the Company may not invest more than 25% of its eligible assets in the same company at the time of the investment or more than 35% in companies belonging to the same group of companies. Although the Company exceeded this diversification limit at 16 October 2019, pursuant to Article 17.3 of Law 22/2014, of 12 November, it may fail to meet this ratio temporarily during the first three years following its registration in the corresponding register of the Spanish National Securities Market Commission.

On the other hand, if the admission to trading of the Company's shares takes place (see Note 1), the Company is required to invest, directly or indirectly, its eligible assets (including cash on hand) at the time of investment as follows: (i) at least 70% in investments in the primary and secondary markets and (ii) up to a maximum of 30% in direct co-investments. In addition, at least 80% of the Company's investments are expected to be made in the primary market in the US, Europe and Israel and 15%, at the most, of the Company's investments will be made in a single venture capital vehicle.

7. Shareholders' equity

On 11 September 2019, the Company was incorporated through the issuance of 200,000 shares of EUR 6 par value each, which were fully subscribed and 50% paid by Arcano Asesores Financieros, S.L. Subsequently, on 11 October 2019, Arcano Asesores Financieros, S.L. paid the unpaid portion of the share capital at that date. Therefore, at 16 October 2019, the Company's share capital totalled EUR 1,200,000.00, represented by 200,000 fully subscribed and paid shares of EUR 6 par value each that are not listed on the stock exchange. At that date the Company's sole shareholder was Arcano Asesores Financieros, S.L. (see Note 1). At 16 October 2019, and in the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to that date, the only agreement entered into between the Company and its sole shareholder was agreement for the sale and purchase of the ownership interest in Arcano Labs S.C.A., SICAV-RAIF (see Note 6).

The net asset value of the shares will be calculated by the management company on a quarterly basis, in accordance with the applicable policy, and will be the result of dividing the total value of the Company's assets by the number of shares outstanding. However, if the admission to trading of the Company's shares takes place (see Note 1), the management company will calculate the value of the shares as indicated in the prospectus issued by the management company and the Company for the purposes of the aforementioned admission to trading.

The Company does not have a dividend policy and intends to reinvest any dividends, profits or income it receives from its investments in venture capital entities and the companies in which it makes co-investments. The Company does not plan to distribute any dividends in the near future although the Board of Directors may consider any efficient method of returning profits to its shareholders if, in its opinion, the Company has sufficient distributable profits after taking into account its working capital requirements and the investment opportunities available to the Company. In that case, the Company's profits will be distributed in accordance with the general distribution policy and applicable legislation. In this respect, distributions are unlikely to be made in the near future and given the nature of the

Company's investments and the fact that a number of investments may yield a negative return, there is no guarantee that the investments will ultimately be realised for an amount exceeding that invested by the Company.

The total committed capital at 16 October 2019 amounted to EUR 1,200,000.00, and this amount was recognised under “Other Memorandum Items - Total Committed Capital” in memorandum items in the balance sheet.

On 4 November 2019, the Company's sole shareholder resolved to increase the Company’s share capital through a public offering, which will take place before the Company’s shares are admitted to trading on the stock exchanges. The capital increase will be performed by means of the issuance of 10,000,000 ordinary shares, of the same class and series and ranking pari passu with the shares outstanding at that date, which will be subscribed by the investors for whom the public offering is intended. The principal amount of the issue will be EUR 60,000,000, which will be achieved through the issuance of 10,000,000 ordinary shares with a par value of EUR 6 each. These shares will be issued with a share premium of EUR 4 per share (EUR 40,000,000). However, the Company's sole shareholder resolved to delegate expressly to the Company's Board of Directors the power not to execute this resolution if, in its opinion -taking into account the Company’s interests-, market conditions in general, the financial structure resulting from the capital increase or other circumstances that might affect the Company were to render the capital increase inadvisable or prevent the execution of the resolution. In this connection, it will be for the Company's Board of Directors to determine the date on which the capital increase should take place, within a maximum period of one year from the date of the resolution (4 November 2019). Should this period elapse without the resolution being executed, this resolution would have no value or effect whatsoever.

In addition, the Company's sole shareholder has resolved that, should the shares not be admitted to trading on the stock exchanges, the Company's share capital would be reduced through the acquisition by it, and the subsequent retirement, of the shares issued pursuant to the powers delegated to the Board of Directors by virtue of the resolution mentioned in the preceding paragraph. Accordingly, in the event of the shares not being admitted to trading, the share capital would be reduced by an amount equal to that of the capital increase to be resolved by the Board of Directors. In order to carry out this capital reduction, the Company will acquire the shares issued as described in the preceding paragraph from the shareholders who had subscribed and paid them, and it will subsequently retire them. The purchase price that the Company will pay to the subscribing shareholders of the public offering would be equal to the sum of the par value of the shares and the share premium paid by the subscribers of those shares, plus the legal interest from the date on which the subscribers paid for the shares to the date on which the Company pays the repurchase price. In this connection, the Company's sole shareholder has resolved to constitute a reserve for an amount equal to the par value of the shares to be retired, the use of which is subject to the same requirements as those for reducing capital, pursuant to Article 335-c) of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Limited Liability Companies Law.

Reserves

Under the Consolidated Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve. These transfers must be made until the balance of this reserve reaches 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. Due to the recent incorporation of the Company (see Note 1), at 16 October 2019, no amount had yet been appropriated to the legal reserve.

8. Other operating income and expenses

Other operating income and expenses - Fee and commission expense

As indicated in Note 1, the direction and management of the Company are entrusted to Arcano Capital, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A.U. For this service the Company pays a fee which is calculated in accordance with the following conditions established in its Management Regulations registered with the Spanish National Securities Market Commission:

- 0.75% of the Company's net asset value from the date of admission to trading of the Company's shares (see Note 1) to the first anniversary of that date.

- 1% of the Company's net asset value from the first anniversary of the admission to trading of the Company's shares to the second anniversary.

- 1.25% of the Company's net asset value from the second anniversary of the admission to trading of the Company's shares.

The Company's net asset value will be determined as the sum of:

a) The net asset value of the underlying funds, in the case of investments in the primary and secondary markets, at the close of the previous quarter to the one in which the calculation is being performed. If, for any reason, there was no net asset value at the close of the previous quarter, the value taken into account would be the latest published net asset value of the underlying funds at the close of the most recently available quarter, adjusted for any material event known to the management company, such as requests for capital and additional distributions.

b) The fair value of the Company's ownership interest in investees, in the case of direct co-investments, which will be equal to the valuation in the last valuation round, unless there has been a clear deterioration in the activity, entity or the respective industries which has had an impact on their valuation.

c) The Company's cash and cash equivalents, less the consolidated borrowings incurred by the Company and the success fee provisioned in its financial statements.

In addition, to determine the Company's net asset value, the amount of the consolidated borrowings incurred by the Company and the success fee (as defined below in this Note) provisioned in the Company's financial statements must be deducted from the sum of the amounts described in the foregoing paragraphs.

The management fee is calculated and accrues on a quarterly basis and is paid quarterly in cash in advance in the first ten business days of each quarter. The quarters will commence on 1 January, 1 April, 1 July and 1 October of each year, except for the first period which will commence from the date of the admission to trading of the Company's shares (see Note 1) and end on 31 December 2019.

The management agreement will have an initial term of fifteen years from the admission to trading of the Company's shares (see Note 1) and, after that, will continue for consecutive renewal periods of ten years until it is terminated by either of the parties. However, the management agreement may be terminated early in certain circumstances described in the Company's Management Regulations registered with the Spanish National Securities Market Commission.

In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019, the Company did not incur any management fee expense as that period did not fall within the period established for the accrual of the fees envisaged in the Management Regulations.

In addition, the Company will pay the management company a success fee according to the returns received by the Company on investments made by it in each investment period which will be a portion of those investment returns determined as follows:

1. Firstly, the investment returns will be retained by the Company up to an amount equal to (i) all the amounts effectively disbursed by the Company in all the investments made in the relevant investment period, (ii) all the taxes and expenses directly incurred as a result of any of these investments; (iii) general expenses allocated to these investments (allocated in proportion to the net asset value of the investments made in the corresponding investment period up to the liquidation of such investments, including the taxes and expenses arising from such liquidation) and (iv) the proportional part of the management fee paid in relation to such investments. The total amount determined in accordance with the terms of this first section is defined as the "Break-even Amount".

2. Secondly, any amount of the investment returns exceeding the Break-even Amount will also be retained by the Company until it has obtained a return equal to the Required Minimum Rate in relation to the investments made in the corresponding investment period. The amount determined in accordance with the terms of this second section is defined as the "Required Minimum Rate Amount".

3. Once the Company has retained the Break-even Amount and the Required Minimum Rate Amount, a scope mechanism will be triggered whereby the management company will receive from the Company any investment returns exceeding the aggregated Break-even Amount and the Required Minimum Rate Amount up to an

amount equal to 10% of the Cumulative Capital Gains associated with those investments existing at that time. The amount determined in accordance with the terms of this third section is defined as the "Catch-up Amount".

4. Any additional investment returns after payment of the Catch-up Amount will be retained and paid by the Company to the management company in a proportion of 90%/10%, respectively. This 10%, together with the Catch-up Amount, will be the success fee.

For the calculation of the success fee, (i) the Cumulative Capital Gains will be determined as an amount equal to the investment returns upon calculation of the Catch-up Amount, less the Break-even Amount; (ii) the Required Minimum Rate will be determined as the annual rate of return of 8% on the corresponding investments made by the Company, calculated daily on the basis of a year of 365 days; (iii) the Investment Period represents a period of two years commencing on the date of admission to trading and each subsequent investment period of two years, as applicable; and (iv) the Investment Returns will be determined as the cash payments or distributions received by the Company for all the investments undertaken by it during an investment period.

The success fee will accrue and be calculated by the management company on a regular basis upon receipt by the Company of any return on the investments corresponding to each investment period. Once the fee has been determined, the management company will issue the corresponding invoice and the success fee will be paid within the following 15 business days. This payment will be on account of the final amount of the success fees corresponding to an investment period (the "Final Success Fee") which will be calculated upon the settlement or divestment of all the investments made during that investment period, taking into account the total investment returns received by the Company. If, upon liquidation or divestment of all the investments made by the Company in the corresponding investment period, the success fees obtained by the management company exceed the amount of the Final Success Fee, the management company will refund the excess to the Company. In this regard, 5% of the amounts paid to the management company in the form of success fees will be deposited in an escrow account in its name. The balance of this account must be restricted until the settlement of the Final Success Fee.

Given by the Company's recent incorporation (see Note 1), its directors considered that the requirements had not been met for recognising a provision for the success fee, as described above.

Lastly, the Company's custodian (see Note 1) will receive, in the first two years following the date of the Company's registration in the Administrative Register of Private Equity and Venture Capital Entities of the CNMV (20 September 2019 -see Note 1), an annual fee of 0.025% of the Company's net assets held by it in current accounts and a fee of 0.05% of the Company's other net assets, with an annual minimum of EUR 10,000.00, and an annual fee of 0.05% of the Company's net assets subsequent to the aforementioned two-year period. In the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019, the Company incurred a deposit fee expense of EUR 739.73 which is recognised under "Other Operating Income and Expenses - Fee and Commission Expense" in the statement of profit or loss. At 16 October 2019, this entire amount was outstanding and recognised under "Accounts Payable" on the liability side of the balance sheet.

Other operating expenses

The detail of "Other Operating Expenses" in the accompanying statement of profit or loss is as follows:

	Euros
Banking and similar services	61.43
Other independent professional services	380,380.84
	380,442.27

The amounts payable in relation to the above items at 16 October 2019 are recognised under "Accounts Payable" in the balance sheet.

The entire balance of "Banking and Similar Services" in the above detail relates to the expense incurred by the Company in relation to banking fees.

The balance of “Other Independent Professional Services” in the above detail includes mainly the expenses relating to legal counsel received by the Company in relation to the admission to trading of its shares (see Note 1), as well as other expenses for legal services.

“Other Independent Professional Services” in the above detail also includes the expenses for the incorporation of the Company which are not material with respect to these interim financial statements.

Lastly, “Other Independent Professional Services” in the above detail includes the fees for the audit of these interim financial statements amounting to EUR 15,000. It also includes EUR 65,000 relating to other services provided by the auditor in relation to the admission to trading of the Company's shares (see Note 1).

9. Tax matters

i. Reconciliation of the loss for the period to the tax loss for income tax purposes

The reconciliation of the accounting loss to the tax loss for income tax purposes for the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 is as follows:

	Euros						
	Loss before tax		Income and expense recognised directly in equity		Reserves		Total
Income and expense for the period	-	(381,182.00)	-	-	-	-	(381,182.00)
	Increase (“I”)	Decrease (“D”)	I	D	I	D	
Income tax	-	-	-	-	-	-	-
Permanent differences	-	-	-	-	-	-	-
Temporary differences	-	-	-	-	-	-	-
Tax loss							**(381,182.00)**

ii. Reconciliation of the tax loss to the income tax expense

The reconciliation of the tax loss to the income tax expense for the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 is as follows:

	Euros
Tax loss	(381,182.00)
Tax charge	-
Total income tax expense (benefit) recognised in profit or loss	**-**

The statement of profit or loss for the period from 11 September 2019 (date of incorporation of the Company -see Note 1) to 16 October 2019 does not include any income tax expense, since the Company reported a tax loss in this period.

iii. Tax loss carryforwards

At 16 October 2019, the Company had the following tax losses available for offset against potential future taxable profits:

Year incurred	Euros
2019 (*)	(381,182.00)
	(381,182.00)

(*) Reflects the projection made at 16 October 2019.

iv. Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 16 October 2019, the Company had all the taxes relating to its operations since the date of its incorporation (see Note 1) open for review. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on these interim financial statements.

10. Risk and capital management

Description of financial risks

The Company's business activity is confined to the object established by the specific legislation applicable to private equity and venture capital companies. In this connection, the investment activities characteristic of undertakings of this nature entail the concomitant risk arising from the greater or lesser degree of success achieved by the Company in the creation of value on each investment in its portfolio. In view of its operations, the Company is exposed to several risks, in various degrees:

Credit risk

The credit risk to which the Company is exposed relates to the counterparty of its bank account, namely a financial institution of recognised solvency (see Note 5), and to investments in equity instruments (see Notes 1 and 6).

Liquidity risk

Using cash flow estimates, the Management Company constantly monitors the Company's cash needs in order to meet investees' requests for disbursements. Without prejudice to the due compliance with the legal limits and requirements established at any time, the Company may, at the Management Company's discretion, apply for and obtain financing from third parties, and provide such guarantees as may be required for these purposes. The Management Company shall seek approval from the Company's Board of Directors to enter into new financing or refinancing agreements, or amendments thereto, involving amounts in excess of 25% of gross asset value, calculated as the sum of all the Company's venture capital investments, other assets and investments in the investment portfolio, and cash and cash equivalents. Such approval will not be required if the activity in question is conducted in compliance with the applicable Law or in an emergency situation (provided it is deemed to be in good faith).

Also, in the future the Company may seek to increase liquidity and raise additional capital through further offerings of equity securities or equity-like instruments. In this connection, the Company's Board of Directors has been authorised by its sole shareholder (see Note 7) to issue new ordinary shares and securities convertible into or exchangeable for Company ordinary shares, in both cases for up to 50% of the Company's share capital immediately after the Company's shares have been admitted to trading (see Note 1). The Board of Directors is also authorised to exclude pre-emptive rights in relation to the ordinary shares and convertible securities that may be issued pursuant to the aforementioned authorisation, in both cases for up to 20% of the Company's share capital immediately after the Company's shares have been admitted to trading (see Note 1), provided that such exclusion is in the corporate interest of the Company and all other legal requirements are met.

As for the investments' liquidity, the investment commitments fulfilled in the venture capital funds and vehicles that make up the Company's portfolio are scheduled to have a term of ten years, with customary extension periods at

the discretion of the general partner of the fund or vehicle in question. As a result, the holding periods of those investments are generally considerably long. Owing to the long holding periods and the unlisted nature of the aforementioned investments in venture capital funds and vehicles, they are of scant liquidity and may be difficult to sell if or when the need arises or if the sale is found to be in the Company's best interest. In addition, if the Company had to liquidate all or a portion of its investment in a short period of time, the proceeds from the disposal could be significantly less than the previous carrying amount of the investment, which could result in a capital loss and a decrease in the Company's net asset value.

Market risk

With regard to the market risk that could arise as a result of the exposure of the value of the positions held in financial instruments other than those characteristic of venture capital investing, it is considered that the Company only has a low degree of exposure, in relation to placements of the Company's cash in bank accounts.

Accordingly, market risks outside the scope of typical venture capital activity are low in the areas of price risk and interest rate risk, as described below:

- Price risk is low, since the aforementioned cash placements are made on a short-term basis (for terms never exceeding one year) and held to maturity; consequently, they do not give rise to changes in prices on secondary markets.

- Interest rate risk: the Company and any of its investees may be financed with floating rate debt. Interest rates are highly sensitive to many factors beyond the control of the Company and, accordingly, they may fluctuate for many reasons. In recent years, interest rates have remained at historically low levels and it is uncertain that such levels will be sustained over time. Should interest rates rise, the Company and any of its investees would have to use a greater proportion of their income to pay, as the case may be, the interest expense on their floating rate debt, which might affect the Company's ability to achieve the target rates of return.

