

A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES

D. David Martínez Montero, en nombre y representación de Aedas Homes, S.A.U. (la “**Sociedad**”), sociedad de nacionalidad española, con N.I.F., en su condición de Consejero Delegado y debidamente apoderado al efecto, en relación con el folleto informativo completo correspondiente a la oferta y suscripción y venta y admisión a negociación de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia (el “**Folleto Informativo**”)

CERTIFICA

Que la versión en soporte informático del Folleto Informativo que se adjunta a la presente coincide con el Folleto Informativo registrado y autorizado por la Comisión Nacional del Mercado de Valores con fecha 5 de octubre de 2017.

Que la Sociedad autoriza a la Comisión Nacional del Mercado de Valores a hacer público el Folleto Informativo en su página web.

Para que así conste, expido la presente certificación en Madrid, a 5 de octubre de 2017.

AEDAS HOMES, S.A.U.

P.p.:

David Martínez Montero



**Offering of between 20,939,403 and 21,082,370 ordinary shares of
AEDAS HOMES, S.A.U.**

(A *sociedad anónima* incorporated under the laws of Spain)

Offer Price Range: €31.65 to €33.15 per share

This is an initial offering (the “**Offering**”) of ordinary shares with a par value of €1 each in the capital of Aedas Homes, S.A.U. (“**AEDAS Homes**” or the “**Company**”), a *sociedad anónima* incorporated under the laws of Spain, by Hipoteca 43 Lux, S.à r.l. (the “**Selling Shareholder**”) and the Company to qualified investors inside and outside of Spain, including a placement in the United States to “qualified institutional buyers” or “QIBs” (as defined in Rule 144A (“**Rule 144A**”) under the US Securities Act of 1933, as amended (the “**Securities Act**”), in reliance on Rule 144A. The ordinary shares of the Company have not been and will not be registered under the Securities Act. The Offering outside the United States will be made in compliance with Regulation S (“**Regulation S**”) under the Securities Act.

The indicative price range of the Offering is between €31.65 and €33.15 (the “**Offer Price Range**”). The Offer Price Range is indicative only, it may change during the course of the Offering and the final price of the Shares (as defined below) of the Offering (the “**Offer Price**”) may be set within, above or below the Offer Price Range. The Offer Price will be determined by the Company, the Selling Shareholder and the Joint Global Coordinators (as defined below) upon finalization of the bookbuilding period (expected to occur on or about 18 October 2017) and will be announced through the publication of a relevant fact notice (*hecho relevante*). No independent experts will be consulted in determining the Offer Price.

The Company is offering the number of new shares of the Company (the “**New Offer Shares**”) in the Offering as required to obtain gross sale proceeds of c.€100 million at the Offer Price (such number being 3,159,558 and 3,016,591 shares at the lower and upper end of the Offer Price Range, respectively), and the Selling Shareholder is selling up to 17,922,812 existing shares of the Company (the “**Existing Offer Shares**” and, together with the New Offer Shares, the “**Initial Offer Shares**”).

In addition, the Selling Shareholder will grant an option to the Joint Global Coordinators to purchase a number of additional shares of the Company up to 10% of the Initial Offer Shares (the “**Additional Shares**”, and together with the Initial Offer Shares, the “**Shares**”) at the Offer Price (less agreed commissions) to cover over-allotments of Shares in the Offering, if any, and short positions resulting from stabilization transactions (the “**Over-allotment Option**”). The Over-allotment Option is exercisable, in whole or in part, by Citigroup Global Markets Limited (“**Citigroup**”) as stabilization manager for a period of 30 calendar days from the date on which the Company’s ordinary shares commence trading on the Spanish Stock Exchanges (as defined below). Therefore, the Selling Shareholder will sell a maximum of 20,031,049 shares of the Company, equivalent to the sum of the maximum number of Existing Offer Shares (17,922,812 Shares) and the Additional Shares (2,108,237 Shares) assuming that the Over-allotment Option is exercised in full.

This document and the Offering are addressed only to and directed only at (a) institutional investors outside the United States (as defined in Regulation S under the Securities Act); (b) in the United States, QIBs (as defined in this Prospectus) that are acquiring securities for their own account or for the account of another QIB; (c) in the United Kingdom (“UK”), Relevant Persons (as defined in this Prospectus); (d) in any member state of the European Economic Area (the “EEA” and an “EEA Member State”) other than the UK, Qualified Investors (as defined in this Prospectus). You are deemed to have represented, warranted and agreed with and to the Company, the Selling Shareholder and the Managers (as defined in this Prospectus) that (i) the securities acquired by you in the offer 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 in circumstances which may give rise to an offer of any securities to the public other than their offer or resale to Qualified Investors in any EEA Member State or in circumstances in which the prior consent of the Managers has been obtained to each such proposed offer or resale; and (ii) if you

are outside the US, UK and 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. A person who is not a Qualified Investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators and subject to certain requirements, be permitted to acquire Shares in the Offering. No investor other than the above is allowed to participate in the Offering.

An investment in the Shares involves a high degree of risk. See “*Risk Factors*” beginning on page 17 for a discussion of certain matters that investors should consider prior to making an investment in the 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 to have its ordinary shares quoted on the Automated Quotation System or “*mercado continuo*” of the Spanish Stock Exchanges (the “**AQS**”). The Company expects that its ordinary shares (including the Shares offered hereby) will be listed on the Spanish Stock Exchanges and quoted on the AQS on or about 20 October 2017 (“**Admission**”) under the symbol “AEDAS”.

The Initial Offer 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.* and its participating entities (“**Iberclear**”) on or about 23 October 2017.

This document (the “**Prospectus**”) constitutes a prospectus relating to the Company and its subsidiaries (together, the “**Group**”) for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union (the “**EU**”) (as amended, including by Directive 2010/73/EU, and any relevant implementing measure in each relevant member state, the “**Prospectus Directive**”) and has been prepared in accordance with, and including the information required by, Annexes I, III and XXII of Commission Regulation (EC) No. 809/2004 of 29 April and the amendments thereto, including Commission Delegated Regulation (EU) 486/2012 and Commission Delegated Regulation (EU) 862/2012 (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 consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (“**LMV**”) and relevant implementing measures in Spain. This Prospectus is not a prospectus within the meaning of section 5 of the Securities Act.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of the Shares in any jurisdiction in which or to any person to whom it would be unlawful to make such an offer.

The Shares have not been and will not be registered under the Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions about eligible offerees and on transfer of the Shares, see “*Selling and Transfer Restrictions*”.

Joint Global Coordinators

Citigroup

Goldman Sachs International

Joint Bookrunners

Banco Santander

UBS Investment Bank

Co-Lead Managers

CaixaBank

(in collaboration with Banco Português de Investimento)

BBVA

Sabadell

Co-Managers

Fidentiiis

JB Capital Markets

Agent Bank

Banco Santander, S.A.

Financial Advisor

Deloitte Financial Advisory, S.L.U.

Prospectus dated 5 October 2017

ESSENTIAL INFORMATION ABOUT THIS PROSPECTUS

YOU SHOULD READ THE ENTIRE PROSPECTUS AND, IN PARTICULAR, “RISK FACTORS” BEGINNING ON PAGE 17 OF THIS PROSPECTUS WHEN CONSIDERING AN INVESTMENT IN THE SHARES.

None of Citigroup or Goldman Sachs International (“**Goldman Sachs**” and, together with Citigroup, the “**Joint Global Coordinators**”), or Banco Santander, S.A. or UBS Limited (the “**Joint Bookrunners**”), or Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A. or Banco de Sabadell, S.A. (the “**Co-Lead Managers**”) or Fidentiis Equities, S.V., S.A. or JB Capital Markets, S.V., S.A.U. (the “**Co-Managers**”, and together with the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers, the “**Managers**”), or any of their respective affiliates (or any entity through which the Managers may offer and sell the Shares) makes any representation or warranty, express or implied, nor accepts any responsibility whatsoever, with respect to the content of this document, including the accuracy or completeness of any of the information in it. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Selling Shareholder or the Managers (or any of their respective affiliates or any entity through which the Managers may offer and sell the Shares) that any recipient of this Prospectus should purchase the Shares. The contents of the website of the Company do not form any part of this Prospectus, except for the information expressly incorporated by reference into this Prospectus.

Apart from the responsibility and liabilities, if any, which may be mandatorily imposed on them by the regulatory regime in Spain, neither the Managers, the Company nor the Selling Shareholder accept any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by any of them or on their behalf in connection with the Company, the Selling Shareholder or the Shares. The Managers, the Company and the Selling Shareholder accordingly disclaim all and any liability whether arising in tort or that they might otherwise have in respect of this Prospectus or any such statement.

Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, as of the date of this Prospectus and to the best of the Company’s knowledge, in accordance with the facts and contains no material omission likely to affect its import. Every significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the securities and which arises or is noted between the time when this Prospectus is approved and the time when trading on the Spanish Stock Exchanges of the ordinary shares begins shall be mentioned in a supplement to this Prospectus to be approved and published in the same manner as this Prospectus but no obligation is assumed to publish additional information other than as required by the general rules for issuance of supplements to this Prospectus or relevant fact notices (*hechos relevantes*). The information contained in this Prospectus must be considered taking into account the risks described under the *Risk Factors* section (beginning on page 17), which forms an essential and integral part hereof. A potential update or adjustment in the information or statements contained in this Prospectus as a result of the occurrence of any of the described risk factors shall not be considered as a mistake or an inaccuracy thereof or make such information misleading.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorized by the Company, the Selling Shareholder or the Managers and none of them or the Company accept liability with respect to such information or representation.

The contents of this Prospectus are not to be construed as legal, financial or tax advice. You should consult your own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice. Therefore, this Prospectus is not intended to provide the basis of any credit or other valuation and shall not be considered as a recommendation by any of the Company, the Selling Shareholder, the Managers or their advisors, that any recipient of this Prospectus should purchase the Shares. Each investor or purchaser of the Shares should analyze for itself the information contained in this document and base its investment or purchase of the Shares upon such investigation, as it deems necessary, including the assessment of risk involved and its own determination of the suitability of any such investment, with particular reference to their own investment objectives and experience, and any other factors that may be relevant to such investor in connection with the purchase of the Shares.

The distribution of this Prospectus and the offer or sale of the Shares in certain jurisdictions may be restricted by law and therefore 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*”. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been or will be taken in any jurisdiction by the Company, the Selling Shareholder or the Managers that would permit a public offering of the Shares or possession or distribution of the Prospectus in any jurisdiction where action for that purpose would be required. This Prospectus may not be used for, or in connection with, and does not constitute an offer to, or solicitation by, anyone

in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Prospectus may come are required by the Company, the Selling Shareholder and the Managers to inform themselves about and to observe these restrictions. Neither we, nor the Selling Shareholder or any of the Managers accept any responsibility for any violation by any person, whether or not such a person is a prospective purchaser of the Shares, of any of these restrictions.

In connection with the Offering, each of the Managers and any of their respective affiliates acting as an investor for its own account, may take up Shares and in that capacity may retain, purchase or sell for its own account such Shares and any securities of the Company or related investments and may offer or sell such Shares, securities or other investments otherwise than in connection with the Offering. Accordingly, references in this document to the Shares being offered or placed should be read as including any offering or placement of such securities to the Managers and any relevant affiliate acting in such capacity. 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 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 Managers are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients or for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

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PART I: SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the notation of “not applicable”.

IMPORTANT NOTICE

Potential investors in Shares in the Offering and any future shareholders of the Company are advised to read the full Prospectus and carefully consider the following matters:

- **Limited track record and incurred losses**

We were incorporated on 9 June 2016. Our operating history and financial track record are therefore very limited, so investors will have very limited data on the performance of the Group until today that may assist them in evaluating its prospects and the related merits of an investment in the Shares.

We have only a limited history of generating revenues, and the future revenue potential of our business is uncertain. Our revenue consists mainly of home and land sales, and we recognize revenue and expenses attributable to sales of housing units only upon transfer of title. As of the date of this Prospectus, we have not started to deliver housing units (except with respect to a development, Galera, which construction is complete and in respect of which certain housing units have already been sold).

In 2016 and the first half of 2017, we incurred consolidated losses of €2,373,750 and €13,143,931, respectively. See “Operating and Financial Review—Balance Sheet and Results of Operations” and “*Business—Portfolio*”. According to our 2017-2023 Housing Development Plan, our objective is to start delivering housing units in 2018 and to reach our run rate stage in terms of target housing deliveries by 2022.

We expect our results in 2017 to decrease by €25 to €31 million due to a loss linked to the management incentive plan, to be paid by the Selling Shareholder, although equity will increase in an equal amount due to the contribution to reserves to be made by Hipoteca 43 Lux, S.à r.l. (the “**Selling Shareholder**”) to cover the MIP entirely.

- **Projects under development**

We are at the early stages of our housing development business. While we estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects, as at the date of this Prospectus, we only had 44 ongoing developments, where we expect to build 2,283 units. None of our ongoing developments has yet undergone all development phases through to delivery of our homes and post-sale service (with Galera having been acquired following its construction). As a result of the above, there is only limited financial information that may be helpful in understanding our revenues and expenses going forward.

- **Controlling shareholder**

As at the date of this Prospectus, the Selling Shareholder (which is indirectly owned by funds managed by Castlelake, L.P. (“**Castlelake**”)), holds 100% of our issued share capital. On completion of the Offering, Hipoteca 43 Lux, S.à r.l. is expected to own approximately 56.13% of the Company’s ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and no exercise of the Over-allotment Option) or approximately 51.75% of the Company’s ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and the Over-allotment Option is fully exercised). The Selling Shareholder has not expressed any commitment or undertaking to remain a significant shareholder with representation on the Company’s Board of Directors, other than the 180 days lock-up commitment which is usual in this kind of transactions. Therefore, the Selling Shareholder may freely decide to divest from the Company at any time after such 180-day period as part of the investment strategy of the private funds that own it.

Section A—Introduction and warnings		
A.1	Introduction:	<p>THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR, INCLUDING IN PARTICULAR THE RISK FACTORS.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EU, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Under Spanish law, 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 to invest in such securities.</p> <p>A potential update or adjustment in the information or statements contained in this Prospectus as a result of the occurrence of any of the described risk factors shall not be considered as a mistake or an inaccuracy thereof or make such information misleading.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries:	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this document.

Section B—Issuer		
B.1	Legal and commercial name:	The legal name of the issuer is Aedas Homes, S.A.U. (the “ Company ”) The commercial name of the issuer is “AEDAS Homes”.
B.2	Domicile and legal form:	The Company is a public limited company (a <i>sociedad anónima</i> or S.A.) incorporated on 9 June 2016 for an unlimited term in Spain and subject to the laws of the Kingdom of Spain. It has its registered office at Paseo de la Castellana 42, 28046 Madrid, Spain. The Company’s holds Spanish tax identification number A-87586483, its legal entity identifier (LEI) code is 9598005H67MP8U20RW81 and its phone number is +34 900 26 40 96.
B.3	Key factors relating to the nature of the issuer’s current operations and its principal activities:	<p>We are a pure play homebuilder. Our core activity is the acquisition and development of land for the purposes of residential development, with a focus on first and long-term homes (where customers are expected to live for at least five months each year) in high demand locations. In particular, our activities are concentrated in five regions —Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville— and our land bank is located in eight provinces — Madrid, Barcelona, Málaga, Balearic Islands, Alicante, Valencia, Seville and Tarragona. Our main product is multifamily homes targeted at the mid to mid-high segment of the housing market, but we also have capacity to develop high-end homes. Furthermore, we estimate that around 10-15% of the potential housing units could be used as second homes for vacation or holiday use.</p> <p>We manage all the stages in the value chain of the residential development process, including the acquisition of land, management and design of the product, marketing and sale of the product, construction of the product and the provision of post-sale services. While we retain control over all critical decisions in the process, we rely on external suppliers (such as architects, contractors and real estate agents) with respect to some of the stages in the value chain. This externalization allows us to work with selected providers, reduce our fixed costs and scale our business upwards and downwards with relative ease. The performance of these external suppliers and the progress of the development activity is closely monitored at an individual project level by our designated internal team.</p> <p>We might also selectively sell land plots to accelerate consolidation in areas where we own several plots.</p> <p>Key Investment Highlights</p>

Section B—Issuer

We believe our key investment highlights are the following:

- Attractive Spanish residential market dynamics at an optimal position in the cycle
- High-quality land bank with robust margin potential
- Leading player in Spain in terms of potential housing units with significant scale in a highly fragmented market
- Experienced and professional management team
- Customer-oriented, industrialized and scalable business model

Portfolio

As of the date of this Prospectus, we own Fully Permitted Land (as defined below) with an aggregate GAV of approximately €1,370.5 million, with an aggregate GDV of approximately €3,806.2 million and comprising approximately 1,543,297 square meters. On an attributable basis (*i.e.*, excluding interests not held by AEDAS Homes with an aggregate GAV of €24.6 million), the aggregate GAV of our Fully Permitted Land is €1,345.8 million. We estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects.

The aggregate GAV of our Fully Permitted Land is the result of adding:

- €1,159.6 million of GAV of Fully Permitted Land owned by the Company as of 30 June 2017 and covered by the first valuation report prepared as of 30 June 2017 by Savills Consultores Inmobiliarios, S.A. (“Savills” and the “**First Valuation Report**”);
- €12.9 million of GAV of Fully Permitted Land owned by the Company as of 30 June 2017 but not covered by the First Valuation Report, as such land was subject to sale commitments with, or purchase option agreements of, third parties. The related GAV is presented on a sales price basis;
- €100.4 million of GAV of Fully Permitted Land contributed to the Company in August 2017 from the FAB May (as defined below) portfolio and covered by the First Valuation Report;
- €17.4 million of GAV of Fully Permitted Land included in the FAB May portfolio but not covered by the First Valuation Report, as such land was subject to sale commitments with, or purchase option agreements of, third parties. The related GAV is presented on a sales price basis;
- €17.1 million of GAV of the development project “Nagüeles” in Málaga (as estimated by Savills in a second valuation report prepared as of 30 June 2017); and
- €72.8 million of GAV of other Fully Permitted Land acquired by the Company since 30 June 2017 (as estimated in the second valuation report);

and subtracting €39.7 million of GAV of Fully Permitted Land sold since 30 June 2017 under the sale commitments and purchase option agreements referred to above.

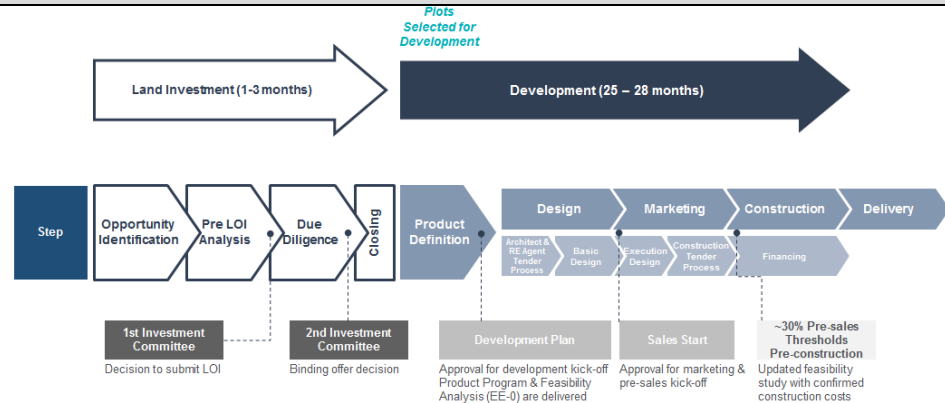
As of the date of this Prospectus, 100% of our land in terms of GAV is Fully Permitted Land and approximately 87% of it is Ready to Build Land. “**Fully Permitted Land**” is land suitable for development where, at a minimum, the most specific land use planning has already been approved. “**Ready to Build Land**” is Fully Permitted Land with all of the utilities and services required for urban land uses and real estate development in place. In the case of Ready to Build Land, residential building processes would be subject only to obtaining the relevant construction permit.

As of the date of this Prospectus, the estimated net asset value (“**NAV**”) of the Company would be approximately €1,350 million, calculated on the basis of the aggregate GAV of our Fully Permitted Land, the Company’s net debt following the contributions described in section B.7 below and adjusted by working capital and other assets and liabilities, deposits adjustments, Nagüeles adjustment and minorities. This excludes the impact of the expected c. €100 million gross proceeds from the issue of the New Offer Shares in the Offering (as defined below) and does not reflect events occurred since 30 June 2017 which have had an impact on NAV, other than events referred to herein.

Detailed Value Chain

The graphic below provides a general overview of our value chain.

Section B—Issuer



Pipeline

As of the date of this Prospectus, we have submitted letters of intent (which have been accepted by the seller and have not yet led to an acquisition) in respect of land estimated to allow the development of 677 potential housing units in the aggregate, relating to 14 land plots. In addition, as of the date of this Prospectus we are closely monitoring a land acquisition pipeline in respect of land estimated to allow the development of 9,006 potential housing units in the aggregate.

2017-2023 Housing Development Plan

IMPORTANT NOTICE: *The data in this section are not a forecast or estimate, but rather the unit target launches and deliveries pursuant to our current target delivery plan and other targets. There can be no assurance that these targets can or will be met and they should not be seen as an indication of our expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in our Shares.*

We are currently in the ramp-up phase of our business. According to our 2017-2023 Housing Development Plan we are targeting to reach our run rate stage in terms of target housing deliveries by 2022, based on what we believe to be a sustainable and achievable ramp up. Our run-rate target housing deliveries of around 3,000 housing units per annum may be increased to up to around 3,500 housing units depending mainly on market evolution. Assuming our run-rate deliveries target remains at around 3,000 housing units per annum, our land bank as of 30 June 2017, the assets from the FAB May and project development Nagüeles, in Málaga (i.e., excluding other units acquired after 30 June 2017) represented 76% of the total units that we target to deliver in the next six and a half years pursuant to our business plan.

Advisory Services Rendered by Merlin Properties

Merlin Properties was engaged by Castlake as independent advisor in relation to the creation and management of a single residential developer. Therefrom, Merlin Properties has provided us professional advisory services in connection with the setting-up of the Company and development of our business. The services rendered by Merlin Properties to the Group mainly consist in professional advice in relation to management and development of all real estate projects owned by the Group from time to time, and they may extend to any stage in the value chain of the Group's residential development process. The retention of Merlin Properties as advisor to the Group shall end on 31 December 2017.

Project Management Agreements and Marketing and Sales Agreements

We are party to five project management agreements relating to three ongoing residential development projects ("New Folies" in Mallorca – Andratx, "Arenal" in Alicante – Jávea and "Hacienda del Mar" in Alicante) and to potential residential development projects which have not been launched yet ("Nagüeles" in Málaga – Marbella and "Pozuelo Monte 1 to 6 – Madrid"). In each case, the signing of the relevant project management agreement was presented by the seller of our stake in each such development project as a condition for such sale.

In each of the projects, a minority interest is held by Promociones y Propiedades Inmobiliarias Espacio, S.L.U. ("**Espacio**") except with respect to the "Arenal" special purpose entity in respect of which such interest is owned by Optimiza Asset Management, S.L. ("**Optimiza**"), the "New Folies" special purpose entity, in which Bigchange Gestión, S.L. ("**Bigchange**")

Section B—Issuer

		<p>also holds a stake and “Pozuelo Monte 1 to 6” where there is no minority interest.</p> <p>Under these project management agreements, a third party is directly responsible for the management of the relevant residential development projects. With respect to the three ongoing projects, we comprehensively supervise all processes related to such developments (such as construction works, financial aspects, marketing, accounting, compliance, etc.).</p>
<p>B.4a</p>	<p>A description of the most significant recent trends affecting the issuer and the industries in which it operates:</p>	<p>The downturn and European sovereign debt crisis resulting from the global financial crisis started in 2008 decimated the Spanish economy, especially the Spanish construction industry (source: CBRE, Eurostat). The Spanish economy bottomed out in 2013 and has been recovering since then, mainly driven by domestic demand. The recovery has also translated into declining unemployment levels and the financial strengthening of Spanish households.</p> <p>Residential Prices Considerations</p> <p>Spanish housing prices grew since 1994 and reached its peak in 2007. The global financial crisis burst Spain’s property bubble in 2008, triggering a free fall of housing prices from 2008 to 2013. Since the end 2014, home prices have experienced progressive growth. Prices in the second quarter of 2017 grew c. 5.6% year-on-year considering both new and existing homes (source: <i>Instituto Nacional de Estadística “INE”</i>). However, they still remain approximately 25% below 2007 highs (source: OECD).</p> <p>Residential Demand Considerations</p> <p>The financial crisis in 2007-2008 had a dramatic effect on the Spanish residential homebuilding sector and led to a sharp decrease in home transactions. Since 2013, demand has been recovering, with 2016 representing the best performing year since the financial crisis (source: <i>Ministerio de Fomento</i>). Existing home transactions have increased, mainly driven by economic recovery, employment creation and affordability metrics, while new home transactions have decreased due to the slowdown in net household creation and the lack of new developments during and immediately after the financial crisis. This imbalance suggests significant headroom for new home builds.</p> <p>Current market dynamics observed in Spain point to a strengthening demand for both, new and existing homes. The main factors showing positive signs are:</p> <ul style="list-style-type: none"> (i) macroeconomic recovery: the macroeconomic outlook, which is supportive of increasing demand for housing properties, is increasingly improving; (ii) net growth in number of households: the Bank of Spain expects continued net household growth for the 2015-2029E period which will be a large driver of residential demand; (iii) housing price affordability: the drop in housing prices and the substantial reduction in mortgage interest rates have eased the financing of home purchases; and (iv) mortgage availability: the volume of new loans to households are showing signs of recovery, which is also supporting the positive trend in residential development. <p>CBRE’s estimated potential new-build housing demand is 89-108 thousand units for 2017E, 117-142 thousand units for 2018E and 132-167 thousand units for 2019E, based on the assumption of increasing household creation, as well as on the persistence of the current market conditions and demand drivers.</p> <p>Residential Supply Considerations</p> <p>Overall Supply Constraints. The global financial crisis in 2007 and the collapse in demand prompted the liquidation or restructuring of the major Spanish homebuilders. The Spanish real estate sector is highly fragmented and the number of major players in the market today is relatively small. This, together with the lack of financing for new development projects and a long period of weak housing demand, has translated into a limited supply of new homes coming to market. Although all key indicators signal a recovery, the supply side is still expanding at a very slow rate and housing production still lags behind current demand.</p> <p>Stock of new homes. Given the structural undersupply, the stock of new homes has been falling over the last several years, with transactions in existing homes recovering since 2013. While this trend is expected to continue in the coming years, part of this existing unsold housing stock represents undesirable developments that is considered “off market” and may never be sold (source: <i>Ministerio de Fomento</i>, CBRE).</p> <p>Spanish Land Market Dynamics</p> <p>The imbalance in supply and demand is creating pressure on land prices vs. housing prices. New emerging homebuilders are trying to seize this opportunity by acquiring large land banks for future development, as a means to take advantage of expected upside in the housing sector.</p>

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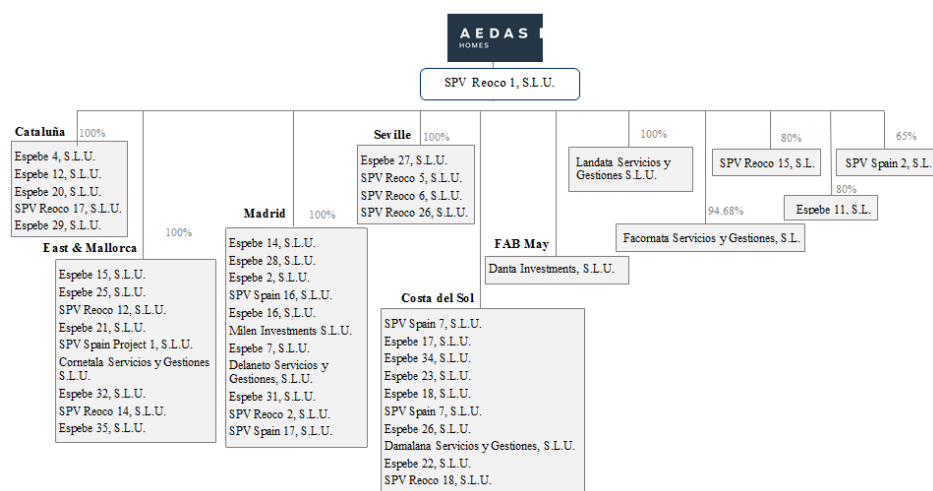
This potential opportunity is explained by a collapse of the land market (resulting from the collapse of the housing market) and the large amounts of land in the hands of “non-natural” owners such as financial institutions, SAREB and private owners. Moreover, land price adjustment has been larger than in finished housing, driving the land price to housing price ratio to historical lows and offering potential for recovery.

Competition and Key Market Players

The global financial crisis resulted in the disappearance of the majority of the large residential developers in Spain. Since 2014, a new professionalized real estate sector has emerged. The Spanish market is highly fragmented, with AEDAS Homes’ top four competitors accounting for only c. 6% market share (defined as % of total new homes to be delivered in the next 18-21 months). These top four competitors include Neinor, Aelca, Kronos and Vía Celere.

B.5 Group description:

The following chart illustrates the Group’s structure as of the date of this Prospectus:



B.6 Major shareholders:

As of the date of this Prospectus, Hipoteca 43 Lux, S.à r.l. (the “**Selling Shareholder**”), a limited liability company (*société à responsabilité limitée*), registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés Luxembourg*) under the company number B-203150, having its registered office at 534 rue de Neudorf, L-2220, Luxembourg, and holding Spanish tax identification number N-0184886-J, is the sole shareholder of the Company.

The Selling Shareholder is indirectly owned, through various Luxembourg investment vehicles, by TCS II Opportunities REO (Offshore) LLC, TCS II REO (Offshore) LLC, CL III REO (Offshore) LLC and CL IV REO (Offshore) LLC (the “**Castlelake Funds**”), which are investment entities of funds managed by Castlelake. Castlelake is a global private investment firm managing private funds and is registered as an investment adviser with the US Securities and Exchange Commission. Castlelake was founded in 2005. As of 30 June 2017, Castlelake employed 113 employees and manages more than \$10.3 billion in assets on behalf of more than 125 endowments, foundations, public and private plans, private funds, family offices, insurance companies and sovereign wealth funds. As investment manager of the Castlelake Funds, Castlelake holds full power of disposal and all voting rights in the Selling Shareholder. Castlelake is controlled by its founding and managing partner and chief executive officer, Mr. Rory Joseph O’Neill. None of the Castlelake Funds has a controlling shareholder or individually holds a controlling stake in the Selling Shareholder.

B.7 Historical key financial information:

Consolidated Balance Sheet

	31 December 2016	30 June 2017	% Variation
	(in euros)		
Assets:			
Non-current assets:			
Intangible assets	48,775	209,190	328.9
Property, plant and equipment	348,071	475,376	36.6
Non-current financial assets	31,938	173,339	442.7
Deferred tax assets	51,488	3,833,544	7,345.5
Total non-current assets	480,273	4,691,449	876.8
Current assets:			
Inventories	31,720,592	766,728,089	2,317.1
Trade and other receivables	2,245,958	18,850,299	739.3

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Current financial assets.....	–	2,874,949	n.m.
Prepayments and accrued income.....	27,545	588,936	2,038.1
Cash and cash equivalents.....	13,827,027	17,138,497	23.9
Total current assets.....	47,821,121	806,180,770	1,585.8
Total assets.....	48,301,394	810,872,219	1,578.8
Equity and liabilities			
Equity:			
Share capital ⁽¹⁾	3,000	33,720,259	1,123,908.6
Share premium ⁽¹⁾	–	303,455,361	n.m.
Parent company reserves.....	(355)	(249,920,390)	70,400,009.9
Parent company retained earnings (prior-period losses).....	–	(2,241,561)	n.m.
Other owner contributions ⁽²⁾	9,372,875	19,492,875	108.0
Reserves at fully-consolidated companies.....	(3,632)	(83,091)	2,187.7
Profit/(loss) for the period attributable to the parent.....	(2,369,805)	(12,936,158)	445.9
Non-controlling interests.....	507,280	2,229,202	339.4
Total equity.....	7,509,363	93,716,497	1,148.0
Non-current liabilities:			
Borrowings classified as non-current.....	–	583,355	n.m.
Non-current borrowings from related companies and associates ⁽²⁾	28,213,625	556,256,854	1,871.6
Total non-current liabilities.....	28,213,625	556,840,209	1,873.7
Current liabilities:			
Borrowings classified as current due in the long term.....	8,834,522	49,114,402	455.9
Current borrowings.....	2,815,889	22,062,848	683.5
Current borrowings from related companies and associates ⁽²⁾	–	9,555,040	n.m.
Trade and other payables.....	927,995	79,583,223	8,475.8
Total current liabilities.....	12,578,405	160,315,513	1,174.5
Total equity and liabilities.....	48,301,394	810,872,219	1,578.8

(1) On 16 August 2017, the Company's sole shareholder approved a share capital increase of the Company with a nominal amount of €1,086,771 and a share premium of €9,780,938. The Selling Shareholder subscribed the new quota shares through an in-kind contribution consisting of 100% of the share capital of Danta Investments, S.L.U. (which in turn held 95% of the securities of MAY Fondo de Activos Bancarios (the "FAB May"). As a result, the Company's share capital was increased to €4,807,030. The FAB May was subsequently liquidated and 100% of its assets were allocated to the Group.

(2) On 3 October 2017, the Selling Shareholder made the following shareholders' contributions to the Company:

- (i) an in-kind contribution of €23,497,318 for the purposes of fully cancelling borrowings with related companies and associates; and
- (ii) a cash contribution of €70,900,000 to fund all of the deferred payments due in connection with the acquisition of land (which as of 30 June 2017 amounted to €5,662,198), liabilities linked to land acquisitions (which as of 30 June 2017 amounted to €7,650,000) and the remaining portion of the purchase price of Nagüeles (€10,560,000).

As a result, Other owners contributions increased to €13,890,193 and Non-current borrowings from related companies and associates and Current borrowings from related companies and associates decreased to €0.

Consolidated Results of Operations

	For the 2016 Reporting Period ⁽¹⁾	For the six months ended 30 June 2017
(in euros)		
Continuing operations:		
Revenue.....	15,017	419,339
Variation in inventories of finished goods and work in progress.....	–	(273,034)
Procurement.....	–	(1,966,381)
Other operating income.....	–	104,393
Other operating expenses.....	(1,436,427)	(4,172,202)
Employee benefits expense.....	(871,873)	(2,562,252)
Depreciation and amortization.....	–	(48,909)
Impairment of and gains / (losses) on disposal of fixed assets.....	(10,777)	(80,798)
Operating profit/(loss).....	(2,304,059)	(8,579,844)
Finance income.....	419	127,229
Borrowing costs capitalized in inventories.....	–	396,216
Finance costs.....	(83,221)	(5,087,532)
Net finance cost.....	(82,802)	(4,564,087)

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Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Income tax.....	13,111	–
Profit/ (loss) for the period from continuing operations	(2,373,750)	(13,143,931)
Discontinued operations	–	–
Profit/ (loss) for the period	(2,373,750)	(13,143,931)
Attributable to:		
Non-controlling interests	(3,945)	(207,773)
Equity holders of the parent.....	(2,369,805)	(12,936,158)
Earnings/ (loss) per share from continuing operations (in euro)		
Basic.....	(790)	(0.38)
Diluted.....	(790)	(0.38)

(1) The period from 9 June 2016 to 31 December 2016.

Consolidated Cash Flow Information

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
1. Cash flows from operating activities		
Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Adjustments to profit/(loss)	93,579	6,660,175
Depreciation and amortization charges	10,777	48,909
Impairments and write-downs	–	80,798
Inventory impairment losses.....	–	1,966,381
Finance income.....	(419)	(127,229)
Finance costs	83,221	5,087,532
Borrowing costs capitalized in inventories	–	(396,216)
Other cash flows used in operating activities	419	(636,963)
Interest received	419	127,229
Interest paid	–	(764,192)
Changes in working capital	(23,101,130)	(58,169,352)
Increase/(decrease) in inventories.....	(21,685,459)	(83,095,318)
Increase/(decrease) in trade receivables.....	(2,245,958)	(6,721,167)
Increase/(decrease) in trade payables.....	890,442	29,644,830
Increase/(decrease) in other current assets and liabilities.....	(27,545)	1,926,493
Increase/(decrease) in other non-current assets and liabilities.....	(32,610)	75,810
Net cash used in operating activities (1)	(25,393,993)	(65,290,071)
2. Cash flows from investing activities		
Investments/ disposals:		
Intangible assets	(48,775)	(175,604)
Property, plant and equipment	(358,848)	(239,922)
Business unit	–	22,472,523
Net cash used in investing activities (2)	(407,623)	22,056,997
3. Cash flows from financing activities		
Proceeds from and payments for equity instruments	9,883,143	10,120,000
Proceeds from issuance of own equity instruments	2,645	–
New contributions secured from shareholders	9,369,243	10,120,000
Other transactions with minority interests	511,255	–
Proceeds from and repayment of financial liabilities	29,745,500	36,424,544
New financing obtained from banks.....	1,531,875	783,044
New financing obtained from shareholders	28,213,625	35,155,269
Other borrowings.....	–	486,231
Net cash from financing activities (3)	39,628,643	46,544,544
4. Effect of changes in exchange rates on cash and cash equivalents (4)	–	–
5. Net increase/decrease in cash and cash equivalents (1+2+3+4)	13,827,027	3,311,470
Cash and cash equivalents - opening balance	–	13,827,027
Cash and cash equivalents - ending balance	13,827,027	17,138,497

B.8	Selected key pro forma financial information:	Not applicable. This Prospectus does not contain pro forma financial information.
B.9	Profit forecast:	Not applicable. This Prospectus does not contain profit forecasts or estimates.
B.10	A description	The audit reports corresponding to (i) the Company's audited interim consolidated financial

Section B—Issuer		
	of the nature of any qualifications in the audit report on the historical financial information:	statements as of and for the six-month period ended 30 June 2017 and (ii) the Company’s audited consolidated financial statements as of and for the period from 9 June 2016 to 31 December 2016, which have been audited by Ernst & Young, S.L., are unqualified.
B.11	Qualified working capital:	Not applicable. In the opinion of the Company, 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 twelve months from the date of this Prospectus. This will continue to be the case following completion of the Offering.

Section C—Securities		
C.1	Type and class of security:	The ordinary shares have the ISIN code ES0105287009. It is expected that the ordinary shares will be traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the “ Spanish Stock Exchanges ”) and quoted on the Automated Quotation System or “ <i>mercado continuo</i> ” of the Spanish Stock Exchanges (the “ AQS ”) under the ticker symbol “AEDAS”.
C.2	Currency of the securities issue:	The ordinary shares will be denominated in euro.
C.3	The number of shares issued:	As at the date of this Prospectus, the Company’s issued share capital consists of €44,807,030 divided into a single class of 44,807,030 shares, with a nominal value of €1 each. Each ordinary share entitles its holder to one vote. All of the Company’s ordinary shares are fully subscribed and paid-up. On Admission, there will be between 47,966,588 and 47,823,621 shares fully paid (at the lower and upper ends of the Offer Price Range, respectively).
C.4	A description of the rights attached to the securities:	The Shares rank <i>pari passu</i> in all respects with each other, including for voting purposes and in full for all dividends and distributions on shares declared, made or paid after their issue and for any distributions made on a winding-up of the Company. The Shares grant their owners the rights set forth in the Company’s by-laws and in the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2012 of 2 July (<i>texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio</i>) (as amended, the “ Spanish Companies Act ”), such as, among others: the right to attend general shareholders’ meetings of the Company with the right to speak and vote; the right to dividends proportional to their paid-up shareholding in the Company; the pre-emptive right to subscribe for newly issued Shares in capital increases with cash contributions; and the right to any remaining assets in proportion to their respective shareholdings upon liquidation of the Company.
C.5	Restrictions on free transferability of the securities:	There are no restrictions on the free transferability of the Company’s ordinary shares in our bylaws without prejudice to the provisions described in section E.5.
C.6	Admission:	Application will be made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on the Spanish Stock Exchanges and quoted on the AQS. No application has been made or is currently intended to be made for the Company’s shares to be admitted to listing or trading on any other exchange.
C.7	Dividend policy:	Holders of ordinary shares will be entitled to receive future dividends which are declared on the basis set out in the Company’s bylaws. The Offer Shares will be eligible for any dividends paid or declared after the Offering. The Company has not distributed any dividends from the date of its incorporation until the date of this Prospectus. Our expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond the Company’s control. In the near term, we intend to devote our generated cash flows to continue implementing our strategy and growing our business. Therefore, we do not plan to distribute dividends in the following three fiscal years. Once we reach our run rate targets, and subject to the evolution of our business, we intend to adopt a dividend policy consistent with those of our peers and with

Section C—Securities

a pay-out ratio of between 60% and 80% of the Group’s net income. Nevertheless, we will review our dividend policy as our business evolves and in view of that of our peers.

The Company’s ability to pay dividends in the future will also depend on the performance and prospects of its business, capital structure and financing needs, general and capital market conditions, and other factors that the Company’s Board of Directors and shareholders may deem relevant at the time and the applicable legal restrictions.

Section D—Risks

D.1	Key information on the key risks that are specific to the issuer or its industry:	<p>The information contained in this Prospectus must be considered taking into account the risks listed below and described under the Risk Factors section (beginning on page 17), which forms an essential and integral part thereof.</p> <p>Prior to investing in the ordinary shares, prospective investors should consider the risks associated therewith. Any of the following risks and uncertainties could have a material adverse effect on the Company’s business, results of operations, financial condition, cash flows and prospects. In addition, the sequence or extension in which the risk factors are presented below is not indicative of their likelihood of occurrence or the scope of the potential consequences on the Company’s business, financial condition or results of operations. The market price of the Shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment.</p> <p>Risks relating to the Company</p> <p><i>We have a limited operating history and limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares.</i></p> <p>We were incorporated on 9 June 2016. Our operating history is therefore limited and our financial track record and financial statements relate only to this limited operating period. Therefore, we are providing only limited performance and financial data to assist in the evaluation of our prospects and the related merits of an investment in the Shares, including our ability to acquire desirable land plots, develop such land plots and market our products at the expected or target margin. This makes assessing our potential future operating results difficult, and will limit the comparability of our operating results from period to period until we have a longer, more established track record. In addition, we cannot assure you that our past experience will be sufficient to enable us to operate our business successfully or implement our operating policies and business strategies as described in this Prospectus. Our limited historical financial information may not be representative of our future results.</p> <p>As we are at the early stages of our housing development business most of our current costs such as development and marketing costs were disproportionately low during the reported periods. In addition, we have only a limited history of generating revenues, and the future revenue potential of our business is uncertain. Moreover, there is limited financial information that may be helpful in understanding our revenues and expenses going forward.</p> <p><i>Our activity is geographically concentrated in certain regions of Spain and we have therefore greater exposure to developments affecting the Spanish market than more diversified businesses.</i></p> <p>We are a Spanish homebuilding company whose assets and operations are located in eight provinces of Spain —Madrid, Barcelona, Málaga, the Balearic Islands, Alicante, Valencia, Seville and Tarragona. An investment in the Shares may therefore be subject to greater risk than investments in securities issued by companies with more diversified portfolios. Our performance and the value of our Shares may be significantly affected by events beyond our control affecting Spain, and the Spanish residential property market in particular, such as a downturn in the Spanish economy, changing demand or supply, the relative attractiveness of property, changes in applicable laws and regulations, Spain’s attractiveness as a foreign direct investment destination, political conditions, the condition of financial markets or the availability of credit. In addition, increasing political uncertainty in Cataluña could adversely affect the economic prospects of Cataluña or Spain as a whole.</p> <p>Moreover, our land bank is characterized by the concentration of several plots in each of the areas or sites where we are present, which increases our exposure to adverse developments in particular locations.</p> <p>Furthermore, while we are focused on building first and long-term homes (where customers</p>
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Section D—Risks

are expected to live for at least five months each year), we estimate that around 10-15% of the potential housing units in our portfolio could be used as second homes for vacation or holiday use. We expect that part of the demand in these regions will be from foreign, non-Spanish buyers, who have different drivers, behaviors and dynamics. Furthermore, demand for second homes tends to be particularly sensitive to general economic conditions.

In the event of another prolonged economic downturn affecting the Spanish housing market in general or the regions on which we focus, we could experience declines in demand for our properties, which could in turn lead to a decline in the average selling price of our units and in the value of our land bank.

We have relied on the expertise of Castlake for the acquisition of our land bank.

Castlake has been significantly involved in the acquisition of our land bank and the development of our Company and has played a key role in the origination of land acquisition opportunities and negotiation of acquisition terms. On completion of the Offering, we expect Castlake not to be directly involved in our day-to-day activities. Our ability to originate and acquire attractive land on satisfactory terms or otherwise successfully develop our business operations may be adversely affected once Castlake ceases to be as directly involved on a day to day basis in our activities.

The past performance of our management team is not a guarantee of the future performance of our Company.

The past performance of our management team is not indicative, or intended to be indicative, of the future performance or results of the Company. The investment objectives, fee arrangements, terms, leverage, performance targets, market conditions and investment horizons used or prevailing in connection with units delivered in the past by our management team in their previous positions may not be comparable to the conditions and circumstances faced by the management team in connection with their work for the Company.

We may be unable to manage effectively our planned expansion.

We plan to significantly expand our business operations in the coming years. The expansion of our business is expected to place significant demands on our administrative, operational and financial personnel and systems and it exposes us to operating risks relating to the increased scale of our operations. We may be unable to achieve the anticipated benefits of any such expansion or we may incur greater costs than expected. Growth or expansion could disrupt our ongoing operations and divert management resources, in which case we may need to employ additional personnel or consultants. There can be no assurance that we can effectively manage our planned expansion, which could adversely affect our ability to meet the targets of our 2017-2023 Housing Development Plan or otherwise have a material adverse impact on our business, results of operations, financial condition and prospects.

We depend upon our management team and on the expertise of our key personnel, and may be unable to attract and retain a highly skilled and experienced workforce.

The success of our business depends, among others, upon the recruitment, retention and development of highly skilled, competent people at all levels of the organization.

Our success depends, to a significant degree, upon the continued contribution of our management team, who are critical to the overall management of the Company as well as its culture, strategic direction and operating model. Our ability to retain our management team or to attract suitable replacements is dependent upon competition in the labor market.

In addition, experienced employees in the homebuilding industry are fundamental to our ability to generate, obtain and manage business opportunities and local knowledge and relationships are critical to our ability to source attractive land acquisition opportunities. Failure to attract and retain such personnel or to ensure that their experience and knowledge is retained within the Company may materially adversely affect our business, results of operations, financial condition and prospects.

We expect to incur in additional indebtedness in the future.

We have historically relied to a considerable extent on funding from our Selling Shareholder. While we have limited amounts of debt as of the date of this Prospectus, we expect to incur additional debt in the future. In particular, we generally seek to obtain bank financing for up to 100% of the hard and soft development costs. We target a run-rate LTC of around 30-35%.

Indebtedness could reduce our financial flexibility. If we are required to repay borrowings early, we may be forced to sell assets when we would not otherwise choose to do so and

Section D—Risks

below our expected prices in order to make the payments and we may be subject to prepayment penalties. We may also find it difficult or costly to refinance indebtedness as it matures, and if interest rates are higher when the indebtedness is refinanced, our costs could increase.

In addition, the use of leverage may increase our exposure to adverse economic factors such as rising interest rates (with a corresponding negative impact in our margins), downturns in the economy and deterioration in the condition of our investments and/or the Spanish real estate and banking sectors.

We are dependent on information technology systems, which may fail, be inadequate to the tasks at hand or be subject to cyberattack.

We are dependent on sophisticated information technology (“IT”) systems, which are vulnerable to a number of problems such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centers and computer viruses. IT systems need regular upgrading; we may be unable to implement necessary upgrades on a timely basis or at all and upgrades may not function as anticipated. Furthermore, failure to protect the Group’s operations from cyber-attacks could result in the loss of sensitive information, which could result in reputational damage, litigation and remediation costs. Threats to IT systems are increasingly sophisticated. We may also incur costs due to any failure of our IT systems.

If we fail to implement and maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could materially and adversely affect us.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. We cannot be certain that we will be successful in maintaining adequate internal control over our financial reporting and financial processes. Furthermore, as we grow our business, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Additionally, any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate it and management may not be able to remediate it in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements and cause us to fail to meet our reporting obligations.

Political uncertainty in Cataluña may adversely affect us.

As of the date of this Prospectus, approximately 16% of our land bank in terms of GAV is located in Cataluña. Tensions between the Spanish government and the government of Cataluña have recently escalated as a result of the contentious referendum on independence organized by the government of Cataluña for 1 October 2017. The Spanish government and the Spanish constitutional court have determined that this referendum is illegal. Considerable uncertainty exists regarding the outcome of political and social tensions in Cataluña, which could result in changes in legislation, policies and other factors which could significantly impact the environment in which we operate in Cataluña and Spain as a whole.

Risks relating to our Business

- Competition in the real estate market may affect the ability of the Company to make appropriate acquisitions and to secure buyers at satisfactory prices.
- Our growth and profitability depends upon our ability to identify and acquire land plots suitable for our purposes.
- If we cannot obtain sufficient capital on acceptable terms, we may be unable to acquire land for our developments or may experience increased costs and delays in the completion of our development projects.
- We may incur significant costs associated with potential acquisitions that do not proceed to completion.
- Our due diligence of potential acquisitions may not identify all possible risks and liabilities.
- We undertake certain of our acquisitions and development projects with a business partner, and are therefore subject to the risks associated with joint ownership.

Section D—Risks

		<ul style="list-style-type: none"> – Our business depends upon the availability, skills and performance of contractors, sub-contractors and other service providers and suppliers. – We may be unable to develop and sell our homes successfully or within the expected time frames. – Significant unanticipated costs might arise in relation to the execution of our projects. – We may fail to undertake profitable development projects as a result of our pre-sales policy. – Demand for our homes depends on customer preferences for types of accommodation or locations of property and perceptions as to the attractiveness of our products. – There is a large stock of unsold houses in Spain which may exert downward pressure on new house prices. – Our pre-sales may not materialize on the terms agreed, if at all. – Land and real estate properties can be illiquid assets and can therefore be difficult to sell. – We may suffer uninsured losses or suffer material losses in excess of insurance proceeds. – We are exposed to liability claims from third parties. – Natural disasters and severe weather conditions could delay deliveries and increase costs of new homes in affected areas, which could harm our sales and results of operations. – Negative publicity could adversely affect our reputation as well as our business, financial results and stock price. <p>Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Prospectus</p> <ul style="list-style-type: none"> – Real estate appraisals with respect to our property portfolio included in this Prospectus may not reflect the current market values of our portfolio because determining such values is an inherently subjective process. In addition, an appraisal may not be directly comparable to those given in respect of similar portfolios held by other real estate developers in the Spanish market as a result of differing assumptions and methodologies. – There is no assurance that we will realize our 2017-2023 Housing Development Plan targets or any anticipated results set forth in this Prospectus. – We may achieve lower revenue in our development projects than our estimated gross development values indicate. – We use a number of estimates and assumptions in the preparation of our Consolidated Financial Statements, which could prove to be incorrect.
<p>D.3</p>	<p>Key information on the key risks that are specific to the securities:</p>	<p>Risks relating to the Offering and the Shares</p> <ul style="list-style-type: none"> – After the Offering, our controlling shareholder will continue to be able to exercise significant influence over us, our management and our operations. <p>As at the date of this Prospectus, Hipoteca 43 Lux, S.à r.l. (which is indirectly owned by funds managed by Castlelake), holds 100% of our issued share capital. Immediately following the Offering, Hipoteca 43 Lux, S.à r.l. will hold at least 51.75% of our issued share capital (provided that the Over-allotment Option is fully exercised and assuming that the Offer Price is the mid-point of the Offer Price Range). As a result, it will be able to exercise control over our management and operations and over our shareholders’ meetings, such as in relation to the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to our board of directors. We cannot assure you that the interests of Hipoteca 43 Lux, S.à r.l. will coincide with the interests of purchasers of the Shares.</p> <ul style="list-style-type: none"> – Substantial future sales of the Shares, or the perception that such sales might occur, could impact the trading price of the Shares. – There is not currently a public trading market for the Shares and Admission should not be taken as implying that there will be a liquid market for the Shares. – The trading price of the Shares may fluctuate in response to various factors, many of which are outside our control. Following the Offering, the price of the Shares may not always accurately reflect the underlying value of our business. The price and value of the Shares may decrease as well as increase, and investors may realize less than the original sum invested.

Section D—Risks

		<ul style="list-style-type: none"> – There is no assurance that we will pay dividends or regarding the level of any such dividends. In particular, in the near term we intend to devote our generated cash flows to continue growing our business. – Overseas shareholders may have only limited ability to bring actions or enforce judgments against the Company or its directors. – An investor whose currency is not the euro is exposed to exchange rate fluctuations. – Shareholders in the United States and other jurisdictions may not be able to participate in future equity offerings.
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Section E—Offer

E.1	The total net proceeds and an estimate of the total expenses of the issue:	<p>The Company is offering New Offer Shares and the Selling Shareholder is offering Existing Offer Shares in the Offering (both as defined in section E.3 below).</p> <p>The Company expects to raise gross proceeds of approximately €100 million from the issue of the New Offer Shares in the Offering. The fees and expenses which will be payable by the Company in connection with the Offering are expected to be up to approximately €3 million. The Company intends to pay this out of the gross proceeds of the Offering. Accordingly, the Company expects to raise net proceeds of c. €97 million from the Offering. The Company will not receive any proceeds for the sale of the Existing Offer Shares by the Selling Shareholder in the Offering.</p> <p>The Selling Shareholder expects to raise gross proceeds of up to €94 million (assuming that the Existing Offer Shares are sold in full and no exercise of the Over-allotment Option) and up to €64 million (assuming that the Existing Offer Shares are sold in full and exercise of the Over-allotment Option in full) from the sale of Existing Offer Shares and Additional Shares in the Offering. The Selling Shareholder will bear any commissions payable in respect of the Existing Offer Shares and the Additional Offer Shares, if applicable, which are expected to amount to c.€20 million.</p>
E.2	Reasons for the issue, use of proceeds:	<p>The offer of New Offer Shares will allow the Company to raise proceeds that will be to invest in future growth opportunities and to partially finance the Group’s planned expansion, while the sale of Existing Offer Shares will allow the Selling Shareholder to partially monetize its investment in the Company.</p> <p>Moreover, the Selling Shareholder intends that the Offering provide the Company with better brand recognition and increased visibility in the market, strengthening its overall corporate profile and enhancing its transparency and prestige.</p> <p>In addition, the Offering is expected to widen the Company’s shareholder base, introducing institutional long-term investors and a diversified base of international shareholders, thus improving the Company’s access to public capital markets (including for debt instruments) that could make it easier for the Company to obtain financing to be used for the Company’s future growth.</p> <p>The Company intends to use the net proceeds of the Offering to invest in future growth opportunities and to finance the Group’s planned expansion and, particularly, to fund land acquisitions under our 2017-2023 Housing Development Plan.</p> <p>The Selling Shareholder intends to use the net proceeds of the Offering to make distributions to its shareholders, which are private investment funds and may reinvest the proceeds in accordance with their investment policies. The Company will not receive any of the proceeds from the sale of Existing Offer Shares or of Additional Shares by the Selling Shareholder.</p>
E.3	A description of the terms and conditions of the issue:	<p>The Company is offering the number of new shares of the Company (the “New Offer Shares”) in the Offering as required to obtain gross sale proceeds of c. €100 million at the Offer Price (such number being 3,159,558 and 3,016,591 shares at the lower and upper end of the Offer Price Range, respectively), and the Selling Shareholder is selling up to 17,922,812 existing shares of the Company in the Offering (the “Existing Offer Shares” and, together with the New Offer Shares, the “Initial Offer Shares”).</p> <p>In addition, the Selling Shareholder will grant an option to the Joint Global Coordinators to purchase a number of additional shares of the Company up to 10% of the Initial Offer Shares (the “Additional Shares”, and together with the Initial Offer Shares, the “Shares”) at the Offer Price (less agreed commissions) to cover over-allotments of Shares in the Offering, if any, and short positions resulting from stabilization transactions (the “Over-allotment”).</p>

Section E—Offer

		<p>Option”). The Over-allotment Option is exercisable, in whole or in part, by Citigroup as stabilizing manager for a period of 30 calendar days from the date on which the Company’s ordinary shares commence trading on the Spanish Stock Exchanges. Therefore, the Selling Shareholder will sell a maximum of 20,031,049 shares of the Company, assuming that the Selling Shareholder sells the maximum number of Existing Offer Shares, and the Over-allotment Option is exercised in full.</p> <p>In particular, the transaction date of the Offering (<i>fecha de operación bursátil</i>) (the “Transaction Date”) is expected to be on or about 19 October 2017. On the Transaction Date, investors’ payment orders will be processed via the Spanish Stock Exchanges and Iberclear and assuming the Managers have not exercised the termination rights contained in the underwriting agreement, investors shall be entitled to receive the Shares subscribed for or purchased by them in the Offering. In order to expedite the listing of the shares of the Company, it is expected that the Joint Global Coordinators, in their capacity as prefunding banks, will subscribe and pay for the New Offer Shares on the Transaction Date of the Offering, each acting in the name and on behalf of the Managers, and each Manager acting on behalf of the final investors. Payment for the New Offer Shares by the prefunding banks is expected to be made by 9:00 CET on the Transaction Date in the Company’s account maintained with Banco Santander, S.A., acting as the agent bank.</p> <p>Payment by the final investors for the Initial Offer Shares, including for the New Offer Shares subscribed and paid for on the Transaction Date by the Joint Global Coordinators as prefunding banks, will be made no later than the second business day after the Transaction Date against delivery through the facilities of Iberclear of the Initial Offer Shares to final investors, which is expected to take place on or about 23 October 2017 (the “Settlement Date”). The Company’s shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about 20 October 2017, under the symbol “AEDAS”. 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 Transaction Date.</p> <p>The Offering will be conducted through a book-building process. During the book-building period, which is expected to start on 5 October 2017 and end on 18 October 2017 (both inclusive), the Managers will market the Initial Offer Shares among investors in accordance with, and subject to, the selling and transfer restrictions set forth in this Prospectus. Investors may make their purchase proposals during this period, indicating the number of Initial Offer Shares they would be interested to acquire.</p> <p>Moreover, up to 2% of the Shares will be offered to directors and employees of the Group and relatives (up to 50 persons in total). These Shares will be offered at the Offer Price and will be marketed through a private process in parallel to the referred book-building period. Orders placed and confirmed by such persons will be fully attended.</p>
<p>E.4</p>	<p>A description of any interest that is material to the issue/offer including conflicting interests:</p>	<p>Each of the Managers is a full service financial institution engaged in various activities, which may include the provision of investment banking, commercial banking and financial advisory services. The Managers and their respective affiliates may have engaged or performed from time to time in the past, and may from time to time in the future, engage in or perform ordinary course of business transactions or services, including investment banking and/or commercial banking transactions with the Company, the Selling Shareholder and their respective affiliates for which they have received or will receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the Managers and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company, the Selling Shareholder and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.</p> <p>In addition, certain of the Managers or their affiliates are, or may in the future be, lenders, and in some cases agents or managers for the lenders, under certain of the credit facilities and other credit arrangements of the Company, the Selling Shareholder or their respective affiliates. In their capacity as lenders, such lenders may, in the future, seek a reduction of a loan commitment to the Company, the Selling Shareholder or their respective affiliates, or impose incremental pricing or collateral requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Managers or their affiliates that have a lending relationship with the Company and/or the Selling Shareholder</p>

Section E—Offer

		may routinely hedge their credit exposure to the Company and/or the Selling Shareholder consistent with their customary risk management policies; a typical hedging strategy would include these Managers or their affiliates hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's and/or the Selling Shareholder's securities.
E.5	Name of the person or entity offering to sell the securities and details of any lock-up agreements:	<p>The Company and the Selling Shareholder offer Initial Offer Shares.</p> <p>The Company will agree that during a period from the date on which the Underwriting Agreement is signed to and including 180 days from the Settlement Date, neither the Company nor any of its subsidiaries nor any person acting on its or their behalf (other than the Managers and the Selling Shareholder, as to whom the Company will give no undertaking) will, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed, (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or its subsidiaries, or any securities convertible into or exercisable or exchangeable for Shares of the Company or its subsidiaries, or publicly file any prospectus under the Prospectus Directive and the Prospectus Rules or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, (B) 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 any Shares or other shares of the Company; or (C) enter into any other transaction with the same economic effect (A) and (B) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of Shares or any securities convertible into or exercisable or exchangeable for Shares, in cash or otherwise.</p> <p>The Selling Shareholder will agree to similar restrictions for the period commencing on the date of the signing of the Underwriting Agreement until 180 days after the Settlement Date.</p> <p>Each of the members of the senior management of the Company will also agree with the Managers to certain lock-up arrangements during the period from the date on which the Underwriting Agreement is signed to 365 days after the Settlement Date.</p>
E.6	Dilution:	The Company is offering the number of New Offer Shares as required to obtain gross sale proceeds of c. €100 million at the Offer Price (such number being 3,159,558 and 3,016,591 shares at the lower and upper end of the Offer Price Range, respectively). The existing shares of the Company as of the date of this Prospectus will represent between 93.4% and 93.7% of the total share capital of the Company following the Offering. The stake of the Selling Shareholder will be diluted due to the offer of New Offer Shares and the offer and sale of Existing Offer Shares and Additional Shares.
E.7	Estimated expenses charged to the investor by the issuer:	Purchasers of Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of the country of purchase in addition to the Offer Price. In addition, purchasers will have to bear any commissions payable to financial intermediaries through which they will hold the Shares.

RISK FACTORS

Investing in and holding the Shares involves significant financial risk. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in us and the Shares. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may arise or become material in the future. You should consider carefully whether an investment in the Shares is suitable for you in light of the information in this Prospectus and your personal circumstances. If you are in any doubt about any action you should take, you should consult a competent independent professional adviser who specializes in advising on the acquisition of listed securities.

This document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks we face. Save as required by applicable law, we are not obliged to, and make 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 NOTICE

Potential investors in Shares in the Offering and any future shareholders of the Company are advised to read the full Prospectus and carefully consider the following matters:

- ***Limited track record and incurred losses***

We were incorporated on 9 June 2016. Our operating history and financial track record are therefore very limited, so investors will have very limited data on the performance of the Group until today that may assist them in evaluating its prospects and the related merits of an investment in the Shares.

We have only a limited history of generating revenues, and the future revenue potential of our business is uncertain. Our revenue consists mainly of home and land sales, and we recognize revenue and expenses attributable to sales of housing units only upon transfer of title. As of the date of this Prospectus, we have not started to deliver housing units (except with respect to a development, Galera, which construction is complete and in respect of which certain housing units have already been sold).

In 2016 and the first half of 2017, we incurred consolidated losses of €2,373,750 and €13,143,931, respectively. See “Operating and Financial Review—Balance Sheet and Results of Operations” and “*Business—Portfolio*”. According to our 2017-2023 Housing Development Plan, our objective is to start delivering housing units in 2018 and to reach our run rate stage in terms of target housing deliveries by 2022.

We expect our results in 2017 to decrease by €25 to €31 million due to a loss linked to the management incentive plan, to be paid by the Selling Shareholder, although equity will increase in an equal amount due to the contribution to reserves to be made by Hipoteca 43 Lux, S.à r.l. (the “**Selling Shareholder**”) to cover the MIP entirely.

- ***Projects under development***

We are at the early stages of our housing development business. While we estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects, as at the date of this Prospectus, we only had 44 ongoing developments, where we expect to build 2,283 units. None of our ongoing developments has yet undergone all development phases though to delivery of our homes and post-sale service (with Galera having been acquired following its construction). As a result of the above, there is only limited financial information that may be helpful in understanding our revenues and expenses going forward.

- ***Controlling shareholder***

As at the date of this Prospectus, the Selling Shareholder (which is indirectly owned by funds managed by Castlake, L.P. (“**Castlake**”)), holds 100% of our issued share capital. On completion of the Offering, Hipoteca 43 Lux, S.à r.l. is expected to own approximately 56.13% of the Company’s ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and no exercise of the Over-allotment Option) or approximately 51.75% of the Company’s ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and the Over-allotment Option is fully exercised). The Selling Shareholder has not expressed any commitment or undertaking to remain a significant shareholder with representation on the Company’s Board of Directors, other than the 180 days lock-up commitment which is usual in this kind of transactions. Therefore,

the Selling Shareholder may freely decide to divest from the Company at any time after such 180-day period as part of the investment strategy of the private funds that own it.

Risks Relating to our Company

We have a limited operating history and limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares.

We were incorporated on 9 June 2016. Our operating history is therefore limited and our financial track record and financial statements relate only to this limited operating period. See “*Operating and Financial Results— Considerations Regarding the Comparability of our Financial Condition and Results of Operations*” and “*Business—Our History*”. Therefore, we are providing only limited performance and financial data to assist in the evaluation of our prospects and the related merits of an investment in the Shares, including our ability to acquire desirable land plots, develop such land plots and market our products at the expected or target margin. This makes assessing our potential future operating results difficult, and will limit the comparability of our operating results from period to period until we have a longer, more established track record. In addition, we cannot assure you that our past experience will be sufficient to enable us to operate our business successfully or implement our operating policies and business strategies as described in this Prospectus. Any investment in the Shares is, therefore, subject to all of the risks and uncertainties associated with a recently formed business, including without limitation the risk that we cannot implement our business strategy or achieve our objectives.

Moreover, our limited historical financial information may not be representative of our future results. In particular:

- as of 30 June 2017 less than 10% of our land portfolio in terms of estimated gross asset value (such estimated gross asset value being referred to as “**GAV**”) was undergoing construction;
- in the six months ended 30 June 2017, we initiated the marketing of 1,005 housing units and we expect to initiate the marketing of a total of 1,748 housing units in 2017, while we expect to initiate the marketing of approximately 3,000 housing units per annum by 2020 (which target may be increased as described in “*Business—2017-2023 Housing Development Plan*”);
- with the exception of Galera (which was acquired by Castlelake funds once construction had been completed and in respect of which subsequent improvement works were undertaken), as of 30 June 2017 we had not completed the development of any project; and
- after 30 June 2017 we have acquired (including by means of contributions by the Selling Shareholder) land plots with an aggregate GAV of €176.6 million (on a 100% consolidated basis, *i.e.*, including interests not held by us). This €176.6 million includes: (i) €100.4 million of GAV of Fully Permitted Land contributed to the Company in August 2017 from the FAB May portfolio and covered by the First Valuation Report (as defined herein), which was prepared as of 30 June 2017; (ii) €3.4 million of GAV of Fully Permitted Land included in the FAB May portfolio but which was not covered by the First Valuation Report (as such land was either subject to sale commitments with, or purchase option agreements of, third parties which have not been closed or exercised, as the case may be, as of the date of this Prospectus). As this land was not covered by the First Valuation Report, the related GAV is presented on a sales price basis; and (iii) €72.8 million of GAV of other Fully Permitted Land acquired by the Company since 30 June 2017 (as estimated by Savills in the Second Valuation Report).

As we are at the early stages of our housing development business most of our current costs such as development and marketing costs were disproportionately low during the reported periods. In addition, we have only a limited history of generating revenues, and the future revenue potential of our business is uncertain. Moreover, while the Prospectus includes information on the land plots currently comprising our portfolio and our ongoing development projects (see “*Business—Detailed Business Overview—Portfolio*”), and valuation information on each such property is included in the Valuation Reports (except with respect to land subject to sale commitments with, or purchase option agreements of, third parties, which is excluded from the scope of the Valuation Reports), there is limited financial information that may be helpful in understanding our revenues and expenses going forward. See also “—*Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Prospectus*” and “—*We may be unable to manage effectively our planned expansion*”.

Our activity is geographically concentrated in certain regions of Spain and we have therefore greater exposure to developments affecting the Spanish market than more diversified businesses.

We are a Spanish homebuilding company whose assets and operations are located in eight provinces of Spain —Madrid, Barcelona, Málaga, the Balearic Islands, Alicante, Valencia, Seville and Tarragona. We are therefore dependent on the

overall condition of the Spanish housing market and, in particular, on the condition of the housing market in the regions where we are focused. This means that we have a significant industry and geographic concentration risk relating to the Spanish residential property market in these regions, and an investment in the Shares may therefore be subject to greater risk than investments in securities issued by companies with more diversified portfolios. Accordingly, our performance and the value of our Shares may be significantly affected by events beyond our control affecting Spain, and the Spanish residential property market in particular, such as a downturn in the Spanish economy, changing demand for residential property in Spain, changing supply within a particular geographic location, the attractiveness of property relative to other investment choices, changes in domestic and/or international regulatory requirements and applicable laws and regulations (including in relation to taxation and land use), Spain's attractiveness as a foreign direct investment destination, political conditions, the condition of financial markets, the availability of credit, the financial condition of potential buyers, interest rate and inflation rate fluctuations, accounting and control expenses and other developments. In addition, increasing political uncertainty in Cataluña could adversely affect the economic prospects of Cataluña or Spain as a whole or otherwise adversely affect the value of our land bank and our business, results of operations, financial condition and prospects. As of the date of this Prospectus, approximately 16% of our land bank in terms of GAV is located in Cataluña. See "*—Political uncertainty in Cataluña may adversely affect us*".

Moreover, our land bank is characterized by the concentration of several plots in each of the areas or sites where we are present. While we believe that this allows us to more strategically phase in developments, this concentration increases our exposure to adverse developments in particular locations.

The significant concentration of our land bank may result in greater volatility and other risks associated with non-diversification, and any downturn in such market may have a material adverse effect on our business, financial condition, results of operations or prospects.

Furthermore, while we are focused on building first and long-term homes (where customers are expected to live for at least five months each year), we estimate that around 10-15% of the potential housing units in our portfolio could be used as second homes for vacation or holiday use. The related land is mainly located in the provinces of Alicante, Málaga and the Balearic Islands. We expect that part of the demand in these regions will be from foreign, non-Spanish buyers, who have different drivers, behaviors and dynamics than customers in other regions where the demand is focused on first homes and primary accommodations. Furthermore, demand for second homes for vacation or holiday use tends to be particularly sensitive to general economic conditions. In particular, a great portion of the foreigners acquiring second homes in Spain come from the United Kingdom and any depreciation of the British pound relative to the euro, including as a result of the Brexit, may have a negative impact in their demand to acquire second homes in Spain.

In the event of another prolonged economic downturn affecting the Spanish housing market in general or the regions on which we focus, we could experience declines in demand for our properties, which could in turn lead to a decline in the average selling price of our units and in the value of our land bank. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have relied on the expertise of Castlake for the acquisition of our land bank.

Castlake, L.P. ("**Castlake**") has been significantly involved in the acquisition of our land bank and the development of our Company and has played a key role in the origination of land acquisition opportunities and negotiation of acquisition terms. On completion of the Offering, we expect Castlake not to be directly involved in our day to day activities, including the acquisition of additional land assets. Our ability to originate and acquire attractive land on satisfactory terms or otherwise successfully develop our business operations may be adversely affected once Castlake ceases to be as directly involved on a day to day basis in our activities, including our acquisition of additional land assets.

The past performance of our management team is not a guarantee of the future performance of our Company.

We are a recently created entity which has historically relied on Castlake (see "*—We have relied on the expertise of Castlake for the acquisition of our land bank*") and are currently reliant on our management team to identify, acquire and develop Ready to Build Land and other Fully Permitted Land in order to create value for shareholders. However, the past performance of our management team is not indicative, or intended to be indicative, of the future performance or results of the Company. The investment objectives, fee arrangements, terms, leverage, performance targets, market conditions and investment horizons used or prevailing in connection with units delivered in the past by our management team in their previous positions may not be comparable to the conditions and circumstances faced by the management team in connection with their work for the Company.

We may be unable to manage effectively our planned expansion.

We plan to significantly expand our business operations in the coming years (see "*Business—2017-2023 Housing Development Plan*"). The expansion of our business is expected to place significant demands on our administrative, operational and financial personnel and systems. In addition, the expansion of our business exposes us to operating risks

relating to the increased scale of our operations. We may be unable to achieve the anticipated benefits of any such growth or expansion or we may incur greater costs than expected in attempting to achieve the anticipated benefits. Growth or expansion could disrupt our ongoing operations and divert management resources that would otherwise focus on developing our existing business, in which case we may need to employ additional personnel or consultants. There can be no assurance that we will be able to employ or retain the necessary personnel, to successfully implement a disciplined management process and culture with local management, or that our expansion operations will be successful. Our inability to manage effectively our planned expansion could adversely affect our ability to meet the targets of our 2017-2023 Housing Development Plan (see “—*Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Prospectus—There is no assurance that we will realize our 2017-2023 Housing Development Plan targets or any anticipated results set forth in this Prospectus*”) or otherwise have a material adverse impact on our business, results of operations, financial condition and prospects.

We depend upon our management team and on the expertise of our key personnel, and may be unable to attract and retain a highly skilled and experienced workforce.

The success of our business depends, among others, upon the recruitment, retention and development of highly skilled, competent people at all levels of the organization.

In particular, we have a management team with an extensive track record in the housing development industry in Spain, with over 120 years of combined experience in the industry and 30,000 delivered units in aggregate. Our success depends, to a significant degree, upon the continued contribution of our management team, who are critical to the overall management of the Company as well as its culture, strategic direction and operating model. Our ability to retain our management team or to attract suitable replacements is dependent upon competition in the labor market. The unexpected loss of the services of any member of our management team, a limitation in their availability or a failure by us to develop a succession plan for our management team could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, experienced employees in the homebuilding industry are fundamental to our ability to generate, obtain and manage business opportunities. In particular, local knowledge and relationships are critical to our ability to source attractive land acquisition opportunities. Our success may make our employees attractive hiring targets for competitors, and in order to retain key employees we may be required to keep pace with increases in remuneration in the market. Failure to attract and retain such personnel or to ensure that their experience and knowledge is retained within the Company even when they leave the Company, through retirement or otherwise, may materially adversely affect our business, results of operations, financial condition and prospects.

We expect to incur in additional indebtedness in the future.

We have historically relied to a considerable extent on funding from our Selling Shareholder. As of 30 June 2017, the Group’s non-current borrowing with the Selling Shareholder amounted to €56,256,854 and the Group’s current borrowings from the Selling Shareholder amounted to €9,550,040. Such borrowings were cancelled after such date. See “*Related Party Transactions—Financing of Group companies*”. While we have limited amounts of debt as of the date of this Prospectus, we expect to incur additional debt in the future. In particular, although we typically do not seek external funding for the acquisition of land (with the availability of such external funding –when sought after- being very limited) and rely on internal resources, we generally seek to obtain bank financing for up to 100% of the hard and soft development costs. We target a run-rate LTC of around 30-35%.

The indebtedness that we have incurred, or that we may incur in the future, even within the limits set forth in our business strategy, could reduce our financial flexibility. If certain extraordinary or unforeseen events occur, including a breach of financial covenants, our borrowings and any hedging arrangements that we may have entered into may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If we are required to repay borrowings early, we may be forced to sell assets when we would not otherwise choose to do so and below our expected prices in order to make the payments and we may be subject to prepayment penalties. We may also find it difficult or costly to refinance indebtedness as it matures, and if interest rates are higher when the indebtedness is refinanced, our costs could increase.

In addition, the use of leverage may increase our exposure to adverse economic factors such as rising interest rates (with a corresponding negative impact in our margins). Other adverse economic factors that the use of leverage may increase our exposure to include downturns in the economy and deterioration in the condition of our investments and/or the Spanish real estate and banking sectors. All of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, our obligations under certain of our financing agreements are secured through security interests such as mortgages over assets (in particular, as of 30 June 2017, land plots with an aggregate GAV of €145.8 million were mortgaged in connection with our loans).

We are dependent on information technology systems, which may fail, be inadequate to the tasks at hand or be subject to cyberattack.

We are dependent on sophisticated information technology (“IT”) systems, including in relation to our internal reporting and the sale of our products. IT systems are vulnerable to a number of problems such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centers and computer viruses. IT systems need regular upgrading; we may be unable to implement necessary upgrades on a timely basis or at all and upgrades may not function as anticipated. Furthermore, failure to protect the Group’s operations from cyber-attacks could result in the loss of sensitive information, which could result in reputational damage, litigation and remediation costs. Threats to IT systems are increasingly sophisticated and there can be no assurance that we will be able to prevent all threats. Although we have a business continuity plan in place and we maintain back-up systems for our operations, we may also incur costs as a result of any failure of our IT systems. A major disruption to our IT systems could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we fail to implement and maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could materially and adversely affect us.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. We cannot be certain that we will be successful in maintaining adequate internal control over our financial reporting and financial processes. Furthermore, as we grow our business, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency and management may not be able to remediate any such material weakness or significant deficiency in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements and cause us to fail to meet our reporting obligations, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Political uncertainty in Cataluña may adversely affect us.

As of the date of this Prospectus, approximately 16% of our land bank in terms of GAV is located in Cataluña. Tensions between the Spanish government and the government of Cataluña have recently escalated as a result of the contentious referendum on independence organized by the government of Cataluña for 1 October 2017. The Spanish government and the Spanish constitutional court determined that this referendum is illegal. Increasing political tension has been accompanied by growing social unrest. As of the date of this Prospectus, considerable uncertainty exists regarding the outcome of political and social tensions in Cataluña, which could result in changes in legislation, policies and other factors which could significantly impact the environment in which we operate in Cataluña and Spain as a whole, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects. See “—Our activity is geographically concentrated in certain regions of Spain and we have therefore greater exposure to developments affecting the Spanish market than more diversified businesses.”

Risks Related to our Business

Competition in the real estate market may affect the ability of the Company to make appropriate acquisitions and to secure buyers at satisfactory prices.

The homebuilding industry is highly competitive. Homebuilders compete not only for homebuyers, but also for desirable land, financing, raw materials, skilled management, contractors and labor resources. Competitors include real estate developers with in-depth knowledge of local markets, as well as property portfolio companies, including funds that invest nationally and internationally, institutional investors, foreign investors, financial institutions and SAREB. Competitors may have greater financial resources than us and/or a greater ability to borrow funds to acquire land, and may have the ability or inclination to acquire land at a higher price or on terms less favorable than those we may be prepared to accept or to pay a higher compensation to contractors. In addition, new real estate development companies face few barriers to entry. The appearance of other players in the market, including competitors backed by international funds with a business model similar to ours, could lead to an increase in competition in the real estate market in general and the Spanish homebuilding market in particular. Competition could also increase as a result of consolidation in the sector. We also compete with sellers of existing homes, including foreclosed homes, and with rental housing. These competitive conditions can reduce the number of homes we deliver, negatively impact our selling prices, reduce our profit margins, and cause impairments in the value of our inventory or other assets. Competition can also affect our ability to acquire suitable land, raw materials and skilled contractors at acceptable prices or other terms, which could decrease our margins and materially adversely affect our business, results of operations, financial condition and prospects. Furthermore, many

measures included in the draft National Housing Plan for 2018-2021 incentivize either rental housing or the refurbishment of the existing housing park, which could favor the interests of some of our competitors to our detriment or adversely affect demand for our houses.

Our growth and profitability depends upon our ability to identify and acquire land plots suitable for our purposes.

Our mid- and long-term growth depends upon our ability to successfully identify and acquire Fully Permitted Land plots for residential property development at commercially reasonable prices, in the appropriate geographic locations and with terms that meet our profitability targets. Our business model requires us to acquire land on an ongoing basis to replenish our land bank and maintain sufficient supply for medium-term development. In particular, our 2017-2023 Housing Development Plan requires us to buy land in the coming years, which requirements may be increased if we decide to increase our run-rate target housing starts (see “*Business—2017-2023 Housing Development Plan*” for additional information on such requirements). However, our ability to acquire land plots that satisfy our investment criteria may be adversely affected by the willingness of land sellers to sell them at commercially viable prices, the availability of financing to acquire them, regulatory requirements including those in relation to zoning, housing density and the environment and other market conditions. In addition, the ongoing recovery in the real estate market in Spain and the emergence of competitors with a business model and strategy similar to ours may lead to increased demand among developers for Fully Permitted Land, which may make it more difficult for us to acquire suitable plots at commercially viable prices or at all and could lead to an increase in our land acquisition costs. Moreover, the Spanish Ministry of Development intends to approve several measures aimed at facilitating access to housing, including by offering relief to first-time buyers and struggling tenants. The adoption of these or other measures contained in the proposed National Housing Plan for 2018-2021 could further exacerbate demand for land. If the availability of Fully Permitted Land plots that are suitable for our purposes becomes limited, our ability to grow could be significantly limited, the number of homes we may be able to develop and sell could be reduced, and our costs could be substantially increased, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we cannot obtain sufficient capital on acceptable terms, we may be unable to acquire land for our developments or may experience increased costs and delays in the completion of our development projects.

The real estate development industry is capital-intensive and requires significant up-front expenditures to acquire land plots and carry out development activity. Following the acquisition of a land plot, we incur many costs even before we begin to build homes. Depending on the stage of development a land plot is in when we acquire it, these may include costs of preparing land, finishing and entitling lots, installing roads, sewers, water systems and other utilities, taxes and other costs related to ownership of the land on which we plan to build homes.

We have historically relied to a considerable extent on funding from our Selling Shareholder and we expect our dependence on external funding to grow significantly after the Offering. See “—*Risks Relating to our Company—We expect to incur in additional indebtedness in the future*”. However the availability of external financing might be limited and lenders may impose several requirements for any financing to be granted to us. For example, financial institutions typically require that at least 30% of the expected housing units of a development project be presold before committing to grant a development loan for such project. In addition, our ability to draw funds under a given development loan may be subject to our compliance with certain further milestones. Our inability to meet such milestones or any other requirements imposed by our lenders may have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, lenders may require increased amounts of equity to be invested in a project in connection with both new loans and the extension of existing loans or higher interest rates. Moreover, if we choose to seek additional financing to fund our operations through the capital markets, continued volatility in these markets may restrict our access to such financing. If we are not successful in obtaining sufficient funding for our planned capital and other expenditures, we may be unable to acquire additional land for development or to develop our existing land bank. Moreover, if we cannot obtain additional financing to fund the purchase of land under our purchase contracts, we may incur contractual penalties, fees and increased expenses from the write-off of due diligence and pre-acquisition costs. Any difficulty in obtaining sufficient capital for planned development expenditures could also cause project delays and any such delay could result in cost increases. Any one or more of the foregoing events could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may incur significant costs associated with potential acquisitions that do not proceed to completion.

As stated above, our mid- and long-term growth depends upon our ability to successfully identify and acquire Fully Permitted Land plots for residential property development that meet our investment criteria. Before making an acquisition, we need to identify suitable opportunities, conduct a due diligence process, investigate and pursue such opportunities and negotiate acquisitions on suitable terms, all of which require significant expenditure prior to consummation of the acquisitions. We may incur certain third party costs, including in connection with financing,

valuations and professional services associated with the sourcing and analysis of suitable properties. There can be no assurance as to the level of such costs and, given that there can be no guarantee that we will be successful in our negotiations to acquire any given property, the greater the number of potential acquisitions that do not reach completion, the greater the likely adverse impact of such costs on our business, financial condition, results of operations and prospects.

Our due diligence of potential acquisitions may not identify all possible risks and liabilities.

Even if an acquisition is completed, there can be no assurance that due diligence examinations carried out by us or third parties in connection with such acquisition have revealed, or will in the future reveal, all of the risks associated with it, or the full extent of such risks. Properties we have acquired or may acquire or invest in may be subject to hidden defects that were not apparent at the time of acquisition. This risk is aggravated by the fact that most purchase agreements we have entered into contain indemnity exclusions and limitations. To the extent that we underestimate or fail to identify risks and liabilities associated with an acquisition, we may be subject, for example, to risks relating to defects in title or environmental liabilities requiring remediation. Any of these risks may have a material adverse effect on our business, results of operations, financial condition and prospects.

We undertake certain of our acquisitions and development projects with a business partner, and are therefore subject to the risks associated with joint ownership.

As of the date of this Prospectus, we have entered into joint venture arrangements in respect of four developments (“New Folies” in Mallorca – Andratx, “Arenal” in Alicante – Jávea, “Hacienda del Mar” in Alicante and “Nagüeles” in Málaga - Marbella).

Joint venture arrangements, and any minority stakes we may have in the future, may expose us to the risk that:

- business partners become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in us having to pay the business partner’s share or risk losing our investment;
- business partners have economic or other interests that are inconsistent with our interests and are in a position to take or influence actions contrary to our interests and plans, which may create impasses on decisions and affect our ability to implement our strategies;
- disputes develop between us and business partners, with any litigation or arbitration resulting from any such disputes increasing our expenses and distracting our management from their other managerial tasks;
- we are liable for the actions of business partners; and
- a default by a business partner constitutes a default under mortgage loan financing documents relating to an investment, which could result in a foreclosure and the loss of all or a substantial portion of our investment.

Any of the foregoing may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business depends upon the availability, skills and performance of contractors, sub-contractors and other service providers and suppliers.

As part of our strategy to have a scalable model of operations, we rely on the services of contractors (which, in turn, rely on the services of sub-contractors) to develop and monitor our projects, help sell our homes and provide post-construction warranty service. These outsourced services include: architectural design, construction and, to some extent, sale of our units. Nine different contractors are working in our 10 development sites under construction as of the date of this Prospectus. If we are unable to hire qualified and reliable contractors for any of our projects, our ability to successfully complete projects in time or with the required quality or to sell our units within the expected timeframes and price could be impaired.

Despite the contractor selection and monitoring processes that we have implemented, our contractors may fail to meet our standards and deadlines. If our contractors fail to successfully perform the services for which they have been engaged, either as a result of their own fault or negligence, or due to our failure to properly supervise any such contractors, this could have a material adverse effect on our business, results of operations, financial condition and prospects. Moreover, we generally rely on contractors to select and obtain building materials. Despite our detailed specifications and quality control procedures, in some cases, contractors may use improper construction processes or defective materials. Defective products widely used by the homebuilding industry can result in the need to perform extensive repairs to large numbers of homes. The cost of complying with our warranty obligations may be significant if we are unable to recover the cost of repairs from contractors, materials suppliers and insurers.

In addition, although we attempt to verify the compliance of contractors with HSE regulations (as defined herein), labor laws and other applicable laws and regulations regularly, certain failures by contractors to comply with such laws and regulations could render us liable in respect of these obligations and we could also suffer damage to our reputation. In particular, under certain circumstances, we could be jointly and severally liable for any failure by our contractors to (i) comply with health and safety laws; (ii) pay the salaries of their employees; or (iii) pay applicable social security contributions. Our liability in such cases would expire, respectively, (i) upon termination of the relevant agreement; (ii) one year following termination of the relevant agreement; and (iii) three years following termination of the relevant agreement. In the case of such violations we could incur significant obligations which could have a material adverse effect on our financial condition.

Moreover, pursuant to Law 38/1999 of 5 November Regulating Construction (*Ley de Ordenación de la Edificación* or “LOE”), AEDAS Homes would qualify as a “developer” (*promotor*), and we would therefore be jointly responsible, together with the participants intervening in the building construction process, vis-à-vis our customers for any material damages in our homes caused by any defect or vice in the construction of these homes. Unlike the case with the other construction participants, the liability that the LOE imposes on us is not linked to a breach of our duties (*i.e.*, the liability does not depend on whether our act or failure to act was negligent). The developer is not subject to a typical or specific risk, but takes liability for the acts (and failures to act) of all other individuals/legal entities involved in the development. Accordingly, under the LOE the developer is a *de facto* guarantor of the obligations of the other participants.

In addition, pursuant to the Spanish Civil Code, failure by contractors to pay subcontractors, may entitle subcontractors to seek redress from the property’s owner or developer, up to an amount equivalent to the amounts owed in turn by the owner or developer against the contractor. Consequently, in case the contractors breach their payment obligations, there is a potential risk subcontractors claim the amounts owed to them by the contractor directly to us.

Furthermore, contractors have been and may continue to be adversely affected by economic downturns or bad management decisions. We may hire a contractor that subsequently becomes insolvent, causing cost overruns and project delays and increasing the risk that we will be unable to recover costs in relation to any defective work performed by such contractor, to the extent such costs are not covered by insurance or other security provided by the contractor. The insolvency or other financial distress of one or more of our current contractors could have a material adverse impact on our business, results of operations, financial condition and prospects.

Moreover, three of our ongoing developments (Mallorca – Andratx, Alicante – Jávea and Alicante - Hacienda del Mar) are managed by third parties under project management agreements (see “*Business—Other Key Business Information—Material Contracts— Project Management Agreements and Marketing and Sales Agreements*”). While we closely supervise construction works to ensure compliance with the agreed work schedules and budgets and control financial aspects of each such project, these third parties may fail to successfully perform the services for which they have been engaged, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be unable to develop and sell our homes successfully or within the expected time frames.

Property developments typically require substantial capital outlays during construction periods, and it may take months or years before positive cash flows, if any, can be generated. It generally takes approximately six to 12 months from the time we initiate the marketing of a development to the time we have pre-sold 30% of the units of a development.

During the construction of development projects, we may encounter unexpected operational issues or other difficulties, including those related to technical engineering issues, regulatory changes, disputes with third-party contractors, sub-contractors and suppliers, supply chain availability and cost increases, accidents, bad weather, natural disasters (such as floods and fires) and changes in purchaser requirements that may require us to amend, delay or terminate a development project.

Any failure to meet deadlines could expose us to additional costs and result in termination of contracts or contractual penalties (or enforcement of bank guarantees by a purchaser) and could also affect our reputation, which could materially adversely affect our business, results of operations, financial condition and prospects.

In addition, following development, we may be unable to sell all or some of the units of a development within the expected time frames due to reasons such as changes in economic or market conditions. In such cases, our inventory of completed but unsold units would increase, leading to additional costs, including property tax and common expenses (*gastos de comunidad*) corresponding to the unsold units. Alternatively, we may have to sell units at significantly lower margins or at a loss, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Significant unanticipated costs might arise in relation to the execution of our projects.

We are subject to risks related to the cost of executing our projects. Unanticipated costs can arise due to a number of factors, including:

- increases in the acquisition costs in relation to new land plots;
- errors, omissions and other human factors (including those of senior management and key personnel);
- increases in costs of building materials (such as lumber, framing, concrete and steel);
- labor shortages or increases in costs of labor;
- events affecting our contractors, such as their insolvency;
- changes in regulation or tax rules;
- increases in costs of sub-contractors and professional services; or
- unforeseen technical and ground conditions (for example, the presence of archaeological artefacts or unforeseen geological characteristics).

Before commencing a development, we estimate costs based on certain assumptions, estimates and judgments, which may ultimately prove to be inaccurate. In addition, if a contractor or supplier's cost estimates or quotes are incorrect, we may incur additional costs or be required to source products and services at a higher price than anticipated, as well as face delays in our development projects if the estimate is incorrect by a large enough margin that the project is better served by finding an alternative contractor or supplier. We may be unable to pass on such increases in construction costs, in whole or in part, to customers, especially if they have already entered into purchase contracts, as those contracts generally fix the price of the homes at the time the contracts are signed, which may be well in advance of the construction of the homes.

Any unanticipated costs arising during the execution of our development projects, or a failure to effectively manage them, may result in losses or lower profits than anticipated or cause material construction delays, which could have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, sustained increases in construction costs may, over time, erode our margins, particularly if pricing competition or weak demand restricts our ability to pass additional costs of materials and labor on to homebuyers.

We may fail to undertake profitable development projects as a result of our pre-sales policy.

We generally start construction of a development project only when we have obtained the relevant target level of pre-sales of the homes to be built in the development (generally in respect of 30% of the units to be developed, which threshold is determined on a case-by-case basis depending on the characteristics of each project). As a result, we may delay, or fail to launch, development projects simply because pre-sales do not reach that threshold, even if we have the necessary capital and the project satisfies our other criteria. In such cases, we may have to hold undeveloped land for a longer period than expected, or, alternatively, we may have to sell such undeveloped land at prices that may not provide the best return on our investment, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Demand for our homes depends on customer preferences for types of accommodation or locations of property and perceptions as to the attractiveness of our products.

Trends in customer preferences have an impact on demand for new residential properties, and any unanticipated changes in such trends, or our misunderstanding of such trends, could have a material adverse effect on our business, results of operations, financial condition and prospects. For example, changes to the general consumer interest in purchasing a home compared to choosing other housing alternatives, such as rental housing, could have a material adverse effect on demand for our homes. Over the past ten years, the number of people living in rented accommodation, as opposed to purchased accommodation, has gradually increased in Spain, primarily driven by restricted access to residential mortgage lending, uncertainty regarding the evolution of residential property prices and regulatory changes in taxation. According to Eurostat, the percentage of households in Spain living in rented accommodation as their primary residence is starting to move towards the Eurozone average of 33.2%.

In addition, events outside of our control may occur that shift customers' perceptions of the attractiveness or quality of our products, including: (i) preference for a specific neighborhood or location in a certain region (in particular, in a region in which we do not own land), (ii) macroeconomic or employment dynamics that concentrate demand in a specific

area (such as the establishment of a large employer in the area) or (iii) preference for a specific home design typology (such as multifamily condominiums or detached houses). In addition, given our policy of offering customized units to accommodate customer preferences, pursuant to which buyers may make elections on decoration styles, layout and certain premium options, it may be difficult for us to sell any customized units to a different buyer in case the initial buyer withdraws. Such units may take longer to sell, may have to be sold at a lower price, or additional re-customization expenses may need to be incurred, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, uncertainty regarding the evolution of residential property prices may also adversely affect demand for our homes. The general perception among consumers of the continuous increase in property prices over time has, in the past, contributed to an increase in home ownership and demand for new residential property in Spain. However, the financial crisis and its economic impact in Spain demonstrated that property prices and demand could fall rapidly (and even more so for second homes, which predominate in some of our focus regions). Changes in the attractiveness of an investment in residential property could adversely affect our ability to sell our homes and have a material adverse effect on our business, results of operations, financial condition and prospects.

There is a large stock of unsold houses in Spain which may exert downward pressure on new house prices.

The bursting of the housing bubble in 2007 led to a significant oversupply of new housing in Spain which resulted in the accumulation of a large stock of unsold houses. As of 31 December 2016, there were approximately 491,693 unsold houses in Spain (source: Ministerio de Fomento). This —together with the selling pressures being exerted on financial institutions by the bank regulation measures relating to their real estate repossessions— continues to exert downward pressure on new house prices and may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our pre-sales may not materialize on the terms agreed, if at all.

Our pre-sales for a given development may not materialize on the terms agreed, if at all, following withdrawal of buyers or the cancellation of existing reserve contracts for other reasons. For example, we may not be able to perform our obligations under our reserve contracts due to various reasons such as an increase in costs making the development not viable, not being able to obtain the construction license and not reaching the level of pre-sales necessary to launch the development. In such cases, we may need to refund our customers for the funds that they had advanced or our customers may terminate their contracts or seek to renegotiate the terms of their contracts to obtain more favorable terms and we may also be required to compensate these customers. The occurrence of any of these events could affect our pre-sales and eventual revenues and have a material adverse effect on our business, results of operations, financial condition and prospects.

Land and real estate properties can be illiquid assets and can therefore be difficult to sell.

As of the date of this Prospectus, we have a sizeable land bank in Spain and, as a result, we are more exposed to changes in prices of land than most of our peers. See “—Risks Relating to General Economic, Political and Demographic Conditions—A future decline in land values could result in significant write-downs”. Land and real estate properties can be relatively illiquid, meaning that they may not be easily sold and converted into cash. Although we acquire land plots for development purposes in connection with our development business and generally expect to sell such assets in the form of residential units following development, we may seek to, or be required to, sell entire land plots in certain circumstances, including due to changes in development plans, failure to obtain regulatory approvals, our decision not to proceed with the development, changes in economic or property market conditions or financial distress. In addition, we also selectively sell land plots in order to increase margins by taking advantage of opportunistic sale conditions and/or to accelerate consolidation in areas where we own several plots. Land illiquidity may affect our ability to value, or dispose of or liquidate part of, our land bank in a timely fashion and at satisfactory prices when required or desirable and we may incur additional costs until we sell the land. This could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may suffer uninsured losses or suffer material losses in excess of insurance proceeds.

While we have, and many of our contractors have, general liability, property, workers compensation and other business insurance, such insurance policies are intended to protect us against a portion only of our risk of loss from claims, subject to certain self-insured retentions, deductibles and coverage limits. Accordingly, it is possible that this insurance will not be adequate to address all warranty, construction defect and liability claims to which we are subject. Additionally, the coverage offered and the availability of general liability insurance for construction defects are currently limited and policies that can be obtained are costly and often include exclusions based upon past losses those insurers suffered.

As a result of the above, our properties or developments could suffer physical damage, resulting in losses which may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not

economically insurable, or may not be currently or in the future covered by our insurance policies. In addition, we could be liable to repair damage to a property or development or construction defects caused by uninsured risks out of our own funds. We would also remain liable for any debt or other financial obligation related to the affected property, even if the property is no longer available for its intended use. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to liability claims from third parties.

Our land and homebuilding activities could give rise to legal claims brought against us in respect of the materials used and any defects existing in the buildings sold, including possible deficiencies attributable to third parties under agreements entered into with us, such as architects, engineers and building contractors. We may also face liability as a result of non-compliance with deadlines for units' delivery, non-performance with obligations to sellers of land plots or third-party contractors and conveyance of defective property title or property misrepresentation. In particular, real estate developers are liable for a ten-year period in respect of any damages arising from building deterioration, provided that such deterioration is caused by flaws or improper execution in the design or construction of the building. The foregoing could result in civil or criminal liability towards third parties, as well as reputational harm, especially if public safety is impacted. We are also subject to claims for injuries that occur in the course of construction activities. The aforementioned liabilities may not be insurable or may exceed our insurance limits, and we may eventually need to divert financial and management resources from the operation of our business and incur additional costs, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Natural disasters and severe weather conditions could delay deliveries and increase costs of new homes in affected areas, which could harm our sales and results of operations.

Certain of our homebuilding operations are conducted in areas that are subject to natural disasters, including earthquakes, droughts, floods, wildfires and severe weather. The occurrence of natural disasters or severe weather conditions can delay new home deliveries, increase costs by damaging inventories and lead to shortages of labor and materials in areas affected by the disasters, and can negatively impact the demand for new homes in affected areas. If our insurance does not fully cover business interruptions or losses resulting from these events, our results of operations could be adversely affected.

Negative publicity could adversely affect our reputation as well as our business, financial results and stock price.

Favorable brand reputation is essential to us, and our business and growth strategy are dependent in part on the maintenance of the integrity of the AEDAS Homes brand and its reputation for quality. Unfavorable media related to our industry, company, brands, marketing, personnel, operations, business performance, or prospects may affect the performance of our business, regardless of its accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlets, websites, blogs or newsletters. Our success in maintaining, extending and expanding our brand image depends on our ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlets could damage our reputation, have a negative effect in our relationship with sellers of land and contractors and reduce the demand for our homes, which could materially adversely affect our business, results of operations, financial condition and prospects.

Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Prospectus

Real estate appraisals with respect to our property portfolio included in this Prospectus may not reflect the current market values of our portfolio because determining such values is an inherently subjective process. In addition, an appraisal may not be directly comparable to those given in respect of similar portfolios held by other real estate developers in the Spanish market as a result of differing assumptions and methodologies.

Savills Consultores Inmobiliarios, S.A. ("Savills"), an independent real estate appraiser, has prepared the First Valuation Report on the basis of certain valuation methodologies and assumptions regarding the Spanish real estate market and our portfolio as of 30 June 2017 and the FAB May portfolio (which was contributed to us in August 2017), except for land plots subject to sale commitments with, or purchase option agreements of, third parties. Savills has also prepared the Second Valuation Report covering properties we have acquired after 30 June 2017 (except for the FAB May portfolio which is covered by the First Valuation Report) and Nagüeles. Valuations of our property portfolio have a significant effect on our financial standing on an ongoing basis and on our ability to obtain further financing.

The valuation of real estate, including those contained in the valuation reports referred to above, is inherently subjective and subject to uncertainty, in part because land and property valuations are made on the basis of assumptions which may not prove to be accurate, and in part because of the individual nature of each land and property. For example, the Valuation Reports include assumptions as at and prior to the date of the Valuation Reports as to land tenure, lawful construction and the absence of land contamination or adverse site or soil conditions based in part on information

provided by us and which may have varied if made as at the date of this Prospectus. Therefore, land and property valuations might not accurately reflect the market value of our portfolio at a given date.

In addition, the valuations contained in the Valuation Reports are stated as at 30 June 2017, and although we believe there has been no material change to the aggregate market value of our properties, there can be no assurance that these figures accurately reflect the market value of our properties as at any other date. The market value of our properties may decline significantly over time due to various factors. In addition, the values ascribed by Savills should not be taken as an indication of the amounts that could be obtained by us upon disposal of such properties, whether in the context of the sale of individual properties or the portfolio as a whole.

There is no assurance that we will realize our 2017-2023 Housing Development Plan targets or any anticipated results set forth in this Prospectus.

The 2017-2023 Housing Development Plan targets and anticipated results included in this Prospectus rely on a number of important assumptions regarding future economic, competitive and other conditions and our future operations and business decisions. Such assumptions, many of which are outside our control, include assumptions regarding the following:

- the supply and demand for housing and future housing prices;
- the future value of our land bank;
- our ability to identify and acquire additional land at commercially reasonable prices;
- our ability to define, design, market, construct and deliver commercially attractive products;
- future construction and development costs;
- the availability and cost of selected service providers we use to develop our business, such as architects, contractors and real estate agents;
- our ability to obtain any necessary permits on a timely basis;
- future laws and regulations that apply to our business;
- our ability to ramp-up and scale our business successfully; and
- the availability of external financing to grow our business.

While we believe the assumptions which underlie the 2017-2023 Housing Development Plan targets are reasonable, they are inherently subject to significant business, operational, economic and other risks and uncertainties, including those described elsewhere in this Prospectus, many of which are outside our control. If such assumptions prove to be incorrect, we may not be able to achieve some or all of our 2017-2023 Housing Development Plan targets and other anticipated results included in this Prospectus at the estimated dates set forth herein, or at all, which, among other things, could cause the price of our ordinary shares to decline. We can provide no assurance that we will be able to achieve our 2017-2023 Housing Development Plan targets and other anticipated results included in this Prospectus at the estimated dates set forth herein, or at all. Actual results may vary significantly from our targets and anticipated results. Such targets and anticipated results should not be regarded as a forecast, guarantee or representation by AEDAS Homes or any other person that AEDAS Homes will achieve these targets and anticipated results at the estimated dates set forth herein, or at all. See “*Important Information—Forward-looking Statements*”.

We may achieve lower revenue in our development projects than our estimated gross development values indicate.

Estimating the future value of property is inherently subjective due to the individual nature of each property and is heavily affected by broader market conditions outside of our control. Factors such as changes in regulatory requirements and applicable laws (including in relation to building and environmental regulations, taxation and planning), transport and infrastructure policies, political conditions, the condition of financial markets, the financial condition of customers, applicable tax regimes and interest and inflation rate fluctuations also contribute to the uncertainty and potential volatility of forward-looking valuations.

The estimated gross development values (such estimated gross development values being referred to as “**GDVs**”) relating to our planned developments are estimates only and are ascertained on the basis of assumptions (including assumptions regarding items such as demand for homes, average sales price, price increases and assumed number of units within developments), which may prove inaccurate. There is no assurance that the GDVs relating to our land bank and our proposed developments will reflect the actual sales prices achieved of any developments built on the land. Any failure to sell as many residential units as anticipated, or for the sales prices expected, could result in us not achieving our GDVs. There can be no assurance that our valuations of land in our financial statements or our GDVs for our land bank and

proposed developments will reflect the actual sale prices achieved of either the land itself or any developments built thereon.

Any of the above factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

We use a number of estimates and assumptions in the preparation of our consolidated financial statements, which could prove to be incorrect.

The preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered by management to be reasonable under the circumstances at the time. These estimates and assumptions form the basis of judgments about the carrying values of assets and liabilities that are not readily available from other sources.

See also “*Risks Relating to our Company—We have a limited operating history and limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares.*”

Risks Relating to General Economic, Political and Demographic Conditions

Our industry is cyclical in nature and an economic slowdown would adversely affect the demand for our homes.

We are a Spanish homebuilding company whose assets and operations are located entirely in Spain (see “—*Risks Relating to our Company—Our activity is geographically concentrated in certain regions of Spain and we have therefore greater exposure to developments affecting the Spanish market than more diversified businesses*”). As a result, we are dependent on the overall condition of the Spanish housing market. The housing market and the homebuilding industry are generally cyclical and are affected by changes in general economic conditions, such as employment levels and job growth, interest rates, inflation, tax laws and consumer confidence. Cycles in the industry typically unfold in four phases—recovery, expansion, hyper supply and recession—going through multiyear cycle of booms and bursts periods.

From 2007 to 2013, the impact of the international credit crisis, the European sovereign debt crisis and the Spanish economic crisis (which led to rocketing unemployment rates in Spain), an overhang of excess supply of real estate, overleveraged local real estate companies and developers and the absence of bank funding in the Spanish property market led to a strong cyclical downturn and structural re-pricing of real estate assets. As a result, since peaking in 2007, the Spanish real estate property market saw a severe decline in the value of real estate assets, real estate transaction activity and investment volumes.

The residential real estate market started to recover in 2014 in some Spanish provinces, just as the Spanish economy showed signs of improvement. After years of recession, Spain’s economy began to grow again in 2014 experiencing a GDP increase of 1.4% due to better labor market prospects, strengthened confidence, lower economic uncertainty and falling energy prices (source: Spanish National Statistics Institute (*Instituto Nacional de Estadística* or “**INE**”)). In 2015 and 2016 real GDP expanded by 3.2% each year (source: International Monetary Fund or “**IMF**”). Moreover, in June 2017, the Bank of Spain raised the 2017 and 2018 GDP growth forecasts for the Spanish economy to 3.1% (from 2.8% in March 2017) and 2.5% (from 2.3% in March 2017), respectively. This growth is expected to outpace the average for major European economies (source: IMF). However, there can be no assurance that this growth and the general recovery of the Spanish housing market will be achieved or sustained as there continues to be uncertainties in the EU and Spanish economic and political outlook. Despite the growth in GDP, the unemployment rate in Spain continues to be high (17.2% in the second quarter of 2017 (source: INE)) and Spain’s fiscal deficit as a percentage of GDP is the largest in the Eurozone (4.5% in 2016 (source: Eurostat)). In addition, as at the date of this Prospectus, the Spanish economy faces challenges due to internal factors such as the uncertainty in relation to the Spanish government’s capacity to obtain enough legislative support to pass certain laws (after the June 2016 general elections failed to produce a majority government), as well as the uncertainty surrounding Cataluña’s independence movement. See “—*Risks Relating to our Company—Political uncertainty in Cataluña may adversely affect us*”. In addition, the Spanish economy may be materially adversely affected by the referendum held by the United Kingdom on 23 June 2016 on continuing membership in the EU, which resulted in the decision to leave the EU. The full effects of the vote by the United Kingdom to exit the EU are impossible to predict but may result in significant market volatility and dislocation, and adversely affect the UK, European and global economy. Furthermore, other geopolitical uncertainties (including surrounding actions adopted by the U.S. administration and escalating tensions in certain regions of the world), volatility in commodity prices or a negative market reaction to central bank policies may affect the growth of the Spanish economy and, in particular, disposable income or the cost and availability of credit and, consequently, may have a material adverse effect on our business, results of operations, financial condition and prospects.

We cannot predict whether the ongoing recovery in the Spanish economy and its housing market will continue. If the recovery were to slow or stop, or there were an economic downturn, the resulting decline in demand for new homes would negatively impact our business, results of operations, financial condition and prospects.

Constraints on the availability of mortgage lending and/or interest rate increases may adversely affect our sales.

The purchase of residential property in Spain is usually facilitated through mortgage lending, and our business therefore partly depends upon the ability of our customers to obtain such mortgage lending for the purchase of their homes. We believe that most purchasers of our homes will obtain mortgage loans to finance a substantial portion of the purchase price of the homes they purchase.

In the years of the global financial crisis since 2007, access to residential mortgage lending in Spain has been restricted due to a number of factors including (i) the exit of a number of mortgage providers from the Spanish market; (ii) more stringent equity requirements for Spanish financial entities; (iii) a more cautious approach to valuations of properties by surveyors (which in turn reduces the value of the mortgage loan that can be obtained on a given property); (iv) stricter underwriting standards by lenders that have resulted in more stringent mortgage application requirements for borrowers, including increased down payments; and (v) a desire by certain lenders to limit their lending exposure in relation to specific types of housing developments. Tighter loan qualifications make it more difficult for a borrower to finance the purchase of a new home or the purchase of an existing home from a potential “move-up” buyer who wishes to purchase one of our homes.

Mortgage lending rates in Spain are predominantly based on floating interest rates tied to EURIBOR. According to Bank of Spain, the average rate of the one-year EURIBOR was -0.156% in the six months ended 30 June 2017. The EURIBOR rate is market-determined and may rise or decline at any time. An increase in interest rates would increase mortgage loan costs and may negatively affect the availability or attractiveness of mortgage loans as a source of financing for the purchase of residential property and, accordingly, reduce demand for our homes. Prospective customers who could obtain a mortgage loan at current interest rates may be deterred by the possibility of increased interest rates in the future (and, in turn, higher monthly interest payments) and instead elect to remain in their current property. Customers who had been looking to invest in property could also be deterred by the possibility of increased interest rates, as higher interest rates could negatively affect their investment returns.

Limited availability of mortgage lending on acceptable terms or at all may constrain growth in sales volumes and prices in the Spanish homebuilding industry. Even if potential homebuyers do not themselves need financing, adverse changes in interest rates and mortgage availability could make it more difficult for them to sell their existing homes to other potential buyers who need mortgage financing, thereby constraining their ability to purchase a new home. If our potential homebuyers or the buyers of our potential homebuyers’ existing homes cannot obtain suitable financing for any of the above reasons, it will be more difficult for us to sell our products. Moreover, an increase in interest rates could affect the attractiveness of an investment in residential property, which could also adversely affect our ability to sell our products, and result in both a decrease in the value of our real estate portfolio and an increase in our financing costs, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Inflation may adversely affect us by increasing costs beyond what we can recover through price increases.

Although the rate of inflation has been low for the last several years, inflation can adversely affect us in the future by increasing costs of land, materials and labor. In addition, significant inflation is often accompanied by higher interest rates, which have a negative impact on demand for our homes (see “—*Constraints on the availability of mortgage lending and/or interest rate increases may adversely affect our sales*” above). In an inflationary environment, we may be precluded from raising home prices enough to keep up with the rate of inflation which would reduce our profit margins and could have a material adverse effect on our business, results of operations, financial condition and prospects.

A future decline in land values could result in significant write-downs.

Inventory risks are inherent to our business. There are risks derived from controlling, owning and developing land and if housing demand declines, we may own land or home sites we acquired at costs we will not be able to recover fully, or on which we cannot build and sell homes profitably. Also, there can be significant fluctuations in the value of our owned undeveloped land, building lots and any future housing inventories as a result of changes in market conditions. See “—*Our industry is cyclical in nature and an economic slowdown would adversely affect the demand for our homes*”. If market conditions were to deteriorate significantly in the future, we could be required to take significant write downs with regard to our land inventory, which would decrease the asset values reflected on our balance sheet and adversely affect our earnings and our stockholders’ equity. In addition, we may have to sell homes or land for lower than anticipated profit margins, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in demographic patterns may adversely affect demand for our homes.

Long-term demand for new residential property is directly related to, *inter alia*, population growth and the rate of new household formation. These trends, along with the general perception among consumers of the continuous increase in property prices over time, have, in the past, contributed to an increase in home ownership and demand for new residential property in Spain. However, population in Spain, which growth was one of the main drivers of the real estate boom that ended in 2007, has steadily decreased since 2012. According to INE's forecasts, population in Spain will continue to decrease in coming years from 46,438,422 in 2016 to 45,886,177 in 2030/2031. A decrease in residential property demand due to population decrease (including as a result of changes in foreign and intra-country immigration trends), lower levels of household formation (including as a result of a decrease in the divorce rate) and other demographic changes in the regions where we operate could adversely affect demand for our homes and have a material adverse effect on our business, results of operations, financial condition and prospects.

Regulatory and Legal Risks

Homebuilders are subject to complex and substantial regulations of which the application, interpretation or enforcement are subject to change.

The residential communities and multifamily apartment developments that we build are subject to a large variety of national, regional and local laws, regulations and administrative requirements relating to, among other things, zoning, construction permits or entitlements, construction materials, density, building design and property elevation and building codes. These include laws requiring the use of construction materials that reduce the need for energy-consuming heating and cooling systems. In some instances, we must also comply with laws, regulations or orders of the relevant authorities, that require commitments from us to provide roads and other offsite infrastructure (such as parks and other public improvements), and may require them to be in place prior to the commencement of new construction.

Residential homebuilding and apartment development are also subject to a variety of laws, regulations and administrative requirements concerning the protection of health and the environment. These environmental laws include such areas as waste handling, water management, groundwater and wetlands protection, subsurface conditions and air quality protection and enhancement. Environmental laws and existing conditions may result in delays, may cause us to incur substantial compliance and other costs and may prohibit or severely restrict homebuilding activity in environmentally sensitive regions or areas.

These laws, regulations and administrative requirements often provide broad discretion to the relevant authorities and may result in fees and assessments or building moratoriums. A material change in relevant laws, regulations or administrative requirements, or the interpretation thereof, or delays in such interpretation being delivered, may delay or increase the cost of our development activity or prevent us from selling residential units already developed. In particular, changes in (but not limited to) the following areas could have a significant adverse impact on our business and operating results: requirements to provide subsidized housing; planning or urbanization requirements; law regarding land classification; building regulations, including functionality, safety and habitability requirements applicable to new developments; insurance regulations; labor or social security laws; health and safety regulations; tax regulations; or environmental and sustainability requirements. Any of the foregoing factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

The construction of new developments involves health, safety and environmental (“HSE”) risks.

Operating in the homebuilding industry poses certain HSE-related risks. A significant HSE incident at one of our developments could put our employees, contractors, sub-contractors or the general public at risk of injury or death and could lead to litigation, significant penalties, delays in the construction or damage to our reputation (which could, in turn, have a negative impact on our ability to generate new business).

In addition, we may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located on, under or in a property currently or formerly owned by us, whether or not we caused or knew of the pollution. The costs of such removal, investigation or remediation or those incurred for our defense against HSE claims may be substantial, and they may not be covered by warranties and indemnities from the seller of the affected land or by our insurance policies. They may also cause substantially increased costs or delays in developments. The presence in our developments of non-HSE-compliant substances, or the failure to remove such substances, may also adversely affect our ability to sell the relevant developments' units. Furthermore, laws and regulations may impose liability for the release of certain materials into the air, water or earth and such release may form the basis for liability to third persons for personal injury or other damages as well as potential criminal liability.

Any breach of HSE compliance, including any delay in responding to changes in HSE regulations, particularly in light of evolving EU standards and potential new implementing legislation, may result in penalties for non-compliance with relevant regulatory requirements. Monitoring and ensuring HSE best practices may become increasingly expensive for us

in the future, and HSE risks may become more acute as we undertake larger-scale projects, or during periods of intense activity. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business may be adversely affected if we fail to obtain, or if there are any material delays in obtaining, the required permits and approvals for our development projects or if the approved planning regulations and/or permits are subsequently challenged.

While we only acquire Fully Permitted Land and primarily acquire Ready to Build Land, in order to begin the construction of our development projects we must obtain separate building, urbanization and environmental permits, licenses and other approvals, and in order to be able to deliver built units to clients we must obtain separate first occupancy, activity and other approvals and or permits (together the “**Permits**”) from relevant administrative authorities. Our ability to obtain the Permits required to build homes is dependent on our ability to meet the relevant regulatory and planning requirements. Moreover, granting of Permits is regulated at a regional and municipal level and may be subject to the relevant authorities’ discretion. Given that we own land in 35 different municipalities, with different political parties in office, we may need to meet different requirements for each municipality and be subject to various authorities’ discretion in granting Permits. In addition, the timing to obtain the Permits also varies depending on the region or municipality. Any failure to obtain required Permits on favorable terms or at all or any material delays in obtaining such Permits could have a material adverse impact on our business, results of operations, financial condition and prospects.

Moreover, planning regulations and permits could be challenged within the relevant statutory period, which could eventually lead to delays in the delivery of our units or even incompleteness of a particular development on the expected terms or at all, which could have a material adverse impact on our business, results of operations, financial condition and prospects.

Furthermore, we occasionally acquire Fully Permitted Land which is not Ready to Build Land in respect of which zoning has been approved, but where the relevant urban planning and allotment processes have not been fully approved and/or implemented. With respect to any such acquisition, there can be no assurance that we will be successful in our attempts to carry out any such planning and allotment processes or to secure all the necessary Permits on a timely basis or on economically viable terms, or at all, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in certain laws and regulations may affect demand for our homes.

Demand for our homes may be directly or indirectly affected by a number of laws, regulations and government policies, including regarding lending, appraisal, foreclosure and short sale practices, leases and eviction of illegal occupants, government mortgage loan programs, down payment assistance programs and taxes. For example, increases in personal income tax rates have in the past adversely affected demand for residential properties. In addition, taxes and duties relating to the acquisition of real estate property (such as Value Added Tax incurred in the acquisition of new residential property) are an important part of the cost of acquiring or owning a home, and an increase in such taxes may have a material adverse impact on demand for residential property. As a result, our real estate activity can be affected by direct and indirect taxation, in particular transfer taxes, stamp duties, real estate property taxes and Value Added Tax, which is subject to the interpretation and scrutiny of the corresponding Spanish tax authorities (whether national, regional, or local).

National, regional or local tax regulations may have a material impact on our business.

Given our business, we are regularly involved in the acquisition, exploitation and disposal of real estate assets in Spain. As a result, we and our customers are subject to direct and indirect taxation (*i.e.* transfer taxes, stamp duties, real estate property taxes and Value Added Tax), which is subject to changes in the national, regional or local tax regulations and to the interpretation or scrutiny of the corresponding Spanish tax authorities. Although we believe that we are in material compliance with applicable tax laws (including in connection with our real estate and financing activities), we may be subject to a reassessment by the tax authorities and, in that event, it cannot be disregarded that the Spanish tax authorities’ interpretation of such laws may differ from ours. We cannot discard the possibility that such reassessments may materially affect our business, results of operations, financial condition and prospects.

Risks Relating to the Offering and the Shares

After the Offering, our controlling shareholder will continue to be able to exercise significant influence over us, our management and our operations.

As at the date of this Prospectus, our controlling shareholder, Hipoteca 43 Lux, S.à r.l. (which is indirectly owned by funds managed by Castlflake), holds 100% of our issued share capital. Immediately following the Offering, Hipoteca 43 Lux, S.à r.l. will hold at least 51.75% of our issued share capital (provided that the Over-allotment Option is fully

exercised and assuming that the Offer Price is the mid-point of the Offer Price Range). As a result, Hipoteca 43 Lux, S.à r.l. will be able to exercise control over our management and operations and over our shareholders' meetings, such as in relation to the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to our board of directors. We cannot assure you that the interests of Hipoteca 43 Lux, S.à r.l. will coincide with the interests of purchasers of the Shares.

Furthermore, Hipoteca 43 Lux, S.à r.l.'s significant ownership may:

- delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company);
- deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and
- affect the liquidity of the Shares,

each of which could have a material adverse effect on the market price of the Shares.

Substantial future sales of the Company's ordinary shares, or the perception that such sales might occur, could impact their trading price.

Sales of substantial amounts of ordinary shares of the Company, or the perception that such sales might occur, may adversely affect the prevailing trading price of the Company's ordinary shares.

On completion of the Offering, Hipoteca 43 Lux, S.à r.l. is expected to own approximately 56.13% of the Company's ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and no exercise of the Over-allotment Option) or approximately 51.75% of the Company's ordinary shares (assuming that the Offer Price is the mid-point of the Offer Price Range and the Over-allotment Option is fully exercised). These ordinary shares will be subject to lock-up arrangements of 180 days, described in further detail in "*Plan of Distribution—Lock-up*". However, such lock-up arrangements provide for certain exceptions and, in any case, these restrictions may be waived and allow the Selling Shareholder to sell its ordinary shares at any time after this Offering. Moreover, as these lock-up restrictions end, the market price of the Company's ordinary shares could drop significantly if the Selling Shareholder sells ordinary shares of the Company or is perceived by the market as intending to sell them.

Castlelake is a global private investment firm managing private funds with more than \$10.3 billion in assets as of 30 June 2017 on behalf of endowments, foundations, public and private pension plans, private funds, family offices, insurance companies and sovereign wealth funds and its investment decisions may not coincide with the interests of purchasers of the Shares.

In the future, we may also issue ordinary shares if we need to raise additional capital or in connection with acquisitions. The number of shares of ordinary shares issued in connection with a financing or acquisition could constitute a material portion of our then-outstanding ordinary shares.

There is not currently a public trading market for the Company's ordinary shares.

There is currently no public trading market for the Company's ordinary shares prior to the Offering, and Admission should not be taken as implying that there will be a liquid market for such shares. There can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. The failure of an active trading market to develop may affect the liquidity of the Company's ordinary shares. The Company's 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 Shares could fluctuate significantly and may result in investors being unable to sell Shares at or above the Offer Price or at all.

The trading price of the Company's ordinary shares may fluctuate in response to various factors, many of which are outside our control.

There is no assurance that the Offer Price will be indicative of the future price of the Company's ordinary shares. Following the Offering, the price of the Company's ordinary shares may not always accurately reflect the underlying value of our business. The price and value of the Company's ordinary shares may decrease as well as increase, and investors may realize less than the original sum invested. The value of the Company's ordinary shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some specific to the Company and its operations and some, such as those which may affect homebuilding companies, which are outside the Company's control, including, among others:

- change in the financial performance of the Company, its peers or the industry;

- changes in law, rules and regulations applicable to the Company and its operations in Spain;
- the general economic, social and political environment in Spain; and
- fluctuations in the capital markets.

There is no assurance that we will pay dividends or regarding the level of any such dividends.

The Company is a holding company with no significant assets other than shares of its direct and indirect subsidiaries. The Company's ability to pay dividends depends on the continued payment to it of dividends and other income from its subsidiaries. The subsidiaries' ability to pay dividends will also depend on, amongst other things, achieving sufficient distributable profits. The Company also might not pay dividends if the directors believe this may result in any Group member being inadequately capitalized or if, for any other reason, the directors conclude it would not be in the best interests of the Company. In particular, in the near term we intend to devote our generated cash flows to continue growing our business. We do not plan to distribute dividends during the next three fiscal years.

Overseas shareholders may have only limited ability to bring actions or enforce judgments against the Company or its directors.

The ability of an overseas shareholder to bring an action against the Company may be limited under law. The Company is a *sociedad anónima* incorporated in Spain and all its assets are located in Spain. The rights of holders of the Company's ordinary shares are governed by Spanish law and by the Company's bylaws. These rights differ in certain respects from the rights of shareholders in comparable U.S. corporations and some other non-Spanish corporations. In addition, most of the directors and executive officers are residents of Spain and a substantial part of their assets are located in Spain. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Company or its directors and executive officers within the overseas shareholder's country of residence or to enforce against the Company or its directors or executive officers' judgments of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. An overseas shareholder may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Spain against the directors or executive officers of the Company who are residents of Spain or countries other than those in which judgment is made. 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.

An investor whose currency is not the euro is exposed to exchange rate fluctuations.

The assets of the Company and any acquisitions made by the Company are and will be in euro. Additionally, the Shares have been priced in euro on their primary trading market and any future payments of dividends on the Shares will be denominated in euros. Any investment in the Shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange risk. The U.S. dollar or other currency equivalent of any dividends paid on the Shares or any distributions made on an investment made in the Shares could be adversely affected by the depreciation of the euro against other currencies.

Shareholders in the United States and other jurisdictions may not be able to participate in future equity offerings.

Spanish corporate law provides for pre-emption rights to be granted to shareholders in the event of a share capital increase in the Company under certain circumstances. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future equity offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the ordinary shares and any other securities that are offered and sold are registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the ordinary shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable shareholders in the United States or other jurisdictions to exercise their pre-emption rights or, if available, that the Company will utilize any such exemption.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

The Company incorporates by reference in this Prospectus an English translation of (i) the Company's audited interim consolidated financial statements as of and for the six month period ended 30 June 2017 and (ii) the Company's audited consolidated financial statements as of and for the period from 9 June 2016 to 31 December 2016 (the "**2016 Reporting Period**"), which have been audited by Ernst & Young, S.L., who has issued unqualified opinions for the financial statements mentioned in (i) and (ii) above, in each case prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS-EU**") (jointly, the "**Consolidated Financial Statements**").

On the date of this Prospectus, the CNMV has exonerated the Company from the obligation to provide financial statements corresponding to the previous three full financial years, pursuant to article 12.2.b) of Royal Decree 1310/2005 of 4 November on admission to trading of securities in official secondary markets, of public sale and subscription offers and on the prospectus relating thereto.

Currency References

Unless otherwise indicated or otherwise required by the context, all references in this Prospectus to "euro," "€" "EUR" or "eurocent" are to the lawful currency of the member states of the EEA, including Spain, in the third stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time and all references to "US dollars", "dollars", "US\$", "USD" or "\$" are to the lawful currency of the United States of America.

Rounding

Certain numerical figures included herein have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding. Further, certain percentages shown in the charts in this Prospectus reflect calculations based upon the underlying information prior to rounding off and, accordingly, may not conform exactly to the percentages that would result if the relevant calculation were based upon the rounded off figures. As used in this Prospectus, the term "billion" means one thousand million (1,000,000,000).

Alternative Performance Measures

This Prospectus contains certain management measures, which are used to evaluate the Group's overall performance, such as: Gross Development Margin, Net Development Margin, EBITDA, Adjusted EBITDA, Borrowings, Net Debt, Leverage, Loan to Value ("**LTV**") and Loan to Cost ("**LTC**") (each as defined in "*Operating and Financial Review—Alternative Performance Measures*"). These management measures are not audited, reviewed nor subject to a pro forma review by the Group's independent auditors and are not measurements required by, or presented in accordance with, IFRS-EU. These management measures are not measurements of the Group's financial performance under IFRS-EU and should not be considered as alternatives to the information included in the Consolidated Financial Statements or to any performance measures prepared in accordance with IFRS-EU. Many of these management measures are based on the Group's internal estimates, assumptions, calculations and expectations of future results, and there can be no guarantee that these results will actually be achieved. Furthermore, these management measures, as the Company defines and calculates them, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such information in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Group's profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Investors are advised to review them in conjunction with the Consolidated Financial Statements incorporated by reference in this Prospectus. Accordingly, investors are cautioned not to place undue reliance on these management measures.

The Company believes that the description of these management measures that constitute Alternative Performance Measures ("**APMs**") follows and complies with the "European Securities and Markets Authority Guidelines on Alternative Performance Measures" dated 5 October 2015.

Market and Industry Data

Certain of the market, market share, industry and certain other data contained in this Prospectus has been taken from, or based upon, industry reports and other sources named in the sections of this Prospectus entitled “*Business*” and “*Industry Overview*”. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. The Company believes that these industry publications, surveys and forecasts are reliable but the Company has not independently verified them and cannot guarantee their accuracy or completeness and certain of this information, including market studies, are frequently based on information and assumptions which may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

Where information contained in this Prospectus has been sourced from a third party, the Company and the directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information in this Prospectus has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

This Prospectus also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by the Company based on third-party sources and the Group’s own internal estimates. While the Company believes that these estimates of the Group’s competitive position and market share are helpful in order to give investors a better understanding of the Group’s position within the industry in which the Company operates, in many cases there is no publicly available information supporting these estimates. Although the Company believes that the Group’s internal market observations are reliable, the Group’s own estimates are not reviewed or verified by any external sources. Accordingly, investors are cautioned not to place undue reliance on such estimates. Whilst the Company is not aware of any misstatements regarding the industry, market share or similar data presented in this Prospectus, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in this Prospectus.

Valuation

At the Company’s request, Savills Consultores Inmobiliarios, S.A. (“**Savills**”), external independent real estate appraiser whose business address is in José Abascal, 45, 28003 Madrid, has prepared:

- (i) a valuation report dated 30 June 2017 (the “**First Valuation Report**”) which is divided in two parts:
 - (a) Part 1 refers to assets that were owned by AEDAS Homes at 30 June 2017; and
 - (b) Part 2 refers to assets that were held by MAY Fondo de Activos Bancarios (the “**FAB May**”) on 30 June 2017 and that were contributed to AEDAS Homes on 16 August 2017. On 16 August 2017, a 95% stake in the FAB May was contributed to the Company (the remaining 5% belonging to SAREB). The FAB May was subsequently liquidated on 19 September 2017, and 100% of its assets were allocated to the Group. 100% of the valuation of these assets is attributable to AEDAS Homes. See “*Related Party Transactions*”.
- (ii) a valuation report dated 20 September 2017 but with the valuations as of 30 June 2017 of the (a) Company’s land bank portfolio acquired from 30 June 2017 to 22 September 2017, with the exception of the assets formerly held by the FAB May and included in Part 2 of the First Valuation Report, (b) project development Nagüeles in Málaga and (c) project developments Los Fresnos 1, Los Fresnos 2, Los Fresnos 3, Los Fresnos 4 and Los Fresnos 5 in Madrid (the “**Second Valuation Report**” and, together with the First Valuation Report, the “**Valuation Reports**”).

Savills has authorized the inclusion of the Valuation Reports in this Prospectus and has accepted responsibility for its content exclusively *vis-à-vis* its addressees. Therefore, the First Valuation Report is annexed to this Prospectus as **Annex I** and the Second Valuation Report is annexed to this Prospectus as **Annex II**.

The valuations in the Valuation Reports are based on Savills’ estimate of the market prices that could be obtained for the Company’s assets at the date of the valuation, *i.e.*, 30 June 2017. However, the valuation of property is inherently subjective due to the individual nature of each property. The Valuation Reports have been prepared by Savills on the basis of certain information provided by the Company which was not independently verified.

Each property has been valued on a 100% ownership basis. With respect to properties that are held by the Group and a third party, Savills has reflected in the Valuation Reports the apportioned value based on the percentage of share capital indirectly held by AEDAS Homes in the relevant vehicle.

The value of the properties in the Valuation Reports has been assessed on the basis of market value as it is defined by the latest edition of the Royal Institution of Chartered Surveyors Valuation Professional Standards: “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

According to such methodology, the aggregate market value of the assets included in the Valuation Reports are as follows:

- (i) The aggregate market value of the assets included in the First Valuation Report at 30 June 2017 on a 100% consolidated basis (*i.e.*, including minority interests not held by AEDAS Homes) amounts to €1,259,970,000. The aggregate apportioned value corresponding to AEDAS Homes is €1,233,744,000. Such amounts are split as follows:
 - (a) Assets included in Part 1 of the First Valuation Report are valued on a 100% consolidated basis (*i.e.*, including minority interests not held by AEDAS Homes) at €1,159,566,000 at 30 June 2017; and
 - (b) Assets included in Part 2 of the First Valuation Report are valued on a 100% consolidated basis at €100,404,000 at 30 June 2017.

These valuations assume that gross development value of the assets included in Part 1 and Part 2 of the First Valuation Report on a 100% consolidated basis at 30 June 2017 amounts to €3,283,247,000 and €215,619,000, respectively (€3,498,866,000 in aggregate).

- (ii) The aggregate market value of the assets included in the Second Valuation Report at 30 June 2017 on a 100% consolidated basis at €89,933,000. The aggregate apportioned value corresponding to AEDAS Homes is €86,511,000.

These valuations assume that gross development value of the assets included in the Second Valuation Report on a 100% consolidated basis at 30 June 2017 amounts to €307,347,000.

As of the date of this Prospectus, Savills is not a valuation company officially recognized by and registered with the Bank of Spain according to Royal Decree 775/1997, of 30 May. This notwithstanding, Savills is qualified as a Member of the Royal Institution of Chartered Surveyors (MRICS).

Following Savills’ methodology, the key assumptions included by Savills in the Valuation Reports for the valuation of the Company’s land bank portfolio are the discount rate and the sale price. The Company has performed a sensitivity analysis of Savills’ valuation in relation to both assumptions:

- (i) As for the discount rate, the Company has performed a sensitivity analysis of +/-100 basis points, based on the different economic scenarios forecast in the short and medium term and considering the rate of return that would be required by other developers with different features than the Group.
- (ii) As for the sale price, the Company has performed a sensitivity analysis of +/-1%, +/-5% and +/-10%, even though the Company believes that any 10% increase or decrease in the sales price would be unlikely.

The sensitivity analysis has been performed under the assumption that all other variables remain constant.

Savills’ valuation included in Part 1 of the First Valuation Report on a 100% consolidated basis (*i.e.*, €1,159,566,000) and the net book value of such assets would be affected as follows in the event of fluctuations of the discount rate or the sales price:

Discount Rate	+1%	-1%
	(thousands of euro)	
Savills’ valuation included in Part 1 of the First Valuation Report.....	(38,679)	38,818
Net book value.....	(3,868)	472

Sales Price	+1%	-1%	+5%	-5%	+10%	-10%
	(thousands of euro)					
Savills' valuation included in Part 1 of the First Valuation Report.....	23,585	(29,055)	116,877	(118,995)	234,936	(237,057)
Net book value	325	(1,807)	761	(11,544)	1,151	(32,626)

The sensitivity analysis is included in the Company's financial statements for the six-month period ended at 30 June 2017, and thus the analysis was conducted only over the assets held by the Company on that date (*i.e.*, those included in Part 1 of the First Valuation Report).

The Valuation Reports do not cover:

- (i) land assets that were held by AEDAS Homes on 30 June 2017 but subject to purchase option agreements of third parties, with a gross asset value of €42.9 million as of 30 June 2017 on the basis of the price agreed under such option agreements; and
- (ii) land assets that were held by the FAB May on 30 June 2017 but subject to purchase option agreements of third parties, with a gross asset value of €17.4 million as of 30 June 2017 on the basis of the price agreed under such option agreements.

As of the date of this Prospectus, part of these land assets, which aggregate gross asset value amounts to €39,7 million, have been sold.

Company's Declaration

Since the date of the valuations in the Valuation Reports (*i.e.* since 30 June 2017), there have been no material changes in the Company's assets which were the subject of such valuation.

Trademarks

The Company owns or has rights to certain trademarks, trade names, service marks or applicable copyright notices which it uses in connection with the operation of the Group's business. The Company asserts to the fullest extent under applicable law, its rights to its trademarks, trade names, service marks and applicable copyright notices. Solely for convenience, the trademarks, trade names, service marks or applicable copyright notices appearing in this Prospectus are listed without the applicable ®, © or ™ symbols.

Legislation

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

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFERING STATISTICS

Expected Timetable of Principal Events

Event	Date
Registration of this Prospectus with the CNMV	5 October 2017
Commencement of the book-building period in which proposals are made by Qualified Investors	5 October 2017
Finalization of book-building period	18 October 2017
Execution of Underwriting Agreement.....	18 October 2017
Publication of the final size of the Offering and the Offer Price through a relevant fact notice (<i>hecho relevante</i>)	18 October 2017
Selection of subscription or purchase proposals and final allocation of Initial Offer Shares	19 October 2017
Confirmation by investors of allocation of Initial Offer Shares (Transaction Date of the Offering) (on or about) and publication of relevant fact notice (<i>hecho relevante</i>)	19 October 2017
Prefunding of New Offer Shares by the Joint Global Coordinators.....	19 October 2017
Admission and commencement of Stabilization Period (on or about)	20 October 2017
Settlement Date (on or about)	23 October 2017
End of Stabilization Period.....	19 November 2017

Each of the dates in the above timetable is subject to change, without prior notice, in which case the Company will file a relevant fact notice (*hecho relevante*) with the CNMV.

Offering Statistics

Offer Price Range (per Share)	Between €31.65 and €33.15
New Offer Shares ⁽¹⁾	Between 3,159,558 and 3,016,591
Existing Offer Shares.....	Up to 17,922,812
Initial Offer Shares	Up to 21,082,370
Additional Shares ⁽²⁾	Up to 2,108,237
Maximum number of Shares to be sold by the Selling Shareholder in the Offering ⁽³⁾	Up to 20,031,049
Estimated gross proceeds of the New Offer Shares	c. €100 million
Estimated gross proceeds of the Existing Offer Shares ⁽⁴⁾	Up to €94,141,218
Estimated gross proceeds of the Initial Offer Shares	Up to €94,141,209
Estimated gross proceeds of the Additional Shares receivable by the Selling Shareholder ⁽⁵⁾⁽⁶⁾	€9,414,111
Estimated total fees and expenses of the Offering ⁽⁶⁾⁽⁷⁾	c. €23 million
Estimated net proceeds of the New Offer Shares receivable by the Company ⁽⁸⁾	€96,999,992
Estimated net proceeds of the Existing Offer Shares plus the Additional Shares receivable by the Selling Shareholder ⁽⁵⁾⁽⁶⁾⁽⁹⁾	Up to €643,398,669

Notes:

- (1) The number of New Offer Shares will be that required for the Company to obtain gross proceeds of c. €100 million in the Offering at the Offer Price. Such number is 3,159,558 and 3,016,591 at the lower and upper ends of the Offer Price Range, respectively. The share capital increase resolution contemplates the possibility of incomplete subscription, in which case the number of New Offer Shares could be lower than 3,016,591.
- (2) Refers to the additional shares under the Over-allotment Option assuming the Over-allotment Option is exercised in full. The number of Additional Shares would be up to 2,108,237 if the Offer Price is the lower end of the Offer Price Range or up to 2,093,940 if the Offer Price is the upper end of the Offer Price Range.
- (3) Includes the additional shares under the Over-allotment Option assuming the Over-allotment Option is exercised in full.
- (4) Assuming the Offer Price is the upper end of the Offer Price Range.
- (5) The Company will not receive any portion of the proceeds resulting from the sale of the Additional Shares, all of which will be paid to the Selling Shareholder or to such persons as the Selling Shareholder may direct.
- (6) Assumes the Over-allotment Option is exercised in full and sale of Existing Offer Shares in full.
- (7) Assumes that the Offer Price is the mid-point of the Offer Price Range.
- (8) Out of the total fees and expenses of the Offering the Company will assume payment of c.€3 million. The remaining fees and expenses of the Offering will be assumed in full by the Selling Shareholder.
- (9) Assuming payment of the maximum amount of the Managers' discretionary commission excluding VAT (payable by the Selling Shareholder). The fees of the Company's other advisers will be payable by the Company.

IMPORTANT INFORMATION

Declaration of Responsibility

Mr. David Martínez Montero, acting in the name and on behalf of the Company in his capacity as Chief Executive Officer and duly empowered for these purposes by the resolutions adopted by the sole shareholder and the Board of Directors of the Company on 11 September 2017, accepts responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is as of the date of this Prospectus, to the best of their knowledge, in accordance with the facts and contains no material omissions likely to affect its import.

Mr. Eduardo D'Alessandro Cishek, acting in the name and on behalf of the Selling Shareholder, duly empowered for these purposes by the resolutions adopted by the sole shareholder and the Board of Directors of the Company on 11 September 2017, accepts responsibility for the information referred to the Selling Shareholder contained in sections "*The Offering*", "*Principal and Selling Shareholder*", "*Description of share capital*" and "*Plan of Distribution*" of this Prospectus. Having taken all reasonable care to ensure that such is the case, the information referred to the Selling Shareholder contained in sections "*The Offering*", "*Principal and Selling Shareholder*", "*Description of share capital*" and "*Plan of Distribution*" of this document is as of the date of this Prospectus, to the best of their knowledge, in accordance with the facts and contains no material omissions likely to affect its import.

Stabilization

In connection with the Offering, Citigroup, or any of its agents, as stabilizing manager (the "**Stabilizing Manager**"), acting on behalf of the Managers, may (but will be under no obligation to), to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price of the Company's ordinary shares (including the Shares), as well as over-allot Shares or effect other transactions with a view to supporting the market price of the Company's ordinary shares at a level higher than that which might otherwise prevail in an open market. Any stabilization transactions shall be undertaken in accordance with applicable laws and regulations, in particular, Regulation (EU) No 596/2014 of 16 April 2014 on market abuse ("**MAR**") and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures ("**Regulation 2016/1052**").

The stabilization transactions shall be carried out for a maximum period of 30 calendar days from the date of the commencement of trading of the Company's ordinary shares on the Spanish Stock Exchanges, provided that such trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The stabilization period is expected to commence on 20 October 2017 and end on 19 November 2017 (the "**Stabilization Period**").

For this purpose, the Stabilizing Manager may carry out an over-allotment of Shares in the Offering, which may be covered by the Managers pursuant to one or several loans granted by the Selling Shareholder. The Stabilizing Manager is not required to enter into such transactions and such transactions may be effected on any securities market, or otherwise and may be taken at any time during the Stabilization Period. However, there is no obligation that the Stabilizing Manager or any of its agents effect stabilizing transactions and there is no assurance that the stabilizing transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice, without prejudice to the duty to give notice to the CNMV of the details of the transactions carried out under Regulation 2016/1052. In no event will measures be taken to stabilize the market price of the Company's ordinary shares above the Offer Price. In accordance with Article 5.5 of the MAR and Article 6.2 of Regulation 2016/1052, the details of all stabilization transactions will be notified by the Stabilizing Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

Additionally, in accordance with Article 6.3 of Regulation 2016/1052, the following information will be disclosed to the CNMV by the Stabilizing Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date at which stabilization transactions started; (iii) the date at which stabilization transactions last occurred; and (iv) the price range within which the stabilization transaction was carried out, for each of the dates during which stabilization transactions were carried out.

NOTICE TO INVESTORS IN THE UNITED STATES

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES FOR OFFER OR SALE AS PART OF THEIR DISTRIBUTION 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 SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS. THE SHARES OFFERED HEREBY ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QIBS IN RELIANCE ON RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN, AND IN RELIANCE ON, REGULATION S. PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT ANY SELLER OF THE SHARES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. SEE “*SELLING AND TRANSFER RESTRICTIONS*”. THIS PROSPECTUS IS NOT A PROSPECTUS WITHIN THE MEANING OF SECTION 10 OF THE SECURITIES ACT.

THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES 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.

NOTICE TO INVESTORS IN THE EEA AND THE UNITED KINGDOM

This Prospectus and the Offering are only addressed to and directed only at persons in an EEA Member State who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (“**Qualified Investors**”).

In addition, in the United Kingdom, this Prospectus is only being distributed to and is only directed at Qualified Investors (1) who have professional experience in matters relating to investments falling within the definition of “investment professionals” under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (2) persons falling within Article 49(2)(a)-(d) of the Order (all such persons together being referred to as “**Relevant Persons**”). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, (1) in the United Kingdom, Relevant Persons and (2) in any member state of the EEA (other than the United Kingdom), Qualified Investors. Any person (i) in the United Kingdom who is not a Relevant Person or (ii) in any EEA Member State (other than the United Kingdom) who is not a Qualified Investor should not act or rely on this Prospectus or any of its contents. Any person making or intending to make any offer within the EEA of the Shares should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholder, or any of the Managers to produce a prospectus for such offer. None of the Company, the Selling Shareholder or the Managers has authorized or authorizes the making of any offer of the Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of the Shares contemplated in this document.

This Prospectus has been prepared on the basis that all offers of the Shares will be made pursuant to an exemption under Article 3 of the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Shares. Accordingly, any person making or intending to make any offer within the EEA of the Shares should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholder, the Managers or any other person to produce a prospectus for such offer. The Company, the Selling Shareholder and the Managers have not authorized, nor do they authorize, the making of any offer of the Shares through any financial intermediary other than offers made by the Managers, which constitute the final placement of the Shares contemplated in this Prospectus.

In relation to each EEA Member State, an offer to the public of any Shares may not be made in that EEA Member State, except under the following exemptions under the Prospectus Directive, if they are implemented in that EEA Member State: (i) to any legal entity which is a Qualified Investor; (ii) to fewer than 150 natural or legal persons (other than Qualified Investors) per EEA Member State; or (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the Company, any Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

NOTICE TO PROSPECTIVE INVESTORS IN CERTAIN OTHER COUNTRIES

For information to investors in certain other countries, see “*Selling and Transfer Restrictions*”.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. These forward-looking statements include matters that are not historical facts, including the statements under the headings “*Summary*”, “*Risk Factors*”, “*Business*”, “*Industry Overview*”, “*Operating and Financial Review*” and elsewhere regarding future events, targets, anticipated results, expectations or prospects, including our 2017-2023 Housing Development Plan targets and our expectations regarding the development of our business and the industry in which we operate. Statements containing the words “believe”, “expect”, “intend”, “anticipate”, “will”, “positioned”, “project”, “risk”, “plan”, “may”, “estimate” or, in each case, their negative and words of similar meaning are forward- looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that the Group’s actual financial condition, results of operations and cash flows, the actual timing and results of the Group’s housing units deliveries, and the actual development of the Group’s business and the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus.

In addition, even if the Group’s financial condition, results of operations and cash flows, the timing and results of the Group’s housing units deliveries and the development of the Group’s business and the industry in which the Group 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. According to Article 1105 of the Spanish Civil Code, apart from those cases expressly mentioned in the law, and those in which the relevant obligation so declares it, no one shall be deemed liable for events which cannot be foreseen or which, being foreseeable, are inevitable.

The various factors described under “*Risk Factors*” could impact, totally or partially, the Group’s ability to perform its obligations or its ability to achieve the results expressed or implied by the forward-looking statements in this Prospectus. If one or more of these or other risks or uncertainties materialize, or if the Group’s assumptions that underlie such forward-looking statements prove to be incorrect, actual results may vary materially from those expressed or implied by the forward-looking statements in this Prospectus. Any forward-looking statements in this Prospectus reflect the Group’s current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, acquisition and growth strategy and liquidity. You should specifically consider the risks and other factors identified in this Prospectus, which could cause actual results to differ, before making an investment decision. Additional risks that the Company may currently deem immaterial or that are not presently known could also cause the forward-looking events discussed in this Prospectus not to occur. **Readers should not place undue reliance on any forward-looking statements. An investment in the Shares involves the assumption of several risks (see “*Risk Factors*” for a discussion of certain matters that investors should consider prior to making an investment in the Shares), and investors could lose the value of their investment in the Shares if one or more of these or other risks materializes.**

These forward-looking statements speak only as of the date of this Prospectus. Subject to any continuing obligations under Spanish, US federal and other applicable securities laws and regulations and imposed by applicable stock exchange regulations, the Company undertakes no obligation to publicly update or review any forward-looking statement contained in this Prospectus, whether as a result of new information, future developments or otherwise.

This Prospectus does not include profit forecasts or profit estimates or future results as defined in section 13 of Annex I of Regulation (EC) No. 809/2004.

AVAILABLE INFORMATION

For so long as any Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or

prospective purchaser, the information required to be delivered to such person pursuant to Rule 144A(d)(4) under the Securities Act.

BUSINESS

You should read the following commentary together with the sections entitled “Risk Factors”, “Presentation of Financial and Other Information”, “Industry Overview”, “Reasons for the Offering”, “Selected Financial and Operating Information”, “Operating and Financial Review” and the Consolidated Financial Statements and the related notes thereto incorporated by reference in this Prospectus.

Except as otherwise indicated, financial figures are provided on a consolidated basis throughout this Prospectus. Except as otherwise indicated or unless context otherwise requires, GAV (i.e., estimated gross asset value), GDV (i.e., estimated gross development value), square meters, housing units and potential housing units figures and other references to our land bank are provided on a 100% consolidated basis (i.e., including interests not held by AEDAS Homes). In addition, except as otherwise indicated or unless context otherwise requires, references to GAV are based on the First Valuation Report and/or the Second Valuation Report, as the case may be, which are included herein as Annexes I and II, and which contain valuations as of 30 June 2017. See “Presentation of Financial and Other Information—Valuation” for certain information on the methodology and assumptions used in the Valuation Reports.

The following commentary contains forward-looking statements, including statements regarding expected or potential number of housing units, target or expected number of units to be marketed or delivered as of a given date, target or expected dates for other items and operating targets. Our actual results could differ materially from those that we discuss in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in the Prospectus, particularly under “Important Information—Forward-looking Statements” and “Risk Factors”.

Introduction

We are a leading developer of residential homes in Spain in terms of potential housing units (source: annual and interim reports of competitors), with a top-quality land bank. The first-mover advantage of our sponsor, Castl lake (as defined herein), acting on behalf of funds it manages and collaborating since 2013 for such purposes with some members of our management team, allowed it to cherry-pick a tailored portfolio in prime locations since mid-2014, when the residential market was at the bottom of the current cycle. As a result of that strategy of frontloading the land bank, we have what we believe is a high-quality land bank in Spain and expect to have attractive margins going forward.

Our core activity is the acquisition and development of land for residential purposes. Our experienced management team and regional branches manage all stages in the value chain of the residential development process, including the acquisition of land, management and design of the product, marketing and sale of the product, construction of the product and the provision of post-sale services. We retain control over all critical decisions in the process, but we also externalize risk through the use of selected service providers, such as architects, contractors and real estate agents. This externalization reduces our fixed costs and allows us to scale our business upwards and downwards with relative ease. We might also selectively sell land plots to accelerate consolidation in areas where we own several plots.

We are specialized in the residential industry, focusing on first and long-term homes (where customers are expected to live for at least five months each year) and targeting areas where we believe that there is clear demand for new housing. In particular, we are focused on Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville. We have a regional branch dedicated to each region, with significantly experienced teams that have in-depth knowledge of their corresponding market and long-term relationships with local private companies, local teams of financial entities, public administrations, suppliers and other relevant stakeholders in each such region. Our main product is multifamily homes targeted at the mid- to mid-high segment of the housing market.

As of the date of this Prospectus, we own Fully Permitted Land (as defined herein) with an aggregate GAV of approximately €1,370.5 million and an aggregate GDV of approximately €3,806.2 million, based mainly on the Valuation Reports carried out by Savills as of 30 June 2017. For additional information on the calculation of our aggregate GAV and GDV, see “—Detailed Business Overview—Portfolio”. We estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects. On an attributable basis (i.e., excluding interests not held by AEDAS Homes), the aggregate GAV of our Fully Permitted Land is €1,345.8 million. 100% of our land in terms of GAV is Fully Permitted Land, approximately 87% of which is Ready to Build Land (as defined herein). In addition, as of the date of this Prospectus, we have 44 ongoing developments (as defined herein) where we expect to build 2,283 units.

Key Investment Highlights

Attractive Spanish Residential Market Dynamics at an Optimal Position in the Cycle

We believe the Spanish residential market has significantly recovered from its 2011-2013 levels and is now expanding as the overall Spanish economy improves. Expected gross domestic product (“GDP”) growth in Spain for 2017 and 2018 is the highest among sizable western European economies, while the unemployment rate has decreased significantly from 26.3% in the first quarter of 2013 to 17.2% in the second quarter of 2017 (source: INE) and is expected to be 14.7% by the end of 2018 (source: Bank of Spain).

GDP growth forecasts by the Bank of Spain for 2017 and 2018 have gradually improved from June 2016, from GDP growth forecasts of 2.3% for 2017 and 2.1% for 2018, to forecasts as of June 2017 of 3.1% for 2017 and 2.5% for 2018. Unemployment rate forecasts by the Bank of Spain have also gradually improved from June 2016, from forecasts of 18.3% for 2017 and 17.3% for 2018, to forecasts as of June 2017 of 16.5% for 2017 and 14.7% for 2018.

Housing prices are increasing, although they remain at levels well below their peak in the third quarter of 2007, and the number of market transactions is also increasing in an environment where household deleveraging since mid-2010 (with households’ stock of loans decreasing from €21 billion to €48 billion as of 31 March 2017 (source: Bank of Spain)) and increased housing and mortgage affordability are supporting demand.

From a supply angle, there has been significant underinvestment in the housing market post the recent real estate crisis. New housing developments have been in decline from 2006 to 2016 (source: Ministerio de Fomento and CBRE), while existing stocks of new homes often suffer weak demand due to undesirable characteristics such as being in secondary locations or having poor build quality. The disappearance of many traditional residential developers in Spain following the real estate crisis has further depressed supply.

The lack of attractive housing supply paired with the resurgence of demand has created a supply/demand imbalance that is helping drive prices up. As housing prices in Spain continue to be approximately 25% below peak levels, while prices in Germany, the United Kingdom or the European Union on average are currently above peak levels, we believe there continues to be upside potential.

High-Quality Land Bank with Robust Margin Potential

Castlelake’s ability to anticipate the shift in market conditions allowed it to acquire what we believe is a top-quality land bank. As one of the first institutional buyers of land in Spain following the real estate crisis, Castlelake, with the advice of certain members of our management team, was able to cherry-pick attractive assets in large portfolios, including the first large-scale land sale by SAREB (*Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria*) in mid-2014. The selection of land for acquisition was conducted under clear and consistent investment criteria, including that: (i) land be Fully Permitted Land; (ii) the land bank be well-diversified and concentrated on prime locations in the top five regions of Spain in terms of housing demand; and (iii) there be no legacy assets tying up capital. This land bank, which was transferred to us during 2016 and 2017, has been further enlarged by the acquisitions made by the Company since June 2016.

Consistent with the investment criteria initially laid out by Castlelake, we are focused on regions with the highest GDP per capita and population in Spain, which have historically led the demand for houses. The Autonomous Communities of Madrid, Cataluña, Valencia, Andalucía and the Balearic Islands together accounted for approximately 64% of the total sales of houses (excluding social housing) from 2004 to 2016 (source: Ministerio de Fomento). As of the date of this Prospectus, approximately 50% of our land bank in terms of GAV (calculated as set forth in “—Detailed Business Overview—Portfolio”) is located in the provinces of Madrid and Barcelona, which are leading the recovery in housing prices (with housing prices increasing 3.9% and 5.4%, respectively, from 30 June 2016 to 30 June 2017) and have experienced seven and five consecutive years of stock absorption, respectively (source: Ministerio de Fomento). Furthermore, our presence in these regions is concentrated in areas with the highest purchasing power.

We believe that our large, tailored land bank, which was mostly acquired when the residential market was at the bottom of the current cycle and is the result of the closing of approximately 60 transactions (out of more than 1,000 opportunities analyzed with an estimated aggregate value of more than €9 billion), positions us to have attractive potential margins. In addition, we believe that we have defined realistic targets for our housing development activities, with a substantial portion of our land needs for our target housing deliveries in the period 2017-2023 being covered by our current land bank (see “—2017-2023 Housing Development Plan”). As of 28 September 2017 the marketing of 21 developments, which are expected to comprise 1,092 housing units, was ongoing and we had pre-sold 585 units, or 53.6% of these 1,092 units. After such date and until the date of this Prospectus we have initiated the marketing of five additional developments where we expect to build 237 additional units. We believe that the achievability of our development targets and our pre-sales activity provide us visibility over our margin potential, while ongoing house price appreciation provides room for upside. In addition, we intend to further increase margins by: (i) undertaking

opportunistic developments in the lucrative high-end market; (ii) investing in large scale Fully Permitted Land in established metropolitan areas; and (iii) strategically selling land plots by taking advantage of attractive sale conditions and/or to accelerate consolidation in areas where we own several plots.

While a significant portion of our business plan is covered by our existing land bank, our management continues to actively monitor the market to continue sourcing new land at attractive prices. We believe there continues to be significant investment opportunities in the market as large amounts of attractive land remain in the hands of non-natural owners, such as SAREB and financial institutions, and traditional homebuilders. We believe several factors uniquely position us to seize these investment opportunities, including: (i) our solid financial position; (ii) the long-term relationships of our management team and regional branches with key land sellers, which facilitates land sourcing and provides us with insight into the sellers' needs; (iii) our experienced in-house investment team, which is supported by our regional branches in the sourcing of new opportunities; (iv) our unique in-house capabilities to source off-market opportunities; and (v) our track record of successful execution in land acquisitions, which makes us an attractive counterparty to land sellers. As of the date of this Prospectus, we have submitted letters of intent (which have been accepted by the seller and have not yet led to an acquisition) in respect of the land that is estimated to allow the development of approximately 677 potential housing units in the aggregate. More than 90% of the letters of intent submitted in the past have led to an acquisition. In addition, as of the date of this Prospectus we are closely monitoring a land acquisition pipeline in respect of land that is estimated to allow the development of approximately 9,006 potential housing units in the aggregate.

Leading Player in Spain in Terms of Potential Housing Units with Significant Scale in a Highly Fragmented Market

There is currently a limited number of market participants with sufficient financial strength and scale to leverage the favorable dynamics that exist in the Spanish residential market. We have no legacy assets tying up capital and our core activity is the acquisition and development of land for the purposes of residential development. Our sizeable high-quality land bank, with capacity to potentially construct 13,044 housing units (see “—Detailed Business Overview—Portfolio” for additional information), is the result of selective acquisitions since mid-2014, first by Castlake, on behalf of its investment funds, and, subsequently, by our management team. We expect to achieve our run rate deliveries target of around 3,000 housing units per annum in 2022. Such target could be increased to up to around 3,500 housing units per annum as described in “—2017-2023 Housing Development Plan”. We expect new-build residential property deliveries in Spain to stand at an average of 139 thousand to 142 thousand units per year for the 2020-2021 period. Based on such estimate, our target deliveries would account for above 3% of the long-term expected average new housing deliveries in the regions where we are present.

Many traditional pre-crisis large developers have disappeared and many that remain are generally struggling with legacy issues, high leverage and limited resources. Certain other developers that are not affected by legacy or leverage issues lack financial resources or have an insufficient mass of land to be developed in the short term. We believe that the size, quality and distribution of our land bank, our industrialized and scalable business model, our financial flexibility and strong balance sheet and our experienced management team, with core expertise in residential development, uniquely position us to lead the expected consolidation process in a highly fragmented market, with us and our top four competitors (Neinor, Aelca, Kronos and Vía Célere) accounting for less than 10% of the market in terms of new homes delivered in 2016 while in other mature countries, such as the United Kingdom and France, the top five developers account for approximately 40% of the market.

Experienced and Professional Management Team

We have a management team with an extensive track record in the housing development industry in Spain, with over 120 years of combined experience in the industry and 30,000 delivered units in aggregate. We believe the vast experience of our management team adds significant value to our centralized management of certain key functions, including risk control and the supervision of financial discipline and the effective implementation of internal processes. In addition, setting us apart from many of our competitors, we have five regional branches —Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville— with experienced teams that have in-depth knowledge of niche markets in their respective regions and long-term relationships with local private companies, local teams of financial entities, public administrations, suppliers and other relevant stakeholders in each such region. This organizational structure allows us to maintain control over the quality and implementation of our industrialized business model, while keeping our residential development activities close to their roots so that we may obtain the local knowledge necessary for the success of our developments.

Customer-Oriented, Industrialized and Scalable Business Model

As part of an increasingly sophisticated society, clients have changed the way they make acquisition decisions. As a result, our sales process has been designed to meet our clients' needs and offer them a unique selling experience. Our value propositions include: (i) a customer-focused model for product development which includes the offering of customized units to our customers; (ii) the Aedas Integrated Real Estate Solution (“AIRES”) platform, which is a set of

cloud technologies and processes based on a customer relationship management (CRM) platform that enables smarter engagement with our customers (see “—*Information Technology Systems—Our AIRES Platform*”); (iii) our promotion of energy efficiency and sustainability which we intend to accredit through the relevant BREEAM certifications (the world’s leading sustainability assessment method for buildings) in respect of some of our projects; and (iv) the increasing use of building information modelling (BIM) to achieve greater efficiency and precision in the design of a development.

In addition, our business model is designed to optimize the scalability and the standardization of the housing development process. While we retain control over all critical decisions in the process, we also externalize risk through the use of selected service providers, such as architects, contractors and real estate agents. This externalization reduces our fixed costs and allows us to scale our business upwards and downwards with relative ease. We have a systematic approach to the development process which relies on standardized practices and methodologies in all stages of the value chain and a system of checks and balances. This includes (i) a multidisciplinary land acquisition process based on clear pre-set investment criteria; (ii) the selection of external suppliers based on objective pre-set criteria and competitive selection processes and the entry into turn-key construction contracts; (iii) with respect to each development, cohesive product definition and marketing plan based on the common view of our management team and the relevant regional branch; (iv) with respect to each development, the achievement of a target level of pre-sales of the homes to be built (typically 30% of the homes to be built, with the specific threshold determined on a case-by-case basis depending on the characteristics of each project); (v) comprehensive and continuous control over the construction process (both through in-house and external resources); and (vi) the implementation of best practices with respect to corporate governance, risk management and internal controls.

Our financial planning is equally disciplined and is supported by a strong balance sheet. We have a well-defined business plan, the 2017-2023 Housing Development Plan, which sets up a clear growth framework, while providing us with flexibility to capture opportunistic upside. Our business plan also allows us to optimize our capital structure. Moreover, we believe we have access to financing on attractive terms to support our growth targets.

Our History

AEDAS Homes was incorporated on 9 June 2016. We are a wholly-owned subsidiary of Hipoteca 43 Lux, S.à r.l., which is owned by funds managed by Castlelake, L.P. (“**Castlelake**”). Castlelake is a global private investment firm managing private funds with more than \$10.3 billion in assets as of 30 June 2017 on behalf of endowments, foundations, public and private pension plans, private funds, family offices, insurance companies and sovereign wealth funds. See “*Principal and Selling Shareholder*”.

Castlelake began researching the Spanish real estate market in 2009 and made initial investments on behalf of its funds in non-performing loans. Castlelake soon shifted its strategy to investing directly in land. Castlelake was one of the first institutional buyers of land and quickly became one of the largest institutional holders of land bank assets across Spain’s major markets. Castlelake’s early movement into the Spanish real estate market allowed it to be selective in purchasing what it believed to be the best assets from large land portfolios, including the first large-scale land sale by SAREB in mid-2014.

Castlelake, in building the land asset portfolio in its investment funds, worked with individuals now on our management team, including our Chief Investment Officer and our Chief Operating Officer, on certain purchases. Members of our management team also assisted with the marketing of two developments in the Castlelake land portfolio in 2015.

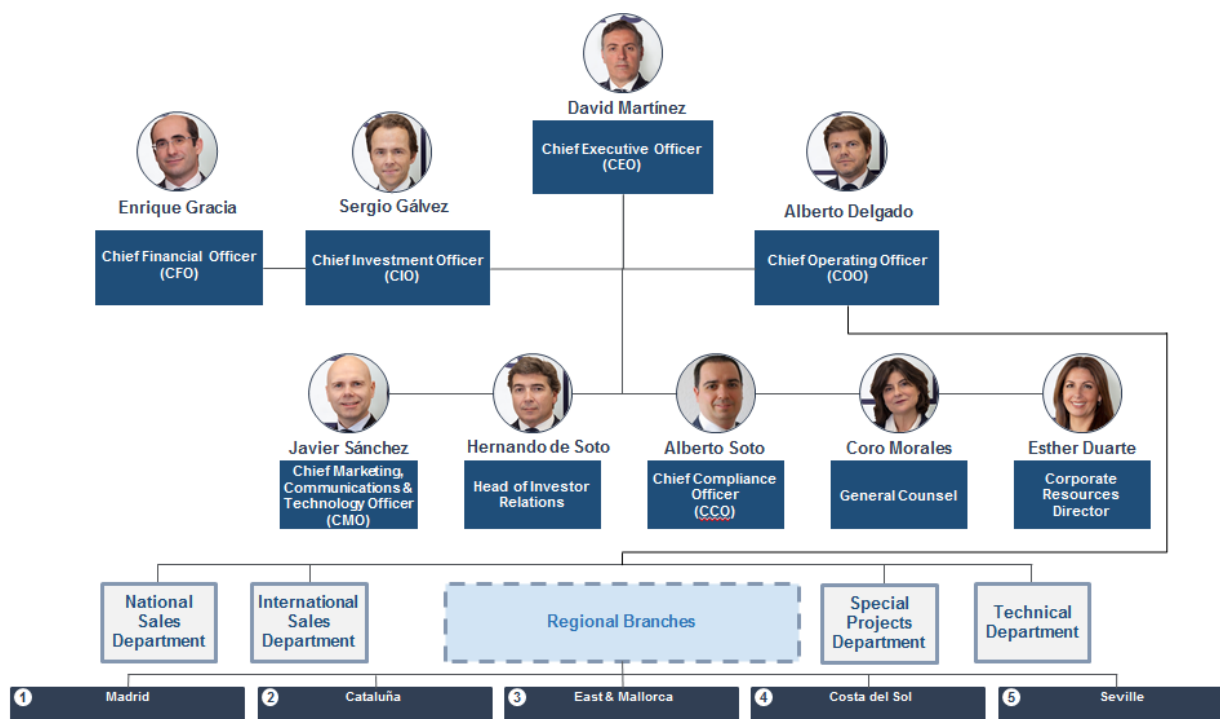
Our incorporation in 2016 was a continuation of Castlelake’s investment strategy with regard to its land portfolio. As part of that strategy, Castlelake appointed Merlin Properties as our independent advisor (see “—*Other Key Business Information—Material Contracts—Agreement with Merlin Properties*”). Since our formation, we have grown our personnel to handle the development and marketing of our land assets as part of our overall business plan.

The Castlelake funds contributed, in-kind, the land assets we hold today mainly during 2017. These contributions consisted of shares of entities with land assets acquired by the Castlelake funds. For additional information on these capital increases, see “*Description of Share Capital—General*”. For additional information on the Group’s corporate structure as of the date of this Prospectus, see “*Additional Information—Corporate Structure*”. As of the date of this Prospectus, Castlelake funds are invested in fewer than four residential plots of land in Spain that are in different stages of the permitting process, two in-progress small/mid-size legacy developments and two finished developments. Generally, Castlelake does not plan to compete with AEDAS Homes in the acquisition of land that falls within AEDAS Homes’ investment criteria and core regions in the foreseeable future.

As of 28 September 2017, the marketing of 21 developments, which are expected to comprise 1,092 housing units, was ongoing and we had pre-sold 585 units, or 53.6% of these 1,092 units. After such date and until the date of this Prospectus we have initiated the marketing of five additional developments where we expect to build 237 additional units.

Organizational Structure

The chart below reflects our current organizational structure. From an organizational perspective, our top management, financial, procurement and administrative functions are centralized, whereas our residential development activity is jointly led with our five regional branches: Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville. This organizational structure enables us to maintain control over the quality and implementation of our industrialized business model, while keeping our residential development activities close to their roots so that we may obtain the local knowledge necessary for the success of our developments. Each of our regional branches is staffed with an experienced branch manager, development managers, technical managers and back office personnel.



For information on our corporate governance structure, see “*Management and Board of Directors*”.

Detailed Business Overview

We are a pure play homebuilder with no legacy assets tying up capital or resources. Our core activity is the acquisition and development of land for the purposes of residential development, with a focus on first and long-term homes (where customers are expected to live for at least five months each year) in high demand locations. In particular, our activities are concentrated in five regions —Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville— and our land bank is located in eight provinces —Madrid, Barcelona, Málaga, Balearic Islands, Alicante, Valencia, Seville and Tarragona. Our main product is multifamily homes targeted at the mid- to mid-high segment of the housing market, but we also have capacity to develop high-end homes. Based on the GDV of our portfolio as of the date of this Prospectus (calculated as set forth under “—*Portfolio*” below), the GDV per unit of around 59% of our potential housing units ranges from €175 thousand to €400 thousand, the GDV per unit of around 28% of our potential housing units is lower than €175 thousand and the GDV per unit of around 13% of our potential housing units is higher than €400 thousand. Furthermore, while we are focused on building first and long-term homes (where customers are expected to live for at least five months each year), we estimate that around 10-15% of the potential housing units in our portfolio could be used as second homes for vacation or holiday use. The related land is mainly located in the provinces of Alicante, Málaga and the Balearic Islands (Mallorca).

We manage all the stages in the value chain of the residential development process, including the acquisition of land, management and design of the product, marketing and sale of the product, construction of the product and the provision of post-sale services. As further explained below (see “—*Detailed Value Chain*”), while we retain control over all critical decisions in the process, we rely on external suppliers (such as architects, contractors and real estate agents) with respect to some of the stages in the value chain. This externalization allows us to work with select providers, reduce our fixed costs and scale our business upwards and downwards with relative ease. The performance of these external suppliers and the progress of the development activity is closely monitored at an individual project level by our designated internal team. In respect of a limited number of projects we have entered into project management agreements with third parties. Under these agreements, a third party is directly responsible for the management of the relevant residential development

projects and we comprehensively supervise all processes related to such projects. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.

We might also selectively sell land plots to accelerate consolidation in areas where we own several plots.

As of the date of this Prospectus, we have not ruled out the possibility of partnering or entering into agreements with third parties for the joint management and development of residential real estate assets.

Portfolio

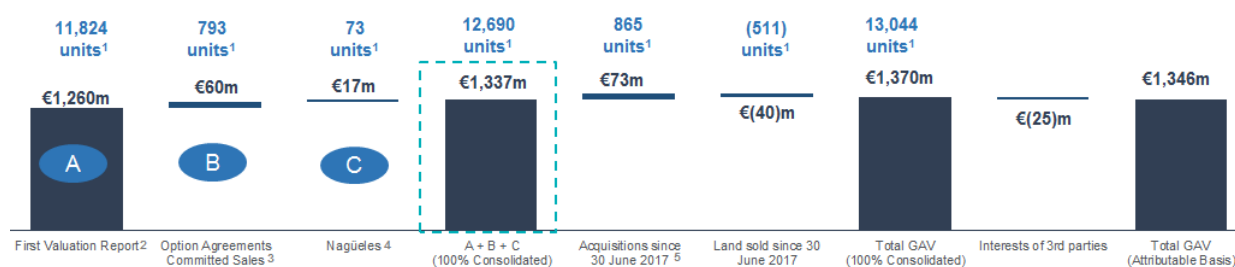
As of the date of this Prospectus, we own Fully Permitted Land with an aggregate GAV of approximately €1,370.5 million, with an aggregate GDV of approximately €3,806.2 million (which calculation excludes land owned by the Company as of the date of this Prospectus which is subject to sale commitments with, or purchase option agreements of, third parties) and comprising approximately 1,543,297 square meters. We estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects. On an attributable basis (*i.e.*, excluding interests not held by AEDAS Homes with an aggregate GAV of €24.6 million), the aggregate GAV of our Fully Permitted Land is €1,345.8 million.

The aggregate GAV of our Fully Permitted Land is the result of adding:

- €1,159.6 million of GAV of Fully Permitted Land owned by the Company as of 30 June 2017 and covered by the First Valuation Report (which was prepared as of 30 June 2017);
- €42.9 million of GAV of Fully Permitted Land owned by the Company as of 30 June 2017 but which was not covered by the First Valuation Report, as such land was subject to sale commitments with, or purchase option agreements of, third parties. As this land was not covered by the First Valuation Report, the related GAV is presented on a sales price basis;
- €100.4 million of GAV of Fully Permitted Land contributed to the Company in August 2017 from the FAB May portfolio and covered by the First Valuation Report (which was prepared as of 30 June 2017);
- €7.4 million of GAV of Fully Permitted Land included in the FAB May portfolio but which was not covered by the First Valuation Report, as such land was subject to sale commitments with, or purchase option agreements of, third parties. As this land was not covered by the First Valuation Report, the related GAV is presented on a sales price basis;
- €7.1 million of GAV of the development project “Nagüeles” in Málaga (as estimated by Savills in the Second Valuation Report), in respect of which we had made an initial payment of €10 million as of 30 June 2017 (please see chart below for additional information); and
- €72.8 million of GAV of other Fully Permitted Land acquired by the Company since 30 June 2017 (as estimated by Savills in the Second Valuation Report);

and subtracting €39.7 million of GAV of Fully Permitted Land sold since 30 June 2017 under the sale commitments and purchase option agreements referred to above.

The below chart illustrates this calculation:



(1) Refers to potential housing units.

(2) Includes Fully Permitted Land covered by the First Valuation Report, *i.e.*, Fully Permitted Land owned by the Company as of 30 June 2017 (except for Fully Permitted Land subject to sale commitments with, or purchase option agreements of, third parties) and Fully Permitted Land contributed to the Company in August 2017 from the FAB May portfolio (except for Fully Permitted Land subject to sale commitments with, or purchase option agreements of, third parties). The First Valuation Report contains valuations as of 30 June 2017.

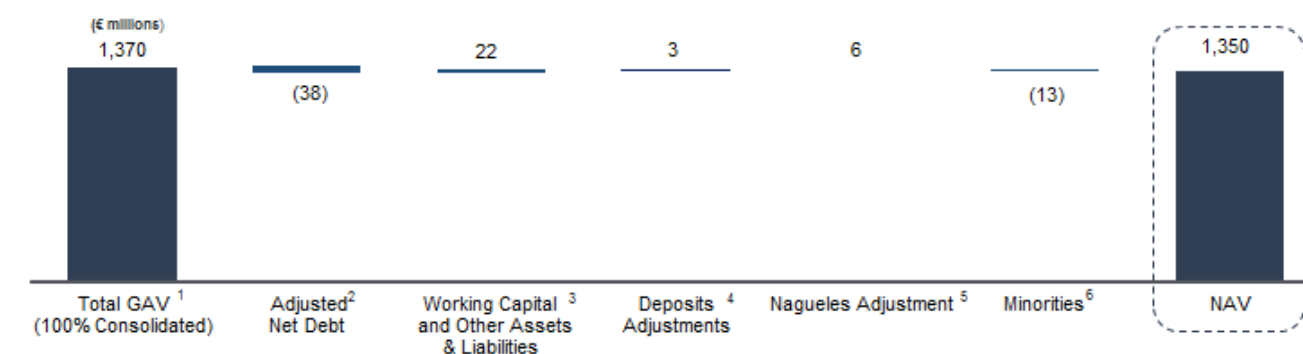
- (3) Includes Fully Permitted Land which was either owned by the Company as of 30 June 2017 or part of the FAB May portfolio and was not covered by the First Valuation Report as such land was subject to sale commitments with, or purchase option agreements of, third parties. GAV is presented on a sales price basis.
- (4) GAV estimated by Savills in the Second Valuation Report. We have made an initial payment of €10 million (which was made before 30 June 2017) with respect to this development project and may need to make additional payments of up to €13.2 million depending on whether the seller completes certain milestones. As of the date of this Prospectus, this purchase has not been completed and the development project has not been transferred to us yet. Following completion of this purchase, we will own 80.00% of this development project. We have entered into a project management agreement with respect to the related potential residential development project which has not been launched yet. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.
- (5) GAV estimated by Savills in the Second Valuation Report. Excludes the Fully Permitted Land contributed to us from the FAB May portfolio in August 2017 (which is reflected in the first column) and Nagüeles (which is reflected in the third column).

The aggregate GDV of our Fully Permitted Land is the result of adding:

- €3,283.2 million of GDV of Fully Permitted Land owned by the Company as of 30 June 2017 and covered by the First Valuation Report (which was prepared as of 30 June 2017);
- €15.6 million of GDV of Fully Permitted Land contributed to the Company in August 2017 from the FAB May portfolio and covered by the First Valuation Report (which was prepared as of 30 June 2017);
- €3.8 million of GDV of the development project “Nagüeles” in Málaga (as estimated by Savills in the Second Valuation Report), in respect of which we had made an initial payment of €10 million as of 30 June 2017 (see chart above for additional information); and
- €23.5 million of GDV of other Fully Permitted Land acquired by the Company since 30 June 2017 (as estimated by Savills in the Second Valuation Report).

Accordingly, for purposes of the above GDV calculation, we did not consider the land owned by the Company as of the date of this Prospectus which is subject to sale commitments with, or purchase option agreements of, third parties.

Based on the aggregate GAV of our Fully Permitted Land and the further items referred to below, the Company’s estimated net asset value (“NAV”) would be approximately €1,350 million. This excludes the impact of the expected approximately €100 million gross proceeds from the issue of the New Offer Shares in the Offering. In addition, except as indicated below, it does not reflect events occurred since 30 June 2017 which have had an impact on NAV. NAV is calculated as follows:



- (1) Calculated as set forth above.
- (2) Calculated as follows: Adjusted Gross Debt (as defined below) of €64.1 million, *minus* Adjusted Available Cash (as defined below) of €26.0 million

“**Adjusted Gross Debt**” is calculated as follows: €12.4 million of Gross Debt (as defined below) as of 30 June 2017, *minus* €2.7 million of deferred payments as of 30 June 2017 due on the acquisition of inventories which were fully funded by the Selling Shareholder through a contribution to the Company (see “Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness”), *minus* €7.7 million of liabilities as of 30 June 2017 which were fully funded by the Selling Shareholder through a contribution to the Company (see “Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness”).

“**Gross Debt**” is the addition of €1.8 million of borrowings (as defined in “Operating and Financial Review—Alternative Performance Measures—Borrowings”) as of 30 June 2017 and €2.7 million of deferred payments due on the acquisition of inventories as of 30 June 2017.

“**Adjusted Available Cash**” is calculated as follows: €10.4 million of cash and cash equivalents (less restricted cash) as of 30 June 2017, plus €37.0 million of cash inflows from the sale of land since 30 June 2017 (totaling €39.7 million of proceeds, net of €2.7 million of deposits that had already been collected), minus €20.8 million of cash outflows related to acquisitions since 30 June 2017 (excluding the acquisition of a 5% interest in FAB May on 19 September 2017) (which, in turn, is the difference between the aggregate purchase price of such acquisitions (€53.7 million) and the contribution received from the Selling Shareholder to partially finance these acquisitions (€32.9 million) (see “*Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”)), plus €10.1 million of cash inflows from dispositions under the loans provided to us by the Selling Shareholder earmarked to fund project needs over the period July-September 2017 (with such loans having been canceled as of the date of this Prospectus (see “*Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”)), minus €10.8 million of cash outflows resulting from the acquisition of a 5% interest in FAB May on 19 September 2017 (which, in turn, is the difference between the €20.8 million total acquisition cost and the contribution received from the Selling Shareholder to partially finance this acquisition (€10.0 million) (see “*Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”)).

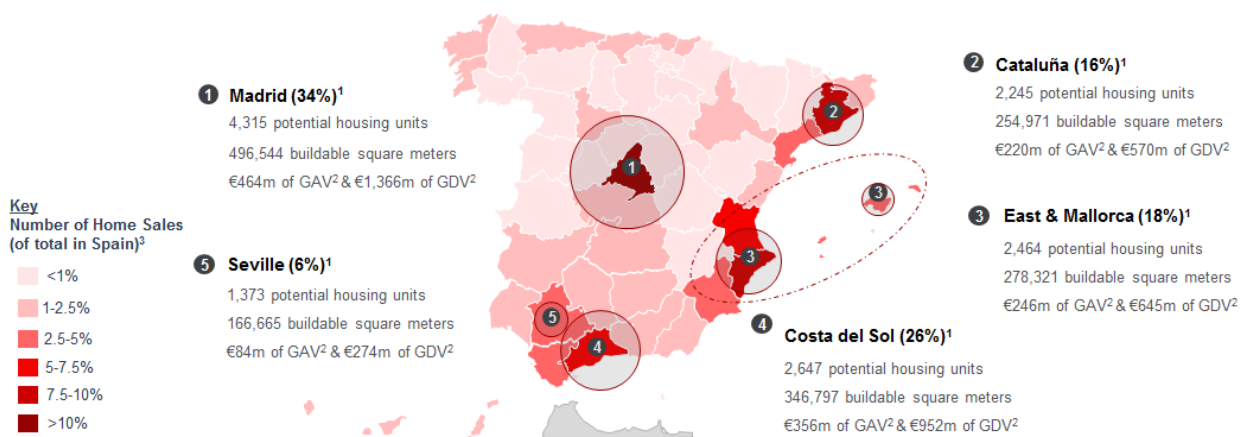
- (3) Includes €18.9 million of trade and other receivables as of 30 June 2017, plus €2.9 million of current financial assets as of 30 June 2017, plus €0.6 million of other current financial assets as of 30 June 2017, plus €3.8 million of deferred tax assets as of 30 June 2017, plus €0.2 million of non-current financial assets as of 30 June 2017, plus €0.5 million of property, plant and equipment as of 30 June 2017, plus €0.2 million of intangible assets as of 30 June 2017, minus €26.9 million of trade and other payables (which, in turn, is the difference between €79.6 million of trade and other payables as of 30 June 2017 and the €52.7 million of deferred payments due on the acquisition of inventories which were fully funded by the Selling Shareholder through a contribution to the Company (see “*Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”) and which are included in Gross Debt (see note (2) above)), plus €6.7 million of restricted cash as of 30 June 2017, plus €1.3 million from prepayments to suppliers as of 30 June 2017, minus €0.0 million of prepayments to suppliers associated to Nagüeles as of 30 June 2017 (given that Nagüeles’s GAV is included in the “Total GAV (100% consolidated)” shown in the first column), plus a €14.2 million VAT receivable linked to liquidation of FAB May.
- (4) Refers to the premiums paid by third parties under their purchase option agreements that have been exercised since 30 June 2017.
- (5) Refers to the maximum possible aggregate amount still to be paid in connection with the acquisition of Nagüeles (i.e., 13.2 million), as adjusted per the immediately succeeding paragraph. The final amount to be paid to the seller will depend on whether the seller completes certain milestones (relating mainly to the completion of certain urbanization-related processes), which completion will trigger changes in the agreed purchase price. The Selling Shareholder granted us a loan for the maximum possible aggregate amount still to be paid in connection with the acquisition of Nagüeles which has been canceled as of the date of this Prospectus (see “*Operating and Financial Review—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”).

No mark-to-market has been assumed and the €13.2 million referred to above has been netted by the difference between the initial payment made for Nagüeles (€10.0 million) and the valuation of this development contained in the Second Valuation Report (€17.1 million).

- (6) Includes €2.2 million of non-controlling interests as of 30 June 2017, plus €8.4 million associated to the mark-to-market, according to the Valuation Reports, with respect to properties in respect of which the Company does not own a 100% stake (i.e., “New Folies” in Mallorca – Andratx, “Arenal” in Alicante – Jávea and “Hacienda del Mar” in Alicante), plus 20.00% (i.e., a percentage equal to the interest held by third parties in Nagüeles) of the €13.2 million contributed by the Selling Shareholder and referred to in the immediately preceding note (totaling €2.6 million).

As of the date of this Prospectus, 100% of our land in terms of GAV (calculated as set forth above) is Fully Permitted Land and approximately 87% of it is Ready to Build Land. With respect to the remaining 13%, approximately 20% relates to sites in respect of which only horizontal works are pending, which are usually completed simultaneously with vertical development works; approximately 10% refers to sites in respect of which both horizontal works and the approval of the relevant urbanization project are pending; and approximately 70% relates to sites in respect of which horizontal works, the approval of the relevant urbanization project and the approval of the relevant allotment project are pending. “**Fully Permitted Land**” is land suitable for development where, at a minimum, the most specific land use planning has already been approved. “**Ready to Build Land**” is Fully Permitted Land with all of the utilities and services required for urban land uses and real estate development in place. In the case of Ready to Build Land, residential building processes would be subject only to obtaining the relevant construction permit.

The graphic below shows the geographic breakdown of our land bank as of the date of this Prospectus.



- (1) Based on our aggregate GAV, calculated as set forth above.
(2) Calculated as set forth above.
(3) Based on average 2004-2016 home sales (excluding social housing). Source: Ministerio de Fomento.

Certain key parameters of our land inventory as of the date of this Prospectus are shown in the following table on a per potential development project basis. We estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects. We estimate the potential number of housing units based on the potential development projects currently envisaged by the Company. The number of final units for a project could change based on the Company's definitive development design at the time development is finally undertaken. The "Year of Acquisition" column refers to the year in which the relevant asset was acquired from a third party by Castlelake funds or the Company, as the case may be. The Castlelake funds contributed, in-kind, certain land acquired by them to the Company throughout 2016 and 2017. For additional information on these contributions, see "Description of Share Capital—General".

Project ⁽¹⁾	GAV (in millions of euros) ⁽²⁾	Year of Acquisition	Potential Housing Units
Mallorca - Andrea Doria	9.1	2015	40
Alicante - Denia - Marina Real 1.....	2.9	2015	40
Alicante - Denia - Marina Real 2.....	2.9	2015	40
Alicante - Denia - Marina Real 3.....	5.2	2015	84
Alicante - Denia - Marina Real 4.....	2.4	2015	40
Alicante - Denia - Marina Real 5.....	1.8	2015	32
Alicante - Denia - Marina Real 6.....	4.1	2015	70
Alicante - Denia - Marina Real 7.....	3.9	2015	64
Alicante - Denia - Marina Real 8.....	4.7	2015	80
Alicante - Denia - Marina Real 9.....	3.1	2015	50
Valencia - Carreres 10.....	7.0	2016	59
Valencia - Carreres 12.....	11.1	2016	109
Mallorca - Calviá Hill ⁽³⁾	4.9	2014	20
Mallorca - Son Dameto	5.3	2015	45
Valencia - Campanar 1	5.4	2015	76
Valencia - Campanar 2	5.2	2015	73
Valencia - Campanar 3	5.2	2015	73
Valencia - Campanar 4	5.2	2015	73
Valencia - Campanar 5	2.5	2015	36
Valencia - Campanar 6	2.5	2015	35
Mallorca - Son Güell 1	3.4	2014	40
Mallorca - Son Güell 2	3.9	2014	45
Alicante - San Juan Norte 1.....	4.7	2015	75
Alicante - San Juan Norte 2.....	4.7	2015	75
Alicante - San Juan Norte 3.....	4.3	2015	70
Alicante - Norte 1	3.5	2016	53
Alicante - Norte 2	5.3	2016	78
Alicante - Norte 3	5.3	2016	78
Alicante - Norte 4	6.8	2016	112
Alicante - Norte 5	7.7	2016	126
Valencia - Mislata - 1	3.1	2016	61
Valencia - Mislata - 2	3.4	2016	67
Madrid - Aluche 1	10.8	2015	100
Madrid - Aluche 2 ⁽⁴⁾	6.5	2015	56

	GAV (in millions of euros) ⁽²⁾	Year of Acquisition	Potential Housing Units
Madrid - Las Rozas - Marazuela 1	9.7	2015	60
Madrid - Las Rozas - Marazuela 2	14.8	2015	91
Madrid - Las Rozas - Marazuela 3	10.0	2015	67
Madrid - Las Rozas - Marazuela 4	10.0	2015	67
Madrid - Las Rozas - Marazuela 5	9.8	2015	66
Madrid - Las Rozas - Marazuela 6	5.8	2015	30
Madrid - Las Rozas - Marazuela 7	5.8	2015	30
Madrid - Boadilla 1	10.6	2016	35
Madrid - Boadilla 2	3.9	2016	11
Madrid - Boadilla 3	7.5	2016	30
Madrid - Boadilla 4	23.0	2016	98
Madrid - San Sebastián de los Reyes ⁽³⁾	10.0	2014	52
Madrid - Pozuelo – Cerro ⁽³⁾	19.5	2014	48
Madrid - Alcorcón 1	6.4	2015	54
Madrid - Alcorcón 2	6.4	2015	58
Madrid - Alcorcón 3	6.4	2015	58
Madrid - Alcorcón 4	6.4	2015	56
Madrid - Campillo del Mundo Nuevo	6.4	2014	28
Madrid - Cañaveral 1	5.0	2016	103
Madrid - Cañaveral 2	2.0	2016	41
Madrid - Cañaveral 3	2.0	2016	41
Madrid - Cañaveral 4 ⁽⁴⁾	4.6	2016	103
Madrid - Pozuelo - Monte 1 ⁽⁵⁾	19.4	2016	90
Madrid - Pozuelo - Monte 2 ⁽⁵⁾	12.3	2016	57
Madrid - Pozuelo - Monte 3 ⁽⁵⁾	15.9	2016	74
Madrid - Pozuelo - Monte 4 ⁽⁵⁾	20.9	2016	97
Madrid - Pozuelo - Monte 5 ⁽⁵⁾	20.9	2016	97
Madrid - Pozuelo - Monte 6 ⁽⁵⁾	20.9	2016	98
Madrid - Majadahonda Sorolla 1	20.6	2014	70
Madrid - Majadahonda Sorolla 2	20.6	2014	70
Madrid - Majadahonda Sorolla 3	20.6	2014	70
Madrid - Tres Cantos	11.6	2015	106
Madrid - Boadilla Cortijo 2 ⁽⁴⁾	0.9	2015	6
Madrid - Boadilla Cortijo 3 ⁽⁴⁾	1.2	2015	7
Tarragona - Cambrils 1	5.9	2016	57
Tarragona - Cambrils 2	5.8	2016	56
Tarragona - Cambrils 3	5.6	2016	54
Tarragona - Cambrils 4	5.6	2016	54
Barcelona - Vilanova 1	12.5	2015	88
Barcelona - Vilanova 2	9.8	2015	93
Barcelona - Vilanova 3	3.0	2015	50
Barcelona - Vilanova 4	3.0	2015	50
Barcelona - Vilanova 5	3.0	2015	50
Barcelona - Vilanova 6	9.2	2015	150
Barcelona - Vilanova 7	3.5	2015	58
Barcelona - Vilanova 8	3.0	2015	50
Barcelona - Vilanova 9	6.1	2015	87
Barcelona - Vilanova 10	10.4	2015	190
Barcelona - Vilanova 11 ⁽⁶⁾	0.5	2015	0
Barcelona - Vilanova 12	0.5	2015	10
Barcelona - Sabadell 1	6.3	2016	52
Barcelona - Sabadell 2	4.1	2016	42
Barcelona - Sabadell 3	4.8	2016	44
Barcelona - Hospitalet Estronci 1	6.7	2015	55
Barcelona - Hospitalet Estronci 2	7.6	2015	76
Barcelona - Hospitalet Estronci 3	7.7	2015	77
Barcelona - Hospitalet Estronci 4	5.1	2015	51
Barcelona - Hospitalet Estronci 5	2.1	2015	25
Barcelona - Hospitalet Estronci 6	1.3	2015	20
Barcelona - Sant Just 1 ⁽³⁾	4.2	2014	30
Barcelona - Sant Just 2 ⁽³⁾	4.2	2014	41
Barcelona - Cornellá 1	5.2	2015	60
Barcelona - Cornellá 3	4.7	2015	50
Barcelona - Cornellá 2	4.5	2015	50
Barcelona - Cornellá 4	3.3	2015	50
Barcelona - Hospitalet - Europa 1 ⁽³⁾	11.7	2014	71
Barcelona - Hospitalet - Europa 2 ⁽³⁾	11.7	2014	71

	GAV (in millions of euros) ⁽²⁾	Year of Acquisition	Potential Housing Units
Barcelona - Hospitalet - Europa 3 ⁽³⁾	12.5	2014	80
Barcelona - Masnou 1 ⁽³⁾	4.9	2014	36
Barcelona - Masnou 2 ⁽³⁾	2.4	2014	12
Barcelona - Masnou 3 ⁽³⁾	3.0	2014	15
Barcelona - Masnou 4 ⁽³⁾	5.1	2014	26
Barcelona - Sant Adrià ⁽³⁾	6.2	2014	40
Barcelona - Hospitalet Estronci 9 ⁽³⁾⁽⁴⁾	3.4	2014	74
Seville - Dos Hermanas 1	4.4	2016	50
Seville - Dos Hermanas 2	4.7	2016	52
Seville - Dos Hermanas 3	2.8	2016	37
Seville - Hacienda 1	2.1	2016	79
Seville - Hacienda 2	2.8	2016	63
Seville - Hacienda 3	2.7	2016	71
Seville - Hacienda 4	2.7	2016	71
Seville - Hacienda 6	7.3	2016	174
Seville - Hacienda 7	7.5	2016	162
Seville - Hacienda 8	5.7	2016	125
Seville - Hacienda 9	5.7	2016	125
Seville - Ramón y Cajal	16.9	2016	56
Málaga - Vanian 1	5.8	2016	72
Málaga - Vanian 2	4.2	2016	86
Málaga - Vanian 3	4.2	2016	86
Málaga - Vanian 4	4.2	2016	86
Málaga - Vanian 5	4.2	2016	86
Málaga - Vanian 6	3.3	2016	50
Málaga - Vanian 7	5.7	2016	58
Málaga - Vanian 8	2.3	2016	40
Málaga - Vanian 9	11.8	2016	118
Málaga - Vanian 10	7.6	2016	90
Málaga - Vanian 11	8.4	2016	140
Málaga - Vanian 12	12.6	2016	210
Málaga - Panorama 1	5.1	2016	47
Málaga - Panorama 2	9.2	2016	84
Málaga - Panorama 3	3.3	2016	30
Málaga - Panorama 4	8.4	2016	77
Málaga - Panorama 5	4.2	2016	38
Málaga - Panorama 6	2.0	2016	18
Málaga - Panorama 7	3.3	2016	30
Málaga - Panorama 8	5.6	2016	51
Málaga - La Ladera 1	4.2	2015	50
Málaga - La Ladera 2	3.3	2015	40
Málaga - La Ladera 3	3.4	2015	45
Málaga - La Ladera 4	4.2	2015	55
Málaga - La Ladera 5 ⁽⁶⁾	0.3	2015	0
Málaga - La Ladera 6 ⁽⁶⁾	0.1	2015	0
Málaga - Gaspara 1	1.4	2015	30
Málaga - Gaspara 2	2.1	2015	44
Málaga - Gaspara 3	1.4	2015	29
Málaga - Gaspara 4	2.8	2015	58
Málaga - Gaspara 5	1.4	2015	28
Málaga - Gaspara 6	3.5	2015	74
Málaga - Gaspara 7	2.1	2015	43
Málaga - Gaspara 8	1.3	2015	12
Málaga - Gaspara 9	1.0	2015	11
Málaga - Gaspara 10	1.6	2015	13
Málaga - Gaspara 11 ⁽⁶⁾	0.1	2015	0
Málaga - Gaspara 12 ⁽⁶⁾	0.2	2015	0
Málaga - Gaspara 13 ⁽⁶⁾	0.4	2015	0
Málaga - Marina 1	4.9	2016	50
Málaga - Marina 2	2.0	2016	22
Málaga - Marina 3 ⁽⁴⁾	4.0	2016	36
Málaga - Nagüeles ⁽⁷⁾	17.1	2016	73
Málaga - Santa Clara 1	12.4	2016	50
Málaga - Santa Clara 2	16.2	2016	75
Málaga - Galera ⁽⁸⁾	4.3	2015	41
Málaga - Zagaleta 1	3.3	2014	1
Málaga - Zagaleta 2	5.6	2014	1

	GAV (in millions of euros) ⁽²⁾	Year of Acquisition	Potential Housing Units
Málaga - Zagaleta 3 ⁽⁹⁾	8.1	2014	1
Málaga - Zagaleta 4	3.3	2014	1
Málaga - Zagaleta 5 ⁽⁹⁾	5.0	2014	1
Málaga - Zagaleta 6	4.6	2014	1
Málaga - Zagaleta 7	3.4	2014	1
Málaga - Zagaleta 8	5.2	2014	1
Málaga - Zagaleta 9	3.8	2014	1
Málaga - Zagaleta 10	4.0	2014	1
Málaga - Zagaleta 11	3.7	2014	1
Málaga - Zagaleta 12	5.0	2014	1
Málaga - Zagaleta 13 ⁽⁹⁾	7.6	2014	1
Málaga - Zagaleta 14	4.5	2014	1
Málaga - Zagaleta 15	3.4	2014	1
Málaga - Zagaleta 16	3.7	2014	1
Málaga - Zagaleta 17	4.4	2014	1
Málaga - Zagaleta 18	4.5	2014	1
Málaga - Zagaleta 19	4.6	2014	1
Málaga - Zagaleta 20	3.0	2014	1
Málaga - Zagaleta 21 ⁽⁹⁾	9.4	2014	1
Mallorca - Andratx ⁽¹⁰⁾	43.8	2015	41
Alicante - Jávea - Arenal ⁽¹⁰⁾	12.0	2015	64
Alicante - Hacienda del Mar ⁽¹⁰⁾	26.2	2015	126
Málaga - Vanian 13	10.1	2017	45
Madrid - Alcalá 26 - 1	3.7	2017	93
Madrid - Alcalá 26 - 2	3.6	2017	90
Madrid - Alcalá 26 - 3	3.6	2017	84
Madrid - Alcalá 26 - 4	3.6	2017	84
Madrid - Alcalá 26 - 5	3.6	2017	84
Madrid - Alcalá 26 - 6	3.6	2017	84
Madrid - Alcalá 20B - 1	2.0	2017	78
Madrid - Alcalá 20B - 2	1.8	2017	78
Madrid - Alcalá 20B - 3	2.0	2017	79
Madrid - Alcalá 20B - 4	1.6	2017	68
Madrid - Alcalá 20B - 5	1.7	2017	68
Madrid - Alcalá 20B - 6	1.7	2017	68
Madrid - Alcalá 20B - 7	1.5	2017	67
Madrid - Alcalá 20B - 8	1.5	2017	67
Madrid - Alcalá 20B - 9	1.5	2017	67
Madrid - Alcalá 20B - 10	1.0	2017	45
Madrid - Alcalá 20B - 11	1.6	2017	71
Madrid - Alcalá 20B - 12	1.6	2017	71
Madrid - Alcalá 20B - 13	2.5	2017	108
Madrid - Alcalá 20B - 14	0.7	2017	31
Madrid - Alcalá 20B - 15	0.6	2017	26
Madrid - Alcalá 20B - 16	0.9	2017	40
Madrid - Alcalá 20B - 17	0.7	2017	31
Madrid - Alcalá 20B - 18	1.4	2017	60
Madrid - Alcalá 20B - 19	1.4	2017	60
Madrid - Alcalá 20B - 20 ⁽⁶⁾	0.3	2017	0
Madrid - Alcalá 20B - 21 ⁽⁶⁾	0.0	2017	0
Madrid - Alcalá 20B - 22 ⁽⁶⁾	0.0	2017	0
Alicante - Nou Nazaret 1	0.5	2017	6
Alicante - Nou Nazaret 2	1.2	2017	15
Alicante - Nou Nazaret 3	4.7	2017	100
Alicante - Nou Nazaret 4	1.6	2017	28
Madrid - Soto de Henares 1	1.2	2017	10
Madrid - Soto de Henares 2	3.3	2017	26
Madrid - Soto de Henares 3	2.1	2017	18
Madrid - Soto de Henares 4	4.3	2017	47
Seville - Hacienda 5 ⁽¹¹⁾	7.4	2017	175
Seville - Cisneo 1 ⁽¹¹⁾	9.7	2017	120
Seville - Cisneo 2 ⁽¹¹⁾	1.1	2017	13
Málaga - Santa Clara 3 ⁽¹¹⁾	5.9	2017	27
Málaga - Santa Clara 4 ⁽¹¹⁾	12.9	2017	50
Málaga - Santa Clara 5 ⁽¹¹⁾	9.5	2017	43
Valencia Carreres 14 ⁽¹¹⁾	5.9	2017	65
Madrid - Los Fresnos 1 ⁽¹¹⁾⁽¹²⁾	0.9	2017	11

	GAV (in millions of euros)⁽²⁾	Year of Acquisition	Potential Housing Units
Madrid – Los Fresnos 2 ⁽¹¹⁾⁽¹²⁾	0.9	2017	10
Madrid – Los Fresnos 3 ⁽¹¹⁾⁽¹²⁾	5.8	2017	128
Madrid – Los Fresnos 4 ⁽¹¹⁾⁽¹²⁾	1.3	2017	31
Madrid – Los Fresnos 5 ⁽¹¹⁾⁽¹²⁾	4.6	2017	107
Málaga – Morillas ⁽¹¹⁾	7.0	2017	85
Total	1,370.5		13,044

- (1) Presented on the basis of the different potential development projects envisaged by the Company with respect to its land bank as of the date of this Prospectus.
- (2) Calculated as set forth above.
- (3) Assets from FAB May contributed to AEDAS Homes after 30 June 2017 (on 14 August 2017).
- (4) Projects subject to sale commitments with, or purchase option agreements of, third parties. These projects are not included in the Valuation Reports. GAV is presented on a sales price basis.
- (5) We have entered into a project management agreement with respect to an area comprising approximately 45,000 square meters, out of the approximately 92,000 square meters covered by Madrid-Pozuelo-Monte 1, Madrid-Pozuelo-Monte 2, Madrid-Pozuelo-Monte 3, Madrid-Pozuelo-Monte 4, Madrid-Pozuelo-Monte 5 and Madrid-Pozuelo-Monte 6. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.
- (6) Projects with no residential use. These projects have mainly a commercial purpose.
- (7) We have made an initial payment of €10 million with respect to this development and may need to make additional payments of up to €13.2 million depending on whether the seller completes certain milestones. As of the date of this Prospectus, the purchase of this development has not been completed and the development has not been transferred to us yet. Following completion of this purchase, we will own 80.00% of this development project. We have entered into a project management agreement with respect to the related potential residential development project which has not been launched yet. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.
- (8) Castlelake funds acquired this development in 2015 once construction had been completed. Following such acquisition, improvement works were undertaken. As of the date of this Prospectus, this development comprises 48 units, seven of which have already been sold and delivered. As a result, only 41 units are included in this table and only such units are considered in the First Valuation Report. We may consider selling the development as whole to a single buyer.
- (9) A third party (La Zagaleta S.L.U.) is currently in charge of overseeing the planning and implementation of the construction process of this single-family home. In the case of Málaga-Zagaleta 5 and Málaga-Zagaleta 13, this process has not started yet.
- (10) We have entered into a project management agreement with respect to the related ongoing residential development project pursuant to which it is managed by a third party under the close supervision of our management team. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.
- (11) Assets acquired after 30 June 2017 with the exception of assets from FAB May contributed to AEDAS Homes (see note (3) above).
- (12) Land securing a non-performing loan.

We intend to continue increasing the size of our land bank. See “—Identified Pipeline” and “—2017-2023 Housing Development Plan” below.

Notwithstanding the above, we also intend to sell certain land plots included in our current portfolio. In particular, as of the date of this Prospectus we own Fully Permitted Land with an aggregate GAV of €20.6 million (on a sales price basis), an estimated aggregate book value of €13.9 million and estimated to allow the development of 282 potential housing units which is subject to sale commitments with, or purchase option agreements of, third parties. With respect to the land subject to purchase option agreements of third parties, such parties may exercise such options at their discretion. In addition, we have identified land plots with an aggregate GAV of approximately €100-105 million and estimated to allow the development of 1,773 potential housing units which we intend to sell in the future.

Proceeds obtained from any disposal would be subject to corporate income tax (currently, at a 25% tax rate) and to a local tax on the increase of value of urban land (*Impuesto sobre el Incremento de Valor de los Terrenos de Naturaleza Urbana*) (“TIVUL”) which would also be applicable to the sale of housing units. TIVUL’s taxation depends on a number

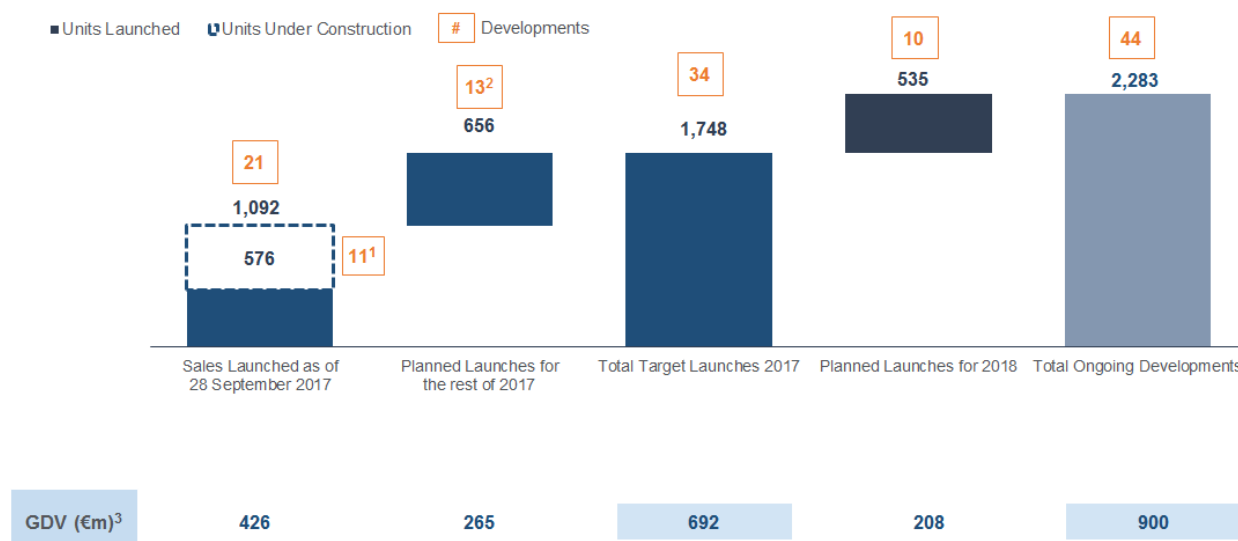
of factors, such as the cadastral value of the plot of urban land, the holding period or the specific tax rates and rules to determine TIVUL's tax base set by the municipality in which the asset is located.

Developments

As at the date of this Prospectus, we had 44 ongoing developments where we expect to build 2,283 units. Of these 44 ongoing developments, as of the date of this Prospectus, the marketing of 26 developments (which were either in the Marketing phase or the Construction phase, each as defined below), which are expected to comprise 1,329 housing units, is ongoing. As of 28 September 2017, the marketing of 21 developments, which are expected to comprise 1,092 housing units, was ongoing and we had pre-sold 585 units, or 53.6% of these 1,092 units. After such date and until the date of this Prospectus we have initiated the marketing of five additional developments where we expect to build 237 additional units. In addition, we intend to initiate the marketing of eight additional developments before the end of 2017.

Of our 44 ongoing developments, three were in the “**Product Definition**” phase, which is the first phase in the development process. In such phase, we focus on the product definition of the relevant development process. Fifteen of our ongoing developments were in the “**Design**” phase, which is the second phase in the development process. In such phase, we focus on the development design and external architects and real estate agents are appointed and the basic design is completed. Fifteen of our ongoing developments were in the “**Marketing**” phase, which is the third phase in the development process. In such phase, sales start, building permits are obtained, the execution design is completed and external contractors are appointed. Finally, 11 of our ongoing developments were already under construction (with construction of Galera having been completed). We refer to this phase as the “**Construction**” phase. For information on the main phases of the housing development process, see “—Detailed Business Overview—Detailed Value Chain—Housing Development”.

The below graphic provides additional information on our ongoing projects and the planned timing of their respective marketing.



- (1) Includes one development which construction has been completed (Galera).
- (2) The marketing of five of these developments was initiated after 28 September 2017.
- (3) Based on the First Valuation Report (calculated as of 30 June 2017).

Certain key parameters of our ongoing developments as of the date of this Prospectus are shown below:

Development	Location	GDV ⁽¹⁾ (in millions of euros)	Units ⁽²⁾	Current Phase	Expected Delivery Date
Madrid					
Madrid - Aluche 1	Madrid	27.5	100	Marketing	2019
Madrid - Las Rozas - Marazuela 1	Las Rozas	21.9	60	Marketing	2019
Madrid - Boadilla 1	Boadilla del Monte	23.7	35	Marketing	2019
Madrid - Boadilla 2	Boadilla del Monte	7.7	11	Marketing	2019
Madrid - Boadilla 3	Boadilla del Monte	14.0	30	Construction	2019

Madrid - San Sebastián de los Reyes	San Sebastián de los Reyes	21.9	52	Marketing	2019
Madrid - Pozuelo - Cerro	Pozuelo de Alarcón	37.5	48	Design	2020
Madrid - Campillo del Mundo Nuevo	Madrid	11.4	28	Marketing	2020
Madrid - Majadahonda Sorolla 1	Majadahonda	46.6	70	Design	2020
Madrid - Alcorcón 1	Alcorcón	16.7	54	Design	2020
Madrid - Las Rozas - Marazuela 2	Las Rozas	33.2	91	Product Definition	2020
Madrid - Las Rozas - Marazuela 6	Las Rozas	10.9	30	Product Definition	2020
Madrid - Las Rozas - Marazuela 7	Las Rozas	10.9	30	Product Definition	2020
Madrid - Boadilla 4	Boadilla del Monte	48.1	98	Design	2020
Subtotal		331.9	737		
Cataluña					
Barcelona - Vilanova 1	Vilanova i la Geltrú	21.7	88	Construction	2019
Barcelona - Sabadell 1	Sabadell	15.2	52	Marketing	2019
Barcelona - Hospitalet Estronci 1	Hospitalet de Llobregat	16.8	55	Construction	2019
Barcelona - Hospitalet - Europa 1	Hospitalet de Llobregat	25.8	71	Marketing	2019
Barcelona - Sant Just 2	Sant Just Desvern	10.1	41	Design	2020
Barcelona - Sant Just 1	Sant Just Desvern	9.9	30	Marketing	2019
Barcelona - Masnou 4	Masnou	10.9	26	Design	2019
Barcelona - Sabadell 2	Sabadell	11.2	42	Design	2020
Barcelona - Vilanova 2	Vilanova i la Geltrú	19.0	93	Design	2020
Subtotal		140.6	498		
East and Mallorca					
Mallorca – Andratx ⁽³⁾	Andratx	101.0	41	Construction	2019
Alicante - Jávea - Arenal ⁽³⁾	Jávea	19.7	64	Construction	2018
Alicante - Hacienda del Mar ⁽³⁾	Alicante	40.9	126	Construction	2018
Valencia - Carreres 10	Valencia	15.8	59	Marketing	2019
Alicante - Denia - Marina Real 1	Denia	7.4	40	Marketing	2019
Mallorca - Son Dameto	Palma de Mallorca	12.2	45	Design	2020
Valencia - Campanar 1	Valencia	17.9	76	Design	2020
Mallorca - Andrea Doria	Palma de Mallorca	18.9	40	Design	2020
Mallorca - Calviá Hill	Calviá	10.3	20	Design	2020
Alicante - Denia - Marina Real 2	Denia	7.4	40	Marketing	2020
Subtotal		251.6	551		
Costa del Sol					
Málaga - Galera	Estepona	5.0	41	Construction (completed)	2018
Málaga - Zagaleta 3 ⁽⁴⁾	Benahavis	14.4	1	Construction	2020
Málaga - Zagaleta 21 ⁽⁴⁾	Benahavis	13.5	1	Construction	2019
Málaga - Vanian 1	Estepona	17.6	72	Marketing	2019
Málaga - Panorama 1	Estepona	13.0	47	Marketing	2019
Málaga - La Ladera 3	Fuengirola	11.6	45	Design	2020
Málaga - La Ladera 4	Fuengirola	14.2	55	Design	2020
Málaga - Santa Clara 1	Marbella	35.6	50	Design	2020
Subtotal		124.9	312		
Sevilla					
Sevilla - Dos Hermanas 1	Dos Hermanas	11.7	50	Construction	2019
Sevilla - Hacienda 1	Sevilla	10.5	79	Construction	2019
Sevilla - Ramón y Cajal	Sevilla	28.7	56	Marketing	2019
Subtotal		50.9	185		
Total		899.8	2,283		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

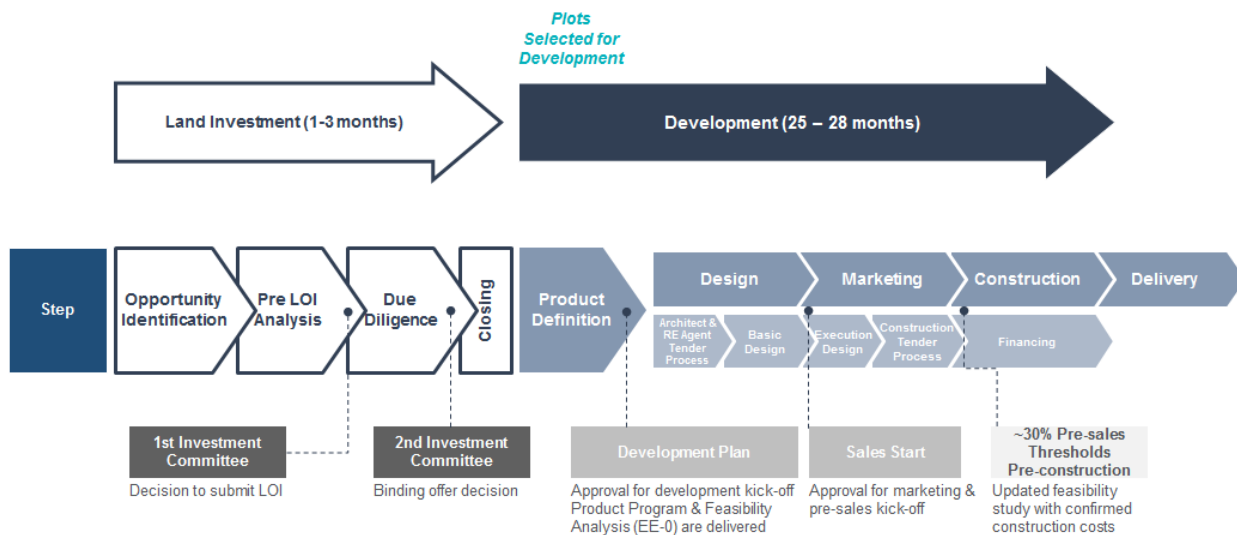
(2) Expected number of housing units.