The venture capital investments which the Company plans to make are subject to significant risks, depending on the nature of such investments, including the following:

- the companies and/or venture capital vehicles may be in an early stage of development, have little or no operating history and may lack fully developed product lines or a proven market for their products, which tends to render them more vulnerable to competitors' actions and market conditions, and to economic downturns;

- the companies and/or venture capital vehicles have little or no operating history and are therefore subject to all the risks and uncertainties associated with a new business, including the risk that such companies will not be profitable or achieve target returns;

- the companies and/or venture capital vehicles are more likely to depend on the management skills and efforts of a small group of people and may not be able to source and/or retain duly skilled personnel. In particular, they may not have the financial resources required to compete with the salary and other incentive packages offered by their competitors or other science and technology-based companies or organisations;

- the companies and/or venture capital vehicles may be operating at a loss or have substantial variations in operating results from one period to another, may from time to time be parties to lawsuits, be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and/or technological disruption and require substantial additional capital to support their operations, finance expansion processes or retain their competitive position;

- the technology and offering developed by such companies and/or venture capital vehicles may fail and/or these businesses may be unable to develop their offering or technology into commercially viable products or technologies;

- competitors and their technologies may enter the market, which may adversely affect the businesses' ability to market their intellectual property, or the underlying companies may have been unable to adequately protect their intellectual property (whether due to lack of funding or otherwise);

- the companies and/or venture capital vehicles may be in a state of distress or be undergoing restructuring or turnarounds, including changes in management, and there can be no assurance that such efforts will be successful;

- executive officers, directors and employees of an equity sponsor may be named as defendants;

- in general, little public information exists about the companies in which the Company plans to invest and investors in those companies generally must rely on the manager's ability to obtain appropriate information for the purpose of evaluating potential returns and making a fully informed decision;

- these companies and/or venture capital vehicles may have limited financial resources, may not be able to secure subsequent financing rounds and may be unable to meet their debt or other obligations, which may restrict their ability to fund on-going costs, capital expenditures, research and/or development and marketing of their offering and technology, and may also be accompanied by a deterioration of their equity or any collateral provided to secure their debt; and

- in general, these companies are not listed and may have substantial debt obligations; accordingly, their access to sources of financing, whether public or private, may be very limited.

In addition, there is no certainty that any of the businesses will reach the stage where economic benefits become probable or generate significant returns for shareholders (including the Company) or where the Company may secure a profitable exit for its investment. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained.

The occurrence of one or more of these risks in the co-investments, and in the underlying companies of the venture capital vehicles in which the Company plans to invest, could cause any or all of the Company's investments to underperform or fail, which could have an adverse effect on the Company's business, financial position, results of operations and outlook.

The Company will usually invest, directly or indirectly, in minority equity positions and, as a result, it will not have the rights inherent to a majority owner or the ability to make key strategic, financial or business decisions. Therefore, in order to enhance the value of the investments, the Company and the Management Company will necessarily place significant or full trust in the managers of the venture capital vehicles in which the Company invests, but there is no assurance that such managers and their management teams will effectively conduct their business, operations and investment strategy in a manner consistent with their offering documents and applicable laws. Investing in minority equity positions involves risks that may not exist when investments are made as a majority stakeholder.

As a co-investor, the Company may have interests or objectives that are inconsistent with those of other investors in the venture capital vehicles, and some of these investors may have a greater degree of control over such investments. In this case, the Company or the Management Company would have very little control over the Company's investment (including the timing and conditions of a potential divestment) and may be adversely affected by actions taken by the general partner or manager of such a venture capital vehicle with respect to the Company's investment or the Company's direct or indirect investment therein. The Company or the Management Company may not have the opportunity to participate in structuring investments or divestments or to determine the terms under which such investments or divestments would be made.

The entities in which the Company will invest, directly or indirectly, will be operating in the technology sector and, therefore, they will be exposed to the risks of rapid technological changes, frequent entry of new products and enhancements, and evolving industry standards. The Company's investees may encounter unforeseen operational, managerial, administrative, technological and other challenges.

Operational risk

The following should be highlighted in relation to the nature and level of the operational risk assumed and the mitigation and contingency plans in place:

- The operations in which this risk arises are confined to the Company's own activities as a venture capital entity.

- In this context, the very nature of the Company's activity entails the operational risk intrinsic to investing in venture capital vehicles not listed in primary markets with the aim of enhancing the value of the investment and divesting in the medium term in order to generate capital gains for investors. In this scenario, the investing activity is performed in accordance with a specific strategy established in the Company's management regulations.

- Lastly, the Management Company has contingency plans in place aimed at facilitating the continuity of the Company's operations and activities in general in the event of an incident or disaster affecting its facilities, and it has the means to duplicate its information repository in such a way that the most relevant information can be recovered in these cases.

Foreign currency risk

The Company may have entered into commitments to invest in investees in currencies other than the euro (see Note 6). In this connection, although the Company intends to make a substantial portion of its future investments in currencies other than the euro (mainly US dollars), and in companies using other currencies as their functional currency, the Company does not intend to enter into any hedging arrangement to mitigate its exposure to exchange rate fluctuations, even though it might enter into hedges on an occasional basis if so decided by the Company or the Management Company. Accordingly, exchange rate fluctuations may have an adverse effect on the valuations and/or the income of the Company's investees, and on the ability of its investees to repay debt, pay dividends or make other direct or indirect distributions to shareholders, as the case may be.

Capital management

The strategies to manage the Company's capital consist of the required monitoring of the Company's needs vis-à-vis cash and its obligations to settle liabilities, in such a way that redemption payments or other returns to the shareholders do not adversely affect the Company's capital.

In addition, it should be noted that, since the Company's business activity is regulated and supervised by the competent authority, the Company must achieve certain ratios to ensure the appropriate conduct of its venture capital activities.

In any case, the capital held by the Company is considered adequate for its risk profile and operating environment.

11. Events after the reporting period

No significant events took place after 16 October 2019 additional to those described in the foregoing notes to the interim financial statements.

12. Explanation added for translation to English

These interim financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

PRINCIPAL SHAREHOLDERS

As of the date of this Prospectus, the Company's issued share capital amounts to €1,200,000, divided into a single series of 200,000 ordinary shares, with a nominal value of €6 each. In the context of the Offering, 10,000,000 New Shares with a nominal value of €6 each are expected to be issued, resulting in a post-Offering share capital of €61,200,000.

The following table sets forth certain information with respect to the beneficial ownership of the Ordinary Shares prior to and after the Offering. These shareholders will have the same voting rights as any other shareholder following the Offering and consequently each share will be entitled to one vote.

Shareholder	Prior to the Offering		After the Offering	
	Number of Ordinary Shares owned	%	Approximate number of Ordinary Shares owned[1] [2]	%
Arcano Asesores Financieros, S.L.	200,000	100	204,000	2
TOTAL	200,000	100	204,000	2

(1) On the basis of a €100,000,000 Offering.

(2) Arcano Asesores Financieros, S.L. has waived any and all preferential subscription rights.

The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company as at, or immediately following, Admission.

Dilution

Arcano Partners, sole shareholder of the Company as of the date hereof, has waived its preemptive subscription rights with respect to the capital increase Offering. Consequently, in case of full subscription of the increase, the Offering will result in the beneficial interest of Arcano Partners in the Company being diluted from 100% to approximately 2% (on the basis of a €100,000,000 Offering).

Furthermore, the Company may decide to carry out additional share capital increases in the future. In the event that share capital increases were effected, shareholders could be diluted were they not to exercise their preemptive subscription rights or in the event such share capital increases exclude preemptive subscription rights for existing shareholders in accordance with Spanish law.

Change of control of the Company

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

Lock-up Arrangements

Other than the Company (see section "*Material Contracts*" for a discussion on the Company's lock-up arrangements) no other investor has entered into any arrangement which restricts its ability to operate with the Ordinary Shares upon their subscription.

RELATED PARTY TRANSACTIONS

For information on the related-party transactions which the Company has entered into as of the date of this Prospectus can be found in "*Information on the Company— The Initial Portfolio and related-party transactions*".

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning the share capital of the Company and briefly describes certain significant provisions of the Bylaws and other internal regulation of the Company, as well as Spanish corporate law, including the Spanish Companies Act, Law 22/2014, Spanish Companies Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the Securities Market Act and Royal Decree 878/2015, dated October 2, 2015, on clearing, settlement and registry of negotiable securities in book-entry form (*anotaciones en cuenta*), and transparency requirements for issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*).

This summary does not purport to be complete and is qualified in its entirety by reference to the Bylaws and other internal regulations as well as the Spanish Companies Act, Law 22/2014 and other applicable laws and regulations. Copies of the Bylaws, together with their corresponding English translation, are available for information purposes at the principal headquarters of the Company and on the Company's website (www.balboaventures.com) and from Admission, at CNMV's offices. For more information on where to find the documents on display see the section "*Documents on display*".

General

The Company is a private equity public limited liability company (*sociedad anónima de capital riesgo* or S.C.R., S.A.) registered with the Commercial Registry of Madrid (*Registro Mercantil de Madrid*), under volume 39,418, sheet 190, section 8, page M-699880 and holder of Spanish tax identification number A-88473491, LEI number 9598000F16A8TL46XS40, incorporated under the laws of Spain for an unlimited term pursuant to a notarized public deed of incorporation granted before the public notary Mr. Segismundo Álvarez Royo-Villanova, under number 3,074 of his protocol on September 11, 2019 having its registered address at Calle de José Ortega y Gasset, 29, floor 4, C.P 28006, Madrid (Spain) and with phone number +34917914773. The Company is registered with the CNMV since September 20, 2019 as a private equity company (*sociedad de capital riesgo*) with number 293.

The Company's legal name is Balboa Ventures, S.C.R., S.A. and its commercial name is Balboa Ventures.

The financial year end of the Company is December 31.

The Company's corporate purpose is as follows:

- The Company's purpose is the temporary acquisition, either directly or indirectly, of equity interests in the technology sector, and in non-financial and non-real estate companies, which, at the time of their acquisition, are not traded on the major local stock exchange or any other equivalent regulated stock market in the European Union or other Organisation for Economic Co-operation and Development (OECD) member countries, and the acquisition of shares in venture capital funds or other venture capital organisations whose corporate purpose includes the direct or indirect temporary acquisition of equity interests in non-financial and non-real estate companies in the technology industry which, at the time of such acquisition, are not traded on the main local stock exchange or any other equivalent regulated stock market in the European Union or in other Organisation for Economic Co-operation and Development (OECD) member countries.
- The Company is constituted as a private equity company in accordance with the provisions of article 26 of Law 22/2014.
- For the development of its main corporate purpose, the Company may provide participatory loans (*préstamos participativos*), as well as other financing options, in the latter case only for affiliates which are mandatory included in the mandatory investment ratio of the Company, in compliance with Law 22/2014.

At the date of this Prospectus, the issued share capital of the Company amounts to €1,200,000 divided into a single series of 200,000 registered shares in book-entry form, with a nominal value of €6 each and with ISIN code ES0107706006 allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*),

an entity dependent upon the CNMV. At the moment of its incorporation, the Ordinary Shares which represented the Company's share capital were partially subscribed and paid up. As of the date of this Prospectus, all of the Ordinary Shares are fully subscribed and paid up. Immediately before Admission, the sole shareholder of the Company will perform a capital contribution in the amount of €800,000 to an available reserves account (*prima de emisión*) (see "*Additional Information—Other commitments*").

The Ordinary Shares are represented by book-entries and the entity responsible for maintaining the corresponding accounting records is Iberclear, with registered address at Plaza de la Lealtad 1, 28014 Madrid, Spain.

As of the date of this Prospectus, the Company does not own any treasury shares (*autocartera*).

See section "*Plan of distribution—Authorizations of the Offering*" for information on the corporate resolutions the Company's governing bodies have adopted in connection with the Offering.

Dividend and Liquidation Rights

Holders of the Ordinary Shares have the right to participate in distributions of the profits and proceeds from liquidation, proportionally to their stake in the share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is proposed by the Board of Directors and must be authorized or ratified, as the case may be, by the shareholders at a General Shareholders' Meeting. The Board of Directors (as well as the General Shareholders' Meeting) may distribute amounts on account of the dividends provided that the following conditions are met: (i) there is sufficient liquidity for the distribution; and (ii) the amount to be distributed will not exceed the profit obtained during the current financial year after deducting losses of preceding years, amounts to be contributed to legal or statutory reserves and estimated taxes to be paid on such profits. Shareholders participate in such dividends from the date agreed by the General Shareholders' Meeting.

The Spanish Companies Act requires that each company allocates at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such issued share capital. A legal reserve is not available for distribution to its shareholders except upon liquidation. As of the date of this Prospectus, the Company's legal reserve had not reached the legally-established minimum.

According to the Spanish Companies Act, dividends may only be paid out of profits or distributable reserves (after the compulsory allocation to mandatory reserves, including the legal reserve, inasmuch as the latter does not exceed 20% of its issued share capital, and only if the value of the net worth is not, and as a result of distribution will not be, less than the share capital).

In addition, no profits may be distributed unless the amount of distributable reserves is at least equal to the amount of the research and development expenses recorded as an asset on the balance sheet.

In accordance with Article 947 of the Spanish Commercial Code, the right to a dividend lapses and reverts to the Company if it is not claimed within five years after it becomes payable.

Upon liquidation of the Company, shareholders would be entitled to receive proportionately any assets remaining after the payment of the Company's debts, taxes and expenses of the liquidation.

The Company is not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its member entities, without prejudice to potential withholdings on account of the Non Resident Income Tax that may apply. See section "*Taxation*".

The ability of the Company to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of its distributable profits and reserves and its investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under all applicable laws (see details set out in section "*Dividend policy*").

Shareholders' meetings and voting rights

Pursuant to the Bylaws, rules of the General Shareholders' Meeting of the Company and the Spanish Companies Act, ordinary annual General Shareholders' Meeting are held during the first six months of each financial year on a date fixed by the Board of Directors. Extraordinary General Shareholders' Meeting may be called by the Board of Directors whenever it deems appropriate, or at the request of shareholders representing at least 3% of the Company's share capital. Following Admission, notices of all General Shareholders' Meeting will be published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) or in a local newspaper of wide circulation in the province where the Company is domiciled, on the corporate website of the Company and on the website of CNMV, at least one month prior to the date when the meeting is to be held, except as discussed in the following paragraph.

Exceptionally, under the Spanish Companies Act, when the Company provides all shareholders with an electronic vote, an extraordinary General Shareholders' Meeting may be called 15 days before the date on which the meeting is to be held.

Action is taken at ordinary General Shareholders' Meetings on the following matters: (i) the approval of the management carried out by the directors during the previous year; (ii) the approval of the financial statements from the previous financial year; and (iii) the application of the previous financial year's income or loss. All other matters can be considered at either an extraordinary or ordinary General Shareholders' Meeting if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items which do not need to be included on the agenda to be validly passed, such as the dismissal of a Director or the decision to bring the liability action against the Company's directors). Liability actions against the directors shall be brought by the Company pursuant to a General Shareholders' Meeting decision, which may be adopted at the request of any shareholder even where not included on the agenda. The Bylaws cannot require qualified majority for the adoption of such resolution. The decision to bring an action or reach a settlement shall entail the removal of the relevant directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed or brought.

According to the Spanish Companies Act —and in addition to the matters referred to in the previous paragraphs and any other matters as provided by law, the Company's Bylaws or the General Shareholders' Meeting Regulations— the following matters among others fall within the authority of the General Shareholders' Meetings: (a) appointment and removal of directors, as well as the ratification of directors designated through a co-option procedure; (b) appointment and removal of accounts auditors and, if applicable, of the liquidators; (c) approval of the financial statements of the previous year, of the allocation of results and of the corporate management; (d) any increase or decrease in the capital stock, including a delegation to the Board of Directors of the power to increase the capital stock; (e) elimination or limitation of preferential subscription rights; (f) authorization for the derivative acquisition of own shares; (g) approval and amendment of the General Shareholders' Meeting Regulations; (h) amendments of the Bylaws; (i) approval of the policy on directors' remunerations, in accordance with the terms set out in the Spanish Companies Act; (j) approval of the Company's Directors remuneration systems, in the form of shares or rights over shares or linked to the value of the shares; (k) granting the Directors the exemptions regarding the prohibitions deriving from the duty of loyalty, when the granting of said exemptions lies with the general meeting, as well as the exemption regarding non-compete obligation duties; (l) a merger, spin-off, transformation, dissolution and global assignment of the Company's assets and liabilities; (m) a transfer of the Company's registered address abroad; (n) transformation of the Company into a holding company, through "subsidiarization", the incorporation or transfer into dependent companies of essential activities developed by the Company itself until then, even if the latter remains as the full legal owner thereof. An activity is presumed to be essential when the relevant amount of the transaction exceeds 25% of the total assets in the balance sheet; (o) the acquisition, disposal or contribution of essential assets to another company. An asset is presumed to be essential when the relevant amount of the transaction exceeds 25% of the value of the total assets according to the last balance sheet approved; (p) the winding up of the Company; (q) operations with an effect equivalent to the Company's liquidation and the approval of the liquidation balance sheet; (r) approval of the termination or amendment of the Investment Management Agreement; and (s) approval of the termination or amendment of Investment Strategy.

Also, the General Shareholders' Meetings shall vote separately on substantially independent matters. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification or separation of

directors; (ii) the advisory vote on the annual report on directors' remuneration; and (iii) in resolutions to amend the bylaws, each substantially independent article or group of articles.

Each share entitles the holder to one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder or by companies of the same group.

Any shareholder regardless of the number of shares it owns may, in the manner provided in the notice for such meeting, vote at the General Shareholders' Meeting. In order to exercise their right of attendance, all shareholders must have their shares duly registered in the book-entry records maintained by Iberclear and its member entities at least five days prior to the day on which a General Shareholders' Meeting is scheduled.