(3) This residential development project is managed by a third party under the close supervision of our management team. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.

(4) A third party (La Zagaleta S.L.U.) is in charge of overseeing the planning and implementation of the construction process of this single-family home.

Detailed Value Chain

We have implemented a disciplined value chain throughout the development process, starting from land investment through to delivery of our homes and post-sale service. The graphic below provides a general overview of our value chain.



Land Investment

We constantly seek and assess land investment opportunities in our core locations. As indicated above (see “—Key Investment Highlights—High Quality Land Bank with Robust Margin Potential”) we believe that we are uniquely positioned to acquire land on attractive terms as a result of, among other reasons, our in-depth, on the ground, knowledge of local market dynamics. In particular, we believe that the expertise of our regional branches sets us apart from our competitors and provides us with a competitive advantage in identifying land investment opportunities. Our experienced regional teams have in-depth knowledge of niche markets in their respective regions and long-term relationships with local private companies, local teams of financial entities, public administrations, suppliers and other relevant stakeholders in each such region. While we leverage our local market knowledge, we centralize and control all the research, negotiation, due diligence and transaction closing processes from our head office in Madrid.

The land investment process comprises the following steps, which are explained in further detail below: (i) opportunity identification; (ii) pre-letter of intent analysis; (iii) decision to submit the letter of intent; (iv) due diligence; (v) binding offer decision; and (vi) closing.

Opportunity Identification

We designate our priority investment areas based on an ongoing analysis of socio-economic trends, micro-market analyses, historical development records, select key indicators (including land-use plans, ownership profiles and competitors’ activity), our local knowledge (including derived from discussions with real estate agents, architects and advisors) and feedback from customers obtained through our AIRES platform (see “—Other Key Business Information—Our AIRES Platform”) and our in-house call center. Most of our investment opportunities are generated as a result of this proactive strategy, which also allows us to identify off-market opportunities that may offer increased margin potential. Occasionally, we also take part in competitive processes for the acquisition of land.

Acquisition opportunities are proactively sourced by our Chief Investment Officer with the collaboration of our regional branches. Deal sources include corporate and private land owners, family-offices, brokers, all major domestic banks and SAREB. As stated above, our management team and regional branches have extensive and long-standing relationships with vendors and other deal sources in the Spanish residential market.

Following our sourcing of land investment opportunities, we carry out an initial analysis and filter these opportunities based on various considerations, including their commercial, technical and legal attributes, their urban planning status and any factor which we believe could affect our return on the investment. Our investment criteria include the following:

- *Urban planning status.* We only acquire Fully Permitted Land and, in particular, we mostly acquire Ready to Build Land, thus gaining flexibility to launch our developments. We occasionally acquire Fully Permitted Land that is not Ready to Build Land, provided that we believe that we are able to promote the relevant urbanization and allotment processes so that it can be transformed into Ready to Build Land during a reasonable time period. We believe we face limited additional risks with respect to these acquisitions as we have the capacity to undertake urbanization and allotment processes, without incurring any direct planning or zoning risk (as it is Fully Permitted Land).

- *Size.* While the average size of our developments is expected to vary depending on their specific location and our assessment of demand, we expect our development size to be of no less than 40 housing units representing 4,000 buildable square meters.
- *Location.* We focus on areas where the main demand indicators are clear and well known, avoiding acquiring land where there is insufficient demand to meet our underwriting standards. Specifically, we aim for areas with attractive demographic trends (including regions with population and house formation growth or which have an attractive volume of potential “move-up” buyers), adequate infrastructure (including proximity to hospitals, schools, sport centers, shopping centers and other facilities), a higher than average exposure to the 35-55 year old age group, strong economic fundamentals (such as higher than average income per capita and lower than average unemployment) and areas which are attractive to foreign demand. In addition, we focus on first-home or long-term home locations (where customers are expected to live for at least five months each year).
- *Brand building.* We only acquire land plots which, in light of all relevant attributes (including those referred to above), are expected to allow us to develop and deliver homes that are consistent with our brand.

Pre-letter of Intent Analysis

Once we have determined that a land plot (or group of land plots, depending on the relevant development) meets our investment criteria and before we enter into a letter of intent with respect to it, our Chief Investment Officer and our Chief Operating Officer, together with the relevant regional branch team, carry out a detailed viability analysis which typically extends from one to three weeks and comprises the following steps:

- *Land-use analysis.* We evaluate the attributes of the relevant land plot and external architects assess, on a preliminary basis, the feasibility of our preferred product option for such land plot.
- *Micro-market analysis.* With the support of the relevant regional branch, which engages with local real estate agents to gain further local insight, we carry out a demand and supply analysis for the area where the land plot is located which focuses on demand drivers (including sought-for housing attributes), sales of other companies, sales pace, price range and housing stock.
- *Preliminary product plan and initial feasibility analysis.* Our land-use and micro-market analyses allow us to define our preliminary product plan, which is the subject of a detailed initial feasibility analysis. Based on the expected acquisition and development costs and sales prices, we evaluate the feasibility of the planned product and the key economic terms of our investment (including expected returns and sensitivity to changes in various variables, such as sales prices, construction costs and duration of the construction process). In addition, various development and future disinvestment options are considered at this stage.
- *Acquisition approach analysis.* Following the above analyses, the acquisition approach is evaluated based on the initial requirements or preferences of the vendor and the different acquisition structure alternatives that may be available. Discussions with the vendor are handled directly by our management team, led by our Chief Investment Officer and, occasionally, with the collaboration of the managers of our regional branches.

After satisfactory completion of the above analyses, a proposal is made to our Investment Committee for their initial consideration with regards to the opportunity and the proposed acquisition price range. For a description of the duties and composition of our Investment Committee see “*Management and Board of Directors—Senior Management—Investment Committee*”.

Decision to Submit Letter of Intent

If our Investment Committee determines that there is a business opportunity in the acquisition of an analyzed land plot, negotiation with the relevant vendor begins and a letter of intent is signed. The letters of intent we enter into generally provide us the right to negotiate with the vendor for a certain period of time on an exclusive basis and to undertake a due diligence exercise with respect to the relevant land plot. This exclusivity period, which typically ranges from three to six weeks, allows us to proceed with the acquisition provided that the outcome of the due diligence exercise is satisfactory to us and we can reach an agreement on the acquisition terms.

As stated above, as of the date of this Prospectus, we have submitted letters of intent (which have been accepted by the seller and have not yet led to an acquisition) in respect of land estimated to allow the development of approximately 677 potential housing units in the aggregate, relating to 14 land plots. More than 90% of the letters of intent submitted in the past have led to an acquisition. We believe that our elevated conversion rate is attributable in part to the fact that more than 85% of our acquisitions are the result of bilateral negotiations (as opposed to competitive processes or auctions) and to the pre-letter of intent analysis described above.

Due Diligence

Once a letter of intent is signed, the due diligence review for the property is led by our Chief Investment Officer, in collaboration with our Chief Operating Officer, our legal department and the applicable regional branch, and the support (as necessary) of external real estate consultants and advisors, real estate agents, valuation consultants, legal advisors and contractors. The due diligence process typically extends from three to six weeks and comprises the following steps:

- *Confirmation of investment assumptions.* We confirm the hypotheses used in our initial feasibility analysis (see “—*Pre-letter of Intent Analysis*” above). This includes analysis of the title to, and urban situation (including any planning or urbanization requirements) of, the land plot, as well as other legal, technical and environmental matters that could have a relevant impact on its development.
- *Valuation.* Depending on the size of the investment and the acquisition structure, we decide whether an ECO valuation (*i.e.*, a valuation that complies with Ministerial Order ECO 805/2003) or a RICS valuation of the land plot by a Bank of Spain accredited appraiser is warranted.
- *Updated product plan and feasibility analysis.* We update our product plan and feasibility analysis based on an updated analysis of demand and supply and of our estimation of the development costs to be incurred in connection with the land plot (including based on tentative pre-bid discussions with prospective contractors). With respect to housing prices, we consider current conditions in the market (without assuming any price increase or home price appreciation in our feasibility analysis).

Binding Offer Decision

The due diligence process results in an investment memorandum which, together with the updated product plan and feasibility analysis, are considered by our Investment Committee to decide whether to submit a binding offer for the relevant property. If the estimated investment exceeds a certain threshold the approval of our Board of Directors is also necessary to proceed with the investment.

Closing

Following acceptance by the seller of our binding offer, closing of an acquisition typically takes from two to three weeks and involves the engagement of external legal advisers which, together with our in-house lawyers, provide advice on the purchase agreement, as well as corporate and tax matters. We typically do not seek external funding for the acquisition of land and rely on internal resources.

Housing Development

The housing development process comprises five main phases: (i) Product Definition; (ii) Design; (iii) Marketing; (iv) Construction; and (v) Delivery (which includes our customer care program). Each of these phases is explained in further detail below. Once a particular land plot (or group of land plots, depending on the relevant development) enters the Product Definition phase, we refer to the related development as an “**ongoing development**”. The estimated timing of the entire housing development process typically ranges from 25 to 28 months and the planned average duration of our customer care service is 12 months following delivery of the housing unit.

As further explained below, while we retain control over all critical decisions in the process we rely on the services of third-party service providers (which, in turn, may rely on the services of sub-contractors) to generally develop our development projects. These outsourced services include architectural design, construction, technical surveillance (supervised by in-house technical managers) and, to some extent, sale of our units. In order to optimize the efficiency of our development processes, we have systematized our operations and implement competitive processes among qualified professionals to select our service providers.

Product Definition

As a preliminary step for a land plot to enter the Production Definition phase, such land plot needs to be selected for development. The selection of plots to be developed is led by our Chief Operating Officer and is mainly driven by a new local demand and supply analysis conducted by the relevant regional branch with the assistance of our Chief Marketing Officer and the support of external real estate agents and advisors.

The demand analysis is focused on macro and microeconomic variables, product size and type preferences, budget limits and common areas requirements, among other factors. To gather first-hand information from potential customers, we launch marketing actions and work closely with our call center, which provide us with in-depth information about our potential clients’ needs. This feedback is then taken into account in the product definition process.

The local supply analysis focuses on the existing residential units in the immediate area, price range and type of residential units, sales pace of similar developments, target clients and financing conditions, among others.

On the basis of this demand and local supply analysis, we carry out a feasibility analysis, determine the type of development to be built and prepare a detailed product definition proposal. This detailed product definition proposal includes the relevant preliminary development plan which details the size, finishings and other key elements of the design of the planned housing units, the attributes of common areas, demand prospects, the expected development costs, our marketing and selling objectives, the selling strategy that will be used, and the estimated development timing.

As of the date of this Prospectus, our portfolio of developments in the Product Definition phase was as shown below.

Development (Name)	Autonomous Community	Province	Units⁽¹⁾	GDV (in millions of euros)⁽²⁾	Expected Delivery Date
Madrid - Las Rozas - Marazuela 2	Madrid	Madrid	91	33.2	2020
Madrid - Las Rozas - Marazuela 6	Madrid	Madrid	30	10.9	2020
Madrid - Las Rozas - Marazuela 7	Madrid	Madrid	30	10.9	2020
Total			151	55.0	

(1) Expected number of housing units.

(2) Based on the First Valuation Report (calculated as of 30 June 2017).

Design

Based on the product definition proposal and the feasibility analysis, the Management Committee approves the budget for the development. After this first Management Committee approval, the development “kicks-off” and we initiate various processes which typically run in parallel over the course of seven to ten weeks. These processes include the following:

- *Selection of external architects.* During this phase, the external architects who will design the development are appointed. For such purposes, several architecture firms are invited to submit their proposal after being pre-approved based on their experience, local knowledge, track record, size and solvency, among other criteria. These architecture firms are provided with a copy of the preliminary development plan, as well as the relevant topographical and technical studies on the land plot to be developed, and are requested to provide us, within a period that ranges from four to six weeks, with a design and technical proposal which meets the requirements of such plan and the specificities of the relevant land plot. The final selection of external architects is based on, among other criteria, fees, the attractiveness of their proposal, including the singularity of their design, sustainability and energy efficiency, space use and the customization options for our customers.
- *Selection of real estate agents.* We invite several real estate agents to submit their marketing proposals after being pre-selected based on their experience, local knowledge, size and solvency, among other criteria. The appointment is carried out after a formal process where such real estate agents need to submit their proposals detailing their analysis of the market and their proposed marketing strategy, price ranges and targeted sales pace, among other matters. Such analyses allow us to significantly increase our knowledge in order to reduce the risk of our marketing strategy.
- *Basic design.* Following the selection of an architecture firm, the firm works in close collaboration mainly with the relevant regional branch (namely, the director of the regional branch, the relevant development manager and the technical manager), our Sales Department and our Marketing Department, our in-house technical architects and local real estate agents to, in detail, define the basic design for the development. Such basic design focuses on, among other matters, sustainability and energy efficiency, the availability of customization options for our customers, construction materials to be used and connectivity features, and is prepared taking into account our demand analysis and the key development parameters, including housing type, number and distribution of units (including number of bedrooms) and number of parking lots. This basic design is submitted to the relevant local authorities in order to obtain the required building permits.
- *Updated feasibility study.* We carry out an updated feasibility study which details the pricing strategy and the preliminary estimated constructions costs. This updated feasibility study is submitted to the Management Committee for its approval.

As of the date of this Prospectus, our portfolio of developments in the Design phase was as shown below.

<u>Development (Name)</u>	<u>Autonomous Community</u>	<u>Province</u>	<u>Units⁽¹⁾</u>	<u>GDV (in millions of euros)⁽²⁾</u>	<u>Expected Delivery Date</u>
Madrid - Pozuelo - Cerro	Madrid	Madrid	48	37.5	2020
Madrid - Majadahonda Sorolla 1	Madrid	Madrid	70	46.6	2020
Madrid - Alcorcón 1	Madrid	Madrid	54	16.7	2020
Madrid - Boadilla 4	Madrid	Madrid	98	48.1	2020
Barcelona - Masnou 4	Cataluña	Barcelona	26	10.9	2019
Barcelona - Vilanova 2	Cataluña	Barcelona	93	19.0	2020
Mallorca - Andrea Doria	Balearic Islands	Balearic Islands	40	18.9	2020
Mallorca - Calviá Hill	Balearic Islands	Balearic Islands	20	10.3	2020
Barcelona - Sant Just 2	Cataluña	Barcelona	41	10.1	2020
Málaga - La Ladera 3	Andalucía	Málaga	45	11.6	2020
Málaga - La Ladera 4	Andalucía	Málaga	55	14.2	2020
Málaga - Santa Clara 1	Andalucía	Málaga	50	35.6	2020
Barcelona - Sabadell 2	Cataluña	Barcelona	42	11.2	2020
Mallorca - Son Dameto	Balearic Islands	Balearic Islands	45	12.2	2020
Valencia - Campanar 1	Comunidad Valenciana	Valencia	76	17.9	2020
Total			803	320.8	

(1) Expected number of housing units.

(2) Based on the First Valuation Report (calculated as of 30 June 2017).

Marketing

Once the second Management Committee approves the updated feasibility study, we initiate various processes which typically run in parallel over the course of 10 to 14 weeks. These processes include:

- *Commencement of the sales process and achievement of pre-sales target.* Following the second Management Committee approval, we prepare the marketing materials necessary to begin with the marketing of the product, such as brochures and computer graphics, and the selected external real estate agents, together with our internal teams, commence the sales process of the development. Our marketing actions seek to actively create awareness of potential customers through online and offline channels. From April to July 2017, approximately 42% of these online and offline leads led to visits by potential customers to our points of sale and 12% of such visits concluded in the pre-sale of a home. We generally start construction of a development project only when we have obtained the relevant target level of pre-sales of the homes to be built in the development (typically 30% of the homes to be built, with the specific threshold determined on a case-by-case basis depending on the characteristics of each project). At this stage, buyers must typically pay a deposit of between €3,000 and €10,000 as reserve amount. Once the deposit is made the relevant unit is considered to be “pre-sold”. Customers are entitled to terminate the reserve contract under certain circumstances, which include if the building permit is not obtained on a timely basis. As of 28 September 2017, the marketing of 21 developments, which are expected to comprise 1,092 housing units, was ongoing and we had pre-sold 585 units, or 53.6% of these 1,092 units. After such date and until the date of this Prospectus we have initiated the marketing of five additional developments where we expect to build 237 additional units.
- *Execution design.* Our external architects, with the support of external engineers and under the coordination and supervision of our regional branches, elaborate the execution design, which contemplates all technical details needed to complete the construction of the development (including materials, specificities of each unit and a detailed budget). The execution design may rarely imply deviations from the basic design. If any such deviation is not possible under the building permit obtained for a development, we will seek to obtain a new building permit. We supervise the elaboration of the execution design with our in-house Technical Department, including by corroborating the projected building metrics (so as to make sure that the use of space and other resources is optimized), the project building solutions and the proposed finishings.

- *Selection of external construction companies.* Several contractors are invited to submit their proposal after being previously selected based on their experience, size and solvency, among other criteria. Contractors are provided with a copy of the relevant execution design and the selected contractors are expected to enter into turn-key construction contracts on the basis thereof. Contractors are selected after several bidding rounds. Selection is not only based on the most competitive bidding price, but also on other factors, such as their experience in similar developments, the proposed delivery plan, their financial strength and their presence in the target location. We generally select mid-sized contractors which are specialized in the construction of residential housing and have a proven track-record, and in respect of which our relevant regional branch has first-hand knowledge. Our selection process is designed to ensure that the selected contractors get a complete understanding of the development that needs to be executed and any deviation risk is minimized (especially with respect to the planned construction completion date). The selected contractors are usually responsible for the construction of the full development. However, for specific sections of a development (such as the kitchen), we may hire a specific contractor. Nine different contractors are working in our 10 development sites under construction as of the date of this Prospectus.
- *Development financing.* We generally seek to obtain bank financing for up to 100% of the hard and soft costs of construction. Sometimes we also finance marketing costs. We are typically able to draw on our loan for a project when we can present constructions certificates to the lender as evidence for our expenses. In addition, with respect to certain prime locations, we are generally able to obtain additional amounts under our development loans in an amount equivalent to up to 50% of the land purchase cost during the development stage (half of which we typically receive upon receipt of the building permit and half of which we receive when we have pre-sold an agreed percentage of the units in the relevant development). For additional information, see “*Operating and Financial Review—Liquidity and Capital Resources*”.
- *Customer experience.* Following each pre-sale, our marketing and customer-care team set up an information and communication channel with the relevant customer in order to strengthen the relationship, providing the customer with information on the progress of the development and any assistance the customer may require, in a timely manner.
- *Newly updated feasibility study.* An updated feasibility analysis is completed based on the definitive expected construction costs.
- *Building permits.* The required building permits are obtained.

As of the date of this Prospectus, our portfolio of developments in the Marketing phase was as shown below.

Development (Name)	Autonomous Community	Province	Units⁽¹⁾	GDV (in millions of euros)⁽²⁾	Expected Delivery Date	Units pre sold (Sep 28)
Madrid - Aluche 1	Madrid	Madrid	100	27.5	2019	53
Madrid - Las Rozas - Marazuela 1	Madrid	Madrid	60	21.9	2019	46
Madrid - Boadilla 1	Madrid	Madrid	35	23.7	2019	8
Madrid - Boadilla 2	Madrid	Madrid	11	7.7	2019	1
Barcelona - Sabadell 1	Cataluña	Barcelona	52	15.2	2019	32
Valencia - Carreres 10	Comunidad Valenciana	Valencia	59	15.8	2019	37
Alicante - Denia - Marina Real 1	Comunidad Valenciana	Alicante	40	7.4	2019	32
Málaga - Vanian 1	Andalucía	Málaga	72	17.6	2019	12
Alicante - Denia - Marina Real 2	Comunidad Valenciana	Alicante	40	7.4	2020	8
Madrid - San Sebastián de los Reyes	Madrid	Madrid	52	21.9	2019	n.a ⁽³⁾
Madrid - Campillo del Mundo Nuevo	Madrid	Madrid	28	11.4	2020	n.a ⁽³⁾
Barcelona - Hospitalet - Europa 1	Cataluña	Barcelona	71	25.8	2019	n.a ⁽³⁾
Barcelona - Sant Just 1	Cataluña	Barcelona	30	9.9	2019	n.a ⁽³⁾
Sevilla - Ramón y Cajal	Andalucía	Sevilla	56	28.7	2019	n.a ⁽³⁾
Málaga - Panorama 1	Andalucía	Málaga	47	13.0	2019	17
Total			753	254.9		

(1) Expected number of housing units.

(2) Based on the First Valuation Report (calculated as of 30 June 2017).

(3) Not applicable given that the Marketing phase started after 28 September 2017.

Construction

After achieving our pre-sales target, obtaining the required financing and building permits and licenses, and having selected the relevant contractors, we are in a position to start construction on the development. During this stage, which typically ranges from 18 to 20 months, we initiate the following processes:

- *Construction.* In order to avoid deviations from the agreed timetable and other specifications, we enter into turnkey contracts with our contractors establishing guarantees and penalties to ensure the fulfilment of the agreed upon milestones and final completion date. In addition, we designate in-house development managers who are in charge of continuously monitoring the construction of our developments at the development sites in order to ensure that they meet our criteria and the agreed calendar and that they do not deviate materially on quality and costs. The development managers regularly meet with the contractors to closely monitor the construction and they issue regular reports (such as on quality and cost compliance) to anticipate and correct any potential deviations. The development managers together with our in-house technical managers (which focus on technical aspects of the developments) will formally accept the finished development after a detailed review to verify that all works have been properly carried out according to our standards and requirements.
- *Financing for customers.* We work with financing entities which are present in the location of our developments in order for them to provide financing to our homebuyers.
- *Customer experience.* During the construction process, our marketing and customer-care team keeps our clients readily informed about the status of the development and about any deviations, offering them alternative solutions, where appropriate. Given our policy of offering customized units to accommodate customer preferences, clients may also make elections on decoration styles, layout and certain premium options.
- *Continuation of the sales process and signing of private sale and purchase contracts.* The marketing and sales process of our homes, which begins in the Marketing phase, continues throughout the Construction phase. Throughout this process internal meetings are held periodically as well as meetings with our external real estate agents to supervise and follow up on the progress of the process. Once the building license has been obtained, appointments with customers are made in order to sign the corresponding private sale and purchase contracts. Upon signature of the contract, customers must pay around 10% of the purchase price. The contract contains the payment calendar, which comprises several installments to be paid until the finalization of the construction process up to a total amount of an additional around 10% of the price. Therefore, upon finalization of the construction, customers should have paid up to around 20% of the price, including the amount of the deposit. Amounts paid in advance by customers are guaranteed by us by means of a bank guarantee or insurance contract. The remaining portion of the purchase price is paid upon execution of the public deed of sale and purchase of the property which is entered into in the Delivery phase (see below). Customers are entitled to terminate the sale and purchase agreements under certain circumstances, which include the breach of our obligations.

As of the date of this Prospectus, our portfolio of developments in the Construction phase was as shown below.

Development (name)	Autonomous community	Province	Units ⁽¹⁾	GDV (in millions of euros) ⁽²⁾	Expected delivery date	Construction start date	Expected end of construction date	Units pre sold (Sep 28)
Mallorca - Andratx ⁽³⁾	Balearic Islands	Balearic Islands	41	101.0	2019	First Quarter 2017	Second Quarter 2019	14
Alicante - Jávea - Arenal ⁽³⁾	Comunidad Valenciana	Alicante	64	19.7	2018	Second Quarter 2016	First Quarter 2018	40
Alicante - Hacienda del Mar ⁽³⁾	Comunidad Valenciana	Alicante	126	40.9	2018	First Quarter 2016	First Quarter 2018	76
Málaga - Zagaleta 3 ⁽⁴⁾	Andalucía	Málaga	1	14.4	2020	Third Quarter 2015	First Quarter 2018	0
Málaga - Zagaleta 21 ⁽⁴⁾	Andalucía	Málaga	1	13.5	2019	Third Quarter 2015	Fourth Quarter 2017	0
Madrid - Boadilla 3	Madrid	Madrid	30	14.0	2019	Third Quarter 2017	Second Quarter 2019	26
Barcelona - Vilanova 1	Cataluña	Barcelona	88	21.7	2019	Third Quarter 2017	Fourth Quarter 2018	69

Development (name)	Autonomous community	Province	Units ⁽¹⁾	GDV (in millions of euros) ⁽²⁾	Expected delivery date	Construction start date	Expected end of construction date	Units pre sold (Sep 28)
Barcelona - Hospitalet Estronci 1	Cataluña	Barcelona	55	16.8	2019	Third Quarter 2017	Second Quarter 2019	41
Seville - Dos Hermanas 1	Andalucía	Seville	50	11.7	2019	Third Quarter 2017	First Quarter 2019	24
Seville - Hacienda 1	Andalucía	Seville	79	10.5	2019	Third Quarter 2017	First Quarter 2019	41
Málaga – Galera	Andalucía	Málaga	41	5.0	2018	Construction Completed		8
Total			576	269.2				

(1) Expected number of housing units.

(2) Based on the First Valuation Report (calculated as of 30 June 2017).

(3) This residential development project is managed by a third party under the close supervision of our management team. See “—Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.

(4) A third party (La Zagaleta S.L.U.) is in charge of overseeing the planning and implementation of the construction process of this single-family home.

Delivery

Once the construction process is completed, the public deed of sale and purchase is entered into, the outstanding portion of the price is paid by our clients and the homes are delivered to them. According to our business plan, we plan to first start delivering homes to our clients in 2018. See “—2017-2023 Housing Development Plan”. Our marketing and customer-care team will carry out a courtesy visit with each customer prior to the final delivery of their home in order to identify any possible flaw or defect.

Upon delivery of a home, our client will benefit from our customer care program during a period, typically, of one year. As part of such program we will assist our customers with their concerns regarding their homes. In addition, we intend to provide them with certain offers of services and products relating to their homes, which may include offers relating to insurance, security & alarm systems, technology-related proposals, sound systems and automation services for their homes.

Our Regional Markets

We are currently focused on the following regions:

- *Madrid*, which currently comprises the Community of Madrid. As of the date of this Prospectus, our Madrid portfolio was comprised of assets with a total GAV of approximately €463.8 million (approximately 34% of the total GAV), a total GDV of approximately €1,365.8 million (approximately 36% of the total GDV) and approximately 496,544 square meters. We estimate that our portfolio in Madrid would allow the construction of approximately 4,315 potential housing units in a total of 73 potential development projects.
- *Cataluña*, which currently comprises the provinces of Barcelona and Tarragona. As of the date of this Prospectus, our Cataluña portfolio was comprised of assets with a total GAV of approximately €220.2 million (approximately 16% of the total GAV), a total GDV of approximately €570.0 million (approximately 15% of the total GDV) and approximately 254,971 square meters. We estimate that our portfolio in Cataluña would allow the construction of approximately 2,245 potential housing units in a total of 40 potential development projects.
- *East & Mallorca*, which currently comprises the provinces of Valencia, Alicante and the Balearic Islands. As of the date of this Prospectus, our East & Mallorca portfolio was comprised of assets with a total GAV of approximately €246.3 million (approximately 18% of the total GAV), a total GDV of approximately €644.7 million (approximately 17% of the total GDV) and approximately 278,321 square meters. We estimate that our portfolio in East & Mallorca would allow the construction of approximately 2,464 potential housing units in a total of 40 potential development projects.
- *Costa del Sol*, which currently comprises Costa del Sol, a region comprising the coastal towns and communities along the coastline of the province of Málaga in the Community of Andalucía. As of the date of this Prospectus,

our Costa del Sol portfolio was comprised of assets with a total GAV of approximately €356.5 million (approximately 26% of the total GAV), a total GDV of approximately €951.8 million (approximately 25% of the total GDV) and approximately 346,797 square meters. We estimate that our portfolio in Costa del Sol would allow the construction of approximately 2,647 potential housing units in a total of 72 potential development projects.

- *Seville*, which currently comprises the province of Seville. As of the date of this Prospectus, our Seville portfolio was comprised of assets with a total GAV of approximately €83.6 million (approximately 6% of the total GAV), a total GDV of approximately €273.9 million (approximately 7% of the total GDV) and approximately 166,665 square meters. We estimate that our portfolio in Seville would allow the construction of approximately 1,373 potential housing units in a total of 15 potential development projects.

For purposes of the above calculations, GAV and GDV were calculated as set forth under “—Detailed Business Overview—Portfolio”.

Certain key parameters of our land bank as of the date of this Prospectus (as split among our regional markets) are shown in the following table.

	Madrid	Cataluña	East & Mallorca	Costa del Sol	Seville	Total/Average
No. of potential development projects ⁽¹⁾	73	40	40	72	15	240
No. of ongoing developments ⁽²⁾	14	9	10	8	3	44
No. of potential housing units ⁽³⁾	4,315	2,245	2,464	2,647	1,373	13,044
Buildable area (thousand square meters)	497	255	278	347	167	1,543
GAV (€million) ⁽⁴⁾	464	220	246	356	84	1,370
GAV ⁽⁴⁾ / total GAV ⁽⁴⁾ (%)	34%	16%	18%	26%	6%	100%
GAV ⁽⁴⁾ / square meters (€)	934	864	885	1,028	502	888
GDV (€million) ⁽⁴⁾	1,366	570	645	952	274	3,806
GDV ⁽⁴⁾ / total GDV ⁽⁴⁾ (%)	36%	15%	17%	25%	7%	100%

- (1) Based on the number of potential development projects envisaged by the Company with respect to its land bank as of the date of this Prospectus.
- (2) For additional information see “—Ongoing Developments by Region” below.
- (3) Based on the potential development projects currently envisaged by the Company. The number of final units per project could change if developments are finally undertaken.
- (4) Calculated as set forth under “—Detailed Business Overview—Portfolio”.

Ongoing Developments by Region

Certain key parameters of our ongoing developments as of the date of this Prospectus (as split among our regional markets) are shown in the following table.

	Madrid	Cataluña	East & Mallorca	Costa del Sol	Seville	Total/Average
No. of units expected to be built ⁽¹⁾	737	498	551	312	185	2,283
No. of ongoing developments	14	9	10	8	3	44
GAV (€million) ⁽²⁾	155	65	119	53	23	415
GAV ⁽²⁾ / total GAV ⁽²⁾ (%)	37%	16%	29%	13%	6%	100%
Buildable area (thousand square meters)	96	58	74	40	25	293
GAV ⁽²⁾ / square meters (€)	1,604	1,109	1,620	1,324	948	1,416
Estimated costs pending to complete (€million) ⁽³⁾	111	48	97	51	21	328
Estimated costs pending to complete per unit (€ thousand) ⁽³⁾	150	97	176	163	112	144
Estimated costs pending to complete per square meter (€) ⁽³⁾	1,149	829	1,318	1,275	836	1,119
GDV (€million) ⁽²⁾	332	141	252	125	51	900
GDV ⁽²⁾ / total GDV ⁽²⁾ (%)	37%	16%	28%	14%	6%	100%
GDV ⁽²⁾ per square meter (€)	3,441	2,409	3,410	3,138	2,061	3,070
GDV ⁽²⁾ per unit (€thousand)	450	282	457	400	275	394

- (1) Expected number of housing units.
- (2) Based on the First Valuation Report (calculated as of 30 June 2017).
- (3) Based on the estimates of Savills, as reflected in the First Valuation Report.

Additional information on our ongoing developments, by region, is provided below.

Madrid

As of the date of this Prospectus, we have 14 ongoing developments in Madrid, where we expect to build 737 units. The table below shows the key parameters of our ongoing developments in Madrid.

<u>Development</u>	<u>Location</u>	<u>GDV⁽¹⁾</u>	<u>GAV⁽¹⁾</u>	<u>Units⁽²⁾</u>	<u>Current Phase</u>	<u>Expected Delivery Date</u>
		<u>(in millions of euros)</u>				
Madrid - Aluche 1	Madrid	27.5	10.8	100	Marketing	2019
Madrid - Las Rozas - Marazuela 1	Las Rozas	21.9	9.7	60	Marketing	2019
Madrid - Boadilla 1	Boadilla del Monte	23.7	10.6	35	Marketing	2019
Madrid - Boadilla 2	Boadilla del Monte	7.7	3.9	11	Marketing	2019
Madrid - Boadilla 3	Boadilla del Monte	14.0	7.5	30	Construction	2019
Madrid - San Sebastián de los Reyes	San Sebastián de los Reyes	21.9	10.0	52	Marketing	2019
Madrid - Pozuelo - Cerro	Pozuelo de Alarcón	37.5	19.5	48	Design	2020
Madrid - Campillo del Mundo Nuevo	Madrid	11.4	6.4	28	Marketing	2020
Madrid - Majadahonda Sorolla 1	Majadahonda	46.6	20.6	70	Design	2020
Madrid - Alcorcón 1	Alcorcón	16.7	6.4	54	Design	2020
Madrid - Las Rozas - Marazuela 2	Las Rozas	33.2	14.8	91	Product Definition	2020
Madrid - Las Rozas - Marazuela 6	Las Rozas	10.9	5.8	30	Product Definition	2020
Madrid - Las Rozas - Marazuela 7	Las Rozas	10.9	5.8	30	Product Definition	2020
Madrid - Boadilla 4	Boadilla del Monte	48.1	23.0	98	Design	2020
Total		331.9	154.7	737		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

(2) Expected number of housing units.

Cataluña

As of the date of this Prospectus, we have nine ongoing developments in Cataluña, where we expect to build 498 units. The table below shows the key parameters of our ongoing developments in Cataluña.

<u>Development</u>	<u>Location</u>	<u>GDV⁽¹⁾</u>	<u>GAV⁽¹⁾</u>	<u>Units⁽²⁾</u>	<u>Current Phase</u>	<u>Expected Delivery Date</u>
		<u>(in millions of euros)</u>				
Barcelona - Vilanova 1	Vilanova i la Geltrú	21.7	12.5	88	Construction	2019
Barcelona - Sabadell 1	Sabadell	15.2	6.3	52	Marketing	2019
Barcelona - Hospitalet Estronci 1	Hospitalet de Llobregat	16.8	6.7	55	Construction	2019
Barcelona - Hospitalet - Europa 1	Hospitalet de Llobregat	25.8	11.7	71	Marketing	2019
Barcelona - Sant Just 2	Sant Just Desvern	10.1	4.2	41	Design	2020
Barcelona - Sant Just 1	Sant Just Desvern	9.9	4.2	30	Marketing	2019
Barcelona - Masnou 4	Masnou	10.9	5.1	26	Design	2019
Barcelona - Sabadell 2	Sabadell	11.2	4.1	42	Design	2020
Barcelona - Vilanova 2	Vilanova i la Geltrú	19.0	9.8	93	Design	2020
Total		140.6	64.7	498		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

(2) Expected number of housing units.

East & Mallorca

As of the date of this Prospectus, we have 10 ongoing developments in the East & Mallorca region, where we expect to build 551 units. The table below shows the key parameters of our ongoing developments in the East & Mallorca region.

<u>Development</u>	<u>Location</u>	<u>GDV⁽¹⁾</u>	<u>GAV⁽¹⁾</u>	<u>Units⁽²⁾</u>	<u>Current Phase</u>	<u>Expected</u>
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**Delivery
Date**

		(in millions of euros)				
Mallorca - Andratx ⁽³⁾	Andratx	101.0	43.8	41	Construction	2019
Alicante - Jávea - Arenal ⁽³⁾	Jávea	19.7	12.0	64	Construction	2018
Alicante - Hacienda del Mar ⁽³⁾	Alicante	40.9	26.2	126	Construction	2018
Valencia - Carreres 10	Valencia	15.8	7.0	59	Marketing	2019
Alicante - Denia - Marina Real 1	Denia	7.4	2.9	40	Marketing	2019
Mallorca - Son Dameto	Palma de Mallorca	12.2	5.3	45	Design	2020
Valencia - Campanar 1	Valencia	17.9	5.4	76	Design	2020
Mallorca - Andrea Doria	Palma de Mallorca	18.9	9.1	40	Design	2020
Mallorca - Calviá Hill	Calviá	10.3	4.9	20	Design	2020
Alicante - Denia - Marina Real 2	Denia	7.4	2.9	40	Marketing	2020
Total		251.6	119.5	551		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

(2) Expected number of housing units.

(3) This residential development project is managed by a third party under the supervision of our management team. See “— Other Key Business Information—Material Contracts—Project Management Agreements and Marketing and Sales Agreements”.

Costa del Sol

As of the date of this Prospectus, we have eight ongoing developments in Costa del Sol, where we expect to build 312 units. The table below shows the key parameters of our ongoing developments in Costa del Sol.

Development	Location	GDV ⁽¹⁾	GAV ⁽¹⁾	Units ⁽²⁾	Current Phase	Expected Delivery Date
(in millions of euros)						
Málaga - Galera	Estepona	5.0	4.3	41	Construction (completed)	2018
Málaga - Zagaleta 3 ⁽³⁾	Benahavis	14.4	8.1	1	Construction	2020
Málaga - Zagaleta 21 ⁽³⁾	Benahavis	13.5	9.4	1	Construction	2019
Málaga - Vanian 1	Estepona	17.6	5.8	72	Marketing	2019
Málaga - Panorama 1	Estepona	13.0	5.1	47	Marketing	2019
Málaga - La Ladera 3	Fuengirola	11.6	3.4	45	Design	2020
Málaga - La Ladera 4	Fuengirola	14.2	4.2	55	Design	2020
Málaga - Santa Clara 1	Marbella	35.6	12.4	50	Design	2020
Total		124.9	52.7	312		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

(2) Expected number of housing units.

(3) A third party (La Zagaleta S.L.U.) is in charge of overseeing the planning and implementation of the construction process of this single-family home.

Seville

As of the date of this Prospectus, we have three ongoing developments in Seville, where we expect to build 185 units. The table below shows the key parameters of our ongoing developments in Seville.

Development	Location	GDV ⁽¹⁾	GAV ⁽¹⁾	Units ⁽²⁾	Current Phase	Expected Delivery Date
(in millions of euros)						
Seville - Dos Hermanas 1	Dos Hermanas	11.7	4.4	50	Construction	2019
Seville - Hacienda 1	Seville	10.5	2.1	79	Construction	2019
Seville - Ramón y Cajal	Seville	28.7	16.9	56	Marketing	2019
Total		50.9	23.4	185		

(1) Based on the First Valuation Report (calculated as of 30 June 2017).

(2) Expected number of housing units.

Pipeline

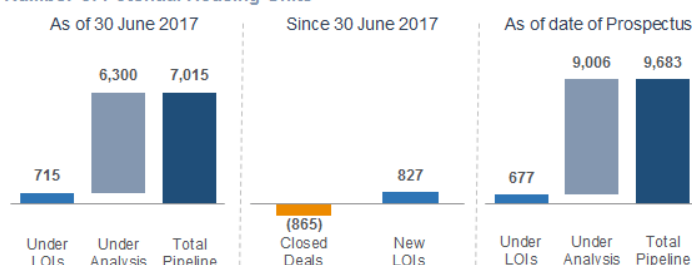
In accordance with our 2017-2023 Housing Development Plan, we intend to deliver 231 housing units in 2018, 1,055 housing units in 2019, 1,986 housing units in 2020, 2,438 housing units in 2021, 3,063 housing units in 2022 and 3,326 housing units in 2023. Our run-rate deliveries target of around 3,000 housing units per annum may be increased to up to around 3,500 housing units, as described in “—2017-2023 Housing Development Plan”. Assuming our run-rate deliveries target remains at around 3,000 housing units per annum, based on the expected timing of our target housing deliveries, our land bank as of 30 June 2017 (as supplemented by the FAB May portfolio and Nagüeles (which acquisition has not been completed yet), and considering our committed and intended sales as well as our planned development schedule) covered 100% of our land needs until the end of 2020, 83% of our needs for 2021, 66% of our needs for 2022 and 56% of our needs for 2023. Aside from the contribution of the FAB May portfolio, since 30 June 2017 we have acquired land estimated to allow the development of approximately 865 potential housing units for an aggregate purchase price of €53.7 million. This land has an aggregate GAV of approximately €72.8 million (as estimated by Savills in the Second Valuation Report). While a substantial portion of our land needs are covered by our current land bank, our management continues to actively monitor the market to continue sourcing new land at attractive prices.

As of the date of this Prospectus, we have submitted letters of intent (which have been accepted by the seller and have not yet led to an acquisition) in respect of land estimated to allow the development of 677 potential housing units in the aggregate, relating to 14 land plots. In addition, as of the date of this Prospectus we are closely monitoring a land acquisition pipeline in respect of land estimated to allow the development of 9,006 potential housing units in the aggregate. Approximately 26% of these 9,683 potential housing units are located in Barcelona, 16% are located in Madrid, 20% are located in East & Mallorca, 19% are located in Costa del Sol, 7% are located in Seville and 11% relates to potential housing units included in lots of land plots which are located in a combination of such regions.

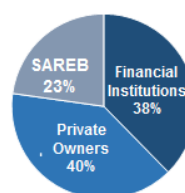
Additional information on our pipeline is provided below. References to “LOIs” are to letters of intent.

AEDAS Homes Pipeline

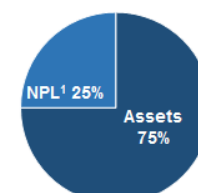
Number of Potential Housing Units



By Seller



By Type



Total: 9,683 potential housing units

(1) Non-performing loans secured by land.

The below table provides certain key information regarding certain of the investment opportunities which we have recently completed or in respect of which we have entered into a letter of intent:

Investment opportunity	Province	Region	Potential Housing Units	Estimated Investment ⁽¹⁾ (€millions)	GAV ⁽²⁾ (€millions)	Status
Project A.....	Seville	Seville	133	9	11	Closed
Project B.....	Seville	Seville	175	4	7	Closed
Project C.....	Málaga	Costa del Sol	85	6	7	Closed
Project D.....	Madrid	Madrid	287	9	14	Closed
Project E.....	Seville	Seville	35	2	3	LOI
Project F.....	Mallorca	East & Mallorca	262	19	N/A	LOI
Project G.....	Valencia	Mallorca	65	4	6	Closed
Project H.....	Málaga	Costa del Sol	120	22	28	Closed
Project I.....	Madrid	Madrid	380	9	N/A	LOI

(1) Based on expected purchase price (excluding ancillary costs that would result from the acquisition, such as VAT and legal fees and expenses).

(2) Based on valuations of Savills as of 30 June 2017.

2017-2023 Housing Development Plan

IMPORTANT NOTICE: *The data in this section are not a forecast or estimate, but rather the unit target launches and deliveries pursuant to our current target delivery plan and other targets. There can be no assurance that these targets can or will be met and they should not be seen as an indication of our expected or actual results or returns. Factors that could affect our ability to meet these targets include the availability of land in desirable locations and at commercially reasonable prices, the availability of funding for land acquisitions on reasonable terms or at all, construction and development costs and the rate of home price appreciation, among other factors. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in our Shares. In addition, prior to making any investment decision, prospective investors should carefully consider the risk factors described in the “Risk Factors” section of this Prospectus. See also “Important Information—Forward-looking Statements”.*

We are currently in the ramp-up phase of our business. According to our 2017-2023 Housing Development Plan we are targeting to reach our run rate stage in terms of target housing deliveries by 2022, based on what we believe to be a sustainable and achievable ramp up which will rely both on organic growth (based on our current land stock) and new growth (based on land to be acquired).

Our run-rate target housing deliveries of around 3,000 housing units per annum may be increased to up to around 3,500 housing units depending mainly on market evolution. We believe that our current management and organizational structure would comfortably accommodate such expansion, which would also be supported in part by our sizeable existing land bank. We believe further expansion (for example, if we decide to be present in new provinces in Spain or to expand our presence in one of our current target areas) would also be possible as result of our highly scalable structure.

Assuming our run-rate deliveries target remains at around 3,000 housing units per annum, our land bank as of 30 June 2017 (as supplemented by the FAB May portfolio and Nagüeles (which acquisition has not been completed yet), and considering our committed and intended sales as well as our planned development schedule) represented 76% of the total units that we target to deliver in the next six and a half years pursuant to our business plan. In particular, considering such portfolio, our 2017-2023 Housing Development Plan required us to buy land allowing the development of 2,923 housing units by the end of 2021. Aside from the contribution of the FAB May portfolio, since 30 June 2017 we have acquired land estimated to allow the development of approximately 865 potential housing units for an aggregate purchase price of €53.7 million. This land has an aggregate GAV of approximately €72.8 million (as estimated by Savills in the Second Valuation Report). In addition, as of the date of this Prospectus, we have submitted letters of intent in respect of land estimated to allow the development of approximately 677 potential housing units in the aggregate. See “—Pipeline” above.

The table below shows our target housing marketing launches and target housing deliveries for the period 2017 – 2023. Our target average selling price for the units expected to be delivered in 2022 is €330,000-350,000 per unit.

Targets	2017	2018	2019	2020	2021	2022	2023
Target Housing Marketing Launches ⁽¹⁾	1,748	2,042	2,580	3,000	3,000		
% covered by land bank as of 30 June							
2017 + FAB May + Nagüeles ⁽²⁾	100%	100%	84%	65%	51%		
Target Housing Deliveries ⁽³⁾	0	231	1,055	1,986	2,438	3,063	3,326
% covered by land bank as of 30 June							
2017 + FAB May + Nagüeles ⁽²⁾	N/A	100%	100%	100%	83%	66%	56%

(1) Refers to housing units in respect of which marketing is expected to be initiated during the relevant year. As described under “—Detailed Business Overview—Detailed Value Chain—Housing Development” the commencement of sales start when developments are in the Marketing stage. We target to initiate the construction of 880 housing units in 2017, 1,893 housing units in 2018, 1,699 housing units in 2019, 2,706 housing units in 2020 and 2,776 housing units in 2021.

(2) We have made an initial payment of €10 million with respect to this development and may need to make additional payments of up to €13.2 million depending on whether the seller completes certain milestones. As of the date of this Prospectus, the purchase of this development has not been completed and the development has not been transferred to us yet. Following completion of this purchase, we will own 80.00% of this development project.

(3) Refers to housing units expected to be delivered during the relevant year.

We expect to achieve our unit target delivery plan by recurrently making new acquisitions of Fully Permitted Land (mostly Ready to Build Land). In particular, we intend to invest around €200-250 million on new acquisitions in the next two and a half years comprising land necessary to develop an estimated approximately 2,900 potential housing units (more than one fifth of which we have already acquired since 30 June 2017), which we expect to fund with the proceeds of the Offering, operational cash flow generation and, to the extent required, external funding. At run rate, we intend to invest the amounts required to meet our delivery targets. Our 2017-2023 Housing Development Plan is based on the

assumption that the blended compound annual growth rate of the home price appreciation for our developments will be around 3.4% per annum in the period from 2018 to 2023 and 3.8% per annum in the period from 2018 to 2021. We intend to maintain the investment policy initially laid out by Castllake and subsequently assumed by us upon our incorporation which seeks to maximize EBIT margin potential. We seek to invest in land where we believe we can achieve a target net development margin of at least 20% and an unlevered target internal rate of return (at a per potential project level) which is above 15%.

The table summarizes our operating targets.

Operating Targets	
Home units delivered per annum.....	~ 3,000 ⁽¹⁾
Average selling price per unit delivered (in euros).....	~ €30,000-350,000
Blended land net development margin	~ 25%
Existing land net development margin ⁽²⁾	~ 27%
New land net development margin ⁽³⁾	~ 22%
EBIT margin ⁽⁴⁾	~ 23%
ROCE ⁽⁵⁾	~ 20%
LTC ⁽⁶⁾	~ 30-35%

- (1) Target may be expanded, as explained in this section. We expect to achieve this target in 2022.
- (2) Refers to the target average net development margin for the Company's land bank as of 30 June 2017, as supplemented by the FAB May portfolio and Nagüeles, based on the acquisition cost, over the course of the 2017-2023 Housing Development Plan.
- (3) Refers to the target average net development margin for the Company's land bank acquired after 30 June 2017 (other than the FAB May portfolio and Nagüeles), based on the expected acquisition cost, over the course of the 2017-2023 Housing Development Plan.
- (4) Target average EBIT margin over the course of the 2017-2023 Housing Development Plan.
- (5) Run rate return on capital employed (pre-tax).
- (6) Maximum run-rate level of loan to cost.

Other Key Business Information

Employees

The tables below show our employees, divided by region, department and professional category, as of 31 December 2016, 30 June 2017 and 26 September 2017:

Region	31 December 2016	30 June 2017	26 September 2017
Madrid ⁽¹⁾	27	61	72
Cataluña.....	4	6	10
East & Mallorca.....	3	4	9
Costa del Sol.....	–	6	10
Rest of Andalucía	4	7	10
Total	38	84	111

- (1) Includes employees of our headquarters and our Madrid regional branch.

Department	31 December 2016	30 June 2017	26 September 2017
Business.....	21	50	64
Investment	2	5	5
Finance	8	9	9
Corporate (technical and administrative).....	7	20	33
Total	38	84	111

Professional category	31 December 2016	30 June 2017	26 September 2017
Management team	4	20	22
Middle management	21	15	26
Technical and clerical staff.....	13	49	63

Professional category	31 December 2016	30 June 2017	26 September 2017
Total.....	38	84	111

In the six months ended 30 June 2017 we had personnel costs of €2.6 million.

Information Technology Systems - Our AIRES Platform

AIRES is a set of cloud technologies and processes that enables us to optimize the way we sell homes while providing a superior experience to our customers. It provides sales, marketing and customer support by helping to track customer information and interactions in one place, automating complex business processes, nurturing leads and tracking the effectiveness of marketing campaigns. AIRES is composed, among other systems, by our client relationship management system (Salesforce) and our enterprise resource planning system (Prinex).

Quality, Innovation, Health and Safety

The Group's approach to continually improving its health and safety performance is focused on hazard elimination, risk reduction, regular monitoring, individual behavior, training and auditing. The Group aims to promote a culture in which occupational health and safety is an integral part of every business discipline. We have obtained the following quality management systems standards: ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System).

Material Contracts

The contracts set out below (not being contracts entered into in the ordinary course of business) have (i) been entered into by the Company or any entity within the Group within the two years immediately preceding the date of this Prospectus and are, or may be, material to the Group; or (ii) been entered into at any time by any entity within the Group and contain provisions under which any entity within the Group has an obligation or entitlement which is, or may be, material to the Group as of the date of this Prospectus.

Advisory Services Rendered by Merlin Properties

In the context of the creation of, and contribution of land assets to, AEDAS Homes (see “—History of the Group”), Merlin Properties was engaged by Castlake as independent advisor in relation to the creation and management of a single residential developer. Therefrom, Merlin Properties has provided us professional advisory services in connection with the setting-up of the Company and development of our business.

The services rendered by Merlin Properties to the Group mainly consist in professional advice in relation to management and development of all real estate projects owned by the Group from time to time, and they may extend to any stage in the value chain of the Group's residential development process.

Fees payable by the Company to Merlin Properties in consideration for these services amount to €250,000 per year (exclusive of any taxes), payable on a quarterly basis.

The retention of Merlin Properties as advisor to the Group shall end on 31 December 2017 except as otherwise agreed between the parties in writing.

The advisory services rendered by Merlin Properties do not entail any preferential rights, rights of first refusal or any other rights of Merlin Properties in respect of any real estate projects or assets that the Group may sell from time to time. Should Merlin Properties be interested in the acquisition of any real estate project or asset from the Group, any potential sale to Merlin Properties shall be assessed in the best interests of the Group, in view to maximize the value of the relevant project or asset for sale and, if applicable, any such transaction shall be carried out on an arm's length basis.

Furthermore, during the term of its services, Merlin Properties shall not directly or indirectly, for its own account or for the account of third parties, carry out any activity that may compete with us. In particular, without limitation, Merlin Properties shall not, without the prior written consent of the Company: (i) have any direct or indirect contact or discussions with any third party in respect of any actual or proposed co-investment or funding of any real estate asset or project that falls within the business scope of the Company and its subsidiaries; and (ii) provide services of any nature in relation to any company and/or real estate project that the Company or any of its subsidiaries may sell, to the buyer thereof (including, but not limited to, in the event of foreclosure, the financing bank).

In addition, the Castlake funds agreed to award Merlin Properties an incentive linked to the internal rate of return to be achieved by the Castlake funds in the Offering. The internal rate of return shall be calculated based on (i) the equity investments and contributions made by Castlake to the Group (including the amounts of share capital, share premium, shareholding financing and other owners' contributions to the Group), valued as of the respective date on which each such investment or contribution is made, and (ii) the value of all the existing and newly-issued shares of the Company upon Admission, considering the Offer Price. As such, the incentive payable by Castlake (through the Selling Shareholder) to Merlin Properties shall amount to €26 million or €31 million if the Offer Price amounts to €31.65 or €33.15, respectively (*i.e.*, the lower and upper ends of the Offer Price Range, respectively). The incentive payable to Merlin Properties shall in no event be lower than €6,000,000.

The incentive to Merlin Properties shall be payable in shares of the Company valued at the Offer Price (the “**Incentive Shares**”). The incentive shall accrue upon fulfilment of: (i) Admission; (ii) execution (*formulación*) by the Company's Board of Directors of the annual accounts corresponding to the fiscal year 2017; and (iii) publication of the Company's interim financial statements corresponding to the six-month period ending on 30 June 2018, provided the Company is not in an insolvency scenario at the date of such publication (the date on which the latest of the referred three conditions is met, the “**Date of Accrual**”). The incentive to Merlin Properties shall be paid within five business days following the later of (i) the Date of Accrual and (ii) 20 October 2018.

During the period from Admission until the Date of Accrual, Merlin Properties will not be entitled to exercise any economic or political right attached to the Incentive Shares. Therefore, the Selling Shareholder (or the entity holding the Incentive Shares from time to time) shall be entitled to exercise such rights at its entire discretion. Nevertheless, Castlake shall pay to Merlin Properties an amount equivalent to any dividend or distributions of any kind in relation to the Incentive Shares that Merlin Properties would have been entitled to receive if the Incentive Shares had been delivered.

Project Management Agreements and Marketing and Sales Agreements

We are party to five project management agreements, three of which were entered into by entities controlled by funds managed by Castlake prior to our incorporation and which relate to three ongoing residential development projects (“New Folies” in Mallorca – Andratx, “Arenal” in Alicante – Jávea and “Hacienda del Mar” in Alicante) and two of which relate to potential residential development projects which have not been launched yet (“Nagüeles” in Málaga – Marbella and “Pozuelo Monte 1 to 6” - Madrid). The first three of these residential development projects are owned by special purpose entities in which we have a controlling interest of 65.00%, 94.68% and 80.00%, respectively. With respect to “Nagüeles”, we have made an initial payment of €10 million for the acquisition of an 80.00% controlling interest in the special purpose entity that owns this development. As of the date of this Prospectus, this acquisition has not been completed yet and we may need to make additional payments of up to €3.2 million to the seller depending on whether the seller completes certain milestones. In each case, the signing of the relevant project management agreement was presented by the seller of our stake in each such development project as a condition for such sale.

In each of the residential development projects referred to above (except for “Pozuelo Monte 1 to 6” – Madrid, which is entirely owned by the Company), the remaining interest in the relevant special purpose entities is held by Promociones y Propiedades Inmobiliarias Espacio, S.L.U. (“**Espacio**”) except with respect to the “Arenal” special purpose entity in respect of which such interest is owned by Optimiza Asset Management, S.L. (“**Optimiza**”) and the “New Folies” special purpose entity, in which Bigchange Gestión, S.L. (“**Bigchange**”) also holds a stake.

The table below shows certain key information on each of these projects. With respect to “Nagüeles”, the stakes reflected below assume the completion of the related acquisition (which, as stated above, is still pending).

Development	GAV (in millions of euros)⁽¹⁾	GDV (in millions of euros)⁽¹⁾	AEDAS Homes' stake	Espacio's stake	Optimiza's stake	Bigchange's stake
Mallorca - Andratx	43.8	101.0	65.00%	12.50%	—	22.50%
Alicante - Jávea - Arenal	12.0	19.7	94.68%	—	5.32%	—
Alicante - Hacienda del Mar	26.2	40.9	80.00%	20.00%	—	—
Málaga - Nagüeles	17.1	83.8	80.00%	20.00%	—	—
Madrid - Pozuelo - Monte 1 ⁽²⁾	19.4	70.3	100.00%	—	—	—
Madrid - Pozuelo - Monte 2 ⁽²⁾	12.3	44.5	100.00%	—	—	—
Madrid - Pozuelo - Monte 3 ⁽²⁾	15.9	57.8	100.00%	—	—	—
Madrid - Pozuelo - Monte 4 ⁽²⁾	20.9	76.0	100.00%	—	—	—
Madrid - Pozuelo - Monte 5 ⁽²⁾	20.9	76.0	100.00%	—	—	—
Madrid - Pozuelo - Monte 6 ⁽²⁾	20.9	76.0	100.00%	—	—	—

(1) Based on the First Valuation Report (calculated as of 30 June 2017), except with respect to “Nagüeles” which is covered by the Second Valuation Report (calculated as of 30 June 2017).

- (2) The project management agreement relates to an area comprising approximately 45,000 square meters, out of the approximately 92,000 square meters covered by Madrid-Pozuelo-Monte 1, Madrid-Pozuelo-Monte 2, Madrid-Pozuelo-Monte 3, Madrid-Pozuelo-Monte 4, Madrid-Pozuelo-Monte 5 and Madrid-Pozuelo-Monte 6.

Under the five project management agreements referred to above, a third party (the “**manager**”), Lualca Desarrollos Inmobiliarios, S.L. for projects “Pozuelo - Monte 1 to 6” - Madrid and Espacio for the remaining projects, is directly responsible for the management of the relevant residential development projects. With respect to the three ongoing projects, we comprehensively supervise all processes related to such developments (such as the construction works to ensure compliance with the agreed work schedule, budget and quality, the financial aspects of the project, its marketing, accounting, tax, legal matters, compliance procedures, etc.). Below is a brief description of the main terms of these project management agreements.

Main responsibilities of the manager. The manager has undertaken to manage the development and construction of the relevant residential development projects, including preparing and/or developing the relevant project plan in accordance with an approved budget. The manager must complete construction and deliver the project with all permits, licenses and authorizations within a specified period. In addition, in the case of “New Folies”, “Pozuelo - Monte 1 to 6” and “Nagüeles”, the manager has also undertaken to manage the marketing and sale of such projects, including assisting in the preparation of the commercial and marketing plan, assisting buyers in all matters ancillary to the purchase and providing post-sale services. Such marketing and sale services are expressly excluded from the agreements pertaining to “Arenal” and “Hacienda del Mar”, in respect of which such services are carried out by Optimiza under separate agreements, as further indicated below.

Compensation. In exchange for its project development services, the manager will receive a flat fee of approximately €1.63 million (plus VAT) in the case of “New Folies”, €336 thousand (plus VAT) in the case of “Arenal”, €730 thousand (plus VAT) in the case of “Hacienda del Mar”, 5% of the costs of the project (plus VAT and excluding the cost of the land plot, taxes and financial, management and commercial fees) in the case of “Nagüeles” and 5% of the costs of the project (plus VAT) plus €2 million at the time of approval of the urbanization project in the case of “Pozuelo - Monte 1 to 6”. Such fee will be disbursed in instalments upon accomplishment of certain milestones (e.g., filing of the building permit application). In addition, in the case of “New Folies”, “Pozuelo - Monte 1 to 6” and “Nagüeles”, in exchange for its commercial services, the respective manager will receive a fee of 6.75% of net sales (plus VAT), 4.00% of net sales (plus VAT) and 2.00% of net sales (plus VAT), respectively. In addition, Espacio is entitled to an incentive fee of 5% over any net revenue from sales of units that it manages to generate in excess of the business plan’s projections.

Termination. The owner of the project (i.e., the relevant special purpose entity) may unilaterally terminate the agreement at any time by giving two- or three-month prior notice and paying all fees already accrued by the manager (and, in the case of “Pozuelo - Monte 1 to 6”, a penalty of up to €2 million if termination is for no cause), except that in the case of “New Folies”, with respect to commercial services, the owner may terminate such engagement only in the event of a breach by Espacio of its obligations or in the event of a sale of the project or the land plot to a third party (in which case Espacio will be entitled to 1% of the net proceeds of such sale). In addition, the owner may terminate the agreement due to unauthorized cost overruns (10% in excess of budgeted amounts), delivery delays attributable to the manager (in excess of three months) and other customary conditions (unlawful behavior, harm to reputation, loss of key executives or failure to obtain necessary permits).

In addition, in connection with “Arenal” and “Hacienda del Mar”, the owners of such projects have entered into separate agreements under which Optimiza has undertaken to act as real estate consultant on an exclusive basis for the marketing and sale of such projects. In exchange for its commercial services, Optimiza will receive a fee of 4.5% of net sales (plus VAT) for units sold to Spanish customers and 6.5% of net sales (plus VAT) for units sold to foreigners. Optimiza is also entitled to an incentive fee of 25%, 30% or 35% of net returns in excess of the business plan estimates, depending on the percentage of such excess. The owner of these projects may unilaterally terminate these agreements at any time by giving one-month prior notice and paying all fees already accrued by Optimiza. In addition, the owner may terminate the agreement due to underperformance and other customary conditions (unlawful behavior, harm to reputation, loss of key executives or failure to obtain necessary permits).

Material Contracts Relating to the Offering

For a description of the material contracts relating to the Offering, see “*Plan of Distribution*”.

Litigation

As of the date of this Prospectus, the Company is not, and during the previous 12 months has not been, involved in any material governmental, legal or arbitration proceeding which may have or have had in the recent past significant effects on the Company’s financial position, other than tax audits undergone in the ordinary course of business.

Insurance

We maintain insurance of the type and in amounts that we believe are commercially reasonable in line with business practice in our industry. In particular, we have insurance policies in place covering risks related to property damage, general and decennial liability, directors and officers (D&O) liability and life.

Intellectual property

We own the trademark “AEDAS Homes” as well as the website “www.aedashomes.com” and equivalent domains with different country extensions. We have also registered or applied for registration of trademarks and internet domains relating to some of our Properties.

INDUSTRY OVERVIEW

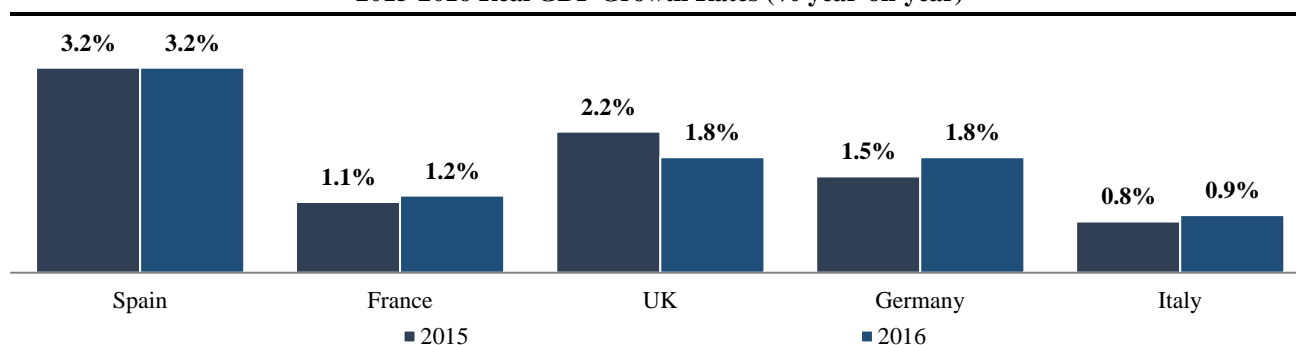
Macroeconomic Overview

The Spanish economy rapidly grew following the Country's entry into the European Community in 1986, with gross domestic product ("GDP") growing 64.4% between 1985 and 2005. The Spanish construction sector was an outsized contributor to this growth and by 2006 it represented c. 18% of the overall Spanish economy. This growth, coupled with low interest rates and large-scale immigration, produced a credit boom that started at the end of the last century, which in turn led to a real estate bubble that peaked in 2007. By 2007, in Spain there were more new constructions than in France, Germany, or Britain, and the sector accounted for c. 14% of Spanish employment. The global financial crisis that began in 2008 did not spare Spain, and the resulting downturn and European sovereign debt crisis decimated the Spanish economy, especially the Spanish construction industry (source: CBRE, Eurostat).

The summer of 2012 was a turning point for the Spanish economy as the European Central Bank intervened with pledges to support the common currency and EU authorities granted the Spanish Fund for Orderly Bank Restructuring (*Fondo de Reestructuración Ordenada Bancaria* or "FROB") access to a financial assistance program of €100 billion. In July 2012, a Memorandum of Understanding was signed between Spanish and European authorities that led to the reorganization of the Spanish banking sector and the creation of SAREB, a Spanish "bad bank" designed to hold Spanish real estate assets from financial institutions, allowing those institutions to clean up their balance sheets from their overexposure to the construction and real estate sectors. SAREB was seeded with c. 200,000 assets, representing approximately €1 billion in value, of which approximately 80% were loans linked to the real estate sector and approximately 20% were real estate assets (sources: CBRE, SAREB).

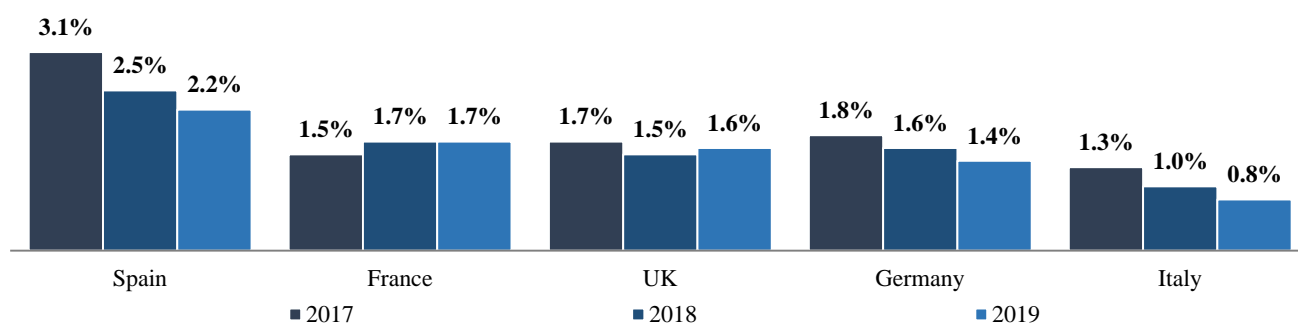
Supported by the easing of financing conditions and the change of perception of Spain as a source of "systemic risk", the Spanish economy bottomed out in 2013 and has been recovering since then, with GDP growing and unemployment falling. Real GDP grew by 1.4% in 2014, accelerating to 3.2% in both 2015 and 2016 (source: IMF). The 2015-2016 growth rates make Spain one of the fastest growing advanced economies in the world and the Bank of Spain predicts real GDP will continue to grow in the coming years at a high rate (3.1% in 2017E, 2.5% in 2018E, and 2.2% in 2019E). The IMF's growth forecast for 2017E was raised from 2.6% to 3.1% in July 2017. These growth rates compare favorably to most other major European economies as seen in the illustration below.

2015-2016 Real GDP Growth Rates (% year-on-year)



Source: IMF July 2017

2017E-2019E Real GDP Growth Rates Forecast (% year-on-year)

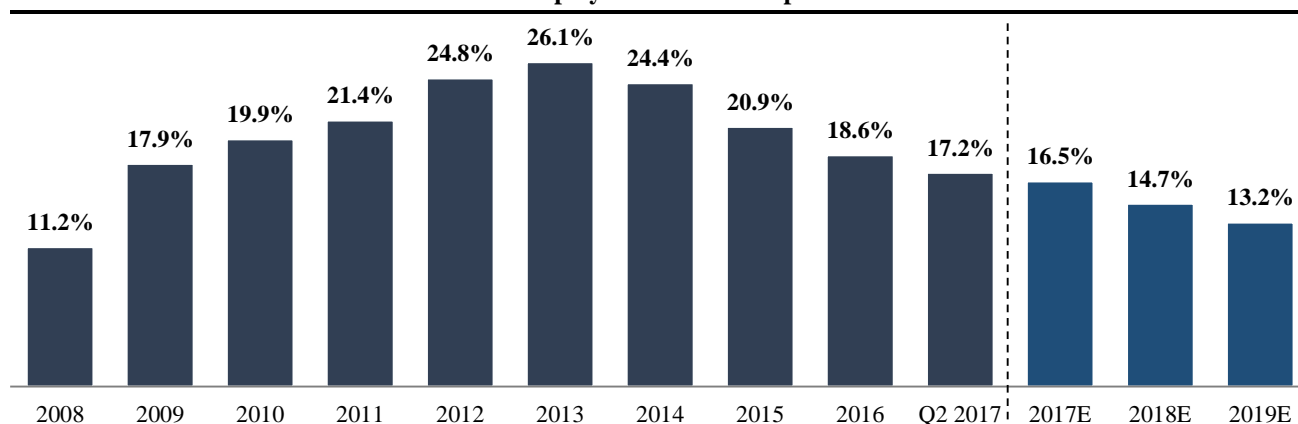


Source: Bank of Spain June 2017, IMF July 2017

Domestic demand is the main driver of the economic recovery in Spain and both, investment and private consumption levels, have recovered over the past several years. As an example, private consumption (defined as final consumption expenditure of households and non-profit institutions serving households, which are separate legal entities as trade unions, professional societies, political parties, churches, charities or sports clubs) grew at 3% year-on-year in 2015 and 4% in 2016 (sources: CBRE, Eurostat). Domestic demand has been driven largely by declining unemployment levels and the financial strengthening of Spanish households.

The recovery in the Spanish economy has also translated into a recovery in the labor market. Historically, Spain has suffered from a higher unemployment rate than many of its European peers with an average pre-crisis rate of c. 10% over the 2002-2008 period. During the downturn, Spain's unemployment rate increased substantially, peaking at 26.9% in the first quarter of 2013. However, the recovery that began in 2013 has helped lowering unemployment levels, which as of the second quarter of 2017 stood at 17.2%. This is below 2009 levels and the lowest rate in seven years (source: INE). As the economy continues its upward trend over the next few years, the IMF expects this unemployment rate to keep falling at the pace shown in the graph below.

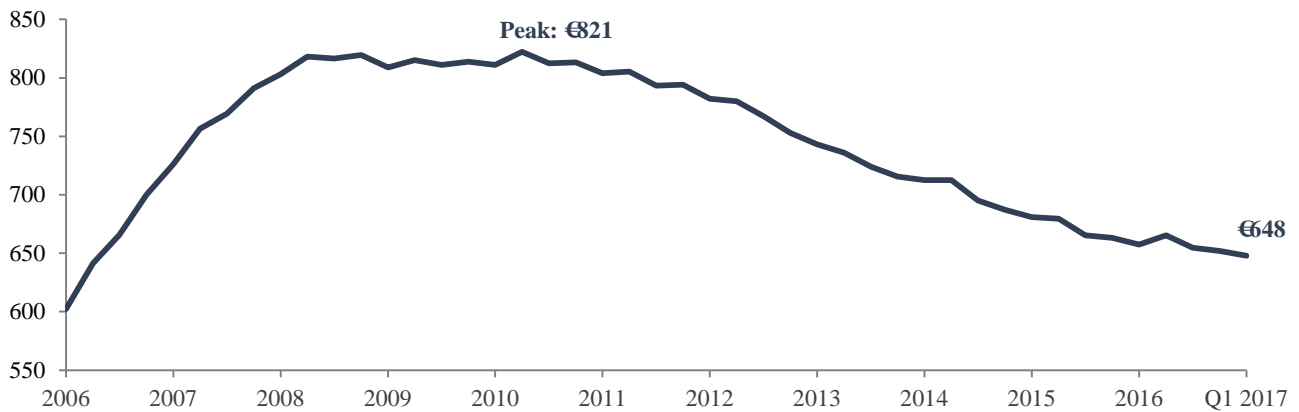
Unemployment Rate for Spain



Source: IMF, Bank of Spain, June 2017

The Spanish macroeconomic recovery has also had a positive impact on the microeconomic front. Since 2010, households have been following a process of deleverage and are now much more financially strong than during the years of the crisis. Households' stock of loans has declined from a peak of €322 billion in 2010 to €52 billion by the end of 2016, representing a c. 21% decline (source: Bank of Spain). This frees up household balance sheets to make larger investment decisions, including the acquisition of new homes, and should help support residential demand.

Households' Stock of Loans (€in billions)



Source: Bank of Spain, March 2017

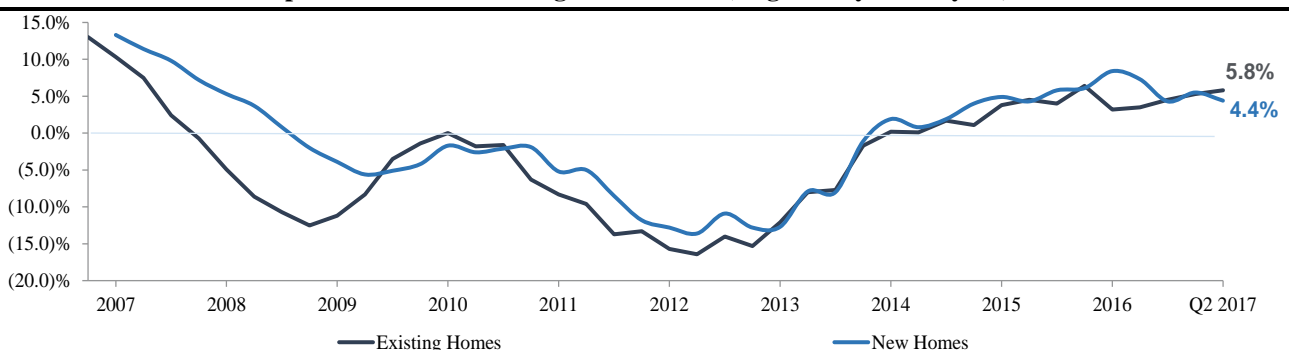
In addition to improvement in domestic demand, exports have played a key role in pulling the country out of its recession. Exports have strengthened (the weight of exports of good & services in GDP has increased from 21.9% in the first quarter of 2009 to 35.3% in the first quarter of 2017) (source: *Tesoro Público*), with declining labor costs increasing the country's productivity (the average total cost per worker per month has declined since the fourth quarter of 2012, reaching €2,650 by the fourth quarter of 2016 (down 0.8% year-on-year vs. the fourth quarter of 2015) (source: CBRE). The country's current account balance, which was running at a deficit throughout the 1990s and 2000s, recorded a surplus in 2013-2016, and the IMF predicts this to continue (sources: CBRE, IMF).

Residential Prices Considerations

Spanish housing prices grew since 1994 and reached its peak in 2007. The global financial crisis burst Spain's property bubble in 2008, resulting in the collapse of the Spanish property and homebuilding sector and triggering a free fall of housing prices from 2008 to 2013.

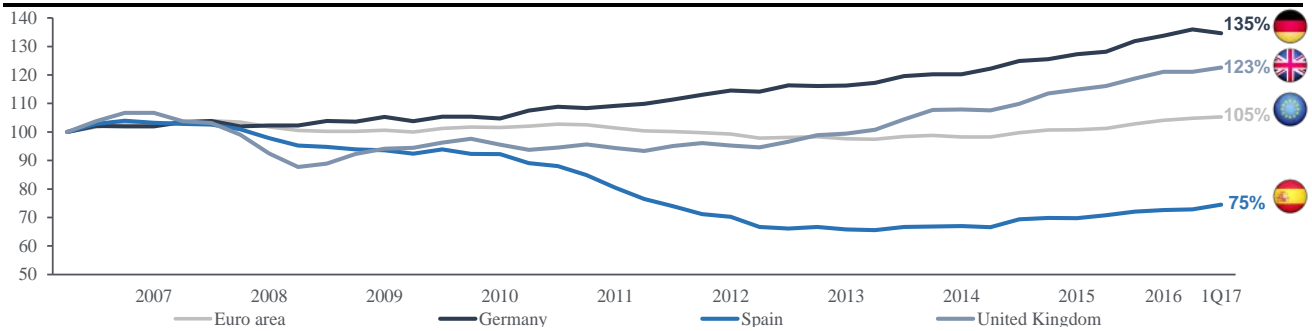
Since the end 2014, home prices have experienced progressive growth. Prices in the second quarter of 2017 grew c. 5.6% year-on-year considering both new and existing homes (source: INE), largely driven by favorable supply and demand dynamics and the macroeconomic recovery. However, they still remain approximately 25% below 2007 highs (source: Eurostat), and well below recovery levels of other European countries (source: INE), representing significant potential upside for homebuilders who are able to enter the market in the next several years, exploiting a market which is currently suffering from an structural imbalance between demand and supply.

Spanish New and Existing Home Prices (% growth year-on-year)



Source: INE, September 2017

Spanish Home Prices Evolution vs European Countries (%)

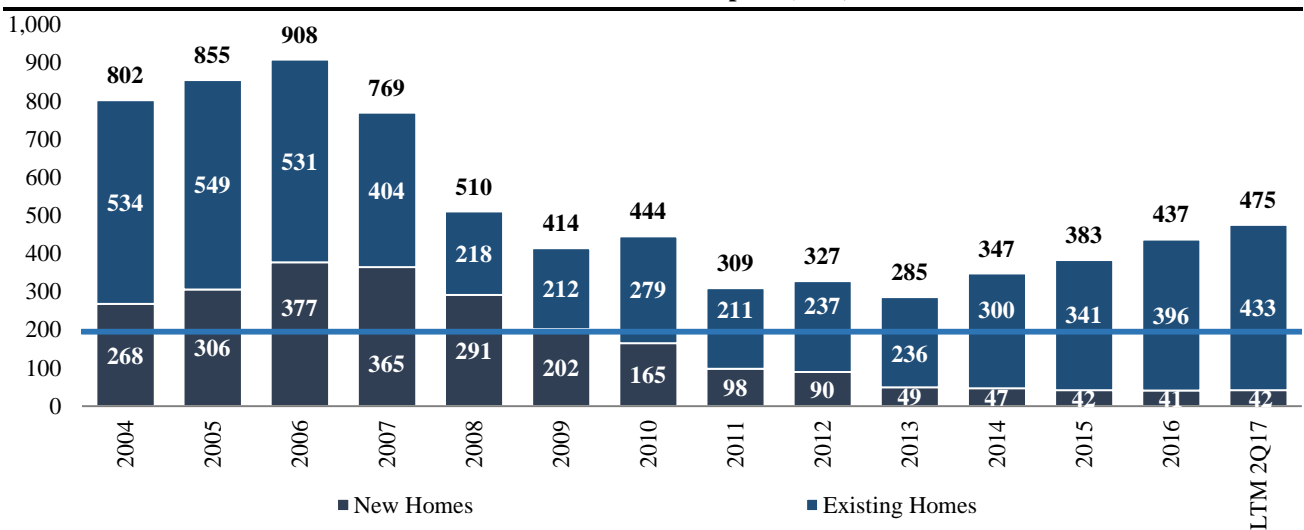


Source: Eurostat, July 2017

Residential Demand Considerations

The arrival of the financial crisis in 2007-2008 had a dramatic effect on the Spanish residential homebuilding sector. The total number of housing transactions declined from 908 thousand in 2006 to 285 thousand in 2013. New home transactions fell from 377 thousand to 49 thousand over the same period (source: *Ministerio de Fomento*). This sharp decrease in transactions was driven by a reduction in domestic demand, overall recession of the Spanish economy and, more importantly, by the decline in loans granted by the banking sector to both home purchasers and homebuilders.

Overall Home Sales in Spain ('000)



Source: Ministerio de Fomento, September 2017

Since 2013, demand has been recovering (from 285 thousand home sales in 2013 up to 437 thousand in 2016 and 475 thousand over the twelve month period ending in the second quarter of 2017) with 2016 representing the best performing year since the financial crisis (source: *Ministerio de Fomento*). The increase in transactions has mainly been driven by sales of existing homes. While economic recovery, employment creation and affordability metrics explain the rise in existing homes transactions, the relatively slowdown in net household creation and the lack of new developments during and immediately after the financial crisis explain the weaker number of new home transactions. This imbalance between existing homes and new homes transactions suggests significant headroom for new home builds.

Moreover, current market dynamics observed in Spain point to a strengthening demand for both, new and existing homes, over the following quarters. The main factors showing positive signs are:

1. Macroeconomic recovery

Existing macroeconomic conditions are supportive of increasing demand for housing properties. In 2015 and 2016, Spain was ranked as one of the fastest growing economies in the Eurozone in terms of GDP growth. This, coupled with the lowest unemployment rate in eight years, is fueling a consistent growth in private consumption and an outlook that remains very positive.

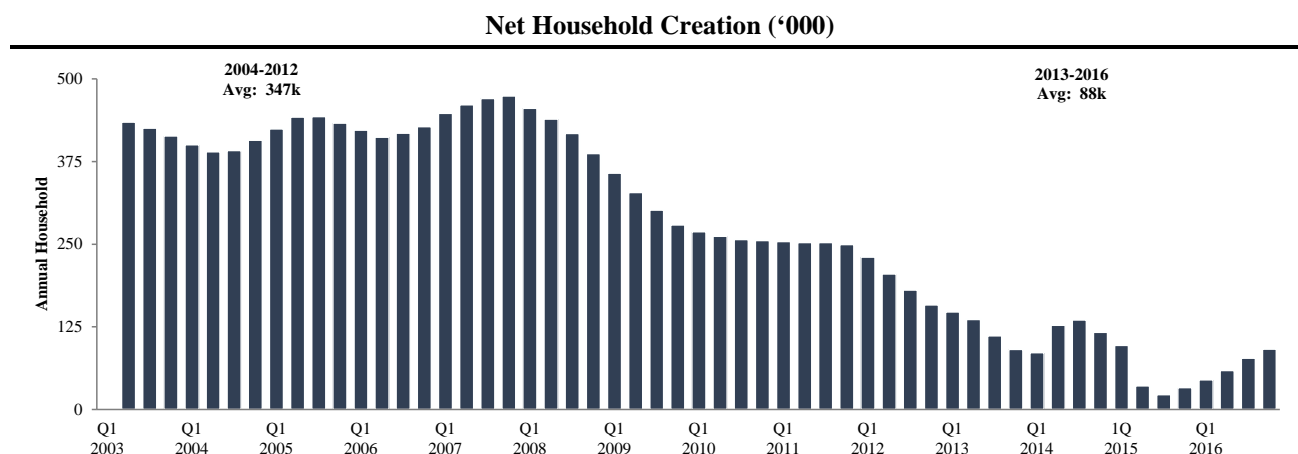
Additionally, the macroeconomic outlook is increasingly improving as demonstrated by the successive improvement of GDP and unemployment forecasts from the Bank of Spain since June 2016.

2. Net growth in number of households

The previous growth cycle in Spanish homebuilding was largely driven by an increasing population coupled with urbanization. Net household creation has been c. 2.2 million over the 2006-2015 period. This growth rate of 14% has been higher than Spain's closest EU peers with France showing 10% growth, the UK showing 7% growth, and Germany showing 3% growth (source: Eurostat).

Today, Spain's demographic profile includes both positive and negative indicators for the Spanish homebuilding industry. The Spanish population, like that of its EU peers', tends to be aging and shrinking with c. 55% of the population over the age of 35 and the expectation that Spain will lose 1.2% of its population over the next 15 years and 11.6% over the next 50 years if current demographic trends hold (sources: INE, CBRE).

Despite this expected contraction in Spain's overall population, net household creation, a key driver of housing demand, is expected to increase (source: Bank of Spain). While household creation has slowed over the past three years and has dropped from an annual average of 347,000 from 2004-2012 to under 100,000 between 2013 and 2016 (source: CBRE), the Bank of Spain expects continued net household growth for the 2015-2029E period.



Source: INE; Spanish Active Population Survey (Encuesta de Población Activa or "EPA"), December 2016

The Bank of Spain expects between 63,000 (base case) and 238,000 (bull case) household creation per annum for the 2015-2029E period, which will be a large driver of residential demand. The Bank of Spain believes the key factors driving household growth over this period will be: (i) shrinking household size (Spain's households have shrunk in size from 2.7 persons to 2.5 persons over the 2006 to 2015 period) (source: Eurostat); (ii) rising percentage of young households (those with a member under 30) have increased from 2.7% in 2005 to 5.4% in 2010 (source: Eurostat); and (iii) immigration.

AEDAS Homes' focus regions are the ones which are expected to contribute to a significant part of Spain's household creation.

Expected Annual Net Household Creation by Region (2015-2029)

Region	Base Case / % of Total Spain	Bull Case / % of Total Spain
Madrid	21,030 / 33%	44,163 / 19%
Cataluña	2,247 / 4%	33,945 / 14%
Balearic Islands	2,425 / 4%	9,049 / 4%
Valencia	1,283 / 2%	21,958 / 9%
Andalucía	19,108 / 30%	42,126 / 18%
Subtotal AEDAS Homes Focus Regions	46,093 / 73%	151,241 / 64%
Total Spain	62,777	237,591

Source: Bank of Spain

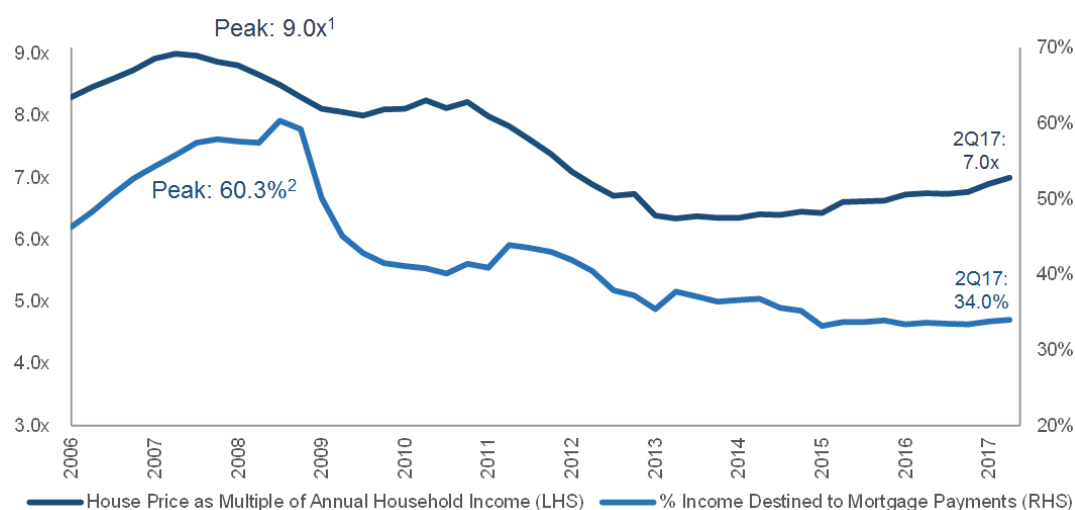
Household creation is the largest driver of demand (representing approximately 72% of the variation in housing purchases) as each new household created translates into 1.3 homes sold (source: CBRE).

3. Housing Price Affordability

The drop in housing prices has had a major impact on housing affordability. In the second quarter of 2017, home price as a share of average gross annual household income in Spain was 7.0 times, almost a third less than at the cyclical peak in 2007 (9.0 times) (source: Bank of Spain).

Moreover, the substantial reduction in mortgage interest rates has also eased the financing of home purchases. The mortgage burden in the second quarter of 2017 stood at 34% of gross annual household income, down from 60% in 2008. With the current favorable macroeconomic environment and housing prices adjusting to more sustainable levels, the rise in housing demand will depend on the ability of households to obtain financing.

Housing Affordability (x) and Mortgage Burden (%)

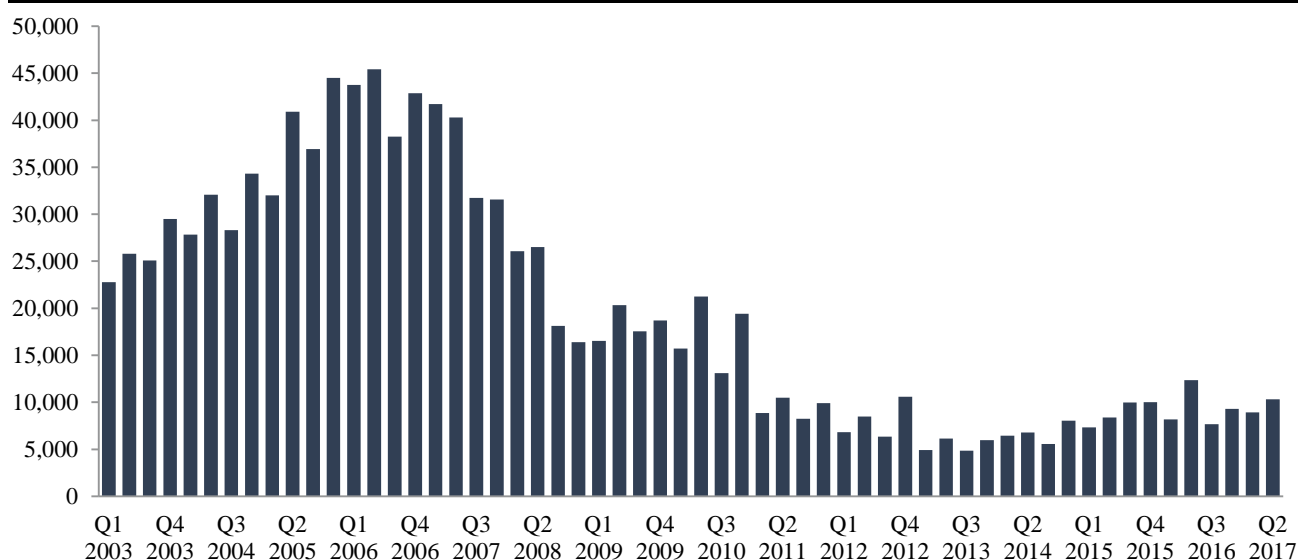


Source: Bank of Spain, September 2017

4. Mortgage Availability

Mortgage lending activity was significantly slowed down during the prior decade, but since 2013 lending activity for housing has increased (lending volume was up 23% in 2014, 33% in 2015 and 5% in 2016) (source: Bank of Spain). The growing demand for housing and the high levels of household deleveraging are stimulating mortgage lending activity. According to the Bank of Spain, the volume of outstanding mortgage loans to households shrank from 63% to 50% of GDP between 2010 and 2016. Although the outstanding loan balance has shrunk, the volume of new loans to households and non-financial institutions for home purchases has increased over the past several years. Still far below the 2006 peak (€170 billion), new loan volumes are showing signs of recovery, growing from €22 billion in 2013 to €37 billion in 2016, which is equivalent to a c.20% compound annual growth rate (“CAGR”). 2017 is also showing positive trends with a 9% increase in the first quarter of 2017 year-on-year (from €8.1 billion to €8.9 billion) (source: Bank of Spain).

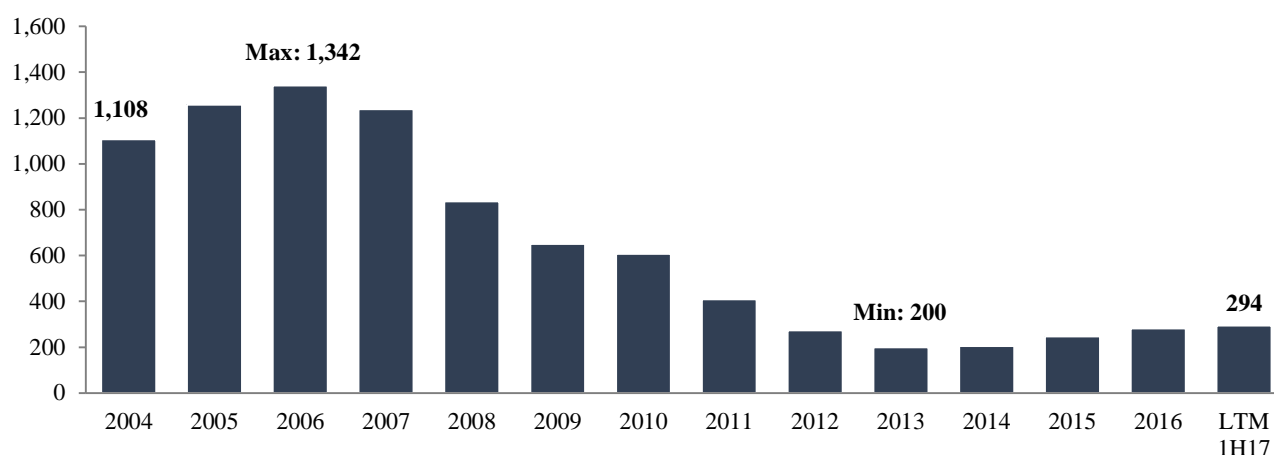
Volume of New Loans for House Purchase (€m)



Source: Bank of Spain, June 2017

The recovery in signing of new residential mortgages helps to explain the increase in the number of transactions and provides positive expectations for the sector as it shows access to loans is improving for homeowners. Improving since its 10-year low in 2013 of 200 thousand, the number of new mortgage approvals reached c. 282 thousand in 2016, representing a 14% year-on-year growth compared to 2015 on the back of rising loan to value (“LTV”). Mortgage approvals in the first six months of 2017 have already reached 159 thousand, representing an 8.0% year-on-year growth compared to the same period of 2016 (source: INE).

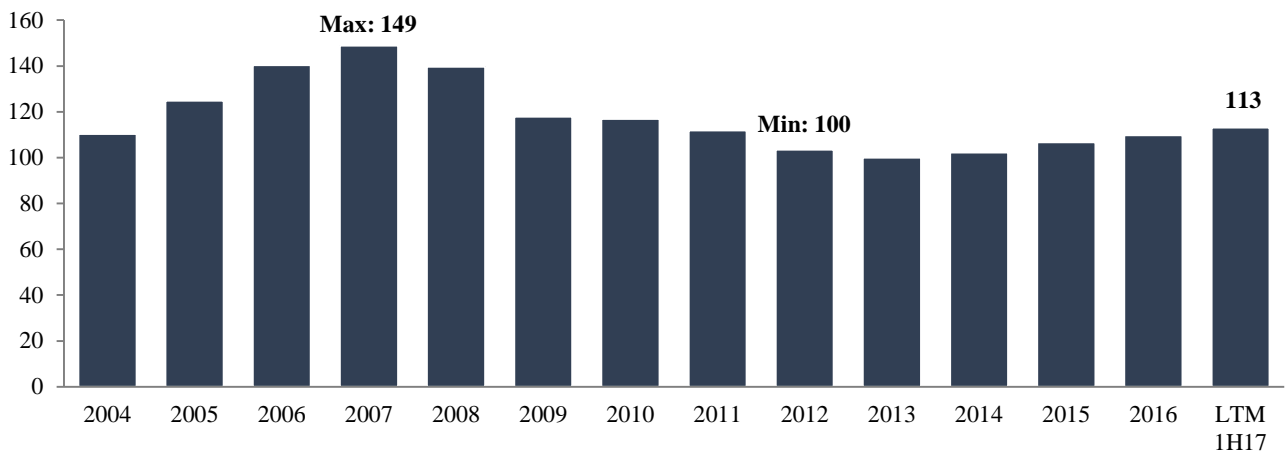
New Mortgages to Housing (‘000)



Source: INE, September 2017

Increasing mortgage size is also supporting the positive trend in residential development. After a historic low of c. €100,000 in 2013, the average size has started to increase. 2014 – 2016 saw 2.2% to 4.4% growth per annum. The rise is mainly driven by higher home prices as well as increased LTVs that banks are willing to lend (source: INE).

Average Mortgage Amount (€'000)

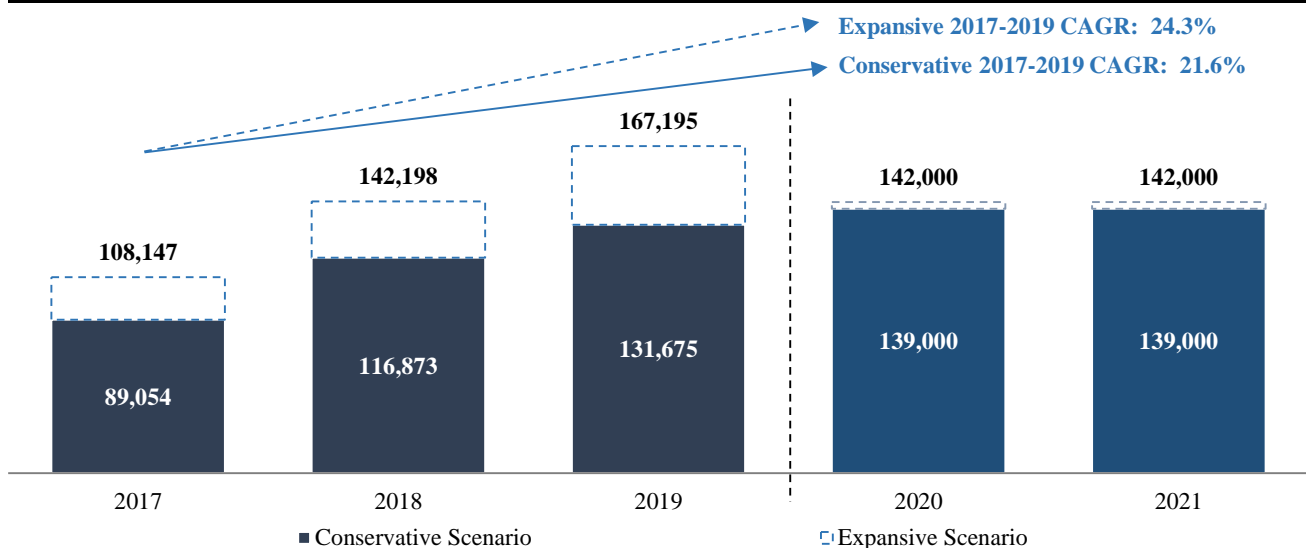


Source: INE, June 2017

Demand Analysis and Outlook

CBRE's estimated potential new-build housing demand is 89-108 thousand units for 2017E, 117-142 thousand units for 2018E and 132-167 thousand units for 2019E. We expect new-build residential property deliveries in Spain to stand at an average of 139 thousand to 142 thousand units per year for the 2020-2021 period. These estimates are based on the assumption of increasing household creation, as well as on the persistence of the current market conditions and demand drivers discussed above.

Potential Estimated Demand for New Homes (# units)



Source: CBRE, May 2017

Residential Supply Considerations

Overall Supply Constraints

As mentioned above, the global financial crisis in 2007 had a devastating effect on the Spanish homebuilding sector. The collapse in demand, combined with the shut-down of financing for new development projects prompted the liquidation or restructuring of the major Spanish homebuilders.

In light of this, the Spanish real estate sector is highly fragmented. In 2016 there were over 70,000 companies registered as real estate developers, which equates to a reduction of almost a third since 2008. The large majority of these companies do not have any employees or have 1 or 2 employees, suggesting that a good number of these companies may be inactive. In addition, the number of large companies (those with more than 50 employees) collapsed by almost 65% between 2008 and 2016. In light of this collapse, the number of major players in the market today is relatively small and

only 0.6% of all property developers are large companies (over 10 employees). Amongst those, the sector leaders include a group of just a dozen players with a significant volume of assets (over €100 million) and with development activity generating gross revenues exceeding €40 million per annum (source: INE Central Business Register (*Directorio Central de Empresas* or “DIRCE”).

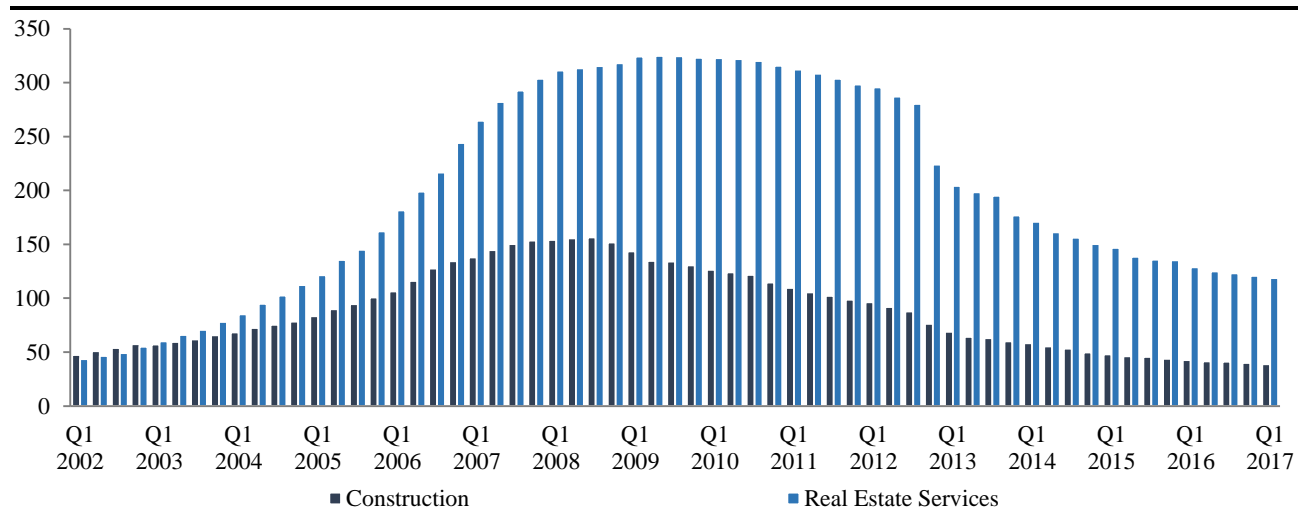
Spanish Homebuilders Pre and Post-Crisis (#)			
	2008	2016	% Decrease
Number of companies with more than 50 employees	144	51	(64.6)%
Number of companies with 1 to 49 employees	34,430	12,250	(64.4)%
Number of companies with no employees	71,801	58,145	(19.0)%
Total	106,375	70,446	(33.8)%

Source: CBRE, December 2016

The collapse of several of the major homebuilders and weaknesses at the surviving traditional homebuilders have translated into a limited supply of new homes coming to market. This was exacerbated by the lack of financing for new development projects as well as a long period of weak housing demand, which deterred new players from entering the sector.

In addition to the collapse of homebuilders, financing to the sector largely dried up. The outstanding volume of loans from financial institutions to the development sector (€1204 billion in the fourth quarter of 2016) today represents less than a third of the outstanding developer loans in 2008 (€318 billion in the fourth quarter of 2008). Furthermore, bank lending volume to the construction sector dropped over the same period from €152 billion in the fourth quarter of 2008 to less than €40 billion in the fourth quarter of 2016 (source: Bank of Spain). However, recent data from 2016 points to a stabilization of lending levels as the decrease was of €4.0 billion ((9.2%) year-on-year) in 2016 vs. a decrease of €5.8 billion ((11.7%) year-on-year) in 2015.

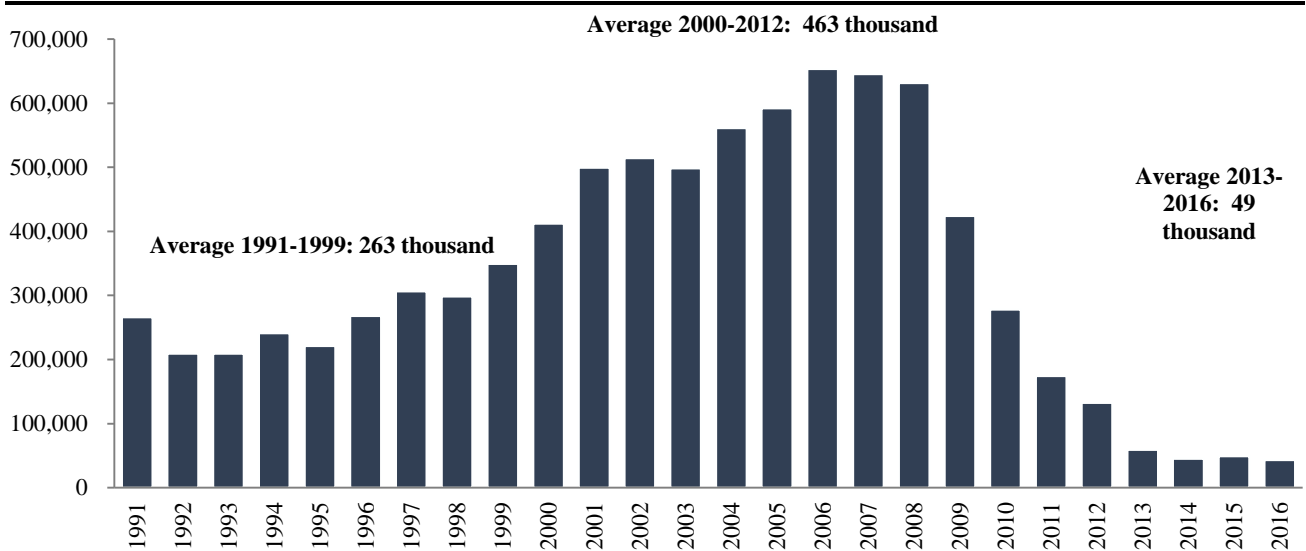
Loans to the Construction and Real Estate Sector (€bn)



Source: Bank of Spain, March 2017

The lack of financing and limited number of sizeable players has impaired the supply of new homes in recent years and housing production still lags behind current demand. While the average number of housing completions from 2000-2012 was approximately 465 thousand units per annum and the average number from 1991-1999 was approximately 268 thousand units per annum, the average number of housing completions from 2013-2016 has only been approximately 50 thousand units per annum, with only 41,323 units developed in 2016 (source: *Ministerio de Fomento*).

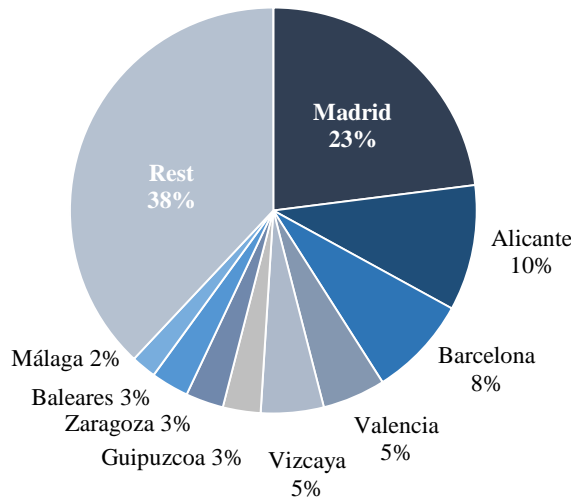
Housing Completions (#)



Source: CBRE, December 2016

As of December 2016, residential developments were being carried out in affluent markets with solid demand such as Madrid, Alicante and Barcelona, which together accounted for 41% of the approximately 41,300 housing completions in 2016 (source: *Ministerio de Fomento*).

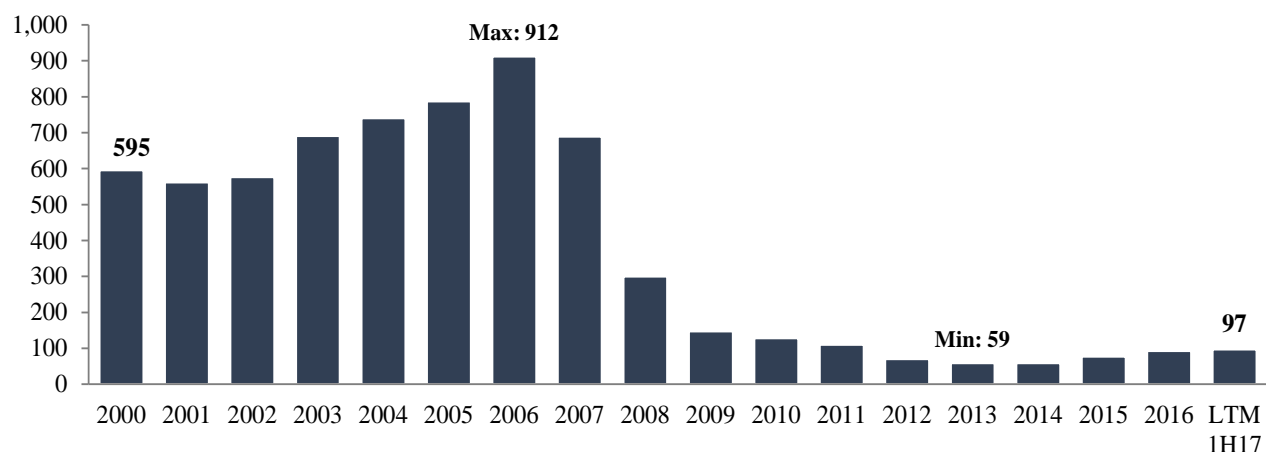
Housing Completions (%)



Source: *Ministerio de Fomento*, May 2017

Although all key indicators signal a recovery, the supply side is still expanding at a very slow rate. In 2016, the number of residential construction licenses had increased by almost 30% reaching 64,000 units in December, which is still 93% below peak levels in 2006 (source: *Ministerio de Fomento*).

Permits Granted for New Homes ('000)

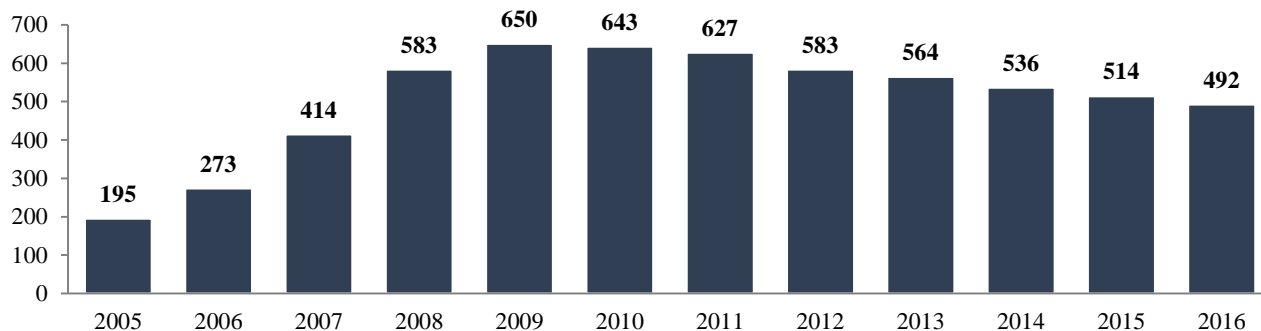


Source: Ministerio de Fomento, March 2017

Stock of New Homes

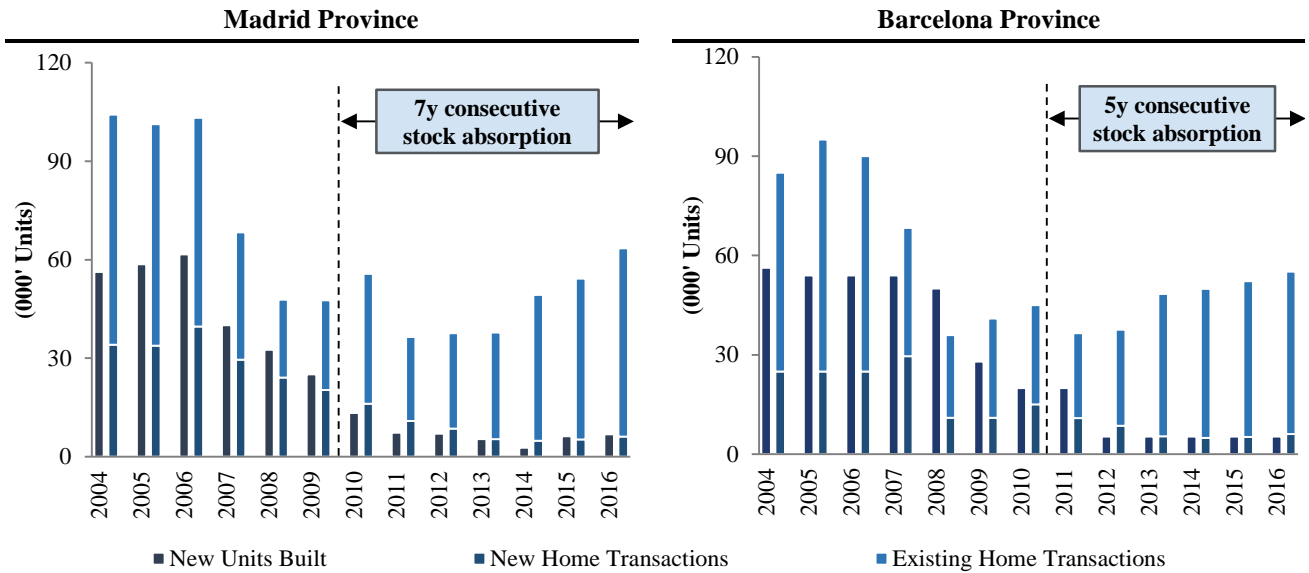
As a result of the structural undersupply, the stock of new homes has been falling over the last several years, with transactions in existing homes recovering since 2013. While this trend is expected to continue in the coming years, part of this existing unsold housing stock (between 22-28% of the total), represents undesirable developments that were constructed during the boom right before the global financial crisis and is considered “off market” and will likely never be sold (source: *Ministerio de Fomento*, CBRE).

Evolution of Newly Built Homes Stock ('000 Units)



Source: Ministerio de Fomento, December 2016

Housing stock absorption (defined as higher number of new home transactions vs. new units built) has been even stronger in the regions where AEDAS Homes primarily operates, with Madrid seeing seven consecutive years of stock absorption and Barcelona seeing five consecutive years of stock absorption, translating into the highest price increases year-on-year in Spain as of the first quarter of 2017 (source: *Ministerio de Fomento*).



Source: Ministerio de Fomento, December 2016

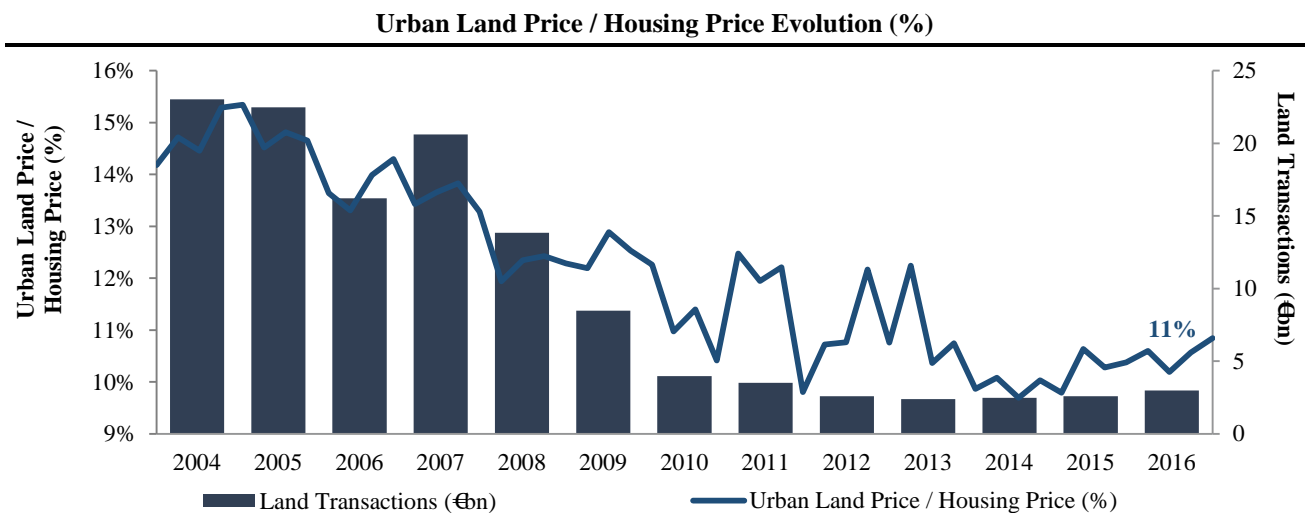
Spanish Land Market Dynamics

As illustrated above, the structural imbalance in supply and demand is creating pressure on housing prices. New emerging homebuilders are trying to seize this opportunity by acquiring large land banks for future development, as a means to take advantage of expected upside in the housing sector. This potential opportunity is explained by a number of factors, as described below.

A collapse of the land market

The collapse of the Spanish housing market also led to the collapse of the Spanish land market with the number of transactions falling significantly during the crisis. Land prices in Spain plummeted across the country during and after the crisis (from €85/sqm. average urban land price in the third quarter of 2007 down to €42/sqm. in the first quarter of 2014, or approximately 50% from peak to trough). Similarly, the market for land dried up and declined from nearly €20 billion of transactions in 2007 to c. €2 billion annually from 2012 onwards (source: Ministerio de Fomento).

Land price adjustment has been larger than in finished housing, driving the land price to housing price ratio to historical lows and offering potential for recovery even in the event of limited housing prices increases.



Source: Ministerio de Fomento, December 2016

Large amounts of land available in hand of “non-natural” owners

The large amounts of land in the hands of “non-natural” owners such as financial institutions, SAREB and private owners have also contributed to further depress land prices.

The introduction of new players in the housing sector has allowed these owners to begin reducing the amount of land they hold. These owners have limited interest in developing the land but still retain large amounts of it, offering further acquisition opportunities for homebuilders.

The *Ministerio de Fomento* quantifies the land ready to build or becoming fully permitted land over the next five years in Spain to be the equivalent of approximately 2.3 million housing units. Out of this, AEDAS Homes considers that between 1 million and 1.1 million are in areas expected to attain significant demand interest.

Competition and Key Market Players

The global financial crisis in 2007 had a very pronounced effect on the Spanish residential property sector and on Spanish homebuilders, resulting in the disappearance of the majority of the large residential developers in Spain as long-term listed concerns, as they were either forced to file bankruptcy or were liquidated or restructured.

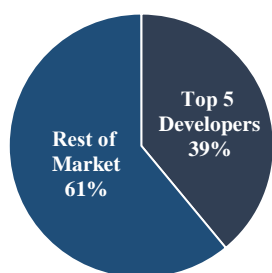
As the recession in Spain came to an end in 2014, a new professionalized real estate sector began to emerge, fueled by the rapid increase in foreign capital allocated to this asset class. The commercial property segment benefited first, and Spain witnessed the emergence of a number of SOCIMIs (Spanish REITs) in 2014, who raised funds from international investors in the public capital markets (under the form of cash-boxes, due to lack of investable public securities), building large portfolios across a broad array of commercial real estate assets following their listings. In parallel, the residential property market saw the arrival of international funds (including Castl lake, Lone Star and Värde Partners, among others), who provided liquidity to land at a time when Spanish domestic players had limited access to financing and Spanish financial institutions, SAREB and private homebuilders were desiring to decrease their exposure to land. In fact, Castl lake was one of the first acquirers of land post-crisis and was the first large scale institutional investor to transact with SAREB in 2014.

Today, the homebuilders backed by international funds are leading the industrialization and institutionalization of the sector, and some of them have already accessed the public capital markets or are looking to do so in the near future. A common feature of these new players is a clear focus on departing from previous failed Spanish homebuilding models, which suffered from excess leverage, speculative land and zoning risk and corporate governance failures, among other issues.

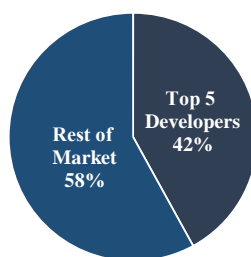
Similarly, small local players and select traditional homebuilders are also experiencing resurgence, supported by the recovery of loans to the sector.

Unlike other more mature and institutionalized homebuilding markets such as the UK or France, the Spanish market is highly fragmented, with AEDAS Homes’ top four competitors accounting for only c. 6% market share (defined as % of total new homes to be delivered in the next 18-21 months). These top four competitors include Neinor, Aelca, Kronos and Vía Celere. As mentioned before, AEDAS Homes started marketing its first units in 2016, and as such had no new homes delivered in 2016. Based on its 2017-2023 Housing Development Plan (as described in “*Business—2017-2023 Housing Development Plan*”), CBRE demand estimates (9-108 thousand units for 2017E, 117-142 thousand units for 2018E and 132-167 thousand units for 2019E) and our estimates for 2020E-2021 (139-142 thousand units per year), AEDAS Homes run-rate target would account for a 3% market share of the long-term expected average.

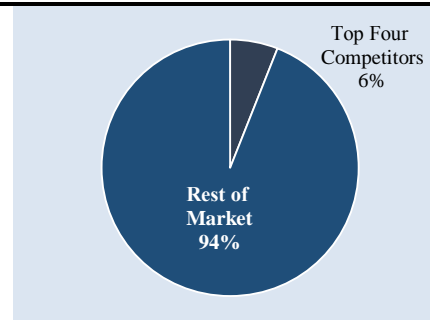
Estimated Market Share for New Homes Delivered by Number of Units



New Homes
Delivered: 141,000 units¹



2016 New Homes
Starts: 126,000 units²



New Homes in the next 18-21 months
Delivered: 40,000 units³

Source: Companies' Public Reports, CBRE, Ministerio de Fomento, St Louis Federal Reserve, and UK Department for Communities and Local Government

1. Based on 140,660 new dwelling completions for 2016 for England per Department for Communities and Local Government (includes 23,930 completions by Housing Associations and 2,080 completions by Local Authorities). Top-5 UK Developers include: Persimmon, Taylor Wimpey, Barratt, Bellway and Redrow for their FY 2016;
2. Based on 125,518 seasonally adjusted permits for new dwellings and residential buildings per the Federal Reserve Bank of St. Louis. Top-5 French Developers include: Nexity, Bouygues Immobilier, Altarea Cogedim, Kaufman & Broad and Icade for their FY 2016;
3. Private homebuilding market only (excl. social housing)

AEDAS Homes' potential competitors in the market include:

Institutional Established Player

Neinor (backed by Lone Star) went public in March 2017 and is the only sizeable publicly traded peer. Similar to AEDAS Homes, Neinor's goal is to institutionalize the market and become one of the leading homebuilders in the Spanish space in terms of size, footprint, visibility and homebuilding model. In addition to its development business line, Neinor also services Kutxabank's portfolio and owns a legacy portfolio of finished units which it is trying to sell, stemming from the original agreement with Kutxabank by which Lone Star acquired Kutxabank's real estate platform in 2015.

New Emerging Players

The weakened Spanish economy attracted international financial investors who have assembled land banks and development platforms to take advantage of the upward trajectory of the Spanish economy and homebuilding sector. Companies in this category have strong access to capital, supportive shareholders, and are active buyers of land. This includes Via Celere (backed by Värde Partners), Aelca (backed by Värde Partners) and Kronos (controlled by Kronos Investment Group). Metrovacesa Suelo, where Santander, BBVA and Popular are transferring part of their land exposure, is also expected to be one of the largest players in the market.

Local Spanish Players

These companies tend to be cooperative groups or family-owned businesses with strong local knowledge and/or ability to aggressively price in their markets. This set includes companies such as La Llave de Oro, Amenabar, Núñez I Navarro, Pryconsa and Insur.

Traditional Spanish Homebuilders

This category of companies includes Asentia, Realia, Reyat Urbis, TM Grupo Inmobiliario and Inmobiliaria Espacio, which tend to be significant owners of land.

Servicing Platforms

Servicers were primarily created by the major Spanish banks following the crisis to help sell the large number of assets that had developed on their balance sheets, and most of these companies were subsequently sold to international investors (Apollo, TPG, Cerberus, Värde, Blackstone, etc). Although some have begun development, homebuilding is a non-core activity for them as their goal is to liquidate the banks' and SAREB's portfolios, so they are unlikely to be long-term

competitors, and they could even be a source of additional land for AEDAS Homes. The largest servicers in Spain are Altamira, Servihabitat, Haya Real Estate, Solvia, Anida and Aliseda.

SAREB

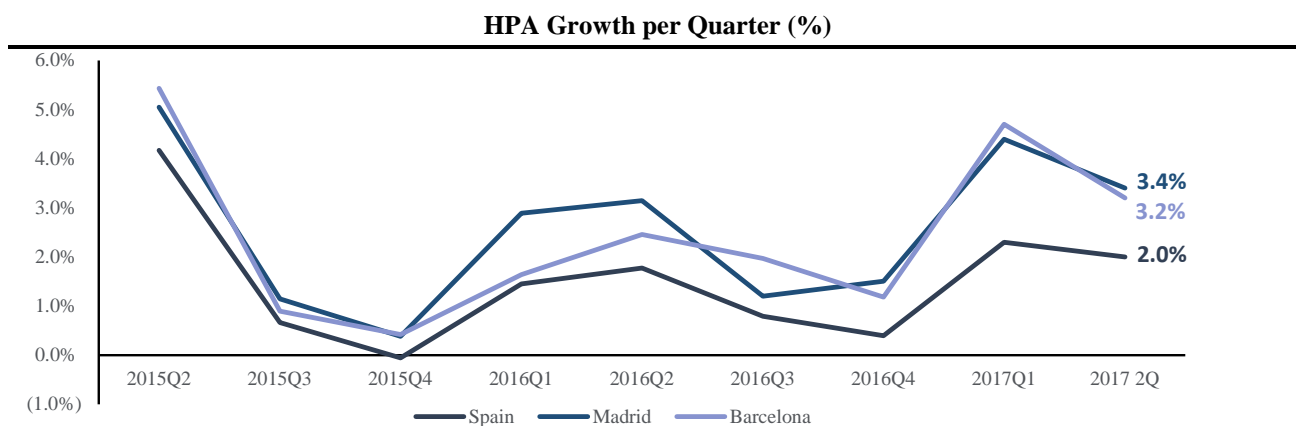
Although not a competitor per se, given the transfer in 2015 of its higher quality assets to the servicers, SAREB is still a relevant player in the market that is able to drive prices and supply dynamics in specific areas.

The homebuilding industry is still recovering with companies like AEDAS Homes leading the way through their established land banks, clear development strategies, and strong management teams. The Company believes it will be the new emerging players referred to above who institutionalize the Spanish market and over time make it more similar to the UK or France. The Company sees the fragmentation and the large amounts of land in hands of “non-natural” owners as an opportunity to gain market share and become a leading Spanish homebuilding brand.

Current Momentum in the Spanish Residential Sector

After a decade of inactivity, the Spanish homebuilding sector has recently shown signs of recovery. Despite strong recent fundamentals, the key drivers of the sector remain well below 2007 highs, offering room for additional growth.

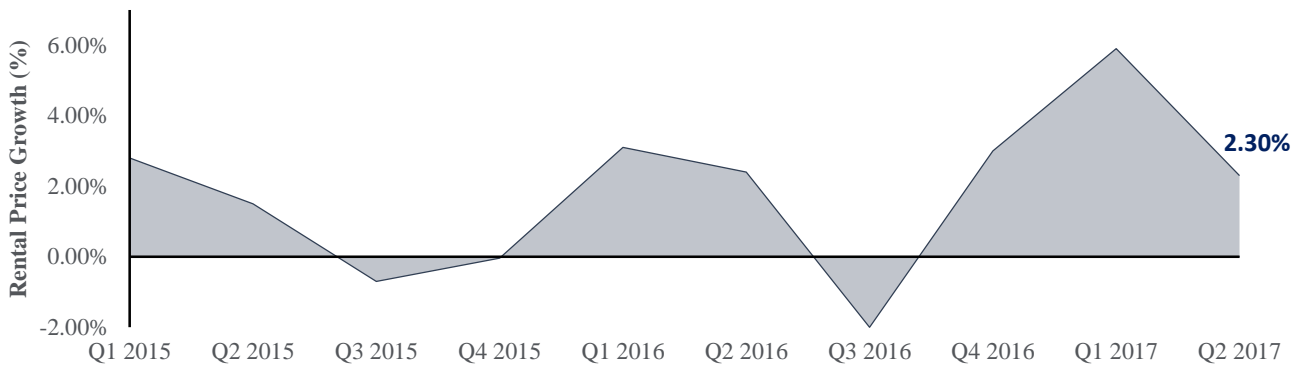
The Spanish market has seen continued housing price growth since beginning of 2016. The Madrid and Barcelona markets, where AEDAS Homes is particularly focused with 33% and 18% of its land portfolio in terms of units located respectively in such regions (as of May 2017), have experienced above average housing price appreciation (“HPA”) growth for eight consecutive quarters following the first quarter of 2015, with an average spread of 87 bps for Madrid and 68 bps for Barcelona to the Spanish average for that period. In 2016, Madrid and Barcelona home prices have seen 9.0% and 7.4% growth respectively, significantly above the Spanish average of 4.5%. The HPA growth shows encouraging signs of improvement as the spreads between the growth for the fourth quarter of 2016 and the 2007-2016 long-term average growth from the fourth quarter of 2016 to the first quarter of 2017 have reached 119 bps, 235 bps and 228 bps for Spain, Madrid and Barcelona respectively.



Source: INE, June 2017

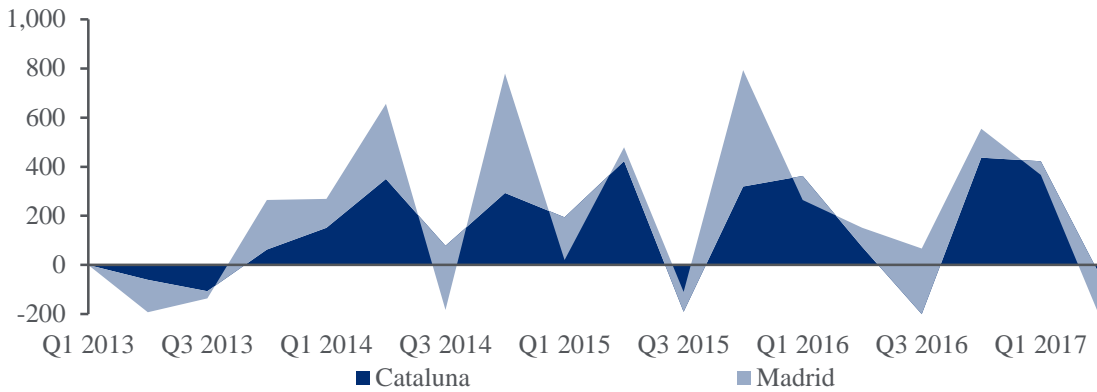
Housing price growth has been supported by rental price growth pick up in Spain, reaching a nine-year high quarterly growth of 2.3% in the second quarter of 2017. This overall Spanish growth is mainly driven by Madrid and Cataluña, where AEDAS Homes is particularly focused. Increasing rental prices typically drive households into considering owning, which in turn drives housing prices. While rented accommodation is starting to gain ground compared to owned housing as Spain progressively moves towards the European average (33.2% (source: Eurostat)), currently still close to four out of every five households in the country own their primary residence, one of the highest rates of home ownership in Europe (source: Eurostat).

Rental Price Growth per Quarter (% growth)



Source: Fotocasa, July 2017

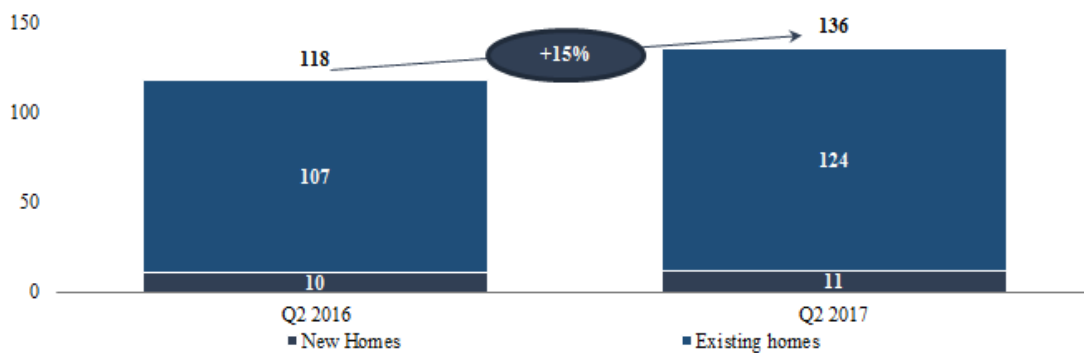
Rental Price Growth Spreads per Quarter (% growth) – Madrid and Cataluña vs. Spain



Source: Idealista, Fotocasa, March 2017

Home sales in the second quarter of 2017 totaled 136 thousand units, up 15.4% compared to the 118 thousand units sold in the second quarter of 2016, with sales of existing homes accounting for most of the transactions and growth (124 thousand units in the second quarter of 2017 versus 107 thousand in the second quarter of 2016, or 15.8% up). New home transactions were up 10.6% over the same period, with an asymmetric behavior across regions: as illustration, in Barcelona and Madrid, new home transactions were 45.0% and 36.1% up, respectively over the same period (source: *Ministerio de Fomento*).

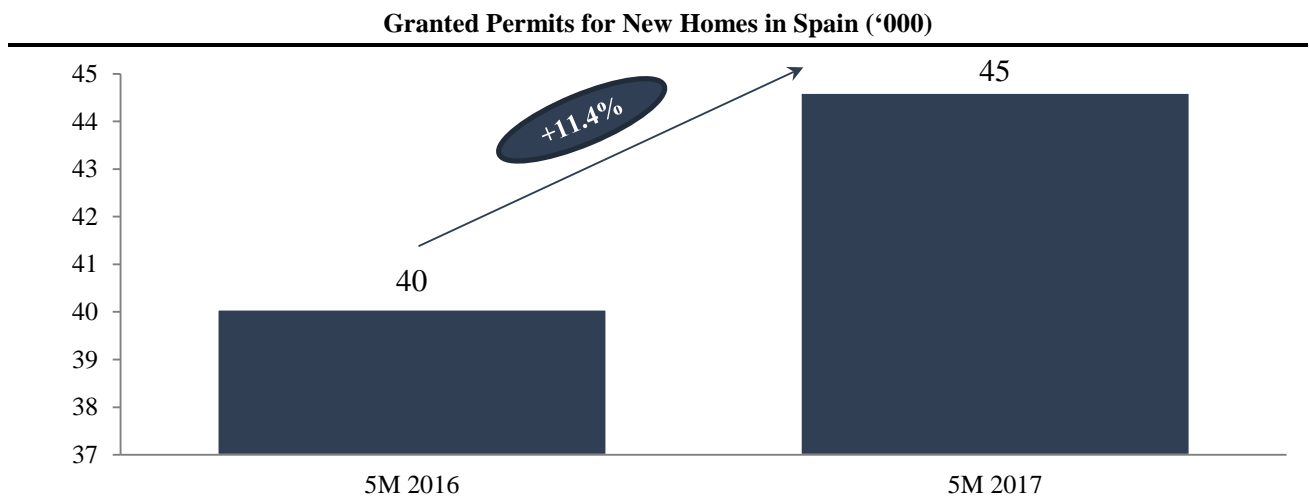
Overall Home Sales in Spain ('000)



Source: Ministerio de Fomento, June 2017

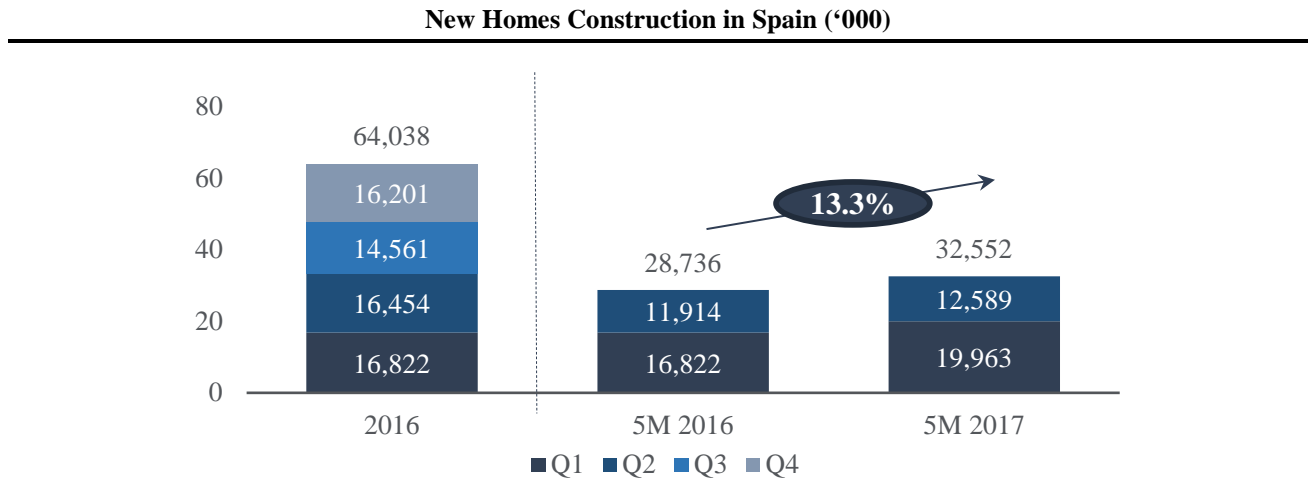
On the supply side, building permit figures underscore the recovery of construction activity due to the time lag between the authorization of a building project, its execution and registration. The first five months of 2017 have seen 45,000 building permits registered, *i.e.* approximately half of the 2013 level, heralding a progressive recovery of construction

capacity, supported by a 11.4% growth in permit allowance in the first quarter of 2017 compared to the first quarter of 2016 (source: *Ministerio de Fomento*).



Source: *Ministerio de Fomento, July 2017*

New Homes construction momentum, fuelled by mortgage approvals and supportive macroeconomic indicators, has followed New Home sales' positive trend, growing at 13% between the first five months of 2017 and the first five months of 2016. As of May 2017, New Homes Construction for 2017 had reached more than half of 2016 full-year levels.



Source: *INE, September 2017*

The trends highlighted above show a clear turning point in the Spanish residential and construction sectors and support the argument that future growth can be expected. The industry is cyclical and after hitting a trough following the global financial crisis, it now appears to be growing again.

AEDAS Homes' Key Regional Markets

AEDAS Homes' units are currently located in five key regional markets: Madrid, Cataluña, East and Mallorca, Costa del Sol and Seville.

Madrid

Key Performance Indicators	2014	2015	2016	Q1 2017	Q2 2017
1 Sqm Prices of New Homes (€/sqm)	2,292	2,436	2,464	2,556	2,590
2 Sale and Purchase Transactions of New Homes (#)	4,901	5,244	6,104	1,726	1,889
3 New-build House Permits Granted (#)	7,775	11,210	16,561	4,366	5,058
4 Mortgage Loans Granted (#)	35,444	43,394	48,095	14,115	14,502
5 Land Acquisition Transactions (#)	1,072	1,232	2,023	492	642
6 Value of Land Acquisition Transactions (€m)	483	745	905	135	321
7 Sqm Prices of Urban Land (€/sqm)	283	332	313	297	300

Sources: 1, 2, 3, 5, 6 and 7 Ministerio de Fomento; 4 INE

Madrid's housing market has hit cruising speed, and its effect is rippling out to the rest of the city. The rising demand in areas with the greatest purchasing power following the drop in prices over the last years has been a major factor in reactivating the city's housing market (source: CBRE).

Since 2009, the number of housing sales has jumped considerably in the neighbourhoods of Salamanca, Chamberí and Retiro. This demand currently remains at relatively high levels (between 2,200 units sold per year in Chamberí and 1,800 units in Retiro), indicating just how buoyant these micro markets are (source: CBRE). However, the increasing demand has not been exclusively focused in the city centre of the capital but also in some municipalities located in the north west. This area comprises four of the five richest municipalities in Spain: Pozuelo, Majadahonda, Las Rozas and Boadilla. These areas have been traditionally active in the Real Estate market given their above-average purchasing power (both compared to Madrid and Spain) coming from their high income per capita levels and very low levels of unemployment (average below 7%).

In the municipalities in the east of the city of Madrid, demand has become more robust, having experimented significant increases in the number of sold homes per year with significant absolute figures. By way of example, comparing 2016 sold homes (excluding social housing) to 2015, Torrejón de Ardoz stands out with +103% (1,783 housing units sold in 2016) and Alcalá de Henares (second largest residential market in Madrid region based on the long term average of sold homes between 2004 and 2016 excluding social housing) with +42% (1,797 housing units sold in 2016). (source: Ministerio de Fomento).

In the districts with a lower purchasing power (Villaverde, Vicálvaro and Barajas), housing sales have also grown significantly over recent quarters. However, activity in these areas is considerably lower (Barajas and Vicálvaro registering 600 transactions per year) (source: CBRE).

Prices (both for new build and existing housing) have increased notably in districts where the demand is greater and historical prices have been above average. In districts such as Salamanca and Chamartín, which traditionally have been the most expensive, housing prices in the third quarter of 2016 stood midway between the maximum and minimum of the last 10 years (source: CBRE). Since the beginning of 2017, strong demand has started to drive up the price of new-builds. The current low cost of financing, the limited amount of new construction stock and the existence of demand that in recent years has been unable to find suitable housing options, have contributed to maintaining a positive trend in Madrid.

Cataluña

Key Performance Indicators	2014	2015	2016	Q1 2017	Q2 2017
1 Sqm Prices of New Homes (€/sqm)	2,267	2,273	2,352	2,464	2,478
2 Sale and Purchase Transactions of New Homes (#)	3,325	3,148	3,125	879	1,093
3 New-build House Permits Granted (#)	2,523	4,035	5,844	2,483	2,713
4 Mortgage Loans Granted (#)	21,956	28,040	32,956	9,534	9,603
5 Land Acquisition Transactions (#)	1,224	1,319	1,731	406	622
6 Value of Land Acquisition Transactions (€m)	270	259	320	109	149
7 Sqm Prices of Urban Land (€/sqm)	235	234	230	241	247

Sources: 1, 2, 3, 5, 6 and 7 Ministerio de Fomento; 4 INE

Unlike in Madrid, demand is more spread out across all of Barcelona's districts (source: CBRE). The uniform nature of Barcelona's market is reflected in housing prices from area to area and their performance throughout the cycle. At the third quarter of 2016, prices in Barcelona's most expensive districts, Sarria and Eixample, stood halfway between the

maximum and minimum for the 2007-2016 property cycle.

Still, Barcelona's market is characterized by strong effective demand (average in terms of transactions) notably in districts such as Eixample (Ensanche) and Ciutat Vella (Centro), where number of housing sales is constantly increasing since 2011 (source: CBRE).

Also, the strong recovery in the area is a result of sales of coastal properties, both first and second homes, which have increased over the last few months (source: TINSA).

Since the beginning of 2017, prices have risen sharply across all of Barcelona's districts (source: CBRE). However as described for Madrid area, there are also certain municipalities (San Cugat del Vallés or Cambrils) outside the city with relevant real estate markets thanks to below average levels of unemployment (average below 7%) and above average income per capita. Moreover, other relevant municipalities such as Hospitalet de Llobregat, Vilanova i la Geltrú or Cornellà de Llobregat have improved the unemployment rate reaching an average below 13%, which is expected to have a positive impact on housing demand going forward besides the already growth in sold homes delivered in 2016 compared to 2015 (+20,9%, +26,8% and +14,2%, respectively in such towns). (source: *Ministerio de Fomento*).

East and Mallorca

Key Performance Indicators	2014	2015	2016	Q1 2017	Q2 2017
1 Sqm Prices of New Homes (€/sqm)	1,699	1,744	1,785	1,811	1,808
2 Sale and Purchase Transactions of New Homes (#)	6,887	7,177	7,267	1,796	1,959
3 New-build House Permits Granted (#)	3,768	6,631	7,908	2,195	2,215
4 Mortgage Loans Granted (#)	24,813	30,585	35,462	10,461	10,233
5 Land Acquisition Transactions (#)	1,590	1,576	2,143	489	645
6 Value of Land Acquisition Transactions (€m)	332	305	351	101	150
7 Sqm Prices of Urban Land (€/sqm)	188	194	177	197	185

Sources: 1, 2, 3, 5, 6 and 7 *Ministerio de Fomento*; 4 *INE*

The Balearic Islands are one of the markets with the strongest levels of activity and growth in Spain, due to a number of foreign investments involving large-scale transactions. Aside from individual buyers, transactions are also being carried out by major international and domestic investors.

The islands have two different markets: the first involves locals, with lower average transaction amounts due to limited investment capabilities; and the second, which has shown significant activity since 2015, involves foreigners and is based primarily on holiday homes.

In cities on the Islands, such as Palma de Mallorca, y-o-y increase in the number of sales and purchases (31%) is a sign that effective housing demand is bouncing back. Cities on the Mediterranean coast, such as Alicante (19%) and Valencia (23%), have also experienced a considerable increase in demand. Figures suggest that the market will perform positively, likely spurred by robust overseas demand.

In terms of housing sales prices, latest housing transactions in Valencia and Alicante show that there have been significant spikes in new-build housing prices, particularly sharp in certain areas of both cities (source: CBRE).

Costa Del Sol

Key Performance Indicators	2014	2015	2016	Q1 2017	Q2 2017
1 Sqm Prices of New Homes (€/sqm)	1,646	1,663	1,732	1,815	1,837
2 Sale and Purchase Transactions of New Homes (#)	2,936	2,476	1,812	374	597
3 New-build House Permits Granted (#)	1,217	2,808	4,128	1,784	1,217
4 Mortgage Loans Granted (#)	9,893	12,203	13,807	3,718	4,138
5 Land Acquisition Transactions (#)	699	650	862	194	258
6 Value of Land Acquisition Transactions (€m)	260	209	360	76	119
7 Sqm Prices of Urban Land (€/sqm)	202	226	226	229	259

Sources: 1, 2, 3, 5, 6 and 7 *Ministerio de Fomento*; 4 *INE*

Indicators show a clear recovery in the Costa del Sol market, and that the region is in a leading position in the recovery of the national property market, notably along the coasts, in Marbella, Manilva, Estepona and Mijas (source: TINSA).

Prices have risen most in Marbella and Manilva (15.0% and 11.3%, respectively) in the first quarter of 2017 vs. the first quarter of 2016. Front line properties on the coast in Marbella are now costing about €6,000/sqm, and in Estepona €8,000/sqm, being among the highest in Spain (source: TINSA). Property is selling particularly well in Marbella, however characterized with one of the lowest stock of residential property in the country (source: TINSA), which will most likely put further upward pressure on prices in the near term.

Seville

Key Performance Indicators	2014	2015	2016	Q1 2017	Q2 2017
1 Sqm Prices of New Homes (€/sqm)	1,456	1,454	1,463	1,481	1,472
2 Sale and Purchase Transactions of New Homes (#)	1,555	1,318	1,040	188	188
3 New-build House Permits Granted (#)	1,079	899	1,424	677	577
4 Mortgage Loans Granted (#)	8,327	9,699	10,917	2,867	3,051
5 Land Acquisition Transactions (#)	1,052	1,002	903	287	472
6 Value of Land Acquisition Transactions (€m)	111	81	121	18	25
7 Sqm Prices of Urban Land (€/sqm)	158	131	142	171	115

Sources: 1, 2, 3, 5, 6 and 7 Ministerio de Fomento; 4 INE

Indicators show a clear recovery across Seville region, that is particularly driven by the cities with the largest populations (Seville and Cordoba). In these two cities, as well as in residential areas of Seville's suburbs, the land market has been revived, driven by the launch of construction projects carried out by investors, financial entities or local developers.

The foreign buyer profile remains the same, although the effects of Brexit may be noted in the near future. The market is reacting more slowly in cities such as Cadiz, Jaen and Granada.

There is an emerging interest in many good locations on the coast of Granada (Motril, Almuñecar) and Almeria (Mojacar) to develop second-homes.

As like in the Costa del Sol region, competition in this market is also significant, driving growth in land prices and suggesting stronger developer activity in the region in the near term.

REGULATION

Set forth below is a summary discussion of the current Spanish regulatory environment relating to the construction market. This discussion is intended to provide a very general outline of the most relevant applicable regulations in Spain and is not intended as a comprehensive discussion of such regulations. You should consider the regulatory environment discussion below as it could have a material impact on the Group's business and results of operations in the future.

The development of residential properties is subject to a number of legal requirements. In particular, this section intends to be an introduction to the Spanish legal regime regarding (a) the planning and zoning procedures regarding the implementation of residential developments; (b) residences licensing requirements; and (c) specific requirements resulting from specific housing regulations

It is important to note that, despite the seemingly centralized nature of Spain, from an administrative standpoint the Spanish territory is divided into seventeen autonomous regions (*Comunidades Autónomas*), two autonomous cities in Northern Africa and more than eight thousand municipalities. There are three different levels of government: municipal (*local entities*), autonomous regions and the central government. These three territorial administrations have their own autonomous political bodies and have decision-making powers in various areas including urban planning, tourism, housing, retail, and environmental protection.

As a result, the legal framework regarding residential developments is far from being uniform. It is and will be affected and conditioned by different regulations which depend on the autonomous region and municipality hosting the residential developments.

Urban Planning

Residential developments and land zoning

Residential developments entail a specific and relevant use of the territory. Thus, the possibility and terms according to which these projects can be developed depends on the urban planning regime of the land on which they are to be developed.

In this respect the urban land planning regime is not uniform throughout Spain. According to Spain's constitutional framework of distribution of subject-matter competencies, the autonomous regions are the territorial administrations with the power to legislate on planning matters. Accordingly, the urban regime of the land within the national territory would be primarily defined by the different planning laws enacted by the different autonomous regions and also, in basic aspects, by the national regulations on land (Royal Legislative Decree 7/2015, of 30 October approving the consolidated text of Urban Refurbishment and State Land Act, the "**TRLS 7/2015**"), as the national parliament has the right to establish the basic conditions guaranteeing the equal exercise of rights and fulfilment of constitutional duties regarding the land.

The urban regime of the land is linked to a specific urban classification (*clasificación urbanística*). The urban classification of each municipal territory is made by the local general plan of the relevant municipality (normally a General Plan —*Plan General*—) which, although it is drafted and prepared by the relevant city council, is finally approved by the government of the relevant autonomous region.

In general terms (differences might exist depending on the autonomous region), the land within a municipality is to be divided by the General Plan in three different categories:

- (a) Rural land (*suelo rústico o suelo no urbanizable*). The ordinary use of these plots is agricultural, farming, livestock, forest activities, etc.
- (b) Urban land (*suelo urbano*) (which can be either consolidated or non-consolidated). Refers to those plots already included in the city structure that enjoy all the necessary services and road access, public services, etc.
- (c) Land suitable for development (*suelo urbanizable*) (which can be either divided or not in planned units). Includes those plots that, according to the General Plan, are to be transformed into urban land upon completion of the urban development process to satisfy the growth needs of the municipality.

Construction is not allowed until more detailed planning instruments are approved and the full planning execution

process is completed.

Residential developments will be developed on land classified by the General Plan of the relevant municipality as urban or suitable for development and designated as residential.

In respect of those residential developments projected on land suitable for development, since the urban development process has not been completed, their construction and use will require the prior fulfilment of a number of legal obligations inherent to the legal regime of this category of land. Such requirements include: the approval of specific and detailed zoning plans (Special Plan, Partial Plan, Detail Survey) normally approved by the city councils containing the specific planning parameters governing the plots included in a development unit (footprint, detail uses, set-back requirements, etc.); the assignment to the city council for no consideration of the land destined to public roads, parks, etc., fair distribution among owners of the rights and obligations (*equidistribución*), execution of the public infrastructures of the development unit, etc.

In general terms, applicable regulations require the completion of the public infrastructure works (roads, sewage, water and electricity supply, etc.) prior to initiating any building works. Accordingly, in urban land the developer will be entitled to directly apply for the relevant licenses. In respect of land suitable for development, the developer will not be entitled to apply and obtain the relevant licenses to build the project until the land has been transformed into urban land (completion of the public infrastructure works). As an exception to this general rule, developers will be allowed to start the construction of their project, (even if the urbanization works have not been concluded) in the event that they undertake not to use the construction until the urbanization works are fully completed by the administration or entity responsible for their execution and to include this undertaking in the contracts that might be entered into to transfer the ownership of the plot, and, finally they deliver a guarantee in order to guarantee full completion of the infrastructure works.

Municipal licenses required for the development of residences

Once the urban development of a site has occurred, the construction and effective use of the relevant buildings is possible, although always subject to the granting of a number of licenses and permits by the relevant authorities, since this way the authorities may control that the constructions and the activities carried out in these new constructions are in compliance with the planning and environmental regulations.

The detailed rules regarding “licenses” are normally established in local regulations, and may be, and mostly are, different in each municipality. This notwithstanding, the following rules are applicable everywhere in Spain:

- (a) Licenses must be applied for by the developer of the project (Article 9.2.c) of the Law 38/1999 of 5 November Regulating Construction).
- (b) License applications must include the technical documentation (projects) allowing local authorities to assess whether the intended construction complies with the relevant planning regulations.
- (c) Local authorities are required to grant the license applications whenever they comply with the applicable planning regulations.
- (d) Regional and local regulations set out a deadline for local authorities to issue the licenses (normally three months from the date the license application is filed). Failure to issue the license within the deadline entails the tacit rejection of the license (Article 11.4 of TRLS 7/2015).
- (e) Liability for failure to obtain these licenses may range from the imposition of a fine, the demolition of the works (if cannot be and/or are not legalized) and closing of the premises.

The specific permits required for the construction and use of buildings, and their names depend on the local regulations, but they mainly include the construction license and the first occupancy license (licenses related to the construction works) and the activity and opening licenses (licenses related to the activities). Some regional and local regulations have substituted the need of licenses by sworn statements or mere notifications to the city councils. Further, some autonomous regions (e.g., Cataluña or Balearic Islands) requires certain habitability certificates (*cédulas de habitabilidad*) to prove that the residences comply with the minimum habitability requirements. These certificates should exist in order to sell the residences.

Construction licenses

- (a) Works licences (*licencias de obras*)

Works licenses must be obtained prior to starting any construction works. These permits cannot be granted unless the housing units are to be built in accordance with the applicable planning regulations.

(b) First occupancy licenses (*licencias de primera ocupación*)

These licenses must be obtained once the building works have been concluded and provided the works license has been granted. These licenses are closely linked to the works licenses described above. By granting the first occupancy license, local authorities authorize the use of the building constructed once it has checked that the works authorized by the works license have been carried out in accordance with the provisions thereto and other applicable regulations, and that the works have been duly completed.

Activity licenses

(a) Activity licenses (*licencias de actividad*)

Depending on the relevant local regulations, a specific activity license might be required in connection with the residences' associated parking lot. By means of these licenses, local authorities verify matters such as compliance with environment, health, safety and fire prevention regulations.

(b) Operating licenses (*licencias de funcionamiento o apertura*)

These licenses are closely linked to the activity licenses. These licenses are granted after construction has been finalized. The purpose of these licenses is to verify that the premises have been executed according to the activity licenses and that any corrective measures imposed in the activity licenses have been fulfilled.

Recording the residential development in the land registry requires, among others, the granting of the first occupancy license.

Residential developments and housing regulations

In addition to zoning regulations, both at a national and a regional level there are a wide number of regulations on housing matters.

Article 149.1.13 of Spanish Constitution grants exclusive authority to set the basis and coordinate the general planning of the economic activity to the national parliament. This constitutional authority allows for national legislation on housing. Article 148.1.3 of the Spanish Constitution grants powers on housing matters to the autonomous regions.

At a national level, it should be highlighted in particular Act 38/1999 of 5 November Regulating Construction (*Ley de Ordenación de la Edificación* or “**LOE**”). This piece of legislation establishes the relevant regulations governing the building process (complementing the legal configuration of the agents/participants intervening in the building process and their liabilities) as well as the general framework to guarantee the quality of the buildings (it defines the basic requirements of the construction, further specified in the technical construction code approve by Royal Decree 314/2006, of 17 March) and guarantees in favor of users in the event of building damages. The main contents of the law are summarized below:

- (i) It defines the duties and liabilities of all the agents/participants intervening in the building construction process.
- (ii) Residential developers would be obliged to underwrite a ten-year insurance policy covering the material damages that could be caused to the building affecting the structural stability and security. The excess of the insurance cannot exceed 1% of the insured amount.
- (iii) Developers would be obliged to deliver to the final building users the project, the works acceptance certificates, detail of all the agents intervening in the building constructive process, instructions for the use and maintenance of the building and its installations (all this documentation would integrate the so-called “Book of the Building”).
- (iv) It establishes certain requirements if developers receive from purchasers payments on account for the construction of the building. In particular, the developer would be obliged to (i) guarantee the reimbursement of the payments made plus interests; (ii) receive the payments through financial entities where they would have to be deposited in special accounts and from which withdrawals could only be made to attend constructions costs.

See “*Risk Factors*” for more information in respect to the liability regime contemplated in the Spanish LOE.

Another piece of relevant national legislation on housing is Royal Decree 515/1989, of 21 April, regarding protection of consumers in respect of the information that would have to be delivered upon sale and lease of residences. This piece of legislation would apply to the offer, promotion and publicity that could be carried out by persons in the framework of its entrepreneur or professional activity for selling and leasing residences to consumers. Royal Decree 515/1989 identifies some information and documentation (maps of the residence, description of the residence and its installations, copy of the permits and authorizations, planning information, structure of the community of owners, supply and service contracts, contractual information for the acquisition of the residence, etc.) that would have to be made available to the public and the relevant authorities. It is expressly required that purchase contracts are drafted with clarity and simplicity.

At a regional level, the autonomous communities in Spain have profusely enacted regulations on housing according to their constitutional prerogatives (although in some cases they have enacted regulations that go beyond their power giving rise to challenges by the Spanish Government before the Spanish Constitutional Court). These housing acts are aimed at defining at a regional level the different housing policies and, in particular, to make citizens' right to a decent housing a reality. These regulations include also provisions to guarantee the quality of the residences and the protection of prospective purchasers.

Some autonomous communities (e.g., Basque Country, Cataluña or Andalucía) have enacted regulations containing specific measures to avoid empty housings (creating new taxes for empty residences, increasing the real estate tax of empty residences, mandatory leases and even the possibility of imposing fines or of expropriating the residence – the efficacy of some of these provisions is currently suspended as their conformity with the Spanish Constitution has been challenged by the Spanish Government before the Spanish Constitutional Court).

It is important to note that, according to Spanish law, recording buildings in the land registry would not be in principle mandatory. This notwithstanding, due to the publicity and protection given by the land registry and the fact that mortgages would only exist upon their registration in the land registry, such registration has become in practice mandatory. These last years, Spanish planning, housing and land registry legislation have been coordinated to make sure that residential buildings would only be recorded in the land registry if it is evidenced that the required licenses have been granted and the legal requirements to deliver the residences to the purchasers have been complied with. Accordingly, as a general rule, in order to register a residential building it should be evidenced in the notarized description of the new building (*declaración de obra nueva*) that the works and first occupancy licenses have been granted, that the Building Book has been handed over to the final users and that the ten-year insurance policy has been underwritten (Article 28 of TRLS 7/2015).

REASONS FOR THE OFFERING

The offer of New Offer Shares will allow the Company to raise proceeds that will be used to invest in future growth opportunities and to partially finance the Group's planned expansion (see "*Use of proceeds*"), while the sale of Existing Offer Shares will allow the Selling Shareholder to partially monetize its investment in the Company.

Moreover, the Selling Shareholder intends that the Offering provide the Company with better brand recognition and increased visibility in the market, strengthening its overall corporate profile and enhancing its transparency and prestige as a result of it becoming a listed company.

In addition, the Offering is expected to widen the Company's shareholder base, introducing institutional long-term investors and a diversified base of international shareholders, thus improving the Company's access to public capital markets (including for debt instruments) that could make it easier for the Company to obtain financing to be used for the Company's future growth.

In this regard, the Company believes that the Offering will enable it to expand its shareholder base so as to reach a free float of between 43.87% (assuming that the Offer Price is the mid-point of the Offer Price Range, the Existing Offer Shares are sold in full and no exercise of the Over-allotment Option) and 48.25% (assuming that the Offer Price is the mid-point of the Offer Price Range, the Existing Offer Shares are sold in full and the Over-allotment Option is exercised in full) of its total issued share capital upon Admission, higher than the minimum threshold of distribution of its ordinary shares required for their admission to trading on the Spanish Stock Exchanges and on the AQS (which, in accordance with Spanish Royal Decree 1310/2005, of 4 November, and subject to certain exceptions, involves reaching a free float of at least 25% of the shares admitted to trading).

USE OF PROCEEDS

The Company expects to raise gross proceeds of c. €100 million from the issue of the New Offer Shares in the Offering. The fees and expenses which will be payable by the Company in connection with the Offering are expected to be c.€3 million (see details in “*Expected Timetable of Principal Events and Offer Statistics*”). The Company intends to pay this out of the gross proceeds of the Offering. Accordingly, the Company expects to raise net proceeds of c.€97 million from the Offering. The Company intends to use the net proceeds of the Offering to invest in future growth opportunities and to partially finance the Group’s planned expansion and, particularly, to fund land acquisitions under our 2017-2023 Housing Development Plan (see “*Business—2017-2023 Housing Development Plan*”).

Likewise, the Selling Shareholder expects to raise maximum gross proceeds of between €94 (assuming that the Existing Offer Shares are sold in full and no exercise of the Over-allotment Option) and €64 million (assuming that the Existing Offer Shares are sold in full and the exercise of the Over-allotment Option in full) from the sale of Existing Offer Shares and the Additional Shares in the Offering. The Selling Shareholder intends to use the net proceeds of the Offering to make distributions to its shareholders, which are private investment funds and may reinvest the proceeds in accordance with their investment policies. The Selling Shareholder will bear any commissions payable in respect of the Existing Offer Shares and the Additional Shares, if applicable.

The Company will not receive any of the proceeds from the sale of Existing Offer Shares or of Additional Shares by the Selling Shareholder in the Offering.

DIVIDENDS AND DIVIDEND POLICY

Dividends and Dividend Policy

Holders of ordinary shares will be entitled to receive future dividends which are declared on the basis set out in the Company's bylaws. The Shares will be eligible for any dividends paid or declared after the Offering.

The Company has not distributed any dividends to its shareholder from the date of its incorporation until the date of this Prospectus.

Our expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond the Company's control. For a discussion of risks faced by the Company's business, see "*Risk Factors*".

In the near term, we intend to devote our generated cash flows to continue implementing our strategy and growing our business. Therefore, we do not plan to distribute dividends in the following three fiscal years. Once we reach our run rate targets (as described under section "*Business—2017-2023 Housing Development Plan*"), and subject to the evolution of our business, we intend to adopt a dividend policy consistent with the nature of our business and with a pay-out ratio of between 60% and 80% of the Group's net income. Nevertheless, we will review our dividend policy as our business evolves and in view of that of other companies in our sector.

In any event, the Company's ability to pay dividends in the future will also depend on the performance and prospects of its business, capital structure and financing needs, general and capital market conditions, and other factors that the Company's Board of Directors and shareholders may deem relevant at the time, as well as the applicable legal restrictions.

Legal and regulatory requirements

The Company's capacity to distribute dividends may be restricted under general Spanish corporate law rules. The conditions under which the Company may declare dividends based on Spanish law and our bylaws are described under "*Description of Share Capital—Dividend and Liquidation Rights*". Other than that, as of the date of this Prospectus, there are no restrictions to the Company's capacity to distribute dividends.

Taxation on dividends under Spanish law

Under current tax legislation, any distributions made in the future will be subject to tax under Spanish law. See "*Taxation*" for a discussion of certain aspects of taxation of dividends.

CAPITALIZATION AND INDEBTEDNESS

The table below sets out the Company's capitalization and indebtedness as of the dates indicated below and after completion of the Offering. The capitalization information has been extracted from the Consolidated Financial Statements:

	As of 31 December 2016 <i>(audited)</i>	As of 30 June 2017 ⁽²⁾ <i>(audited)</i>	As of 3 October 2017 after giving effect to the cancellation of the borrowings from related parties ⁽³⁾ <i>(unaudited)</i>	After giving further effect to the Offering ⁽⁴⁾
	(in euros)			
CAPITALIZATION				
Share capital	3,000	33,720,259	44,807,030	47,893,450
Share premium	–	303,455,361	403,236,299	500,149,887
Parent company reserves	(355)	(249,920,390)	(308,485,874)	(308,485,874)
Reserves at fully consolidated companies	(3,632)	(83,091)	(83,091)	(83,091)
Other owner contributions	9,372,875	19,492,875	713,890,193	713,890,193
Parent company retained earnings (prior-period losses)	–	(2,241,561)	(2,241,561)	(2,241,561)
Profit / (Loss) for the year attributable to the parent	(2,369,805)	(12,936,158)	(2,975,511)	(2,975,511)
Non-controlling interests	507,280	2,229,202	2,229,202	2,229,202
Total equity	7,509,363	93,716,497	850,376,687	950,376,695
INDEBTEDNESS⁽¹⁾				
Borrowings classified as non-current	–	583,355	583,355	583,355
Non-current borrowings from related companies and associates	28,213,625	556,256,854	–	–
Total non-current liabilities	28,213,625	556,840,209	583,355	583,355
Borrowings classified as current due in the long term	8,834,522	49,114,402	49,114,402	49,114,402
Current borrowings	2,815,889	22,062,848	22,062,848	22,062,848
Current borrowings from related companies and associates	–	9,555,040	–	–
Trade and other payables	927,995	79,583,223	79,583,223	79,583,223
Total current liabilities	12,578,405	160,315,513	150,760,473	150,760,473
Total liabilities	40,792,030	717,155,722	151,343,828	151,343,828

(1) For information on Indebtedness, see “Operating and Financial Review—Liquidity and Capital Resources—Indebtedness”.

(2) As of 30 June 2017, Non-current borrowings from related companies and associates included the Company's obligations under the Master Credit Facility Agreement (€3,368,894) and in relation to the assignment of the Shareholders' Credit Facilities (€92,887,960). Current borrowings from related companies and associates amounted to €9,555,040 and corresponded to interests accrued thereunder.

(3) The increase in share capital of €11,086,771 (from €33,720,259 to €44,807,030) and in share premium of €9,780,938 (from €303,455,361 to €403,236,299) represents the share capital increase carried out on 16 August 2017 by means of which the Selling Shareholder contributed 100% of the share capital of Danta Investments, S.L.U., which held a 95% stake in the FAB May. See “Related Party Transactions—Contribution of the FAB May” and “Description of Share Capital—General”.

The decrease in (Loss) for the year attributable to the parent from €(12,936,158) to €(2,975,511) was due to the joint effect of: (a) the result obtained with the disposal of land plots that took place since 30 June 2017, net after taxes, and (b) the finance costs relating to the borrowings from related companies and associates, net after taxes. The effect shown in (Loss) for the year attributable to the parent only comprises the changes in the land-bank perimeter and in the related parties debt of the Company, and does not intend to be an estimate of the Profit/(Loss) of the company on Admission.

On 3 October 2017, the Selling Shareholder increased the Owner contributions up to €13,890,193. The balance as of that date is explained by the following changes since 30 June 2017 until 3 October 2017:

- (i) The initial balance of the Master Credit Facility Agreement (€3,368,894), of the Company's obligations in relation to the Shareholders' Credit Facilities (€92,887,960) and of interests accrued thereunder (€9,555,040) jointly amounted to €65,811,894 as of 30 June 2017.
- (ii) On 18 September 2017, there was an increase of €10,000,000 of the Shareholders' Credit Facilities to fund the liquidation of the FAB May, including the compensation payable to SAREB and VAT expenses. See “Related Party

Transactions—Liquidation of the FAB May”.

Likewise, on 2 October there was an increase of €8,750,000 of the Shareholders’ Credit Facilities and, on 3 October 2017, there was a draw down of €4,255,000 under the Master Credit Facility Agreement. Such amounts were used to fund projects’ needs and land acquisitions occurred from July to September 2017.

As a result, Non-current borrowings from related companies and associates increased in €3,005,000 (from €56,256,854 to €609,261,854).

- (iii) Interests accrued under the Master Credit Facility Agreement and the Shareholders’ Credit Facilities from 30 June 2017 to 3 October 2017 amounted to €4,680,424. Together with the initial balance as of 30 June 2017, accrued interests amounted to €4,235,464.
- (iv) On 3 October 2017, the Selling Shareholder made an in-kind contribution in the amount of €23,497,318, equivalent to the balance of the Master Credit Facility Agreement, the Shareholders’ Credit Facilities and accrued interests as of that date.

Such contribution was made for the purposes of fully cancelling (a) the Master Credit Facility Agreement, including the drawn down amount referred in (ii) above, (b) the Company’s obligations to the Selling Shareholder in connection with the assignment of the Shareholders’ Credit Facilities, including the borrowings described in (ii) above, and (c) the interests accrued thereunder.

As a result, Other owners contributions increased in €23,497,318 and Non-current borrowings from related companies and associates and Current borrowings from related companies and associates decreased to nil.

- (v) In addition, 3 October 2017, the Selling Shareholder made a cash contributions of €70,900,000 to fund all of the deferred payments due in connection with the acquisition of land (which as of 30 June 2017 amounted to €2,662,198), liabilities linked to land acquisitions (which as of 30 June 2017 amounted to €7,650,000) and the remaining portion of the purchase price of Nagüeles (€10,560,000).

As a result of these two cash contributions, Other owners contributions increased in €70,900,000.

The aggregate impact of these transactions was an increase up to €13,890,193 in Other owners contributions and a decrease in Non-current borrowings from related companies and associates and Current borrowings from related companies and associates decreased to nil.

- (4) Reflects a share capital increase of €3,086,420 assuming that the Offer Price is €32.40 (the mid-point of the Offer Price Range). The number of New Shares at this Offer Price would be 3,086,420.

SELECTED FINANCIAL AND OPERATING INFORMATION

The following tables present the selected consolidated financial information of the Company as of and for the six-month period ended 30 June 2017 and as of and for the period from 9 June 2016 to 31 December 2016 (the “**2016 Reporting Period**”), which were prepared in accordance with IFRS-EU.

The selected financial and audited operating information set out below is a summary only. **It may not contain all the information that is important to prospective investors and, accordingly, should be read in conjunction with “Presentation of Financial and Other Information”, “Capitalization and Indebtedness”, “Operating and Financial Review”, “Risk Factors” and the Consolidated Financial Statements incorporated by reference in this Prospectus.**

Consolidated Balance Sheets as at 30 June 2017 and 31 December 2016

	31 December 2016	30 June 2017	% Variation
	(in euros)		
Assets:			
Non-current assets:			
Intangible assets.....	48,775	209,190	328.9
Property, plant and equipment.....	348,071	475,376	36.6
Non-current financial assets.....	31,938	173,339	442.7
Deferred tax assets.....	51,488	3,833,544	7,345.5
Total non-current assets.....	480,273	4,691,449	876.8
Current assets:			
Inventories.....	31,720,592	766,728,089	2,317.1
Trade and other receivables.....	2,245,958	18,850,299	739.3
Current financial assets.....	–	2,874,949	n.m.
Prepayments and accrued income.....	27,545	588,936	2,038.1
Cash and cash equivalents.....	13,827,027	17,138,497	23.9
Total current assets.....	47,821,121	806,180,770	1,585.8
Total assets.....	48,301,394	810,872,219	1,578.8
Equity and liabilities			
Equity:			
Share capital.....	3,000	33,720,259	1,123,908.6
Share premium.....	–	303,455,361	n.m.
Parent company reserves.....	(355)	(249,920,390)	70,400,009.9
Parent company retained earnings (prior-period losses).....	–	(2,241,561)	n.m.
Other owners contributions.....	9,372,875	19,492,875	108.0
Reserves at fully-consolidated companies.....	(3,632)	(83,091)	2,187.7
Profit/(loss) for the period attributable to the parent.....	(2,369,805)	(12,936,158)	445.9
Non-controlling interests.....	507,280	2,229,202	339.4
Total equity.....	7,509,363	93,716,497	1,148.0
Non-current liabilities:			
Borrowings classified as non-current.....	–	583,355	n.m.
Non-current borrowings from related companies and associates.....	28,213,625	556,256,854	1,871.6
Total non-current liabilities.....	28,213,625	556,840,209	1,873.7
Current liabilities:			
Borrowings classified as current due in the long term.....	8,834,522	49,114,402	455.9
Current borrowings.....	2,815,889	22,062,848	683.5
Current borrowings from related companies and associates.....	–	9,555,040	n.m.
Trade and other payables.....	927,995	79,583,223	8,475.8
Suppliers and other payables.....	–	57,154,927	n.m.
Payable for services received.....	558,465	5,649,408	911.6
Employee benefits payable.....	–	460,075	n.m.
Current tax liabilities.....	–	265,480	n.m.
Other payables to public authorities.....	369,530	2,810,640	660.6
Customer prepayments.....	–	13,242,693	n.m.
Total current liabilities.....	12,578,405	160,315,513	1,174.5
Total equity and liabilities.....	48,301,394	810,872,219	1,578.8

Consolidated Results of Operations for the six-month period ended 30 June 2017 and for the 2016 Reporting Period

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
Continuing operations:		
Revenue	15,017	419,339
Variation in inventories of finished goods and work in progress	–	(273,034)
Procurement	–	(1,966,381)
Other operating income	–	104,393
Other operating expenses	(1,436,427)	(4,172,202)
Employee benefits expense	(871,873)	(2,562,252)
Depreciation and amortization	–	(48,909)
Impairment of and gains / (losses) on disposal of fixed assets	(10,777)	(80,798)
Operating profit/(loss)	(2,304,059)	(8,579,844)
Finance income	419	127,229
Borrowing costs capitalized in inventories	–	396,216
Finance costs	(83,221)	(5,087,532)
Net finance cost	(82,802)	(4,564,087)
Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Income tax	13,111	–
Profit/ (loss) for the period from continuing operations	(2,373,750)	(13,143,931)
Discontinued operations	-	-
Profit/ (loss) for the period	(2,373,750)	(13,143,931)
Attributable to:		
Non-controlling interests	(3,945)	(207,773)
Equity holders of the parent	(2,369,805)	(12,936,158)
Earnings/ (loss) per share from continuing operations (in euros)		
Basic	(790)	(0.38)
Diluted	(790)	(0.38)

Consolidated Statements of Cash Flows for six-month period ended 30 June 2017 and for the 2016 Reporting Period

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
1. Cash flows from operating activities		
Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Adjustments to profit/(loss)	93,579	6,660,175
Depreciation and amortization charges	10,777	48,909
Impairments and write-downs	–	80,798
Inventory impairment losses	–	1,966,381
Finance income	(419)	(127,229)
Finance costs	83,221	5,087,532
Borrowing costs capitalized in inventories	–	(396,216)
Other cash flows used in operating activities	419	(636,963)
Interest received	419	127,229
Interest paid	–	(764,192)
Changes in working capital	(23,101,130)	(58,169,352)
Increase/(decrease) in inventories	(21,685,459)	(83,095,318)
Increase/(decrease) in trade receivables	(2,245,958)	(6,721,167)
Increase/(decrease) in trade payables	890,442	29,644,830
Increase/(decrease) in other current assets and liabilities	(27,545)	1,926,493
Increase/(decrease) in other non-current assets and liabilities	(32,610)	75,810
Net cash used in operating activities (1)	(25,393,993)	(65,290,071)
2. Cash flows from investing activities		
Investments/ disposals:		
Intangible assets	(48,775)	(175,604)
Property, plant and equipment	(358,848)	(239,922)

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
Business unit.....	-	22,472,523
Net cash used in investing activities (2)	(407,623)	22,056,997
3. Cash flows from financing activities		
Proceeds from and payments for equity instruments	9,883,143	10,120,000
Proceeds from issuance of own equity instruments	2,645	-
New contributions secured from shareholders	9,369,243	10,120,000
Other transactions with minority interests.....	511,255	-
Proceeds from and repayment of financial liabilities	29,745,500	36,424,544
Proceeds from bank borrowings.....	1,531,875	783,044
New financing obtained from shareholders.....	28,213,625	35,155,269
Other borrowings	-	486,231
Net cash from financing activities (3)	39,628,643	46,544,544
4. Effect of changes in exchange rates on cash and cash equivalents (4)	-	-
5. Net increase/decrease in cash and cash equivalents (1+2+3+4)	13,827,027	3,311,470
Cash and cash equivalents - opening balance	-	13,827,027
Cash and cash equivalents - ending balance	13,827,027	17,138,497

OPERATING AND FINANCIAL REVIEW

This “Operating and Financial Review” should be read in conjunction with our Consolidated Financial Statements incorporated by reference into the Prospectus and available on our website (www.aedashomes.com) and on the CNMV’s website (www.cnmv.es), as well as the “Presentation of Financial and Other Information”, “Business” and “Industry Overview” sections included elsewhere in the Prospectus. Prospective investors should read the entire Prospectus and the information incorporated by reference herein and not just rely on the summary information set out below.

The following discussion of our results of operations and financial condition contains forward-looking statements, including statements regarding expected or potential number of housing units, target or expected number of units to be marketed or delivered as of a given date, target or expected dates for other items and operating targets. Our actual results could differ materially from those that we discuss in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in the Prospectus, particularly under “Important Information—Forward-looking Statements” and “Risk Factors”.

Except as otherwise indicated, financial figures are provided on a consolidated basis throughout this Prospectus. Except as otherwise indicated or unless context otherwise requires, GAV (i.e., estimated gross asset value), GDV (i.e., estimated gross development value), square meters, housing units and potential housing units figures and other references to our land bank are provided on a 100% consolidated basis (i.e., including interests not held by AEDAS Homes). In addition, except as otherwise indicated or unless context otherwise requires, references to GAV are based on the First Valuation Report and/or the Second Valuation Report, as the case may be, which are included herein as Annexes I and II, and which contain valuations as of 30 June 2017.

Overview

We are a leading developer of residential homes in Spain in terms of potential housing units (source: annual and interim reports of competitors), with a top-quality land bank. The first-mover advantage of our sponsor, Castlake, acting on behalf of funds it manages and collaborating since 2013 for such purposes with some members of our management team, allowed it to cherry-pick a tailored portfolio in prime locations since mid-2014, when the residential market was at the bottom of the current cycle. As a result of that strategy of frontloading the land bank, we have what we believe is a high-quality land bank in Spain and expect to have attractive margins going forward.

Our core activity is the acquisition and development of land for residential purposes. Our experienced management team and regional branches manage all stages in the value chain of the residential development process, including the acquisition of land, management and design of the product, marketing and sale of the product, construction of the product and the provision of post-sale services. We retain control over all critical decisions in the process, but we also externalize risk through the use of selected service providers, such as architects, contractors and real estate agents. This externalization reduces our fixed costs and allows us to scale our business upwards and downwards with relative ease. We might also selectively sell land plots to accelerate consolidation in areas where we own several plots.

We are specialized in the residential industry, focusing on first and long-term homes (where customers are expected to live for at least five months each year) and targeting areas where we believe that there is clear demand for new housing. In particular, we are focused on Madrid, Cataluña, East & Mallorca, Costa del Sol and Seville. We have a regional branch dedicated to each region, with significantly experienced teams that have in-depth knowledge of their corresponding market and long-term relationships with local private companies, local teams of financial entities, public administrations, suppliers and other relevant stakeholders in each such region. Our main product is multifamily homes targeted at the mid- to mid-high segment of the housing market.

As of the date of this Prospectus, we own Fully Permitted Land with an aggregate GAV of approximately €1,370.5 million and an aggregate GDV of approximately €3,806.2 million, based mainly on the Valuation Reports carried out by Savills as of 30 June 2017. For additional information on the calculation of our aggregate GAV and GDV, see “Business—Detailed Business Overview—Portfolio”. We estimate that our portfolio would allow the construction of approximately 13,044 potential housing units in a total of 240 potential development projects. On an attributable basis (i.e., excluding interests not held by AEDAS Homes), the aggregate GAV of our Fully Permitted Land is €1,345.8 million. 100% of our land in terms of GAV is Fully Permitted Land, approximately 87% of which is Ready to Build Land. In addition, as of the date of this Prospectus, we have 44 ongoing developments where we expect to build 2,283 units.

Basis of Presentation

The Consolidated Financial Statements incorporated by reference into the Prospectus have been prepared in accordance with IFRS-EU and audited by Ernst & Young. For further information on the preparation of the financial information included in this Prospectus, see “*Presentation of Financial and Other Information*”.

Considerations Regarding the Comparability of our Financial Condition and Results of Operations

Given our limited operating history and the significant increase in size of our land portfolio and the number of projects under development over the course of the periods under review, our financial condition and results of operations as of and for the financial periods discussed in this Prospectus are not fully comparable and may not be indicative of our future business, financial condition or results of operations.

The Company was incorporated on 9 June 2016 and the vast majority of our land inventory was contributed to us by the Selling Shareholder along 2017 (see “*Description of Share Capital—General*” and “*—Inventories*”) and initiated most of our ongoing developments after February 2017. As a result, we are not including or incorporating by reference any financial information for the period from inception to 30 June 2016 and we are therefore not able to compare our results of operations for the period from inception to 31 December 2016 or for the six months ended 30 June 2017 with any prior period.

In addition, given our limited track record and our intention to significantly expand our operations (see “*Business—2017-2023 Housing Development Plan*”), the financial information included herein may not be indicative of our future business, financial condition or results of operations. In particular:

- as of 30 June 2017 less than 10% of our land portfolio in terms of GAV was undergoing construction;
- in the six months ended 30 June 2017, we initiated the marketing of 1,005 housing units and we expect to initiate the marketing of a total of 1,748 housing units in 2017, while we expect to initiate the marketing of approximately 3,000 housing units per annum by 2020 (which target may be increased as described in “*Business—2017-2023 Housing Development Plan*”);
- with the exception of Galera (which was acquired by Castlelake funds once construction had been completed and in respect of which subsequent improvement works were undertaken), as of 30 June 2017 we had not completed the development of any project; and
- after 30 June 2017 we have acquired (including by means of contributions by the Selling Shareholder) land plots with an aggregate GAV of €176.6 million (on a 100% consolidated basis, *i.e.*, including interests not held by us). This €176.6 million includes: (i) €100.4 million of GAV of Fully Permitted Land contributed to the Company in August 2017 from the FAB May portfolio and covered by the First Valuation Report, which was prepared as of 30 June 2017; (ii) €3.4 million of GAV of Fully Permitted Land included in the FAB May portfolio but which was not covered by the First Valuation Report (as such land was either subject to sale commitments with, or purchase option agreements of, third parties which have not been closed or exercised, as the case may be, as of the date of this Prospectus). As this land was not covered by the First Valuation Report, the related GAV is presented on a sales price basis; and (iii) €72.8 million of GAV of other Fully Permitted Land acquired by the Company since 30 June 2017 (as estimated by Savills in the Second Valuation Report).

As we are at the preliminary stages of our housing development business most of our current costs such as development costs and operating expenditure (which includes sales and marketing costs) were disproportionately low during the reported periods. In addition, we have only a limited history of generating revenue and we expect that the majority of revenue from our ongoing development projects will only be recognized from 2019 and onwards given the time period required for the design and construction of developments and the completion of the related sales.

Given our limited operating history, investors are cautioned against drawing any inferences from the Consolidated Financial Statements and/or other financial data included or incorporated by reference herein. The results for 2017 as a whole and future years depend and will depend upon our ability to derive value from our land bank and from our future land acquisitions, the Spanish economic environment and other factors described elsewhere in this Prospectus.

Furthermore our principal source of funding during the periods covered by the Consolidated Financial Statements, our shareholder loans, were cancelled after 30 June 2017. As a result of such cancellation on 3 October 2017, our non-current borrowings from related companies and associates decreased from €56,256,854 (as of 30 June 2017) to nil (as of 3 October 2017). See “*—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”.

This cancellation further reduces the usefulness and indicativeness of our financial condition and results of operations as of and for the financial periods discussed in this Prospectus.

See “*Risk Factors—Risks Relating to our Company—We have a limited operating history and limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares*”.

Key Factors Affecting Our Business and Results of Operations

The following factors have affected, and are expected to continue to affect, our business, results of operations, financial condition and prospects.

General market conditions

Our business is dependent upon the overall condition of the Spanish housing market, which is significantly impacted by macroeconomic and political conditions in Spain, which is in turn influenced by the macroeconomic and political conditions in Europe and the global economy, and as such has been cyclical.

The financial crisis in 2007 had a dramatic effect on the Spanish residential homebuilding sector. From 2008 to 2013, there was a significant decrease in domestic demand in the Spanish residential property sector due to the Spanish economy being in recession and the restructuring of the Spanish banking sector, which significantly affected both availability of financing for new housing developments and access to mortgage financing for home buyers.

As a result, the total number of housing transactions declined from 908 thousand in 2006 to 285 thousand in 2013 (source: Ministerio de Fomento). New home transactions fell from 377 thousand to 49 thousand over the same period (source: Ministerio de Fomento).

While in the near-term aftermath of the financial crisis new housing stock remained high in Spain following a period of aggressive investing in the sector prior to the financial crisis, new housing developments have been in decline from 2006 to 2016 (source: Ministerio de Fomento and CBRE), leading to a structural undersupply. In addition, approximately 22 to 28% of the existing stock of new homes is estimated to have no commercial interest for potential homebuyers as they were developed prior to the financial crisis and present undesirable characteristics (source: Ministerio de Fomento, CBRE). These dynamics have created a structural undersupply of new homes in certain areas of Spain.

After years of recession, Spain’s economy began to grow again in 2014 experiencing a real GDP increase of 1.4% (source: IMF) due to better labor market prospects, strengthened confidence, lower economic uncertainty and falling energy prices. In 2015 and 2016 real GDP expanded by 3.2% each year (source: IMF). The 2015-2016 growth rates make Spain one of the fastest growing advanced economies in the world and the Bank of Spain predicts real GDP will continue to grow in the coming years at an elevated rate (3.1% in 2017, 2.5% in 2018, and 2.2% in 2019).

The recovery in the Spanish economy has supported a recovery in its labor market. Historically, Spain has trended towards a higher unemployment rate than many of its European peers with an average pre-crisis rate of c. 10%. During the downturn, Spain’s unemployment rate increased substantially, peaking at 26.1% at the end of the first quarter in 2013. However, the recovery that began in 2013 has helped lower the unemployment rate to 17.2% at the end of the second quarter of 2017, the lowest rate in nine years (source: INE).

The real estate market started to recover in 2014, just as the Spanish economy showed signs of improvement. Since 2013, home prices have experienced growth. Prices in the fourth quarter of 2016 grew approximately 4.5% year-on-year considering both new and existing homes (source: INE), largely driven by favourable supply and demand dynamics and a strong macroeconomic recovery. However, they still remain approximately around 25% below 2007 highs, and well below recovery levels of other European countries (source: Eurostat). House prices as a share of average annual household income in Spain has decreased from 9.0x in 2008 to 6.9x at the end of the first quarter of 2017, making Spanish housing more affordable (source: Bank of Spain).

We expect new-build residential property deliveries in Spain to stand at an average of 139 thousand to 142 thousand units per year for the 2020-2021 period.

The Spanish economy continues, however, to face several challenges, including as a result of the independence movement in Cataluña, uncertainty in relation to the non-majority government formed in late 2016 in Spain, external factors such as geopolitical uncertainties (including concerning the expected exit of the United Kingdom from the European Union, actions adopted by the U.S. administration and escalating tensions in certain regions of the world), volatility in commodity prices or a negative market reaction to central bank policies, all of which may adversely affect the Spanish residential property market as a whole. In addition, while the unemployment rate has decreased in recent years, it continues to be high and Spain’s fiscal deficit as a percentage of GDP is the largest in the Eurozone (4.5% in 2016 (source: Eurostat)). In addition, the Spanish population tends to be aging and shrinking with c. 55% of the population over the age of 35 and the expectation that Spain will lose 1.2% of its population over the next 15 years and 11.6% over the next 50 years if current demographic trends hold (sources: INE; CBRE).

Availability and cost of financing in Spain

Our ability to sell residential property in Spain depends in part on the availability and cost of mortgage financing for our customers.

Since the global financial crisis, access to residential mortgage financing in Spain has been restricted, particularly at higher loan-to-value ratios. However, Spanish banks have generally decreased their equity requirements in recent quarters, with the average loan-to-value of mortgages having increased (source: Bank of Spain).

We are currently in a low interest rate environment for mortgage financing. According to Bank of Spain, the average rate of the one-year EURIBOR was -0.156% in the six months ended 30 June 2017. In the first quarter of 2017, mortgage payments represented approximately 34% of the Spanish gross annual household income, compared to approximately 60% in 2008.

If the European Central Bank increases the EURIBOR base rate, this could negatively impact the Spanish property market because interest rates charged on mortgages would increase, thereby making it more expensive for prospective buyers to purchase residential property. This may, in turn, negatively affect our ability to sell residential property in Spain.

Our costs of and thus our access to capital may also be affected by changes in the EURIBOR base rate. We typically do not seek external funding for the acquisition of land and rely on internal resources. However, we generally seek to obtain bank financing for up to 100% of the hard and soft costs of construction. Sometimes we also finance marketing costs. In addition, with respect to certain prime locations, we are generally able to obtain additional amounts under our development loans in an amount equivalent to up to 50% of the land purchase cost during the development stage (half of which we typically receive upon receipt of the building permit and half of which we receive when we have pre-sold an agreed percentage of the units in the relevant development).

For our financed developments, we generally transfer to the homebuyer the portion of the financing allocated to the relevant home. If a homebuyer does not need bank financing or prefers to rely on other financing sources, we seek to cancel the original financing of the development with the acquisition funds.

Availability and cost of land

Our business and financial returns are highly dependent on acquiring land that is suitable for development on appropriate commercial terms. Our land bank is comprised exclusively of Fully Permitted Land, with approximately 87% of our land in terms of GAV (see “—Overview” for additional information on this calculation) being Ready to Build Land, which allows us to minimize cyclical risk by having flexibility to launch developments more quickly in response to demand.

The table below shows certain key metrics of our land bank as of the date of this Prospectus:

Region	Potential Housing Units	GAV⁽¹⁾ (in millions of euros)	Percentage of total GAV (%)⁽¹⁾	Number of Projects⁽²⁾
Madrid	4,315	464	34	73
Cataluña	2,245	220	16	40
East & Mallorca	2,464	246	18	40
Costa del Sol	2,647	356	26	72
Seville	1,373	84	6	15
Total	13,044	1,370	100	240

(1) Calculated as set forth in “Business—Detailed Business Overview—Portfolio”.

(2) Based on the different potential development projects envisaged by the Company with respect to its land bank as of the date of this Prospectus.

As of the date of this Prospectus, approximately 34% of our land bank in terms of GAV (calculated as indicated above) is located in Madrid, 16% is located in Cataluña, 18% is located in East & Mallorca, 26% is located in Costa del Sol and 6% is located in Seville.

Assuming our run-rate deliveries target remains at around 3,000 housing units per annum (which target may be increased as described in “Business—2017-2023 Housing Development Plan”), our land bank as of 30 June 2017 (as supplemented by the FAB May portfolio and Nagüeles (which acquisition has not been completed yet), and considering our committed and intended sales as well as our planned development schedule) represented 76% of the total units that we target to deliver in the next six and a half years pursuant to our business plan. In particular, our 2017-2023 Housing Development Plan required us to buy land allowing the development of 2,923 housing units by the end of 2021.

We are focused on optimizing the number of years of our stock inventory, as any additional year could have a negative effect on the return on capital employed.

We expect to achieve our unit target delivery plan by recurrently making new acquisitions of Fully Permitted Land (mostly Ready to Build Land). In particular, we intend to invest around €200-250 million on new acquisitions in the next two and a half years comprising land necessary to develop an estimated approximately 2,900 potential housing units (more than one fifth of which we have already acquired since 30 June 2017), which we expect to fund with the proceeds of the Offering, operational cash flow generation and, to the extent required, external funding. At run rate, we intend to invest the amounts required to meet our delivery targets.

Number of development sites, sale price and cost

Our profitability is influenced significantly by the number of housing units we construct and sell and the margin we earn on those units. We recognize revenue and expenses attributable to sales of housing units only upon transfer of title, but often enter into reserve contracts well in advance of this transfer. Buyers must typically pay a deposit of between €3,000 and €10,000 at the pre-sale stage, around 10% of the purchase price at the time the private sale and purchase contract is signed and up to a total amount of an additional around 10% of the price in several instalments until the finalization of the construction process. The remaining portion of the purchase price is paid upon granting the public deed of sale and purchase of the property. Our revenues therefore do not necessarily correspond to changes in our cash or cash equivalents. Similarly, revenues in a particular period may be due to pre-sales initiated in a prior period. As a result, results of operations of a particular period may not fully reflect our performance for such period and period-to-period comparisons of our results of operations may not reflect the then-current trends relevant to the conduct of our homebuilding business. Our historical results of operations also may not be indicative of future performance.

Number of housing units

The total number of housing units that we construct depends mainly on the number of ongoing developments and the type of developments we undertake. While these variables are largely within our control, the number of housing units is also impacted by external factors, in particular the availability of planning approvals and government policy and regulation with respect to housing or homebuilding, such as zoning and environmental regulation, and other factors such as the availability of land on the sites that are commercially viable and suitable for our purposes. The number of residential real estate development projects that we can undertake during any particular period is also affected by our ability to obtain financing for these projects and the capital outlay required for the acquisition of land and design and construction costs. Moreover, our results of operations and the sources and amount of our cash from operations may vary significantly from period to period, depending on the number of residential units and other properties or land that we have available for sale or that we have sold and delivered in any such period, as well as variations in prices in the residential real estate market.

The following table shows our portfolio of ongoing developments by region as of the date of this Prospectus broken down by their respective development stage. For additional information on the main stages of the housing development process, see “*Business—Detailed Business Overview—Detailed Value Chain—Housing Development*”.

	Product Definition	Design	Marketing	Construction⁽¹⁾	Total
Madrid					
No. of ongoing developments.....	3	4	6	1	14
No. of units ⁽²⁾	151	270	286	30	737
Cataluña					
No. of ongoing developments.....	—	4	3	2	9
No. of units ⁽²⁾	—	202	153	143	498
East & Mallorca					
No. of ongoing developments.....	—	4	3	3	10
No. of units ⁽²⁾	—	181	139	231	551
Costa del Sol					
No. of ongoing developments.....	—	3	2	3	8
No. of units ⁽²⁾	—	150	119	43	312
Seville					
No. of ongoing developments.....	—	—	1	2	3
No. of units ⁽²⁾	—	—	56	129	185
Total					
No. of ongoing developments.....	3	15	15	11	44
No. of units ⁽²⁾	151	803	753	576	2,283

(1) Includes Galera in Málaga (Costa del Sol), which construction has been completed. For additional information on this development, see “*Business*”.

(2) Expected number of housing units.

We have a defined schedule of targeted launches and deliveries for our development portfolio under our 2017-2023 Housing Development Plan. We expect to achieve our run rate deliveries target of around 3,000 housing units per annum in 2022. Such target could be increased to up to around 3,500 housing units per annum as described in “*Business—2017-2023 Housing Development Plan*”.

Assuming our run-rate deliveries target remains at around 3,000 housing units per annum, based on the expected timing of our target housing deliveries, our land bank as of 30 June 2017 (as supplemented by the FAB May portfolio and Nagüeles (which acquisition has not been completed yet) and considering our committed and intended sales as well as our planned development schedule) covered 100% of our land needs until the end of 2020, 83% of our needs for 2021, 66% of our needs for 2022 and 56% of our needs for 2023. For further information, see “*Business—2017-2023 Housing Development Plan*”.

Margins

References in this “—Margins” section to “our existing land bank” and our “new land acquisitions” when referring to our target costs are to (i) the Company’s land bank as of 30 June 2017, as supplemented by the FAB May portfolio and Nagüeles, and (ii) the Company’s land bank acquired after 30 June 2017 (other than the FAB May portfolio and Nagüeles), respectively.

The margins that we earn on unit sales depend on various factors including price, cost of land, development costs, operational expenditure and overhead.

We have certain visibility on our sales in part due to our pre-sales of units. Up to around 20% of the purchase price of a pre-sold unit is received in advance from the customer during construction, and the remaining portion of the purchase price is received upon execution of the public deed of sale and purchase of the property. The amounts received from customers on account of future sales of land and/or buildings are recognized as advances received under “Customer advances” under current liabilities in the consolidated balance sheet.

The following table shows our pre-sales data as of 28 September 2017.

	Target Year of Delivery			Total/average
	2017	2018	2019	
Expected delivery of units				
No. of units pre-sold	—	124	453	577 ⁽¹⁾
No. of units targeted to be delivered	—	231	1,055	1,286
Percentage of units targeted to be delivered that are pre-sold	—	54%	43%	49%
Average asking price per pre-sold unit (€thousands) ⁽²⁾	—	293	345	334

(1) In addition, as of 28 September 2017, we had pre-sold eight units targeted to be delivered in 2020.

(2) Refers to the average price reflected in the reserve contracts which had been signed as of 28 September 2017. Our pre-sales for a given development may not materialize on the terms (including pricing terms) agreed, if at all. See “*Risk Factors—Risks Related to our Business—Our pre-sales may not materialize on the terms agreed, if at all*”.

Our two main cost drivers are cost of land and development costs. The following table provides detail on cost of land in relation to our existing inventory as of 30 June 2017 per region. Different regions have different costs of land, with Madrid having the highest costs.

Region	Cost of land ⁽¹⁾ (€/unit)	€m ²⁽²⁾
Madrid	75	632
Cataluña	49	430
East & Mallorca	51	452
Costa del Sol	70	567
Seville	36	291
Blended	61	521

(1) Measured as the total cost of land divided by the total number of units.

(2) Measured as the total cost of land divided by the total area in square meters.

The Spanish property market is currently growing and competition in the real estate industry has increased in the past two years, increasing the cost and limiting the supply of land available for acquisition in certain locations. If these trends continue, we may face difficulties in replenishing our land bank as rapidly as we have in the past at prices we believe are reasonable and meeting our targeted profit margins or delivery levels.

Our target average cost of land for the period covered by our 2017-2023 Housing Development Plan, is around 20% of total sales with respect to our existing land bank and around 24% of total sales with respect to any new land acquisitions (around 21% on a blended basis).

Typically, around 79% of the development costs are construction costs. The remaining development costs consist of soft costs (such as architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses, which typically represent around 17% of the total development costs) and financial costs (which typically represent around 4% of the total development costs).

Our target average cost of development for the period covered by our 2017-2023 Housing Development Plan is around 49% of total sales with respect to our existing land bank and any new land acquisitions on a blended basis.

Our operating expenditure is a direct cost in each development. Around 75% of our operating expenditure is attributable to sales costs, which consist mostly of sales agents' commissions, which depend on sale prices and are fully variable. The remaining around 25% of our operating expenditure is attributable to marketing costs, including costs relating to showrooms, brochures and traditional and online advertising. The incurrence of these costs is not dependent on or affected by the evolution of sales. Therefore, these costs are fixed and they are accounted as expenses when incurred. We believe the structure of our operating expenditure, which consists mostly of variable costs, allows us flexibility and scalability. Our operating expenditure is not capitalized.

Our target average operating expenditure (excluding overhead costs) for our development business for the period covered by our 2017-2023 Housing Development Plan is 4% of total sales with respect to our existing land bank and around 5% of total sales with respect to any new land acquisitions (around 4% on a blended basis).

Our overhead costs cannot be linked to a specific development and mainly consist of costs related to personnel and, to a lesser extent, general expenses, corporate marketing and IT, business development and rentals. Our target average overhead costs for the period covered by our 2017-2023 Housing Development Plan, is around 3% of total sales, while our run rate target average overhead costs is around 2% of total sales. In each such case, such targets exclude the impact of our LTIP (see "*Management and Board of Directors—Compensation—Long Term Incentive Plan*").

As a result of the analysis of pre-sales, price per unit and cost and expenditure structure, we are targeting a blended EBIT margin (pre-LTIP) of around 23% for the period covered by our 2017-2023 Housing Development Plan. Such target is based on several assumptions, including the assumption that the blended compound annual growth rate of the home price appreciation for our developments (each of which is expected to be affected by various factors such as their location, project type and quality) will be around 3.4% per annum in the period from 2018 to 2023 and 3.8% per annum in the period from 2018 to 2021.

Description of Key Line Items

Set out below is a brief description of key line items in our financial statements.

Balance Sheet Key Line Items

Cash and cash equivalents

Cash and cash equivalents includes our cash on hand and in short-term bank deposits with an initial maturity of three months or less. The carrying amount of these assets is similar to their fair value. There was no restriction for the availability of our cash and cash equivalents as of 30 June 2017, except for the fact that advances received and associated with a development are deposited in a special account, separate from any other class of funds belonging to us, and are only drawn against in connection with the construction of the developments and the amount pledged to cover the interests related to a mortgage loan.

Trade and other receivables

Trade and other receivables include receivables from public authorities, mainly VAT charges, amounts receivable from third parties for services rendered as well as personnel remuneration advances. Trade receivables do not generate interest and are recognized at fair value less provisions for impairments, if any. In general terms there are no doubtful assets for which impairment losses must be recognized.

Property, plant and equipment

Property, plant and equipment assets are recognized initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful

lives of the assets are capitalized as an increase in the cost of corresponding assets. Maintenance and repair costs that do not lead to a lengthening of the useful lives of the assets are charged to the income statement for the period in which they are incurred. Interest and other financial charges incurred during the period of construction of property, plant and equipment are recognized as an increase in the cost of the development in progress.

Depreciation is calculated by applying the straight-line method to the acquisition cost of assets less their residual value.

Inventories

Inventories consist of assets held for sale in the ordinary course of their businesses, assets we have in the process of production and construction or development to this end or assets we expect to consume in the production process or in the provision of services.

Land and other properties held for sale are considered inventories.

Land and sites are measured at the lower of (i) acquisition cost plus any planning costs, costs specific to the acquisition (transfer tax, registration fees etc.) and the borrowing costs incurring during execution of the planning work; or (ii) estimated market value.

“Development in progress” refers to costs incurred in property developments, or sections thereof, whose construction is not complete at the reporting date. These costs include those corresponding to the site, urban planning, construction work, capitalized borrowing costs incurred from the start of the technical and administrative work required prior to commencing construction and during the construction period itself, and other direct costs and indirect costs that can be allocated to the developments.

The Group companies transfer the costs accumulated under “Development in progress” to “Completed buildings” when the construction of its developments or sections thereof is complete.

Sales costs, other than sales commissions conditional upon the sale going through, are expensed currently.

Costs accumulated for developments for which the forecast construction termination date is within 12 months of the reporting date are classified as “Inventories (short production cycle)”.

The cost of works in progress and finished developments is written down to their net realizable value by recognizing an impairment loss whenever cost exceeds such net realizable value.

Income Statement Key Line Items

Revenue

Revenue consists mainly of home and land sales.

Revenue is recognized on an accrual basis. It is measured at the fair value of the consideration received or receivable and represents balances receivable for goods delivered and services rendered in the ordinary course of business, less discounts, VAT and other sales taxes.

Home sales are recognized when the properties are handed over and title thereto has been transferred. For these purposes, the sale of a residential finished product is understood to have occurred when the keys are handed over, which coincides with the execution of the public deed and collection of the purchase price then due.

Land sales are recognized when the risks and rewards of ownership have been transferred. Otherwise, the sale will not be considered as recognized for accounting purposes.

Procurement

Procurement consists of costs that are directly attributable to the production and sale of units, including land costs, planning and design costs, the cost of construction incurred in connection with development sites (including materials and costs of contractors).

Employee benefits expense

Employee benefits expense consists of wages, salaries and similar expenses, termination benefits, social security costs and other employee benefit costs.

Other operating expenses

Other operating expenses consist mostly of external services.

External services consist of leases and royalties, maintenance, banking and other financial services, transportation costs, independent professional services, insurance premiums, advertising and marketing, supplies, other external services and levies. Independent professional services include mainly the fees incurred during the period by investment property agents and other intermediaries involved in sales, as well as any additional retailing costs.

As a general rule, commissions from investment property agents not specifically attributable to developers, although unequivocally related to them, incurred from the start of development up to the time of the accounting recording of revenue, are accounted for under the heading “Short term accruals” of the balance sheet to be expensed at the time of the accounting record of revenues, provided that at the end of the relevant period the margin derived from the revenue contracts subscribed and pending to be accounted for, exceeds the amount of the expenses.

Commercial expenses, except sales commissions which are subject to a contract coming into force, are charged to the income statement for the period in which they are incurred.

Depreciation and amortization

Depreciation and amortization includes depreciation and amortization of tangible and intangible assets. Tangible assets include data processing equipment and other items of property, plant and equipment. Intangible assets include computer software and other intangible assets.

Impairment of and gains/(losses) on disposal of fixed assets

Impairment of and gains/(losses) on disposal of fixed assets consists of the result obtained from tangible and intangible assets sales.

Finance income

Finance revenue consists of interest received on cash and cash equivalents.

Borrowing costs capitalized in inventories

Financial expenses directed linked to development financing are capitalized and recognized on the income statement as “Procurement” when the asset is sold.

Finance costs

Finance costs consist of interest paid on our borrowings.

Income tax

Income tax is calculated on the basis of taxable profit for the period. The taxable profit differs from the net profit reported in the income statement because it excludes revenue and expense items which are taxable or deductible in different years and items that will never be taxable or deductible.

We carry deferred tax assets with an aggregate estimated amount of €16 million which we hold off-balance sheet.

Balance Sheet and Results of Operations

Balance Sheet as of 31 December 2016 and 30 June 2017

The following table and subsequent discussion summarizes key items in our balance sheet as of 31 December 2016 and 30 June 2017.

	31 December 2016	30 June 2017	% Variation
	(in euros)		
Assets:			
Non-current assets:			
Intangible assets.....	48,775	209,190	328.9
Property, plant and equipment	348,071	475,376	36.6
Non-current financial assets.....	31,938	173,339	442.7

	31 December 2016	30 June 2017	% Variation
	(in euros)		
Deferred tax assets.....	51,488	3,833,544	7,345.5
Total non-current assets	480,273	4,691,449	876.8
Current assets:			
Inventories.....	31,720,592	766,728,089	2,317.1
Trade and other receivables.....	2,245,958	18,850,299	739.3
Current financial assets.....	–	2,874,949	n.m.
Prepayments and accrued income.....	27,545	588,936	2,038.1
Cash and cash equivalents.....	13,827,027	17,138,497	23.9
Total current assets	47,821,121	806,180,770	1,585.8
Total assets	48,301,394	810,872,219	1,578.8
Equity and liabilities			
Equity:			
Share capital ⁽¹⁾	3,000	33,720,259	1,123,908.6
Share premium ⁽¹⁾	–	303,455,361	n.m.
Parent company reserves.....	(355)	(249,920,390)	70,400,009.9
Parent company retained earnings (prior period losses).....	–	(2,241,561)	n.m.
Other owner contributions.....	9,372,875	19,492,875	108.0
Reserves at fully-consolidated companies.....	(3,632)	(83,091)	2,187.7
Profit/(loss) for the period attributable to the parent.....	(2,369,805)	(12,936,158)	445.9
Non-controlling interests.....	507,280	2,229,202	339.4
Total equity	7,509,363	93,716,497	1,148.0
Non-current liabilities:			
Borrowings classified as non-current.....	–	583,355	n.m.
Non-current borrowings from related companies and associates ⁽²⁾	28,213,625	556,256,854	1,871.6
Total non-current liabilities	28,213,625	556,840,209	1,873.7
Current liabilities:			
Borrowings classified as current due in the long term.....	8,834,522	49,114,402	455.9
Current borrowings.....	2,815,889	22,062,848	683.5
Current borrowings from related companies and associates ⁽³⁾	–	9,555,040	n.m.
Trade and other payables.....	927,995	79,583,223	8,475.8
Suppliers and other payables.....	–	57,154,927	n.m.
Payable for services received.....	558,465	5,649,408	911.6
Employee benefits payable.....	–	460,075	n.m.
Current tax liabilities.....	–	265,480	n.m.
Other payables to public authorities.....	369,530	2,810,640	660.6
Customer prepayments.....	–	13,242,693	n.m.
Total current liabilities	12,578,405	160,315,513	1,174.5
Total equity and liabilities	48,301,394	810,872,219	1,578.8

- (1) We completed a share capital increase on 16 August 2017 with a nominal amount of €1,086,771 and a share premium of approximately €9,780,938. For additional information see “*Description of Share Capital—General*”,
- (2) Non-current borrowings from related companies and associates decreased to nil as of 3 October 2017. For additional information see “—*Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*” below.
- (3) Current borrowings from related companies and associates decreased to nil as of 3 October 2017. For additional information see “—*Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*” below.

Property, plant and equipment

Property, plant and equipment increased by €0.1 million, or 36.6%, to €0.5 million as of 30 June 2017 from €0.3 million as of 31 December 2016. The difference was principally due to an increase in technical facilities and other installations in the Group’s new offices.