Any shareholder holding 1,000 Ordinary Shares will have the right to attend a General Shareholders' Meeting. All shareholders may be represented by a proxy. Proxies must be granted in writing or in electronic form acceptable under the internal regulations of the Company and are valid for a single General Shareholders' Meeting, except if given in favor of the shareholder's spouse (or person who has an equivalent link according to the applicable laws), ascendants or descendants, or in favor of a third party authorized pursuant to a public deed to manage the assets of the relevant shareholder, in which case it will be valid for all shareholders' meeting. Proxies may be given to any person, whether or not a shareholder, and may be revoked, either expressly or by attendance by the relevant shareholder at the meeting.

Proxy holders are required to disclose any conflict of interest prior to their appointment. In case a conflict of interest arises after the proxy holder's appointment, such conflict of interest shall be immediately disclosed to the relevant shareholder. In both cases, the proxy holder shall not exercise the shareholder's rights unless the latter has given specific voting instructions for each resolution in respect of which the proxy holder is to vote on behalf of the shareholder. A conflict of interest in this context may in particular arise where the proxy holder: (i) is a controlling shareholder of the Company, or is another entity controlled by such shareholder; (ii) is a member of the administrative, management or supervisory bodies of the Company, or of a controlling shareholder or another entity controlled by such shareholder; (iii) is an employee or auditor, of the Company, or of a controlling shareholder or another entity controlled by such Shareholder; or (iv) is a natural person related to those mentioned in (i) to (iii) above (*persona física vinculada*), as this concept is defined under the Spanish Companies Act (such as spouse or similar, at the time or within the two preceding years, as well as ascendants, descendants, siblings and their respective spouses).

A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he/she will be able to cast votes for a shareholder differently from votes cast for another Shareholder.

The Bylaws of the Company provide that, on the first call of an ordinary or extraordinary General Shareholders' Meeting, the presence in person or by proxy of shareholders representing at least 25% of its voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to the Spanish Companies Act requires no quorum. Resolutions are passed by simple majority of the votes cast, which implies having more votes in favor than against. However, according to the Spanish Companies Act, resolutions in a General Shareholders' Meeting to modify the Bylaws of the Company (including increases and reductions of share capital), to issue bonds and, where competence is not legally attributed to any other of the Company's corporate bodies, to suppress or limit on the preemptive right over new shares, to approve transformations, mergers, spin-offs, global assignments of assets and liabilities or the transfer of the registered address of the Company abroad, require the presence in person or by proxy of shareholders representing at least 50% of the voting capital of the Company on first call, and the presence in person or by proxy of shareholders representing at least 25% of the voting capital of the Company on second call. On first call, resolutions shall be adopted by absolute majority. On second call, and in the event that less than 50% of the voting capital of the Company is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the Company's capital present or represented at such meeting.

Pursuant to the Company's Bylaws, resolutions in a General Shareholders' Meeting to approve the termination or amendment of the Investment Management Agreement or the Investment Strategy require the presence in person or by proxy of

shareholders representing at least 50% of the voting capital of the Company on first call, and the presence in person or by proxy of shareholders representing at least 25% of the voting capital of the Company on second call. On first call, such resolutions may only be passed upon the vote of shareholders representing at least 70% of the Company's capital present or represented at such meeting. On second call such resolutions may only be passed upon the vote of shareholders representing at least 50% of the Company's capital present or represented at such meeting. The interval between the first and the second call for a General Shareholders' Meeting must be at least 24 hours.

Voting on the resolutions included in the agenda of a General Shareholders' Meeting may be exercised by Shareholders by post or electronic means received by the Company prior to the General Shareholders' Meeting, and provided that the identity of the Shareholder who exercises his right to vote is duly verified and the formalities determined by the Board of Directors through resolution and subsequent notification in the call announcement of the General Shareholders' Meeting are complied with. In such resolution, the Board of Directors will define the applicable conditions to the voting via electronic means in order to ensure the proper identification of the shareholder or its representative.

Under the Spanish Companies Act, shareholders who voluntarily aggregate their shares so that the share capital so aggregated is equal to or greater than the result of dividing the total share capital by the number of directors have the right, provided there are vacancies on the Board of Directors, to appoint a corresponding proportion of the members of the Board of Directors (disregarding the fractions). Shareholders who exercise this right may not vote on the appointment of other directors.

A resolution passed in a General Shareholders' Meeting is binding on all shareholders, although a resolution which is (i) contrary to Spanish law or the Bylaws of the Company, or (ii) prejudicial to the interest of the Company and is beneficial to one or more shareholders or third parties, may be contested within the period of a year following the passing of the contested resolution (except resolutions that are contrary to public order in respect of which such right does not lapse). Damage to company's interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders. In the case of listed companies, the required fraction of the Company's share capital needed to be able to contest is 1/1000. The right to contest would apply to shareholders who held such status at the time when the resolution was adopted (provided they hold at least 0.1% of the share capital), directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was taken), and any director or third party.

In certain circumstances (such as change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to withdraw from the company. If this right were exercised, the company would be obliged to purchase the relevant shares at the average market price of the shares in the last quarter in accordance with the procedures established under the Spanish Companies Act.

Shareholder information rights

Until the seventh day before the General Shareholders' Meeting is due to be held, shareholders may request in writing from the Directors, any information or clarification they deem necessary regarding the items to be discussed at the relevant General Shareholders' Meeting as per the agenda. The Directors must provide with the requested information in writing by the day of the General Shareholders' Meeting.

During the General Shareholders' Meeting, shareholders may verbally request any information or clarification they deem necessary in relation to the items included on the agenda. If it were not possible to provide the requested information during the meeting itself, the Directors must provide the requested information in writing within seven days of the celebration of the General Shareholders' Meeting.

The Directors will not be obliged to provide the requested information if it was deemed unnecessary for the recognition of the requesting shareholder's rights or if there were objective reasons to consider that the information was going to be used in detriment of the interests of the Company or that providing the requested information may harm the Company; provided that,

the requested information may not be withheld when the request is upheld by shareholders representing at least 25% of the share capital.

Preemptive rights and increases of share capital

Pursuant to the Spanish Companies Act, shareholders have preemptive rights to subscribe for any new shares issued by the Company via monetary contributions and for any new bonds convertible into shares. Such preemptive rights may be waived under special circumstances by a resolution passed at a General Shareholders' Meeting or the Board of Directors (when the Company is listed and the General Shareholders' Meeting delegates to the Board of Directors the right to increase the share capital or issue convertible bonds and waive preemptive rights), in accordance with Articles 308, 417, 504, 505, 506 and 511 of the Spanish Companies Act. As of the date hereof, the Company has no convertible or exchangeable bonds outstanding and have not issued any warrants over its shares. Also, shareholders have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

Furthermore, the preemptive rights, in any event, will not be available in an increase in share capital to meet the requirements of a convertible bond issue, a merger in which Ordinary Shares are issued as consideration or where the contribution to be made is in kind. The rights are transferable, may be traded on the SIB (*Sistema de Interconexión Bursátil or Mercado Continuo*) and may be of value to existing shareholders because new Ordinary Shares may be offered for subscription at prices lower than prevailing market prices.

As of the date of this Prospectus, the Board of Directors has been authorized by the Company's sole shareholder to issue new ordinary Shares up to 50% of the Company's share capital immediately following the Offering. The Board of Directors is also authorized to exclude preemptive rights in connection with up to 20% of the total number of new Ordinary Shares that may be issued pursuant to the aforementioned authorization, provided that such exclusion is in the Company's corporate interest. In addition, the Board of Directors has been authorized by its shareholders for a term of five years to issue bonds that are convertible into the Ordinary Shares or which grant bondholders the right to be attributed part of the Company's earnings.

Shareholder actions

Under the Spanish Companies Act, directors are liable to the Company, the shareholders and the creditors for acts or omissions that are illegal or violate the Bylaws and for failure to carry out their legal duties with diligence.

Under Spanish law, shareholders must generally bring actions against the Directors as well as any other actions against the Company or challenging corporate resolutions before the courts of the judicial district of the Company's registered address (currently, Calle de José Ortega y Gasset, 29, floor 4, C.P 28006, Madrid (Spain)).

When in violation of the law or of the Bylaws, directors are presumed to have acted negligently, but this presumption can be rebutted. Directors have such liability even if the transaction in connection with which the acts or omissions occurred is approved or ratified by the shareholders. The liability of the directors is joint and several, except to the extent any director can demonstrate that he or she did not participate in decision-making relating to the transaction at issue, was unaware of its existence or, being aware of it, did all that was possible to mitigate any damages or expressly disagreed with the decision-making relating to the transaction.

Registration and Transfers

The shares are in registered book-entry form and are indivisible. Joint holders of one share must designate a single person to exercise their shareholders' rights, but they are jointly and severally (*solidariamente*) liable to the Company for all the obligations arising from their status as shareholders. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its member entities (*entidades participantes*). Each member entity, in turn, maintains a registry of the owners of such shares. Since the shares of the Company are in registered book-entry form, an electronic shareholder registry will be kept to which effect Iberclear shall report to the Company all transactions entered into by its shareholders in respect of its shares.

The shares are transferable in accordance with the Spanish Companies Act, the Securities Market Act, Law 22/2014 and any implementing regulation.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Stock Exchange. Brokerage firms, or dealer firms, Spanish credit entities, investment services entities authorized in other Member States and investment services entities authorized by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. Transfer of shares quoted on the Spanish Stock Exchanges may be subject to certain fees and expenses.

Restrictions on foreign investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23 (*Real Decreto 664/1999, de 23 de abril*), which was approved in conjunction with Law 18/1992, of July 1 (the "Spanish Foreign Investment Law"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the EU.

Subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls) and only need to file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments following the investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares in book-entry form have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991 of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market, as well as investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50% of the capital of the Spanish company in which the investment is made.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, mining, manufacturing and sales of weapons and explosives for civil use and national defense, radio, television and telecommunications and gambling. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defense sector or the manufacturing and sale of weapons and explosives for non-military use.

The Spanish Council of Ministers may suspend the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such a suspension would be subject to prior authorization from the Spanish government.

Law 19/2003, of July 4, on the establishment of a regulatory regime relating to capital flows to and from legal or natural persons abroad and the prevention of money laundering ("Law 19/2003"), generally provides for the liberalization of the regulatory environment with respect to acts, businesses, transactions and other operations between Spanish residents and non-residents in respect of which charges or payments abroad will occur, as well as money transfers, variations in accounts or financial debit or credits abroad. These operations must be reported to the Ministry of the Economy and Business and the Bank of Spain only for informational and statistical purposes. The most important developments resulting from Law 19/2003 are the obligations on financial intermediaries to provide to the Spanish Ministry of Economy and Business and the Bank of Spain information corresponding to client transactions.

Exchange control regulations

Pursuant to Royal Decree 1816/1991, of December 20, relating to economic transactions with non-residents as amended by Royal Decree 1360/2011 of October 7, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain or the CNMV (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Reporting requirements

Pursuant to Royal Decree 1362/2007, of October 19, any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in the Company, must notify the Company and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3.0%, 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 35.0%, 40.0%, 45.0%, 50.0%, 60.0%, 70.0%, 75.0%, 80.0% and 90.0% of the total voting rights.

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV from time to time for such purpose, within four market days from the date on which the transaction is acknowledged (Royal Decree 1362/2007 deems a transaction to be acknowledged within two market days from the date on which such transaction is entered into). Should the individual or legal entity effecting the transaction be a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments.

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the relevant information notice (*comunicación de información relevante*) regarding such transaction.

From November 27, 2015, the foregoing also applies to holders of financial instruments giving rise to a similar economic exposure than the securities or financial instruments mentioned above regardless of whether or not the instrument is to be settled at the option of the holder physically or in cash. Moreover, from November 27, 2015, holdings of voting rights attributable to shares and those attributable to financial instruments are aggregated for the purposes of determining whether a reporting threshold has been met.

Moreover, the obligation to will also applies to any person which, directly or indirectly, hold, acquire, transfer or has the possibility to exercise the voting rights associated to or attributed to the shares or other financial instruments where the aggregated proportion of the voting rights reaches, exceeds or falls below the thresholds referred to above.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity who owns, acquires or transfers, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify the Company and the CNMV of the holding of a significant stake in accordance with the regulations.

Should the person or group effecting the transaction be resident in a tax haven (as defined by applicable Spanish regulations), the threshold that triggers the obligation to disclose the acquisition or disposition of the Ordinary Shares is reduced to 1% (and successive multiples thereof).

All members of the Board of Directors must report to both the Company and the CNMV any percentage or number of voting rights in the Company held by them at the time of becoming or ceasing to be a member of the Board of Directors within five trading days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights

they hold, regardless of the amount, as a result of any acquisition or disposition of the Ordinary Shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock based compensation that they may receive pursuant to any of the compensation plans. Members of the Company's senior management must also report any stock based compensation that they may receive pursuant to any of the compensation plans or any subsequent amendment to such plans.

In addition, pursuant to Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("MAR") and Article 230 of the Securities Market Act, persons discharging managerial responsibilities and any persons having a close link (*persona estrechamente vinculada*) with any of them must similarly report to the Company and the CNMV any acquisition or disposal of the Ordinary Shares, derivative or financial instruments linked to the Ordinary Shares within three business days after the date of the transaction is made, provided that transactions carried out by the relevant person within the calendar year reach €20,000 in aggregate. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, directly or indirectly, and independently of the ownership of the shares or financial instruments, may acquire, transmit or exercise the voting rights granted by those shares or financial instruments, provided that the aggregated proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1% of the voting rights in the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3% or more of the in the Company. The CNMV will immediately make public this information.

Shareholders' agreements

The Securities Market Act and Articles 531, 533 and 535 of the Spanish Companies Act require parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a General Shareholders' Meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies.

If the Company's shareholders enter into such agreements with respect to the Ordinary Shares, they must disclose the execution, amendment or extension of such agreements to the Company and to the CNMV, file such agreements with the appropriate commercial registry and publish them through a relevant information notice (*comunicación de información relevante*). Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Act.

Such a shareholder agreement will have no effect with respect to the regulation of the right to vote in General Shareholders' Meetings and restrictions or conditions on the free transferability of shares and bonds convertible into shares until such time as the aforementioned notifications, deposits and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, deposit and publish the agreement when publishing the shareholders' agreement could cause harm to the affected company.

To the best of the Company's knowledge, there are no shareholders' agreements in force in relation to the Company or its subsidiaries.

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (as further supplemented by several delegated regulations regulating

technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant issuer's share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV. If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. Such Regulation also restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the referred Regulation has been fulfilled.

The notification or disclosure mentioned above shall be made no later than at 15:30 (CET) on the following trading day. Notification is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction. The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to Regulation 236/2012, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the European Securities and Markets Authority ("ESMA"), take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending; and
- restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Regulation 236/2012, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, Regulation 236/2012 also vests powers to ESMA in order to take measures similar to the ones described above in exceptional circumstances, when the aim of these measures is to deal with a threat affecting several EU member states when the competent authorities of such member states have not taken adequate measures to address it.

Share Repurchases

Pursuant to the Spanish Companies Act, the Company may only repurchase the Company's own shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the General Shareholders' Meeting in a resolution establishing the maximum number of shares to be acquired, the titles for the acquisition, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;
- the repurchase, including the shares already acquired and currently held by the Company, or any person or company acting in its own name but on the Company's behalf, must not bring its net worth below the aggregate amount of the Company's share capital and legal or other non-distributable reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to that net worth, and adding the amount of share capital subscribed but not called and the share capital nominal and issue premiums recorded in the Company's accounts as liabilities. In addition:
- the aggregate nominal value of the shares directly or indirectly repurchased, together with the aggregate nominal value of the shares already held by the Company and its subsidiary, must not exceed 10% of the Company's share capital; and

- the shares repurchased for valuable consideration must be fully paid-up. A repurchase shall be considered null and void if (i) the shares are partially paid-up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

Treasury shares do not have voting rights or economic rights (for example, the right to receive dividends and other distributions and liquidation rights), except the right to receive bonus shares, which will accrue proportionately to all of the Company's shareholders. Treasury shares are counted for purposes of establishing the quorum for General Shareholders' Meeting as well as majority voting requirements to pass resolutions at General Shareholders' Meeting.

The MAR establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU member state. Commission Delegated Regulation (EU) 2016/1052, of March 8, 2016, implements the MAR with regard to the regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. According to the provisions included in the Regulation 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

- Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:
    - the purpose of the program. According to Article 5.2 of the MAR, the buy-back program must have as its sole purpose (a) to reduce the capital of the issuer; (b) to meet obligations arising from debt financial instruments convertible into equity instruments; or (c) to meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
    - the maximum pecuniary amount allocated to the program;
    - the maximum number of shares to be acquired; and
    - the period for which authorization for the program has been granted.
- The issuer must ensure that the transactions relating to the buy-back program meet the conditions included on Article 3 of the Regulation 2016/1052. Specifically, that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.
- Issuers shall not, for the duration of the buy-back program, engage on (a) selling of own shares; (b) trading during the closed periods referred to in Article 19. 11 of the MAR; and (c) trading where the issuer has decided to delay the public disclosure of inside information.

On April 26, 2017, the CNMV approved Circular 1/2017 on liquidity contracts entered into by issuers with financial institutions for the management of their treasury shares. This regulation entered into force on July 10, 2017. It repealed and replaced the CNMV's Circular 3/2007 and introduced new specific rules, limits and mechanisms for liquidity agreements to constitute an accepted market practice and, therefore, be able to rely on a safe harbor for the purposes of market abuse regulations.

If an acquisition or series of acquisitions of the Ordinary Shares reaches or exceeds or causes the Company and its affiliates' holdings to reach or exceed 1% of the voting shares, the Company must notify its final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes the Company and its affiliates' holdings to exceed 1% of the voting shares. Sales and other transfers of the Company's treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of the Company's majority owned subsidiaries (if any).

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares.

In addition, on July 18, 2013, the CNMV published certain guidelines for securities issuers and financial intermediaries acting on their behalf regarding the "discretionary transactions with treasury shares" (outside of the buy-back program regulation). These guidelines are in line with the buyback program regulation in respect of price, limits and volumes and include certain restricted periods and a rule of separated management of the trading activity.

As of the date of this Prospectus, the Company does not hold any treasury shares. The Board of Directors has been authorized by the General Shareholders' Meeting for the derivative acquisition of treasury shares according to and within the restrictions and requirements established in the Spanish Companies Act. In addition, after Admission, the Company will enter into a liquidity contract with a financial institution yet to be decided. It is expected that Arcano Partners will subscribe 30,000 Ordinary Shares in the Offering to fund the referred liquidity contract immediately. Such shares will be transferred to the Company at the Offering Price. The relevant details will be communicated through the publication of a relevant information notice (*comunicación de información relevante*) on the date of the Sizing Agreement (which is expected to take place on November 20, 2019).

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Ordinary Shares. Application will be made to list the Company's Ordinary Shares on the Spanish Stock Exchanges and to have the Company's Ordinary Shares quoted through the SIB (*Sistema de Interconexión Bursátil* or *Mercado Continuo*) of the Spanish Stock Exchanges. The Company expects the Ordinary Shares to be listed and quoted on the Spanish Stock Exchanges on or about November 22, 2019, under the symbol BVVC.

SIB

The SIB (*Sistema de Interconexión Bursátil* or *Mercado Continuo*) links the four Spanish Stock Exchanges, providing those securities listed on it with a uniform continuous market that eliminates certain of the differences between the local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of entry of the relevant order. Each order is executed as soon as a matching order is entered, but can be modified or cancelled until it is executed. The activity of the market can be continuously monitored by investors and brokers. The SIB is operated and regulated by Sociedad de Bolsas, S.A. ("Sociedad de Bolsas"). All trades on the SIB must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of a Spanish Stock Exchanges.

In a pre-opening session held from 8:30 a.m. to 9:00 a.m. (CET) each trading day, an opening price is established for each security traded on the SIB based on a real-time auction in which orders can be entered, modified or cancelled but not executed. During this pre-opening session, the system continuously displays the price at which orders would be executed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer price. If an auction price does not exist, the best bid and offer price and associated volumes are shown. The auction terminates with a random period of 30 seconds in which share allocation takes place. Until the allocation process has finished, orders cannot be entered, modified or cancelled. In exceptional circumstances (including the inclusion of new securities on the SIB) and after giving notice to the CNMV, Sociedad de Bolsas may establish an opening price without regard to the reference price (the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price and modify the reference price.

The computerized trading hours, known as the open session, are from 9:00 a.m. to 5:30 p.m. (CET). During the trading session, the trading price of a security is permitted to vary up to a maximum so-called 'static' range of the reference price, provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so-called 'dynamic' range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above 'static' or 'dynamic' ranges, trading on the security is automatically suspended and a new auction is held where a new reference price is set, and the 'static' and 'dynamic' ranges will apply over such new reference price. The 'static' and 'dynamic' ranges applicable to each particular security are set up and reviewed periodically by Sociedad de Bolsas.

Between 5:30 p.m. and 8:00 p.m. (CET), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas (provided such trades are communicated to Sociedad de Bolsas), at a price within the range of 5% above the higher of the average price and closing price for the day and 5% below the lower of the average price and closing price for the day if (i) there are no outstanding bids or offers, respectively, on the system matching or bettering the terms of the proposed off-system transaction, and (ii) if, among other things, the trade involves more than €300,000 and more than 20% of the average daily trading volume of the stock during the preceding three months. These off-system trades must also relate to individual orders from the same person or entity and be reported to Sociedad de Bolsas before 8:00 p.m. (CET).

At any time trades may take place (with the prior authorization of Sociedad de Bolsas) at any price if:

- the trade involves more than €1.5 million and more than 40% of the average daily trading volume of the stock during the preceding three months;
- the transaction derives from a merger or spin-off, or from the reorganization of a group of companies;
- the transaction is executed for the purpose of settling litigation or completing a complex set of contracts; or
- Sociedad de Bolsas finds another appropriate cause.

Information with respect to the computerized trades which take place between 9:00 a.m. and 5:30 p.m. (CET) is made public immediately, and information with respect to trades which occur outside the computerized matching system is reported to the Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Clearing, settlement and book-entry system

The Spanish clearing, settlement and book-entry system has been recently adapted by Act 11/2015 of June 18, on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, sobre recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) and Royal Decree 878/2015 of October 2, to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, on improving securities settlement in the EU and on central securities depositaries, amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012. Following the implementation of this reform transactions carried out on the SIB continue to be settled by Iberclear, as central securities depositary, and are cleared by BME Clearing, S.A., as central counterparty ("CCP"). Investors are urged to contact their agent or custodian in Spain as soon as possible to make the arrangements necessary for registering the shares in their name on the Subscription Date.

Iberclear and the CCP, are owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a listed holding company which also holds a 100% interest in each of the Spanish official secondary markets.

Shares of listed Spanish companies are represented in book-entry form. The book-entry system is a two-tier level registry: the keeping of the central book-entry register corresponds to Iberclear and the keeping of the detail records correspond to the participating entities in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositaries and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositaries.

The central registry managed by Iberclear reflects: (i) one or several proprietary accounts which will show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of such shares.

According to the above, Spanish law considers the owner of the shares to be:

- the participating entity appearing in the records of Iberclear as holding the relevant shares in its own name.
- the investor appearing in the records of the participating entity as holding the shares; or
- the investor appearing in the records of Iberclear as holding shares in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and send to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO, receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

Obtaining legal title to shares of a company listed on the Spanish Stock Exchanges requires the participation of a Spanish official stockbroker, broker-dealer or other entity authorized under Spanish law to record the transfer of shares. To evidence

title to shares, at the owner's request the relevant participating entity must issue a legitimation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding shares in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the shares held in their name.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositaries for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, Société Anonyme ("Clearstream"), and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream, will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System (as amended from time to time), the Management Regulations of Clearstream and the instructions to Participants of Clearstream (as amended from time to time), as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts are kept at Euroclear or Clearstream and to whom shares have been credited ("investors"), will be entitled to receive a number of shares equal to that amount credited in their accounts.

With respect to shares deposited with depositaries for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees (as described below), if any, and once the relevant recording in the book-entry records kept by the members of Iberclear has occurred.

Under Spanish law, only the holder of record in Iberclear's registry is entitled to dividends and other distributions and to exercise voting, preemptive and other rights in respect of such shares. Euroclear (or its nominees) or Clearstream (or its nominees) will, respectively, be the sole record holders of the shares that are deposited with any depositaries for Euroclear and Clearstream until investors exercise their rights to withdraw such shares and record their ownership rights over the shares in the book-entry records kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures of Euroclear and Clearstream. See "Taxation".

Euroclear and Clearstream will endeavor to inform investors of any significant events of which they become aware affecting the shares recorded in the name of Euroclear (or its nominees) and Clearstream (or its nominees) and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action, as it shall deem appropriate in order to assist investors in exercising their voting rights in respect of the shares. Such actions may include: (i) acceptance of instructions from investors to grant or to arrange for the granting of proxies, powers of attorney or other similar certificates for delivery to the Company, or its agent; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

In case the Company offers or causes to be offered to Euroclear (or its nominees) and Clearstream or its nominees, acting in their capacity as record holders of the Ordinary Shares deposited with the depositaries for Euroclear and Clearstream, respectively, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will, respectively, endeavor to inform investors of the terms of any such rights of which it becomes aware in accordance with the applicable provisions in the aforementioned regulations and procedures. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or, alternatively, such rights may be sold and, in such event, the Net Proceeds will be credited to the cash account maintained on behalf of the investor with Euroclear or Clearstream.

Tender offers

Tender offers are governed in Spain by Articles 128 et seq. of the Securities Market Act and Royal Decree 1066/2007, of July 27 (*Real Decreto 1066/2007, de 27 de julio, de régimen de las ofertas públicas de adquisición de valores*) which implement

Directive 2004/25/EC of the European Parliament and of the Council of April 21. Other than the referred tender offer regulation, there is no other special regulation in Spain which may govern mandatory tender offers over the Ordinary Shares.

Tender offers in Spain may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company and all other securities that might directly or indirectly entitle to acquire or subscribe such shares (including, without limitation, convertible and exchangeable notes) at an equitable price, and not subject to any conditions, when any person or entity acquires control of a Spanish listed company, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly entitle to subscribe or acquire voting shares in such company;
- through shareholder agreements with shareholders or other holders of said securities; or
- as a result of other situations of equivalent effect as provided in the applicable Spanish regulation on tender offers (which constitute indirect control acquired through mergers, share capital decreases, changes in the target's treasury shares).
- A person or entity is deemed to have control over a target company, either individually or jointly with other parties acting in concert, whenever:
- it acquires, directly or indirectly, a percentage of the Company's voting rights equal to or greater than 30%; or
- it has acquired a percentage that is less than 30% of the voting rights and appoints, during the 24-month period following the date of acquisition of said percentage, a number of directors that, together with those already appointed by it (if any), represents more than half of the members of the target company's Board of Directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes the following rules:

- percentages of voting rights corresponding to: (i) companies belonging to the same group as the bidder; (ii) members of the Board of Directors of the bidder or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights which may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their specific instructions with respect thereto; and (v) shares held by a nominee (such nominee being a third party whom the bidder totally or partially covers against the risks related to acquisitions or transfers of the shares or the possession thereof), will be deemed to be held by the bidder;
- both the voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder;
- the percentage of voting rights shall be calculated based on the entire number of the Company's shares with voting rights, even if the exercise of such rights has been suspended. Treasury stock held directly or indirectly by the target company (according to the information available on the date of calculation of the percentage of voting rights held by the bidder) shall be excluded from the calculation. Non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and
- acquisitions of securities or other financial instruments which entitle the holder to the subscription, conversion, exchange or acquisition of shares which carry voting rights will not result in the obligation to launch a tender offer until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory bid when another person or entity not acting in concert with the potential bidder, directly or indirectly holds an equal or greater voting percentage in the target company.

Spanish regulations establish certain exceptions where control is obtained but no mandatory tender offer is required, including, among others:

- Subject to the CNMV's approval, acquisitions or other transactions resulting from the conversion or capitalization of claims into shares of listed companies if their financial feasibility is subject to serious and imminent danger provided that such transactions are intended to ensure the Company's financial recovery in the long term. The approval of the CNMV will not be required if the acquisition takes place in the context of a refinancing agreement under Additional Disposition Fourth of Act 22/2003, of July 9, on insolvency (*Ley 22/2003, de 9 de julio, Concursal*).
- In the event of a merger, provided that those acquiring control did not vote in favor of the merger at the relevant General Shareholders' Meeting of the target company and provided also that it can be shown that the primary purpose of the transaction is not the takeover but an industrial or corporate purpose.
- When control has been obtained after a voluntary bid for all of the securities, if either the bid has been made at an equitable price or has been accepted by holders of securities representing at least 50% of the voting rights to which the bid was directed (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer).

The price of the mandatory tender offer is deemed to be equitable when it is at least equal to the highest price paid by the bidder or any person acting in concert therewith for the same securities during the 12 months preceding the announcement of the tender offer. Other rules used to calculate such equitable price are set forth in the applicable Spanish regulation. However, the CNMV may change the price determined pursuant to said rules in certain circumstances (extraordinary events affecting the price, evidence of market manipulation, etc.).

Mandatory offers must be launched as soon as possible and at any event within one month from the acquisition of the control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they might be subject to certain conditions (such as amendments to the Bylaws or adoption of certain resolutions by the General Shareholders' Meeting of the target company, acceptance of the offer by a minimum number of shares of the target company, approval of the offer by the General Shareholders' Meeting of the bidder; and any other condition deemed by the CNMV to be in accordance with law), provided that the fulfillment of such conditions may be verified by the end of the offer acceptance period; and
- they may be launched at a price other than an equitable price.

The price in a voluntary tender offer must be the higher of (i) the equitable price and (ii) the price resulting from an independent valuation report, and must at least consist of cash as an alternative if certain circumstances have occurred during the two years prior to the announcement of the offer (basically, the trading price for the shares being affected by price manipulation practices, market or share prices being affected by natural disasters, force majeure, or other exceptional events, or the target company being subject to expropriation or confiscation resulting in significant impair of the Company's real value).

The Spanish regulation on tender offers sets forth further relevant provisions, including, among others:

- the Board of Directors of the target company will be exempt from the prohibition to carry out frustrating or defensive actions against a foreign bidder provided the latter's Board of Directors is not subject to equivalent passivity rules and subject to prior approval by the Company's General Shareholders' Meeting within the 18-month period before the date of the public announcement of the tender offer;
- defensive measures included in a listed company's Bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the Company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a mandatory tender offer (or as a result of a voluntary offer for all the of the target's share capital) the bidder holds shares representing at least 90% of the target company's voting share capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

The Company has never been the target of a tender offer by a third-party bidder over the Ordinary Shares of the Company.

PLAN OF DISTRIBUTION

The Offering

All New Shares will be issued at the Offering Price. The Offering is expected to raise gross proceeds of €100,000,000, although the Company may increase the size of the Offering up to €150,000,000 through the publication of a relevant information notice (*comunicación de información relevante*). On the basis of a €100,000,000 Offering, the estimated Net Proceeds to the Company are approximately €95,401,500 after the deduction of commissions and other estimated fees and expenses payable by the Company, in an estimated amount of €4,598,500 (which include fees for legal advisors, Agent Bank and auditors, fees and duties for Iberclear, CNMV and the Spanish Stock Exchanges, and other expenses such as marketing and travel costs).

The Managers and the Company will agree, no later than November 20, 2019, the final number of New Shares that will constitute the Offering, which together with the final issue size and Net Proceeds, will be announced through the publication of a relevant information notice (*comunicación de información relevante*).

The Company intends to use the Net Proceeds of the Offering to fund future venture capital investments in accordance with its Investment Strategy as well as to fund the Company's structural expenses. The Company expects to have fully invested or committed the Net Proceeds of the Offering within approximately 24 months following Admission.

The Managers will agree, subject to the satisfaction of certain conditions set out in the Placing Agreement to use their reasonable endeavors to procure subscribers for the Placing Shares (i.e., 7,406,000 Ordinary Shares). Further details of the Placing Agreement are set out in section "*Material contracts—The Placing Agreement*". Orders can only be placed for a minimum amount of €100,000 ("Minimum Order Amount").

The Offering is conditional upon the Placing Agreement not having been terminated in accordance with its terms, including the execution of the Sizing Agreement (as defined in this Prospectus).

The allocation of Placing Shares will be as follows:

- The aggregate amount of investment orders received from investors complying with the requirements set out in article 75 of Law 22/2014 but not qualifying as Professional Clients (each, a "Retail Client"), whose investment orders can only be placed through Banco Santander or Norbolsa, will be divided by the Agent Bank in two fractions: (i) the aggregate amount of Minimum Order Amounts corresponding to each investment order received from Retail Investors (the "Aggregate Minimum Amount"); and (ii) the aggregate amount of the excesses over the Minimum Order Amount corresponding to each investment order received from Retail Investors (the "Aggregate Additional Amount").
- If the Aggregate Minimum Amount does not exceed 40% of the Placing Shares every Retail Client placing an order in Spain will be allocated with 10,000 New Shares (i.e., New Shares equivalent to the Minimum Order Amount).
- If the Aggregate Minimum Amount exceeds 40% of the Placing Shares all investment orders received from Retail Clients will be included in a list following an alphabetical order, based on the first word included in the field "Name and Surname or Corporate Name" (in the event that more than one Retail Client has the same personal data, only the earlier in date will be considered).
- A letter will be determined, according to a draw held before a notary public. The list prepared in accordance to the previous point will start with such letter.
- 10,000 New Shares will be allocated to each Retail Client following the order established in the above-referred list. Such allocated New Shares will be acquired by the Client upon completion of the Offering at the Offering Price.
- Any Placing Shares not allocated pursuant the preceding paragraphs, will be discretionary allocated to investors by the Company following consultation with the Joint Global Coordinators and Bookrunners.

Unlike investment orders from Professional Clients and Qualified Investors which will be revocable, investment orders from Retail Clients will be irrevocable regardless of their size, except in the exceptional case where a supplement to this Prospectus is published. In such event, in accordance with article 23 of the Prospectus Regulation, Retail Clients would be granted the possibility to revoke their orders for a minimum term of two business days from the date of publication of the supplement.

According to article 23 of the Prospectus Regulation, a supplement will be published only in case of existence of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of New Shares and which arises or is noted between the time when this Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later.

For the avoidance of doubt, the allocation rules set out in the preceding paragraphs will not apply to those investors that have irrevocably committed to invest New Shares (see "*Material Contracts—The Cornerstone Agreements, —Management Team, —Board of Directors Commitment, and —Arcano Partners Commitment*"), who will be allocated with the relevant Committed Shares set forth in their respective commitments.

If the Offering is withdrawn, postponed, deferred or suspended temporarily or indefinitely for any reason, all investment orders will be cancelled and terminated and the Company shall have no obligation to deliver the New Shares and investors shall have no obligation to subscribe them.