Deferred tax assets

Deferred tax assets increased by €3.8 million to €3.8 million as of 30 June 2017 from €0.1 million as of 31 December 2016. The difference was principally due to our consolidation, since March 2017 or June 2017 (as the case may be), of the results of certain entities which had deferred tax assets in their balance sheets and which shares were contributed to us by the Selling Shareholder either in March 2017 or June 2017. See “*Description of Share Capital—General*” for additional information on these in-kind contributions. See Note 16 to our interim consolidated financial statements as of and for the six months ended 30 June 2017 for additional information on our deferred tax assets (including our unrecognized deferred tax assets).

Inventories

Inventories increased by €735.0 million, to €766.7 million as of 30 June 2017 (which amount includes €1.3 million of deposits for future land acquisitions, recorded under “Prepayments to suppliers” in our consolidated balance sheet as of 30 June 2017) from €31.7 million of 31 December 2016 mainly due to the increase in land and sites of €80.7 million and development in progress of €149.0 million. See “—*Inventories*” further below. Such increase was principally due to the in-kind contributions received from the Selling Shareholder referred to above.

Cash and cash equivalents

Cash and cash equivalents increased by €3.3 million, or 23.9%, to €7.1 million as of 30 June 2017 from €3.8 million as of 31 December 2016. The difference was principally due to additional dispositions on the Master Credit Facility Agreement (as defined herein) with the Selling Shareholder. See “—*Liquidity and Capital Resources—Indebtedness*”.

Trade and other receivables

Trade and other receivables increased by €16.6 million, to €18.9 million as of 30 June 2017 from €2.2 million as of 31 December 2016, and related mainly to other receivables from public authorities, mainly VAT charges. Such increase was principally due to the in-kind contributions received from the Selling Shareholder referred to above.

Results of Operations for the Period between 9 June 2016 and 31 December 2016 (the “2016 Reporting Period”) and for the Six Months Ended 30 June 2017

The following table and subsequent discussion summarizes our financial performance and certain operating results for the 2016 Reporting Period and for the six months ended 30 June 2017. Please see “—*Considerations Regarding the Comparability of our Financial Condition and Results of Operations*” for additional considerations affecting our financial performance and operating results during the reported periods.

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
Continuing operations:		
Revenue	15,017	419,339
Variation in inventories of finished goods and work in progress.....	–	(273,034)
Procurement.....	–	(1,966,381)
Other operating income	–	104,393
Other operating expenses.....	(1,436,427)	(4,172,202)
Employee benefits expense.....	(871,873)	(2,562,252)
Depreciation and amortization.....	(10,777)	(48,909)
Impairment of and gains/(losses) on disposal of fixed assets.....	–	(80,798)
Operating profit/(loss)	(2,304,059)	(8,579,844)
Finance income.....	419	127,229
Borrowing costs capitalized in inventories	–	396,216
Finance costs	(83,221)	(5,087,532)
Net finance cost	(82,802)	(4,564,087)
Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Income tax	13,111	–
Profit/ (loss) for the period from continuing operations.....	(2,373,750)	(13,143,931)
Profit/ (loss) for the period	(2,373,750)	(13,143,931)
Attributable to:		
Non-controlling interests	(3,945)	(207,773)
Equity holders of the parent.....	(2,369,805)	(12,936,158)
Earnings/ (loss) per share from continuing operations		
Basic	(790)	(0.38)
Diluted.....	(790)	(0.38)

Revenue

Revenue was €419.3 thousand for the six months ended 30 June 2017 and was mainly attributable to the delivery of housing units of Galera (Málaga). See “*Business*” for additional information on this development. Revenue for the six months ended 30 June 2017 also included revenue from the rendering of services totalling €123.3 thousand. Such revenue related to the management services provided by AEDAS Homes in respect of the FAB May portfolio (in respect

of which we acquired a 95% interest in August 2017 and the remaining 5% interest in September 2017) and amounts received from Merlin Properties when the Company succeeded them as tenant in the lease agreement of the Company's current offices in Madrid (which lease Merlin Properties wanted to early terminate). In exchange for such succession, Merlin Properties paid for the Company two months of rental (€1,822). See Note 19 to the Consolidated Financial Statements and "*Related Party Transactions—Transactions with Merlin Properties*".

Revenue was €15.0 thousand for the 2016 Reporting Period.

Other operating expenses

Other operating expenses were €4,172.2 thousand for the six months ended 30 June 2017 and were impacted by an increase in external services expenses, especially those related to services from independent professionals and marketing and commercial expenses.

Other operating expenses were €1,436.4 thousand for the 2016 Reporting Period.

Employee benefits expense

Employee benefits were €2,562.3 thousand for the six months ended 30 June 2017 and were impacted by an increase of 42 in the average number of employees (compared to the 2016 Reporting Period).

Employee benefits were €871.9 thousand for the 2016 Reporting Period.

Impairment of and gains/(losses) on disposal of fixed assets

Impairment of and gains/(losses) on disposal of fixed assets were €80.8 thousand for the six months ended 30 June 2017 and were impacted mainly by a €78.9 thousand impairment charge in connection with the Group's former office headquarters.

There were no impairment of and gains/(losses) on disposal of fixed assets for the 2016 Reporting Period.

Finance costs

Finance costs were €5,087.5 thousand for the six months ended 30 June 2017 and were impacted by an increase of €597,708.5 thousand in borrowings and other financial liabilities during such period. See "*Liquidity and Capital Resources—Indebtedness*" and "*Alternative Performance Measures—Borrowings*".

Finance costs were €83.2 thousand for the 2016 Reporting Period.

Liquidity and Capital Resources

Overview

We have historically relied to a considerable extent on funding from our Selling Shareholder and we expect our dependence on external funding to grow significantly after the Offering.

The real estate development industry is capital-intensive and requires significant up-front expenditures to acquire land plots and carry out development activity. Excluding the FAB May portfolio, during 2017 we have invested approximately €15 million in new land acquisitions. Such land has an aggregate GAV of approximately €152 million (in accordance with the Valuation Reports) and is estimated to allow the construction of approximately 2,862 potential housing units in the aggregate. In addition, we intend to invest around €200-250 million on new acquisitions in the next two and a half years comprising land necessary to develop an estimated approximately 2,900 potential housing units (more than one fifth of which we have already acquired since 30 June 2017), which we expect to fund with the proceeds of the Offering, operational cash flow generation and, to the extent required, external funding sources (including the capital markets). At run rate, we intend to invest the amounts required to meet our delivery targets.

Historically, except in limited circumstances, we have not relied on external funding to fund our land acquisitions and developments. Our principal sources of liquidity have been Shareholders' Loans (as defined herein), which were subsequently replaced by Shareholders' Credit Facilities (as defined herein and referred to as "Loans from the Sole Shareholder" in our Consolidated Financial Statements), and the Master Credit Facility Agreement. See "*Related Party Transactions—Financing of Group companies*". As of 30 June 2017, the Group's non-current borrowing with the Selling Shareholder amounted to €56,256,854 and the Group's current borrowings from the Selling Shareholder amounted to €9,555,040. Such borrowings were fully cancelled on 3 October 2017. See "*Indebtedness—Changes to Indebtedness*" below.

We calculate our cash needs using a 12-month cash flow budget and arrange credit facilities and hold short-term financial investments to meet the forecast needs. Our cash position as of 30 June 2017 was €17.1 million, of which €6.7 million was restricted (in particular, €6.2 million could only be drawn down in connection with the construction of developments).

In the opinion of the Company, the working capital available to the Company (total current assets less total current liabilities), which as of 30 June 2017 amounted to €645.8 million is sufficient for the Company's present requirements and, in particular, is sufficient for at least the next twelve months from the date of this Prospectus. This will continue to be the case following completion of the Offering.

Cash flows

The following table and subsequent discussion summarizes our cash flows for the 2016 Reporting Period and for the six months ended 30 June 2017. Please see “—Considerations Regarding the Comparability of our Financial Condition and Results of Operations” for additional considerations affecting our cash flows during the reported periods.

	For the 2016 Reporting Period	For the six months ended 30 June 2017
	(in euros)	
1. Cash flows from operating activities		
Profit/ (loss) before tax	(2,386,861)	(13,143,931)
Adjustments to profit/(loss)	93,579	6,660,175
Depreciation and amortization charges	10,777	48,909
Impairment and write-downs	–	80,798
Inventory impairment losses	–	1,966,381
Finance income	(419)	(127,229)
Finance costs	83,221	5,087,532
Borrowing costs capitalized in inventories	–	(396,216)
Other cash flows used in operating activities	419	(636,963)
Interest received	419	127,229
Interest paid	–	(764,192)
Changes in working capital	(23,101,130)	(58,169,352)
Increase/(decrease) in inventories	(21,685,459)	(83,095,318)
Increase/(decrease) in trade receivables	(2,245,958)	(6,721,167)
Increase/(decrease) in trade payables	890,442	29,644,830
Increase/(decrease) in other current assets and liabilities	(27,545)	1,926,493
Increase/(decrease) in other non-current assets and liabilities	(32,610)	75,810
Net cash used in operating activities (1)	(25,393,993)	(65,290,071)
2. Cash flows from investing activities		
Investments/ disposals:	(407,623)	22,056,997
Intangible assets	(48,775)	(175,604)
Property, plant and equipment	(358,848)	(239,922)
Business unit	–	22,472,523
Net cash used in investing activities (2)	(407,623)	22,056,997
3. Cash flows from financing activities		
Proceeds from and payments for equity instruments	9,883,143	10,120,000
Proceeds from issuance of own equity instruments	2,645	–
New contributions secured from shareholders	9,369,243	10,120,000
Other transactions with minority interests	511,255	–
Proceeds from and repayment of financial liabilities	29,745,500	36,424,544
New financing obtained from shareholders	28,213,625	35,155,269
New financing obtained from banks	1,531,875	783,044
Other borrowings	–	486,231
Net cash from financing activities (3)	39,628,643	46,544,544
4. Effect of changes in exchange rates on cash and cash equivalents (4)	–	–
5. Net increase/(decrease) in cash and cash equivalents (1+2+3+4)	13,827,027	3,311,470
Cash and cash equivalents - opening balance	–	13,827,027
Cash and cash equivalents - ending balance	13,827,027	17,138,497

Cash flows from operating activities

Net cash flows used in operating activities for the six months ended 30 June 2017 were €(65.3) million and were attributable in part to a €(58.2) million variation in working capital.

Net cash flows used in operating activities for the 2016 Reporting Period were €(25.4) million.

Cash flows from investing activities

Net cash flows used in investing activities for the six months ended 30 June 2017 were €2.1 million, and were principally attributable to business combinations.

Net cash flows used in investing activities for the 2016 Reporting Period were €(0.4) million and principally consisted of investments in property, plant and equipment.

Cash flows from financing activities

Net cash flows from financing activities for the six months ended 30 June 2017 were €46.5 million, consisting mainly of additional dispositions on the Master Credit Facility Agreement with the Selling Shareholder.

Net cash flows from financing activities for the 2016 Reporting Period were €39.6 million, and principally consisted of new contributions secured from shareholders of €9.4 million and new financing obtained from shareholders of €28.2 million.

Indebtedness

We have historically relied to a considerable extent on funding from our Selling Shareholder. Historically, except in limited circumstances, we have not relied on external funding to fund our land acquisitions and developments. Our principal sources of liquidity have been Shareholders' Loans, which were subsequently replaced by Shareholders' Credit Facilities, and the Master Credit Facility Agreement. The Master Credit Facility Agreement was granted on the same terms as the Shareholders' Credit Facilities, at a compoundable interest rate of EURIBOR plus 3.5%, with interest accruing on a daily basis and being annually payable. For additional information, see "*Related Party Transactions—Financing of Group companies*" and Note 14 to our consolidated financial statements as of and for the period ended 31 December 2016 and to our interim consolidated financial statements as of and for the six months ended 30 June 2017. As of 30 June 2017, the Group's non-current borrowing with the Selling Shareholder amounted to €56,256,854 (€63,368,894 under the Master Credit Facility Agreement and €492,887,960 relating to the Shareholders' Credit Facilities) and the Group's current borrowings from the Selling Shareholder amounted to €555,040 (all of it relating to the Shareholders' Credit Facilities). The Group's borrowing with the Selling Shareholder were cancelled on 3 October 2017. As of the date of this Prospectus, borrowings from related companies and associates are nil. For additional information, see "*Changes to Indebtedness*" below.

While we have limited amounts of debt as of the date of this Prospectus, we expect to incur additional debt in the future. In particular, although we typically do not seek external funding for the acquisition of land (with the availability of such external funding –when sought after- being very limited) and rely on internal resources, we generally seek to obtain bank financing for up to 100% of the hard and soft costs of construction. Sometimes we also finance marketing costs. We are typically able to draw on our loan for a project when we can present constructions certificates to the lender as evidence for our expenses. In addition, with respect to certain prime locations, we are generally able to obtain additional amounts under our development loans in an amount equivalent to up to 50% of the land purchase cost during the development stage (half of which we typically receive upon receipt of the building permit and half of which we receive when we have pre-sold an agreed percentage of the units in the relevant development). Moreover, sellers of land sometimes agree that the payment of portions of the price be deferred in time. As of 30 June 2017 deferred payments due in the short term in connection with the acquisition of land stood at €52,662,198. No interest is accrued on such deferred payments.

As of 30 June 2017, the general terms of our banking borrowings were as follows: (i) current land loans (totalling approximately €43 million) matured in 2018 and bore interest at around EURIBOR + 325 bps; (ii) development loans (totalling approximately €20 million) generally bore interest at around EURIBOR + 235 bps, with an upfront fee of around 40-75 bps and a grace period of 3-4 years; and (iii) corporate loans generally bore interest at around EURIBOR + 350 bps and matured mostly in 2019 (approximately €6 million) and, to a lesser extent, 2022 and onwards (approximately €2 million).

We target a maximum run-rate LTC of around 30-35%. This is based in part on the assumption that we will not meaningfully rely on bank borrowings to fund our land acquisitions and that our development loans will bear interest at around EURIBOR (with floor at 0%) + 250 bps, an upfront fee of 70 bps and a grace period of 3-4 years.

The following table provides an overview of our indebtedness as of 31 December 2016 and 30 June 2017. See also "*Capitalization and Indebtedness*".

<u>31 December 2016</u>	<u>30 June 2017</u>
(in euros)	

Borrowings classified as non-current.....	–	583,355
Non-current borrowings from related companies and associates.....	28,213,625	556,256,854
Total non-current liabilities	28,213,625	556,840,209
Borrowings classified as current due in the long term.....	8,834,522	49,114,402
Current liabilities.....	2,815,889	22,062,848
Borrowings from related companies and associates.....	–	9,555,040
Trade and other payables.....	927,995	79,583,223
Total current liabilities	12,578,405	160,315,513
Total liabilities	40,792,030	717,155,722

We target a maximum run-rate LTC of around 30-35%. This is based in part on the assumption that we will not meaningfully rely on bank borrowings to fund our land acquisitions and that our development loans will bear interest at around EURIBOR (with floor at 0%) + 250 bps, an upfront fee of 70 bps and a grace period of 3-4 years.

Changes to Indebtedness

On 3 October 2017, the Selling Shareholder made the below contributions to the Company:

- an in-kind contribution of €623,497,318 for the purposes of fully cancelling borrowings with related companies and associates; and
- a cash contribution of €70,900,000 to fund all of the deferred payments due in connection with the acquisition of land (which as of 30 June 2017 amounted to €2,662,198), liabilities linked to land acquisitions (which as of 30 June 2017 amounted to €7,650,000) and the remaining portion of the purchase price of Nagüeles (€10,560,000). The final price of Nagüeles will depend on whether the seller completes certain milestones. See “*Business—Detailed Business Overview—Portfolio*”.

As a result, “Other owner contributions” increased to €13,890,193 and “Non-current borrowings from related companies and associates” and “Current borrowings from related companies and associates” decreased to €. For additional information, see “*Related Party Transactions—Financing of Group companies*” and “*Description of Share Capital—General*”.

Inventories

Our inventories consist of land and sites, development in progress, completed buildings and prepayments to suppliers. The following table sets out inventory balances as of 31 December 2016 and 30 June 2017.

	31 December 2016	30 June 2017
	(in euros)	
Land and sites.....	21,392,051	602,079,335
Development in progress ⁽¹⁾	100,000	149,112,251
Completed buildings.....	–	4,279,000
Prepayments to suppliers ⁽²⁾	10,228,541	11,257,503
Total	31,720,592	766,728,089

(1) Development in progress includes the cost of the land on which the developments are being carried out (€18,108,405 as of 30 June 2017).

(2) This refers to prepayments to suppliers of land.

The following table provides information on the distribution of the book value of our inventories on a per region basis, without including “Prepayments to suppliers”. See also “*Capitalization and Indebtedness*”.

	31 December 2016	30 June 2017
	(in euros)	
Madrid.....	2,387	310,999,272
Cataluña.....	200	91,859,734
Costa del Sol.....	–	173,384,930
Rest of Andalucía.....	18,538,868	38,817,021
East & Mallorca.....	2,950,596	140,409,629
Total	21,492,051	755,470,586

Our inventories have increased since 30 June 2017 as a result of the FAB May contribution, other additional contributions and acquisitions made after 30 June 2017. For additional information, see “*Related Party Transactions—Contribution of the FAB May*”, “*Description of Share Capital—General*” and “*Business—Detailed Business Overview—Portfolio*”.

Contingent and other Off-Balance Sheet Liabilities

As of 30 June 2017, the balance of sureties extended to customers to guarantee their down payments stood at €9,163,720. The total limit on the related surety lines was €2,855,000 at 30 June 2017. Performance bonds amounted to €186,404 at 30 June 2017. There were no contingent guarantees or liabilities at 30 June 2017.

Financial Risk Management

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet payments to which we are already committed and/or commitments arising from new investments. The Group determines its liquidity requirements by means of cash forecasts. These forecasts pinpoint when the Group will need funds and how much and new funding initiatives are planned accordingly.

As of 30 June 2017, our undrawn credit facilities and loans amounted to €449.2 million and our cash position was €17.1 million, of which €6.7 million was restricted (in particular, €6.2 million could only be drawn down in connection with the construction of developments).

Market Risk

Interest rate risk

Interest rate risk is the risk of impacts that any rise in interest rates may have on finance costs in the income statement. Interest rate fluctuations affect the fair value of fixed-rate assets and liabilities and the future cash flows from floating-rate assets and liabilities. We are exposed to the risk of interest rate volatility. In the six months ended 30 June 2017, if the interest rate applicable to the Group’s current borrowings had increased or decreased by 1%, the Group’s finance costs would have changed by approximately +/- €1.6 million.

Credit risk

Credit risk is the risk of impacts that defaults on receivables may have on the income statement. We do not have a significant credit risk exposure to third parties arising from our own property activities since we collect substantially all of our sales revenue when the sales are executed in a public deed. The credit risk arising from deferred payments on land or building sales is offset through the securing of collateral and the setting of conditions subsequent in the event of non-payment. Such conditions would give rise to recovery of ownership of the asset and collection of compensation.

Critical Accounting Policies

Except as otherwise indicated, our financial information included in this Prospectus has been prepared and presented in accordance with IFRS-EU. See “*Presentation of Financial and Other Information*” and the notes to the Consolidated Financial Statements incorporated by reference into this Prospectus. In particular, see Note 4 to the consolidated financial statements as of and for the six months ended 30 June 2017 incorporated by reference into this Prospectus.

The preparation of financial statements requires our management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within our financial statements represent good faith assessments of our future performance for which our management believes there is a reasonable basis.

These estimates and assumptions represent our view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause our actual future results, performance and achievements to differ materially from those forecasted.

Alternative Performance Measures

We use certain alternative performance measures (“**APMs**”) to provide additional information which facilitates the comparability of our financial information. The most significant APMs that we use are as follows:

Gross development margin

We calculate our gross development margin as follows: revenue from sales *minus* variation in inventories of finished goods and work in progress *minus* procurement (excluding inventory impairment losses).

The below table presents our calculation of gross development margin for the six months ended 30 June 2017.

	For the six months ended 30 June 2017
	(in euros)
Revenue from sales.....	296,000
Variation in inventories of finished goods and work in progress.....	(273,034)
Procurement (excluding inventory impairment losses).....	-
Purchase of goods for resale.....	(84,653,830)
Change in inventories.....	84,653,830
Reversal of inventory impairment losses.....	-
Gross development margin	22,966

We consider gross development margin to be a performance measure because it provides information about how our development projects are performing by starting from revenue from sales and subtracting the costs incurred to make such sales. Calculation of this APM includes the impairment charges applied to real estate assets sold during the reporting period. The gross development margin does not include any gains realized on the sale of land.

Net development margin

We calculate our net development margin as follows: gross development margin *minus* sales and marketing expenses (which are part of our other operating expenses).

The table below presents our calculation of net development margin for the six months ended 30 June 2017.

	For the six months ended 30 June 2017
	(in euros)
Gross development margin.....	22,966
Sales and marketing expenses.....	(1,836,244)
Net development margin	(1,813,278)

We consider net development margin to be a performance measure because it provides information about the net margin generated on the developments that generated revenue during the reporting period. The net development margin is calculated based on the gross development margin, net of certain expenses associated with the marketing and sale of the relevant developments. The net development margin does not include any gains realized on the sale of land.

EBITDA

We calculate EBITDA as follows: net development margin *minus* inventory impairment losses *plus* revenue from services rendered *plus* other operating income *minus* employee benefits expense *minus* other operating expenses net of sales and marketing expenses.

The table below presents our calculation of EBITDA for the six months ended 30 June 2017.

	For the six months ended 30 June 2017
	(in euros)
Net development margin.....	(1,813,278)
Inventory impairment losses.....	(1,966,381)
Revenue from services rendered.....	123,339
Other operating income.....	104,393
Employee benefits expense.....	(2,562,252)

	For the six months ended 30 June 2017
	(in euros)
Other operating expenses net of sales and marketing expenses	(2,335,958)
EBITDA	(8,450,137)

We consider EBITDA to be a performance measure because it provides information for analyzing profitability (before interest, tax, depreciation and amortization) by approximating the operating flows that generate cash. It is also a measure that is widely used by the investment community in appraising companies' performance. It is also used by rating agencies and the creditor community to evaluate leverage and interest coverage by comparing EBITDA with an entity's net debt and debt service obligations.

Adjusted EBITDA

We calculate adjusted EBITDA as follows: EBITDA *plus* inventory impairment losses.

The table below presents our calculation of adjusted EBITDA for the six months ended 30 June 2017.

	For the six months ended 30 June 2017
	(in euros)
EBITDA	(8,450,137)
Inventory impairment losses	1,966,381
Adjusted EBITDA	(6,483,756)

We consider adjusted EBITDA to be a performance measure because it provides information for analyzing profitability net of inventory impairment charges, which do not represent cash flows and are, in theory, not recurring.

Borrowings

We calculate borrowings as follows: borrowings and other financial liabilities *minus* the Master Credit Facility Agreement *minus* other loans from our sole shareholder. Loans from our sole shareholder are excluded given the agreement that they would be cancelled before the Offering. See Note 14 to our consolidated financial statements as of and for the period ended 31 December 2016 and to our interim consolidated financial statements as of and for the six months ended 30 June 2017 for additional information on such loans.

The following table sets out our calculation of borrowings as of 31 December 2016 and 30 June 2017. As of the date of this Prospectus, no amounts are owed by the Company under the Shareholder Master Credit Facility Agreement or the Shareholders' Credit Facilities. See "*Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*".

	31 December 2016	30 June 2017
	(in euros)	
Borrowings and other financial liabilities	39,864,036	637,572,499
Shareholder Master Credit Facility Agreement	(28,213,625)	(64,062,108)
Loans from the Sole Shareholder ⁽¹⁾	—	(501,749,786)
Borrowings⁽²⁾	11,650,411	71,760,605

(1) Referred to as "Shareholders' Credit Facilities" in this section "*Operating and Financial Review*".

(2) This calculation does not take into account: (i) the contribution made on 3 October 2017 by the Selling Shareholder for the purposes of fully cancelling the Master Credit Facility Agreement and the Company's obligations to the Selling Shareholder in connection with the assignment of the Shareholders' Credit Facilities and (ii) the repayment related to land acquisition made after 30 June 2017.

We consider borrowings to be a performance measure because it measures a company's financial position and is necessary for the calculation of leverage magnitudes typically used in the market.

Net debt

We calculate net debt as follows: borrowings *plus* deferred payments due on the acquisition of inventories *minus* cash and cash equivalents (excluding the sum that is restricted in respect of down payments on developments, which must be deposited in a special account and may only be used to service expenses derived from construction of the developments and amounts pledged to secure mortgage loans).

The following table sets out our calculation of net debt as of 31 December 2016 and 30 June 2017.

	31 December 2016	30 June 2017
	(in euros)	
Borrowings	11,650,411	71,760,605
Deferred payments due on the acquisition of inventories	—	52,662,198
Cash and cash equivalents (less restricted cash) ⁽¹⁾	(13,525,487)	(10,463,563)
Net debt ⁽²⁾	(1,875,076)	113,959,240

(1) Cash and cash equivalents amounted to €17,138,497 as of 30 June 2017 and to €13,827,027 as of 31 December 2016. Restricted cash amounted to €301,540 as of 31 December 2016 and €6,674,934 as of 30 June 2017. For additional information see Note 12 to our interim consolidated financial statements as of and for the six months ended 30 June 2017. The impact of the FAB May contribution has not been considered as it occurred after 30 June 2017.

(2) On 3 October 2017, we received a contribution from the Selling Shareholder to fund certain deferred payments due in connection with the acquisition of land. See “—Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness”. Neither such contribution nor the additional contributions, acquisitions, sales and repayments related to land acquisition that took place after 30 June 2017 have been considered in this calculation. If such impacts were taken into account, the net debt would be under €40 million.

We consider net debt to be a performance measure because it measures a company’s net financial position. It is also a metric that is widely used by investors to analyze companies’ net leverage and by rating agencies and creditors to assess net debt.

Leverage

We calculate leverage as follows: borrowings *divided by* total assets. The following table sets out our leverage calculation as of 31 December 2016 and 30 June 2017:

	31 December 2016	30 June 2017
	(in euros, except %)	
Borrowings	11,650,411	71,760,605
Total assets	48,301,394	810,872,219
Leverage ⁽¹⁾	24.12%	8.85%

(1) This calculation does not take into account the repayment related to land acquisition made after 30 June 2017. In addition, it does not consider additional contributions, acquisitions and sales that took place after 30 June 2017.

We consider leverage to be a performance measure because it indicates the level of indebtedness of a company in relation to its total assets and it is a standard measure used by investors and by rating agencies as well as creditors to analyze real estate companies’ leverage and to assess their net debt.

Loan to Value (“LTV”)

We calculate LTV as follows: net debt *divided by* the sum of (i) the market value of the real estate assets appraised by external appraisers in valuation reports (GAV) and (ii) sales price of assets subject to sale commitments with, or purchase option agreements of, third parties (which are not covered by such valuation reports). The following table sets out our calculation of LTV as of 30 June 2017:

	30 June 2017 (in euros, except %)
Net debt	113,959,240
Sales options over inventories	42,883,600
Market value of inventory portfolio assuming 100% ownership interest (GAV) ⁽¹⁾	1,159,566,000

30 June 2017
(in euros, except %)
9.48%

LTV⁽²⁾.....

- (1) Based on the First Valuation Report, which does not include FAB May contribution.
- (2) LTV calculation does not take into account the contribution from the Selling Shareholder to fund certain deferred payments due in connection with the acquisition of land (see “—*Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”), nor the additional contributions, acquisitions, sales and repayments related to land acquisition that took place after 30 June 2017. If such impacts were taken into account, LTV would be under 3%.

We consider LTV to be a performance measure because it indicates the level of indebtedness of a company in relation to the market value of its real estate assets and it is a standard measure used by investors and by rating agencies as well as creditors when valuing the net debt of companies.

Loan to Cost (“LTC”)

We calculate LTC as follows: net debt *divided* by the difference between inventories and prepayments to suppliers. The following table sets out our calculation of LTC as of 31 December 2016 and 30 June 2017:

	31 December	30 June 2017
	2016	30 June 2017
	(in euros, except %)	
Net debt	1,875,076	113,959,240
Inventories	31,720,592	766,728,089
Prepayments to suppliers	(10,228,541)	(11,257,503)
LTC⁽¹⁾	8.72%	15.08%

- (1) LTC calculation does not take into account the contribution from the Selling Shareholder to fund certain deferred payments due in connection with the acquisition of land (see “—*Liquidity and Capital Resources—Indebtedness—Changes to Indebtedness*”), nor the additional contributions, acquisitions, sales and repayments related to land acquisition that took place after 30 June 2017. If such impacts were taken into account, LTC would be under 5%.

We consider LTC to be a performance measure because it indicates the company’s indebtedness position. It is widely used by investors to assess the financial leverage of real estate companies, as well as by rating agencies and banks to assess the level of net debt.

MANAGEMENT AND 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 (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*) (the “**Spanish Companies Act**”), which is the principal legislation under which the Company operates. In order to adapt the Company to the Spanish Companies Act, to the corporate good governance requirements and to practices of listed companies, the Company’s board of directors (the “**Board of Directors**”), at its meeting held on 11 September 2017, approved the regulations that govern the Company’s Board of Directors (the “**Board of Directors Regulations**”) and approved the Internal Code of Conduct in Securities Markets, which will become effective upon Admission. Similarly, on 11 September 2017 the sole shareholder of the Company amended the Company’s bylaws (*estatutos sociales*), approved a new restated text thereof and approved the regulations that govern the general shareholders’ meeting (the “**General Shareholders’ Meeting Regulations**”). Likewise, on 27 September 2017 the sole shareholder of the Company acknowledged the approval of the Board of Directors Regulations, as well as the Internal Code of Conduct in Securities Markets approved by the Board of Directors.

Board of Directors

Spanish corporate law provides that a Spanish incorporated company’s board of directors 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 Company’s bylaws and Board of Directors Regulations provide for a Board of Directors that consists of between five and 15 members. The Board of Directors currently consists of nine members in accordance with the resolutions passed by Company’s sole shareholder on 27 September 2017 and 4 October 2017. According to the bylaws and the Board of Directors Regulations, the Company’s directors are elected by the general shareholders’ meeting (shareholders have the right to appoint a number of directors in proportion to their shareholding in the Company provided that vacancies exist) to serve for a maximum term of three years and may be re-elected to serve for an unlimited number of terms of the same duration (save that no independent director can serve for more than 12 years and still be considered as independent). If a director does not serve out his or her term, the Board of Directors may fill the vacancy by appointing a replacement director to serve until the next general shareholders’ meeting is held. If the vacancy occurs once the general shareholders’ meeting has been convened and before the meeting has been held, the Board of Directors may appoint a director to serve until the next general shareholders’ meeting. Any natural or legal person may serve on the Company’s Board of Directors, except for persons specifically prohibited by applicable law, the Company’s bylaws or the Company’s Board of Directors Regulations. 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.

The Company’s Board of Directors is responsible for the Company’s management and establishes, among other things, the Company’s strategic, accounting, organizational and financing policies. In addition, and further to any other matters as may be provided by law, the Company’s bylaws or the Board of Directors’ Regulations, 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) authorizing or allocating the obligations arising from the duty of loyalty in accordance with the provisions of Article 230 of the Spanish Companies Act; (iii) drafting the individual and consolidated financial statements and the proposed allocation of profits (losses) and presenting them to the general shareholders’ meeting; (iv) drafting any type of report required from the board by law, assuming that the operation to which the report refers cannot be delegated; (v) calling the shareholders’ General Meeting and preparing the agenda and resolutions proposals; (vi) implementing the policy relating to treasury stock; (vii) determining the Company’s general policies and strategies; (viii) appointing directors by cooptation (*por cooptación*) and presenting to the general shareholders’ meeting proposals on the appointment, or renewal of independent directors 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 Meeting; (x) nominating or removing executive directors from the Company or establishing the conditions of their contracts; (xi) nominating or removing managers who report directly to the board or to any of its members, as well as establishing the basic conditions of their contracts, including remuneration; (xii) the Board’s own organization and functioning; and (xiii) any powers that the General Meeting has vested to the board of directors, unless the board has explicitly authorized that they may be sub-delegated.

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

- (i) approval of the strategic or business plan, annual management objectives and budget, investment and finance policies, corporate liability policy and the dividends policy;
- (ii) establishment of the risk control and management policy, including tax risks, and supervision of internal information and control systems;
- (iii) 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;
- (iv) approval of the financial information that, as a listed company, it must periodically make public;
- (v) definition of the structure of the group of companies of which the company is the parent entity;
- (vi) 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;
- (vii) 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 the transparency of the Company and its group;
- (viii) approval, subject to a report from the Audit and Control 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 owing, 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:
 - (a) they are performed under contracts whose conditions are standard and applied *en masse* to a large number of clients;
 - (b) they are performed at prices or rates generally established by the supplier of the relevant goods or services; and
 - (c) their quantity does not exceed 1% of the company's annual revenues;
- (ix) establishing the company's tax strategy.

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

According to Spanish law and the Board of Directors Regulations, the Chairperson of the Board of Directors and, where appropriate, the Vice-Chairperson, who acts as Chairperson in the event of the Chairperson's absence or incapacity, shall be elected by the Board of Directors from among its members, following the issuance of a report by the Appointments and Remuneration Committee (as defined below). Pursuant to Article 529 *septies* of the Spanish Companies Act, applicable upon Admission, if the Chairperson is an executive director, a coordinating director shall be appointed from among the independent directors. The coordinating director shall have the power to request the call of the meetings of the Board of Directors and include new items on the agenda of the meetings already called, to coordinate non-executive directors and to lead, if necessary, the regular evaluation of the Chairperson 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.

The Company's bylaws and Board of Directors Regulations provide that the Chairperson of the Board of Directors is required to call a meeting when requested by the lower of (i) three directors or (ii) one third of the Board members, within 15 days from such request. According to the Company's Board of Directors Regulations, the Board of Directors shall meet at least quarterly, in compliance with the Spanish Companies Act; this notwithstanding, the Board of Directors of the Company could meet more frequently in line with the recommendations of the Corporate Governance Code (*Código de Buen Gobierno*), approved by the CNMV in February 2015 (the "**Corporate Governance Code**"). The Company's bylaws and the Board of Director Regulations provide that the majority (half plus one) of the members of the Board of Directors shall be present or represented (by proxy by another member of the Board of Directors) in order to

constitute a quorum. Except as otherwise provided by law or specified in the Company’s bylaws, resolutions of the Board of Directors are passed by an absolute majority of the directors attending a meeting whether personally or by proxy. In case of a tie, the Chairperson shall not have a casting vote. The Company’s bylaws and the Board of Directors Regulations do not contain any special majorities to pass any resolution different from those that are established by the legislation in force as of the date of this Prospectus.

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 three months has elapsed since their adoption. When the resolution is against the public order, the right to challenge does not lapse. The causes, processing and effects of these challenges shall be subject to the same as established for challenges to general shareholders’ meeting resolutions (see “*Description of Share Capital - Shareholders’ Meetings and Voting Rights*”), with the special provision that, in this case, they shall also be processed for breach of the board of directors’ regulations.

Directors

The table below shows the composition of the Company’s Board of Directors as of the date of this Prospectus:

Name	Age	Title	Member of Board of Directors since	Terms Expires	Shareholder represented	Category / status
Santiago Fernández Valbuena	59	Chairperson	27 Sept. 2017	27 Sept. 2020	N/A	Independent
David Martínez Montero	46	CEO	30 June 2017	30 June 2020	N/A	Executive
Eduardo Edmundo D’Alessandro Cishek	36	Director	27 Sept. 2017	27 Sept. 2020	Hipoteca 43 Lux, S.à r.l.	Proprietary
Evan Andrew Carruthers	38	Director	27 Sept. 2017	27 Sept. 2020	Hipoteca 43 Lux, S.à r.l.	Proprietary
Merlin Properties SOCIMI, S.A. ⁽¹⁾	N/A	Director	27 Sept. 2017	27 Sept. 2020	Hipoteca 43 Lux, S.à r.l.	Proprietary
Cristina Álvarez Álvarez	48	Director	4 Oct. 2017	4 Oct. 2020	N/A	Independent
Emile K. Haddad	59	Director	27 Sept. 2017	27 Sept. 2020	N/A	Independent
Javier Lapastora Turpín	51	Director	27 Sept. 2017	27 Sept. 2020	N/A	Independent
Miguel Temboury Redondo	48	Director	27 Sept. 2017	27 Sept. 2020	N/A	Independent

(1) Represented by Mr. Ismael Clemente Orrego.

The non-Director Secretary of the Board of Directors is Mr. Alfonso Benavides Grases and the non-Director Deputy Secretary is Ms. Coro Morales Asúa.

All members of the Board of Directors designate the Company’s registered address as their professional address for the purpose of this Prospectus.

Biographical information for each of the current members of the Company’s Board of Directors, including a brief description of each director’s business experience and education, is presented below.

Santiago Fernández Valbuena

Mr. Valbuena joined the Group in 2017 and is the Chairman of the Company’s Board of Directors. Mr. Valbuena has over 30 years of senior experience in the Capital Markets as broker, asset manager, issuer and academic. For 20 years he worked at Telefonica where he was Group Chief Financial Officer, Chief Strategist and Chief Executive Officer of the Latin American Division. There he led over \$100 billion worth of M&A and financing and was involved in several IPOs, mergers and divestitures in the public markets. Separately, he served as Deputy Chairman for a decade at Spanish real estate group Metrovacesa. He is now a partner and Deputy Chairman at EBN Banco in Madrid, an investment bank, and a partner at Investtech in São Paulo, Brazil, a Private Equity / Venture Capital asset manager. He holds a PhD in Economics from Northeastern University in Boston and has worked as a professor at Universidad Complutense and IE Business School in Madrid and Manchester Business School in the UK.

David Martínez Montero

Mr. Martínez joined the Group in 2016 and is the Chief Executive Officer of the Company. He has an extensive experience in the real estate sector. From 2013 to 2016, he was the Chief Executive Officer of Distrito Castellana Norte (BBVA), a real estate development company managing the major urban renewal project of Madrid (budget of €1.4 billion). From 2005 to 2013, he served as Chief Executive Officer at Valdebebas, the largest and most important urban development in Madrid in the past decade. From 2002 to 2005, Mr. Martínez worked in Cuatro Torres Business Area of Madrid, where he served as Project Director for Infrastructure and Land Development, leading the design and construction teams in charge of the land development and infrastructure construction. Prior to that, he managed several projects in London and across Spain at Bovis Lend Lease and worked as construction manager in Ferrovial. Mr. Martínez holds an MSc degree in civil engineering specialized in structures from the Politechnique University of Madrid and an Executive MBA from IESE. He is member of the boards of the Urban Land Institute of Madrid and Asprima (Madrid Real Estate Developers Association).

Eduardo Edmundo D'Alessandro Cishek

Mr. D'Alessandro joined Castlelake in 2011 and is focused on European non-performing loans and real estate opportunities. Prior to joining Castlelake, Mr. D'Alessandro was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe. Prior to Deutsche Bank, Mr. D'Alessandro was an investment associate at CarVal Investors ("CVI") within the Loan Portfolio Group. At CVI, Mr. D'Alessandro worked on non-performing loans and real estate investments in the United Kingdom, Germany and Spain. Mr. D'Alessandro received his M.B.A. from the London Business School. Mr. D'Alessandro received his B.Sc. from Manhattanville College in Finance, cum laude.

Evan Andrew Carruthers

Mr. Carruthers co-founded Castlelake in 2005, in partnership with CEO and managing partner, Rory O'Neill. As managing partner, Mr. Carruthers is responsible for the firm's global investment activities across all asset classes, guiding the firm's relationship-driven approach, and leading all investment teams at Castlelake. Mr. Carruthers is also a voting member of Castlelake's Investment Review Committee. Mr. Carruthers has deep sector expertise, spanning back to the year 2000. Mr. Carruthers has invested capital in more than 40 countries across multiple industries and has been instrumental in the development of the firm's asset- and credit-based investment activities. Prior to co-founding Castlelake, Mr. Carruthers was an investment manager with Cargill Value Investment (CVI, now CarVal Investors), where he was responsible for corporate and asset-based investments in North America and was instrumental in the development of Cargill's global aircraft investing business. Prior to joining CVI, Mr. Carruthers was with Piper Jaffray, a Minneapolis-based investment banking firm, in several capacities. Mr. Carruthers received his B.A. from the University of St. Thomas in Business Administration, with a specialty in Finance. Mr. Carruthers serves as director on the boards of multiple organizations in the real estate and aviation sectors.

Cristina Álvarez Álvarez

Mrs. Alvarez has over 25 years' experience as a telecommunications expert, with relevant positions in Vodafone and Telefónica. She has effective management experience. Responsible for technical budgets around €700 million and large teams (currently 2000 full time employees). She was a part of Spanish Telefónica Executive board since 2009, and she had the CIO responsibility. She has lead the IT transformation in Telefónica Spain, and Gartner has appointed Mrs. Álvarez for four consecutive years as the most effective and efficient IT in European Telcos. McKinsey has declared her team as A-operator (best-in class). She has been fundamental in the relevant services launched in Telefónica as Fusion and the integration of TV services of Channel +. Mrs. Alvarez holds a Telco Engineering Master and a PDD in IESE from UPM. She has appointed as "Engineering of the year 2016" by COIT and "Award 2017 for TIC caree" by AUTELSI.

Ismael Clemente Orrego, as representative of Merlin Properties SOCIMI, S.A.

Mr. Clemente has over 20 years' experience as a real estate professional. He is currently the Chief Executive Officer of Merlin Properties SOCIMI, S.A. He has worked at Garrigues, Bankers Trust REIB, DB Real Estate and RREEF, as managing director. Mr Clemente has participated in transactions with an aggregate volume of approximately €5.0 billion across all property sectors. These include the sale and leaseback of the Tree Portfolio, the largest real estate transaction executed in Europe in 2009. During his tenure at RREEF, he was responsible for a team managing an asset portfolio of more than €3.0 billion, representing the full range of global funds advised by RREEF. This team also raised seven investment vehicles, representing approximately €500 million of equity on behalf of Spanish private clients and family offices. Mr. Clemente holds superior degrees in Law and in Economics & Business Administration, with a specialisation in Finance, from ICADE (E-3), is a lecturer of the MRE programme at IE Business School and a member of the Spanish Council of the Urban Land Institute.

Emile K. Haddad

Mr. Haddad is the President and Chief Executive Officer and Chairman of the Board of Directors of Five Point Holdings, LLC ("**FivePoint**") since May 2016. From 2009 until May 2016, Mr. Haddad was President and Chief Executive Officer of Five Point's subsidiary, Five Point Communities Management, Inc. (the "**FivePoint Management Company**"), a management company he co-founded. FivePoint designs and develops mixed-use, master-planned communities in coastal California. FivePoint is developing vibrant and sustainable communities in Orange County, Los Angeles County, and San Francisco County (California) which will offer homes, commercial, retail, educational, and recreational elements as well as civic areas, parks, and open spaces. FivePoint's three communities are: Great Park Neighborhoods® in Irvine, Newhall Ranch® near Valencia, and The San Francisco Shipyard/Candlestick Point in the City of San Francisco. The communities are planned to include approximately 40,000 residential homes and approximately 21 million square feet of commercial space. In his capacity as Chairman and CEO of FivePoint, Mr. Haddad has been primarily responsible for investing in and managing the planning, development and operational activities for these three communities. Prior to cofounding the FivePoint Management Company in 2009, Mr. Haddad served as the Chief Investment Officer of Lennar Corporation, one of the nation's largest homebuilders, where he was in charge of the company's real estate investments, asset management and several joint ventures. In this capacity, Mr. Haddad led the acquisition, capitalization and development of Great Park Neighborhoods, Newhall Ranch and The San Francisco Shipyard and Candlestick Point. From July 2014 through June 2017, Mr. Haddad serves as Chair of the Board of Trustees at the University of California, Irvine Foundation. He is on the Real Estate Advisory Boards of the University of California, Irvine and the University of California, Berkeley. He is also a member of the University of Southern California ("**USC**") Price Planning Program Advisory Board and in July 2017 was named as the Chairman of the Advisory Board of the USC Lusk Center for Real Estate. In addition, Mr. Haddad serves on the Board of Directors of PBS (Public Broadcasting System) So-Cal and Claremont Graduate University. Mr. Haddad received a civil engineering degree from the American University of Beirut.

Javier Lapastora Turpín

Mr. Lapastora has an extensive experience in both auditing and accounting of over 25 years auditing practice. He is a registered auditor in Spain and worked as an audit partner for PwC up to June 2015. Mr. Lapastora was the Territory Assurance Leader for PwC in Spain and Chief Executive Officer for PricewaterhouseCoopers Auditores, S.L. from 2011 to 2015, leading a business of 200 million euros with 50 partners and 1,900 employees. He has also a wide experience in the Real Estate and Engineering and Construction industries as he was the head of both of them in PwC from 2007 to 2011. Mr. Lapastora has also an important international experience as a member of the Global Assurance Leadership Group in the PwC network in which served as a member from 2011 to 2015. He also served as a member of the Advisory Committee at the CNMV from 2014 to 2016. He served also as a member of the Supervisory Board at PwC from 2003 to 2008. Mr. Lapastora holds a superior degree in Economics & Business Administration from CUNEF and a PDD from Instituto de Empresa (IE). He is also a member of the Register of Accounting Experts at Instituto de Censores Jurados de Cuentas de España (ICJCE).

Miguel Tembory Redondo

Miguel Tembory Redondo was born in Brussels (Belgium) in 1969. He is graduated in Economics and Business Administration and Law. He belongs the Spanish State Attorneys body (*Abogado del Estado*) since 1996. As a member of this body, from 1996 to 2000, he acted before the Superior Courts of Catalonia and Madrid and he practiced in the Spanish General Directorate for Insurance. For one year, he was Head of Legal Affairs for the Secretary of State for Economy, Energy and SMEs (2000-2001), and was afterwards appointed to the cabinet of the Vice-President of Government for Economic affairs, as legal advisor and responsible for the unit in charge of relations with the Government Cabinet. From 2002 until 2004, he was head of cabinet of the Home Office Minister. On voluntary leave, he joined Pérez-Llorca in 2004 as a partner of the Administrative and Regulatory Department. Subsequently, he founded Tembory Abogados in 2007. In the same year, he was appointed as President of the Madrid Court of Arbitration. In December 2011, he was appointed as Undersecretary of the Ministry of Economy. During his term as Undersecretary, he also belonged to the Board of Directors of FROB (*Fondo de Reestructuración Ordenada Bancaria*) and SEPI (*Sociedad Estatal de Participaciones Industriales*). After almost five years in charge, he voluntarily stepped down on 23rd September 2016, and was appointed State Attorney before the Spanish National High Court (*Audiencia Nacional*). On April 2017, he came back to his law firm.

Directors' managerial positions and shareholdings

The table below sets out all entities (except Group companies, those family-owned asset-holding companies not relevant for the Company or other merely instrumental non-operative companies not relevant for the Company and non-significant stakes in listed companies) in which the members of the Board of Directors 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.

Director	Company	Position/Title	Sector	In office
Santiago Fernández Valbuena	Ferrovial, S.A.	Director and member of the Audit Committee	Infrastructures	Yes
	Telefónica, S.A.	Director	Telecommunications	No
	EBN Banco, S.A.	Board Chairman	Banking	Yes
David Martínez Montero	Inversiones Energéticas Coral, S.L.	Director	Energy	Yes
	Ganeshha Combustibles, S.L.	Director	Energy	Yes
	Atelier Gestión de Proyectos, S.L.	Representative	Real estate	Yes ⁽¹⁾
	Atelier Promociones Residenciales, S.L.	Representative	Real estate	Yes ⁽¹⁾
Eduardo Edmundo D'Alessandro Cishek	—	—	—	—
Evan Andrew Carruthers	Castlelake Securitization 2014-1	Director	Financial	Yes
	Castlelake Securitization 2015-1	Director	Financial	Yes
	Castlelake Securitization 2016-1	Director	Financial	Yes
	Castlelake Securitization 2017-1	Director	Financial	Yes
	Five Point Holdings LLC	Director	Real estate	Yes
	Minnesota Orchestra	Director	Music	Yes
Merlin Properties SOCIMI, S.A.	Centro Intermodal de Logística, S.A., SME	Director	Transportation infrastructure	Yes
	Parc Logistic de la Zona Franca, S.A.	Director and Vice Chairman	Infrastructure rental	No
	Sadorma 2003, S.L.	Director	Industrial investment	Yes
	Obraser, S.A.	Director	Real estate	Yes
	Merlin Logística II, S.L.	Director	Real estate	Yes
	Gesfítesta, S.L.	Director	Real estate	No
	Gescentesta, S.L.	Director	Real estate	No
	Global Murex Iberia, S.L.	Director	Industrial investment	No
	Testa Residencial SOCIMI, S.A.	Director	Real estate	Yes
	Testa Hoteles, S.A.	Director	Real estate	Yes
Cristina Álvarez Álvarez	Telefónica España, S.A.	Chief Information Officer	Telecommunications	No
	Acens Technologies, S.L.U.	Director	Telecommunications	No
Emile K. Haddad	Five Point Communities Management, Inc.	President and CEO	Real estate	Yes
	Five Point Holdings, LLC	Board Chairman, President and CEO	Real estate	Yes
Javier Lapastora Turpín	PwC Auditores, S.L.	Board Chairman and Territory Assurance Leader	Audit	No
	Glendalough Investments, S.L.	Director	Investment	Yes
	Clonmacnoise Developments, S.L.	Director	Real estate	Yes
	Bazkariak Kalitate, S.L.	Director	Catering	Yes
	Kilkenny Restauración, S.L.	Director	Catering	No ⁽²⁾
	Kilmore Management Services, S.L.	Director	Management services	Yes
	Westhill Inversiones, S.L.	Director	Investment	Yes
Tullamore Properties, S.L.	Director	Real estate	Yes	
Miguel Temboury Redondo	Fondo de Reestructuración Ordenada Bancaria (“ FROB ”)	Member of the Board (<i>Junta Rectora</i>)	Banking	No
	Sociedad Estatal de Participaciones Industriales (“ SEPI ”)	Director	Industrial investments	No
	Consorcio de la Zona Franca de Barcelona	Member of the Board (<i>Pleno</i>)	Commerce	No
	Fundación Española para la Ciencia y la Tecnología (“ FECYT ”)	Member of the Board (<i>Patronato</i>)	Science	No

(1) On 11 September 2017, following his appointment as Chief Executive Officer of the Company, Mr. Martínez informed the Board of Directors of his current position in the above-referred entities. The Board of Directors acknowledged such offices and considered that they do not entail any effective competition with the Group.

(2) Dormant company during Mr. Lapastora’s offices.

Independent Directors

In accordance with the resolutions adopted by the general shareholders’ meeting of the Company on 27 September 2017 and 4 October 2017 and as reflected in this section, the Company’s Board of Directors is comprised of nine directors, five of whom are independent directors.

Board Committees

In compliance with the Company's bylaws and Board of Directors Regulations, the Company's Board of Directors has an appointments and remuneration committee (the "**Appointments and Remuneration Committee**") and an audit and control committee (the "**Audit and Control Committee**") which are governed by the Spanish Companies Act, the Company's bylaws and the Board of Directors Regulations. The following is a brief description of the principal characteristics of the committees of the Company's Board of Directors, which conform to the Company's Board of Directors Regulations and the Company's bylaws. Decisions of these Committees will be adopted by a majority of the votes.

Appointments and Remuneration Committee

The Company's Board of Directors has established an Appointments and Remuneration Committee. The members of the Appointments and Remuneration Committee are elected by the Board of Directors among its members, on the motion of the Chairperson of the Board of Directors. The Appointments and Remuneration Committee shall have between three and five members, all of whom must be external directors and at least two of whom must be independent directors.

The Chairperson of the Appointments and Remuneration Committee must be selected by the Board of Directors from among its independent members. Its secretary shall also be appointed by the Board of Directors.

The members of the Appointments and Remuneration Committee following Admission will consist of the following three members:

Name	Category	Title
Miguel Temboury Redondo	Independent	Chairman
Javier Lapastora Turpín ⁽¹⁾	Independent	Member
Evan Andrew Carruthers	Proprietary	Member

- (1) The Company's Board of Directors will appoint Mrs. Cristina Álvarez Álvarez as member of the Appointments and Remuneration Committee during October 2017, replacing Mr. Lapastora in this office.

The non-Director Secretary of the Appointments and Remuneration Committee will be appointed by the majority of its members or, subsidiarily, the Secretary or Deputy Secretary of the Board of Directors.

The composition, responsibilities and rules of the Appointments and Remuneration Committee are to be governed by the Company's bylaws and the Board of Directors Regulations. The primary purpose of this committee is to assist, inform and formulate proposals to the Company's Board of Directors in relation to the matters assigned to it from time to time by the aforementioned documents. In particular, the Appointments and Remuneration Committee will be responsible for the following matters (together with any others that may be attributed to the Appointments and Remuneration Committee by law, the bylaws or the Board of Directors Regulations):

- (i) assessing the competencies, knowledge and experience required on the Board of Directors. For this purpose, it shall define the functions and aptitudes required of candidates for each vacancy and shall assess the time and commitment required of them in order to be able to perform their duties effectively;
- (ii) setting a target for the representation of the gender that is less well represented on the Board of Directors and developing guidelines on how to achieve that target;
- (iii) making recommendations to the Board of Directors for the appointment of independent directors, whether through co-option by the Board or for submission to the General Meeting of shareholders, and for the re-election or removal of such directors by the General Meeting of shareholders;
- (iv) reporting on proposals for the appointment of the other directors, whether through co-option by the Board or for submission to the General Meeting of shareholders, and on proposals for the re-election or removal of such other directors by the General Shareholders Meeting;
- (v) reporting on proposals for the appointment or removal of managerial employees and the basic terms of their contracts;
- (vi) examining and organizing the succession of the Chairperson of the Board of Directors and the chief executive and general manager of the Company and, as the case may be, making recommendations to the Board of Directors to enable such succession to occur in an orderly and planned manner;

- (vii) making proposals to the Board of Directors for the policy on the remuneration of directors and executive directors, or managerial employees who report directly to the Board, an executive committee or a managing director, as well as the individual remuneration and other contractual terms of executive directors, ensuring and monitoring compliance;
- (viii) verifying compliance with the Company's remuneration policy;
- (ix) periodically reviewing the remuneration policy of directors and senior managers, including share-based compensation systems and their application, and ensuring that individual remunerations are proportionate to that of other directors and senior managers;
- (x) ensuring that potential conflicts of interest do not prejudice the independence of any external advice given to the Commission; and
- (xi) reviewing all information on directors' and senior managers' remuneration contained in corporate documentations, including the annual report on remunerations.

The Appointments and Remuneration Committee will meet at least four times a year, and at the request of any of its members and every time its Chairperson convenes a meeting. In any case, the committee Chairperson will call a meeting of the Appointments and Remuneration Committee whenever the Board of Directors or its Chairperson requests the preparation of a report or the adoption of a proposal and, in any event, whenever it is appropriate for the proper development of its functions.

Audit and Control Committee

The Company's Board of Directors has established an Audit and Control Committee. The members of the Audit and Control Committee are elected by the Board of Directors among its members. The Audit and Control Committee shall have between three and five members, all of whom must be external directors and the majority of whom must be independent directors. At least one of them shall be appointed on the basis of his knowledge and expertise in accounting, audit or both fields.

The Chairperson of the Audit and Control Committee must be selected by the Board of Directors from among the independent members of the committee for a maximum term of four years and may only be re-elected as Chairperson at least one year after his or her removal, without prejudice to his or her continuation as member of the Audit and Control Committee. Its secretary shall also be appointed by the Company's Board of Directors.

The members of the Audit and Control Committee following Admission will consist of the following three members:

Name	Category	Title
Javier Lapastora Turpín	Independent	Chairman
Santiago Fernández Valbuena	Independent	Member
Eduardo Edmundo D'Alessandro Cishek	Proprietary	Member

The non-Director Secretary of the Audit and Control Committee will be appointed by the majority of its members or, subsidiarily, the Secretary or Deputy Secretary of the Board of Directors.

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 or the Board of Directors Regulations):

- (i) reporting to the General Meeting of shareholders on matters raised in relation to those issues that fall under its responsibility and, in particular, in relation to the result of the audit, explaining how it has contributed to the integrity of the financial information and the role that the Committee has performed in this process;
- (ii) supervising the effectiveness of the internal control of the Company and its group, the internal audit and their systems for managing risks, and analyze, in collaboration with the auditors, any significant weaknesses of the internal control system detected during the external audit, without affecting its independence. For these purposes and, if applicable, they may present recommendations or proposals to the Board and the corresponding term for its monitoring;
- (iii) supervising the preparation and presentation of the statutory financial information about the Company and presenting recommendations or proposals to the Board of Directors directed to safeguard its integrity;

- (iv) making proposals to the Board of Directors, for submission to the General Meeting of shareholders, regarding the selection, appointment, re-election and replacement of the external auditors, taking responsibility for the process of selection, in accordance with applicable laws and regulations, as well as the terms of the audit engagement, and regularly gather information from the external auditors regarding the audit plan and its execution, while also preserving the auditors' independence in the exercise of their functions;
- (v) establishing appropriate relationships with the external auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may threaten the auditors' independence and any other matters relating to the audit process, and, where applicable, the authorization of the services other than those prohibited in the terms set out by applicable law, as well as any other communications provided for in audit legislation and other audit standards. In any event, the Audit and Control Committee shall receive, each year, written confirmation from the external auditors of their independence from the Company and entities directly or indirectly related to it and individualized and detailed information about any additional services of any kind rendered and the corresponding fees received from this entities by the external auditor o by the persons or entities related to it, in accordance with audit legislation;
- (vi) issuing a report each year, prior to the audit report, expressing an opinion on whether the independence of the external auditors or audit companies is jeopardized. This report shall give an opinion on the provision of the additional non-audit services referred to in the preceding paragraph, both individually considered and as a whole, and in relation to the auditors' independence regime or to the audit regulations;
- (vii) reporting to the Board of Directors, prior to Board meetings, on all matters provided by law, the bylaws or the Board of Directors Regulations and, in particular, on the following matters: (i) the financial information the Company must publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; and (iii) transactions with related parties;
- (viii) supervising the Company's internal audit activities;
- (ix) in relation to the Company's information and internal control systems: (a) supervising the preparation process and the integrity of the Company's and the Group's financial information, verifying compliance with legal requirements, the correct outline of consolidation perimeter and the correct application of account policies; (b) safeguarding the independence and effectiveness of the internal audit function; making proposals for the selection, appointment, reappointment and removal of the head of the internal audit department; making proposals for the department's budget; approving the department's guidelines and work plans; receiving periodic information on the department's activities; and verifying that senior management acts on the findings and recommendations of internal audit reports; and (c) establishing and watching an internal procedure enabling employees to inform, on a confidential or, if possible anonymous basis, of any identified financial or accounting material irregularities;
- (x) with respect to the external auditor: (a) if the external auditor resigns, investigating the reasons for the resignation; (b) watching that the external auditor's remuneration does not jeopardize its work quality and independence; (c) watching that the Company notifies any change of auditor to the CNMV through a relevant fact notice (*hecho relevante*), accompanied by a statement of any disagreement with the outgoing auditor and, where applicable, the reasons for the disagreement; (d) ensuring that the external auditor meets with the Board of Directors annually to inform it about the tasks carried out and the evolution of the Company's risks and accounting situation; and (e) watching that the Company and the external auditor comply with applicable rules on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, any other requirements designed to safeguard the auditor's independence;
- (xi) supervising compliance with the Company's codes of conduct and corporate governance rules and any related documentations;
- (xii) supervising compliance with the Company's corporate social responsibility policy and evaluate processes of relationships with different stakeholders;
- (xiii) calling any employee or manager of the Company and establishing that they appear without the presence of any other manager; and
- (xiv) any other matters that the Board of Directors may delegate to the Audit and Control Committee.

The Audit and Control Committee shall meet quarterly to review the periodic financial information that must be submitted to the 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 Chairperson considers it necessary. In any case, the committee Chairperson will call a meeting of the Audit and Control Committee whenever the Board of Directors or its Chairperson requests the preparation of a report or the adoption of a proposal.

Internal Code of Conduct in Securities Markets and Corporate Governance Recommendations

Internal Code of Conduct in Securities Markets

The Company has implemented a defined and transparent set of rules and regulations for corporate governance which is compliant with all applicable Spanish governance standards.

On 11 September 2017, the Company's Board of Directors adopted the Securities Markets Code of Conduct (*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:

- (i) 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;
- (ii) 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

Corporate Governance Recommendations

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

Additionally, the Corporate Governance Code sets out certain recommendations on corporate governance to be considered ("comply or explain") by the companies listed on the Spanish Stock Exchanges. The Company believes that it substantially complies with the recommendations of the Corporate Governance Code. The Company is committed to follow strict corporate governance policies and it intends to adapt its practices as appropriate to all the principles of good governance contained in the Corporate Governance Code, as soon as possible after Admission, in a consistent manner. In relation to those recommendations to be complied with in practice, the Company will adopt a decision before the first general shareholders' meeting, considering the Company's circumstances, its technical capacities and the Group shareholdings structure. However, as of the date of this Prospectus, the Company's corporate practices differ from these recommendations as further described below:

- **Recommendation 14:** As of the date of the Prospectus, the Company's Board of Directors has not approved a policy for selecting its members.
- **Recommendation 26:** Pursuant to the Company's bylaws, the Company's Board of Directors shall meet as frequently as necessary to properly perform its duties and, at least, once each three months in accordance with the program established for that purposes at the commencement of each fiscal year.
- **Recommendation 48:** The Company has a single Appointments and Remuneration Committee. However, the Company believes it will not qualify as a "large capitalization company" and so does not expect that Recommendation 48 will be applicable to them.

- **Recommendation 62:** The directors' remuneration policy of the Company states that the Chief Executive Officer (who is currently the sole director of the Company receiving a remuneration in shares) may not dispose of any of the shares received as a remuneration for a period of, at least, one year. This period may be extended to three years in accordance with Recommendation 62.

Finally, the Board will prepare an annual corporate governance report and such report will be submitted to the Company's shareholders for informative purposes. The report will be announced through the publication by the Company of a relevant fact notice (*hecho relevante*).

Other commitments

Upon Admission, the Company's website will be adapted to the requirements imposed by the Spanish securities market regulations.

Conflicts of Interest

There is a personal interest of a director in a matter when it affects him/her or a related party, and, for proprietary directors, when it affects the shareholder or shareholders which appointed him/her or proposed his/her appointment or to persons directly or indirectly related to them.

Therefore, the Company's 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 Article 229 of the Spanish Companies Act, the Company's directors (and related parties to directors) should abstain from:

- (i) carrying out transactions with the Company, excluding ordinary transactions, of limited amount and undertaken in standard conditions applicable to all customers;
- (ii) using the name of the Company or its condition as director to unduly influence private transactions;
- (iii) making use of corporate assets, including confidential information on the Company, for private use;
- (iv) taking advantage of business opportunities of the Company;
- (v) obtaining advantages or compensations from third parties other than the Company and its Group associated with their post unless they are a mere compliment; and
- (vi) 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 interests 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. 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 Group 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 relevant transaction consists in obtaining an advantage or compensation from a third party or 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 refrain from attending and participating in deliberations and votes affecting matters including by way of proxy vote in which they (or a related party, as defined in applicable law) have a direct or indirect conflict of interest.

In case that a conflict of interest situation 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.

To the best of the Company's knowledge, as at the date of this Prospectus, there are no actual or potential conflicts of interest amongst the directors of the Company and senior management and none are engaged in self-dealing or personally engaged in any business that could be deemed as part of the Company's operations.

Senior Management

The senior management of AEDAS Homes is carried out by Mr. David Martínez Montero, the Company's Chief Executive Officer, and the managers identified below:

<u>Name</u>	<u>Age</u>	<u>Title</u>	<u>Member of Management since</u>
Alberto Delgado Montero	41	Chief Operations Officer	July 2016
José Sergio Gálvez Capó	42	Chief Strategy and Investment Officer	July 2016
Enrique Gracia Colldeforns	45	Chief Financial Officer	May 2017
Coro Morales Asúa	56	Chief Legal Officer	September 2016
Pedro Javier Sánchez Gutiérrez	47	Chief Marketing & Communications Officer	April 2017
Esther Duarte Macarro	44	Chief Corporate Services Officer	June 2017

Set forth below are the biographies of each of these senior managers, other than those provided above:

Alberto Delgado Montero

Mr. Delgado serves as Chief Operating Officer of the Group since 2016. Mr. Delgado has more than 16 years of experience in the real estate and construction sector at leading companies across Spain. Starting in residential construction with ACS, Mr. Delgado transitioned to business development with Vallehermoso, where he worked from 2004 to 2015. Initially brought in for the Catalan market, Mr. Delgado was appointed as Madrid Regional Manager at the age of 32, overseeing more than 3,000 houses with a total turnover of €1 billion. At 36, he became Vallehermoso's Finance Director and was in charge of a balance sheet of more than €1.8 billion. In 2015, Mr. Delgado founded SOCEBI, a company specialized in providing real estate services that worked with Castlelake on the design and selection of the Group's land bank portfolio and supervising of certain building developments. Mr. Delgado holds an MSC degree in civil engineering specialized in Urban Development from the Polytechnic University of Madrid and a PhD in Management from IESE Business School.

José Sergio Gálvez Capó

Mr. Gálvez serves as Chief Investment and Strategy Officer of the Group since 2016. Mr. Gálvez has an extensive experience in the real estate industry. He started his career at Arthur Andersen, where he became manager in the M&A, Strategy and Real Estate practice. Afterwards, from September 2003 until late 2013, Mr. Gálvez was deputy Chief Executive Officer for the real estate company Hansa Urbana, responsible for its business expansion in Spain and Mexico, managing more than €1,200 million in assets and creating the business unit specialized in advisory to international investors, including Castlelake. In 2014, he founded Cartesian Edge, S.L. (Crevare), a real estate company specialized in the sourcing, analysis and acquisition of assets for institutional investors all over Spain, including Castlelake. Mr. Gálvez holds an MSC degree in Industrial Engineering from the Comillas University (ICAI) of Madrid.

Enrique Gracia Colldeforns

Mr. Gracia joined the Group in 2017 and serves as Chief Financial officer. He has over 14 years of experience as a real estate professional. He started his career at BAMI, a Spanish public company devoted to residential development. From 2002 to 2007, Mr. Gracia served as Chief Financial Officer of Metrovacesa, Spanish listed company focused on commercial real estate (office / retail) with €4.5 billion of assets under management and 150 employees. From 2007 to 2010, he led the corporate development of Gecina, a French listed company with €1 billion of assets under management and 500 employees. Mr. Gracia is the former Chief Executive Officer of SIL Group, a private Portuguese company with €400 million of assets under management, where he led a restructuring process, the optimization of the rental portfolio (occupancy increase from 85% to 94% in a difficult environment), disposal of non-core assets, organization enhancement and re-shaping of management information systems. After SIL, he became partner in Magic Real Estate and director and manager of Merlin Properties, a leading property player in the Spanish real estate Sector. Mr. Gracia holds a Business Administration degree from the University of Alcalá and a PADE Program from IESE.

Coro Morales Asúa

Mrs. Morales joined the Group in 2016. She serves as Chief Legal Officer of the Group and non-director Secretary of the Board of Directors of all Group companies existing as at the date of this Prospectus. She has more than 25 years of

experience as legal counsel, mainly in real estate companies, being specialized in commercial, civil and real estate law. Mrs. Morales has also an extensive experience in corporate law and legal compliance, as she has been secretary of the board of directors in almost all companies (family and multinational) where she worked since 1995. Mrs. Morales started her career at PriceWaterhouseCoopers. She then worked at several companies, including Salsa Inmobiliaria, a family group devoted to rural and urban leases and real estate development; Promodeico, S.A., a company devoted to the development, commercialization and management of shopping centers; ING Real Estate Development Spain Holding, S.A.U, where she stayed for more than 12 years; and Cintra Infraestructuras, S.A., a subsidiary of Ferrovial. Mrs. Morales holds a degree in Law from the Complutense University of Madrid, and a Master in European Law from the Institute for European Studies of the Université Libre of Brussels.

Pedro Javier Sánchez Gutiérrez

Mr. Sánchez joined the Group in 2017 and serves as Chief Marketing, Communications and Technology Officer of the Group. He has more than 19 years of experience in marketing and communication for different companies, with a focus on creating and managing businesses based on technology developments. Mr. Sánchez has worked at several companies including a real estate developer, Dos Puntos Desarrollos Inmobiliarios, S.A.; an audiovisual conglomerate, Vértice Trescientos Sesenta Grados, S.A.; an Internet and Telecom operator, Orange; and a global consulting firm, Arthur D. Little. Mr. Sánchez has been a successful entrepreneur, he lived in the Silicon Valley and holds a double degree in Law & Business Administration from the Comillas University (ICADE) of Madrid.

Esther Duarte Macarro

Ms. Duarte joined the Group in 2017 and serves as Chief Corporate Services Officer. She has more than 20 years of experience in human resources management, having served as manager and human resources director in different companies like Ferrovial Inmobiliaria, where she worked from 2001 to 2007, and Grupo Aldesa, from 2007 to 2017. Ms. Duarte started to work in the real estate sector with Don Piso, where she stayed from 1997 to 2001. Ms. Duarte has an extensive experience in human resources project management in multinational companies and she has led several project management trainings of high level of expertise for real estate companies' staff. She has taken part in numerous corporate projects, assuming management positions of human resources on global scale and performing the proper functions of this charge in different sectors of activity (including real estate, construction, industrial, concessions, renewable energies and technology). Ms. Duarte is specialized in management of the change. She holds a degree in Education Sciences from the Autonomous University of Barcelona, an Executive Labour Relations degree from Garrigues and an Executive Education degree from ESADE.

The table below sets out all entities (except Group companies, those family-owned asset-holding companies not relevant for the Company or other merely instrumental non-operative companies not relevant for the Company and non-significant stakes in listed companies) in which the members of the senior management 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.

Senior manager	Company	Position/Title	Sector	In office
Alberto Delgado Montero	SOCEBI Asesores, S.L.	Owner and director	Real estate	No
	Vallehermoso División Promoción, S.A.	Finance Director	Real estate	No
	Erantos, S.A.	Representative	Real estate	No
	Capace, S.L.	Representative	Real estate	No
	Tradirmi, S.L.	Representative	Real estate	No
	Castellana Norte, S.A.	Representative	Real estate	No
	Tricefalo, S.A.	Representative	Real estate	No
José Sergio Gálvez Capó	Cartesian Edge, S.L.	Chief executive officer and partner	Real estate	No
	Business and Leisure Global Services, S.L.	Chief executive officer	Real estate	No
	Hansa Urbana, S.A.	Deputy chief executive officer	Real estate	No
Enrique Gracia Colldeforns	Corporate Inmofin, S.A.	Sole administrator and main shareholder	Finance / Real estate	Yes
	Merlin Properties Socimi, S.A.	Director	Real estate	No
	Magic Real Estate, S.L.	Director and minor shareholder	Real estate	No ⁽¹⁾
	Silcoge, S.A.	CEO	Real estate	No
Coro Morales Asúa	ING Real Estate Development Spain Holding, S.A.	Non-director secretary, legal counsel, representative and senior manager	Real estate	No
	Viena Inmuebles, S.L.	Non-director secretary and proxy	Real estate	No

	Parque Comercial Guadalhor, S.L.	Non-director secretary and proxy	Real estate	No
	Logiplans Valles, S.L.	Non-director secretary and proxy	Real estate	No
Pedro Javier Sánchez Gutiérrez	Unobrain Neurotechnologies, S.L.	Director	Healthcare	Yes ⁽²⁾
	12 Parasegundos, S.L.	Director	Consultancy	Yes ⁽³⁾
Esther Duarte Macarro	Grupo Aldesa, S.L.	Human resources manager	Real estate	No
	Aldesa Construcciones, S.A.	Human resources director	Real estate	No
	Proacon, S.A.	Human resources director	Real estate	No
	Coalvi, S.A.	Human resources director	Real estate	No
	Acisa Seguridad, S.L.	Human resources director	Real estate	No
	Aldesa Concesiones	Human resources director	Real estate	No
	Aldesa Home, S.L.	Human resources director	Real estate	No

Notes:

- (1) Mr. Gracia ceased as director but is still a minor shareholder in Magic Real Estate, S.L.
- (2) Company in the process of liquidation.
- (3) Company with no business activity.

Investment Committee

The Company's senior management has established an Investment Committee. Following Admission, the Investment Committee will consist of the following five members:

Name	Position / Title
Alberto Delgado Montero	Chief Operations Officer
José Sergio Gálvez Capó	Chief Strategy and Investment Officer
Enrique Gracia Colldeforns	Chief Financial Officer
David Martínez Montero	Chief Executive Officer
Coro Morales Asúa	Chief Legal Officer

The Investment Committee is responsible for the following matters:

- (i) approve investments to be made by the Group up to €50 million; above such amount, the additional approval of Board of Directors shall be obtained;
- (ii) define the general investment policies and strategies, investment objectives, standards and limitations applicable to the acquisition and disposition of land assets and all other investment policies to which the Company shall abide and, where appropriate, submit any of the foregoing to the Board of Directors for its approval;
- (iii) review such strategies and objectives on no less than an annual basis and adopt and approve revisions thereto;
- (iv) evaluate and make a recommendation, whether affirmative or negative, regarding the prospective acquisition of any real estate acquisition, finance of a real estate acquisition to be made by the Company whether directly or through any Group company as well as to evaluate and make a final decision on the financial feasibility of any such investments and their adequacy to the investment policies of the Company and to all applicable legal provisions;
- (v) prepare and provide the Board of Directors with the relevant reports on all matters analyzed by the committee especially in all those matters where a resolution by the Board is required under the applicable law;
- (vi) review and monitor the results of the Company's investment performance in relation to the investment strategies, objectives, policies, standards and limitations approved by the committee including, but not limited to, review the procedures used by the Company to determine that the investments are made in accordance with such investments strategies, objectives, policies, standards and limitations;
- (vii) approve the valuation methodologies to be followed by the Company in the acquisition or disposition of land assets;
- (viii) periodically inform the Board of Directors, through the Chief Executive Officer, of the investments completed by the Group; and
- (ix) any other which may fall within the scope of the duties entrusted to the Committee.

Any investment in, or acquisition of, land assets by the Group must be approved by at least four members of the

Investment Committee, including the Chief Executive Officer.

Share Ownership

None of the Company's directors or members of our administrative, supervisory or management bodies hold any ordinary shares of the Company as of the date of this Prospectus. See "*Management and Board of Directors– Compensation*" for information on compensation in kind to be awarded under the LTIP and the MIP (as defined below).

Compensation

Compensation of directors

Pursuant to article 17 of the Company's bylaws, compensation of the members of the Company's Board of Directors in their capacity as such shall consist of a fixed annual amount. Compensation of directors in their capacity as such shall observe the directors' compensation policy that must be approved by the General Shareholders' Meeting at least every three years.

In addition, directors performing executive duties in the Company will be entitled to receive a compensation for such duties in accordance with the terms of their respective contracts executed with the Company for that purpose. Such contracts shall be adapted to the directors' compensation policy in force and must contemplate the amount of fixed annual compensation, any variable compensation including the parameters for earning it, as well as the main terms and conditions of the contract including, in particular, its term, any possible indemnification for early termination or resolution of the contract, or any exclusivity, post-contractual non-competition or minimum length clauses.

On 26 September 2017, the Company's sole shareholder approved the compensation policy for the Company's directors. The compensation policy sets forth the following:

- (i) *Compensation of directors in their capacity as such:* Only independent directors are entitled to receive a compensation in the capacity as such. The maximum aggregate amount of independent directors' remuneration in their capacity as such cannot exceed €600,000 per year for an indefinite term as long as the General Shareholders' Meeting does not approve anything to the contrary. This limit does not include (a) any salary, compensation of any nature or in any concept that executive directors may receive for their executive duties in accordance with the Company's bylaws and their respective agreements with the Company; (b) the D&O insurance policies described below; and (c) any reimbursement of out-of-pocket expenses properly incurred by directors when attending meetings of the Board of Directors or its Committees.

The specific determination of the amount corresponding to each director in its capacity as such corresponds to the Board of Directors, which must take into account the duties and responsibilities of each director, membership on the Board committees and other objective circumstances that the Board may deem appropriate.

On 26 September 2017, the Board of Directors approved that the above-referred maximum aggregate amount of €600,000 would be split as follows during the year 2017: (a) a fixed annual amount of €75,000 for the independent Chairperson of the Board of Directors and €50,000 for each other independent director; and (b) additional €25,000 to each Chairperson of each Board of Directors' Committee and €10,000 to each member of such committees. In 2017, each independent director will receive such amounts in proportion to the time elapsed from the date of their appointment as directors to 31 December 2017.

- (ii) *Compensation of the Company's Chief Executive Officer:* Compensation of the Company's Chief Executive Officer, in its capacity as executive director, will consist of a fixed annual amount and a variable remuneration, which may be paid either in cash or in kind when so approved by the General Shareholders Meeting. Any variable remuneration shall be linked to predetermined and quantifiable performance metrics including not only financial performance metrics but also non-financial objectives that are appropriate to create value in the long term (such as compliance with corporate governance rules, internal policies or risk control and management). Variable remuneration shall also take into account the director's professional performance and goals' achievement and shall combine objectives in the short, medium and long term so that continued performance and contribution to sustainable value creation may be assessed.

Chief Executive Officer's services agreement

On 26 September 2017, in accordance with the provisions of the directors' compensation policy described above, the Company's Board of Directors approved the services agreement to be entered into by the Company and Mr. David Martínez Montero to regulate the terms under which Mr. Martínez will render its services as Chief Executive Officer of the Company. This services agreement was executed on 11 September 2017 for an indefinite term.

Mr. Martínez's remuneration for the services rendered to the Company under such agreement are (a) a salary base of €500,000, which may be increased in up to 25% by the Board of Directors, (b) a variable remuneration that may reach 20% of Mr. Martínez's salary base if he meets 100% of his objectives (such objectives being financial and economic performance objectives such as the EBITDA growth, the developer margin growth and the total shareholders' return and other non-financial performance objectives such as compliance with corporate governance recommendations or risk management), (c) a health insurance for Mr. Martínez and his family, (d) a life insurance for Mr. Martínez and any pension systems that the Board of Directors may decide. Such remuneration is additional to Mr. Martínez's right to participate in the Long Term Incentive Plan and the Management Incentive Plan (both as defined and described below).

The services agreement may be terminated:

- (i) by mutual agreement of the Company and the Chief Executive Officer;
- (ii) by the Chief Executive Officer unilaterally with a three-month prior notice (otherwise the Chief Executive Officer shall indemnify the Company in an amount equivalent to the annual fixed salary applicable on the date of termination of the services agreement corresponding to the prior notice period unmet);
- (iii) by the Company unilaterally (a) prior agreement by the Board of Directors or (b) in the event of removal or non-renewal of Mr. Martínez as director of the Company or (c) in the event of total or partial revocation of the faculties delegated by the Company to Mr. Martínez. In these cases, the Company shall pay Mr. Martínez an amount equivalent to two annuities of the fixed salary of the Chief Executive Officer on the date of termination of the services agreement (such indemnification shall not be payable in the event of serious breach by the Chief Executive Officer of the services agreement, any applicable laws, the Company's internal regulations or any Company resolution); or
- (iv) in the event of death, legal disability (*incapacidad legal*), either total or high permanent disability (*incapacidad permanente total o de grado superior*) or temporal disability for a period of at least 12 months of the Chief Executive Officer.

The services agreement includes a non-competition obligation under which the Chief Executive Officer may not compete with the Group, on its own behalf or on behalf of a third party, using any knowledge or know-how acquired by the Chief Executive Officer during the term of the services agreement. Such obligation shall expire one year following the termination of the services agreement. The Company shall pay the Chief Executive Officer an amount equal to an annuity of his fixed salary on the date of termination of the agreement. In the event of breach of the non-competition obligation, Mr. Martínez shall reimburse such amount to the Company and he shall indemnify it in an amount equal to 25% of his fixed salary.

In addition, the services agreement provides that, in the event of change of control of the Company, the Chief Executive Officer may be entitled to resign from his office (with a three-month prior notice) and, in such case, the Company shall pay the Chief Executive Officer an amount equal to two annuities of his fixed salary on the date of termination of the agreement

Compensation of directors in 2016

The Company's bylaws provided that directors would not receive any compensation in their capacity as such in relation to the 2016 financial year.

Moreover, current directors of the Company did not receive any compensation from any Group company during the financial year ended 31 December 2016, except for the compensation received by the Chief Executive Officer as employee of the Group (see "*Compensation of senior management*" below).

Compensation of senior management

The remuneration received during the financial year ended 31 December 2016 by the members of the senior management of the Company, classified by item, was as follows:

	2016 (€)		
	Fixed remuneration	Medical insurance	Total ²
Senior management ¹	202,083	1,188	203,271

- (1) Chief Executive Officer (who received a fixed remuneration of €60,000 and a medical insurance prime of €132) and three other senior managers.
- (2) In addition, variable remuneration of senior managers amounted to €42,625.01 (of which €24,000 corresponded to the Chief Executive Officer) and was paid in March 2017.

As of the date of this Prospectus there are no pension funds accrued in connection with our senior management.

As of the date of this Prospectus, we estimate that the total remuneration (including fixed and variable) payable to the senior management described in “—*Senior Management*” during one financial year would amount to €1,653,000 (€600,000 of which would correspond to the Chief Executive Officer) assuming that all senior managers are in their offices during the full year and that variable remuneration accrues in full. For the fiscal year 2017, the total remuneration of the Company’s senior managers described in “—*Senior Management*” would amount to €1,167,523 (€368,000 of which would correspond to the Chief Executive Officer) assuming that variable remuneration accrues in full and taking into account the date of appointment of senior managers.

Long Term Incentive Plan

On 26 September 2017, the Company’s sole shareholder approved a long term incentive plan (the “**LTIP**”), in order to encourage the fulfillment of the Group’s business goals and to align the long-term interests of the Company’s executive directors, managers and key employees with those of the Company’s shareholders. The LTIP has been developed with the primary objective of incentivizing the sustainable achievement of financial objectives and the creation of shareholder value.

The LTIP is solely addressed to executive directors (currently the Chief Executive Officer), members of the senior management and certain key employees. It is expected that there will be up to 50 LTIP beneficiaries, although the LTIP allows for the inclusion of new beneficiaries.

The LTIP consists in the free delivery of shares after a period of time, subject to the achievement of certain performance objectives and the continued employment by the beneficiary. Specifically, the LTIP will be comprised of three overlapping cycles of three-years each, with the first cycle being slightly longer. The first of these cycles will begin on Admission (which is expected to occur on or around 20 October 2017) and will last until 31 December 2020. The second cycle will begin on 1 January 2019 and will end on 31 December 2021. Finally, the last cycle will begin on 1 January 2020 and will last until 31 December 2022. Shares corresponding to each cycle will be delivered after payment of the relevant taxes and beneficiaries receiving shares will be subject to the following holding periods:

- (i) Executive directors (currently the Chief Executive Officer) must hold 100% of the shares received under the LTIP for, at least, one year after receiving the shares.
- (ii) Members of the senior management must hold 50% of the shares received under the LTIP for, at least, one year after receiving the shares.
- (iii) Other participants will not be required to hold the shares for a specific period of time.

The LTIP features a threshold level below which the incentive is not awarded, a target level corresponding to 100% of the objective and a maximum level providing an upside for overachievement (150%).

The total amount in euros to be delivered during the LTIP at the target level (*i.e.*, assuming 100% of achievement of the objectives) amounts to €7,333,000 (the “**Total Target Amount in Euros**”). The total amount in euros to be delivered during the LTIP at the maximum level (*i.e.*, assuming 150% of achievement of the objectives) amounts to €11,000,000 (the “**Total Maximum Amount in Euros**”).

The Total Target Amount in Euros shall be allocated among the LTIP beneficiaries. The amount to be received by each LTIP beneficiary assuming achievement of 100% of the objectives is referred to as the “**Target Amount in Euros**”. The number of target shares to be received by each LTIP beneficiary (the “**Target Shares**”) will be the result of dividing the Target Amount in Euros by the price applicable to the shares in each cycle (the “**LTIP Share Price**”). The LTIP Share Price will be, for the first cycle, the Offer Price and, for subsequent cycles, the average closing price during the 20 trading sessions immediately prior to the start of each cycle.

The Target Amount in Euros of the Chief Executive Officer amounts to €734,00 for the first cycle and €367,000 for each of the second and the third cycles. The Maximum Amount in Euros of the Chief Executive Officer amounts to €1,100,00 for the first cycle and €50,000 for each of the second and the third cycles.

The final number of shares to be granted to each beneficiary after each cycle will be the result of multiplying (i) the Target Shares by (ii) the “**Weighted Payout Coefficient**”, which depends on the average level of achievement of the performance metrics and will range from 0 to 150.

For the first cycle, the Weighted Payout Coefficient is the weighted average of the payout coefficients for the following three performance metrics, each representing one third of the total:

- (i) EBITDA: an EBITDA objective will be set as a growth objective for the period from 1 January 2018 to 31 December 2020. The level of achievement will be based on the amount of the effective EBITDA for the same period and the payout coefficient will range between 0% and 150%.
- (ii) Developer Margin: a developer margin objective will be set as an efficiency objective for the period from 1 January 2018 to 31 December 2020. The level of achievement will be based on the effective average developer margin for the same period and the payout coefficient will range between 0% and 150%.
- (iii) Total Shareholder Return (“TSR”): a TSR objective will be set as a value creation objective for the period from Admission (expected to occur on or around 20 October 2017) to 31 December 2020. The level of achievement will depend on the effective TSR during the same period. The TSR will be understood as the evolution of the share price, including the value of dividends, if any, assuming the dividends are reinvested in our shares on the day same date they are paid. The payout coefficient will range between 0% and 150%.

The payout coefficient of each performance metric will be determined in accordance with a specific performance scale for each metric.

For the avoidance of doubt, the value of the shares delivered under the LTIP will exceed the corresponding amount in euros if the price of the shares at the time of delivery is higher than the LTIP Share Price and vice versa.

In relation to the shares to be delivered in the first cycle of the LTIP, the Company is assessing the possibility of entering into an equity swap agreement with a financial entity, which may be one of the Managers of the Offering, for the purpose of hedging its exposure to a potential increase in the Company’s share price from Admission to the date of delivery of the LTIP shares. Such hedge would likely be contracted for the number of shares to be delivered at the LTIP target level (*i.e.*, assuming 100% of achievement of the objectives). The financial entity acting as counterparty in the equity swap (including, if applicable, a Manager) will be allocated with the number of Shares in the Offering as it is necessary to carry out the equity swap.

The performance metrics and/or weights for the second and third cycle may vary from those of the first cycle according to business priorities and will be set out before the commencement of the relevant cycles.

Executive directors and members of the senior management will be subject to clawback provisions under the LTIP for a period of up to two years after the delivery of the shares. The clawback may be potentially applied over the shares received by the beneficiaries (after taxes). The most common reasons that could trigger a clawback are: (i) Group losses (negative EBITDA/profit after tax) in the two years following the conclusion of the LTIP, when such losses are attributable to management decisions that took place during any of the cycles of the LTIP; (ii) material restatements of the Group’s financial statements, when so considered by external auditors, except when these restatements are due to changes in accounting standards; and (iii) serious breach of the Company’s internal regulations and policies by a beneficiary.

Management incentive plan (MIP)

The Selling Shareholder has put in place a cash and shares incentive plan (the “**Management Incentive Plan**” or “**MIP**”) with the objective of motivating and retaining several of our key officers (Chief Executive Officer, three other senior managers and four key employees). The MIP will vest on Admission and will be paid by the Selling Shareholder.

Given that the MIP will be fully paid by the Selling Shareholder, the Company will record, on an accrual basis, this payment in its income statement as personnel expenses and the funding of this payment by the Selling Shareholder as a contribution to the reserves of Group.

The amount payable under the MIP will be linked to the internal rate of return MIP obtained by the Selling Shareholder as a

result of the Offering, based on the aggregate cash investments and contributions made by the Selling Shareholder to the Group and on the Offer Price.

The aggregate amount of the MIP will be €6 million or €31 million if the Offer Price amounts to €31.65 or €33.15, respectively (*i.e.*, the lower and upper ends of the Offer Price Range, respectively). Between 23% and 26% of the total MIP amount will correspond to the Chief Executive Officer. The final percentage will be determined on Admission by the Selling Shareholder at its sole discretion.

The MIP will be paid to each beneficiary as follows:

- (i) 50% of the aggregate MIP amount will be paid in cash within one month from Admission; and
- (ii) 50% of the aggregate MIP amount will be paid in Company's shares within one month from Admission. The reference price to calculate the amount of shares to be delivered to each beneficiary of the MIP will be the Offer Price. The MIP shares will be delivered net of any taxes and, if applicable, social security contributions arising from the MIP. The MIP shares will be delivered by the Selling Shareholder and shall not entail any dilution for new shareholders of the Company upon Admission.

MIP Shares acquired under the MIP by the Chief Executive Officer and the three senior managers of the Company are subject to a lock-up commitment of 365 days since Admission. These MIP beneficiaries will not be able to freely dispose of acquired MIP Shares until such time has elapsed.

Accrual of the MIP is subject to the beneficiary's employment or services contract being in force on the date of Admission. Exceptionally, a beneficiary whose contract is terminated before Admission due to (i) termination by us declared unfair in court or recognized as such by us (*despido improcedente*); (ii) termination by us declared null or void in court or recognized as such by us (*despido nulo*); or (iii) death or permanent disability (*incapacidad permanente*) of the beneficiary will be entitled to receive the corresponding part of the MIP on Admission.

D&O insurance policy

As of the date of this Prospectus, the Group maintains two directors and officers insurance policies that protect the directors and senior managers of the Group companies from liabilities incurred as a result of actions taken in their capacity as such. One of such policies covers any such liability up to an aggregate limit of €15 million and the other policy covers any liability in excess of such €15 million, up to an additional €10 million aggregate limit.

Family relationships

There are no family relationships and no "close relatives" (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of 15 September 2004, on information to be disclosed by listed companies regarding related party transactions) amongst the directors, the directors and other members of the Group's senior management or the members of the Group's senior management.

No convictions and other negative statements

None of the Company's directors or members of the Group's senior management 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 and/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.

PRINCIPAL AND SELLING SHAREHOLDER

As of the date of this Prospectus, the Company's share capital is €44,807,030, consisting of 44,807,030 ordinary shares of €1 par value each.

As of the date of this Prospectus, Hipoteca 43 Lux, S.à r.l. is the sole shareholder of the Company.

The following table sets forth the shareholding and voting rights the Company immediately prior to the Offering, and their expected shareholding, together with the expected shareholding of the public float, upon completion of the Offering, assuming that the Offer Price is €32.40 (*i.e.*, the mid-point of the Offer Price Range) and that the number of New Offer Shares issued is 3,086,420:

Shareholder	<u>Actual (direct) ownership of, and voting rights in, the Company (in%)</u>		
	Immediately prior to the Offering	Upon completion of the Offering (assuming full exercise of Over-Allotment Option and sale of the full Existing Offer Shares)	Upon completion of the Offering (assuming no exercise of Over-Allotment Option and sale of the full Existing Offer Shares)
Hipoteca 43 Lux, S.à r.l.	100.0	51.75	56.13
Free float	-	48.25	43.87

Beneficial Ownership of the Company

As of the date of this Prospectus, Hipoteca 43 Lux, S.à r.l., a limited liability company (*société à responsabilité limitée*), registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés Luxembourg*) under the company number B-203150, having its registered office at 534 rue de Neudorf, L-2220, Luxembourg, and holding Spanish tax identification number N-0184886-J, is the sole shareholder of the Company. As of the date of this Prospectus, the directors of the Selling Shareholder are different than those of the Company.

The Selling Shareholder is indirectly owned, through various Luxembourg investment vehicles, by TCS II Opportunities REO (Offshore) LLC, TCS II REO (Offshore) LLC, CL III REO (Offshore) LLC and CL IV REO (Offshore) LLC (the “**Castlelake Funds**”). The Castlelake Funds are investment entities of funds with their registered offices in Anguilla and managed by Castlelake. Castlelake is a global private investment firm managing private funds and is registered as an investment adviser with the US Securities and Exchange Commission. Castlelake was founded in 2005. As of 30 June 2017, Castlelake employed 113 employees and manages more than \$10.3 billion in assets on behalf of more than 125 endowments, foundations, public and private plans, private funds, family offices, insurance companies and sovereign wealth funds. As investment manager of the Castlelake Funds, Castlelake holds full power of disposal and all voting rights in the Selling Shareholder. Castlelake is controlled by its founding and managing partner and chief executive officer, Mr. Rory Joseph O’Neill. As of the date of this Prospectus, none of the Castlelake Funds holds a controlling stake in the Selling Shareholder.

The amounts and percentages of shares beneficially owned by each shareholder of the Company are reported on the basis of CNMV rules governing the determination of beneficial ownership, and the information is not necessarily indicative of beneficial ownership for other purposes. The Company's capital is represented by a single class of shares, with the same economic, voting and related rights. Each share gives the right to one vote. Consequently, shareholders do not have different voting rights. Further details relating the Company's ordinary shares are set out in “*Description of Share Capital*”.

Change of control of the Company

The Company is currently indirectly controlled by Castlelake. It is expected that after the Offering, the Company will remain controlled by Castlelake. The Selling Shareholder has not expressed any commitment or undertaking to remain a significant shareholder with representation on the Company's Board of Directors, other than the 180 days lock-up commitment (see “*Plan of Distribution—Lock-up*”). Therefore, the Selling Shareholder may freely decide to divest from the Company at any time after such 180-day period as part of the investment strategy of the private funds that own it.

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.

Shareholders' agreements

As of the date of this Prospectus, there is no existing shareholders' agreement in respect of the Company.

With respect to the Group companies which are not fully owned by the Company, below is a brief description of shareholders' agreements entered into by the Company and currently in force:

- (i) SPV Spain 2 is currently owned by AEDAS Homes (which holds an indirect 65% stake through SPV Reoco 1), Espacio (which holds a 12.5% stake) and Bigchange (which holds a 22.5% stake).

On 2 March 2016, Espacio, Bigchange and Hipoteca XXXVI Lux, S.à r.l., the former sole shareholder of SPV Spain 2 prior to its contribution to AEDAS Homes and, subsequently, to SPV Reoco 1 (see "*Description of share capital—General*"), entered into a shareholders' agreement to regulate their shareholders' relationships as joint owners of SPV Spain 2 for the joint development of the residential development project "Mallorca-Andratx" (Balearic Islands).

- (ii) SPV Reoco 15 is currently owned by AEDAS Homes (which holds an indirect 80% stake through SPV Reoco 1) and Espacio (which holds a 20% stake).

On 22 December 2016, Espacio and SPV Reoco 1 entered into a shareholders' agreement to regulate their shareholders' relationships as joint owners of SPV Reoco 15 for the joint development of the residential development project "Málaga-Nagüeles" located in Marbella.

- (iii) Espebe 11 is currently owned by AEDAS Homes (which holds an indirect 80% stake through SPV Reoco 1) and Espacio (which holds a 20% stake).

On 7 August 2015, Espacio and Hipoteca XX Lux, S.à r.l., the former sole shareholder of Espebe 11 prior to its contribution to AEDAS Homes and, subsequently, to SPV Reoco 1 (see "*Description of share capital—General*"), entered into a shareholders' agreement to regulate their shareholders' relationships as joint owners of Espebe 11 for the joint development of the residential development project "Alicante-Hacienda del Mar".

- (iv) Facornata is currently owned by AEDAS Homes (which holds an indirect 94.68% stake through SPV Reoco 1) and Optimiza (which holds a 5.32% stake).

On 23 June 2015, Optimiza and Hipoteca VII Lux, S.à r.l., the former sole shareholder of Facornata prior to its contribution to AEDAS Homes and, subsequently, to SPV Reoco 1 (see "*Description of share capital—General*") entered into a shareholders' agreement to regulate their shareholders' relationships as joint owners of Facornata for the joint development of the residential development project "Alicante-Jávea-Arenal".

In particular, each of these agreements sets out that shareholders will contribute to the funding of the project in proportion to their shareholdings, it regulates the management of each vehicle, sets forth customary provisions regarding shares' transfers and grants customary minority protections to Espacio, Bigchange and Optimiza (including drag along rights and preferential right of acquisition).

In this context, each of such vehicles also entered into project management agreement or a marketing sales agreement with Espacio or Optimiza under which Espacio or Optimiza, as applicable, undertook to manage the relevant residential development projects. See "*Business—Material contracts—Project management agreements*".

RELATED PARTY TRANSACTIONS

The Company may enter into transactions with certain related parties or its affiliates from time to time and in the ordinary course of its business. Material related party transactions entered into during the period covered by the Consolidated Financial Statements and up to the date of this Prospectus are set out below.

For additional information on the Company's related party transactions, see Note 19 to the Consolidated Financial Statements.

As provided for in the Board of Directors Regulations, any transactions that the Company enters into with members of the Board of Directors or shareholders, who hold, individually or together with others, a significant holding, or with persons related thereto, must be approved by the Board of Directors, following a report from the Audit and Control Committee.

All related party transactions carried out during the six month period ended 30 June 2017 and the year ended 31 December 2016 have been carried out at arm's length.

Financing of Group companies

Shareholders' Loans and Shareholders' Credit Facilities

During 2015 and 2016, most of the Company's subsidiaries obtained loans from their then respective shareholders for the sole purposes of funding the acquisition of one or several land plots and/or the development or promotion of residential projects over such plots (the "**Shareholders' Loans**"). Shareholders' Loans were granted at a compound interest rate of Euribor plus 3.5%, with interests accruing on a daily basis, being annually payable and giving rise to default interest at the Spanish legal rate. Shareholders' Loans were repayable in full (i) on the relevant agreement's termination date, which was typically set from three to six years following the agreement's execution date or (ii) on demand (*a la vista*) by the lender, and set out customary events of default such as non-payment, breach of other contractual obligations, insolvency / insolvency proceedings or material adverse effect.

The Shareholders' Loans were subsequently replaced by credit facilities (the "**Shareholders' Credit Facilities**") granted by each Shareholders' Loan's lender to each Shareholders' Loan's borrower with the purposes of providing it with the necessary working capital for its ongoing activity. The amounts (including interests) made available under each Shareholders' Loan were deemed drawn down under the relevant Shareholders' Credit Facility. Shareholders' Credit Facilities were also granted at a compoundable interest rate of Euribor plus 3.5%, with interests accruing on a daily basis and being annually payable. Any drawn down amounts were repayable in full on the relevant agreement's termination date, which was typically set between 2020 and 2022, except in the event of (i) acceleration due to any breach of any obligation by the borrower or (ii) voluntary prepayment prior notice to the lender.

The remaining Company's subsidiaries (namely, those who first obtained such financing during the last quarter of 2016 or the first quarter of 2017) directly obtained funds from their shareholders through a Shareholders' Credit Facility granted in the same conditions as those described in the paragraph above. For the purposes of this section, the lenders under the Shareholders' Credit Facilities will be referred to as the "**Original Lenders**".

On 30 March 2017, in the context of the Group's corporate restructuring and following contribution of certain Group companies' share capital to the Company on that date (see "*Description of share capital—General*"), the Original Lenders fully assigned their contractual positions under the Shareholders' Credit Facilities to the Selling Shareholder. In turn, on that same date, the Selling Shareholder fully assigned such contractual positions to the Company.

Likewise, on 29 June 2017, following the contribution of further Group companies' share capital to the Company (see "*Description of share capital—General*"), the Shareholders' Credit Facilities granted to such Group companies' were assigned to the Selling Shareholder and, in turn, to the Company.

As a result of the above assignments, the Company became the creditor under the Shareholders' Credit Facilities. In consideration for such assignments, the Company agreed to pay to the Selling Shareholder (which, in turn, would pay to the Original Lenders) an amount equivalent to the outstanding balance, including principal and accrued unpaid interest, of each Shareholders' Credit Facility (the "**Consideration**"). Payment of the Consideration was deferred so that the Consideration would be payable on the payment dates set out under each Shareholders' Credit Facility.

On 18 September 2017, the Selling Shareholder granted to the Company an additional loan of €10 million, in the same terms as the Shareholders' Credit Facilities (*i.e.*, at a compoundable interest rate of Euribor plus 3.5%) for the purposes of funding payments due by the Group in relation to the liquidation of the FAB May. See “—*Liquidation of the FAB May*”. For ease of reference, this loan shall be considered for the purposes of this section as part of the Shareholders' Credit Facilities.

Moreover, on 2 October 2017, there was an increase of €8,750,000 of the Shareholders' Credit Facilities to fund projects' needs and land acquisitions occurred from July to September 2017.

Master Credit Facility Agreement

On 30 January 2017, the Selling Shareholder made available to the Company a credit facility for a maximum aggregate amount of €100 million (the “**Master Credit Facility Agreement**”). The Master Credit Facility Agreement was granted in the same terms as the Shareholders' Credit Facilities, at a compoundable interest rate of Euribor plus 3.5%, with interests accruing on a daily basis and being annually payable. Any drawn down amounts under the Master Credit Facility Agreement are repayable in full on the termination date (30 September 2026) except in the event of (i) acceleration due to any breach of any obligation by the Company or (ii) voluntary prepayment prior notice to the Selling Shareholder.

Drawdowns under the Master Credit Facility Agreement since 30 June 2017 until 3 October 2017 amounted €34,255,000 and were used to fund projects' needs and land acquisitions occurred from July to September 2017.

Cancellation of Shareholders' Credit Facilities and the Master Credit Facility Agreement

As of 3 October 2017 the outstanding principal under the Master Credit Facility Agreement amounted to €7,623,894, the outstanding principal under the Shareholders' Credit Facilities amounted to €11,637,960, and accrued and unpaid interests thereunder amounted to €14,235,464. The sum of these amounts was €23,497,318.

On that date (*i.e.*, 3 October 2017), the Selling Shareholder contributed to the Company, by means of a shareholders' contribution (*aportación de fondos propios*), (i) its credit rights *vis-à-vis* the Company resulting from the deferral of the Consideration and (ii) its credit rights *vis-à-vis* the Company under the Master Credit Facility Agreement. The aggregate amount of this shareholders' contribution was €23,497,318 and was registered as Other owners contributions.

As a result of these contributions, (i) the Group's consolidated owner contributions increased up to €713,890,193; (ii) the Group's non-current borrowing from related parties and the Group's current borrowing from related parties decreased to nil; and (iii) the Selling Shareholder's credit rights *vis-à-vis* the Company for the Consideration and the Master Credit Facility Agreement was fully cancelled. See “*Capitalization and Indebtedness*”.

The credit rights from the Company (as creditor under the existing Shareholders' Credit Facilities) *vis-à-vis* the Group companies (as debtors thereunder) shall remain outstanding as of the date of this Prospectus. See Note 14 to the Consolidated Financial Statements.

Contribution of the FAB May

FAB May Investment Agreement

On 22 May 2014, Hipoteca VI Lux, S.à r.l., a company managed by Castl lake (“**Hipoteca VI**”), and SAREB entered into an investment agreement under which Hipoteca VI Lux, S.à r.l. acquired from SAREB 532 securities representing 95% of the FAB May's issued securities (the “**FAB May Investment Agreement**”). The price paid by Hipoteca VI for these securities amounted to €54,733,224.

The FAB May is an asset banking fund (*fondo de activos bancarios*) that was created by SAREB in accordance with Law 9/2012 of 14 November on restructuring and resolution of financial entities (*Ley 9/2012, de 14 de noviembre, de reestructuración y resolución de entidades de crédito*) and its implementing regulation (“**Law 9/2012**”). Pursuant to Law 9/2012, SAREB is entitled to group together assets and liabilities owned by it into one or more asset banking funds (“**FABs**”). FABs are intended to serve as divestment vehicles for SAREB and, accordingly, SAREB must transfer a majority and controlling interest in each of such FABs to third party investors. However, SAREB must at all times maintain a minimum interest to maintain the special tax regime set out in Law 9/2012 for FABs (which, as of the date of the FAB May Investment Agreement, amounted to 5%).

Pursuant to the FAB May Investment Agreement, Hipoteca VI acquired a controlling interest in the FAB May and was entrusted with the control of its governance. The purpose of this investment was to maximize the value of the assets held

by the FAB May through a proactive and professional management and to crystallize such value through the disposal of the assets to third parties, and subsequent distribution of full proceeds and liquidation of the FAB May.

According to the FAB May Investment Agreement, the administration and management of the assets held by the FAB May was to be carried out in accordance with the business plan agreed by Hipoteca VI and SAREB. The management and representation of the FAB May is exclusively entrusted to Haya Titulización, Sociedad Gestora de Fondos de Titulización, S.A.U., a securitization fund management company duly authorized by the CNMV (“**Haya**”). Notwithstanding the above, any decision relating to the management of the FAB May was subject to the prior approval of an investors committee composed of three members, two of which were appointed by Hipoteca VI and one of which was appointed by SAREB (the “**FAB May Investors Committee**”). The FAB May Investment Agreement included customary reserved matters which approval required the favourable vote of both Hipoteca VI’s and SAREB’s nominees, including the merger, demerger or any other material restructuring of the FAB May, its liquidation, the application of a new tax regime, the contribution of new assets or capital to the FAB May, related party transactions or any reduction in the assets’ sale price of at least 20% compared to the business plan.

The FAB May Investment Agreement set out that, on the fifteenth day of each calendar month, the FAB May undertook to distribute all the funds available in accordance with a given waterfall to pay, first, any fees, expenses, costs or other amounts due and payable by the FAB May on that date and, second, any remuneration to Hipoteca VI and SAREB in proportion to their stake in the FAB May.