Banco Santander and Norbolsa may ask Retail Clients to provide funds in advance in order to ensure payment for the New Shares requested by Retail Clients. If their order is partially rejected, the corresponding funds provided by such Retail Clients will be returned to them, free of any expenses or fees.

The Offering will be made by way of sales outside the U.S. in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Immediately following Admission, the Ordinary Shares will be freely transferable under the Bylaws, but will be subject to the restrictions referred to in section "Selling and Transfer Restrictions".

Banco Santander, S.A., with registered address in Paseo de Pereda, 9-12, 39004 Santander, Spain, will be the Agent Bank in the Offering.

From time to time the Managers and their affiliates may in the future provide the Company with investment banking and other advisory services. In addition, in connection with the Offering, the Managers, any affiliate or any investment vehicle, directly or indirectly connected therewith, acting as an investor for its own account may take up Ordinary Shares and in that capacity may retain, purchase or sell such Ordinary Shares (or related investments), for its own account and may offer or sell such Ordinary Shares (or other investments) otherwise than in connection with the Offering.

The Offering and the holding of Ordinary Shares by investors may be affected by the laws or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of such Ordinary Shares. Investors should consult their own advisors prior to an investment in the Ordinary Shares.

The Company and the Joint Global Coordinators and Bookrunners (acting on behalf of the Managers) expressly reserve the right to modify the Offering (including, without limitation, its timetable, size and settlement) at any time before final allocations of Ordinary Shares to investors are determined. Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in certain circumstances provided for in the Prospectus Regulation.

Authorizations of the Offering

The New Shares will be issued pursuant to a decision adopted on November 4, 2019 by the sole shareholder of the Company, which has resolved to increase the share capital of the Company by €60,000,000, through the issue and placement of 10,000,000 New Shares of the same class and series as those currently in circulation, establishing their issue price as €10 per share (with a nominal value of €6), waving any and all preferential subscription rights corresponding to the existing shareholders of the Company.

The issue of the New Shares does not require any authorization or administrative pronouncement other than the general provisions on the CNMV's approval and registration of this Prospectus, according to the provisions established in the Securities Market Act and its implementing regulations and the Spanish Companies Act.

Subscription and Payment of the Offering

In order to expedite the registration and listing of the Ordinary Shares, it is expected that Banco Santander, S.A., in its capacity as prefunding bank (in such capacity, the "Prefunding Bank"), will subscribe and pay for the New Shares that will constitute the Offering, which is expected to take place on or about November 21, 2019 (the "Subscription Date"). Payment for the New Shares by the Prefunding Bank is expected to be made to the Company in the Company's account and the New Shares will come into existence once registered at the Commercial Registry of Madrid (*Registro Mercantil de Madrid*) and recorded in book-entry form with Iberclear. The New Shares will be delivered to the Prefunding Bank, following their registration and receipt of evidence thereof by Iberclear on the Subscription Date and thereafter transferred by the Prefunding Bank to final investors. Payment by final investors to the Prefunding Bank shall be made no later than the second Madrid business day after the Subscription Date against delivery of the New Shares to final investors, which is expected to take place on or about November 25, 2019.

Placing Agreement

For details of this agreement, please refer to section "*Material Contracts–The Placing Agreement*".

Lock-Up Period

Other than the Company (see section "*Material Contracts*" for a discussion on the Company's lock-up arrangements) no other investor has entered into any arrangement which restricts its ability to operate with the Ordinary Shares upon their subscription.

The New Shares and the Ordinary Shares

The New Shares to be issued will be created pursuant to the Spanish Companies Act. Each of the Ordinary Shares carries one vote at a meeting of the General Shareholders' Meeting. There are no restrictions on the voting rights of the Ordinary Shares. The ISIN number assigned to the Ordinary Shares is ES0107706006. Immediately following Admission, the Ordinary Shares will be transferable under the Bylaws, but will be subject to the restrictions referred to in section "*Selling and Transfer Restrictions*". The Ordinary Shares are represented in registered book-entry form and held through the clearance and settlement system managed by Iberclear.

The New Shares to be issued pursuant to the Offering will rank *pari passu* in all respects with the existing Ordinary Shares, including as regards the right to vote and the right to receive all dividends and other distributions declared, made or paid on the Company's share capital after Admission.

Admission and Dealings

Application will be made to list the Company's Ordinary Shares on the Spanish Stock Exchanges and to have the Company's Ordinary Shares quoted through the SIB (*Sistema de Interconexión Bursátil* or *Mercado Continuo*) of the Spanish Stock Exchanges. The Company expects the Ordinary Shares (including the New Shares offered hereby) to be listed and quoted on the Spanish Stock Exchanges on or about November 22, 2019 under the symbol BVVC.

Please see the section "*Market information*" for further details on the characteristics and functioning of the SIB, the Spanish clearing, settlement and book-entry system and Euroclear and Clearstream, Luxembourg.

Interests of Persons Involved in the Offering

Certain of the Managers and their affiliates may from time to time engage in transactions with, and perform services for the Company or the Investment Manager in the ordinary course of their business. In addition, the Managers and their respective affiliates have performed, and may in the future perform, various financial advisory, investment banking, commercial banking or other services for the Company or the Investment Manager, for which they have received and are likely to continue to receive customary fees and expenses. In addition, Arcano Valores, A.V., S.A.U. is a wholly-owned subsidiary of Arcano Partners, which is, in turn, the sole shareholder of the Investment Manager.

MATERIAL CONTRACTS

The Placing Agreement

The Placing Agreement will be entered into between the Company and the Managers on or prior to the date of registration of this Prospectus with the CNMV (the "**Placing Agreement**").

Placing

The Managers will agree, subject to the satisfaction of certain conditions set out in the Placing Agreement to use their reasonable endeavors to procure subscribers for 7,406,000 Ordinary Shares (i.e., the New Shares excluding the Committed Shares (as defined in this Prospectus), the "**Placing Shares**") at the Offering Price (the "**Placing**"). Each Manager will agree, severally but not jointly, to use its reasonable endeavors to procure investors for the Placing Shares at the Offering Price in such proportion as set out opposite its name in the following table, subject to such adjustments among the Managers that the Joint Global Coordinators and Bookrunners in their sole discretion shall make to eliminate any sales or purchases of fractional Placing Shares:

Managers	% Placing Shares
JB CAPITAL MARKETS, S.V., S.A.U.	43%
BANCO SANTANDER, S.A.	20%
ARCANO VALORES, A.V., S.A.U.	18%
AVR CAPITAL SA	4.75%
BANCO L.J. CARREGOSA, S.A.	4.75%
NORBOLSA, SOCIEDAD DE VALORES, S.A.	4.75%
OCTAVIAN AG	4.75%
TOTAL	100.00%

Sizing and allocation

All New Shares will be issued at the Offering Price. The Managers and the Company will agree, no later than November 20, 2019, the final number of New Shares that will constitute the Offering, by entering into an agreement substantially in the form set out in the Placing Agreement (the "**Sizing Agreement**"). The foregoing will be announced through the publication of a relevant information notice (*comunicación de información relevante*). The allocations of New Shares will be determined by the Company following consultation and agreement with the Joint Global Coordinators and Bookrunners (acting on behalf of the Managers).

Estimated fees and expenses

In consideration for the services of the Managers in connection with the Placing, and provided the Placing Agreement becomes unconditional and is not terminated in accordance with its terms, the Company shall pay to the Managers (i) an aggregated placing commission equal to 2.00% of the value of the Offering Price multiplied by the New Shares (the "**Base Commission**") and (ii) a commission of 1.50% of the value of the Offering Price multiplied by the New Shares (the "**Incentive Commission**"). The Company shall have complete discretion to determine the manner in which the Incentive Commission is allocated among the Managers.

The Company will also agree to pay to the Managers the reasonably and properly incurred costs, charges, fees and expenses in connection with or incidental to the Offering (subject to certain caps).

Representations, warranties and indemnity

Under the Placing Agreement, the Company will give certain representations and warranties. The Company will give an indemnity to the Managers concerning, amongst other things, the accuracy of the information contained in this Prospectus.

Lock-up

The Company will agree under the Placing Agreement that, without the prior written consent of the Joint Global Coordinators and Bookrunners, it will not, during the period commencing on the date on which the Placing Agreement is signed and ending 180 days following Admission, (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Ordinary Shares; or (iii) enter into any transaction with the same economic effect as paragraphs (i) and (ii) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing, whether any such swap or transaction described in paragraphs (i), (ii) and (iii) above is to be settled by delivery of Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares, in cash or otherwise; however, the foregoing restrictions are subject to certain exceptions and may be waived.

Other than the Company no other investor has entered into any arrangement which restricts its ability to operate with the Ordinary Shares upon their subscription.

Subscription and payment of the New Shares

See "*Plan of Distribution—Subscription and Payment of the Offering*".

Termination of the Placing Agreement

The Joint Global Coordinators and Bookrunners (acting on behalf of the Managers) may, acting unanimously, terminate the Placing Agreement, by written notice to the Company, at any time from and including the date hereof until time of registration of the notarial deed of the capital increase relating to the issue of the New Shares with the Commercial Registry of Madrid, if there shall have occurred any of the following:

(a) there has been in the good faith judgment of the Joint Global Coordinators and Bookrunners a breach by the Company or the Investment Manager of any of the representations or warranties contained in the Placing Agreement, or a breach by the Company or the Investment Manager of any of the undertakings contained in the Placing Agreement has occurred;

(b) since the time of execution of the Placing Agreement or the earlier respective dates as of which information is given in the Prospectus (exclusive of any supplements thereto), there has been a material adverse change in respect of the Company or the Investment Manager, the effect of which change or development is, in the good faith judgment of the Joint Global Coordinators and Bookrunners, so material and adverse as to make it impracticable or inadvisable to proceed with the Offering;

(c) any moratorium on or suspension of commercial banking activities shall have been declared by competent authorities in the European Union, Spain, the U.S. or the State of New York or any member of the European Economic Area (EEA), or a material disruption in commercial banking activities, securities settlement, payment or clearance services in the European Union, Spain, any member of the EEA, the U.S.or the State of New York.

(d) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting the European Union, Spain, any relevant member state of the EEA, the United States and/or the State of New York, in the good faith judgment of the Joint Global Coordinators and Bookrunners: (i) is materially adverse to, or is likely to materially and prejudicially affect, the business or financial or trading position or prospects of the Company, (ii) makes, or is likely to make, it impracticable or inadvisable to market the New Shares or enforce contracts for the sale of the New Shares, or (iii) is likely to result in the successful completion of the Offering being prejudiced;

(e) the CNMV, the Spanish Stock Exchanges or any other relevant authority suspends or revokes any necessary approval for the Offering or Admission.

(f) the Company does not publish an amendment or supplement to the Prospectus in form and content reasonably satisfactory to the Joint Global Coordinators and Bookrunners, after consultation with them, without undue delay and in accordance with applicable laws and stock exchange regulations, after, in each case, a good faith request by the Joint Global Coordinators and Bookrunners for such publication based on information that the Joint Global Coordinators and Bookrunners or their counsel (either as a result of having been notified of such information by the Company or otherwise) in good faith believe would be required to amend or supplement the Prospectus to ensure that they do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which such statements were made, not misleading.

(g) there has occurred:

- a suspension or material limitation in trading in securities generally on any of the Spanish Stock Exchanges, the London Stock Exchange or the New York Stock Exchange;
- any change or any development involving a prospective change in the national or international financial, political or economic conditions, any financial markets or any currency exchange rates or controls;
- an outbreak or escalation of hostilities or acts of terrorism or a declaration of a national emergency or war or martial law, or
- any other calamity, crisis or event,

  if the effect of any such event, individually or together with any other such event, in the good faith judgment of the Joint Global Coordinators and Bookrunners, is so material and adverse as to make it impracticable or inadvisable to proceed with the Offering or the delivery of the New Shares.

Also, the Placing Agreement shall terminate automatically in the event that Admission has not been completed by December 20, 2019 (or such later dates as may be agreed in writing by the Company and the Joint Global Coordinators and Bookrunners (on behalf of the Managers)).

If the Placing Agreement is terminated, the New Shares will not be subscribed and paid by Prefunding Bank. Where the New Shares have already been paid by the Prefunding Bank, the principal consequences of the termination of the Placing Agreement are: (i) the Prefunding Bank would be obligated to return the New Shares to the Company (if delivered), and (ii) the Company would be obligated to return the proceeds paid at the Offering Price (if any) in respect of the New Shares by the Prefunding Bank, together with interest accrued from the date on which they paid for the New Shares until the date on which the Company repays the Offering Price.

Governing law and jurisdiction

The Placing Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Spanish law (*legislación común española*).

The courts of the city of Madrid are to have exclusive jurisdiction to settle any disputes (including claims for set-off and counter-claims) in connection with the Placing Agreement.

The Cornerstone Agreements

In addition to the Arcano Commitment and the Management Team and Board of Directors Commitment (both as defined below), the Company has entered into cornerstone investment agreements with 18 investors, by virtue of which the Company has agreed to allocate, and such investors have agreed to subscribe and pay for, an aggregate of 2,505,000 New Shares at the Offering Price (the "Cornerstone Shares"), subject to the completion of the Offering and to the Placing Agreement having been executed and not having been terminated. These cornerstone investment agreements contain standard representations and warranties from the investors to the Company.

In the event that Admission does not occur within 30 days following the closing of the Offering, and provided that the investors have complied with their obligations under the cornerstone agreements, the investors shall have the right to participate in a repurchase offer by the Company in the context of a capital reduction.

One investor has undertaken to subscribe a number of New Shares which represents more than 5% of the Offering, with the subscription of a number of New Shares which represents 15% of the Offering. Upon the purchase of the New Shares, and in compliance with applicable information, the investor will notify the CNMV such acquisition.

Management Team and Board of Directors Commitment

Mr. Álvaro de Remedios and Mr. Jose Luis del Río, both Key Managers and members of the Board of Directors of the Company have irrevocably undertaken to invest €200,000 and €100,000 in the Company, respectively which represent 20,000 and 10,000 New Shares, respectively. In addition, Mr. Rafael Miranda and Ms. Almudena Arpón de Mendívil have each irrevocably undertaken to invest €150,000 and €100,000, respectively, in the Company, which represents 15,000 and 10,000 New Shares, respectively (the "Management Team and Board of Directors Commitment" and the "Management and Director Shares", respectively).

Arcano Partners Commitment

Arcano Partners has irrevocably agreed to subscribe and pay for, conditional upon completion of the Offering (which includes that the Placing Agreement having been executed and not having been terminated), and the Company has agreed to allot to Arcano Partners (i) the number of Ordinary Shares in the Offering as may be necessary, in order for Arcano Partners to hold 2% of the share capital of the Company after the completion of the Offering, and (ii) 30,000 Ordinary Shares in the Offering to fund the liquidity contract that Balboa will enter into after Admission (see "*Description of Share Capital —Share Repurchases*") (the "Arcano Commitment", and the "Arcano Shares", and together with the Cornerstone Shares and the Management and Director Shares, the "Committed Shares") free from any encumbrance at an issue price of €10 each Ordinary Share (to be pre-funded in accordance with the terms of the Placing Agreement). Arcano Partners may, at its sole discretion, assign its rights and obligations under this undertaking to any entity wholly-owned, either directly or indirectly, by Arcano Partners.

For the avoidance of doubt, the allocation rules set out in the section "*Plan of Distributions–The Offering*" will not apply to those investors that have irrevocably committed to invest New Shares, who will be allocated with the relevant Committed Shares set forth in their respective commitments.

SELLING AND TRANSFER RESTRICTIONS

The distribution of this Prospectus and the offer of New Shares in certain jurisdictions may be restricted by law. No action has been or will be taken in any jurisdiction that would permit a public offer of the New Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the New Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the New Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of New Shares, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the New Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Because of the following restrictions, purchasers of New Shares are advised to consult legal counsel before making any offer for, or resale, pledge or other transfer of, New Shares.

United States

Restrictions on offering under the U.S. Securities Act

The New Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. The New Shares are being offered and sold outside of the U.S. in offshore transactions in reliance on Regulation S and not be offered, sold, transferred or delivered, directly or indirectly, in or into the U.S., or to or for the account or benefit of U.S. persons at any time, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws of the U.S.

Transfer restrictions on purchasers outside the United States

Each purchaser to whom the New Shares are distributed, offered or sold outside the U.S. pursuant to Regulation S, by its acceptance of delivery of this Prospectus and the New Shares, will be deemed to have represented, agreed and acknowledged, on its own behalf and on behalf of any investor accounts for which it is purchasing the New Shares, that neither the Company nor any of the Company's affiliates nor any of the Managers, nor any person representing the Company, any of its affiliates or any of the Managers, has made any representation to it with respect to the Offering or sale of any New Shares, other than the information contained in this Prospectus, which Prospectus has been delivered to it and upon which it is solely relying in making its investment decision with respect to the New Shares, it has had access to such financial and other information concerning the Company and the New Shares as it has deemed necessary in connection with its decision to purchase any of the New Shares, and that (terms defined in Regulation S shall have the same meanings when used in this section):

- it is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and was located outside the U.S. at the time the buy order for the New Shares was originated;
- it is aware that the New Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or otherwise transferred absent registration except pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act and any other applicable securities law and is generally aware of the restrictions on the offer and sale of the New Shares described in this Prospectus;
- if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act;
- it is not an affiliate of the Company or a person acting on behalf of such an affiliate;

- it has carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the New Shares to any persons within the U.S., nor will it do any of the foregoing;
- it is not, and is not acting on behalf of (a) an employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, (b) a plan described in Section 4975(e)(1) of the Code, including an individual retirement account or other arrangement, that is subject to Section 4975 of the Code, or (c) any entity whose underlying assets could be deemed to include "plan assets" by reason of such employee benefit plan's or plan's investment in the entity pursuant to the U.S. Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA, or (d) a governmental, church, non-U.S. or other plan which is subject to any federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility and/or the prohibited transaction provisions of ERISA or Section 4975 of the Code or laws or regulations that provide that the assets of the Company could be deemed to include "plan assets" of such plan, and (e) it will agree to certain transfer restrictions regarding any transfer of such New Shares (or interests therein) to any person that cannot make the foregoing representations;
- the Company, the Managers and their respective directors, officers, agents, employees, advisors and others will rely upon the truth and accuracy of the foregoing representations and agreements;
- if any of the representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and the Managers, and if it is acquiring any New Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make such foregoing representations and agreements on behalf of each such account;
- it warrants that it has complied with all laws and regulations applicable to its agreement to subscribe for New Shares under the Offering, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action that will result in the Company or the Managers or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with the Offering;
- the New Shares have not been offered to it by means of any "direct selling efforts" as defined in Regulation S;
- the Company shall not recognize any offer, sale, pledge or other transfer of the New Shares made other than in compliance with the above stated restrictions;
- it represents that if, in the future, it offers, resells, pledges or otherwise transfers the New Shares, it shall notify such subsequent transferee of the transfer restrictions set out in this Prospectus;
- it has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the New Shares, and it has the financial ability to bear the economic risk of investment in the New Shares; and
- if the subscriber or investor is acquiring any New Shares for the account of one or more other investors, it represents that it has sole investments discretion regarding each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

European Economic Area

In relation to each Member State, no New Shares have been offered or will be offered pursuant to the Offering to the public in that Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, provided that no such offer of New Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, except that offers of New Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation: (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); (c) to investors who acquire securities for a total consideration of at least €100,000 per investor or (d) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of the New Shares to the public" in relation to the New Shares in any Member State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the New Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the New Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Each subscriber of New Shares in the Offering located within a Member State (other than Spain) will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor (as defined in the Prospectus Regulation). The Company, the Managers, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement. This definition also applies to the placing of securities through financial intermediaries.

In the case of any New Shares being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will be deemed to have represented, acknowledged and agreed to and with each of the Joint Global Coordinators and Bookrunners and the Company that the New Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Shares to the public other than their offer or resale in a Member State (other than Spain) to Qualified Investors as so defined in the Prospectus Regulation or in circumstances in which the prior consent of the Global Coordinators and Bookrunners has been obtained to each such proposed offer or resale.

For the purposes of this notice to investors in the EEA, the expression an "offer of the New Shares to the public" in relation to the New Shares in any Member State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the New Shares to be offered, so as to enable an investor to decide to purchase or subscribe for the New Shares. This definition also applies to the placing of securities through financial intermediaries.

Notwithstanding any other statement in this Prospectus, this Prospectus should also not be made available to any investor domiciled in any Member State unless the Investment Manager has confirmed that it is able to market the New Shares into that Member State under the passport regime in that Member State, in compliance with the AIFMD. Investors domiciled in the EEA that have received this Prospectus in any Member State in respect of which such conditions have not been satisfied should not subscribe for the New Shares (and the Company reserves the right to reject any applications so made, without explanation) unless such investors have received this Prospectus on the basis of an enquiry made at the investor's own initiative. Notwithstanding that the Investment Manager (as the Company's AIFM) may have confirmed that it is able to market the New Shares to professional investors in an Member State, the New Shares may not be marketed to retail investors (as this term is defined in the AIFMD as transposed in the relevant Member State) in that Member State unless the New Shares have been qualified for marketing to retail investors in that Member State in accordance with applicable local laws.

United Kingdom

In the United Kingdom, this document is only being distributed to and is only directed at (1) qualified investors, as that term is defined in the Prospectus Regulation (i) who falling within Article 19(5) of the FSMA Order and or (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the FSMA Order and (2) other persons to whom it may otherwise lawfully be communicated (all such persons together, as defined, Relevant Persons). The New Shares are only available in the United Kingdom, and any invitation, offer or agreement to purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with the UK Relevant Persons. Any person in the United Kingdom who is not a UK Relevant Persons should not act or rely on this document or any of its contents.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any New Shares will be communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Company.

All applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom have been, and will be, complied with.

Spain

Each Manager has represented and agreed that the New Shares have not been and will not be offered or sold in Spain other than by institutions authorised under the Spanish Securities Market Act, and related legislation, to provide investment services in Spain, and as agreed between the Company and the Managers, offers of the New Shares in Spain have only been and will only be directed specifically at or made to (i) investors which comply with the requirements set out in article 75 of Law 22/2014 and (ii) professional clients (*clientes profesionales*) as defined in Article 205 of the Spanish Securities Market Act and Article 58 of Royal Decree 217/2008, of 15 February.

Italy

The Offering of New Shares has not been registered with the Italian competent authority (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to Italian securities legislation and, accordingly, no New Shares have been or will be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the New Shares be distributed in the Republic of Italy, except that offers of New Shares may be made to the public in Italy at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation and under Article 100 of Legislative Decree No. 58 of 24 February, 1998, as amended (the "Italian Consolidated Law on Finance"), as implemented by Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("CONSOB Issuers Regulation"), which cross-refers to the definition of "professional client" set out in Article 26, first paragraph, letter (d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended ("CONSOB Intermediaries Regulation");
b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation);
c) to investors who acquire securities for a total consideration of at least €100,000 per investor; or
d) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of New Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Any such offer, sale or delivery of the New Shares or distribution of copies of this Prospectus or any other document relating to the New Shares in the Republic of Italy must be made (i) by a bank, an investment firm or another entity permitted to conduct such activities in the Republic of Italy in accordance with the Italian Consolidated Law on Finance, the CONSOB Intermediaries Regulation and Legislative Decree No. 385 of 1 September 1993, as amended (the "Italian Consolidated Law on Banking") and any other applicable laws and regulations; and (ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

Please note that in accordance with Article 100-bis of the Italian Consolidated Law on Finance, subscribers should also note that, in any subsequent distribution of the New Shares in the Republic of Italy, Article 100-bis of the Italian Consolidated Law on Finance may require compliance with the law relating to offers of securities to the public. Furthermore, where the New Shares are placed solely with "qualified investors" and are then systematically ("*sistematicamente*") resold on the secondary market at any time in the 12 months following such placing, purchasers of New Shares who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the New Shares were purchased, unless an exemption provided for under the Italian Consolidated Law on Finance applies.

Notwithstanding any other statement in this Prospectus, this Prospectus should also not be made available to any investor domiciled in Italy, unless:

(i) the Investment Manager has confirmed that it is able to market the New Shares into Italy under the AIFMD marketing passport regime, as it has completed the notification procedure required under Article 43, eighth paragraph of the Italian Consolidated Law on Finance and Article 28-quater of the CONSOB Issuers Regulation. Investors domiciled

in Italy that have received this Prospectus in Italy without such condition being satisfied should not subscribe for the New Shares (and the Company reserves the right to reject any applications so made, without explanation) unless such investors have received this Prospectus on the basis of an enquiry made at the investor's own initiative; and

(ii) the investor is a professional investor as defined under Article 1, first paragraph, letter m-undecies of the Italian Consolidated Law on Finance, as implemented by Article 26, first paragraph, letter (d) of CONSOB Intermediaries Regulation. Please note that the definition of "professional investor" and "qualified investor" are equivalent.

Each subscriber of New Shares in the Offering located in Italy will be deemed to have represented, acknowledged and agreed that it is a qualified investor. The Company, the Managers, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement. This definition also applies to the placing of securities through a bank, an investment firm or another entity permitted to conduct placing in the Republic of Italy.

Finland

The New Shares will be offered in Finland exclusively to investors qualifying as "professional clients" (Fi: ammattimainen asiakas) as defined in the Finnish Act on Alternative Investment Fund Managers (Fi: laki vaihtoehtorahastojen hoitajista, 162/2014, as amended, the "AFMA"). No permission to market or offer the New Shares to non-professional clients in Finland has been acquired and, therefore, non-professional clients in Finland may not subscribe for the New Shares in the Offering or otherwise. Accordingly, prospective investors should acknowledge that the Prospectus has not been notified to Finland in accordance with the Prospectus Regulation and may not be used as a prospectus within the meaning set forth in the Finnish Securities Markets Act (Fi: arvopaperimarkkinalaki, 746/2012, as amended, the "SMA"). The Issuer, in its capacity as an AIF, has been notified to the Finnish Financial Supervisory Authority (Fi: Finanssivalvonta, the "FIN-FSA") for marketing to professional clients in Finland in accordance with the AFMA. As the New Shares constitute "transferable securities" under the SMA, based on the exemptions set forth in the Prospectus Regulation, the offering of the New Shares is exempt from the prospectus requirements in Finland. This material has been prepared for private information purposes only and it may not be used for, and shall not be deemed, a public offering of the New Shares in Finland. This material is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly.

Norway

The offer and sale of the New Shares is solely directed to and intended (i) for persons or entities based outside Norway, (ii) for persons or entities in Norway who fall within the category "professional investors" as defined in the Norwegian Securities Trading Act 2007 and appurtenant regulations, and (iii) for other individual distribution by any of the Managers in a way that Norwegian license and prospectus requirements are complied with.

Switzerland

The Company is not authorized by, or registered with, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") under the Swiss Federal Act on Collective Investment Schemes of June 23, 2006, as amended ("CISA"). As a consequence thereof, the relevant provisions related to the supervision as well as the protection afforded to investors of interests in collective investment schemes under the CISA does not extend to the acquisition of the New Shares.

The Shares may not be publicly offered or distributed in or from Switzerland, and neither this Prospectus nor any other offering material relating to the Company or the New Shares may be publicly distributed in connection with any such offering or distribution. The New Shares may only be offered or distributed and the Prospectus and/or any other offering material relating to the Company or the New Shares may be made available in or from Switzerland solely to qualified investors within the meaning of Art. 10 paras. 3, 3bis and 3ter of the CISA in connection with Art. 6/6a of the Swiss Federal Collective Investment Schemes Ordinance of November 22, 2006, as amended ("CISO").

The Company has appointed Banque Cantonale de Genève (Quai de l'Ile 17 - CP 2251, 1211 Geneva, Switzerland) as its Swiss paying agent and ACOLIN Fund Services AG (Leutschenbachstrasse 50, 8050 Zurich, Switzerland) as its Swiss representative in accordance with Art. 120 para. 2 lit. d and para. 4 of the CISA.

This Prospectus does not constitute an issuance prospectus pursuant to Art. 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The New Shares will not be listed on the SIX Swiss Exchange nor on any other stock exchange or regulated trading venue in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information and disclosure standards set out in the relevant listing rules. The documentation of the Company has not been and will not be filed and approved, and may not be able to be approved, by FINMA under the CISA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the New Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

If you (or any person for whom you are acquiring the New Shares in the Company) are in Switzerland, you (and any such person) represent and warrant that you are a qualified investor within the meaning of the CISA.

ENFORCEMENT OF CIVIL LIABILITIES

Balboa Ventures is a Spanish company and its assets are expected to be located mainly in the U.S., Europe and Israel. In addition, the Investment Manager and all of the Company's Directors reside or are located in Spain. As a result, investors may not be able to effect service of process upon the Company or these persons or to enforce judgments obtained against the Company or these persons in foreign courts predicated solely upon the civil liability provisions of U.S. Securities laws.

Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain.

LEGAL MATTERS

The validity of the New Shares offered and certain matters relating to the Offering, with respect to Spanish law, will be passed upon for the Company by Uría Menéndez Abogados, S.L.P. and for the Managers by Linklaters, S.L.P.

INDEPENDENT AUDITORS

Deloitte, S.L. domiciled at Madrid, Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, holder of tax identification number (CIF) B-79104469 and registered in the R.O.A.C. (*Registro Oficial de Auditores de Cuentas*—Official Registry of Auditors) with number S-0692 and in the Commercial Registry of Madrid (*Registro Mercantil de Madrid*) at Volume 29,897, section 8, page 21 and sheet M-538,045, has audited the Company's interim financial statements for the period between September 11, 2019 and October 16, 2019, included in this Prospectus.

Deloitte, S.L. was appointed as auditor of the Company for the years 2019 to 2021.

ADDITIONAL INFORMATION

Working capital

In the opinion of the Company, taking into consideration the Net Proceeds to be received by the Company from the Offering, the working capital available to the Company is sufficient for the Company's present requirements and, in particular, is sufficient for at least the next 12 months from the date of this Prospectus.

Property, plant and equipment

The Company does not own any real estate property as at the date of this Prospectus.

Legal and arbitration proceedings

As of the date of this Prospectus, the Company is not been involved in any legal or aribitration proceeding in the ordinary course of its business. However, at any given time, the Company may be involved in litigation or arbitration proceedings which could, individually or in the aggregate, materially adversely affect the Company's financial condition, results of operations, business or prospects. In addition, the Company may be exposed to future liabilities or obligations with respect to the investments that it divests.

No Significant Change

There has been no significant change in the financial or trading position of the Company since November 4, 2019 (the date on which the interim financial statements for the period between September 11, 2019 and October 16 2019 were auhorised by the Company). The interim financial statements of the Company for the period between September 11, 2019 and October 16 2019 have been audited by Deloitte, S.L.

Other commitments

Immediately before Admission, the sole shareholder of the Company will perform a capital contribution in the amount of €800,000 to an available reserves account (prima de emisión), which will equal a €4 per share contribution to available reserves as of the date of this Prospectus. The capital contribution will be done to the "contributions from shareholders or owners" account within the Company's equity and will be accounted as an increase in the Company's equity, without an increase in its share capital and without an amendment of the Company's Bylaws is necessary.

Also upon Admission, the Company's website (www.balboaventures.com) will be updated according to the requirements of the relevant capital markets regulations to allow its shareholders access to information, as well as to disclose all relevant material information. Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein.

Managers

Please see the section "*Material Contracts–The Placing Agreement*" for further details on the terms of the Placing Agreement that will be entered into between the Company and the Managers on or prior to the date of registration of this Prospectus with the CNMV.

DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection in physical form up to 12 month after Admission during business hours on weekdays at the registered address of the Company (Calle de José Ortega y Gasset, 29, floor 4, C.P 28006, Madrid (Spain)):

(i) the Company's deed of incorporation;

(ii) the Company's Bylaws (which, following Admission, will also be available on the Company's website, www.balboaventures.com);

(iii) Board of Directors Regulations, General Shareholders' Meeting Regulations, Internal Code of Conduct in the Securities' Markets (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es and on the Company's website, www.balboaventures.com);

(iv) the Company's audited interim financial statements, together with the audit report, for the period between September 11, 2019 and October 16 2019 (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es and on the Company's website, www.balboaventures.com);

(v) an English translation of the Company's audited interim financial statements, together with the audit report, for the period between September 11, 2019 and October 16 2019 (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es and on the Company's website, www.balboaventures.com); and

(vi) this Prospectus (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es and on the Company's website, www.balboaventures.com).

Hard copies of the documents referred to in (i) to (vi) above, as well as copies of the Investment Manager Agreement, will also be available for inspection in physical form at the offices of the CNMV in Madrid (Calle Edison, 4, 28006 Madrid). Investors may contact the CNMV in the following telephone number +34 900 535 015.

Documents which have access to the Commercial Registry are also available for inspection by Investors.

Neither the Company's website nor any of its contents forms part of or is incorporated into this Prospectus, whether by reference or otherwise. The CNMV has not examined nor approved the Company's website nor any of its contents.

GLOSSARY

1Q - first quarter

2Q - second quarter

3Q - third quarter

4Q - fourth quarter

AC World - market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, maintained by Morgan Stanley Capital International (MSCI) and comprised of stocks from 23 developed countries and 24 emerging markets

AMI - Automated Mobile Intelligence

Artificial Intelligence - technology that enables computers to autonomously learn, deduce and act

Big Data - extremely large data sets, not processable by basic software

c. - circa

CAGR - Compounded Annual Growth Rate

CAPEX - Capital Expenditures

Deep Learning - method that combines machine learning and neural networks. It has been around since the 1970s, but has recently developed rapidly as the capacity to process data, and the abundance of data, increases

Domotics - home automation

E-commerce - refers to the buying and selling of goods or services using the internet. Often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet

FAAMG - Facebook; Amazon; Apple; Microsoft; and Alphabet's Google

GDP - Gross Domestic Product

GDPR - General Data Protection Regulation

General Artificial Intelligence - technology that looks to replicate human intelligence and response

IoT - Internet of Things

IPO - Initial Public Offering

LPWAN - Low-power Wide Area Networks

M2M - machine to machine

Market Capitalization - company's equity market value

Marketplace - website or app that facilitates shopping from many different sources

MIT - Massachusetts Institute of Technology

M&A - Mergers and acquisitions

Narrow Artificial Intelligence - technology that focuses on the optimization of a simple, specific daily task for a machine

Neural network - series of algorithms that endeavors to recognize underlying relationships in a set of data through a process that mimics the way the human brain operates

NEIL - Never Ending Image Learner

R&D - Research and Development

SCM - Supply Chain Management

Start up – Company that is in the first stage of its operations, founded by one or more entrepreneurs in order to develop a unique product or service and bring it to market

Transistors - semiconductor device used to amplify or switch electronic signals and electrical power

Unicorns - any tech start-up company that reaches a $1,000 million market value as determined by private or public investment

WLAN - Wireless Local Area Networks

WNAM - Wireless Neighborhood Area Networks

WPAN - Wireless Personal Networks

Zigbee - open global standard for wireless technology designed to use low-power digital radio signals for personal area networks

Z-wave - wireless network designed by Zensys Inc. to provide communication between devices in a home control network

Spanish translation of the important notice

Aviso Importante

Antes de tomar cualquier decisión de inversión, los inversores potenciales deberán tomar en consideración toda la información contenida en este Folleto y, en particular los Factores de Riesgo descritos en la sección "Risk Factors". Debido a la naturaleza y a las características de la Sociedad, los siguientes tres factores de riesgo parecen particularmente relevantes: "Puede ser complicado y costoso para la Sociedad rescindir el Investment Management Agreement, que tiene una duración inicial de quince años", "Los métodos de valoración de las inversiones de la Sociedad pueden estar sujetas a na subjetividad significativa" y "Un mercado líquido para las Acciones Ordinarias puede no llegar a desarrollarse" (para obtener más información, consulte "*Risk Factors—Risks inherent to the external management of the Company and the Investment Management Agreement—It may be difficult and costly for the Company to terminate the Investment Management Agreement, which has an initial term of fifteen years*", "Risks specific to the Company's business— *Valuation methodologies of the Company's investments can be subject to significant subjectivity*" and "*Risk Factors—Risks inherent to the external management of the Company and the Investment Management Agreement— A liquid market for the Ordinary Shares may fail to develop*").