FAB May Asset Management Agreement

On 1 November 2016, the Company, the FAB May, SAREB and Hipoteca VI (subsequently replaced by Danta Investments, as defined below) entered into an asset management agreement (the “**FAB May Asset Management Agreement**”) under which the Company undertook to manage the assets held by the FAB May with the aim to maximize their value and crystallise it through their disposal to third parties and distribution of the proceeds obtained therefrom.

The services provided by the Company included all the services regarding the administration, management, property, development, disposition and/or sale services of the assets held by the FAB May, all in accordance with the FAB May’s agreed business plan. The Company agreed to keep the FAB May Investors Committee and Haya at all times informed of all matters that would require further instructions or guidance from the Investors Committee in accordance with the terms of the FAB May Investment Agreement, or that would be considered material to the FAB May.

In exchange for these services, the Company received (i) a management fee of €442 per month and per asset, (ii) a property development fee of 4.5% of the aggregate construction costs of each property that the FAB May decided to develop (to be disbursed in instalments upon accomplishment of certain milestones (e.g., obtaining the construction works license)), (iii) a commercialization fee of 3% of the sale price of any real estate unit resulting from a property development decided by the FAB May, (iv) a disposition fee of (a) 2.25% of the gross sale price of any asset sold by the Company or (b) 1.25% of the gross sale price of any asset sold by the FAB May but by order of the Company, and (v) in the event that the sale of assets or real estate units generate an internal rate of return above 25%, an upside fee of 25% over any net cash flow received by the FAB May in excess of such 25% internal rate of return.

Contribution of the FAB May to AEDAS Homes

On 14 August 2017, Hipoteca VI contributed to its wholly-owned subsidiary Danta Investments, S.L.U. (“**Danta Investments**”):(a) the 532 securities representing 95% of the securities issued by the FAB May, valued at €10,593,625 and (b) its contractual position as creditor under an OpEx loan by Hipoteca VI and SAREB to the FAB May (in proportion to their respective stakes in the FAB May) on 18 July 2014, valued at €71,084. Such contribution was made by means of a non-monetary share capital increase of Danta Investments in the aggregate amount of €10,864,709 (€7,713,927 of nominal amount and €3,150,782 of premium), through the issuance of 27,713,927 new quota shares (*participaciones sociales*) of €1 of nominal value each, that were fully subscribed and paid up by Hipoteca VI. As a result of this share capital increase, the share capital of Danta Investments amounted to €27,716,927, divided into 27,716,927 quota shares (*participaciones sociales*) of €1 of nominal value. Danta Investments waived its right to use the special tax regime for mergers, spin-offs, asset contributions and securities swaps provided for in article 89.1 of the CIT Law (as described herein).

On 16 August 2017, the shareholders of the Selling Shareholder approved a share capital increase of the Selling Shareholder in the amount of €10,867,709 (€4,121 of nominal amount and €10,823,588 of premium) through the issuance of 44,121 new shares with a nominal value of €1 each. Hipoteca VI subscribed the new shares through an in-kind contribution consisting of 100% of the share capital of Danta Investments.

On that same date, the Selling Shareholder pushed down to the Company, and the Company in turn pushed down to its subsidiary SPV Reoco 1, the referred 100% stake in Danta Investments, valued at €10,867,709, by means of successive share capital increases. See “*Description of Share Capital—General*”.

As a result of the above, AEDAS Homes became the indirect owner, through Danta Investments, of 95% of the FAB May (the remaining 5% stake then belonging to SAREB).

Liquidation of the FAB May

On 4 August 2017, the FAB May Investors Committee unanimously approved to request Haya to resolve and proceed with the dissolution and liquidation of the FAB May in accordance with the provisions of the FAB May Investment Agreement. Upon such request, on 24 August 2017 Haya resolved to wind up and liquidate the FAB May and notified such resolution to the CNMV, the FAB May’s creditors, SAREB and Danta Investments.

The dissolution and liquidation of the FAB May took place on 19 September 2017. Pursuant to such procedure, Danta Investments received 100% of the assets and liabilities held by the FAB May on the date of liquidation and paid to SAREB a compensation for its 5% stake in the FAB May in the amount of €4,800,000. Danta Investments also undertook to pay the VAT expenses relating to the FAB May liquidation. Such payments were funded by means of an additional borrowing of the Company under the Shareholders’ Credit Facilities dated 18 September 2017, which was subsequently cancelled on 3 October 2017. See “—*Financing of Group Companies—Cancellation of Shareholders’ Credit Facilities and the Master Credit Facility Agreement*”.

In addition, Danta Investments agreed (i) to hold SAREB harmless of any cost, expense or tax arising from the liquidation of the FAB May, from the allocation of the assets and liabilities to Danta Investments and from the referred payment of €4,800,000 from Danta Investments to SAREB (including any local tax on the increase of value of urban land (*Impuesto sobre el Incremento de Valor de los Terrenos de Naturaleza Urbana*)) and (ii) to hold SAREB harmless of any economic obligation arising from the project development “Pozuelo-Cerro” located in Madrid pursuant to the terms of the FAB May Investment Agreement.

As a result of this liquidation, the FAB May Investment Agreement and the FAB May Asset Management Agreement were terminated.

For the final structure of the Group following the contribution and liquidation of the FAB May, see “*Additional Information*”.

Transactions with Merlin Properties

Castlelake engaged Merlin Properties as independent advisor in relation to the creation and management of AEDAS Homes. There from, Merlin Properties has provided us professional advisory services in connection with the setting-up of the Company and development of our business. See “*Business—Material Contracts—Advisory Services Rendered by Merlin Properties*” for a description of our agreement with Merlin Properties, including the services rendered and the remuneration paid by the Company to Merlin Properties for such services during 2016 and 2017. See also note 19 to the Consolidated Financial Statements.

In addition, on 27 September 2017, Merlin Properties was appointed as a proprietary director of the Company for the statutory period of three years. Merlin Properties is represented in the Board of Directors by Mr. Ismael Clemente Orrego. See “*Management and Board of Directors*”.

Moreover, the Company’s current offices in Barcelona belong to Merlin Properties and have been leased by the Company pursuant to a lease agreement. Fees payable by the Company to Merlin Properties amount to €2,615 per month. This amount will be updated annually based on consumer price index. Likewise, the Company’s prior offices in Madrid belonged to Merlin Properties and were rented for the amount of €1,755 per month. This lease agreement was terminated on 3 May 2017. On 25 April 2017, the Company succeeded Merlin Properties, as tenant, in the lease agreement of the Company’s current offices in Madrid (which Merlin Properties wanted to early terminate). In exchange, Merlin Properties paid for the Company two months of rental (€1,822). See Note 19 to the Consolidated Financial Statements.

Other related party transactions with Group companies

Project management agreements and marketing and sales agreements

SPV Spain 2, SPV Reoco 15, Espebe 11 and Facornata, which are partially owned by the Company, entered into project management agreements or marketing and sales agreements with some of the Company's co-investor in such Group companies, Espacio and Optimiza. For a description of these agreements, see "*Business—Material contracts—Project management agreements and marketing and sales agreements*". For information on the Group's structure, see "*Additional information—Corporate structure*".

Corporate and real estate services rendered to Group companies

The Company enters into transactions with the Group companies in the ordinary course of business. These transactions consist mainly of services that AEDAS Homes provides to its subsidiaries, including (i) company services such as preparing necessary information for the correct management and control of each Group company, corporate and financial management, running of investment and divestment processes and legal advice and (ii) real estate project services such as elaborating each project's business plan, services relating to the zoning development, maintenance and real estate development of each project, management of ongoing and new developments, asset management services (including each projects' management, control, follow-up, valuation and maintenance) and commercialization services. These intra-group transactions are eliminated on consolidation and thus not included in the Consolidated Financial Statements.

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning the Company's share capital and briefly describes certain significant provisions of the Company's bylaws (*estatutos sociales*) and Spanish corporate law, the Spanish Companies Act, Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the LMV and Royal Decree 878/2015 on clearing, settlement and registry of negotiable securities in book-entry form, and transparency requirements for issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, 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*), as amended by Royal Decree 827/2017 of 1 September.

This summary does not purport to be complete and is qualified in its entirety by reference to the Company's bylaws, the Spanish Companies Act and other applicable laws and regulations. Copies of the Company's bylaws are available (in Spanish with an English translation for information purposes) at the Company's principal headquarters and on the Company's website (www.aedashomes.com) and from Admission, at CNMV's offices.

General

At the date of this Prospectus, the Company's issued share capital consists of €44,807,030 divided into a single series of 44,807,030 ordinary shares, with a par value of €1 each and with ISIN code ES0105287009 allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV. All of the Company's ordinary shares are fully subscribed and paid-up. Non-residents of Spain may hold shares and vote, subject to the restrictions described under "*Restrictions on Foreign Investment*".

The Company's shares are represented by book entries and the entity responsible for maintaining the corresponding accounting records is Iberclear, with registered office at Plaza de la Lealtad 1, 28014 Madrid, Spain.

At the date of this Prospectus, the Company does not own any treasury shares (*autocartera*).

The Company was incorporated as a corporation for an indefinite term under public deed executed on 9 June 2016, under the corporate name SPV Spain 19, S.L., Sociedad Unipersonal.

The Company's corporate purpose is the acquisition, promotion, management, commercialization and development of any real estate assets for their holding, enjoyment, management, disposal and leasing. The Company may carry out these activities totally or partially, directly or indirectly through the participation in other companies conducting an analogous corporate object. For these purposes, the Company may acquire, manage and dispose of all types of securities—for instance, without limitation, shares, convertible bonds or other—equity shares, or equity units of any type—that entitle to a holding in any third company.

The Company was originally incorporated with a share capital of €3,000, divided into 3,000 ordinary quota shares (*participaciones sociales*) with a par value of €1 each.

On 14 July 2016, the Company changed its corporate name to Aedas Homes Group, S.L.U.

On 30 March 2017, the Company's sole shareholder approved a share capital increase of the Company in the amount of €31,403,231 through the issuance of 31,403,231 new quota shares (*participaciones sociales*), with a nominal value of €1 each and a premium of €9 each. The Selling Shareholder subscribed the new quota shares through an in-kind contribution consisting of the following:

- (i) 100% of the share capital of:
 - Espebe 2, S.L.U.,
 - Espebe 4, S.L.U.,
 - Espebe 7, S.L.U.,
 - Espebe 12, S.L.U.,
 - Espebe 14, S.L.U.,
 - Espebe 15, S.L.U.,
 - Espebe 16, S.L.U.,

- Espebe 17, S.L.U.,
- Espebe 18, S.L.U.,
- Espebe 20, S.L.U.,
- Espebe 22, S.L.U.,
- Espebe 23, S.L.U.,
- Espebe 25, S.L.U.,
- Espebe 26, S.L.U.,
- Espebe 27, S.L.U.,
- Espebe 28, S.L.U.,
- Espebe 29, S.L.U.,
- Espebe 32, S.L.U.,
- Espebe 34, S.L.U.,
- Espebe 35, S.L.U.,
- SPV Spain 7, S.L.U.,
- SPV Spain 16, S.L.U.,
- SPV Spain 17, S.L.U.,
- Damalana Servicios y Gestiones, S.L.U.,
- Cornetala Servicios y Gestiones, S.L.U.,
- Milen Investments, S.L.U.,
- SPV Spain Project 1, S.L.U., and

(ii) 65% of the share capital of SPV Spain 2.

The share capital increase was fully subscribed and paid up and, as a result, the Company’s share capital was increased to €31,406,231 (divided into 31,406,231 quota shares (*participaciones sociales*) of €1 nominal value each).

On that same date, the Company pushed down to its subsidiary SPV Reoco 1 the referred stakes contributed by the Selling Shareholder, by means of a non-monetary share capital increase of SPV Reoco 1 in the amount of €31,403,231, through the issuance of 31,403,231 new quota shares (*participaciones sociales*) that were fully subscribed and paid up by the Company. For a list of the project developments held through these vehicles and thus contributed to the Company and to SPV Reoco 1 on 30 March 2017, see “*Additional Information—Corporate structure*”.

On 23 May 2017, the Company’s sole shareholder approved the merger by absorption (*fusión por absorción*) of the Company (which was then named Aedas Homes Group, S.L.U.), as the absorbing entity, and a Company’s wholly-owned subsidiary (which was named Aedas Homes, S.L.U.), as the absorbed entity. As a result of the merger, the Company adopted the corporate name of the absorbed entity, Aedas Homes, S.L.U. The merger was announced on the Commercial Registry’s Official Gazette (*Boletín Oficial del Registro Mercantil*) on 25 May 2017 and registered with the Commercial Registry of Madrid on 5 July 2017 (with effects as from 30 June 2017). The Company’s share capital did not vary as a result of the merger.

On 29 June 2017, the Company’s sole shareholder approved a share capital increase of the Company in the amount of €2,314,028 through the issuance of 2,314,028 new quota shares (*participaciones sociales*), with a nominal value of €1 each and a premium of €9 each. The Selling Shareholder subscribed the new quota shares through an in-kind contribution consisting of the following:

- (i) 100% of the share capital of Delaneto Servicios y Gestiones, S.L.U., Espebe 21, S.L.U. and Espebe 31, S.L.U.;
- (ii) 94.68% of the share capital of Facornata Gestiones y Servicios, S.L. and
- (iii) 80% of the share capital of Espebe 11, S.L.

The share capital increase was fully subscribed and paid up and, as a result, the Company’s share capital was increased to €33,720,259 (divided into 33,720,259 quota shares (*participaciones sociales*) of €1 nominal value each).

On that same date, the Company pushed down to its subsidiary SPV Reoco 1 the referred stakes contributed by the Selling Shareholder, by means of a non-monetary share capital increase of SPV Reoco 1 in the amount of €2,314,028, through the issuance of 2,314,028 new quota shares (*participaciones sociales*) that were fully subscribed and paid up by the Company. For a list of the project developments held through these vehicles and thus contributed to the Company and to SPV Reoco 1 on 29 June 2017, see “*Additional Information—Corporate structure*”.

On 16 August 2017, the Company’s sole shareholder approved a share capital increase of the Company in the amount of €1,086,771 through the issuance of 11,086,771 new quota shares (*participaciones sociales*), with a nominal value of €1 each and a premium of €9 each. The Selling Shareholder subscribed the new quota shares through an in-kind contribution consisting of 100% of the share capital of Danta Investment (which in turn held 95% of the securities of the FAB May). The share capital increased was fully subscribed and paid up and, as a result, the Company’s share capital was increased to €44,807,030 (divided into 44,807,030 quota shares (*participaciones sociales*) of €1 nominal value each). For further information on the contribution of the FAB May, see “*Related Party Transactions*”.

On that same date, the Company pushed down to SPV Reoco 1 the referred 100% stake in Danta Investment, valued at €10,867,709, by means of a share capital increase in the amount of €1,086,771 through the issuance of 11,086,771 new quota shares (*participaciones sociales*) that were fully subscribed and paid up by the Company. For a list of the project developments held through this vehicle and thus contributed to the Company and to SPV Reoco 1 on 16 August 2017, see “*Additional Information—Corporate structure*”.

On 12 September 2017, the Company was transformed into a Spanish public limited company (*sociedad anónima*) following registration on the Commercial Registry of Madrid on that date of a public deed of transformation. Upon the transformation, the Company’s share capital amounted to €44,807,030 divided into 44,807,030 ordinary shares (*acciones*) with a nominal value of €1 per share.

The summary table below outlines these main changes in the Company’s share capital since its incorporation:

<u>Date⁽¹⁾</u>	<u>Corporate action</u>	<u>Nominal value (€)</u>	<u>Share premium (€)</u>	<u>Number of issued/redeemed shares</u>	<u>Total nominal amount (€)</u>	<u>Number of resulting shares</u>	<u>Resulting share capital (€)</u>
9 June 2016	Incorporation	1	N/A	3,000	3,000	3,000	3,000
30 March 2017	Capital increase	1	9	31,403,231	31,403,231	31,406,231	31,406,231
23 May 2017	Merger	N/A	N/A	N/A	N/A	31,406,231	31,406,231
29 June 2017	Capital increase	1	9	2,314,028	2,314,028	33,720,259	33,720,259
16 August 2017	Capital increase	1	9	11,086,771	11,086,771	44,807,030	44,807,030
12 September 2017	Transformation	N/A	N/A	N/A	N/A	44,807,030	44,807,030

(1) Date of the public deed.

See “*Plan of distribution—Authorization of the Offering*” for information on the Company’s sole shareholder’s and Board of Directors’ resolutions in connection with the Offering.

Dividend and Liquidation Rights

Holders of the Company’s ordinary shares have the right to participate in distributions of the Company’s profits and proceeds from liquidation, proportionally to their paid-up share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is generally proposed by the Board of Directors and must be authorized or ratified, as the case may be, by the Company’s shareholders at a general shareholders’ meeting. Holders of ordinary shares have the right to participate in such dividends from the date agreed by a general shareholders’ meeting. Additionally, interim dividends (*dividendo a cuenta*) may also be distributed among shareholders directly upon approval by the Board of Directors provided that: (i) there is sufficient liquidity to pay the interim dividend; and (ii) the amount distributed does not exceed the amount resulting from deducting from the earnings booked since the end of the previous year, (a) the sum of previous years’ losses, (b) the amounts earmarked for the legal or bylaws’ reserves, and (c) the estimated tax due on the aforesaid earnings. 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 20.0% of such company’s issued share capital. A company’s legal reserve is not available for distribution to its shareholders except upon such company’s liquidation. As of 30 June 2017, the Company’s legal reserve amounted to €602 equivalent to 0.002% of the Company’s share capital on that date.

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, and only if the value of the Company’s net worth is not, and as a result of distribution will not be, less than the Company’s 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 Company's balance sheet. Accordingly, the Company's ability to make a distribution to shareholders will depend on the Company's ability to generate net profits in future periods in order to achieve sufficient distributable reserves. See "*Capitalization and Indebtedness*".

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.

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 "*Taxation*".

In the event of the Company's liquidation, the Company's shareholders would be entitled to receive a liquidation settlement proportionately to their stake, after payment of the Company's debts and all applicable taxes and expenses.

The Company's ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of the Company's distributable profits and reserves and its investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under local applicable law (both on the Company and on any Group entity), compliance with covenants in the Company's debt instruments (see details set out in "*Dividends and Dividend Policy*"), the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the shareholders may deem relevant from time to time.

Shareholders' Meetings and Voting Rights

Pursuant to the Company's bylaws, the Company's General Shareholders' Meeting Regulations and the Spanish Companies Act, ordinary annual general shareholders' meetings shall be held during the first six months of each financial year on a date fixed by the Board of Directors. Extraordinary general shareholders' meetings may be called by the Board of Directors whenever it deems appropriate, or at the request of shareholders representing at least 3.0% of the Company's issued share capital. Following Admission, notices of all general shareholders' meetings will be published (i) in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) or in one of the main newspapers of Spain, and (ii) on the Company's corporate website and on the website of CNMV, at least one month's prior to the date when the meeting is to be held, except as discussed in the following paragraph.

In addition, once the Company's ordinary shares are trading, if the Company offers its shareholders the ability to vote by electronic means accessible to all of them, extraordinary general shareholders' meetings may be called on 15 days' notice. The decision to permit such reduction of the call period should be taken by a majority of not less than two thirds of the voting capital represented in an ordinary annual general shareholders' meeting, and the authorization shall be granted for a term which shall not exceed the date of the subsequent annual ordinary general shareholders' meeting.

Action is taken at ordinary general shareholders' meetings on the following matters: (i) the approval of the management of the Company carried out by the Board of Directors during the previous financial 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 an ordinary general shareholders' meeting if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items that do not need to be included on the agenda to be validly passed, like dismissal of directors or the decision to bring the liability action against directors of the Company). The liability action against 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. A company's bylaws cannot require qualified majority for the adoption of such resolution. The general shareholders' meeting may consent or waive such action at any time, unless an objection is raised thereto by shareholders representing 3.0% of the share capital. 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 paragraph and any other matters as provided by law, the Company's bylaws or the General Shareholders' Meeting Regulations—the following matters fall within the authority of the general shareholders' meetings: (a) the appointment and removal of the members of the Board of Directors, the Company's liquidators and the Company's auditors, as well as the exercising of the corporate action for liability against any of them; (b) the amendment of the Company's bylaws; (c) the increase or reduction of the share capital—or granting to the Board of Directors authority to increase the share capital—; (d) the exclusion or limitation of shareholders' preferential subscription rights—or granting to the Board of Directors authority to exclude or limit it—; (e) the acquisition, disposal or transfer of core assets to another company; (f) the transformation, merger, demerger or transfer of all the Company's assets and liabilities, moving the Company's registered offices abroad;

(g) the dissolution of the Company and the approval of transactions that have the effect of winding up the Company; (h) the approval of the final winding up balance sheet; (i) the transfer of core activities previously carried out by the parent company to subsidiaries, even if the Company retains full control of the activities; and (j) the approval of the directors' remuneration policy in the terms provided by the law. An activity or asset will be deemed to be core if the transaction volume exceeds 25% of the total assets recorded in the most recently approved company's balance sheet.

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 ordinary 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. Shareholders duly registered in the book-entry records maintained by Iberclear, and its member entities, five days prior to the day on which a general shareholders' meeting is scheduled and in the manner provided in the notice for such meeting, are entitled to attend, be represented and vote at such meeting. The notice calling the general shareholders' meeting shall indicate the date on which the Company's ordinary shares must be held by a shareholder in order for the latter to participate in a general shareholders' meeting and to vote in respect of his/her ordinary shares.

Any ordinary share may be voted by proxy. Proxies must be granted for each meeting in writing or in electronic form acceptable under the Company's bylaws, and are valid for a single general shareholders' meeting. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to the general shareholders' meeting. A proxy may be revoked by giving notice to the Company prior to the meeting or by the shareholder attending the meeting in person or by remote voting.

Proxy holders will be required to disclose any conflict of interest prior to their appointment. In the event a conflict of interest arises after the proxy holder's appointment, such conflict of interest must 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 is: (i) the Company's controlling shareholder, or another entity controlled by such shareholder; (ii) a member of the Board of Directors, management or supervisory body of the Company, or of a controlling shareholder or another entity controlled by such shareholder; (iii) an employee or auditor of the Company, or employee or auditor of a controlling shareholder or another entity controlled by such shareholder; (iv) a natural person related to those mentioned in (i) to (iii) above.

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.

Entities appearing as holders of ordinary shares in the book-entry records but acting on behalf of different persons shall always be entitled to exercise voting rights in a divergent manner in order to comply with conflicting voting instructions received from their clients. These entities may also delegate voting rights to each of the indirect holders or their nominees, without limits on the number of delegations.

The Company's bylaws provide that, on the first call of an ordinary or extraordinary general shareholders' meeting, attendance in person or by proxy of shareholders representing at least 25.0% of the Company's voting capital will constitute a quorum. If the meeting is not quorate on the first call, the meeting can be reconvened in second call, which according to the Spanish Companies Act requires no quorum. However, according to the Company's bylaws, a resolution in a general shareholders' meeting to increase or decrease the Company's share capital or otherwise modify the Company's bylaws, issue bonds and securities whose competence is not legally attributed to any other corporate body of the Company, suppress or limit the pre-emptive subscription right over new shares, transform, merge, spin-off, globally assign the Company's assets and liabilities, transfer the Company's registered address abroad, requires attendance in person or by proxy of shareholders representing at least 50.0% of the Company's voting capital on first call, and attendance in person or by proxy of shareholders representing at least 25.0% of the Company's voting capital on second call. In the case of attendance in person or by proxy of shareholders representing more than 50.0% of the Company's voting capital, an absolute majority shall suffice to pass the aforementioned resolutions. On second call, and in the event that less than 50.0% of the Company's voting capital attends in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the attending share capital. The interval between the first and the second call for a general shareholders' meeting must be at least 24 hours. Resolutions in all other cases are passed by a simple majority of the votes corresponding to the capital stock present or represented at such meeting.

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 fractions). Shareholders who exercise this right may not vote on the appointment of other directors.

A resolution passed at a general shareholders' meeting is binding on all shareholders, although a resolution which is (i) contrary to law or the bylaws or the internal regulations of the Company, or (ii) prejudicial to the interest of the company and beneficial to one or more shareholders or third parties, may be contested. 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 those who were shareholders at the time when the resolution was taken (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.

Pre-emptive rights and Increases of Share Capital

Pursuant to the Spanish Companies Act and the Company's bylaws, shareholders have pre-emptive rights to subscribe for any new shares issued against monetary contributions and for any new bonds convertible into shares. Such pre-emptive rights may be excluded when so required by the corporate interest under special circumstances by a resolution passed at a general shareholders' meeting or by 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 capital stock or issue convertible bonds and exclude pre-emptive 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 neither convertible nor exchangeable bonds outstanding and has not issued any warrants over the Company's shares.

Also, holders of shares have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

Furthermore, the pre-emptive rights, in any event, will not be available in an increase in share capital against non-cash contribution, by means of capitalization of credit rights, or to honor the conversion into shares of convertible bonds or in a merger in which shares are issued as consideration.

Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders because new shares may be offered for subscription at prices lower than prevailing market prices.

As at the date of this Prospectus, the Board of Directors has been authorized by its 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 pre-emptive 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 corporate interest of the Company. In addition, the Board of Directors has been authorized by its sole shareholder for a term of five years to issue bonds that are convertible into shares of the Company or which grant bondholders the right to be attributed part of the Company's earnings and to exclude pre-emptive rights in connection thereto.

As at the date of this Prospectus, there are no acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital and there are no members of the group, the share capital of which is under option or agreed conditionally or unconditionally to be put under option.

Shareholder Actions

Under the Spanish Companies Act, directors are liable to the company, shareholders and creditors of the Company for their acts or omissions that are illegal or violate the bylaws and for failure to carry out their legal duties with diligence. When in violation of the law or of the Company's bylaws, directors are presumed to have acted negligently, but that

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.

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 Madrid, Spain).

Registration and Transfers

The Company's ordinary shares are in registered book-entry (*anotaciones en cuenta*) 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.

The Company's ordinary shares are freely transferable in accordance with the Spanish Companies Act, the LMV 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, official stock brokers or dealer firms, Spanish credit entities, investment services entities authorized in other EU 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. See "*Market Information*." 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 23 April (*Real Decreto 664/1999, de 23 de abril*), which was approved in conjunction with Law 18/1992, of 1 July (the "**Spanish Foreign Investment Law**"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the EU.

According to regulations adopted under the Spanish Foreign Investment Law, and 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). Foreign investors who are not resident in a tax haven are only required to file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy, Industry and Competitiveness (*Ministerio de Economía, Industria y Competitividad*) following an 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 5 July), 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:

- (i) investments in listed securities, whether or not trading on an official secondary market;
- (ii) investments in participations in investment funds registered with the CNMV; and
- (iii) foreign shareholdings that do not exceed 50.0% 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, 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 (*Consejo de Ministros*), acting on the recommendation of the Ministry of Economy, Industry and Competitiveness, 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, acting on the recommendation of the Ministry of Economy, Industry and Competitiveness.

Law 19/2003, of 4 July, 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, Industry and Competitiveness 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, Industry and Competitiveness and the Bank of Spain information corresponding to client transactions.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991, of 20 December, relating to economic transactions with non-residents as amended by Royal Decree 1360/2011 of 7 October, 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 and/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 19 October ("**Royal Decree 1362/2007**") 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 Company's 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 trading days from the date on which the individual or legal entity acknowledged or should have acknowledged the circumstances that generate the obligation to notify (Royal Decree 1362/2007 deems that the obliged individual or legal entity should have acknowledge the aforementioned circumstance within two trading days from the date on which the transaction was entered into, regardless of the date on which the transaction takes effect).

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 fact notice (*hecho relevante*) regarding such transaction.

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. See "*Restrictions on Foreign Investment*" 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 which acquires, transfers or holds, 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 applicable regulations.

Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991, of 5 July), the threshold that triggers the obligation to disclose the acquisition or transfer of the Company's ordinary shares is reduced to 1.0% (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 Company's 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 Company's 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 Company's compensation plans or any subsequent amendment to such plans.

In addition, pursuant to Article 19 of the MAR, persons discharging managerial responsibilities and any persons having a close link (*vínculo estrecho*) with any of them must similarly report to the Company and the CNMV any acquisition or disposal of the Company's shares, derivative or financial instruments linked to the Company's 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 €5,000 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 1.0% of the voting rights of the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3.0% or more of the voting rights in the Company. The CNMV will immediately make public this information.

Disclosure of Shareholders' Agreements

The LMV 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 Company's 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 fact notice (*hecho relevante*). Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the LMV.

Such a shareholders' 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.

For information on shareholders' agreements, see "*Principal and Selling Shareholder—Shareholders' agreements*".

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps ("**Regulation 236/2012**") (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. Regulation 236/2012 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:

- (i) 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; and/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
- (ii) 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 (10.0% 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 purpose of these measures is to deal with a threat affecting several EU member states and the competent authorities of these 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:

- (i) 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;
- (ii) 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 the Company’s net worth below the aggregate amount of the Company’s share capital and legal or non-distributable bylaws’ 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 such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in the Company’s accounts as liabilities;
- (iii) the aggregate value of the ordinary shares directly or indirectly repurchased, together with the aggregate par value of the ordinary shares already held by the Company, must not exceed 10% of the Company’s share capital; and
- (iv) ordinary 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.

The voting rights and other political rights of treasury shares are suspended. Additionally, the economic rights (for example, the right to receive dividends and other distributions and liquidation rights), except the right to receive bonus shares, will accrue proportionately to all of the Company’s shareholders. Treasury shares are counted for purposes of

establishing the quorum for general shareholders' meetings as well as majority voting requirements to pass resolutions at general shareholders' meetings.

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 8 March 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:

- (a) Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:
 - (i) 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;
 - (ii) The maximum pecuniary amount allocated to the program;
 - (iii) The maximum number of shares to be acquired; and
 - (iv) The period for which authorization for the program has been granted.
- (b) 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.
- (c) 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 26 April 2017, the CNMV approved Circular 1/2017 on liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares. This regulation entered into force on 10 July 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 Company's ordinary shares reaches or exceeds or causes the Company's and its affiliates' holdings to reach or exceed 1.0% 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's and its affiliates' holdings to exceed 1.0% 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.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares.

In addition, on 18 July 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 buy-back 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 and the Company's subsidiaries hold no shares of the Company. The Board of Directors has been authorized by its sole shareholder for the derivative acquisition of treasury shares according to and within the restrictions and requirements established in the Spanish Companies Act.

TAXATION

The following summary describes certain Spanish and US federal income tax consequences of the purchase, ownership and disposition of the Shares. It is not a complete description of all the possible tax consequences of such purchase, ownership or disposition. This summary is based on the laws as of the date of this Offering Memorandum and is subject to changes to those laws subsequent to the date of this Offering Memorandum. You should consult your own advisors as to the tax consequences of the acquisition, ownership and disposition of the Shares in light of your particular circumstances, including, in particular, the effect of any state, regional or local tax laws.

Spanish Tax Considerations

The following section is a general description of certain Spanish tax implications of the acquisition, ownership and disposition of the Shares by Spanish and non-Spanish tax resident shareholders. The information provided below 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 purchasers, 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 estates) that may be subject to a specific tax regime applicable under the consolidated text of the Spanish Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of 5 March (*texto refundido de la Ley del Impuesto sobre la Renta de no Residentes, aprobado por Real Decreto Legislativo 5/2004, de 5 de marzo*) (“**NRIT Law**”) or under the Spanish Personal Income Tax Law 35/2006, of 28 November (*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**”) or similar legislation applicable, as the case may be. This analysis does not cover all possible tax consequences of the transactions applicable to all categories of shareholders, some of which (e.g., financial institutions, collective investment schemes, cooperatives, etc.) may be subject to special rules. Furthermore, this summary does not take into account the regional tax regimes in force applicable in the Historical Territories of the Basque Country and the Historical Autonomous Region of 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 Offering Memorandum, and on the administrative interpretations thereof made public to date. 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, regional and local tax consequences of the acquisition, ownership and disposition of the Shares in light of their particular circumstances as well as any consequences arising under the laws of any other taxing jurisdiction.

Spanish Resident Individuals

Taxation of dividends

In accordance with the PIT Law, income received by a Spanish shareholder 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 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 (but not by those incurred in individualised portfolio management); the net amount shall be included in the relevant Spanish shareholder’s savings taxable base. The savings taxable base rates for the tax year 2017 are 19% for taxable income up to €6,000, 21% for taxable income between €6,001 and €50,000, and 23% for taxable income exceeding €50,000.

Spanish shareholders shall be liable for a PIT withholding on capital income at the then-applicable tax rate (currently 19%) on the gross income obtained. Such withholding tax is creditable from the PIT payable; if the amount of tax withheld is greater than the amount of the net PIT payable, 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 a Spanish individual as a result of the transfer of the Shares qualify for the purposes of the

PIT Law as capital gains or losses and are subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses shall be the difference between the Shares' acquisition value (plus any fees or taxes incurred) 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 taxes incurred.

Where the taxpayer owns other securities of the same kind, 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 Shares by a Spanish individual are included in such Spanish holder's capital income corresponding to the period when the transfer takes place; any gain resulting from the compensation between such gains and losses is taxed at a flat rate of 19% for the first €6,000, 21% between €6,001 and €50,000 and 23% for any amount in excess of €50,000.

Capital gains arising from the transfer of the 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 (including the Spanish Stock Exchanges) will not be treated as capital losses if securities of the same kind 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 are included in the taxable base upon the transfer of the remaining shares of the taxpayer.

Taxation of pre-emptive rights

Distributions to Spanish shareholders of pre-emptive rights to subscribe for new shares are not treated as income under Spanish law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law.

The proceeds obtained by a PIT taxpayer from a transfer of pre-emptive rights derived from shares admitted to trading on specific official stock exchanges (including the Spanish Stock Exchanges), such as our shares, will be regarded as a capital gain and subject to the PIT corresponding to the period when the transfer takes place (in the manner described under "*Taxation of capital gains*" above). The amount received in the transfer of pre-emptive rights will be subject to Spanish withholding tax on account of PIT at the then-applicable tax rate (currently 19%), to be levied by the depository entity (or, in its absence, by the corresponding financial intermediary or notary public that intervenes in the transfer).

Taxation of share premium distributions

A distribution of share premium will not in itself constitute taxable income but will instead reduce the acquisition value of the Shares to the extent that they are admitted to trading on certain official stock exchanges (including the Spanish Stock Exchanges). If the amount of the share premium received exceeds the acquisition value of the shares held by a Spanish shareholder, such excess would constitute capital financial taxable income subject to a flat rate of 19% for the first €6,000, 21% between €6,001 and €50,000 and 23% for any amount in excess of €50,000.

Spanish Wealth Tax

Individual Spanish shareholders are subject to Spanish Wealth Tax on all their assets (such as the Shares).

Spanish Wealth Tax Law 19/1991, of 6 June (*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 may vary depending on the autonomous region of residency of the taxpayer. As such, prospective shareholders should consult their own tax advisors.

A shareholder who is required to file a Spanish 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 and Public Administration.

In accordance with Article 4 of the Royal Decree-Law 3/2016, of 2 December, adopting tax measures aimed at the consolidation of public finances and other urgent social security measures (*Real Decreto-ley 3/2016, de 2 de diciembre, por el que se adoptan medidas en el ámbito tributario dirigidas a la consolidación de las finanzas públicas y otras medidas urgentes en materia social*) ("**RDL 3/2016**"), as from year 2018, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*), and therefore from year 2018 and onwards, individuals resident in Spain will be released from formal and filing obligations in relation to this Spanish Wealth Tax, unless the application of this full exemption is postponed.

Spanish Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire the Shares by inheritance or gift will be subject to the Spanish Inheritance and Gift Tax (“IGT”) in accordance with the IGT Law 29/1987, of 18 December (*Ley 29/1987, de 18 de diciembre, del Impuesto sobre Sucesiones y Donaciones*) (“IGT Law”), without prejudice to the specific legislation applicable in each autonomous region. The applicable tax rates as at the date of this Offering Memorandum range between 7.65% and 34%. However, after applying certain relevant factors (such as the specific regulations imposed by each Spanish autonomous region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor), the final effective tax rate may range from 0% to 81.6%. Some tax benefits could reduce the effective tax rate.

Spanish Transfer Tax

The acquisition and transfers of the Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisition and transfers.

Spanish Corporate Resident Shareholders

Taxation of dividends

Dividends from a share of the Company’s profits received by corporate Spanish shareholders, as a consequence of the ownership of the Shares, less any expenses inherent to holding the Shares, are included in the Corporate Income Tax (“CIT”) base according to the Spanish Corporate Income Tax Law 27/2014, of 27 November (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) (“CIT Law”). The general CIT rate is currently 25%

However, CIT taxpayers will be entitled to apply a participation exemption regime for dividends received from Spanish companies if certain requirements are met: (i) participation, directly or indirectly, of at least 5% in the Company’s share capital (or acquisition cost exceeding €20 million) and (ii) provided such participation is held for at least one year prior to the relevant distribution date or it commits to hold the participation for the time needed to complete such one-year holding period (and provided that other requirements that need to be analyzed on a case by case basis are fulfilled).

In case that more than 70% of the Company’s revenue derives from dividends and capital gains arising from transfers of the Shares, the application of the participation exemption is subject to particularly complex restrictions, substantially requiring that the shareholder holds an indirect participation of at least 5% in the share capital of the Company’s subsidiaries. Shareholders are urged to consult their tax advisors regarding compliance with the requirements for application of the aforesaid participation exemption.

As a general rule, dividends will be subject to withholding tax on account of the shareholder’s final CIT at a current rate of 19%. However, no withholding tax will apply on dividends payable to a shareholder who is entitled to apply the participation exemption regime mentioned above. If the amount of tax withheld is greater than the amount of the net CIT payable, the taxpayer will be entitled to a refund of the excess withheld in accordance with the CIT Law and regulations.

Taxation of capital gains

The gain arising on transfer of the Shares or from any other change in net worth relating to such Shares are included in the tax base of CIT taxpayers; such gain is taxed generally at a current rate of 25%. As to losses resulting from the transfer of the Shares, the CIT deductibility of the losses may be subject to temporary or permanent restrictions (for instance, if the capital gains obtained on such transfer are entitled to benefit from the Spanish participation exemption regime, indicated below), pursuant to Royal Decree-Law 3/2016, of 2 December. Shareholders who are CIT tax-payers must consult their tax advisors regarding the CIT impact for them of these rules.

However, CIT taxpayers will be entitled to apply a participation exemption regime for capital gains arising on the transfer of Spanish companies shares if (i) the shareholding, directly or indirectly, amounts of at least 5% of the company (or acquisition cost exceeding €20 million) provided (ii) such participation is held for at least one year prior to the transfer (and provided that other requirements that need to be analyzed on a case by case basis are fulfilled).

In case that more than 70% of the Company’s revenue comes from dividends and capital gains deriving from the transfer of the Shares, the application of the participation exemption is subject to particularly complex restrictions, substantially requiring that the shareholder holds an indirect participation of at least 5% in the share capital of the Company’s subsidiaries. Shareholders are urged to consult their tax advisors regarding compliance of the requirements for application of the aforesaid participation exemption.

Capital gains deriving from the disposal of the Shares will not be subject to withholding tax on account of CIT.

Taxation of pre-emptive rights

Distributions to CIT taxpayers of pre-emptive rights to subscribe for new shares are not treated as income under Spanish law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law. However, if these pre-emptive rights are transferred by a CIT taxpayer, the accounting income that may arise from the transfer will be subject to the general CIT tax rate, currently of 25%. Shareholders who are CIT taxpayers must consult their tax advisors regarding the possibility to apply the Spanish participation exemption on this income.

Taxation of share premium distributions

A distribution of share premium will not in itself constitute taxable income but will instead reduce the acquisition value of the Shares. If the amount of the share premium received exceeds the acquisition value of the Shares held by a CIT taxpayer, such excess would constitute taxable income, generally subject to the general CIT tax rate of 25%. Shareholders who are CIT taxpayers must consult their tax advisors regarding the possibility to apply the Spanish participation exemption on this income.

Spanish Wealth Tax

Not applicable.

Spanish Inheritance and Gift Tax

In the event of acquisition of the Shares free of charge by a CIT taxpayer, the income generated by the latter will be taxed according to the CIT rules, the IGT not being applicable.

Spanish Transfer Tax

The acquisition and transfers of the Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisition 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 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 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 are the same as those set out for legal entities with tax residence in Spain described in the preceding section.

Taxation of capital gains

If the 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 are the same as 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 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%. This tax rate can be eliminated or reduced as per the application of (i) the NRIT exemption implementing the EU Parent-Subsidiary Directive or (ii) the benefits of a convention for the avoidance of double taxation (“**DTC**”).

Under the EU Parent-Subsidiary Directive exemption, no Spanish withholding taxes should be levied on the dividends distributed by a Spanish subsidiary to its EU parent company, to the extent that the following requirements are met:

- (i) the EU parent company maintains a direct or indirect holding in the capital of the Spanish subsidiary of at least 5% or its acquisition cost exceeding €20 million. The holding must have been maintained uninterrupted during the year prior to the date on which the distributed profit is due or, failing that, be maintained for the time required to complete such period (in the latter case, the withholding tax must be levied, although it would be refundable once the year has been completed);
- (ii) the EU parent company is incorporated under the laws of a EU member state, under one of the corporate forms listed in Annex I, Part A, of the EU Parent-Subsidiary Directive, and is subject to a Member State Corporate Income Tax (as listed in Annex I, Part B, of the EU Parent-Subsidiary Directive), without the possibility of being exempt; and
- (iii) the dividends distributed do not derive from the subsidiary's liquidation.

The aforesaid exemption will not be applicable if the dividend is obtained through a territory that is defined as a tax haven by Spanish regulations.

The aforesaid exemption will be applicable, subject to the compliance of such requirements, to dividends distributed by a Spanish subsidiary to its EEA parent company provided that there is an effective exchange of tax information with such EEA parent company's country.

However, the exemption includes an anti-abuse provision by virtue of which the withholding tax exemption will not be applicable where the majority of the voting rights of the parent company are held directly or indirectly by individuals or entities not resident in the EU or the EEA with which there is an effective exchange of tax information in the terms set forth in Law 36/2006, of 29 November (*Ley 36/2006, de 29 de noviembre, de medidas para la prevención del fraude fiscal*), or the equivalent regional legislation applicable, except where the EU or EEA parent company proves that its incorporation and its operative responds to valid economic reasons and to substantive economic activities.

Shareholders resident in certain countries may be entitled to the benefits of a DTC in effect between Spain and their country of tax residence. Such shareholders may benefit from a reduced tax rate under an applicable DTC with Spain, subject to the satisfaction of any conditions specified in the relevant DTC, including providing evidence of the tax residence of the shareholder by means of a certificate of tax residence duly issued by the tax authorities of the country of tax residence of the shareholder making express reference to the shareholders' entitlement to the benefits of such DTC or, as the case may be, the equivalent document specified in the Spanish Order which further supplements the applicable DTC. Tax residence certificates issued by a foreign tax authority (or equivalent documents) are generally valid for Spanish tax purposes for one year as from their date of issuance. The current DTC between the United States and Spain generally limits the tax on dividends to 15%.

According to the Order of the Ministry of Economy and Competitiveness of 13 April 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 depository. For this purpose, the depository is the financial institution with which the non-Spanish tax resident shareholder has entered into a contract of deposit or management with respect to the Shares held by such shareholders. If the corresponding depository in Spain provides timely evidence of the non-Spanish tax resident shareholder's right to obtain the DTC-reduced rate or the exemption in the manner set out in the Order of the Ministry of Economy and Competitiveness of 13 April 2000, it will immediately receive the surplus amount withheld, which will be credited to the non-Spanish tax resident shareholder (the "**Quick Refund Procedure**"). For these purposes, the non-Spanish tax resident shareholder shall provide the applicable depository with the relevant certificate of residence (or equivalent DTC form) stating that the non-Spanish tax resident shareholder is a resident of such country within the meaning of the DTC 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. The Quick Refund Procedure will only be applicable to the extent that the depository of the Shares held by the non-Spanish tax resident shareholder is resident, domiciled or represented in Spain.

If this certificate of tax residence, or as the case may be, the equivalent document referred to above, is not provided to the relevant Spanish depository within this time period, 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, approved by Royal Decree 1776/2004 of 30 July 2004 (*Reglamento del Impuesto sobre la Renta de no Residentes, aprobado por Real Decreto 1776/2004, de 30 de julio*), and the Order of the Ministry of Finance and Taxation EHA/3316/2010, of 17 December, that approves forms 210, 211 and 213 or the equivalent regional provisions applicable. To pursue the refund claim, the non-Spanish shareholder is required to file:

- (i) the corresponding Spanish Tax Form (currently, Form 210);

- (ii) the certificate of tax residence or equivalent document referred to above;
- (iii) a certificate issued by the withholding agent stating that Spanish NRIT was withheld with respect to such non-Spanish tax resident shareholder;
- (iv) a proof of beneficial ownership; and
- (v) documentary evidence of the bank account in which the excess amount withheld should be paid.

For further details, prospective investors should consult their own tax advisors.

Taxation of capital gains

Capital gains obtained by a non-Spanish tax resident shareholder as a consequence of transferring the Shares will be subject to Spanish NRIT at the tax rate of 19% although no withholding taxes will be imposed on the capital gain. Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses against capital gains.

However, capital gains derived from the Shares will be exempt from taxation in Spain in either of the following cases:

- (i) Capital gains derived from the transfer of the Shares carried out on an official Spanish secondary stock market (such as the Spanish Stock Exchanges) by any non-Spanish tax resident shareholder who is tax resident of a country that has entered into a DTC with Spain containing an “exchange of information” clause. This exemption is not applicable to capital gains obtained by a non-Spanish tax resident shareholder through a country or territory that is defined as a tax haven by Spanish regulations.
- (ii) Capital gains obtained directly by any non-Spanish tax resident shareholder which is resident of another EU member state or indirectly through a permanent establishment of such non-Spanish tax resident shareholder in a EU member state other than Spain. This exemption is not applicable to capital gains obtained through a country or territory that is defined as a tax haven by Spanish regulations. Additionally, this exemption will not apply:
 - (a) if the Company’s assets mainly consist of, directly or indirectly, real estate property located in Spain;
 - (b) if the non-resident transferor is an individual that during the preceding twelve months has held a direct or indirect interest of at least 25% in the Company’s capital or net equity; and
 - (c) if the non-resident transferor is an entity and the transfer of the Shares does not comply with the requirements to apply CIT participation exemption regime (see “*Taxation of capital gains- Spanish Corporate Resident Shareholders*”).
- (iii) Capital gains realized by non-Spanish tax resident shareholders who benefit from a DTC entered into between their country of tax residence and Spain that provides for taxation of capital gains only in such non-Spanish tax resident shareholder’s country of residence.

The non-Spanish tax resident shareholders must submit a Spanish Tax Form (currently, Form 210) within the time periods set out in the applicable Spanish regulations to pay the corresponding tax or qualify for an exemption. In order for the exemptions mentioned above to apply, a non-Spanish tax resident shareholder must provide a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that, to the best knowledge of such authority, the non-Spanish tax resident shareholder is resident of such country within the meaning of the relevant DTC) or equivalent document meeting the requirements of the Order which further develops the applicable DTC, together with the Spanish Tax Form. The non-Spanish tax resident shareholder’s tax representative in Spain and the depositary of the Shares are also entitled to carry out such filing.

The certificate of tax residence mentioned above will be generally valid for a period of one year after its date of issuance.

Shareholders should consult their own tax advisors to obtain detailed information regarding NRIT filings they may be required to make before the Spanish Tax Authorities.

Taxation of pre-emptive rights

Distributions to non-Spanish tax resident shareholders of pre-emptive rights to subscribe for new shares are not treated as income under Spanish NRIT Law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish NRIT Law.

The proceeds derived from a transfer of pre-emptive rights by a NRIT taxpayer (without permanent establishment in Spain) will be regarded as a capital gain and subject to Spanish NRIT in the manner described under “*Taxation of capital gains*” above.

Taxation of share premium distributions

A distribution of dividends out of the share premium will not in itself constitute taxable income but will instead reduce the acquisition value of the Shares to the extent that they are admitted to trading on certain official stock exchanges (including the Spanish Stock Exchanges). If the amount of the share premium received exceeds the acquisition value of the Shares held by a non-resident shareholder, such excess would constitute financial taxable income subject to NRIT at a flat rate of 19%, unless otherwise provided by a DTC (although this income would not be subject to withholding tax in Spain).

Spanish Wealth Tax

Non-Spanish tax resident individuals are subject to the Spanish Wealth Tax on the assets or rights that are located or can be exercised in Spain. Spanish Wealth Tax Law provides that the first €700,000 of assets or rights owned in Spain by non-Spanish tax resident individuals will be exempt from taxation, while the rest of the Spanish wealth will be taxed at a rate ranging between 0.2% and 2.5%. For Spanish Wealth Tax valuation purposes, the Shares should be valued at their average trading price during the last quarter of such year. Such average trading price is published on an annual basis by the Spanish Ministry of Finance and Public Administration.

Non-Spanish tax resident individuals who benefit from a DTC that provides for net wealth taxation only in the shareholder’s country of residence will not be subject to Spanish Wealth Tax.

Non-Spanish tax resident individuals who are resident in an EU or EEA member state may apply the rules approved by the autonomous region where the assets and rights with more value are located, can be exercised or must be fulfilled. As such, prospective investors should consult their own tax advisors.

In accordance with Article 4 of RDL 3/2016, as from year 2018, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*), and therefore from year 2018 and onwards, non-Spanish tax resident individuals will be released from formal and filing obligations in relation to this Spanish Wealth Tax, unless the application of this full exemption is postponed.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and gift tax

Unless otherwise provided under an applicable DTC, transfers of the 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 rates as at the date of this Offering Memorandum range between 7.65% and 34%. However, after applying certain relevant factors (such as the specific regulations imposed by each Spanish autonomous region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor), the final effective tax rate may range from between 0% and 81.6%.

Generally, non-Spanish tax resident individuals are subject to Spanish IGT according to the rules set forth in the IGT Law. However, if the deceased, heir or the donee is resident in an EU or EEA member state, depending on certain circumstances, the applicable rules may be those corresponding to the relevant autonomous region. As such, prospective shareholders should consult their own tax advisors.

Gifts granted to non-Spanish tax resident corporations are not subject to IGT but are subject to NRIT as capital gains at a 19% on the fair market value of such Shares as a capital gain.

If the non-Spanish tax resident corporation receiving the gift is resident in a country with which Spain has entered into a DTC, the provisions of such DTC will apply. In general, DTCs provide for the taxation of this type of income in the country of residence of the beneficiary.

Spanish Transfer Tax

The acquisition and transfers of the Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such acquisition and transfers.

Certain US Federal Income Tax Considerations

The following is a description of certain US federal income tax consequences to the US Holders described below of owning and disposing of Shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion applies only to a US Holder that acquires Shares in this Offering and holds them as capital assets for US federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of the US Holder's particular circumstances, including alternative minimum tax consequences or the Medicare contribution tax on net investment income, and tax consequences applicable to US Holders subject to special rules, such as:

- (i) certain financial institutions;
- (ii) dealers or certain traders in securities;
- (iii) certain expatriates;
- (iv) persons holding Shares as part of a "straddle" or integrated transaction or similar transaction;
- (v) persons whose functional currency for US federal income tax purposes is not the US dollar;
- (vi) entities or arrangements classified as partnerships for US federal income tax purposes;
- (vii) tax-exempt entities;
- (viii) persons that own or are deemed to own 10% or more of the Company's voting stock; or
- (ix) persons holding the Shares in connection with a trade or business outside the United States.

As used herein, the term "**US Holder**" means a beneficial owner of Shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States, any state thereof or the District of Columbia or (iii) an estate or trust the income of which is subject to US federal income tax without regard to its source.

If an entity or arrangement that is classified as a partnership for US federal income tax purposes owns Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Entities or arrangements treated as partnerships for US federal income tax purposes that own Shares and partners in such partnerships should consult their tax advisers as to the particular US federal income tax consequences of owning and disposing of the Shares.

This discussion is based on the US Internal Revenue Code of 1986, as amended (hereinafter, in this section, the "**Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations and the income tax treaty between the United States and Spain (hereinafter, in this section, the "**Treaty**"), all as of the date hereof and changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described herein (possibly with retroactive effect).

US Holders should consult their tax advisers concerning the US federal, state, local, and non-US tax consequences of owning and disposing of Shares in their particular circumstances.

Except as specifically described below, this discussion assumes that the Company was not, and will not become, a passive foreign investment company (a "**PFIC**").

Taxation of Distributions

Distributions paid on Shares (including the amount of any Spanish taxes withheld therefrom), other than certain pro rata distributions of ordinary shares to all shareholders, generally will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that distributions generally will be reported to US Holders as dividends.

Dividends will be treated as foreign-source income for foreign tax credit purposes and will not be eligible for the dividends-received deduction generally available to US corporations under the Code. Subject to applicable limitations, dividends paid to certain non-corporate US Holders may be taxable at favorable rates. US Holders should consult their tax advisers regarding the availability of these favourable rates on dividends in their particular circumstances. Dividends will generally be included in a US Holder's income on the date of the US Holder's receipt of the dividend. The amount of any dividend paid in euros will be the US dollar amount calculated by reference to the spot rate of exchange in effect on the date of receipt, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, a US Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A US Holder may have foreign currency gain or loss if the dividend is converted into US dollars after the date of receipt, and any such gain or loss will be US source ordinary income or loss.

Subject to applicable limitations, Spanish income taxes withheld from dividends on Shares at a rate not exceeding any applicable rate under the Treaty generally will be creditable against the US Holder's US federal income tax liability (see "*Taxation—Spanish Tax Considerations—Shareholders who are not Resident for Tax Purposes in Spain—Non-Spanish tax resident shareholders not acting through a permanent establishment in Spain—Taxation of dividends*" above for a discussion of how to obtain the Treaty rate). Spanish taxes withheld in excess of any applicable rate under the Treaty will not be eligible for credit against a US Holder's US federal income tax liability. In lieu of claiming a credit, a US Holder may elect to deduct such Spanish taxes in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year. The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or Other Taxable Disposition of Shares

US Holders will generally recognize capital gain or loss on a sale or other taxable disposition of Shares equal to the difference between the amount realized on the sale or other taxable disposition and the US Holder's tax basis in such Shares, in each case as determined in US dollars. This gain or loss generally will be long-term capital gain or loss if at the time of sale or disposition the US Holder has owned the Shares for more than one year. Any gain or loss generally will be US-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

In general, a non-US corporation is a passive foreign investment company ("**PFIC**") for US federal income tax purposes for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-US corporation that owns directly or indirectly at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, and certain gains, royalties and rents.

Based on the nature of the Company's business, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because a company's PFIC status is a factual determination that is made on an annual basis and depends on the composition and character of the company's income and assets and the market value of its assets from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year.

In general, if the Company were a PFIC for any taxable year during which a US Holder owned Shares, gain recognized by a US Holder on a sale or other disposition (including certain pledges) of the Shares, would be allocated rateably over the US Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amounts. Further, to the extent that any distribution received by a US Holder on its Shares exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments (such as a mark-to-market treatment) of the Shares. US Holders should consult their tax advisers to determine whether any of these elections would be available if the Company is a PFIC for any taxable year and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

If the Company were a PFIC for any taxable year during which a US Holder owns Shares, the Company will generally continue to be treated as a PFIC with respect to the US Holder for all succeeding years during which the US Holder owns Shares, even if the Company ceases to meet the threshold requirements for PFIC status. Furthermore, if the Company were a PFIC for the taxable year in which it paid a dividend or the prior taxable year, the reduced rates discussed above with respect to dividends paid to certain non-corporate US Holders would not apply. If the Company were a PFIC, generally a US Holder would also be subject to annual information reporting requirements.

US Holders should consult their tax advisers regarding the application of the PFIC rules to their investment in the Shares.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain US-related financial intermediaries generally will be subject to US information reporting and backup withholding unless (i) the US Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the US Holder's US federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

Certain US Holders who are individuals (and certain entities closely-held by individuals) may be required to report information relating to their ownership of Shares, unless the Shares are held in accounts at certain US financial institutions. US Holders should consult their tax advisers regarding their reporting obligations with respect to the Shares.

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Shares. The Company will apply to list the Shares on the Spanish Stock Exchanges and to have them quoted on the Automated Quotation System (the “AQS” or “Mercado Continuo”) of the Spanish Stock Exchanges. The Spanish securities market for equity securities comprises four stock exchanges located in Madrid, Barcelona, Bilbao and Valencia. The Company expects that its ordinary shares (including the Shares offered hereby) will be listed on the Spanish Stock Exchanges and quoted on the AQS on or about 20 October 2017 under the symbol “AEDAS”.

Automated Quotation System

The AQS links the Spanish Stock Exchanges, providing any equity securities listed on it with a uniform continuous market in order to eliminate certain differences arising among the various local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of placement. Each order is completed as soon as a matching order occurs, but can be modified or cancelled until completion. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by Sociedad de Bolsas, S.A. (“**Sociedad de Bolsas**”), a company owned by the companies that manage the Spanish Stock Exchanges. All trades on the AQS must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of one of the Spanish Stock Exchanges.

In a pre-opening session held each trading day from 8:30 a.m. to 9:00 a.m. (CET), an opening price is established for each equity security traded on the AQS based on a real-time auction in which orders can be placed, modified or cancelled, but not completed. During this pre-opening session, the system continuously displays the price at which orders would be completed if trading were to begin. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer prices. If an auction price cannot be determined, the best bid and offer prices and their respective associated trading volumes are disclosed instead. The auction terminates with a random 30-second period in which the shares are allocated. Until the allocation process has finished, orders cannot be placed, modified or cancelled. In exceptional circumstances (including the admission of new securities to trade in the AQS) and subject to prior notice to the CNMV, Sociedad de Bolsas may fix an opening price disregarding the reference price (which is 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, range from 9:00 a.m. to 5:30 p.m. (CET). The AQS sets out two ranges of prices for each security named “static” and “dynamic” in order to monitor the volatility of the trading price of each security. During the open session, the trading price of a security may fluctuate within a certain predetermined percentage above and below the “static” price (which is the price resulting from the closing auction of the previous trading day or the immediately preceding volatility auction in the current open session) (the “static range”). In addition, the trading price may range within a certain predetermined percentage above and below the “dynamic” price (the trading price of the immediately preceding trade of the same security) (the “dynamic range”). If, during the open session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above “static” and/or “dynamic” ranges, trading on the security is automatically suspended and a new auction, known as volatility 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 specific security are set up and reviewed periodically by Sociedad de Bolsas. From 5:30 p.m. to 5:35 p.m. (CET), known as the closing auction, orders can be placed, modified and cancelled, but no trades can be completed.

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 however disclosed to Sociedad de Bolsas) at a price within the range of 5% over the higher of the average price and the closing price for the trading day and 5% below the lower of the average price and closing price for the trading day provided that: (i) there are no outstanding bids or offers in the computerized system matching or improving the terms of the proposed off-system transaction; and (ii) among other requirements, the trade involves more than €300,000 and more than 20% of the average daily trading volume of the relevant security during the preceding three months. These off-system trades must also relate to individual orders from the same person or entity and shall be reported to Sociedad de Bolsas before 8:00 p.m. (CET).

Trades may take place at any time (with the prior authorization of Sociedad de Bolsas) and at any price if:

- (i) they involve more than €1,500,000 and more than 40% of the average daily trading volume of the relevant securities during the preceding three months;
- (ii) the transaction results from a merger, spin-off or the restructuring of a group of companies;

- (iii) the transaction is carried out for the purposes of settling a litigation process or completing a complex set of sale and purchase agreements; or
- (iv) for any other reason which justifies the authorization of such transaction at the discretion of Sociedad de Bolsas.

Information with respect to computerized trades, which take place between 9:00 a.m. and 5:30 p.m., is made public immediately. On the other hand, information with respect to off-system trades is reported to 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 was adapted by Act 11/2015 of 18 June 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 2 October (as amended by Royal Decree 827/2017 of 1 September) to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014, on improving securities settlement in the EU and on central securities depositories, 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 AQS continue to be settled by Iberclear, as central securities depository, 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 Transaction Date.

Iberclear and BME Clearing, S.A., 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 depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

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 (which may be a participating entity itself), that will show the balance of such owner; 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:

- (i) the participating entity appearing in the records of Iberclear as holding the relevant shares in its own name.
- (ii) the investor appearing in the records of the participating entity as holding the shares; or
- (iii) 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 shareholder of record in Iberclear's registry is entitled to receive dividends and other distributions and to exercise voting, pre-emptive 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 them 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 for Euroclear and Clearstream. See “*Taxation*” above.

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 their discretion, take such action, as they 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; 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 Shares deposited with the depositaries for Euroclear and Clearstream, 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 they become 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 kept on behalf of the investor with Euroclear or Clearstream.

Tender Offers

Tender offers are governed in Spain by Articles 128 et seq. of the LMV 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 21 April. Other than the referred tender offer regulation, there is no other special regulation in Spain which may govern mandatory tender offers over the 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 when any person or entity acquires control of a Spanish listed company, whether such control is obtained:

- (i) by means of the acquisition of shares or other securities that directly or indirectly entitle to subscribe or acquire voting shares in such company;
- (ii) through shareholder agreements with shareholders or other holders of said securities; or
- (iii) 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 stock).

A person or entity is deemed to have control over a target company, either individually or jointly with other parties acting in concert, whenever:

- (i) it acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%; or
- (ii) 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:

- (i) 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;
- (ii) 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;
- (iii) 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
- (iv) 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:

- (i) 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*).

- (ii) 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 offeree 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.
- (iii) 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:

- (i) they might be subject to certain conditions (such as amendments to the by-laws 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 fulfilment of such conditions may be verified by the end of the offer acceptance period; and
- (ii) 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, amongst others:

- (i) 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;
- (ii) defensive measures included in a listed company's by-laws 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
- (iii) 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.

PLAN OF DISTRIBUTION

The Underwriting Agreement

The Company, the Selling Shareholder and the Managers expect, upon the finalization of the book-building period (expected to be on or about 18 October 2017), to enter into an underwriting agreement (the “**Underwriting Agreement**”) with respect to the New Offer Shares being offered by the Company and the Existing Offer Shares and the Additional Shares, if any, being sold by the Selling Shareholder. Subject to the satisfaction of certain conditions set out in the Underwriting Agreement, each Manager will agree, severally but not jointly, nor jointly and severally, to subscribe for or to procure purchasers for or, failing which, to purchase (as the case may be) such percentage of the total number of Initial Offer Shares as is set forth opposite its name in the following table:

Managers	% Initial Offer Shares
Citigroup Global Markets Limited	32.50%
Goldman Sachs International.....	32.50%
UBS Limited.....	14.00%
Banco Santander.....	9.00%
BBVA.....	3.00%
CaixaBank	3.00%
Sabadell.....	2.50%
Fidentiis.....	1.75%
JB Capital Markets	1.75%

Banco Bilbao Vizcaya Argentaria, S.A. is only participating in the Offering outside the United States under Regulation S of the Securities Act. Banco Bilbao Vizcaya Argentaria, S.A. is not a broker-dealer registered with the SEC and will not be offering or selling securities in the United States or to US nationals or residents.

In consideration of the agreement by the Managers to subscribe for or to procure purchasers for or, failing which, to purchase the Initial Offer Shares, the Company and/or the Selling Shareholder will pay to the Managers a base fee of 2.00% of the aggregate Offer Price of the Shares issued by the Company or sold by the Selling Shareholder in the Offering. In addition the Selling Shareholder may, at the Selling Shareholder’s sole discretion, pay to the Managers a discretionary fee of up to 1.00% of the aggregate Offer Price of the Shares issued or sold in the Offering to be distributed among the Managers as determined by the Selling Shareholder. Furthermore, the Selling Shareholder and the Company will agree to reimburse the Managers for certain customary expenses.

The Underwriting Agreement will contain certain customary representations and warranties given by the Company and the Selling Shareholder to the Managers and will provide that the obligations of the Managers are subject to certain customary conditions precedent. The Underwriting Agreement will also provide that the Company and/or the Selling Shareholder will, subject to certain exceptions, indemnify the Managers against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering. In addition, the Underwriting Agreement may be terminated in certain circumstances (see “*Withdrawal and Revocation of the Offering - Revocation of the Offering*” below).

The identity and number of Managers and the exact number of underwritten Initial Offer Shares to be underwritten by each of them shall be fixed if and when the Underwriting Agreement is entered into. The Company will inform the market of any amendment of the number or identity of Managers, or of the percentage of Initial Offer Shares underwritten by any of them which may occur through publication of a relevant fact notice (*hecho relevante*).

The Offering

The Company is offering the number of New Offer Shares in the Offering as required to obtain gross sale proceeds of c. €100 million at the Offer Price (such number being 3,159,558 and 3,016,591 shares at the lower and upper end of the Offer Price Range, respectively), and the Selling Shareholder is selling up to 17,922,812 Existing Offer Shares and up to 2,108,237 Additional Shares.

The Company expects that the Offering will take place according to the tentative calendar set out below:

Event	Date
Registration of this Prospectus with the CNMV	5 October 2017
Commencement of the book-building period in which proposals are made by Qualified Investors	5 October 2017
Finalization of book-building period	18 October 2017
Execution of Underwriting Agreement	18 October 2017
Publication of the final size of the Offering and the Offer Price through a relevant fact notice (<i>hecho relevante</i>)	18 October 2017
Selection of subscription or purchase proposals and final allocation of Initial Offer Shares	19 October 2017
Confirmation by investors of allocation of Initial Offer Shares (Transaction Date of the Offering) (on or about) and publication of relevant fact notice (<i>hecho relevante</i>)	19 October 2017
Prefunding of New Offer Shares by the Joint Global Coordinators	19 October 2017
Admission and commencement of Stabilization Period (on or about)	20 October 2017
Settlement Date (on or about)	23 October 2017
End of Stabilization Period	19 November 2017

Note: 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 publicized, including by filing of a relevant fact notice (*hecho relevante*) with the CNMV.

In particular, the transaction date of the Offering (*fecha de operación bursátil*) (the “**Transaction Date**”) is expected to be on or about 19 October 2017. On the Transaction Date, investors’ payment orders will be processed via the Spanish Stock Exchanges and Iberclear and assuming the Managers have not exercised the termination rights contained in the underwriting agreement, investors shall be entitled to receive the Shares subscribed for or purchased by them in the Offering.

In order to expedite the listing of the shares of the Company, it is expected that the Joint Global Coordinators, in their capacity as prefunding banks, will subscribe and pay for the New Offer Shares on the Transaction Date, each acting in the name and on behalf of the Managers, and each Manager acting on behalf of the final investors. Payment for the New Offer Shares by the prefunding banks is expected to be made by 9:00 CET on the Transaction Date to the Company’s account maintained with Banco Santander, S.A., acting as agent bank (the “**Agent Bank**”).

Payment by the final investors for the Initial Offer Shares, including for the New Offer Shares subscribed and paid for on the Transaction Date by the Joint Global Coordinators as prefunding banks, will be made no later than the second business day after the Transaction Date against delivery through the facilities of Iberclear of the Initial Offer Shares to final investors, which is expected to take place on or about 23 October 2017 (the “**Settlement Date**”).

The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about 20 October 2017, under the symbol “AEDAS”.

The Offering will be conducted through a book-building process. During the book-building period, which is expected to start on 5 October 2017 and end on 18 October 2017 (both inclusive), the Managers will market the Initial Offer Shares among investors in accordance with, and subject to, the selling and transfer restrictions set forth in this Prospectus. Investors may make their purchase proposals during this period, indicating the number of Initial Offer Shares and the price at which they would be interested in subscribing or acquiring Shares.

The book-building period may be reduced or extended by agreement by the Company, the Selling Shareholder and the Joint Global Coordinators if in their view, the book of demand is sufficiently covered before the end of the book-building period or an extension of the book-building period for up to one additional week is convenient to ensure the success of the Offering. In the event there is such a reduction or extension of the book-building period, the Company will inform the market through the publication of a relevant fact notice (*hecho relevante*).

Purchase proposals by investors for the Initial Offer Shares constitute only an indication of their interest in the Initial Offer Shares and shall not be binding on any investors, the Company or the Selling Shareholder. Each Manager shall inform investors having placed any purchase proposal before such Manager of the final number of Initial Offer Shares allocated to them, if any, and shall require confirmation of purchase proposals, which shall be irrevocable.

Moreover, up to 2% of the Shares will be offered to directors and employees of the Group and relatives (up to 50 persons in total). These Shares will be offered at the Offer Price and will be marketed through a private process in parallel to the referred book-building period. Orders placed and confirmed by such persons will be fully attended.

The Agent Bank will be responsible for, among other things: issuing a certificate confirming payment for the New Offer Shares for the purposes of notarizing the corresponding capital increase; maintaining the Initial Offer Shares deposited in the securities accounts held with it by the Selling Shareholder or the Joint Global Coordinators, as the case may be, until settlement of the Offering; instructing the entities participating in the Offering on the procedures applicable to its execution; receiving and processing information on the selection and confirmation of purchase proposals and

collaborating in the allocation of the Initial Offer Shares to final investors; and cooperating with the Company in the Admission process.

Pricing of the Offering

Prior to the Offering, there has been no public market for the Shares.

Offer Price Range

The indicative Offer Price Range is €31.65 to €33.15 per Share. The Offer Price Range has been determined by the Company and the Selling Shareholder, in agreement with the Joint Global Coordinators and no independent experts were consulted in determining the Offer Price Range.

Among the factors considered in determining the Offer Price Range were the Company's future prospects and the prospects of its industry in general, the Company's revenues, EBITDA and certain other financial and operating information in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to the Company's activities. The Offer Price Range is indicative only, it may change during the course of the Offering and the Offer Price may be set higher or lower than the Offer Price Range. There can be no assurance that the prices at which the Shares will sell in the public market after the Offering will not be lower than the Offer Price Range or that an active trading market in the Shares will develop and continue after the Offering.

Offer Price and number of Initial Offer Shares

The Offer Price will be determined by the Company, the Selling Shareholder and the Joint Global Coordinators upon the finalization of the book-building period (expected to be on or about 18 October 2017). The Offer Price will be announced through a relevant fact notice (*hecho relevante*) reported to the CNMV. No independent experts will be consulted in determining the Offer Price. The number of New Offer Shares and of Existing Offer Shares will be announced through that same relevant fact notice.

Expenses and taxes charged to the investor

Purchasers of Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of purchase in addition to the Offer Price.

In addition, purchasers will have to bear any commissions payable to financial intermediaries through which they will hold the Shares.

Withdrawal and Revocation of the Offering

Withdrawal of the Offering

The Company and the Selling Shareholder expressly reserve the right to withdraw the Offering, postpone it, defer it or suspend it temporarily or indefinitely for any reason at any time before the setting of the Offer Price. The Company will notify the CNMV, the Agent Bank and the Joint Global Coordinators of the withdrawal of the Offering on the date that the withdrawal takes place or as soon as practicable thereafter.

Revocation of the Offering

The Offering will be revoked (i) if the Underwriting Agreement is not signed on or before 05:00 a.m. Madrid time on the date following setting of the Offer Price (which is expected to be set on 18 October 2017) or any postponement thereof duly notified to the CNMV; (ii) if the Offering is suspended or withdrawn by any judicial or administrative authority; (iii) if the Shares are not admitted to listing on the Spanish Stock Exchanges before 11:59 p.m. (CET) on 3 November 2017; or (iv) if the Underwriting Agreement is terminated by the Joint Global Coordinators on behalf of the Managers upon the occurrence of the following customary termination provisions set forth in the Underwriting Agreement until granting of the public deed of share capital increase:

- (a) there has been, in the good faith judgment of the Joint Global Coordinators, a breach by the Company or the Selling Shareholder of any of the representations or warranties contained in the Underwriting Agreement or any of such representations and warranties is not, or has ceased to be, true and correct, or a material breach by the Company or the Selling Shareholder of any of the undertakings given in the Underwriting Agreement has occurred;
- (b) the CNMV or any other relevant authority suspends or revokes any necessary approval for the Offering;

- (c) since the time of execution of the Underwriting Agreement, there has been, in the good faith judgment of the Joint Global Coordinators, any Material Adverse Effect or any development reasonably likely to result in a Material Adverse Effect (defined as any material adverse change, or any development reasonably likely to result in a material adverse change, in or affecting the condition (financial, operational, legal or otherwise), or in the shareholders' equity, results of operations, management, business affairs, solvency, credit rating or business prospects of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business);
- (d) there has occurred (i) any material adverse change in the financial markets in Spain, the United States, the United Kingdom or in any member state of the EEA, or the international financial markets, (ii) any outbreak of hostilities or escalation thereof or other calamity or crisis or (iii) any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates, in each case, the effect of which event, individually or together with any other such event, in the good faith judgment of the Joint Global Coordinators, makes it impracticable or inadvisable to market the Company's shares or to enforce contracts for the sale of the Company's shares;
- (e) if trading generally on the Spanish Stock Exchanges, the London Stock Exchange, the New York Stock Exchange or in the NASDAQ System has been suspended or materially limited, or a material disruption has occurred in commercial banking or securities settlement, payment or clearance services in Spain, the United States, the State of New York, the United Kingdom or any member state of the EEA;
- (f) a moratorium on banking activities has been declared by the competent authorities of any of the European Union, Spain, the United States, the State of New York, the United Kingdom or any member state of the EEA;
- (g) 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 Spain, any relevant member state of the EEA and/or the United States, in the good faith judgment of the Joint Global Coordinators, (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 Shares or enforce contracts for the sale of the Shares, or (iii) is likely to result in the successful completion of the Offering being prejudiced; or
- (h) any of the following shall occur:
 - (i) at any time the Company publishes an amendment or supplement to this Prospectus, or a press or stock exchange release or relevant fact notice (*hecho relevante*), (A) pursuant to applicable law or regulation or (B) that seeks to correct any untrue statement of a material fact or omission to state a material fact necessary in order that this Prospectus will 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 they were made, not misleading; or
 - (ii) the Company does not publish an amendment or supplement to this Prospectus in form and content reasonably satisfactory to the Joint Global Coordinators, 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 for such publication based on information that the Joint Global Coordinators 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 it does 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,

if the effect of any such amendment or supplement, or decision not to so publish, by the Company, in the good faith judgment of the Joint Global Coordinators, (A) materially and adversely affects the Managers' compliance with securities laws, or (B) makes it impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares.

In case of withdrawal or revocation of the Offering, all offers to subscribe or purchase shall be cancelled and all subscription or purchase orders related to the Offering shall be terminated. Additionally, the Company will have no obligation to issue and deliver the New Offer Shares, the Selling Shareholder shall have no obligation to deliver the Existing Offer Shares and investors (including for the purposes of this section, the Managers on behalf of the final investors) shall have no obligation to subscribe for or purchase, as the case may be, the Initial Offer Shares or any right to have the Initial Offer Shares delivered to them.

In the event that the New Offer Shares have already been issued and paid for by investors before termination of the Offering takes place, the Company will repurchase the New Offer Shares that have been issued and paid, and then reduce its share capital and cancel the New Offer Shares in order to return the subscription monies received by the Company. The Company will repurchase the New Offer Shares for an amount equal to the monies paid by the investors in respect of the subscription of the New Offer Shares in the Offering, together with interest calculated at the statutory rate (*interés legal*) currently set at 3%) from the date on which the investors paid for the New Offer Shares until the date on which the Company repays the subscription price.

In the event that the Existing Offer Shares have already been delivered by the Selling Shareholder and the Offer Price has been paid by the investors, the investors would be required to return title to the Existing Offer Shares to the Selling Shareholder and the Selling Shareholder will repurchase the Existing Offer Shares from the purchasers of the Existing Offer Shares for the amount paid by the purchasers in respect of the sale of the Existing Offer Shares in the Offering, together with interest calculated at the statutory rate (*interés legal*) (currently set at 3%) from the date on which the purchasers paid for the Existing Offer Shares until the date on which the Selling Shareholder repays the purchase price.

The investors subscribing or purchasing Shares shall be deemed to have consented to the aforementioned repurchase of Shares.

Authorizations of the Offering

On 11 September 2017, the Selling Shareholder decided to apply for Admission and to carry out the Offering and granted the necessary authority to the Company's Board of Directors to issue the New Offer Shares and to offer the Existing Offer Shares on behalf of the Selling Shareholder. On 11 September 2017, the Company's Board of Directors (with the composition described in "*Board of Directors and Management*") resolved to apply for Admission, to carry out the Offering and approved a capital increase in connection with the offering of the New Offer Shares.

On 3 October 2017, the Company determined the indicative Offer Price Range for the Offering.

For the avoidance of doubt, no application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any exchange other than the Spanish Stock Exchanges and the AQS.

No pre-emptive subscription and/or acquisition rights are applicable in relation to the Offering, taking into account that the Selling Shareholder has irrevocably waived its pre-emptive rights over the New Offer Shares, and that no pre-emptive acquisition rights apply to the transfer of the Existing Offer Shares and the Additional Shares, if any.

The Offering is not subject to any administrative approval or authorization besides the regime applicable to the approval by the CNMV of this document as a prospectus for the purposes of the Offering and the subsequent Admission in accordance with the LMV and related regulation.

Stabilization

In connection with the Offering, Citigroup, or any of its agents, as Stabilizing Manager, acting on behalf of the Manager, may (but will be under no obligation to) to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price, as well as over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Any stabilization transactions shall be undertaken in accordance with applicable laws and regulations, in particular, MAR and Regulation 2016/1052.

The stabilization transactions shall be carried out for a maximum period of 30 calendar days from the date of the commencement of trading of the Shares on the Spanish Stock Exchanges, provided that such trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The Stabilization Period is expected to commence on 20 October 2017 and end on 19 November 2017.

For this purpose, the Stabilizing Manager may carry out an over-allotment of Shares in the Offering, which may be covered by the Stabilizing Manager pursuant to one or several securities loans granted by the Selling Shareholder. The Stabilizing Manager is not required to enter into such transactions and such transactions may be effected on a regulated market and may be taken at any time during the Stabilization Period. However, neither the Stabilizing Manager nor any of its agents is under any obligation to effect stabilizing transactions and there is no assurance that the stabilizing transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice, without prejudice of the duty to give notice to the CNMV of the details of the transactions carried out under Regulation 2016/1052. In no event will measures be taken to stabilize the market price of the Shares above the Offer Price. In accordance with Article 5.5 of MAR and Article 6.2 of Regulation 2016/1052, the details of all stabilization transactions

will be notified by the Stabilizing Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

Additionally, in accordance with Article 6.3 of Regulation 2016/1052, the following information will be disclosed to the CNMV by the Stabilizing Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date on which stabilization transactions started; (iii) the last date on which stabilization transactions occurred; and (iv) the price range within which any stabilization transactions were carried out, for each of the dates during which stabilization transactions were carried out.

Liquidity Providers

There are no entities that have a firm commitment to act as intermediaries in secondary trading providing liquidity through bid and offer rates.

Over-allotment Option

In connection with the Offering, the Selling Shareholder will grant to the Managers, acting severally and not jointly, nor jointly and severally, an option to purchase up to the maximum number of Over-allotment Shares at the Offer Price. The Over-allotment Option is exercisable by the Stabilizing Manager, on behalf of the Managers, upon notice to the Selling Shareholder, on one occasion in whole or in part, only for the purpose of covering over-allotments (if any) and to cover any short positions resulting from stabilization transactions (if any), no later than 30 calendar days after the date of commencement of trading of the Shares on the Spanish Stock Exchanges. Any Additional Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Initial Offer Shares (including for all dividends and other distributions declared, made or paid on the Initial Offer Shares), will be purchased on the same terms and conditions as the Initial Offer Shares being sold in the Offering and will form a single class for all purposes with the other Shares.

The exercise of the Over-allotment Option is not subject to any conditions.

Lock-up

The Company will agree that during a period from the date on which the Underwriting Agreement is signed to and including 180 days from the Settlement Date, neither the Company nor any of its subsidiaries nor any person acting on its or their behalf (other than the Managers and the Selling Shareholder, as to whom the Company will give no undertaking) will, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed, (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any shares of the Company or its subsidiaries, or any securities convertible into or exercisable or exchangeable for shares of the Company or its subsidiaries, or file any prospectus under the Prospectus Directive and the Prospectus Rules or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, (B) 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 any shares of the Company; or (C) enter into any other transaction with the same economic effect (A) and (B) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of shares or any securities convertible into or exercisable or exchangeable for Shares, in cash or otherwise.

The foregoing sentence shall not apply to (i) the issue of the New Offer Shares, (ii) transfers of ordinary shares by the Company in favour of its controlled companies, provided that (x) such transferees shall agree to be bound by the lock-up obligations of the Company and that (y) any such transfers shall be performed on terms and conditions that do not conflict with the Offering and (iii) the grant or exercise of options or other rights to acquire shares of the Company or rights related to shares under the Company's employees' share and incentive schemes, in each case as disclosed in the Prospectus and (D) the issue, acquisition or transfer of shares in connection with any employee benefit or incentive plan implemented by the Company, to the extent described in the Prospectus.

The Selling Shareholder will agree that during a period from the date on which the Underwriting Agreement is signed to and including 180 days from the Settlement Date, neither the Selling Shareholder nor any of its affiliates nor any person acting on its or their behalf (other than the Managers and the Company, as to whom the Selling Shareholder will give no undertaking) will, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed, (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any shares of the Company, or its subsidiaries or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company, or its subsidiaries or request or demand that the Company

publicly file any prospectus under the Prospectus Directive and the Prospectus Rules or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (B) 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 any Shares or other shares of the Company; or (C) enter into any other transaction with the same economic effect (A) and (B) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of Shares or any securities convertible into or exercisable or exchangeable for Shares, in cash or otherwise.

The foregoing sentence shall not apply to (i) the sale of the Existing Offer Shares to be sold in the Offering; or (ii) such shares held by the Selling Shareholder as may be lent by the Selling Shareholder to the Managers pursuant to the stock lending agreement to be entered between the Selling Shareholder and the Joint Global Coordinators, (iii) the sale of the Additional Offer Shares in the event the Over-Allotment Option is exercised, (iv) transfers of shares of the Company by the Selling Shareholder in favour of its affiliates, provided that (x) such transferees shall agree to be bound by the lock-up obligations of the Selling Shareholder and that (y) any such transfers shall be performed on terms and conditions that do not conflict with the Offering; (v) the transfer of the Ordinary Shares to the offeror in the context of a takeover bid for the acquisition of the Company carried out in accordance with Spanish law; (vi) the implementation of a scheme of arrangement in respect of the sale of the shares of the Company that has been recommended by the Board of Directors of the Company; (vii) any pledge over ordinary shares of the Company, provided that if such pledge is enforced, the transferees of such ordinary shares agree to be bound by the same lock-up restrictions as the Selling Shareholder; (viii) any disposal of ordinary shares of the Company pursuant to any offer by the Company to purchase its own securities which is made on identical terms to all its shareholders and (ix) the transfer of ordinary shares of the Company to certain employees of the Company under the incentive schemes described in the Prospectus.

The lock-up restrictions of the Selling Shareholder will not apply to transactions relating to shares of the Company acquired by the Selling Shareholder, any of its respective affiliates or any person acting on its behalf in open market purchases following the consummation of the Offering.

Each of the members of the Company's senior management will also agree with the Managers to certain lock-up arrangements during the period from the date on which the Underwriting Agreement is signed to 365 days after the Settlement Date of the Offering.

Other Relationships

Each of the Managers is a full service financial institution engaged in various activities, which may include the provision of investment banking, commercial banking and financial advisory services. The Managers and their respective affiliates may have engaged or performed from time to time in the past, and may from time to time in the future, engage in or perform ordinary course of business transactions or services, including investment banking and/or commercial banking transactions with the Company, the Selling Shareholder and their respective affiliates for which they have received or will receive customary fees and reimbursement of expenses. . In addition, in the event that the Company enters into any equity swap agreement for the purpose of hedging its exposure to a potential increase in the Company's share price from Admission to the date of delivery of the LTIP, one of the Managers may enter into an equity swap agreement with the Company and in connection with that swap agreement such Manager may be allocated with such number of Shares in the Offering as may be necessary to hedge such Manager's exposure under the equity swap and to enable it to deliver shares pursuant to the equity swap. See "*Management and Board of Directors—Compensation—Long Term Incentive Plan*".

In the ordinary course of their various business activities, the Managers and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company, the Selling Shareholder and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

In addition, certain of the Managers or their affiliates are, or may in the future be, lenders, and in some cases agents or managers for the lenders, under certain of the credit facilities and other credit arrangements of the Company, the Selling Shareholder or their respective affiliates. In their capacity as lenders, such lenders may, in the future, seek a reduction of a loan commitment to the Company, the Selling Shareholder or their respective affiliates, or impose incremental pricing or collateral requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Managers or their affiliates that have a lending relationship with the Company and/or the Selling Shareholder may routinely hedge their credit exposure to the Company and/or the Selling Shareholder consistent with their customary risk management policies; a typical hedging strategy would include these Managers or their affiliates hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's and/or the Selling Shareholder's securities.

SELLING AND TRANSFER RESTRICTIONS

General

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken or will be taken in any jurisdiction that would permit a public offering or sale of the Shares, or possession or distribution of this Prospectus (or any other Offering or publicity material relating to the Shares), in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

None of the Shares may be offered for subscription, sale or purchase or be delivered, and this prospectus and any other Offering material in relation to the Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

Notwithstanding the below, any person who has demonstrated to the satisfaction of the Company and the Joint Global Coordinators that it is able to lawfully participate in the Offering may, with the prior consent of the Joint Global Coordinators and subject to certain requirements, be permitted to acquire Shares in the Offering.

United States

Due to the following restrictions, purchasers of Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Shares.

Restrictions under the Securities Act

The Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Managers may offer Shares (i) in the United States only through their US registered broker affiliates to persons reasonably believed each to be QIBs (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act or (ii) outside the United States in compliance with Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of the Offering and the last transaction date of the Offering, any offer or sale of Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption from registration under the Securities Act.

Regulation S

Each subscriber or purchaser of the Shares outside the United States will be deemed by its acceptance of the Shares to have represented and agreed, on its own behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the Shares, that neither the Company or 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 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 Shares, it has had access to such financial and other information concerning the Company and the Shares as it has deemed necessary in connection with its decision to purchase any of the Shares, and that (terms defined in Regulation S shall have the same meanings when used in this section):

- (i) the purchaser understands and acknowledges that the Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered, sold or otherwise transferred except pursuant from an exception from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law;

- (ii) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, is acquiring the Shares in an “offshore transaction” meeting the requirements of Regulation S and was located outside the United States at the time the buy order for the Shares was originated;
- (iii) the purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this prospectus;
- (iv) the Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S; and
- (v) the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above stated restrictions.

Rule 144A

Each purchaser of the Shares within the United States will be deemed by its acceptance of the Shares to have represented and agreed on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the 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 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 Shares, that it has had access to such financial and other information concerning the Company and the Shares as it has deemed necessary in connection with its decision to purchase any of the Shares, and that (terms defined in Rule 144A shall have the same meanings when used in this section):

- (i) the purchaser acknowledges that the Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
- (ii) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring such Shares for its own account or for the account of a QIB;
- (iii) the purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- (iv) if, prior to the date that is one year after the later of the date of the Offering and the last date on which the Shares were acquired from the Company or any of the Company’s affiliates (the “**Resale Restriction Termination Date**”), the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, such Shares may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A under the Securities Act, (ii) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction and agrees to give any subsequent purchaser of such shares notice of any restrictions on the transfer thereof;
- (v) the Shares have not been offered to it by means of any general solicitation or general advertising;
- (vi) the Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of any Shares;
- (vii) the purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- (viii) the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to the following effect:

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON

WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY; and

- (ix) the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above stated restrictions.

Each purchaser acknowledges that the Company and the Managers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by such purchaser by its purchase of Shares are no longer accurate, it shall promptly notify the Company and the Managers; if it is acquiring Shares as a fiduciary or agent for one or more investor accounts, each purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Terms defined in Rule 144A or Regulation S shall have the same meanings when used in this section.

Each purchaser of the Shares will be deemed by its acceptance of the Shares to have represented and agreed that it is purchasing the Shares for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control.

European Economic Area

In relation to each EEA Member State, an offer to the public of any Shares may not be made in that EEA Member State, except under the following exemptions under the Prospectus Directive, if they are implemented in that EEA Member State:

- (i) to any legal entity which is a Qualified Investor;
- (ii) to fewer than 150 natural or legal persons (other than Qualified Investors) per EEA Member State; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the Company, any Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Shares or to whom an offer is made will be deemed to have represented, warranted and agreed to and with each of the Managers, the Company and the Selling Shareholder that it is a Qualified Investor within the meaning of the law in that EEA Member State implementing Article 2(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Shares to be offered, so as to enable an investor to decide to acquire any Shares, as that definition may be varied in that EEA Member State by any measure implementing the Prospectus Directive in that EEA Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed to and with each of the Managers, the Company and the Selling Shareholder that the 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 Shares to the public other than their offer or resale in a EEA Member State to Qualified Investors as so defined or in circumstances in which the prior consent of the Managers has been obtained to each such proposed offer or resale. The Company, the Selling Shareholder, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and

agreement. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, and subject to certain requirements, be permitted to acquire Shares in the Offering.

United Kingdom

In the United Kingdom, this Prospectus and the Offering are only being distributed to and are directed only at Qualified Investors (i) who have professional experience in matters relating to investments falling within the definition of “investment professionals” under Article 19(5) of the Order or (ii) falling within Article 49(2)(a)-(d) of the Order (all such persons together being referred to as “**Relevant Persons**”). This Prospectus and the Offering are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this document or any of its contents.

Australia

This document is not a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) and has not been and will not be lodged with the Australian Securities and Investments Commission (“**ASIC**”). This document does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act. The Offering is made only to persons to whom it is lawful to offer shares in Australia without disclosure to investors under Chapter 6D of the Corporations Act.

As no formal prospectus, product disclosure statement or other disclosure document will be lodged with ASIC, any offer in Australia of the Shares may only be made to persons who are ‘sophisticated investors’ within the meaning of section 708(8) of the Corporations Act) or ‘professional investors’ (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Shares without disclosure to investors under Chapter 6D of the Corporations Act. If any recipient of the document is not a ‘sophisticated investor’ or a ‘professional investor’ and does not otherwise fall within one or more of the exemptions contained in section 708 of the Corporations Act, no offer of, or invitation to apply for, the Shares shall be deemed to be made to such recipient and no applications for the Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

In addition, the Shares must not be offered for sale in Australia in the period of 12 months after the date of allotment under Offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. An Investor acquiring Shares must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

By applying for Shares under the document, each person to whom Shares are issued (an “**Investor**”):

- (i) confirms that they are a ‘sophisticated investor’ (within the meaning of section 708(8) of the Corporations Act), a ‘professional investor’ (within the meaning of section 708(11) of the Corporations Act) or otherwise permitted to invest in the Shares pursuant to one or more exemptions contained in section 708 of the Corporations Act, and
 - (b) a ‘wholesale client’ (within the meaning of section 761G of the Corporations Act);
- (ii) acknowledges that if any Investor on-sells Shares within 12 months from their issue, the Investor will be required to lodge prospectus, product disclosure statement or other a disclosure document with ASIC unless either:
 - (a) that sale is to another ‘sophisticated investor’ or ‘professional investor’ or is otherwise permitted pursuant to one or more exemptions contained in section 708 of the Corporations Act; or
 - (b) the sale offer is received outside Australia; and
- (iii) undertakes not to sell the Shares in any circumstances other than those described in paragraphs (b)(i) and (ii) above for 12 months after the date of issue of such Shares.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Shares in Australia.

The document may only be distributed to investors in Australia and any offer of Shares may only be made to investors in Australia, in each case subject to the conditions set out above, on behalf of each Manager by its affiliate holding an Australian Financial Services License permitting such license holder to distribute the document and to offer the Shares to investors in Australia.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No 25 of 1948, as amended (the “**FIEA**”). This prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity, organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEA and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other Offering or marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other Offering or marketing material relating to the Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

VALIDITY OF THE SHARES AND LEGAL MATTERS

The validity of the Shares offered and certain matters relating to the Offering will be passed upon for the Company by Uría Menéndez Abogados, S.L.P. (with respect to Spanish law) and Davis Polk & Wardwell LLP (with respect to United States federal law and English law). Certain legal matters relating to the Offering will be passed upon for the Managers by Linklaters, S.L.P. (with respect to Spanish law, United States federal law and English law).

INDEPENDENT AUDITORS

The Consolidated Financial Statements of Aedas Homes, S.A.U., incorporated by reference in this Prospectus, have been audited by Ernst & Young, S.L., with its address for these purposes at Raimundo Fernández Villaverde 65 - Torre Azca, 28003, Madrid (Spain), holder of tax identification number B-78970506 and registered with the Official Registry of Accounting Auditors (ROAC) under the number S0530 and in the Commercial Registry of Madrid under Volume 12,749, page 215 and sheet M-23,123, independent auditors, as stated in their reports incorporated by reference herein.

Ernst & Young, S.L. was appointed as auditor on 11 September 2017 in connection with the years ended 31 December 2017 to 31 December 2019. Ernst & Young, S.L. has not resigned, been removed or not reappointed as independent auditors of the Company since the incorporation of the Company or otherwise, prior to the date of this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Spanish company, and its assets are located within Spain. In addition, most of the Company's directors, as well as its principal shareholders, reside or are located outside the United States, mainly 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 it or these persons in foreign courts predicated solely upon the civil liability provisions of US securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference to this Prospectus:

- (i) Audited Consolidated Financial Statements of Aedas Homes, S.A.U. as of and for the year ended 31 December 2016, and corresponding audit report with unqualified opinion issued by Ernst & Young, S.L.
- (ii) Audited Interim Consolidated Financial Statements of Aedas Homes, S.A.U. as of and for the six month period ended 30 June 2017, and corresponding audit report with unqualified opinion issued by Ernst & Young, S.L.

These are English translations of the originally issued consolidated financial statements as of and for the year ended 31 December 2016 and the consolidated interim financial statements as of and for the six month period ended 30 June 2017 of the Company in Spanish. In case of any discrepancy, the Spanish version shall prevail.

Copies of these documents will be available for inspection in physical form until Admission during business hours on weekdays at the Company's offices at Paseo de la Castellana 42, 28046, Madrid, Spain and the CNMV's premises (Edison 4, 28006 Madrid, Spain and at Paseo de Gracia 19, 08007, Barcelona, Spain) and on the Company's website at www.aedashomes.com. The Audited Consolidated Financial Statements of Aedas Homes, S.A.U. as of and for the year ended 31 December 2016 will also be available on the CNMV's website at www.cnmv.es.

Neither our website www.aedashomes.com nor any of its contents, except for the Consolidated Financial Statements, forms part of or is incorporated into this prospectus, whether by reference or otherwise.

ADDITIONAL INFORMATION

Documents on display

Copies of the following documents will be available for inspection in physical form until Admission during business hours on weekdays at the Company's offices at Paseo de la Castellana 42, 28046, Madrid, Spain:

- (i) deed of incorporation of the Company;
- (ii) bylaws of the Company (which, following Admission, will also be available on the Company's website at www.aedashomes.com > Shareholders and Investors > Corporate Governance > Bylaws);
- (iii) Board of Directors Regulations, General Shareholders' Meeting Regulations, Internal Code of Conduct in Securities (which, following Admission, will also be available on the CNMV's website at www.cnmv.es and on the Company's website at www.aedashomes.com > Shareholders and Investors > Corporate Governance);
- (iv) the Company's audited consolidated financial statements as of and for the period from 9 June 2016 to 31 December 2016, which will also be available on the CNMV's website at www.cnmv.es and on the Company's website at www.aedashomes.com > Shareholders and Investors > Information for Shareholders and Investors > Economic and financial information;
- (v) the Company's audited interim consolidated financial statements as of and for the six month period ended 30 June 2017, which will also be available on the Company's website at www.aedashomes.com > Shareholders and Investors > Information for Shareholders and Investors > Economic and financial information;
- (vi) the Company's audited individual financial statements as of and for the period from 9 June 2016 to 31 December 2016, which will also be available on the Company's website at www.aedashomes.com > Shareholders and Investors > Information for Shareholders and Investors > Economic and financial information;
- (vii) the Company's audited interim individual financial statements as of and for the six month period ended 30 June 2017, which will also be available on the Company's website at www.aedashomes.com > Shareholders and Investors > Information for Shareholders and Investors > Economic and financial information;
- (viii) English translations of the documents referred to in (iv) and (v) above, which will also be available on the Company's website at www.aedashomes.com > Shareholders and Investors > Information for Shareholders and Investors > Economic and financial information;
- (ix) this Prospectus (which, following Admission, will also be available on the CNMV's website at www.cnmv.es and on the Company's website at www.aedashomes.com > Shareholders and Investors > Prospectus); and
- (x) certificate of the resolutions approved by the general shareholders meeting and Board of Directors in connection with the Offering and the Admission.

The documents referred to in (i) to (x) above will also be available for inspection in physical form at the CNMV's premises at Edison 4, 28006 Madrid, Spain and at Paseo de Gracia 19, 08007, Barcelona, Spain.

Information on the Company

The Company's legal name is Aedas Homes, S.A. and it operates under the commercial name "AEDAS Homes".

The Company was incorporated in Spain on 9 June 2016 for an unlimited period of time. On 11 September 2017, the Company changed its corporate form from a Spanish *sociedad limitada* to a Spanish *sociedad anónima*.

The Company holds Spanish tax identification number A-87586483 and is registered with the Commercial Registry of Madrid under Volume 34,868, Folio 55, Section 8th, Page M-627,110. The Company's legal entity identifier (LEI) code is 9598005H67MP8U20RW81.

The principal legislation under which the Company operates, and under which the Shares were created, is the Spanish Companies Act and the regulations made thereunder.

The registered office the Company is at Paseo de la Castellana 42, 28046 Madrid, Spain and its phone number is +34 900 26 40 96.

The financial year end of the Company is 31 December.

The Company is domiciled in Madrid (Spain) and resident in Spain for tax purposes.

Corporate structure

The following table shows the Company's main subsidiaries as of the date of this Prospectus:

<u>Subsidiary / Group company</u>	<u>Country of incorporation</u>	<u>Ownership interest (%)</u>
Espebe 2, S.L.U.	Spain	100
Espebe 4, S.L.U.	Spain	100
Espebe 7, S.L.U.	Spain	100
Espebe 11, S.L.	Spain	80 ⁽¹⁾
Espebe 12, S.L.U.	Spain	100
Espebe 14, S.L.U.	Spain	100
Espebe 15, S.L.U.	Spain	100
Espebe 16, S.L.U.	Spain	100
Espebe 17, S.L.U.	Spain	100
Espebe 18, S.L.U.	Spain	100
Espebe 20, S.L.U.	Spain	100
Espebe 21, S.L.U.	Spain	100
Espebe 22, S.L.U.	Spain	100
Espebe 23, S.L.U.	Spain	100
Espebe 25, S.L.U.	Spain	100
Espebe 26, S.L.U.	Spain	100
Espebe 27, S.L.U.	Spain	100
Espebe 28, S.L.U.	Spain	100
Espebe 29, S.L.U.	Spain	100
Espebe 31, S.L.U.	Spain	100
Espebe 32, S.L.U.	Spain	100
Espebe 34, S.L.U.	Spain	100
Espebe 35, S.L.U.	Spain	100
SPV Reoco 1, S.L.U.	Spain	100
SPV Reoco 2, S.L.U.	Spain	100
SPV Reoco 5, S.L.U.	Spain	100
SPV Reoco 6, S.L.U.	Spain	100
SPV Reoco 12, S.L.U.	Spain	100
SPV Reoco 14, S.L.U.	Spain	100
SPV Reoco 15, S.L.	Spain	80 ⁽²⁾
SPV Reoco 17, S.L.U.	Spain	100
SPV Reoco 18, S.L.U.	Spain	100
SPV Reoco 26, S.L.U.	Spain	100
SPV Spain 2, S.L.	Spain	65 ⁽³⁾
SPV Spain 7, S.L.U.	Spain	100
SPV Spain 16, S.L.U.	Spain	100
SPV Spain 17, S.L.U.	Spain	100
SPV Spain Project 1, S.L.U.	Spain	100
Cornetala Servicios y Gestiones, S.L.U.	Spain	100

Subsidiary / Group company	Country of incorporation	Ownership interest (%)
Damalana Servicios y Gestiones, S.L.U.	Spain	100
Delaneto Servicios y Gestiones, S.L.U.	Spain	100
Milen Investments, S.L.U.	Spain	100
Landata Servicios y Gestiones, S.L.U.	Spain	100
Facornata Gestiones y Servicios, S.L.	Spain	94.68 ⁽⁴⁾
Danta Investments, S.L.U.	Spain	100

- (1) The remaining 20% is held by Promociones y Propiedades Inmobiliarias Espacio, S.L.U.
- (2) The remaining 20% is held by Promociones y Propiedades Inmobiliarias Espacio, S.L.U.
- (3) The remaining stake is held by Promociones y Propiedades Inmobiliarias Espacio, S.L.U. (12.5%) and Bigchange Gestión, S.L. (22.5%).
- (4) The remaining 5.32% is held by Optimiza Asset Management, S.L.

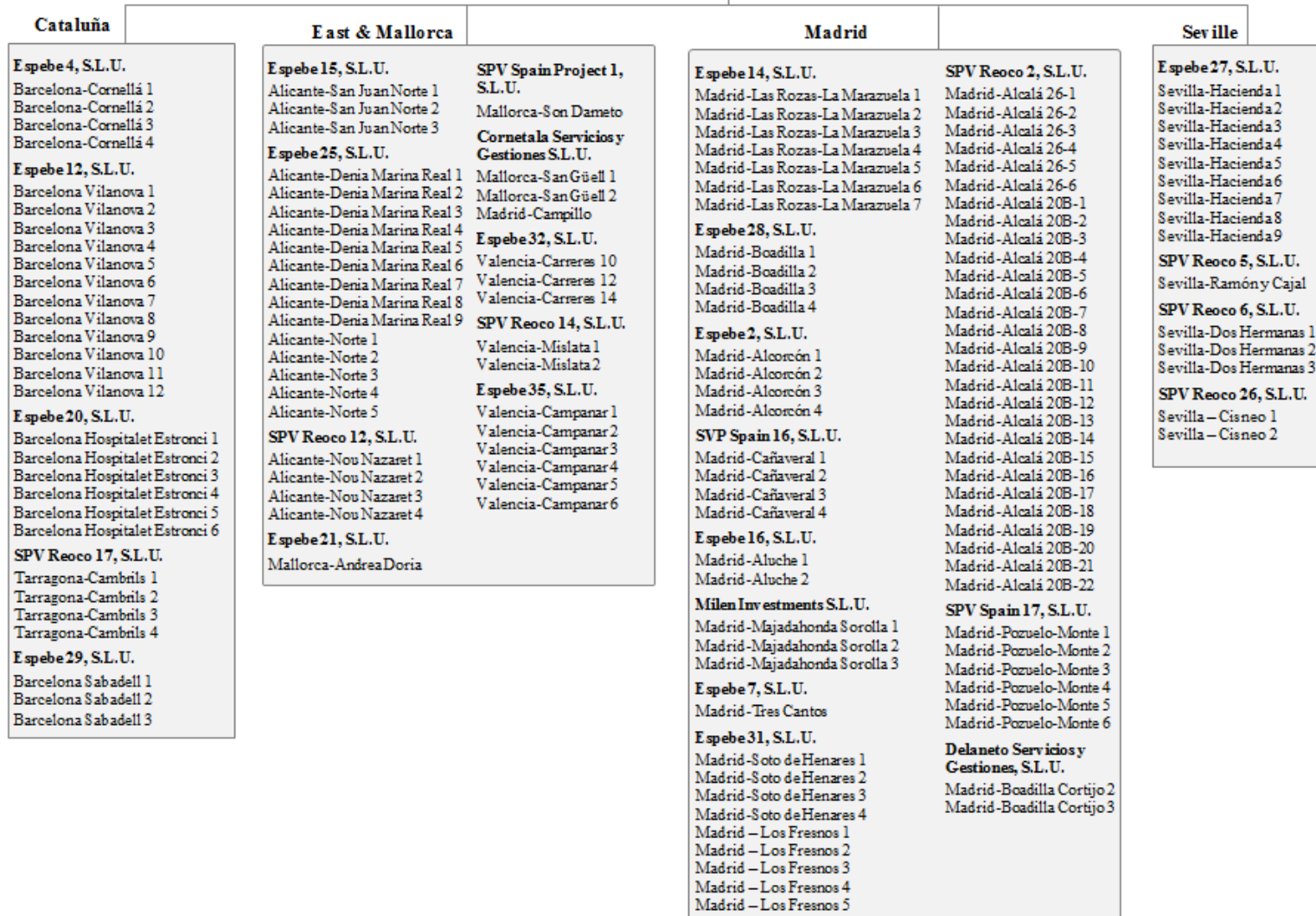
Most of these subsidiaries were contributed by the Selling Shareholder to the Company during 2016 and 2017. See “*Description of Share Capital—General*”. The remaining subsidiaries that have not been contributed by the Selling Shareholder were either acquired or incorporated by the Company.

Except for SPV Reoco 1, all the above companies are indirectly held through SPV Reoco 1 as illustrated in the following chart, which shows the Group’s corporate structure as of the date of this Prospectus (including the investment vehicles and the project developments held through each Group company).