SPANISH TRANSLATION OF THE SUMMARY

TRADUCCIÓN AL CASTELLANO DE LA NOTA DE SÍNTESIS

Redactada de conformidad con el Artículo 7 del Reglamento (UE) 2017/1129 del Parlamento Europeo y del Consejo de 14 de junio de 2017 sobre el folleto que debe publicarse en caso de oferta pública o admisión a cotización de valores en un mercado regulado y por el que se deroga la Directiva 2003/71/CE.

1. INTRODUCCIÓN Y ADVERTENCIAS

LA PRESENTE NOTA DE SÍNTESIS DEBE LEERSE COMO UNA INTRODUCCIÓN AL FOLLETO. TODA DECISIÓN DE INVERTIR EN LAS ACCIONES NUEVAS (CON CÓDIGO ISIN ES0107706006) DE BALBOA VENTURES, S.C.R., S.A. ("BALBOA VENTURES" O LA "SOCIEDAD") DEBIERA BASARSE EN LA CONSIDERACIÓN DEL FOLLETO EN SU CONJUNTO POR PARTE DEL INVERSOR. EL INVERSOR PUEDE PERDER LA TOTALIDAD O PARTE DEL CAPITAL INVERTIDO.

EN CASO DE PRESENTACIÓN ANTE UN TRIBUNAL DE CUALQUIER DEMANDA RELACIONADA CON LA INFORMACIÓN CONTENIDA EN EL PRESENTE FOLLETO O INCORPORADA POR REFERENCIA AL MISMO, ES POSIBLE QUE EL INVERSOR DEMANDANTE, EN VIRTUD DEL DERECHO ESPAÑOL, TENGA QUE ASUMIR LOS COSTES DE LA TRADUCCIÓN DEL FOLLETO ANTES DE INICIAR EL PROCEDIMIENTO JUDICIAL.

SOLO HABRÁ LUGAR A LA RESPONSABILIDAD CIVIL DE LAS PERSONAS QUE HAYAN PRESENTADO ESTA NOTA DE SÍNTESIS, INCLUIDA SU TRADUCCIÓN, SI ES ENGAÑOSA, INEXACTA O INCOHERENTE CON LAS DEMÁS PARTES DEL FOLLETO, O SI, LEÍDA CONJUNTAMENTE CON EL RESTO DEL FOLLETO, OMITE INFORMACIÓN FUNDAMENTAL PARA AYUDAR A LOS INVERSORES A DECIDIR SI DEBEN INVERTIR O NO EN LAS ACCIONES DE BALBOA VENTURES.

El domicilio social y el número de teléfono de la Sociedad es, respectivamente, Balboa Ventures, S.C.R., S.A., Calle de José Ortega y Gasset, 29, planta 4, 28006, Madrid (España) y +34 917914773. Su código de identificación legal (LEI) es: 9598000F16A8TL46XS40.

El Folleto ha sido aprobado y registrado por la Comisión Nacional del Mercado de Valores (la "CNMV") el 7 de noviembre de 2019. Los inversores pueden contactar con la CNMV a través de su servicio de atención telefónica al inversor en el número de teléfono +34 900 535 015.

2. INFORMACIÓN FUNDAMENTAL SOBRE EL EMISOR

2.1. ¿Quién es el emisor de los valores?

La denominación social completa del emisor es Balboa Ventures, S.C.R., S.A. y su denominación comercial es Balboa Ventures. Balboa Ventures es una sociedad anónima de capital riesgo constituida el 11 de septiembre de 2019 por plazo indefinido. Está inscrita en el Registro Mercantil de Madrid. El domicilio social de Balboa Ventures es Calle de José Ortega y Gasset, 29, planta 4, 28006, Madrid (España) y tiene N.I.F. número A-88473491 y código de identificación legal (LEI) 9598000F16A8TL46XS40.

La Sociedad, que será gestionada externamente por Arcano Capital S.G.I.I.C., S.A.U. ("Arcano Asset Management" o el "Investment Manager"), ha nombrado a un experimentado consejo de administración. La Sociedad ha suscrito el Investment Management Agreement con Arcano Asset Management el 7 de noviembre de 2019, en virtud del cual el Investment Manager gestionará e implementará de manera activa las inversiones de la Sociedad, estando también involucrado en la gestión diaria de la Sociedad. El Investment Manager tiene, de manera exclusiva, pleno derecho, poder y autoridad para realizar operaciones en nombre y por cuenta de la Sociedad, siempre que el Investment Manager cumpla con la estrategia de inversión de la Sociedad y ciertas restricciones de inversión. Arcano Partners ha suscrito el Investment Management Agreement a los efectos de obligarse a hacer que las sociedades de su grupo pongan a disposición del Investment Manager y de la Sociedad fondos, tal y como sean razonable solicitados.

Balboa Ventures y el Investment Manager pretenden alcanzar en el largo plazo un incremento de capital mediante el aprovechamiento de las oportunidades de inversión que puedan surgir en el mercado internacional de capital riesgo y que guarden relación con negocios tecnológicos. Más concretamente, Balboa Ventures se centrará en inversiones (i) en los principales fondos de capital riesgo centrados habitualmente en compañías incipientes, ya sea de manera directa o indirecta, a través de vehículos holding intermedios o vehículos de inversión colectiva (incluyendo fondos privados, fondos de fondos, fondos de coinversión, fondos orientados a la generación de ingresos y otros fondos), y (ii) en menor medida, directamente en compañías en estado de madurez mediante procedimientos de coinversión con otros inversores de capital riesgo, a menudo los mismos gestores en los que la Sociedad haya invertido. La Sociedad invertirá en todo momento su saldo de caja de forma directa o a través de fondos de inversión en bonos del tesoro, bonos corporativos y préstamos corporativos, asegurándose de que los activos mantenidos tengan en todo momento la liquidez adecuada y una baja volatilidad.

La Sociedad pretende invertir, en primer lugar, mediante participaciones minoritarias en fondos de capital riesgo a través de la suscripción de nuevos fondos en virtud de compromisos primarios, así como mediante la adquisición de inversiones secundarias en fondos ya existentes y, en segundo lugar, mediante inversiones directas coinvirtiendo con otros inversores de capital riesgo en compañías maduras. A continuación se recoge una breve descripción de las características de cada una de las referidas metodologías de inversión:

- Inversiones primarias: las inversiones se realizan en vehículos de capital riesgo de nueva constitución mediante compromisos de inversión durante su proceso de captación de fondos. Las inversiones a realizar por los fondos a los que se destina el capital son generalmente desconocidas en el momento del compromiso, así como el momento en el que se dispondrá de los compromisos. Las inversiones primarias suelen tener un periodo de duración contractual de entre 10 y 15 años. Por su parte, se suele hacer uso del capital durante un período de entre tres y seis años. Las inversiones primarias requieren un análisis prudente y exhaustivo debido a la mayor dispersión de los rendimientos y a la dificultad de identificar a los mejores gestores para cada inversión. El importe (*ticket*) medio por inversión estará aproximadamente entre 5 y 10 millones de euros.

- Inversiones secundarias: se trata de inversiones en fondos de capital riesgo ya existentes que se adquieren de manera privada del inversor inicial, normalmente tras la finalización del correspondiente período de captación de capital del fondo. En las inversiones secundarias suele quedar pendiente un periodo de duración contractual inferior a diez años, siendo habitual que la mayor parte del capital ya ha sido utilizado e invertido. Las inversiones secundarias tienen una mayor visibilidad de los activos de la cartera y del flujo de caja que las inversiones primarias. Además, las compañías se encuentran en una fase más madura, por lo que se reduce el plazo hasta la desinversión. Las inversiones secundarias también tienen una tasa más alta de distribuciones con creación de valor relativo anticipadas, generando potencialmente retornos significativos en términos de TIR. El tipo de operación que podría calificarse como inversión secundaria incluye: la compra de la participación de un único partícipe, la compra de una cartera de participaciones de partícipes, inversiones secundarias directas (compra de las participaciones de un fondo en una cartera de compañías), operaciones dirigidas por el socio general (*general partner*) (transferencia de las participaciones de un fondo a un nuevo fondo con antiguos y nuevos inversores). El importe (*ticket*) medio por inversión estará aproximadamente entre 2 y 10 millones de euros.

- Coinversiones: inversiones realizadas directamente en una compañía junto con un gestor, especialmente en compañías emergentes (*start-ups*) de la cartera del gestor que cuenten con una buena perspectiva, alta visibilidad de las operaciones y un perfil de rentabilidad y riesgo atractivo. El importe (*ticket*) medio por inversión estará aproximadamente entre 2 y 5 millones de euros.

La Sociedad se centrará principalmente en inversiones en EE.UU. (entre el 50% y el 70% de sus activos), Europa e Israel (entre el 20% y el 40% de sus activos), no obstante las inversiones en otras zonas geográficas (tales como China y el Sudeste Asiático) serán también analizadas en todo momento de manera activa, preferiblemente a través de gestores de capital riesgo estadounidenses (entre el 0% y el 15% de sus activos). Dentro del negocio tecnológico, la Sociedad considera que la mayoría de las oportunidades de inversión del tamaño requerido por la Sociedad entran dentro de las siguientes Áreas Principales: (i) inteligencia artificial, (ii) grandes bases de datos (*big data*), (iii) sensores e internet de las cosas, y (iv) mercados virtuales (*marketplaces*). En el ejercicio de su actividad, la Sociedad procurará centrar sus decisiones de inversión en fondos de capital riesgo y en la generación de valor y rendimientos de capital para la Sociedad y sus accionistas. La Sociedad pretende diversificar el riesgo de su cartera mediante la no concentración de las inversiones en alguna de las Áreas Principales. Asimismo, podrá llevar a cabo inversiones en otras áreas que estén también basadas en la tecnología o innovación. Además, el Investment Manager y la Sociedad han acordado las siguientes restricciones en relación con las inversiones: (a) al menos un 80% de las inversiones de la Sociedad serán en fondos que inviertan principalmente en EE.UU., Europa e Israel; (b) un máximo del 30% de las inversiones de la Sociedad serán realizadas mediante la coinversión directa en compañías no cotizadas junto con los gestores del fondo; y (c) un máximo del 15% de las inversiones de la Sociedad serán realizadas en un fondo en concreto. Asimismo, durante la ejecución de la Estrategia de Inversión de la Sociedad, el Investment Manager cumplirá en todo momento con las restricciones establecidas en la Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital riesgo, otras entidades de inversión colectiva de tipo cerrado y las sociedades gestoras de entidades de inversión colectiva de tipo cerrado.

La tabla siguiente recoge determinada información en relación con los titulares de las Acciones Ordinarias antes y después de la Oferta. Estos accionistas tendrán los mismos derechos de voto que cualquier otro accionista tras la Oferta y, por tanto, cada acción dará derecho a un voto.

Accionista	Antes de la Oferta		Después de la Oferta	
	Número de Acciones Ordinarias en propiedad	%	Número aproximado de Acciones Ordinarias en propiedad (1) (2)	%
Arcano Asesores Financieros, S.L.	200.000	100	204,000	2
TOTAL	200.000	100	204,000	2

(1) Tomando en consideración una Oferta de 100.000.000 euros.

(2) Arcano Asesores Financieros, S.L. ha renunciado a todos y cada uno de sus derechos de suscripción preferente.

La Sociedad no tiene constancia de que ninguna persona, directa o indirectamente, ejerza o pudiera ejercer control sobre la Sociedad en la fecha de la Admisión o inmediatamente después.

A fecha del presente Folleto, los directores más importantes de la Sociedad son los siete miembros del Consejo de Administración: D. Rafael Miranda (Presidente), D. Álvaro de Remedios, D. Jaime Carvajal, D. José Luis del Río, D.ª Beatriz González Ordóñez, D.ª Almudena Arpón de Mendívil (Secretaria del Consejo) y D. Ismael Clemente.

Deloitte, S.L. es el auditor de cuentas de la Sociedad.

2.2. ¿Cuál es la información financiera fundamental relativa al emisor?

La Sociedad es de nueva constitución y, a fecha del presente Folleto, no tiene activos o pasivos que sean de carácter material en el contexto de la Oferta. A la fecha del presente Folleto, la Sociedad solamente ha realizado una inversión en el fondo FJ Labs Coinvest III LP ("FJ Labs"), a través de Arcano Labs SCA SICAV-RAIF (una sociedad luxemburguesa constituida únicamente para invertir en FJ Labs, "Arcano Labs"). A 16 de octubre de 2019, la única sociedad de la que Arcano Labs ostentaba un participación era FJ Labs, que ascendía a un 10,43%. FJ Labs es un fondo de capital riesgo especializado en mercados virtuales (*marketplaces*), una de las Áreas Principales de la Sociedad. FJ Labs está liderado por dos emprendedores con experiencia como "constructores de compañías" (i.e., identifican un mercado, sector o tendencia con un potencial de crecimiento interesante, diseñan un modelo de negocio que se beneficia de dicho crecimiento, atraen a un emprendedor con la capacidad para liderarlo y asesoran a dicho emprendedor para construir la sociedad dándole/la el apoyo financiero, estratégico y técnico requerido. En especial, los gestores de FJ Labs son D. Fabrice Grinda (fundador de OLX, Zingy y Aucland) y D. José Marín (fundador de IG Expansión y DeRemate). Los señores Grinda y Marín han co-invertido exitosamente en *start-ups* (como Rappi, Flexport Uber o Lime) y han asesorado en la creación de sociedades que han tenido un crecimiento significativo recientemente (por ejemplo, entre otras, AdoreMe o Merlin Jobs). Anteriormente a 2015, los señores Grinda y Marín invirtieron su patrimonio personal en la identificación de oportunidades y desde entonces han invertido conjuntamente con terceros. Actualmente, están en proceso de lanzar FJ Labs, su último fondo, del cual el equipo gestor mantendrá una participación relevante.

La Sociedad ha adquirido de Arcano Partners su participación en Arcano Labs por un valor de 1.031.861 dólares (937,459 euros atendiendo al tipo de cambio del dia de la transacción), que se corresponde con el capital previamente desembolsado por Arcano Partners. La Sociedad también se ha obligado a un compromiso de inversión en Arcano Labs por valor de 1.478.139 dólares (1,340,716 euros atendiendo al tipo de cambio a 16 de octubre de 2019), que anteriormente correspondía a Arcano Partners, que a la fecha actual no se ha dispuesto. Arcano Partners invirtió en Arcano Labs antes de la constitución de la Sociedad. Tanto a la fecha de su adquisición como a la de las cuentas anuales intermedias auditadas de la Sociedad, el precio de transferencia refleja el valor razonable de la referida participación. La Sociedad cuenta con un historial de actividad limitado. Excepto para asuntos relacionados en la Oferta, y la suscripción de los contratos referidos en el presente Folleto, la Sociedad no ha estado involucrada en operaciones comerciales desde su constitución.

En la fecha de este Folleto, la CNMV ha eximido a la Sociedad de la obligación de proporcionar las cuentas anuales correspondientes a los tres ejercicios previos, de conformidad con el artículo 12.2 b) del Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos. Las cuentas anuales intermedias auditadas de la Sociedad correspondientes al período transcurrido desde el día de su constitución (11 de septiembre de 2019) hasta el 16 de octubre de 2019 se incluyen en el presente Folleto.

Información seleccionada del balance intermedio

ACTIVOS	A 16 de octubre de 2019 (euros)
Instrumentos de capital	937.458,89
Activos financieros no corrientes	937.458,89
TOTAL ACTIVO NO CORRIENTE	937.458,89
Efectivo y otros activos líquidos equivalentes	1.197.971,00
TOTAL ACTIVO CORRIENTE	1.197.971,00
TOTAL ACTIVO	2.135.429,89

PATRIMONIO NETO Y PASIVO	A 16 de octubre de 2019 (euros)
Capital	1.200.000,00
Reservas	0,00
Resultados negativos	(381.182,00)
TOTAL PATRIMONIO NETO	818.818,00
TOTAL PASIVO NO CORRIENTE	0,00
Cuentas por pagar	379.153,00
Deudas a corto plazo con partes vinculadas	937.458,89
TOTAL PASIVO CORRIENTE	1.316.611,89
TOTAL PATRIMONIO NETO Y PASIVO	2.135.429,89

Información seleccionada de la cuenta de pérdidas y ganancias intermedia

	Para el periodo del 11 de septiembre de 2019 al 16 de octubre de 2019(euros)
Gastos en concepto de comisiones	(739,73)
Otros gastos operativos	(380.442,27)

RESULTADO DE LAS OPERACIONES	(381.182,00)
RESULTADO FINANCIERO	-
RESULTADO ANTES DE IMPUESTOS	(381.182,00)
Impuesto de sociedades	-
RESULTADO PARA EL PERIODO	(381.182,00)

2.3. ¿Cuáles son los principales riesgos específicos del emisor?

Los factores de riesgo más materiales para el emisor son los siguientes:

- *Riesgos relacionados con la inversión en un negocio nuevo*
  1. El desempeño pasado o presente del Investment Manager o del Management Team no garantiza el desempeño futuro de la Sociedad
  2. Puede haber retrasos o dificultades en el uso de los Ingresos Netos de la Oferta
- *Riesgos relacionados con la gestión externa de la Sociedad y el Investment Management Agreement*
  3. Puede ser complicado y costoso para la Sociedad rescindir el Investment Management Agreement, que tiene una duración inicial de quince años
  4. Los acuerdos entre la Sociedad, el Investment Manager y Arcano Partners fueron negociados en el contexto de una relación entre filiales
  5. El Investment Management Agreement podrá ser rescindido unilateralmente por el Investment Manager en determinadas circunstancias, que incluyen la liquidación de una oferta pública de adquisición lanzada sobre la Sociedad
- *Riesgos relacionados con el negocio de la Sociedad*
  6. Los métodos de valoración de las inversiones de la Sociedad pueden estar sujetas a una subjetividad significativa
  7. Los fondos y compañías en la que la Sociedad pretende invertir, de manera directa o indirecta, están sujetos a un mayor grado de incertidumbre que compañías más estables
  8. Puede ser difícil para la Sociedad acceder a inversiones de capital como consecuencia de su condición de ente cotizado
  9. No es posible garantizar que se alcancen objetivos de rentabilidad
  10. La Sociedad puede seguir una estrategia de sobrecompromisos (over-commitment strategy) al realizar inversiones y puede solicitar préstamos para financiar nuevas inversiones
  11. La Sociedad y el Investment Manager no tendrán control sobre las actividades del gestor de los fondos de inversión en lo que invierta
  12. La Sociedad está sujeta a riesgos relacionados con el desarrollo del sector tecnológico

3. INFORMACIÓN FUNDAMENTAL SOBRE LOS VALORES

3.1. ¿Cuáles son las principales características de los valores?

En el contexto de la Oferta, se prevé emitir 10.000.000 Acciones Nuevas de Balboa Ventures de 6 euros de valor nominal cada una, de la misma clase y serie que las acciones actualmente en circulación de Balboa Ventures. Las Acciones Nuevas se emitirán en euros. Las Acciones Nuevas serán acciones ordinarias y atribuirán a sus titulares los mismos derechos políticos y económicos que las Acciones Ordinarias de Balboa Ventures, recogidos en la Ley de Sociedades de Capital, en los estatutos de Balboa Ventures y en otra normativa interna de la Sociedad. No existen restricciones a la libre transmisibilidad de las Acciones Ordinarias de Balboa Ventures en sus estatutos.

El Código ISIN asignado por la Agencia Nacional de Codificación de Valores Mobiliarios, entidad independiente de la CNMV, a las Acciones Ordinarias es ESES0107706006.

La Sociedad no contará con una política formal de dividendos. La Sociedad pretende reinvertir cualesquiera dividendos, beneficios e ingresos que reciba de sus inversiones en sociedades de capital riesgo y en compañías en la que hubiera coinvertido. En la actualidad no se prevé que cualesquiera ingresos o ganancias sean distribuidas por la Sociedad en forma de dividendo en el corto plazo ni durante al menos los cinco primeros años desde la fecha de la Admisión. Sin embargo, el Consejo de Administración puede considerar el pago de dividendos (u otros métodos para devolver los ingresos netos a los accionistas de una manera eficiente desde el punto de vista fiscal) en el futuro, cuando, en su opinión, la Sociedad tenga suficientes beneficios distribuibles después de tener en cuenta las necesidades de capital circulante de la Sociedad y las oportunidades de inversión disponibles para esta. La capacidad de la Sociedad para repartir dividendos en el futuro a sus accionistas, dependerá de, entre otras cosas, la habilidad de los fondos de inversión subyacentes de generar ingresos netos distribuibles a sus respectivos titulares, alcanzando suficientes ganancias, el nivel de rentabilidad, generación de flujos de caja como resultado de la venta de los fondos subyacentes o la aplicación de restricciones en el pago de dividendos bajo la legislación aplicable o disposiciones contractuales.

3.2. ¿Dónde se negociarán los valores?

Las Sociedad solicitará la admisión a negociación de sus Acciones Ordinarias en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia (las "Bolsas de Valores Españolas") y la admisión al Sistema de Interconexión Bursátil, o Mercado Continuo, de las Bolsas de Valores Españolas (el "SIB"). La Sociedad espera que sus Acciones Ordinarias (incluidas las Acciones Nuevas ofrecidas en el presente documento) sean admitidas a negociación en las Bolsas de Valores Españolas, las cuales son mercados regulados a los efectos de la Directiva 2014/65/EC relativa a los mercados de instrumentos financieros, y comiencen a cotizar a través del SIB aproximadamente el 22 de noviembre de 2019 (la "Admisión") con el *ticker* "BVVC".

3.3. ¿Hay alguna garantía vinculada a los valores?

No aplicable.

3.4. ¿Cuáles son los principales riesgos específicos de los valores?

Los factores de riesgo más materiales de los valores son los siguientes:

- *Riesgos relacionados con la Oferta y las Acciones Ordinarias*
  1. Un mercado líquido para las Acciones Ordinarias puede no llegar a desarrollarse
  2. El precio de mercado de las Acciones Ordinarias puede no reflejar el valor intrínseco de las inversiones de la Sociedad y las Acciones Ordinarias de la Sociedad pueden sufrir volatilidad
  3. La Sociedad no prevé repartir dividendos, al menos durante los primeros cinco años desde la Admisión

4. INFORMACIÓN FUNDAMENTAL SOBRE LA OFERTA PÚBLICA DE VALORES O SOBRE SU ADMISIÓN A COTIZACIÓN EN UN MERCADO REGULADO

4.1. ¿En qué condiciones y plazos puedo invertir en este valor?

Se espera que en la Oferta se obtengan ingresos brutos de 100.000.000 euros, si bien la Sociedad puede aumentar el tamaño de la Oferta hasta 150.000.000 euros mediante la publicación una comunicación de información relevante. En caso de que la Oferta ascienda a 100.000.000 euros, se calcula que los Ingresos Netos obtenidos ascenderán aproximadamente a 95.401.500 euros, tras deducir las comisiones y otros honorarios estimados y los gastos a pagar por la Sociedad, por un importe estimado de 4.598.500 euros (que incluyen los honorarios de los asesores jurídicos, del Banco Agente y de los auditores, así como los honorarios y obligaciones de Iberclear, CNMV y las Bolsas de Valores Españolas, y otros gastos como, por ejemplo, marketing y viajes). Los Managers y la Sociedad acordarán, no más tarde del 20 de noviembre de 2019, el número final de Acciones Nuevas que constituirán la Oferta, que junto con el tamaño final de la emisión y los Ingresos Netos, será anunciado mediante la publicación de una comunicación de información relevante.

La asignación de las Acciones Nuevas será determinada por la Sociedad tras consultar y acordar con los Joint Global Coordinators y Bookrunners. La Sociedad y los Joint Global Coordinators y Bookrunners (en nombre de los Managers) se reservan expresamente el derecho de modificar la Oferta (incluyendo, sin limitación, su calendario, tamaño y liquidación) en cualquier momento previo a la asignación final de las Acciones Ordinarias a los inversores. Sin perjuicio de lo anterior, la Sociedad está obligada a publicar un suplemento del folleto en determinadas circunstancias previstas en el Reglamento de Folletos.

Arcano Partners, accionista único de la Sociedad a fecha del presente Folleto, ha renunciado a su derecho de suscripción preferente en relación con el aumento de capital de la Oferta. En consecuencia, en caso de suscripción completa del aumento, la Oferta implicará que la participación de Arcano Partners se verá diluida del 100% a aproximadamente el 2% (sobre la base de una Oferta de 100.000.000 euros).

Los Managers acordarán, sujeto al cumplimiento de determinadas condiciones descritas en el Placing Agreement, a hacer todos sus esfuerzos razonables para conseguir la suscripción de las Acciones Placing (i.e., 7.406.000 Acciones Ordinarias). La Oferta está condicionada a que el Placing Agreement no haya sido resuelto de conformidad con sus términos y condiciones, incluyendo la ejecución del Sizing Agreement.

A fin de facilitar el registro y la admisión a negociación de las Acciones Ordinarias, se prevé que Banco Santander, S.A., en su calidad de banco prefinanciador (en tal calidad, el "Banco Prefinanciador"), suscriba y desembolse las Acciones Nuevas que constituirán la Oferta, que se espera que tenga lugar el 21 de noviembre de 2019 (la "Fecha de Suscripción"). El pago de las Acciones Nuevas a la Sociedad por parte del Banco Prefinanciador se espera que se produzca en la cuenta corriente de la Sociedad. Las Acciones Nuevas se constituirán tras su inscripción en el Registro Mercantil de Madrid y serán inscritas en forma de anotaciones en cuenta en Iberclear. Las Acciones Nuevas serán entregadas al Banco Prefinanciador una vez que Iberclear las registre y reciba prueba de ello en la Fecha de Suscripción. Posteriormente serán transferidas por el Banco Prefinanciador a los inversores finales. El pago por parte de los inversores finales al Banco Prefinanciador se efectuará no más tarde del segundo día hábil en Madrid tras la Fecha de Suscripción, contra la entrega de las Acciones Nuevas a los inversores finales, que se espera que tenga lugar en o antes del 25 de noviembre de 2019.

La tabla resumen incluida debajo recoge ciertas fechas importantes en relación con la Oferta:

Hito principal	Date(1)
Firma del Placing Agreement	7 de noviembre de 2019
Aprobación del Folleto por la CNMV	7 de noviembre de 2019
Determinación y anuncio del número final de Acciones Nuevas. Firma del *Sizing Agreement*	20 de noviembre de 2019
Asignación de las Acciones Nuevas a los inversores	20 de noviembre de 2019
Fecha de suscripción	21 de noviembre de 2019
Otorgamiento de la escritura pública de aumento de capital ante notario	21 de noviembre de 2019
Inscripción de la escritura pública de aumento de capital en el Registro Mercantil	21 de noviembre de 2019
Registro de las Acciones Nuevas en Iberclear	21 de noviembre de 2019
Ejecución de la operación bursátil especial para la transmisión de las Acciones de Asignación	21 de noviembre de 2019
Admisión	22 de noviembre de 2019
Fecha de Liquidación (aproximadamente)	25 de noviembre de 2019

(4) Cada uno de los horarios y fechas está sujeto a cambios sin previo aviso. Cualquier modificación, incluyendo en particular la ampliación o reducción del periodo de creación del libro (*book-building*), se hará pública, incluyendo la publicación de una comunicación de información relevante ante la CNMV. Sin perjuicio de lo anterior, la Sociedad está obligada a publicar un suplemento del folleto en determinadas circunstancias previstas en el Reglamento de Folletos.

Acuerdos Irrevocables

La Sociedad ha suscrito acuerdos irrevocables de inversión con 18 inversores, por medio de los cuales la Sociedad ha acordado asignar, y los inversores han acordado suscribir y pagar, un total de 2.505.000 Acciones Nuevas al Precio de la Oferta (las "Acciones Irrevocables"), además del Compromiso de la Dirección y de los Consejeros y del Compromiso de Arcano.

D. Álvaro de Remedios y D. Jose Luis del Río, ambos Gestores Clave y miembros del Consejo de Administración de la Sociedad, se han comprometido irrevocablemente a invertir 200.000 y 100.000 euros en la Sociedad, respectivamente, lo que representa 20.000 y 10.000 Acciones Nuevas, respectivamente. Adicionalmente, D. Rafael Miranda y D.ª Almudena Arpón de Mendiví se han comprometido irrevocablemente a invertir €150.000 y €100.000, respectivamente, en la Sociedad, lo que representa 15.000 y 10.000 Acciones Nuevas, respectivamente (el "Compromiso de la Dirección y de los Consejeros" y las "Acciones de la Dirección y de los Consejeros", respectivamente).

Arcano Partners se ha comprometido irrevocablemente a suscribir y pagar por, sujeto a la ejecución de la Oferta (lo que incluye que el Placing Agreement haya sido suscrito y no rescindido), y la Sociedad ha acordado adjudicar a Arcano Partners, (i) el número de Acciones Ordinarias en la Oferta que sean necesarias para que Arcano Partners sea titular del 2% del capital social de la Sociedad tras la ejecución de la Oferta, y (ii) 30.000 Acciones Ordinarias que se destinarán a fondear el contrato de liquiedez que la Sociedad firmará tras la Admisión (el "Compromiso de Arcano" y las "Acciones Arcano", y junto con las Acciones Irrevocables y las Acciones de la Dirección y de los Consejeros, las "Acciones Comprometidas"), todas las referidas acciones estarán libres de cualquier gravamen y a un precio de 10 euros por cada Acción Ordinaria que serán pre-financiadas de conformidad con los términos del Placing Agreement. Arcano Partners puede, a su sola discreción, asignar sus derechos y obligaciones bajo este compromiso a otra entidad íntegramente participada, ya sea directa o indirectamente por Arcano Partners.

4.2. ¿Quién es el oferente o la persona que solicita la admisión a cotización?

El oferente de las Acciones Nuevas es la propia Sociedad (véase la Sección 2 de la presente nota de síntesis relativa a la información fundamental sobre el Emisor).

4.3. ¿Por qué se ha elaborado este folleto?

La Sociedad prevé obtener unos ingresos netos por la Oferta de aproximadamente 95.401.500 euros (unos ingresos brutos de 100.000.000 euros menos el total de gastos que aproximadamente ascenderán a 3.500.000 euros que comprenden los honorarios de los Managers y otros gastos relacionados con la Oferta en un importe aproximado de 1.098.500 euros (asumiendo la colocación de la totalidad de las Acciones Nuevas)) (los "Ingresos Netos"). La Sociedad destinará principalmente los Ingresos Netos de la Oferta a invertir en una cartera diversificada de fondos de capital riesgo que invierten en compañías tecnológicas, así como para financiar los gastos operativos de la Sociedad de una forma consistente con la Estrategia de Inversión. La Sociedad espera haber invertido o haberse comprometido a invertir los Ingresos Netos de la Oferta en un período de 24 meses desde la Admisión.

Tras la Admisión, además de utilizar los Ingresos Netos de la Oferta para realizar inversiones, la Sociedad incurrirá en gastos operativos que tendrán que ser financiados. En un principio, la Sociedad espera que estos gastos sean financiados principalmente a través de los Ingresos Netos. Además de los honorarios del Investment Manager conforme al Investment Manager Agreement, dichos gastos operativos incluyen: (i) costes y gastos de inversión (tales como gastos de auditoría legal (*due diligence*), gastos legales e impuestos); (ii) remuneración del consejero independiente y honorarios de auditoría; y (iii) otros gastos operativos y costes.

Salvo la inversión de la Sociedad en el fondo FJ Labs, a través de Arcano Labs, a fecha del presente Folleto, la Sociedad no es titular de ningún fondo de inversión y, hasta que la Sociedad no pueda hacer uso de los Ingresos Netos a obtener en la Oferta, tiene la intención de mantenerlos como efectivo o equivalentes en uno o más bancos. La Sociedad podrá, en cualquier momento, mantener depósitos a la vista o a plazo o invertir en una gama de instrumentos equivalentes al efectivo tales como valores del Estado o fondos del mercado monetario, ya sea en euros o en monedas distintas del euro. El Investment Manager podrá, en nombre de la Sociedad, utilizar también (ya sea directamente o a través de la inversión en un vehículo de inversión colectiva) los servicios de una filial del Investment Manager o de un tercero, para administrar este exceso de efectivo. En la actualidad no existen restricciones sobre el monto de efectivo o instrumentos equivalentes que la Sociedad puede utilizar.

La Oferta no está sujeta a ningún contrato de aseguramiento (*underwriting agreement*) sobre la base de un compromiso firme.

Conflictos de interés más significativos que afecten a la oferta o la admisión a cotización:

Ocasionalmente, los Managers y sus filiales podrán realizar operaciones con o prestar servicios a la Sociedad o al Investment Manager, en el curso ordinario de sus negocios. Además, los Managers y sus respectivas filiales han prestado, y pueden realizar en el futuro, diversos servicios de asesoría financiera, banca de inversión, banca comercial u otros servicios para la Sociedad o el Investment Manager, para los cuales han recibido y es probable

que continúen recibiendo honorarios y gastos habituales. Además, Arcano Valores, A.V., S.A.U. es una filial totalmente participada por Arcano Partners, que es, a su vez, el único accionista del Investment Manager.

Aunque se han implementado procedimientos dirigidos a gestionar conflictos de interés, puede que haya circunstancias en las que los miembros del Investment Manager o miembros del Consejo de Administración de la Sociedad o de las sociedades de su grupo participadas directa o indirectamente, tengan un interés material en una operación que esté siendo considerada por el Investment Manager en nombre y representación de la Sociedad o un conflicto de interés con la Sociedad.

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