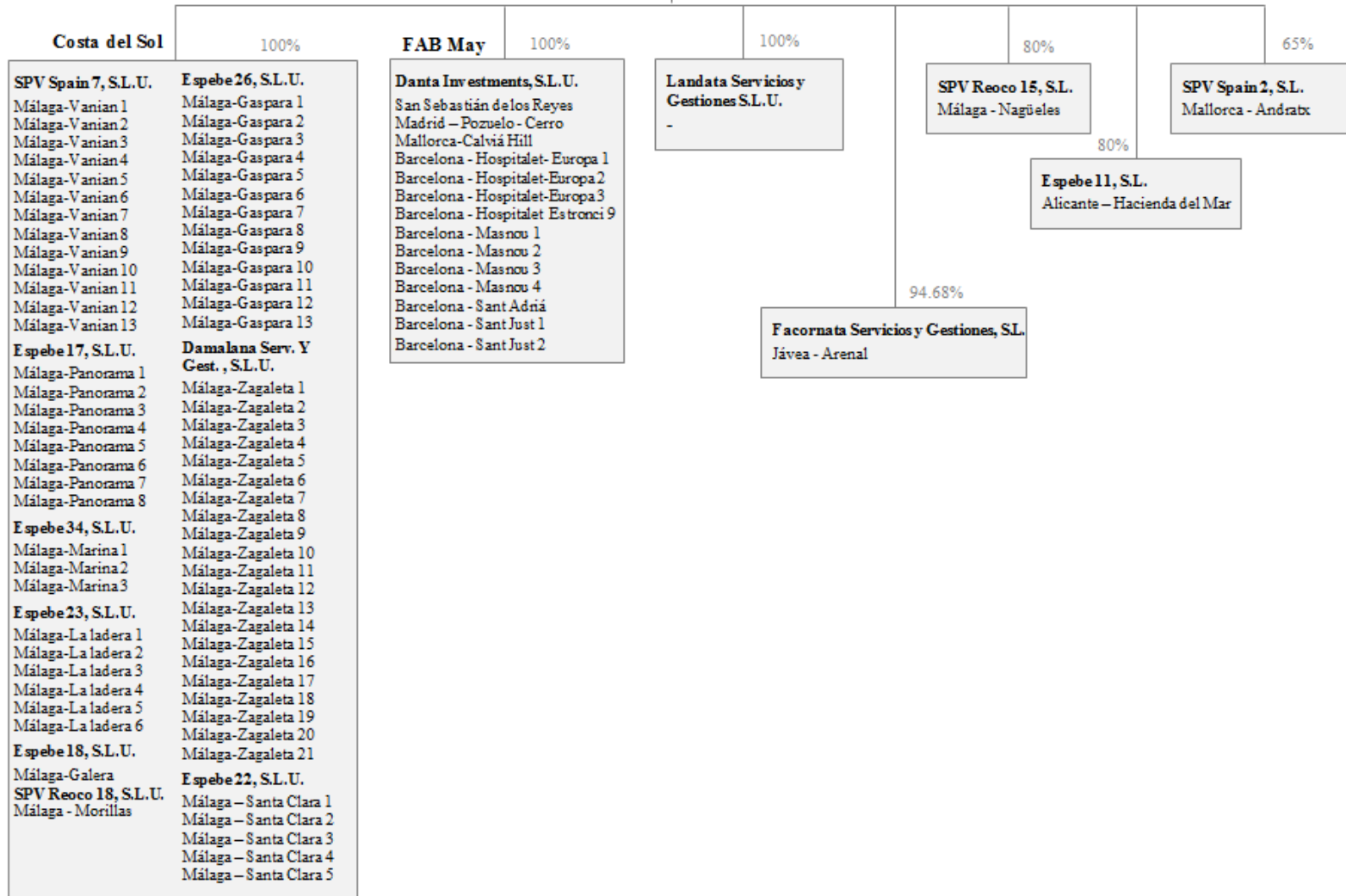
100%

SPV Reoco 1, S.L.U.





SPV Reoco 1, S.L.U.



(*) Landata Servicios y Gestiones, S.L.U. is expected to own land acquired by the Group in the future.

ANNEX I –FIRST VALUATION REPORT

Short Report

Property Portfolio Valuation as at 30/06/2017

- 1. Introducción y Términos de Referencia
- 2. Metodología Aplicada
- 3. Descripción, Organización y Condiciones de Valoración



Index

1. Instructions and Terms of Reference	4
2. Valuation Advice	8
3. General Assumptions, Conditions to Valuations, Special Assumptions	13

Short Report



2017, July 10th

AEDAS HOMES, S.L.U
Paseo de la Castellana, 42
28046 Madrid

**Savills Consultores
Inmobiliarios S.A.**
José Abascal 45 - 1ª Planta
28003 Madrid

Tel: + 34 (91) 310.10.16
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www.savills.es

- (1) CITIGROUP GLOBAL MARKETS LIMITED
- (2) GOLDMAN SACHS INTERNATIONAL

Together "the Addressees"

For the attention of: Mr. Alberto Delgado

CLIENT: AEDAS HOMES, S.L.U

PROPERTY: Property Portfolio of 175 properties comprised by Residential Development Land Assets, located in several locations across Spain.

Dear Mr. Delgado,

In accordance with the terms and conditions contained in our proposal letter dated April 2017, we are pleased to provide you with a market update valuation in relation to the above named properties. We understand you require this valuation for Accounting Purposes and it will be disclosed to prospective investors as part of the preparation for an Initial Public Offering (IPO). The date of valuation is the **30th June 2017**.

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report.

We trust that our report meets your requirements, but should you have any queries, please do not hesitate to contact us.

Yours faithfully,

For and on behalf of Savills Consultores Inmobiliarios S.A.



Jesús D. Mateo MRICS
RICS Registered Valuer
Director Advisory & Valuation
Savills Consultores Inmobiliarios S.A.



Eduardo Martins Pimenta MRICS
RICS Registered Valuer
Associate Director Advisory & Valuation
Savills Consultores Inmobiliarios S.A.

1. Instructions and Terms of Reference

1.0 Instructions & Terms of Reference

In accordance with our Terms of Engagement signed **April 2017**, we have valued the properties listed at Section 2, in order to provide you with our opinion of their Market Value, as at **30th June 2017**.

1.1.1. Instructions

You have instructed us to provide our opinions of value on the following bases:

- We are not aware of any conflict of interest, either with the Property, the Assets, or with the client, preventing us from providing you with an independent valuation of the Property in accordance with the Red Book.
- We will be acting as External Valuers, as defined in the Red Book.
- We have no material connection either with the client or with the properties.
- We confirm that we will not benefit (other than from the receipt of the valuation fee) from this valuation instruction.
- We confirm that Savills Consultores Inmobiliarios S.A. carry sufficient Professional Indemnity Insurance for possible claims. According with the Terms of Engagement Letter, in case of responsibility for our advice, compensation is limited to the amount of the fees provided for carrying out the work.
- We have a Complaints Handling Procedure.
- That we have the knowledge, skills and ability to act on your behalf in respect of this instruction.
- And, that all information provided in respect of this instruction will be kept confidential and will not be disclosed to any un-authorised third party.
- You have also instructed us to comment on specific issues concerning the properties.

Our valuations are prepared on an individual basis and the portfolio valuations reported are the aggregate of the individual Market Values, as appropriate. Our opinions of value are as at **30th June 2017**.

The valuations have been carried out by qualified MRICS Registered Valuers, with the knowledge, skills and ability required to perform this valuation report competently.

We confirm that our valuations will all be reported in Euros.

1.1.2. Basis of Valuation

The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards January 2014 ("Red Book"), published November 2013 and effective from January 2014. In particular in accordance with the requirement of VPS 3 entitled Valuations reports.

Red Book Valuation Standard VS 3.2 relates to the basis of value, and, in accordance therewith, you have instructed us to value the property on the basis of Market Value, the definition is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Our report and valuations in accordance with these requirements are set out below.

1.1.3. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.4. Date of Valuation

Our opinions of value are as at 30th June 2017. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.1.5. Purpose of Valuation

The Valuation is required for Accounting Purposes. We expressly authorise that the valuation report in its short form along with any data coming from the long form valuation report is incorporated as part of the prospectus to be filed with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) in the context of the preparation for an Initial Public Offering of Aedas Homes, S.L.U as well as in any offering circular and material relating to the proposed initial public offering of Aedas Homes, S.L.U for qualified investors (including, for example, any qualified investor, analyst or roadshow presentations for professional parties involved). Under no circumstances has the Addressee been authorised by Savills to include the report or data extracted from the report in advertisements directed to the public or in mass media. It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use.

1.1.6. Conflicts of Interest

We are not aware of any conflict of interest, either with yourselves or with the properties, preventing us from providing independent valuation advice, and therefore we are pleased to accept your instructions. We will be acting as External Valuers, as defined in the Red Book.

1.1.7. Valuer Details and Inspection

The due diligence enquiries referred to below was undertaken by valuers of the Advisory & Valuation Department. The valuations have also been reviewed by Jesus Mateo MRICS.

The properties have been inspected by valuers of the Advisory & Valuation Department. The inspections has been carried out externally and internally, but limited to those areas that were easily accessible or visible.

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VS 6.1(r), we confirm that the aforementioned individuals have the knowledge, skill and understanding to undertake the valuation competently.

1.1.8. Liability Cap

Our liability to any one or more or all of the Addressees or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this Valuation, shall be limited to the amount specified at the Terms of Engagement Letter signed between Savills Consultores Inmobiliarios S.A. and AEDAS HOMES, S.L.U

1.1.9. RICS Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards January 2014 (the "RICS Red Book") published in November 2013 and effective from 1 January 2014, in particular in accordance with the requirements of VPS 3 entitled Valuation reports and VPGA 2 Valuations secured lending, as appropriate.

Our report in accordance with those requirements is set out below.

1.1.10. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that the Bank satisfies itself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.11. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the parties to whom it is addressed only, who can rely on it, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such third parties rely upon this report at their own risk.

Without prejudice to what is provided in section 1.1.5 "Purpose of Valuation" above, neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear. It is our recommendation that prior to entering into a financial transaction based on this report the validity of all information as well estimates should be checked.

2. Valuation Advice



2.1. Valuation

Having carefully considered the matter, we are of the opinion that the Market Value, as at our valuation date, of the respective freehold interests of the properties portfolio **owned by AEDAS HOMES S.L.U** is:

€ 1,233,744,000.00

(ONE BILLION, TWO HUNDRED AND THIRTY-THREE MILLION, SEVEN HUNDRED AND FORTY-FOUR THOUSAND EUROS)

The Market Value, as at our valuation date, of the respective freehold interests of **100% properties portfolio** is:

€ 1,259,970,000.00

(ONE BILLION, TWO HUNDRED FIFTY- NINE MILLION, NINE HUNDRED SEVENTY THOUSAND EUROS)

The subject valuations reflect the following assumptions:

Gross Development Value	€ 3,498,866,000
Pending Construction Costs	€ 1,520,266,000

Total market Value above as at our valuation date, of the respective freehold interests of the **properties portfolio** is breakdown in:

- Market Value of the properties portfolio owned by AEDAS HOMES S.L.U as at 30th June 2017 is:

Market Value 100%	Market Value % AEDAS
€ 1,159,566,000.00	€ 1,138,358,000.00

- Market Value of the properties portfolio owned by "Fondo de Archivos Bancarios MAY" as at 30th June 2017 and expected to be contributed to AEDAS HOMES S.L.U is:

Market Value 100%	Market Value % AEDAS
€ 100,404,000.00	€ 95,386,000.00

Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Market Values.

We confirm that we have valued the subject property on a 100% ownership basis, and have reflected the apportioned value based on the percentage share of the SPV held by AEDAS HOMES S.L.U No account has been taken of any premium or discount to reflect any corporate structure or tax implications which may arise from the ownership structure of any of the Properties.

The total market Value is distributed as follows in the next page. We attach as Appendix 1 a list of the main valuation parameters per each property

PART 1: Assets owned by AEDAS Homes S.L.U as at 30th June 2017

UNIT	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% AEDAS	Market Value 100% 30th June 2017 (€)	Market Value % AEDAS 30th June 2017 (€)
1	1	Mallorca - Andrea Dorfa	Palma de Mallorca	Palma De Mallorca	Product Definition and Development Plan	100%	9.072.000,00 €	9.072.000,00 €
2	2	Alicante - Denia - Marina Real 1	Alicante	Denia	Sales Start	100%	5.823.000,00 €	5.823.000,00 €
	3	Alicante - Denia - Marina Real 2	Alicante	Denia	Land	100%	5.194.000,00 €	5.194.000,00 €
3	4	Alicante - Denia - Marina Real 3	Alicante	Denia	Land	100%	2.425.000,00 €	2.425.000,00 €
4	5	Alicante - Denia - Marina Real 4	Alicante	Denia	Land	100%	1.828.000,00 €	1.828.000,00 €
5	6	Alicante - Denia - Marina Real 5	Alicante	Denia	Land	100%	4.089.000,00 €	4.089.000,00 €
6	7	Alicante - Denia - Marina Real 6	Alicante	Denia	Land	100%	3.920.000,00 €	3.920.000,00 €
7	8	Alicante - Denia - Marina Real 7	Alicante	Denia	Land	100%	4.698.000,00 €	4.698.000,00 €
8	9	Alicante - Denia - Marina Real 8	Alicante	Denia	Land	100%	3.054.000,00 €	3.054.000,00 €
9	10	Alicante - Denia - Marina Real 9	Alicante	Denia	Land	100%	7.001.000,00 €	7.001.000,00 €
10	11	Valencia - Carreres 10	Valencia	Valencia	Sales Start	100%	11.110.000,00 €	11.110.000,00 €
11	12	Valencia - Carreres 12	Valencia	Valencia	Land	100%	5.313.000,00 €	5.313.000,00 €
12	13	Mallorca - Son Dameto	Palma de Mallorca	Palma De Mallorca	Product Definition and Development Plan	100%	26.161.000,00 €	26.161.000,00 €
13	14	Valencia - Campanar 1	Valencia	Valencia	Product Definition and Development Plan	100%	26.161.000,00 €	26.161.000,00 €
	15	Valencia - Campanar 2	Valencia	Valencia				
	16	Valencia - Campanar 3	Valencia	Valencia				
	17	Valencia - Campanar 4	Valencia	Valencia				
	18-19	Valencia - Campanar 5-6	Valencia	Valencia				
14	20	Mallorca - Son Güell 1	Palma de Mallorca	Palma De Mallorca	Land	100%	7.306.000,00 €	7.306.000,00 €
15	21	Mallorca - Son Güell 2	Palma de Mallorca	Palma De Mallorca	Land	100%	13.661.000,00 €	13.661.000,00 €
	22	Alicante - San Juan Norte 1	Alicante	Alicante				
	23	Alicante - San Juan Norte 2	Alicante	Alicante				
16	24	Alicante - San Juan Norte 3	Alicante	Alicante	Land	100%	3.510.000,00 €	3.510.000,00 €
17	25	Alicante - Norte 1	Alicante	Alicante	Land	100%	10.533.000,00 €	10.533.000,00 €
18	26	Alicante - Norte 2	Alicante	Alicante	Land	100%	14.549.000,00 €	14.549.000,00 €
	27	Alicante - Norte 3	Alicante	Alicante				
19	28	Alicante - Norte 4	Alicante	Alicante	Land	100%	6.470.000,00 €	6.470.000,00 €
	29	Alicante - Norte 5	Alicante	Alicante				
20	30	Valencia - Mislata - 1	Valencia	Valencia	Land	100%	10.779.000,00 €	10.779.000,00 €
	31	Valencia - Mislata - 2	Valencia	Valencia				
21	32	Madrid - Aluche 1	Madrid	Madrid	Sales Start	100%	9.670.000,00 €	9.670.000,00 €
22	33	Madrid - Las Rozas - Marazueta 1	Madrid	Las Rozas de Madrid	Sales Start	100%	14.816.000,00 €	14.816.000,00 €
23	34	Madrid - Las Rozas - Marazueta 2	Madrid	Las Rozas de Madrid	Land	100%	29.806.000,00 €	29.806.000,00 €
	35	Madrid - Las Rozas - Marazueta 3	Madrid	Las Rozas de Madrid				
	36	Madrid - Las Rozas - Marazueta 4	Madrid	Las Rozas de Madrid				
24	37	Madrid - Las Rozas - Marazueta 5	Madrid	Las Rozas de Madrid	Land	100%	11.503.000,00 €	11.503.000,00 €
	38	Madrid - Las Rozas - Marazueta 6	Madrid	Las Rozas de Madrid				
25	39	Madrid - Las Rozas - Marazueta 7	Madrid	Las Rozas de Madrid	Land	100%	10.647.000,00 €	10.647.000,00 €
26	40	Madrid - Boadilla 1	Madrid	Boadilla del Monte	Sales Start	100%	3.894.000,00 €	3.894.000,00 €
27	41	Madrid - Boadilla 2	Madrid	Boadilla del Monte	Sales Start	100%	7.535.000,00 €	7.535.000,00 €
28	42	Madrid - Boadilla 3	Madrid	Boadilla del Monte	Sales Start	100%	22.974.000,00 €	22.974.000,00 €
29	43	Madrid - Boadilla 4	Madrid	Boadilla del Monte	Land	100%	2.088.000,00 €	2.088.000,00 €
30	44	Madrid - Soto de Henares 3	Madrid	Torrejon de Ardoz	Land	100%	3.279.000,00 €	3.279.000,00 €
31	45	Madrid - Soto de Henares 2	Madrid	Torrejon de Ardoz	Land	100%	1.174.000,00 €	1.174.000,00 €
32	46	Madrid - Soto de Henares 1	Madrid	Torrejon de Ardoz	Land	100%	4.292.000,00 €	4.292.000,00 €
33	47	Madrid - Soto de Henares 4	Madrid	Torrejon de Ardoz	Land	100%	6.387.000,00 €	6.387.000,00 €
34	48	Madrid - Alcorcón 1	Madrid	Alcorcon	Product Definition and Development Plan	100%	6.440.000,00 €	6.440.000,00 €
35	49	Madrid - Alcorcón 2	Madrid	Alcorcon	Land	100%	6.440.000,00 €	6.440.000,00 €
36	50	Madrid - Alcorcón 3	Madrid	Alcorcon	Land	100%	6.387.000,00 €	6.387.000,00 €
37	51	Madrid - Alcorcón 4	Madrid	Alcorcon	Land	100%	6.389.000,00 €	6.389.000,00 €
38	52	Madrid - Campillo del Mundo Nuevo	Madrid	Madrid	Product Definition and Development Plan	100%	4.961.000,00 €	4.961.000,00 €
39	53	Madrid - Cañaverall 1	Madrid	Madrid	Land	100%	2.046.000,00 €	2.046.000,00 €
40	54	Madrid - Cañaverall 2	Madrid	Madrid	Land	100%	2.046.000,00 €	2.046.000,00 €
41	55	Madrid - Cañaverall 3	Madrid	Madrid	Land	100%	110.304.000,00 €	110.304.000,00 €
	56	Madrid - Pozuelo - Monte 1	Madrid	Pozuelo de Alarcon				
	57	Madrid - Pozuelo - Monte 2	Madrid	Pozuelo de Alarcon				
	58	Madrid - Pozuelo - Monte 3	Madrid	Pozuelo de Alarcon				
	59	Madrid - Pozuelo - Monte 4	Madrid	Pozuelo de Alarcon				
	60	Madrid - Pozuelo - Monte 5	Madrid	Pozuelo de Alarcon				
42	61	Madrid - Pozuelo - Monte 6	Madrid	Pozuelo de Alarcon	Product Definition and Development Plan	100%	61.833.000,00 €	61.833.000,00 €
	62	Madrid - Majadahonda Sorolla 1	Madrid	Majadahonda				
	63	Madrid - Majadahonda Sorolla 2	Madrid	Majadahonda				
43	64	Madrid - Majadahonda Sorolla 3	Madrid	Majadahonda	Land	100%	11.608.000,00 €	11.608.000,00 €
44	65	Madrid - Tres Cantos	Madrid	Madrid	Land	100%	11.678.000,00 €	11.678.000,00 €
	66	Tarragona - Cambrils 1	Tarragona	Cambrils				
45	67	Tarragona - Cambrils 2	Tarragona	Cambrils	Land	100%	11.130.000,00 €	11.130.000,00 €
	68	Tarragona - Cambrils 3	Tarragona	Cambrils				
46	69	Tarragona - Cambrils 4	Tarragona	Cambrils	Land	100%	12.462.000,00 €	12.462.000,00 €
47	70	Barcelona - Vilanova 1	Barcelona	Vilanova I la Geltru	Sales Start	100%	9.772.000,00 €	9.772.000,00 €
48	71	Barcelona - Vilanova 2	Barcelona	Vilanova I la Geltru	Land	100%	2.999.000,00 €	2.999.000,00 €
49	72	Barcelona - Vilanova 3	Barcelona	Vilanova I la Geltru	Land	100%	2.999.000,00 €	2.999.000,00 €
50	73	Barcelona - Vilanova 4	Barcelona	Vilanova I la Geltru	Land	100%	2.999.000,00 €	2.999.000,00 €
51	74	Barcelona - Vilanova 5	Barcelona	Vilanova I la Geltru	Land	100%	2.999.000,00 €	2.999.000,00 €
52	75-76	Barcelona - Vilanova 6-7	Barcelona	Vilanova I la Geltru	Land	100%	12.718.000,00 €	12.718.000,00 €
53	77	Barcelona - Vilanova 8	Barcelona	Vilanova I la Geltru	Land	100%	2.999.000,00 €	2.999.000,00 €
54	78	Barcelona - Vilanova 9	Barcelona	Vilanova I la Geltru	Land	100%	6.090.000,00 €	6.090.000,00 €
55	79	Barcelona - Vilanova 10	Barcelona	Vilanova I la Geltru	Land	100%	10.446.000,00 €	10.446.000,00 €
56	80	Barcelona - Vilanova 11	Barcelona	Vilanova I la Geltru	Land	100%	533.000,00 €	533.000,00 €
56	81	Barcelona - Vilanova 12	Barcelona	Vilanova I la Geltru	Land	100%	525.000,00 €	525.000,00 €

Short Report



UNIT	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% AEDAS	Market Value 100% 30th June 2017 (€)	Market Value % AEDAS 30th June 2017 (€)
57	82	Barcelona - Sabadell 1	Barcelona	Sabadell	Sales Start	100%	6.328.000,00 €	6.328.000,00 €
58	83	Barcelona - Sabadell 2	Barcelona	Sabadell	Product Definition and Development Plan	100%	4.090.000,00 €	4.090.000,00 €
59	84	Barcelona - Sabadell 3	Barcelona	Sabadell	Product Definition and Development Plan	100%	4.798.000,00 €	4.798.000,00 €
60	85	Barcelona - Hospitalet Estronci 1	Barcelona	L'Hospitalet De Llobregat	Sales Start	100%	6.730.000,00 €	6.730.000,00 €
61	86	Barcelona - Hospitalet Estronci 2	Barcelona	L'Hospitalet De Llobregat	Land	100%	5.148.000,00 €	5.148.000,00 €
62	86	Barcelona - Hospitalet Estronci 2	Barcelona	L'Hospitalet De Llobregat	Land	100%	2.459.000,00 €	2.459.000,00 €
63	87	Barcelona - Hospitalet Estronci 3	Barcelona	L'Hospitalet De Llobregat	Land	100%	5.234.000,00 €	5.234.000,00 €
64	87	Barcelona - Hospitalet Estronci 3	Barcelona	L'Hospitalet De Llobregat	Land	100%	2.461.000,00 €	2.461.000,00 €
65	88	Barcelona - Hospitalet Estronci 4	Barcelona	L'Hospitalet De Llobregat	Land	100%	5.148.000,00 €	5.148.000,00 €
66	89	Barcelona - Hospitalet Estronci 5	Barcelona	L'Hospitalet De Llobregat	Land	100%	2.128.000,00 €	2.128.000,00 €
67	90	Barcelona - Hospitalet Estronci 6	Barcelona	L'Hospitalet De Llobregat	Land	100%	1.297.000,00 €	1.297.000,00 €
68	91	Barcelona - Cornellá 1	Barcelona	Cornellá De Llobregat	Land	100%	5.199.000,00 €	5.199.000,00 €
69	92	Barcelona - Cornellá 3	Barcelona	Cornellá De Llobregat	Land	100%	4.673.000,00 €	4.673.000,00 €
70	93	Barcelona - Cornellá 2	Barcelona	Cornellá De Llobregat	Land	100%	4.521.000,00 €	4.521.000,00 €
71	94	Barcelona - Cornellá 4	Barcelona	Cornellá De Llobregat	Land	100%	3.286.000,00 €	3.286.000,00 €
72	95	Sevilla - Dos Hermanas 1	Sevilla	Dos Hermanas	Sales Start	100%	4.423.000,00 €	4.423.000,00 €
73	96-97	Sevilla - Dos Hermanas 2-3	Sevilla	Dos Hermanas	Product Definition and Development Plan	100%	7.482.000,00 €	7.482.000,00 €
74	98	Sevilla - Hacienda 1	Sevilla	Sevilla	Sales Start	100%	2.108.000,00 €	2.108.000,00 €
75	99	Sevilla - Hacienda 2	Sevilla	Sevilla	Product Definition and Development Plan	100%	2.770.000,00 €	2.770.000,00 €
76	100	Sevilla - Hacienda 3	Sevilla	Sevilla	Land	100%	5.496.000,00 €	5.496.000,00 €
77	101	Sevilla - Hacienda 4	Sevilla	Sevilla	Land	100%	7.324.000,00 €	7.324.000,00 €
78	102	Sevilla - Hacienda 6	Sevilla	Sevilla	Land	100%	7.538.000,00 €	7.538.000,00 €
79	103	Sevilla - Hacienda 7	Sevilla	Sevilla	Land	100%	7.538.000,00 €	7.538.000,00 €
79	104	Sevilla - Hacienda 8	Sevilla	Sevilla	Land	100%	5.743.000,00 €	5.743.000,00 €
80	105	Sevilla - Hacienda 9	Sevilla	Sevilla	Land	100%	5.743.000,00 €	5.743.000,00 €
81	106	Sevilla - Ramón y Cajal	Sevilla	Sevilla	Product Definition and Development Plan	100%	16.865.000,00 €	16.865.000,00 €
82	107	Málaga - Vanian 1	Málaga	Estepona	Sales Start	100%	5.797.000,00 €	5.797.000,00 €
83	108	Málaga - Vanian 2	Málaga	Estepona	Product Definition and Development Plan	100%	16.892.000,00 €	16.892.000,00 €
83	109	Málaga - Vanian 3	Málaga	Estepona	Product Definition and Development Plan	100%	16.892.000,00 €	16.892.000,00 €
83	110	Málaga - Vanian 4	Málaga	Estepona	Product Definition and Development Plan	100%	16.892.000,00 €	16.892.000,00 €
83	111	Málaga - Vanian 5	Málaga	Estepona	Product Definition and Development Plan	100%	16.892.000,00 €	16.892.000,00 €
84	112	Málaga - Vanian 6	Málaga	Estepona	Land	100%	3.315.000,00 €	3.315.000,00 €
85	113	Málaga - Vanian 7	Málaga	Estepona	Land	100%	5.725.000,00 €	5.725.000,00 €
86	114	Málaga - Vanian 8	Málaga	Estepona	Land	100%	2.333.000,00 €	2.333.000,00 €
87	115	Málaga - Vanian 9	Málaga	Estepona	Land	100%	11.823.000,00 €	11.823.000,00 €
88	116	Málaga - Vanian 10	Málaga	Estepona	Land	100%	7.630.000,00 €	7.630.000,00 €
89	117	Málaga - Vanian 13	Málaga	Estepona	Land	100%	10.111.000,00 €	10.111.000,00 €
90	118	Málaga - Vanian 11	Málaga	Estepona	Land	100%	20.960.000,00 €	20.960.000,00 €
90	119	Málaga - Vanian 12	Málaga	Estepona	Land	100%	20.960.000,00 €	20.960.000,00 €
91	120	Málaga - Panorama 1	Málaga	Estepona	Sales Start	100%	5.115.000,00 €	5.115.000,00 €
92	121	Málaga - Panorama 2	Málaga	Estepona	Land	100%	9.237.000,00 €	9.237.000,00 €
93	122	Málaga - Panorama 3	Málaga	Estepona	Land	100%	3.264.000,00 €	3.264.000,00 €
94	123	Málaga - Panorama 4	Málaga	Estepona	Land	100%	8.428.000,00 €	8.428.000,00 €
95	124	Málaga - Panorama 5	Málaga	Estepona	Land	100%	4.186.000,00 €	4.186.000,00 €
96	125	Málaga - Panorama 6	Málaga	Estepona	Land	100%	1.974.000,00 €	1.974.000,00 €
97	126	Málaga - Panorama 7	Málaga	Estepona	Land	100%	3.293.000,00 €	3.293.000,00 €
98	127	Málaga - Panorama 8	Málaga	Estepona	Land	100%	5.612.000,00 €	5.612.000,00 €
99	128	Málaga - La Ladera 1	Málaga	Fuengirola	Land	100%	4.151.000,00 €	4.151.000,00 €
100	129	Málaga - La Ladera 2	Málaga	Fuengirola	Land	100%	3.297.000,00 €	3.297.000,00 €
101	130	Málaga - La Ladera 3	Málaga	Fuengirola	Product Definition and Development Plan	100%	7.546.000,00 €	7.546.000,00 €
101	131	Málaga - La Ladera 4	Málaga	Fuengirola	Product Definition and Development Plan	100%	7.546.000,00 €	7.546.000,00 €
102	132	Málaga - La Ladera 5	Málaga	Fuengirola	Land	100%	253.000,00 €	253.000,00 €
103	133	Málaga - La Ladera 6	Málaga	Fuengirola	Land	100%	80.000,00 €	80.000,00 €
104	134	Málaga - Gaspara 1	Málaga	Estepona	Land	100%	1.419.000,00 €	1.419.000,00 €
105	135	Málaga - Gaspara 2	Málaga	Estepona	Land	100%	2.057.000,00 €	2.057.000,00 €
106	136	Málaga - Gaspara 3	Málaga	Estepona	Land	100%	1.399.000,00 €	1.399.000,00 €
107	137	Málaga - Gaspara 4	Málaga	Estepona	Land	100%	2.832.000,00 €	2.832.000,00 €
108	138	Málaga - Gaspara 5	Málaga	Estepona	Land	100%	1.362.000,00 €	1.362.000,00 €
109	139	Málaga - Gaspara 6	Málaga	Estepona	Land	100%	3.509.000,00 €	3.509.000,00 €
110	140	Málaga - Gaspara 7	Málaga	Estepona	Land	100%	2.079.000,00 €	2.079.000,00 €
111	141	Málaga - Gaspara 8	Málaga	Estepona	Land	100%	1.287.000,00 €	1.287.000,00 €
112	142	Málaga - Gaspara 9	Málaga	Estepona	Land	100%	1.008.000,00 €	1.008.000,00 €
113	143	Málaga - Gaspara 10	Málaga	Estepona	Land	100%	1.606.000,00 €	1.606.000,00 €
114	144	Málaga - Gaspara 11	Málaga	Estepona	Land	100%	143.000,00 €	143.000,00 €
115	145	Málaga - Gaspara 12	Málaga	Estepona	Land	100%	229.000,00 €	229.000,00 €
116	146	Málaga - Gaspara 13	Málaga	Estepona	Land	100%	381.000,00 €	381.000,00 €
117	147	Málaga - Marina 1	Málaga	Mijas	Land	100%	4.873.000,00 €	4.873.000,00 €
118	148	Málaga - Marina 2	Málaga	Mijas	Land	100%	2.043.000,00 €	2.043.000,00 €

UNIT	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% AEDAS	Market Value 100% 30th June 2017 (€)	Market Value % AEDAS 30th June 2017 (€)
119	149	Málaga - Santa Clara 2	Málaga	Estepona	Land	100%	16.195.000,00 €	16.195.000,00 €
120	150	Málaga - Santa Clara 1	Málaga	Marbella	Land	100%	12.370.000,00 €	12.370.000,00 €
121	151	Málaga - Galera	Málaga	Estepona	Finished Product (FP)	100%	4.279.000,00 €	4.279.000,00 €
122	152	Málaga - Zagaleta 1	Málaga	Marbella	Land	100%	3.281.000,00 €	3.281.000,00 €
123	153	Málaga - Zagaleta 2	Málaga	Marbella	Land	100%	5.553.000,00 €	5.553.000,00 €
124	154	Málaga - Zagaleta 3	Málaga	Marbella	WIP (Work in progress)	100%	8.149.000,00 €	8.149.000,00 €
125	155	Málaga - Zagaleta 4	Málaga	Marbella	Land	100%	3.302.000,00 €	3.302.000,00 €
126	156	Málaga - Zagaleta 5	Málaga	Marbella	Land	100%	5.009.000,00 €	5.009.000,00 €
127	157	Málaga - Zagaleta 6	Málaga	Marbella	Land	100%	4.560.000,00 €	4.560.000,00 €
128	158	Málaga - Zagaleta 7	Málaga	Marbella	Land	100%	3.406.000,00 €	3.406.000,00 €
129	159	Málaga - Zagaleta 8	Málaga	Marbella	Land	100%	5.190.000,00 €	5.190.000,00 €
130	160	Málaga - Zagaleta 9	Málaga	Marbella	Land	100%	3.753.000,00 €	3.753.000,00 €
131	161	Málaga - Zagaleta 10	Málaga	Marbella	Land	100%	4.023.000,00 €	4.023.000,00 €
132	162	Málaga - Zagaleta 11	Málaga	Marbella	Land	100%	3.686.000,00 €	3.686.000,00 €
133	163	Málaga - Zagaleta 12	Málaga	Marbella	Land	100%	4.989.000,00 €	4.989.000,00 €
134	164	Málaga - Zagaleta 13	Málaga	Marbella	Land	100%	7.618.000,00 €	7.618.000,00 €
135	165	Málaga - Zagaleta 14	Málaga	Marbella	Land	100%	4.501.000,00 €	4.501.000,00 €
136	166	Málaga - Zagaleta 15	Málaga	Marbella	Land	100%	3.443.000,00 €	3.443.000,00 €
137	167	Málaga - Zagaleta 16	Málaga	Marbella	Land	100%	3.715.000,00 €	3.715.000,00 €
138	168	Málaga - Zagaleta 17	Málaga	Marbella	Land	100%	4.369.000,00 €	4.369.000,00 €
139	169	Málaga - Zagaleta 18	Málaga	Marbella	Land	100%	4.483.000,00 €	4.483.000,00 €
140	170	Málaga - Zagaleta 19	Málaga	Marbella	Land	100%	4.565.000,00 €	4.565.000,00 €
141	171	Málaga - Zagaleta 20	Málaga	Marbella	Land	100%	3.046.000,00 €	3.046.000,00 €
142	172	Málaga - Zagaleta 21	Málaga	Marbella	WIP (Work in progress)	100%	9.441.000,00 €	9.441.000,00 €
143	173	Mallorca - Andrax	Islas Baleares	0	WIP (Work in progress)	65%	43.819.000,00 €	28.482.000,00 €
144	174	Alicante - Jávea - Arenal	Alicante	Alicante	WIP (Work in progress)	95%	11.976.000,00 €	11.341.000,00 €
145	175	Alicante - Hacienda del Mar	Alicante	Alicante	WIP (Work in progress)	80%	28.178.000,00 €	20.942.000,00 €
146	176-178	Madrid - Alcalá 20B - 10 - 12	Madrid	Alcalá de Henares	Land	100%	4.276.000,00 €	4.276.000,00 €
147	179-181	Madrid - Alcalá 20B - 13 - 15	Madrid	Alcalá de Henares	Land	100%	3.844.000,00 €	3.844.000,00 €
148	182-186	Madrid - Alcalá 20B - 2 - 16	Madrid	Alcalá de Henares	Land	100%	6.196.000,00 €	6.196.000,00 €
149	187-190	Madrid - Alcalá 20B - 1 - 5	Madrid	Alcalá de Henares	Land	100%	7.394.000,00 €	7.394.000,00 €
150	191-194	Madrid - Alcalá 20B - 4 - 9	Madrid	Alcalá de Henares	Land	100%	6.158.000,00 €	6.158.000,00 €
151	195	Madrid - Alcalá 20B - 20	Madrid	Alcalá de Henares	Land	100%	340.000,00 €	340.000,00 €
152	196-197	Madrid - Alcalá 20B - 21 - 22	Madrid	Alcalá de Henares	Land	100%	49.000,00 €	49.000,00 €
153	198	Madrid - Alcalá 26 - 3	Madrid	Alcalá de Henares	Land	100%	3.640.000,00 €	3.640.000,00 €
154	199	Madrid - Alcalá 26 - 4	Madrid	Alcalá de Henares	Land	100%	3.640.000,00 €	3.640.000,00 €
155	200	Madrid - Alcalá 26 - 5	Madrid	Alcalá de Henares	Land	100%	3.640.000,00 €	3.640.000,00 €
156	201	Madrid - Alcalá 26 - 6	Madrid	Alcalá de Henares	Land	100%	3.640.000,00 €	3.640.000,00 €
157	202	Madrid - Alcalá 26 - 1	Madrid	Alcalá de Henares	Land	100%	3.723.000,00 €	3.723.000,00 €
158	203	Madrid - Alcalá 26 - 2	Madrid	Alcalá de Henares	Land	100%	3.640.000,00 €	3.640.000,00 €
159	204	Alicante - Nou Nazaret 4	Alicante	San Juan	Land	100%	1.588.000,00 €	1.588.000,00 €
160	205	Alicante - Nou Nazaret 3	Alicante	San Juan	Land	100%	4.679.000,00 €	4.679.000,00 €
161	206	Alicante - Nou Nazaret 2	Alicante	San Juan	Land	100%	1.167.000,00 €	1.167.000,00 €
162	207	Alicante - Nou Nazaret 1	Alicante	San Juan	Land	100%	487.000,00 €	487.000,00 €
TOTAL PART 1							1.159.566.000,00 €	1.138.358.000,00 €

PART 2: Assets owned by "Fondo de Activos Bancarios MAY" (FAB MAY) as at 30th June 2017 but expected to be contributed to AEDAS HOMES, S.L.U after 30th June 2017

UNIT	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% AEDAS	Market Value 100% 30th June 2017 (€)	Market Value % AEDAS 30th June 2017 (€)
163	208	Mallorca - Calvià Hill	Baleares	Calvià	Product Definition and Development Plan	95,00%	4.867.000,00 €	4.624.000,00 €
164	209	Madrid - San Sebastián de los Reyes	Madrid	SS de los Reyes	Product Definition and Development Plan	95,00%	9.994.000,00 €	9.494.000,00 €
165	210	Madrid - Pozuelo - Cerro	Madrid	Pozuelo De Alarcon	Product Definition and Development Plan	95,00%	19.547.000,00 €	18.570.000,00 €
166	211	Barcelona - Sant Just 1	Barcelona	Sant Just Desvern	Product Definition and Development Plan	95,00%	4.240.000,00 €	4.028.000,00 €
167	212	Barcelona - Sant Just 2	Barcelona	Sant Just Desvern	Product Definition and Development Plan	95,00%	4.218.000,00 €	4.007.000,00 €
168	213	Barcelona - Hospitalet - Europa 1	Barcelona	L'Hospitalet De Llob.	Product Definition and Development Plan	95,00%	11.744.000,00 €	11.157.000,00 €
169	214	Barcelona - Hospitalet - Europa 2	Barcelona	L'Hospitalet De Llob.	Land	95,00%	11.744.000,00 €	11.157.000,00 €
170	215	Barcelona - Hospitalet - Europa 3	Barcelona	L'Hospitalet De Llob.	Land	95,00%	12.503.000,00 €	11.876.000,00 €
171	216	Barcelona - Masnou 1	Barcelona	El Masnou	Land	95,00%	4.933.000,00 €	4.686.000,00 €
172	217	Barcelona - Masnou 2	Barcelona	El Masnou	Land	95,00%	2.350.000,00 €	2.233.000,00 €
173	218	Barcelona - Masnou 3	Barcelona	El Masnou	Land	95,00%	2.970.000,00 €	2.822.000,00 €
174	219	Barcelona - Masnou 4	Barcelona	El Masnou	Product Definition and Development Plan	95,00%	5.108.000,00 €	4.853.000,00 €
175	220	Barcelona - Sant Adrià	Barcelona	Sant Adrià De Besos	Land	95,00%	6.186.000,00 €	5.877.000,00 €
TOTAL PART 2							100.404.000,00 €	95.386.000,00 €
TOTAL PART 1 + PART 2							1.259.970.000,00 €	1.233.744.000,00 €

3. General Assumptions, Conditions to Valuations & Special Assumptions

3.1. General Assumptions, Conditions to Valuation & Special Assumptions

3.1.1. General Assumptions

Our valuations have been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it. We have assumed:

1. That the Freehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings that we are unaware of. We have not made any enquiries at the local Register Office, and, therefore, should future enquiries reveal that there are any mortgages or charges, we have assumed that the Asset would be sold free of them. We have not examined the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the Asset, and that the information supplied to us is both complete and correct. We do not accept responsibility for any errors or omissions in information and documentation provided to us.
3. That the buildings have been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search or normal solicitors' enquiries, or by any statutory notice (other than those points referred to above).
5. That the buildings are structurally sound, and that there is no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or construction techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
6. That the properties are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the buildings, no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

8. That the ownership and possible exploitation of mineral substances and/or gases present in the subsoil have not been considered.
9. That the properties have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
10. That there are no adverse site or soil conditions, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.
11. That all fixed plant and machinery and the installation thereof complies with the relevant legislation. No allowance has been made for rights, obligations or liabilities arising as a result of defective premises.
12. That the tenants are capable of meeting their obligations, and that there are no undisclosed arrears of rent or breaches of covenant. For valuation purposes it is assumed that the tenants comply their obligations, and that there will be no delays in the payment of rent or undisclosed contractual breaches.
13. That the occupational leases are drawn on terms acceptable to your solicitors including provisions for repair and indexation.
14. In the event that AEDAS HOMES, S.L.U assets has not approved the different phases of Planning, Management and Urbanizing Discipline to build the properties according to the planned promotion, it has been taken into account that the approval of different urbanizing phases will be obtained until the licenses of work has been acquired, according to regular times of approval in normal market situations, and with an active approach for the client to obtain the corresponding approvals.

3.1.2. General Conditions

Our valuation has been carried out on the basis of the following general conditions:

1. Our valuation(s) are exclusive of VAT (if applicable).
2. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property(ies).
3. No allowance has been made for any expenses of realisation.

4. Excluded from our valuation(s) is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
5. In all cases, our valuation report includes facilities that are normally transferred with the property, such as boilers, heating and air conditioning, lighting and ventilation, sprinklers, etc., while the equipment that is normally removed before the sale has been excluded from our opinion of value.
6. It has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation.
7. Output prices of different products are those with whom will go on sale at the market uses different delivery date. To estimate the value a basis comparable are taken to the valuation date.
8. Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Open Market Values.

3.1.3. Special Assumptions

According to RICS, only special cases can be established if they are reasonably achievable, relevant and valid in relation to the special circumstances of the valuation. Appendix 4 of Red Book defines and gives examples of Special Assumptions.

In this report we have not been carried out any special assumptions.

Appendix 1

Valuation Parameters

PART 1: Assets owned by AEDAS Homes S.L.U as at 30th June 2017

Unit	Developments	Name of Asset / Prospecção	Type of Asset	% AEDAS	Buildings area % AEDAS (m ²)	TOFA - Subsoil area (m ²)	Price 100% June 2017 €/sq m	Market Value 100% June 2017 (€)	Market Value % AEDAS June 2017 (€)	Price % AEDAS June 2017 (€/m ²)	% Construction	% Sales	Number Residual of units	Pending Construction Costs (€)
1		Mallorca - Denia - Marina Real 1	Product Definition and Development Plan	100.00%	5,665.00	7,155.60	813.77	5,823,000.00	5,823,000.00	813.77	0.00%	0.00%	40	18,939,000.00
2		Alicante - Denia - Marina Real 2	Sales Start	100.00%	7,155.60	8,070.00	643.62	5,194,000.00	5,194,000.00	643.62	0.00%	67.59%	86	14,854,000.00
3		Alicante - Denia - Marina Real 3	Land	100.00%	8,070.00	3,778.80	643.62	2,425,000.00	2,425,000.00	643.62	0.00%	0.00%	84	8,040,000.00
4		Alicante - Denia - Marina Real 4	Land	100.00%	3,778.80	2,877.60	655.25	1,628,000.00	1,628,000.00	655.25	0.00%	0.00%	40	7,226,000.00
5		Alicante - Denia - Marina Real 5	Land	100.00%	6,413.35	6,173.55	837.59	4,089,000.00	4,089,000.00	837.59	0.00%	0.00%	32	3,774,000.00
6		Alicante - Denia - Marina Real 6	Land	100.00%	5,665.00	5,665.00	842.67	3,950,000.00	3,950,000.00	842.67	0.00%	0.00%	70	12,435,000.00
7		Alicante - Denia - Marina Real 7	Land	100.00%	7,155.60	7,155.60	838.04	4,898,000.00	4,898,000.00	838.04	0.00%	0.00%	64	6,987,000.00
8		Alicante - Denia - Marina Real 8	Land	100.00%	7,155.60	7,155.60	845.57	5,054,000.00	5,054,000.00	845.57	0.00%	0.00%	80	14,275,000.00
9		Alicante - Denia - Marina Real 9	Land	100.00%	8,268.28	8,268.28	845.57	7,024,000.00	7,024,000.00	845.57	0.00%	0.00%	50	8,172,000.00
10		Valencia - Campanar 1	Product Definition and Development Plan	100.00%	17,455.01	17,455.01	658.49	11,410,000.00	11,410,000.00	658.49	0.00%	48.97%	58	16,789,000.00
11		Valencia - Campanar 12	Land	100.00%	4,077.00	4,077.00	1,933.16	5,313,000.00	5,313,000.00	1,933.16	0.00%	0.00%	16	14,985,000.00
12		Valencia - Campanar 1	Product Definition and Development Plan	100.00%	4,077.00	4,077.00	1,933.16	5,313,000.00	5,313,000.00	1,933.16	0.00%	0.00%	45	12,294,000.00
13		Valencia - Campanar 2	Product Definition and Development Plan	100.00%	37,101.22	37,101.22	705.13	26,161,000.00	26,161,000.00	705.13	0.00%	0.00%	366	86,156,000.00
14		Valencia - Campanar 3	Product Definition and Development Plan	100.00%	7,818.00	7,818.00	869.04	7,306,000.00	7,306,000.00	869.04	0.00%	0.00%	85	19,381,000.00
15		Valencia - Campanar 4	Product Definition and Development Plan	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	220	41,524,000.00
16		Valencia - Campanar 5	Product Definition and Development Plan	100.00%	5,773.00	5,773.00	608.00	3,510,000.00	3,510,000.00	608.00	0.00%	0.00%	53	10,675,000.00
17		Valencia - Campanar 5-6	Product Definition and Development Plan	100.00%	16,734.00	16,734.00	629.44	10,533,000.00	10,533,000.00	629.44	0.00%	0.00%	156	30,576,000.00
18		Mallorca - Son Guail 1	Land	100.00%	24,286.00	24,286.00	599.07	14,549,000.00	14,549,000.00	599.07	0.00%	0.00%	238	45,331,000.00
19		Mallorca - Son Juan Norte 1	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
20		Mallorca - Son Juan Norte 2	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
21		Mallorca - Son Juan Norte 3	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
22		Mallorca - Son Juan Norte 4	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
23		Mallorca - Son Juan Norte 5	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
24		Mallorca - Son Juan Norte 6	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
25		Mallorca - Son Juan Norte 7	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
26		Mallorca - Son Juan Norte 8	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
27		Mallorca - Son Juan Norte 9	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
28		Mallorca - Son Juan Norte 10	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
29		Mallorca - Son Juan Norte 11	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
30		Mallorca - Son Juan Norte 12	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
31		Mallorca - Son Juan Norte 13	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
32		Mallorca - Son Juan Norte 14	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
33		Mallorca - Son Juan Norte 15	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
34		Mallorca - Son Juan Norte 16	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
35		Mallorca - Son Juan Norte 17	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
36		Mallorca - Son Juan Norte 18	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
37		Mallorca - Son Juan Norte 19	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
38		Mallorca - Son Juan Norte 20	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
39		Mallorca - Son Juan Norte 21	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
40		Mallorca - Son Juan Norte 22	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
41		Mallorca - Son Juan Norte 23	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
42		Mallorca - Son Juan Norte 24	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
43		Mallorca - Son Juan Norte 25	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
44		Mallorca - Son Juan Norte 26	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
45		Mallorca - Son Juan Norte 27	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
46		Mallorca - Son Juan Norte 28	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
47		Mallorca - Son Juan Norte 29	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
48		Mallorca - Son Juan Norte 30	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
49		Mallorca - Son Juan Norte 31	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
50		Mallorca - Son Juan Norte 32	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
51		Mallorca - Son Juan Norte 33	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
52		Mallorca - Son Juan Norte 34	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
53		Mallorca - Son Juan Norte 35	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
54		Mallorca - Son Juan Norte 36	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
55		Mallorca - Son Juan Norte 37	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
56		Mallorca - Son Juan Norte 38	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
57		Mallorca - Son Juan Norte 39	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
58		Mallorca - Son Juan Norte 40	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
59		Mallorca - Son Juan Norte 41	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
60		Mallorca - Son Juan Norte 42	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
61		Mallorca - Son Juan Norte 43	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
62		Mallorca - Son Juan Norte 44	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
63		Mallorca - Son Juan Norte 45	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
64		Mallorca - Son Juan Norte 46	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
65		Mallorca - Son Juan Norte 47	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
66		Mallorca - Son Juan Norte 48	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
67		Mallorca - Son Juan Norte 49	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00
68		Mallorca - Son Juan Norte 50	Land	100.00%	21,157.34	21,157.34	645.69	13,861,000.00	13,861,000.00	645.69	0.00%	0.00%	128	22,282,000.00

Unit	Developments	Name of asset / Prospectus	Type of asset	% AEDAS	Buildable area (sq.m)	TOTAL Built-up area (sq.m)	Price 100% June 2017 (€)	Market Value % AEDAS June 2017 (€)	Market Value % 100% June 2017 (€)	Price % AEDAS June 2017 (€)	Market Value % AEDAS June 2017 (€)	% Construction	% Sales * Residential of units	CDU / (t)	Pending Construction Costs (€)
46	70	Barcelona - Vilanova 1	Sales Start	100.00%	9,848.60	12,462,000.00	1,255.36	12,462,000.00	12,462,000.00	1,255.36	12,462,000.00	35.00%	88	21,688,000.00	6,821,000.00
47	71	Barcelona - Vilanova 2	Land	100.00%	9,085.02	9,085.02	1,075.62	9,085.02	9,085.02	1,075.62	9,085.02	30.00%	93	18,564,000.00	5,700,000.00
48	72	Barcelona - Vilanova 3	Land	100.00%	5,135.00	2,959,000.00	584.03	2,959,000.00	2,959,000.00	584.03	2,959,000.00	0.00%	50	10,371,000.00	5,711,000.00
49	73	Barcelona - Vilanova 4	Land	100.00%	5,135.00	2,959,000.00	584.03	2,959,000.00	2,959,000.00	584.03	2,959,000.00	0.00%	50	10,371,000.00	5,711,000.00
50	74	Barcelona - Vilanova 5	Land	100.00%	5,135.00	2,959,000.00	584.03	2,959,000.00	2,959,000.00	584.03	2,959,000.00	0.00%	50	10,371,000.00	5,711,000.00
51	75-76	Barcelona - Vilanova 5-7	Land	100.00%	21,405.00	12,718,000.00	594.18	12,718,000.00	12,718,000.00	594.18	12,718,000.00	0.00%	208	48,831,000.00	22,732,000.00
52	77	Barcelona - Vilanova 8	Land	100.00%	5,135.00	2,959,000.00	584.03	2,959,000.00	2,959,000.00	584.03	2,959,000.00	0.00%	50	10,371,000.00	5,711,000.00
53	78	Barcelona - Vilanova 9	Land	100.00%	10,165.00	6,090,000.00	599.11	6,090,000.00	6,090,000.00	599.11	6,090,000.00	0.00%	87	28,470,000.00	11,064,000.00
54	79	Barcelona - Vilanova 10	Land	100.00%	19,995.00	10,445,000.00	522.43	10,445,000.00	10,445,000.00	522.43	10,445,000.00	0.00%	180	40,995,000.00	21,174,000.00
55	80	Barcelona - Vilanova 11	Land	100.00%	2,774.00	1,533,000.00	548.61	1,533,000.00	1,533,000.00	548.61	1,533,000.00	0.00%	10	1,256,000.00	1,806,000.00
56	81	Barcelona - Vilanova 12	Land	100.00%	7,432.00	4,323,000.00	580.87	4,323,000.00	4,323,000.00	580.87	4,323,000.00	0.00%	10	1,256,000.00	1,806,000.00
57	82	Barcelona - Sabadell 1	Product Definition and Development Plan	100.00%	5,629.00	3,266,000.00	577.46	3,266,000.00	3,266,000.00	577.46	3,266,000.00	0.00%	82	13,226,000.00	6,861,000.00
58	83	Barcelona - Sabadell 2	Product Definition and Development Plan	100.00%	6,575.00	4,180,000.00	632.89	4,180,000.00	4,180,000.00	632.89	4,180,000.00	0.00%	42	11,264,000.00	6,117,000.00
59	84	Barcelona - Sabadell 3	Product Definition and Development Plan	100.00%	7,288.73	4,768,000.00	656.49	4,768,000.00	4,768,000.00	656.49	4,768,000.00	0.00%	55	15,862,000.00	8,119,000.00
60	85	Barcelona - Hospitalet Estromi 1	Sales Start	100.00%	6,730.00	6,730,000.00	975.74	6,730,000.00	6,730,000.00	975.74	6,730,000.00	0.00%	51	13,144,000.00	5,719,000.00
61	86	Barcelona - Hospitalet Estromi 2	Land	100.00%	5,448.00	5,448,000.00	795.74	5,448,000.00	5,448,000.00	795.74	5,448,000.00	0.00%	25	8,310,000.00	2,856,000.00
62	87	Barcelona - Hospitalet Estromi 3	Land	100.00%	2,455.00	2,455,000.00	350.85	2,455,000.00	2,455,000.00	350.85	2,455,000.00	0.00%	25	3,910,000.00	1,634,000.00
63	88	Barcelona - Hospitalet Estromi 4	Land	100.00%	2,436.00	2,436,000.00	346.00	2,436,000.00	2,436,000.00	346.00	2,436,000.00	0.00%	25	3,910,000.00	1,634,000.00
64	89	Barcelona - Hospitalet Estromi 5	Land	100.00%	5,276.00	5,276,000.00	745.60	5,276,000.00	5,276,000.00	745.60	5,276,000.00	0.00%	25	8,312,000.00	2,857,000.00
65	90	Barcelona - Hospitalet Estromi 6	Land	100.00%	2,435.00	2,435,000.00	345.00	2,435,000.00	2,435,000.00	345.00	2,435,000.00	0.00%	25	3,934,000.00	1,637,000.00
66	91	Barcelona - Cornellà 1	Land	100.00%	1,685.00	1,685,000.00	245.23	1,685,000.00	1,685,000.00	245.23	1,685,000.00	0.00%	20	3,574,000.00	1,733,000.00
67	92	Barcelona - Cornellà 2	Land	100.00%	7,484.00	5,189,000.00	693.76	5,189,000.00	5,189,000.00	693.76	5,189,000.00	0.00%	60	16,863,000.00	7,287,000.00
68	93	Barcelona - Cornellà 3	Land	100.00%	6,360.00	4,673,000.00	734.75	4,673,000.00	4,673,000.00	734.75	4,673,000.00	0.00%	50	13,618,000.00	6,401,000.00
69	94	Barcelona - Cornellà 4	Land	100.00%	5,205.00	4,521,000.00	728.61	4,521,000.00	4,521,000.00	728.61	4,521,000.00	0.00%	50	13,506,000.00	6,372,000.00
70	95	Barcelona - Dos Hermandades 1	Sales Start	100.00%	4,406.00	3,286,000.00	745.60	3,286,000.00	3,286,000.00	745.60	3,286,000.00	0.00%	50	8,666,000.00	3,965,000.00
71	96	Barcelona - Dos Hermandades 2	Land	100.00%	7,600.00	4,423,000.00	581.97	4,423,000.00	4,423,000.00	581.97	4,423,000.00	0.00%	50	11,650,000.00	5,693,000.00
72	97	Barcelona - Dos Hermandades 3	Product Definition and Development Plan	100.00%	18,616.00	7,462,000.00	397.77	7,462,000.00	7,462,000.00	397.77	7,462,000.00	0.00%	89	25,772,000.00	14,254,000.00
73	98	Barcelona - Dos Hermandades 4	Land	100.00%	6,365.00	2,108,000.00	245.23	2,108,000.00	2,108,000.00	245.23	2,108,000.00	0.00%	79	2,278,000.00	7,286,000.00
74	99	Barcelona - Dos Hermandades 5	Product Definition and Development Plan	100.00%	9,854.56	2,170,000.00	464.11	2,170,000.00	2,170,000.00	464.11	2,170,000.00	0.00%	83	10,919,000.00	6,313,000.00
75	100	Barcelona - Dos Hermandades 6	Land	100.00%	15,242.00	5,486,000.00	360.58	5,486,000.00	5,486,000.00	360.58	5,486,000.00	0.00%	142	23,385,000.00	14,058,000.00
76	101	Barcelona - Dos Hermandades 7	Land	100.00%	18,755.00	7,324,000.00	390.51	7,324,000.00	7,324,000.00	390.51	7,324,000.00	0.00%	174	29,380,000.00	17,310,000.00
77	102	Barcelona - Dos Hermandades 8	Land	100.00%	13,860.00	7,558,000.00	540.12	7,558,000.00	7,558,000.00	540.12	7,558,000.00	0.00%	162	28,615,000.00	16,492,000.00
78	103	Barcelona - Dos Hermandades 9	Land	100.00%	14,210.00	5,743,000.00	404.15	5,743,000.00	5,743,000.00	404.15	5,743,000.00	0.00%	125	21,687,000.00	12,738,000.00
79	104	Barcelona - Dos Hermandades 10	Land	100.00%	14,260.00	5,743,000.00	402.73	5,743,000.00	5,743,000.00	402.73	5,743,000.00	0.00%	125	21,687,000.00	12,738,000.00
80	105	Barcelona - Remón y Cajal	Product Definition and Development Plan	100.00%	8,480.00	18,865,000.00	1,988.80	18,865,000.00	18,865,000.00	1,988.80	18,865,000.00	0.00%	56	28,980,000.00	7,759,000.00
81	106	Málaga - Vanian 1	Sales Start	100.00%	9,077.28	5,737,000.00	638.63	5,737,000.00	5,737,000.00	638.63	5,737,000.00	0.00%	72	17,587,000.00	8,867,000.00
82	107	Málaga - Vanian 2	Product Definition and Development Plan	100.00%	27,559.12	27,559.12	-	-	-	-	-	0.00%	344	54,840,000.00	29,052,000.00
83	108	Málaga - Vanian 3	Land	100.00%	-	-	-	-	-	-	-	0.00%	50	9,981,000.00	5,172,000.00
84	109	Málaga - Vanian 4	Land	100.00%	-	-	-	-	-	-	-	0.00%	58	14,627,000.00	6,774,000.00
85	110	Málaga - Vanian 5	Land	100.00%	5,137.26	3,315,000.00	645.29	3,315,000.00	3,315,000.00	645.29	3,315,000.00	0.00%	40	7,212,000.00	3,797,000.00
86	111	Málaga - Vanian 6	Land	100.00%	7,473.14	5,725,000.00	766.08	5,725,000.00	5,725,000.00	766.08	5,725,000.00	0.00%	118	30,571,000.00	13,867,000.00
87	112	Málaga - Vanian 7	Land	100.00%	3,707.00	2,333,000.00	629.35	2,333,000.00	2,333,000.00	629.35	2,333,000.00	0.00%	90	20,659,000.00	9,438,000.00
88	113	Málaga - Vanian 8	Land	100.00%	15,408.29	11,823,000.00	767.31	11,823,000.00	11,823,000.00	767.31	11,823,000.00	0.00%	45	29,704,000.00	15,052,000.00
89	114	Málaga - Vanian 9	Land	100.00%	19,412.62	10,111,000.00	814.13	10,111,000.00	10,111,000.00	814.13	10,111,000.00	0.00%	350	64,744,000.00	30,800,000.00
90	115	Málaga - Vanian 10	Land	100.00%	12,419.40	20,960,000.00	662.34	20,960,000.00	20,960,000.00	662.34	20,960,000.00	0.00%	47	13,027,000.00	5,792,000.00
91	116	Málaga - Vanian 11	Land	100.00%	31,645.56	5,115,000.00	841.14	5,115,000.00	5,115,000.00	841.14	5,115,000.00	0.00%	84	23,462,000.00	10,436,000.00
92	117	Málaga - Vanian 12	Sales Start	100.00%	6,081.00	9,237,000.00	842.02	9,237,000.00	9,237,000.00	842.02	9,237,000.00	0.00%	30	8,351,000.00	3,897,000.00
93	118	Málaga - Vanian 13	Land	100.00%	10,974.00	3,254,000.00	841.62	3,254,000.00	3,254,000.00	841.62	3,254,000.00	0.00%	77	21,418,000.00	9,533,000.00
94	119	Málaga - Parozama 1	Land	100.00%	4,971.00	4,186,000.00	842.68	4,186,000.00	4,186,000.00	842.68	4,186,000.00	0.00%	38	10,632,000.00	4,729,000.00
95	120	Málaga - Parozama 2	Land	100.00%	2,300.00	1,974,000.00	858.26	1,974,000.00	1,974,000.00	858.26	1,974,000.00	0.00%	30	4,355,000.00	2,196,000.00
96	121	Málaga - Parozama 3	Land	100.00%	3,911.00	3,283,000.00	841.68	3,283,000.00	3,283,000.00	841.68	3,283,000.00	0.00%	30	4,355,000.00	2,196,000.00
97	122	Málaga - Parozama 4	Land	100.00%	6,685.00	5,612,000.00	842.01	5,612,000.00	5,612,000.00	842.01	5,612,000.00	0.00%	51	14,255,000.00	8,246,000.00
98	123	Málaga - Parozama 5	Land	100.00%	5,114.00	4,151,000.00	811.69	4,151,000.00	4,151,000.00	811.69	4,151,000.00	0.00%	50	13,888,000.00	7,147,000.00
99	124	Málaga - Parozama 6	Land	100.00%	4,085.00	3,287,000.00	811.07	3,287,000.00	3,287,000.00	811.07	3,287,000.00	0.00%	40	11,118,000.00	5,686,000.00
100	125	Málaga - La Ladera 1	Product Definition and Development Plan	100.00%	9,448.00	7,546,000.00	798.69	7,546,000.00	7,546,000.00	798.69	7,546,000.00	0.00%	100	25,857,000.00	13,351,000.00
101	126	Málaga - La Ladera 2	Land												

Unit	Developments	Name of asset / Prospectus	Type of asset	% AEDAS	Buildable area % AEDAS (m ²)	TOTAL Buildable area (100% (m ²))	Price 100% June 2017 €/sq m	Market Value - 100% June 2017 (€)	Market Value % AEDAS June 2017 (€)	Price % AEDAS June 2017 (€/sq m)	% Construction	% Sales June 2017	Number Residential Units	GCV (€)	Remaining Construction Costs (€)
104		Málaga - Gaspara 1	Land	100.00%	2,861.88	4,185.00	495.83	1,419,000.00	1,419,000.00	495.83	0.00%	0.00%	0	5,170,000.00	2,887,000.00
105		Málaga - Gaspara 2	Land	100.00%	4,180.27	4,180.27	492.07	2,057,000.00	2,057,000.00	492.07	0.00%	0.00%	34	482.07	7,552,000.00
106		Málaga - Gaspara 3	Land	100.00%	2,813.73	2,813.73	487.20	1,396,000.00	1,396,000.00	487.20	0.00%	0.00%	29	487.20	7,378,000.00
107		Málaga - Gaspara 4	Land	100.00%	5,684.95	5,684.95	486.16	2,832,000.00	2,832,000.00	486.16	0.00%	0.00%	68	486.16	10,270,000.00
108		Málaga - Gaspara 5	Land	100.00%	2,734.04	2,734.04	488.16	1,362,000.00	1,362,000.00	488.16	0.00%	0.00%	28	488.16	6,618,000.00
109		Málaga - Gaspara 6	Land	100.00%	7,113.06	7,113.06	483.32	3,500,000.00	3,500,000.00	483.32	0.00%	0.00%	74	483.32	12,850,000.00
110		Málaga - Gaspara 7	Land	100.00%	4,180.27	4,180.27	487.34	2,079,000.00	2,079,000.00	487.34	0.00%	0.00%	43	487.34	7,552,000.00
111		Málaga - Gaspara 8	Land	100.00%	2,033.38	2,033.38	633.03	1,287,000.00	1,287,000.00	633.03	0.00%	0.00%	12	633.03	3,983,000.00
112		Málaga - Gaspara 9	Land	100.00%	1,652.34	1,652.34	633.03	1,008,000.00	1,008,000.00	633.03	0.00%	0.00%	11	633.03	3,119,000.00
113		Málaga - Gaspara 10	Land	100.00%	3,692.21	3,692.21	524.46	1,806,000.00	1,806,000.00	524.46	0.00%	0.00%	13	524.46	5,999,000.00
114		Málaga - Gaspara 11	Land	100.00%	475.37	475.37	300.82	143,000.00	143,000.00	300.82	0.00%	0.00%	-	300.82	3,284,000.00
115		Málaga - Gaspara 12	Land	100.00%	760.00	760.00	301.32	229,000.00	229,000.00	301.32	0.00%	0.00%	-	301.32	484,000.00
116		Málaga - Marina 1	Land	100.00%	5,785.00	5,785.00	301.75	3,810,000.00	3,810,000.00	301.75	0.00%	0.00%	-	301.75	6,710,000.00
117		Málaga - Marina 2	Land	100.00%	2,822.00	2,822.00	301.75	1,626,000.00	1,626,000.00	301.75	0.00%	0.00%	-	301.75	4,873,000.00
118		Málaga - Marina 3	Land	100.00%	5,785.00	5,785.00	301.75	3,810,000.00	3,810,000.00	301.75	0.00%	0.00%	-	301.75	6,710,000.00
119		Málaga - Santa Clara 1	Land	100.00%	12,802.00	12,802.00	778.58	16,195,000.00	16,195,000.00	778.58	0.00%	0.00%	22	778.58	32,740,000.00
120		Málaga - Santa Clara 2	Land	100.00%	9,487.00	9,487.00	1,255.29	12,370,000.00	12,370,000.00	1,255.29	0.00%	0.00%	75	1,255.29	46,447,000.00
121		Málaga - Santa Clara 3	Land	100.00%	3,626.98	3,626.98	1,303.89	4,279,000.00	4,279,000.00	1,303.89	100.00%	100.00%	50	1,303.89	35,576,000.00
122		Málaga - Santa Clara 4	Land	100.00%	1,719.87	1,719.87	1,778.97	3,021,000.00	3,021,000.00	1,778.97	100.00%	100.00%	41	1,778.97	4,972,000.00
123		Málaga - Zapaleta 1	Land	100.00%	1,532.78	1,532.78	3,552.80	5,353,000.00	5,353,000.00	3,552.80	0.00%	0.00%	1	3,552.80	5,393,000.00
124		Málaga - Zapaleta 2	Land	100.00%	1,986.35	1,986.35	3,552.80	6,949,000.00	6,949,000.00	3,552.80	0.00%	0.00%	1	3,552.80	10,519,000.00
125		Málaga - Zapaleta 3	Land	100.00%	1,626.35	1,626.35	3,552.80	5,630,000.00	5,630,000.00	3,552.80	0.00%	0.00%	1	3,552.80	14,400,000.00
126		Málaga - Zapaleta 4	Land	100.00%	1,461.30	1,461.30	3,427.77	5,020,000.00	5,020,000.00	3,427.77	0.00%	0.00%	1	3,427.77	5,473,000.00
127		Málaga - Zapaleta 5	Land	100.00%	3,165.55	3,165.55	3,465.60	4,560,000.00	4,560,000.00	3,465.60	0.00%	0.00%	1	3,465.60	9,699,000.00
128		Málaga - Zapaleta 6	Land	100.00%	782.55	782.55	2,427.95	3,065,000.00	3,065,000.00	2,427.95	0.00%	0.00%	1	2,427.95	2,698,000.00
129		Málaga - Zapaleta 7	Land	100.00%	1,438.65	1,438.65	3,607.55	5,190,000.00	5,190,000.00	3,607.55	0.00%	0.00%	1	3,607.55	12,780,000.00
130		Málaga - Zapaleta 8	Land	100.00%	1,061.25	1,061.25	3,536.40	3,753,000.00	3,753,000.00	3,536.40	0.00%	0.00%	1	3,536.40	9,538,000.00
131		Málaga - Zapaleta 9	Land	100.00%	1,137.75	1,137.75	3,536.40	4,023,000.00	4,023,000.00	3,536.40	0.00%	0.00%	1	3,536.40	7,896,000.00
132		Málaga - Zapaleta 10	Land	100.00%	1,042.50	1,042.50	3,536.40	3,686,000.00	3,686,000.00	3,536.40	0.00%	0.00%	1	3,536.40	7,896,000.00
133		Málaga - Zapaleta 11	Land	100.00%	1,410.90	1,410.90	3,536.40	4,989,000.00	4,989,000.00	3,536.40	0.00%	0.00%	1	3,536.40	9,565,000.00
134		Málaga - Zapaleta 12	Land	100.00%	2,221.05	2,221.05	3,429.91	7,618,000.00	7,618,000.00	3,429.91	0.00%	0.00%	1	3,429.91	14,626,000.00
135		Málaga - Zapaleta 13	Land	100.00%	1,391.73	1,391.73	3,355.26	4,501,000.00	4,501,000.00	3,355.26	0.00%	0.00%	1	3,355.26	8,804,000.00
136		Málaga - Zapaleta 14	Land	100.00%	1,026.15	1,026.15	3,320.37	3,443,000.00	3,443,000.00	3,320.37	0.00%	0.00%	1	3,320.37	7,418,000.00
137		Málaga - Zapaleta 15	Land	100.00%	1,118.85	1,118.85	3,293.36	3,715,000.00	3,715,000.00	3,293.36	0.00%	0.00%	1	3,293.36	8,623,000.00
138		Málaga - Zapaleta 16	Land	100.00%	1,330.65	1,330.65	3,293.36	4,369,000.00	4,369,000.00	3,293.36	0.00%	0.00%	1	3,293.36	2,725,000.00
139		Málaga - Zapaleta 17	Land	100.00%	1,365.15	1,365.15	3,293.36	4,483,000.00	4,483,000.00	3,293.36	0.00%	0.00%	1	3,293.36	9,051,000.00
140		Málaga - Zapaleta 18	Land	100.00%	1,405.50	1,405.50	3,247.95	4,855,000.00	4,855,000.00	3,247.95	0.00%	0.00%	1	3,247.95	2,805,000.00
141		Málaga - Zapaleta 19	Land	100.00%	1,405.50	1,405.50	3,247.95	4,855,000.00	4,855,000.00	3,247.95	0.00%	0.00%	1	3,247.95	2,805,000.00
142		Málaga - Zapaleta 20	Land	100.00%	753.00	753.00	1,845.67	3,046,000.00	3,046,000.00	1,845.67	0.00%	0.00%	1	1,845.67	1,230,000.00
143		Málaga - Zapaleta 21	Land	100.00%	9,292.40	9,292.40	11,846.67	9,441,000.00	9,441,000.00	11,846.67	78.15%	78.15%	41	13,500,000.00	2,034,000.00
144		Málaga - Zapaleta 22	Land	100.00%	797.00	797.00	797.00	28,482,000.00	28,482,000.00	797.00	0.00%	0.00%	41	101,020,000.00	42,373,000.00
145		Málaga - Zapaleta 23	Land	100.00%	6,818.59	6,818.59	1,756.38	11,876,000.00	11,876,000.00	1,756.38	8.20%	8.20%	64	19,677,000.00	6,118,000.00
146		Málaga - Zapaleta 24	Land	100.00%	12,673.91	12,673.91	2,065.50	26,178,000.00	26,178,000.00	2,065.50	27.63%	27.63%	126	40,814,000.00	11,885,000.00
147		Málaga - Zapaleta 25	Land	100.00%	16,737.50	16,737.50	2,955.47	4,276,000.00	4,276,000.00	2,955.47	0.00%	0.00%	186	30,456,000.00	18,573,000.00
148		Málaga - Zapaleta 26	Land	100.00%	15,047.00	15,047.00	2,955.47	3,844,000.00	3,844,000.00	2,955.47	0.00%	0.00%	167	27,390,000.00	26,994,000.00
149		Málaga - Zapaleta 27	Land	100.00%	24,247.16	24,247.16	2,955.47	6,196,000.00	6,196,000.00	2,955.47	0.00%	0.00%	269	44,121,000.00	18,697,000.00
150		Málaga - Zapaleta 28	Land	100.00%	26,400.00	26,400.00	2,955.47	7,394,000.00	7,394,000.00	2,955.47	0.00%	0.00%	289	48,038,000.00	29,294,000.00
151		Málaga - Zapaleta 29	Land	100.00%	24,108.00	24,108.00	2,955.47	6,158,000.00	6,158,000.00	2,955.47	0.00%	0.00%	268	43,855,000.00	26,741,000.00
152		Málaga - Zapaleta 30	Land	100.00%	4,039.00	4,039.00	2,955.47	340,000.00	340,000.00	2,955.47	0.00%	0.00%	-	4,039,000.00	2,597,000.00
153		Málaga - Zapaleta 31	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
154		Málaga - Zapaleta 32	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
155		Málaga - Zapaleta 33	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
156		Málaga - Zapaleta 34	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
157		Málaga - Zapaleta 35	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
158		Málaga - Zapaleta 36	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
159		Málaga - Zapaleta 37	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
160		Málaga - Zapaleta 38	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
161		Málaga - Zapaleta 39	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
162		Málaga - Zapaleta 40	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
163		Málaga - Zapaleta 41	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
164		Málaga - Zapaleta 42	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
165		Málaga - Zapaleta 43	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
166		Málaga - Zapaleta 44	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
167		Málaga - Zapaleta 45	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0.00%	-	296,000.00	116,000.00
168		Málaga - Zapaleta 46	Land	100.00%	7,848.00	7,848.00	2,955.47	3,490,000.00	3,490,000.00	2,955.47	0.00%	0			

Jesús D. Mateo MRICS
Director Advisory & Valuation
SAVILLS SPAIN

Eduardo Martins Pimenta MRICS
Associate Director Advisory & Valuation
SAVILLS SPAIN

ANNEX II –SECOND VALUATION REPORT

Short Report

Second Valuation Report as at 30/06/2017

- 1. Introduction and Terms of Reference
- 2. Valuation Advice
- 3. General Assumptions & Conditions in Valuations



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1. Instructions and Terms of Reference	4
2. Valuation Advice	8
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Short Report



2017, September 20th

AEDAS HOMES, S.A.U.
Paseo de la Castellana, 42
28046 Madrid

**Savills Consultores
Inmobiliarios S.A.**
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- (1) CITIGROUP GLOBAL MARKETS LIMITED
- (2) GOLDMAN SACHS INTERNATIONAL

Together the "Addressees"

For the attention of: Mr. Alberto Delgado

CLIENT: AEDAS HOMES, S.A.U.

PROPERTY: Property Portfolio of 14 properties comprised by Residential Development Land Assets, located in several locations across Spain.

Dear Mr. Delgado,

In accordance with the terms and conditions contained in our proposal letter dated April 2017, we are pleased to provide you with a market update valuation in relation to the above named properties. We understand you require this valuation for Accounting Purposes and it will be disclosed to prospective investors as part of the preparation for an Initial Public Offering (IPO). The date of valuation is the **30th June 2017**.

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report.


We trust that our report meets your requirements, but should you have any queries, please do not hesitate to contact us.

Yours faithfully,

For and on behalf of Savills Consultores Inmobiliarios S.A.



Jesus D. Mateo MRICS
RICS Registered Valuer
Director Advisory & Valuation
Savills Consultores Inmobiliarios S.A.



Eduardo Martins Pimenta MRICS
RICS Registered Valuer
Associate Director Advisory & Valuation
Savills Consultores Inmobiliarios S.A.



1. Instructions and Terms of Reference

1.0 Instructions & Terms of Reference

In accordance with our Terms of Engagement signed **April 2017**, we have valued the properties listed at Section 2, in order to provide you with our opinion of their Market Value, as at **30th June 2017**.

1.1.1. Instructions

You have instructed us to provide our opinions of value on the following bases:

- We are not aware of any conflict of interest, either with the Property, the Assets, or with the client, preventing us from providing you with an independent valuation of the Property in accordance with the Red Book.
- We will be acting as External Valuers, as defined in the Red Book.
- We have no material connection either with the client or with the properties.
- We confirm that we will not benefit (other than from the receipt of the valuation fee) from this valuation instruction.
- We confirm that Savills Consultores Inmobiliarios S.A. carry sufficient Professional Indemnity Insurance for possible claims. According with the Terms of Engagement Letter, in case of responsibility for our advice, compensation is limited to the amount of the fees provided for carrying out the work.
- We have a Complaints Handling Procedure.
- That we have the knowledge, skills and ability to act on your behalf in respect of this instruction.
- And, that all information provided in respect of this instruction will be kept confidential and will not be disclosed to any un-authorised third party.
- You have also instructed us to comment on specific issues concerning the properties.

Our valuations are prepared on an individual basis and the portfolio valuations reported are the aggregate of the individual Market Values, as appropriate. Our opinions of value are as at **30th June 2017**.

The valuations have been carried out by qualified MRICS Registered Valuers, with the knowledge, skills and ability required to perform this valuation report competently.

We confirm that our valuations will all be reported in Euros.

1.1.2. Basis of Valuation

The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation Professional Standards January 2014 ("Red Book"), published November 2013 and effective from January 2014. In particular in accordance with the requirement of VPS 3 entitled Valuations reports.

Red Book Valuation Standard VS 3.2 relates to the basis of value, and, in accordance therewith, you have instructed us to value the property on the basis of Market Value, the definition is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Our report and valuations in accordance with these requirements are set out below.

1.1.3. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.4. Date of Valuation

Our opinions of value are as at 30th June 2017. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.1.5. Purpose of Valuation

The Valuation is required for Accounting Purposes. We expressly authorise that the valuation report in its short form along with any data coming from the long form valuation report is incorporated as part of the prospectus to be filed with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) in the context of the preparation for an Initial Public Offering of AEDAS HOMES, S.A.U. as well as in any offering circular and material relating to the proposed initial public offering of AEDAS HOMES, S.A.U. for qualified investors (including, for example, any qualified investor, analyst or roadshow presentations for professional parties involved). Under no circumstances have the Addressees been authorised by Savills to include the report or data extracted from the report in advertisements directed to the public or in mass media. It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use.

1.1.6. Conflicts of Interest

We are not aware of any conflict of interest, either with yourselves or with the properties, preventing us from providing independent valuation advice, and therefore we are pleased to accept your instructions. We will be acting as External Valuers, as defined in the Red Book.

1.1.7. Valuer Details and Inspection

The due diligence enquiries referred to below was undertaken by valuers of the Advisory & Valuation Department. The valuations have also been reviewed by Jesus Mateo MRICS.

The properties have been inspected by valuers of the Advisory & Valuation Department. The inspections has been carried out externally and internally, but limited to those areas that were easily accessible or visible.

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VS 6.1(r), we confirm that the aforementioned individuals have the knowledge, skill and understanding to undertake the valuation competently.

1.1.8. Liability Cap

Our liability to any one or more or all of the Addressees or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this Valuation, shall be limited to the amount specified at the Terms of Engagement Letter signed between Savills Consultores Inmobiliarios S.A. and AEDAS HOMES, S.A.U.

1.1.9. RICS Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards January 2014 (the "RICS Red Book") published in November 2013 and effective from 1 January 2014, in particular in accordance with the requirements of VPS 3 entitled Valuation reports and VPGA 2 Valuations secured lending, as appropriate.

Our report in accordance with those requirements is set out below.

1.1.10. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that the Bank satisfies itself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.11. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the parties to whom it is addressed only, who can rely on it, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such third parties rely upon this report at their own risk.

Without prejudice to what is provided in section 1.1.5 "Purpose of Valuation" above, neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear. It is our recommendation that prior to entering into a financial transaction based on this report the validity of all information as well estimates should be checked.

2. Valuation Advice

2.1. Valuation

Having carefully considered the matter, we are of the opinion that, the Market Value, as at our valuation date, in respect to the following parts of the portfolio:

1. Aedas acquisitions between June of 2017 and September of 2017

€ 59,237,000.00

(FIFTY-NINE MILLION, TWO HUNDRED AND THIRTY-SEVEN THOUSAND EUROS)

Other Assets:

2. Nagüeles - Marbella – Málaga

a. Nagüeles - Marbella – Málaga (Owned by Aedas):

€ 13,688,000.00

(THIRTEEN MILLION, SIX HUNDRED AND EIGHTY-EIGHT THOUSAND EUROS)

b. Nagüeles - Marbella – Málaga (100% properties portfolio):

€ 17,110,000.00

(SEVENTEEN MILLION, ONE HUNDRED AND TEN THOUSAND EUROS)

3. Los Fresnos -Torrejón de Ardoz – Madrid

€ 13,586,000.00

(THIRTEEN MILLION, FIVE HUNDRED AND EIGHTY-SIX THOUSAND EUROS)

The Market Value, as at our valuation date, of the respective freehold interests of the properties portfolio owned by AEDAS HOMES S.A.U is:

€ 86,511,000.00

(EIGHTY-SIX MILLION, FIVE HUNDRED AND ELEVEN THOUSAND EUROS)

The Market Value, as at our valuation date, of the respective freehold interests of 100% properties portfolio is:

€ 89,933,000.00

(EIGHTY-NINE MILLION, NINE HUNDRED AND THIRTY-THREE THOUSAND EUROS)



The subject valuations reflect the following assumptions:

Gross Development Value	€ 307,347,000.00
Pending Construction Costs	€ 153,033,000.00

Total market Value above as at our valuation date, of the respective freehold interests of the **properties portfolio** is breakdown in:

- Market Value of the properties portfolio owned by AEDAS HOMES S.A.U as at 30th June 2017 is:

Market Value 100%	Market Value % AEDAS
€ 89,933,000.00	€ 86,511,000.00

Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Market Values.

We confirm that we have valued the subject property on a 100% ownership basis, and have reflected the apportioned value based on the percentage share of the SPV held by AEDAS HOMES S.A.U No account has been taken of any premium or discount to reflect any corporate structure or tax implications which may arise from the ownership structure of any of the Properties.

The total market Value is distributed as follows in the next page. We attach as Appendix 1 a list of the main valuation parameters per each property

1. Aedas acquisitions between 30th June of 2017 and 22nd September of 2017

Unit	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% Aedas	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)
176	221	Sevilla – Hacienda 5	Sevilla	Sevilla	Land	100,00%	7.390.000,00 €	7.390.000,00 €
177	222	Málaga – Morillas	Málaga	Málaga	Land	100,00%	6.956.000,00 €	6.956.000,00 €
178	223	Sevilla – Cisneo 1	Sevilla	Sevilla	Land	100,00%	9.647.000,00 €	9.647.000,00 €
179	224	Sevilla – Cisneo 2	Sevilla	Sevilla	Land	100,00%	1.108.000,00 €	1.108.000,00 €
180	225	Valencia – Carreres 14	Valencia	Valencia	Land	100,00%	5.875.000,00 €	5.875.000,00 €
181	226	Málaga – Santa Clara 3	Málaga	Marbella	Land	100,00%	5.904.000,00 €	5.904.000,00 €
182	227	Málaga – Santa Clara 4	Malaga	Marbella	Land	100,00%	12.862.000,00 €	12.862.000,00 €
183	228	Málaga – Santa Clara 5	Malaga	Marbella	Land	100,00%	9.495.000,00 €	9.495.000,00 €
							59.237.000,00 €	59.237.000,00 €

Other Assets:

2. Nagüeles - Marbella – Málaga

Unit	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% Aedas	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)
184	229	Málaga - Nagüeles	Malaga	Marbella	Land	80,00%	17.110.000,00 €	13.688.000,00 €
							17.110.000	13.688.000

3. Los Fresnos -Torrejón de Ardoz – Madrid

Unit	Developments	Name of asset / Prospectus	Province	Town	Type of asset	% Aedas	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)
185	230	Madrid – Los Fresnos 1	Madrid	Torrejón de Ardoz	Land	100,00%	947.000,00 €	947.000,00 €
186	231	Madrid – Los Fresnos 2	Madrid	Torrejón de Ardoz	Land	100,00%	861.000,00 €	861.000,00 €
187	232	Madrid – Los Fresnos 3	Madrid	Torrejón de Ardoz	Land	100,00%	5.832.000,00 €	5.832.000,00 €
188	233	Madrid – Los Fresnos 4	Madrid	Torrejón de Ardoz	Land	100,00%	1.301.000,00 €	1.301.000,00 €
189	234	Madrid – Los Fresnos 5	Madrid	Torrejón de Ardoz	Land	100,00%	4.645.000,00 €	4.645.000,00 €
							13.586.000	13.586.000

TOTAL							89.933.000	86.511.000
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3. General Assumptions, Conditions to Valuations & Special Assumptions

3.1. General Assumptions, Conditions to Valuation & Special Assumptions

3.1.1. General Assumptions

Our valuations have been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it. We have assumed:

1. That the Freehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings that we are unaware of. We have not made any enquiries at the local Register Office, and, therefore, should future enquiries reveal that there are any mortgages or charges, we have assumed that the Asset would be sold free of them. We have not examined the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the Asset, and that the information supplied to us is both complete and correct. We do not accept responsibility for any errors or omissions in information and documentation provided to us.
3. That the buildings have been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search or normal solicitors' enquiries, or by any statutory notice (other than those points referred to above).
5. That the buildings are structurally sound, and that there is no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or construction techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
6. That the properties are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the buildings, no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

8. That the ownership and possible exploitation of mineral substances and/or gases present in the subsoil have not been considered.
9. That the properties have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
10. That there are no adverse site or soil conditions, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.
11. That all fixed plant and machinery and the installation thereof complies with the relevant legislation. No allowance has been made for rights, obligations or liabilities arising as a result of defective premises.
12. That the tenants are capable of meeting their obligations, and that there are no undisclosed arrears of rent or breaches of covenant. For valuation purposes it is assumed that the tenants comply their obligations, and that there will be no delays in the payment of rent or undisclosed contractual breaches.
13. That the occupational leases are drawn on terms acceptable to your solicitors including provisions for repair and indexation.
14. In the event that AEDAS HOMES, S.A.U. assets has not approved the different phases of Planning, Management and Urbanizing Discipline to build the properties according to the planned promotion, it has been taken into account that the approval of different urbanizing phases will be obtained until the licenses of work has been acquired, according to regular times of approval in normal market situations, and with an active approach for the client to obtain the corresponding approvals.

3.1.2. General Conditions

Our valuation has been carried out on the basis of the following general conditions:

1. Our valuation(s) are exclusive of VAT (if applicable).
2. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property(ies).
3. No allowance has been made for any expenses of realisation.

4. Excluded from our valuation(s) is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
5. In all cases, our valuation report includes facilities that are normally transferred with the property, such as boilers, heating and air conditioning, lighting and ventilation, sprinklers, etc., while the equipment that is normally removed before the sale has been excluded from our opinion of value.
6. It has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation.
7. Output prices of different products are those with whom will go on sale at the market uses different delivery date. To estimate the value a basis comparable are taken to the valuation date.
8. Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Open Market Values.

3.1.3. Special Assumptions

According to RICS, only special cases can be established if they are reasonably achievable, relevant and valid in relation to the special circumstances of the valuation.

In this report we have not been carried out any special assumptions.

Appendix 1

Valuation Parameters

SECOND VALUATION REPORT

1. AEDAS ACQUISITIONS BETWEEN JUNE OF 2017 AND SEPTEMBER OF 2017:

Unit	Developments	Name of asset/Prospectus	Province	Town	Type of asset	% Aedas	Buildable area / propiedad AEDAS (m ²)	Price 100% June 2017 (€/sq m)	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)	Price % AEDAS June 2017 (€/sq m)	% Construction	% Sales + % Residual of GDV/ units	Number Residual of GDV/ units	Pending Construction Costs (€)
176	221	Sevilla - Hacienda 5	Sevilla	Sevilla	Land	100.00%	18.865,00	18.865,00	7.390.000,00 €	7.390.000,00 €	392	0,00%	0,00%	175	28.563.000,00
177	222	Málaga - Morillas	Málaga	Málaga	Land	100.00%	9.904,57	9.904,57	6.656.000,00 €	6.656.000,00 €	702	0,00%	0,00%	85	20.317.000,00
178	223	Sevilla - Cristo 1	Sevilla	Sevilla	Land	100.00%	14.965,00	14.965,00	9.647.000,00 €	9.647.000,00 €	645	0,00%	0,00%	120	29.212.000,00
179	224	Sevilla - Cristo 2	Sevilla	Sevilla	Land	100.00%	1.647,95	1.647,95	1.106.000,00 €	1.106.000,00 €	672	0,00%	0,00%	13	3.217.000,00
180	225	Valencia - Carreres 14	Valencia	Valencia	Land	100.00%	8.626,73	8.626,73	5.875.000,00 €	5.875.000,00 €	685	0,00%	0,00%	65	15.981.000,00
181	226	Málaga - Santa Clara 3	Málaga	Marbella	Land	100.00%	4.672,00	4.672,00	5.904.000,00 €	5.904.000,00 €	1.284	0,00%	0,00%	27	16.819.000,00
182	227	Málaga - Santa Clara 4	Málaga	Marbella	Land	100.00%	8.917,00	8.917,00	12.862.000,00 €	12.862.000,00 €	1.297	0,00%	0,00%	50	36.259.000,00
183	228	Málaga - Santa Clara 5	Málaga	Marbella	Land	100.00%	7.392,00	7.392,00	9.465.000,00 €	9.465.000,00 €	1.284	0,00%	0,00%	43	27.676.000,00
										59.237.000,00 €				179.044.000,00 €	88.237.000,00 €

OTHER ACTIVES:

2. NAGÜELES - MARBELLA - MÁLAGA:

Unit	Developments	Name of asset/Prospectus	Province	Town	Type of asset	% Aedas	Buildable area / TOTAL AEDAS (m ²)	Price 100% June 2017 (€/sq m)	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)	Price % AEDAS June 2017 (€/sq m)	% Construction	% Sales + % Residual of GDV/ units	Number Residual of GDV/ units	Pending Construction Costs (€)
184	229	Málaga - Nagueles	Málaga	Marbella	Land	80,00%	17.192,00	21.490,00	17.110.000,00 €	13.698.000,00 €	796	0,00%	0,00%	73	83.811.000,00
										17.192	21.490	17.110.000	13.698.000	83.811.000	41.181.000

3. LOS FRESNOS -TORREJÓN DE ARDOZ – MADRID

Unit	Developments	Name of asset/Prospectus	Province	Town	Type of asset	% Aedas	Buildable area / TOTAL AEDAS (m ²)	Price 100% June 2017 (€/sq m)	30th Market Value 100% June 2017 (€)	30th Market Value % AEDAS June 2017 (€)	Price % AEDAS June 2017 (€/sq m)	% Construction	% Sales + % Residual of GDV/ units	Number Residual of GDV/ units	Pending Construction Costs (€)
185	230	Madrid - Los Fresnos 1	Madrid	Torrejón de Ardoz	Land	100.00%	1.760,00	1.760,00	947.000,00 €	947.000,00 €	538	0,00%	0,00%	11	2.904.000,00
186	231	Madrid - Los Fresnos 2	Madrid	Torrejón de Ardoz	Land	100.00%	1.800,00	1.800,00	861.000,00 €	861.000,00 €	538	0,00%	0,00%	10	2.640.000,00
187	232	Madrid - Los Fresnos 3	Madrid	Torrejón de Ardoz	Land	100.00%	10.326,00	10.326,00	5.892.000,00 €	5.892.000,00 €	565	0,00%	0,00%	128	18.876.000,00
188	233	Madrid - Los Fresnos 4	Madrid	Torrejón de Ardoz	Land	100.00%	2.417,00	2.417,00	1.301.000,00 €	1.301.000,00 €	538	0,00%	0,00%	31	4.433.000,00
189	234	Madrid - Los Fresnos 5	Madrid	Torrejón de Ardoz	Land	100.00%	8.597,35	8.597,35	4.645.000,00 €	4.645.000,00 €	542	0,00%	0,00%	107	15.699.000,00
										34.872	44.872	13.668.000	44.872.000	23.595.000	

TOTAL

89.933.000 86.511.000 307.347.000 163.033.000

Jesús D. Mateo MRICS
Director Advisory & Valuation
SAVILLS SPAIN

Eduardo Martins Pimenta MRICS
Associate Director Advisory & Valuation
SAVILLS SPAIN

ANNEX III – SPANISH TRANSLATION OF THE SUMMARY

El presente resumen está formado por distintos apartados de información denominados “**Elementos**”. Tales Elementos se presentan numerados en Secciones de la A a la E (A.1 – E.7).

El presente resumen recoge todos los Elementos que han de incluirse en los resúmenes correspondientes a este tipo de valores y para este emisor. Dado que en algunos supuestos no se exige presentar información alguna sobre determinados Elementos, la numeración de los mismos podría no ser correlativa.

Aun en aquellos supuestos en los que se exija la inclusión de determinados Elementos en el resumen debido al tipo de valores y a la naturaleza del emisor, podría ser que no pudiera aportarse información relevante alguna respecto a dicho Elemento en cuestión. En tal caso se ha incluido una breve descripción del Elemento en cuestión, junto con la mención “no procede”.

AVISO IMPORTANTE

Se recomienda a los potenciales inversores en Acciones de la Oferta y los futuros accionistas de la Sociedad que lean el Folleto completo y presten especial atención a las siguientes cuestiones:

- **Historial limitado y pérdidas incurridas**

La Sociedad se constituyó el 9 de junio de 2016. Su historial operativo y financiero es muy limitado por lo que los inversores tendrán información muy limitada hasta la fecha que les permita evaluar sus proyecciones y los beneficios asociados a una inversión en Acciones.

Tenemos un historial de generación de ingresos limitado, y la capacidad de nuestro negocio de generar ingresos es incierta. Nuestros ingresos proceden fundamentalmente de la venta de viviendas y suelos, y registramos nuestros ingresos y gastos atribuibles a la venta de viviendas únicamente tras la transmisión del título. En la fecha de este Folleto, no hemos entregado ninguna vivienda con la excepción del proyecto Galera, cuya construcción ya se ha terminado y del cual ya se han vendido algunas viviendas).

En 2016 y el primer semestre de 2017, obtuvimos un resultado neto negativo de 2.373.750 euros y 13.143.931 euros, respectivamente. Véase ““*Operating and Financial Review—Balance Sheet and Results of Operations*” (Revisión Operativa y Financiera—Balance y Resultado de Operaciones) y “*Business—Portfolio*” (Negocio—Cartera).

Conforme a nuestro Plan de Promoción de Viviendas de 2017-2023, nuestro objetivo es empezar a entregar viviendas en 2018 y alcanzar velocidad de crucero en términos de entrega de viviendas en 2022.

Esperamos que los resultados de 2017 disminuyan en 25 a 31 millones de euros debido al plan de incentivos que pagará Hipoteca 43 Lux, S.à r.l. (el “**Accionista Vendedor**”), aunque el patrimonio neto se incrementará en un importe equivalente como consecuencia de la aportación a reservas del Accionista Vendedor para cubrir el plan íntegramente.

- **Proyectos en desarrollo**

Estamos en el estado inicial de nuestro negocio de desarrollo de viviendas. Aunque estimamos que nuestra cartera permite construir aproximadamente 13.044 viviendas en un total de 240 proyectos, en la fecha de este Folleto únicamente tenemos 44 proyectos en desarrollo, en los que esperamos construir 2.283 viviendas. Ninguno de nuestros proyectos en desarrollo ha atravesado ya todas las fases de desarrollo hasta la entrega de la vivienda y los servicios post-venta (excepto Galera, que se adquirió ya construido). En consecuencia, solo tenemos escasa información financiera que pueda resultar útil para entender nuestros ingresos y gastos futuros.

- **Accionista de control**

En la fecha de este Folleto, el Accionista Vendedor (indirectamente participada por fondos gestionados por Castlelake) es titular del 100% de nuestro capital social. Tras la Oferta, se espera que el Accionista Vendedor tenga aproximadamente 56,13% de las acciones de la Sociedad (si no se ejerce la Opción de Sobre-Adjudicación y asumiendo que el Precio de la Oferta sea el punto medio del Rango de Precio) y 51,75% de las acciones de la Sociedad (si se ejerce y asumiendo que el Precio de la Oferta sea el punto medio del Rango de Precio). El Accionista Vendedor no ha manifestado ningún compromiso u obligación de seguir siendo un accionista significativo y estar representado en el Consejo de Administración de la Sociedad, excepto el compromiso de no disposición de 180 días que es habitual en este tipo de operaciones. Por tanto, el Accionista Vendedor puede decidir desinvertir de la Sociedad libremente tras dicho periodo de 180 días, en el marco de la estrategia de inversión de los fondos privados que son sus accionistas.

Sección A – Introducción y advertencias

A.1	Introducción:	EL PRESENTE RESUMEN DEBE LEERSE COMO INTRODUCCIÓN AL FOLLETO. TODA DECISIÓN DE INVERTIR EN LAS ACCIONES ORDINARIAS DEBIERA
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Sección A – Introducción y advertencias		
		<p>BASARSE EN LA CONSIDERACIÓN, POR PARTE DEL INVERSOR, DEL FOLLETO EN SU CONJUNTO, INCLUYENDO EN PARTICULAR LOS FACTORES DE RIESGO.</p> <p>Si se presentara ante un tribunal cualquier demanda relacionada con la información contenida en el presente Folleto, el inversor demandante podría, en virtud del Derecho nacional de los Estados miembros de la Unión Europea, venir obligado a hacer frente a los gastos derivados de la traducción del Folleto antes de la apertura de dicho procedimiento judicial.</p> <p>De conformidad con la legislación española, la responsabilidad civil sólo se exigirá a las personas que hayan presentado el resumen, incluyendo cualquier traducción del mismo, y únicamente cuando dicho resumen fuera engañoso, inexacto o incoherente en relación con las demás partes del Folleto, o no aportara, leído junto con las restantes partes del Folleto, información fundamental para ayudar a los inversores a la hora de decidir si invertir o no en dichos valores.</p> <p>La posible actualización o ajuste en la información o las manifestaciones recogidas en el presente Folleto como resultado de la materialización de cualquiera de los factores de riesgo descritos en el mismo no podrá ser considerada como un error o inexactitud de dicha información o manifestaciones, ni podrá hacerse valer a efectos de pretender alegar el carácter engañoso de dicha información.</p>
A.2	Posible venta posterior o colocación final de los valores por intermediarios financieros:	No procede. La Sociedad no ha contratado a ningún intermediario financiero a efectos de ninguna venta posterior o colocación final de los valores que requiera la publicación de un folleto tras la publicación del presente documento.

Sección B—Emisor		
B.1	Denominación social y nombre comercial del emisor:	La denominación social del emisor es Aedas Homes, S.A.U. (la “ Sociedad ”). El nombre comercial del emisor es “ AEDAS Homes ”.
B.2	Domicilio y forma jurídica del emisor:	La Sociedad es una sociedad anónima constituida el 9 de junio de 2016 por plazo indefinido en España y sujeta a la legislación española, con domicilio social en Paseo de la Castellana 42, 28046 Madrid, España. El N.I.F. de la Sociedad es A-87586483, su código de identificación legal (LEI) es 9598005H67MP8U20RW81 y su número de teléfono es +34 900 26 40 96.
B.3	Descripción y factores clave relativos al carácter de las operaciones en curso del emisor y de sus principales actividades:	<p>Somos una promotora inmobiliaria exclusivamente dedicada al desarrollo de viviendas. Nuestra principal actividad es la adquisición y promoción de suelo para fines de desarrollo residencial, en particular destinado al mercado de primera vivienda y vivienda habitual (donde se espera que los clientes vivan al menos cinco meses al año) en zonas de alta demanda. En particular, nuestras actividades se concentran en cinco áreas geográficas -Madrid, Cataluña, Levante y Mallorca, Costa del Sol y Sevilla-, y disponemos de una cartera de suelo presente en ocho provincias -Madrid, Barcelona, Málaga, Islas Baleares, Alicante, Valencia, Sevilla y Tarragona. Nuestro principal producto es la vivienda multifamiliar, dirigida principalmente a clientes con poder adquisitivo medio o medio-alto, aunque también tenemos capacidad para promover viviendas de lujo. Asimismo, estimamos que alrededor del 10-15% de las unidades potenciales que conforman nuestra cartera podrían utilizarse como segunda residencia para uso vacacional.</p> <p>Estamos presentes en la gestión de todas las fases de la cadena de valor del proceso de promoción residencial, desde la adquisición del suelo, la gestión y el diseño del producto, su comercialización y venta, la construcción y, finalmente, el servicio post-venta. Aunque conservamos el control sobre todas las decisiones críticas del proceso, contamos con proveedores externos (arquitectos, contratistas y agentes inmobiliarios) en relación con algunas de las distintas fases de la cadena de valor. Esta externalización nos permite colaborar con proveedores especialmente seleccionados, reducir nuestros costes fijos y escalar el negocio de manera creciente o decreciente con flexibilidad. Nuestros equipos internos designados siguen de</p>

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cerca, a nivel de cada proyecto individual, tanto la actuación de dichos proveedores externos como el progreso de la actividad de promoción.

También podríamos de forma selectiva vender suelo a efectos de acelerar la consolidación en aquellas áreas en las que disponemos de varias parcelas.

Aspectos más destacados de inversión

Creemos que nuestros aspectos más destacados que justifican la inversión son los siguientes:

- La atractiva dinámica del mercado residencial español, que se encuentra en una posición óptima en el ciclo
- Una cartera de suelo de alta calidad, con un sólido potencial de beneficio
- Nuestra condición de líder en España en términos de potenciales viviendas, con una magnitud importante en un mercado altamente fragmentado
- Un equipo directivo profesional y experimentado
- Un modelo de negocio orientado al cliente, industrializado y escalable

Cartera

A la fecha del Folleto, somos titulares de aproximadamente 1.543.297 metros cuadrados de *Fully Permitted Land* (según se define abajo) con un valor bruto (*Gross Asset Value* o GAV) de aproximadamente €1.370,5 millones y un valor bruto de desarrollo (*Gross Development Value* o GDV) de aproximadamente €3.806,2 millones. En términos atribuidos (esto es, excluyendo las participaciones no pertenecientes a AEDAS Homes cuyo GAV total asciende a €24,6 millones), el GAV total de nuestra cartera de *Fully Permitted Land* asciende a un total de €1.345,8 millones. Estimamos que nuestra cartera permitiría construir aproximadamente 13.044 viviendas potenciales en un total de 240 potenciales promociones inmobiliarias.

Nuestro GAV agregado es el resultado de sumar:

- €1.159,6 millones de GAV de *Fully Permitted Land* propiedad de la Sociedad a 30 de junio de 2017 y cubierto por el primer informe de valoración a 30 de junio de 2017 de Savills Consultores Inmobiliarios, S.A. (“Savills” y el “Primer Informe”);
- €42,9 millones de GAV de *Fully Permitted Land* propiedad de la Sociedad a 30 de junio de 2017 y no cubierto por el Primer Informe al estar dichos suelos sujetos a compromisos de venta u opciones de compra de terceros. Este GAV se presenta sobre la base del precio de compra;
- €100,4 millones de GAV de *Fully Permitted Land* aportado a la Sociedad en agosto de 2017 de la cartera del FAB May y cubierto por el Primer Informe;
- €17,4 millones de GAV de *Fully Permitted Land* incluido en la cartera del FAB y no cubierto por el Primer Informe al estar dichos suelos sujetos a compromisos de venta u opciones de compra de terceros. Este GAV se presenta sobre la base del precio de compra;
- €17,1 millones de GAV del proyecto “Nagüeles” en Málaga (valorado por Savills en el segundo informe con valoraciones a 30 de junio de 2017); y
- €72,8 millones de GAV de *Fully Permitted Land* adquirido por la Sociedad desde el 30 de junio de 2017 (valorado por Savills en el segundo informe);

y restar €39,7 millones de GAV de *Fully Permitted Land* vendido por la Sociedad desde el 30 de junio de 2017 bajo los referidos compromisos de venta u opciones de compra de terceros.

A la fecha del Folleto, el 100% de nuestro suelo en términos de GAV es “*Fully Permitted Land*”, y aproximadamente un 87% del mismo es “*Ready to Build Land*”. *Fully Permitted Land* es el suelo que tiene todos los instrumentos de planeamiento aprobados (nivel de plan parcial o equivalente) y le puede quedar pendiente la aprobación de los proyectos de urbanización y/o reparcelación, así como la terminación de las obras de urbanización. *Ready to Build Land* es suelo en el que se han ejecutado todas las instalaciones y servicios necesarios para el uso urbano del suelo y está listo para el desarrollo inmobiliario (tan solo pendiente de solicitar licencia de construcción). La construcción residencial sobre *Ready to Build Land* estaría sujeta únicamente a la obtención de la correspondiente licencia de edificación.

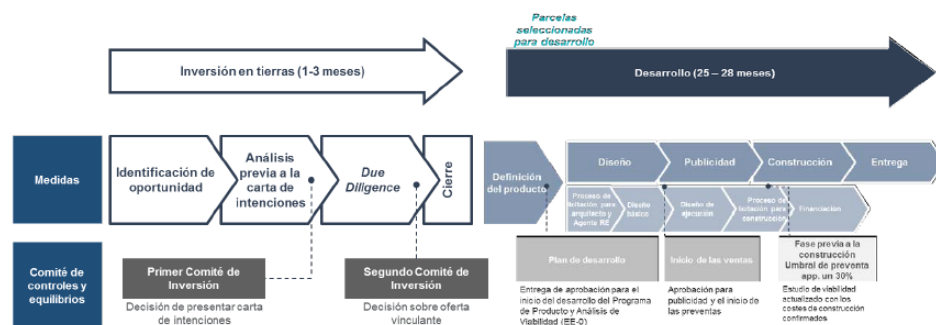
En la fecha del Folleto, nuestro *net asset value* estimado (“NAV”) es aproximadamente €1.350 millones, calculado sobre la base del GAV agregado de nuestro *Fully Permitted Land*, la deuda neta de la Sociedad tras las aportaciones descritas en la sección B7 siguiente y ajustado por el capital circulante, ajustes de depósitos y de Nagüeles e intereses minoritarios. Esto excluye el

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potencial impacto de aproximadamente 100 millones de euros que la Sociedad espera obtener mediante la emisión de Acciones Nuevas en la Oferta y no refleja los hechos posteriores a 30 de junio de 2017 que han tenido impacto en NAV excepto los aquí indicados.

Detalle de la cadena de valor

El siguiente gráfico ofrece una visión general de nuestra cadena de valor.



Cartera de proyectos (Pipeline)

A la fecha del Folleto, hemos presentado cartas de intención (que el vendedor ha aceptado sin que se hayan materializado todavía en una adquisición) acerca de suelos en relación con 14 parcelas, que estimamos que permitirían la construcción de un total de 677 potenciales viviendas residenciales. Además, a la fecha del Folleto, estamos pendientes de la posibilidad de adquirir suelo que permitiría la construcción de un total de 9.006 potenciales viviendas.

Plan de Promoción de Viviendas 2017-2023

AVISO IMPORTANTE: La información que figura en el presente apartado no constituye una previsión o estimación, sino que se trata de nuestros objetivos en términos de número de promociones iniciadas y viviendas entregadas de conformidad con nuestro plan vigente al respecto y otros parámetros. No podemos garantizar que podremos lograr o alcanzar dichos objetivos, por lo que los mismos no debieran ser considerados como expresión de nuestros resultados esperados o reales. En consecuencia, el posible inversor no debiera adoptar ninguna decisión de invertir en nuestras Acciones sobre la base de dichos objetivos.

Actualmente estamos en la fase de crecimiento de nuestro negocio. Según nuestro Plan de Promoción de Viviendas 2017-2023, pretendemos alcanzar nuestro objetivo de entregas de unidades a más tardar en 2022, sobre la base de lo que entendemos por un crecimiento sostenible y alcanzable. Nuestro objetivo de tasa de entrega de vivienda de aproximadamente 3.000 unidades al año puede ampliarse hasta aproximadamente una cifra de 3.500 unidades, dependiendo principalmente de la evolución del mercado. Asumiendo que nuestro objetivo de tasa de entrega es aproximadamente 3.000 viviendas al año, nuestra cartera de suelo a 30 de junio de 2017 (incluyendo FAB May y el proyecto Nagüeles en Málaga y excluyendo las demás adquisiciones posteriores a 30 de junio) representaba un 76% de las unidades que pretendemos entregar en los próximos seis años y medio conforme a nuestro plan de negocio.

Contrato con Merlin Properties

Castlelake contrató a Merlin Properties como asesor independiente para la creación y gestión de un único promotor inmobiliario. Desde entonces Merlin Properties ha prestado servicios de asesoramiento profesional a la Sociedad en relación con su constitución y el desarrollo de su negocio. Los servicios consisten fundamentalmente en asesoramiento profesional relativo a la gestión y desarrollo de proyectos inmobiliarios del Grupo, y pueden extenderse a toda la cadena de valor del proceso de promoción inmobiliaria del Grupo. El contrato de Merlin Properties finalizará el 31 de diciembre de 2017.

Contrato de Promoción de Inmobiliaria, y Contratos de Comercialización y Ventas

Hemos suscrito cinco contratos de promoción inmobiliaria en relación con tres promociones residenciales en marcha ("New Folies" en Mallorca - Andratx, "Arenal" en Alicante - Jávea y "Hacienda del Mar" en Alicante) y otros proyectos de promoción residencial que aún no han sido iniciados ("Nagüeles" en Málaga - Marbella y "Pozuelo Monte 1 a 6 - Madrid"). En cada caso, la firma del correspondiente contrato de promoción inmobiliaria fue presentada por el vendedor de nuestra participación en cada uno de tales proyectos a modo de condición para la venta.

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		<p>Promociones y Propiedades Inmobiliarias Espacio, S.L.U. (“Espacio”) ostenta en cada uno de los cuatro proyectos una participación minoritaria, salvo en el caso del proyecto “Pozuelo Monte 1 a 6 – Madrid”, que es 100% del Grupo, de “Arenal”, en el que la participación en cuestión está en manos de Optimiza Asset Management, S.L. (“Optimiza”), y en el caso del vehículo especial constituido para hacerse cargo del proyecto “New Folies”, en el que también participa la sociedad Bigchange Gestión, S.A. (“Bigchange”).</p> <p>En los contratos el responsable directo de la gestión del proyecto en cuestión es un tercero. En el caso de los tres proyectos en curso, supervisamos de forma exhaustiva todos los aspectos relativos a dichas promociones (tales como las obras de construcción, los aspectos financieros, comercialización, aspectos contables, cumplimiento normativo, etc.).</p>
<p>B.4a</p>	<p>Descripción de las tendencias recientes más significativas que afecten al emisor y a los sectores en los que ejerce su actividad:</p>	<p>La crisis económica y de deuda soberana resultante de la crisis financiera mundial surgida en 2008 diezmó la economía española y especialmente la industria de la construcción española (fuente: CBRE, Eurostat). La economía española tocó fondo en 2013 y se ha ido recuperando desde entonces, fundamentalmente gracias a la demanda nacional. La recuperación también se ha reflejado en la reducción del desempleo y la mejora financiera de las familias españolas.</p> <p>Consideraciones sobre los precios de la vivienda residencial</p> <p>Los precios de la vivienda española crecieron desde 1994 y alcanzaron máximos en 2007. La crisis financiera global hizo estallar la burbuja inmobiliaria española en 2008, originando una caída de los precios de la vivienda desde 2008 hasta 2013. Desde finales de 2014, los precios de la vivienda han seguido una línea progresiva ascendente. Los precios en el segundo trimestre de 2017 crecieron aproximadamente un 5,6% en términos interanuales, tanto en el caso de viviendas nuevas como en el de la vivienda de segunda mano (fuente: INE). No obstante, aún se mantienen por debajo de aproximadamente el 25% de los máximos alcanzados en 2007 (fuente: OCDE).</p> <p>Consideraciones sobre la demanda de vivienda residencial</p> <p>El inicio de la crisis financiera en 2007-2008 tuvo un efecto dramático sobre el sector de la construcción de vivienda residencial en España, derivando en una fuerte caída del número de las operaciones de compra de vivienda. Desde 2013, la demanda ha venido recuperándose, siendo 2016 el año de mayor crecimiento desde la crisis financiera (fuente: Ministerio de Fomento). Han aumentado las operaciones de compra de vivienda de segunda mano, impulsado fundamentalmente por la recuperación económica, la creación de empleo y parámetros de asequibilidad, mientras que ha disminuido el número de operaciones de compra de vivienda nueva, debido a la reducción neta del número de nuevos hogares y la falta de nuevas promociones durante e inmediatamente después de la crisis financiera. Este desequilibrio sugiere la existencia de un significativo margen de maniobra para la promoción de vivienda nueva.</p> <p>La dinámica del mercado español actual apunta a un fortalecimiento de la demanda de viviendas nuevas y antiguas. Los principales factores que muestran signos positivos son:</p> <ul style="list-style-type: none"> (i) recuperación macroeconómica: el entorno macroeconómico está mejorando, lo que apoya el crecimiento de la demanda de viviendas, (ii) crecimiento neto del número de hogares: el Banco de España prevé un crecimiento neto del número de hogares entre 2015 y 2029, lo que será un fuerte motor de la demanda residencial; (iii) asequibilidad del precio de la vivienda: la caída de los precios de la vivienda y la reducción significativa de los tipos de interés de las hipotecas han facilitado la financiación de la compra de viviendas; y (iv) disponibilidad del crédito hipotecario: el volumen de nuevos préstamos hipotecarios muestra signos de recuperación, lo que también apoya la tendencia positiva del desarrollo residencial. <p>CBRE estima que la potencial demanda de obra nueva será de 89-108 mil unidades en 2017, 117-142 mil unidades en 2018 y 132-167 unidades en 2019, asumiendo el aumento de la creación de viviendas y la persistencia de las condiciones de mercado y motores de la demanda.</p> <p>Consideraciones sobre la oferta de vivienda residencial</p> <p><i>Limitaciones generales de la oferta.</i> El inicio de la crisis financiera mundial en 2007 y el colapso de la demanda llevó a la liquidación o reestructuración de los principales constructores de vivienda españoles. El sector inmobiliario español está muy fragmentado y el número de</p>

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actores importantes en el mercado a fecha de hoy es relativamente pequeño. Esta circunstancia, unida a la falta de financiación para nuevas promociones y a un prolongado período de débil demanda de viviendas se ha traducido en una limitación de la oferta de viviendas nuevas que acceden al mercado. Aunque todos los principales indicadores señalan la existencia de una recuperación, la oferta aún crece a un ritmo muy lento y la producción de viviendas aún sigue a la zaga de la demanda actual.

Stock de nueva vivienda. Dada la insuficiencia estructural de la oferta, el stock de viviendas nuevas ha venido disminuyendo en los últimos años, a la par que han ido recuperándose las operaciones de vivienda de segunda mano a partir del 2013. Si bien se espera que esta tendencia continúe en los próximos años, parte de este stock de viviendas sin vender está formado por promociones no atractivas que se consideran “fuera de mercado” y que pueden no venderse nunca (fuente: Ministerio de Fomento, CBRE).

Dinámica del mercado inmobiliario español

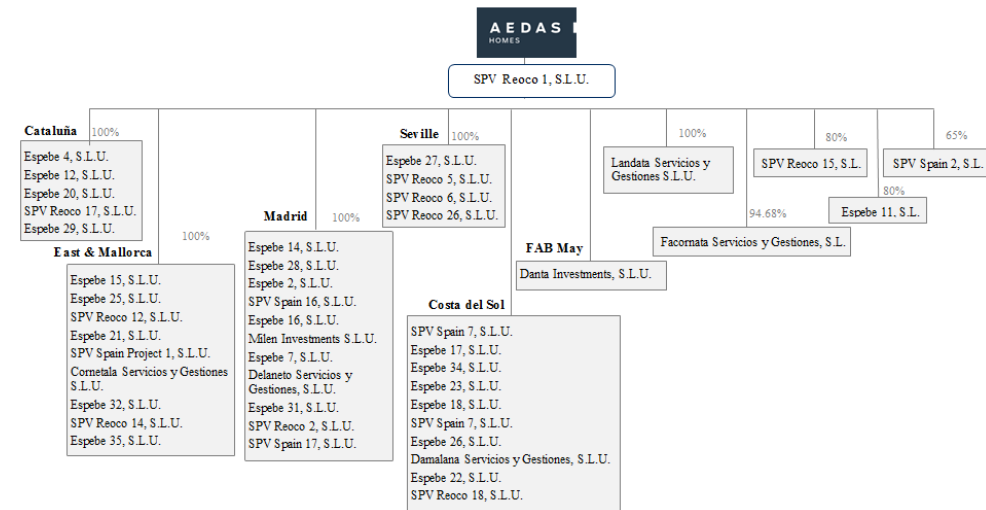
El desequilibrio entre la oferta y la demanda está presionando los precios del suelo frente a los precios de la vivienda. Las nuevas empresas de construcción emergentes están intentando aprovechar esta oportunidad mediante la adquisición de grandes carteras de suelo para promociones futuras, como forma de aprovechar el esperado alza del sector de la vivienda. Esta oportunidad potencial se explica por un colapso del mercado de suelo (a su vez resultado del colapso experimentado en el mercado de la vivienda), así como por el gran volumen de suelo en manos de titulares “no naturales” del mismo, tales como entidades financieras, SAREB y particulares. Además, los ajustes en los precios del suelo han sido mayores que los de los precios de la vivienda terminada, lo que ha llevado la ratio entre precio del suelo y precio de la vivienda a mínimos históricos, ofreciendo potencial de recuperación

Competencia y Principales Agentes del Mercado

La crisis financiera global dio lugar a la desaparición de la mayoría de los grandes promotores inmobiliarios residenciales en España. Desde 2014 ha surgido un nuevo sector inmobiliario profesionalizado. El mercado español está muy fragmentado, y la cuota de mercado de los cuatro competidores principales de AEDAS Homes es del 6% aproximadamente (entendida como el % de obra nueva a entregar en los próximos 18-21 meses). Estos cuatro competidores son Neinor, Aelca, Kronos y Vía Celere.

B.5 Descripción del Grupo:

El siguiente organigrama refleja la estructura del Grupo en la fecha de este Folleto:



B.6 Accionistas principales:

En la fecha de este Folleto, Hipoteca 43 Lux, S.à r.l. (el “**Accionista Vendedor**”), sociedad de responsabilidad limitada (*société à responsabilité limitée*), inscrita en el Registro Mercantil y de Sociedades de Luxemburgo (*Registre de Commerce et des Sociétés Luxembourg*) con el número B-203150, con domicilio social en 534 rue de Neudorf, L-2220, Luxemburgo, y con número de identificación fiscal N-0184886-J, es el accionista único de la Sociedad.

El Accionista Vendedor es titularidad, indirectamente a través de varios vehículos luxemburgueses, de TCS II Opportunities REO (Offshore) LLC, TCS II REO (Offshore) LLC, CL III REO (Offshore) LLC y CL IV REO (Offshore) LLC, fondos de inversión gestionados por Castlelake (los “**Fondos Castlelake**”). Castlelake es una empresa global de inversión

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privada que gestiona fondos privados y está inscrita como asesor de inversión con la *US Securities and Exchange Commission*. Castlelake fue fundado en 2015. A 30 de junio de 2017, tiene 113 empleados y gestiona activos por valor de más de 10.300 millones de dólares por cuenta de más de 125 fondos, fundaciones, planes públicos y privados, fondos privados, family offices, compañías de seguros y fondos soberanos. Como gestora de los Fondos Castlelake, Castlelake tiene pleno poder dispositivo y derechos de voto en el Accionista Vendedor y está controlado por su socio fundador y director ejecutivo, D. Rory Joseph O’Neill. Ninguno de los Fondos Castlelake tiene un accionista de control y ostenta una participación de control individual en el Accionista Vendedor.

B.7	Información histórica financiera clave:	<i>Balance de situación consolidado</i>			
			31 diciembre	30 junio 2017	% Variación
			2016	2016	
			(en euros)		
		Activo:			
		Activo no corriente:			
		Inmovilizado intangible	48.775	209.190	328,9
		Inmovilizado material	348.071	475.376	36,6
		Inversiones financieras a largo plazo	31.938	173.339	442,7
		Activos por impuesto diferido	51.488	3.833.544	7.345,5
		Total activo no corriente	480.273	4.691.449	876,8
		Activo corriente:			
		Existencias	31.720.592	766.728.089	2.317,1
		Deudores comerciales y otras cuentas a cobrar	2.245.958	18.850.299	739,3
		Inversiones financieras a corto plazo	–	2.874.949	n.m.
		Periodificaciones a corto plazo	27.545	588.936	2.038,1
		Efectivo y otros activos líquidos equivalentes	13.827.027	17.138.497	23,9
		Total activo corriente	47.821.121	806.180.770	1.585,8
		Total activo	48.301.394	810.872.219	1.578,8
		Patrimonio neto y pasivo			
		Patrimonio neto:			
		Capital social ⁽¹⁾	3.000	33.720.259	1.123.908,6
		Prima de emisión ⁽¹⁾	–	303.455.361	n.m.
		Reservas de la sociedad dominante	(355)	(249.920.390)	70.400.009,9
		Resultado de ejercicios anteriores de la sociedad dominante	–	(2.241.561)	n.m.
		Otras aportaciones de socios ⁽²⁾	9.372.875	19.492.875	108,0
		Reservas de sociedades consolidadas	(3.632)	(83.091)	2.187,7
		Resultado del ejercicio atribuido a la sociedad dominante	(2.369.805)	(12.936.158)	445,9
		Socios externos	507.280	2.229.202	339,4
		Total patrimonio neto	7.509.363	93.716.497	1.148,0
		Pasivo no corriente:			
		Deudas a largo plazo	–	583.355	n.m.
		Deudas con empresas vinculadas y asociadas a largo plazo ⁽²⁾	28.213.625	556.256.854	1.871,6
		Total pasivo no corriente	28.213.625	556.840.209	1.873,7
		Pasivo corriente:			
		Deudas financieras a corto plazo con vencimiento a largo plazo	8.834.522	49.114.402	455,9
		Deudas a corto plazo	2.815.889	22.062.848	683,5
		Deudas con empresas vinculadas y asociadas a corto plazo ⁽²⁾	–	9.555.040	n.m.
		Acreedores comerciales y otras cuentas a pagar	927.995	79.583.223	8.475,8
		Total pasivo corriente	12.578.405	160.315.513	1.174,5
		Total patrimonio neto y pasivo	48.301.394	810.872.219	1.578,8
		(1) El 16 de agosto de 2017, el socio único de la Sociedad aprobó un aumento de capital por importe nominal de 11.086.771 euros y prima de emisión de 99.780.938 euros. El Accionista Vendedor suscribió el aumento mediante aportación no dineraria consistente en el 100% del capital de Danta Investments, S.L.U. (titular del 95% del FAB May). El consecuencia, el capital social de AEDAS Homes quedó fijado en 44.807.030 euros. El FAB May se liquidó posteriormente y el 100% de sus activos se atribuyó al Grupo.			
		(2) El 3 de octubre de 2017, el Accionista Vendedor realizó las siguientes aportaciones a la Sociedad:			
		(i) Una aportación no dineraria de 623.497.318 euros para cancelar las deudas de la Sociedad con empresas vinculadas;			

Sección B—Emisor

- (ii) Una aportación dineraria de 70.900.000 euros para financiar determinados pagos aplazados en relación con la adquisición de suelo (60.312.198 euros), pasivos en relación con la adquisición de suelo (7.650.000 euros) y determinadas adquisiciones de suelo realizadas antes de 22 de septiembre de 2017 (10.560.000 euros).

Cuenta consolidada de pérdidas y ganancias

	Periodo de 9 de junio 2016 a 31 de diciembre de 2016	Semestre cerrado a 30 de junio 2017
	(en euros)	
Operaciones continuadas		
Importe neto cifra negocios	15.017	419.339
Variación de existencias de productos terminados y en curso de fabricación	-	(273.034)
Aprovisionamientos	-	(1.966.381)
Otros ingresos de explotación	-	104.393
Otros gastos de explotación	(1.436.427)	(4.172.202)
Gastos de personal	(871.873)	(2.562.252)
Amortización del inmovilizado	-	(48.909)
Deterioro y resultado por enajenaciones del inmovilizado	(10.777)	(80.798)
Resultado de explotación	(2.304.059)	(8.579.844)
Ingresos financieros	419	127.229
Incorporación a las existencias de gastos financieros		396.216
Gastos financieros	(83.221)	(5.087.532)
Resultado financiero	(82.802)	(4.564.087)
Resultado antes de impuestos	(2.386.861)	(13.143.931)
Impuesto sobre beneficios	13.111	-
Resultado del ejercicio procedente de operaciones continuadas	(2.373.750)	(13.143.931)
Resultado del ejercicio procedente de operaciones interrumpidas neto de impuestos	-	-
Resultado del ejercicio	(2.373.750)	(13.143.931)
Atribuido a:		
Resultado del periodo atribuible a intereses minoritarios	(3.945)	(207.773)
Resultado del periodo atribuible a la Sociedad dominante	(2.369.805)	(12.936.158)
Beneficio por acción de operaciones continuadas (en euros)		
Básico	(790)	(0,38)
Diluido	(790)	(0,38)

Flujo de caja consolidado

	Periodo de 9 de junio 2016 a 31 de diciembre de 2016	6 meses cerrados a 30 de junio de 2017
	(en euros)	
1. Flujos de efectivo de las actividades de explotación		
Resultado consolidado antes de impuestos	(2.386.861)	(13.143.931)
Ajustes al resultado:	93.579	6.660.175
Dotación a la amortización	10.777	48.909
Deterioros y pérdidas	-	80.798
Pérdidas por deterioros de existencias	-	1.966.381
Ingresos financieros	(419)	(127.229)
Gastos financieros	83.221	5.087.532
Incorporación a existencias de gastos financieros	-	(396.216)
Otros flujos de efectivo de las actividades de explotación	419	(636.963)
Cobros de intereses	419	127.229
Pagos de intereses	-	(764.192)
Cambios en el capital corriente	(23.101.130)	(58.169.352)
Aumento / (disminución) de existencias	(21.685.459)	(83.095.318)
Aumento / (disminución) de cuentas a cobrar	(2.245.958)	(6.721.167)
Aumento / (disminución) de cuentas a pagar	890.442	29.644.830
Aumento / (disminución) de otros activos corrientes y pasivos corrientes	(27.545)	1.926.493
Aumento / (disminución) de otros activos no corrientes y pasivos no corrientes	(32.610)	75.810
Total flujos de efectivo netos de las actividades de explotación (1)	(25.393.993)	(65.290.071)
2. Flujos de efectivo de las actividades de inversión		
Inversiones / desinversiones		
Activos intangibles	(48.775)	(175.604)

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		Activos materiales (358.848) (239.922) Combinaciones de negocio – 22.472.523 Total flujos de efectivo netos de las actividades de inversión (2)..... (407.623) 22.056.997 3. Flujos de efectivo de las actividades de financiación Cobros y pagos por instrumentos de patrimonio 9.883.143 10.120.000 Emisión de instrumentos de patrimonio propio 2.645 – Obtención de nuevas aportaciones de accionistas 9.369.243 10.120.000 Otras operaciones con socios externos..... 511.255 – Cobros y pagos por instrumentos de pasivo financiero 29.745.500 36.424.544 Obtención de nueva financiación con entidades de crédito..... 1.531.875 783.044 Obtención de nueva financiación con accionistas 28.213.625 35.155.269 Otras deudas – 486.231 Total flujos de efectivo netos de actividades de financiación (3) 39.628.643 46.544.544 4. Efecto de las variaciones de los tipos de cambio en el efectivo o equivalentes (4) – – 5. Aumento / disminución neta del efectivo o equivalentes (1+2+3+4)..... 13.827.027 3.311.470 Efectivo o equivalente al comienzo del periodo – 13.827.027 Efectivo o equivalente al final del periodo 13.827.027 17.138.497
B.8	Información financiera seleccionada a pro forma:	No procede. El presente Folleto no incluye información financiera pro forma.
B.9	Estimación beneficios:	No procede. El presente Folleto no incluye estimaciones o previsiones de beneficios.
B.10	Descripción de la naturaleza de cualquier salvedad en el informe de auditoría sobre la información financiera histórica:	Los informes de auditoría correspondientes a (i) los estados financieros consolidados intermedios de la Sociedad cerrados a 30 de junio de 2017 correspondientes al período semestral finalizado en esa fecha y (ii) los estados financieros consolidados de la Sociedad correspondientes al periodo entre 9 de junio de 2016 y 31 de diciembre de 2016 correspondientes a dicho ejercicio fiscal completo y que han sido, en cada caso, auditados por Ernst & Young, S.L., no contienen salvedad alguna.
B.11	Capital de explotación:	No procede. A juicio de la Sociedad, el capital circulante del que esta dispone es suficiente para las necesidades presentes de la Sociedad y, en particular, para los doce meses siguientes a la fecha de este Folleto. Este continuará siendo el caso tras el cierre de la Oferta.

Sección C—Valores		
C.1	Tipo y clase de valores:	El código ISIN de las acciones ordinarias es el ES0105287009. Las acciones ordinarias cotizarán en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia (las “ Bolsas de Valores Españolas ”) a través del Sistema de Interconexión Bursátil (“ SIBE ”), estando identificadas con el código de cotización “ AEDAS ”.
C.2	Divisa de emisión de los valores:	Las acciones ordinarias se emitirán en euros.
C.3	Número de acciones emitidas:	A la fecha del presente Folleto, el capital social emitido por la Sociedad asciende a 44.807.030 euros, dividido en 44.807.030 acciones, íntegramente suscritas y desembolsadas, pertenecientes a una única y misma clase, con valor nominal de un euro por acción. Cada acción ordinaria da derecho a un único voto. En el momento de su Admisión a cotización, existirán entre 47.966.588 y 47.823.621 acciones en circulación íntegramente desembolsadas (asumiendo un Precio de la Oferta igual al extremo inferior y superior del Rango de Precio Indicativo).
C.4	Descripción de los derechos vinculados a	Las acciones tienen el mismo rango, a cualesquiera efectos que procedan, entre sí, incluyendo a efectos de voto, e incorporan el derecho a percibir cualesquiera dividendos y demás distribuciones que pudieran declararse o abonarse tras la fecha de su emisión, así como el derecho a percibir cualquier cuota que pudiera resultar de la liquidación de la Sociedad.

Sección C—Valores		
	los valores:	Las acciones otorgan a sus titulares los derechos previstos en los estatutos de la Sociedad así como en el Texto Refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio (la “ Ley de Sociedades de Capital ”), incluyendo, entre otros: el derecho a asistir a las juntas generales de la Sociedad, con derecho tanto de voz como de voto; el derecho a percibir dividendos en proporción al capital desembolsado en la Sociedad por el accionista en cuestión; el derecho de suscripción preferente respecto de las nuevas Acciones emitidas en el marco de un aumento de capital con aportaciones dinerarias; y el derecho a percibir cualesquiera activos en proporción a la participación que ostentare el accionista en cuestión, con ocasión de la liquidación de la Sociedad.
C.5	Descripción de cualquier restricción sobre la libre transmisibilidad de los valores:	No existen restricciones a la libre transmisibilidad de las acciones ordinarias de la Sociedad en nuestros estatutos, sin perjuicio de lo dispuesto en la sección E.5.
C.6	Admisión:	La Sociedad solicitará la admisión a cotización de la totalidad de sus acciones ordinarias, tanto emitidas como por emitir, en las Bolsas de Valores Españolas a través del mercado continuo. No se ha solicitado ni existe a esta fecha intención alguna de solicitar la admisión de las acciones a cotización o negociación en ningún otro mercado.
C.7	Descripción de la política de dividendos:	<p>Los accionistas de la Sociedad tendrán derecho a recibir los dividendos futuros que la Sociedad declare conforme a lo previsto en sus estatutos. Las Acciones de la Oferta serán elegibles para recibir cualesquiera dividendos pagados o declarados tras la Oferta. La Sociedad no ha distribuido dividendos desde su constitución hasta la fecha de este folleto.</p> <p>Las expectativas de la Sociedad en relación con los dividendos, las reservas distribuibles, el rendimiento del negocio y las condiciones de mercado están sujetas a numerosas asunciones, riesgos e incertidumbres que pueden escapar al control de la Sociedad.</p> <p>En el corto plazo, la Sociedad pretende destinar los flujos de caja que genere a seguir implementando su estrategia y creciendo su negocio. Así, no planea distribuir dividendos en los próximos tres ejercicios. Una vez la Sociedad haya alcanzado sus objetivos de <i>run rate</i>, y sujeto a la evolución de nuestro negocio, la Sociedad tiene intención de adoptar una política de dividendos coherente con la de sus competidores con un ratio de distribución de entre el 60% y el 80% de su beneficio neto. La Sociedad revisará su política de dividendos conforme vaya evolucionando su negocio y en vista de las políticas de dividendos de sus competidores.</p> <p>La capacidad de la Sociedad de pagar dividendos en el futuro también dependerá de su rendimiento y perspectivas de negocio, estructura de capital y necesidades financieras, de las condiciones generales y de los mercados de valores y de otros factores que el Consejo de Administración y los accionistas de la Sociedad consideren relevantes en cada momento, así como de las restricciones legales aplicables.</p>

Sección D—Riesgos		
D.1	Información fundamental sobre los principales riesgos específicos del emisor o de su sector de actividad:	<p>La información contenida en el presente Folleto debe considerarse a la luz de los riesgos enumerados a continuación y que se describen en el apartado de “Factores de Riesgo” (a partir de la página 17), con el carácter de parte esencial e integral del mismo.</p> <p>Antes de invertir en las acciones ordinarias, los inversores potenciales deberán considerar los posibles riesgos asociados que conllevan. Cualquiera de los siguientes riesgos podría derivar en un efecto adverso significativo sobre el negocio de la Sociedad, los resultados de sus operaciones, su situación financiera, flujos de caja y perspectivas. De forma adicional, debe advertirse que ni el orden ni la extensión con la que se presentan tales factores de riesgo a continuación supone indicación alguna de la probabilidad con la que pudiera, en su caso, materializarse cualquiera de ellos, ni del alcance que pudieran tener las consecuencias que se derivaran de dicha materialización sobre la actividad, situación financiera o sobre el resultado de las operaciones de la Sociedad. El precio de mercado de las acciones de la Sociedad podría bajar como consecuencia de tales riesgos e incertidumbres, lo que significa que el inversor pudiera perder total o parcialmente su inversión.</p>

Sección D—Riesgos

Riesgos relacionados con la Sociedad

Nuestro historial operativo y la información financiera disponible sobre la Sociedad son limitados, de forma que los inversores en la Sociedad dispondrán de información limitada que pueda asistirles a efectos de valorar las perspectivas de la Sociedad y las ventajas al respecto asociadas a una inversión en las Acciones.

La Sociedad se constituyó el 9 de junio de 2016. Nuestro historial operativo es en consecuencia limitado, y nuestro historial financiero -y estados financieros- se refieren únicamente a este período de operación reducido. Por ello, únicamente nos es posible facilitar información operativa y financiera limitada a efectos de asistir al inversor en su ejercicio de valoración de nuestras perspectivas y beneficios asociados a una inversión en las Acciones, así como en la valoración de nuestra capacidad de adquirir suelos adecuados, promover tales suelos y comercializar nuestros productos con el margen esperado u objetivo. Ello dificulta una valoración de nuestros futuros resultados operativos, a la vez que limita la posibilidad de comparar, período a período, nuestros resultados operativos, en cada caso hasta que dispongamos de un historial más largo y consolidado. Asimismo, no podemos garantizar que nuestra experiencia anterior vaya a ser suficiente para permitirnos explotar nuestro negocio o desarrollar con éxito nuestras políticas operativas y estrategias de negocio tal y como se describen en el presente Folleto. Nuestra limitada información financiera histórica puede no ser representativa de nuestros resultados futuros.

Dado que estamos en las primeras etapas de nuestra actividad de promoción de viviendas, la mayoría de nuestros costes actuales, tales como costes de promoción y comercialización, han sido desproporcionadamente bajos durante los períodos cubiertos por la información facilitada. Además, nuestro historial de generación de ingresos es igualmente limitado, y el potencial de ingresos futuro de nuestra actividad es incierto. Asimismo, la información financiera que pudiera revelarse útil para entender nuestros futuros ingresos y gastos también es limitada.

Nuestra actividad se concentra, en términos geográficos en ciertas regiones de España y por lo tanto tenemos una mayor exposición a las circunstancias que pudieran afectar al mercado español que la de otras empresas más diversificadas.

Somos una promotora inmobiliaria española cuyos activos y operaciones se ubican y desarrollan en ocho provincias españolas - Madrid, Barcelona, Málaga, Islas Baleares, Alicante, Valencia, Sevilla y Tarragona. En consecuencia, una inversión en las Acciones pudiera estar sujeta a un riesgo mayor que el propio de una inversión en valores emitidos por sociedades con una mayor diversificación en su cartera. Nuestro crecimiento y el valor de nuestras Acciones pudieran verse significativamente perjudicados por hechos y circunstancias ajenas a nuestro control que afectaran a España, así como por la evolución del mercado inmobiliario residencial español en particular, incluyendo en caso de desaceleración de la economía española, cambios en la demanda o en la oferta, el atractivo relativo de la vivienda, modificaciones de la legislación y normativa aplicables, el atractivo de España como destino de la inversión directa extranjera, la situación política, el estado de los mercados financieros o la disponibilidad del crédito. Asimismo, la creciente incertidumbre política creada en Cataluña podría afectar negativamente a las perspectivas económicas de Cataluña o de España en su conjunto.

Por otra parte, nuestra cartera de suelo se caracteriza por la concentración de varias parcelas en cada una de las ubicaciones o zonas donde estamos presentes, lo que aumenta nuestra exposición a circunstancias adversas que pudieran presentarse en tales zonas.

Igualmente, si bien el foco de nuestra actividad es la promoción de vivienda nueva y residencia habitual (donde se espera que los clientes residan durante al menos cinco meses al año), estimamos que alrededor del 10-15% de las viviendas potenciales que conforman nuestra cartera podrían utilizarse como segunda vivienda para uso vacacional. Así, esperamos que parte de la demanda en estas regiones provenga de compradores extranjeros, no españoles, que presentan distintas motivaciones, patrones de conducta y dinámicas. Además, la demanda de segunda vivienda tiende a ser particularmente sensible a la situación económica general.

En caso de producirse una nueva recesión económica prolongada que afectara al mercado de la vivienda en España en general, o en las zonas en las que la Sociedad concentra sus esfuerzos en particular, podríamos experimentar una disminución de la demanda de nuestro producto, lo que a su vez podría derivar en una reducción del precio medio de venta de nuestras viviendas así como del valor de nuestra cartera de suelo.

Apoyo en el conocimiento de Castlelake para adquirir nuestra cartera de suelo.

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Castlelake ha participado significativamente en el proceso de adquisición de nuestra cartera de suelo y en el desarrollo de la Sociedad y ha desempeñado un papel clave en la creación de oportunidades para la adquisición de suelo y en la negociación de los términos y condiciones de tales adquisiciones. Esperamos que después de la Oferta, Castlelake dejará de estar directamente involucrado en nuestras actividades diarias. Nuestra capacidad de identificar y adquirir suelo atractivo en condiciones satisfactorias o de desarrollar con éxito nuestras operaciones de negocio pudiera verse perjudicada una vez Castlelake deje de estar tan directamente involucrado en el día a día de nuestras actividades.

El desempeño histórico de nuestro equipo directivo no garantiza nuestro desempeño futuro.

El desempeño histórico de nuestro equipo directivo no es ni pretende ser indicativo del desempeño o resultados futuros de la Sociedad. Los objetivos de inversión, compromisos sobre retribución, términos y condiciones, objetivos en términos de rendimiento profesional, condiciones de mercado y horizontes de inversión utilizados o existentes en relación con las viviendas entregadas en el pasado por nuestro directivos en sus respectivos puestos anteriores pudieran no ser comparables a las condiciones y circunstancias a las que se enfrente dicho equipo directivo en el marco de sus servicios a la Sociedad.

La Sociedad puede ser incapaz de gestionar de forma eficaz sus planes de expansión.

Planeamos ampliar de forma significativa nuestras operaciones comerciales en los próximos años. Es de esperar que la expansión de nuestro negocio imponga un esfuerzo significativo a nuestro personal y sistemas administrativos, operativos y financieros, y nos exponga a riesgos operativos asociados a la mayor escala de nuestras operaciones. Pudiera ser que no fuéramos capaces de extraer los beneficios que anticipamos de tal expansión, o que incurriésemos en costes mayores de los esperados. El crecimiento o expansión podría alterar nuestras operaciones en curso y desviar recursos de gestión, en cuyo caso podríamos necesitar los servicios de personal adicional o consultores externos. No podemos garantizar que podamos efectivamente gestionar nuestros planes de expansión, lo que pudiera afectar negativamente a nuestra capacidad para cumplir los objetivos identificados en nuestro Plan de Promoción de Viviendas 2017-2023, o tener un efecto adverso significativo en el negocio de la Sociedad, así como en el resultado de sus operaciones, situación financiera o perspectivas.

La Sociedad depende de su equipo directivo y de la experiencia de su personal clave y puede ser incapaz de atraer y retener a una plantilla debidamente cualificada y experimentada.

El éxito de nuestro negocio depende, entre otros, de la contratación, retención y desarrollo de personas altamente cualificadas y competentes en todos los niveles de la organización.

Nuestro éxito descansa, en gran medida, en el trabajo continuado de nuestro equipo directivo, decisivo para la gestión general de la Sociedad y de su cultura, dirección estratégica y modelo operativo. Nuestra capacidad para retener a nuestro equipo directivo o para atraer personas idóneas que puedan sustituirlo depende de la competencia existente en el mercado laboral.

De forma adicional, la presencia de empleados con experiencia en el sector de la promoción residencial resulta esencial para garantizar nuestra capacidad de generar, conseguir y gestionar nuevas oportunidades de negocio, y el conocimiento y relaciones locales son fundamentales para asegurar nuestra capacidad de atraer oportunidades que permitan la adquisición de suelos atractivos. La incapacidad de atraer y retener a tales personas o de garantizar el mantenimiento en la organización de la experiencia y conocimiento de las mismas pudiera afectar de forma negativa y con carácter sustancial al negocio, los resultados de las operaciones, la situación financiera y las perspectivas de la Sociedad.

Esperamos incurrir en endeudamiento adicional en el futuro.

Históricamente hemos dependido en gran medida de la financiación otorgada por nuestro Accionista Vendedor. Aunque el endeudamiento de la Sociedad a la fecha del presente Folleto es limitado, esperamos incurrir en endeudamiento adicional en el futuro. En particular, en general buscamos obtener financiación bancaria de hasta el 100% de los costes directos e indirectos de la promoción. La Sociedad tiene como objetivo un ratio de endeudamiento (*loan-to-cost ratio*) de entre el 30 y el 35 por ciento.

El endeudamiento podría reducir nuestra flexibilidad financiera. Si la Sociedad tuviera que amortizar anticipadamente los importes debidos en virtud de sus distintos contratos de financiación, podría verse obligada a vender activos que en otras circunstancias optaría por no vender, incluso a precios inferiores a los previstos, al objeto de hacer frente a dicha amortización, pudiendo asimismo incurrir en pagos adicionales en concepto de comisiones por

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vencimiento anticipado. La Sociedad podría tener dificultades para refinanciar su deuda a su vencimiento, o verse obligada a abonar importes superiores a los previstos al respecto y, en el supuesto en que los tipos de interés fueran superiores en el momento de la refinanciación, podría incurrir en costes igualmente superiores a los actuales.

Asimismo, el recurso al apalancamiento con fondos ajenos pudiera aumentar la exposición de la Sociedad a circunstancias económicas adversas, tales como subidas de los tipos de interés (con el correspondiente impacto negativo sobre los márgenes de la Sociedad), supuestos de desaceleración económica y deterioro de sus inversiones y/o caídas de los sectores inmobiliario y bancario en España.

La Sociedad depende de una serie de sistemas tecnológicos de tratamiento de la información que pudieran fallar, revelarse inadecuados para las tareas propuestas, o ser objeto de ataques informáticos.

La Sociedad depende de una serie de sofisticados sistemas tecnológicos de tratamiento de la información (sistemas “IT”), que son vulnerables a una serie de incidencias tales como errores de software o mal funcionamiento del hardware, supuestos de piratería informática, daños físicos en las infraestructuras críticas que dan soporte a dichos sistemas IT, y ataques de virus informáticos. Los sistemas IT necesitan actualizaciones periódicas. La Sociedad pudiera revelarse incapaz de implementar las actualizaciones necesarias en el momento oportuno, o de implementarlas en forma alguna, y las actualizaciones pudieran no funcionar en la forma esperada. Además, la incapacidad para salvaguardar las operaciones del Grupo frente a ataques informáticos pudiera dar lugar a la pérdida de información sensible, lo que pudiera dañar la reputación de la Sociedad, derivar en litigios y/o exigir la realización de gastos para subsanar tales supuestos. Las amenazas a los sistemas IT son cada vez más sofisticadas. La Sociedad pudiera también incurrir en costes debidos a cualquier fallo de sus sistemas IT.

Si la Sociedad no tiene éxito en la implantación y mantenimiento de un sistema eficaz de controles internos, pudiera ser incapaz de determinar con precisión sus resultados financieros o prevenir fraudes. En tal caso, sus accionistas podrían perder la confianza en los resultados financieros de la Sociedad, lo que podría perjudicarnos de forma significativa.

La existencia de unos controles internos eficaces es necesaria para que la Sociedad pueda elaborar informes financieros fiables y prevenir de forma eficiente el fraude. En el futuro la Sociedad podría estimar necesario mejorar diversos aspectos de sus controles internos. No podemos garantizar que tendremos éxito en el mantenimiento de controles internos adecuados sobre nuestras actividades de presentación de información financiera y procesos financieros. Además, a medida que nuestro negocio vaya creciendo, nuestros controles internos se volverán cada vez más complejos, y necesitaremos destinar significativamente mayores recursos para garantizar la eficacia de dichos controles. Además, cualquier deficiencia de carácter material o carencia significativa en tales controles pudiera exigir la dedicación de un tiempo significativo por parte del equipo directivo, así como la necesidad de incurrir en cuantiosos gastos para subsanar tales supuestos, existiendo el riesgo de que el equipo directivo no pueda subsanar las carencias observadas en los plazos exigidos. La existencia de cualquier punto débil de carácter material en nuestros controles internos sobre la presentación de información financiera pudiera igualmente derivar en errores en nuestros estados financieros, lo que pudiera exigir a la Sociedad la elaboración de nuevos estados financieros y llevarle a incumplir sus obligaciones de presentación de información al respecto.

La incertidumbre política en Cataluña podría afectarnos negativamente.

En la fecha de este folleto, aproximadamente un 16% de nuestra cartera de suelos en términos de Gross Asset Value está en Cataluña. La tensión entre el gobierno español y el gobierno catalán ha aumentado recientemente debido al referéndum de independencia del 1 de octubre de 2017 organizado por el gobierno catalán. El gobierno español y el Tribunal Constitucional han determinado que este referéndum es ilegal. Existe una incertidumbre significativa en torno al resultado de las tensiones políticas y sociales en Cataluña, lo que podría conllevar cambios legislativos, políticos y otros factores que podrían afectar significativamente el entorno en el que operamos en Cataluña y en España.

Riesgos relacionados con nuestro negocio

- La competitividad en el mercado inmobiliario puede afectar a la capacidad de la Sociedad de hacer adquisiciones adecuadas o garantizar compradores a precios satisfactorios.
- Nuestro crecimiento y rentabilidad dependen de nuestra capacidad de identificar y adquirir

Sección D—Riesgos

		<p>suelo adecuado a estos efectos.</p> <ul style="list-style-type: none"> – Si no logramos obtener suficiente capital en condiciones aceptables, podemos no ser capaces de adquirir suelo para nuestros proyectos o experimentar un increment de costs o retrasos en la finalización de nuestros proyectos. – Podemos incurrir en costs significativos asociados con potenciales adquisiciones que no lleguen a completarse. – Podemos no identificar todos los posibles riesgos y contingencias en nuestra revisión (<i>due diligence</i>) de las potenciales adquisiciones – Realizamos algunas de nuestras compras y proyectos con un socio de negocio y por tanto estamos sujetos a los riesgos asociados con la co-propiedad. – Nuestro negocio depende de la disponibilidad, cualificación y rendimiento de contratistas, sub-contratistas y otros prestadores de servicios y proveedores. – Podemos no ser capaces de desarrollar y vender nuestras viviendas con éxito o dentro de los plazos previstos. – Pueden surgir costes significativos imprevistos en relación con la ejecución de nuestros proyectos. – Podemos fracasar en la realización de proyectos rentables como consecuencia de nuestra política de pre-ventas. – La demanda de nuestras viviendas depende de las preferencias de los clientes por distintos tipos de residencia or ubicación de las propiedades y su percepción sobre el atractivo de nuestros productos. – Existe un alto volumen de viviendas sin vender en España que podría presionar a la baja los precios de las nuevas viviendas. – Nuestras pre-ventas pueden no materializarse en los términos acordados, o no materializarse. – El suelo y las propiedades inmobiliarias pueden ser activos ilíquidos difíciles de vender. – Podemos sufrir pérdidas no aseguradas o pérdidas significativas que excedan la cobertura de nuestros seguros. – Estamos expuestos a reclamaciones de responsabilidad por terceros. – Los desastres naturales y las condiciones climáticas severas podrían retrasar las entregas e incrementar los costs de las nuevas viviendas en las zonas afectadas, lo que podría dañar nuestras ventas y resultados de operaciones. – La publicidad negative puede afectar negativamente nuestra reputación así como nuestro negocio, resultados financieros y valor de cotización. <p>Riesgos relacionados con las valoraciones, las declaraciones a futuro y la información financiera incluida en el Folleto</p> <ul style="list-style-type: none"> – Las valoraciones inmobiliarias en relación con nuestra cartera de activos incluidas en este Folleto pueden no reflejar el valor de mercado actual de nuestra cartera, ya que la determinación de tal valor de mercado es un proceso inherentemente subjetivo. Además, una valoración puede no ser directamente comparable a las valoraciones realizadas para carteras similares de otros promotores inmobiliarios en el mercado español, debido a las distintas asunciones y metodologías. – No hay garantía de que alcancemos nuestros objetivos para el Plan de Promoción de Viviendas 2017-2023 ni otros resultados anticipados en este Folleto. – Nuestros ingresos por Proyecto pueden ser inferiores a lo que indica nuestro Valor Bruto de Desarrollo (<i>Gross Development Value</i>) estimado. – Utilizamos una serie de estimaciones y asunciones en la preparación de nuestros estados financieros consolidados que pueden resultar incorrectos.
D.3	<p>Información fundamental sobre los principales riesgos específicos de</p>	<p>Riesgos relacionados con la Oferta y las Acciones</p> <ul style="list-style-type: none"> – Tras la Oferta, nuestro accionista de control continuará pudiendo ejercer influencia significativa sobre la Sociedad, así como sobre su equipo gestor y sus operaciones. <p>En la fecha del Folleto, Hipoteca 43 Lux, S.à r.l. (propiedad indirecta de fondos gestionados por Castl lake) es titular del 100% de nuestro capital social. Inmediatamente después de la Oferta, Hipoteca 43 Lux, S.à r.l. será titular de al menos 51,75% de nuestro capital social (si</p>

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	los valores:	<p>la Opción de Sobre-Adjudicación se ejercite totalmente y asumiendo que el Precio de la Oferta sea el punto medio del Rango de Precio). En consecuencia, Hipoteca 43 Lux, S.à r.l. podrá controlar la gestión y operaciones de la Sociedad, así como la junta general de accionistas, en cuestiones tales como el pago de dividendos, fusiones u otras combinaciones empresariales, la adquisición o enajenación de activos significativos, la emisión de acciones u otros valores y el nombramiento de la mayoría de los miembros del consejo de administración de la Sociedad. Los intereses de la Sociedad podrían diferir de los de los adquirentes de las Acciones.</p> <ul style="list-style-type: none"> – Cualquier volumen significativo de ventas futuras de Acciones, o la percepción de que tales ventas podrían existir, podría afectar al precio de cotización de las Acciones. – Actualmente no existe un mercado establecido para las Acciones y no puede considerarse que la Admisión conllevará la existencia de un mercado líquido para las Acciones. – El precio de cotización de las Acciones podrá fluctuar en función de diversos factores, muchos de ellos fuera de nuestro control. Tras la Oferta, el precio de las Acciones podrá no reflejar con exactitud el valor subyacente de nuestro negocio. El precio y el valor de las Acciones podrá disminuir o aumentar y los inversores podrán obtener una suma inferior a la invertida inicialmente. – La Sociedad no puede garantizar que vaya a abonar dividendos ni, en su caso, el importe de los mismos. En particular, en el corto plazo la Sociedad pretende destinar los flujos de caja que genere a la expansión de su negocio. – Podría resultar difícil para un accionista extranjero entablar un proceso contra la Sociedad o sus consejeros, o ejecutar contra los mismos una resolución judicial. – Los inversores cuya divisa no sea el euro están expuestos a fluctuaciones del tipo de cambio. – Los accionistas sitos en los Estados Unidos de América y en otras jurisdicciones pudieran no poder participar en futuras emisiones de acciones.
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E.1	Ingresos netos totales y cálculo de los gastos totales de la emisión:	<p>La oferta de la Sociedad consiste en Nuevas Acciones, mientras que la oferta del Accionista Vendedor consiste en Acciones Existentes (según se definen en la sección E.3 siguiente).</p> <p>La Sociedad espera obtener unos ingresos brutos procedentes de la emisión de las Nuevas Acciones por importe de aproximadamente 100 millones de euros. Se espera que las comisiones, honorarios y gastos derivados de la colocación que ha de satisfacer la Sociedad en relación con la Oferta asciendan a hasta aproximadamente 3 millones de euros. La Sociedad tiene intención de abonar dicho importe con cargo a los ingresos brutos procedentes de la Oferta. En consecuencia, la Sociedad espera obtener unos ingresos netos derivados de la Oferta por importe de aproximadamente 97 millones de euros. La Sociedad no percibirá importe alguno por razón de la venta de las Acciones Existentes por el Accionista Vendedor en la Oferta.</p> <p>El Accionista Vendedor espera obtener unos ingresos brutos de hasta 594 millones de euros (asumiendo la venta de la totalidad de las Acciones Existentes y la falta de ejercicio de la Opción de Sobre-Adjudicación) y 664 millones de euros (asumiendo la venta de la totalidad de las Acciones Existentes y el ejercicio en dicha Opción de Sobre-Adjudicación en su integridad), derivados de la venta de Acciones Existentes o las Acciones Adicionales a través de la Oferta. Serán de cuenta del Accionista Vendedor las comisiones devengadas por razón de las Acciones Existentes y, en su caso, las Acciones Adicionales, que se espera que asciendan a aproximadamente 20 millones de euros.</p>
E.2	Razones que justifican la emisión, y destino de los ingresos:	<p>La emisión de Nuevas Acciones permitirá a la Sociedad obtener recursos adicionales para invertir en futuras oportunidades de crecimiento y para financiar parcialmente la expansión planificada para el Grupo mientras que la venta de Acciones Existentes permitirá al Accionista Vendedor monetizar parcialmente su inversión en la Sociedad.</p> <p>Además, el Accionista Vendedor pretende que la Oferta proporcione a la Sociedad un mejor reconocimiento de marca y una mayor visibilidad en el mercado, reforzándose su perfil corporativo, su transparencia y prestigio.</p> <p>Asimismo, se espera que la Oferta aumente la base accionarial de la Sociedad e introduzca</p>

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		<p>inversores institucionales a largo plazo y una base diversificada de accionistas internacionales, lo que mejorará el acceso de la Sociedad a los mercados de capitales públicos (incluyendo de instrumentos de deuda). Ello facilitará la obtención de financiación por la Sociedad para fondear su crecimiento futuro.</p> <p>La Sociedad pretende utilizar los ingresos netos de la Oferta para invertir en futuras oportunidades de crecimiento y para financiar la expansión planificada para el Grupo y, en particular, las adquisiciones de suelo bajo el Plan de Promoción de Viviendas 2017-2023.</p> <p>El Accionista Vendedor pretende distribuir los ingresos netos de la Oferta a sus accionistas, que son fondos de inversión privados y pueden reinvertir los ingresos de conformidad con sus políticas de inversión. La Sociedad no recibirá ingresos de la venta de Acciones Existentes o Acciones Adicionales por el Accionista Vendedor.</p>
<p>E.3</p>	<p>Descripción de las condiciones de la emisión:</p>	<p>La Sociedad ofrece el número de nuevas acciones de la Sociedad (las “Nuevas Acciones”) que resulte necesario para obtener unos ingresos brutos de aproximadamente 100 millones de euros al Precio de la Oferta (este número sería de 3.159.558 o 3.016.591 acciones en los extremos inferior y superior del Rango de Precio de la Oferta, respectivamente), mientras que el Accionista Vendedor ofrece en la Oferta hasta un máximo de 17.922.812 acciones existentes de la Sociedad (las “Acciones Existentes” y, junto con las Nuevas Acciones, las “Acciones Iniciales”).</p> <p>Además, el Accionista Vendedor otorgará una opción de compra a favor de las Entidades Coordinadoras Globales a efectos de la adquisición por las mismas de un número adicional de acciones de la Sociedad equivalentes a un máximo del 10% del número de las Acciones Iniciales (las “Acciones Adicionales” y, conjuntamente con las Acciones Iniciales, las “Acciones”) al Precio de la oferta (menos el importe de las comisiones pactadas) a efectos de atender a cualquier sobreadjudicación de Acciones en la Oferta, en su caso, así como a cualesquiera posiciones cortas que pudieran resultar de operaciones de estabilización (la “Opción de Sobre-Adjudicación”). La Opción de Sobre-Adjudicación podrá ser ejercitada, total o parcialmente, por Citigroup como agente de estabilización durante un plazo de 30 días naturales a partir de la fecha en que las acciones ordinarias de la Sociedad comenzaran a cotizar en las Bolsas de Valores Españolas.</p> <p>En consecuencia, el Accionista Vendedor venderá un máximo de 20.031.049 acciones de la Sociedad, asumiendo que el Accionista Vendedor vende el número máximo de Acciones Existentes y que la Opción de Sobre-Adjudicación se ejerce en su integridad.</p> <p>En particular, se espera que el cierre de la Oferta tenga lugar en o alrededor del 19 de octubre de 2017 (la “Fecha de la Operación Bursátil”). En la Fecha de la Operación Bursátil, las órdenes de pago de los inversores serán procesadas a través de las Bolsas de Valores e Iberclear y, asumiendo que las Entidades Directoras no hayan ejercido sus derechos de resolución contenidos en el contrato de aseguramiento, los inversores tendrán derecho a recibir las correspondientes Acciones suscritas o adquiridas en la Oferta. A efectos de agilizar la cotización de las acciones de la Sociedad, se ha previsto que las Entidades Coordinadoras Globales, en su condición de entidades financiadoras, suscriban y desembolsen el precio de las Nuevas Acciones en la Fecha de la Operación Bursátil, en cada caso actuando en nombre y representación de las Entidades Colocadoras, actuando cada una de ellas en representación de los inversores finales. Se prevé que el pago de las Nuevas Acciones por parte de tales entidades tenga lugar a favor de la Sociedad a más tardar a las 09:00 (C.E.T.) de la Fecha de la Operación Bursátil.</p> <p>El pago de las Acciones Iniciales por parte de los inversores finales, incluyendo el pago de las Nuevas Acciones suscritas y abonadas en la Fecha de la Operación Bursátil por las Entidades Coordinadoras Globales como entidades financiadoras, tendrá lugar a más tardar el segundo día hábil posterior a dicha Fecha de la Operación Bursátil, procediéndose en ese momento a la entrega de las Acciones Iniciales a favor de los inversores finales a través de los sistemas de Iberclear, lo que se prevé tenga lugar en o alrededor del 23 de octubre de 2017 (la “Fecha de Liquidación”). Se prevé que las acciones de la Sociedad coticen en las Bolsas de Valores Españolas a través del Sistema de Interconexión Bursátil en o alrededor del 20 de octubre de 2017, con el código de cotización “AEDAS”. Se insta a los inversores a que se pongan en contacto con su agente o depositario en España a la mayor brevedad a efectos de realizar los ajustes necesarios para inscribir las acciones a su nombre en la Fecha de la Operación Bursátil.</p> <p>La Oferta tendrá lugar a través de un proceso de prospección de la demanda. Durante dicho</p>

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		<p>proceso, que se prevé comience el 5 de octubre de 2017 y finalice el 18 de octubre de 2017 (ambos inclusive), las Entidades Colocadoras comercializarán las Acciones Iniciales entre los inversores de conformidad y con sujeción a las restricciones de venta previstas en el presente Folleto. Los inversores podrán presentar sus mandatos de compra durante dicho período, indicando el número de Acciones Iniciales que estarían interesados en adquirir.</p> <p>Además, hasta un 2% de las Acciones se ofrecerán a consejeros y empleados del Grupo y sus allegados (hasta un total de 50 personas). Las Acciones se ofrecerán al Precio de la Oferta a través de un proceso privado en paralelo al proceso de prospección de la demanda. Las órdenes presentadas y confirmadas por estas personas se atenderán íntegramente.</p>
<p>E.4</p>	<p>Descripción de cualquier interés que sea importante para la emisión/oferta, incluyendo los intereses en conflicto.</p>	<p>Cada una de las Entidades Directoras es una entidad financiera dedicada a distintas actividades, entre las que podría incluirse la prestación de servicios de banca de inversión, banca comercial y asesoramiento financiero. Las Entidades Directoras y sus respectivas asociadas podrían haber realizado o prestado en el pasado, o realizar o prestar en el futuro, operaciones o servicios en el curso ordinario de su negocio, incluyendo operaciones o servicios de banca de inversión y/o banca comercial para la Sociedad, el Accionista Vendedor y sus respectivas asociadas, por las que podrían haber recibido o recibir las tarifas habituales y reembolso de gastos.</p> <p>En el curso ordinario de sus distintas actividades de negocio, las Entidades Directoras y sus respectivas asociadas podrán tener una amplia gama de inversiones y negociar activamente valores de deuda y de capital (o instrumentos derivados relacionados) e instrumentos financieros (incluyendo préstamos financieros y/o permutas por incumplimiento crediticio) de la Sociedad, el Accionista Vendedor o sus respectivas asociadas, por cuenta propia o por cuenta de terceros, y podrán tener posiciones largas o cortas en tales valores e instrumentos.</p> <p>Además, algunas Entidades Directoras o sus respectivas asociadas son, o podrán ser, prestamistas o en algunos casos agentes o gestoras de los prestamistas en virtud de líneas de crédito u otros mecanismos de financiación de la Sociedad, el Accionista Vendedor o sus respectivas asociadas. Los prestamistas, en su condición de tales y en el curso ordinario de su negocio, podrán en el futuro tratar de reducir algún préstamo de la Sociedad, el Accionista Vendedor o sus respectivas asociadas, o imponer precios incrementales o requisitos adicionales en relación con tales préstamos y líneas de crédito. Asimismo, algunas Entidades Directoras o sus asociadas que actúen como prestamistas frente a la Sociedad y/o el Accionista Vendedor podrán cubrir su exposición al crédito de estos de forma coherente con sus políticas de gestión de riesgo habituales; una estrategia típica de cobertura consistiría en que la Entidad Directora o su asociada adquiriera permutas por incumplimiento crediticio o tomara posiciones cortas en los valores de la Sociedad y/o el Accionista Vendedor.</p>
<p>E.5</p>	<p>Nombre de la persona o entidad que se ofrece a vender el valor, y compromisos de inmovilización (<i>lock-up</i>):</p>	<p>La Sociedad y el Accionista Vendedor ofrecen las Acciones Iniciales.</p> <p>Durante el período que comienza en la fecha de firma del Contrato de Colocación y finaliza 180 días tras la Fecha de Liquidación, la Sociedad, sus filiales y cualquier persona que actuara en nombre y representación de cualquiera de ellas (distinta de las Entidades Colocadoras y del Accionista Vendedor, frente a los cuales la Sociedad no otorgará dicho compromiso), y salvo con el previo consentimiento por escrito de las Entidades Coordinadoras Globales, que no podrá ser denegado o retrasado sin motivo, (A) directa o indirectamente, emitir, ofrecer, pignorar, vender, comprometerse a vender, transmitir u otorgar ninguna opción, derecho, <i>warrant</i> o contrato de compra, ejercitar opción alguna de venta, adquirir ninguna opción o contrato alguno de venta, prestar o de cualquier otra forma transmitir o disponer de cualquiera de las Acciones ordinarias de la Sociedad, o de cualesquiera valores convertibles, ejercitables o canjeables en o por Acciones de la Sociedad, así como de registrar cualquier folleto de conformidad con la Directiva de Folletos y el Reglamento de Folletos o cualquier otro instrumento similar ante ninguna autoridad supervisora, bolsa de valores o autoridad reguladora del mercado de valores en relación con cualquiera de tales instrumentos; (B) suscribir cualquier instrumento derivado u otro contrato u operación en cuya virtud se transmitan, total o parcialmente, directa o indirectamente, los efectos económicos propios de la titularidad de cualesquiera Acciones de la Sociedad; o (C) realizar cualquier operación con efectos económicos similares a (A) o (B), o acordar hacer o hacer pública la intención de realizar cualquiera de las conductas aquí descritas, al margen de si la operación descrita en los apartados (A), (B) o (C) hubiera de liquidarse mediante la entrega de cualesquiera Acciones u otros valores convertibles o canjeables por Acciones, en efectivo o en cualquier otra forma.</p> <p>El Accionista Vendedor asumirá igualmente una serie de restricciones similares para el período</p>

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		<p>que se abre en la fecha de firma del Contrato de Colocación y se cierra una vez transcurridos 180 días tras la Fecha de Liquidación.</p> <p>Cada uno de los miembros del equipo directivo de la Sociedad acordarán asimismo con las Entidades Colocadoras ciertos compromisos de inmovilización o no disposición para el período que comienza en la fecha de suscripción del Contrato de Colocación y se cierra una vez transcurridos 365 días tras la Fecha de Liquidación de la Oferta.</p>
E.6	Dilución:	<p>La Oferta conlleva la emisión del número de Nuevas Acciones que resulte necesario para obtener unos ingresos brutos de aproximadamente 100 millones de euros al Precio de la Oferta (este número sería de 3.159.558 o 3.016.591 acciones en los extremos inferior y superior del Rango de Precio de la Oferta, respectivamente).</p> <p>Las acciones de la Sociedad en circulación en la fecha de este Folleto representarán entre 93,4% y 93,7% del capital social de la Sociedad después de la Oferta. La participación del Accionista Vendedor se diluirá como consecuencia de la oferta de suscripción de Nuevas Acciones y de la oferta de venta de Acciones Existentes y Acciones Adicionales.</p>
E.7	Gastos estimados aplicados al inversor por el emisor:	<p>Los adquirentes de las Acciones pudieran venir obligados a abonar un impuesto sobre actos jurídicos documentados (<i>stamp tax</i>) u otros importes de conformidad con las prácticas vigentes en el país de compra, con carácter adicional al Precio de la Oferta. Asimismo, el inversor deberá hacer frente a las comisiones debidas a favor de cualquier intermediario financiero a través del cual detentara sus Acciones.</p>

ANNEX IV – TABLA DE EQUIVALENCIAS DEL FOLLETO (PROSPECTUS) RELATIVO A LA OFERTA DE VENTA Y DE SUSCRIPCIÓN DE ACCIONES Y POSTERIOR ADMISIÓN A NEGOCIACIÓN

Documento de Registro

Información sobre el emisor requerida por el Anexo I del Reglamento (CE) No 809/2004, de la Comisión Europea, relativo a la información contenida en los folletos así como al formato, la incorporación por referencia, la publicación de dichos folletos y la difusión de publicidad (el “**Reglamento 809/2004**”)

Contenido	Apartado	Comentario
1.	PERSONAS RESPONSABLES	
1.1	Todas las personas responsables de la información que figura en el documento de registro y, según los casos, de ciertas partes del mismo, con, en el último caso, una indicación de las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas, indicar el nombre y el domicilio social.	Véase el apartado “ <i>Important Information</i> ” (Información Importante).
1.2	Declaración de los responsables del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en el documento de registro es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en la parte del documento de registro de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.	Véase el apartado “ <i>Important Information</i> ” (Información Importante).
2.	AUDITORES DE CUENTAS	
2.1	Nombre y dirección de los auditores del emisor para el periodo cubierto por la información financiera histórica (así como su afiliación a un colegio profesional).	Véase la sección “ <i>Independent Auditors</i> ” (Auditores Independientes).
2.2	Si los auditores han renunciado, han sido apartados de sus funciones o no han sido redesignados durante el periodo cubierto por la información financiera histórica, proporcionarán los detalles si son importantes.	No aplicable.
3.	INFORMACIÓN FINANCIERA SELECCIONADA	

3.1	Información financiera histórica seleccionada relativa al emisor, que se presentará para cada ejercicio durante el periodo cubierto por la información financiera histórica, y cualquier periodo financiero intermedio subsiguiente, en la misma divisa que la información financiera	Véase la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera y operativa Seleccionada).	
3.2	Si se proporciona información financiera seleccionada relativa a periodos intermedios, también se proporcionarán datos comparativos del mismo periodo del ejercicio anterior, salvo que el requisito para la información comparativa del balance se satisfaga presentando la información del balance final del ejercicio	Véase la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera y operativa Seleccionada).	
4.	FACTORES DE RIESGO	Véase la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
5.	INFORMACIÓN SOBRE EL EMISOR		
5.1.	Historia y evolución del emisor:		
5.1.1.	<i>nombre legal y comercial del emisor;</i>	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
5.1.2.	<i>lugar de registro del emisor y número de registro;</i>	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
5.1.3.	<i>fecha de constitución y periodo de actividad del emisor, si no son indefinidos;</i>	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
5.1.4.	<i>domicilio y personalidad jurídica del emisor, legislación conforme a la cual opera, país de constitución, y dirección y número de teléfono de su domicilio social (o lugar principal de actividad empresarial si es diferente de su domicilio social);</i>	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
5.1.5.	<i>acontecimientos importantes en el desarrollo de la actividad del emisor</i>	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>History of the Group</i> ” (Historia del Grupo).	
5.2.	Inversiones		
5.2.1.	<i>Descripción, (incluida la cantidad) de las principales inversiones del emisor en cada ejercicio para el periodo cubierto por la información financiera histórica y hasta la fecha del documento de registro.</i>	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa y Financiera), sub-sección “ <i>Balance Sheet and Results of Operations</i> ” (Balance de Situación y Resultados de Operaciones).	

5.2.2.	<i>Descripción de las inversiones principales del emisor actualmente en curso, incluida la distribución de estas inversiones geográficamente (nacionales y en el extranjero) y el método de financiación (interno o externo).</i>	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-secciones “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital), “ <i>Indebtedness</i> ” (Endeudamiento) e “ <i>Inventories</i> ” (Existencias). Véase asimismo la sección “ <i>Business</i> ” (Negocio), sub-secciones “ <i>Developments</i> ” (Proyectos), “ <i>Ongoing Developments by Region</i> ” (Proyectos en Curso por Región) y “ <i>2017-2023 Housing Development Plan</i> ” (Plan de Promoción de Viviendas 2017-2023).	
5.2.3.	<i>Información sobre las principales inversiones futuras del emisor sobre las cuales sus órganos de gestión hayan adoptado ya compromisos firmes</i>	Véase la sección “ <i>Business</i> ” (Negocio), sub-secciones “ <i>Pipeline</i> ” (Cartera) y “ <i>2017-2023 Housing Development Plan</i> ” (Plan de Promoción de Viviendas 2017-2023).	
6.	DESCRIPCIÓN DEL NEGOCIO		
6.1.	Actividades principales		
6.1.1.	<i>Descripción y factores clave relativos al carácter de las operaciones del emisor y de sus principales actividades, declarando las principales categorías de productos vendidos y/o servicios prestados en cada ejercicio durante el período cubierto por la información financiera histórica.</i>	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>Detailed Business Overview</i> ” (Resumen Detallado del Negocio). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
6.1.2.	<i>Indicación de todo nuevo producto y/o servicio significativos que se hayan presentado y, en la medida en que se haya divulgado públicamente su desarrollo, dar la fase en que se encuentra.</i>	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>Detailed Business Overview</i> ” (Resumen Detallado del Negocio).	
6.2.	Mercados principales <i>Descripción de los mercados principales en que el emisor compite, incluido un desglose de los ingresos totales por categoría de actividad y mercado geográfico para cada ejercicio durante el período cubierto por la información financiera histórica.</i>	Véase la sección “ <i>Industry Overview</i> ” (Perspectiva General de la Industria).	
6.3.	Cuando la información dada de conformidad con los puntos 6.1. y 6.2. se haya visto influenciada por factores excepcionales, debe mencionarse este hecho.	No aplica.	
6.4.	Si es importante para la actividad empresarial o para la rentabilidad del emisor, revelar información sucinta relativa al grado de dependencia del emisor de patentes o licencias, contratos industriales, mercantiles o financieros, o de nuevos procesos de fabricación.	No aplica.	

6.5.	Se incluirá la base de cualquier declaración efectuada por el emisor relativa a su posición competitiva	Véase la sección “ <i>Industry Overview</i> ” (Perspectiva General de la Industria). Véase, asimismo, la sección “ <i>Business</i> ”, sub-sección “ <i>Key Investment Highlights</i> ” (Fortalezas Estratégicas).	
7.	ESTRUCTURA ORGANIZATIVA		
7.1.	Si el emisor es parte de un grupo, una breve descripción del grupo y la posición del emisor en el grupo.	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
7.2.	Lista de las filiales significativas del emisor, incluido el nombre, el país de constitución o residencia, la participación en el capital y, si es diferente, su proporción de derechos de voto.	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
8.	PROPIEDAD, INSTALACIONES Y EQUIPO		
8.1.	Información relativa a todo inmovilizado material tangible existente o previsto, incluidas las propiedades arrendadas, y cualquier gravamen importante al respecto.	Véase la sección “ <i>Business</i> ” (Negocio). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada) y la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Balance Sheet and Results of Operations</i> ” (Balance de Situación y Resultados de Operaciones).	
8.2.	Descripción de cualquier aspecto medioambiental que pueda afectar al uso por el emisor del inmovilizado material tangible.	Véase la sección “ <i>Regulation</i> ” (Regulación). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
9.	ANÁLISIS OPERATIVO Y FINANCIERO		
9.1	Situación financiera	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada).	
9.2.	Resultados de explotación		
9.2.1.	Información relativa a factores significativos, incluidos los acontecimientos inusuales o infrecuentes o los nuevos avances, que afecten de manera importante a los ingresos del emisor por operaciones, indicando en qué medida han resultado afectados los ingresos.	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Key Factors Affecting Our Results of Operations</i> ” (Factores Claves que Afectan a los Resultados de Nuestras Operaciones). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	

9.2.2.	<i>Cuando los estados financieros revelen cambios importantes en las ventas netas o en los ingresos, proporcionar un comentario narrativo de los motivos de esos cambios</i>	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Key Factors Affecting Our Results of Operations</i> ” (Factores Claves que Afectan a los Resultados de Nuestras Operaciones).	
9.2.3.	<i>Información relativa a cualquier actuación o factor de orden gubernamental, económico, fiscal, monetario o político que, directa o indirectamente, hayan afectado o pudieran afectar de manera importante a las operaciones del emisor.</i>	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Key Factors Affecting Our Results of Operations</i> ” (Factores Claves que Afectan a los Resultados de Nuestras Operaciones). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
10.	RECURSOS DE CAPITAL		
10.1.	Información relativa a los recursos de capital del emisor (a corto y a largo plazo).	Véase la sección “ <i>Capitalization and Indebtedness</i> ” (Capitalización y Endeudamiento). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada), subsección “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital). Véase asimismo la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>2017-2023 Housing Development Plan</i> ” (Plan de Promoción de Viviendas 2017-2023).	
10.2.	Explicación de las fuentes y cantidades y descripción narrativa de los flujos de tesorería del emisor.	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa y Financiera), especialmente la sub-sección “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital).	
10.3.	Información sobre los requisitos de préstamo y la estructura de financiación del emisor.	Véase la sección “ <i>Capitalization and Indebtedness</i> ” (Capitalización y Endeudamiento). Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada). Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital).	
10.4.	Información relativa a cualquier restricción sobre el uso de los recursos de capital que, directa o indirectamente, haya afectado o pudiera afectar de manera importante a las operaciones del emisor.	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital).	

10.5.	Información relativa a las fuentes previstas de fondos necesarias para cumplir los compromisos mencionados en 5.2.3. y 8.1.	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa y Financiera), “ <i>Liquidity and Capital Resources</i> ” (Liquidez y Recursos de Capital). Véanse los “ <i>Consolidated Financial Statements</i> ” (Estados Financieros Consolidados) incorporados por referencia al Folleto tal y como se indica en la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones).	
11.	INVESTIGACIÓN Y DESARROLLO, PATENTES Y LICENCIAS	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>Other Key Business Information</i> ” (Otra Información Clave del Negocio). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
12.	INFORMACIÓN SOBRE TENDENCIAS		
12.1.	Tendencias recientes más significativas de la producción, ventas e inventario, y costes y precios de venta desde el fin del último ejercicio hasta la fecha del documento de registro.	Véase la sección “ <i>Industry Overview</i> ” (Perspectiva General de la Industria).	
12.2.	Información sobre cualquier tendencia conocida, incertidumbres, demandas, compromisos o hechos que pudieran razonablemente tener una incidencia importante en las perspectivas del emisor, por lo menos para el ejercicio actual.	Véase la sección “ <i>Risk Factors</i> ” (Factores de Riesgo). Véase, asimismo, la sección “ <i>Operating Financial Review</i> ” (Revisión Operativa Financiera), sub-sección “ <i>Key Factors Affecting Our Business and Results of Operations</i> ” (Factores Clave que Afectan a los Resultados de Nuestras Operaciones). Véase también la sección “ <i>Industry Overview</i> ” (Perspectiva General de la Industria).	
13.	PREVISIONES O ESTIMACIONES DE BENEFICIOS		
13.1.	Declaración que enumere los principales supuestos en los que el emisor ha basado su previsión o su estimación.	No aplicable.	
13.2.	Debe incluirse un informe elaborado por contables o auditores independientes que declare que, a juicio de esos contables o auditores independientes, la previsión o estimación se ha calculado correctamente sobre la base declarada, y que el fundamento contable utilizado para la previsión o estimación de los beneficios es coherente con las políticas contables del emisor.	No aplicable.	
13.3.	La previsión o estimación de los beneficios debe prepararse sobre una base comparable con la información financiera histórica.	No aplicable.	

13.4.	Si el emisor publica en un folleto una previsión de beneficios que está aún pendiente, debería entonces proporcionar una declaración de si efectivamente ese pronóstico sigue siendo tan correcto como en la fecha del documento de registro, o una explicación de por qué el pronóstico ya no es válido, si ese es el caso.	No aplicable.	
14.	ÓRGANOS DE ADMINISTRACIÓN, DE GESTIÓN Y DE SUPERVISIÓN, Y ALTOS DIRECTIVOS		
14.1.	<p>Nombre, dirección profesional y cargo en el emisor de las siguientes personas, indicando las principales actividades que éstas desarrollan al margen del emisor, si dichas actividades son significativas con respecto a ese emisor:</p> <ul style="list-style-type: none"> (a) miembros de los órganos de administración, de gestión o de supervisión; (b) socios comanditarios, si se trata de una sociedad comanditaria por acciones; (c) fundadores, si el emisor se ha establecido para un período inferior a cinco años; y (d) cualquier alto directivo que sea pertinente para establecer que el emisor posee las calificaciones y la experiencia apropiadas para gestionar las actividades del emisor. (e) Naturaleza de toda relación familiar entre cualquiera de esas personas. <p>En el caso de los miembros de los órganos de administración, de gestión o de supervisión del emisor y de las personas descritas en (b) y (d) del primer párrafo, datos sobre la preparación y experiencia pertinentes de gestión de esas personas, además de la siguiente información:</p> <ul style="list-style-type: none"> (a) nombres de todas las empresas y asociaciones de las que esa persona haya sido, en cualquier momento de los cinco años anteriores, miembro de los órganos de administración, de gestión o de supervisión, o socio, indicando si esa persona sigue siendo miembro de los órganos de administración, de gestión o de supervisión, o si es socio. No es necesario enumerar todas las filiales de un emisor del cual la persona sea también miembro del órgano de administración, de gestión o de supervisión; (b) cualquier condena en relación con delitos de fraude por lo menos en los cinco años anteriores; (c) datos de cualquier quiebra, suspensión de pagos o liquidación con las que una persona descrita en (a) y (d) del primer párrafo, que actuara ejerciendo uno de los cargos contemplados en (a) y (d) estuviera relacionada por lo menos durante los cinco años anteriores; 	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Board of Directors</i> ” (Consejo de Administración), sub-sección “ <i>No Convictions and Other Negative Statements</i> ” (Ausencia de Condenas y Otras Declaraciones Negativas) y sub-sección “ <i>Directors</i> ” (Consejeros).	

	<p>(d) detalles de cualquier incriminación pública oficial y/o sanciones de esa persona por autoridades estatutarias o reguladoras (incluidos los organismos profesionales designados) y si esa persona ha sido descalificada alguna vez por un tribunal por su actuación como miembro de los órganos de administración, de gestión o de supervisión de un emisor o por su actuación en la gestión de los asuntos de un emisor durante por lo menos los cinco años anteriores.</p> <p>De no existir ninguna información en este sentido que deba revelarse, efectuar una declaración a ese efecto.</p>		
14.2.	Conflictos de intereses de los órganos de administración, de gestión y de supervisión, y altos directivos	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsección “ <i>Conflicts of Interest</i> ” (Conflictos de Interés).	
15.	REMUNERACIÓN Y BENEFICIOS		
15.1.	Importe de la remuneración pagada (incluidos los honorarios contingentes o atrasados) y prestaciones en especie concedidas a esas personas por el emisor y sus filiales por servicios de todo tipo prestados por cualquier persona al emisor y sus filiales.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsección “ <i>Compensation</i> ” (Retribución).	
15.2.	Importes totales ahorrados o acumulados por el emisor o sus filiales para prestaciones de pensión, jubilación o similares.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsección “ <i>Compensation</i> ” (Retribución).	
16.	PRÁCTICAS DE GESTIÓN		
16.1.	Fecha de expiración del actual mandato, en su caso, y periodo durante el cual la persona ha desempeñado servicios en ese cargo.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsección “ <i>Directors</i> ” (Consejeros).	
16.2.	Información sobre los contratos de los miembros de los órganos de administración, de gestión o de supervisión con el emisor o cualquiera de sus filiales que prevean beneficios a la terminación de sus funciones, o la correspondiente declaración negativa	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración).	
16.3.	Información sobre el comité de auditoría y el comité de retribuciones del emisor, incluidos los nombres de los miembros del comité y un resumen de su reglamento interno.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsección “ <i>Board Committees</i> ” (Comisiones del Consejo).	

16.4.	Declaración de si el emisor cumple el régimen o regímenes de gobierno corporativo de su país de constitución. En caso de que el emisor no cumpla ese régimen, debe incluirse una declaración a ese efecto, así como una explicación del motivo por el cual el emisor no cumple ese régimen.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Internal Code of Conduct in Securities Markets and Corporate Governance Recommendations</i> ” (Código Interno de Conducta en los Mercados de Valores y Recomendaciones de Gobierno Corporativo).	
17.	EMPLEADOS		
17.1.	Número de empleados al final del período o la media para cada ejercicio durante el período cubierto por la información financiera histórica hasta la fecha del documento de registro (y las variaciones de ese número, si son importantes) y, si es posible y reviste importancia, un desglose de las personas empleadas por categoría principal de actividad y situación geográfica. Si el emisor emplea un número significativo de empleados eventuales, incluir datos sobre el número de empleados eventuales por término medio durante el ejercicio más reciente.	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>Employees</i> ” (Empleados).	
17.2.	Acciones y opciones de compra de acciones. Con respecto a cada persona mencionada en (a) y (d) del primer párrafo del punto 14.1, proporcionar información de su tenencia de participaciones del emisor y de toda opción sobre tales acciones a partir de la fecha practicable más reciente.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Share Ownership</i> ” (Titularidad de Acciones).	
17.3.	Descripción de todo acuerdo de participación de los empleados en el capital del emisor.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Share Ownership</i> ” (Propiedad de Acciones) y “ <i>Compensation</i> ” (Retribución).	
18.	ACCIONISTAS PRINCIPALES		
18.1.	En la medida en que tenga conocimiento de ello el emisor, el nombre de cualquier persona que no pertenezca a los órganos de administración, de gestión o de supervisión que, directa o indirectamente, tenga un interés declarable, según el derecho nacional del emisor, en el capital o en los derechos de voto del emisor, así como la cuantía del interés de cada una de esas personas o, en caso de no haber tales personas, la correspondiente declaración negativa.	Véase la sección “ <i>Principal and Selling Shareholder</i> ” (Accionista Principal y Accionista Oferente).	
18.2.	Si los accionistas principales del emisor tienen distintos derechos de voto, o la correspondiente declaración negativa.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Shareholders’ Meetings and Voting Rights</i> ” (Juntas Generales de Accionistas y Derechos de Voto).	

18.3.	En la medida en que tenga conocimiento de ello el emisor, declarar si el emisor es directa o indirectamente propiedad o está bajo control y quién lo ejerce, y describir el carácter de ese control y las medidas adoptadas para garantizar que no se abusa de ese control.	Véase la sección “ <i>Principal and Selling Shareholder</i> ” (Accionista Principal y Accionista Oferente).	
18.4.	Descripción de todo acuerdo, conocido del emisor, cuya aplicación pueda en una fecha ulterior dar lugar a un cambio en el control del emisor.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
19.	OPERACIONES DE PARTES VINCULADAS	Véase la sección “ <i>Related Party Transactions</i> ” (Operaciones con Partes Vinculadas).	
20.	INFORMACIÓN FINANCIERA RELATIVA AL ACTIVO Y EL PASIVO DEL EMISOR, POSICIÓN FINANCIERA Y PÉRDIDAS Y BENEFICIOS		
20.1.	Información financiera histórica	Véase la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada).	
20.2.	Información financiera pro-forma	No aplica.	
20.3.	Estados financieros	Véase asimismo la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada).	
20.4.	Auditoría de la información financiera histórica anual		
20.4.1.	<i>Declaración de que se ha auditado la información financiera histórica. Si los informes de auditoría sobre la información financiera histórica han sido rechazados por los auditores legales o si contienen cualificaciones o negaciones, se reproducirán íntegramente el rechazo o las cualificaciones o negaciones, explicando los motivos.</i>	Véase la sección “ <i>Independent Auditors</i> ” (Auditores Independientes). Véase asimismo la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones).	
20.4.2.	<i>Una indicación de otra información en el documento de registro que haya sido auditada por los auditores.</i>	Véase la sección “ <i>Independent Auditors</i> ” (Auditores Independientes). Véase asimismo la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones).	
20.4.3.	<i>Cuando los datos financieros del documento de registro no se hayan extraído de los estados financieros auditados del emisor, éste debe declarar la fuente de los datos y declarar que los datos no han sido auditados.</i>	Véase la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones).	
20.5.	Edad de la información financiera más reciente		

20.5.1.	<i>El último año de información financiera auditada no puede preceder en más de:</i> i) <i>18 meses a la fecha del documento de registro si el emisor incluye en dicho documento estados financieros intermedios auditados;</i> ii) <i>15 meses a la fecha del documento de registro si en dicho documento el emisor incluye estados financieros intermedios no auditados.</i>	Véase la sección “ <i>Independent Auditors</i> ” (Auditores Independientes). Véase asimismo la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones).	
20.6.	Información intermedia y demás información financiera		
20.6.1.	<i>Si el emisor ha venido publicando información financiera trimestral o semestral desde la fecha de sus últimos estados financieros auditados, éstos deben incluirse en el documento de registro. Si la información financiera trimestral o semestral ha sido revisada o auditada, debe también incluirse el informe de auditoría o de revisión. Si la información financiera trimestral o semestral no ha sido auditada o no se ha revisado, debe declararse este extremo.</i>	Véase la sección “ <i>Presentation of Financial and Other Information</i> ” (Presentación de Información Financiera y Otras Informaciones). Véase también la sección “ <i>Independent Auditors</i> ” (Auditores Independientes).	
20.6.2.	<i>Si la fecha del documento de registro es más de nueve meses posterior al fin del último ejercicio auditado, debería contener información financiera intermedia que abarque por lo menos los primeros seis meses del ejercicio y que puede no estar auditada (en cuyo caso debe declararse este extremo).</i>	Véase la sección “ <i>Selected Financial and Operating Information</i> ” (Información Financiera Operativa Seleccionada).	
20.7	Política de dividendos		
20.7.1.	<i>Importe de los dividendos por acción por cada ejercicio para el período cubierto por la información financiera histórica, ajustada si ha cambiado el número de acciones del emisor, para que así sea comparable.</i>	Véase la sección “ <i>Dividends and dividend policy</i> ” (Dividendos y Política de Dividendos).	
20.8	Procedimientos judiciales y de arbitraje	Véase la sección “ <i>Business</i> ” (Negocio), sub-sección “ <i>Litigation</i> ” (Litigios). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
20.9	Cambios significativos en la posición financiera o comercial del emisor	Véase la sección “ <i>Operating and Financial Review</i> ” (Revisión Operativa y Financiera). Véase asimismo la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).	
21	INFORMACIÓN ADICIONAL		
21.1.	Capital Social		

21.1.1.	<p><i>Importe del capital emitido, y para cada clase de capital social</i></p> <p>(a) <i>número de acciones autorizadas;</i></p> <p>(b) <i>número de acciones emitidas e íntegramente desembolsadas y las emitidas pero no desembolsadas íntegramente;</i></p> <p>(c) <i>valor nominal por acción, o que las acciones no tienen ningún valor nominal; y</i></p> <p>(d) <i>una conciliación del número de acciones en circulación al principio y al final del año. Si se paga más del 10% del capital con activos distintos del efectivo dentro del periodo cubierto por la información financiera histórica, debe declararse este hecho.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.1.2.	<p><i>Si hay acciones que no representan capital, se declarará el número y las principales características de esas acciones.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.1.3.	<p><i>Número, valor contable y valor nominal de las acciones del emisor en poder o en nombre del propio emisor o de sus filiales.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.1.4.	<p><i>Importe de todo valor convertible, valor canjeable o valor con garantías, indicando las condiciones y los procedimientos que rigen su conversión, canje o suscripción.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.1.5.	<p><i>Información y condiciones de cualquier derecho de adquisición y/o obligaciones con respecto al capital autorizado pero no emitido o sobre la decisión de aumentar el capital.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.1.6.	<p><i>Información sobre cualquier capital de cualquier miembro del grupo que esté bajo opción o que se haya acordado condicional o incondicionalmente someter a opción y detalles de esas opciones, incluidas las personas a las que se dirigen esas opciones.</i></p>	<p>Véase la sección “<i>Description of Share Capital</i>” (Descripción del Capital Social).</p> <p>Véase la sección “<i>Management and Board of Directors</i>” (Equipo Gestor y Consejo de Administración), subsección “<i>Share Ownership</i>” (Propiedad de Acciones) y “<i>Compensation</i>” (Retribución).</p>	
21.1.7.	<p><i>Historial del capital social, resaltando la información sobre cualquier cambio durante el período cubierto por la información financiera histórica.</i></p>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.2.	<p>Estatutos y escritura de constitución</p>		
21.2.1.	<p><i>Descripción del objeto social y fines del emisor y dónde pueden encontrarse en los estatutos y escritura de constitución.</i></p>	<p>Véase la sección “<i>Additional Information</i>” (Información Adicional).</p> <p>Véase asimismo la sección “<i>Description of Share Capital</i>” (Descripción del Capital Social), subsección “<i>General</i>” (General).</p>	

21.2.2.	Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor relativa a los miembros de los órganos de administración, de gestión y de supervisión.	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración).	
21.2.3.	Descripción de los derechos, preferencias y restricciones relativas a cada clase de las acciones existentes.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
21.2.4.	Descripción de qué se debe hacer para cambiar los derechos de los tenedores de las acciones, indicando si las condiciones son más significativas que las que requiere la ley.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Shareholders’ Meetings and Voting Rights</i> ” (Juntas Generales de Accionistas y Derechos de Voto).	
21.2.5.	Descripción de las condiciones que rigen la manera de convocar las juntas generales anuales y las juntas generales extraordinarias de accionistas, incluyendo las condiciones de admisión.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Shareholders’ Meetings and Voting Rights</i> ” (Juntas Generales de Accionistas y Derechos de Voto).	
21.2.6.	Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor que tenga por efecto retrasar, aplazar o impedir un cambio en el control del emisor.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Shareholders’ Meetings and Voting Rights</i> ” (Juntas Generales de Accionistas y Derechos de Voto). Véase asimismo la sección “ <i>Market Information</i> ” (Información de Mercado).	
21.2.7.	Indicación de cualquier disposición de las cláusulas estatutarias o reglamento interno, en su caso, que rija el umbral de propiedad por encima del cual deba revelarse la propiedad del accionista.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Reporting requirements</i> ” (Requisitos de notificación).	
21.2.8.	Descripción de las condiciones impuestas por las cláusulas estatutarias o reglamento interno que rigen los cambios en el capital, si estas condiciones son más rigurosas que las que requiere la ley.	No aplicable.	
22	CONTRATOS IMPORTANTES	Véase la sección “ <i>Business</i> ” (Negocio), subsección “ <i>Material Contracts</i> ” (Contratos Materiales).	
23	INFORMACIÓN DE TERCEROS, DECLARACIONES DE EXPERTOS Y DECLARACIONES DE INTERÉS		

23.1.	<p>Cuando se incluya en el documento de registro una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de dicha persona, su dirección profesional, sus cualificaciones y, en su caso, cualquier interés importante que tenga en el emisor. Si el informe se presenta a petición del emisor, una declaración a ese efecto de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, con el consentimiento de la persona que haya autorizado el contenido de esa parte del documento de registro.</p>	Anexo I	
23.2.	<p>En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.</p>	Anexo I	
24	DOCUMENTOS PRESENTADOS	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	
25	INFORMACIÓN SOBRE CARTERAS		
25.1	<p>Información relativa a las empresas en las que el emisor posee una proporción de capital que puede tener un efecto significativo en la evaluación de sus propios activos y pasivos, posición financiera o pérdidas y beneficios.</p>	Véase la sección “ <i>Additional Information</i> ” (Información Adicional).	

Nota sobre las acciones

Información sobre los valores a emitir requerida por el Anexo III del Reglamento 809/2004

Contenido	Apartado	Comentario
1.	PERSONAS RESPONSABLES	
1.1	Todas las personas responsables de la información que figura en el documento de registro y, según los casos, de ciertas partes del mismo, con, en el último caso, una indicación de las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas, indicar el nombre y el domicilio social.	Véase el apartado “ <i>Important Information</i> ” (Información Importante).
1.2	Declaración de los responsables del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en el documento de registro es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en la parte del documento de registro de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.	Véase el apartado “ <i>Important Information</i> ” (Información Importante).
2.	FACTORES DE RIESGO	
2.1	Factores de riesgo	Véase la sección “ <i>Risk Factors</i> ” (Factores de Riesgo).
3.	INFORMACIÓN ESENCIAL	
3.1	Declaración sobre el capital circulante.	Véase la sección “ <i>Capitalization and Indebtedness</i> ” (Capitalización y Endeudamiento).
3.2	Capitalización y endeudamiento	Véase la sección “ <i>Capitalization and Indebtedness</i> ” (Capitalización y Endeudamiento).
3.3	Interés de las personas físicas y jurídicas participantes en la emisión/oferta.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), subsecciones “ <i>Share Ownership</i> ” (Propiedad de Acciones) y “ <i>Compensation</i> ” (Retribución).
3.4	Motivos de la oferta y destino de los ingresos	Véase la sección “ <i>Reasons for the Offering and Use of Proceeds</i> ” (Motivos de la Oferta y Uso de los Ingresos).

4.	INFORMACIÓN RELATIVA A LOS VALORES QUE VAN A OFERTARSE/ADMITIRSE A COTIZACIÓN		
4.1	Descripción del tipo y la clase de los valores ofertados / admitidos a cotización, con el Código ISIN (número internacional de identificación del valor) u otro código de identificación del valor.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
4.2	Legislación según la cual se han creado los valores.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
4.3	Indicación de si los valores están en forma registrada o al portador y si los valores están en forma de título o de anotación en cuenta. En el último caso, nombre y dirección de la entidad responsable de la llevanza de las anotaciones.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social).	
4.4	Divisa de la emisión de los valores.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social). Véase asimismo la portada del Folleto y la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
4.5	Descripción de los derechos vinculados a los valores, incluida cualquier limitación de esos derechos, y procedimiento para el ejercicio de los mismos.		
4.5.1	<i>Derechos a participar en las ganancias sociales y en el patrimonio resultante de la liquidación.</i>	Véase la sección “ <i>Dividends and Dividend Policy</i> ” (Dividendos y Política de Dividendos). Véase asimismo la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Dividend and Liquidation Rights</i> ” (Dividendo y Derechos de Liquidación).	
4.5.2	<i>Derechos de voto.</i>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Shareholders’ Meetings and Voting Rights</i> ” (Juntas Generales de Accionistas y Derechos de Voto).	
4.5.3	<i>Derechos de suscripción preferente en las ofertas de suscripción de valores de la misma clase.</i>	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Pre-emptive rights and Increases of Share Capital</i> ” (Derechos de Adquisición Preferentes y Aumentos de Capital).	

4.5.4	<i>Derecho de participación en los beneficios del emisor.</i>	Véase la sección “ <i>Dividends and Dividend Policy</i> ” (Dividendos y Política de Dividendos). Véase asimismo la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Dividend and Liquidation Rights</i> ” (Dividendo y Derechos de Liquidación).	
4.5.5	<i>Derechos de participación en cualquier excedente en caso de liquidación.</i>	Véase la sección “ <i>Dividends and Dividend Policy</i> ” (Dividendos y Política de Dividendos). Véase asimismo la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Dividend and Liquidation Rights</i> ” (Dividendo y Derechos de Liquidación).	
4.5.6	<i>Cláusulas de amortización.</i>	No aplicable.	
4.5.7	<i>Cláusulas de conversión.</i>	No aplicable.	
4.6	En el caso de nuevas emisiones, declaración de las resoluciones, autorizaciones y aprobaciones en virtud de las cuales los valores han sido o serán creados y/o emitidos.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), sub-sección “ <i>Authorization of the Offering</i> ” (Autorización de la Oferta).	
4.7	En caso de nuevas emisiones, fecha prevista de emisión de los valores.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
4.8	Descripción de cualquier restricción sobre la libre transmisibilidad de los valores.	Véase la sección “ <i>Description of Share Capital</i> ” (Descripción del Capital Social), sub-sección “ <i>Registration and Transfer</i> ” (Registro y Transmisión).	
4.9	Indicación de la existencia de cualquier oferta obligatoria de adquisición y/o normas de retirada y recompra obligatoria en relación con los valores.	Véase la sección “ <i>Market Information</i> ” (Información de Mercado), sub-sección “ <i>Tender Offers</i> ” (Ofertas Públicas de Adquisición).	
4.10	Indicación de las ofertas públicas de adquisición realizadas por terceros sobre el capital del emisor, que se hayan producido durante el ejercicio anterior y el actual. Debe declararse el precio o las condiciones de canje de estas ofertas y su resultado.	No aplicable.	
4.11	Por lo que se refiere al país del domicilio social del emisor y al país o países en los que se está haciendo la oferta o se solicita la admisión a negociación, información sobre los impuestos de la renta de los valores retenidos en origen, e indicación de si el emisor asume la responsabilidad de la retención de impuestos en origen.	Véase la sección “ <i>Taxation</i> ” (Tributación).	
5.	CLÁUSULAS Y CONDICIONES DE LA OFERTA		

5.1.	Condiciones, estadísticas de la oferta, calendario previsto y procedimiento para la suscripción de la oferta.		
5.1.1.	<i>Condiciones a las que está sujeta la oferta.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.1.2.	<i>Importe total de la emisión/Oferata, distinguiendo los valores ofertados para la venta y los ofertados para suscripción; si el importe no es fijo, descripción de los acuerdos y del momento en que se anunciará al público el importe definitivo de la Oferta.</i>	Véase la portada del Folleto. Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.1.3.	<i>Plazo de suscripción, incluida cualquier posible modificación, de la Oferta y descripción del proceso de solicitud.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
5.1.4.	<i>Indicación de cuándo, y en qué circunstancias, puede revocarse o suspenderse la oferta y de si la revocación puede producirse una vez iniciada la negociación.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
5.1.5.	<i>Descripción de la posibilidad de reducir suscripciones y la manera de devolver el importe sobrante de la cantidad pagada por los solicitantes.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.1.6	<i>Detalles de la cantidad mínima y/o máxima de solicitud (ya sea por el número de los valores o por importe total de la inversión).</i>	No aplicable.	
5.1.7	<i>Indicación del plazo en el cual pueden retirarse las solicitudes, siempre que se permita a los inversores dicha retirada.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.1.8	<i>Método y plazos para el pago de los valores y para la entrega de los mismos.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
5.1.9	<i>Descripción completa de la manera y fecha en la que se deben hacer públicos los resultados de la Oferta.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
5.1.10	<i>Procedimiento para el ejercicio de cualquier derecho preferente de compra, la negociabilidad de los derechos de suscripción y el tratamiento de los derechos de suscripción no ejercidos.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), sub-sección “ <i>Authorization of the Offering</i> ” (Autorización de la Oferta).	

5.2.	Plan de colocación y adjudicación.		
5.2.1.	<i>Las diversas categorías de posibles inversores a los que se ofertan los valores. Si la oferta se hace simultáneamente en los mercados de dos o más países y si se ha reservado o se va a reservar un tramo para determinados países, indicar el tramo.</i>	Véase la portada del folleto, así como el apartado “ <i>Important Information</i> ” (Información Importante).	
5.2.2.	<i>En la medida en que tenga conocimiento de ello el emisor, indicar si los accionistas principales o los miembros de los órganos de administración, de gestión o de supervisión del emisor tienen intención de suscribir la oferta, o si alguna persona tiene intención de suscribir más del cinco por ciento de la oferta.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase también la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Share Ownership</i> ” (Titularidad de Acciones).	
5.2.3.	<i>Información previa sobre la adjudicación.</i>	No aplicable.	
5.2.4	<i>Proceso de notificación a los solicitantes de la cantidad asignada e indicación de si la negociación puede comenzar antes de efectuarse la notificación.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.2.5	<i>Sobre-adjudicación y “green shoe”.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), sub-sección “ <i>Overallotment Option</i> ” (Opción de Sobreadjudicación)	
5.3	Precios		
5.3.1	<i>Indicación del precio al que se ofertarán los valores. Cuando no se conozca el precio o cuando no exista un mercado establecido y/o líquido para los valores, indicar el método para la determinación del precio de oferta, incluyendo una declaración sobre quién ha establecido los criterios o es formalmente responsable de su determinación. Indicación del importe de todo gasto e impuesto cargados específicamente al suscriptor o comprador.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la portada del Folleto.	
5.3.2	<i>Proceso de publicación del precio de Oferta.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.3.3	<i>Limitación o supresión del derecho de suscripción preferente de los accionistas; precio de emisión de los valores.</i>	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
5.3.4	<i>En los casos en que haya o pueda haber una disparidad importante entre el precio de oferta pública y el coste real en efectivo para los miembros de los órganos de administración, de gestión o de supervisión, o altos directivos o personas vinculadas, de los valores adquiridos por ellos en operaciones realizadas durante el último año, o que tengan el derecho a adquirir, debe incluirse una comparación de la contribución pública en la oferta pública propuesta y las contribuciones reales en efectivo de esas personas.</i>	Véase la sección “ <i>Management and Board of Directors</i> ” (Equipo Gestor y Consejo de Administración), sub-sección “ <i>Compensation</i> ” (Retribución).	
5.4	Colocación y aseguramiento.		

5.4.1	Nombre y dirección del coordinador o coordinadores de la oferta global y de determinadas partes de la misma y, en la medida en que tenga conocimiento de ello el emisor o el oferente, de los colocadores en los diversos países donde tiene lugar la oferta.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la contraportada del folleto.	
5.4.2	Nombre y dirección de cualquier agente de pagos y de las entidades depositarias en cada país.	Véase la contraportada del folleto.	
5.4.3	Nombre y dirección de las entidades que acuerdan asegurar la emisión con un compromiso firme, y detalles de las entidades que acuerdan colocar la emisión sin compromiso firme o con un acuerdo de «mejores esfuerzos». Indicación de las características importantes de los acuerdos, incluidas las cuotas. En los casos en que no se suscriba toda la emisión, declaración de la parte no cubierta. Indicación del importe global de la comisión de suscripción y de la comisión de colocación.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la contraportada del folleto.	
5.4.4	Cuándo se ha alcanzado o se alcanzará el acuerdo de suscripción.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
6.	ACUERDOS DE ADMISIÓN A COTIZACIÓN Y NEGOCIACIÓN		
6.1.	Indicación de si los valores ofertados son o serán objeto de una solicitud de admisión a negociación, con vistas a su distribución en un mercado regulado o en otros mercados equivalentes, indicando los mercados en cuestión. Esta circunstancia debe mencionarse, sin crear la impresión de que se aprobará necesariamente la admisión a negociación. Si se conocen, deben darse las fechas más tempranas en las que los valores se admitirán a negociación.	Véase la portada del folleto. Véase la sección “ <i>Market Information</i> ” (Información de Mercado). Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución). Véase asimismo la sección “ <i>Expected Timetable of Principal Events and Offer Statistics</i> ” (Calendario de la Operación y Características de la Oferta).	
6.2.	Todos los mercados regulados o mercados equivalentes en los que, según tenga conocimiento de ello el emisor, estén admitidos ya a negociación valores de la misma clase que los valores que van a ofertarse o admitirse a negociación.	No aplicable.	
6.3.	Si, simultáneamente o casi simultáneamente con la creación de los valores para los que se busca la admisión en un mercado regulado, se suscriben o se colocan privadamente valores de la misma clase, o si se crean valores de otras clases para colocación pública o privada, deben darse detalles sobre la naturaleza de esas operaciones y del número y las características de los valores a los cuales se refieren.	No aplicable.	

6.4.	Detalles de las entidades que tienen un compromiso firme de actuar como intermediarios en la negociación secundaria, aportando liquidez a través de las órdenes de oferta y demanda y descripción de los principales términos de su compromiso.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), subsección “ <i>Liquidity Providers</i> ” (Proveedores de Liquidez).	
6.5.	Estabilización: en los casos en que un emisor o un accionista vendedor haya concedido una opción de sobre-adjudicación o se prevé que puedan realizarse actividades de estabilización de precios en relación con la oferta.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), subsección “ <i>Stabilization</i> ” (Estabilización).	
7.	TENEDORES VENDEDORES DE VALORES		
7.1.	Nombre y dirección profesional de la persona o de la entidad que se ofrece a vender los valores, naturaleza de cualquier cargo u otra relación importante que los vendedores hayan tenido en los últimos tres años con el emisor o con cualquiera de sus antecesores o personas vinculadas.	Véase la sección “ <i>Principal and Selling Shareholder</i> ” (Accionista Principal y Accionista Oferente).	
7.2.	Número y clase de los valores ofertados por cada uno de los tenedores vendedores de valores.	Véase la sección “ <i>Principal and Selling Shareholder</i> ” (Accionista Principal y Accionista Oferente).	
7.3.	Acuerdos de bloqueo. Partes implicadas. Contenido y excepciones del acuerdo. Indicación del Período de bloqueo.	Véase la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución), sub-sección “ <i>Lock-up</i> ” (Compromisos de No-Disposición).	
8.	GASTOS DE LA EMISIÓN / OFERTA		
8.1.	Ingresos netos totales y cálculo de los gastos totales de la emisión/oferta.	Véanse las secciones “ <i>Reasons for the Offering</i> ” (Motivos de la Oferta) y “ <i>Use of Proceeds</i> ” (Uso de los Ingresos). Véase, asimismo, la sección “ <i>Plan of Distribution</i> ” (Plan de Distribución).	
9.	DILUCIÓN		
9.1.	Cantidad y porcentaje de la dilución inmediata resultante de la emisión/oferta.	Véase la sección “ <i>Principal and Selling Shareholder</i> ” (Accionista Principal y Vendedor).	
9.2.	En el caso de una oferta de suscripción a los tenedores actuales, importe y porcentaje de la dilución inmediata si no suscriben la nueva oferta.	No aplica.	
10.	INFORMACIÓN ADICIONAL		
10.1.	Si en la nota sobre los valores se menciona a los asesores relacionados con una emisión, una declaración de la capacidad en que han actuado los asesores.	Véase la sección “ <i>Legal Matters</i> ” (Aspectos Legales).	
10.2.	Indicación de otra información de la nota sobre los valores que haya sido auditada o revisada por los auditores y si los auditores han presentado un informe. Reproducción del informe o, con el permiso de la autoridad competente, un resumen del mismo.	Véase la sección “ <i>Independent Auditors</i> ” (Auditores Independientes).	

10.3.	Cuando en la nota sobre los valores se incluya una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de esas personas, dirección profesional, cualificaciones e interés importante en el emisor, según proceda. Si el informe se presenta a petición del emisor, una declaración de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, con el consentimiento de la persona que haya autorizado el contenido de esa parte de la nota sobre los valores.	Véase el Anexo I	
10.4.	En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.	Véase el Anexo I	

In Madrid, on 5 October 2017

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HIPOTECA 43 LUX, S.À R.L.

Mr. Eduardo Edmundo D'Alessandro Cishek

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